

The Palm Oil Story

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

Thijs Pasmans

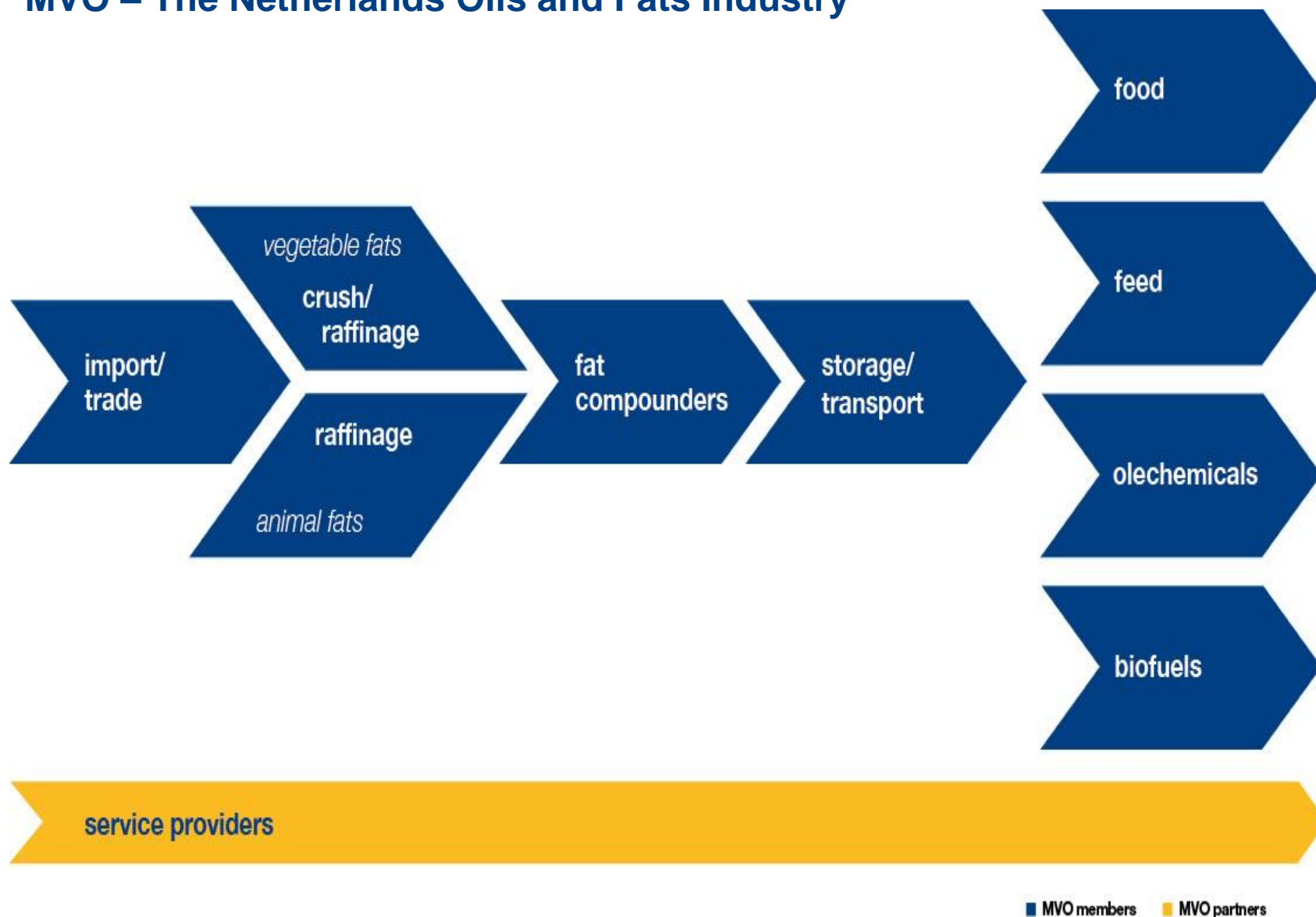
MVO – The Netherlands Oils and Fats Industry

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

German Malaysian Roundtable 17-18 June 2015



MVO – The Netherlands Oils and Fats Industry



MVO – 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.

