

# The Palm Oil Story

Sharing views on challenges and opportunities in health & nutrition and sustainability

**Thijs Pasmans**

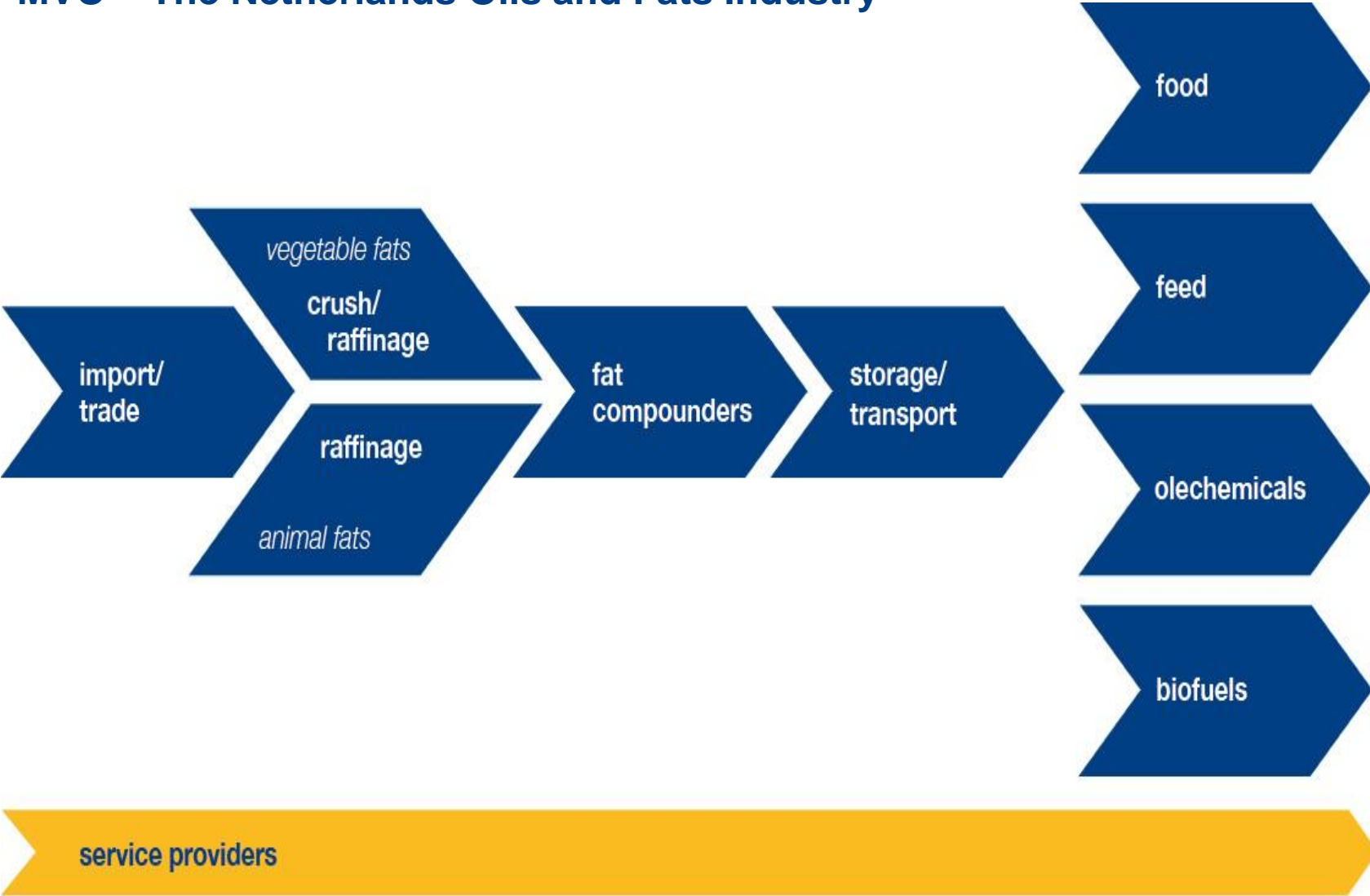
**MVO – The Netherlands Oils and Fats Industry**

- **European Palm Oil Alliance**
- **European Sustainable Palm Oil**

**German Malaysian Roundtable 17-18 June 2015**



# MVO – The Netherlands Oils and Fats Industry



■ MVO members ■ MVO partners



# MVO – The Netherlands Oils and Fats Industry

## Sustainable development >

This theme comprises amongst others sustainable sourcing of raw materials, improvement of energy efficiency, transition to a bio-based economy and the re-use of residual and byproducts.

## Health >

The latest developments in the area of fats and health, government policy and law, food science, the importance of fats as part of day-to-day diet.

## Food and feed safety >

Information on European and Dutch regulations, directives and laws in the area of pesticides, contaminants and so on, but also on policies concerning product quality, training and knowledge sharing.

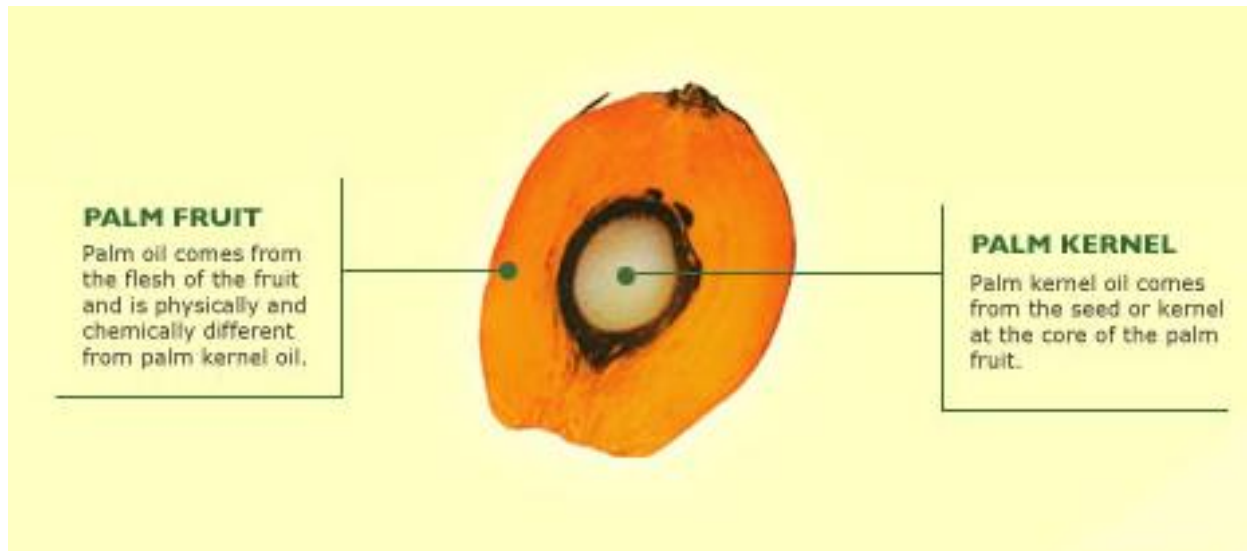
## Trade Policy >

Information on the WTO, the GSP, custom duties, free trade agreements, tariff suspensions, anti-dumping measures and regulations on genetically modified organisms (GMO's).

