

Soy oil consumption trends in the EEC

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ABSTRACT

Trends in soy oil consumption within the EEC show rising usage, but wide variances in per capita consumption in different nations. Soy oil consumption may increase as Europeans become more familiar with soy processing, soy oil use, and the increased consumption of convenience foods and meals outside the home.

The apparent consumption (production + imports - exports) of soy oil in Europe has been continuously increasing in the EEC with the exception of 1975 when consumption decreased significantly because of several factors, the most important of which may have been the availability of coconut oil.

The calculated consumption trendline (Fig. 1) indicates that by 1983 consumption will be 1,829,756 tons and by

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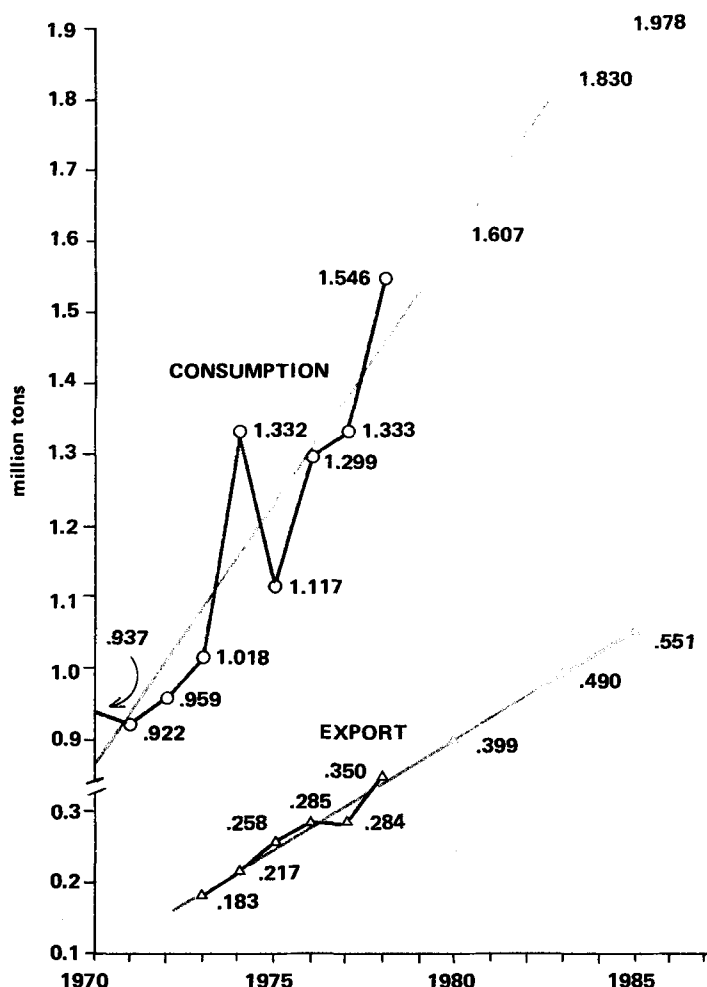


FIG. 1. Soy oil: consumption ○ in the E.E.C.; export △. Blue lines indicate trends.

1985 will be 1,978,022 tons, assuming the same general market conditions will prevail during the next five years. The exports of soy oil from the EEC also are steadily increasing, although not at the same rate.

Per capita consumption in the EEC and the U.S. is shown in Figure 2. In 1978, the EEC consumed about 6 kg per person, whereas in the U.S. consumption was 18 kg per person. There are several reasons for this difference:

- Soy is the oil most readily available in the U.S.
- U.S. purchasers have a better understanding of the soy oil pricing system than their European counterparts.
- Surpluses of various oils on the world market can be dumped easily in the EEC because of low import duties; world market prices have a direct impact on consumption in EEC countries.
- There is limited production of vegetable oils in the EEC.
- European consumers for historical reasons are accustomed to alternately using other oils.
- European manufacturers of vegetable oils, margarines, and shortening have become flexible and immediately adapted their production to prevailing market conditions.
- There are differences in import regulations and production support schemes (such as in the dairy sector).

If we analyze the per capita consumption of the EEC country by country, we find some amazing differences (Fig.

