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VIETNAM: OPPORTUNITIES FOR PALM OIL

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Opportunities for Expanding Usage of Palm Oil in Vietnam

Vietnam with a population of 78 million holds tremendous potential for palm oil. Its ongoing economic development is expected to lead to a higher intake of oils and fats. As this happens, palm oil will be well positioned to make gains in the household, instant noodle and confectionery sectors in particular.

Vietnam, a consumer market of about 78 million, has a low per capita consumption of oils and fats. With a consumption of about 4 kg per person per year, it is poised to become an expanding market for oils and fats. The projected increase in oils and fats consumption is predicated on its rapid economic development and rising standard of living of its young population. Vietnam is at a stage where priorities revolve around improving the living standard. The Vietnamese Government's commitment to economic reform and industrial development provides opportunities for expansion of the oils and fats market.

OILS AND FATS SITUATION

The population of Vietnam is estimated to rise to 82 million by 2000. The Vietnamese Ministry of Public Health recommends a minimum of 2,100 calories per person per day. In terms of oils and fats, the per capita consumption should be 7 kg per year of which 70 percent should be derived from vegetable oils. Based on a per capita consumption of 4.5-5.0 kg, the total demand for vegetable oils would be about 370,000-410,000 tonnes per year.

In Vietnam, lard is the most widely consumed fat, especially by the 80 percent who live in the rural areas. Having traditionally used lard, they have not been exposed to the benefits of using vegetable oils. The potential for introducing healthy vegetable-based oils and fats to the population is, therefore, huge. Once awareness is created, the pattern of oils and fats consumption will change with greater preference for vegetable oils.

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PROSPECTS AND OPPORTUNITIES FOR PALM OIL IN VIETNAM

The consumption of oils and fats is estimated at 317,000 tonnes per year.

Table 1. **Consumption of Oils and Fats (thousand tonnes)**

Consumption	1998	1997	1996	1995	1994
Soybean oil	66.5	65.4	36.0	18.1	15.0
Groundnut oil	30.2	24.5	17.3	11.9	8.0
Rapeseed oil	22.8	3.0	2.3	2.2	0.1
Sesame oil	7.5	6.3	5.0	5.2	1.2
Palm oil	50.1	77.6	78.4	79.7	41.0
Coconut oil	72.2	58.3	48.8	49.2	47.6
Butter, as fat	3.4	5.0	5.4	5.9	4.9
Lard	64.0	66.2	63.1	60.4	57.5
Total	316.8	306.2	256.3	232.8	175.3
Population	77.6	76.4	75.2	73.9	72.5
Caput use (kg)	4.1	4.0	3.2	3.2	2.4

Source: *Oil World Annual (June 1999)*

Teah Yau Kun and Yusof Basiron

Vietnam's domestic disappearance of oils and fats is presented in *Table 1*.

Household sector

The household sector is the dominant user of oils and fats. While there is no official data on consumption by household, estimates suggest that it accounts for about 70 percent of total oils and fats consumed.

Palm olein has been well received as cooking oil since its introduction in this market. This sector is set to grow even further given the different types and brands of cooking oil available in the market. Blending of palm olein with liquid vegetable oils has helped overcome the clouding problem faced in the colder northern region and has enhanced the marketability and acceptance of palm olein.

The present consumption of vegetable cooking oils is 2 kg per capita per year, compared to less than 1 kg in 1988. This works out to about 150,000 tonnes per year.

Since lard is the major fat consumed, the potential for introducing vegetable fats to the population is also great. Blends of palm oil and lard are also possible for those who prefer the traditional flavour of lard.

Since palm oil and palm stearin are naturally semi-solid or solid, they can be easily processed to mimic the physico-chemical characteristics of lard. Several different formulations can be introduced to suit local culinary requirements.

Instant noodle sector

In the food sector, the instant noodle factories are the main users of palm oil. The instant noodle consumption is low in Vietnam compared to other countries in the Far East and South East Asia (*Table 2*). This sector is projected to grow and offers a stable and increasing market for palm oil. Presently, about 18,000 to 20,000 tonnes of oil are consumed annually by instant noodle manufacturers. The potential for expansion is, therefore, realistic. Palm oil is highly suitable for frying instant noodles and is readily available.

