

Practical market insights into your product

Apricot Kernel Oil in Germany

Apricot kernel oil has limited demand in Germany, but there are a number of consumers that enjoy the distinctive flavour of this oil, not to mention its health benefits. Enjoying similar properties to almond oil, this is a more specialized product that has benefited from the growing trend in personal healthcare products. The majority of apricot kernel oil is imported. It is usually stocked by most of the leading oil processors, despite the small quantities involved. DC exporters who identify the true enthusiasts for this product will not be disappointed by their response, provided quality expectations are met.

PRODUCT DEFINITION

Apricot kernel oil is obtained from the kernels of apricots (*Prunus armeniaca*), which have a fatty oil content of around 40 to 50%. It can be extracted from either sweet or bitter apricot kernels, but due to issues over toxicity in bitter apricots, the oil is primarily made from the kernels of sweet apricots. It has a similar composition to almond oil. Most apricot kernel oil is sold cold-pressed, although you can also find refined oil. Cold-pressed apricot kernel oil is mid-yellow coloured with a characteristic smell and taste (apricot), whilst the refined product is pale to mid-yellow, with a milder taste and smell.

Apricot kernel oil is sometimes used in the manufacture of marzipan (similar to almond oil) and does have other limited food uses, such as in pastries and desserts and as a delicate salad oil. However, the majority of its use and the great strength of the oil is its external use as a skincare product. This oil is popularly used in cosmetics like creams, soaps and skin lotions. The oil is easily absorbed into the skin without leaving any oily residue. Hence, this is also used for massage and as sunbathing oil. It is also often used as a base with other aromatherapy oils.

APRICOT KERNEL OIL



Apricot kernel oil contains oleic (58-68%), linoleic (22-31%) and palmitic (3-10%) acids. It is quite strongly unsaturated and consequently can go rancid fairly quickly, which accounts for the fact that it is usually offered for sale in small quantities. It is also high in vitamins E and A which can be used to moisturize and nourish dry and mature skin.

The statistics used in this document are based on Combined Nomenclature (CN) codes. The CN classification uses Harmonised System (HS) codes to classify products. There is no specific HS or CN code for apricot kernel oil. Although it has varied uses, in this fact sheet it is primarily used in cosmetic applications.

Combined Nomenclature (CN8) apricot kernel oil is included in:

- a) edible use
 - 15159091: Solid fixed vegetable fats and oils, and their fractions, <kg (minimal quantities, excluded from statistics)
 - 15159099: Solid fixed vegetable fats and oils, and their fractions, >kg
- b) non-edible use
 - 33049900: Beauty or make-up preparations and preparations for the care of the skin
 - 33059000: Hair preparations, nes

PRODUCT SPECIFICATIONS

QUALITY (NON-EDIBLE USE)

Examples of documentation to reassure a buyer of product quality include a [technical product data sheet](#). A [certificate of analysis](#) and a [material safety data sheet \(MSDS\)](#) are important documents. An [allergen declaration](#) may also be requested.

Product should be handled, stored and transported in accordance with the recommended international code of practice for the storage and transport of edible oils and fats in bulk (CAC/RCP 36 – 1987 (Rev.1-1999, Rev.2-2001, Rev.3-2005, Rev.4-2011)). Although not legally binding, this code is accepted standard practice for bulk transportation. In cases where volumes do not constitute bulk quantities, this code still provides a useful reference.

QUALITY (EDIBLE USE)

As far as edible apricot kernel oil is concerned, there are no legally binding standards, but German buyers would expect suppliers to conform to CODEX (Codex Alimentarius), which are internationally recognized standards. Apricot kernel oil is not one of the named vegetable oils, although discussions are taking place to add walnut oil, pistachio oil, hemp seed oil and hazelnut oil to the list of named oils. Hence the relevant CODEX standard for apricot kernel oil is CODEX STAN 19-1981 (Standard for Edible Fats & Oils not covered by individual standards). See the details of this standard at the [Codex Alimentarius website](#). The CODEX standard for a list of named vegetable oils is STAN 210-1999.

The key points in this standard are:

- no additives are permitted in cold pressed oils
- no colours are permitted, except for a restricted list designed to maintain a consistent colour in the oil
- quality characteristics are expected to apply to the colour of the product
- the odour and taste is expected to be characteristic of the product and free from rancid odour and taste

The quality of the oil depends on the freshness and age of the oil as well as proper storage. A further factor is the consistency and standardisation of the product, helped by blending seeds or oils from different crops and by closely monitoring cultivation and harvesting practices.

Details on [sampling methods](#) and analysis for the control of mycotoxins and aflatoxins in apricot kernels can be found here. The European Committee for Standardisation (CEN) has published [a list of standards](#) for sampling and analysis of oilseeds and vegetable oils.

LABELLING

The product shall be labelled in accordance with the General Standard for the Labelling of Pre-packaged Foods (CODEX STAN 1-1985). The designation “cold pressed oil” can only be used if the oil has been obtained, without altering the oil, by mechanical procedures, e.g. expelling or pressing, without the application of heat. They may have been purified by washing with water, settling, filtering and centrifuging only.

