



All American taste

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US food manufacturers have until 2018 to remove artificial trans fats from their products. This is likely to increase the use of palm oil in food products, according to Manik Mehta, who gives an overview of the US oils and fats sector and the increasing popularity of olive oil among American consumers

Palm oil is likely to benefit from the US Food and Drug Administration (FDA)'s ruling in June 2015 to ban the use of partially hydrogenated vegetable oil – the main source of artificial *trans* fats – in processed foods.

Food manufacturers have three years to comply with the ruling and remove all artificial *trans* fats from their products.

Companies have already turned to palm oil following mandatory *trans* fat labelling in 2006 as, unlike most vegetable oils, it is a solid at room temperature.

Palm oil imports into the USA have grown dramatically since the early 2000s, when many companies began to restrict use of *trans* fats and thus partially hydrogenated vegetable oils.

In 2012, the USA imported around seven times as much palm oil as it had in 1999.

According to *Bloomberg*, the size of the US palm-oil market is about 2.6bn lbs (1,179M tonnes) and is expected to increase by 500M lbs (226,796 tonnes) a year.

However, palm oil does suffer from an image problem, with its association with deforestation in Southeast Asia, and its high degree of saturated fat, which has implications for health.

US-based interest groups say that there is growing demand for healthier oils in the US market, such as olive oil and sunflower oil, with consumers showing a preference for healthier categories of olive oil, particularly extra virgin olive oil.

America is, after the Asia Pacific region, the world's second largest market for oil and fats, with the vegetable oil segment increasing its market share, including a steady increase in olive oil consumption.

The world's vegetable oil suppliers are eyeing the US market. This was also evident at the recent New York Fancy Food Show (NYFFS) 2016, which had a massive turnout of suppliers of all kinds of vegetable oils, particularly olive, canola and coconut oils.

Italians, Spaniards, Turks, Greeks, Moroccans and Tunisians occupied rows of exhibition booths.

Italian olive suppliers have been monitoring the changing food habits of Americans as the latter try out other competing oils as part of their cuisine. Sunflower's popularity has also risen, with the American Heart Association nutritionists categorising sunflower oil – rich in unsaturated fats, particularly oleic and linoleic acids, minerals and vitamin E – as an excellent antioxidant.

..... Olive oil popularity continues

Nevertheless, olive oil continues to be popular among American consumers, as many Italian exhibitors at the NYFFS said.

"Although shoppers are still cautious today, they have become increasingly selective and seek more information. A growth opportunity for the olive oil market could come from educating American consumers to use olive oil in different dishes," says Carlo Peruzzi, who operates an export company outside Rome specialising in olive oil.

However, Italian suppliers have also suffered because a "few bad apples" in the industry engaged in fraud in the olive oil sector, according to US television shows, including the highly-rated "60 Minutes". But most Italian suppliers say that committing fraud with the consumers was "highly unlikely to happen again" and that this may have happened in the past because the smaller unscrupulous producers who offer unbranded products, had little or no controls. Established brands, as a rule, have too much to lose to become reckless and destroy their business.

Valpicelli, a medium-sized company producing ▶



▶ extra virgin olive oil, is based in Segni near Rome. The owner, Pietro Volpicelli (pictured below), says that his company has its own cultivation, crushing, processing and bottling operations.

"The USA is an interesting market. Italian olive oil is different from products from other regions," Volpicelli says in an interview with *Oils & Fats International* at the NYFFS while emphasising that Italian olive oil was known for its quality. Acknowledging that he faces competition from low-end suppliers, he claims that buyers appreciate his quality oil and have given him orders at the show.

Turkish olive oil

Turkish exhibitors at the NYFFS expressed keen interest to increase their exports to the US market, forced by the "new normal" facing Turkey, which has lost a number of markets such as Syria, Iraq and Russia because of political issues.

Cem Demirci, foreign trade manager of Poyrazcan Gıda Tarım Turiz in Izmir, which produces the Poyraz brand of extra virgin, virgin and pure olive oil, describes the US market as "very attractive". "Every year, US olive oil consumption has been growing. The USA, one of the world's biggest importers of olive oil, is a very important market for Turkish olive oil suppliers", Demirci says in an interview in New York.

He says that this is also the reason why his company – as also many other Turkish suppliers – regularly attends the NYFFS, which attracts many North American importers of olive oil. Indeed, he adds, the NYFFS's attractiveness as a meeting ground for buyers and sellers of olive oil has increased for Turkish suppliers. The Mediterranean region, including Turkey, supplies some 95% of the world's olive oil, Demirci says, adding that Mediterranean olive oil has less acidity and a different aroma, which appeals to the American consumer.

Although olive oil exports account for only 1% of Turkey's total exports, they are important, in value terms, for Turkey's economy. The country's olive oil production exceeded the actual domestic consumption and, hence, the over-capacity had to be exported.

Another Turkish company, Mehmet Hakan Kaleli

of Bursa, which produces the Beyzade brand of extra virgin, organic virgin and low-acidity olive oil, claims that it uses olives picked in the early stage of the harvest. "Sometimes, we buy the olive fruit and, sometimes, we buy oils already crushed and further process and bottle them. We buy both olives and olive oil," Mehmet Kaleli, the company's general manager, explains.

The company exports about 85% of its production, mainly to China but also to the Middle East and Asia. "We have just begun exporting to the USA," Kaleli says, adding that the USA is a large consuming market, which absorbs some 80% of the company's extra virgin olive oil exports.

Kaleli says that while Italian products are well-known in the USA, American buyers are now also sourcing from Turkey. "The consumers' growing health consciousness and olive oil's health benefits have increased demand for the oil," he explains.

Davut Er, chairman of the Izmir-based Aegean Olive and Olive Oil Exporters' Association (AOOOEA), says that his association member companies account for some 170M olive producing trees, the second largest olive tree population. AOOOE's production target for 2020 is 400,000 tonnes of olive oil and one million tonnes of olives, depending on climate. "This is the estimate provided by the Turkish Agricultural Ministry. The current production level is between 150,000 and 200,000 tonnes. Climate conditions have reduced our production from 300,000 tonnes in 2007", Er says.

"High-income consumers in the USA are buying olive oil ... these consumers are health-conscious. Olive oil's nutritional values are appreciated in the USA. Turkish olive oil exports have also increased with the Turkish Lira's depreciation", Er says.

Kevin Haight, an 'oil artisan' at the Hudson Valley Cold Press Oils of Poughkeepsie, New York, which manufactures sunflower oil noted for its high oleic content, told *OFI* that demand for oils in the USA is huge.

"However, unless oils are cold pressed, they are not considered to be healthy. Our main buyers are restaurants and grocery stores. The American consumers have become discriminating in their choice of oil, preferring high-quality oil. Restaurants are required to list nutritional facts about the food they serve, with some even naming

suppliers or producers of oils used, for example, in salads", Haight says.

Louise Kramer, communications director of the US Specialty Food Association (pictured below), agrees that olive oil reigns supreme. "People are increasingly aware about the properties of olive oil, but this also applies to coconut oil, canola and rapeseed oil. Because of past controversy about olive oil's purity, buyers are now more cautious about the purity of any oil. However, olive oil still remains very popular," she tells *OFI*.

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LOUISE KRAMER, COMMUNICATIONS DIRECTOR OF THE US SPECIALTY FOOD ASSOCIATION



PIETRO VOLPICELLI, OWNER OF ITALIAN OLIVE OIL PRODUCER VOLPICELLI

