



## FORESTS OF THE WORLD POSITION ON PALM OIL

According to FAO - the United Nations Food and Agricultural Organization - the annual net loss of forest in tropical lands was 7 million hectares in 2016<sup>1</sup>. Conversion of forest to agricultural land is the major cause of deforestation today<sup>2</sup>.

Palm oil is the most widely grown vegetable oil worldwide<sup>3</sup>. Its low world market price and special characteristics<sup>4</sup>, suitable for processed foods, have led the food industry to now use palm oil in half of all supermarket products<sup>5</sup>. Palm oil plantations currently cover more than 27 million hectares on the earth's surface<sup>6</sup>, more than 6 times the area of Denmark, and global production is expected to rise<sup>7</sup>. Future growth is mainly due to population growth and income growth in developing countries<sup>8</sup> as well as increased use of palm oil in biofuels in the EU<sup>9</sup>.

Palm oil production threatens significant natural areas, increases greenhouse gas emissions, impacts water quality and access, and is often associated with human rights violations and land rights. Researchers estimate that 60% of all palm oil exports (about 16 million tonnes) have been responsible for rainforest clearing in Indonesia and Malaysia since 2000<sup>10</sup>. When forest habitats are cleared, endangered species such as the orangutan, the Borneo elephant and the Sumatran tiger are pushed closer to extinction<sup>11</sup>. In addition, conflicts over land ownership and human rights violations are everyday occurrences, even on supposed "sustainable" and organic plantations<sup>12</sup>. Palm oil production also adversely affects the climate. When rainforest areas are felled or burned, large amounts of carbon and methane gas<sup>13</sup> are released into the atmosphere<sup>14</sup>. Forests of the World recognizes that palm oil is a basic food in many countries and can be grown sustainably<sup>15</sup>. Forests of the World also recognizes that the oil palm is the most productive oil plant, which means it can produce significantly more oil per year and hectare than others currently cultivated oil plants such as soy, sunflower or rapeseed<sup>16</sup>. This fact makes it difficult to pinpoint an alternative oil source, since replacing palm oil production with one of the alternative oil plants would require unrealistically large areas to produce the required amount of vegetable oil<sup>17</sup>.

Forests of the World is concerned that the rising demand for palm oil will have consequences for additional areas of rainforest and other nature with great conservation value. In particular, the increasing demand for food crops, such as palm oil, in biofuels is worrying, as their use does not have the desired positive effect on the climate<sup>18</sup>. This is mainly because crops such as rapeseed, soybean and palm oil are often grown in areas that used to contain rainforest, grass, wetlands or peat bogs and thus kept large amounts of CO<sub>2</sub><sup>19</sup>. As the situation is right now, palm oil poses a threat toward the rainforest and towards the global climate. Forests of the World believes that



we must ensure that palm oil does not cause more deforestation, compromise indigenous people's conditions or adversely affect the environment and climate. We therefore recommend:

### REDUCE CONSUMPTION OF PALM OIL

First of all, politicians and companies must demand that palm oil is not used in an inappropriate way, such as in biofuel. Since palm oil is used in a myriad of different everyday products, from biscuits to hair shampoos, by reducing its general consumption, you can help reduce the demand for palm oil. Each consumer can also reduce his consumption of palm oil by skipping processed foods, such as biscuits and ready-made dishes, and instead opt for fresh produce, which also has health benefits<sup>20</sup>. In addition, the consumer can look for products such as shampoos that do not contain palm oil or other diluents and which will therefore be more efficient and cheaper for the globe. Forests of the World therefore recommend that:

- **Businesses / Importers:** Must investigate whether products can be produced without palm oil (without replacing this with another oil having similar, or worse, effect on the rainforest); Must demand palm oil grown on areas that have not been redirected from tropical forest in recent years<sup>21</sup> (see also below: demand for certified palm oil).
- **Politicians (EU):** Must ban palm oil in biofuels; here, no food crops should be used, only waste products. Therefore, the EU must immediately end all support (e.g. state aid and tax incentives) for food crops in biofuels and phase them out as soon as possible.
- **Consumers:** Must reduce their general consumption and choose fresh ingredients instead of processed foods, as well as products without palm oil or other fillers.

