

CBI Product Fact Sheet: Almond Oil in Germany

'Practical market insights into your product'

Almond oil is a niche market in Germany but the flavour is popular so there will be continuing interest in quality almond oils. It can be found in numerous market sectors and product applications. Its use has been driven by the increasing number of natural healthcare products and demand for healthy ingredients. DC exporters can find opportunities by keeping a close watch on the relevant growth sectors in which almond oil features and forming relationships with suppliers of related products.

Product definition

It is important to note that this fact sheet refers to almond oil (bitter or sweet) as a vegetable oil. Bitter almond oil in the form of an essential oil exists but is excluded because it is usually but not always derived from the partially de-oleated press cake (after producing vegetable oil using the press cake for a second natural ingredient) of apricots and sometimes cherries, plums or peaches, rather than from bitter or sweet almonds. This variant is typically synthetic benzaldehyde and considerably cheaper than the "real thing".

Almond oil can be extracted from either sweet or bitter almonds, but due to issues over toxicity in bitter almonds, almond oil is primarily made from sweet almonds. Between 50% and 60% of the content of almonds consists of oil. Almond oil can be used in cooking and food preparation, and is also used in confectionery in the manufacture of macarons, but it is its non-food applications that form the majority of its use. These include cosmetic and skincare applications such as hair oil, body oil, soap, nail and cuticle oil. Almond oil is also one of the most widely used carrier oils, used in aromatherapy with other essential oils.

The other important factor in describing almond oil is based on how it is produced. Cold-pressed almond oil is made by the process of cold-pressing ripe seeds and extracting the oil using minimal heat. This is widely recognized as a healthier variant, as more nutrients and flavour is retained. It has a slightly darker colour and tends to be more expensive than refined almond oil, where higher temperatures and sometimes chemical solvents are applied in the extraction process. Refined almond oil can tolerate higher temperatures and consequently is more suitable for cooking, although not exclusively used in this way. A further flavour variant is producing oil from roasted almonds.

Sweet almond oil



Almond oil contains more vitamin E than most other nut oils, and it is an excellent source of phytosterols and unsaturated fatty acids. It is a particularly good source of mono-unsaturated fatty acids (MUFAs). It also contains important minerals such as calcium and magnesium, and has excellent moisturising properties.

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 almond oil. However, due to its varied uses and applications, it is featured (amongst many other oils of similar or related properties) in a number of product categories.

Combined Nomenclature (CN8) almond 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

Note that [Cosinq](#), the European Commission database has information on cosmetic substances and ingredients. Here you can find the functional ingredients of almond oil listed along with their applications. Searching this database will enable DC exporters to see the range of potential uses for almond oil.

Product specifications

Quality (non-edible use):

Product quality is extremely important in Germany. There have been cases of counterfeit oil being sold. For example, there have been some instances when "pure almond oil" has been blended with sunflower oil using outdated or incomplete specifications, e.g. those that do not include sterol tests, that do not allow this particular type of fraud to be detected. This illustrates the importance of using the latest testing methods to prevent this happening.

There are legally binding standards to which the product must comply in terms of its use as a cosmetic or pharmaceutical product, particularly the standards of the European Pharmacopoeia 8. You can see an example of a [technical product data sheet](#) here. A [certificate of analysis](#) and a [material safety data sheet \(MSDS\)](#) are important documents to reassure a buyer of the product quality. For illustration purposes, it is also helpful to consider the [Spanish Association for Standardisation](#), which has published a standard (similar to ISO standards) on Cosmetic Raw Materials for Sweet Almond Oil (UNE 84093:1994).

Quality (edible use):

As far as edible almond 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. Almond 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 almond 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 tree nuts 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.

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.

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, including Germany. 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). Nut allergies applicable to almonds may also apply to almond oil.

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

Packaging:

As most almond oil is destined for the cosmetics industry, the majority is supplied in bulk. Ensure the preservation of the quality of almond 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 the containers in a dry, cool place to prevent quality deterioration. 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.



