



Virgin Coconut Oil Market Situation

Final Report
February 2006

Acronyms and Definitions

Acronyms

AFOA	American Fats and Oils Association
CIDA	Coconut Industry Development Authority (of Fiji)
CIF	Cost, Insurance and Freight
CFR	Code of Federal Regulation
COMA	Cochin Oil Merchants Association
DME	Direct Micro Expelling
FAS	Foreign Agricultural Service
FFA	Low Free Fatty Acid
FCEI	First Commodities Exchange of India
FAO	Foreign Agricultural Office
FLO	Fairtrade Labeling Organizations International
FOSFA	Federation of Oils, Seeds and Fats Associations
GAIN	Global Agriculture Information Network
Ha	Hectares
HTS	US Harmonized Schedule Code
IFT	Institute of Food Technologists
ISO	International Organization for Standardization
ISEO	The Institute of Shortening and Edible Oils
JIB	Jug in Box
NIOP	National Institute of Oilseed Products
NOP	National Organic Program (Division of the USDA)
OTA	Organic Trade Association
PCA	Philippine Coconut Authority
RBD	Refined, Bleached and Deodorized
UP	University of the Philippines
USDA	United States Department of Agriculture
UCAP	United Coconut Associations of the Philippines
VCNO	Virgin Coconut Oil
VCO Philippines	Virgin Coconut Oil Producers and Traders Association of the Philippines

Definitions

Copra The dried meat of the coconut; produced by cutting coconuts in half and opening them up to dry under the sun.

Cost, Insurance and Freight (CIF) A term indicating that a quoted price includes the cost of the goods, insurance, and transportation charges. CIF means that the seller has the same obligations as under the Code of Federal Regulation (CFR) but with the addition that he has to procure marine insurance against the buyer's risk of loss of or damage to the goods during the carriage. The seller contracts for insurance and pays the insurance premium. The buyer should note that under the CIF term the seller is only required to obtain insurance on minimum coverage. The CIF term requires the seller to clear the goods for export. This term can only be used for sea and inland waterway transport.

Hectares is a unit of area equal to 10,000 square meters, and equivalent to 2.471 acres.

Summary

Satisfying Market Expectations

There are many factors affecting buyers and traders' willingness to enter into a contract. East Timor must be able to consistently meet these buyer expectations in order to sell Virgin Coconut Oil (VCNO), or any other coconut oil, into the U.S. and E.U. markets. The market has identified the four most critical factors in supplying the market. These criteria are inclusive of one another, and are listed in order of importance. A full list of supplier requirements is found on page 14.

- Certification by a recognized authority: kosher and organic
- Ability to consistently produce a quality product that meets specification
- Ability to offer large volumes to support on-going demand of the trader, manufacturer or end user
- Globally competitive transportation and logistics that are Iso-certified

Hurdles

East Timor faces numerous hurdles to doing business in the U.S. and E.U. markets. The East Timor market is disadvantaged due to the small size of the crop, the remote location of the country, the maturity of the commodity market and current competitors, and the unrecognized designation of "virgin" oil and its benefits.

Two Market Opportunities

East Timor has two opportunities in the coconut oil market. East Timor needs to select the alternative that best meets its current and future business goals and processing capabilities. In addition, the two alternatives have significantly different buyers groups. The buyer determines East Timor's role in the market and dictates the supply chain, the profit margin and future growth potential of the coconut oil market.

Organic VCNO

East Timor is a direct competitor in this industry, and as such will have to spend much time and resources on market discovery and due diligence. This niche market consists of relatively small, indistinguishable suppliers and a widely dispersed buyer group.

This thin market will expand slowly due to the small demand of its average consumer. Fads greatly affect VCNO demand. VCNO is sold directly to wholesalers and to end users via the internet. The price of organic VCNO marketed at \$66.50 for a 1-gallon container.

Kosher, Organic Cochin

East Timor is a potential supplier to this industry. Refiners and traders are eager to find a new, dependable source of kosher, organic cochin oil. East Timor can negotiate with refiners and traders and agree to have the buyer manage logistics and importation, sell the

oil and manage the buyer accounts; alleviating hurdles impossible to manage from a remote locale.

Refiners and traders in this market have solid reputations and strong financial Dunn & Bradstreet ratings, and they seek this oil for functional food usage. The market is expected to grow due to government regulation and the aging population of health conscience consumers. This market is much larger than the VCNO market, and is organized enough to support a new origin during the trial phases of the supply agreement. Prices for oil in Iso-containers CIF US port average \$0.50/lb.

Coconut Oil Overview

The coconut oil market is divided into four categories: virgin, fully refined, cochin and crude. All four of these oils can be certified kosher, organic and fair trade.

Coconut Oils and Their Markets

VCNO

VCNO oil is pressed from freshly shredded coconut meat, unlike the other coconut oils. It is sold predominately to end-consumers, who ingest the oil for health purposes or who use the oil for producing beauty products such as soap on a cottage industry level. Organic VCNO sells at a premium. In the VCNO market kosher and fair trade certification is optional.

Fully Refined Coconut Oil, also known as “RBD” or “76 degrees”

Sold directly to clients desiring a high quality raw material for the manufacture of branded, labeled finished products. Clients include large food companies such as Nestle and General Mills. This product must have both kosher and organic certification. Although a commodity, it is considered a functional food and has the greatest premium of the commodity coconut oils.

Cochin Coconut Oil, known as “partially refined”

Cochin is a commodity that competes with global market prices. It is sold to refiners with partial refining capabilities, such as Fuji Oils. Refiners strongly prefer coconut oil that has kosher and organic certification. Kosher, organic cochin is less of a commodity than standard cochin and receives a premium to it.

Crude Coconut Oil

Crude is a commodity oil that must directly compete with global market prices. It is sold to refiners with full refining capabilities. This product can be sold with or without kosher and organic certification.

Coconut Oil Q&A

Is there a universally accepted market definition of VCNO that differentiates it from other oils?

No, at this time there is no internationally accepted VCNO specification. The precision by which consumers, traders, brokers, wholesalers, refineries, and food/cosmetic manufacturers express their interests in coconut oil vary widely. In many cases specific terms are considered interchangeable: natural and organic, cold pressed and natural. This creates confusion, such as, “is cold pressed coconut oil the same as organic coconut oil?”

According to David Jago, analyst for UK market research firm, Mintel, "... *its a very grey area,*" the term 'natural' is also confused with 'organic' and 'ethical' in consumer perception. Food&DrinkEurope.com, 12/23/2005

When asked about the difference between VCNO and coconut oil Thomas St. Clair of the USDA stated that there was no discernable difference. In his opinion, the Philippines created the term “virgin coconut oil” and its specification as a marketing strategy to create a perceived advantage for its exports. The specification he referred to is the APCC VCNO specification, which is not universally known or recognized at this time (See Appendix, page 59-60.)

VCNO not only lacks a universal definition, but is undesirable in large commodity markets. Large edible oil refiners such as Cargill need to process oils at such a large volume that niche oils are of no interest. According to Mr. Bob Holden who manages Cargill’s Richmond Virginia refinery, his facility could refined East Timor’s entire annual VCNO production of 40 metric tons (mt) in less than 30 minutes.

VCNO is more recognized by traders of organic food ingredients. According to Bill Frazier, a trader with Pasternak, Baum & Co, on occasion he will receive an inquiry for VCNO. He treats each request as an independent inquiry, using the client’s unique specification to source the product. To date he has not been successful in locating a reliable source of VCNO.

Because VCNO lacks a universal definition, traders treat it as a specialty product. There are several benefits for a commodity that crosses over to a specialty product market:

- The ingredient market fetches a higher price per unit
- Ingredient prices are less volatile than commodity prices; they are not subject to sharp decreases in the market price and can often capture a large percentage of an upward moving commodity market.

- Unique specifications make it difficult for the buyer to quickly switch to a competitive or alternative product
- Increased likelihood of signing a multi-year contract (versus spot market pricing)

While there is no universal definition, Quality First International's Premium Coconut Oil and Wet Milling definitions appeared to match the "majority" of market opinion. Quality First International is a consultant group servicing the food industry and other industrial traders, which also trades the products it consults.

'Wet Milling' Process:

A technology designed to produce a fresh pure oil on a large scale while preserving all of its natural functionality. Several methods have been proposed and so far only one, 'coconut wet-milling' has been developed for large scale production. Wet process technology extracts oil by mechanical means only; without high temperature, chemical, or enzymatic treatment. It is a natural process, as the physical or chemical characteristics of the coconut oil are not altered in any way. The result is a high quality, **unrefined virgin oil** which conserves all of the functional qualities of coconut oil. The disadvantage to the wet process is that the yield tends to be lower than that of other methods like solvent extraction. This along with the need to use high quality raw materials translate into a higher product cost.

Is there a universally accepted market definition of other coconut oils?

Specifications are needed for any commodity to be traded on a global basis. It is the only method in which the buyer and seller can agree upon quality and resultant pricing without personally viewing the product. For VCNO to be successfully traded in the future it will have to have a universally accepted specification.

Other coconut oils have universally accepted specifications. The National Institute of Oilseed Products (NIOP) located in the US and the Federation of Oils, Seeds and Fats Association (FOSFA) located in London, UK., govern standard specifications and establish trade regulations for U.S. and global trade, respectively.

NIOP allowed temporary access to its standard specifications for crude and cochin coconut oil. (See Page 8.) FOSFA and UCAP denied temporary access to resources.

NIOP Specifications for Crude Coconut Oil and Cochin

6 VEGETABLE OIL QUALITY SPECIFICATIONS

RULE 6.1 - ADULTERATION

Oils or fats shall be sold guaranteed to be unadulterated and free from substance unnatural to same, except when placed therein by order of any Governmental authority, but such modification must be stated in the contract and the nature of the admixture specified.

Oils and fats must contain all their original fluid and solid fatty acids in their original proportions and any modification must be stated in the contract.

Oils and fats with a flash point below 250°F, as determined by AOCS Official Method Cc 9b-55, are rejectable.

RULE 6.2 - ALLOWANCES FOR MOISTURE AND IMPURITIES

Unless otherwise agreed, or otherwise provided for in these Rules, Buyer shall receive an allowance of 1% of the invoice value for each 1% Moisture and Impurities, as combined, fractions in proportion. Buyer shall be entitled to reject only where specifically provided for in the contract or these Rules.

RULE 6.3 - ALLOWANCE FOR FREE FATTY ACIDS

Unless otherwise agreed or otherwise provided for in these Rules, allowance for excess Free Fatty Acids shall be at the rate of ½ of 1% of the contract price for each 1% Free Fatty Acids, fractions in proportion.

No premium for less than maximum FFA shall be allowed Seller unless expressly agreed upon in the contract or in these Rules. If a premium is agreed upon, it shall be at the rate of ½ of 1% of contract price for each 1% FFA below maximum (fractions in proportion), unless otherwise provided.

RULE 6.4 - COCONUT OIL - CRUDE

QUALITY SPECIFICATIONS:

FFA (as Lauric) (at time of shipment):	- 4% Maximum
FFA (as Lauric) (at time of shipment on F.O.B., or at time of arrival on C.I.F.):	- 3% Basis
M & I (at time of shipment) (combined):	- 1% Maximum
M & I (at time of arrival on C.I.F.) (combined): (Settlement allowance per RULE 6.2)	- 1% Basis
Color (at time of shipment): (AOCS Method Cc 13b-45)	- 100 Yellow, 15 Red Maximum
Iodine Value (at time of shipment):	- 10 Maximum

Premiums and/or discounts to be allowed for FFA variances at the rate of 1% of contract price for each 1% FFA, fractions in proportion.

Should either FFA (as Lauric), or M & I (as combined), or Color, or Iodine Value exceeds the maximums at time of shipment, Buyer to have the right to reject.

Any color higher than 15 Red at time of arrival, Seller shall pay Buyer U.S. dollars 1.50 per metric ton on discharged weight for every one scale above, fractions in proportion. Any color higher than 18 Red at time of arrival, Buyer to have the right to reject shipment.

RULE 6.5 - COCHIN TYPE COCONUT OIL

QUALITY SPECIFICATIONS:

FFA (as Lauric) (at time of shipment):	- 0.1% Maximum
Color (at time of shipment): (AOCS Method Cc 13b-45)	- 10 Yellow, 1 Red Maximum
M & I (at time of shipment)(combined):	- 0.1% Maximum

Iodine Value (at time of shipment): - 10 Maximum

Any oil not meeting these specifications at time of shipment may be rejected.

What are the properties of VCNO that are in demand by end consumers and industrial oil users? What other oils have these properties and are market substitutes or competition?

Consumers seek coconut oil for four reasons:

- Trans Fat
- Functional Foods (Lauric Oil Content)
- Low Color
- Odorless

Trans Fat

“Starting January 1, 2006, the Food and Drug Administration (FDA) will require food manufacturers to list trans fat (i.e., trans fatty acids) on Nutrition Facts and some Supplement Facts panels. Scientific evidence shows that consumption of saturated fat, trans fat, and dietary cholesterol raises low-density lipoprotein (LDL or “bad”) cholesterol levels that increase the risk of coronary heart disease (CHD). CHD one of the leading causes of death in the United States today. This revised label, which includes information on trans fat as well as saturated fat and cholesterol, will be of particular interest to people concerned about high blood cholesterol and heart disease.

The FDA is actively encouraging consumers to reduce their intake of saturated fat and trans fat and replace them with mono- and polyunsaturated fats. These fats do not raise LDL (or “bad”) cholesterol levels and have health benefits when eaten in moderation.” Selected excerpts from CFSAN/Office of Nutritional Products, Labeling, and Dietary Supplements January 16, 2004; Updated March 3, 2004 found on their website: www.cfsan.fda.gov

The negative attributes of trans fats are touted everywhere, including popular magazines, such as the December issue of Self Magazine. The negative publicity of trans fats has resulted in an increase in demand for trans-free oils, such as coconut oil. Coconut oil is a saturated fat that contains medium chain fatty acids and triglycerides that (while not healthy) is “not as bad” as trans fats. In short, coconut oil is now a healthier alternative to trans fats. Oil traders admit that the negative press surrounding trans fats has fueled the demand for trans fat free oils such as coconut oil and palm kernel oil. However, demand for coconut oil is dampened due to the plethora of suitable alternatives and their increased availability.

Palm Kernel Oil

Palm kernel oil successfully competes with VCNO, and is often more desirable in the food industry for two reasons:

- Palm kernel oil has a higher melting point, approximately 37°C which allows it to be used in a broader array of edible products, such as shortenings. VCNO’s melting point is 20-25°C.

- The global supply of palm kernel oil is greater than VCNO. This provides refiners and manufacturers with a larger, more predictable and more stable supply.

Domestically Produced Oils

VCNO also competes with domestically produced oils. The domestic oils are well known to refineries, historically accepted in the marketplace, have a well-proven supply-chain, and are available in industrial volumes; making them preferable to VCNO.