# The Palm Oil Story – What is palm oil?



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# The Palm Oil Story – What is palm oil?

*Seed*





# The Palm Oil Story – What is palm oil?

## *Nursery*





# The Palm Oil Story – What is palm oil?

## *Plantation*





# The Palm Oil Story – What is palm oil?

## *Harvest*





# The Palm Oil Story – What is palm oil?

## *Fruit bunch and fruit*

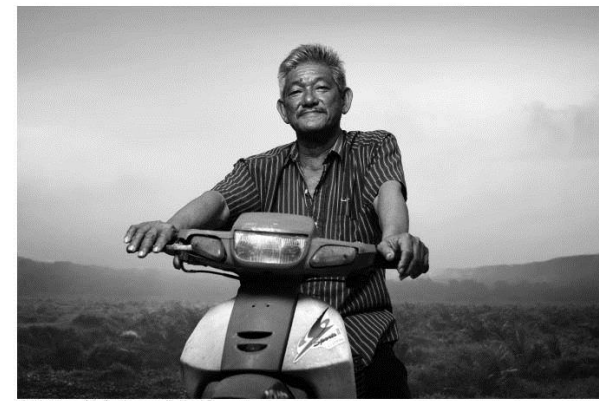
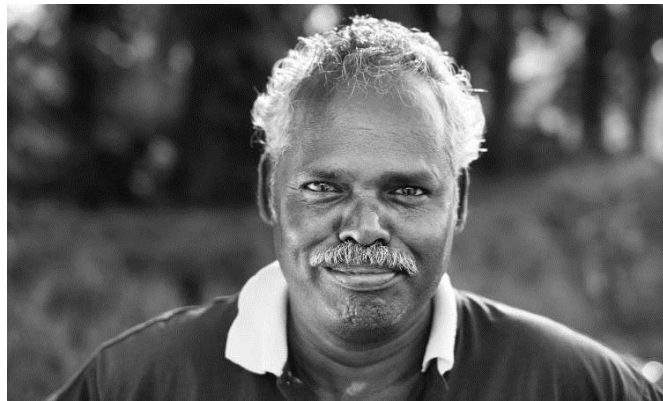


# The Palm Oil Story – What is palm oil?

## Smallholders



Abdul Wahab, 42, smallholder at Sengul Besar Sabak Bernam.  
Inheriting his plantation from his parents. Working as full time farmer since 17 years old.



Ah Hok, 52, one of the few Chinese smallholders left.  
After attending to his plantation he enjoys fishing.

