

The Growth of Edible Oil Consumption in China

Source from Grain and Oil Market News and collection by Oil China

Edible Oil Consumption

In 2016 the consumption of edible oil per person is 24.8 kg in China, which is not high comparing with other countries or regions like USA 34 kg, Malaysia 32kg, EU 29kg, Argentina 27kg, so China's consumption of edible oil still has the room for growth.

In 2015/2016 crop year, China's consumption of edible oil is 30.75 million tons and the industrial and other consumption is 3.38 million tons and the export volume is 135,000 tons. The following is respectively about the consumption proportion of different edible oil in the total consumption of edible oil:

Soybean oil	rapeseed oil	palm oil	peanut oil	cottonseed oil	other edible oil
42.6%	25.4%	11.1%	8.3%	3.9%	8.8%

According to the prediction of the National Grain and Oil Information Center, in 2016, the amount of oil extracted by domestic oil crops in China was 11,055,000 tons. Based on this calculation, the self-sufficiency rate of edible oil in China is 32.3%, down 1.9 percentage points from the previous year. The development of oil crops production in China is relatively stable. The total output of oil crops ranks first in the world, but it still cannot keep up with the rapid growth of oil crops and edible oil consumption.

Imported Edible Oil

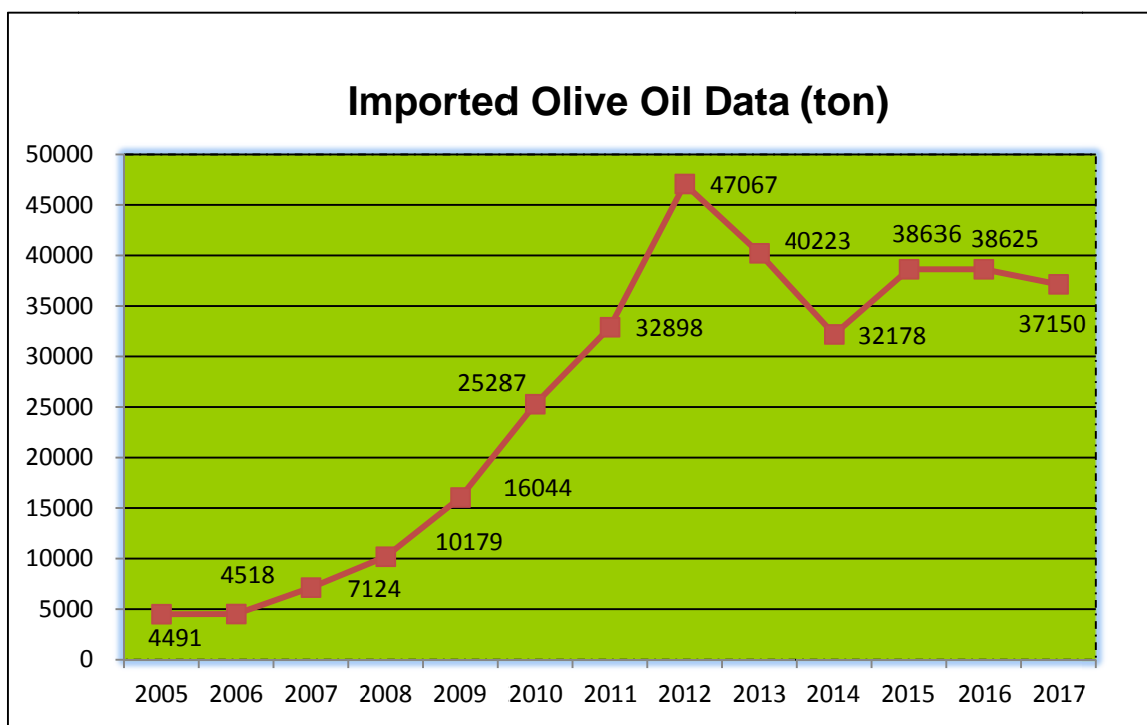
As the consumption of edible oil increases year by year, the self-sufficiency rate is relatively low. In the past ten years, the quantity of imported edible oil has remained at a high level. According to the statistics of Chinese Customs, in 2016, the total amount of all kinds of vegetable oil imported into China was 6.884 million tons, a decrease of 1.57 million tons from 2015. The following is about the import of the following edible oil (tons):

Soybean oil	rapeseed oil	palm oil	sunflower oil	peanut oil	olive oil
560,000	700,000	4,478,000	957,000	107,000	38625

It is noteworthy that the quantity of sunflower oil imported has surpassed that of domestic sunflower oil, second only to that of palm oil in imported vegetable oil.

Imported Olive Oil Market

According to the following graph which is the data from Chinese Customs, since 2005 to 2017 the average proportion of imported olive oil has been keeping the increases nearly 30% per year. Since 2013 till now, Chinese market is in the adjustment stage along with Chinese economy and politics and you will find the trend is going down from the graph, but it is the temporary situation in China. We anticipate 40000 tons olive oil will be imported to China in 2018, and the curve means the market is getting stable. As one of the food with nutrition value, olive oil is more and more welcome in China. At present over 300-brand olive oil appears in Chinese olive oil market, which nearly 100% import from Spain, Greece, Italy, Turkey, Tunis, Portugal, Jordan, Australia, and Argentina and so on. The main consumption cities of olive oil are Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin and other large and middle cities. **China is still your target market in the future.**



Chinese Olive Industry

In 2015 Chinese olive planting area is over 71100 hm² and the yield of Chinese olive oil is 5405 tons. Comparing with other edible oil, olive oil is much more natural and health and benefits for the bodies, and also China has some suitable regions and environment to plant olive trees, so the State Forestry Administration has incorporated the olive industry into the "National Advantage and Characteristic Economic Forest Development Layout Plan" and is ready to issue a nationwide plan

for the development of olive trees. The olive industry has risen from a characteristic regional economic development to a national strategy. In the next few years, China plans to build 330,000 hm² of olive base and plan the construction of table olive base in a reasonable manner. The mechanism of diversified investment promotion will be further formed.

In one word, as the second economic body in the world, China is the huge market with 1.4 billion people including 0.19 billion middle class consumers and the development of Chinese olive industry will strengthen the demand of olive oil in Chinese market, so it must be the great opportunity as well as challenge for the world's olive industry.