

UPDATE ON PALM OIL CONSUMPTION IN THE UNITED STATES

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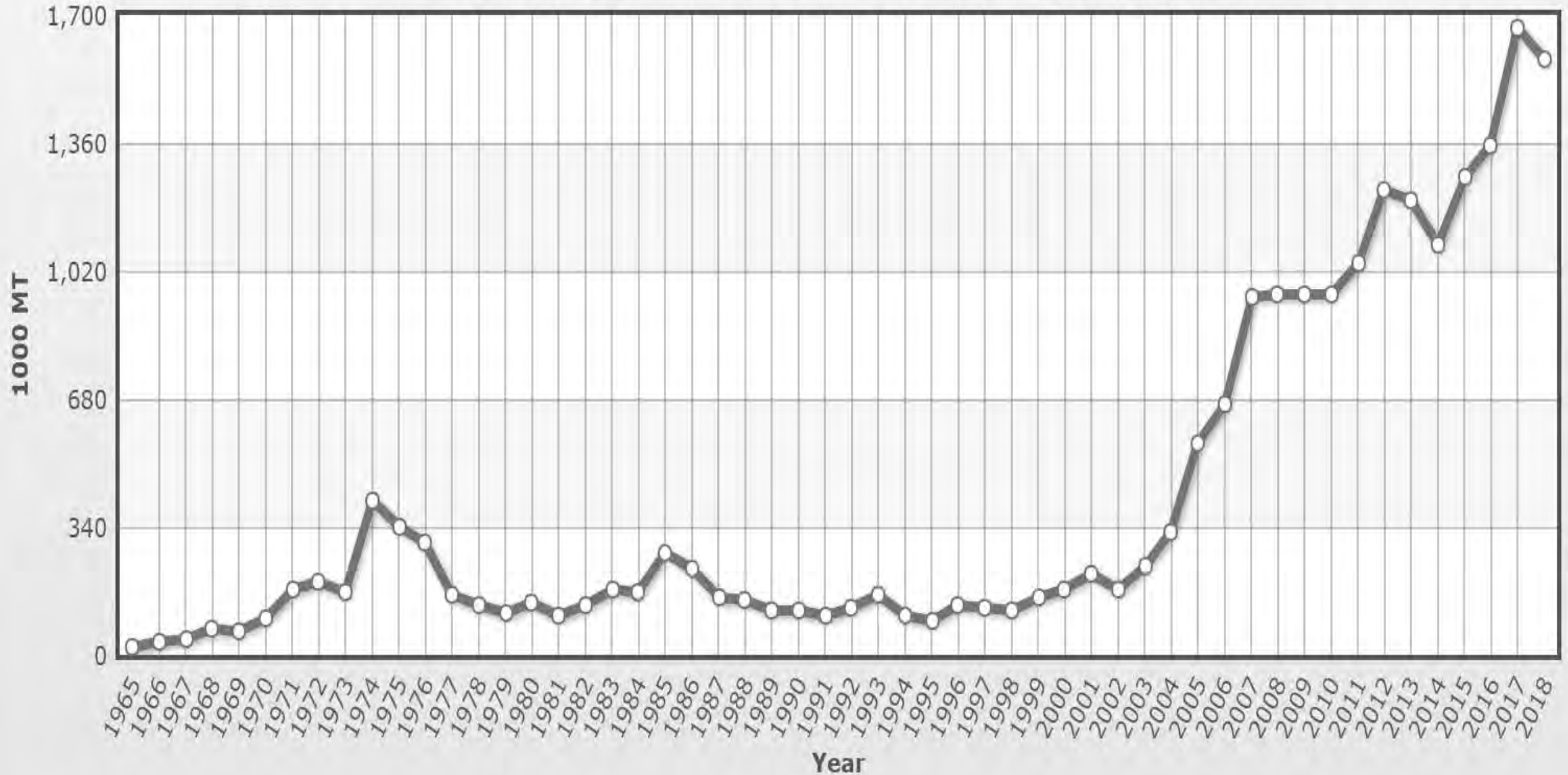
WHO WE ARE