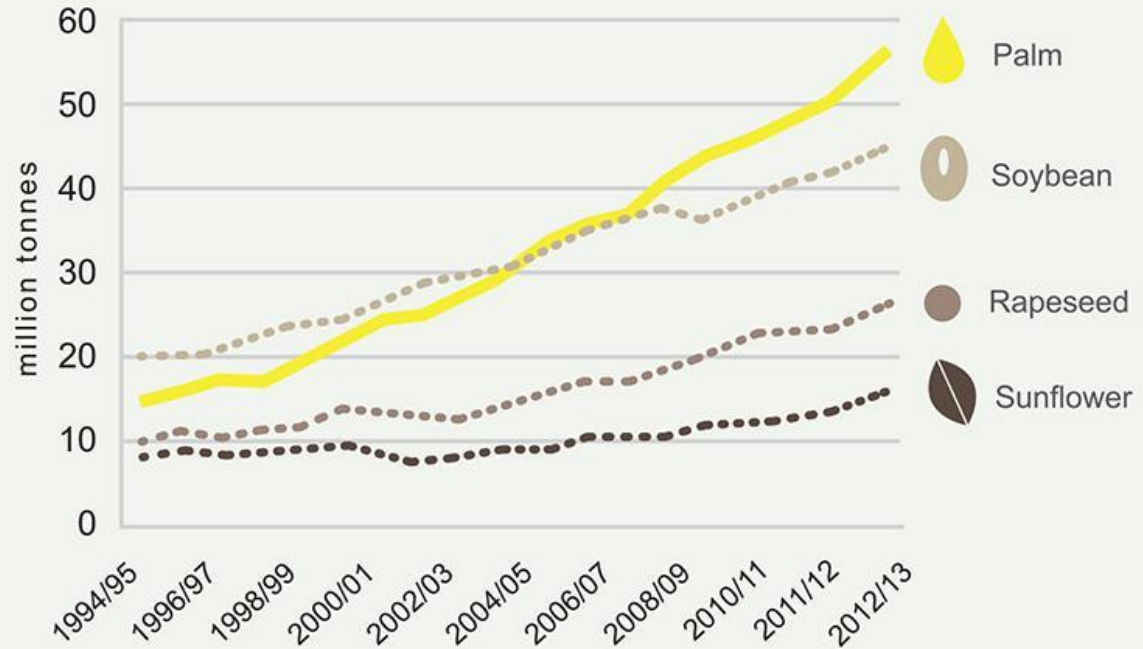


# The Palm Oil Story – Why palm oil?



# The Palm Oil Story – Why palm oil?

Global demand for vegetable oil is growing fast



source: USDA

## Why is palm oil so popular?



Relatively cheap



Most versatile



High yielding



Most widely produced

# The Palm Oil Story – Where from?

Import (MT 2014)	Export	Domestic disapp.
2378	1124	1290

**Netherlands**

Import (MT 2014)	Export	Domestic disapp.
1190	365	840

**Germany?**

**China 5.6 MT / yr**

**To Europe? 7.3MT / yr (11%)**

**50 MT / yr (85%)  
Malaysia and Indones**

**Latin America**

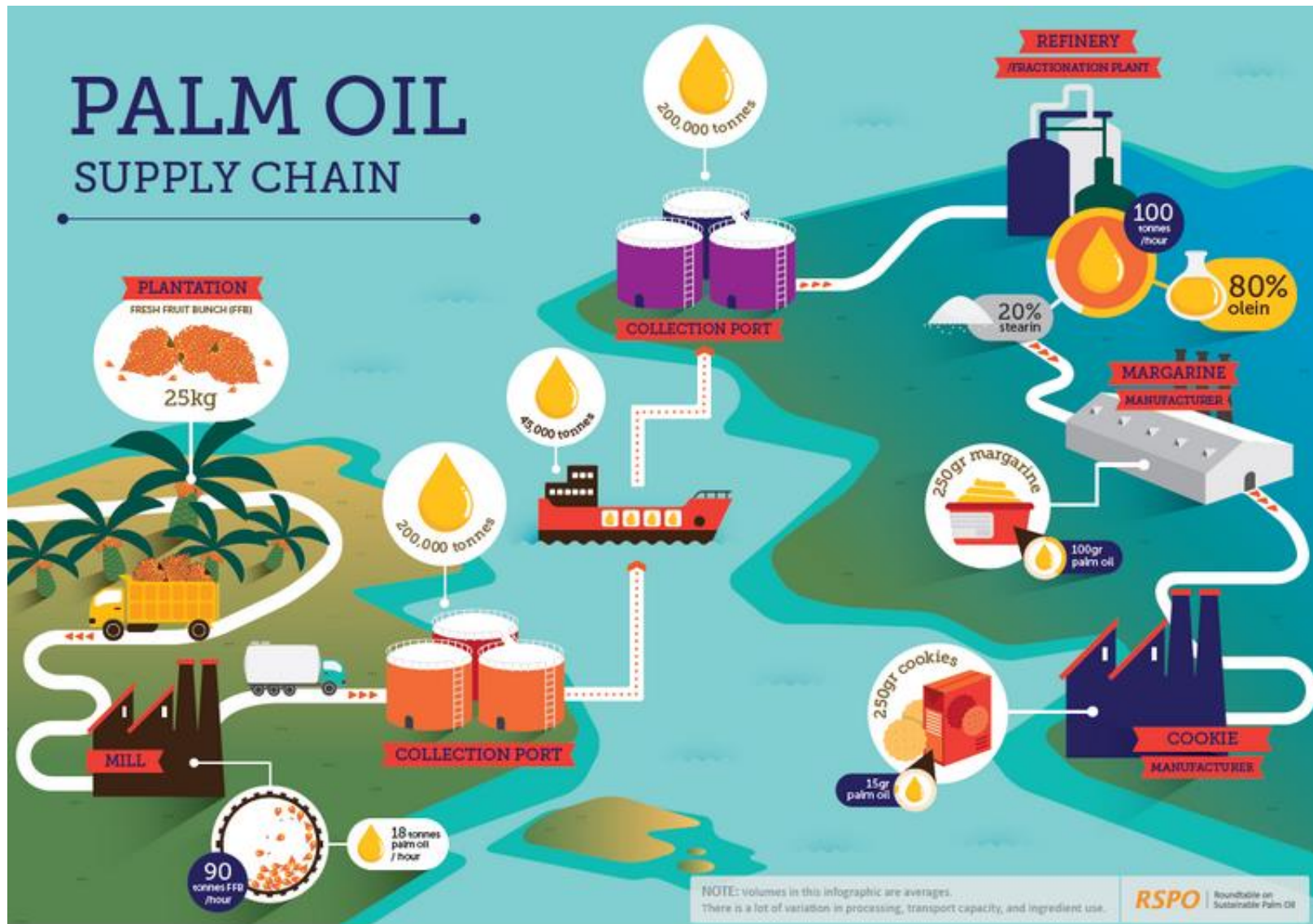
**West Africa**

**India 7.9 MT / yr**





# PALM OIL SUPPLY CHAIN



# The Palm Oil Story – Reality in Europe, our messages

## Health and nutrition

- Rebalance the debate on palm oil and food - Palm oil perfectly fits in a balanced diet