The USDA and related nutritional label websites spend significant time discussing domestically produced oils, and ignoring tropical oils. According to the USDA, trans fat should be replaced with mono and polyunsaturated fats. Their website, which does not acknowledge palm kernel oil, coconut oil, or VCNO.

USDA Recommended Sources of Mono- and Polyunsaturated Fats

- Sources of monounsaturated fats include olive and canola oils.
- Sources of polyunsaturated fats include soybean oil, corn oil, sunflower oil and foods like nuts and fish.

Demand for VCNO, which should increase as demand for mono- and polyunsaturated fats increase, will be dampened if not included on trusted source documents.

Lauric Acid, Used as a Functional Food and an Anti-Viral

Functional Food

Stating in 1995 the packaged food industry realized that functional foods were the “wave of the future”. The Kellogg Company built a new food research center in 1998 in part to demonstrate its commitment to the functional food trend. Yesterday’s trend has become today’s reality.

“Lauric acid and capric acid provide both energy (nutrients) and raw material for antimicrobial fatty acids and monoglycerides (functional components) when eaten.” (www.mercola.com)

Anti-Viral

Lauric acid forms into monolaurin in the human body. It boosts immune systems, providing the body with the same nutritional benefit as mother’s breast milk. Monolauric acids improve immunity by attacking a virus’ fatty lipid layer. According to Mr. Ken Lightburn of Assured Organics, early studies indicate that VCNO can attack the lipid layer of the Avian Flu virus. The USDA has yet to acknowledge the validity of these studies, but should they prove true, Mr. Lightburn is confident that the demand for VCNO will increase immediately.

The North Pacific Group claims to be the largest trader of VCNO in the U.S. today. According to Mr. Steve Kendall, Sales Manager for North Pacific Group, Inc., consumer interest in coconut oil and VCNO has grown approximately 10% this year as a result of

numerous health studies showing the positive health benefits of two medium-chain saturated fatty acids, lauric acid and capric acid.

Coconut and palm kernel products are the best sources of lauric acid and capric acid, unsurpassed by other domestically grown, commercially viable oils. Lauric acid forms into monolaurin in the human body. Approximately 50% of the fatty acids in coconut oil, VCNO, and palm kernel oil are lauric acid. Other sources of lauric acid include: new genetically engineered laurate canola (at about 36-41% percent), milk fat and butter from ruminant animals (about 3 percent) and minor amounts (less than half a percent) are found in common plant oils.

Approximately 6-7% of the fatty acids in coconut oil, VCNO, and palm kernel oil are acids are capric acid. Capric acid forms into monocaprin in the human body. Capric acid is found in coconut and palm kernel oils (4 to 6 percent) and milk fat and butter from ruminant animals (about 2 percent).

Demand for VCNO and its substitutes will continue to increase as functional foods continue to make headlines and create headway into today's supermarkets. Laurate canola is the only real threat that exists today that can spoil future tropical oil demand.

Laurate Canola

Laurate canola is developed by the Calgene Company, based in Davis, California. Monsanto is a majority share holder of Calgene and both are considered biotechnological leaders. Introduced in 1996, the bioengineered crop averaged a 40.5% laurate oil by 1997, exceeding the market requires of 36% minimum laurate oil content. Acreage planted increased 97% from 7,500 acres to 80,000 acres between 1996-1998. Industry documents indicate that Calgene and Monsanto expect the trend to continue.

Raw Food Fad

Proponents of the Raw Food Fad are devoted vegetarians that prefer organic, unprocessed and uncooked foods. While demand for VCNO should increase as a result, it will be on a very small scale.

Associated Press Article

Raw food fad sprouting nationwide

Vegan diets eschew animal, dairy products ... and cooking

AP Associated Press

Updated: 3:33 p.m. ET Sept. 1, 2004

WOODSTOCK, N.Y. - Lunch crush is coming and the deli crew is busy making burgers, lime tarts and pizza dough. Things are really cooking — at least figuratively.

In fact, none of the food being prepared at In The Raw will touch a flame or a griddle. None of it will encounter a temperature higher than a sweltering summer day. All of it, from the vegan cakes to vegan burgers, is served raw.

"No ovens," said owner Barbara Banfield. "Just dehydration. No flames."

The recently opened organic vegetarian deli and juice bar in this artsy tourist town is another outpost marking the mainstreaming of raw food diets.

So-called raw foodists can make vegetarians look like slackers. Devoted followers are vegans, meaning they eschew animal and dairy products. Just as importantly, they believe that heating food above the 110-115 degree range destroys enzymes in food and diminishes nutritional value. Healthy food is “living food,” they say, organic, unprocessed and uncooked.

Weight loss, more energy

Eating raw food is nothing new — it’s basically humanity’s oldest cuisine. But interest in raw food diets has been sprouting recently beyond the usual fad cradles like Manhattan and southern California.

A number of (un)cookbooks have been published recently offering recipes for “raw pot pie” and “lemony tofu pate.” High-profile adherents like actor Woody Harrelson and model Carol Alt have added to the buzz. Author and raw food evangelist David “Avocado” Wolfe said he now speaks to packed houses in places like Coldwater, Mich., and Wichita, Kan.

When Wolfe started speaking tours seven years ago, he knew of two raw restaurants nationwide. The Web site www.rawfoodinfo.com now lists more than 60. Raw restaurants range from smoothie stands to fine dining establishments with wine lists and dishes like dim sum and “pasta” made from zucchini.

People who have gone raw tend to be zealous converts, ready to gleefully testify about impressive weight loss and energy gains. Wolfe says he sleeps five hours a night and his immune system is so strong now “it’s basically impossible for me to get sick.”

Banfield’s former chef at In The Raw, Dominic Guerra, said the switch to raw cleared up his asthma, allergies and anxiety. He suffers relapses when he sneaks bites of processed foods.

“I had a bagel with cream cheese and it made me feel like I had a filmy curtain in front of my eyes,” Guerra said. “And I thought ‘This is the state that people walk around in all the time!’”

Claims like that can raise eyebrows. While nutritionists have little problem with people eating raw nuts and vegetables (as long as they’re clean), many are dubious about basing an entire diet on the concept.

'Reverse engineering'

It’s true that some enzymes are inactivated when food is heated, but that’s not important because the body relies on its own enzymes for digestion, said Dennis Miller, a professor of food and nutrition at Cornell University. Certain foods, like beans, become more nutritious after cooking, he said.

“The claim that somehow raw foods give you better energy, are more healthful, improve your immune system and all of that is simply not substantiated,” Miller said. “And moreover, it’s not biologically plausible.”

If raw food really does boost energy, it can come in handy for making uncooked meals. Baking on a sun-soaked rock or simulating spaghetti strands with squash takes time. Banfield’s corn chips can take three days to prepare once dehydrating time is figured in — it’s the antithesis of microwave cooking.

Then there’s the ingenuity factor. Many raw dishes are essentially reverse engineered to approximate the taste and texture of well-known foods. It requires blenders, food processors and a bit of culinary prestidigitation.

On a recent day at In the Raw, workers moved in the cramped spaces between celery colored walls, busily blending seeds and thwacking open coconuts. Workers constructed raw burger patties made of flax meal, almonds, sunflower seeds celery, carrots, herbs and spices.

Seeds and nuts are crucial to many raw food creations, they add heft, texture and protein. Coconuts figure in a lot too; Banfield’s restaurant goes through about 180 a week.

With these raw bases, Banfield can approximate all sorts of popular foods. Tuna salad? Did it. Chili? Ditto.

Of course, even an inept gourmand with a blindfold could tell a raw burger patty from McDonald's (one big tip-off: Banfield sandwiches her patties in butter lettuce instead of a bun). Raw restaurants seem to borrow the names of familiar foods to help people choose. The raw knockoffs can taste like their namesakes, but there are differences.

"You play a lot with the texture," Banfield said. "It plays with the mind."

So while Banfield's raw, almond-flour dough lacks the airy texture of risen bread, it has a solid feel that's, well, doughy. Banfield's shakes have a different sort of thickness on the tongue thanks to processed nuts and coconuts. Wolfe claims to make a killer chocolate-chip mint ice cream with all-organic ingredients like coconuts, hemp seed and agave nectar.

"It just blows people's minds where the sophistication is at now with raw food," he said.

Mr. Andrew Martino, Sales Director of Global Organics, Ltd. sells approximately two containers of VCNO per year (30-40 MT), into the Beauty Product industry. Mr. Martino is very familiar with the raw food trend. He stated that Raw Food enthusiasts make up a large percentage of the U.S. annual VCNO sales. Raw Food enthusiasts believe that wet milled VCNO is more "raw" than crude coconut oil because producers use:

- high food grade quality coconuts
- unbroken coconuts
- little heat during the process (wet milled).

Mr. Martino's believes the raw food frenzy is a fad that will pass quickly. His VCNO is not wet-milled so he does not participate in this market, even though wet milled, organic VCNO is priced at a 10% premium to his VCNO.

Low Color and Odorless

As Mr. Andrew Bunker of Fiji Oils states, "Who wants to smell like a coconut?!" The soap, cosmetic and food industry prefer a coconut oil with low color and low odor. Cochin, being partially refined, has lower color and less odor than VCNO and is therefore preferred. In general, the whiter the color (lower the color- 1.0 to 1.5 red on a lovibond) the more desirable the oil.

Shelf Stable

Coconut oil is one of the most stable vegetable oils. Tropical Traditions VCNO samples have been shown no breakdown in a constant liquid state at temperatures above 20-25°C degrees for over two years. Yet buyers do not state stability as a procurement decision criteria.

What are supplier requirements, demanded by traders and specialty ingredient brokers?

Buyers will eliminate suppliers as soon as one of the following criteria cannot be met. The criteria are listed in sequential order:

1. Immediate Accessibility

Manufacturers today operate Just-In-Time (JIT). JIT is an inventory strategy designed to improve the return of a business by reducing the costs of inventory levels and the entire

supply/production chain. Under normal business conditions this is not a problem. However, if there is any disruption at any given point in the supply chain, then all production grinds to a halt. And, from first hand experience, disruptions occur on a daily basis.

Therefore, successful suppliers of VCNO must have the ability to interact with their buyers 24 hours a day, seven days a week. This is accomplished by have:

- Immediate, local customer service contacts that have phone, fax and internet accessibility
- In-country plant facilities
- In-country warehouses

2. Proof of Certification

Certification by a recognized third party is a must. Certifications are required prior to sampling the product. Buyers must be able to request and receive certificate information 24 hours a day, seven days a week. Certificates demanded by the industry are:

- Kosher Certification (OU certified). Kosher certification is a “deal breaker”, according to Andrew Bunger of Fuji Oil, the only organically certified refinery of tropical oils in the United States. In order to pursue OU certification it is necessary for the inquiring company to directly contact the official OU Kosher organization. This can be pursued via on-line inquiry submission, located on their web-site: <http://oukosher.org>. The seven-step process for pursuing kosher certification and other general information is outlined on page 51-53 in the Appendix.

Organic Certificates (USDA and QUI certified). The Organic Trade Association (OTA) is willing to work with companies and help them select the most appropriate certification company. A brief description of their organization is found on page 36. Inquiries can be forwarded to the OTA on-line via their website: <http://www.ota.com>.

“Organic Coconut Oil is unique. I’ll take organic over VCNO.”

Ms. Joni Stern, Stern Ingredients

“If it’s not organic, it’s a commodity. And to compete in a commodity market you must have large volume.”

Mr. Bob Holden, Cargill

According to the OTA, the two companies located closest to East Timor are:

Australian Certified Organic (ACO)
PO Box 530, Level 1, 766 Gympie Rd
Chermside QLD 4032
Australia
Contact: Catriona Mills
07 3350 5706
(International: +61 7 3350 5706)
Fax: 07 3350 5996
(International: +61 7 3350 5996)
E-mail: manager@bfa.com.au
Website: www.australianorganic.com.au

NASAA Certified Organic
Box 768 Stirlingfont 5152
South Australia
Australia
Contact: Lynda Austin
61 8 8370 8485
E-mail: admin.manager@nasaa.com.au
Scope: crop, livestock, wild crop, handling
Accredited: 10/10/02

For more options, the entire list of USDA recognized, organic certification companies is available on the Organic Trade Association (OTA) web site : <http://www.ams.usda.gov/nop/certifyingagents/accredited.html>. Additional organic resources are listed in the Appendix on pages 48-50.

- Manufacturing Quality Certificates are desired, but not as important as kosher and organic certification. Preferred quality certification is the American Institute of Baking (AIB) or ISO.

3. Competitive Transportation

Traders, refiners and brokers unanimously doubt East Timor's ability to secure competitive international freight rates to the US and EU. East Timor must be able to address the issue of competitive transportation in order to initiate dialogue with potential buyers.

Countries that have established, robust trade routes are in a much better position to secure competitive freight rates, as containers are continuously moving to and from the port. Significant additional costs are incurred to divert a vessel from a popular trade route to a remote location. East Timor's 40 mt of VCNO per month would bear the full cost of the transportation surcharge, rendering it uncompetitive.

This fear of uncompetitive transportation is justified according to an article in the Fiji Times, December 16, 2005.

"Another setback or constraint experienced by the (copra) industry is distance from markets and this leads to shipping companies being hesitant to transport copra products to our European markets. And to top it all these recent and frequent increases in fuel prices have done little to improve the situation." Ms. Tevita Kete, Economist, Fiji Coconut Industry Development Authority.

4. Specification of Transportation

Larger volume buyers transport coconut oils in two types of shipping containers.



Buyers prefer a 20-40' ISO container frame with stainless steel tank. Iso-containers are typically leased and need to be returned from where they came, preferably full, to reduce transportation costs. Since there are few countries that export to East Timor, leased, round-trip Iso-containers can be cost prohibitive. While elusive, one-way Iso-containers exist. However, they are rarely kosher certified. Additional information is available at www.chemicals-technology.com.

A “poor-man’s” ISO container might provide East Timor with more economic value. A flexibag (plastic liner) is placed in a regular 20’ dry container. The flexibag is filled with oil and then melted at the destination. They are more difficult for refiners and manufactures to use, but are more accommodating for one-way shipments since the dry container does not need to be returned to its origin.

4. Specification of Product

Buyers will not discuss pricing until they have seen East Timor’s written coconut oil specification. The specification must use standard terminology. The specification must be certified by a third party lab, recognized by the industry. The buyer often has a “favorite” lab and will share such information at the appropriate time.

Buyers have started to require specifications that disclose nutritional information. Of most interest are the Free Fatty Oil (FFA) level, color and odor.

5. Magnitude and Timing of Supply

Buyers must know the volume available for purchase and timing constraints, if any. Supply information should be communicated on a per unit time period that best represents a potential manufacturing bottle neck, if any.

For example, Company XYZ produces 360 MT of VCNO per year. Production is capped at 30 MT per month, every month. The supply available should be listed on a per month basis, not an annual basis, since the buyer can not access more than 30 MT tons in a given 30 day period.

