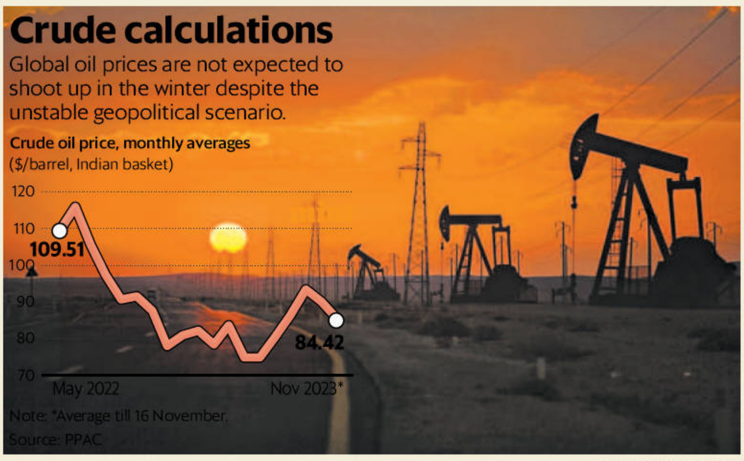
MINT, Delhi, 20.11.2023
Page No. 1, Size:(10.64)cms X (33.24)cms.

After the freeze: will we soon get a petrol price cut?

BY SUMANT BANERJI

Domestic pump prices of petrol and diesel have remained unchanged since May 2022, the longest freeze in India. With the Centre netting buoyant tax revenue and global crude prices benign, can consumers hope for a cut in the run-up to the elections next year? *Mint* explains.



SATISH KUMAR/MINT

1 How have global crude oil price been doing?

They have oscillated wildly following multiple geopolitical crises. The start of the Ukraine war in early 2022 saw prices shoot past $100 per barrel in the summer of 2023 but it stabilized below $90 per barrel after the initial shock. In the second quarter of 2023, prices softened to less than $80 per barrel but started inching upward again, after Organization of the Petroleum Exporting Countries and Russia announced supply cuts in June and August. The recent Israel-Palestine conflict led to fears of prices breaching the $100 per barrel mark but they have, instead, declined to hover around $80 per barrel over the last month.

2 Why have pump prices not changed?

Petrol and diesel prices were deregulated in India in 2010 and 2014 respectively and prices are supposed to be market-linked and revised on a daily basis. But in reality, that hasn't happened. The government has hiked excise duties on both fuels over a dozen times between financial years 2015 and 2021, which meant consumers did not benefit from low oil prices between FY2018 and 2021. But as crude prices surged after the covid epidemic, pump prices did not move up either and state-run oil marketing companies (OMCs) bore the brunt. The current freeze in prices reflects the continual adjustment in margins of OMCs.

BLOOMBERG

3 What is the break-even point for OMCs?

All else (like the value of rupee against the dollar) remaining constant, at current pump prices, OMCs break even when global crude oil prices are $85 per barrel. Anything less and their profitability grows, increasing the chances of a cut in pump prices for the consumers. At the same time, any increase makes them unprofitable and strengthens their case for a price hike.

4 How dependent is the Centre on oil revenue?

Central and state governments generate revenue from oil through duties, cesses, royalty and VAT. The centre also earns dividend from public OMCs as well as corporate/income tax. In FY23, the centre earned ₹4.3 trillion while states made ₹3.5 trillion. With the hike in excise duties and VAT rates over the last few years, the revenue for the government has risen over 30% between FY19 and FY23. Petroleum accounted for over 17.5% of the centre's revenue in FY23 while for states, it was 15% of their budget.

5 Is there a case for a fuel price cut?

Despite the unstable geopolitical scenario and the hawkish oil producers, global oil prices are not expected to shoot in the winter. Add to that government's robust tax revenue this year—up 16% in the first half of FY24 against a budgeted 10%—and there is less pressure to shore up more capital or offset shortfall from elsewhere. Following a price cut in August, the centre hiked the sop on LPG cylinders in October signalling it may not be averse to a cut in fuel prices too. It may happen closer to the general election next year.