## Sustainable production

- Move towards the use of more sustainable palm oil



# Role of MVO

Sustainable resourcing



European Sustainable Palm Oil

European Sustainable Palm Oil Advocacy Group



European Palm Oil Alliance

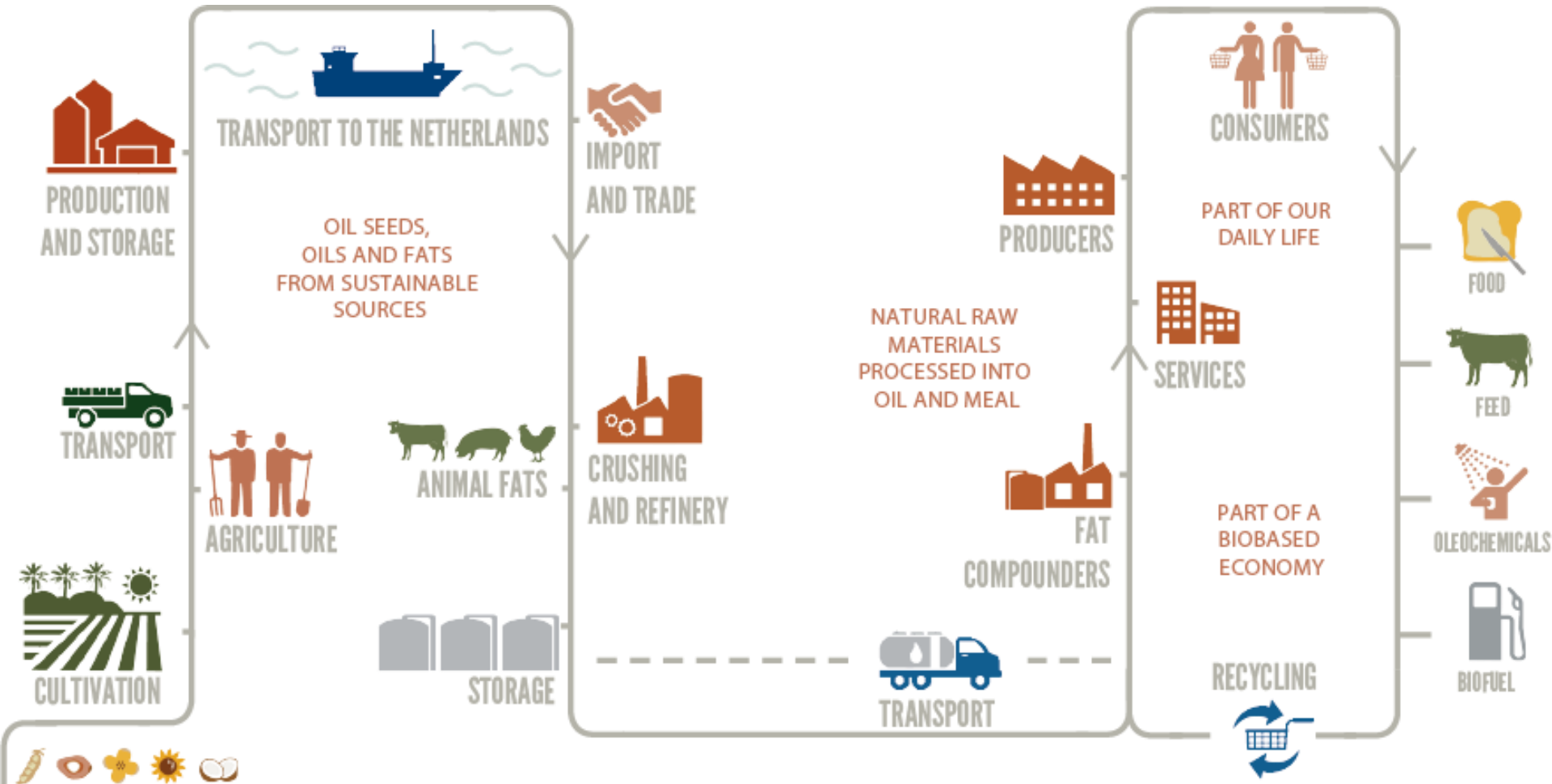


Health and Nutrition





# Supply chain approach

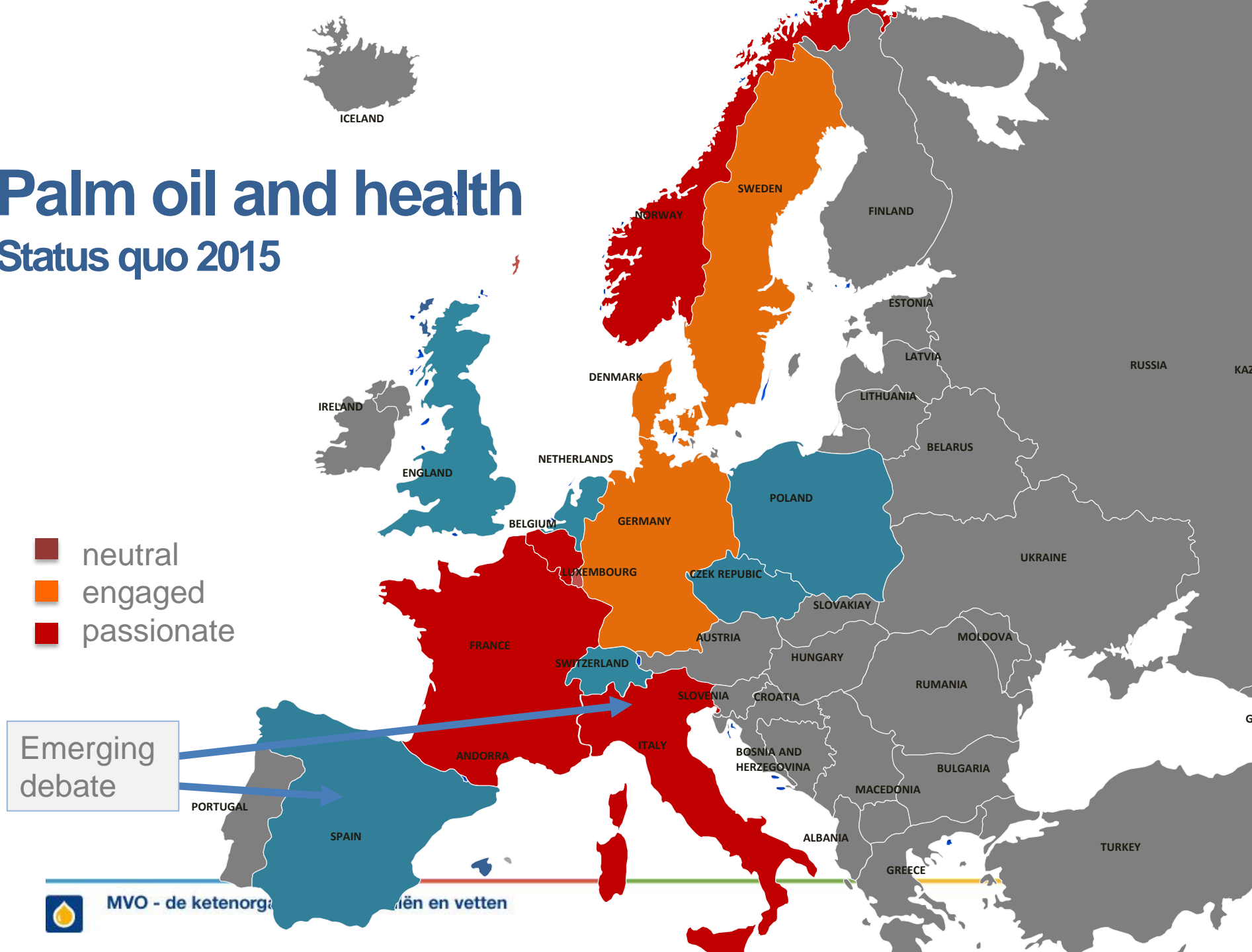


# Palm oil and health

Status quo 2015

- neutral
- engaged
- passionate

Emerging debate



# Palm oil and health

## Palm Oil free products

Quality Hotel Fredrikstad is Norway's first palm oil-free hotel



SANS HUILE DE PALME



sans huile de palme



sans huile de palme



SANS HUILE DE PALME



SANS HUILE DE PALME



SANS HUILE DE PALME



SANS HUILE DE PALME



MVO - de



# Ferrero Consumer Perception Research 2015

WHICH OIL / FAT IS THE WORST FOR PEOPLE'S HEALTH?