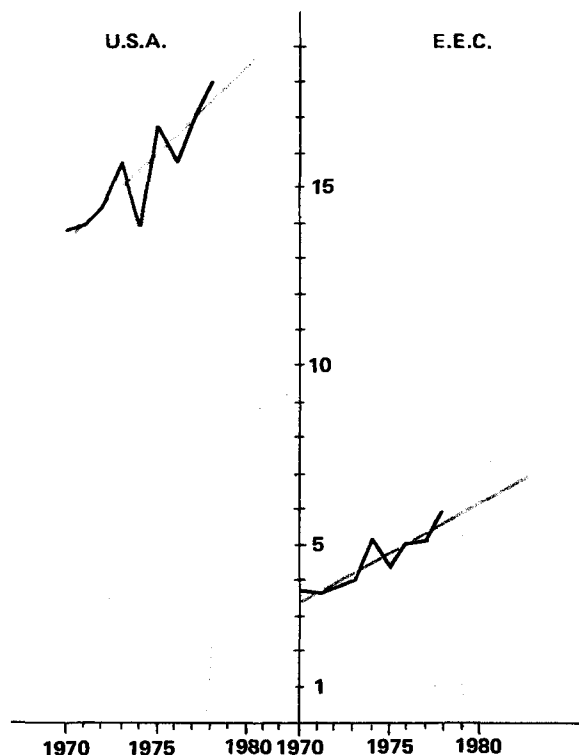


FIG. 2. Per capita consumption of soy oil, kg/yr. Blue lines indicate trends.

3). It seems strange that in an area with the same culture, such differences are possible: Ireland, France and the United Kingdom have a very low consumption (below 5 kg per person annually), whereas The Netherlands is close to 16 kg, near the U.S. consumption. Italy shows the steepest increase during the early 1970s, but consumption has seemed to stagnate in the past few years. Based on the calculated trendlines, we expect per capita consumption by

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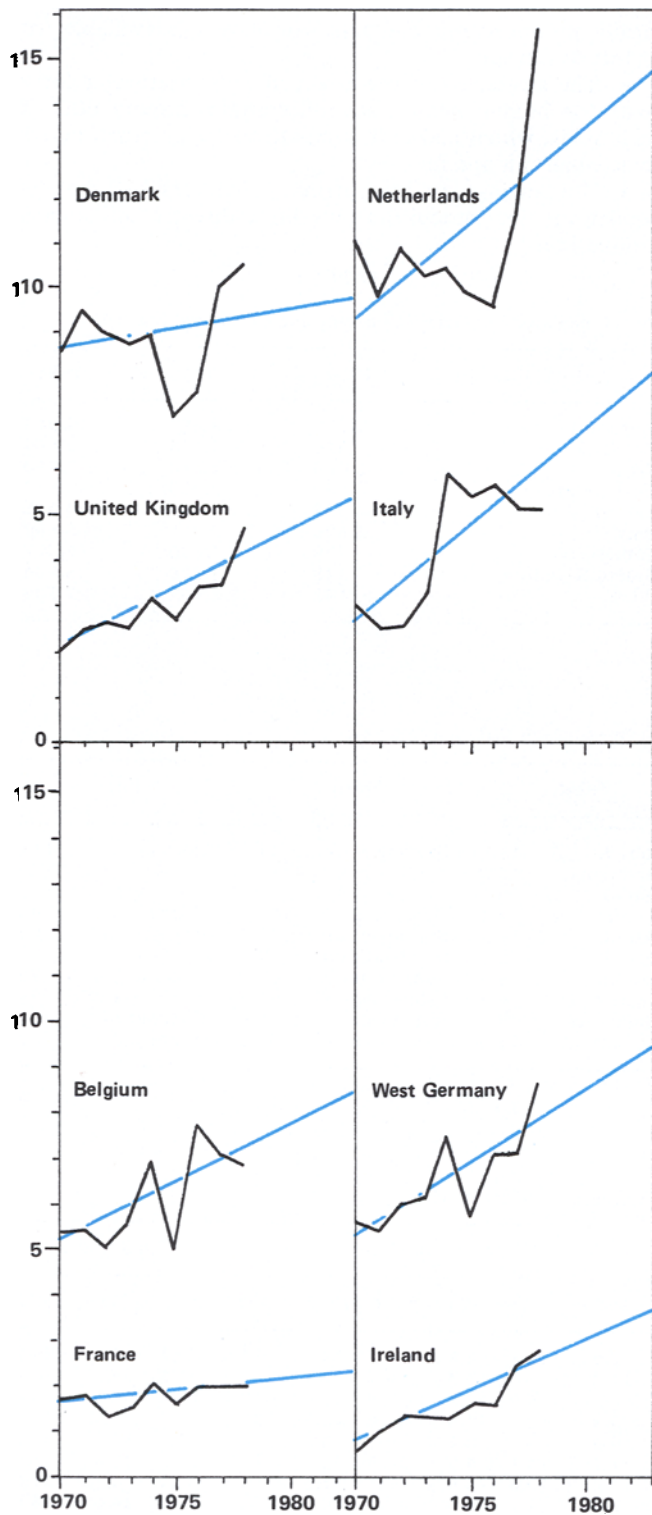
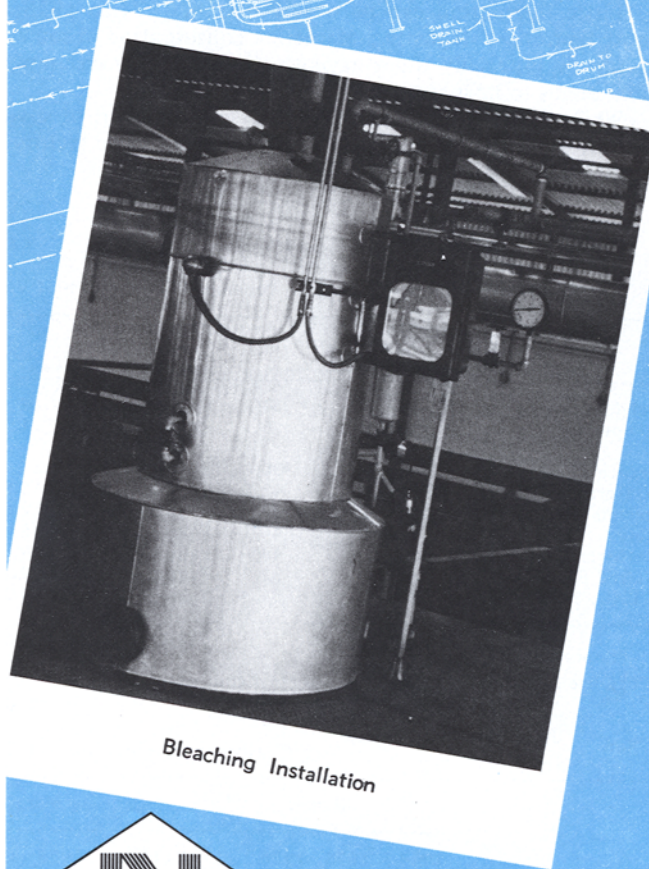


