



2019 Global Roundtable @ 4.0

IVPA GLOBAL ROUNDTABLE @4.0 - NAVIGATING TECTONIC GLOBAL SHIFTS



8th SEA - AICOSCA Cottonseed,
Oil and Meal Conference - 2025

VIJAYWADA GEARS UP FOR INDIA'S PREMIER COTTONSEED INDUSTRY GATHERING



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Dr. Davish Jain is an acknowledged pillar of the Indian Agriculture Industry. He is a source of strength and support to all the players in Agro supply chain.

He was accorded the coveted sponsorship of U.S.A. Govt. in 1999 for the prestigious Orientation program at the renowned University of Illionis, Urbana - Champagne, the U.S.A. along with 58 other Agribusiness experts from 19 countries.

Tpday, Dr. Jain is paving the path for many other people with his performance in the industry. His empricism that he has acquired in 35 years is a key foundation for all the initiatives that he enterprises.



DUTY CUTS A THREAT TO INDIA'S EDIBLE OIL SELF-RELIANCE AND FARMERS' LIVELIHOODS

India's pursuit of self-reliance in edible oils is at a critical juncture. A recent 11% reduction in customs duty on crude edible oils, intended to ease consumer prices, may instead undermine domestic farmers, processors, and the broader goal of Atmanirbharta (self-reliance) in the edible oil sector.

Despite a modest inflation rate of 3.16% in April 2025, the government's decision to slash import duties comes when domestic oilseed producers and processors are already facing tight margins and volatile markets. India imports a significant 55-60% of its edible oil, making it highly susceptible to global price fluctuations.

The latest duty cut, which reduces the basic customs duty on crude palm, soybean, and sunflower oils from 20% to 10%, has widened the gap between crude and refined oil duties to 19.25%, ostensibly to favor domestic refining.

However, this policy, announced shortly after a hike in Minimum Support Prices (MSP) for oilseeds, sends mixed signals to farmers. Cheaper imports depress domestic prices, making oilseed cultivation less attractive and potentially leading to a shift to other crops. This could shrink oilseed acreage, cause job losses, and lead to rural distress.

Impact on Domestic Stakeholders

The duty cut poses significant risks to farmers and the domestic processing industry. With India's soybean production projected at 15.79 million metric tons in 2025, even a small dip in acreage or price realization can significantly impact the livelihoods of over 10 million soybean farmers. While large, port-based refineries might benefit from increased crude imports, thousands of smaller, regional processors face margin pressure and potential closure, which erodes rural employment and investment in value addition. Furthermore, the duty cut risks nullifying the intended benefits of MSP increases, as market prices for oilseeds may fall below government benchmarks, making MSP procurement less effective.

The looming threat of cheap imports and GM soybeans

India's edible oil sector is already vulnerable to global market



Support farmers directly

Ensuring robust and timely government procurement at MSP and reviving and expanding schemes like Bhawanter to guarantee price support are vital. Promoting access to high-quality seeds and crop insurance will also strengthen farmer resilience.

Strengthen Soybean Meal and Non-GMO Soy Exports

Increasing the RoDTEP (Remission of Duties and Taxes on Exported Products) rate on soybean meal to 9% will help restore export competitiveness. Implementing transport and inland freight subsidies for soybean meal exporters can offset high logistics costs. Additionally, negotiating with importing countries for export duty exemptions on Indian non-GMO soybean meal and products, and highlighting the non-GMO, sustainable, and traceable nature of Indian soybeans, can help tap

into premium global markets.

Protect against GM Soybean Dumping

Maintaining strict bans on the import of GM soybeans and soymeal for food and feed use, except under tightly controlled, temporary measures for industry crisis management, is paramount. Enhanced monitoring and enforcement are also necessary to prevent illegal GM imports, safeguarding India's non-GMO status and farmer interests.

Support Processing Sector

Offering subsidies on power and fuel for soybean crushing plants and facilitating low-interest loans for modernization can significantly support the processing sector and encourage value addition through technology upgrades.

The road ahead: Self-reliance, not short-term fixes

India's edible oil sector is at a critical juncture. While short-term fixes like duty reductions may offer temporary relief to consumers, they risk long-term harm to farmers, processors, and the nation's food security. With soybean consumption projected to rise steadily, reaching 13.3 million metric tons by 2028, India must focus on boosting domestic supply and value addition, rather than increasing dependency on volatile imports. The government must resist external pressures to allow cheap and GM imports and instead double down on policies that empower Indian farmers, processors, and exporters. Only then can India achieve true self-reliance in edible oils and oilseeds, securing rural livelihoods and national economic resilience for generations to come. □

shocks, and lowering import duties further exposes the domestic market to the dumping of cheap oils, especially from countries with structural surpluses. This risk is compounded by international pressure, particularly from the US, to allow imports of genetically modified (GM) soybean products. Such a move could devastate India's non-GMO soybean ecosystem and export prospects. India's strict regulations currently prohibit the cultivation and import of GM soybeans for food use, a stance that must be maintained to protect both farmers' interests and the unique selling proposition of Indian non-GMO soy in global markets.

Dynamically Adjust Import Duties

The government should reinstate higher import duties on crude edible oils or adopt a dynamic duty slab linked to global price benchmarks. Maintaining a 10-15% duty differential between crude and refined oils is crucial to encourage domestic refining and value addition.

Implement Safeguard Measures against Cheap Imports

Temporarily suspending or restricting duty-free edible oil imports under trade agreements like SAFTA during periods of global surplus, and imposing a minimum import price (MIP) on edible oils from SAFTA countries, can prevent market flooding.

Boost Domestic Oilseed Production

Accelerating the National Edible Oil Mission, with a focus on high-yielding, disease-resistant seed varieties and modern agronomic practices, is essential. Providing subsidies for micro-irrigation, organic farming, and technology adoption can further improve productivity and sustainability.