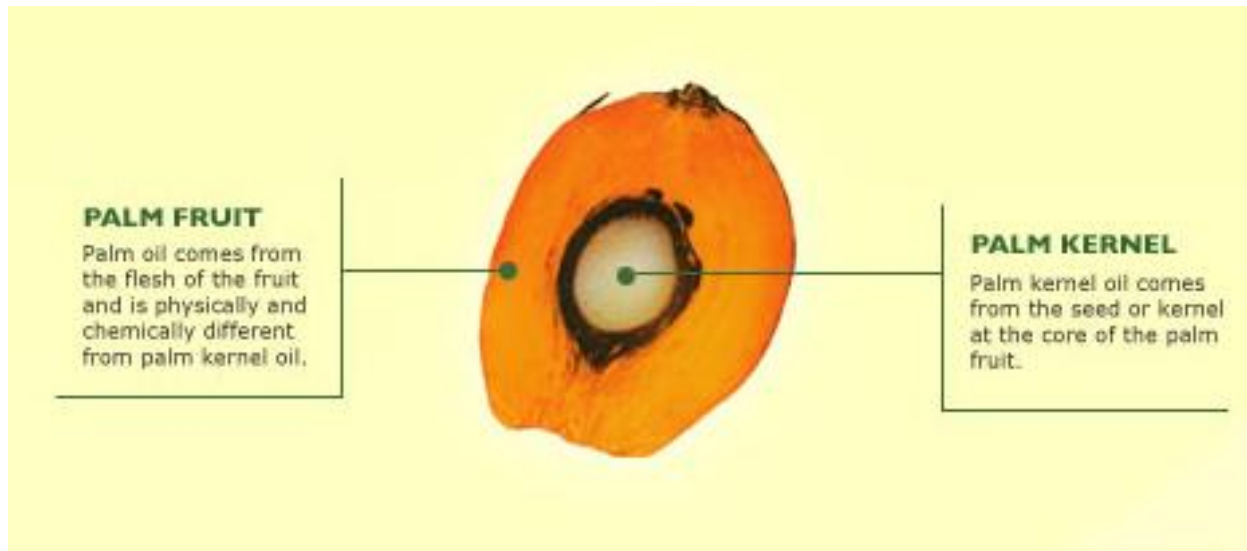
Trade Policy >

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?



The Palm Oil Story – What is palm oil?



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

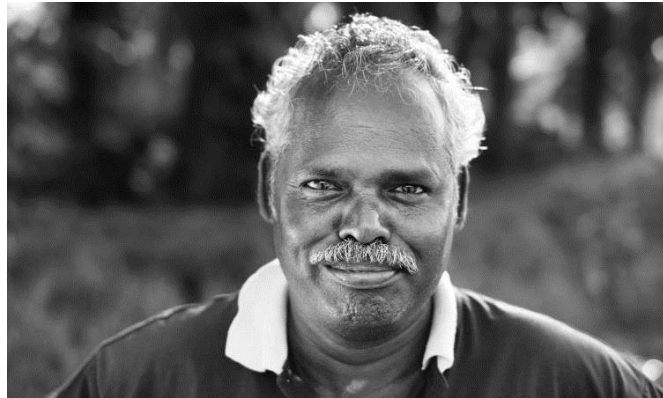


The Palm Oil Story – What is palm oil?

Smallholders



Abdul Wahab, 42, smallholder in Serapi Besar Sabak, Beram.
Inheriting his plantation from his parents. Working as full time farmer since 17 years old.



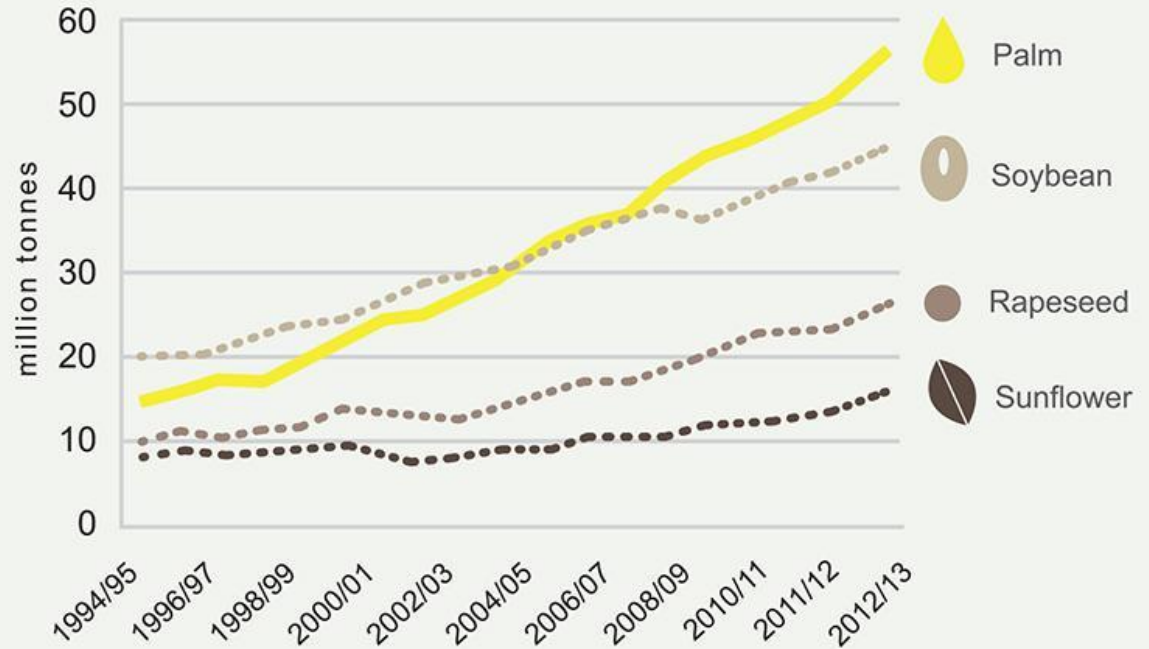
Ah Hek, 52, one of the few Chinese smallholders left.
After attending to his plantation he enjoys fishing.

