

Edible oil demand sees 8% drop in Gujarat households

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Ahmedabad: Edible oil consumption dropped by 8% in Gujarat households last year compared to 2022. In 2022 also, there was a decline of around 13% in consumption compared to 2021. Cottonseed oil penetration remained highest in the state while groundnut oil consumption nosedived due to increased prices.

According to the industry data, sunflower oil has seen an increased demand in rural areas. Experts believe that during Covid, household edible oil consumption increased because outside food was not available, and also because of panic buy-

ing. However, overall edible oil demand is increasing steadily, according to experts.

The average consumption of every household in the state in the calendar year 2023 was 60kg and cottonseed's share was 51kg.

As per data, the share of cottonseed oil was 79.55% in 2023, which was 84.23% in 2021. The reach of groundnut oil in Gujarat households was 29.28% in 2023 compared to 32.81% in 2021.

In 2022, groundnut oil penetration was at 35.67%. Data suggests that the penetration of sunflower oil has increased from 9.78% in 2022 to 14.43% in 2023, mainly due to improved demand from rural households and com-

HOUSEHOLD EDIBLE OIL VOLUME SHARE

Edible oil	2021	2022	2023
Cottonseed	71.25	70.29	71.23
Groundnut	14.22	14.69	11.11
Soybean	5.54	7.49	7.94
Sunflower	4.62	3.54	5.50

Figures in %; Source: Industry data



petitive pricing. "A household buys multiple types of oil in a year, so the data is prepared based on the household penetration," said an industry source.

In terms of volume, cottonseed oil had a share of 71.23% in 2023 which was 70.29% in 2022.

Nimish Patel, CMD, NK

Proteins Ltd, said, "In 2022, cottonseed and groundnut oil prices were almost similar, and at that time, there was an increase in the demand for groundnut oil. However, in 2023, there was a significant gap in the prices of cottonseed and groundnut oil, so sales of cottonseed oil remained much high-

er in the state."

"Gujarat is the highest consumer of cottonseed oil in the country, and we believe the trend will continue. In the current market, groundnut oil demand is only 5% because most households buy groundnut in the season and in other months, the demand remains low," added Patel.

An industry insider said, "In 2021, the household demand remained unusual due to the pandemic. People resorted to panic buying and that pushed the sales. Also, outside food was not available so household cooking was higher compared to normal scenario. Due to this, after a record sale in

2021, we see a drop in 2022 and 2023."

"We believe there is some shift towards vegetable oils and ghee and a small portion of cold-pressed oils also. However, there is an improvement in demand trend in 2023," he added.

Pratap Chandan, the chairman of the Federation of Gujarat Edible Oil Traders, said, "The household demand constitutes a smaller portion of the total demand. Overall, the edible oil demand is increasing and last year, it was around 280 lakh tonnes. India imported around 165 lakh tonnes of edible oil last year worth Rs 1.40 lakh crore. India needs to reduce edible oil imports."