City gas regulator plans to open sector for competition

Rituraj Baruah
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NEW DELHI

Consumers may soon have the power to choose between multiple operators of piped natural gas (PNG) and compressed natural gas (CNG) fuelling stations in different markets, where single operators have been operating so far without competition.

Pointing to this possibility, Petroleum and Natural Gas Regulatory Board (PNGRB) chairman Anil Kumar Jain told *Mint* that the regulator would soon roll out new rules to allow for multiple natural gas operators to compete in various markets, especially those where infrastructure and marketing exclusivity for single companies is ending.

"However, it will be ensured that existing companies do not face any impact, such as new companies taking away attractive locations (with greater demand and footfalls), and that the new companies are ready to cater to remote and underserved areas," Jain said, adding that the market would be opened up through an open and fair process.

Infrastructure exclusivity refers to the exclusive right to not only use current pipelines and related infrastructure, but also the right to set up new infrastructure in the designated areas, while marketing exclusivity refers to the right to solely market and sell CNG and PNG in allocated areas. Exclusivity periods vary across licences. The maximum period for infrastructure exclusivity is 25 years and that for marketing eight years.

The regulator had to roll back a similar attempt in fiscal year 2021 after a pushback from the incumbents, and so the new plan may run into resistance as well. If it does

CGD networks cover some 98% of India's population. MINT

TURN TO PAGE 6

City gas regulator plans to open sector for competition

FROM PAGE 1

work out, it would end the dominance of sole natural gas operators, and allow consumers the luxury of choosing gas providers.

Queries emailed to Indraprastha Gas Ltd, Mahanagar Gas Ltd and Gujarat Gas Ltd remained unanswered.

"In places like Delhi, marketing exclusivity has already ended, but it (gas distribution) has not yet been opened up, and previous efforts to open up the sector have been challenged legally. The regulator will have to bring the regulation with a balance as it would be difficult to ask new players to focus on regions with less demand," said Prashant Vashisht, senior vice-president and co-group head, corporate ratings, Icra Ltd.

Under the PNGRB Act, 2006, the regulator grants authorization to companies for developing city gas distribution (CGD) networks in specific areas of the country. CNG is predominantly used as an auto fuel and PNG is used in the domestic, commercial and industrial segments. The new rules would take effect once PNGRB issues a notification in this respect.

The government is looking to increase the share of gas in India's energy mix to 15% by 2030 from the current 6%

The development comes at a time when the government is looking to increase the share of gas in India's energy mix to 15% by 2030 from the current 6%. So far, CGD networks have been authorized for 300 markets, covering about 88% of the country's area and 98% of its population. Last month, the Union government launched the 12th round of bids for offering seven geographical areas in five states in the northeast and the Union territories of Jammu & Kashmir and Ladakh. The last date for submitting bids is 11 January 2024 and the regulator intends to finalize the award by March. Once the bids are completed, 92 cities will be covered by CGD operators.


PNGRB chairman Anil Kumar Jain.

Meanwhile, in a bid to boost CGD adoption in the country, the Union cabinet has approved new guidelines for natural gas pricing following recommendations by the Kirit Parikh-led committee, paving the way for linking domestic natural gas prices in India to global crude prices.

Following the change, the price of natural gas is calculated at 10% of the monthly average of the Indian crude basket, which is a weighted average of Dubai and Oman (sour) and Brent crude (sweet) oil prices.

City gas sector may open up for competition

Rituraj Baruah
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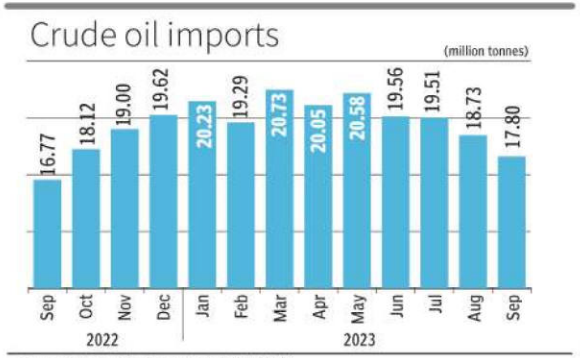
BUSINESS LINE, Delhi, 20.11.2023
Page No. 2, Size:(29.30)cms X (8.37)cms.

