



Cold-Pressed Groundnut Oil Business Model in India

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The cold-pressed groundnut oil business model in India offers a viable and sustainable approach for enhancing farmers' income and promoting rural entrepreneurship. Cold-pressed groundnut oil is produced through mechanical extraction without the use of heat or chemical treatments, thereby retaining natural nutrients, antioxidants, and flavour. Increasing consumer awareness regarding health, wellness, and chemical-free foods has significantly boosted the demand for cold-pressed oils, particularly in urban and semi-urban markets. Compared to refined groundnut oil, cold-pressed oil commands a premium price, resulting in higher profit margins for producers and processors. This business model can be successfully implemented at small and medium scales with moderate investment and can be effectively integrated with local groundnut cultivation to ensure consistent raw material supply and quality assurance.

Furthermore, government initiatives such as MSME and PMFME schemes provide financial and technical support, enhancing its feasibility. Overall, the cold-pressed groundnut oil business demonstrates strong potential for sustainable growth, employment generation, and value addition within the Indian edible oil sector.



Cold-Pressed Groundnut Oil Business Model in India

Cold-pressed groundnut oil (also known as cold-pressed peanut oil) is a premium segment within the Indian edible oil market, gaining momentum due to rising health awareness, preference for natural foods, and expanding market opportunities. Unlike refined oils, cold-pressed oils are extracted at low temperatures without the application of heat or chemicals, thereby preserving essential nutrients, natural flavour, and antioxidants. These attributes make them particularly appealing to health-conscious consumers.

1. What Is Cold-Pressed Groundnut Oil?

Cold-pressed groundnut oil is extracted using mechanical pressing at low temperatures. This method helps retain natural nutrients such as vitamin E and essential fatty acids, which are often lost during high-temperature refining processes. Consequently, the oil

is widely preferred for healthier cooking practices as well as for traditional and Ayurvedic applications. In the Indian retail market, the price of cold-pressed groundnut oil generally ranges between ₹270 and ₹499 per litre, depending on brand positioning, packaging, and certification.

2. Market Potential

S. No.	Parameter	Description / Trend	Source
1	Edible oil market growth	Cold-pressed oil is a rapidly growing segment in India's edible oil sector as consumers increasingly prefer natural and chemical-free oils over refined alternatives.	Nakulya Cold-Pressed Oils
2	Consumer demand trend	Demand is rising among health-conscious consumers, wellness-oriented buyers, Ayurvedic users, and organic food consumers, particularly in urban and semi-urban areas.	Nakulya Cold-Pressed Oils
3	Growth projection	Groundnut-based cold-pressed oils are estimated to grow at an annual rate of 25–30%, significantly higher than conventional refined oils.	Market Analysis
4	Price premium advantage	Cold-pressed groundnut oil is sold at 2–3 times the price of refined groundnut oil, offering higher profitability to farmers and processors.	Market Analysis
5	Rural entrepreneurship scope	The business can be initiated on a small scale in rural areas, leading to local employment generation and increased farm income.	MSME Reports
6	Export opportunity	Growing demand is observed in the USA, UK, UAE, and Southeast Asian countries, especially in ethnic and health-food markets.	Knock 4U Business Idea
7	Government support	Financial assistance and subsidies are available under MSME, PMFME, and food processing schemes.	Government Schemes
8	Future market outlook	Clean-label foods, traceability, and farm-to-bottle models position cold-pressed groundnut oil as a premium niche product in the future.	Market Forecast

3. Business Setup and Cost Structure

A cold-pressed groundnut oil unit can be established at a small scale with moderate capital investment. Major cost components include:

- Cold press expeller and filter press: ₹60,000–₹80,000
- Storage tanks: ₹50,000
- Packaging machinery (optional at initial stage): ₹2,50,000–₹3,00,000
- Licensing and registration (FSSAI, MSME, etc.): ₹1,00,000
- Marketing and miscellaneous expenses: ₹50,000–₹80,000

The total investment for a small-scale unit typically ranges between ₹5–7 lakh, depending on production capacity and packaging facilities.

4. Processing Workflow

The cold-pressed groundnut oil production process involves the following steps:

1. **Procurement and cleaning:** Sourcing high-quality groundnuts from farmers or local markets.
2. **Drying:** Reducing moisture content to prevent fungal growth and improve oil yield.
3. **Cold Pressing:** Mechanical extraction of oil without heat.
4. **Filtering and Settling:** Multi-stage filtration to enhance oil clarity.
5. **Packaging:** Bottling in food-grade containers for retail distribution.
6. **Oil Cake Utilization:** The residual oil cake can be sold as animal feed or organic fertilizer, generating additional income.

5. Profitability and Revenue Streams

Profitability depends on production volume, raw material costs, and value addition. Industry estimates indicate profit margins of approximately 35–40% at retail price levels, though actual returns may vary.

Additional revenue streams include:

- Sale of oil cake as cattle feed or organic manure
- Premium pricing through health-focused branding and organic certification
- Diversified packaging options such as 500 ml, 1 L, and gift packs

6. Challenges and Growth Strategies

Key Challenges

- Volatility in raw material prices
- Competition from refined oils and large branded players
- Compliance with quality standards and FSSAI regulations

Growth Strategies

- Attractive branding and premium packaging
- Contract farming and direct sourcing from farmers
- Online and e-commerce sales channels
- Introduction of value-added products such as flavoured or organic variants

Strategic partnerships with farmers, stringent quality control, and diversified product portfolios can substantially improve long-term profitability.

Conclusion

The cold-pressed groundnut oil business in India represents a high-growth niche within the edible oil sector. With moderate initial investment, increasing health awareness among consumers, and opportunities for premium pricing and product diversification, it

offers a sustainable and profitable business model for rural entrepreneurs. Strategic sourcing, efficient

processing, and effective marketing are critical determinants of success in this emerging industry.

References

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