



KEN RESEARCH

JUNE

---

2014

# China Cooking Oil Market Prospects to 2018

- Upgrading Agro-Economic System to  
Forerun Market

## TABLE OF CONTENTS

1. China Cooking Oil Market Introduction
  - China Across the Globe
  - 1.1. Types of Cooking Oil used in China
  - 1.2. China Cooking Oil Industry Value Chain in Context to Technological Processing
2. China Cooking Oil Market Size
  - 2.1. By Volume, MY'2009-MY'2013
  - 2.2. By Value, MY'2010-MY'2013
3. China Cooking Oil Market Segmentation
  - 3.1. By Production, Supply, Consumption and Retail Sales of Different Types of Cooking Oils, MY'2009-MY'2013
    - 3.1.1. By Production, MY'2009-MY'2013
    - 3.1.2. By Total Supply, MY'2009-MY'2013
    - 3.1.3. By Domestic Consumption, MY'2009-MY'2013
    - 3.1.4. By Retail Sales Value of Major Cooking Oils, MY'2010-MY'2013
  - 3.2. China Soybean Oil Market Dynamics
    - 3.2.1. Market Supply & Consumption of Soybean Oil, MY'2009-MY'2013
  - 3.3. China Rapeseed Oil Market Dynamics
    - 3.3.1. Market Supply & Consumption of Rapeseed Oil, MY'2009-MY'2013
  - 3.4. China Palm Oil Market Dynamics
    - 3.4.1. Market Supply & Consumption of Palm Oil, MY'2009-MY'2013
  - 3.5. China Peanut Oil Market Dynamics
    - 3.5.1. Market Supply & Consumption, MY'2009-MY'2013
  - 3.6. China Cottonseed Oil Market Dynamics
    - 3.6.1. Market Supply & Consumption, MY'2009-MY'2013
  - 3.7. China Sunflower Seed Oil Market Dynamics

- 3.7.1. Market Supply & Consumption of Sunflower Seed Oil, MY'2009-MY'2013
- 3.8. China Coconut Oil Market Dynamics
  - 3.8.1. Market Supply & Consumption of Coconut Oil, MY'2009-MY'2013
- 4. Trends & Development in China Cooking Oil Market
  - 4.1. Price Trends of China Cooking Oil Market, MY'2010-MY'2013
  - 4.2. Legislations Enforced in China Cooking Oil Market
  - 4.3. Comparison of Different Types of Oil by Fatty Acid Composition
    - From Inexpensive & Unhealthy to Standard Healthy Oil (such as Olive Oil)
- 5. China Cooking Oil Market Import & Export Scenario, MY'2009-MY'2013
- 6. Challenges Involved in Cooking Oil Market
  - Increasing Adulteration of Cooking Oil
  - Immediate Need for Sustainable Palm Oil
- 7. Market Share of the Major Brands in China Cooking Oil Market, 2013
- 8. Company Profiles of the Major Players in China Cooking Oil Market
  - 8.1. Wilmar International
    - 8.1.1. Company Overview
    - 8.1.2. Operations & Cooking Oil Business in China
  - 8.2. China National Cereals, Oils and Foodstuffs Corporation (Cofco)
    - 8.2.1. Company Overview
    - 8.2.2. Operations & Cooking Oil Business in China
  - 8.3. Other Players in China Cooking Oil Market
- 9. China Cooking Oil Market Future Outlook & Projections, MY'2014- MY'2018
  - 9.1. Cause and Effect Relationship in China Cooking Oil Market
- 10. Macro Economic Factors for the China Cooking Oil Market
  - 10.1. Population in China, 2007-2018
  - 10.2. Gross Domestic Product (GDP) in China, 2007-2018
  - 10.3. Personal Disposable Income (PDI) Per Capita in China, 2007-2018

- 10.4. Vegetable Oil Consumption Per Capita in China, MY'2009-MY'2018
- 10.5. Harvested Area of Oilseeds in China, MY'2009- MY'2018
11. Appendix
  - 11.1. Market Definitions
  - 11.2. Abbreviations
  - 11.3. Research Methodology
    - Data Collection Methods
    - Approach
    - Variables (Dependent and Independent)
    - Multi Factor Based Sensitivity Model
    - Final Conclusion
  - 11.4. Disclaimer

## LIST OF FIGURES

Figure 1 : Pictorial Representation of Oil Manufacturing and Processing from Oilseeds