A further example of bulk packaging types for almond oil transportation can be found [here](#).

Legislative requirements

As almond oil is used as both a food and cosmetic product, legislative requirements relevant to each sector should be consulted.

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.

Considerations for action

- Familiarize yourself with [REACH 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 documents on [EU buyer requirements for vegetable oils](#) and [EU buyer requirements for natural ingredients for cosmetics](#) for more detail food and cosmetic legislation.

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 ochratoxin 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.

Additives, enzymes and flavourings in food:

The EU 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 entry.

- 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 [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 including almonds.
- 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.
- 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](#).

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 although organic sales represent a reasonable proportion of the almond oil market, but this is an important niche. The EU organic logo (pictured left) is the most common label on organic almond oils. In the cosmetic sector, the organic trend is being driven by smaller natural cosmetic brands. Other organic certificates in this sector include Naturland and Demeter.

Fair trade:

Fair trade is a small but important niche segment in Germany, primarily found on agricultural products. It focuses on fair labour standards and fair prices for small developing country producers. It is less of an issue in the oil market, but is forecast to become more important. Fair trade certification is less clear cut than organic certification in this segment. The FairWild standard is the only fair trade standard covering sourcing from wild collection. The "Fair for Life" standard is exclusively for cultivation.

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](#) are 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. Each of these standards insist on high transparency. Such standards help to eliminate or minimise the likelihood of fraud mentioned earlier.

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 the 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.
- Traders appreciate the cost implications for organic certification, not just the farmer who is concerned about cross contamination from neighbouring conventional farmers, but right through the chain, including higher milling costs, and mechanical as opposed to chemical refining. Can you justify this expense?
- Check the [German fair trade](#) website.
- Check the [FairWild](#) website.
- Check the [fair for life](#) website.
- Read about the [COSMOS standard](#). See also the [International Organic and Natural Cosmetics Corporation](#) website.

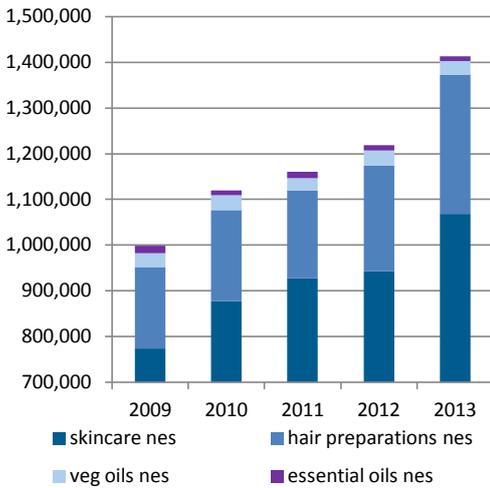


Trade and Macro-Economic Statistics

As indicated earlier, there are no specific HS or CN codes for almond oil. The following figures reflect the trade of the most relevant codes that apply. These figures provide a broad indication of the size and trend movement over the period. The proportion of almond oil in each group will vary, but although almond oil is an important product in these groups, the sheer number of unlisted vegetable oils also featuring within the same codes means that the volume and value of almond oil in each case will be small. An estimate of the likely amount relating to almond oil will be made in the narrative after the tables and will underpin the consumption estimate.

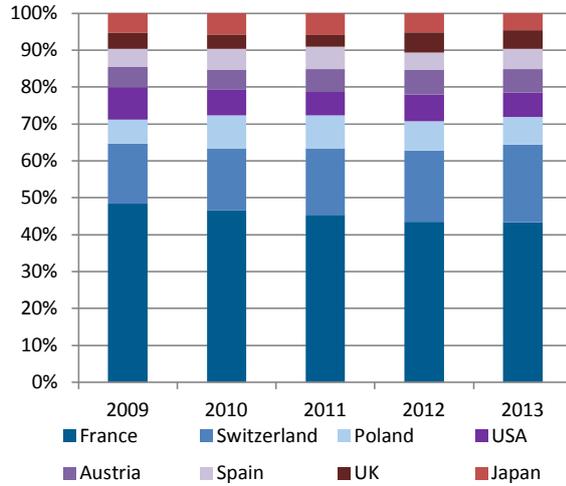
Trade: Imports and Exports

Figure 1: Imports of other vegetable oils, essential oils, skin care and hair preparations nes to Germany, 2009-2013, € '000