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 Indonesia

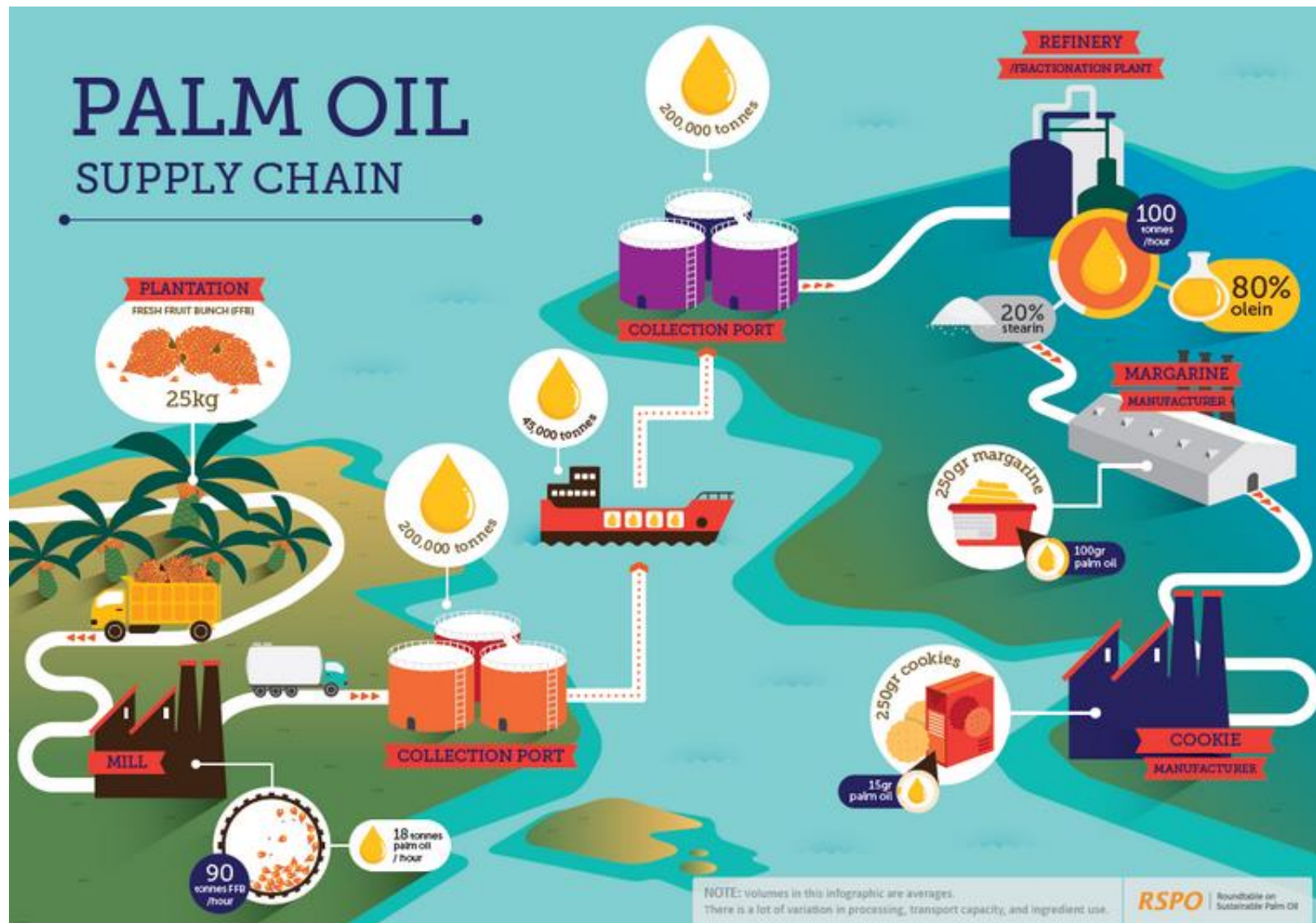
Latin America

West Africa

India 7.9 MT / yr



PALM OIL SUPPLY CHAIN



The Palm Oil Story – Reality in Europe, our messages

Health and nutrition

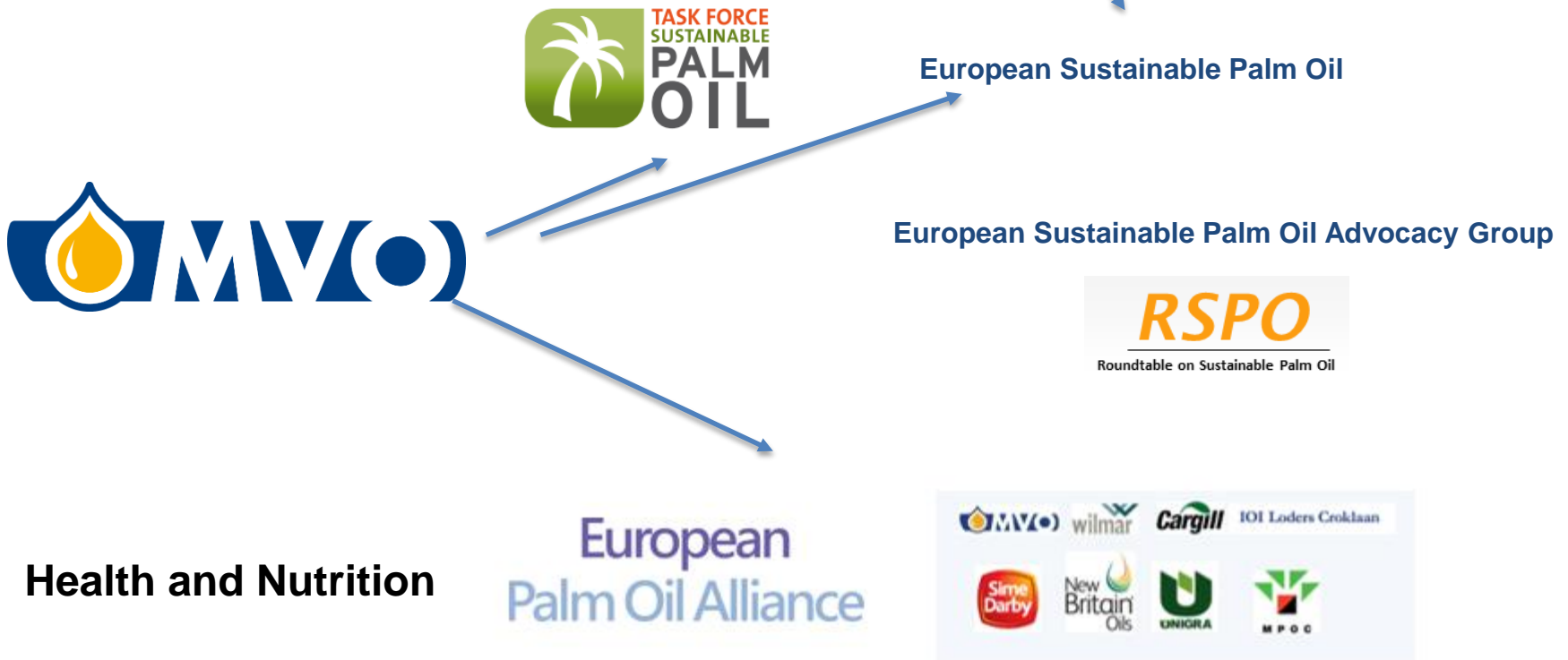
- Rebalance the debate on palm oil and food - Palm oil perfectly fits in a balanced diet

