
14th Biennial Sunflower Conference June 2003

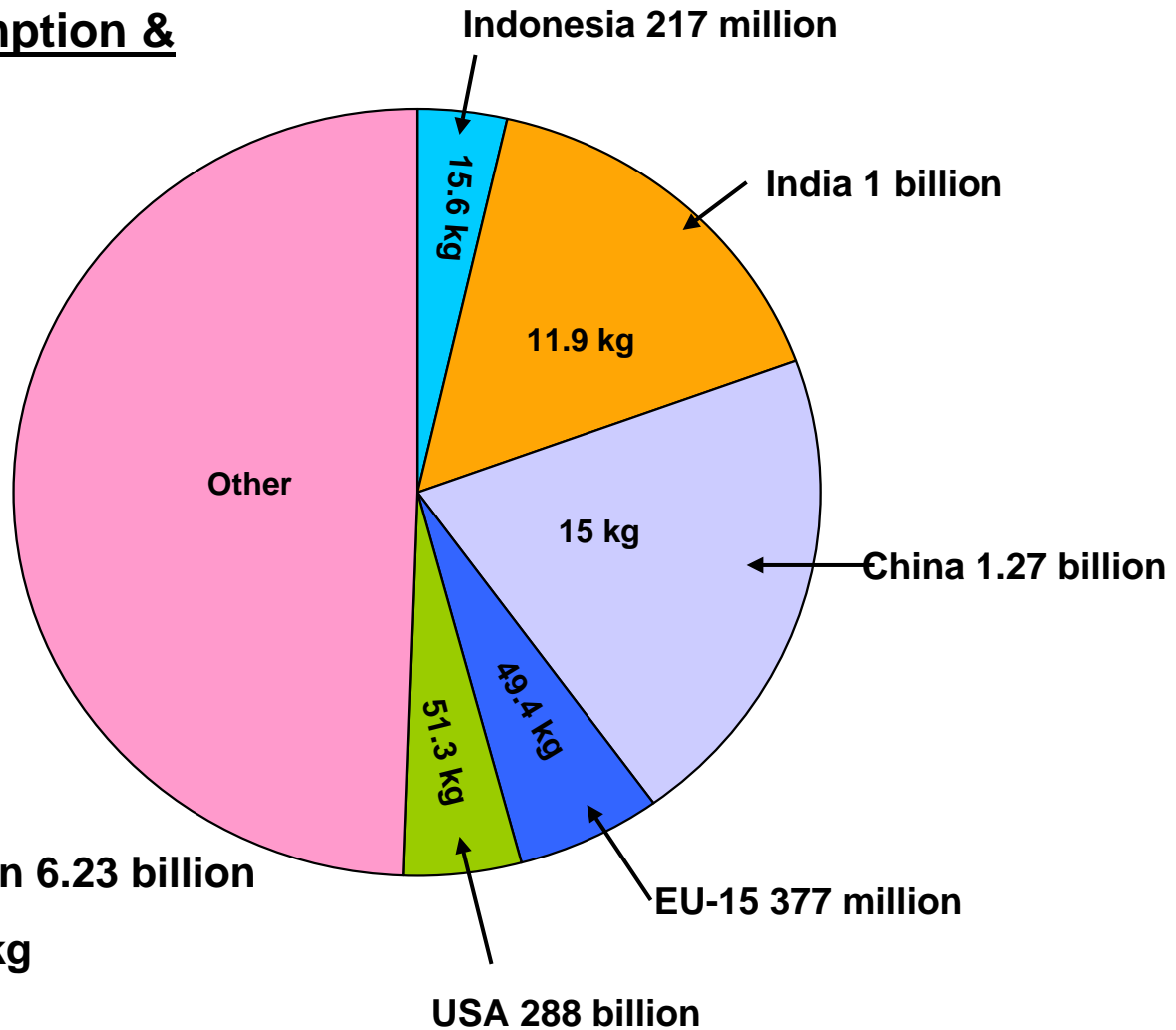
Consumer Trends & Usage of Fats & Oils

Contents

- **World Usage of Fats & Oils**
- **World Consumption Trends in Fats & oils**
- **Domestic Consumer Trends - Australia**
- **Future Directions - Australia**