Labelling of consumer packs must be in accordance with the rules and regulations applying in the EU market. Labels cannot contain any toxic ink or glue. See [EU Directive 2000/13/EC](#), which lays down the general rules on labelling of pre-packaged food sold on the EU market. This directive will be replaced by Regulation [\(EC\) 1169/2011](#) on the provision of food information to consumers, as from 13 December 2014.

The key requirements are:

- Name of the product
- List of ingredients
- Quantity of an ingredient or category of ingredients
- Net quantity (the amount of food in the container or package)
- Date of minimum durability
- Special storage instructions
- Name and address of the manufacturer or packager or EU buyer/retailer
- Place of origin or provenance of the product
- Batch number
- Instructions for use
- Certifier control number for organic products

In addition, any certification logo (if applicable) and/or retailer logo (in the case of private label products) should be on the label. Bar codes are used on all pre-packed products.

[Regulation \(EC\) 1924/2006](#) covers the use of nutrition and health claims that can be made on labels. See also the CODEX guidelines on Nutrition Labelling (CAC/GL 2-1985).

As far as labelling of apricot kernel oil destined for the non-edible sector, Cosmetics Europe, the personal care association, has published [guidelines on cosmetic ingredient labelling](#).

PACKAGING

As most apricot kernel oil is destined for the cosmetics industry, the majority is supplied in bulk. Ensure the preservation of the quality of apricot kernel oil by:

- Using containers of a material that does not react with constituents of the oil (e.g. lacquered or lined steel, aluminium).
- Cleaning and drying the containers before loading the oil.
- Filling the headspace in the container with a gas that does not react with constituents of the oil (e.g. nitrogen or carbon dioxide).
- Enable re-use or recycling of packaging materials by, for example, using containers of recyclable material (e.g. metal).
- Organic vegetable oils should remain physically separated from conventional vegetable oils.
- Store in tightly closed original container, in a cool & dry area away from heat sources & protected from light. Keep air contact to a minimum.
- Precautions in handling: Apply good manufacturing practice & industrial hygiene practices. Observe good personal hygiene, and do not eat, drink or smoke whilst handling. Avoid static discharges. More information can be found [here](#).
- Fire protection: Keep away from ignition sources & naked flames. Take precautions to avoid static discharges in working area.

LABEL DETAIL ON BOTTLE OF APRICOT KERNEL OIL



EXAMPLE OF BULK PACKAGING FOR APRICOT KERNEL OIL



LEGISLATIVE REQUIREMENTS

Legislative requirements for food products are also included, as apricot kernel oil can also be used in this way, albeit less commonly.

REACH:

Non-chemically modified vegetable oils are exempt from REACH registration, unless they meet the criteria as dangerous according to [Directive 67/548/EEC](#). The burden of proof lies with the manufacturer/importer that wishes to use this exemption (an absence of information on the properties of a substance does not mean an absence of hazardous properties).

EU COSMETICS REGULATION:

This includes requirements (physical-chemical, microbiological and toxicological) for substances/ingredients to be included in each Cosmetic Product Safety report and Product Information File. Increasingly cosmetic manufacturers and ingredient producers place responsibilities for compliance on their suppliers.

GLOBALLY HARMONISED SYSTEM ON CLASSIFICATION, PACKAGING AND LABELLING OF CHEMICALS:

The EU sets requirements on the packaging of chemical substances, as well as required symbols and phrases warning users and providing safety advice that should be used on the labels.

GENERAL FOOD LAW AND FOOD SAFETY REGULATION:

Regulation [\(EC\) No 178/2002](#) introduces general definitions, principles, obligations, and requirements that apply to all food brought on the EU market in respect of food safety.

GERMAN HEALTH LEGISLATION

This aims to protect consumers from health hazards and fraud, the most important of which is Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetzbuch (LFGB), which regulates the food trade and includes some important definitions. Even though food labelling is widely harmonised throughout the EU, there are some peculiarities. Terms used in marketing food products with added health claims include “wellness”, “well-being” and “fitness” are generally used in English but are sometimes translated as “Wohlbefinden”.

CONSIDERATIONS FOR ACTION

- Familiarize yourself with [REACH legislation](#).
- See the CBI document on [EU buyer requirements for natural ingredients for cosmetics](#) for more detail cosmetic and related legislation.
- A key document is [Regulation EC 1223/2009](#) on cosmetic products. This lists substances that are exclusively allowed for certain applications: colorants (Annex IV), preservatives (Annex V) and UV-filters (Annex VI).
- Be aware of the [EU Cosmetics Directive 76/768/EEC](#).
- Familiarize yourself with the [EC Directive 1272/2008](#) on classification, packaging and labelling of chemicals. Suppliers need to be aware of this as other ingredients in a cosmetic product may contain chemical substances.
- See the CBI document on [EU buyer requirements for vegetable oils](#) for more detail food legislation.
- See the [link](#) to the LFGB website (in German).
- Check the [guidance document](#) on control of foods imported into the EU.