Table 2. **Consumption of Instant Noodles (packs)**

Country	Annual Production	Per Capita
Japan	5.20 billion	42
South Korea	3.55 billion	80
China	17.33 billion	14
Taiwan	1.25 billion	59
Thailand	1.34 billion	23
Malaysia	0.33 billion	17
Vietnam	0.90 billion	12

The food industry also offers other good opportunities for palm oil. With the influx of joint-ventures and the introduction of new processed foods, more snack-food industries are being set-up. They include those for general snack as well as foods based on local agricultural produce such as tapioca, banana and onion. Since some of these products are intended for the export market, product stability and shelf-life become prime concerns and palm oil readily meets all the technical requirements.

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Confectionery Industry

Light industry development has been heavily emphasised since the onset of economic reform in Vietnam. The slack in the light industry sector resulted in an acute shortage of consumer goods. As a result, the development of downstream industries is increasing in tandem with industrial development. Tourism in particular has benefited from the open policy and become a significant earner of foreign exchange.

Similarly, the food processing industry is one of the important industries in Vietnam, generating food, foreign exchange earnings, as well as direct and indirect employment. Many food-processing industries require special oils and fats for the production of derived food products, and different grades of shortening and margarine are demanded by many in the confectionery industry.

Shortening of different melting points and solid-fat profiles are required to produce different grades of flour confectionery products such as crackers and biscuits. The melting points may range from 31- 50°C, depending on the application. Hydrogenated palm products or palm kernel-based products are highly suitable and are required for the production of wafers as well as icing cream.

Seasonal confectionery such as moon cakes, local pies and pastries commonly consumed during festive seasons are other opportunities for palm products due to the excellent technical qualities and stability of the products.

Based on the current situation, the demand for shortening by the noodle as well as confectionery industries is estimated to be 30,000 to 40,000 tonnes per year. This is expected to rapidly increase as these industries mature.

CONCLUSION

At a growth rate of 2.2 percent, Vietnam's population is forecast to reach 82 million by 2000. Although a huge proportion of the population is still rural-based, it is anticipated that this situation will change slowly. With economic development, income as well as purchasing power is expected to increase. The potential

demand from rural areas will be reinforced with the increasing population.

As the population becomes more health conscious, the anticipated shift away from lard will offer new opportunities for palm oil. This change in the consumption pattern backed by higher purchasing power should result in a greater demand for palm oil. With the involvement of more palm oil-related ventures in Vietnam, a strong position in this huge market is anticipated.

Vietnam has potential to import more palm oil

LETTER TO THE EDITOR

Dear Sir,

Genetically Modified Products

I refer to an item in the "In-Brief" section of the January-February 1999 issue of the Bulletin. The opinion is expressed on "Genetically Modified" products that "in the European Union .....active opposition appears to have virtually come to an end."

It is true that the situation has gone somewhat quiet in the media. But this is because the opponents of genetically modified organisms (GMO) have effectively won the battle, if not the war.

The fact is that major food manufacturers have effectively eliminated GM products from their formulae on the insistence of major supermarket chains; and that supermarkets are insisting on full labelling of GM products and a choice for the consumer.

Regulations governing the growth of trial crops are also under review as a result of the publicity given to inadequate spacing between trials. Every schoolboy knows that bees travel up to five kilometres to collect pollen, but the authorities thought 200 metres was a safe distance to avoid cross-pollination.

Without wishing to express an opinion on the issues of risk involved in GM crops, some of which are very complex, it is clear that the public relations aspects of their introduction into the market have been misjudged, principally by Monsanto, and also by government committees.

In my view, it is important that programmes of research into genetic modification of crops should include attention to the public relations aspects from an early stage.

K.G. BERGER
London, England

RESEARCH HIGHLIGHTS

Three New Instruments to Analyse Palm Oil Available to Industry

Three new palm oil analytical instruments – the laser spectrofluorimeter, transparency meter and slip melting point meter - were recently introduced to the palm oil industry. Offering unique and specialised facilities, the instruments will benefit both the palm and edible oils industries.