**Palm oil** is considered the **worst** in **France and Belgium south**. In **Italy** its **negative perception** is **increasing**, reaching same level as lard.

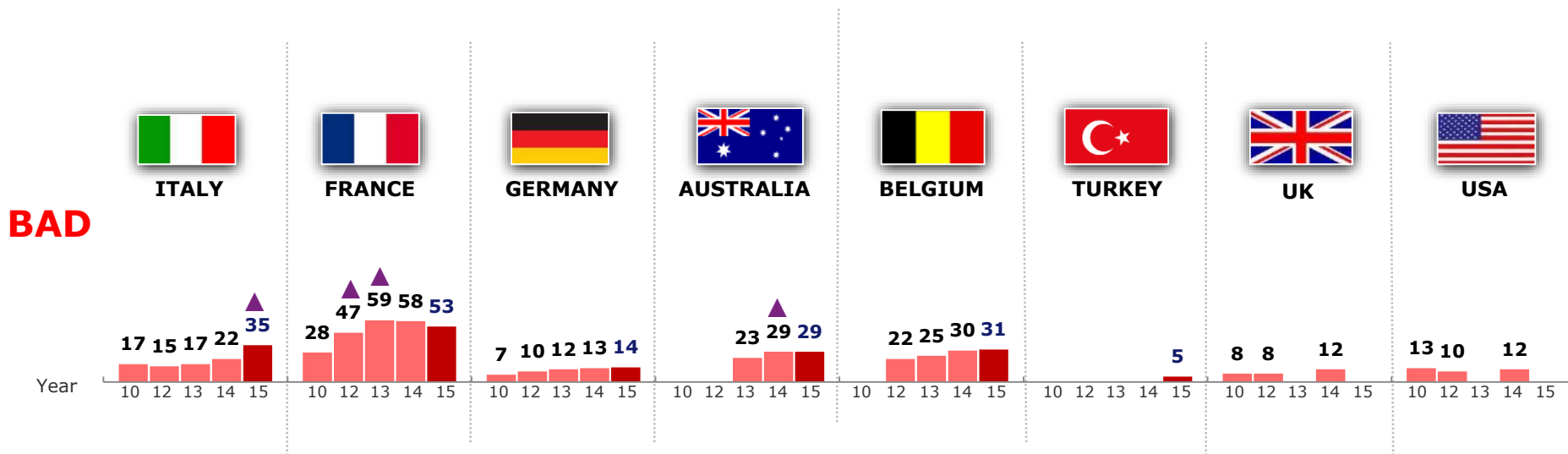
People provide mostly generic answers



# Ferrero Consumer Perception Research 2015

DO YOU THINK THAT PALM OIL IS GOOD, NEUTRAL OR BAD FOR YOUR **HEALTH** ?

**Bad perception is increasing significantly in Italy**, whereas it's slightly improving in France and it's remaining stable in the remaining countries



# EPOA approach

Rebalance the debate on palm oil and food by:

- strengthening scientific knowledge and communication
- reinforce stakeholder engagement
- reduce 'no palm oil' labels
- enlarge circle of influence and platform.

## Opportunity is local





# Material & channels

[www.palmoilandfood.eu](http://www.palmoilandfood.eu)  
[info@palmoilalliance.eu](mailto:info@palmoilalliance.eu)  
 @EPOA\_EU



**THE PALM OIL STORY**  
 THE MOST VERSATILE AND ESSENTIAL OIL IN THE WORLD

**STIMULATES LOCAL ECONOMIES**  
 Palm oil creates jobs - 1 hectare per day  
 Palm oil grows best around the equator  
 Palm oil is the most efficient crop in the world

**AL HIGHLY EFFICIENT CROP**  
 Highest yield of palm fruit  
 Produces 40 kg of oil every year  
 100% of the palm fruit is used

**WORLD DEMAND PALM OIL**  
 1990 2000 2010 2015  
 10 20 30 40 50 60 70 80 90 100

**SUSTAINABLE PRODUCTION**  
 No cultivation in primary forests  
 Low emissions carbon  
 Support sustainable production  
 Education for sustainable palm oil

**WE NEED FAT EVERY DAY**  
 Part of a healthy diet  
 For better vitamins & minerals  
 Reducing 1000 calories  
 100g of palm oil  
 100g of butter  
 100g of margarine

**VERSATILE INGREDIENT**  
 Long shelf life  
 Excellent mouth feel  
 Smooth creamy texture  
 Long shelf life  
 Excellent mouth feel

**NUTRITIONAL ASPECTS**  
 50% unsaturated fatty acids  
 50% saturated fatty acids  
 Alternative to trans fat  
 TFA PALM

European Palm Oil Alliance  
 www.palmoilandfood.eu | info@palmoilalliance.eu

**REFERENCES**

1. FAO. The State of the World's Forests 2010. Rome, 2010.

2. FAO. The State of the World's Forests 2011. Rome, 2011.

3. FAO. The State of the World's Forests 2012. Rome, 2012.

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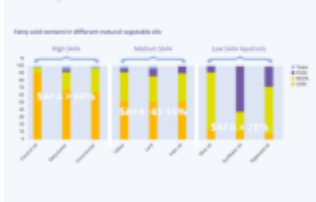
9. FAO. The State of the World's Forests 2018. Rome, 2018.