FOOD HYGIENE:

Regulation [\(EC\) 852/2004](#) covers all aspects of the food supply chain from a hygiene perspective. For actors in the food supply chain (e.g. processors, packers, distributors), the EU, including Germany, requires the application of certain rules, which are based on the HACCP (Hazard Analysis & Critical Control Points) principles, regarding food hygiene.

FOOD CONTACT MATERIALS:

General requirements for all food contact materials are laid down in [Framework Regulation 1935/2004](#). There are Directives on single substances or groups used in the manufacture of food contact materials.

CONTAMINANTS/TRACES:

The EU, including Germany, has set maximum limits for certain substances that could be present in food products, which also applies to vegetable oils. The basic principles of EU legislation on contaminants can be found in [Regulation 315/93/EEC](#). Maximum levels for selected contaminants in food can be found in [\(EC\) 1881/2006](#). Special emphasis on sulphites and aflatoxins are relevant here.

SPECIFIC REGULATIONS FOR NUTS

Exporters of tree nut oils should be aware of the issue of aflatoxin. There is a specific risk for nuts in relation to contamination with aflatoxin. [Regulation \(EC\) 1152/2009](#) outlines the fact that nuts exported to the EU, including Germany, have to be accompanied by a health certificate demonstrating they have gone through sampling.

ORGANIC LEGISLATION

[Regulation \(EC\) 834/2007](#) for Organic Food and Farming has information on organic legislative requirements.

TRACEABILITY:

Under EU law, including Germany, this refers to the ability to track any food or related substance used for consumption through all stages of production, processing and distribution.

- Food safety is fundamentally important, and as an exporter you can gain advantage by demonstrating your appreciation of this. See the website of [the German Federal Office For Food Protection and Safety](#)
- Check the CBI Market Intelligence Platform on [EU legislation, General Food Law](#), and [EU legislation on Food Control](#).
- Check the [guidance document](#) on control of foods imported into the EU.
- Check the [Fact Sheet on Food Contaminants](#) by the Directorate General for Health and Consumer Protection.
- [More information on this subject](#) can be found on the official EU website.
- See link to [RASFF safety alerts](#). RASFF (Rapid Alert System for Food and Feed) is an important tool to enable a quick reaction when risks to public health are detected in the food chain.
- Check the Codex Alimentarius code of practice for the prevention and reduction of aflatoxin contamination in tree nuts (CAC/RCP 59-2005), which applies to all tree nuts.
- See the European Food Safety Authority website on [aflatoxins in food](#).
- See also this [guidance document](#).
- Check these requirements.
- See the general principles and requirements of Food Law in Regulation [\(EC\) 178/2002](#) on traceability.

ADDITIVES, ENZYMES AND FLAVOURINGS IN FOOD:

The EU, including Germany, has set a list of permitted flavourings and requirements for their use in foodstuffs intended for human consumption, which includes vegetable oils. This is particularly relevant to food manufacturers. However, insight into this legislation can help you to understand their requirements.

IMPORT CONTROLS:

Once cleared by customs, product can circulate freely within the EU. Imports from developing countries must come through designated Border Inspection Posts and are subject to a series of checks before being allowed to enter.

NON-LEGISLATIVE REQUIREMENTS

OTHER FOOD SAFETY SCHEMES:

The HACCP (Hazard Analysis & Critical Control Points) principles regarding food hygiene are a legal requirement (see above) but in practice many buyers insist on higher standards (the International Food Standard is referred to frequently in Germany). The Global Food Safety Initiative (GFSI) contains a benchmark of relevant standards.

ORGANIC STANDARDS:

Organic standards are particularly important in Germany despite the fact that organic sales represent a small proportion of the apricot kernel oil market. The price differential between organic and conventional apricot kernel oil is high. However, certification does help in minimising the likelihood of adulterated oil appearing on the market.

FAIR TRADE:

Fair trade is also a small but important niche segment in Germany, primarily found on agricultural products, including some tree nuts. It focuses on fair labour standards and fair prices for small developing country producers. The FairWild standard is the only fair trade standard covering sourcing from wild collection. The "Fair for Life" standard is exclusively for cultivation.



- Check the [EU Export Helpdesk](#) for more information on import tariffs and import regulations.

- More specific information on importing to Germany can be found at the [German Trade and Invest](#) portal.

- Check the website of [German customs](#).

CONSIDERATIONS FOR ACTION

- The International Trade Center (ITC) provides [information](#) on voluntary standards and codes of conduct, which you can search and identify those which are most suitable for your product.
- Check details of other leading food safety schemes such as the [British Retail Consortium Global Standards](#), the [Food Safety Certification System 22000](#), the [International Food Standard \(IFS\)](#) and the [Safe Quality Food Programme \(SQF\)](#).
- Check the GFSI website for [benchmarking information](#) of relevant standards
- Check the [German organic trade association](#) for more information on the various organic labels in Germany.
- Check the [German fair trade](#) website.
- Check the [FairWild](#) website.
- Check the [fair for life](#) website.