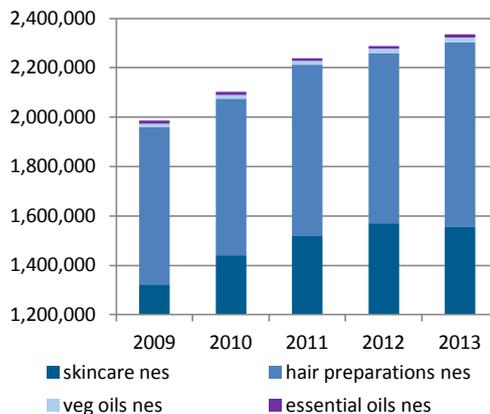
Source: ITC

Figure 2: Leading 8 suppliers of skin care nes to Germany, 2009-2013, % based on € '000



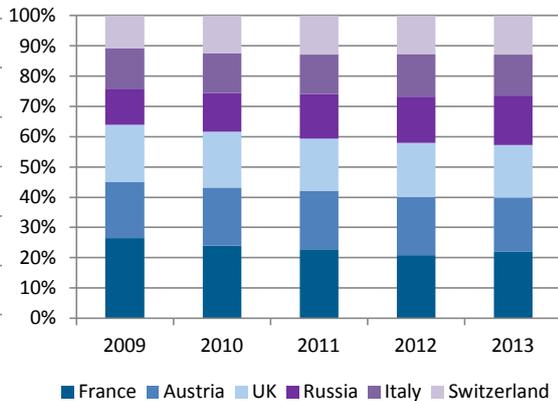
Source: ITC

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:

- The flavour, taste and smell of almond is popular in Germany. This is reflected in the extensive range of product categories in which almond oil is represented.
- The skin care category represents approximately 75% of the import value of the categories in which almond oil features.
- There is a strong upward trend in imports indicating a healthy market in 2013.
- Imports of other hair preparations (almond oil is a popular hair oil around the world) is also a large category. Almond oil is also significant as it is the most widely used carrier oil in massage and aromatherapy.
- Note that these statistics refer to prepared products, hence the majority of suppliers are European neighbours. However, almond oil (outside the leading producers of USA and Spain) is potentially supplied from a number of developing countries that grow almonds, including Morocco, Turkey, Iran, Syria, Jordan, Tunisia, Afghanistan, Palestine, Lebanon, Chile, India, Uzbekistan and Pakistan.
- Most almonds from which almond oil is made come from USA (California). Italy and Spain have almonds of sufficient quality also for making oil. Some traders indicate that they would be prepared to buy from new sources, including former Soviet countries in Central Asia, as long as they can comply with high industry standards.
- The value of exports in these categories exceeded the value of imports, indicating that Germany adds value and reprocesses these products before re-exporting, and also indicating a thriving domestic industry. France is the most important trading partner.
- Trade with the Netherlands and Belgium is limited, suggesting that most imports arrive directly from the country of departure, rather than via an intermediary country.
- With the exception of Russia, most export destinations were close neighbours.