### USE CERTIFIED PALM OIL

In cases where the use of palm oil is unavoidable, Forests of the World recommends looking for sustainably produced palm oil that has not caused deforestation, violated indigenous peoples' rights or adversely affected the climate. There are several international certification schemes that try to secure this. However, none of these schemes are yet fully capable of ensuring zero deforestation. However, if you are going to use palm oil, Forests of the World would recommend choosing palm oil whose production meets the requirements and indicators developed by Palm Oil Innovation Group (POIG), which ensures slightly better conditions in and around palm oil production than conventional palm oil and palm oil certified under the Roundtable on Sustainable Palm Oil (RSPO)<sup>22</sup>. Following an analysis<sup>23</sup> of how or whether POIG as a certification scheme ensures zero deforestation, that the rights of indigenous peoples are respected and that the climate is not adversely affected, we have the following objections<sup>24</sup> to POIG:

- **The certification / standard:** POIG is not a trade mark, which means that as a consumer, one cannot look at a product if the palm oil content is produced in accordance



with POIG's standards and principles. Therefore, it will be difficult for Forests of the World to recommend consumers to choose 'POIG certified' palm oil as it is not visible. Furthermore, by supporting the POIG initiative, one will at the same time support the RSPO, as the RSPO standard is the basis for POIG.

- **No deforestation:** POIG operates with a High Carbon Stock approach (HCS) combined with a High Conservation Value Assessment (HCV) and a process of obtaining free, prior and informed consent to use land. This is an improvement from the RSPO, but it is not clear how it works in practice and it is therefore uncertain whether this is good enough. Thus, it cannot act as a guarantee against deforestation.
- **Indigenous peoples' rights:** Clear improvement from RSPO, but not concrete enough, and clear guidelines for practice are lacking.
- **Governance:** It is difficult to participate actively in POIG, because the public meetings are devoid of decision-making power. It is difficult to get into the board (which has decision-making power) as you have to be appointed by the organizing committee.

### IMPROVE TRACEABILITY OF PALM OIL

Forests of the World believes that it should be visible to the consumer and other parties, where and how the palm oil that is part of a given production chain or product is produced. Therefore, traceability must be improved. Forests of the World therefore recommend that:

- **Businesses/importers:** Must take responsibility for their supply chains and tighten requirements for the sustainability and traceability of the palm oil they import and is included in their production.
- **Politicians:** Must work to tighten requirements for traceability in supply chains in relation to Danish imports, which include palm oil, which pose a risk to the environment (in the form of deforestation, loss of biodiversity, etc.) and to the people living in production areas. Policymakers must also regulate the supply chains of palm oil and other products that pose a risk to the forest to ensure that EU consumption is legal, does not create conflict and does not lead to deforestation.
- **Consumers:** Should demand manufacturers to increase the traceability of the content and sustainability of their products.

**Note:** This position is based on what the situation and certification schemes look like now in January 2018. For this position to continue to be valid, then our knowledge of the situation and certification schemes must be updated continuously as new things happen in the field.

Furthermore, it is important to point out that we currently lack knowledge of some elements of the certification schemes. This is especially true for how these work in practice. We have not yet worked with them in the field, so we do not know how the different principles are interpreted, observed and applied in reality.



See the references below for more information, immerse yourself in Forests of the World report on palm oil and soy, or contact us.