OTHER SOCIAL AND ENVIRONMENTAL STANDARDS:

There are many international schemes available, including the internationally recognised ISO. A new ISO standard for natural and organic cosmetics is under development. It is a question of determining what is most suitable for your product and market. The [GMP standards for cosmetic ingredients](#) is used by the European Federation of Cosmetic Ingredients.



SUSTAINABLE SOURCING

This is a big issue in the broader oil market, particularly in respect of palm oil. Some buyers are changing the oils they use to ensure they conform to the latest accepted practice. The most high profile standard for natural cosmetics is the COSMOS standard, developed in conjunction with the [German trade association](#) and others to address the question of sustainability in this sector. [NATRUE](#) is another international standard in relation to natural and organic cosmetics.

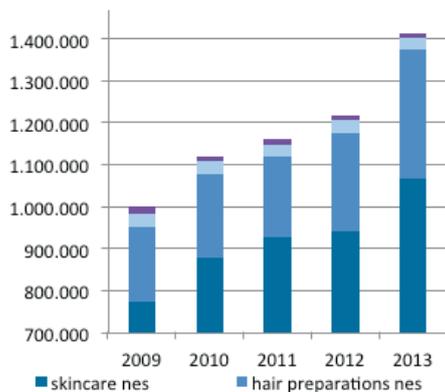
- Read about the [COSMOS standard](#). See also the [International Organic and Natural Cosmetics Corporation](#) website.

TRADE AND MACRO-ECONOMIC STATISTICS

As indicated earlier, there are no specific HS or CN codes. The figures that follow reflect the trade of the most relevant codes that apply. The proportion of apricot kernel oil in each group will vary. The sheer number of unlisted vegetable oils featuring within the same codes means that the volume and value of apricot kernel oil in each case will be quite small. An estimate of the likely amount relating to apricot kernel oil will be made in the narrative after the tables and underpin the consumption estimate.

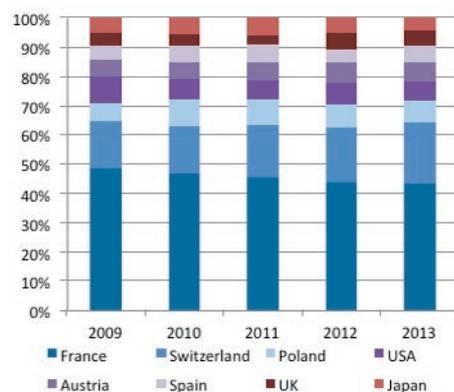
TRADE: IMPORTS AND EXPORTS

FIGURE 1: IMPORTS OF OTHER VEGETABLE OILS, ESSENTIAL OILS, SKIN CARE AND HAIR PREPARATIONS NES TO GERMANY, 2009-2013, € '000



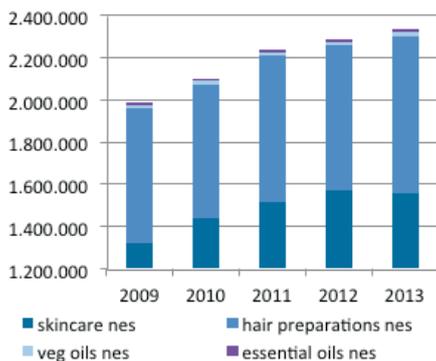
Source: ITC

FIGURE 2: LEADING 8 SUPPLIERS OF SKIN CARE NES TO GERMANY, 2009-2013, % BASED ON € '000



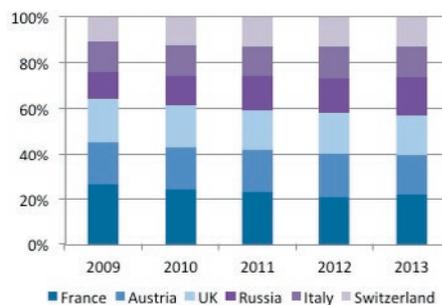
Source: ITC

FIGURE 3: EXPORTS OF OTHER VEGETABLE OILS, ESSENTIAL OILS, SKIN CARE AND HAIR PREPARATIONS NES FROM GERMANY, 2009-2013, € '000



Source: ITC

FIGURE 4: LEADING 6 EXPORT DESTINATIONS OF SKIN CARE NES FROM GERMANY, 2009-2013, % BASED ON € '000



Source: ITC

ANALYSIS AND INTERPRETATION:

- Apricot kernel oil represents a small proportion of vegetable oils imported into Germany. It features as a cosmetic ingredient and as a carrier oil, and is occasionally used as an edible oil. Of the featured categories in the figures above, oils for skincare and hair preparations significantly exceed other vegetable oil imports.
- There is a wide diversity of supplying countries, which reflects the diversity of products represented in this category.
- Note that these statistics refer to prepared products, hence the majority of suppliers are European neighbours. However, apricot kernel oil is potentially supplied from a number of developing countries that grow apricots, including Turkey, Iran, South Africa, Tunisia, Afghanistan, China, Uzbekistan and Tajikistan.
- Exports exceed imports, which is an indication of the existence of a domestic processing industry.
- This may indicate that Germany is an important re-exporting country itself.
- The majority of exports went to near European neighbours, particularly Switzerland and Austria.