World Usage Fats & Oils

Per Capita Consumption & Population 2002



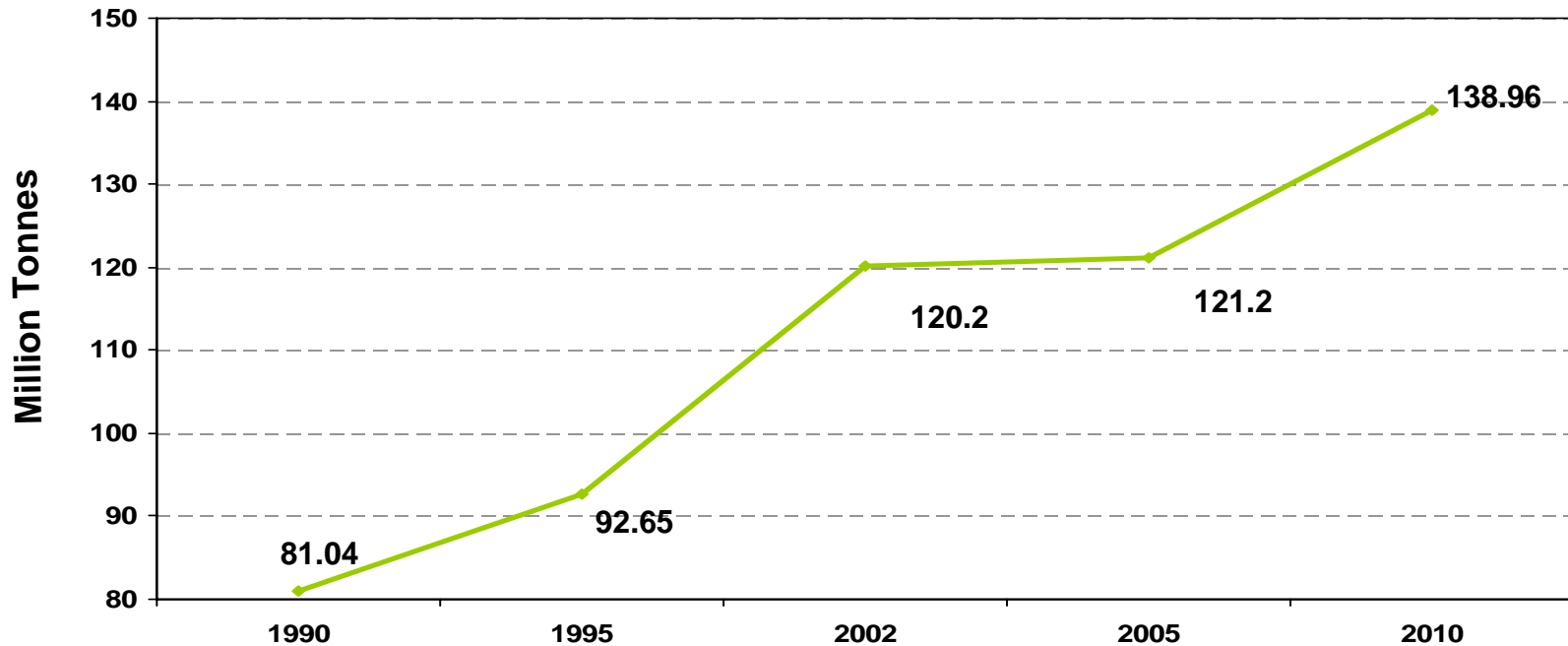
Total World Production 6.23 billion

World Average 19.35 kg

Australia 32 kg

World Usage in Fats & Oils - Projection

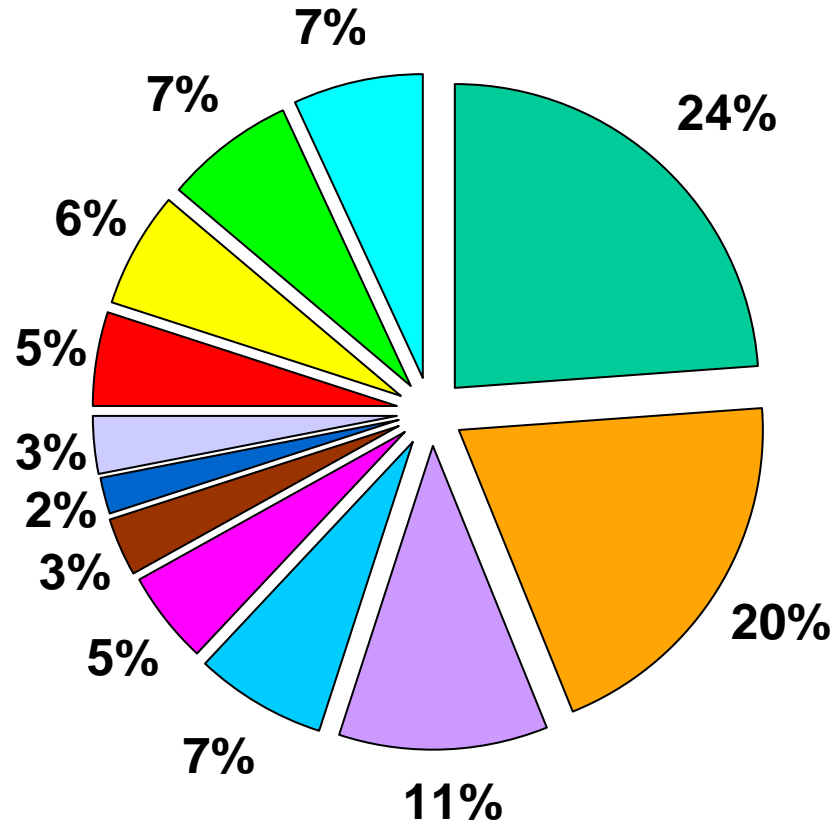
Actual & Projected Consumption of Oils & Fats over
Years 1990-2010