Sustainable production

- Move towards the use of more sustainable palm oil

Role of MVO

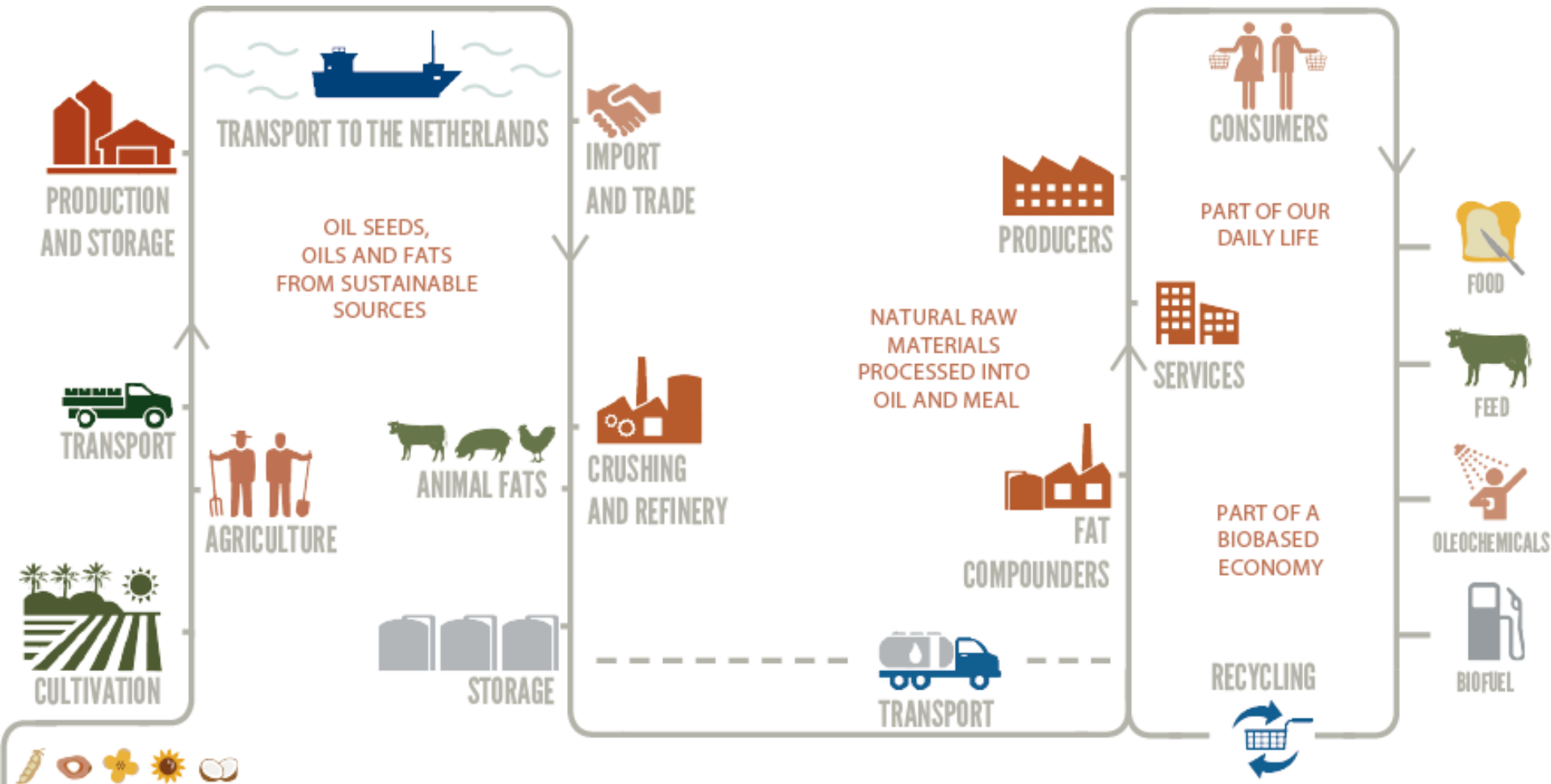
Sustainable resourcing



Health and Nutrition

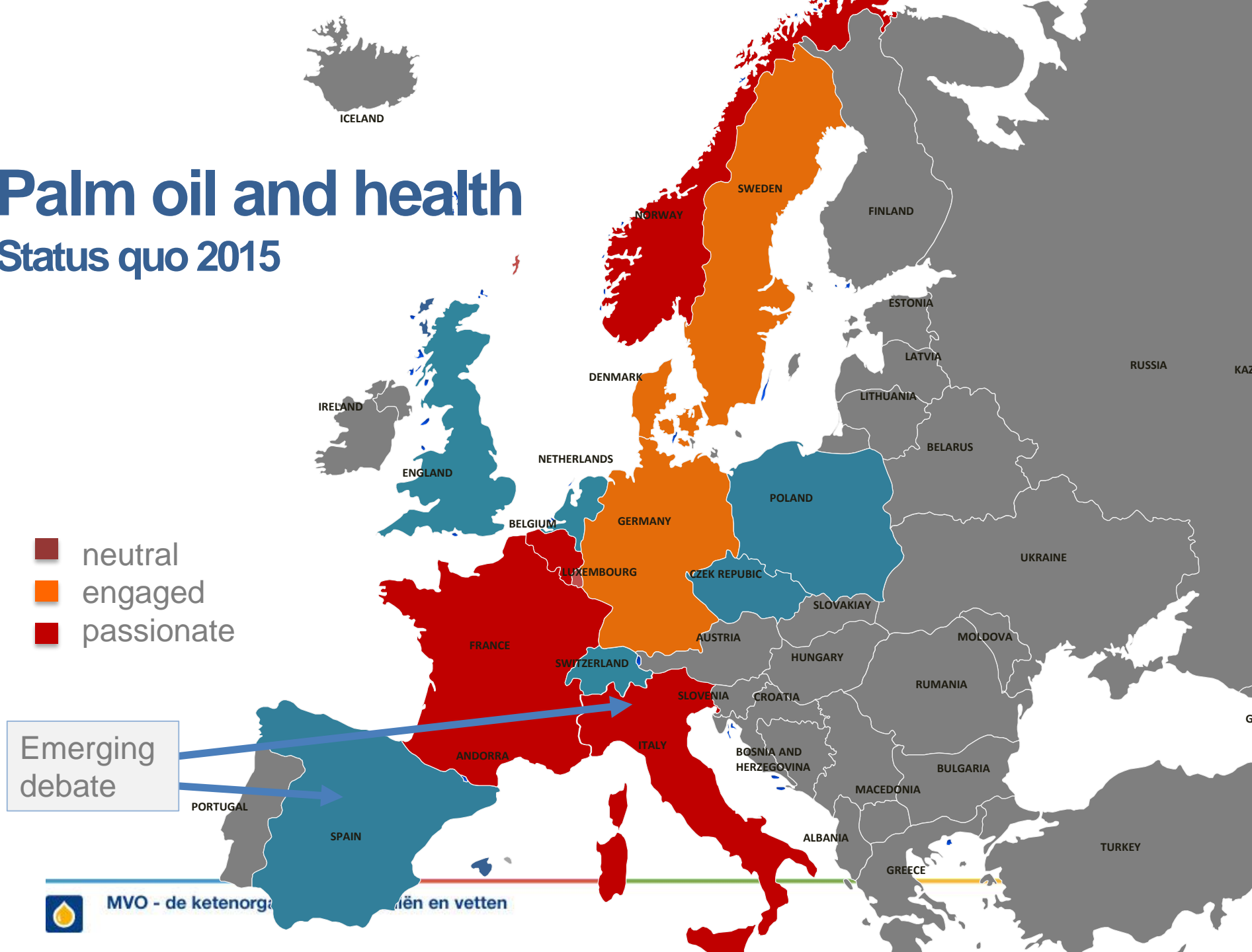


Supply chain approach



Palm oil and health

Status quo 2015



