

## CBI MARKET SURVEY

THE VEGETABLE OILS AND FATS (INCLUDING OIL SEEDS)  
MARKET IN AUSTRIA

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**Introduction**

This CBI market survey gives exporters in developing countries information on some main developments in the vegetable oils & fats and oil seeds market in Austria. The information is complementary to the information provided in the CBI market survey 'The vegetable oils and fats market (including oil seeds) in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

**1 Market description: consumption and production****Consumption*****Vegetable oils and fats***

- Austria is only a small consumer of vegetable oils and fats (excluding olive oil), accounting for 1.0% of total EU25 consumption (Fediol, 2006). Between 2001 and 2005, Austrian consumption of vegetable oils and fats showed an annual average increase of 10%, amounting to 81 thousand tonnes in the latter year.
- Within the group of vegetable oils and fats, sunflower oil is the leading consumer product, accounting for almost half of total Austrian consumption. Palm oil is the second leading consumer product, representing a market share of 42% of total Austrian consumption. In the review period, consumption of palm oil showed a strong annual average increase of 30%.
- Other vegetable oils consumed in Austria are palm kernel oil (5% of total oil consumption), coconut oil (9%) and groundnut oil (1%).
- According to data from the International Olive Oil Council (2006), olive oil consumption in Austria is relatively low, amounting to 5.9 thousand tonnes in 2006. Consumption is expected to increase to 6.4 thousand tonnes for 2007.
- Trends influencing the market for vegetable oils and fats, including oil seeds, are health concerns (causing, among others, a shift away from fatty acids and hydrogenated fats towards more unsaturated fats), increasing demand for bio fuels and a growing interest in sustainably produced (i.e. organic) vegetable oils and fats. All these factors are expected to further boost future demand for the products discussed. For more information on trends in vegetable oils & fats and oil seeds, please refer to the CBI survey covering the EU market.

***Oil seeds***

- Consumption of oil seeds in Austria is relatively small, representing 2% of total EU25 consumption.
- In the period 2001-2005, Austrian consumption of oil seeds showed a rather erratic pattern. Between 2001 and 2003, consumption increased by an average annual 10%, whereas between 2003 and 2005, consumption declined by an average annual 17%, amounting to 87 thousand tonnes in the latter year.
- Within the selected group of oil seeds, sunflower seed is the only product consumed in Austria.
- FAOSTAT data (2007) indicate that Austria is a medium-sized consumer of sesame seeds, accounting for 6% of total EU25 consumption in 2005. In the same year, consumption of sesame seeds amounted to 5.2 thousand tonnes, representing an annual average decrease of 11% since 2001.

## Production

### *Vegetable oils and fats*

- Austria is a small-to-medium producer of vegetable oils and fats (excluding olive oil), accounting for 3% of total EU25 production.
- Within the group of vegetable oils and fats, sunflower oil is the main product produced in Austria. Between 2001 and 2003, sunflower oil production in Austria increased from 46 thousand tonnes to 56 thousand tonnes, while between 2003 and 2005, production declined to 45 thousand tonnes.
- The International Olive Oil Council does not have records of production of olive oil in Austria.

### *Oil seeds*

- Because of climatic conditions, production of oil seeds included in this survey is very limited in Austria. According to Fediol, there is only a significant production of sunflower seeds in Austria.
- Austria is a relatively small producer of sunflower seed, accounting for 1.3% of total EU25 production. In 2005, 80 thousand tonnes of sunflower seeds were produced in Austria, representing an annual average increase of 12% during the review period.

## Opportunities and threats

- Austrian consumption of vegetable oils and fats is increasing, while production is stagnating. Moreover, production is not sufficient to cover domestic demand, which means that Austria needs to import vegetable oils from other countries. This could offer interesting opportunities for developing country suppliers.
- In particular, opportunities could lie in the supply of palm oil, palm kernel oil and coconut oil, as none of these oils is produced in Austria.
- Within the group of vegetable oils and fats, consumption of palm oil shows a particularly strong average annual increase.
- Please refer to Chapter 7 of the survey covering the EU market for general opportunities and threats in the EU.

## 2 Trade channels for market entry

The distribution of vegetable oils & fats and oil seeds in Austria does not differ substantially from the distribution as described in the CBI survey covering the EU market for vegetable oil and fats (including oil seeds). The most specific feature of Austrian trade is that the products discussed goods are almost entirely imported from other EU countries, instead of directly from developing countries. Please refer to the EU survey for a more comprehensive explanation of the main trade channels in the EU.

Vegetable oils and their raw materials can be traded directly from the source to the European processing industry or through one or more traders (agents, exporters, importers etc.). In general, large volumes go straight from producer to processor, while suppliers of smaller volumes may opt to use agents, brokers or importers.

The margins charged by the different intermediaries in the vegetable oil and oil seed trade are influenced by many different factors like the type of product, current and expected prices, cost of refining, availability, processing possibilities, etc. All these factors make it extremely difficult to provide information on typical margins in the trade of vegetable oils and fats and oil seeds.

Interesting companies in Austria are:

- VFI Speiseoel, (<http://www.vfi-speiseoel.com/>.)
- Ölmühle Pelzmann HMBH, (<http://www.kuerbiskernoel.com/>)
- Senna, (<http://www.senna.at/en/home>)
- Friola Speiseol handels-und produktions GMBH, (<http://www.friola.at/>)

- Bunge Austria (<http://www.bunge.at>)
- Unilever, (<http://www.unilever.at/>)

Good sources for finding companies working in the vegetable oils and fats (including oil seeds) market are:

- Members list of the EU Oil and Protein-meal Industry (Fediol): <http://www.fediol.be/>
- Europages: <http://www.europages.com> (online business directory, with full EU coverage. 'Oils and fats, edible' are a separate product group, falling under the category of 'Food & related products'.)

