

## Middle East Crisis Impacts India's Edible Oil Market

### Headline: Refined Sunflower Oil Volumes Projected to Fall 10% This Fiscal Amid Middle East Disruptions

**MUMBAI** – India's refined sunflower oil sector is facing a challenging fiscal year, with sales volumes expected to decline by approximately 10%. According to a recent report by Crisil Ratings, the industry is grappling with a "twin headwind" of supply chain bottlenecks caused by the ongoing conflict in the Middle East and rising retail prices that are pushing consumers toward more affordable alternatives.

**Supply Chain and Pricing Pressures** The geopolitical instability in West Asia has forced cargo vessels to take longer, more expensive routes, such as the detour around the Cape of Good Hope. This has significantly increased transit times and voyage distances for crude sunflower oil, much of which is imported from Russia and Ukraine. Furthermore, war-risk insurance premiums for ships traversing sensitive regions have spiked, inflating the landed cost for Indian refiners.

Average import prices for crude sunflower oil have surged to approximately \$1,420–\$1,440 per tonne, up from a 12-month average of \$1,275. These costs, combined with a weakening Indian rupee, have forced retail prices up to ₹170–₹175 per litre, compared to ₹150 earlier in the year.

**Consumer Shift to Substitutes** As sunflower oil becomes more expensive, a significant portion of the consumer base is expected to migrate to cheaper substitutes like rice bran and soybean oils, which currently trade at a discount of ₹10–₹20 per litre.

**Financial Outlook for Refiners** Despite the drop in volume, revenues for refiners are expected to remain flat as higher price realizations offset the lower sales. Profitability is also predicted to stay stable, aided by "inventory gains" from low-cost stock purchased before the price hike. Domestic refiners have seen their inventory levels drop from the typical 30–45 days to just 20–30 days, a move that has temporarily boosted liquidity by releasing working capital.

**Reference:** *The Economic Times*. (2026, April 2). Refined sunflower oil volumes may fall 10% this fiscal on Middle East disruption: Report. [Link to Article](#)