CONSIDERATIONS FOR ACTION

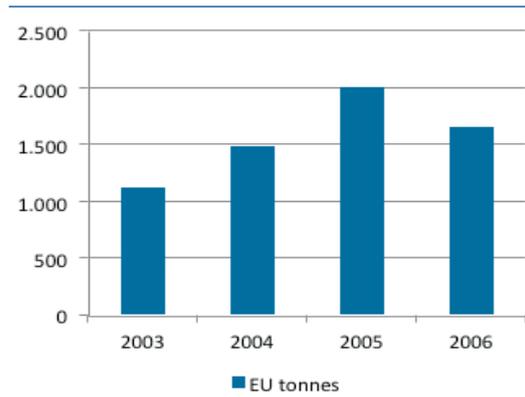
- If you are a producer of apricot kernels looking to export, consider the difference between exporting kernels or processing into oil prior to export. Note that a number of specialty oil processors in Germany buy both oil, and kernels for subsequent processing into oil. You will obtain greater returns if you can add more value prior to export.
- Look at the quality of locally produced oil and compare it with your own product. Can you learn anything from this in relation to market expectations here.
- Consider other non- or low producing markets close to Germany that have a good trade, such as Austria and Switzerland that may also offer good export opportunities for DC

PRODUCTION AND CONSUMPTION

Germany grows apricots as a limited niche product in the south west of the country, but it is not clear how much or any of this is used for oil. Figure 5 relates to production of apricot, peach and plum kernel in Europe, but there are no available figures for the proportion of those that are processed into oil.

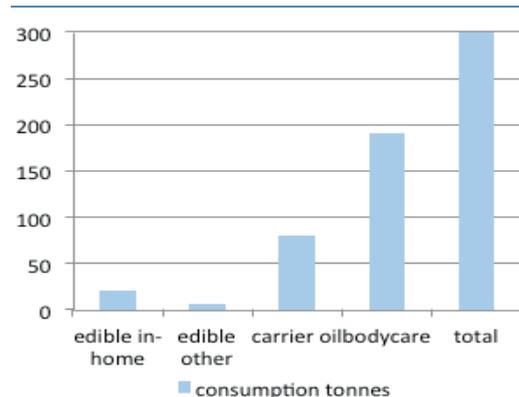
As far as consumption is concerned, based on a review of apricot kernel oil products available on the German market, approximately 90% of apricot kernel oil is used as a carrier oil or cosmetic ingredient. The remainder will be used as an edible oil. The specialty oil sector is quite dynamic and also very competitive as new oils are continuously being introduced. Apricot kernel oil competes with a number of similar oils. Perhaps its closest competitors are almond oil and peach kernel oil.

FIGURE 5: PRODUCTION OF APRICOT, PEACH/PLUM KERNELS IN EUROPE, 2003-2006, TONNES



Source: Eurostat

FIGURE 6: CONSUMPTION OF APRICOT KERNEL OIL IN GERMANY, 2013, TONNES



Source: Seacore estimates

ANALYSIS AND INTERPRETATION:

- The apricot kernel oil market in Germany is very small, perhaps worth the equivalent of € 7 million at retail (no more than 300 tonnes or 350,000 litres).
- Although it is small, there are a number of German consumers that are very loyal to this particular oil due to its moisturising and nourishing qualities as a skin care product and use in aromatherapy. Consumers seeking out apricot kernel oil would usually not settle for anything else, despite the relatively high price of this oil and related oils being more widely available.
- There may be some residual negative publicity affecting apricot kernel oil that comes from the health controversy surrounding the consumption of bitter kernels. However this is more likely to affect its use as an edible product, rather than its use in the body care market.
- As this is such a niche market, it is fairly stable, with a core of enthusiasts. Further sales could be stimulated by encouraging the blending of this product with other complementary oils.

MARKET TRENDS

This section provides more detail about specific trends in the market for apricot kernel oil in Germany.

ANALYSIS AND INTERPRETATION:**SOCIAL FACTORS**

- Sales of aromatherapy oils have struggled to maintain their value during the economic crisis of the last few years, and there have been some concerns over the use of highly concentrated oils when in touch with skin. Apricot kernel oil is affected by this trend, particularly as there are some consumer concerns around this product regarding toxicity.
- Apricot kernel oil is one of the leading carrier oils, popular for both face and hand massages, either on its own or blended with other oils. In 2013 beauty experts claimed that facial oils such as carrier oils enhanced radiance, whereas previously oily skin was perceived negatively.
- The older female segment of the population is spending more on body oils and spa treatments using oils.
- Consumers are demanding more natural products from sustainable sources, more safe products that are not harmful to health

CONSIDERATIONS FOR ACTION

- Despite the small size of this market, consider niche opportunities if you represent a new supplying country.
- In Germany, interesting information can be found at the website of [GROFOR](#), the German Association of Wholesalers in Fats & Oils. You may be interested to check some of their members to see whether relationships could be formed.
- Make sure you are familiar with the key differences between apricot kernel oil and other oils that possess similar properties so that you can demonstrate your broader understanding of this market.
- Carry out further research to establish which other applications may be of interest for this oil.