Year	1990	1995	2002	2005	2010
Population (in Billions)	5.300	5.670	6.23	6.280	6.649
Consumption (KG/Caput)	15.29	16.34	19.35	19.95	20.90

World Usage of Fats & Oils - By oil type

World Consumption (2002)



World Usage in Fats & Oils - Oil type trends

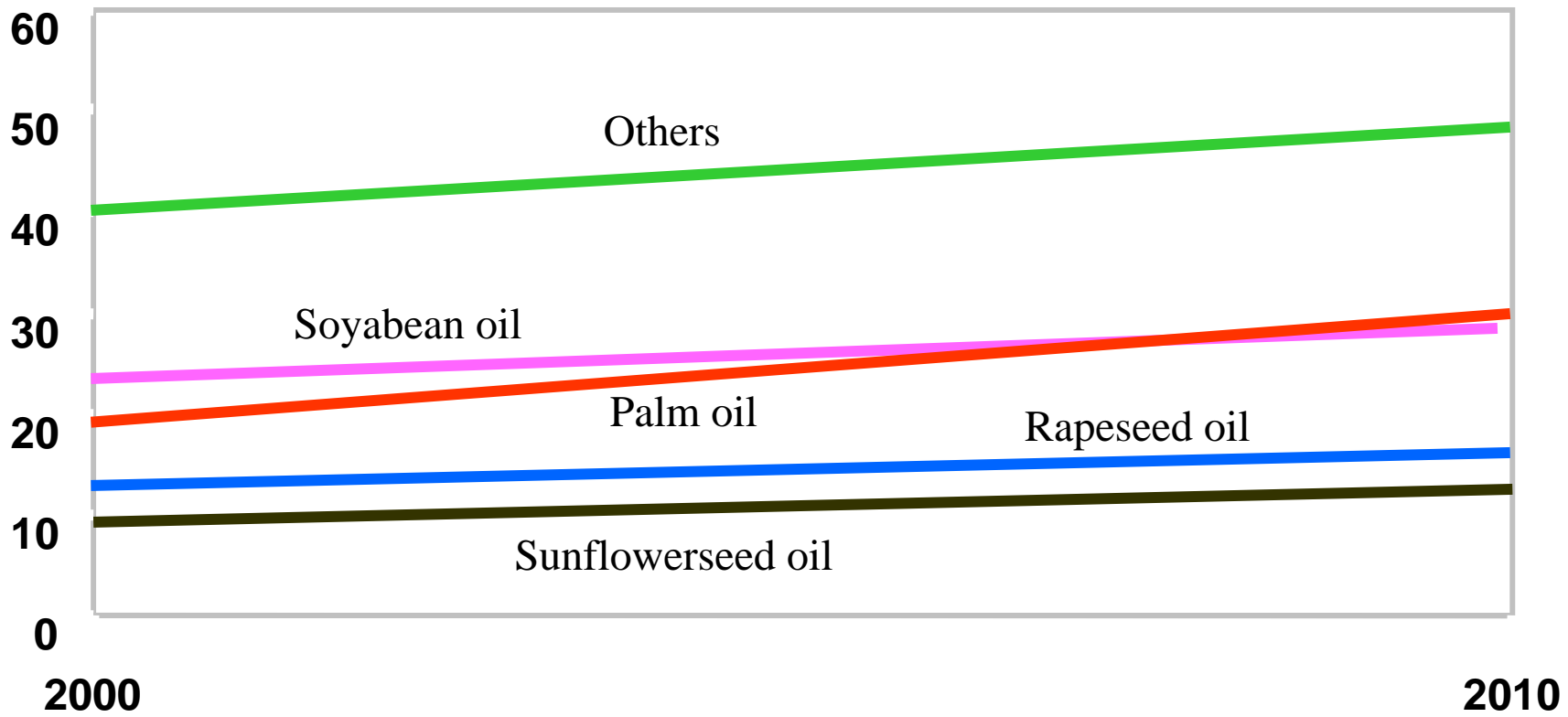
Average annual production of the major commodity oils and fats in the five-year periods 1958-1962 and 1996-2001

	1958-1962		1996-2001	
	Rank order	Million metric tons	Rank order	Million metric tons
Total		29.16		103.45
Animal	37%		19%	
Vegetable	63%		81%	
Butter	1	4.21	7	5.75
Tallow	2	3.39	5	7.65
Soybean	3	3.20	1	22.84
Lard	4	3.19	6	6.21
Peanut	5	2.65	8	4.62
Cottonseed	6	2.26	9	4.00
Sunflower	7	1.90	4	9.14
Coconut	8	1.85	10	3.10
Olive	9	1.30	11	2.42
Palm	10	1.26	2	17.93
Canola	11	1.13	3	12.56

World Usage in Fats & Oils - Future

Future Production of Fats & Oils

(Million Tonnes)