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



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

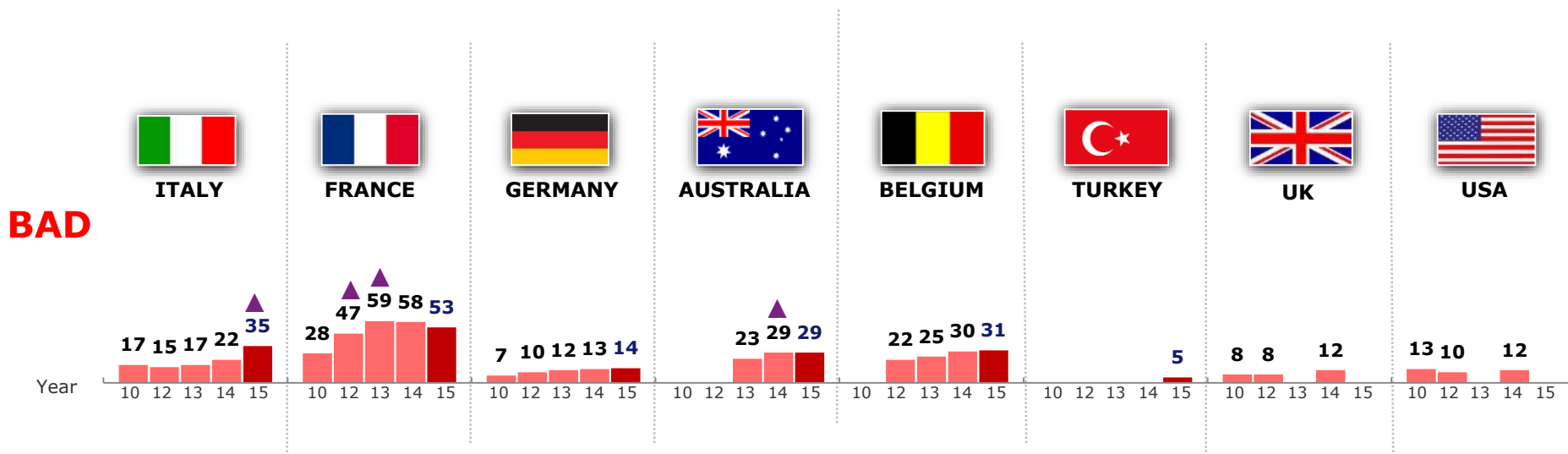
Palm oil is considered the **worst** in **France and Belgium south**. In **Italy** its **negative perception** is **increasing**, reaching same level as lard.