The laser spectrofluorimeter, transparency meter and slip melting point meter were launched on March 16 by the Deputy Primary Industries Minister of Malaysia, Dato' Hishamuddin Tun Hussein. The instruments were jointly developed by Fotontec Sdn Bhd, University of Malaya and PORIM.

LASER INDUCED FLUORESCENCE SPECTROFLUORIMETER (LIFmeter)

The LIFmeter (*Figure 1*) rapidly detects the chlorophyll content in oil, with each measurement taking less than five seconds. As the LIFmeter identifies levels as low as 10 parts per billion (ppb), it has very high sensitivity compared to the conventional spectrophotometric method.

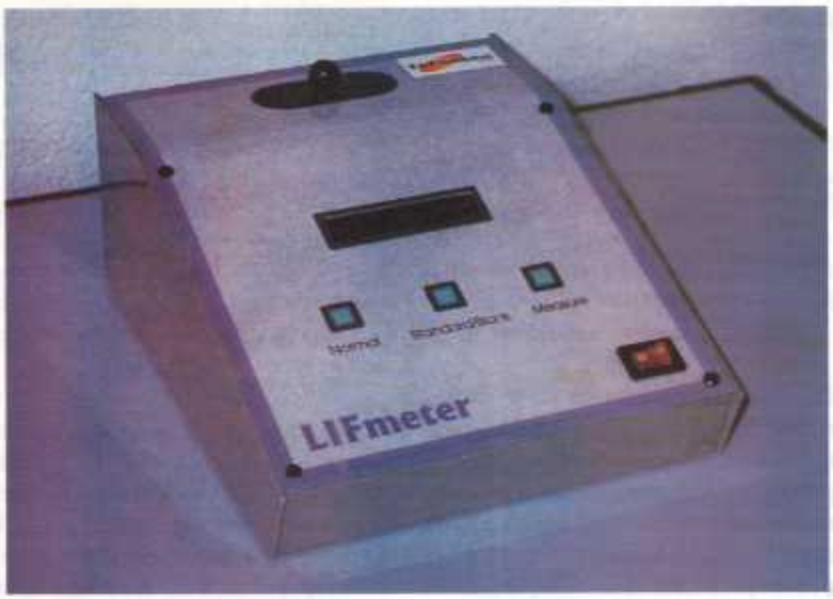

Figure 1. **Laser Induced Spectrofluorimeter**

Its operation is also very user-friendly. All that is required is for the sample to be filled in the cuvette and inserted into the detection chamber. The reading is obtained by pressing the measure button.

TRANSPARENCY METER

This meter (*Figure 2*) provides a reliable method for quality control in production lines or quality control. It enables the quantitative measurement of the clarity of transparent/translucent materials in the form of solid, liquid or gel. Compared to the previous methods of visual observation or direct transmission, the transparency meter eliminates inaccuracies arising from measuring coloured materials.

This technology is laser-based and is independent of the colour of materials, and the operator's eyesight. It is also interfaced with a computer for data acquisition and report generation.

The method is applicable in food, and non-food industries such as bar/liquid soaps, liquid oils, shampoos, hair gels/ tonics, drinks and beverages.

SLIP MELTING POINT METER

This automated instrument enables the rapid and accurate measurement of the slip melting point of oil, a widely used parameter in the specification of oils and fats. The slip melting point is normally determined by visual observation of a thermometer placed by the sample immersed in a water bath.

In contrast, the Slip Melting Point Meter (*Figure 3*) automatically records the slip melting point, and displays and stores the data in a microcomputer for subsequent processing and analyses. With this process, up to six samples can be measured automatically. The water bath temperature and heating rate can be monitored on a real time basis and the heating rate and temperature setting can be adjusted.

Figure 2. **Transparency Meter**

Figure 3. **Slip Melting Point Meter**

With its involvement in this project, PORIM has added to its list of product-innovations that are applicable and marketable to the industry. The added advantage of these new instruments is that while they are particularly applicable to the palm oil industry, they are also relevant to the edible oils and non-food industries in general.

MARKET UPDATE

UK Animal Feed Industry's Consumption of Palm Oil

Palm oil and PFAD are the preferred fats for cattle feed as their higher palmitic acid content has been shown to give higher milk yields. Palm oil also has potential for use in fish feed.