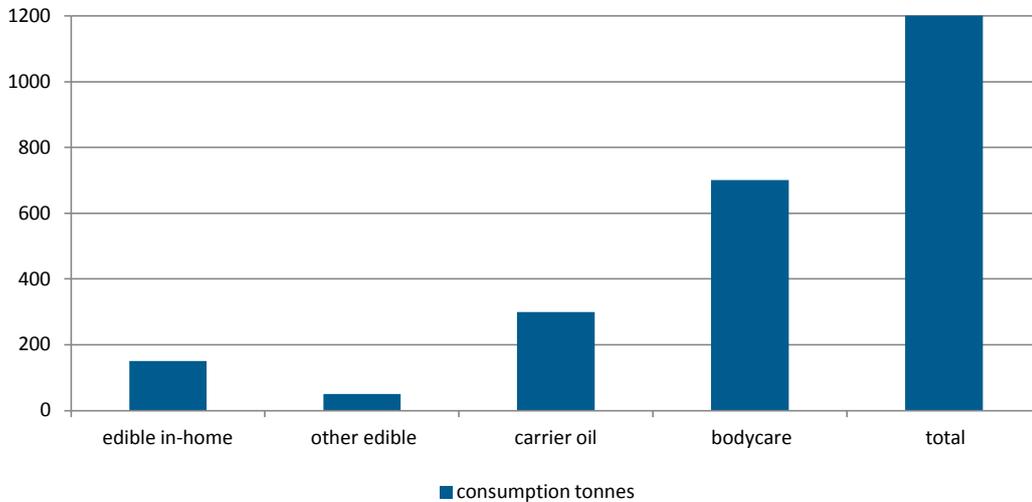
Considerations for action

- Consider exporting to Germany if you are looking at the EU market for almond oil. Although this is a small market, the popularity of almond in Germany makes this an interesting market for DC exporters.
- Note that Germany does not have its own almond industry so it is dependent on imports. Try to find out how much almond oil is processed in Germany after importing raw almonds, as opposed to importing the oil already processed. You can do this by asking your trade contacts. Each trader will decide on the basis of their own product and specific circumstance. However, smaller companies are more likely to buy oil already processed, whereas larger companies are more likely to do their own processing. Larger importers will usually buy "oil stock" (the rubble of nuts that cannot be sold as whole nuts) and process it in their own refinery.
- Despite the dominance of sweet almond oil, do not discount whatever opportunities may exist for bitter almond oil, as the number of suppliers of this product may be limited.
- Consider other markets close to Germany that have a good trade, such as Austria, Switzerland and France, which may also offer good export opportunities for DC suppliers.

Production and consumption

There is no production of almonds in Germany, so almond oil on the market will be imported, particularly from the leading producer countries of USA and Spain. As far as consumption is concerned, based on a review of almond oil products on the German market, around 80-85% of almond oil is used as a skin care or aromatherapy product. The remainder is used as a food product. Accurate figures are not available, but a significant proportion of the use of almond oil in the cosmetic ingredients industry will be as a blended ingredient in a wide variety of body oils, lotions and related products. Almond oil is popular as a skin oil for babies. The edible vegetable oil market is dominated by sunflower, olive and rapeseed oil. Almond oil will account for less than 0.5% of this market.

Figure 5: Consumption of almond oil in Germany, 2013, tonnes



Source: Searce estimates

Analysis and Interpretation:

- The almond oil market in Germany is worth approximately € 20 million across its various uses (between 1,000-1,200 tonnes or between 1.2-1.4 million litres). While this oil is widely known and trusted, particularly as a body care product, it faces competition from new oils produced from a range of exotic fruits, nuts and seeds.
- Opportunities for growth in this market are more likely to come from its non-edible use. In the edible market, speciality oil growth is coming from new products and innovation, including blending oils with other flavourings such as herbs or spices.
- Not included in these figures are the significant other uses for almond as a flavouring in products such as almond butter, almond flour, almond milk and creams that use the residual cake from the almonds after oil extraction.

Considerations for action

- As this is a niche market, consider how you can differentiate your product, or find a point of difference that is not yet seen on the German market. Despite the low volumes involved, opportunities can exist.
- 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 almond 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.

Market trends

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

Analysis and Interpretation:

- **Social factors**
 - Demand for almond oil is broadly influenced by the trends driving the broader body care and natural and organic toiletries market, which grew by 7% in Germany in 2013.
 - Products specifically designed for men are now growing strongly but female

Considerations for action

- Try to identify the types of German consumers most interested in purchasing almond oil. Ask industry experts and carry out your own research to find out who are the most important consumers. Is it mothers with young children, older consumers, affluent consumers,

consumers represent the majority of purchasers, buying not just for themselves, as those with young children are an important constituent in the market. Almond oil is a trusted skin care product for babies.