- The Corredor family started growing oil palms in 1970 in Tumaco, Colombia.
- By the end of the 1990's the family had 3200 hectares of oil palms planted, and 2 extraction mills to process crude palm oil and crude palm kernel oil.
- Today, the family still owns the plantation and extraction mill in Colombia, and is part owner of another plantation with mill in Ecuador.
- Our main company, Thin Oil Products, is an international supplier of crude Latin American palm oil.
- We have 40+ years of experience in the vegetable oil industry.

Update on palm oil consumption in the United States

- What has the consumption trend been in the past?
- What does the trend look like going forward?
- What can we do to continue or increase the trend?
- Changes in food regulations that have impacted the trend

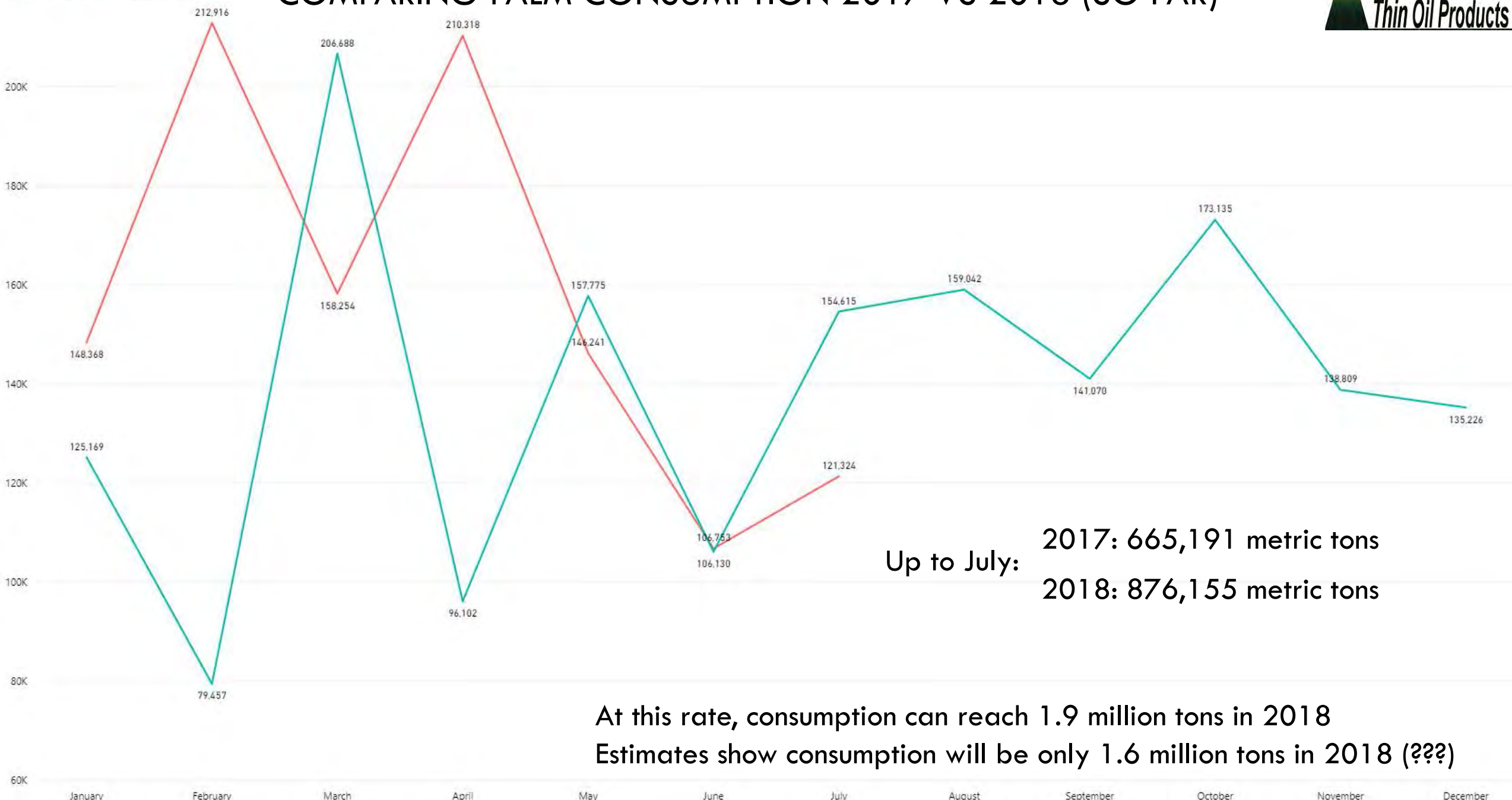
United States Palm Oil Domestic Consumption by Year