Crude imports to rise on pick up in industrial activity

GETTING READY. Oil marketing companies increasing refinery runs gradually to meet growing demand in November-December

Rishi Ranjan Kala
New Delhi



Source: Petroleum Planning & Analysis Cell (PPAC)

India's crude oil imports are expected to grow in November and December of the calendar year, in line with the ongoing festival and marriage season, which will also witnesses an uptick in industrial, construction and farm activities.

Analysts and trade sources said that domestic oil marketing companies (OMCs) have increased refinery runs for the remainder of 2023 to meet the growing demand for auto fuels, bitumen, fuel oil and other refined petroleum products.

A top official with a public sector OMC explained, "Traditionally, consumption rises during October-March in line with the festival and marriage season as well as industrial and construction activity.

"Besides, agricultural activity for rabi season also picks up. This coupled with some exports will push demand."

Energy intelligence firms Kpler and Vortexa also expect crude imports by the world's third largest energy consumer to grow in November and December this year.

RISING IMPORTS

Similarly, OPEC in its latest monthly oil market report for November said, "India's crude imports fell further to an average of 4.3 million barrels per day (mb/d) in September, the lowest in a year, although are expected to recover with the start of Q4 2023." Kpler's Lead Analyst (Dirty Products and Refining) Andon Pavlov said, considering that maintenance season is now starting to wane and seasonal demand at home is beginning to pick up, following the monsoon season and as visible in the latest Petroleum Planning and Analysis Cell (PPAC) data, refinery runs are also going to increase gradually over November and December, pushing up import requirements as well.


DISCOUNT CONTRACTION. Discount on Russian crude to India continues to be lower at around $4-5 per barrel in May-August 2023 against $6-10 earlier REUTERS

India imported 4.66 mb/d of crude in October, which is almost flat compared to September, Kpler data show.

"In our books, we see (refinery) runs standing at 5.3 mb/d and 5.45 mb/d in November and December, respectively, some 500,000 barrels per day (b/d) and 130,000 b/d higher y-o-y over said months, (respectively), mainly due to a baseline effect from last year," he told *businessline*.

However, Pavlov said, given that discount on Russian imports has diminished somewhat over the past months and in the light of seasonal tightening of the Russian crude balance towards the end of year, as refinery runs increase seasonally, it seems like the share of Russian crude is going to remain under check at best.

Discount on Russian crude to India continues to be lower at $4-5 per barrel in May-August 2023 against $6-10 earlier.

Vortexa's chief analyst for Asia Pacific, Serena Huang said, "I expect India's crude imports to continue rising through to December, with demand supported domestically by the festive season and exports."

HEALTHY PROSPECTS

India's oil demand outlook for Q4 2023 should continue to benefit from strong annual GDP growth in 2023, combined with robust manufacturing activity and a proposal by the government to increase capital spending on construction, OPEC said.

Besides, the post-monsoon harvesting season and construction activity are also expected to support oil demand growth.

In addition, the forward-looking indicators show strong manufacturing and services PMIs, suggesting prospects for healthy oil demand in the near term, it added.

"In Q4 2023, oil demand is projected to grow by 243,000 b/d, y-o-y. Distillates are expected to be the driver of oil demand growth, supported by harvesting, construction and manufacturing activity. Additionally, traditional festivities are expected to support mobility and boost gasoline demand, while increasing air travel is expected to support jet/kerosene demand," OPEC projected.

Similarly, S&P Global Commodity Insights said, "Overall, India's oil demand is expected to grow by 258,000 b/d in 2023, revised higher by 9,000 b/d from last update on strong diesel sales.

"Middle distillates, gasoil and kerosene/jet fuel combined will account for more than 50 per cent of the growth, with gasoline and naphtha together to contribute 27 per cent of the growth."