FIG. 3. Per capita consumption of daily soy oil, kg/hr. Blue lines indicate trends.

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1980, 1983 and 1985 (assuming the same market conditions to prevail) to reach the levels shown in Table I.

Which oils are consumed by preference in the EEC countries? In six of eight nations (considering Belgium and Luxemburg as one entity), soybean oil is consumed most (Table II); France prefers peanut oil and Ireland prefers coconut oil (all data based on 1978 figures). Olive oil was not considered in this analysis as it is extremely difficult to obtain accurate statistics for this oil. In the EEC as a whole, soy oil ranks first with 35.9% of the vegetable oil market.

Table III explains some differences in consumption habits within EEC nations. Holland and Denmark are low butter and high margarine consumers. Ireland and France show a high butter and low margarine consumption. Italy, traditionally a liquid oil consumer, has low butter and margarine consumption, whereas in Belgium-Luxemburg, butter and margarine are consumed at approximately identical, relatively high levels. Countries having a high margarine consumption also show a high soy oil consumption, reflecting the fact that soy oil is one of the major constituents of margarine. The total consumption of fats and oils in the EEC countries does not show great differences between nations, although there is a significant difference between the highest (Belgium-Luxemburg with 35.2 kg per person annually) and the lowest (Ireland with 24.3 kg per person annually), reflecting somewhat the difference in per capita incomes in the different EEC nations.

Little fluctuation can be observed from 1974 to 1978; most figures are stagnating. Margarine consumption in some countries, especially those having a relatively low consumption, seems to be increasing.

While the trendlines indicate EEC consumption of soy oil will not match that in the U.S.A., there are some factors that may alter the situation:

- Further development of the European soy crushing industry to meet demand for soy meal should make more soy oil available.

- Continuing improvement of soy oil processing techniques in Europe.