Market Year	Domestic Consumption	Unit of Measure	Growth Rate
2008	959	(1000 MT)	1.16 %
2009	957	(1000 MT)	-0.21 %
2010	957	(1000 MT)	0.00 %
2011	1043	(1000 MT)	8.99 %
2012	1238	(1000 MT)	18.70 %
2013	1207	(1000 MT)	-2.50 %
2014	1092	(1000 MT)	-9.53 %
2015	1269	(1000 MT)	16.21 %
2016	1355	(1000 MT)	6.78 %
2017	1662	(1000 MT)	22.66 %
2018	??? 1580	(1000 MT)	-4.93 %

Year ● 2017 ● 2018

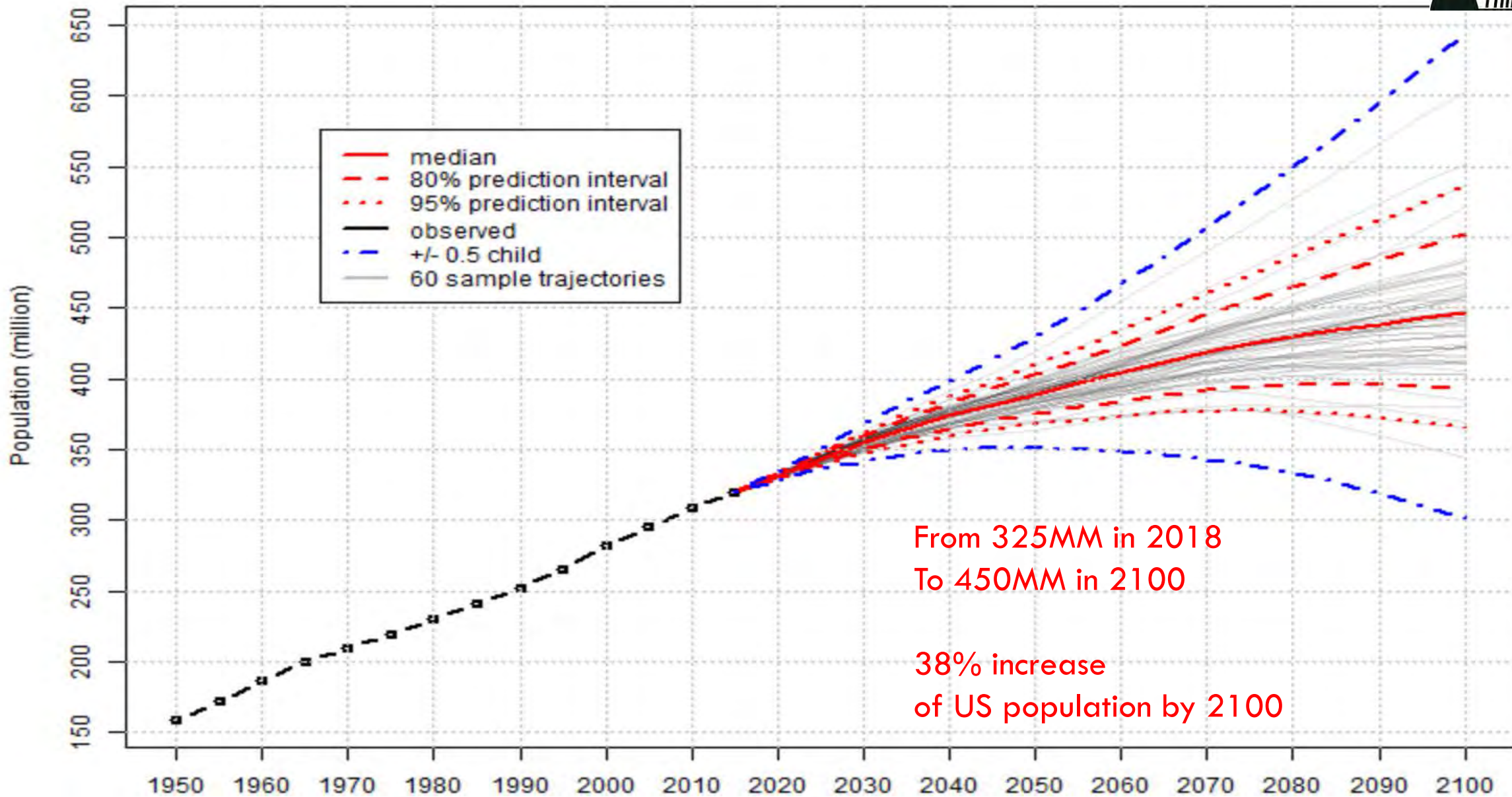
COMPARING PALM CONSUMPTION 2017 VS 2018 (SO FAR)