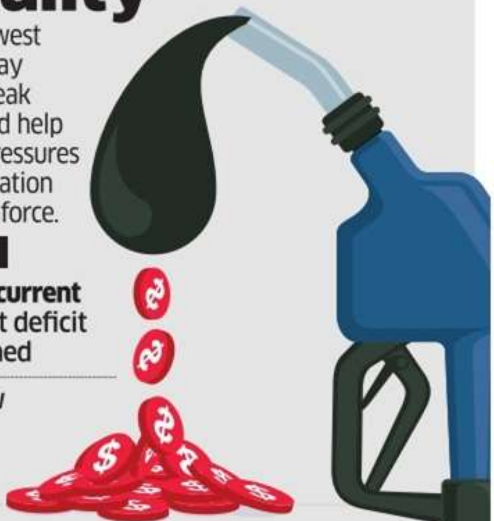
The demand for petrol and diesel rose to a four-month high in October, while jet fuel sales surged to their highest in the current financial year and calendar year as rising industrial and construction activity coupled with the onset of the festival season boosted sales.

ECONOMIC TIMES, Delhi, 20.11.2023
Page No. 5, Size:(8.33)cms X (13.72)cms.

ET GRAPHICS

Crude Reality

Brent crude dipped to its lowest level in four months on Friday following concerns about weak demand. A lower crude could help contain inflation and CAD pressures in India, but a rupee depreciation could act as a counteracting force.



BRENT CRUDE FUTURES (IN $)

Eases pressure on input prices and inflation

Keeps current account deficit contained

Helps keep import bill low

BUT RUPEE COULD REVERSE GAINS

Brent crude futures have fallen 4.8% since start of 2023

Rupee has depreciated 0.6% since start of 2023

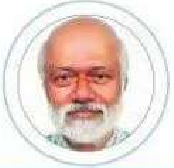
Depreciating rupee could act as a counterbalance

November price average till November 16, 2023

Text: Ishaan Gera

TRIBUNE, Delhi, 20.11.2023
Page No. 7, Size:(19.61)cms X (13.22)cms.

.ndia has a key role to play in COP28 climate talks



KP NAYAR
STRATEGIC ANALYST

WITH only 10 days to go before the 28th United Nations Climate Change Conference opens in Dubai, hundreds of people preparing for the event, which has implications for humankind's future, had a reality check over the weekend.

Heavy rain and thunderstorms disrupted routine life throughout the United Arab Emirates on Friday. Schools switched to online classes, offices and businesses asked employees to work from home, cars were submerged and civic services were mobilised to ensure the residents' safety. It was not very long ago that Saudis, Kuwaitis, Emiratis and Bahrainis, richer by the oil boom in the 1970s, travelled to Mumbai to watch the monsoon. They would rent expensive sea-facing rooms at five-star hotels in Nariman Point and Gateway of India and sit on the balconies for hours, simply enjoying the experience of Mumbai's torrential downpour. Rain was something they did not have back home in the Gulf. That was then.

Now, the same people often yearn to escape heavy showers where they live, downpours which cause colossal damage and even loss of lives at times. Residents in the Gulf are living the menacing reality of climate change.

That is a major difference between the upcoming, fortnight-long 28th Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC), better known worldwide as COP28, and similar previous conferences. Many countries, especially the rich ones, habitually deliver pious homilies at every COP only to be forgotten until the next such conference is round the corner. They too are experiencing the effects of global warming and other weather challenges, but unlike the UAE, some of them don't care and others prefer to deal with the symptoms instead of curing the disease. Donald Trump, who may well return in January 2025 as the US President, does not even believe that climate change is real. He pulled the US out of international climate treaties which previous administrations had signed.

The UK is another example. The UK made tall promises about tackling the root causes of climate change when it hosted COP26 in Glasgow two years ago. In retrospect, the UK did this because it did not want the prestigious event it was hosting to end in failure. Those promises, made

MODEL: The UAE, which is hosting the upcoming COP, is an exemplar of environmental solutions. REUTERS

together with the UK's fellow members of the rich man's club, the Group of Seven (G7), only paid lip service to environmental causes. The UK has gone back not only on those promises, but even on earlier ones, which it made at the historic COP21 in 2015, leading to the first legally binding international treaty on climate change, commonly known as the Paris Agreement. A total of 196 parties signed this agreement. Now, UK's Prime Minister Rishi Sunak says those commitments, especially on 'mitigation' — reducing the flow of heat-trapping greenhouse gases into the atmosphere — are unacceptable in terms of costs they impose on the British people. The UAE, on the other hand, is not only prepared to accept these costs for itself, but also ready, during climate talks, to help others

> With UAE minister Sultan Al Jaber's backing as COP President, India aspires to universalise a paradigm shift in the international climate regime.

in alleviating the crisis through renewable energy investments, for example.