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
info@palmoilalliance.eu
 @EPOA_EU



European Palm Oil Alliance

Visit our **new** website

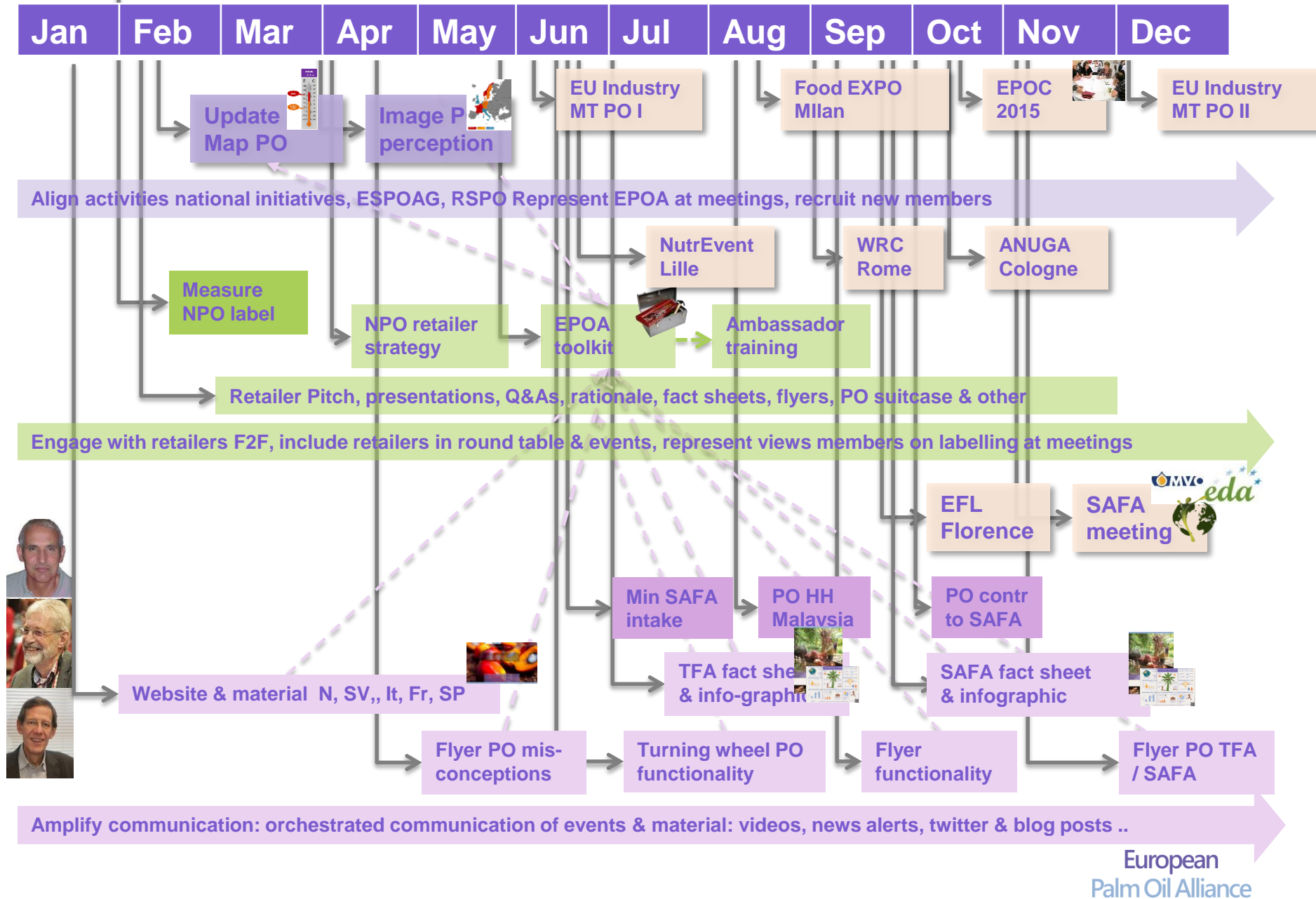
A balanced view on palm oil and food



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