In 1997, the quantity of animal feed produced in the European Union reached 113 million tonnes. The United Kingdom's share of this was 12.1 million tonnes or 10.7 percent. The industry utilised 300,000 tonnes of oils and fats during production.

In the UK, it is customary to divide the animal feed industry into three broad groups:

1. The National Compounders who manufacture and distribute their products nationwide.
2. The County Compounders (or Independents) who are regionally focused.
3. The Cooperative and Farmer-controlled Compounders.

The latest published data show that in terms of total sales of all types of feed, the National Compounders had about 51 percent of the market (*Table 1*). The number of companies in this group has shrunk in recent years due to mergers and acquisitions, and now consists of only three companies with a combined annual production of about 6.2 million tonnes.

***Table 1.* UK Market Share by Class of Compounders, 1997**

Class	Share (%)
National	51
County	40
Co-operative	9

Source: *FEFAC & MAFF*

Feed Facts states that the biggest company in the UK is BOCM-Pauls with an estimated 21-22 percent share of the market. The company was previously owned by the well-known plantation group Harrison and Crosfield which has now changed the nature of its business, and its name to Elementis.

The second and third largest companies, Dalgety Agriculture and Bibbly Agriculture, have market shares of about 15 and 10-11 percent respectively. Bibbly Agriculture in recent years has begun to develop substantial interests in the Chinese feed industry.

Contributed by T. P. Pantzaris

Animal feed is usually classified according to purpose (*Table 2*) and the main classes are cattle, poultry, pig and others (which include sheep, horses, etc.). In 1997, the UK poultry feed volume, at about 4.1 million tonnes, marginally overtook the cattle feed volume which had suffered severely from the BSE epidemic, with large numbers of consumers switching from beef to chicken.

***Table 2.* UK Compound Feed Production by Type, 1997**

Type	Quantity (million tonnes)	Share (%)
Poultry	4.1	34
Cattle	4.1	34
Pig	2.7	22
Others	1.2	10
Total	12.1	100

Source: *FEFAC & MAFF*

USE OF OILS AND FATS IN ANIMAL FEED

As stated earlier, feed production in the UK uses about 300,000 tonnes of added oils and fats. However, much more fat is provided by oilseed meals and cakes to make up the compounds.

There are very good grounds to expect that while the use of some amount of fish oil may be necessary, the balance could be replaced with palm oil. This could also lead to firmer flesh texture for the fish.

The added fat is necessary mainly for practical reasons such as lubrication during pelletising. It is also necessary for the manufacture of calf-milk replacers and some special products.

Use of Palm Oil and PFAD

Palm oil and palm fatty acid distillate (PFAD) are the preferred fats for cattle feed as their high palmitic acid content has been shown to give higher milk yields. They are also used in poultry feed to enhance the quality of low grade tallow and waste fats from restaurants.

With regard to poultry feed, the widely held belief is that unsaturated fats are more digestible in young birds (broilers, etc.). However, PORIM-sponsored research at the Roslin Research Institute in Scotland has now shown that palm oil is just as digestible in three-week old chicks as soybean oil, and that PFAD is just as good as tallow.

In aquaculture

The aquaculture industry, currently expanding at very high rates throughout the world, is another area where palm oil use will show benefits. The current belief within the industry is that only fish oil, necessary to provide the long-chain polyunsaturates, can be used for fish feed. But as fish oil is steadily getting scarcer and more expensive, there are very good grounds to expect that while the use of some amount of fish oil may be necessary, the balance may be replaced with palm oil. This could also lead to firmer flesh texture for the fish.

Source: *Feed Facts Quarterly*

In Brief

New development in the nitrogen blanketing of oils

The benefits of nitrogen blanketing of oils and fats during transport and storage are well known and were demonstrated effectively in a PORIM study. Nitrogen protected shipments of RBD palm olein from Malaysia to the Netherlands arrived with a peroxide value below 1me/kg, virtually the same as when loaded in Malaysia.

Nitrogen blanketing, however, has to be handled carefully to prevent the entry of air, waste of nitrogen and the collapse of tanks due to negative pressure.

The Engineering company, Ebortec Limited of York, UK, is now offering a standard package including fully tailored engineering for the nitrogen blanketing of land tanks and ship tanks.