10. FAO. The State of the World's Forests 2019. Rome, 2019.

**PALM OIL**  
 part of a balanced diet

Palmoilandfood.eu

European Palm Oil Alliance



**European Palm Oil Conference**  
 Nutrition and Sustainability Challenges

BRUSSELS | 9 DECEMBER 2014

BRUSSELS | 9 DECEMBER 2014

European Palm Oil Alliance

Cargill, WFP, ILO, New Britain Co., Sime Darby, UNIOA, Wilmar

In cooperation with the European Sustainable Palm Oil Advocacy Group

CAOBISCO, FEDIOL, Fedlima, ASEA

with support of RSPO on sustainability

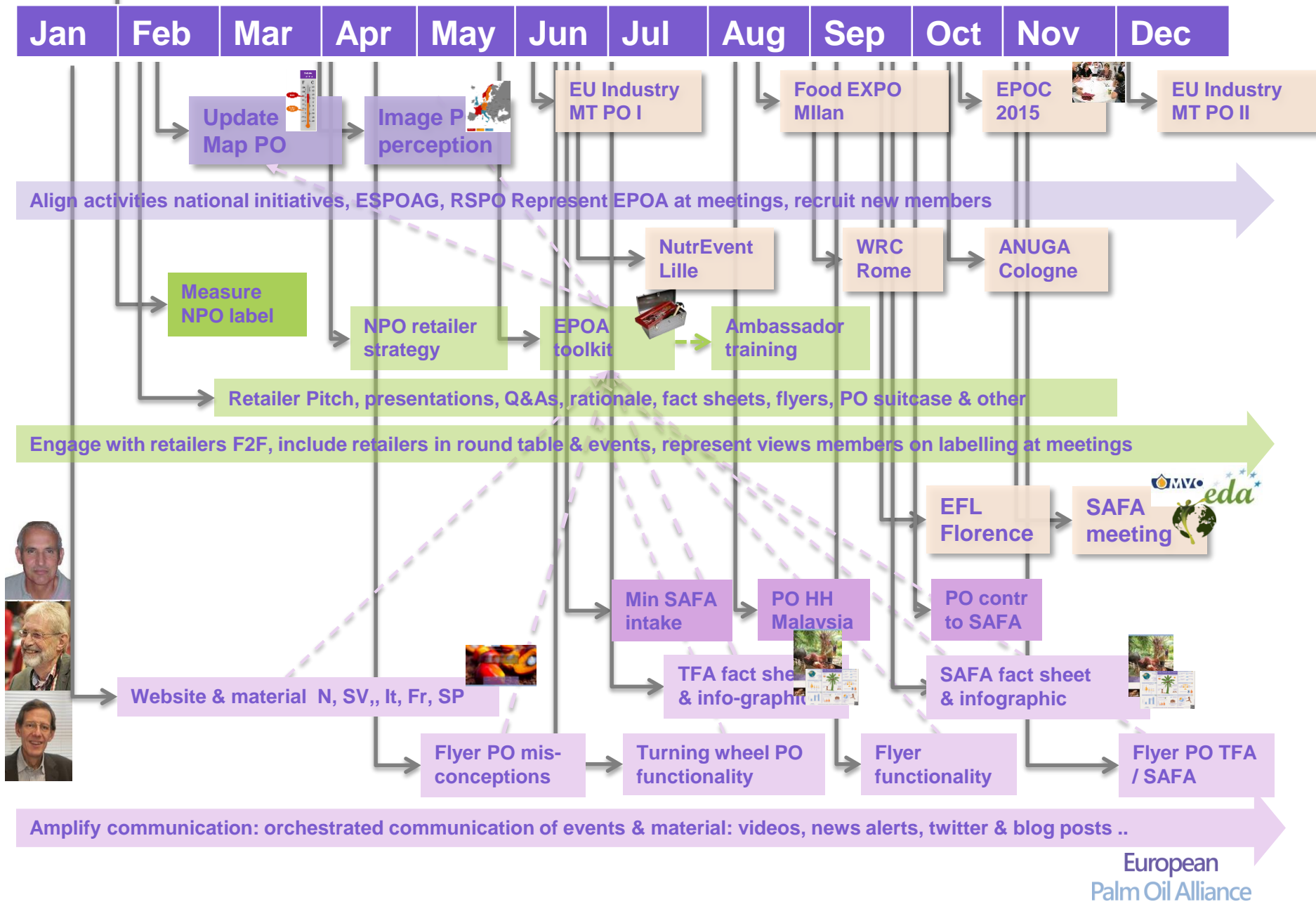
**RSPO**  
 Roundtable on Sustainable Palm Oil

European Palm Oil Alliance  
 Visit our **new website**  
 A balanced view on palm oil and food

# EPOA objectives 2015-2017

1. Become leading authority on palm oil & health
2. Reduce no palm oil labelling by improving stakeholders attitude & behaviour with focus on retailers
3. Increase effectiveness & outreach
4. Effectively contain potential issues on palm oil
5. Include position on sustainability

# EPOA year plan





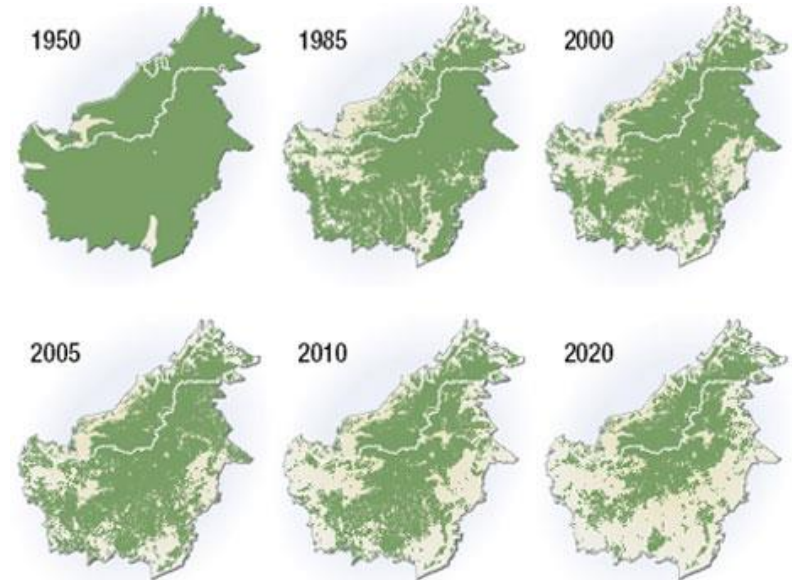
# Palm oil in Europe

-  National initiatives
-  Potential new national initiatives

- 'Mixed bag'
- Potential for more alignment



# Issues and challenges



Ferrero Consumer Perception Research 2015

***WHY IS PALM OIL THE WORST FOR ENVIRONMENT?***

Answers are mostly linked to deforestation



# 2004

The RSPO was established in 2004 to promote the production and use of sustainable palm oil for People, Planet, and Prosperity.



