

India's Record Palm Oil Import Surge

Market Overview:

In February, India—the world's largest vegetable oil importer—witnessed a significant 11% jump in palm oil imports, reaching a six-month high of 847,689 metric tons. This surge was primarily a strategic move by Indian refiners to capitalize on a substantial price discount. At the start of the period, palm oil was trading at nearly \$100 per ton less than rival soyoil and sunflower oil, making it the most cost-effective option for the Indian market.

Supply Chain Dynamics:

The Solvent Extractors' Association of India (SEA) reported that while palm oil surged, sunflower oil imports saw a drastic decline of approximately 45%, falling to 145,308 tons. This shift highlights the price-sensitive nature of the Indian edible oil market. However, the heavy buying in February is expected to lead to a "cooling off" period in March. As of late February, the price gap between palm and soy oil narrowed from \$100 to just \$20 per ton, removing the primary incentive for bulk palm oil switching.

Global Impact:

India's aggressive purchasing patterns are directly influencing global inventories. Increased demand from India is expected to reduce stockpiles in major producing nations like Indonesia and Malaysia, which could subsequently push up Malaysian palm oil futures and U.S. soy oil prices.

Reference:

Reuters. (2026). *India's Feb palm oil imports jump 11% to six-month high on price discount*. The Economic Times.

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