CONSIDERATIONS FOR ACTION

- Consider this alternative health and aromatherapy segment and find out how this differs from the mainstream body care market in the demand and usage of apricot kernel oil. Get advice from your trade contacts to ensure you identify the most suitable buyers.
- Try to understand who the main consumers of apricot kernel oil are. Are you trying to target women, older consumers, specific ethnic groups, “green consumers”, other special interest groups?

and want reassurance that the products they buy meet these criteria.

- The German organic market is the biggest in the EU and although most natural oils are perceived to be healthy anyway, there is a significant group that are prepared to pay a premium for organic variants. The growth of the natural products segment will also increase demand for apricot kernel oil.
- See the product fact sheets on almond oil and walnut oil to find out more information on trends affecting the demand for apricot kernel oil.

TECHNOLOGICAL FACTORS

- Technological innovation in this market is creating new types of products and new combinations and formulations. As well as the regular introduction of new oils, the “cosmeceutical” trend is driving the demand for greater health benefits to be included in the day to day body care oils and lotions that consumers purchase.

ECONOMIC FACTORS

- Value for money remains the most important issue for German consumers, despite the growing importance of social and environmental concerns.
- Prices are relatively high, limiting demand but supply problems and shortages in some competitor products such as olives and almonds have resulted in price increases for many leading oils.

- Consider certification and labelling of your products as Organic. See earlier section about different organic certification options.

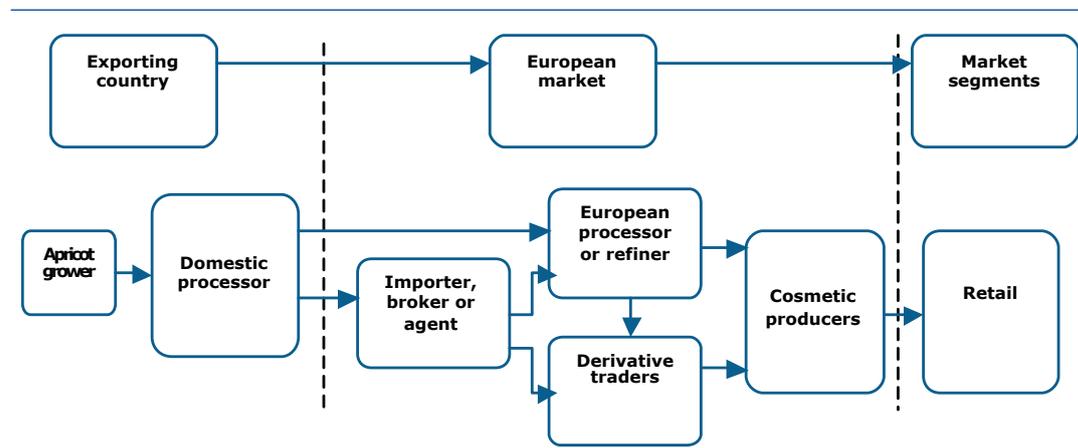
- Try to keep up with the latest technological developments that may affect apricot kernel oil, or products that could use apricot kernel oil as an ingredient.

- Have you been affected by price increases? Perhaps you could benefit from price increases experienced by suppliers of competitor oils?
- Be aware also of the key price points that the trade works around, in relation to different quantities.

MARKET CHANNELS AND SEGMENTS

This section provides some information about the marketing channels through which apricot kernel oil is marketed in the EU, including Germany. Figure 7 provides a broad overview of the routes to market

FIGURE 7: MARKET CHANNELS FOR APRICOT KERNEL OIL IN GERMANY (BODYCARE AND COSMETIC INGREDIENT ROUTE)



The top line highlights the supply structure overview, while the second horizontal line summarizes the key actors in the chain. All activity to the left of the first vertical dotted line refers to activities within the exporting country. All other activity occurs within the importing country.

ANALYSIS AND INTERPRETATION: WHICH ROUTE?

- The choice here is usually dependent on the size of the exporter. Apricot kernel oil for the cosmetics sector is usually refined, so the initial oil goes for further processing. The extent to which this can be done by the producer would depend on the technical capabilities of the producer, but there is usually further refining necessary which would be done in the importing country.
- The number of actors involved in the chain would depend on the volumes involved, the quality of the product, and the extent to which the apricot kernel oil is being sold simply as oil, or whether it is a composite ingredient in a more complex final product.
- Much oil is processed further into derivatives of the oil, such as emollients (e.g. moisturisers), surfactants (e.g. cleansers) emulsifiers and thickeners. DC exporters would rarely supply direct to this channel due to the complexities involved.
- Channels for certified oils tend to be shorter as importers work closely with producers to conform with the certification standards.