Until Prime Minister Narendra Modi changed course at COP21 in Paris, India was considered a problem on environmental issues. Now, it is part of the solutions. The UAE, which is hosting the upcoming COP28, is an exemplar of environmental solutions. In fact, India and the UAE are two models for the rest of the world in dealing with what is undeniably an existential challenge before humankind — protection of our planet. That is not the only reason why India is set to play a major role in pushing for collective global action during the COP in Dubai. India's special relationship with the host country will prompt the Modi government to go the extra mile to make this month-end's climate change meeting advance the causes for which it is being convened.

In January this year, Sultan Ahmed Al Jaber, the UAE's Minister for Industry and Advanced Technology, was named President-designate of this month-end's climate talks. Almost immediately, Al Jaber made his first overseas trip — to India. In Bengaluru, he unveiled his vision for COP28 before an international assembly. It is a gesture that India will not forget. During the past decade, Al Jaber has been a frequent visitor to India. His chemistry with India's leadership is well-known. In addition to being a Cabinet minister, Al Jaber is Group CEO of the Abu Dhabi National Oil Company (ADNOC). When Modi was pulling up India's relations with the UAE by the bootstraps, Al Jaber played a crucial role in transforming the bilateral energy relationship from a mere buyer-seller arrangement into one where ADNOC guaranteed India's energy security. This augurs well for India and the UAE jointly advancing their shared, critical interests during COP28.

With Al Jaber's support as COP President, India is hoping that a paradigm shift in the international climate regime, complementing a country-centric approach with a people-centric approach, can be universalised. Central to that approach is the Modi government's Lifestyle for Environment (LiFE) movement. This people-oriented movement aims to promote a sustainable, low-consumption and healthy lifestyle. If LiFE gets global endorsement at COP28, it will be in direct contrast — in a Gandhian manner of thought and action — to the unsustainable, wasteful and consumerist lifestyle in rich countries that is guaranteed to further deplete resources on our planet.

In turn, the UAE is hoping for India's support for its COP presidency, which may have to navigate choppy waters because the incumbent is the Chief Executive of Abu Dhabi's national oil company. Uniquely, this oil company CEO is also the leader of his country's renewable energy mission. Al Jaber was the first Chief Executive and later Chairman of Masdar, the UAE's renewable energy company, which has projects in 40 countries. At COP28, he hopes to make the global fossil fuel industry partner with seemingly irreconcilable opponents in achieving a smoother and swifter green transition. The UAE is known as a country of oil production and export, but it also has West Asia's first nuclear power plant. The UAE has the financial resources and the strength to bring in cleaner technologies for the environment. COP28 has the potential to deliver more than any previous such conference since the Paris COP eight years ago.

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'Shell Mobility will focus on both legacy auto fuels, EVs'

The company plans to unveil a more efficient diesel option by the end of this fiscal year

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Sanjay Varkey, director, Shell Mobility India.

Shell Mobility India seeks to strengthen its focus on traditional fossil fuels alongside its cutting-edge electric vehicle (EV) solutions at a time of rising demand for auto fuels and rising EV adoption, a top company executive said.

"It will be dependent on the market...both (conventional fuels and electric mobility) are growing, so, we need to serve both customers and it will be part of our 2050 commitment, making sure we meet emission norms of Shell globally. So, we will continue to do both and make sure that we are available for customers while adhering to our powering progress and emission commitments," Sanjay Varkey, director, Shell Mobility India said in an interview.