The package includes a pressure control and venting unit which maintains appropriate pressure during tank-filling and feed line-blowing. It also provides a fail-safe negative pressure system that allows air into the system if the nitrogen pressure falls below a set value.

Instead of relying on mechanical movement, the unit depends on the hydrostatic pressure of pre-set levels of glycerol, ensuring precise control without any risk of jamming. The system also includes an accurate nitrogen pressure-reducing valve set to deliver the appropriate pressure, and a switch or transducer to sound the alarm if the system pressure falls below the set point.

Ebortec says that standard equipment, such as isolating valves, pressure gauges, etc. can also be included in the package. Alternatively, specifications can be provided for the client to purchase his own site equipment. The company is a recipient of the highly regarded Smart Award of the United Kingdom's Department of Trade and Industry.

Contributed by T.P. Pantzaris

Palm olein *trans*-free margarine gives highest cholesterol reduction

Trans-free margarine based on interesterified palm olein gave the greatest reduction in cholesterol levels of any of the blends tested. This was the

result of a study conducted at CSIRO's Division of Human Health in Australia, reports *Inform*.

Researchers M. Noakes and P.M. Clinton compared, against butter, the effects of tub-margarine made from either canola or sunflower oil and a hard stock made from:

a) partially hydrogenated vegetable oil or

b) *trans*-free interesterified blend of palm olein and fully hydrogenated vegetable oils.

The conclusions of the study, carried out over 11 weeks and using 41 slightly hypercholesterolemic subjects recruited in Australia, showed that:

a) All the vegetable oil margarines lowered the total and low-density lipoprotein-cholesterol by 9-15 percent when compared with butter, whether they contained *trans*-fatty acids or not.

b) The *trans*-free vegetable oil margarines made with palm olein gave a 6 percent reduction in total and LDL-cholesterol than any of the other blends.

Contributed by T.P. Pantzaris

Pakistan

- **Increases Regulatory Import Duties**

Due to the continued falling prices of soy and palm oils in the international market, the Pakistan Government, in March 1999, trebled their regulatory import duties. The current import duties on soybean oil and RBD palm oil are Rs. 9100 and Rs. 10850 per tonne respectively, giving soybean oil a favourable Rs. 1750 (US$34) disparity over palm oil. This disparity has continued to adversely affect the import of palm oil into Pakistan.

The regulatory import duties have been adjusted to stabilise the retail prices of "vegetable ghee" as well as protect the local growers and producers of vegetable oils. The July 1999 import tariffs on oils, fats and soaps are listed in *Table 1*.

- **Reduces General Import Tariffs and Abolishes L/C Margin**

In line with World Trade Organization agreements on March 27, 1999 the Pakistan Government reduced the duty on all imported items by 10 percent. As a result, the import duty on products, including palm fatty acid distillate and palm acid oil, will be reduced from 45 to 35 percent. This across-the-board reduction can stimulate the import of palm by-products.

Table 1. Current Import Tariff on Oils, Fats and Soaps

Product	H.S.Code No.	Import Duty*	Sales Tax (%)	Income Tax(%)	Remarks
Crude soybean oil	1507.1000	Rs. 9100	15	Industrial Group = 2% ..... Traders/Importes = 4%	
RBD soybean oil	1507.9010	Rs. 9100	15		
Crude palm oil	1511.1000	Rs.10350	15		
RBD palm oil	1511.9090	Rs.10850	15		
RBD palm olein	1511.0000	Rs.10850	15		
Sunflower oil	1512.1911 1512.1912	35%	15		
RBD palm stearin	1511.9010	Rs.10000	15		Product must be distinctly coloured
RBD palm stearin for oleochemicals	1511.9010	15%	15		– same as above –
Tallow (inedible)	1509.1011	15%	15		
Palm acid oil	3823.1920	35%	15		
Palm fatty acid distillate	3823.1910	35%	15		
Palm kernel acid oil	3823.1990	35%	15		
Palm kernel fatty acid distillate	1519.1900 3823.1990	35%	15		
Crude coconut oil/PKO	1513.1100	35%	15		
Sludge oil	1522.0000	35%	15		
Residue of fatty substances	1522.0000	35%	15		
Soap chips	3401.2000	35%	15		
Toilet soap	3401.1120	35%	15		
Laundry soap	3401.1910	35%	15		

** Specific rates in Rupees are per metric tonne; the rates in % are ad valorem*

In another development, the Pakistan Government totally removed the advance letter of credit (L/C) margin on March 1. The margin, which stood at 30 percent when originally introduced in 1998, had been reduced to 20 and 10 percent before its removal. Industry has responded positively to this development stating it will improve its cash flow and ability to import larger consignments of palm oil.