**MiGROS**

**AAK**





# What is sustainable palm oil?

Certified Sustainable Palm Oil (CSPO) defined by RSPO Principles and Criteria

Continuous development e.g.:

- No deforestation of high carbon stock (HCS)
- No peatland
- Smallholder inclusion

Supply chain Traceability

“Know where the oil is coming from”  
Is not similar to sustainable palm oil





# 8 PRINCIPLES

for growers to be RSPO certified

-  **1** Commitment to transparency
-  **2** Compliance with applicable laws and regulations
-  **3** Commitment to long-term economic and financial viability
-  **4** Use of appropriate best practices by growers and millers
-  **5** Environmental responsibility and conservation of natural resources and biodiversity
-  **6** Responsible consideration of employees, and of individuals and communities affected by growers and mills
-  **7** Responsible development of new plantings
-  **8** Commitment to continuous improvement in key areas of activity

# Certification and supply chain models

Two types of certification:

- Principles and Criteria
  - Production of palm oil
- Supply chain certification
  - Chain of custody from mills to product manufacturers



# Principle 7: responsible development of new plantings

Criteria 7.3: new plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values



Wilmar



# Principle 4: use of appropriate best practices

## C 4.4.2: ...restoring appropriate riparian and other water buffer zones...



Riparian



Unplantable Ridges



Photos S. Siburat Wilmar

# Principle 4: use of appropriate best practices

## C4.6.6: Storage of all pesticides shall be according to recognised best practices

### Before RSPO

Improper Storage of Spray



### After RSPO

Workers PPE and Spraying Pump are stored



Workers Go Back at The Same time. More Organised

wilmar

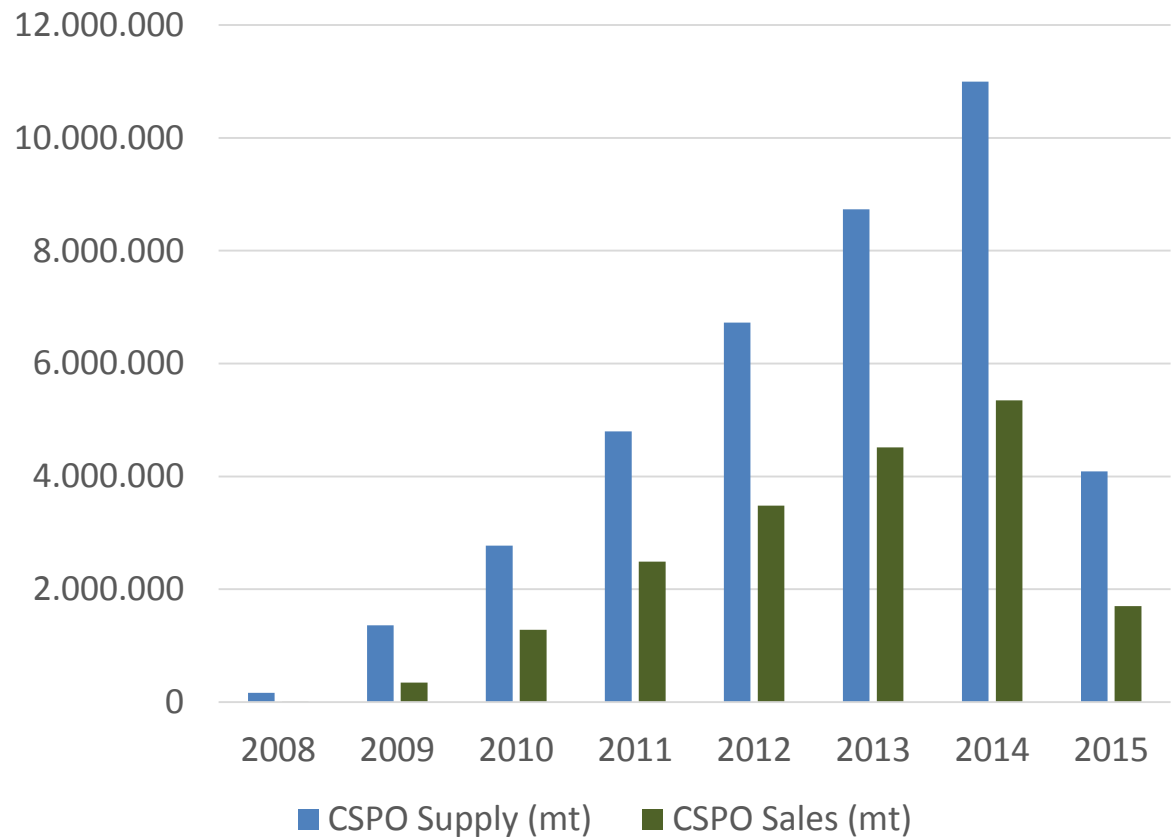
Photos S. Siburat Wilmar



# Supply and sales



**RSPO**  
Roundtable on Sustainable Palm Oil



# Dutch Task Force



Commitment to purchase only sustainable palm oil for Dutch market by end of 2015



Supply Chain approach: Push and Pull!





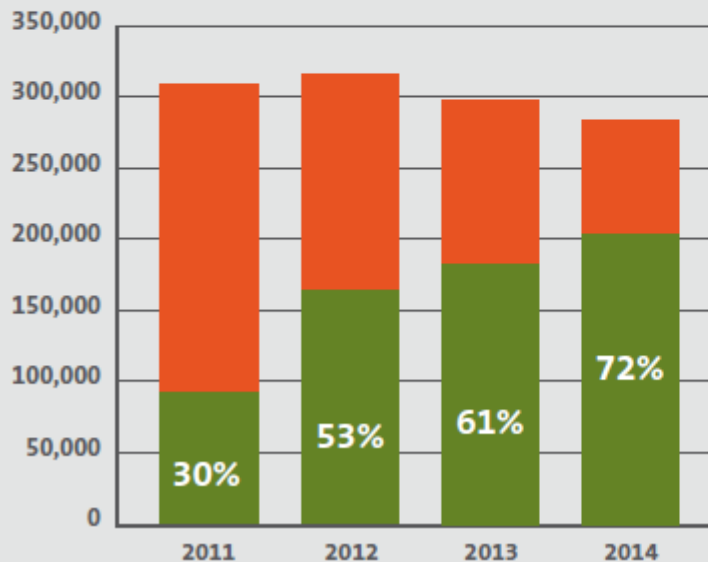
# Dutch Task Force



## Share and volumes of sustainable palm oil used in the Dutch food industry

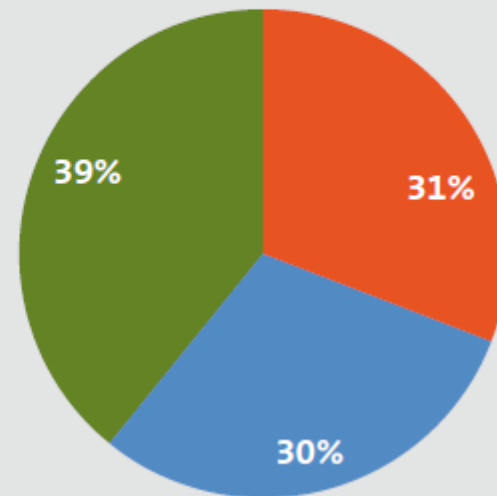
- Use of sustainable palm oil
- Use of conventional palm oil