World Consumption Trends in Fats & Oils

Developing Countries

- **Per capita consumption is likely to increase most in developing countries (e.g. China & India)**
- **Developing countries account for an increasingly large portion of the worlds population**
- **Preference for oil type depends largely on price and availability in developing countries**
- **Price elasticity of demand is more relevant in developing countries**
- **Palm share of consumption in developing nations is expected to grow more rapidly because of availability and price**

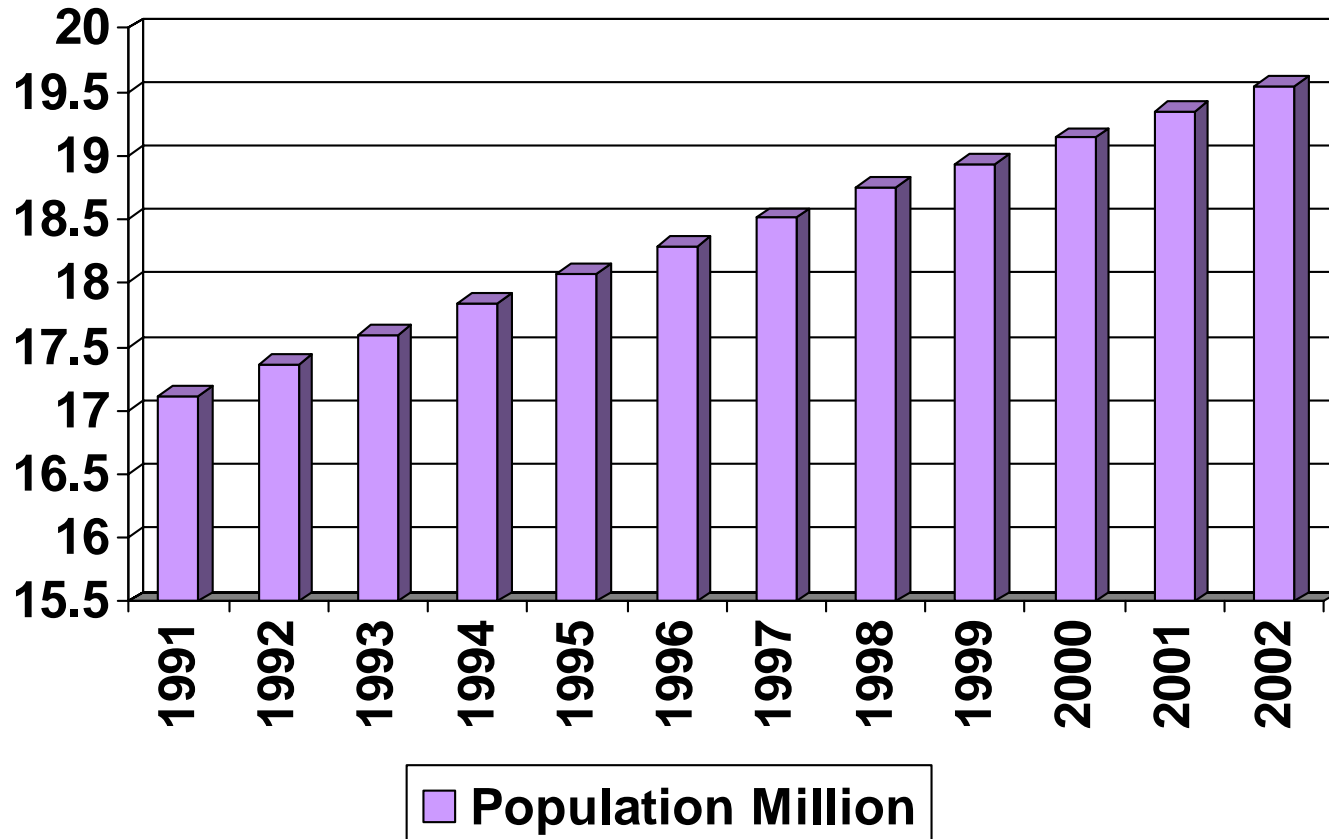
World Consumption Trends in Fats & Oils

Developed Countries

- **Per capita consumption of fats and oils are near saturation point**
- **Limited demand growth expected for fats & oils in developed countries**
- **Historical swing away from animal fats to vegetable oils**

