

Sustainable Palm Oil Coalition for India (I-SPOC) Bulletin January to March 2024

NEWS



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India keeps edible oil import duty lower until March 2025, imposes 50% export tax on molasses

In a move aimed at stabilizing prices ahead of elections, India has prolonged the lower import duty on crude palm oil, crude sunflower oil, and crude soy oil until March 2025. Simultaneously, the government has introduced a 50% export tax on molasses, a key by-product of sugarcane utilized in alcohol production. This decision, effective from January 18, is expected to influence both domestic and international trade dynamics. Notably, India, the world's largest importer of vegetable oil, witnessed a 16% decline in edible oil imports in December, signaling potential shifts in the global market landscape.

Godrej to Establish India's Largest Palm Oil Manufacturing Unit in Khammam

At the World Economic Forum in Davos, discussions between Telangana's Chief Minister and Godrej Industries Ltd. highlighted the conglomerate's increasing interest in investing in the state. Godrej's plans include the establishment of India's largest integrated oil palm processing complex in Khammam district, with an initial investment of Rs 270 crore. This initiative aligns with the state's oil palm mission and a recent joint venture with a Malaysian counterpart, aiming to address the critical bottleneck of high-quality oil palm seeds.



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MPOC: UK Acknowledges Malaysian Palm Oil Sustainability

In a pivotal move, the Trade and Agriculture Commission (TAC) has officially endorsed the sustainability of Malaysian palm oil. The Malaysian Palm Oil Council (MPOC) reports that the TAC's analysis confirms Malaysian Sustainable Palm Oil (MSPO) not only complies with but surpasses UK legislation. MPOC emphasizes potential benefits, urging the UK to proceed with a zero-tariff rate for Malaysian palm oil. This recognition positions Malaysia ahead in global sustainability. With TAC acknowledging Malaysia as a CPTPP founding member, there is a call for formal UK recognition of MSPO as a compliance tool, signaling positive strides for sustainable palm oil trade. Optimism surrounds increased exports of high-quality sustainable palm oil from Malaysia to the UK and beyond.



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India's Vegetable Oil Imports Dip by 28% in January

India's vegetable oil imports witnessed a significant decline in January, with palm oil imports notably dropping by 28% compared to the previous year. According to the Solvent Extractors Association of India (SEA), the country imported about 7,82,983 tonnes of palm oil during the month, contributing to the total vegetable oil imports of 12 lakh tonnes. This downturn in imports, attributed to lower production, global economic challenges, and supply constraints, is expected to impact prices as availability dwindles. The decrease in palm oil availability, particularly due to diversion for biodiesel production by major producers like Malaysia and Indonesia, may further exacerbate price hikes in the coming months. As India remains one of the world's leading vegetable oil buyers, these trends signal potential shifts in both domestic and global palm oil markets.



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HUL's Collaboration with Andhra Pradesh Government to Enhance Palm Oil Production

Hindustan Unilever (HUL) informed that it is looking to collaborate with Andhra Pradesh Government on palm oil production in the state, creating over 1,000 job opportunities. Through engaging with 15,000 farmers to establish 30,000 hectares of oil palm plantations, HUL underscores its commitment to sustainability and socio-economic development. The proposed partnership involves substantial investments in sapling nurseries, collection centers, and a palm oil mill, aligning with HUL's strategy of backward integration.

Value Oil Expands Oil Palm Cultivation in Telangana and Andhra Pradesh

Value Oil and Gas Services Pvt. Ltd., a key player in India's palm oil plantation sector, has signed MOUs with the governments of Telangana and Andhra Pradesh. Their aim is to boost palm oil cultivation in Ranga Reddy and Palnadu districts. Partnering with local farmers, they plan to establish 20,000 hectares of oil palm plantations, along with one-stop solution centers and a cutting-edge palm oil mill. With investments exceeding INR 500 crore, this initiative is set to create over 1200 jobs. Leveraging their expertise, Value Oil aims to bolster India's self-sufficiency in edible oils and empower local communities.



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RSPO and Solidaridad Latin America Join Forces for Sustainable Palm Oil

RSPO and Solidaridad Latin America have formed a strategic partnership to bolster sustainable palm oil practices across the region. By leveraging Solidaridad's expertise in value chains and RSPO's global leadership, the collaboration aims to uplift smallholders and promote sustainability efforts in six Latin American countries. Through aligning with international standards and sharing knowledge, this partnership signals a significant step towards sustainable palm oil production in the region.