6. Price

It is common for sellers of “specialty products” such as VCNO to offer a standard price range upon request of the buyer. The standard price range is considered an estimate, and the seller should state so during the communication. Sharing a price range allows the buyer to determine if interest in the product is warranted.

Common pricing structures include:

- Flat Price: a pricing structure that charges a single fixed price during a specific time period for a specific volume.
- Tiered Pricing: a pricing structure that charges a single fixed price during a specific time period for a set of different volumes.
- Cost-Plus Pricing: The buyer and seller agree on the manufacturer's cost structure. They negotiate a mutually acceptable margin, which is added to the cost. The price is valid for a specific time period for a set of different volumes.
- Market Based: The price of the product is indexed to a mutually agreed upon market (Rotterdam) for a given period of time. This is preferred for commodity based products more than for specialty products. The price is valid for a specific time period. Broad volume ranges are determined.

7. Samples

Samples must be available upon demand, sometimes within 24-48 hours. Sample sizes vary dramatically. A bench-top sample is usually a small sample for use by product development in a lab. This could be 0.05 – 3 liters. Sample sizes increase as the product moves from bench-top to pilot-plant to production test to final product. Samples are usually free or at cost until such time as the product is ready for market.

What are the main final uses for VCNO?

Lauric Acid in coconut products is ideal for use in the industrial applications (soap and detergent manufacturing), as it is responsible for the cleansing and sudsing properties of shampoos, soaps, and detergents.

The oil can also be used as a safe food substance, in a base for chocolate-flavored coatings in the confectionery industry and as a dairy fat substitute in simulated dairy products. Edible applications include confectionery coatings, cookies, baked snacks, non-dairy coffee creamers, icings and frostings, and whipped toppings.

Cosmetic: VCNO enhances the moisturizing effect Lip Balms, Lotions, Cosmetics

Estimate the composition of major VCNO markets by end use. List companies and quantities purchased if available.

The market composition of VCNO as a traded, edible oil is so small that there is little data estimating the composition of major VCNO markets by end use. It is highly recommended that East Timor join UCAP or at a minimum pay for access to its statistics, as UCAP has the best repository of coconut oil and product information available on a global basis.

Dear Ms. Hahn,

The data is not available on line but in our publication which is Coconut Statistics and Coconut Industry Kit which respectively cost USD100 and USD55 per copy, inclusive of delivery by courier service. We hope to hear from you soon should you decide to order. The table of contents of the publications above are posted in the website.

Thank you.

Very truly yours,
Yvonne T. V. Agustin
Executive Director, United Coconut Association of the Philippines

For the purpose of this report, industry professionals estimated that 40% of VCNO is consumed by health conscious people that ingest it directly as a health supplement. Sixty percent is consumed by cottage industry and niche manufacturers for the production of soaps and lotions.

How is the VCNO market structured?

Market structure varied depending on the target retail market.

VCNO

The VCNO market is characterized by a large number of smaller direct importers that resell to niche manufacturers, small industries and individuals. The volume of VCNO that is available on a continuous basis and that meets buyer requirements listed is so small that it does not create a profitable business proposition for main-stream importers, wholesalers or brokers.

Tropical Traditions is recognized as the best direct importer of VCNO. While Tropical Traditions did not agree to an interview, it research indicates that Tropical Traditions imports and warehouses its products in the U.S. and sells directly to small retailers, such as chiropractic offices, health healers, etc. In addition, VCNO is marketed directly to individual consumers on-line. Tropical Traditions' consumer convenient package sizes are designed to meet the needs of individual consumers and cottage industries.

VCNO and Expeller Pressed Coconut Oil Price List

Tropical Traditions Price List	
Here is our current product price list. There is a "Print" button at the bottom if you'd like to keep a copy handy. Note: This is NOT an order form. To order products, please go here .	
Item Description	Price
Virgin Coconut Oil	
1-quart Virgin Coconut Oil and 1 quart Virgin Palm Oil - 2-Quart Pack	\$39.00
1-gallon Virgin Coconut Oil and 1 gallon Expeller-Pressed Coconut Oil - 2-Gallon Pack	\$105.00
1-gallon Virgin Coconut Oil and 1 gallon Virgin Palm Oil - 2-Gallon Pack	\$115.00
1-gallon - Virgin Coconut Oil	\$66.50
16-oz - Virgin Coconut Oil - 1 pint	\$18.00
32-oz. - Virgin Coconut Oil - 1 quart	\$25.00
32-oz. - 2-Jar Pack - Virgin Coconut Oil - 2 quarts Total	\$45.00
5-gallon Pail - Virgin Coconut Oil	\$225.00
6-gallon case - Virgin Coconut Oil	\$300.00
Expeller Pressed Coconut Oil	
1-gallon - Expeller Pressed Coconut Oil	\$45.00
32-oz Expeller Pressed Coconut Oil - 1 quart	\$18.00
32-oz. - 2-Jar Pack - Expeller Pressed Coconut Oil	\$29.00
5-gallons Expeller Pressed Coconut Oil	\$149.00

Coconut Products: Soaps and Massage Oils

<u>Coconut Soap - 1 bar</u>	\$4.50
<u>10 Coconut Soaps</u>	\$35.00
<u>5 Coconut Soaps</u>	\$20.00
<u>Coconut Oil Soap - Lavender - 1 bar</u>	\$4.95
<u>10 Coconut Oil Soaps - Lavender</u>	\$39.50
<u>5 Coconut Oil Soaps - Lavender</u>	\$22.25
<u>Coconut Oil Soap - Tea Tree Oil - 1 bar</u>	\$4.95
<u>10 Coconut Oil Soaps - Tea Tree Oil</u>	\$39.50
<u>5 Coconut Oil Soaps - Tea Tree Oil</u>	\$22.25

Organic Coconut Oil

The market is characterized by:

- traders/brokers import the product, repackage it and resell it to wholesalers, industrial users and retailers
- refiners process the product, package it and resell it to industrial users and retailers.

The majority of organic coconut oil is imported to the U.S. via traders and specialty refiners. Organic coconut oil is such a newly emerging market, that traders and specialty refiners alike are contacted by interested buyers searching for a source of organic coconut oil. At this time the market is small enough that neither traders nor specialty refiners are taking speculative positions in organic coconut oils.

Traders/Brokers

Traders are contacted by buyers who desire organic coconut oil. The trader searches the globe for a qualified source of the product. Their goal is to find a producer that can meet the buyer's exact specification. Many trading companies have logistical divisions, allowing them the option of managing the logistical movement and regulatory oversight of the organic coconut oil in transit. Traders often bring in the product in bulk containers and then contract to have them repackaged to meet buyer needs. Traders most commonly sell bulk to refiners and repackaged product to wholesalers or large end-users. Traders are motivated by large volumes quickly.

Specialty Refiners

Specialty refiners are contacted by buyers who desire organic coconut oil. Refineries often have logistical divisions, allowing them the option of managing the logistical movement and regulatory oversight of the organic coconut oil in transit. Refiners buy organic crude or cochin. If they have full refinery capabilities, they prefer organic crude. If they do not have full refinery capability they prefer cochin, or partially refined. The specialty refiners import bulk, organic coconut oil, further refine it per the client's specification and packages it and sells it. The refiner packages the product in-house. Specialty refiners sell to brokers, large end-users, and wholesalers. Refiners are interested in utilizing the plant facility and selling large volumes continuously over a long period of time.

Market Opportunity for VCNO

What is the universal product code number used in international trade statistics?

Harmonized Code

The US Harmonized Schedule Code (HTS) is a ten digit number assigned to imports and exports and are used to assess import duties and taxes on imports and track import and export statistics for the US Department of Census. The first six digits of the code are harmonized on an international basis, hence the name harmonized standard. The last four digits may vary by product and/or by country.

Harmonized Tariff Schedule of the United States (2005)
Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		15-5
				1 General	2 Special	
1513		Coconut (copra), palm kernel or babassu oil, and fractions thereof, whether or not refined, but not chemically modified:				
		Coconut (copra) oil and its fractions:				
1513.11.00	00	Crude oil	kg	Free		4.4¢/kg
1513.19.00	00	Other	kg	Free		4.4¢/kg
		Palm kernel or babassu oil and fractions thereof:				
1513.21.00	00	Crude oil	kg	Free		2.2¢/kg
1513.29.00	00	Other	kg	Free		2.2¢/kg

Reading the HTS – Unit of Quantity

This is the US Customs acceptable measure of quantity for a product, which must be included on commercial invoices.

Reading the HTS – Rates of Duty.

The Rates of Duty Column determines the amount of duty you will have to pay on an imported product. Typically these rates of duty are expressed in a quantity/cost rate (e.g. \$0.04/kg) or as a percentage of the value of the good (e.g. 2.5% of the value).

Notice that the Rate of Duty Column is divided into three interior columns. These columns are interpreted as follows:

- General (aka Column 1): The typical rate of duty from the majority of the world's countries.
- Special: Special duty rates assigned to specific countries or import scenarios.
- Column 2: The special rate of duty assigned to trade restricted countries. Cuba, North Korea, etc.

What is the approximate size of the current VCNO world market?

Three products are discussed in this section:

- Coconut Crude Oil
- VCNO
- Lauric Acid

Coconut Oil Market Overview

Coconut oil is a very small percentage of worldwide edible oil production. According to the Global Forum on Agricultural Research, the production of global coconut oil is approximately 10.8 million tons in copra equivalent, which is 6.5 million tons in oil equivalent. The Philippines, Indonesia and India produce around 70% of this total.

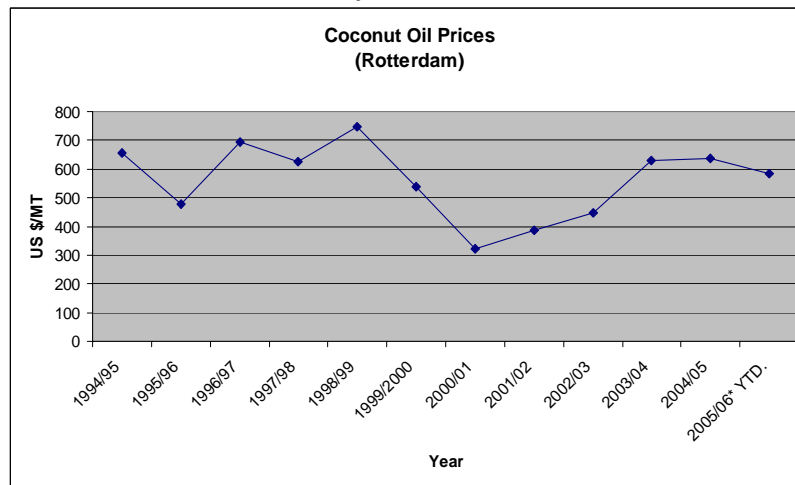
The majority of the product is consumed locally, either as fresh coconut or as oil. The two largest countries to export coconut oil globally are the Phillipines (1.4 million tons) and Indonesia (about 1.0 million tons). The majority of coconut oil traded is crude and cochin.

Coconut Crude: Bearish Outlook in the Near to Medium Term

Coconut crude is demonstrating signs of a traditional bear market. A bear market is assumed when a commodity's futures price is less than the spot market plus the costs associated with handling, storage, interest and insurance. The FCEI March futures price of coconut oil is less than Rs 4,000... **much lower** than the spot price of Rs 4,750 per quintal. Since the main production season for the oil is yet to come, the glut in supply is only expected to worsen.

The UCAP continues to forecast a downward trend in coconut oil prices. The Philippines government has provided farmer subsidies for the planting of new coconut groves. Unless demand increases, market prices will continue to soften as newly planted groves bear fruit.

Table A. 10 Year History of Crude Coconut Oil Prices



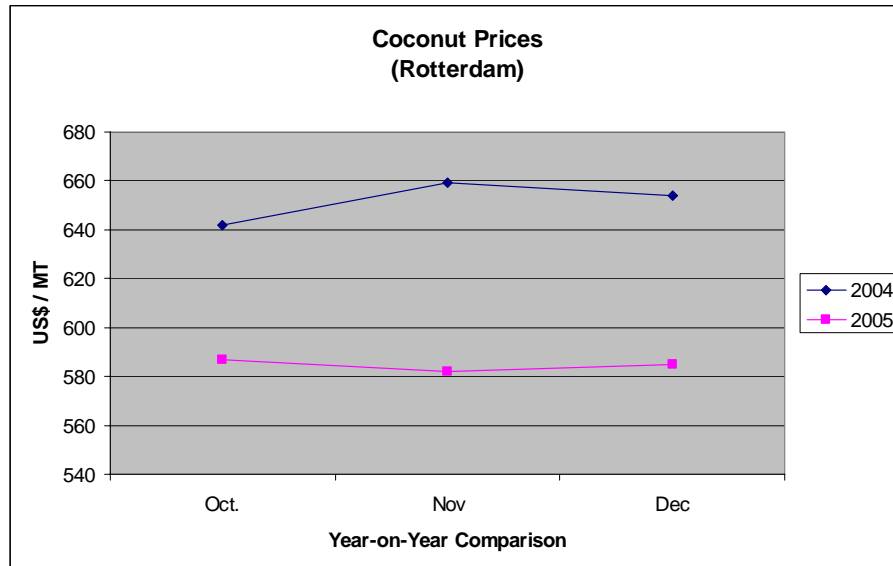
Note: Crop year starts in October of each year.

In India, the First Commodities Exchange of India (FCEI) also predicts a continued drop in coconut crude oil prices. According to the FCEI, the 4% drop in India's coconut oil prices in November 2005 is attributed to an increase in supply in India's southern states.

“But what’s more important is that the southward trend (for coconut crude) is expected to continue going forward.” Staff Reporter, www.dnaindia.com, December 10, 2005

Seasonality cannot be blamed for the bear market. According to USDA and FAS data, coconut oil prices have decreased 10% compared to the same time period last year.

Table B. Year-on-Year Price Comparison



VCNO

Coconut oil is a very small percentage of worldwide edible oil production, and the VCNO market is an even smaller percentage of that.

It is recommended that the East Timor producers join the UCAP and access its statistics, since VCNO statistics are not officially tracked by the United States Department of Agriculture, (USDA), the Foreign Agricultural Office (FAO), or the NIOP.

Fuji Oil states that it is impossible to speculate how much VCNO is sold in the US or EU per year. Mr. Bunger states, “...I am (not) used to dealing with the pot smoking hippies of the world.”

Andrew Martino Director of Sales for Global Organics, Ltd., “I loathe conversations like this...VCNO is not a traditional commodity market and there is no international standard (for it).”

The outlook for VCNO depends on who you speak with. The key to VCNO sales is knowledge of its splintered consumer base.

“I haven’t seen the market for non-organic VCNO. It’s there... but it’s very, very small.” Mr. Lightburn, Assured Organics.

“VCNO is a fad. It will take years to determine if it is more than a fad.”
Mr. Martino, Global Organics.