Figure 2: China Cooking Oil Market Size by Retail Sales Value in USD Million, MY'2010- MY'2013

Figure 3: 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

Figure 4: Market Shares of Leading Cooking Oil Brands in China on the basis of Retail Sales in Percentages (%) in 2013

Figure 5: China Cooking Oil Market Future Projections on the Basis of the Consumption in Thousand Tons, MY'2014- MY'2018

Figure 6: Population in China in Million, 2007-2018

Figure 7: GDP in China in USD Billion, 2007-2018

Figure 8: PDI per capita in China in USD, 2007-2018

Figure 9: Vegetable Oil Consumption Per Capita in Kilogram (Kg) in China MY'2009- MY'2018

Figure 10: Vegetable Oil Consumption Per Capita in Percentages (%) in China, MY'2009- MY'2018

Figure 11: Harvested Area of Oilseeds in China in Million Hectare (MHa), 2009- 2018



## LIST OF TABLES

Table 1: New Cooking Oil Products Launched in China with their Technology/ Manufacturing Company and Key Benefits, 2012

Table 2: World Supply and Distribution (Country -Wise) of Major Vegetable Oils in MY'2013, in Million Metric Tons with Contribution in Percentage (%)

Table 3: Nutritional Value, Smoke Point and Other Uses of Various Types of Cooking Oil

Table 4: Oil Yield from Different Oilseeds in Approximate Percentages (%)

Table 5: China Cooking Oil Market Size by Production, Supply and Domestic Consumption in Thousand Tons, MY'2009-MY'2013

Table 6: China Cooking Oil Market Segmentation by Production (Indigenously Crushed) of Different Types of Cooking Oils in Percentage (%), MY'2009- MY'2013

Table 7: China Cooking Oil Market Segmentation by Production (Indigenously Crushed) of Different Types of Cooking Oils in Thousand Tons, MY'2009- MY'2013

Table 8: China Cooking Oil Market Segmentation by Supply (Product Availability) of Different Types of Cooking Oils in Percentage (%), MY'2009- MY'2013

Table 9: China Cooking Oil Market Segmentation by Supply (Product Availability) of Different Types of Cooking Oils in Thousand Tons, MY'2009- MY'2013

Table 10: China Cooking Oil Market Segmentation by Domestic Consumption of Different Types of Cooking Oils in Percentage (%), MY'2009- MY'2013

Table 11: China Cooking Oil Market Segmentation by Domestic Consumption of Different Types of Cooking Oils in Thousand Tons, MY'2009- MY'2013

Table 12: 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 USD Million, MY'2010- MY'2013

Table 13: Supply & Consumption of Soybean Oil in China in Thousand Tons in China, MY'2009- MY'2013

Table 14: Market Supply & Consumption Scenario of Rapeseed Oil in Thousand Tons in China, MY'2009- MY'2013

Table 15: Market Supply & Consumption Scenario of Palm Oil in Thousand Metric Tons in China, MY'2009- MY'2013

Table 16: Market Supply & Consumption Scenario of Peanut Oil in Thousand Tons in China, MY'2009- MY'2013

Table 17: Market Supply & Consumption Scenario of Cottonseed Oil in Thousand Tons in China, MY'2009- MY'2013

Table 18: Market Supply & Consumption Scenario of Sunflower Seed Oil in Thousand Tons in China, MY'2009- MY'2013

Table 19: Market Supply & Consumption Scenario of Coconut Oil in Thousand Tons, MY'2009- MY'2013

Table 20: Wholesale Soybean, Rapeseed and Palm Oil Prices in USD/Ton in China, MY'2010- MY'2013

Table 21: Wholesale Soybean Oil Prices in Different Provinces Month-Wise in USD/Ton, MY'2013

Table 22: Wholesale Rapeseed Oil Prices in Different Provinces Month-Wise in USD/Ton, MY'2013

Table 23: Wholesale Palm Oil Ex-Pier Prices in Different Provinces Month-Wise in USD/ Tons, MY'2013

Table 24: Physical and Chemical Indices for Hygienic Standards of Virgin and Edible Vegetable Oil

Table 25: Comparison of Different Types of Cooking Oil by SFA%, MUFA%, PUFA% and  $\omega$ -6 to  $\omega$ -3 ratio

Table 26: Import and Export Scenario of China Cooking Oil Market in Thousand Tons, MY'2009-MY'2013

