Palm oil and deforestation of rainforests

2016/2222(INI) - 20/03/2017 - Committee report tabled for plenary, single reading

The Committee on the Environment, Public Health and Food Safety adopted the own-initiative report by Kateina KONENÁ (GUE/NGL, CZ) on palm oil and deforestation of rainforests.

Members recalled that there are many drivers of global deforestation, including the production of agricultural commodities such as soy, beef, maize and palm oil. They also stated that precious tropical ecosystems, which cover a mere 7 % of the Earth's surface, are under increasing pressure from deforestation. The establishment of palm oil plantations is resulting in massive forest fires, the drying up of rivers, soil erosion, peatland drainage, the pollution of waterways and overall loss of biodiversity.

General considerations: Members recalled that sustainable agriculture, food security and sustainable forest management are core objectives of the Sustainable Development Goals (SDGs). They noted that 73 % of global deforestation arises from the clearing of land for agricultural commodities, with **40 % of global deforestation caused by conversion to large-scale monocultural oil palm plantations**.

Palm oil exploitation is not the sole cause of deforestation, with the expansion of illegal logging activities and demographic pressures also responsible for this problem. The global rush for land is driven by increasing global demand for biofuel and raw materials, and by speculation on land and agricultural commodities.

According to Members highlighted that in order to effectively combat deforestation linked to the consumption of agricultural commodities, EU action should consider not only palm oil production, but all such imported agricultural imports.

In this regard, Members recalled that **Malaysia and Indonesia are the main producers of palm oil.** However, Indonesia has recently become the third highest polluter of CO2 in the world and suffers from decreasing biodiversity.

Recalling that palm oil accounts for about 40 % of global trade in all vegetable oils and that the EU, with around 7 million tonnes per year, is the second largest global importer, Members are alarmed by the fact that **around half of the area of illegally cleared forests is used for palm oil production for the EU market**.

Members noted that palm oil is used as an ingredient and/or substitute by the agri-food industry because of its productivity and chemical properties, for example its ease of storage, melting point and lower price as a raw material.

Collective responsibility: fully aware of the complexity of the issue of palm oil, Members emphasised the importance of developing a global solution based on the collective responsibility of many actors, including: the EU and other international organisations, the Member States, financial institutions, the governments of producer countries, indigenous people and local communities, national and multinational businesses involved in producing, distributing and processing palm oil, consumer associations, and NGOs. However, they emphasised the important role of the **food industry** to source sustainably produced alternatives.

Zero-deforestation: Members noted that a number of commodity producers and traders, retailers and other intermediaries in the supply chain, including European companies, have made commitments in the areas of **zero-deforestation** production. However, they considered that efforts to halt deforestation must

include **local capacity-building**, technological aid, the sharing of best practices between communities and support to help small-holders make the most effective use of their existing croplands. They stressed the strong potential of agro ecological practices to maximise ecosystem functions via mixed, high diversity planting, agroforestry and permaculture techniques, without resorting to input dependency or monocultures.

Although Members welcomed the existence of various types of voluntary certification schemes (labels, etc), they considered that they are confusing for consumers and that the ultimate objective should be the development of a **single certification scheme**. They, therefore, called on the EU to create incentives to work towards a **sustainable palm oil uptake of 100 % in Europe by 2020**.

Further recommendations: Members also made a series of recommendations all of which aim to increase the sustainability of global palm oil production, while respecting international commitments.

Members called for, *inter alia*:

- **information campaigns** on the positive environmental, social and political consequences of sustainable palm oil production;
- the introduction of **minimum sustainability criteria for palm oil** and products containing palm oil that enter the EU market, making sure that palm oil in the EU;
- the enhancement of **traceability** of palm oil imported into the EU;
- the endorsement of the need, as part of the dialogue with those countries, to impose a freeze on the area under oil palm cultivation, including by introducing a moratorium on new concessions;
- the implementation of effective corporate social and environmental responsibility measures for all producing companies;
- the introduction of obligatory requirements favouring sustainable palm oil in all national **public procurement** procedures.

Biofuels: lastly, Members noted with concern that **46 % of total palm oil imported by the EU is used for the production of biofuels** and that this requires the use of about one million hectares of tropical soils. They called on the Commission to take measures to **phase out the use of vegetable oils that drive deforestation, including palm oil, as a component of biofuels**, preferably by 2020.

Members noted that simply banning or phasing out the use of palm oil may give rise to replacement tropical vegetable oils being used for biofuel production, which would, in all probability, be grown in the same ecologically sensitive regions as palm oil and which may have a much higher impact on biodiversity, land use and greenhouse gas emissions than palm oil itself. They recommended finding and **promoting more sustainable alternatives for biofuel use**, such as European oils produced from domestically cultivated rape and sunflower seeds.