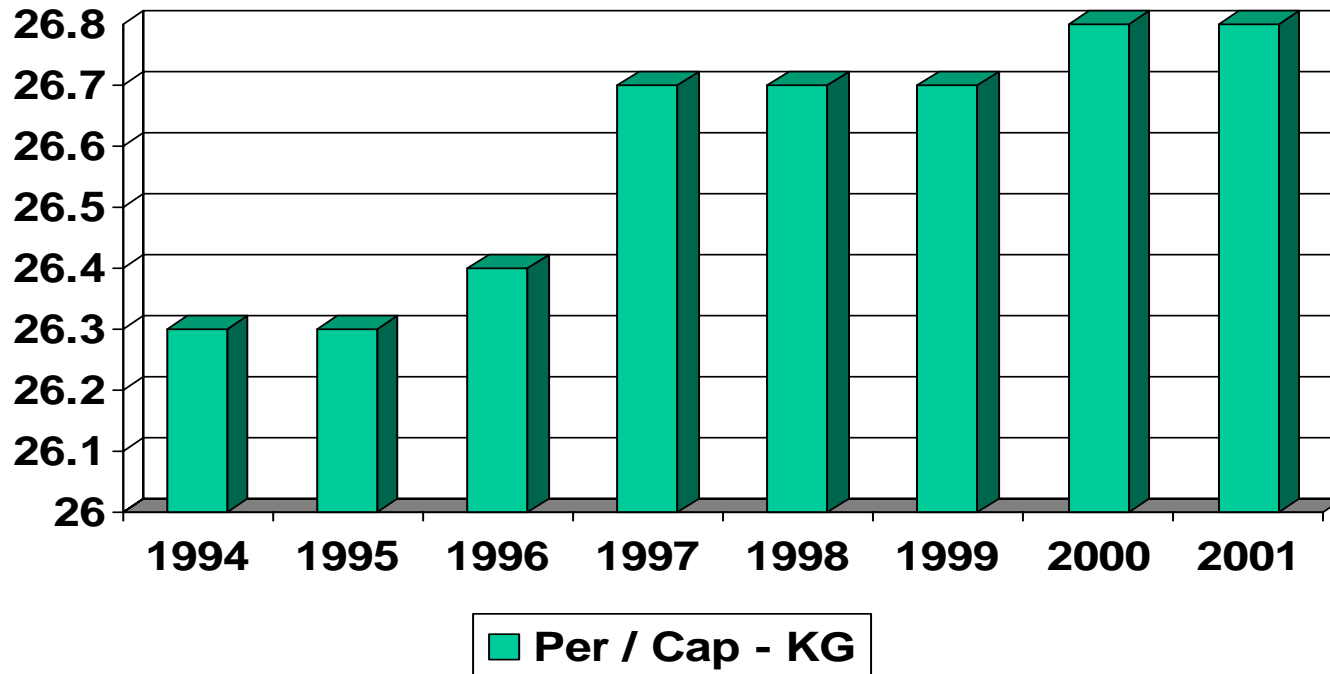
Domestic Consumer Trends - Australia

Market Size



Domestic Consumer Trends - Australia

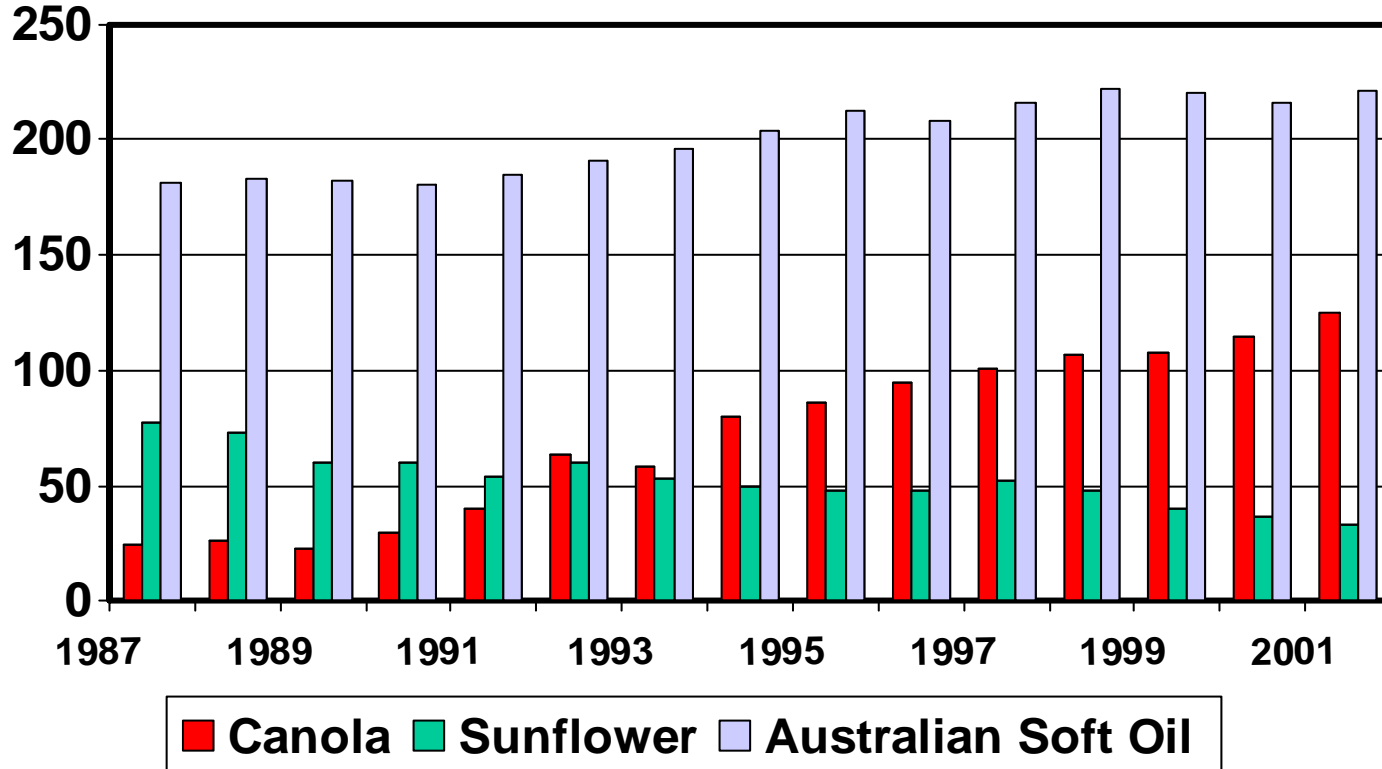
Market Size



- Per cap Consumption up 2.0% over 10 years or 0.20% p.a.
- “Oil World” 32.8 kg per cap
- GF 26.8 kg per cap