At best we can speculate about the market potential of Organic and Non-Organic VCNO via statistical extrapolation. Using FAS coconut oil data, the following demand table was calculated with the following assumptions:

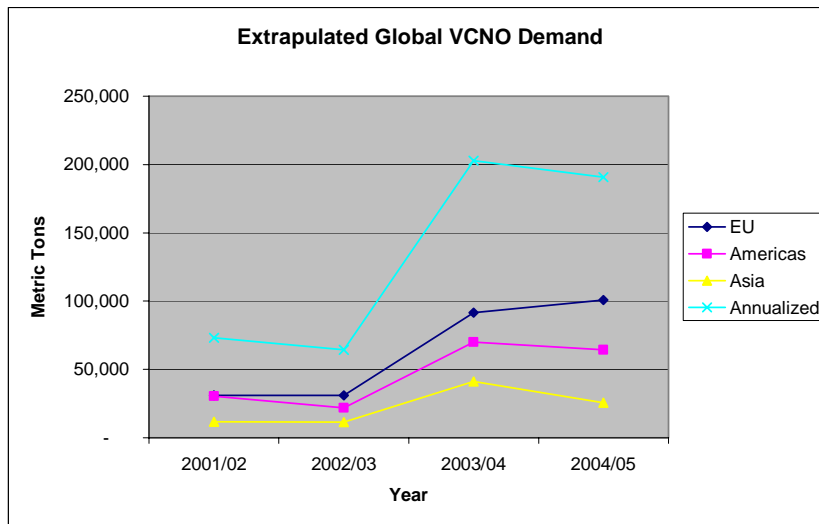
- The Philippines supply the world with 60-70% of its coconut oil demand
- 10% of the developed countries’ imported coconut oil demand is actually VCNO
- 5% of emerging countries’ imported coconut oil demand is actually VCNO
- Other countries importing coconut oil were assumed to import either traditional, crude or cochin coconut oil.

The Results

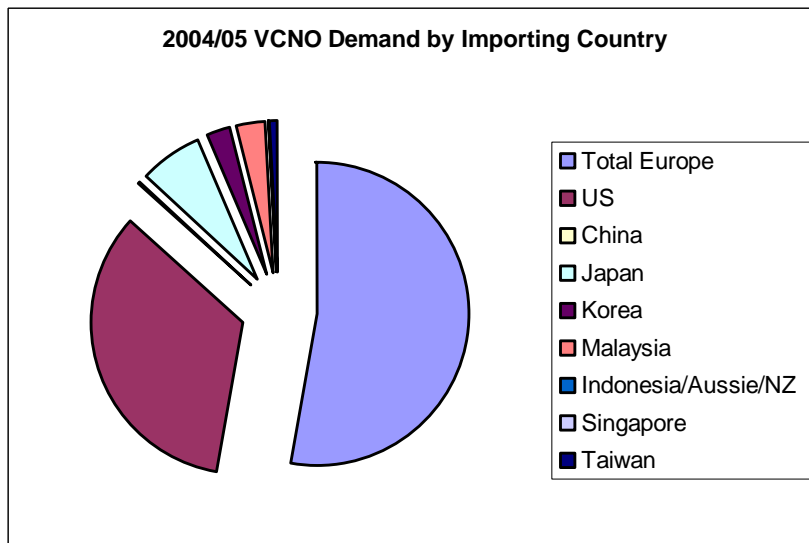
Total global demand for VCNO is approximately 200,000 metric tons, or 8% of the coconut oil export market. East Timor’s annual production, estimated at 40 MT/month, would equate to less than 1% of the world’s annual demand for VCNO. The scope of East Timor’s contribution could be valid, given the fact that industry experts were not aware of the fact that East Timor grew coconuts or produced coconut oil. If East Timor was a larger potential contributor, market arbitragers should have been more aware of the opportunity.

Consumers for VCNO must have a high level of disposable income to warrant the extra cost of a “luxury” ingredient. It is no surprise to learn that the largest consumers of VCNO are the EU, the US and Japan.

Organic and Non-Organic VCNO, metric tons



World Demand for VCNO



Lauric Acid

The U.S. imports about \$400 million worth of lauric oil annually, mostly from the Philippines, Malaysia, and Indonesia. In addition to the domestic U.S. market, lauric oil demand is projected to increase significantly overseas, as improvements in the standards of living occur in China, Southeast Asia, Eastern Europe and Latin America. The worldwide lauric oils market exceeds 10 billion pounds, according to Calgene, the biotech firm that developed lauric canola.

To what extent can refined, bleached, and deodorized copra oil compete with VCNO in key markets?

The products don't compete in the same market. While both products can be used for edible and inedible applications such as food and soap, VCNO, due to its unrecognized standard and unstable supply, is more commonly used in cottage industries while RBD is already being used in larger, main stream industries.

However, RBD is not permitted in kosher or organic manufacturing facilities. A kosher or organic plant does not allow a non-certified raw ingredient to be processed in on-site because it "contaminates" the facility. This is resolved by shutting down the production line, cleaning the equipment and storage facilities, and recertifying the facility, making it cost prohibitive to most.

Organic, Kosher RBD, being free from impurities, can be used in both edible and industrial products. It is a raw ingredient allowed in all manufacturing facilities, and preferred by reputable refiners and specialty ingredient traders. This is the ideal, with the largest market and greatest future growth potential. It demands value-added pricing.

Improving Competitive Advantage

How important is organic certification in the main markets for VCNO? What is the approximate market share of organic and non-organic VCNO on the market? How important is 'fair trade' certification impact on market access and price?

Organic designation is mandatory regardless what type of coconut oil is produced. To further increase the value of the product, kosher certification should be pursued.

Fair Trade receives mixed reviews. With a weak standard that has little legal enforcement; several traders recommended using the terminology without paying for the certification. Traders, brokers and refiners will not increase their buying price as a result of Fair Trade certification. However, if marketed directly to end consumers via the web (for example) the Fair Trade certification might add a unique point of difference.

“A good story can only help sell the product.”
-Elena Lindemann, Land O'Lakes Marketing Manager

Provide price analysis of organic vs. non-organic VCNO.

In VCNO's non-transparent market this is impossible to determine with confidence. For price analysis to be accurate, the product must be identical in all aspects EXCEPT the organic certification. (See Supplier Requirements, page 15.) Since VCNO is sold as a specialty ingredient/raw material, it is often priced in a non-standard format and in non-standard packaging, making it difficult to compare products. (What *is* Extra Virgin Coconut Oil?) It is also priced independently of commodity coconut oil markets.

Sales via the internet advertise VCNO prices and consumers decide to buy or not buy based on whether or not they can afford it. This will continue until there is greater volume of the product and pricing becomes more transparent.



[\(T\) Coconut Oil , Extra Virgin, Certified Organic, Nature's Way, Net. wt. 16 oz](#)

SRP: \$ 14.99

iHerb Price: \$ **10.99**

Coconut Oil Organic Extra Virgin, Nutiva, 29 oz. (823 g)
 Raw, Organic, Super Value!
 SRP: \$ 17.99
 iHerb Price: \$ 16.99, 4 for \$64.00, 12 for \$180.00

Coconut Oil Expeller Pressed (Organic), Jarrow Formulas, 16 oz/454 g
 Best Seller! 100% Organic!
 SRP: \$ 7.50
 iHerb Price: \$ 9.00

(T) Coconut Oil, Extra Virgin, Garden of Life, Net Wt. 16 oz.
 SRP: \$ 15.95
 iHerb Price: \$ 12.44

The market is “made” by the company(s) with the best connection to the end user. These companies have the best prices and the highest demand. The best way to discourage competition is to increase the barrier to entry, which can be achieved through consumer confusion. Using different terminology, different packaging sizes, etc. not only muddles statistics, but also confuses potential end users.

Organic versus non-organic pricing is difficult to analyze with any level of confidence. While not validated, the following three tiers of pricing are representative of internet suppliers.

Quantity	Type	Company	Price per gallon (USD)
1 gal	Organic VCNO Shipped in 2 – ½ gallon bottles	Coconut Oil Supreme	\$78.36
1 gal	VCNO	Tropical Traditions	\$66.50
1 gal	Expeller Pressed Coconut Oil	Tropical Traditions	\$45.00

What standard certification (ISO, Eurepgap, etc.) is important for future market access?

In order of importance, regardless of geographic market, these certifications must be pursued.

Ⓢ Kosher

Circle U Kosher certification is pursued via their webpage, <http://oukoshher.org>. Their webpage highlights, including the seven step process to becoming Ⓢ certified are in the Appendix, pages 50-52.

Organic

Organic products sold in the U.S. must be USDA Organic Certified. The 14-page list of all USDA recognized auditors (world wide) is listed on their website, www.ota.org. Additional organic resources are listed in the Appendix, pages 47-49.

Quality Certification

At this time Quality certification is not the most important aspect of coconut oil. This may change in the future as demand and/or supply of coconut oil increases. At that time the American Institute of Baking (AIB), Institute Organization for Standards (ISO) and/or Eurogap might be required. These quality programs require a high level of quality

control sophistication, and are expensive to pursue. Of the three quality certifications, AIB is the most reasonably priced.

For coconut oil going to a refinery, Good Manufacturing Practices (GMP) should be followed. Certification is unnecessary as the product is further refined. The refiner bears the burden of Quality Certification (at this time). This held true for specialty organic vegetable oil refiners as well as large commodity refiners.

Linking Producer and Buyers

Provide a list of ‘next steps’ for the Timor Leste VCNO exporter in accessing the new markets/buyers.

These iterative processes often require concurrent development of different steps.

VCNO

Prepare yourself for marketing your product (Refer to Supplier Requirements!)

1. Create a generic web-site.
2. Obtain organic certification and use Fair Trade verbiage.
3. Create specification(s) that you can consistently meet.
4. Know your options regarding changes in specifications, packaging sizes, shipping alternatives, port capabilities, etc.
5. Create an internal cost model to determine the true cost of the product.

Introduce your product to professional networks

6. Network with professionals interested in your product.
7. Attend EXPOs.
8. Add an acceptable margin to your cost model to create an estimated price. This price should be shared when discussing your product. Buyers are not interested in a product without having a sense of it’s basic costs.
9. Join industry associations.
10. Create a group of professionals that will help offer advice, such as lawyers, CPAs, import/export professionals, etc. If possible, include them on your board of directors.

Create formal contracts with buyers

11. Contract with professionals that can warehouse your product in-county, process orders, collect monies, represent your product at regional organic fairs, market your product to local health practitioners, etc.
12. Develop a stringent return policy and dispute resolution policy.
13. Revise your web-site to allow for the direct sale of VCNO, or contract to sell your product through an established web-broker (such as Tropical Traditions or EBAY).

Kosher, Organic Cochin

Prepare yourself for marketing your product (Refer to Supplier Requirements!)

1. Create specification(s) that you can consistently meet.
2. Know your options regarding changes in specifications, packaging sizes, shipping alternatives, port capabilities, etc
3. Create an internal cost model to determine the true cost of the product.

Introduce your product to professional networks

4. Join industry associations.

5. Add an acceptable margin to your cost model to create an estimated price. This price should be shared when discussing your product. Buyers are not interested in a product without having a sense of it's basic costs.
6. Network with professionals interested in your product. They will offer guidance regarding certification and specifications that can be used in Steps 2 & 3, *which cannot be done in isolation.*
7. Obtain kosher and organic certification
8. Review/revise specifications to respond to clients interest, ensuring that you can comply with the specification
9. Market this specification(s) to members of the industry associations and the contacts provided in this report.

Create formal contracts with buyers

10. Contract only with reputable partners that provide services such as logistics, importation, marketing, etc.
11. Understand that the buyers are sophisticated and demand quality adherence. The process for bringing on a new supplier can take from 3 months for a refiner to one year for a branded end-user.

Provide contact information for potential buyers for VCNO, as well as specifications, certifications, and an indication of quantities that might be required.

All four companies are leaders in their industries, and have proven records as “innovative” market leaders. Prices indicated are estimates only, and are dependent on the producers ability to satisfy the Supplier Requirement Section of this report.

Each of these traders is interested in about 1 container of organic VCNO per month. Buyers and specifications may be shared in the future directly with the producer. Estimated price: USD 1.00/lb CIF US Port (USD 2,200/mt). Prices will change given the market and the need of the client.

Pasternak, Baum & Co., Inc.,
 Bill Frazier
 500 Mamaroneck Avenue
 Harrison, New York 10528
 Phone: (914) 630-8000
 Fax: (914) 630-8120

North Pacific Group, Inc.
 Steve Kendell, Sales Manager
 Distributor, Importer, Ingredient Supplier
 Organic Food Division
 S. Colleen Ct. Novato, CA. 94947
 Phone: 877-416-2634
 E-mail: Avalon@cmc.net
 Web site: www.northpacific.com

Assured Organics

Ken Lightburn, President

17 Hillcrest View

Hartsdale, NY 10530-3106 USA

Phone: (914) 428-6800

Fax: (914) 428-8425

E-mail: ken@assuredorganics.com

Web site: www.assuredorganics.com

Fiji Oils and Stern Ingredients already cooperate on other organic vegetable oils, such as organic palm kernel oil. Fiji Oil imports kosher, organic cochin oil using the NIOP specification, found on page 8. In a year's time Fiji Oil could use as much as 2 containers a month of kosher, organic cochin, prices at USD 0.50/lb CIF US Port (USD 1,100/mt). They refine the imported oil and sell 76 Degree Coconut Oil to the market, specification below.

Fiji Vegetable Oil, Inc.

Specialty Refiner

Andrew Bunger

1 Baker Avenue

White Plains, New York 10601

Office: 914-761-7900

Email: abunger@fvo-usa.com

Stern Ingredients

Specialty Food Ingredient Broker

Joni Stern

773-472-0301 x:2



76 Degree Coconut Oil

Product Description:

Fuji's 76 degree coconut oil is made from fully refined coconut oil.

12/13/2005

Technical Specification:

	<u>Specification</u>	<u>Method</u>
Iodine Value	8-10	AOCS Cd 1b-87
Moisture	0.1 % max.	AOCS Ca 2e-84
Free Fatty Acid (as Lauric)	0.05 % max.	AOCS Cd 3d-63
Color (Lovibond 5.25" Cell)	Red: 1.5 max.	AOCS Cc 13e-92
	Yellow: 15.0 max.	
Peroxide Value	1.0 meq./kg max.	AOCS Cd 8-53
Mettler Drop Point	76.0 - 80.0 F	AOCS Cd 18-80

Ingredient Statement:

Coconut Oil
KOSHER

Packaging Options:

Rail Cars, Tank Trucks, Drums, Pails

The information in this bulletin, to the best of our knowledge, is true and accurate. Any recommendations or suggestions are made without warranty and guarantee since the conditions of use are beyond our control.

