


Can Palm Oil Demand Be Met Without Ruining Rainforests?

 [washingtonpost.com/business/energy/can-palm-oil-demand-be-met-without-ruining-rainforests/2020/09/22/71e57e94-fced-11ea-b0e4-350e4e60cc91_story.html](https://www.washingtonpost.com/business/energy/can-palm-oil-demand-be-met-without-ruining-rainforests/2020/09/22/71e57e94-fced-11ea-b0e4-350e4e60cc91_story.html)

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One of the world's most widely used commodities — palm oil — is also one of its most controversial. Cheap, efficient and extraordinarily versatile, it's found in thousands of everyday products, from cookies and ice cream to shampoo and fuel. Yet surging cultivation of oil palm trees has come at the expense of vast swathes of tropical rainforest in Southeast Asia. Environmental concerns spurred the introduction of so-called sustainable palm oil, but the uptake has been slow and the program has faced criticism.

1. What's the problem with palm oil?

The breakneck expansion of palm oil plantations through Malaysia and Indonesia — which together account for 85% of global production — has driven rapid deforestation. Rainforests host half the species on Earth, help regulate global weather patterns, absorb carbon dioxide and produce much of the planet's oxygen. According to one study, palm oil cultivation was responsible for almost half the loss of rainforest in Indonesia between 2003 and 2015, and more than two thirds in Malaysia. Rainforest destruction, through felling or burning,

generates about 10% of the greenhouse gases that drive climate change. Deforestation displaces indigenous people and has left the orangutan, Sumatran tiger and other species on the brink of extinction.

2. How popular is it?

Global production has tripled since the start of the century. Palm oil is Indonesia's second-biggest export earner after coal, bringing in more than \$15 billion in 2019. About half of all items in a supermarket are now likely to contain it, and global consumption could climb to more than 100 million tons per year by 2025 — 50% more than in 2016, according to researcher Gro Intelligence. The trees use only about 7% of the world's farming land but account for about 40% of total vegetable oil production.

3. Why is it so popular?

For producers, it costs less to cultivate and refine than other vegetable oils and yields far more (up to 10 times more than rapeseed, soybean, olive and sunflower oils). Oil from the fleshy fruit that grows near the trunks of oil palm trees has a neutral taste and long shelf life and is used mainly in food and biofuel. The more saturated oil from kernels inside the fruit is used in soaps, cosmetics and detergents. The trees can grow in a variety of soils, withstand short spells of drought or flood and bear fruit year-round for decades.

4. What about the environmental concerns?

Some consumers are trying to use less, with Europe — the No. 3 importer after India and China — leading the way. The European Union aims to phase out palm oil-based biofuels by 2030 (Indonesia and Malaysia have lodged complaints at the World Trade Organization) and is introducing tighter limits on contaminants in edible oils that could hit palm oil imports. Another approach is to try to address the environmental issues head on.

5. Who is attempting to change things?

The Roundtable on Sustainable Palm Oil — an industry alliance that was formalized in 2004 and promotes standards for “certified sustainable” palm oil products. Under its guidelines, primary forest cannot be cleared to make room for plantations and growers must abide by fair labor practices. The 4,000 or so members include farmers, traders, processors, manufacturers and retailers as well as investors and environmental and social groups.

6. How is that going?

Slowly, and not without contention. Just one-fifth of global output complies with the Roundtable's sustainability standards. The environmental advocacy group Greenpeace termed eco-friendly palm oil “a con,” saying some members are still destroying forests. More

than a dozen environmental organizations endorsed a report concluding that violations are “systematic and widespread.” The Roundtable refuted many of the report’s findings and said the alliance remains the best way to tackle the issues.

7. Why is it so difficult?

Intricate supply chains that begin with estates spanning millions of acres make it hard to trace the product from tree to factory, while the hundreds of thousands of small farmers, known as smallholders, often cannot afford compliance audits. What’s more, buyers often shun certified oil because it commands a 5% premium or more, forcing sellers to dump unsold quantities at regular prices. The Roundtable has rolled out a program to commit members to increase purchases every year, but in 2019 just half of the 14 million tons of certified oil output was sold.

8. What more can be done?

There’s been an easing of rules for smallholders, who make up about 40% of production in both Indonesia and Malaysia. Technology may also play a part in tracing the trickier-to-follow early links in supply chains. Unilever, among the world’s largest buyers, plans to harvest geo-location data from cell phones to track its supplies, while Sime Darby Plantation Bhd., the world’s biggest planter, is tapping satellite imagery. The industry is also using blockchain technology and improved mapping of farm ownership to increase transparency.

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