

India's Edible Oil Imports Shift from Price-Led to Supply-Driven: IVPA

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India's edible oil sector is at a critical juncture where climate shocks, geopolitical tensions and energy markets are all interacting as a result of which the edible oil imports will see a shift from price-led to supply-driven sourcing, said Bhavna Shah, Vice President, Indian Vegetable Oil Producers' Association (IVPA).

Three forces - weak monsoons, high crude oil prices and strong global biofuel demand tightening edible oil availability - will play out in 2026-27. However, the overall bias remains slightly bullish as India continues to stay stable, supported by an efficient supply chain by the industry, smart imports and policy interventions as and when needed, Shah said at the 24th International Conference BLACK SEA GRAIN.KYIV-2026.

She cautioned about edible oil inflation inching up slightly due to weak monsoon, crude oil volatility, fertiliser shortages, gas-linked production constraints and biofuel mandates tightening global palm oil supply. However, India's ability to absorb surpluses will act as a cushion.

India remains a prime destination for any surpluses. The country is seen as a sink that will absorb any kind of surplus wherever in the world it exists.

While discourse often focuses on demand-supply, Shah stressed that the edible oil economy must be viewed through the lens of food, feed, and fuel.

With rising biofuel linkages, edible oils are no longer just a food commodity; fuel price rallies now trigger near-synchronous increases in global edible oil prices due to feedstock diversion.

She emphasised that policy and market assessments must jointly factor in food security, feed needs, and fuel demand, as their interdependence increasingly drives price volatility and trade flows.

Edible oil imports have been range-bound at about 15 to 17 million metric tonnes, with imports in March 2026 up 11 per cent year on year to 1.19 million tonnes. However, the two-month average dipped 12 per cent due to high prices.

For the oil year 2025-26, edible oil imports are expected at 16.5 million tonnes and domestic production at 9.6 million tonnes.

On import composition, she said that the sunflower oil will show demand resilience, supply disruptions, especially in Argentina, may delay soyabean oil shipments and palm oil shipments remain strong due to favourable price spreads.

“The import basket will be palm-heavy. Palm retains its cost edge for now.”

However, she added that post-April 2026, soybean and palm oil will compete for India's share with China's soybean oil making a notable entry.

India relies on imports for around 60 per cent of its edible oil consumption, making it one of the world's largest importers of edible oil.

“India remains the largest structural demand hub dictating global flows despite persistent import dependence where consumption outpaces production.”

She added that the medium-term tightness persists despite the strategic pivot accelerated through national missions like the national mission on oil palm, the national mission on oilseed, MSP enhancement, self-reliance push.

In a move towards edible oil self-reliance, the government, through oil palm and oilseed missions, is looking to achieve scale and diversification, respectively, cumulatively committing \$2.5 billion.

“A maturing policy outlay will dictate import patterns and price trajectories ahead amid ongoing geopolitical tensions across the globe. The government of India has acted very decisively by calibrating policy, securing supplies, containing inflation, and ensuring stability despite global disruptions.”