#### REFERENCES:

1. FAO (2016) STATE OF THE WORLD'S FORESTS 2016 - Agriculture remains the most significant driver of global deforestation - FORESTS AND AGRICULTURE: LAND-USE CHALLENGES AND OPPORTUNITIES [Online] Available from: <http://www.fao.org/3/a-c0176e.pdf>
2. Ibid.
3. FERN (2017) Agricultural commodity consumption in the EU – Policy Brief, [Online] Available from: [www.fern.org](http://www.fern.org)
4. The main benefits are: High stability over time: Palm oil also helps maintain the unique taste throughout the shelf life of the product thanks to the higher oil's stability to oxygenation compared to other vegetable oils. Neutral taste and odor: Odorless palm oil can be used in many different foods without affecting their taste. Due to the neutral taste of the oil, it does not blur the taste of the other ingredients such as milk, cocoa and hazelnuts. Palm oil is a very versatile fat because of the oil's ability to divide into different parts: liquid and solid (Palm Oil and food (2016) A natural and versatile ingredient [Online] Available from: <http://www.palmoilandfood.eu/en/natural-and-versatile-ingredient>.)
5. FERN (2017) Agricultural commodity consumption in the EU – Policy Brief, [Online] Available from: [www.fern.org](http://www.fern.org)
6. RainForest Rescue (n.d.) Palm Oil: Facts about the ingredient that destroys the rainforests. [Online] Available from: <https://www.rainforest-rescue.org/topics/palm-oil>
7. Supply-Change.org (2017) [Online] Available from: <http://www.supply-change.org/commodity/palm>; Og Agri-Outlook (2016) [Online] Available from: <http://www.agri-outlook.org/commodities/oilseedsandoilseedproducts.html>
8. FAO (2016) STATE OF THE WORLD'S FORESTS 2016 - Agriculture remains the most significant driver of global deforestation - FORESTS AND AGRICULTURE: LAND-USE CHALLENGES AND OPPORTUNITIES [Online] Available from: <http://www.fao.org/3/a-c0176e.pdf>
9. Nature Climate Change (2011), 1, s. 389–390.
10. Supply-Change.org (2017) [Online] Available from: <http://www.supply-change.org/commodity/palm>
11. JOHN E. HERMANSEN, MARIE TRYDEMAN KNUDSEN OG JANNI SØRENSEN (2013) SOJA OG PALMEOLIE. Certificeringsordninger til dokumentation af bæredygtighed i forbindelse med produktion. DCA RAPPORT NR. 020, s.13.
12. RainForest Rescue (n.d.) Palm Oil: Facts about the ingredient that destroys the rainforests. [Online] Available from: <https://www.rainforest-rescue.org/topics/palm-oil>
13. Philip. G. Taylor et al. (2014) [Palm oil wastewater methane emissions and bioenergy potential](#). NATURE CLIMATE CHANGE, VOL 4.
14. World Resources Institute (2015) Indonesia's Fire Outbreaks Producing More Daily Emissions than Entire US Economy [Online] Available from: <http://www.wri.org/blog/2015/10/indonesia%E2%80%99s-fire-outbreaks-producing-more-daily-emissions-entire-us-economy>
15. European Palm Oil Alliance (2014) PALMEOLIENS HISTORIE - Tal og fakta, EPOA, s.8 [Online] Available from: <https://www.palmoilandfood.eu/sites/default/files/EuropeanPalmOilAlliance->



[Factsheet2014- DK-DEF.pdf](#)

16. Oil World (2015).
17. Oil World (2007).
18. EUROPEAN COMMISSION (2012) COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources [Online] Available from: [https://ec.europa.eu/energy/sites/ener/files/swd\\_2012\\_0343\\_ia\\_en.pdf](https://ec.europa.eu/energy/sites/ener/files/swd_2012_0343_ia_en.pdf);  
Transport & Environment (TE) (2016) Biodiesel's impact: emissions of an extra 12m cars on our roads, latest figures show [Online] Available from:
19. GreenPeace (2007) 1. generations biobrændsel er en uholdbar løsning [Online] Available from: <http://www.greenpeace.org/denmark/da/press/pressemeddelelser/2007/1-generations-biobrandsel-er-en-uholdbar-losning/>
20. A reduced consumption of palm oil reduces the intake of saturated fat, making it easier to live up to the recommendations of the National Board of Health, in particular the 7th Dietary Council on eating less saturated fat. This page specifically mentions that palm oil is part of the problem: <http://altomkost.dk/nyheder/nyhed/nyhed/fokus-paa-maettet-fedt/>
21. Forests of the World believe that it is important that the palm oil cultivated is grown on the areas already converted to agriculture. Already redeveloped areas in Malaysia/Indonesia that could be used for palm oil are deserted. For more knowledge, see the Forests of the World report on Palm Oil and Soy.
22. Based on our analysis of existing certification schemes for palm oil, we have considered that we cannot recommend RSPO, among other things, because of their policy on deforestation.
23. For a detailed analysis see background report on Forests of the World website.
24. In the analysis of POIG, we have taken a closer look at the focus areas of Forests of the World, and thus recognize that there may be other shortcomings.