Fuji Vegetable Oil, Inc. Sales and Marketing: 1 Barker Ave., White Plains, NY 10601 USA TEL: (914)761-7900 FAX: (914)761-7919

Plant and R&D: 120 Brampton Road, Savannah, GA 31408 TEL: (912)966-5900 FAX: (912)966-6913

How would Timor Leste VCNO exporters keep track of changes and trends in the world market? What are useful sources of information (free or subscription)?

Memberships in the following organizations are a must. They will provide East Timor with standard trading specification and regulations for buyers and sellers of coconut oils and other vegetable fats and oils. Membership benefit often includes access to global statistics, market prices, and membership directories, which include brokers, wholesalers, end users, regulation-makers, etc. that are most likely to be interested in East Timor's products.

The National Institute of Oilseed Products (NIOP)

NIOP is the main industry group for fats and oils in the U.S., 99% of vegetable fats and oils trade under these rules in the U.S. Membership dues are \$950 (U.S.) per year. Members receive the most up-to-date copy of the NIOP Trading Rules Book with all of the uniform trading rules (including prior cargo lists). The Trading Rules Book also provides a list of certified chemists, and samplers and weighers as well as various guidelines.

Membership requires sponsorship by two NIOP member firms. Andrew Bunger of Fuji Oils, is on the Rules Committee of NIOP and has offered to be one of the sponsors, and will help arrange for the second sponsor. See Appendix, pages 53-54, for the membership application and information about the next member meeting.

The Federation of Oils, Seeds and Fats Associations (FOSFA)

Internationally 85% of the global trade in oils and fats is traded under FOSFA contracts. Like NOIP, FOSFA has an extensive range of standard forms of contracts covering goods shipped either CIF, C&F or FOB. The contracts provide the terms of trade from different origins worldwide, and for different methods of transportation or for different terms of trade. FOSFA acts as an arbitral agency.

The smallest trading member is the A3 Trading Member, with an annual turnover of less than 5,000 tons. Cost per year is £675. See Appendix, pages 55-57 for FOSFA membership forms, contract lists and daily pricing sheet .

United Coconut Associations of the Philippines, Inc. (UCAP)

UCAP is the Philippine liaison office of FOSFA International and one of the founding members of ASEAN Vegetable Oils Club (AVOC). Their coconut statistics appear to be the most comprehensive statistics available, tracking global production, consumption, pricing, etc. (See Appendix, page 58)

They denied temporary access to their statistical database for the purpose of this report. Statistics are available only by payment or by membership. The UCAP membership pricing is available by emailing the organization.

Organic Trade Association

OTA is a membership-based association that encompasses all sectors of the organic industry, from farm to retail. OTA represents the industry's interests to regulators, policymakers, the media, and the public. Membership costs approximately \$100 per year for a company with less than \$50,000 annual revenue.

Google

Google Search engines have the ability to search the entire web for specific terms. Type in coconut oil, virgin coconut oil, etc. and articles of interest will be delivered to your inbox on a daily basis.

Please provide any other information that you feel would be helpful for expanding East Timor's market share of VCNO?

Hurdle

East Timor must increase awareness of its position in the vegetable oils and fats arena. The CIA Worldbook does not even list coconut products as an export of East Timor. In addition, web searches do not result information regarding East Timor's production. This is a demand-pull market, where buyers contact refiners and traders looking for the product. These refiners and traders can't buy what they don't know exists.

Solutions

1. Create a web-site, even if it is simplistic. Ensure that specification and certifications and contact information is listed. If possible include other industry standard information listed in this report.
2. When joining associations, ensure that you are listed in the membership directory and that all information is complete and correct. This is how the majority of buyers will find you.
3. Choose to work with reputable partners that can educate and train you in the market, guarantee the financial payment of buyers and demonstrate the logistics of specialty oils. A new buyer that does not know you will judge your product and reputation by the quality of your partners.

This is a sophisticated market. Most traders agree, it is easier to loose money on what you don't know than it is to make money on what you do know.

While the cost of dealing with reputable partners is slightly higher, the benefit and long term profitability is much greater. One rejected load of coconut oil due to incomplete paperwork at the U.S. border can erase a year's profit for East Timor.

4. Attend world trade fairs that best meet East Timor's needs. The two EXPOs with the greatest potential return for networking with packaging companies and for promoting organic coconut oil are PACK EXPO International and the OTA Trade Show. See Appendix, pages 38-40, for industry recognized expos, listed by geographic location and date, with contact information and a brief description for each. Expo information comes directly from their websites.

PACK EXPO International

Dates: October 29-November 2, 2006 at McCormick Place, Chicago.

www.packexpo.com

PACK EXPO International 2006 will focus on the latest developments in packaging technology and will showcase exhibitors' state-of-the-art advances in packaging machinery, converting machinery, materials, packages and containers, and components. The most prominent companies in the industry will be exhibiting and making product introductions at the show. PACK EXPO International is a biennial event (every other year)—ideal timing for important industry updates and new product technology.

50,000 attendees are expected, including over 6,000 international visitors from more than 75 countries. More than 40,000 square feet of exhibit space will be dedicated to the latest innovations in materials, containers and converting machinery.

ORGANIC TRADE ASSOCIATION (OTA)

May 2005, Chicago IL

OTA is the membership-based business association for the organic industry in North America. OTA's mission is to encourage global sustainability through promoting and protecting the growth of diverse organic trade.

OTA draws together all segments of the organic industry to share information, create standards of excellence and promote organic products. A list of their Events can be found at www.ota.com

Appendix

Trade Fairs and Expos of Interest

EUROPE

IFE 2005 BIENNIAL

Mar 13-16, 2005 – London, England

IFE is the UK's number one food and drink exhibition and one of the top food events in the world. It is a serious business to business event attracting the major players from the retail, catering, wholesale and manufacturing industries. The 13th edition attracted 1,350 exhibitors from the UK and overseas and nearly 24,000 visitors from 102 countries. IFE boasts the largest international participation of any food and drink show in the UK, with pavilions from 43 countries exhibiting. For more information, please visit www.ife.co.uk/page.cfm.

NATURAL PRODUCTS EUROPE ANNUAL

April 17-18, 2005 – London, England

Come check out the UK's largest and most respected trade show for the natural and organic products industry. Last year proved to be a success with nearly 500 exhibitors attending from over 50 countries. For more information please visit www.naturalproducts.co.uk.

BIOFACH 2006 ANNUAL

February 2006 – Nuremburg, Germany

Participate in the largest and most important trade show for the international organic and natural products market! The resounding success of 1,900 exhibitors and 29,500 trade visitors at last year's event has definitely set the momentum for extraordinary exhibits in the future. It is expected that Agriculture and Agri-Food Canada and the Canadian Consulate in Düsseldorf will organize and manage the Canadian presence at BioFach 2006. Information can be found at www.biofach.de/main/d3zq3jg8/page.html

FOOD INGREDIENTS EUROPE

30th October – 1st November 2007 at ExCeL London, UK

Fi Europe is now in its 17th year and is Europe's largest gathering of ingredients suppliers, food producers and manufacturers. Over 1,100 leading food ingredient suppliers the very finest products and services to a record audience of visitors, representing a phenomenal 15% increase on the previous show. Visit the website at www.fi-events.com

UNITED STATES

INSTITUTE OF FOOD TECHNOLOGY

Institute of Food Technologists
525 W. Van Buren St. Suite 1000
Chicago, IL 60607
800-438-3663; 312-782-8424
Fax: 312-782-0045
website: www.ift.org

Founded in 1939, the Institute of Food Technologists is a nonprofit scientific society with 22,000 members working in food science, food technology, and related professions in industry, academia and government.

The IFT FOOD EXPO[®] is the forum for Food Product Development, R&D, Quality Assurance, and other food industry decision makers to evaluate new products, applications and technologies. The IFT FOOD EXPO[®]:
Provides you with opportunities to reach new prospects
Enables you to demonstrate equipment that can't be taken on sales calls
Helps you increase awareness of your company's products, services and expertise, while strengthening customer relationships.
Industry growth will come from the **creation** of new and improved products and **increased exports** of value-added foods and beverages. The IFT FOOD EXPO offers you the opportunity to capitalize on both trends.
The Healthy Food Ingredients Pavilion: Features emerging nutraceuticals, functional foods and organic products.

NATURAL PRODUCTS EXPO WEST ANNUAL

March 17-20, 2005 – Anaheim, California

This is the largest natural products tradeshow in the world -- bringing over 35,000 attendees and approximately 2,500 exhibiting companies. Attendees include thousands of natural and organic retail buyers ranging from independent co-ops, to Whole Foods, Wild Oats, and now larger retailers such as Walmart, Costco, and Target. It also includes an educational conference, Nutracon. Registration to Nutracon includes free admission to NPE West. For more information: www.expowest.com.

WINTER FANCY FOOD AND CONFECTIONARY SHOW ANNUAL

January 22-24, 2006 – San Francisco, California

Recent Fancy Food Shows have attracted from 19,000 to 32,000 attendees from specialty food, gift and department stores, supermarkets, restaurants, mail-order and other related businesses. These attendees come to see over a thousand exhibitors from around the world, presenting over 50,000 specialty foods to discover and sample. Business booms at these trade-only shows, in a unique decision-maker to decision-maker environment. An

impressive 87% of attendees either authorize or recommend purchasing decisions! For further information call (212) 482-6440, ext 119 or visit www.specialtyfood.com/do/fancyFoodShow/LocationsAndDates.

ASIA

Fi ASIA ANNUAL
Bankgkok, 2006

If you want to put your food ingredients on the menu throughout South East Asia, Fi Asia 2005 is the place to be. Doing business face-to-face is most effective, especially in a region where personal contact is highly valued. Hosted by the exciting new location of Kuala Lumpur in Malaysia, it will allow you to show your products to their best advantage – and to thousands of high-quality business prospects. Fi Asia 2006 is a truly international food ingredients show that covers the entire region, so do not miss the chance to be there. For more information visit the Web site at asia2006.fi-events.com

FIC 2006

Food Ingredients China 2006

Venue: Shanghai Everbright Convention and Exhibition Centre (SECEC), Shanghai, China. Address: No. 88, Caobao Road, Xuhui District, Shanghai, China

Show Dates: March 1-3, 2006

Website www.chinafoodadditives.com

FIC is the most efficient way to make contact with existing customers, launch new products, meet new buyers, evaluate trends and discover what's new in food ingredients production and application technology. Thousands of buyers from all over the world are expected to come to FIC because they know that it is the single most cost and time-effective way to source and compare food ingredients products. With more than 800 exhibitors in more than 1,700 booths, FIC is an annual must for food ingredients and additives professionals around the globe.

Contacts

Mark Ash
United States Department of Agriculture
Minor Oilseeds Analyst
Office: 202-694-5289
Email: mash@ers.usda.gov

Thomas St. Clair (is moving to a new assignment)
USDA-FAS
Oilseeds Analysts
COTS Division
Office: 202-720-2974

Tawhid Al-Saffy (newly assigned)
USDA-FAS
Oilseeds Analysts
COTS Division
Office: 202-720-0143

Matt King
USDA-FAS
South American Oilseeds Analysts
COTS Division
(202) 720-9491
Room 5624

Brian Engel (former owner of Edible Oils, L.L.C.)
and Marc Wharton
Evergreen Renewables LLC
600 N. 93rd Street, Suite 104
Omaha, NE 68114
(402) 397-7250
(402) 397-2522
marcw@eomllc.com

Kye Ploen
Owner, Qualitech
Chaska, MN.

Joni Stern
President, Stern Ingredients
(Founded in 1990 and serves almost every major confectionery company in the US. She specializes in sourcing hard to find ingredients.)
E-mail: joni@sterningredients.com
Mobile: +1 (773) 251-8488

Office: 773-472-0301

Andrew Bungler

Fuji Oil

914-761-7900

Quality First International

335 Laird Road, Unit 9

Hanlon Business Park

Guelph, ON

Canada N1G 4P7

Telephone Toll free: 1-877-870-1018

Outside North America: 1-519-780-1018

Fax (519)780-2997

Email: info@qualityfirst.on.ca

Web Site: www.qualityfirst.on.ca

Bob Holden

Plant Manager

C&T Refinery, Owned by Cargill

7110 Forest Avenue, Suite 200

Richmond, VA 23226.

Phone 804-287-1340. Fax 804-285-9170.

Email bob_holden@ctrefinery.com.

Joni Stern

Stern Ingredients

www.sterningredients.com

Phone 773-472-0301

Cell:773-251-8488

Hans Friese, President

Ciranda, Inc. - VCNO

- Distributor
- Importer
- Ingredient supplier
- Personal Care: Ingredient Supplier

221 Vine St

Hudson, WI 54016-1638 USA

Phone: (715) 386-1737

Fax: (715) 386-3277

E-mail: info@ciranda.com

Web site: www.ciranda.com

Dave Alexander, President

Global Organics, Ltd.

- Distributor
- Importer
- Ingredient supplier

PO Box 272

Arlington, MA 02476-0003 USA

Phone: (781) 648-8844

Fax: (781) 648-0774

E-mail: info@global-organics.com

Web site: www.global-organics.com

Steve Kendell, Sales Manager

North Pacific Group, Inc.

- Distributor
- Importer
- Ingredient Supplier

North Pacific Food Products – Organic division

S. Colleen Ct. Novato, CA. 94947

Phone: 877-416-2634

E-mail: Avalon@cmc.net

Web site: www.northpacific.com

Ken Lightburn, President

Assured Organics

- Distributor
- Importer
- Ingredient Supplier
- Personal Care: Wholesaler

17 Hillcrest View

Hartsdale, NY 10530-3106 USA

Phone: (914) 428-6800

Fax: (914) 428-8425

E-mail: ken@assuredorganics.com

Web site: www.assuredorganics.com

Pasternak Baum

Bill Frazier

Pasternak, Baum & Co., Inc.

500 Mamaroneck Avenue

Harrison, New York 10528

Phone: (914) 630-8000

Fax: (914) 630-8120

Telex: 4750030

- Importer/Exporter of Commodities
- Ocean Freight

- Logistical Support

The following companies were contacted. They either refused to comment or did not return messages.

Burt's Bee's
Tropical Traditions
Doctor Bronner
Aarhus United, USA

LINKS

Here are some additional resources that you may find helpful.

ISO Tank Supplier www.tanksolutions.com
Tank Solutions, Inc.
 11600 Jones Rd. Suite 108
 Houston, TX 77070
 USA
 Tel: +1 281 517 5100
 Fax: +1 281 517 5101
 Email: info@tanksolutions.com

Fairtrade Labeling Organizations International (FLO)

FLO International	FLO-Cert
Bonner Talweg 177	Bonner Talweg 177
D - 53129 Bonn	D - 53129 Bonn
Germany	Germany
T +49-228-949230	T + 49-228-24930
F +49-228-2421713	F + 49-228-2493120
E-mail FLO Cert: info@flo-cert.net	
FLO Website: www.fairtrade.net	

FLO is the worldwide Fairtrade Standard setting and Certification organization. It permits more than one million producers, workers and their dependants in 50 countries to benefit from labeled Fairtrade. FLO guarantees that products sold anywhere in the world with a Fairtrade label marketed by a national initiative conforms to Fairtrade Standards and contributes to the development of disadvantaged producers and workers.

