
Brochure
A New Challenge on the Horizon

High oleic (HO) oils have been on the market for more than two decades, and their production is today similar to that of olive oil. Food still determines the demand by volume, while oleochemistry is still in its infancy due to premium pricing. Primary users and producers have been located in Continental Europe and North America. These market players concentrated on trading HO oils, which they bought within stakeholders’ local alliances.

HO oil is turning into a global and open market. The demand is continuously increasing: developed countries are concerned about balancing the human diet, preserving the environment (hence palm oil bashing) and are fighting against the prevalence of obesity and cardiovascular risks associated with trans and saturated fat in the diet. This fight is supported by new rules on edible oil and fat labeling. Even Asia-Pacific countries (with China and India in the forefront) are beginning to consume HO oils.

The sourcing is restoring the balance between different crops: HO sunflower oil has been slowing down for the past five years due to lower premiums paid to farmers. HOLLI canola oil looks mature enough to meet the North American demand, while HOLLI soybean is growing fast, being deliberately pushed up by subsidies from the US soybean industry.

Powerful trends suggest that we are now moving into an “oil-in-blend decade”, with a rising demand for stable and healthy balanced blends keeping prices and demand of HO oils afloat. But will the demand be sufficient to absorb the huge growth in HO oils, especially for HOLLI soybean? What will be the consequences for other HO sources? Will HOLLI soybean’s position be strengthened by allowing it to penetrate other countries/end-uses, or will oversupply mean that the entire HO crops/oil prices will collapse?

Objectives

Our High Oleic Oilseeds & Oils (2018) Report addresses key issues for the sector: what price is needed to drive expansion? Which oilseeds, where, will fill the gap in supply? How will the many evolving trends determine the industry outlook to 2030?

Our report identifies and evaluates the most promising opportunities merging into the HO oilseeds & oils market. It also assesses the likely impact of increased production from HOLLI soybean on the wider HO oilseeds & oils market.

Our High Oleic Oilseeds & Oils (2018) Report provides the following:

- **Market Outlook**: Production in 26 major countries by HO oil type; consumption in 56 key countries by end-use; supply/demand balances; export routes.

- **Forecasts to 2030**: of oilseeds and oils supply, and demand in all the major markets; newcomers to HO oils; strategic investments.

Now in its 7th year, our High Oleic Oilseeds & Oils (2018) Report is widely acknowledged as the “must have” report by industry participants, and is used as a key resource by many leading players to support their decision-making.
The analysis covers the following countries, crops and end-uses:

<table>
<thead>
<tr>
<th>Region</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, UK</td>
</tr>
<tr>
<td>NAFTA</td>
<td>Canada, Mexico, USA</td>
</tr>
<tr>
<td>CIS</td>
<td>Russia, Ukraine</td>
</tr>
<tr>
<td>LATAM</td>
<td>Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Peru, Puerto Rico, Uruguay, Venezuela</td>
</tr>
<tr>
<td>APAC</td>
<td>China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Thailand, Vietnam</td>
</tr>
<tr>
<td>AU &amp; NZ</td>
<td>Australia, New Zealand</td>
</tr>
<tr>
<td>AME</td>
<td>Egypt, Israel, Saudi Arabia, South Africa, Turkey</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Crop</th>
<th>Traits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunflower</td>
<td>HO, NuSun</td>
</tr>
<tr>
<td>Rapeseed</td>
<td>HOLLI</td>
</tr>
<tr>
<td>Canola</td>
<td>HOLLI</td>
</tr>
<tr>
<td>Soybean</td>
<td>LLI, ULLI, HOLLI</td>
</tr>
<tr>
<td>Safflower</td>
<td>HO</td>
</tr>
<tr>
<td>Microorganisms</td>
<td>HO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End-Use</th>
<th>Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>Bottled Oils, Savoury Snacks, Industrial Frying, Hotel, Restaurant &amp; Catering (HORECA), Spreads &amp; Margarine, Mayonnaise &amp; Dressings, Confectionery, Biscuits &amp; Bakery, Soups &amp; Noodles, Ready Meals, Dairies, Baby Food</td>
</tr>
<tr>
<td>Non-Food</td>
<td>Biodiesel, Personal Care, Lubricants, Plastics &amp; Rubbers, Coatings, Paints &amp; Inks</td>
</tr>
</tbody>
</table>
The report consists of two documents:

- **Executive Summary**
  A concise overview

- **Main Report**
  180+ pages including over 60 tables and diagrams

The Main Report is divided into six chapters, which are described below. In addition, subscribers receive a presentation of the report's key findings (see Deliverables, Fee and Timing section).

**Chapter 1: The Competitive Landscape**

In this chapter, we identify and benchmark the key players within the HO oil value chain around the world. We begin by describing the availability of HO varieties (sunflower, rapeseed, canola, and soybean) and we assess their agronomic performance. We analyze the limitations of growing HO seeds in certain geographic areas, and collect data on oil yield (the balance between the grain yield and the oil content), local adaptation and disease resistance. The key agribusiness companies and their market share for the largest countries are also listed. The chapter then describes the dynamics and restrictions behind HO oilseed crushing and oil refining. Finally, the current major stakeholders' alliances are evaluated from field to oil; the market shares of key HO oil-in-seed producers for the largest countries are compared.