Table 27: By Different Oils Imports in Percentage (%), MY'2009-MY'2013

Table 28: By Different Oils Imports in Thousand Tons, MY'2009-MY'2013

Table 29: By Different Oils Exports in Percentage (%), MY'2009-MY'2013

Table 30: By Different Oils Exports in Thousand Tons, MY'2009-MY'2013

Table 31: Financial Analysis of Oilseeds & Grains of Wilmar international in terms of Profit before Tax (PBT) in USD Million, FY'2009- FY'2013

Table 32: Global Operations of Wilmar International Group in terms of Number of Oilseed Crushing Plants & Capacity of Subsidiaries and Associates, FY'2012-FY'2013

Table 33: Associates of Wilmar International Group with their Respective Principal Activities & Proportion of Ownership Interest, FY'2012-FY'2013

Table 34: Revenue Earned by Different Sources in USD Million, FY'2009-FY'2013

Table 35: Carrying Amount of Goodwill and Brand Value of Merchandising and Processing Segment for Oilseeds & Grains in USD Million, FY'2009- FY'2013

Table 36: Financial Risk Management (Credit risk) of Wilmar International Group by Country and by Segments in USD Million and Percentages (%), FY'2009- FY2013

Table 37: Revenue Earned by Different Sources by COFCO Group in USD Million, FY'2009-FY'2013

Table 38: Crushing and Refining Capacity in Thousand ('000) Tons of COFCO Group in China, FY'2011-FY'2013

Table 39: Capital Expenditures Incurred in Oilseeds Processing Business unit of COFCO, FY'2009-FY'2013

Table 40: Principal Associates of COFCO Group with their Respective Principal Activities, Value of Issued Shares in USD Million and Proportion of Ownership Interest in Percentages (%), FY'2013

Table 41: List of Other Major Players with their Business Overview, Production, Product Portfolio and Key Developments

Table 42: Cause and Effect Relationship Analysis between Industry Factors and Expected Cooking Oil Market Prospects

Table 43: Vegetable Oil Consumption Per Capita in Kg, MY'2009-MY'2018

Table 44: Harvested Area of Different Oilseeds in Million Hectare (MHa), MY'2009-MY'2013

Table 45: Correlation Matrix of China Cooking Oil Market

Table 46: Regression Coefficients Output of China Cooking Oil Market

# 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

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

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...

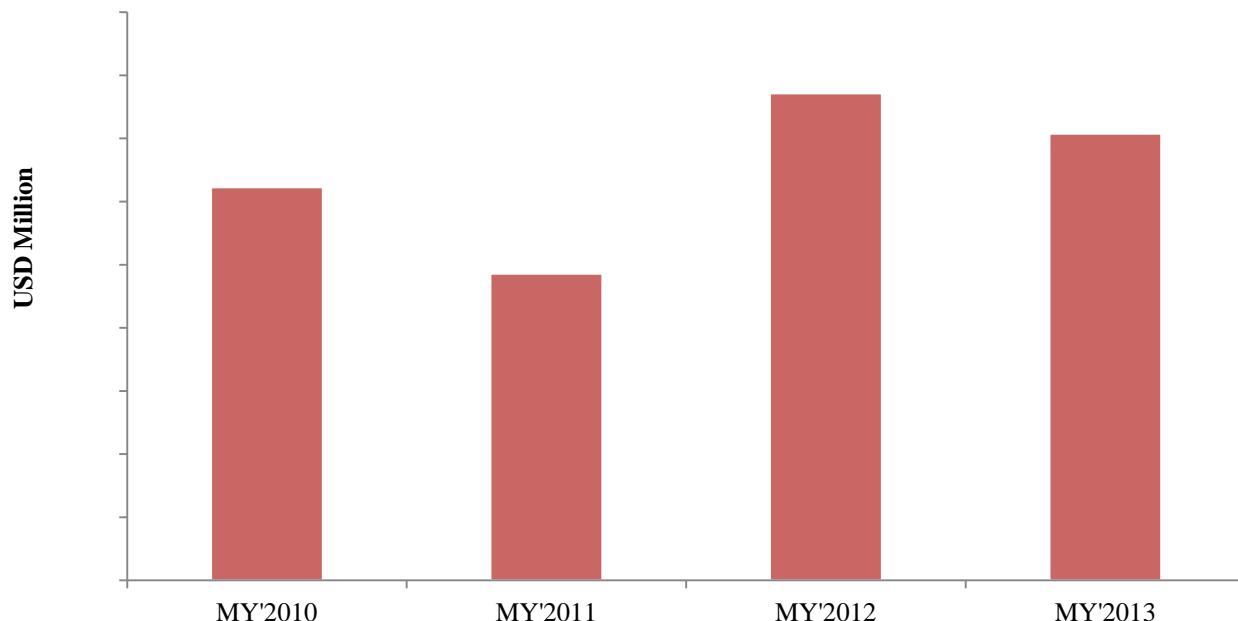
**Table: China Cooking Oil Market Size by Production, Supply and Domestic Consumption in Thousand Tons, MY'2009-MY'2013**

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 ~%....

