

Analysis of the palm oil sector in Germany

Findings derived from a current study conducted by Meo Carbon Solutions

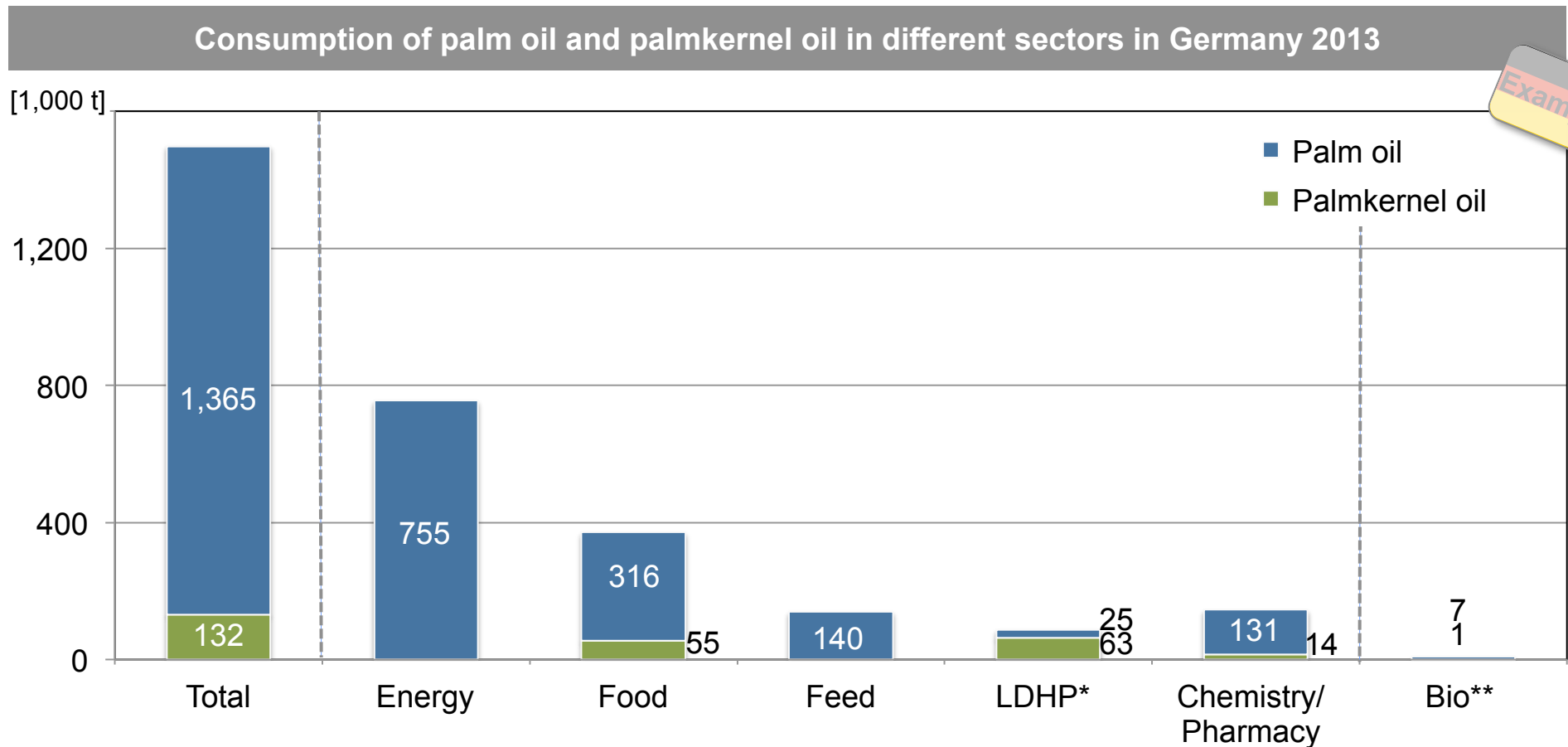
Cologne, July 2015

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The palm oil sector in Europe and especially in Germany offers high market potentials for producers and processors

- High market potential for certified palm oil and palm kernel oil in Germany as well as other European countries
- The main challenge is to connect palm oil producers and processors of certified palm oil with the market
- Current market bottlenecks provide a chance for palm producers to enter the market and to satisfy customers needs
- Niche markets, for example organic palm oil, offer high price premiums for producers and processors
- In the following you will find conclusions for the European market derived from a detailed analysis of the German palm oil sector