The FLO helped sponsor the Fair Trade Fair and Sustainable Trade Symposium during the 6th WTO Ministerial Conference in Hong Kong in December 2005. It featured fair trade products from around the world and a symposium with international experts discussing the latest developments in fair trade. There is no currently scheduled symposium. The Steering Committee can be contacted for inquiries: Patricia Jurewicz with the Institute for Agriculture and Trade Policy in the U.S. (pjurewicz@iatp.org); Claribel David with the Asia Fair Trade Forum in the Philippines (theforum@apfti.org.ph)

Institute of Shortening and Edible Oils

The Institute of Shortening and Edible Oils (ISEO) is a trade association representing the refiners of edible fats and oils in the United States. Our members represent approximately 90-95% of the edible fats and oils produced domestically (20 billion pounds) that are used in baking and frying fats (shortening), cooking and salad oils, margarines, spreads, confections and toppings, and ingredients in a wide variety of foods.

Robert M. Reeves, President
Institute of Shortening and Edible Oils
1750 New York Ave, NW, Suite 120
Washington, DC 20006
info@iseo.org
202-783-7960

Transfat Information

www.transfreeamerica.org

The Center for Science in the Public Interest, a food watch-dog group, has petitioned the FDA to ban partially hydrogenated oils from food processing. They encourage less use of butter, palm and coconut oil and more of canola, soy and corm oil.

U.S. Department of Agriculture

Food intake data www.barc.usda.gov/bhnrc/foodsurvey/home.htm
Food composition data www.nal.usda.gov/fnic/foodcomp
Worldwide commodities www.fas.usda.gov
Oil crops Outlook www.usda.mannlib.cornell.edu/reports/erssor/field/ocs-bb/

Confectionary Associations

American Association of Candy Technologists www.aactcandy.org
The Biscuit & Cracker Manufacturers' Association www.thebcma.org
Chocolate Manufacturers Association www.candyusa.org
Institute of Food Technologists
(The Society for Food Science and Technology) www.ift.org
National Confectioners Association www.candyusa.org
Pennsylvania Manufacturing Confectioners Association www.pmca.com

Markets, Oils and Fats Associations

American Oil Chemists' Society www.aocs.org
Chicago Board of Trade www.cbot.com/
Minneapolis Grain Exchange www.mgex.com/
Kansas City board of Trade www.kcbot.com/
New York Stock Exchange www.nyse.com/
American Oil Chemists Society www.aocs.org
American Soybean Association www.soygrowers.com or www.asa-europe.org
Asian & Pacific Coconut Community www.apccsec.org
Australian Oilseeds Federation www.australianoilseeds.com
Baltic Exchange www.thebaltic.com

Brazilian Vegetable Oil Association - ABIOVE	www.abiove.com.br
British Peanut Council	www.peanuts.org.uk
Canola Council of Canada	www.canola-council.org
Camara Industria Aceitera Republica – CIARA	www.ciara.com.ar
EU Oil and Proteinmeal Industry (FEDIOL)	www.fediol.be
Federation of Oils, Seeds and Fats Associations	contact@fosfa.org
Grain and Feed Trade Association (GAFTA)	www.gafta.com
International Food Information Council	www.ific.org
International maritime law industry	www.maritimeadvocate.com
International Organization for Standardization (ISO)	www.iso.org
Malaysian Palm Oil Board	www.mpob.gov.my
National Institute of Oilseed Products	www.oilseed.org
National Oilseed Processors Association	www.nopa.org
National Organic Program	www.ams.usda.gov/nop
Oleoline	www.oleoline.com
Organic Trade Association	www.ota.com
Port state control authorities	www.equasis.org
United Coconut Associations of the Philippines Inc	www.ucap.org.ph
U.S. Customs (Harmonized Tariff Schedule)	www.customs-tariffs.com

Organic Industry Resources

Agricultural Agencies

USDA - www.usda.gov Current U.S. Department of Agriculture information, programs and resources

NATIONAL ORGANIC PROGRAM - www.ams.usda.gov/nop USDA's National Organic Program, which develops and implements national organic standards

USDA Economic Research Service - www.ers.usda.gov/briefing/Organic/ The Main Source of economic information and research from the USDA. Includes information on certified organic acreage by state

USDA Agricultural Network Info Center - www.agnic.org A guide to quality agricultural information on the Internet.

USDA National Agricultural Statistics Service - www.usda.gov/nass/hometext.htm Agricultural Statistics, vegetable and livestock rankings from USDA

FAS-Foreign Agricultural Service - USDA - www.fas.usda.gov World production market and trade reports, weekly export sales, trade shows and marketing events.

Organic Agriculture Centre of Canada - <http://www.organiccentre.ca/> Dedicated to enhancing the environmental and social integrity of agriculture through scientific analysis of methods to improve the sustainability of farming.

Market and Trade Information

Exporter Assistance - www.fas.usda.gov/agexport/exporter.html Key services for U.S. exporters, including Buyer Alerts, Trade Leads, Foreign Buyers List, and U.S. Suppliers List.

Farmer Direct Marketing - www.ams.usda.gov/directmarketing This service has six commodity divisions – cotton, dairy, fruit and vegetable, livestock and seed, poultry and tobacco. The Agricultural Marketing Service provides standardization, grading and market news service for those commodities, as well as farmers' market information.

US Dept. of Commerce: Tradeport - www.tradeport.org Comprehensive trade information, market research, world news, job opportunities.

Organic Business News - www.hotlineprinting.com/obn.html Source of information for organic market trends, legislation, enforcement actions, labeling, processing, and new business.

Canada

FAS online <http://www.fas.usda.gov/agx/organics/organics.html> contains the Organic Perspective Newsletter, Organic Resources, USDA Organic Policy and Regulations, Calendar, International Trade Data and related organic information.

Canadian Organic Growers Inc. - www.cog.ca/index.htm is Canada's national membership-based education and networking organization representing farmers, gardeners and consumers in all provinces.

Organic Agriculture Information - www.sunsite.unc.edu/london A reference desk of resources and articles related to organic agriculture.

Organic Information Web Site - <http://organic.usask.ca/> of the University of Saskatchewan for the purpose of disseminating organic research that is relevant to the prairie region of western Canada. The research presented on this site focuses on both the agronomics and economics of organic farming.

Agriculture Movements (IFOAM) - www.ifoam.org The International Federation of Organic Agricultural Movements site provides news, as well as IFOAM global programs and services, for the organic industry.

Production and General Information

Appropriate Technology Transfer For Rural Areas - www.attra.org Provides technical assistance for farmers extension agents, market gardeners, agricultural researchers and other agricultural professionals in all 50 states.

Certified Organic Food - www.gks.com Gaia One Knowledge System provides a network of farmers, gardeners, consumers and industry professionals working together to bring organic food to the world. Also features ECO-Market Database for organic growers, products, and services

National Agricultural Library - www.nal.usda.gov/afsic The Alternative Farming Systems Information Center (AFSIC) specializes in locating and accessing information related to alternative cropping systems

National Integrated Pest Management Plan (National Integrated Pest Management Network) - www.reeusda.gov/nipmn Contacts with state and regional integrated pest management centers information, publications and IPM calendar

New Farm - <http://www.newfarm.org/> Site provided as a resource for organic farmers and gardeners by the Rodale Institute. Includes The New Farm® Organic Price Index™ as well as training materials.

Organic/Sustainable Agriculture - www.rexp.com/organic.htm Source of audio tapes from agricultural meetings, including those related to organic, biodynamic, co-op and small farm conferences

Sustainable Agriculture Network (SAN) - www.sare.org The communications and outreach arm of the Sustainable Agriculture Research and Education Program.

Sustainable Farming Connection - www.sunsite.unc.edu/farming-connection Billed as a site where farmers find and share information, this features news, Events and Farm policy information

UC Sustainable Ag. Research & Education - <http://www.sarep.ucdavis.edu> University of California sustainable Agriculture Research and Education Program, providing information about sustainable agriculture

Kosher

All information found in this section was downloaded from the official OU Kosher website: <http://oukosher.org>

What is Kosher?


The word kosher means proper or acceptable, and it has informally entered the English language with that meaning. But kosher laws have their origin in the Bible, and are detailed in the Talmud and the other codes of Jewish traditions. They have been applied through the centuries to ever-changing situations, and these rulings, both ancient and modern, govern OU Kosher certification.




You may already be familiar with some of the more well-known requirements, but you may be surprised at the extent of the regulations with which you are not familiar.

The Bible lists the basic categories of food items which are not kosher. These include certain animals, fowl and fish (such as pork and rabbit, eagle and owl, catfish and sturgeon), and any shellfish, insect or reptile. In addition, kosher species of meat and fowl must be slaughtered in a prescribed manner, and meat and dairy products may not be manufactured or consumed together.

Why do so many foods require kosher supervision? For example, shouldn't cereals and potato chips be inherently kosher since they are not made from meat, fowl, fish or insects? The answer is that all units and subunits in a food item must be kosher as well. Thus, for example, a cereal may be non-kosher because it contains a flavoring, which in turn contains civet, a flavor enhancer extracted from an African cat-like mammal. Potato chips can be non-kosher if the vegetable oil used in the fryer has been pasteurized and deodorized on equipment used for tallow production. In fact, equipment used for hot production of non-kosher products may not be used for kosher production without kosherization (a hot purging procedure).


Why Go Kosher?

Most Americans eat some kosher food every day, but chances are they're not aware of it. Take a walk down the aisles of any supermarket and you will see that  certification appears on over 60% of America's produced foods that are certified kosher, from the coveted Oreo to the thirst-quenching Coca-Cola. Over \$150 billion of kosher certified products are consumed annually, and spending continues to rise dramatically.

The  logo has become an increasingly important marketing device which generates additional revenues by expanding the size of the market. Supermarkets favor brands with  certification because it gives the product a competitive edge that makes it sell faster. That also means that  certification can lead to an increase in a company's private label business.

There is clear evidence that a kosher symbol boosts market share, that a kosher product can win more favorable shelf space, and that positioned next to a competing non-kosher brand, a kosher product will do better by 20%. This data has remained constant even in the smaller cities, far from heavier concentrations of kosher Jews. (Source: Integrated Marketing Communications.)

Going kosher is an investment your company makes in order to increase market reach and share. We are ready to support you in any way we can in achieving your goals.

Most importantly, be sure that all your certified products, whether retail or industrial, feature the  logo prominently on the label or packaging, as well as in your advertising. This will not only help your sales, but will also make your products easily identifiable as kosher by food industry personnel, kosher inspectors, and consumers throughout the world.


Kosher Policy


THE OU EMBLEM is the registered trademark (U.S. Patent Office #636,593 and #1,087,891) of the Kosher Division of the Union of Orthodox Jewish Congregations of America - The Orthodox Union. It may be used only by authority of the Orthodox Union Kosher Division.


Products are endorsed as kosher only when bearing the OU emblem on the label. Consumers are directed to check the ingredient panel of products on a regular basis for changes in the pareve/dairy status that may occur as a result of reformulation.

Kosher updates appear regularly on this site and in the News Reporter section of the Orthodox Union publication Jewish Action. If you are an OU member you may obtain OU Kosher Alerts by e-mail as well. Kosher for Passover products under OU supervision are published annually in the Kosher Directory Passover Edition.

DIRECTORY SYMBOLS for Pareve, Dairy and Meat Categorizations:

- The products are Pareve (contains neither milk or meat ingredients). OU Pareve may contain fish or eggs.

-D- The products are DAIRY. These products either contain dairy ingredients or have been processed on dairy equipment.

-M- The products are MEAT/POULTRY. Additionally, they may contain meat/poultry ingredients or have been processed on meat equipment.








BRAND NAMES (labels) are indicated in bold above the products. Where a listing of brands appears above the product(s), this indicates that all products below are marketed under all brand names above.

The Liver must be removed from the cavity and broiled separately in accordance with Kosher procedures.

When purchasing packaged meat or poultry parts, the consumer must be certain that both the sealed package and the inner cellophane wrapper have not been tampered.

7 Steps of Certification

Note: the Request More Information Form is located at http://oukosher.org/index.php/kosher/request_info/

-  Complete and send your application back to the OU office. You may do this online by filling out **the Request More Information Form** by fax or by mail. The application asks for logistical information about your company and your plant, as well as a list of the products you want certified, and their ingredients.
-  A Rabbinic coordinator (account executive) will be assigned to handle your application. This RC will be your designated point person at the OU, and will be available to answer your questions, address your needs and guide you through the certification process.
-  A qualified Rabbinic field representative (RFR) will visit your plant to observe your operation and the feasibility of certifying your products. (There is a processing fee and a travel expense fee that is billed prior to this inspection.) The RFR will tour your plant and file a written report to OU headquarters.
-  Your application and inspection report will be reviewed by your Rabbinic Coordinator who will advise you whether or not the OU can grant certification. In some instances, some system modifications may be required for certification to be awarded.
-  The RC will draft a contract which includes all of requirements of the OU for kosher certification. If acceptable to you the contract is signed and returned to the OU office, and a letter of certification is sent to you.
-  You may then submit you new product labels carrying the OU symbol for our final approval.
-  **CONGRATULATIONS!** You have now joined a family of companies which proudly carry the world's best-known and most widely accepted Kosher trademark, the OU.



1156 15th St. NW, Suite 900
Washington, DC 20005
Phone: 202-785-8450 Fax: 202-223-9741

MEMBERSHIP APPLICATION

The undersigned firm hereby applies for membership in the National Institute of Oilseed Products (NIOP).

Our firm will arrange for two NIOP member firms to submit letters of sponsorship directly to NIOP Headquarters. We understand that our application cannot be processed until you have received these letters of sponsorship and a check for the first year's dues.

Our membership dues check for \$950.00 (drawn on U.S. banking facilities) is attached. Note: There are no **refunds**.

FIRM: _____

MAILING ADDRESS: _____

STREET ADDRESS: _____

TELEPHONE: _____ **FAX (limit one):** _____

E-MAIL: _____

SERVICES AND PRODUCTS:

REPRESENTATIVES: (limit three)*

** All NIOP Correspondence (including dues invoices) will be directed to the representative listed first.*

Is the Above a Branch Listing? (Circle one): Y/N ("Y" indicates this is a branch listing of an NIOP member firm. Should your firm wish to list up to three branch office(s) in the NIOP Membership Directory, please photocopy this form and submit a separate form for each branch listing.)

BY: _____ **DATE:** _____
(Signature of person completing this form)

NOTE: If a current member referred you, please list name here: _____

"For Federal Income Tax purposes, membership dues and contributions to this association are deductible as business expenses, not as charitable contributions."