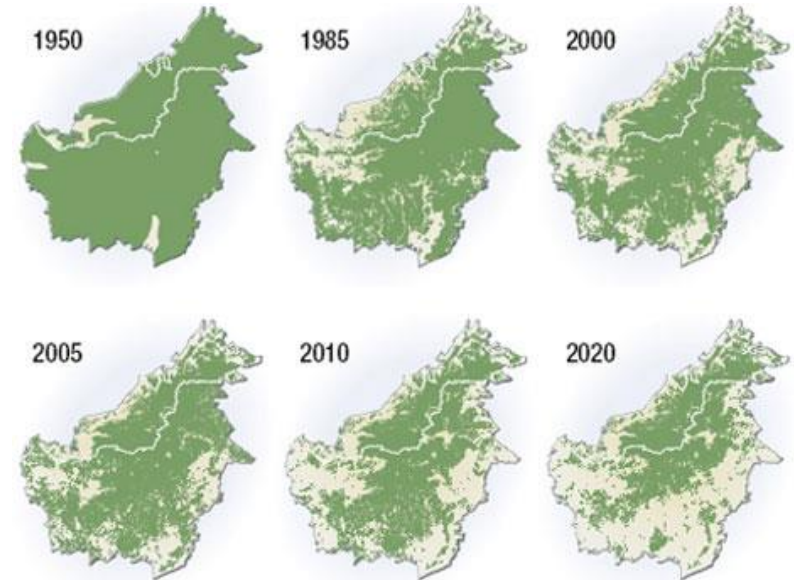
Palm oil in Europe

-  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.



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

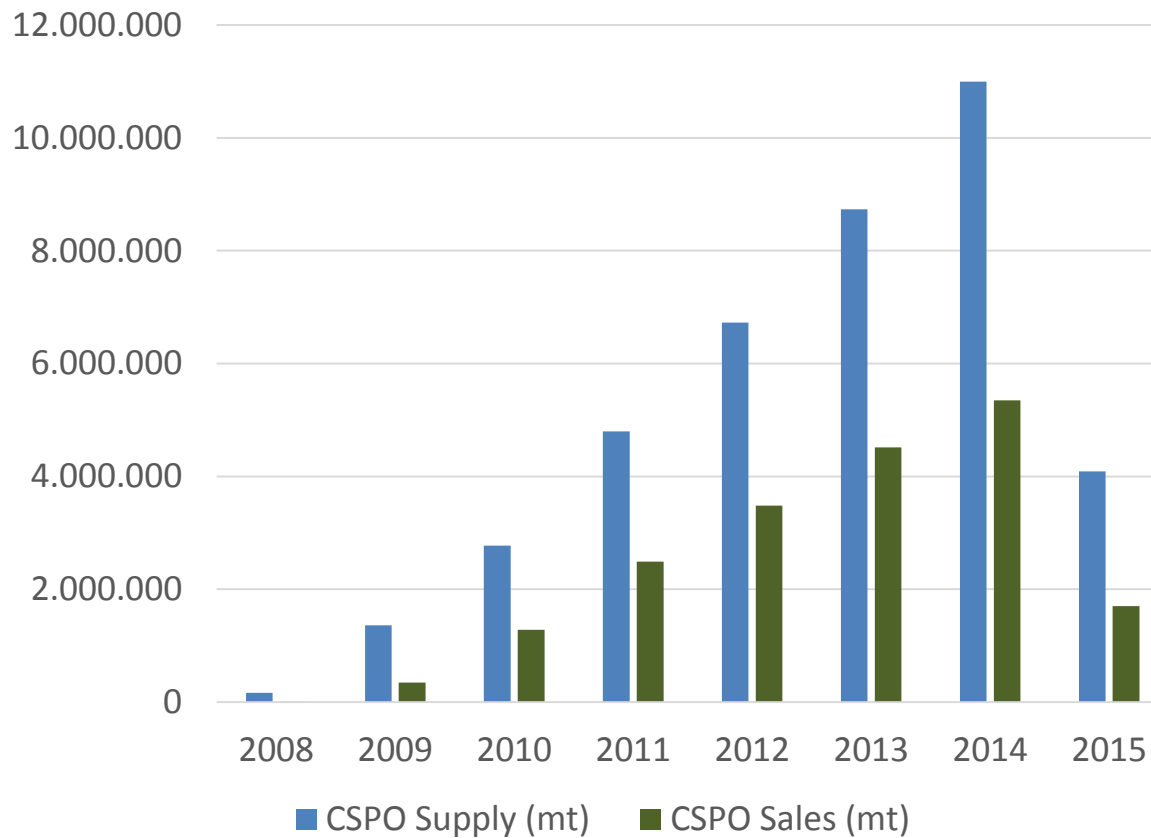
wilmar

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!



