

The Palm Oil Market in Germany in 2017

This study on Germany's palm oil sector presents current market data for 2017 on the direct and indirect consumption of sustainable and non-sustainable palm oil, palm kernel oil and corresponding fractions and derivatives. It also describes the development of the palm oil market since 2013. The market sectors surveyed are: Food, animal feed, energy, detergents, cleaning agents (WPR) and cosmetics as well as other chemicals and pharmaceuticals. The following overview shows the market sectors and segments surveyed:

Relevant Sectors and Segments for palm (kernel) oil consumption in Germany in 2017

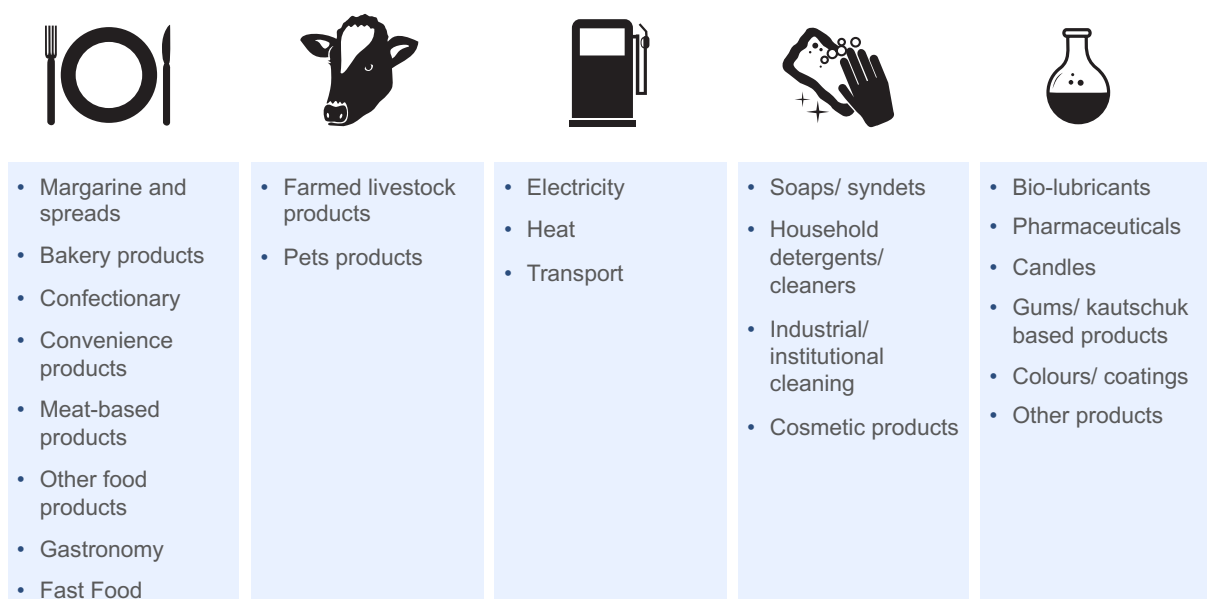


Figure 1: Overview on relevant market segments and sectors

Results of the study:

Palm oil

In 2017, just under 1.12 million t of palm oil were imported directly into Germany. In addition, at least 695,000 t of palm oil were imported into Germany as a component of final and intermediate products. 377,000 t of palm oil were exported from Germany to other countries, of which around 45 % went to Poland.

At 1,124,860 t, Germany-wide consumption of palm oil has risen by around 80,000 t compared with 2015. Of this, more than half went to the energy sector, where a total of 581,400 t of palm oil were consumed in 2017, corresponding to 52 % of total consumption. A further 22 % (246,500 t) of the palm oil consumed in Germany went to the food industry. In addition, 148,250 t were consumed in the animal feed sector, 118,450 t in the other chemicals/pharmaceuticals sector and 30,260 t in the WPR and cosmetics sector.

While the figures in the food and animal feed segments stagnated, consumption in the other chemicals/pharmaceuticals sector fell by around 10,000 t. By contrast, in the energy sector (85,000 t) and in the WPR and cosmetics sector (6,500 t) the consumption of palm oil rose significantly compared to 2015.

Due to legal requirements, only sustainable palm oil is consumed in the energy sector. Compared to 2015, the proportion has risen in the sectors food (85%, +6%), animal feed (26%, +11%), WPR and cosmetics (58%, +12%) and other chemicals/pharmaceuticals (27%, +6%).

A total of 879,121 t of palm oil were sustainable in 2017, which represents an increase of 6% in the total certified quantity compared with the previous study (2015).

Palm kernel oil

A total of 441,600 t of palm kernel oil were imported directly to Germany in 2017, and at least over 78,000 t indirectly as a component of intermediate and end products.

Palm kernel oil is not used in the feed and energy sectors. The most important sector for the consumption of palm kernel oil was WPR and cosmetics, where at 73,680 t consumption was slightly lower than in the previous study. In the two sectors food (30,100 t) and other chemicals/pharmaceuticals (15,520 t), consumption in Germany stagnated in 2017 compared with 2015.

The share of sustainable palm kernel oil has increased in the three sectors. In the food sector and in the WPR and cosmetics sectors, the use of certified palm kernel oil increased by 6% each to a total of 85% (food) and 58% (WPR and cosmetics). In the other chemicals/pharmaceuticals sector, the share rose by 1% to a total of 8%.

