

# Indian edible oil buyers move to secure shipments

**MUMBAI:** Rising vegetable oil prices and freight rates are pushing Indian buyers toward prompt shipments amid concerns deliveries of newly purchased soyoil and sunflower oil could be delayed by the Middle East conflict, five dealers told Reuters. As the world's largest importer of vegetable oils, India's move to curb fresh purchases could limit further upside in prices of palm oil FCPOc3, soyoil BOc2 and sunflower oil, although it may tighten local supplies in April.

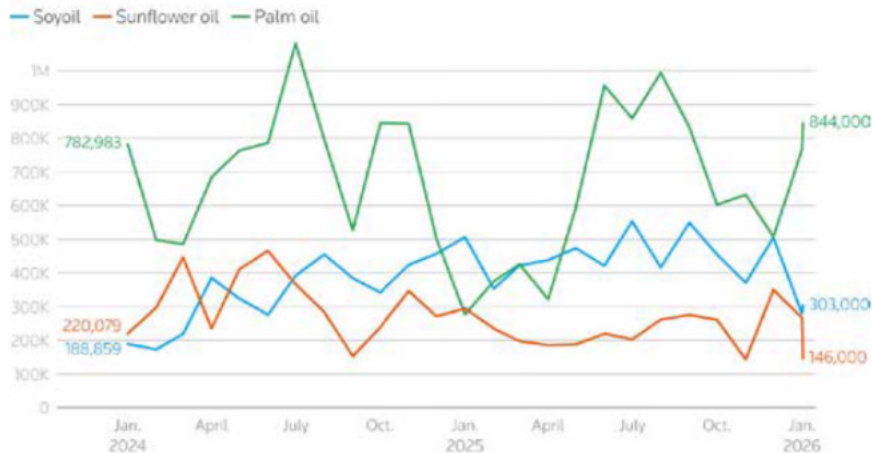
Local edible oil prices have jumped in recent days, in line with a rally in global markets, but refiners are reluctant to make overseas purchases at the higher levels, said a Mumbai-based dealer with a global trade house. "Buyers are not confident that prices will sustain, or that soyoil and sunflower oil suppliers will be able to deliver on time, as freight rates are rising," he said.

India buys soyoil mainly from Argentina and Brazil, and sunflower oil largely from Russia and Ukraine, with typical sea voyage times from South America to India of over six weeks and about three to four weeks from the Black Sea. The market is concerned that if the Middle East conflict escalates, sunflower oil shipments from the Black Sea region may have to be diverted around Africa instead of passing through the Red Sea, said Sandeep Bajoria, chief executive of Sunvin Group, a vegetable oil brokerage.

"Diverting via Africa would add more than 10

## India's February palm oil imports jump to 6-month high

Palm oil's discount to rival oils prompts refiners to increase buying



Note: Imports in metric tons

Source: The Solvent Extractors' Association of India; February estimate from dealers | Rajendra Jadhav

days to transit time and increase freight costs by \$20 per ton or more," he added. India, which meets nearly two-thirds of its edible oil demand through imports, also buys palm oil from Indonesia, Malaysia and Thailand, with shipments typically reaching its ports in about a week. Palm oil shipments could meet Indian demand, but buyers remain reluctant, as recent price rallies have pushed refining margins into negative territory, said a New Delhi-based trad-

er with a global trade house.

"Buyers are preferring last month's lower-priced inventory with local sellers rather than purchasing at higher levels from overseas exporters. They are waiting for global prices to correct," he said. The landed cost of imported crude palm oil was nearly \$100 per ton lower than crude soyoil last month, but the two oils are now available at almost the same price, dealers said. — Reuters