



J U N E

2014

# China Cooking Oil Market Prospects to 2018

- Upgrading Agro-Economic System to Forerun Market

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## CHINA COOKING OIL MARKET SIZE

### BY VOLUME, MY'2009-MY'2013

The cooking oil production industry in China has leveraged in recent years, predominantly due to increased industry capacity and amplified domestic demand....

The production of oil correspond to the relative volume of oilseeds crushed which yielded oil. In MY'2009-2013, China's cooking oil production maintained a rising trend, reaching ~ thousand tons in MY'2013 with an increase in a minimal growth of 1.9% as compared to MY'2012...

“ The total supply of cooking oil has witnessed an increased CAGR of 5.1% during the period MY'2009-2013 in China ”

**Table: China Cooking Oil Market Size by Production, Supply and Domestic Consumption in Thousand Tons, MY'2009-MY'2013**

Particulars	MY'2009	MY'2010	MY'2011	MY'2012	MY'2013
Total Production					
Total Supply (Product Availability) including imports					
Total Domestic Consumption					
Total Distribution					

## BY VALUE, MY'2010-MY'2013

... In MY'2013, China's oil market for top three most consumed cooking oils (soybean, rapeseed and palm) was valued at USD ~ million with respect to the domestic consumption. During the period MY'2010 to MY'2013 the overall consumer expenditure on cooking oil has swelled at a CAGR of ~%, thereby heaving to total revenues of USD ~ billion during this period...

**Figure: China Cooking Oil Market Size by Retail Sales Value in USD Million, MY'2010-MY'2013**



## CHINA COOKING OIL MARKET SEGMENTATION

### BY PRODUCTION, SUPPLY, CONSUMPTION AND RETAIL SALES OF DIFFERENT TYPES OF COOKING OILS, MY'2009-MY'2013

#### BY PRODUCTION, MY'2009-MY'2013

.. Out of the total cooking oil production, soybean oil accounted for ~% of the total production output followed by rapeseed and peanut oil with 24.8% and ~% of the total crushed oilseeds respectively...

Sunflower seed cooking oil has witnessed a relatively fast production during the period MY'2009-MY'2013 registering a CAGR of ~%....

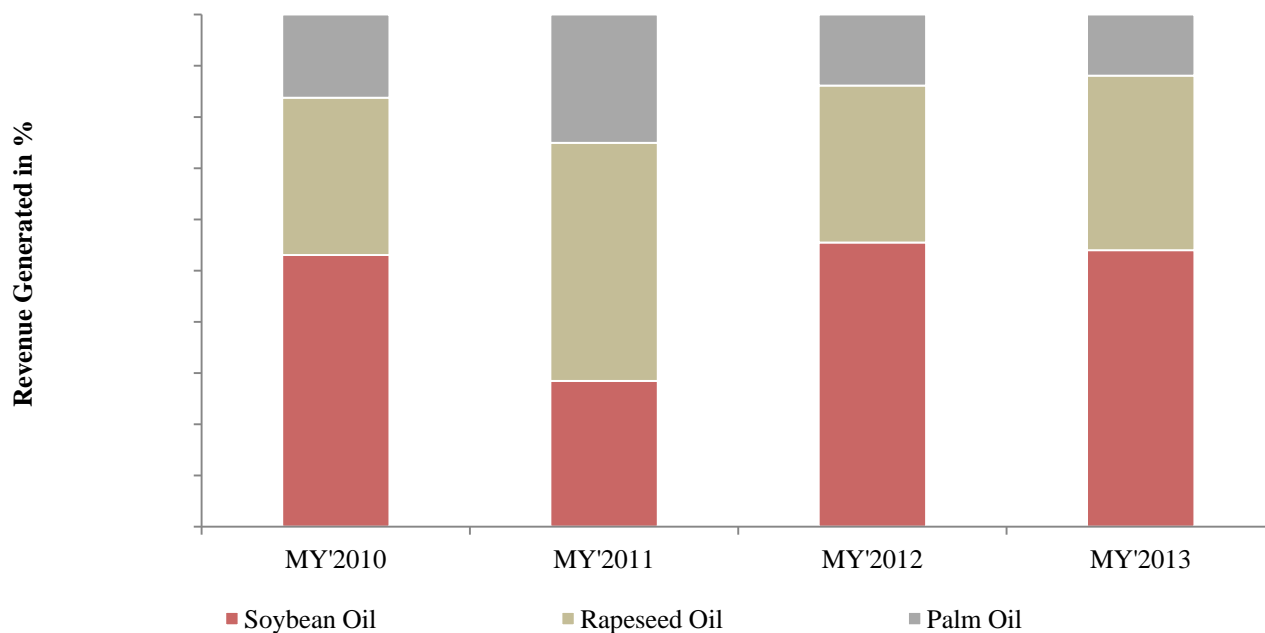
**Table: China Cooking Oil Market Segmentation by Production (Indigenously Crushed) of Different Types of Cooking Oils in Percentage (%), MY'2009- MY'2013**

Type of Oil	MY'2009	MY'2010	MY'2011	2012	2013
Soybean Oil					
Rapeseed Oil					
Peanut Oil					
Cottonseed Oil					
Sunflower Seed Oil					
Palm Oil					
Coconut Oil					
<b>Total</b>					

## BY RETAIL SALES VALUE OF MAJOR COOKING OILS, MY'2010-MY'2013

...Soybean cooking oil total retail sales was valued at USD ~ million, accounting for ~% of the total revenue generated by cooking oil market in the country in MY'2013. ..