The company plans to unveil a more efficient diesel option by the end of this fiscal year. The oil and gas major had recently launched an improved variant of regular petrol and Shell V-Power premium petrol, touted to offer more efficiency, enabling vehicles to run an additional 15 km per full tank compared with other petrol variants. The new fuel variants would also act as a cleaning agent for system components.

15 km
Extra mileage per full tank for Shell's new petrol variant

Demand for liquid fuel vehicles, primarily petrol, continues to rise, alongside the growing penetration of EVs, offering a robust potential for both liquid fuels and EV charging infrastructure in India, he added.

India has witnessed a strong surge in demand for petrol and diesel over the past couple of years following a covid-led slowdown. Beginning mid-October, oil product demand increased by 80,000 barrels a day during the month due to rising mobility and consumption during the festive season. According to the Petroleum Planning and Analysis Cell, India's refined petroleum product demand in FY24 is expected to grow by 5.17%, recording a new high of 233.80 million tonnes from 222.30 million tonnes in FY23.

"What we are finding now is an 'and-and' situation with both growing. There is demand for liquid fuel vehicles, that is, petrol vehicles are growing, as well as EVs. For us, it's about being there with the fuel of choice—what customers prefer to use. If customers want EVs, we must have it. If the customer wants liquid fuels, we would be there, too, given that both are growing," he added.

"EVs are really growing. The adoption we see is very encouraging because it's starting to move from two-wheelers to four-wheelers, fleets to buses and the infrastructure, the ecosystem is building out. These are promising times for both, and EVs specifically are always encouraging. People are making a choice and both are available."

10,000
Charging points Shell plans to install in India by 2030

Last year, Shell launched its first electric vehicle charger in India, for both four- and two-wheeler segments in Bengaluru. India is the first market for Shell to launch chargers for two-wheelers. Back then it had said that it plans to establish more than 10,000 charging points across India by 2030 and beyond its existing retail markets of Karnataka, Tamil Nadu, Gujarat, Telangana, Assam, Andhra Pradesh, and Maharashtra.

Among its electric mobility solutions the company offers Shell E-Fluids and E-Greases range for high-tech powertrains of electrified vehicles.

The company is present in southern and western India, and has around 350 stations. It offers EV battery charging services with over 200 charging points across Karnataka, Maharashtra, Tamil Nadu and Gujarat. Under the company's integrated mobility offering, it offers fuels, charging facilities, vehicle care services, beverages, fresh food, and convenience items.

INDIAN EXPRESS, Delhi, 20.11.2023
Page No. 14, Size:(20.45)cms X (23.68)cms.

EXPLAINED ECONOMICS

The other oil imports

With over 60 per cent of its consumption requirements being met through imports, which could rise further, India has reasons to worry about vegetable oils going the petroleum products way

HARISH DAMODARAN

TABLE 1

INDIA'S EDIBLE OIL IMPORTS

Oil Year (Nov-Oct)	Quantity (million tonnes)	Value in (₹cr)	Value in US$ billion
2013-14	11.62	60,750	9.95
2014-15	14.42	62,862	9.65
2015-16	14.57	69,780	10.4
2016-17	15.08	75,125	11.55
2017-18	14.51	66,942	9.3
2018-19	14.91	62,933	9
2019-20	13.18	71,625	9.95
2020-21	13.13	117,225	15.6
2021-22	14.03	156,800	19.6
2022-23	16.47	138,424	16.65

TABLE 2

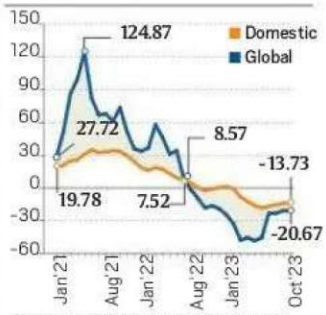
EDIBLE OIL PRODUCTION

	2013-14	2022-23
Mustard*	22.72	39.8
Soyabean	14.03	18.53
Cottonseed**	14.74	12.44
Rice Bran	9.3	11
Groundnut@	6.75	9.91
Copra/Coconut	4.55	3.9
Palm	1.1	3.5
Maize Germ	0.5	1.5
Sesame	1.13	1.06
Sunflower@@	2.43	1.03
Others	0.77	0.68
TOTAL	78.02	103.35