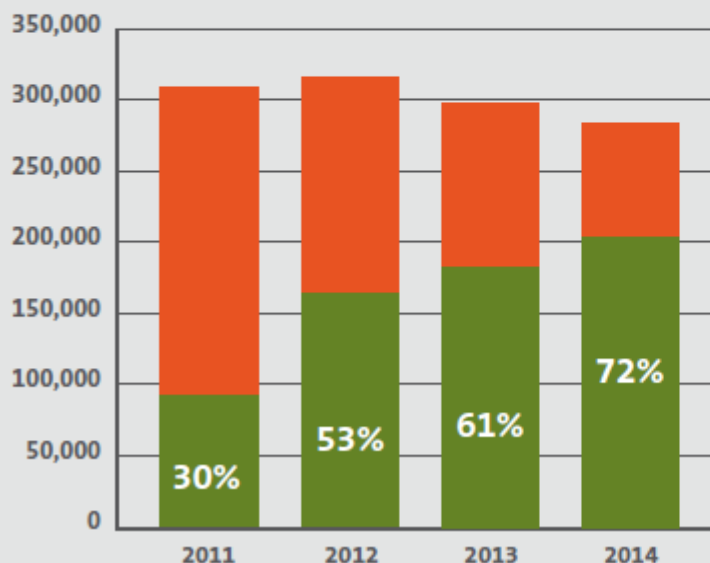
Dutch Task Force



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

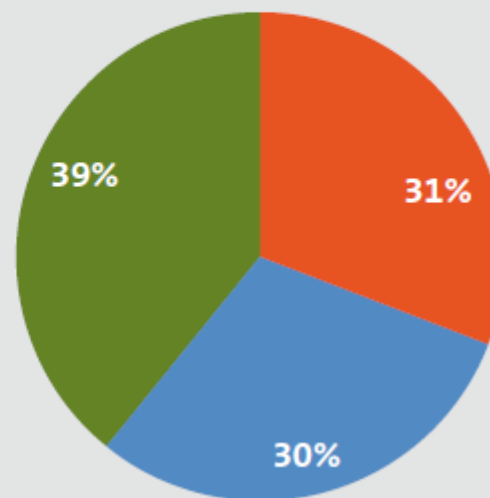
- Use of sustainable palm oil
- Use of conventional palm oil

Volume (tonnes)



2014

- Book & Claim
- Mass Balance
- Segregated



German Forum on Sustainable Palm Oil



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)

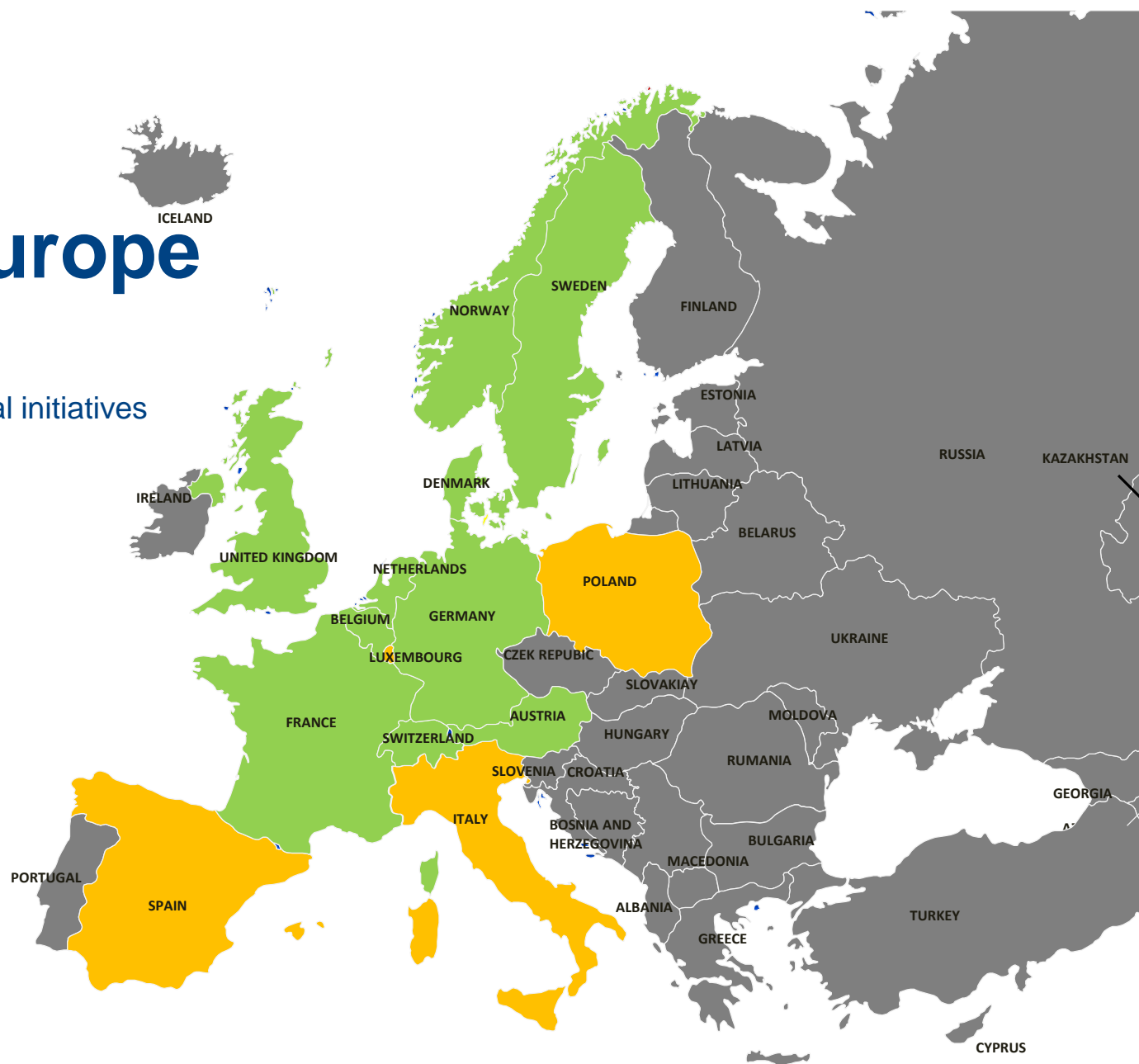
Impact: Members 100% 2014. Total German use 28% 2013*

*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

www.palmoilandfood.eu

www.taskforceduurzamepalmolie.nl

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

www.rspo.org

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