Online market places such as the below are also useful:

- Agronetwork.com: <http://www.agronetwork.com/global>
- Organic Trade Services: <http://www.organics.com> (also offering organic industry news)
- Ingridnet: <http://www.ingridnet.com> (for ingredient suppliers)

### 3 Trade: imports and exports

#### Imports

##### *Vegetable oils and fats*

- Austria is a relatively small importer of vegetable oils and fats accounting for 0.9% of EU25 imports.
- In 2005, Austria imported € 71 million / 69 thousand tonnes of vegetable oils and fats, representing an average annual increase of 13% in terms of value and 15% in terms of volume since 2001.
- In 2005, developing countries supplied only 2% of all Austrian imports, which is very low compared to the EU25 average (45%). Imports from developing countries increased by an annual average rate of 9% in the period reviewed, amounting to € 1.5 million / 2.1 thousand in 2005.
- Within the group of vegetable oils and fats, olive oil, palm oil and cocoa butter are the leading import products, accounting for a share of 32%, 25%, and 23% respectively. Palm oil showed the largest average annual increase between 2001 and 2005 representing a rate of 21%.

##### *Oil seeds*

- Austria is the sixth largest importer of oil seeds in the EU25, with a total market share of 4%.
- In 2005, Austria imported € 32 million / 99 thousand tonnes of oil seeds, representing an average annual increase of 4% in terms of value and 5% in volume since 2001.
- In 2005, developing countries supplied only 3% of all Austrian imports. Imports from developing countries decreased by an annual average rate of 17% in the period reviewed amounting to € 1.1 million / 1.2 thousand tonnes in 2005.
- Within the group of oil seeds, sunflower seed is by far the leading import product, at a market share of 91%.

#### Exports

##### *Vegetable oils and fats*

- Austria is a small exporter of vegetable oils and fats, accounting for 0.4% of total EU25 exports.
- In 2005, Austria exported € 23 million / 23 thousand tonnes of vegetable oils and fats representing an average annual increase of 16% in terms of value and 2% in volume since 2001.

**Oil seeds**

- Austria is the third leading exporter of oil seeds, accounting for 9% of total EU25 exports.
- In 2005, Austria exported € 35 million / 94 thousand tonnes of oil seeds, representing an average annual increase of 45% in terms of value and 46% in volume since 2001.

**Opportunities and threats**

- Austria does not seem to offer particular opportunities for developing country suppliers of vegetable oils; not only are imports relatively low, the share of imports originating in developing countries is also negligible.
- Despite its small size, Austria is a relatively large importer of oil seeds. However, this product is not particularly interesting for developing suppliers, since it is almost entirely supplied by other EU member countries.

**Useful sources**

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

**4 Price developments**

The Chicago Board of Trade is the most important market for several vegetable oils and oil seeds. Prices established at this exchange largely determine prices for these and related products all over the world.

Due to improved technology, different vegetable oil products are substitutable: this has a major impact on price settings. A number of other factors also influencing prices of vegetable oils and oil seeds are:

- The climatic conditions.
- Increasing demand for bio-fuels.
- Increased demand for vegetable oils and fats, due to improved welfare world wide.
- Driven by health concerns, the substitution of animal fat to the advantage of vegetable oils and fats.

With regard to oil seeds, in general, the prices of large volumes of oil seeds depend on exchange rates, in which the value of the dollar is a dominant factor. Prices of most products are not fixed and may fluctuate strongly, depending on season and global yields. Furthermore, the price of the oil seeds is heavily dependent on their quality. Oil seeds are traded by standard contracts, in which the price for a particular quality is stated.

For information on prices for vegetable oils & fats and oil seeds, please refer to the CBI surveys covering the EU market for vegetable oils and fats (including oil seeds), or consult the Austrian Oil Crushers and Processors (telephone: +43 216 260 620, <mailto:roland.portner@bunge.com>).

**5 Market access requirements**

As a manufacturer in a developing country preparing to access Austria, you should be aware of the market access requirements of your trading partners and the Austrian government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select vegetable oils and fats and Austria in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>

Information on tariffs and quota can be found at <http://export-help.cec.eu.int/>

## 6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Austria, visit the following websites:

### *Trade Associations*

- Austrian Oil Crushers and Processors: <mailto:roland.portner@bunge.com>
- Austrian Federal Chamber of Commerce <http://portal.wko.at/wk/startseite.wk>
- The Austrian Foreign Trade Promotion Organisation <http://www.austriantrade.org>
- Fachverband Lebensmittelindustrie (FIAA): <http://www.dielebensmittel.at>

### *Trade press*

- Cash News: <http://www.cash.at/>
- Handelszeitung: <http://www.handelszeitung.at/ireds-20146.html>

### *Trade fairs*

- Alles für den Gast Wien – Hotel and restaurant food trade: <http://www.reedexpo.at>
- Biofuels Vienna: <http://www.wraconferences.com/>
- Bakery and confectionery exhibition Fairgrounds Wels: <http://www.welser-messe.com>

### *Other*

- Information on Austrian business culture can be found at <http://www.worldwide-tax.com/austria/auspractice.asp> or <http://www.cba.uni.edu/buscomm/InternationalBusComm/world/europe/austria/austria.html>

This survey was compiled for CBI by ProFound – Advisers In Development

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