**Figure: China Cooking Oil Market Segmentation by Types of Cooking Oil on the Basis of Revenue Generated by Consumption on the basis of Retail Prices in Percentage (%), MY'2010-MY'2013**



## CHINA RAPESEED OIL MARKET DYNAMICS

### MARKET SUPPLY & CONSUMPTION OF RAPESEED OIL, MY'2009-MY'2013

... The total domestic consumption has leveraged with a CAGR of ~% during the period MY'2009-MY'2013. There is a negligible export of rapeseed oil due to the persistent high domestic consumption...

**Table: Market Supply & Consumption Scenario of Rapeseed Oil in Thousand Tons in China, MY'2009- MY'2013**

Particulars	MY'2009	MY'2010	MY'2011	MY'2012	MY'2013
Crush	15,6	1	16,9		
Beginning Stocks(1)	91				
Total Production(2)					
Imports(3)	7				
<b>Total Supply(Product Availability)=(1+2+3)</b>	16				
Exports					
<b>Consumption:</b>					
Industrial Domestic Consumption(4)					
Food use Domestic Consumption(5)					
Feed Seed Waste Domestic Consumption(6)					
<b>Total Domestic Consumption=(4+5+6)</b>					
Ending Stocks					

## TRENDS & DEVELOPMENT IN CHINA COOKING OIL MARKET

### PRICE TRENDS OF CHINA COOKING OIL MARKET, MY'2010-MY'2013

... It is observed that there was a steep decline of -60.4% in wholesale soybean prices in MY'2011 in comparison to the previous market year...

Rapeseed oil prices remained strong to as high as ~% from soybean oil and ~% from palm oil in MY'2013. It is because rapeseed oil prices are dependent not only on indigenous production but also on the relative amount of imports particularly from Canada...

**Table: Wholesale Soybean, Rapeseed and Palm Oil Prices in USD/Ton in China, MY'2010-MY'2013**

Type of Oil	MY'2010	MY'2011	MY'2012	MY'2013
Wholesale Soybean Oil Prices				
Wholesale Rapeseed Oil Prices				
Wholesale Palm Oil Ex-Pier Prices				

Pricing is an important parameter for consideration as it substantially drives supply and demand of cooking oils in the country... The month of November has witnessed the maximum wholesale price of USD 1,180/ton of soybean oil due to fall in soybean stocks while the oil prices were minimum to USD ~ / ton in the month of August in MY'2013 due to weak demand and accumulative imports.

**Table: Wholesale Soybean Oil Prices in Different Provinces Month-Wise in USD/Ton, MY'2013**

Provinces	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Tianjin									1,152	1,111		
Liaoning									1,111	1,111	1,139	
Zhejiang							1,161			1,164	1,111	
Guangxi							1,198			1,211		
Shannxi						1,242	1,111	1,152				
Hebei					1,197	1,111	1,111	1,111	1,111			
Jilin					1,111	1,266						
Heilongjiang					1,254		1,111					
Jiangsu					1,111	1,111	1,145					
Shahdong			1,307	1,211	1,171	1,175						
Henan			1,211	1,211	1,207							
Guangdong				1,185								
<b>Average</b>		1,115	1,111		1,111						<b>1,180</b>	
<b>Change % (Jan-Dec)</b>												
<b>Average Over the Year</b>												

## CHINA COOKING OIL MARKET IMPORT & EXPORT SCENARIO, MY'2009-MY'2013

China is one of the world's largest importers of oilseeds and cooking oil. The country imported 68,884 thousand tons of oilseeds while ~ thousand tons of cooking oil in MY'2013. Palm oil accounted for ~% of the total imports of oil followed by soybean oil with ~% of the total imports in MY'2013...The imports have risen due to increase in demand and insufficient indigenous oil production at a CAGR of ~% during the period MY'2009-MY'2013.

...The export of oilseeds in China was already at a very low level. Additionally the exports to other countries have dropped down at a plummeting CAGR of ~% during the period MY'2009-MY'2013...

