Government Cuts Import Duty on Major Edible Oils to Provide Relief to Consumers

BCD on Crude Sunflower Oil Cut to Nil; Soybean and Palm Oil Duty Reduced to 5%

19.25% Import Duty Differential between Crude and Refined Edible Oils maintained to support domestic refining

Posted On: 24 SEP 2026 12:43PM by PIB Delhi

The Government of India has reduced the **Basic Customs Duty (BCD) on major imported crude edible oils with a view to moderating domestic edible oil prices,** providing relief to consumers and mitigating inflationary pressures arising from the sharp increase in international edible oil prices.

Accordingly, the **BCD on Crude Sunflower Oil has been reduced from 10% to Nil, while the BCD on Crude Soybean Oil and Crude Palm Oil has been reduced from 10% to 5%**. The Government has simultaneously reduced the applicable BCD on the respective refined edible oils **while maintaining an import duty differential of 19.25% between crude and refined edible oils.**

The duty rationalization takes into account the increase in international edible oil prices and the consequent rise in domestic landed costs and retail prices. Import duties constitute an important component of the landed cost of imported edible oils and, therefore, have a bearing on domestic market prices.

The **reduction in BCD on crude edible oils is expected to lower their landed cost and facilitate transmission of the benefit through the domestic supply chain. The measure is intended to provide relief to consumers while contributing to the broader objective of containing food-price and overall inflationary pressures.**

The Government has maintained the duty differential between crude and refined edible oils to support the utilisation of domestic refining capacity and discourage excessive imports of refined edible oils. The measure is expected to provide a more level playing field for domestic refiners while supporting continued value addition within the country.

Advisory to Industry for Consumer Benefit

The **Government has also issued an advisory to edible oil associations and industry stakeholders to ensure that the full benefit arising from the reduction in import duty is passed on to consumers.**

Industry stakeholders have been requested to immediately revise their Price to Distributors (PTD) and Maximum Retail Price (MRP) in accordance with the reduction in landed costs. Edible oil associations have also been requested to advise their members to implement the corresponding price reductions without delay.

The Government will continue to monitor developments in international edible oil markets and domestic prices and will take appropriate measures, as necessary, to safeguard the interests of consumers while maintaining a balanced policy environment for farmers and the domestic edible oil industry.

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