*The tables and diagrams in Chapter 1 include:*


**Chapter 2: Demand - Market Drivers and Outlook**

This chapter presents the HO oil demand by country, with *year on year* growth to 2030. The demand is split between:

- Food & industrial end uses - see the list of segments in the Scope of the Report section.
- Type of oil - for the largest markets.

We also analyze the determinants of the demand in detail, taking into account:

- *Population and income growths, urbanization* rate and growth of *middle classes*.
- The impact of *cardiovascular and obesity diseases*, plus the impact of *health policies* on HO oil demand and the potential risks arising from changes in labeling requirements for edible oils & fats.
- The *Private labels'* changing profile of vegetable oil demand, and more importantly, the shifting emphasis on the nutritional value of edible oil.
- The pull from *oleochemicals* and the rapidly growing bio-based chemicals sector.
Chapter 3: Supply - Past, Present and Prospects

This chapter focuses on the latest developments influencing the supply of HO oilseeds & oils. For each crop we present:

- Acreage, oilseeds & oils supply by country, with forecasts to 2030.

To support this analysis, we first review the past growth in planted areas, along with yields and outputs for each of the major HO sources, as a basis for supply forecasts. The forecasts are then presented globally, by country and by region, for each major HO oilseed. As part of this process, we:

- Evaluate the supply response to low/high premium prices over the recent years.
- Examine the expansion of supply, and whether this has been achieved by developing new acreage, by shortening rotations, or by extending cannibalization with conventional varieties.
- Assess the growth in the contribution of oil yields in expanding HO oilseed & oil production.
- Analyze whether HO sunflower can expand the production area further in Central EU and in the Black Sea area, and its impact.
- Extend our HOLLI soybean analysis to provide a comprehensive assessment of the impact and future role of HOLLI soybean programs on the sector.
- Assess the go-to-market of new HO oil resources and what effect this will have on the supply.

The tables and diagrams in Chapter 3 include:

- HO Oil-in-Seed Supply Forecasts by Country and by Crop, 2018-2030.

Chapter 4: Trade, Policy and Supply/Demand Balances

This Chapter projects future trade patterns in HO oil-in-seed by bringing together demand and supply forecasts from Chapters 2 and 3. We have calculated national and regional supply/demand balances for the short and medium term, as well as to 2030.

Underpinning this analysis, we examine the environmental policy and assess how the policy shapes production, processing and trade.

The key outputs are trade balances by country, and whether additional capacity is likely to be required in the future to meet the demand, and to what extent.

This chapter also presents demand forecasts by type of oil, taking into account the level of GMO acceptance, organic demand, and the consumer preferences of different HO oils within national markets.
Chapter 5: Price Trends and Economic Impact

Just as HO crops compete with oilseed commodities for acreage, HO oils also compete with conventional oils for crushing and refining capacities. Their production is highly sensitive to fluctuations in profitability from year to year, and is driven by many factors in addition to the end-user demand.

The factors explained in this Chapter form the basis for quantifying the benefit of HO sunflower to the European economy in terms of economic impact compared with ordinary feedstock (conventional sunflower and/or palm olein). The results capture:

• The direct benefit from the value chain.

• The indirect benefit from the associated economic and market activities and industries.

• The induced benefit from household spending of the income earned from the HO sunflower sector.

We also consider the current and often hidden forces that shape the prices of HO products. Historical price data are included, and their variations are explained in order to project future trends.

Chapter 6: Strategic Conclusions and Recommendations

The final Chapter of the report sets out the key strategic conclusions. It identifies the most important future drivers in the sector, the countries and supporting environments that can offer the most rapid supply response, and their impact in shaping the HO oilseed & oil markets over the next 3, 5, and 10 years.
Deliverables, Fee and Timing

What you get

• Report - electronic file plus 2 printed copies.

• Executive Summary - electronic file plus 4 printed copies.

• Briefing - a PowerPoint presentation of the report’s key findings and conclusions, with an audio recording of comments by one of our experts.

When

The *High Oleic Oilseeds & Oils (2018) Report* - release in late April 2018

Fee

The 2018 report - €11,500 or USD13,600¹

Confidentiality

This report is offered by FAT & Associés for subscription with the strict understanding that the subscriber agrees to the following: the content of the report and related materials provided shall remain confidential within the subscribing organization, and shall not be disclosed, in whole or in part, in any matter, to any third party, without the prior written consent of FAT & Associés.

About FAT & Associés

FAT & Associés is a privately owned business intelligence company, exclusively serving the Oilseeds, Oils & Lipids Industry since 2010. Our key strengths include:

• Our *Specialized Expertise* - We all have worked in the Oilseeds & Oils Sectors, so we know and understand the Issues and Rules.

• Our *Proprietary Tools* and *Business Intelligence* - patent & publication mining, consumer blog mining, B2C consumption estimate & projection, farming costs structure & crop competition, Monte-Carlo simulation, price forecast models.

• Our *Objectivity* - Being independent, our work is unbiased, and our conclusions are based on objective analysis

• Our *Global Reach* - Our staff travel to some 20 countries a year, participate in international conferences, and build on an extensive body of research and a global network to answer specific questions

---

¹ Value added tax is not included in this figure