*Table 2 shows **Edible oil production from domestic sources** (lakh tonnes)*
**Includes oil from rapeseed cake and toria; **Includes cottonseed cake oil; @Includes groundnut cake oil; @@Includes sunflowerseed cake oil*
Source: The Solvent Extractors' Association of India

CHART

VEGETABLE OILS INFLATION: DOMESTIC vs. GLOBAL



Source: Domestic inflation based on Consumer Price Index for 'Oils and Fats' and Global inflation based on FAO's 'Vegetable Oils' price index.

INDIA'S EDIBLE oil imports have risen almost 1.5 times and more than doubled in rupee value terms during the last 10 years.

Imports of vegetable oils — used in cooking and frying of foods, as opposed to petroleum fuels — touched a record 16.5 million tonnes (mt) in the year ended October 2023, according to data from the Solvent Extractors' Association of India (SEA). While up from the 14 mt of the 2021-22 oil year, the value of imports fell both in dollar (from $19.6 billion to $16.7 billion) and rupee (Rs 156,800 crore to Rs 138,424 crore) terms, on the back of a crash in global prices.

From a 10-year perspective, India's edible oil imports have increased from 11.6 million tonnes (valued at Rs 60,750 crore) in 2013-14 to 16.5 million tonnes (Rs 138,424 crore) in 2022-23, with the jump pronounced in the last three years (table 1). During the previous 10 years between 2004-05 and 2013-14, imports had shot up even more, from 5 million tonnes to 11.6 million tonnes.

Dipping self-sufficiency

In 2022-23, India's edible oil production from domestically grown oilseeds and alternative sources such as cottonseed, rice bran and maize/corn amounted to around 10.3 mt. Adding imports of 16.5 mt took the total availability to 26.8 mt, with the share of domestic production in this at only 38.6%.

Compare this to 2004-05, when domestic output, at 7 mt, exceeded imports of 5 mt and translated into a self-sufficiency ratio of close to 60%. "Last year, our availability (from imports plus domestic production) was more than the actual consumption requirement of 24-25 mt. We are projecting the latter to reach 30-32 mt by 2029-30. If adequate efforts aren't taken to boost production, our annual imports could top 20 mt," said BV Mehta, executive director of the Mumbai-based SEA.

That would further bring down the self-sufficiency ratio to a third or below.

Profile of domestic oils

Table 2 shows that the two biggest contributors to India's edible oil production now are mustard and soyabean. At No. 3 and No. 4 are cottonseed and rice bran.

The *kapas* or raw un-ginned cotton harvested by farmers contains only about 36% lint, the white fluffy fibre that textile mills spin into yarn. The balance is seed (62%) and wastes (2%) that are separated from the lint during ginning. Cottonseed, in turn, contains 13% or so oil.

Higher yields from genetically modified (GM) Bt technology helped boost not only lint, but also cottonseed oil production from less than 0.5 mt to 1.5 mt between 2002-03 and 2013-14.

Falling cotton output and yields in recent times — from Bt technology's diminishing effectiveness and the emergence of new insect pests — has led to the production of its oil dropping too, to 1.25 mt in 2022-23.

Just as with cotton, there have been spin-offs from increased output of rice and maize, in terms of their byproducts. The oils extracted from bran (the outer brown layer of rice after removal of the husk and before polishing/whitening) and germ (the inside endosperm of maize grains separated during milling) have both seen significant production growth over the last decade or more. So has oil from domestically cultivated palm trees, albeit from a low base.

Among conventional oilseeds, only mustard has retained its sheen. While groundnut oil production has also grown, roughly half of its kernels are today either directly used for table consumption or exported. That leaves not much for crushing and oil extraction. It makes groundnut more of a dry fruit and less of an oilseed.

The other oils — coconut, sesame, sunflower and safflower — have all registered declines in domestic output. Although there are some premium homegrown brands — for instance, 'Parachute' coconut oil of Marico and 'Idhayam' sesame oil of the Virudhunagar (Tamil Nadu)-based VVV and Sons Edible Oils Ltd — these oils have struggled against the onslaught of cheaper imported oils.