Nearly 1,5 mill t palm oil and palm kernel oil were consumed in Germany in 2013. More than 50 % was used in the energy sector



*LDHP=Laundry detergents and homecare products, **Bio = organic palm oil, palmkernel oil

More than 50 % of the palm oil consumed in food sector was sustainably certified. In contrast, less than 15 % in the chemistry sector was certified

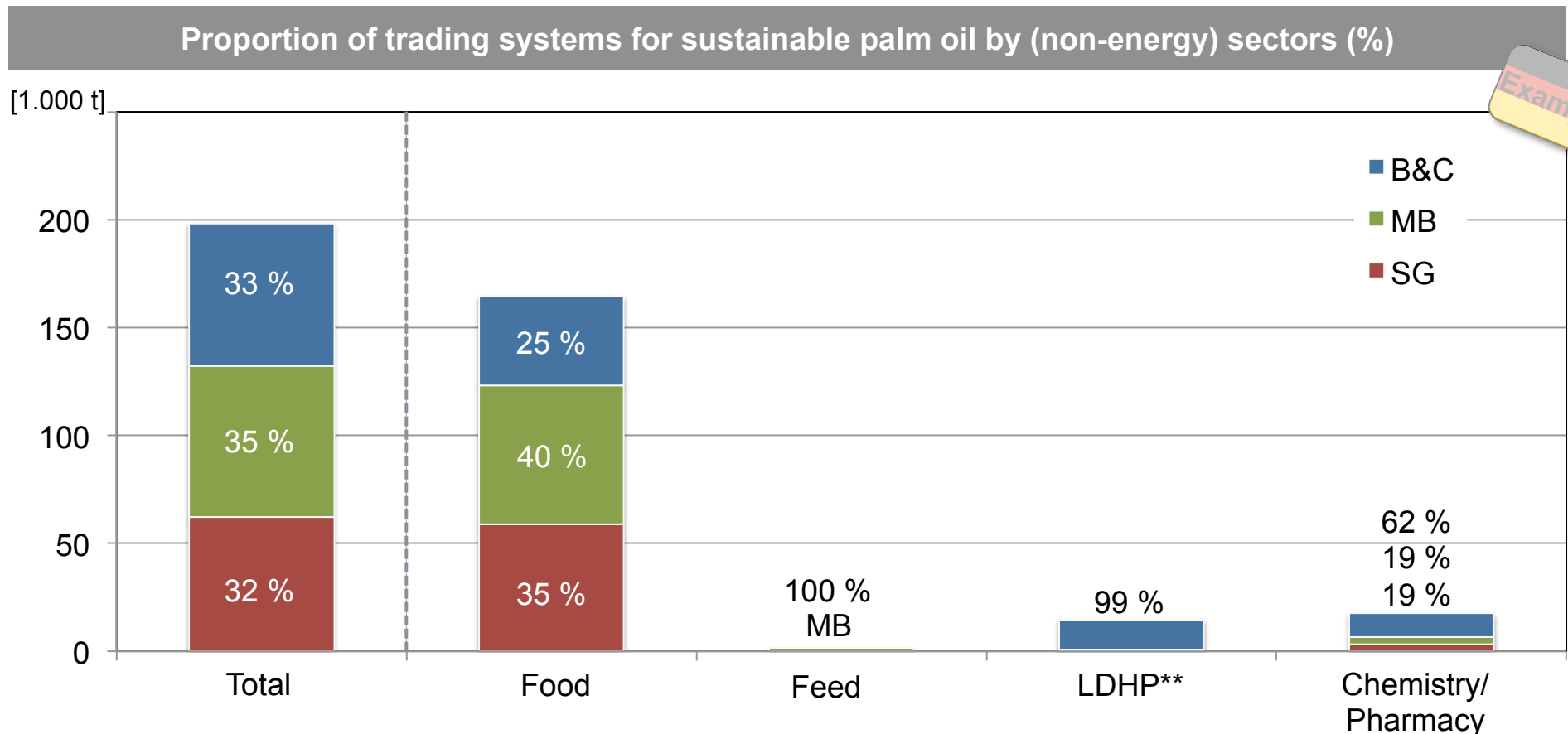
Consumption of certified palm oil (PO) and palmkernel oil (PKO) in different sectors in Germany 2013

