

## CBI MARKET SURVEY

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

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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 Ireland. The information is complementary to the information provided in the CBI market survey 'The vegetable oils and fats (including oil seeds) market 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***

- Ireland is a small consumer of vegetable oils and fats (excluding olive oil), accounting for 0.6% of total EU25 consumption. Between 2001 and 2005, Irish consumption of vegetable oils and fats showed an annual average increase of 9%, amounting to 46 thousand tonnes in the latter year.
- Within the group of vegetable oils and fats, palm oil is the leading consumer product, accounting for 59% of total Irish consumption. Another important consumer product is coconut oil, accounting for 22% of total Irish consumption.
- According to data from the International Olive Oil Council, Ireland is a negligible consumer of olive oil, with consumption amounting to 2.2 thousand tonnes in 2006. Consumption is expected to remain stable 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***

- According to Fediol, no crushing of the selected oil seeds takes place in Ireland.
- FAOSTAT data reveal that Ireland is a relatively small consumer of sesame seeds, accounting for 0.8% of total EU25 sesame seed consumption. In 2005, consumption of sesame seeds amounted to 680 tonnes, representing an annual average decrease of 39% since 2001.
- Furthermore, FAO also reports consumption of sunflower seeds and palm kernels in Ireland in 2005, amounting to 22 thousand tonnes and 45 thousand tonnes respectively.

**Production*****Vegetable oils and fats***

- According to Fediol (2006) and the International Olive Oil Council, no production of the selected vegetable oils and fats takes place in Ireland.

**Oil seeds**

- Because of climatic conditions, production of oil seeds included in this survey is very limited in Ireland. According to Fediol, no production of the selected oil seeds takes place within Ireland.

**Opportunities and threats**

- Between 2001 and 2005, Irish consumption of vegetable oils and fats increased considerably. Consumption of palm oil showed a particularly strong increase, which could offer interesting opportunities for producers in developing countries.
- 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 Ireland does not differ significantly from the distribution as described in the CBI survey covering the EU market for vegetable oil and fats (including oil seeds). 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. According to industry sources, there are strong contacts between the final processing industry in Ireland (and the UK) and refiners in Asia. The contact between refiners in Asia and the final processing industry is sometimes linked through intermediaries like traders and brokers.

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 Ireland are:

- Corrib Food Products <http://www.cfp.ie/>
- Aarhuskarlshamn <http://www.aarhuskarlshamn.com/>
- Trilby Trading <http://www.greencore.ie/content/main/menu.asp?s=6&c=62>

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.organicts.com> (also offering organic industry news)
- Ingridnet: <http://www.ingridnet.com> (for ingredient suppliers)

**3 Trade: imports and exports****Imports*****Vegetable oils and fats***

- Ireland is a negligible importer of vegetable oils and fats, accounting for 0.7% of total EU25 imports.

- In 2005, Ireland imported € 53 million / 55 thousand tonnes of vegetable oils and fats, representing an average annual increase of 5% in terms of value and 8% in terms of volume since 2001.
- In 2005, developing countries supplied 11% of all Irish imports. The most important suppliers are the Philippines (6%), Indonesia (4%) and Malaysia (1%). Total imports from developing countries increased strongly by an annual average rate of 74% in the period reviewed amounting to € 5.8 million in 2005.
- The United Kingdom serves as an important transit place for Irish imports of vegetable oils and fats.
- Within the group of vegetable oils and fats, cocoa butter and palm oil are the leading import products with market shares of 27% and 25% respectively. Other relatively important import products are olive oil (17%), sunflower oil (15%) and coconut oil (14%).

#### ***Oil seeds***

- Ireland is a negligible importer of oil seeds, accounting for 0.1% of total EU25 imports.
- In 2005, Ireland imported € 0.7 million / 0.7 thousand tonnes of oils seeds representing an average annual decrease of 36% in terms of value and 42% in volume since 2001.
- In 2005, developing countries supplied 2% of all Irish imports. Imports from developing countries decreased drastically by an annual average rate of 74% in the period reviewed amounting to only € 0.02 million in 2005.
- Within the group of oil seeds, sesame seed and sunflower seed are the leading import products with market shares of 44% and 43% respectively.

#### **Exports**

##### ***Vegetable oils and fats***

- Ireland is a negligible exporter of vegetable oils and fats, accountable for 0.04% of total EU25 exports.
- In 2005, Ireland exported € 2.1 million / 1.3 thousand tonnes of vegetable oils and fats representing an average annual decrease of 4% in terms of value and 12% in volume since 2001.

##### ***Oil seeds***

- Ireland is a negligible exporter of oil seeds, accountable for only 0.01% of total EU25 exports.
- In 2005, Ireland exported € 0.02 million / 0.02 thousand tonnes of oil seeds representing an average annual decrease of 22% in terms of value and annual average increase of 4% in volume since 2001.

#### **Opportunities and threats**

- Due to its minor imports, Ireland does not seem to be an interesting market for developing country exporters of vegetable oils & fats and oil seeds.
- Moreover, a large part of imports is supplied through the United Kingdom, instead of directly from developing countries.
- Please refer to Chapter 7 of the survey covering the EU market for general opportunities and threats in the EU.

#### **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. For example palm oil is becoming increasingly popular in the food industry and, consequently, the price rises.

Some other factors also influence prices of vegetable oils and oil seeds:

- The climatic conditions.
- Increasing demand for bio-fuels. Industry sources confirm an increase in the prices for crude oil and forecast a parallel increase in the price for consumer products of vegetable oils and fats.
- 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).

## 5 Market access requirements

As a manufacturer in a developing country preparing to access Ireland, you should be aware of the market access requirements of your trading partners and the Irish government.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select vegetable oils & fats and Ireland 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 Ireland, visit the following websites:

### *Trade Associations*

- Food and Drink Industry Ireland <http://www.fdi.ie/>

### *Trade press*

- Checkout <http://www.checkout.ie/>
- Easyfood <http://www.easyfood.ie/>

### *Trade fairs*

- Ifex Belfast - Catering, Hospitality, Food & Drink Trade Show: <http://www.kingshall.co.uk/>
- Catex - Irish Catering Exhibition Dublin: <http://www.rds.ie>

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

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