Domestic Consumer Trends - Australia

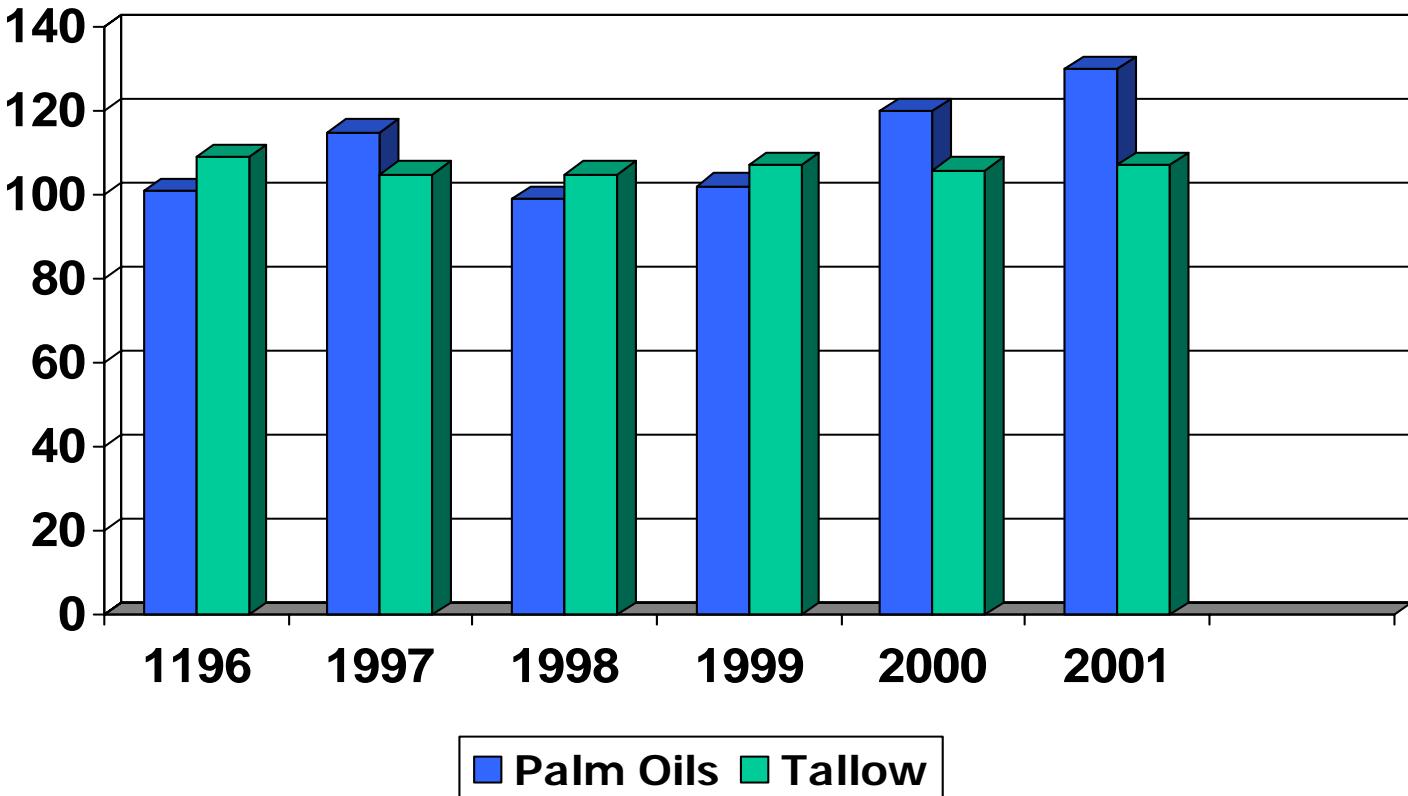
Australian Soft Oil Usage



Canola %	14	13	22	30	46	47	49	57
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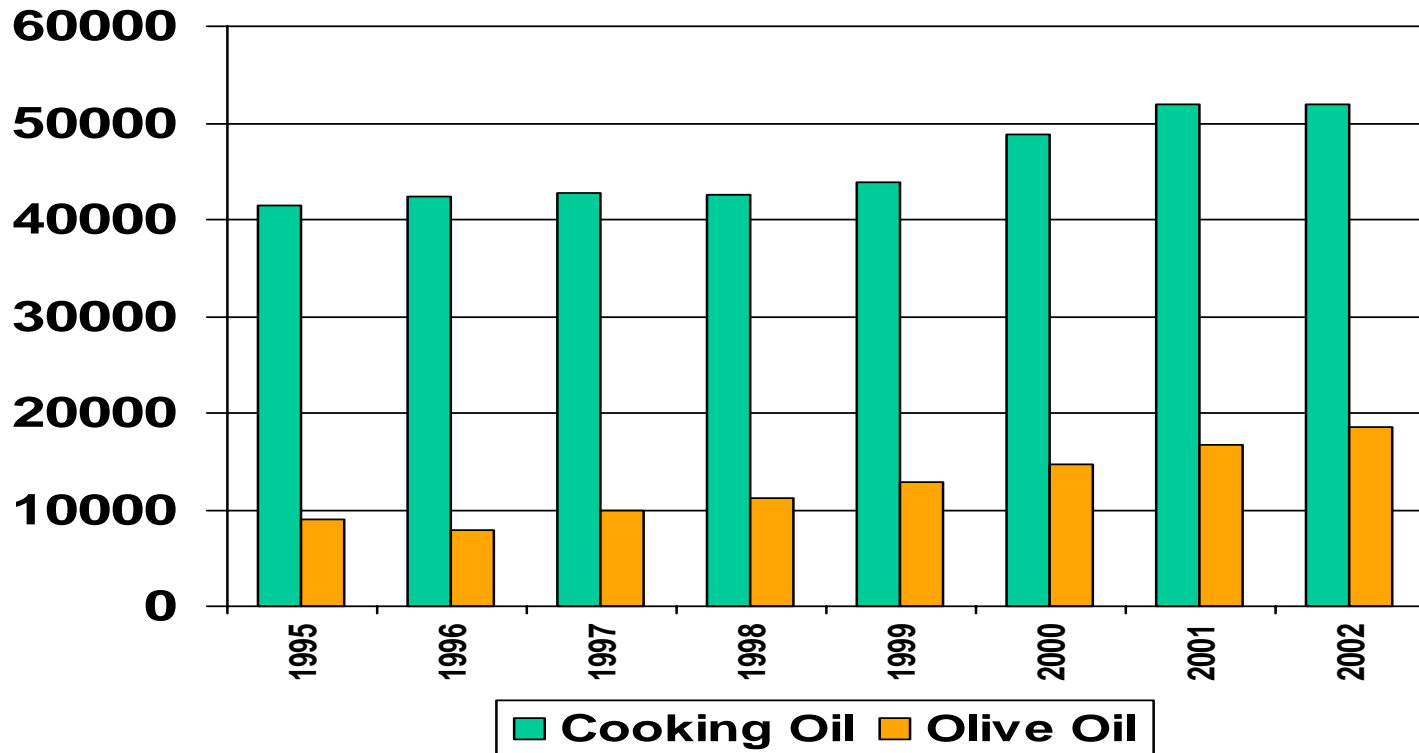
Domestic Consumer Trends - Australia

Palm Oils - Tallow Usage



Domestic Consumer Trends - Australia

Total Retail Cooking Oils - Volume (Tonnes)



41,444T

42,388T

42,758T

42,644T

43,917T

48,464T

51,858

51,962

Growth :