- The ageing population will help the market to grow. This group increasingly use body care products for health and beauty enhancement reasons, rather than purely functional usage. For example, oils high in omega 3 fatty acids are booming, as their properties supposedly counter the effects of ageing. Oils with antioxidant properties are also in demand.
- The use of natural and organic ingredients has moved from being a niche segment due to higher prices, to almost mainstream as consumers have become more concerned about chemicals contained in these types of products.
- One of the key trends is the growth of hybrid products, products which are multi-functional thereby saving time and money; and also blending ingredients to offer additional health benefits. Manufacturers want to continually add value to cosmetic products and differentiate themselves from competitors.
- A related trend sees new products tapping into regional and cultural traditions as their inspiration. This is already being seen in Asia in the trend of incorporating some traditional Chinese, Japanese or Korean ingredients into modern toiletry products.
- Naturalness is a key area of consumer interest but there is a level of confusion as to what it means and some consumers feel the term is sometimes mis-used. The BDIH guidelines (see earlier section on non-legislative requirements) have a definition of what "natural" means. This logo provides reassurance to consumers.
- Sustainability is a trend which has existed for some time, but this continues to become more important. For many consumers, environmental and safety considerations are as or more important than health considerations. This also reflects the importance of organic certification.
- Because of the indulgence nature of many body care products, the term "ethical luxury" is increasingly being used to encapsulate these key trends.
- Many personal care products that were once considered a luxury or indulgence are now thought to be necessities. This factor also underpins the stability of the market.

consumers from specific ethnic groups (for example Indians are heavy users of almond oil as a hair product)?

- There may be more opportunities for almond oil as an ingredient in a body care product, than product-specific sales. Make sure you are aware of the potential opportunities for almond oil usage in this way. The biggest product groups to look at are hair products (shampoos /conditioners) and bath products (soaps/body oils). Almond oil is also popular in sun care protection products.
- Consider whether there may be cultural traditions from your own country that could be used to market your almond oil.
- Consider the most appropriate form of certification for this market. The COSMOS, Natrue, organic or fair trade certification standards are all options to consider.

- **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.
 - Consumers expect personal care products to be effective. This demand for high performance is also driving the search for new oils.

- **Economic factors**
 - Value for money remains the most important issue for German consumers, despite the growing importance of social and environmental concerns.
 - Recent increases in the price of almonds will filter through to price increases in almond oil. This may lead some manufacturers to switch to less expensive ingredients.
 - Retailers will try to resist any price increases and try to force suppliers to absorb any increase.

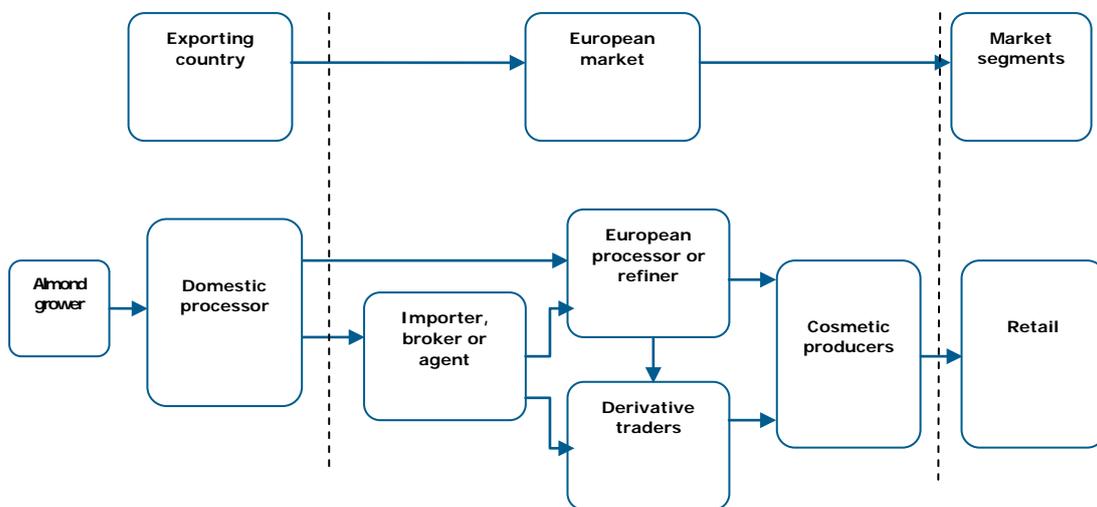
- Try to keep up with the latest technological developments that may affect almond oil, or products that could use almond oil as an ingredient. Ensure you monitor the quality of your raw materials to ensure a consistent quality for your oil.
- You can see details [here](#) of the variety of plant oils and their properties used in cosmetics.

