
Mexico: Oil palm business at the expense of the poor

Since 2004 the Mexican government has been promoting the expansion of oil palm plantations. Presently there are 9 oil extraction plants in four states, 6 of which are located in Chiapas, the main palm oil producing state in Mexico. During 2009, the government of the state of Chiapas will reach a total of 44 thousand hectares planted with oil palm trees and its governor has announced that by 2012 the intention is to reach a total of 100 thousand hectares, with a future projection reaching over 900 thousand hectares.

What is clear is that palm oil production has been possible thanks to strong government support, making it a profitable business. Direct support to farm operators for productive reconversion has been given in addition to trade promotion programmes and fostering of exports, advice and training etc. The European Union, also interested in oil palm plantations for agrofuel has been promoting the plantations in Chiapas since 2005, and more specifically, in the Lacandona Forest buffer zone and the Montes Azules Biosphere Reserve buffer zone on the frontier with Guatemala.

Both the Federal and Chiapas governments affirm that the palm trees are being planted in areas that had previously been deforested by cattle raising and other activities that are no longer profitable. However, many activities are no longer “profitable” for the entrepreneurial market because the government’s strategy to gain land for oil palm has been to decrease support to other sectors in order to give them over to these plantations. The government has abandoned rural areas and small farmers and, within the rationale of the Free Trade Agreements, it has focussed on the agribusiness market and not on food sovereignty. Small farmers, peasants and indigenous people are forgotten and very often obliged to enter these new dynamics and provide both cheap labour and their lands, thus subsidizing agribusiness profits. The oil palm business would not be profitable without the major subsidies granted by the government, the World Bank, and the Inter-American Development Bank (IDB), with their funding of programmes such as Procampo, intended for investment in oil palm plantations.

As denounced by the International Declaration against the ‘Roundtable on Sustainable Palm Oil’ (RSPO) (http://www.wrm.org.uy/temas/Agrocombustibles/Declaracion_Internacional_RSPO.html) monoculture oil palm plantations “replace tropical forests and other ecosystems, leading to serious deforestation together with loss of biodiversity, flooding, the worsening of droughts, soil erosion, pollution of water courses and the apparition of pests due to a breakdown in the ecological balance and to changes in food chains”. Additionally, monoculture oil palm plantations “also endanger the conservation of water, soil, flora and fauna. Forest degradation diminishes their climatic functions and their disappearance affects humanity as a whole.”

The United Nations Intergovernmental Panel on Forests identified as causes of deforestation and forest degradation governmental policies to replace forests with industrial tree plantations – such as oil palm – in addition to the advance of the agricultural frontier, pushed forward by monoculture tree plantations. Nevertheless, in the Montes Azules region, where deforestation has reached 80 percent of the 220 thousand hectares of forest, the government is talking of creating “protection belts through high impact production projects, such as oil palm,” among others.

Oil palm plantations have not improved the living conditions of the population but worsened them. One of the serious problems that they cause is related to water. Faced with no supply of drinking water, the over 11 thousand people who live in the municipality of Marques de Comillas in the Montes Azules Biosphere Reserve mainly consume water from wells from groundwater sources. Oil palm plantations, great consumers of water, jeopardize the availability of water in the region. They also use large quantities of agrochemicals: insecticides such as endosulphan and other chemicals, including rodenticides that end up in the water courses. Hurricanes make the problem more serious when they cause the rivers to overflow, as is the case in the Lacandona forest with the Lacantun River, which contaminates the local farmers' subsistence crops and scatters agrochemicals in an area of rich biodiversity.

According to studies by the Chiapas Produce Foundation, the income of "an average ejido farmer with seven hectares and an average production of 19 tons per hectare" is the equivalent of 274 pesos (21 dollars) per day, that is to say, less than the Mexican minimum wage per hectare. Within the annual investment to establish one hectare of palm trees, the technological package costs the farmer roughly 6,500 pesos (that is 17 pesos or 1.3 dollars per day): it includes sowing (preparation of the land, purchase of the seedlings, weed control, clearing of paths, application of weed-killers, manual plantation), fertilization, pest control, pruning, equipment and services. One third of the cost is allocated to weed-killers, fertilizers and rodenticides. Furthermore, for the first three years there is no production or harvest and only as from the eighth year can 100 percent be harvested.

The farmers working for an oil palm processing company are usually trapped in this situation. The Extraction Plant of the Palma Tica de Mexico company offered seedlings to the farmers, on credit, under the condition that they sold all their harvest to the company. In many cases the farmers have neither the training nor the appropriate tools to harvest; in other cases they do not have the training or the technical advice for overall cultivation, control and management of the plantations. Very often the indigenous or peasant farmers selling to oil processing companies are not protected by purchase contracts or agreements, or insurance. This implies that if the company does not want to buy their production, they are not obliged to do so. There are no price differences in relation to the quality of the product being delivered.

In 2008, a group of workers from the AGROIMSA oil plant in the municipality of Mapastepec were repressed by public forces and an advisor and several leaders were arrested, some of them remaining in prison. They were also laid off which led to a labour dispute.

Moreover, oil palm plantations exclude other types of production. In the municipality of Villa Comaltitlan, one of the main cattle raising areas together with other coastal municipalities, it has been confirmed that the drop in cattle raising "was not due to negligence on the part of the farmers, but rather to the arrival of other crops that cannot be combined with cattle-raising. For example banana and oil palm plantations have taken up space, implying a drop in cattle-raising." In Chiapas monoculture palm plantations have had disastrous impacts on honey production, on which thousands of bee-keepers depend. The crisis has become more serious as the plantations increase. They also cause other damage: in the municipality of Acapetahua, Mr. Manuel Jimenez stated that "the main culprits causing the destruction of roads and highways are the heavy goods transporters, as they cause damage with their trucks loaded with stones, cane and oil palm fruit." At the Mapastepec municipal seat, "along the ditch made to introduce drainage the land subsided (...) in the 15 September neighbourhood and now traffic is obstructed and great clouds of dust arise, affecting the health of the neighbours." Gabriel Colon and Elio Ventura, who live in this neighbourhood, have demanded that the mayor's office mend the road that has a lot of traffic, mainly trucks loaded with oil palm fruit going to the oil processing plant.

There is no doubt that great business deals are made at the expense of the poor, on their lands and territories and at the cost of humanity's common assets. Enough of monoculture plantations!

Summarized and adapted from: "La palma africana en México. Los monocultivos desastrosos", Gustavo Castro Soto, Otros Mundos, AC/Amigos de la Tierra México, 12 June 2009. The complete article may be accessed at: <http://www.wrm.org.uy/paises/Mexico.html#info>