SAVE THE DATE

Presenting

The NIOP 2006 CONVENTION

"Fuel For Thought: Biofuels, Domestic Oils and Imported Oils"

▶ NEW START DATE ◀

March 21-25, 2006
Sheraton Wild Horse Pass
Phoenix, Arizona

Please join us for a valuable educational experience at the NIOP Annual Convention. This year's agenda features the superior networking and interactive sessions you have come to rely on from this Convention, with a focus on key topics of critical interest to the oilseeds industry.

2006 Convention Highlights include:

- Keynote address by noted economic analyst, forecaster and author of the *Cyclical Investing Newsletter*, David Smith
- Special session on Biofuels
- Hot Topics—Trans Fats, Food Industry Trends, New International Maritime Organization Regulations
- Interactive in-depth sessions on Domestic and Imported Oils
- Numerous opportunities for networking at Receptions and Dinners
- Delegate and Companion Golf Tournaments
- Lodging at the incomparable Sheraton Wild Horse Pass Resort & Spa at special rates

More details coming your way in December!



Fuel For Thought:
 Biofuels, Domestic Oils and Imported Oils

NIOP ANNUAL CONVENTION
 Sheraton Wild Horse Pass, Phoenix, Arizona • March 21-25, 2006



1156 15th Street, NW, Suite 900
Washington, DC 20005
Phone: (202) 785-8450
www.niop.org

LIST OF CONTRACTS AVAILABLE FROM FOSFA INTERNATIONAL AS AT OCTOBER 2005

REVISED AND/OR EFFECTIVE

- 2 Copra - CIF Terms October 2005
 - 3 Sheanuts - CIF Terms October 2005
 - 4 Oilseeds - FOB Terms October 2004
 - 4A European Oilseeds - FOB Terms October 2004
 - 5 Argentine/Uruguay Linseed - CIF Terms October 2005
 - 9 USA/Canadian Flaxseed - CIF Terms October 2005
 - 9A UK Linseed in Bulk - Ex Farm/Delivered Terms October 2004
 - 11 Oilseeds - CIF Terms October 2005
 - 11A USA/Canadian Sunflowerseed - CIF Terms October 2005
 - 13 Sesameseed - CIF Terms October 2005
 - 16 Cottonseed - CIF Terms October 2005
 - 22 South American Yellow Soyabeans - CIF Terms October 2005
 - 24 Canadian/USA Soyabeans - CIF Terms October 2005
 - 25 Soyabeans - CIF Terms October 2005
 - 26 European Oilseeds - CIF Terms October 2005
 - 26A UK Rapeseed - Ex Farm/Delivered Terms (issued jointly with AIC) October 2004
 - 29 Palm Kernels - CIF Terms October 2005
 - 32 Full Container Loads - FCL Terms October 2004
 - 34 Selected Groundnuts in Shell/Groundnut Kernels - C&F Terms October 2004
 - 35 Full Container Loads Selected Groundnuts in Shell/Groundnut Kernels - CIF/C&F Terms October 2005
 - 36 Canadian Rapeseed - CIF/C&F Terms October 2005
 - 37 Selected Groundnuts in Shell/Groundnut Kernels - Spot Conditions October 2004
 - 39 Full Container Loads Argentine Selected Groundnuts in Shell/Groundnut Kernels October 2005
CIF/C&F Terms
 - 49 Gum/Wood/Tall Oil Rosin - CIF Terms October 2005
 - 51 Argentine Soft Oils - FOB Terms October 2005
 - 52 Sunflowerseed Oil in Bulk European Ports - FOB Terms October 2004
 - 53 Vegetable and Marine Oil - FOB Terms October 2004
 - 54 Vegetable and Marine Oil - CIF Terms October 2005
 - 55 Linseed Oil - CIF Terms October 2005
 - 62 Oils and Fats - Ex Tank UK Terms October 2004
 - 69 Technical Tallows and Greases - CIF Terms October 2005
 - 70 Dripping/Tallow/Grease - Delivered/Ex Works Terms October 2004
(issued jointly with NOFOTA, GROFOR, UCOGRAS)
 - 72A Animal, Marine and Vegetable Oils and Fats - Delivered Terms October 2004
(issued jointly with NOFOTA, GROFOR, UCOGRAS)
 - 76 General Business Oilseeds etc - CIF Terms October 2005
 - 79 General Business - Delivered/Ex Works Terms October 2004
 - 80 Crude Unbleached Palm Oil - CIF Terms (issued in conjunction with MPOA) October 2005
 - 81 Palm and Palm Kernel Oil Products (issued jointly with PORAM, MEOMA) October 2005
 - 82 Crude Unbleached Palm Oil - FOB Terms (issued in conjunction with GAPKI) October 2005
 - 90 Refined Edible Oils and Fats - Delivered Terms (issued jointly with NEODA) October 2004
 - 90A Refined Edible Oils and Fats - Delivered Terms October 2004
(issued jointly with NOFOTA, GROFOR, UCOGRAS)
 - 91 UK Produced Acid Oil - Delivered/Ex Works Terms October 2004
 - 92 Refined Oils and Fats - Delivered Ex Works UK Terms (issued jointly with SCOPA) October 2004
 - 93 UK Delivered Feed Fat - Delivered Terms (issued jointly with Feed Fat Association) October 2004
 - 95 Brokerage October 2004
 - 101 African Groundnut Kernels - CIF Terms (issued jointly with AGC) October 2005
 - 102 African Groundnut Kernels - FOB Terms (issued jointly with AGC) October 2004
 - 201 African Crude Groundnut Oil - CIF Terms (issued jointly with AGC) October 2005
 - 202 African Crude Groundnut Oil - FOB Terms (issued jointly with AGC) October 2004
- Short Form** - This contract can be used in conjunction with a relevant form in cases where special conditions or modifications to that form are required (revised and effective 1 October 2004)

MEMBERSHIP Section | Benefits ▶ Services

INDEX

The Federation is able to offer many services to members, which includes:

- A voice in the way international trade is conducted
- FOSFA standard form contracts and contract referred documents
- Arbitration
- Superintendents and Analysts schemes
- FOSFA Handbook

- Consultancy and advisory service and a legal, scientific and technical information service
- Training and professional development
- Wide range of free or discounted publications and services
- Access to FOSFAnet - closed members web site
- Newsletter
- FOSFA events

The Federation has over 700 members which are categorised under the following types:

Trading Members which shall be companies, firms, sole traders, organisations or others carrying on business as principals to contracts in the commodities covered by the Federation.

Broker Members (Full or Associate) which shall be companies, firms, sole traders, organisations or others which do not act as principals to Federation contracts and only receive remuneration in the form of commission from either or both of the contracting principals concerned.

Non-Trading Members (Full or Associate) which shall be organisations or others not eligible in any or such other specialist categories from time to time in being.

Analyst Members (Advanced, Analyst or Associated) which shall be laboratories or analysts not associated with any company, firm or organisation engaged in the trade in Federation commodities and restricted to laboratories or analysts recognised by the Federation for the purposes of analyses carried out under the terms of the Federation's contracts.

Superintendent Members which shall be restricted to independent superintendents recognised by the Federation for the purposes of superintending under the terms of the Federation's contracts.

Kindred Associations which are national and international organisations affiliated to FOSFA business.

FOSFA INTERNATIONAL
the association supporting global trade in oils, seeds and fats

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Resources ▾ **Membership** ▾ **Contracts** ▾ **Training** ▾ **Technical** ▾ **News & Events** ▾

- ▶ Publications
- ▶ Prices
- ▶ Anatomy of seeds
- ▶ Website links

- ▶ Benefits
- ▶ Subscriptions
- ▶ Joining forms
- ▶ FOSFANet

- ▶ Contracts
- ▶ Documents
- ▶ Arbitration

- ▶ Training courses

- ▶ Analysts
- ▶ Superintendents
- ▶ Contact directory

- ▶ Latest news
- ▶ Events diary

RESOURCES Section | Prices ▶ Current Pricing Position

Price Settlement for Week 50

ALL PRICES IN US\$, PER METRIC TON

- **Contract No 80**
Malaysian/Sumatran Crude Palm Oil CIF Rotterdam
 - 29 November 2005 451.00
 - 1 December 2005 444.00

- **Contract No 54**
Malaysian/Indonesian Crude Palm Kernel Oil CIF Rotterdam
 - 29 November 2005 601.50
 - 1 December 2005 591.50

- **Contract No 54**
Philippine/Indonesian Crude Coconut Oil CIF Rotterdam
 - 29 November 2005 559.00
 - 1 December 2005 551.50

RESOURCES Section | Prices ▶ 3 Week Archive

- [Latest prices](#) [most recent pricing]
- [Previous week's pricing](#) [one week old]
- [Past pricing](#) [two week old pricing]
- [Past pricing](#) [three week old pricing]

Date: Thursday 15 December

Price information continued...

ALL PRICES IN US\$, PER METRIC TON

- **Contract No 54**
Any Origin Crude Groundnut Oil CIF Rotterdam
 - 29 November 2005 958.00
 - 1 December 2005 952.50

RESOURCES Section | Prices ▶ Update Availability

- **Next update due 19 December 2005**

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UCAP Statistical Bulletin, Table of Contents

Chapter	Title
SA	Service Article - Philippine Coconut Oil: Fundamentals & Price Outlook for 2004 by Mr. Raul U. Ostrea
A	Agro-Economic Magnitude of the Coconut Industry
B	Coconut Production and Utilization
C	Crushing Capacities of Coconut Oil Mills
D	RP Supply and Demand for Coconut Products
E	Philippine Coconut Products Export
F	World Oils and Fats
	F1 - Production
	F2 - Exports
	F3 - Imports
G	Prices
	G1 - Domestic
	G2 - Export
	G3 - International
H	RP Climatological Data
I	Coconut Conversions and Specifications
Dir	Directory of UCAP Members

This table of contents is detailed on the UCAP webpage.

APCC STANDARDS FOR VIRGIN COCONUT OIL

1. Scope

This Standard applies to virgin coconut oil.

2. Description

Coconut oil is derived from the kernel/meal/copra of the coconut (*Cocos nucifera* L.). Virgin coconut oil is obtained from the fresh and mature kernel of coconut by mechanical or natural means with or without the application of heat, which does not lead to alteration of the oil. Virgin coconut oil is suitable for human consumption in its natural state.

3. Essential Composition and Quality Factors

	Interim APCC Standards
Identity Characteristics	
Relative density	0.915 - 0.920
Refractive index at 40°C	1.4480 - 1.4492
Moisture % wt. max.	0.1 - 0.5
Insoluble impurities per cent by mass max.	0.05
Saponification Value	250 - 260 min
Iodine value	4.1 - 11.00
Unsaponifiable matter % by mass. max.	0.2 - 0.5
Specific gravity at 30 deg./ 30 deg. C	0.915 - 0.920
Acid Value max.	0.5
Polenske Value min.	13
GLC Ranges of Fatty Acid Composition (%)	
C 6:0	0.4 - 0.6
C 8:0	5.0 - 10.0
C 10:0	4.5 - 8.0
C 12:0	43.0 - 53.0
C 14:0	16.0 - 21.0
C 16:0	7.5 - 10.0
C 18:0	2.0 - 4.0
C 18:1	5.0 - 10.0
C 18:2	1.0 - 2.5
C 18:3 – C 24:1	< 0.5

<p>Quality Characteristics Colour Free Fatty Acid Peroxide Value Total Plate Count</p> <p>Odour and Taste</p> <p>Contaminants Matter volatile at 105°C Iron: (Fe) Copper Lead Arsenic</p>	<p>water clean ≤ 0.5% ≤ 3 meq/kg oil < 10 cfu</p> <p>Free from foreign and rancid odour and taste</p> <p>0.2 % 5 mg/kg 0.4 mg/kg 0.1 mg/kg 0.1 mg/kg</p>
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4. Food Additives

None Permitted

5. Hygiene

It is recommended that the product be prepared in accordance with the GMP and HACCP standards.

6. Labelling

The name of the food on the label shall be "Virgin Coconut Oil.". The provisions of the General Standard for the labeling of Prepackaged Foods (CODEX STAN 1 – 1985 (Rev. 1-1991)) shall apply.

7. Methods of Analysis and Sampling

Based on Codex Alimentarius (Volume 13).

United States Edible Oil Industry Directory

Aarhus United USA Inc., 131 Marsh St., Port Newark, NJ 07114. Phone 973-344-1300. Fax 973-344-9049. Web site <http://www.aarhusunited.com/us>.

Port Newark, NJ: *Refine, bleach, deodorize, hydrogenate, interesterify, votate.*

Brands: Cebes, CebesNH, Cisao, EsSence, ILLEXAO, Neutresca, Silko.

ACH Food Companies, Inc., 7171 Goodlett Farms Parkway, Cordova, TN 38018. Phone 901-381-3000. Fax 901-381-3066. Web site <http://www.achfood.com>.

Champaign, IL: *Refine, bleach, deodorize, hydrogenate, winterize, dewax, plasticize.*

Jacksonville, IL: *Deodorize, hydrogenate, winterize, plasticize.*

Oklahoma City, OK: *Bleach, deodorize, hydrogenate, votate, plasticize.*

Brands: Accolade, Alpine, Apex, Astral, BBS, BBS-C, Buckeye, Caplite, Capmul, Caprol, Captex, Clarity Special, Dritex, Famous, Flav'r, Fryrite, Frymax, Glester, Golden Hymo, HB Series, HLF, Humko Special, Humkote, Hypuff, Laurel, Liquid Super Fry, Liqui-Fry, Liquimix, Mel-O-Bake, PS, Richtex, Season, Shurset, Sterling, SP Series, Sunlife, Super Bowl, Super Fry, Super "G", Super Hymo, Tem-Tex, Trisun, Ultra Cake, Velvet, Victory, Vital, Whirl, Wonder.

ADM Refined Oils, Division of Archer Daniels Midland Company, P.O. Box 1470, Decatur, IL 62525. Phone 800-637-5866. Fax 217-424-5467. Web site

<http://www.admworld.com>.

Clinton, IA: *Refine, deodorize, dewax.*

Decatur, IL: *Refine, deodorize, hydrogenate, winterize, dewax, plasticize.*

Des Moines, IA: *Refine, deodorize, hydrogenate.*

Enderlin, ND: *Refine, deodorize, dewax.*

Frankfort, IN: *Refine, deodorize.*

Fresno, CA: *Plasticize.*

Granite City, IL: *Plasticize.*

Lloydminster, Alberta: *Refine, deodorize.*

Lincoln, NE: *Refine, deodorize, hydrogenate.*

Mankato, MN: *Refine, deodorize, hydrogenate.*

Memphis, TN: *Refine, deodorize.*

North Kansas City, MO: *Refine, deodorize.*

Quincy, IL: *Refine, deodorize, hydrogenate, winterize, dewax, plasticize.*

Valdosta, GA: *Refine, deodorize, hydrogenate, plasticize.*

Windsor, Ontario: *Refine, deodorize, hydrogenate.*

Brands: ADM Brand, Best Fry, Creamo, Deco Ice, Drew Puff, Drop of Gold, DSL, Gold 'N' Flavor, Gold 'N' Touch, Golden Chef, Golden Pop, Good as Gold, Hi Fry, Hi-Stability, Hydo, Hyscor, Luscious Gold, Pop 'N' Gold, Power Fry, PowerSun, Super Frost, Super Select, Superb, SuperFine, Superscor, Tastee Corn Pop, Tastee Pop, Tastee Pour.

