

12 replies to
lies about
OIL PALM
monoculture plantations



12 Replies to 12 Lies about Oil Palm Monoculture Plantations

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About this booklet

As an organization that aims to disseminate information about and alert communities to the impacts of large-scale tree plantations, in 1999, as part of its Plantations Campaign, WRM produced a booklet called "Ten Replies to 'Ten Lies'", written by Ricardo Carrere. Its aim was to challenge and expose some of the preposterous claims by pulpwood tree plantation companies about the supposed benefits of their eucalyptus, pine and/or acacia monocultures. The booklet became very popular, proved useful in strengthening community struggles against monoculture tree plantations and has been intensively used by our network of grassroots organizations and activists.

Because the 1999 booklet focused mainly on pulpwood plantations, and given the recent increase in expansion of oil palm plantations around the world, WRM decided to publish a second version of the "Ten Replies to 'Ten Lies'" booklet, focusing this time on twelve preposterous claims made by the oil palm industry. Although oil palm monocultures share many of the characteristics of pulpwood plantations, there are also important differences that are highlighted in this booklet.

We hope that this small booklet will help strengthen the struggles of all those who are facing and opposing large-scale oil palm plantation development in the global South. We also hope it will stimulate affected communities to continue pursuing their way of living, keep voicing their demands and proposals for how land be used in ways that improve their well-being and that of future generations. These proposals and living alternatives tend to be very different from the model of large-scale monoculture oil palm plantations.

Content

Introduction – p. 5

Lie 1. Oil palm companies use land in remote areas or in areas not effectively used, or so called marginal or degraded lands - p. 5

Lie 2. The compensation paid to people for losing access to land is adequate - p. 6

Lie 3. The palm oil industry contributes to food security - p. 6

Lie 4. Oil palm plantations have a minimal need for water and for chemical inputs - p. 7

Lie 5. Oil palm plantations conserve the environment and and contribute to reducing global warming - p.8

Lie 6. Companies say they are committed to listening to communities that will be affected by the plantations or that are already affected by oil palm plantations, and address their demands

Lie 7. Oil palm plantations create many jobs and thus contribute to employment in the region - p. 10

Lie 8: Involving peasant farmers in planting oil palm in expansion regions offers additional benefits and is an excellent alternative for them - p. 11

Lie 9. Oil palm plantations help communities develop and improve the supply of basic services to the residents (roads, clinics, schools) - p. 12

Lie 10. Oil palm companies contribute to sustainable development of countries - p. 14

Lie 11: The palm oil industry is committed to a number of high standards like ethical conduct - p. 15

BOX: The increasing market in the European Union (EU) for palm oil - p. 16

Lie 12. RSPO guarantees sustainable oil palm - p. 16

Conclusion - p. 18

Further information on impacts of oil palm plantations - p. 19

Introduction

In the past two decades, millions of hectares of oil palm monoculture plantations have covered community lands in Indonesia and Malaysia, destroying forests and displacing people. A more recent trend is an increased expansion of these industrial plantations in rural areas of Africa and Latin America, where the impacts on communities are already showing to be similar to those faced by communities affected by these plantations in Indonesia and Malaysia.

The large-scale expansion of oil palm plantations continues in spite of the hundreds of conflicts that they have created with communities opposing such expansion and struggling to defend their rights. The oil palm companies usually deny that their plantations cause problems and in order to gain support for their expansion plans in Asia, as well as in Africa and Latin America, they disseminate a series of misleading statements. The aim of this booklet is to expose a number of these statements.

Lie 1. Oil palm companies use land in remote areas or in areas not effectively used, or so called marginal or degraded lands

Oil palm companies tend to occupy the lands with the best growing conditions for their oil palm, rather than establish their plantations on “degraded lands and grasslands that have already lost their environmental and economic values as a result of intensive logging and other human activities which leave the land exposed to rain and wind erosion, thereby reducing soil productivity”¹. Soil fertility and availability of water are key factors that determine where oil palm companies establish their plantations. Favoured lands include forests, causing large-scale forest destruction and destroying ecosystems that are fundamental in many ways for the physical and cultural well-being of the local forest-dependent populations.

Lands used for agriculture are another preferred location. Even if the land was not used for growing crops at the time the plantation was established, companies still often violate local agricultural systems when they take over lands used under rotational use systems, techniques and traditions very common in many countries and regions in the global South like in Africa.