Consumption of sustainable palm (kernel) oil in Germany in 2017

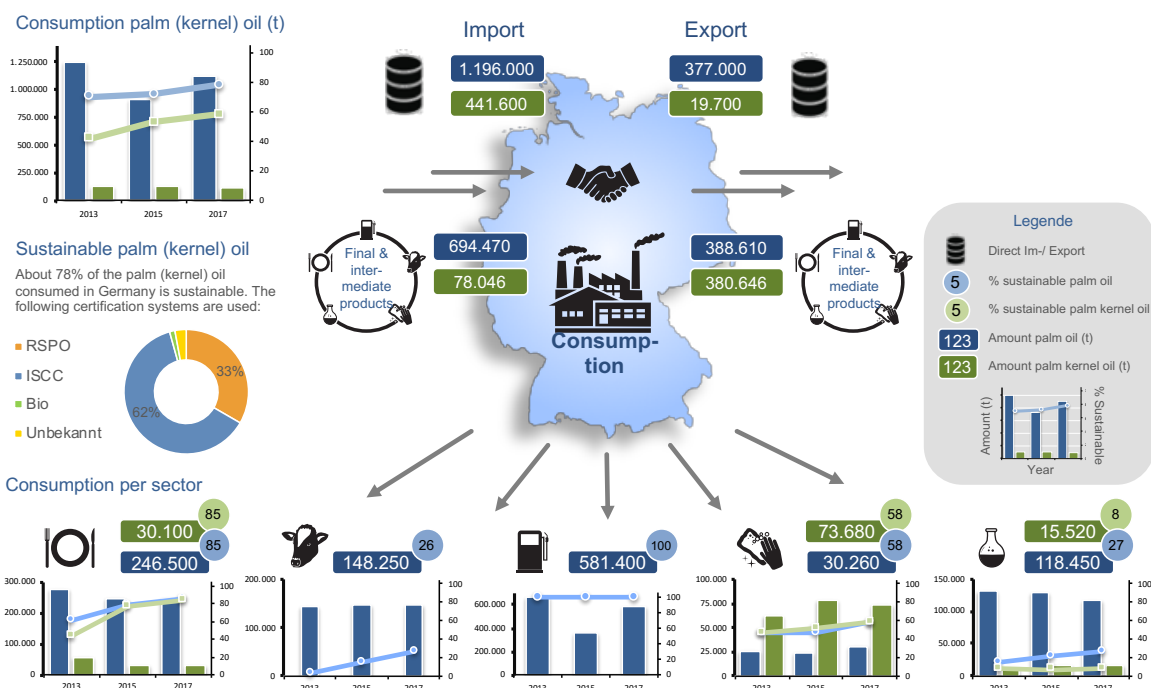


Figure 2: Consumption of palm oil and palm kernel oil in Germany in 2017

Organic palm oil and organic palm kernel oil

Since organic products are an independent market with a higher price level, the organic sector is considered separately in this study.

In 2017, 12,800 t of organic palm oil (11,800 t in the food sector, + 1,000 t in the WPR and cosmetics sector) and 330 t of organic palm kernel oil (310 t in food, 20 t in WPR and cosmetics) were consumed. Accordingly, 1.5 % of the total palm oil and 0.5 % of the total palm kernel oil are certified according to this standard.

Substitution and traceability

As companies have been obliged since 2014 to provide precise information on the origin of vegetable fats on food packaging, companies are increasingly substituting palm oil and palm kernel oil to avoid the palm oil debate. This is done using alternative raw materials such as coconut oil.

In other areas, too, attempts are being made to substitute palm oil and palm kernel oil and thus escape the palm oil debate. Palm oil and palm kernel oil are being replaced in selected products in the Other Chemicals/ Pharmaceuticals sector. Alternative raw materials include animal fats or other vegetable oils such as soy and rapeseed oil. In the area of WPR and cosmetics, market participants are also considering substitution with alternative raw materials due to the ongoing debate and growing demands.

Only a few companies are seriously interested in the traceability of palm oil and palm kernel oil. As a rule, the supplier's information is relied upon and no additional information is obtained. Traceability systems are rarely used.

Some large companies are developing their own internal systems that create greater transparency, make developments measurable and thus serve to support controlling. The main drivers for this development are the company's own quality management and sustainability requirements, which encourage companies to trace the production of the palm oil and palm kernel oil they consume or process along the entire supply chain.

Methodology

For the consumption as well as for the processing of palm oil and palm kernel oil in Germany, there is still no evaluable statistical information available that provides a comprehensive picture of the consumption of sustainable and unsustainable palm (kernel) oil in Germany. The challenge of this study was therefore to collect meaningful data on the 2017 palm oil market. Furthermore, it had to be ensured that the data of the current study were comparable with the previous surveys for the years 2013 and 2015.

To this end, companies, market experts, associations and institutions were contacted and interviewed. A webinar with market experts was held to validate the data. All available statistical information, publications by organizations (e.g. certification bodies), associations, scientific studies and product information were also systematically evaluated and supplemented or compared with the available information from the structured interviews.