Sector	Consumption PO (t)	Therefrom sustainable (t)	Ratio (%)	Consumption PKO (t)	Therefrom sustainable (t)	Ratio (%)
Food	315,700	164,420	52	54,940	21,750	40
Feed	140,000	1,600	1	0	-	-
Energy	753,500	753,500	100	0	-	-
LDHP*	24,500	11,600	47	62.800	29,000	46
Chemistry / Pharmacy	131,000	17,710	14	14.200	1,200	8
TOTAL	1,364,700	948,830	70	131,940	51,950	39

Example

*LDHP=Laundry detergents and homecare products

In the Chemistry and LDHP sector, B&C* is the main trading system.
SG* is important mainly in the food sector**

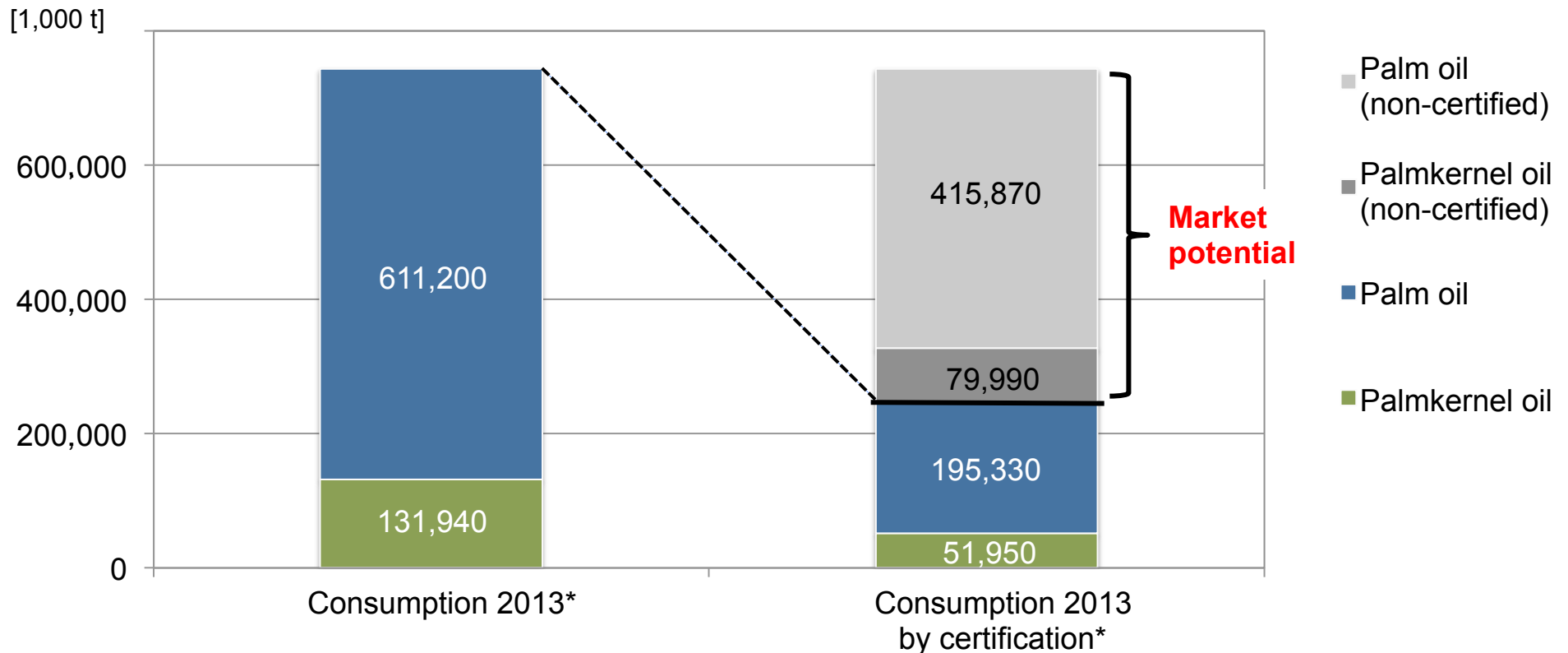


*Trading systems: B&C – Book & claim; MB – Mass balance; SG – Segregation

**LDHP=Laundry detergents and homecare products

There is a huge market potential for certified palm and palm kernel oil in the non-energy sectors as more than 60% of the market was not certified yet

Consumption of palm oil and palmkernel oil in Germany 2013 (non-energy sectors)