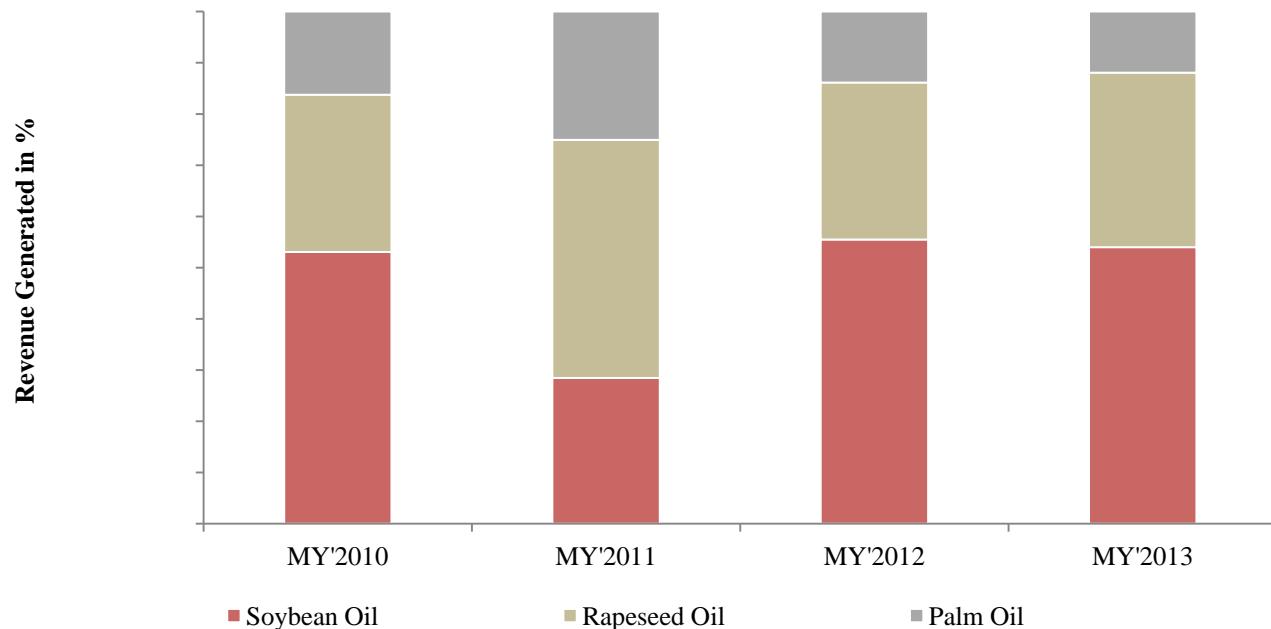
**Table: China Cooking Oil Market Segmentation by Production (Indigenously Crushed) of Different Types of Cooking Oils in Percentage (%), MY'2009- MY'2013**

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 RAPSEED OIL MARKET DYNAMICS

### MARKET SUPPLY & CONSUMPTION OF RAPSEED 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	16.1	16.92		
Beginning Stocks(1)	91				
Total Production(2)					
Imports(3)					
<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	6			
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									1,15	1,15		
Liaoning									1,11	1,11	1,13	1,19
Zhejiang							1,16			1,164	1,164	
Guangxi							1,198			1,198	1,198	
Shannxi						1,242	1,242	1,153				
Hebei					1,17	1,17	1,17		1,17	1,17		
Jilin					1,266	1,266						
Heilongjiang				1,254		1,11	1,11					
Jiangsu				1,172	1,172	1,172	1,172	1,145	1,145			
Shahdong		1,307	1,307	1,277	1,277	1,277	1,275	1,275				
Henan			1,172	1,172	1,207	1,207						
Guangdong			1,185	1,185								
<b>Average</b>		1,115	1,115	1,115	1,115						1,180	
<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	7,963			
Imports from US					
Total Exports	98	151			
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	30%				
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**