The 16.5 million tonnes of edible oil imports in 2022-23 included palm (9.8 million tonnes; from Indonesia, Malaysia and Thailand), soyabean (3.7 million tonnes; from Argentina and Brazil) and sunflower (3 million tonnes; from Russia, Ukraine and Argentina). The bulk of imports comprise crude oils. Like crude petroleum, these are shipped in tankers and processed in giant refineries. Refining involves de-gumming (removing gums, waxes and other impurities), neutralisation (removing free fatty acids), bleaching (removing colour) and de-odourisation (removing volatile compounds).

Vulnerability to imports

A major side effect of high import dependence is the vulnerability of both producers and consumers to international price fluctuations. Edible oil inflation is India has broadly moved in tandem with global inflation. However, the extent of volatility — be it increases or decreases — is more in the latter's case (see chart).

The UN Food and Agriculture Organization's vegetable oils price index (base period value: 2014-2016=100) soared from 98.7 points in August 2020 to an all-time-high of 251.8 points in March 2022, the month that followed Russia's invasion of Ukraine. The index has since plunged to 120 points in October

2023. Landed prices of imported oils more than halving — from $1,828 to $910 per tonne for crude palm and from $2,125 to $1,005 for sunflower between March 2022 and now — has also brought down retail edible oil inflation in India to negative territory since February this year.

Stepping up domestic edible oil output from domestic sources will go some way in insulating Indian farmers and households from excess global price volatility. But that would require openness to technology — including GM hybrids in mustard and soyabean amenable to herbicide application — and the government providing some kind of price support to oilseed growers, whether through procurement or tariff policy.

Such assured minimum support price (MSP)-based procurement is currently available only for wheat and paddy. And with the main national parties — the BJP and Congress — competing to offer more than the Centre's MSP for the two cereal crops in some states, there isn't much incentive for farmers to switch acreages to oilseeds or pulses. Nor does the surging import bill on the two seem to be moving policymakers for now.

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किसानों ने रुकवाया तेल पाइप लाइन का कार्य

चरखी दादरी, 19 नवंबर (हप्र)

गांव पंचगांव में किसानों ने उचित मुआवजे की मांग को लेकर तेल पाइप लाइन बिछाने का विरोध किया और कार्य को रुकवा दिया। किसानों ने उचित मुआवजा नहीं मिलने पर कार्य को आगे नहीं बढ़ने देने की चेतावनी दी और सरकार के खिलाफ नारेबाजी कर रोष जताया। बता दें कि गुजरात से पानीपत तक इंडियन ऑयल द्वारा कच्चे तेल की पाइप लाइन बिछाई जा रही हैं। ये पाइप लाइन लोहारू से होते हुए बाढ़ड़ा क्षेत्र के गांव आर्यनगर, मथुरा, कारी धारणी, कारी मोद, पंचगांव, गोपी, काकड़ोली हुकमी, काकड़ोली हट्ठी, काकड़ोली सरदारा ,उमरवास से होते हुए गुजरेगी। रविवार को गांव पंचगांव के किसान एडवोकेट राजेश श्योराण गोपी की अगुवाई में एकत्रित हुए और उन्होंने पाइप लाइन बिछाने के कार्य का विरोध करते हुए काम को बंद करवा दिया। वहीं उन्होंने कहा कि यह पाइप लाइन गैर कानूनी ढंग से बिछाई जा रही है और किसानों को उचित मुआवजा नहीं दिया जा रहा है। उन्होंने कहा कि जब तक किसानों को उचित मुआवजा नहीं दिया जाएगा पाइप लाइन दबाने के कार्य को आगे नहीं बढ़ने दिया जाएगा। उन्होंने कहा कि जल्द ही किसानों को एकजुट कर आगामी निर्णय लिया जाएगा। इस अवसर पर किसान सत्यवान, ओम प्रकाश, कुलदीप, सुनील, मुकेश, सोमबीर, दीपक, मनोज, अनिल आदि मौजूद थे।