Ag Processing Inc., 12700 West Dodge Road, P.O. Box 2047, Omaha, NE 68103-2047.

Phone 402-496-7809. Fax 402-498-2247. Web site <http://www.AGP.com>.

Eagle Grove, IA: *Crush, refine, bleach, deodorize.*

Sergeant Bluff, IA: *Crush, Methyl Ester, interesterify.*

Hastings, NE: *Crush, refine, bleach, hydrogenate, deodorize.*
St. Joseph, MO: *Crush, refine, bleach, hydrogenate, deodorize, winterize/fractionate.*
Brand: AgSoy

Bunge Corporation, 11720 Borman Drive, St. Louis, MO 63146. Phone 314-872-3030.
Fax 314-872-0159. Web site <http://www.BungeFoods.com>.

Bradley, IL: *Refine, bleach, deodorize, plasticize/votate, hydrogenate.*

Cairo, IL: *Crush.*

Chattanooga, TN: *Bleach, deodorize, plasticize/votate, winterize/fractionate, hydrogenate.*

Council Bluffs, IA: *Crush, refine, bleach, deodorize, hydrogenate.*

Danville, IL: *Crush.*

Destrehan, LA: *Crush.*

Decatur, AL: *Crush, refine, bleach, deodorize, hydrogenate.*

Emporia, KS: *Crush.*

Ft. Worth, TX: *Bleach, deodorize, plasticize/votate, winterize/fractionate, hydrogenate.*

Marks, MS: *Crush*

Modesto, CA: *Plasticize/votate.*

Vicksburg, MS: *Crush.*

Brands: After All It Takes a Baker, Bakeall, Bunicci, Bunge, Bunge Foods, Challenge, Chef Coat, Clear Choice, Cooklite, Coral, Coral Plus, Cremol, Cremol Plus, Crescent, Custom Imperial, D & S Lard, D & S Tallow, Elite, Esterine, Estrick, E-Z Coat, Fan-Fry, Fryene, Golden Award, Golden Flake, Golden Griddle Fry, Grill 'N Gold, H.L. 88, H.L. 94, Hi Glo, Hi Lite, Hi Tone, HL PY, Hy Temp Shortening, Imperial Oil, Jewel Oil, Kakebake, Marathon, Maxilim, Mr. Chips, Neptune, Nutra Coat, Nutra-Clear Oil, Nutra Fry, Nutra Grill, Oakleaf, Olex, Peanut Select, Penguin, Pour 'N Bake, Pour 'N Fry, Pro-Formance, Pro-Fry, Pyac, Quick Coat, Right Choice, Sanco, Shasta, Slic 70 Shortening, Stabico Shortening, Summit, Sundrop, Super-cel, Tator-Fry, Tem-Cote, Tem Crunch, Tem Freeze, Tem Fry, Tem-Plus, Tem Top, Tem-Wip, The Edge, Top Notch, Tri-co, Trophy, Ultra-Life, V.F.D., Vegaco, Victor Yellow, Vito, Vream, Vremay, Vrest, Vrest Plus, White Plume, X-Trude, XXX Vream.

C & T Refinery, LLC, 7110 Forest Avenue, Suite 200, Richmond, VA 23226. Phone 804-287-1340. Fax 804-285-9170. Email bob_holden@ctrefinery.com.

Charlotte, NC: *Refine, bleach, deodorize, plasticize/votate, winterize/fractionate, hydrogenate, interesterify.*

Brands: Advantage, Encore, Excel-25 Plus, Goldtex, Master Chef, Olympic, Peanut Plus, Perfection, Preference, Regal, Smoothtex, Solo, Stable Flake, Sunrise Blend, T.D.L. Frying Oil, Ultimate, XLS, Zenith.

California Oils Corporation, 1145 Harbour Way South, Richmond, CA 94804. Phone 510-233-7660. Fax 510-233-6457. Web site <http://www.caloils.com>. Email sales@caloils.com.

Richmond, CA: *Crush, refine, bleach, deodorize, hydrogenate, interesterify.*

Brands: Cobee, Cobeetop, Excelkote, Oleinate, Purokote, Wecotop.

Cargill, Inc., P.O. Box 5724, Minneapolis, MN 55440. Phone 800-328-3534. Fax 612-742-5503. Web site <http://www.cargill.com>.

Des Moines, IA: *Refine, deodorize, dewax.*

Fayetteville, NC: *Refine, deodorize.*

Gainesville, GA: *Refine, hydrogenate, deodorize, plasticize.*

Memphis, TN: *Refine, deodorize.*

Riverside, ND: *Refine, dewax.*

Sidney, OH: *Refine, deodorize, hydrogenate, plasticize.*

Sioux City, IA: *Refine, hydrogenate, deodorize, winterize.*

Wichita, KS: *Refine, hydrogenate, deodorize.*

Brands: Cargill, Clear Valley, Clearsoy, Elitra, Odyssey, Popwise, Transend.

CHS, Inc., P.O. Box 64796, MS205, St. Paul, MN 55164-0796. Phone 651-355-6223.

Fax 651-355-3747. Web site: <http://www.chsinc.com>. Email soyoil@chsinc.com.

Mankato, MN: *Crush, refine, bleach, deodorize, hydrogenate.*

Brands: Clearsoy, Honeyhead, Honeysoy, Lustersoy, Savorysoy.

Central Soya, P.O. Box 1400, Fort Wayne, IN 46801. Phone 219-425-5609. Fax 219-425-5281. Web site <http://www.centralsoya.com>. Email

gchenoweth@us.cereolworld.com.

Bellevue, OH: *Crush, refine, bleach, deodorize.*

Decatur, IN: *Crush, refine, bleach, deodorize, plasticize/votate, hydrogenate.*

Morristown, IN: *Crush, refine, bleach, deodorize.*

Pawtucket, RI: *Deodorize, plasticize/votate.*

Brands: *Centracote, Centracreme, Centrafry, Centrapour Creamy, Centrapour Soya, Colfax Royal, Goldco, Goldline Canola, Goldline Corn, Goldline Peanut, Popsit, Redline M-V, Topsit, Centrasoy Pie, Centra Best, Redline Lard, Goldline Coconut Oil.*

Chickasha Cotton Oil Company, 1347 N. Alma School Road, Chandler, AZ 85224. Phone 480-963-5300. Fax 480-821-5888. Web site <http://www.chickashacotton.com>.

Lamesa, TX: *Refine.*

Tifton, GA: *Refine.*

Columbus Foods Company, Inc., 730 N. Albany, Chicago, IL 60612. Phone 773-265-6500. Fax 773-265-6985. Web site <http://www.ColumbusFoods.com>. Email

jhealy@ColumbusFoods.com.

Chicago, IL: (4 plant locations) *Refine, bleach, deodorize, plasticize/votate, winterize/fractionate, esterify.*

Brands: *Butcher Boy, Columbus Brand, Golden Butcher Boy, Mike Brand, Natures Secret, Pago, Penola, private labels, Purestlite, Sorento, Sun Brand, Sunrise, Sunrise 2000.*

ConAgra Grocery Products Co., 3353 Michelson Drive, Irvine, CA 92612. Web site <http://www.conagra.com>. Phone 949-437-1217.

Memphis, TN: *Refine, deodorize, winterize, hydrogenate, plasticize.*

*Ed Miniat, Inc., 1055 W. 175th St., Suite 201, Homewood, IL 60430. Phone 708-647-3549. Fax 708-957-7382. Email mbotelho@miniat.com.
Chicago, IL: Refine, deodorize, hydrogenate.*

*Fuji Vegetable Oil, Inc., One Barker Ave., White Plains, NY 10601. Phone 914-761-7900. Fax 914-761-7919. Web site <http://www.fujioil.co.jp>. Email acormeau@fvo-usa.com.
Savannah, GA: Refine, bleach, deodorize, winterize/fractionate, hydrogenate, interesterify, plasticize/votate.
Brands: Bohenin, BST, Chocoseed, Hi-Mel, Melanex, Melano, Melarin, Palkena, Palkerin, Palmel, Palmy, SFT, Univer.*

*Golden Foods – Golden Brands, LLC, P.O. Box 398, 2520 South 7th St., Louisville, KY 40201. Phone 502-636-3712. Fax 502-636-3904. Web site <http://www.GFGB.com>.
Louisville, KY: Refine, bleach, deodorize, plasticize/votate, hydrogenate.*

*Hartsville Oil Mill, 311 Washington Street, Darlington, SC 29532. Phone 843-393-1501. Fax 843-395-2690.
Darlington, SC: Refine, deodorize.*

*J. M. Smucker Co., 5204 Spring Grove Avenue, Cincinnati, OH 45217. Phone 513-482-8232. Fax 513-482-8238. Web site <http://www.smuckers.com>, <http://www.crisco.com>.
Email dan.nowicki@jmsmucker.com.
Cincinnati, OH: Refine, bleach, deodorize, hydrogenate.
Brands: Crisco, Crisco Oil.*

*Liberty Vegetable Oil Company, 15306 South Carmenita Rd., Santa Fe Springs, CA 90670. Phone 562-921-3567. Fax 562-921-8837. Web site <http://www.libertyvegetableoil.com>. Email rfield@libertyvegoil.com.
Santa Fe Springs, CA: Crush, refine, bleach, winterize, deodorize.*

*Loders Croklaan, 24708 W. Durkee Rd., Channahon, IL 60410. Phone 815-730-5200. Fax 815-730-5202. Web site <http://www.croklaan.com>.
Channahon, IL: Refine, bleach, deodorize, plasticize/votate, winterize/fractionate, hydrogenate, interesterify; encapsulation, agglomeration.
Brands: Aratex, B-12, B-40, Beta Plus, Betrdonut, Betricing, Betrflakes, BeterFX, Betrflake, Centrnl, Choclin, Cirol, Coberine, Code 321, Cote-Hi, Crokcool, Croklaan Special, Design, Durasorb, Duratex, Dur-Em, Durfax, Durkex, Durkex Gold, Durkote, Durlac, Durlite Gold, Dur-lo, Durola, Durola Select, Duromel, Dur-pro, Durtan, EC-25K, Fluid-EEZ, Hydrol, I.C.E., K.L.X., Kaokote, Kaomax, Kaomel, Kaoprem, Kaorich, Kriskol, Kristel, Kristel Gold, Magna, Melofil, Optima, Paramount, Perflex, Pyramid, Santone, Satina, Snac-Kote, Sta-Nut, Tally 100.*

Oilseeds International Limited, 3390 South Chestnut Avenue, Fresno, CA 93725. Phone 559-264-2842. Web site <http://www.oilseedssf.com>.

Owensboro Grain Company, 719 East Second St., P.O. Box 1787, Owensboro, KY 42301-1787. Phone 270-926-3032. Fax 270-686-6509. Web site <http://www.ogcsoya.com>. Email ogcogeo@aol.com.
Owensboro, KY: Crush, refine, bleach, deodorize, hydrogenate.

Patrick Cudahy, Inc., 3500 E. Barnard Ave., Cudahy, WI 53110., Phone 414-744-2000. Fax 414-744-8150. Web site <http://www.patrickcudahy.com>. Email charliebrah@patrickcudahy.com or deanjacobson@patrickcudahy.com.
Cudahy, WI: Refine, bleach, deodorize, plasticize/votate, hydrogenate.
Brands: Cebeco, El Gordito, Hi Flake, High Stability, White Champion, HydrOlard, Pavo Real, private labels, Queen O'Hearts, Special White Champion, Toco, White Champion.

Perdue Farms, Inc., P.O. Box 1537, Salisbury, MD 21801. Phone 410-543-3850. Fax 410-543-3506. Web site <http://www.perdue.com>. Email roger.covey@perdue.com.
Chesapeake, VA: Crush, degumming.
Salisbury, MD: Crush, refine, bleach, deodorize, hydrogenate.
Brand: Perdue.

Pyco Industries, Inc., P.O. Box 841, Lubbock, TX 79408-0841. Phone 806-747-3434. Fax 806-744-3221. Web site <http://www.pycoindustries.com>.
Lubbock, TX: Crush, refine, bleach, deodorize, winterize.
Greenwood, MS: Crush.

Riceland Foods, Inc., P.O. Box 926, Stuttgart, AR 72160. Phone 870-673-5480. Fax 870-673-5397. Email tkeller@riceland.com. Web site <http://www.riceland.com>.
Stuttgart, AR: Crush, refine, bleach, deodorize, plasticize/votate, winterize/fractionate, hydrogenate.
Brands: Chef-Way, Delta Queen, Go, Oriental Harvest, Pourable Clear Fry, Riceland, Sal-Fry, Shur-Chef, Surefry, ULV.

Sessions Company, Inc., 801 North Main Street, Enterprise, AL 36330. Phone 334-393-0200. Fax 334-393-0240.
Enterprise, AL: Refine.
Brands: Sessions.

Veg-Oil, Inc., 727 Kennedy St., P.O. Box 1918, Oakland, CA 94604. Phone 510-261-9670. Fax 510-535-5442.
Stockton, CA: Refine.
Brands: Applause, Encore.

Ventura Foods, LLC, 14840 E. Don Julian Rd., City of Industry, CA 91746. Phone 626-855-2200. Fax 626-934-1496. Web site <http://www.venturafoods.com>.
Albert Lea, MN: Plasticize/votate.
Birmingham, AL: Winterize/fractionate.
City of Industry, CA: Plasticize/votate.

Los Angeles, CA: Plasticize/votate.

Opelousas, LA: Refine, bleach, deodorize, dewax, votate, winterize, hydrogenate.

Portland, OR: Plasticize/votate.

St. Joseph, MO: Plasticize/votate.

Saginaw, TX: Plasticize/votate.

Salem, OR: Plasticize/votate.

Waukesha, WI: Plasticize/votate.

Brands: Breakthrough, Buttercup, Chef's Pride, Churn Spread, Citation, Classic Gourmet, Cooks Secret, Delight, Dress-All, Extend, Gold-n-Soft, Gold-n-Sweet, Gourmay, Grandioso, Gregg's, Kaola Gold, Lou Ana, Mel-Fry, Mor-Gold Plus, Perfecto, Phase, Pop-N-Lite, Pride of Life, Saffola, Savory, Sun Glow, Sun Gold, Sunburst, Sunnyland, Trail Hand, Triumph, Ventura, Ventura Ultra-Fry, White Cap, Wilsey.