CONSIDERATIONS FOR ACTION

- Consider the extent to which you are able to fully process your apricot kernel oil, or whether further processing is required. Most importantly, ensure that you are aware of and can comply with the quality standards this market demands.
- As there are a number of possible routes to market, familiarise yourself with the pros and cons of the different options. A smaller producer would be more likely to use an importer or broker. Often refiners work on big volumes. Importers or brokers could be a good option, as they will buy in from a number of sources to provide the minimum volumes that refiners require. Using a specialist broker would be advisable if you deal in small quantities of specialist oils.
- Talk to as many experts in the trade that you can to fully appreciate the specific issues on the German market before making this important commitment.

WHICH SEGMENT?

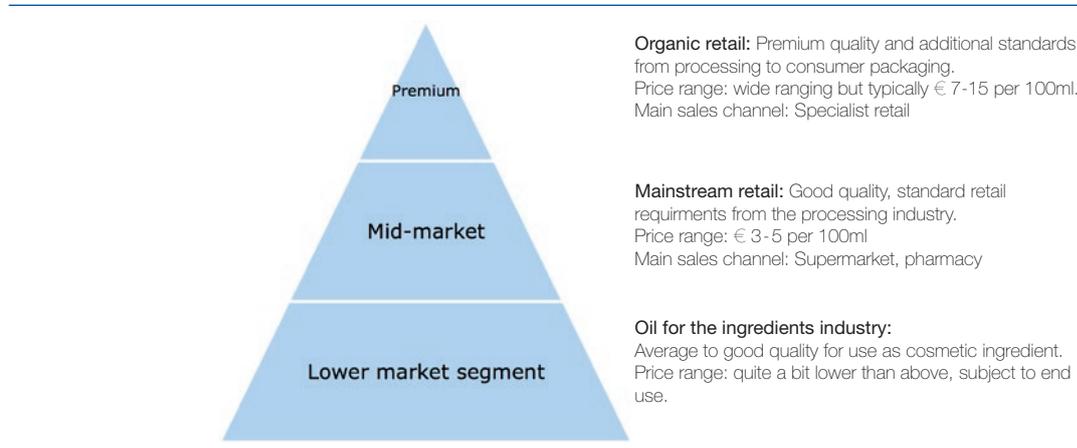
- Building a long-term working relationship with your customers is essential, irrespective of which channel you select.
- Supplying the retail trade – department stores, perfumeries, supermarkets and other specialist outlets – tends to be controlled by the major cosmetics and toiletries manufacturers. However, some retailers are looking to source some oil directly from exporters (or their representatives) if the oil and the story behind the oil is of sufficient interest.
- There are a number of applications for apricot kernel oil in the natural cosmetics market. The largest segment is skin care, which includes moisturisers, cleansers, toners, sun protection, anti-ageing creams etc; toiletries, which includes soaps, shower gels, bath liquids and sprays; hair care including shampoos, conditioners, colorants, gels. There are other product groups in this market, but they have less relevance to apricot kernel oil.
- In the massage and aromatherapy segment, the majority of use as a carrier oil would be as the standard oil. Any blending with other massage oils would take place during usage.

- Consider whether you wish to develop a visible presence on the market, in which case the retail trade would be your preferred route. Alternatively there are also possibilities to develop good sales through the other channels.
- Concentrate on the quality of your product. You ultimately may have little control over its final destination as an ingredient in one of many varied products.

PRICES

This section covers the important question of prices, costs and margins. It is useful to work backwards from retail prices, then to look at the different margins expected by the various actors in the supply chain in order to calculate your own ability to compete in this market. Compared to walnut and almond oil, prices have been relatively stable. Recent price increases have been primarily due to a poor apricot harvest in Turkey. This has consequently reduced the availability on the German market. Here is an illustration of the different segments within the German retail trade for apricot kernel oil.

FIGURE 8: INDICATION OF PRICE RANGES AND MARKET SEGMENTS



ANALYSIS AND INTERPRETATION:

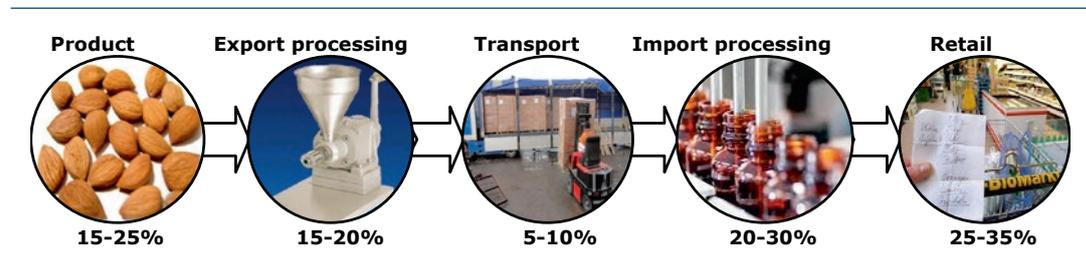
- Apricot kernel oil sold through the natural cosmetics sector as oil, or as a cosmetic ingredient can be found in all distribution types throughout the market.
- One third of sales go through drug stores, an increasing share as natural cosmetic products have become more mainstream. Natural and organic food retailers account for 17% of the market, followed by natural and herbal retailers (14%). About one third of these retailers buy through wholesalers. Other important channels are pharmacies, perfumeries, cosmetic studios/spas and department stores. The online trade for these products is relatively small compared to natural and organic food products for example.