Indonesia Boosts Palm Oil Replanting Subsidy

Indonesia takes a significant step forward by doubling its palm oil replanting subsidy. With the subsidy set to increase to 60 million rupiah (S\$5,149) per hectare, the nation aims to enhance palm oil production sustainability while curbing land expansion. Despite initial challenges, including administrative hurdles and farmer concerns, Indonesia remains committed to replanting 180,000 hectares annually, signaling proactive measures toward sustainable agricultural practices. This move underscores the government's dedication to empowering smallholders and fostering agricultural resilience.



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Indonesia Simplifies Palm Oil Rejuvenation for Smallholder Growth

The Indonesian Ministry of Agriculture is streamlining rules for smallholder palm oil rejuvenation, aiming to boost productivity and sustainability. Through simplified regulations and innovative measures like a barcode system for funding, the government seeks to reduce bureaucratic hurdles and ensure accessibility to smallholder farmers. This pro-people approach aligns with Indonesia's commitment to a competitive and sustainable palm oil industry, benefiting local livelihoods and global market competitiveness.

3F Oil Palm Launches It's India's First Oil Palm Processing Unit

3F Oil Palm introduced India's inaugural integrated Oil Palm Processing Unit in Roing, Arunachal Pradesh. This milestone reflected a substantial government investment exceeding Rs 55,000 crore, emphasizing self-reliance and farmer empowerment in line with Mission Palm Oil and NMEO-Oil Palm Policy.



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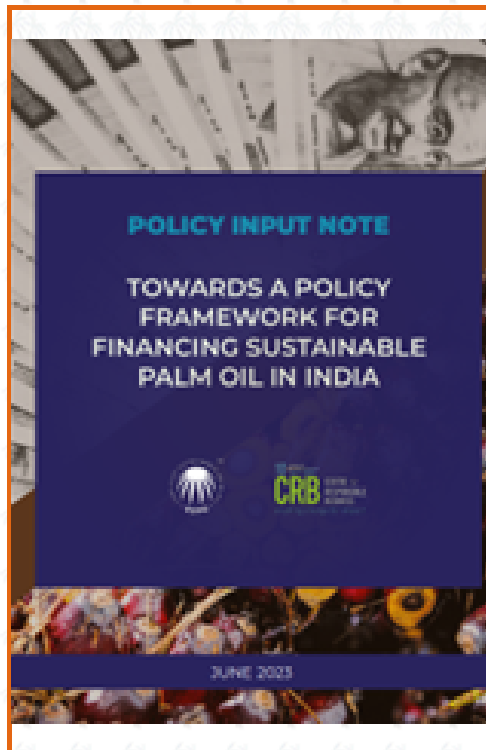
EVENTS

- The 10th Members Meeting of the Sustainable Palm Oil Coalition for India (I-SPOC) convened on January 19, 2024, with a comprehensive agenda aimed at advancing sustainability in the palm oil industry. Key highlights included the launch of the Policy Input Note on **'Towards a Policy Framework for Financing Sustainable Palm Oil in India'** and briefing paper on **'Aligning Sustainability Principles into Oil Palm Production Policy in India'**. The roundtable discussions delved into crucial topics such as the trade of sustainable palm oil and domestic production challenges, featuring insights from the participants. With active participation from diverse stakeholders, the 10th Members Meeting set a robust trajectory for I-SPOC's ongoing efforts towards promoting sustainable palm oil practices in India. A summary report detailing key outcomes and insights is available [here](#).



PUBLICATIONS

- [RSPO](#) and [CRB](#) finalised and launched the Policy Input Note on '**Towards a Policy Framework for Financing Sustainable Palm Oil in India**'.



- I-SPOC finalized a briefing paper on **Aligning Sustainability Principles into Oil Palm Production Policy in India**. The paper aims to offer recommendations to both central and state governments for aligning sustainability principles within the national palm oil production initiative. Additionally, it will serve as a tool to engage businesses and stakeholders involved in palm oil production and related activities across the country.
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UPCOMING EVENTS

Awareness-building event by I-SPOC titled "**Exploring EUDR**" on April 30, 2024 from 3-5 PM IST. The session aims to delve into the European Union's Due Diligence Regulation (EUDR) and its implications for the Indian palm oil industry, as well as other relevant sectors.

[The Sustainable Palm
Oil Coalition for India](#)



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