

**Market Research
Report
On
Cooking Oil
Manufacturing Industry
in
India in 2024**



Rao's Business Marketing

Industry Overview

The cooking oil manufacturing industry in India is one of the largest in the world, catering to a population of over 1.4 billion people. Cooking oils are an essential commodity in Indian households, used extensively in daily food preparation. The market encompasses a variety of oils, including **refined, filtered, cold-pressed, and blended oils** derived from sources such as palm, soybean, mustard, groundnut, sunflower, rice bran, and coconut.

In 2024, the Indian cooking oil industry continues to grow, driven by factors such as increasing disposable incomes, urbanization, and changing dietary preferences. Additionally, the rising awareness of health benefits associated with specific types of oils, such as olive oil and cold-pressed oils, is reshaping consumer preferences.

Market Size and Growth

1. Market Value:

- The Indian cooking oil market was valued at **INR 1.89 trillion (USD 22.7 billion)** in 2023 and is expected to grow at a **CAGR of 6-7%** from 2024 to 2029.
- The increasing demand for healthier oils and premium products contributes to this growth.

2. Volume Growth:

- India consumed approximately **22 million metric tons** of cooking oil in 2023, making it one of the largest consumers globally.
- Per capita consumption is increasing, especially in urban areas, due to changing lifestyles and dietary habits.

3. Imports vs. Domestic Production:

- India imports nearly **60% of its edible oil** needs, with palm oil being the largest imported oil. Domestic production, although improving, remains insufficient to meet the growing demand.

Key Segments

1. By Type of Oil:

- **Palm Oil:** The largest segment, primarily imported and used in processed foods and restaurants.
- **Soybean Oil:** Popular for home cooking and industrial use.
- **Mustard Oil:** A staple in North and East India, valued for its strong flavor and health benefits.
- **Sunflower Oil:** Widely used in urban households for its light flavor.
- **Rice Bran Oil:** Gaining popularity due to its perceived health benefits.
- **Coconut Oil:** Common in South India for cooking and other uses.

2. By Processing Type:

- **Refined Oils:** Account for the majority of the market, catering to urban households and industries.
- **Cold-Pressed Oils:** A growing segment driven by health-conscious consumers.
- **Blended Oils:** Gaining traction as cost-effective and healthier alternatives.

3. By End-User:

- **Households:** The largest segment, driven by retail consumption.
- **Food Service Industry:** Includes restaurants, hotels, and catering services.
- **Food Processing Industry:** Used in the production of snacks, baked goods, and ready-to-eat foods.

Market Drivers

1. Rising Health Awareness:

- Increasing consumer awareness about the health benefits of oils such as olive oil, rice bran oil, and cold-pressed oils is driving demand for premium and healthier options.

2. Urbanization and Lifestyle Changes:

- With urbanization, more consumers are opting for packaged and branded oils due to convenience and perceived quality.

3. Government Policies:

- Initiatives like the **National Mission on Edible Oils – Oil Palm (NMEO-OP)** aim to boost domestic oilseed production and reduce dependency on imports.
4. **E-commerce Penetration:**
- Online grocery platforms have made it easier for consumers to access a wide variety of cooking oils, further driving sales.
5. **Food Industry Growth:**
- The expansion of the food processing and HoReCa (Hotels, Restaurants, and Catering) sectors has increased the demand for cooking oils.

Challenges

1. **High Import Dependency:**
- India relies heavily on imports for palm oil, sunflower oil, and soybean oil, exposing the industry to global price volatility and trade restrictions.
2. **Health Concerns:**
- Overuse of refined oils and trans fats in processed foods has raised health concerns, prompting stricter regulations and a shift toward healthier oils.
3. **Raw Material Availability:**
- Limited domestic production of oilseeds like soybean, groundnut, and sunflower restricts local manufacturing capacity.
4. **Rising Costs:**
- Fluctuations in raw material prices and increasing production costs impact the affordability of cooking oils.

Competitive Landscape

1. **Major Players:**
- **Adani Wilmar Limited** (Fortune)
 - **Ruchi Soya Industries** (Patanjali)
 - **Cargill India** (NatureFresh, Gemini)
 - **Marico Limited** (Saffola)

- **Emami Agrotech** (Healthy & Tasty)

2. Strategies:

- Focus on health-oriented products such as low-cholesterol and trans-fat-free oils.
- Expansion of distribution networks, including rural markets.
- Investments in branding and advertising to promote premium oils.

Consumer Trends

1. Shift to Healthier Alternatives:

- Increasing preference for oils with lower saturated fat content and higher nutritional value, such as rice bran oil and cold-pressed oils.

2. Demand for Organic and Sustainable Products:

- Growing demand for organic oils and sustainably sourced palm oil.

3. Regional Preferences:

- North and East India favour mustard oil, while South India prefers coconut oil. Urban areas show a growing trend toward olive and blended oils.

4. Premiumization:

- Rising disposable incomes are driving demand for premium brands and imported oils.

Future Outlook

The cooking oil manufacturing industry in India is poised for steady growth in 2024 and beyond, supported by government initiatives, technological advancements, and evolving consumer preferences. Domestic production of oilseeds is expected to improve under government programs, reducing import dependency over time. Health-focused innovations and sustainable practices will shape the future of the industry.

Opportunities:

- Expansion into rural markets with affordable and fortified products.
- Growth in the premium segment with health-oriented oils.
- Development of sustainable supply chains for eco-conscious consumers.

Threats:

- Price volatility in the global market.
- Regulatory challenges related to health and environmental concerns.

Conclusion

The cooking oil manufacturing industry in India is a critical sector, meeting the dietary and culinary needs of millions. With robust growth prospects and evolving consumer preferences, the industry offers significant opportunities for innovation and expansion. Manufacturers, who can adapt to health trends, improve domestic production, and address sustainability concerns will be well-positioned for success in the competitive market.