Volume (tonnes)



## 2014

- Book & Claim
- Mass Balance
- Segregated



# German Forum on Sustainable Palm Oil



**FORUM**

Nachhaltiges Palmöl

**Aim:** To achieve as quick as possible 100% segregated palm oil for the German, Swiss and Austrian Market

**Approach:** Multi-Stakeholder Forum to create sectoral solutions towards the purchase of certified sustainable palm oil through joint cooperation

**Current members:** 43 (Companies, Retailers, NGOs, German Government)

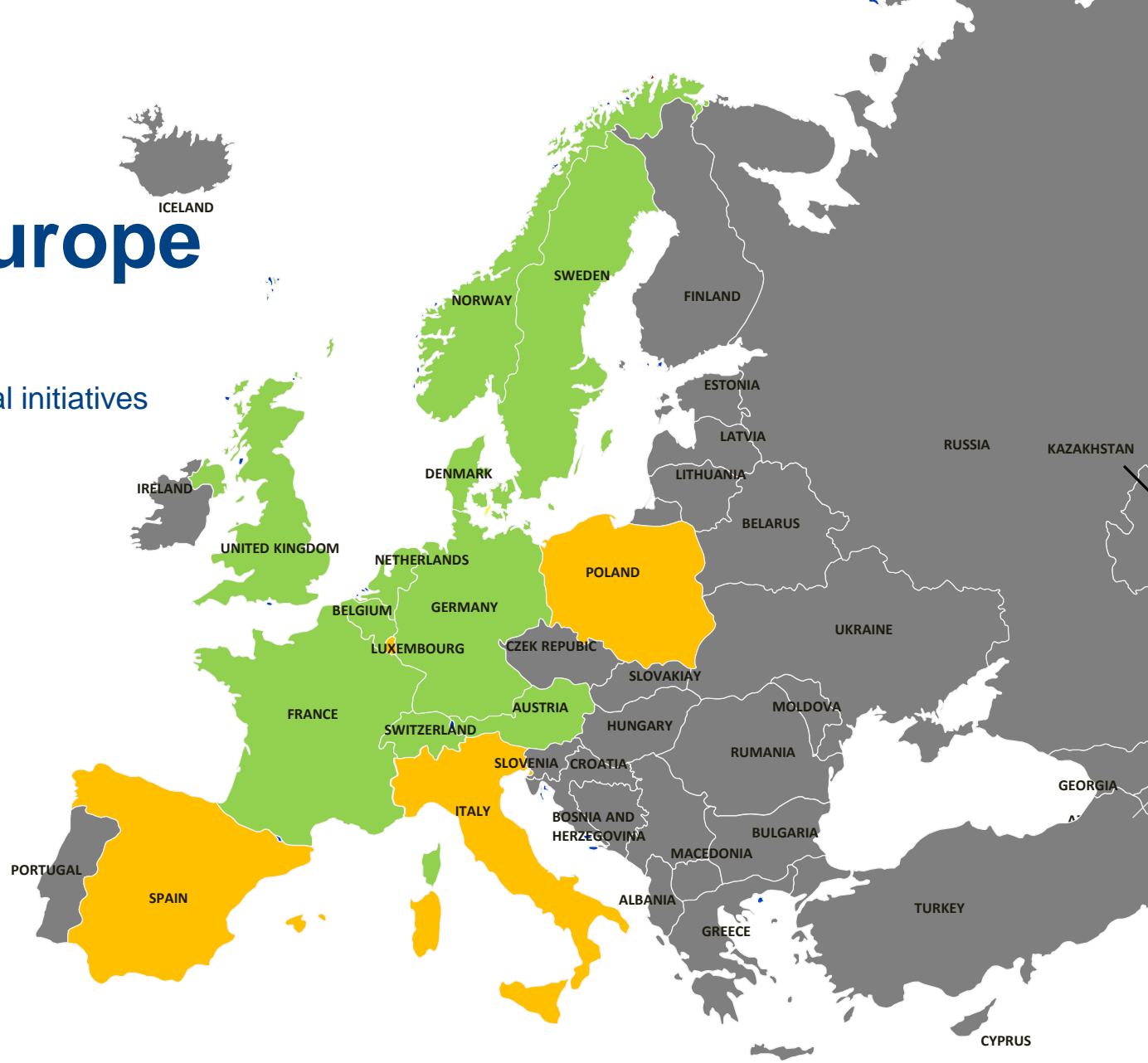
**Impact:** Members 100% 2014. Total German use 28% 2013\*

\*MeoCarbon Solutions 2015



# CSPO in Europe

- National initiatives
- Potential new national initiatives



# European Sustainable Palm Oil (ESPO)

Supporting the uptake of more sustainable palm oil in Europe - by working in close collaboration with National Initiatives, RSPO and EU associations.





# European Sustainable Palm Oil (ESPO)

- Support (financially) activities at national level
- Create government to government communication
- Help development and set up of new national commitments





Can and should we expect change coming from consumers or should private companies and brands take responsibility?

Your views and experiences?



# Take home messages

- Supply chain approach is key
- Dealing with facts and perceptions
- Continuous development and movement in debates
- Complex proces, but results and change are possible



# The Palm Oil Story

Sharing views on challenges and opportunities in health & nutrition and sustainability

[www.mvo.nl](http://www.mvo.nl)

[www.palmoilandfood.eu](http://www.palmoilandfood.eu)

[www.taskforceduurzamepalmolie.nl](http://www.taskforceduurzamepalmolie.nl)

<http://www.forumpalmoel.org/>

[www.rspo.org](http://www.rspo.org)

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**MVO – The Netherlands Oils and Fats Industry**

**German Malaysian Roundtable 17-18 June 2015**