**Table: Import and Export Scenario of China Cooking Oil Market in Thousand Tons, MY'2009-MY'2013**

Particulars	MY'2009	MY'2010	MY'2011	MY'2012	MY'2013
Total Imports	8,563	7,962			
Imports from US					
Total Exports	98				
Exports to the EC					

**Table: By Different Oils Imports in Percentage (%), MY'2009-MY'2013**

Type of Oil	MY'2009	MY'2010	MY'2011	MY'2012	MY'2013
Palm Oil	3%				
Soybean Oil					
Rapeseed Oil					
Coconut Oil					
Sunflower Seed					
Peanut Oil					
Cottonseed Oil					
<b>Total</b>					



## MARKET SHARE OF THE MAJOR PLAYERS IN CHINA COOKING OIL MARKET

### BY BRANDS, 2013

... However, it is vivid that packaged cooking oil market is highly concentrated, with the top 5 brands making up nearly ~% of the total sales in the year 2013. The remaining market share is imprinted by local brands. However, Jinlongyu brand is the most popular cooking oil brand and thereby accounted for approximately ~% of the total market share on the basis of retail sales, in China in the year 2013.

Shandong Luhua Group has witnessed a commendable performance through its Luhua brand. This flagship brand of the company is known for its premium quality has eventually captured ~% of the cooking oil market in China in 2013...

**Table: Market Shares of Leading Cooking Oil Brands in China on the basis of Retail Sales with Contribution in Percentages (%) in 2013**

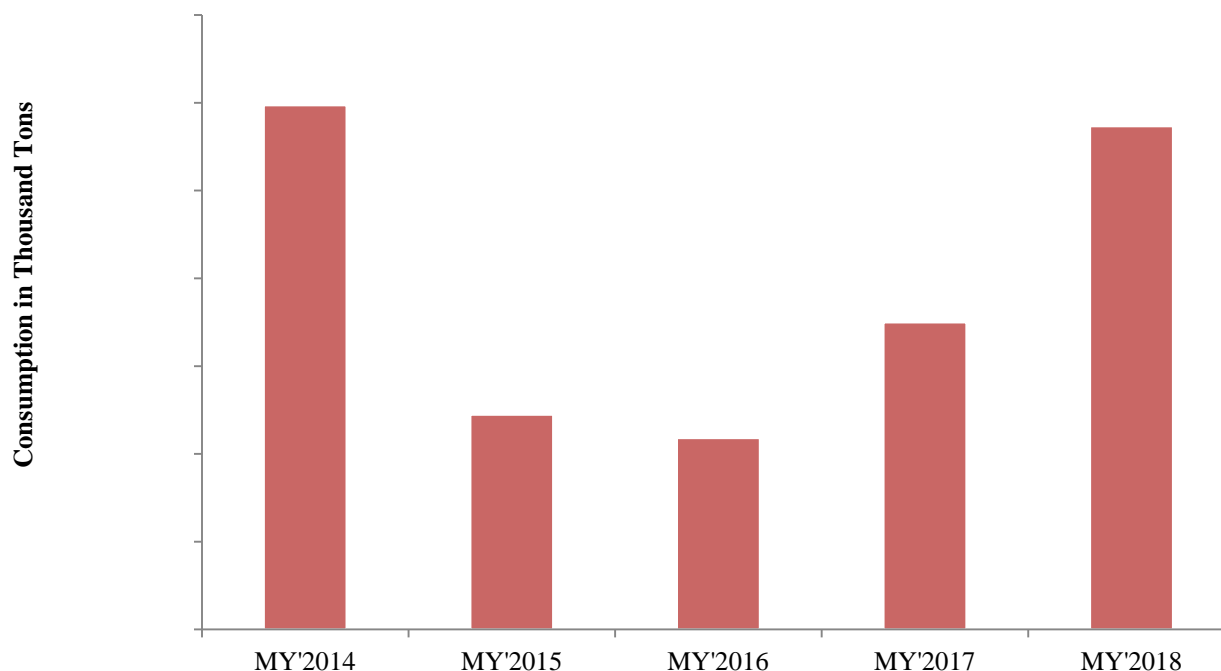
Cooking Oil Brands	Contribution %
Jinlongyu	
Luhua	
Fortune	
longevity flower	
Hu Ji Hua	
XiWang	
Yuan Bao	
Mighty	
LongDa	
Wonder farm	
Others	
<b>Total</b>	<b>100.0%</b>

## CHINA COOKING OIL MARKET FUTURE OUTLOOK & PROJECTIONS, MY'2014- MY'2018

Cooking oil market has been one of the fastest growing food processing sectors in China. The rising demand of cooking oil had eventually increased its consumption at an appreciable CAGR of 4.9% during the period MY'2009-MY'2013... Hence, cooking oil market in China is augmented to grow at a minimal yet increasing CAGR of ~% during the forecast period MY'2013-MY'2018.

... These anticipated factors are likely to play a crucial role to increase relative consumption at of ~ thousand tons and ~ thousand tons, with growth rates of ~% and ~% in MY'2017 and MY'2018 respectively in comparison to MY'2016.

**Figure: China Cooking Oil Market Future Projections on the Basis of the Consumption in Thousand Tons, MY'2014- MY'2018**



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