- Possible generalized application of new processing techniques, such as hydrogenation, in Europe.

- Increased acceptability of soy oil by European consumers.

- The always increasing trend in Europe to consume more convenience foods and to eat more meals outside the home.

- The increased consumption in developing countries of locally produced oils and fats will leave less available for export to Europe.

- The awareness of the effect of polyunsaturated fatty acids for human health; soy oil contains around 60% of such acids, which makes it competitive to, or much better than, other oils and fats.

- The change in supporting policies and/or import regulations for agricultural products directly influencing production.

TABLE I

Calculated Per Capita Consumption of Soy Oil (kg./year)

	1980	1983	1985
Belgium-Luxemburg	7.619	8.399	8.918
Denmark	9.440	9.713	9.894
France	2.080	2.248	2.360
West Germany	8.460	9.423	10.065
Ireland	2.935	3.620	4.077
Italy	6.805	8.055	8.889
Netherlands	13.489	14.690	15.492
United Kingdom	4.548	5.320	5.836
C.E.E.	6.148	6.962	7.504

TABLE II

Apparent Consumption of Vegetable Oils in the E.E.C. in 1978

	Most important		Second		Third		Fourth		Fifth	
Belgium-Luxemburg	Soy oil	34.5	Coconut oil	15	Palm oil	12	Sunflower oil	11.15	Corn oil	11
Denmark	Soy oil	50	Coconut oil	11.1	Palmkernel	10.2	---	---	---	---
France	Peanut oil	30.6	Sunflower oil	21	Soy oil	14.1	Coconut oil	10.7	Palm oil	8.2
W. Germany	Soy oil	42.5	Coconut oil	15.5	Palm oil	12.2	Sunflower oil	11.6	Rapeseed oil	6.5
Ireland	Coconut oil	37.5	Soy oil	22.5	Palm oil	15	Sunflower oil	5	---	---
Italy	Soy oil	46.1	Palm oil	9	Corn oil	8.3	Sunflower oil	7.9	Coconut oil	7.4
Netherlands	Soy oil	45	Palm oil	17.7	Coconut oil	10.9	Palmkernel oil	10.5	Sunflower oil	6
United Kingdom	Soy oil	32.9	Palm oil	27.2	Palmkernel	10	Rapeseed oil	8.6	Coconut oil	8
E.E.C.	Soy oil	35.9	Palm oil	14.4	Coconut oil	11.6	Sunflower oil	10.2	Peanut oil	8.3

^aSource: FEDIOL.

^bOlive oil is not considered - % of total consumption.

TABLE III

Human Consumption Per Capita (kg./year) Product Basis^a

	Butter				Margarine				Food fats and oils				Total			
	1974	1975	1976	1977	1974	1975	1976	1977	1974	1975	1976	1977	1974	1975	1976	1977
Belgium-Luxemburg	9.0	10.0	9.2	9.5	12.8	12.2	12.0	11.6	15.8	14.8	14.2	14.1	37.6	37.1	35.4	35.2
Denmark		7.9	7.7	8.4	---	17.3	17.4	17.4	---	6.3	8.4	9.1	---	31.5	33.5	34.9
France	9.3	9.3	9.4	9.4	2.9	2.5	3.4	3.4	16.9	16.4	5.7	15.6	29.1	28.3	28.6	28.4
W. Germany	7.0	6.7	6.5	6.6	8.7	8.7	8.8	8.8	12.3	12.6	13.0	13.1	28.0	28.1	28.3	28.5
Ireland	---	11.5	12.6	12.1	---	3.8	4.0	3.9	---	8.2	6.8	8.3	---	23.5	23.3	24.3
Italy	2.4	2.2	2.2	2.1	0.5	0.5	0.8	1.1	24.1	24.5	24.3	22.7	27.1	27.2	27.3	26.4
Netherlands	2.7	2.7	2.4	3.1	16.6	16.6	16.6	16.4	10.8	10.9	11.1	11.5	30.1	30.2	30.1	31.0
United Kingdom	---	8.2	7.4	7.4	---	5.3	6.0	6.4	---	10.6	10.6	10.9	---	24.1	24.0	24.8
E.E.C.	6.0	6.6	6.3	6.4	5.5	5.5	5.8	6.1	17.2	15.5	15.5	15.2	28.7	27.6	27.6	27.7

^aSource: Productboard for margarine, fats and oils (Netherlands).