- Make sure you are aware of the prices of competitors' almond oils, as well as the prices of similar oils that could be substituted for almond oil.
- 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 almond oil is marketed in the EU, including Germany. Figure 6 provides a broad overview of the routes to market.

Figure 6: Market channels for almond oil in Germany (body care 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?**
 - Almond oil is used in both the food and cosmetic sectors. This choice would be the first to make. The cosmetic sector is less price sensitive than the food sector, so potentially higher returns could be achieved in the cosmetic sector. But price is not the only consideration.
 - In the cosmetic sector, the choice of which route to take is usually dependent on the size of the exporter. Almond 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 almond oil is being sold simply as almond 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.

- **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 almond 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 almond oil.

Considerations for action

- Consider the extent to which you are able to fully process your almond 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 such as almond oil.
- 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.
- 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.

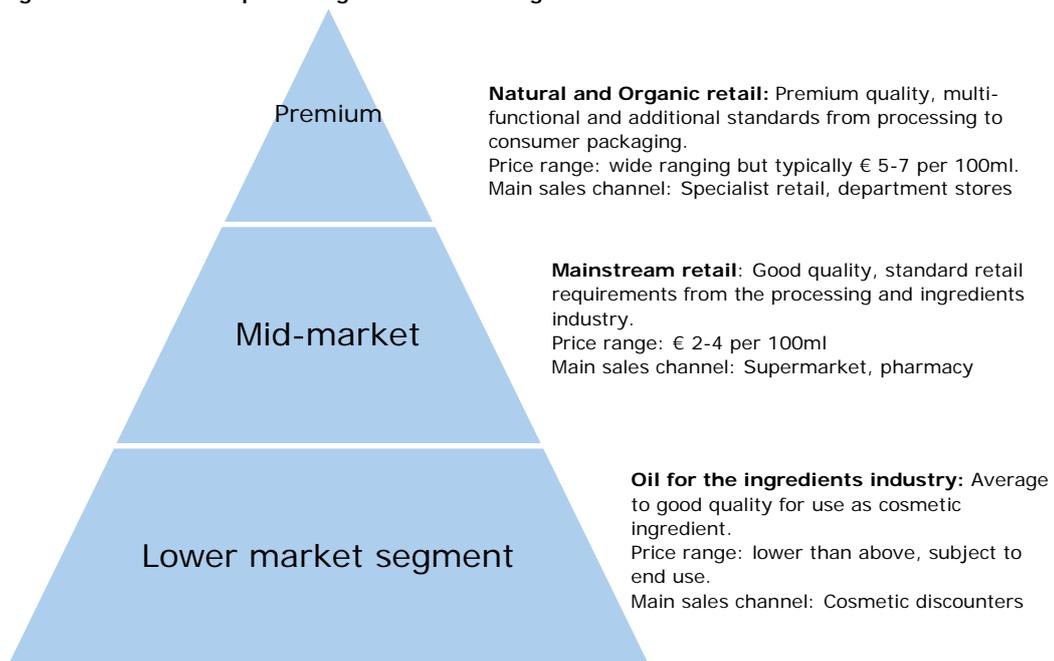
- o In the massage and aromatherapy segment, the majority of use as a carrier oil would be as the standard oil. Any blending with other massage oils would take place during usage.