- **Increases Imports of Oils and Fats but Lowers Imports of Palm Oil**

Despite Pakistan's challenging economic situation and the claim of increased domestic production of oilseeds, its imports of oils and fats have steadily grown (*Table 2*). The total imports of oils and fats have risen by 7.2 percent from 1.39 to 1.49 million tonnes from 1996 to 1998 respectively. While the imports of palm products have declined, that of soybean oil has grown substantially by 78 percent from 150,740 tonnes in 1996 to 268,200 tonnes in 1998. This development has been due to the import duty differential in favour of soybean oil as well as its continued price discount in the international market. The import of tallow registered an even higher increase of 133.8 percent from 42,600 tonnes in 1996 to 99,630 tonnes in 1998. This increase, again, has been at the expense of palm by-products.

During the first quarter of 1999, Pakistan's imports of oils and fats rose by 130 percent. Palm oil imports increased in tandem with the growth in vegetable oil imports from 45,500 tonnes in January to 97,825 tonnes in March. However, its imports are still short of the 1998 monthly average. In contrast, imports of soybean oil and tallow have gone up sharply in the first quarter due to the continued price discount coupled with the lower import tariff. It is envisaged that during 1999, Pakistan's imports of oils and fats will remain at 1.5 million tonnes. The import of soybean oil and tallow can grow further at the expense of palm oil and its by-products, which will remain under the combined impact of adverse import duties and higher international prices.

Contributed by Iftikhar Ahmad

***Table 2.* Pakistan's Oils and Fats Receipts, 1998 (thousand tonnes)**

Products	1998	1997	1996
Palm Products			
RBD palm oil	1019.49	1039.31	1053.01
RBD palm olein	32.72	7.16	37.93
RBD palm stearin	–	3.99	4.98
RBD palm fatty acid distillate	13.99	27.32	39.90
Palm acid oil	11.54	17.47	10.47
Crude palm oil	24.84	50.19	23.62
Palm kernel oil	0.99	0.99	5.08
Palm kernel fatty acid distillate	3.03	1.72	1.39
Residue of fatty substances	11.47	9.75	15.51
Sub-total	1118.07	1157.90	1191.89
Growth Rate (%)	(-3.43)	(-2.85)	
Other Oils and Fats			
Soybean oil	268.20	216.57	150.74
Corn oil	0.98	–	0.99
Coconut oil	4.34	0.50	–
Sunflower oil	–	3.80	5.82
Rapeseed oil	–	–	1.45
Cottonseed oil	–	4.50	2.50
Tallow	99.63	51.02	42.60
Sub-total	373.15	276.39	204.10
Grand Total	1491.22	1434.29	1395.99
Share of palm products (%)	75.0	80.7	85.4

Source: *Trader's Data*

Vitamin E's ability to fight arterial plaque

An American Diabetes Association-funded study found that vitamin E can fight arterial plaque at the cell level, states a report in the May 28 issue of *Food Chemical News*. In their initial study, researchers at University of Texas found that vitamin E supplements of 1,200 international units reduced by 80 percent, the level of a protein that promotes the formation of arterial plaque.

Their follow-up study indicates that vitamin E can block an enzyme (5 lipoxygenase) that is key to plaque formation. The researchers say that the enzyme produces a substance that stimulates release of interleukin-1 beta (called IL-beta) which promotes the plaque.

"This pioneering work sheds more light on the possible prevention of heart disease with this antioxidant supplement by decreasing not only the oxidation of bad cholesterol, but also by having important effects on cell formation on the plaque," they said.

They add: "Evidence is mounting that plaque formation is an inflammatory process."

Contributed by T. Thiagarajan

Surge in imports of edible oils expected in India

India is expected to import more edible oils in 1999 due to the expected low production of oilseed crops during the year.