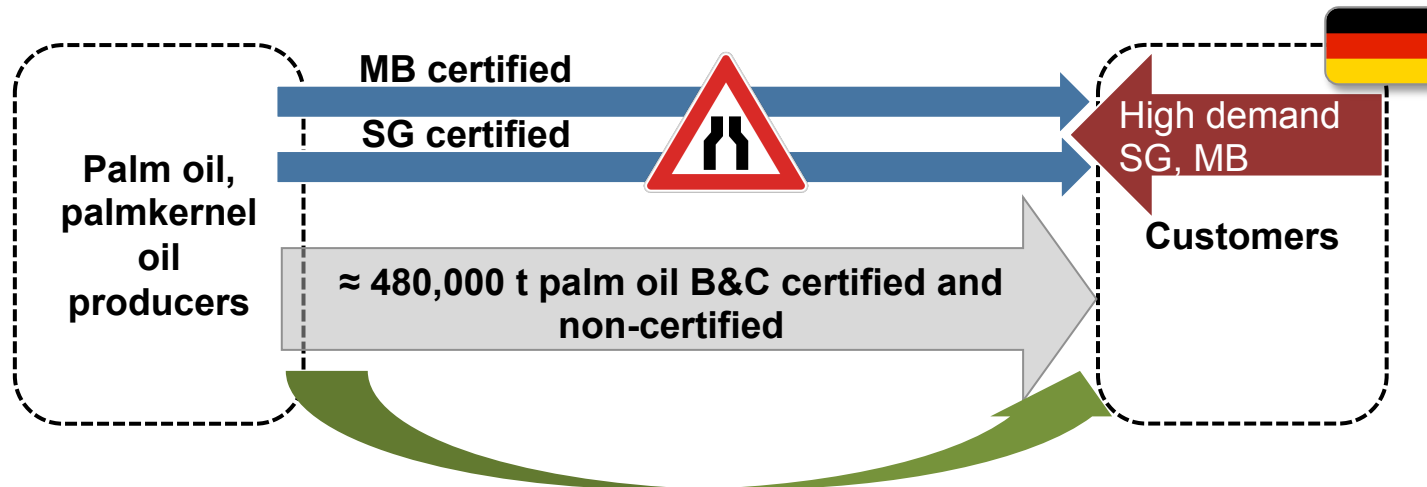


*number based on Meo Carbon Solutions (2015): Analysis of the palm oil sector in Germany

Increasing demand for SG, MB certified palm and palm kernel oil offers market opportunities for producers


Market opportunities for palm oil and palmkernel oil producers

In 2013, 611,200 t palm oil was used in Germany in non-energy sectors



High market demand potential for MB, SG certified palm oil in Germany

 Bottleneck

 Palmoil (derivates), palmoil products supply

MB = Mass balance, SG = Segregated, B&C = Book and claim

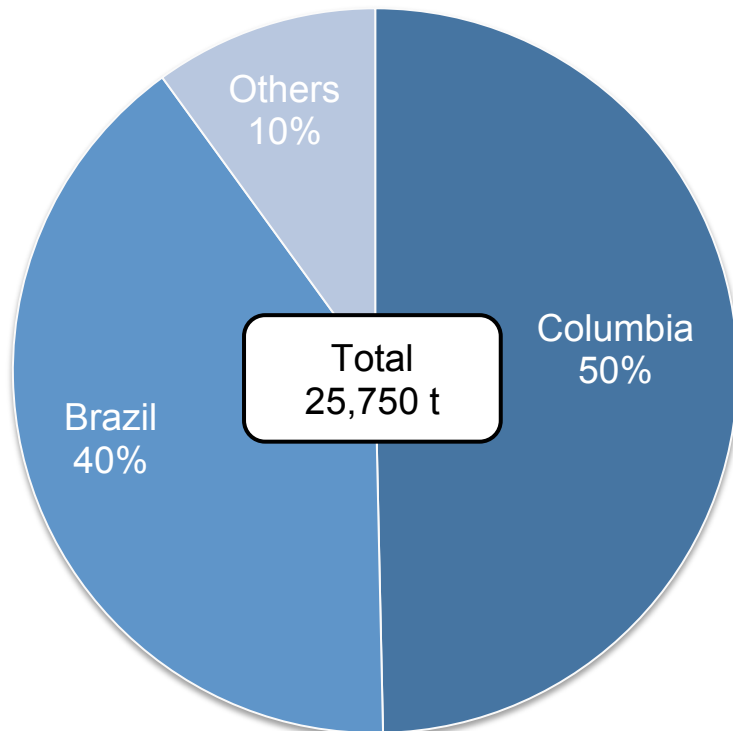
In order to meet the growing demand for sustainable palm and palm kernel oil derivatives processors can use 3 credible certification schemes