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. Scarcity is an important factor in determining prices. Prices of almonds have doubled over the past three years due to shortage of supply. Here is an illustration of the different segments within the German retail trade for almond oil.

Figure 7: Indication of price ranges and market segments



Analysis and Interpretation:

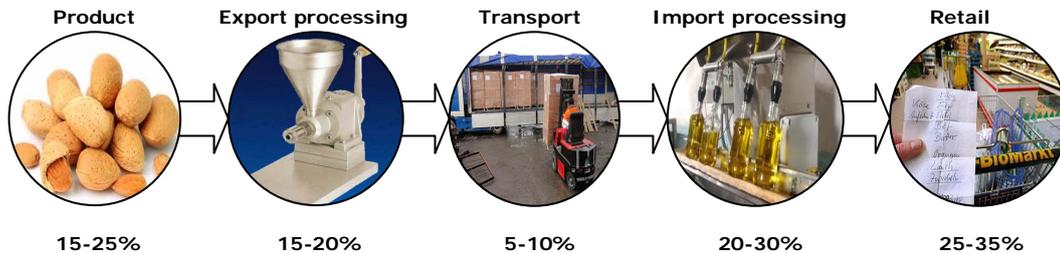
- Almond oil sold through the natural cosmetics sector as oil, or as a cosmetic ingredient can be found in all distribution types throughout the market.
- One third of sales go through drug stores, an increasing share as natural cosmetic products have become more mainstream. Natural and organic food 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 8: 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 almonds 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 almond 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:

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

Some wholesalers and importers:

- Gustav Heess <http://www.gustavheess.de/>;
- Henry Lamotte Oils <http://www.lamotte-oils.de/>
- IBG Monforts Oekotec <http://www.oekotec.ibg-monforts.de/>
- Bruno Zimmer <http://www.brunozimmer.de/>;
- Pöhner-Hamburg <http://poehner-hamburg.com/>

Trade press

- Oil World provides a forecasting service for oilseeds and oils <http://www.oilworld.de>
- Cosmetics Business is the leading portal for the cosmetics and beauty industry <http://www.cosmeticsbusiness.com/>
- Naturkosmetik Branchenreport with a [link](#) to the latest published annual report.
- Naturkosmetik Jahrbuch is published annually by <http://www.naturkosmetik-verlag.de/>
- Bio verlag <http://www.bioverlag.de/>

Almond Oil:

- The German Association of Wholesalers in Fats & Oils <http://www.grofor.de/eng/ueberuns.php>
- The German Association of Oilseeds Processors <http://www.ovid-verband.de/index.php>
- Fediol is the Federation that represents the vegetable oils and fats industry in the European Union <http://www.fediol.eu/>
- The Federation of Oils, Seeds and Fats Associations (FOSFA) <http://www.fosfa.org>
- The Natural Cosmetics Association <http://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 - <http://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: <http://www.cbi.eu/disclaimer>

Annex

Here are a selection of almond 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, although there are some featuring almond oil as a blended ingredient:



Naissance
100% pure
cold pressed
almond oil
250ml
€ 4.89



BioPräp
almond oil
1 litre
€ 15.53



Sanct Bernhard
almond oil
100ml € 3.50



Kneipp
Skin Oil
with
almond
petals
100ml
€ 6.49



Cosimed
refined
almond
massage
oil
10 litre
€ 113.55



Alverde bio
argan and
almond oil
for hair
50ml
€ 7.29



Manako
Almond
massage &
skin oil
200ml
€ 7.50



Front &
back of
Fandler bio
almond oil
250 ml
€ 12.99



Hipp mamasanft massage oil with almond and jojoba oil 2x100ml € 13.58



Ajax almond oil all purpose cleaner 1 litre € 6.71



Cold pressed sweet almond oil for baby and massage 100ml € 3.25



Königs Genuss-offensive bio cold pressed almond oil 100ml € 6.95