+2.3%

+ 0.9%

-0.3%

+3.0%

+10.4%

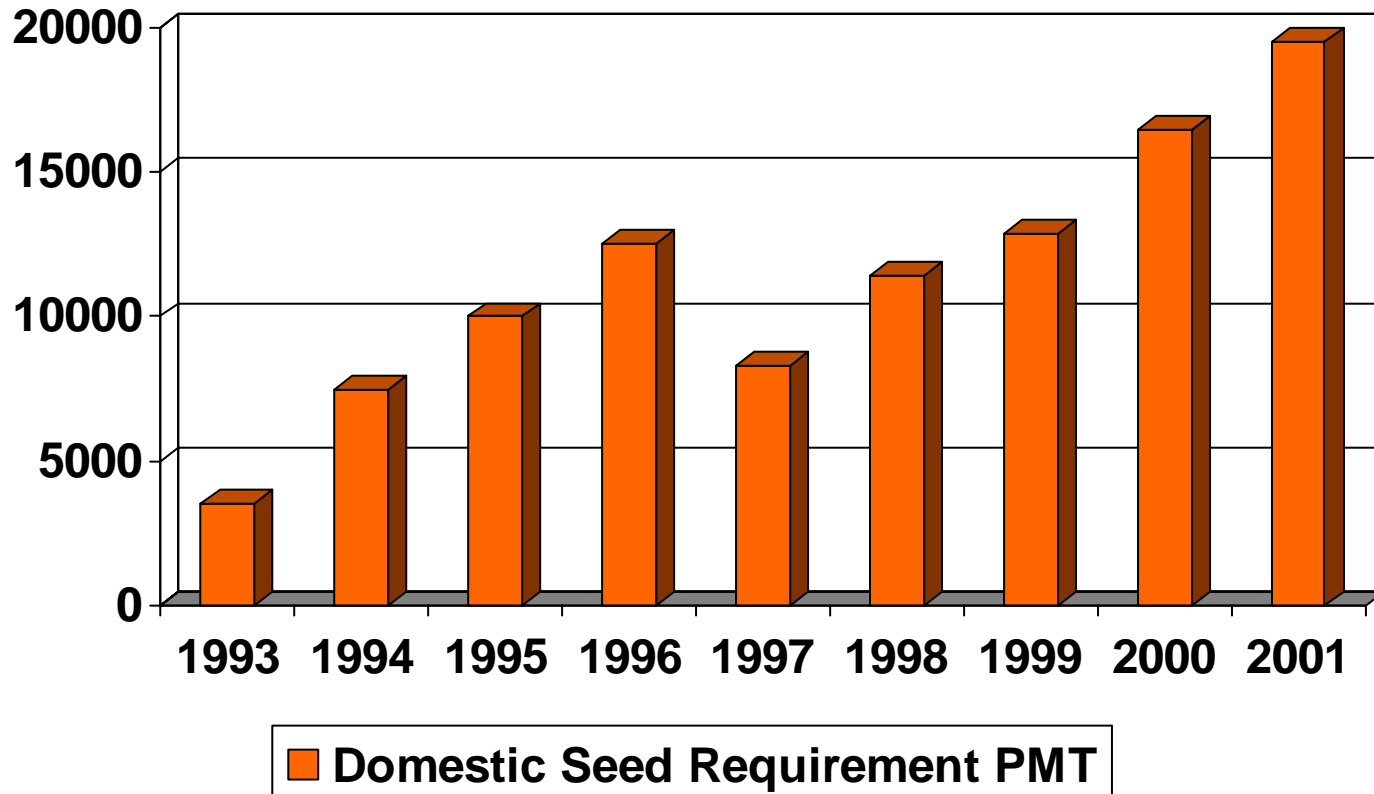
+7%

+0.2%

Domestic Consumer Trends - Australia

Domestic High Oleic Sunflower Seed Crush

High Oleic SFO Usage



Domestic Consumer Trends - Australia

Market Size

- Total Australian market increasing by 0.7% pa
- Total retail yellow spreads 105,000 mt
 - Declining at 3% pa
 - Butter 35,500 mt (34%)
 - Increasing at 3% pa
 - Margarine 70,000 mt (66%)
 - Declining at 5% pa
- Bottled oils 51,000 mt pa
 - Non olive growth -4.5% pa
 - Olive 9% pa (37% market)
- Food Service / Commercial 375,000 mt pa
 - Growing at 2% pa

Domestic Consumer Trends - Australia

Trends over the past years

- **Low growth - around population increase**
 - **Decline in retail sector (visible)**
 - **Increase in food service and commercial sectors (invisible)**
- **Increase in canola oil consumption and speciality oils such as peanut and sesame oil**
- **Increase in olive oil consumption - extra virgin and extra light driving growth**
- **Decline in blended vegetable oil and sunflower oil consumption**

Domestic Consumer Trends - Australia

Trends over the past years

- **Decline in spreads consumption - same household number**
 - **Butter increasing - more households, higher consumption**
 - **Dairy spreads increasing**
 - **Vegetable oil spreads declining - less consumption**
 - **Reduced oil content of vegetable oil spreads**
 - **Spreads offering unique positioning eg cholesterol lowering and olive oil**
- **Soyabean oil consumption decline (Trans fatty & GMO issues)**
- **Stable tallow consumption (lower per cap)**
- **Increase in palm oil consumption (higher per cap)**
- **High oleic oils introduced**
- **Greater import participation in Food Service sector**

Future Directions - Australia

- **Past trends to continue**
 - **Ageing population = lower food + fat intake**
 - **Further increase in out of home eating = higher fat intake**
 - **Shallow frying in home declining**
 - **Increased emphasis on healthier oil**
 - **Olive oil growth to continue**
 - **Increase in generic branded bottled oils**

Future Directions - Australia

- **GMO Free and Organic oils**
 - **Will be increase in intrinsic demand**
- **Potential Australian olive oil production 26,000 mt in 2007**
- **Growth in Food Service and Commercial Sector**
 - **Implications for oil type, palm likely**
- **Next Generation frying oils**
 - **High oleic above 65% + linoleic 20% and linolenic below 3% canola oil**
 - **Substitute for palm olein**
 - **Substitute for tallow (BSE, Aesthetic reasons)**