Up to July:
 2017: 665,191 metric tons
 2018: 876,155 metric tons

At this rate, consumption can reach 1.9 million tons in 2018
 Estimates show consumption will be only 1.6 million tons in 2018 (???)

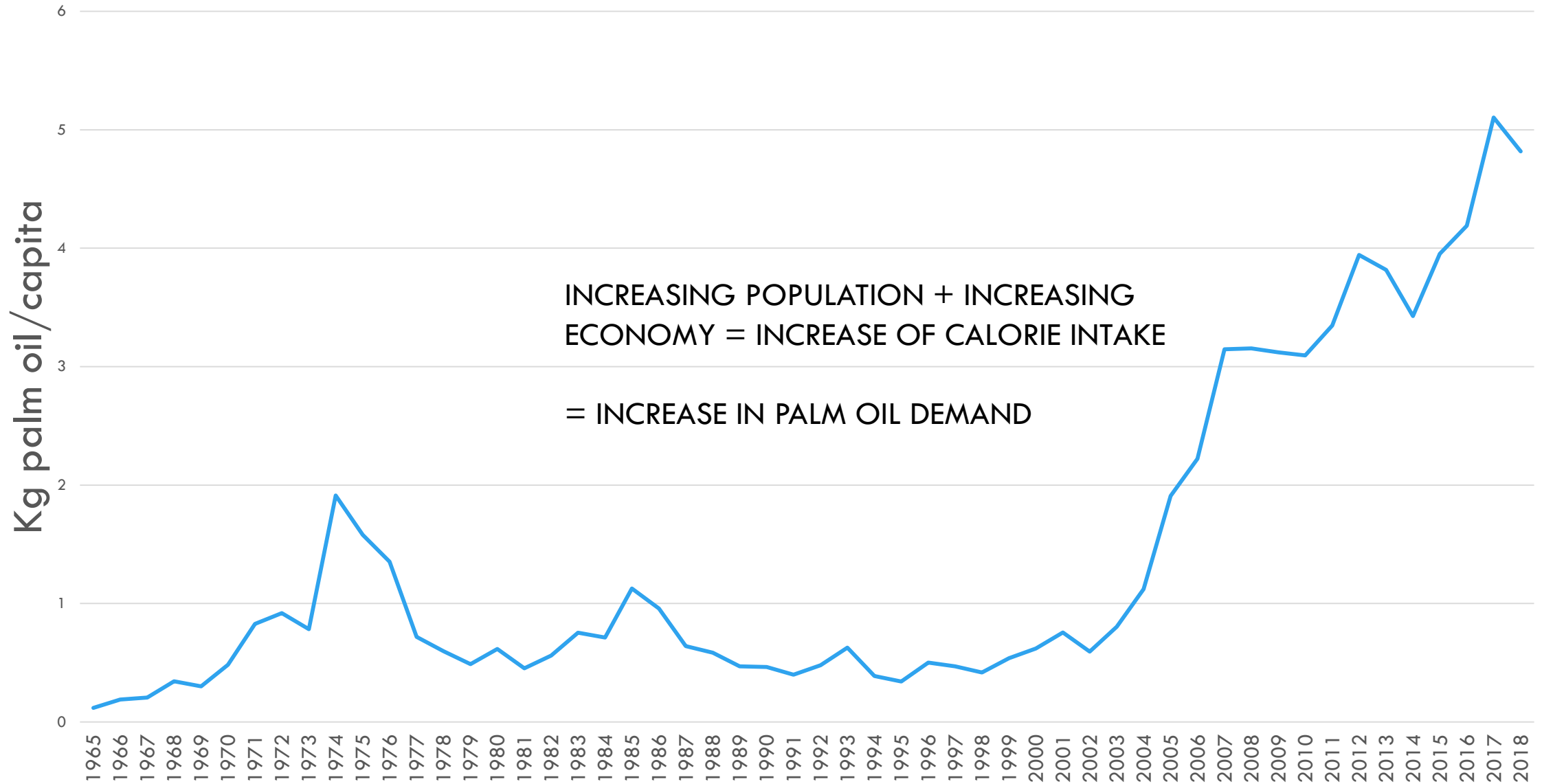
United States of America: Total Population



From 325MM in 2018
To 450MM in 2100

38% increase
of US population by 2100

PALM OIL CONSUMPTION PER CAPITA 1965-2018 USA



CALORIE CONSUMPTION VS US POPULATION

- UNITED STATES DAILY INTAKE OF CALORIES PER CAPITA (2014): 3641 CAL¹
- CALORIES IN A GRAM OF OIL: 9 CAL
- IN A HEALTHY DIET, ABOUT 30% OF TOTAL DAILY CALORIES SHOULD COME FROM FAT²
- LET'S ASSUME THAT 30% OF FAT INTAKE COULD COME FROM PALM OIL

YEAR	POPULATION	TOTAL CALORIE INTAKE PER YEAR	30% CALORIES COMING FROM FAT	CALORIES FROM PALM OIL	THEORETIC PALM OIL CONSUMPTION POTENTIAL
2018	325MM	4.32E14 KCAL	1.30E14 KCAL	3.89E13 KCAL	4.32MM TONS
2050	375MM	4.98E14 KCAL	1.50E14 KCAL	4.49E13 KCAL	4.98MM TONS
2100	450MM	5.98E14 KCAL	1.79E14 KCAL	5.38E13 KCAL	5.98MM TONS

- Actual consumption in the United States in 2018 could be around 1.6-1.9 MM tons

- THIS TELLS US THAT THERE IS ROOM FOR GROWTH FOR PALM OIL CONSUMPTION IN THE UNITED STATES!