Production of oilseeds during 1997/98 fell to 21.99 from 25.10 million tonnes the previous oil year (*Table 3*), and was lower than the government estimate of 23.02 million tonnes. The drop in international prices which resulted in low domestic prices has put farmers under a lot pressure. The price of soybean was at one time lower than the support price. However, government purchases have lifted the prices above the support level.

India has no other means to increase its edible oils production because the area under oilseeds has reached saturation point. The only way to bridge the demand-supply gap is by increasing yield or imports.

Supported by low duty and prices, India registered huge imports of edible oils for the first five months of 1999. Total imports of edible oils increased to about 1,252,000 tonnes, of which more than 700,000 tonnes were palm olein. The import share of palm olein was 56 percent during Jan-May 1999. The recent decanalisation of palm oil imports could have also helped increase imports to India.

Contributed by Johari Minal

New duty structure in Morocco

Disparities between palm and competing oils (soybean (SBO), sunflower (SFO) and rapeseed (RSO)) have widened since Morocco's new duty structure was revised. While the duties on these three oils were reduced significantly, the reduction was negligible for palm oil (*Table 4*). With their comparatively lower duties, imports of SBO, SFO and RSO are expected to increase.

Contributed by Abdullah Ariffin

Table 3. **India: Area, Production and Yield of Nine Oilseeds, 1990-98**

Year	Area (million ha.)	Production (million tonnes)	Yield
1990-91	24.15	18.60	771
1991-92	25.89	20.11	719
1993-94	26.80	21.48	801
1994-95	25.26	21.42	848
1995-96	25.00	22.71	850
1996-97	26.88	25.10	933
1997-98	26.11	21.99	842

India: Latest Government Estimate of Oilseeds Production for 1998-99 (million tonnes)

Crop		Production 1996-97	Final Estimates 1997-98	Advance Estimates 1998-99
Groundnut	Kharif	6.94	6.13	6.93
	Rabi			
Total		**8.64**	**7.85**	**8.78**
Rapeseed & Mustard	Rabi	6.66	4.71	6.44
Soybean	Kharif	5.38	6.53	6.77
Total				
Oilseeds	Kharif	14.40	14.51	15.74
	Rabi	9.98	7.51	9.56
Total		**24.38**	**22.02**	**25.30**

Ukraine to impose higher export duty on oilseeds

Ukraine is to impose a 23 percent export duty on oilseeds after its 1999 harvest. A 23 percent duty is to apply on all exports of unprocessed soybean, linseed and rapeseed between September 1, 1999 and January 1, 2000, and on sunflowerseed between November 1 and March 1, 2000. The changes are intended to improve supplies of raw materials to domestic oil crushers, and re-orientate export trade away from raw materials (notably sunflowerseed) towards finished products such as vegetable oil. Ukraine

Table 4. **Morocco's New Duty Structure**

Products	Old Rate (%)	New Rate (%)
Soybean oil - crude/refined	96 (25)	49 (25)
Peanut oil - crude/refined	279 (25)	278 (25)
Palm oil - crude/refined	305 (25)	303.5 (25)
Sunflower oil - crude/refined	70 (50)	32 (50)
Cotton oil-crude	279 (25)	278 (25)
Coconut oil	305 (25)	303.5 (25)
Rape, Colza & Mustard - refined/crude	99.5 (25)	47 (25)
Sesame oil - refined/crude	305/279 (25)	303.5 (25)
Cabbage/ Babassu oil - refined/crude	305/279 (25)	303.5/278 (17.5)

Note: ( ) *for technical or industrial uses other than the manufacture of food products*

produced 2.2 million tonnes of sunflowerseed in 1998, down slightly from 2.3 million tonnes in 1997. The restrictions on oilseed imports are expected to reduce the price of sunflowerseed internally.

BMA wants moratorium on planting GM crops

The British Medical Association (BMA) has called for an open-ended moratorium on the commercial planting of genetically-modified (GM) crops until a scientific consensus emerges on their safety. As there is no definite conclusion on any serious risks to the environment and human health, the precautionary principle should apply, it says. The report emphasises the need for caution, arguing that the impact of GM organisms on the environment is likely to be irreversible.