CONSIDERATIONS FOR ACTION

- Be aware of the differences between supplying each segment. As well as the different quality and margin expectations, there are also other differences in how the various trade segments behave. For example, the premium segment would expect you to be more informed about the various broader issues in the market such as forthcoming legislation that may have an impact, whereas the lower segment would focus on price.

The following estimates can vary between different oils, formulations and sources of supply, and other considerations such as branding, packaging. For example, for certified oils, greater costs will be incurred by producers but they may earn a higher margin by selling into a higher market segment. Retailer margins can also vary considerably, depending on the scarcity or demand of a particular product. The end use (edible or non-edible) will also impact on how the cost is shared through the supply chain.

FIGURE 9: BREAKDOWN OF HOW THE COST IS SHARED THROUGHOUT THE SUPPLY CHAIN



Source: Searce estimates

This figure highlights the importance of value addition for DC exporters. In this figure, “Product” refers to the oil, as opposed to the apricot kernels from which it is made. In this case, a higher proportion of the final selling price can be achieved at this stage and greater value added, particularly if the correct documentation is also provided. Many traders think purely in terms of the retail selling price. There is considerable scope to add value to products, including apricot kernel oil, in the production and export processing stages within the supply chain. The wide variances in the contribution of each stage to the final selling price highlights the opportunities to add value.

USEFUL SOURCES

Check the various links provided throughout this document, but here are some other useful references:

EXPORT AND MARKET ENTRY SUPPORT:

www.cbi.eu/marketintel_platform/natural-ingredients-for-cosmetics-/177521

Some wholesalers and importers:

Gustav Heess www.gustavheess.de;

Henry Lamotte Oils www.lamotte-oils.de/

Pöhner-Hamburg <http://poehner-hamburg.com/>;

Hinterauer www.hinterauer.info/

Marbacher Ölmühle www.marbacher-oelmuehle.de/

TRADE PRESS

Oil World provides a forecasting service for oilseeds and oils www.oilworld.de

Cosmetics Business is the leading portal for the cosmetics and beauty industry www.cosmetics-business.com/

Naturkosmetik Branchenreport with a [link](#) to the latest published annual report.

Naturkosmetik Jahrbuch is published annually by www.naturkosmetik-verlag.de/

Bio verlag www.bioverlag.de/

APRICOT KERNEL OIL:

The German Association of Wholesalers in Fats & Oils www.grofor.de/eng/ueberuns.php

The German Association of Oilseeds Processors www.ovid-verband.de/index.php

Fediol is the Federation that represents the vegetable oils and fats industry in the European Union www.fediol.eu/

The Natural Cosmetics Association www.buvena.de/

Information on the EU Food Industry http://ec.europa.eu/enterprise/sectors/food/index_en.htm

MORE INFORMATION

EU Expanding Exports Helpdesk – <http://exporthelp.europa.eu> – go to 'trade statistics'.

Eurostat – <http://epp.eurostat.ec.europa.eu/newxtweb> – statistical database of the EU. Several queries are possible. For trade, choose 'EU27 Trade Since 1995 By CN8'. Use the guide 'Understanding Eurostat: Quick guide to easy comext' (http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20090513.pdf) for instructions.

International Trade Statistics – www.trademap.org – you have to register

This survey was compiled for CBI by Searce in collaboration with Klaus Dürbeck
Disclaimer CBI market information tools: www.cbi.eu/disclaimer

ANNEX

Here are a selection of apricot kernel oil retail packs that can currently be found on the German market, illustrating the wide variety and consumer choice available. These products can be found on a number of websites, including Amazon. Prices were accurate as of May 2014 but will vary between retailers. Note most of these examples are straightforward oil products, rather than products featuring apricot kernel oil as an ingredient:

FRONT & BACK OF BIOMOND BIO APRICOT KERNEL OIL COLD PRESSED, 280ML € 4.95



BERGLAND APRICOT KERNEL OIL BASE OIL, 125ML € 14.95



ÖLMÜHLER SOLLING BIO APRICOT KERNEL OIL NATIV, 100ML € 7.90



NAISSANCE BIO APRICOT KERNEL 100% PURE BASE OIL, 50ML € 5.09



TOPFRUIT COLD PRESSED APRICOT KERNEL OIL, 250ML € 13.90



CONTEDIS BIO APRICOT KERNEL OIL, 100ML € 10.90



BIO PLANETE BIO APRICOT KERNEL OIL, 100ML € 6.89



PRIMVERA BIO APRICOT KERNEL OIL, 100ML € 12.20



SANCT BERNHARD APRICOT KERNEL OIL, 100 ML € 3.90



ÖLWERK BIO APRICOT KERNEL OIL, 100ML € 7.90



LAVITA REFINED APRICOT KERNEL OIL, 250ML € 6.99



NATURATA BIO APRICOT KERNEL OIL NATIV, 100ML € 6.05