1. <https://www.statista.com/statistics/333901/average-daily-per-capita-caloric-intake-in-select-countries/>

2. http://www.heart.org/HEARTORG/HealthyLiving/HealthyEating/Nutrition/Frequently-Asked-Questions-About-Saturated-Fats_UCM_463756_Article.jsp#.W4AjhOhKjD5

PALM OIL CONSUMPTION PER CAPITA PER YEAR BY COUNTRY

	Country	Domestic Consumption (2018) (MT)	Population (2018)	Consumption Per Capita Per Year (Kg)
1	India	11,720,000	1,354,051,854	8.7
2	Indonesia	10,130,000	266,794,980	38.0
3	EU-27	6,450,000	511,805,088	12.6
4	China	4,900,000	1,415,045,928	3.5
5	Malaysia	3,425,000	32,042,458	106.9
6	Pakistan	3,245,000	200,813,818	16.2
7	Thailand	2,590,000	69,183,173	37.4
8	Bangladesh	1,725,000	166,368,149	10.4
9	United States	1,580,000	326,766,748	4.8
10	Philippines	1,320,000	106,512,074	12.4
11	Nigeria	1,290,000	195,875,237	6.6
12	Egypt	1,200,000	99,375,741	12.1
13	Colombia	985,000	49,464,683	19.9
14	Russian Federation	870,000	143,964,709	6.0
15	Viet Nam	837,000	96,491,146	8.7
16	Myanmar	790,000	53,855,735	14.7
17	Ghana	785,000	29,463,643	26.6
18	Japan	775,000	127,185,332	6.1
19	Kenya	725,000	50,950,879	14.2
20	Turkey	700,000	81,916,871	8.5
	Average	2,802,100	268,896,412	18.7

- Palm consumption per capita in the United States is 1/4 of the average of the top 20 consuming countries/regions.
- Again, we see room for growth for palm oil consumption in the United States!

How can we fulfill that potential?

- Marketing
- Research and Development
- Challenge in the US: Today, talk shows stars and news stations, who have zero agricultural, nutrition, or science background, have more resonance with consumers than well educated scientists and PhD graduates.
- Too many people misinformed due to wrong information circulating through social media.
- Example: studies have shown that most people in the US agree that saturated fat is bad for the health. The same people agree coconut oil is really good the health. This proves marketing plays a huge role.
- We need more support from everyone in the industry to better educate more people with facts!
- To the NGO's: Stop the discrimination... build "bridges" not "walls".
- Promote sustainable palm oil!

TRANS FAT BAN IN THE UNITED STATES

Artificial trans fats are usually made by partially hydrogenating vegetable oils (PHOs), giving them palm oil like properties that food manufacturers like, including low costs, shelf-stability, and a creamy texture.

Trans fat intake raises our bad (LDL) cholesterol levels and lowers our good (HDL) cholesterol levels.

Eating trans fat increases the risk of developing heart disease and stroke, and is also associated with a higher risk of developing type 2 diabetes.

The World Health Organization (WHO) estimates that the intake of trans fat leads to more than 500,000 deaths from cardiovascular disease per year.

3.63MM tons of PHOs once consumed every year in the US are now being replaced by other oils.

TRANS FAT BAN IN THE UNITED STATES

1999 – FDA first proposed mandatory labeling of trans fats.

2006 – FDA required the food industry to declare the amount of trans fat on their labels.

2015 – FDA determined that PHOs, the major source of artificial trans fat in the food supply, are no longer “Generally Recognized as Safe”, or GRAS.

2018 – June 18th set as the date after which manufacturers cannot add PHOs to foods.

2020 – January 1st set as the date after which products produced prior to June 18th, 2018 to work their way through distribution.

2023 – WHO announced in May of 2018 an initiative to ban artificial trans fats from the global food supply by 2023.

The decreasing use of partially hydrogenated vegetable oils has already been linked to a boom in palm oil consumption in the US.

In Conclusion...

Various factors all indicating growth in the palm oil market in the US.

We must ensure this is coming from sustainable sources (RSPO, ISCC, etc).

Use correct marketing and education to better inform people about Palm oil.

Estimates show an increase of US demand for palm oil at 250,000 tons per year for the next couple of years.

Thank you!