The BMA also called for the strengthening of disease surveillance to cope with GM modified material in the environment and food chain. And as the emergence of new diseases associated with GM material will be difficult to diagnose, disease surveillance and event monitoring procedures will need to be sufficiently robust, it states. The report also called for a ban on the use of antibiotic resistant marker genes in GM food because the risk that antibiotic resistance may be passed on to bacteria affecting humans could not be ruled out.

The BMA says that the UK Food Standards Agency, which should be given statutory powers to regulate GM production, should consider banning mixed GM and non GM products, or insist that they are clearly labelled. The report concludes that unless public confidence over GM crops and GM food is enhanced, there is danger that medical biotechnological advances will be similarly rejected.

Industry fears that a consumer backlash against GM food could raise a new crisis of confidence in the livestock and feed sectors.

EC considers labelling GM compound feed

The European Commission is considering the introduction of proposals requiring European compound feed manufacturers to label products that contain GM ingredients. The Commission is deciding whether this needs to be taken all the way down the food chain. No regulation currently governs feeding livestock, destined for human consumption, on feed containing GM ingredients.

Industry fears that a consumer backlash against GM food can raise a new crisis of confidence in the livestock and feed sectors. No livestock producer who has fed animals with soybean can guarantee that it is GM-free. If consumers demand that GM-free products be fed to livestock, the issue can be devastating to the livestock farming and feed industry.

The British Medical Association (BMA) has called for an open-ended moratorium on the commercial planting of genetically-modified (GM) crops until a scientific consensus emerges on their safety.

Russia to impose export quotas on sunflowerseed

Russia is planning to introduce export quotas on sunflowerseed in order to support its domestic crushing industry. The plan would involve an export quota of around 400,000 - 500,000 tonnes of sunflowerseed. This would help Russia produce an additional 150,000 tonnes of vegetable oil.

Russia has a total crushing capacity of around 3.2 million tonnes per ye Currently, its actual operating capac is about 50 percent. About 90 percent all factories had to use import sunflowerseed in 1998 because of t lack of domestic products.

Russia exported a total of 1.4 millic tonnes of oilseeds (main sunflowerseed) in 1998, compared to 1 million tonnes in 1997. Th sunflowerseed production totalled 3. million tonnes in 1998, up from 2. million tonnes in 1997. Russia targeting to produce 3.5 million tonne of oilseeds in 1999.

EU oilseeds production to increase in 1999

The European Union's production oilseeds is forecast to increase by 2. percent to 15.5 million tonnes this yea a rise from last year's 15.1 million tonnes This is due to the increase in planted are to 6.4 million hectares this year, up fro 6.1 million hectares last year. Rapeseec production is set to increase by 8. percent this year to 10.3 million tonnes up from 9.5 million tonnes last year.

However, production of sunflowerseec and soybean are both forecast to dro by 4.5 percent and 16.4 percen respectively. Of the three EU countrie which produce soybean, the two mos important are France and Italy whic have both scaled down their productio by between 10 percent and 13 percent.

The UK rapeseed production is forecast to rise from 1.49 million tonnes to 1.8 million tonnes in 1999. The French and German rapeseed production are forecast to increase by the smaller margins of 7.2 percent (up to 4.0 million tonnes) and 2.8 percent (up to 3.4 million tonnes) respectively.

Contributed by Mohd. Jaaffar Ahmad

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ANNOUNCEMENT

PORIM
will be at the
23rd World Congress and Exhibition
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International Society for Fat Research (ISF)
from 3-7 October, 1999, in Brighton, England

Papers to be presented are:

- Kinetics of Vegetable Oil Crystallisation with Special Reference to Palm Oil – by Chong C.L. *et al.*
- Dietary *Trans* Fatty Acids Increase Lipoprotein Associated CHD Risk Factors Relative to Palm Olein – by K. Sundram
- Techo-Economic Aspects of Palm Kernel Oil – by Mohd. Jaaffar Ahmad *et al.*
- Red Palm Oil: A Carotene and Vitamin E-rich Refined Oil for Food Uses – by B. Nagendran *et al.*
- Tocotrienols: Antioxidant and Anti-cancer Properties – by N. Kalanithi *et al.*

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