

## Edible oil manufacturing

**About edible oil manufacturing unit:** There are basically two types of edible oil manufacturing units: Oil refineries and Oil extraction units and in some cases both operations are carried out by the same unit.

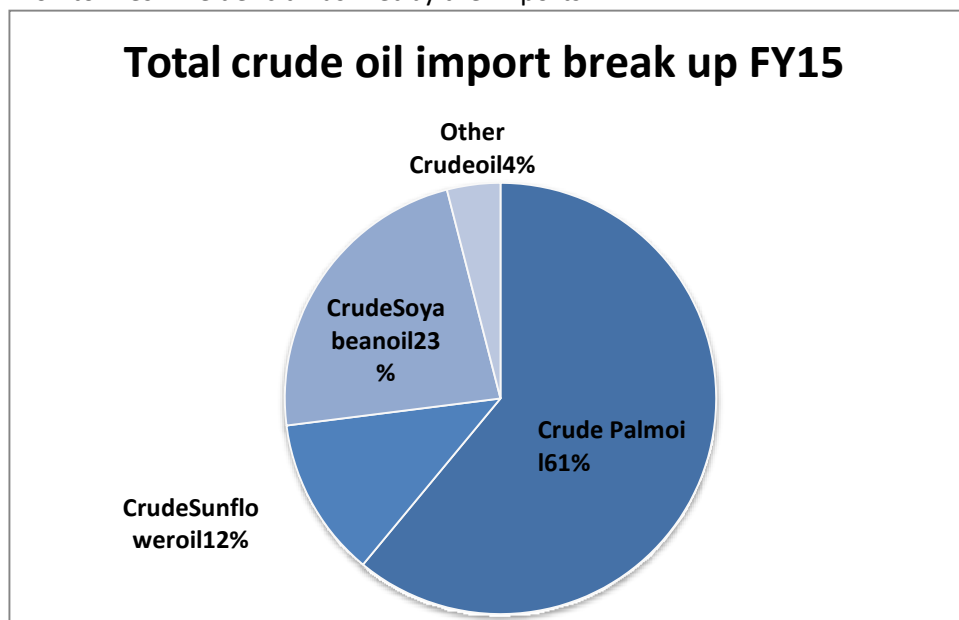
- **Oil extraction units** extract oil from various oil seeds (Soy, Mustard, Ground nut, etc.) by using machines or solvents. The product that comes out is called crude oil. The crude oil is then refined to manufacture oils for final consumers.
- **Oil refineries** use the crude oil as raw material to refine, pack and sell in the market through dealers and distributors.

**Popular oils used in India:** Groundnut, Mustard, Sesame, Safflower, Linseed, and Castor oil are the most commonly used oils. Soya bean, Palm and Sunflower oils have also assumed importance in recent years.

### **About the opportunity**

Demand for edible oil is expected to grow rapidly due to increasing consumption and income level of health conscious young people and to shift to soy, olive and palm oils. Further, increasing sizes and numbers of food & beverages manufacturers is also adding to the overall market demand

In FY 15 India produced 6.16 million tonnes of edible oil and the demand for that year was more than 20 million tonnes. The deficit was met by the imports<sup>1</sup>



The business of refining oil is working capital intensive due to, high inventory (raw material & finished goods) and debtor (as credit has to be given to distributors). The capital is also needed for marketing the product, as it is a very competitive market with presence of a large number of national and regional players.

## Report coverage

1. Location analysis (with a view to source raw material and to reach market)
2. Raw material sourcing from various locations,suppliers
3. Quotes fromsuppliers
4. Approvals and Regulatoryrequirements
5. Competitive landscape and key productprofiles
6. Current markettrends
7. Market growthdrivers
8. Factors limiting marketgrowth
9. Machinery required / Quotes fromsuppliers
10. Advice on initial viablecapacity
11. Capital requirements,profitability
12. Profitability projections for the comingyears

## Contactdetails

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<sup>1</sup>Source: Solvent extractors'association

<sup>2</sup>Source: CARE ratings-2016

<sup>3</sup>Source: Department of food and publicdistribution