Market opportunities for palm oil and palmkernel oil processors



Increasing demand for organic palm and palm kernel oil. Achieved price premiums might be interesting for niche market producers

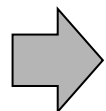
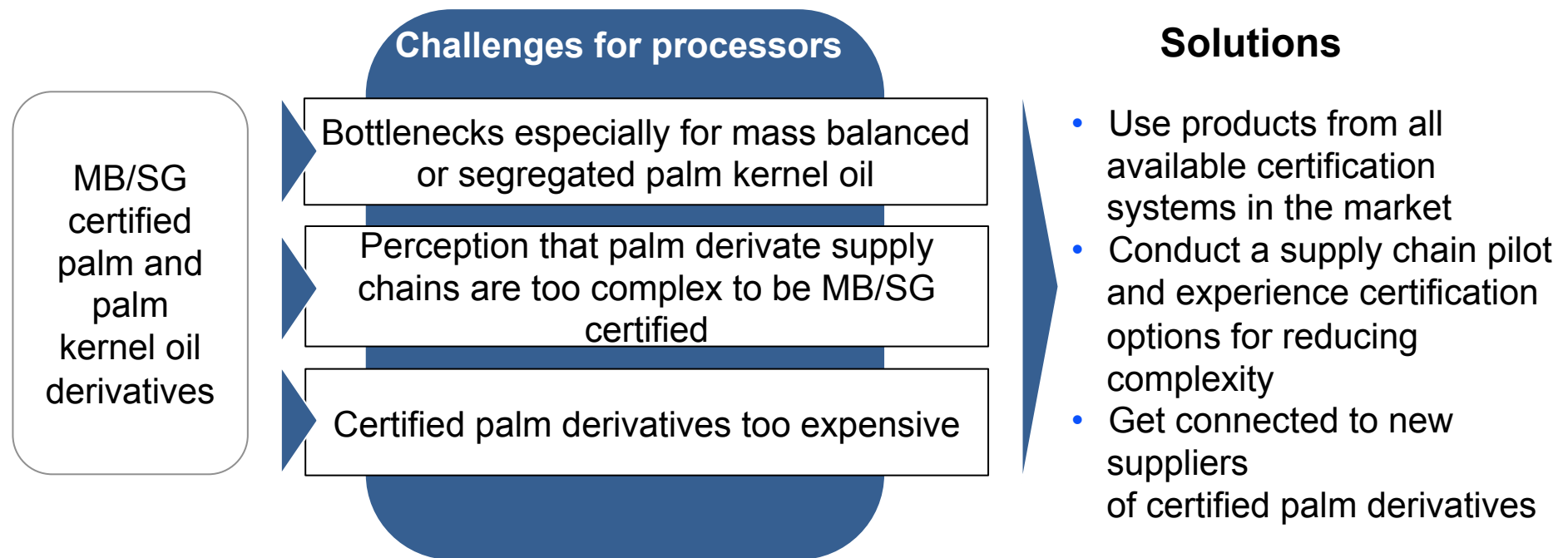
Import of organic palm oil and palmkernel oil to Europe 2013 by origin



- High price premium for organic palmoil
- Increasing demand for organic palmoil especially for food market
- Limited cultivation area in Latin America
- Opportunities for producers interested in organic niche market

Palm derivate processors face several challenges – however, there are solutions available

Challenges and solutions for palm derivate processors



Meo Carbon Solutions can be instrumental in reducing supply chain complexities and connecting producers and processors of palm and palm kernel oil derivatives

Palm oil producers and processor with special interest in the German market may contact FONAP for support and information

- Palm oil producers and processors with interest in the German, Austrian and Swiss market may contact the Forum for Sustainable Palm Oil (FONAP)
- The FONAP is an alliance of companies and associations. The aim of the FONAP is to boost significantly the proliferation of segregated, certified sustainable palm oil in the German, Austrian and Swiss market

- Contact details:

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- The full study on the palm oil sector in Germany (in German only) conducted by Meo on behalf of the FONAP is available via download from the FONAP Homepage:
http://www.forumpalmoel.org/fileadmin/user_uploads/Sonstiges/MEO_Studie_Final.pdf

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