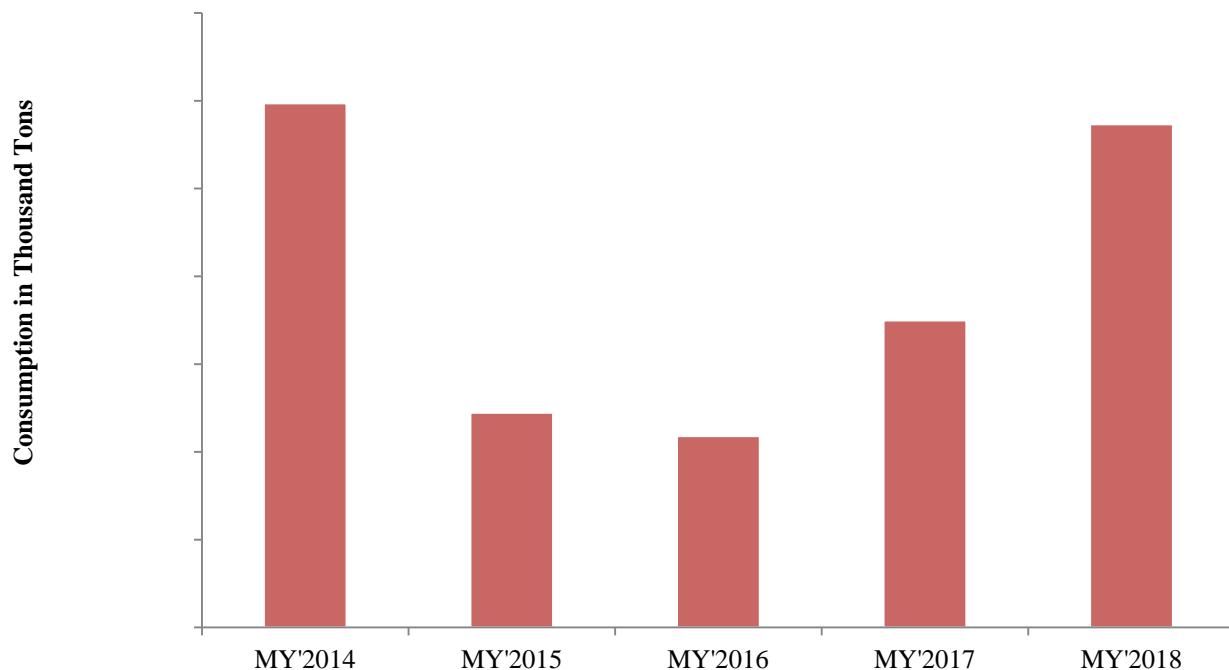
Cooking Oil Brands	Contribution %
Jinlongyu	
Luhua	
Fortune	
longevity flower	
Hu Ji Hua	
XiWang	
Yuan Bao	
Mighty	
LongDa	
Wonder farm	
Others	
<b>Total</b>	<b>100.0%</b>

## 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**



## DISCLAIMER

The research reports provided by Ken Research are for the personal information of the authorized recipient and is not for public distribution and should not be reproduced or redistributed without prior permission. You are permitted to print or download extracts from this material for your personal use only. None of this material may be used for any commercial or public use.

The information provided in the research documents is from publicly available data and other sources, which are reliable. Efforts are made to try and ensure accuracy of data. With respect to documents available, neither the company nor any of its employees makes any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use will not infringe privately owned rights.

The report also includes analysis and views expressed by our research team. The research reports are purely for information purposes. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time without notice. Investors should not solely rely on the information contained in the research documents and must make investment decisions based on their own investment objectives, risk profile and financial position. The recipients of this material should take their own professional advice before acting on this information.

Ken Research will not accept returns of reports once dispatched due to the confidentiality of information provided in our reports. In case, a report qualify for return, we will issue a credit, minus shipping charges, of equal value to the original purchase price, toward a future purchase—no refunds. The decision about whether the product return can be accepted or not is solely at our discretion. Any dispute will be subject to laws of India and exclusive jurisdiction of Indian Courts.

***No part of this manual or any material appearing may be reproduced, stored in or transmitted on any other Web site without written permission of Ken Research and any payments of a specified fee. Requests to republish any material may be sent to us.***