When companies establish oil palm plantations on productive lands previously used for cattle ranching, like in Brazil, they often enter an ongoing conflict between the owners of the cattle

¹ Wilmar on Environmental Stewardship - Land at <http://www.wilmar-international.com/sustainability/environmental-stewardship/land/>

ranches and the people who were expelled when the big cattle ranches were set up. Often in these locations, the struggle for a piece of land to produce food crops again on lands that have been taken by the cattle ranchers is ongoing. People demand agrarian land reform in places where agricultural lands are concentrated in the hands of a few. In this context, oil palm companies that occupy vast tracks of fertile land obtained from large landowners automatically contribute to a further land concentration or land grabbing process in general.

Lie 2. The compensation paid to people for losing access to land is adequate

In most cases, people who have lost access to land as a result of a large scale oil palm plantation do not receive any compensation at all. This has to do with the fact that in many countries in the global South people do not hold legal title to the lands they use and on which they have often lived for many generations. They do however hold customary rights to the land. When national governments establish rules for how to calculate such a “compensation”, these rules often exclude lands under customary use. Companies claim they provide adequate or rightful compensation, yet such “compensation” often ignores the traditional systems and consequently results in payments of only very low amounts and sometimes only for the crops grown on part of the territory used by a community. Even where customary rights are recognized, payments for the takeover of lands are often minimal. More often than not lands are acquired by the government and companies without the free, prior and informed consent of communities in ways that amount to coercion, with acceptance of a contract or compensation often obtained under threat. This practice creates conflicts which tend to drag on for decades.

Lie 3. The palm oil industry contributes to food security

According to the Malaysian Palm Oil Council – a marketing body of the Malaysian palm oil industry - , “palm oil plays an important role in ensuring food security”², because its production is a very efficient way to fulfill the demand for fats and oils in food products for the growing world population.

The reality shows that expansion of oil palm plantations in Malaysia has had exactly the opposite effect on local food security. Oil palm plantations have undermined the livelihoods and thus the food security of thousands of rural communities. This also applies in other countries in the world where Malaysian companies have been expanding their plantations.

Furthermore, in regions where oil palm arrives and/or expands, communities experience rising prices of staple foods. Different factors contribute to that increase in price, including a decrease

² <http://theoilpalm.org/food-security/contribution-to-food-security/>

in local food production when indigenous peoples and peasants stop producing crops for local markets because they start to work for oil palm companies and do not have time to work on their lands. Less food production means less food sovereignty for families and whole regions. In a study on the reality of smallholder producers in Indonesia, a worker in the oil palm plantations commented: *People who work on oil palm (plantations) in the end have to buy rice because they don't work the (rice) fields*³. While large-scale oil palm plantations produce and sell food processing materials, through this process they also eliminate the source of people's food that forests provided for free. These forest gardens are either destroyed or become inaccessible to communities once oil palm plantations are established. The arrival of oil palm companies in a region, with their promises of “development” and “progress”, also often results in a more general trend of speculation and the connected price increases not only of food but also other products and services.

Furthermore, in situations where people hand over their lands or a portion of their lands to expanding oil palm companies and receive compensation that they themselves consider adequate, the risk to food insecurity in the future remains. Continued access to their land would have enabled them to continue to grow food they now cannot grow anymore. The result is a loss of or increased risk to their food sovereignty, today and in future, and also of the region that the farmers supply with the food crops they previously grew. Taking farmland away from people can therefore mean putting people at risk of hunger if no job or work alternatives are available, irrespective of whether or not adequate compensation was paid initially – which as mentioned under reply to lie 2 above, most often is not the case.

Land is not just a means to produce oil palm fruit, as is the case for an oil palm company. Especially for indigenous peoples and traditional communities, land is in the first place a territory, a home for local populations that in many ways guarantees their well-being. For example, when people are denied access to forest areas they use, their religious and spiritual well-being is affected when sacred places used for rituals and ceremonial traditions are destroyed.

Lie 4. Oil palm plantations have a minimal need for water and for chemical inputs

Any large-scale monoculture depends on agrottoxins and fertilizers, in order to guarantee the high production that the companies pursue. Even the so-called “minimal”⁴ quantities used cause significant impact for local inhabitants. The agrottoxins, and even fertilizers used in the plantations pollute water on which people depend. A further source of pollution are the mills where oil palm fruit is processed to obtain the crude palm oil. Rivers and streams that people use

³ Colchester, Marcus and Norman Jivan, 2006. Ghosts on our Own Land: Indonesian Oil Palm Smallholders and the Roundtable on Sustainable Palm Oil. Forest Peoples Programme/SawitWatch

<http://www.forestpeoples.org/sites/fpp/files/publication/2011/02/ghostsonourownlandtxt06eng.pdf>

⁴ http://www.simedarby.com/upload/Sime_Darby_Response_to_FOE_Allegations_Attachment_3_02.pdf

to obtain drinking water, for bathing and washing clothes become polluted with this so-called Palm Oil Mill Effluent (POME). When the plantations expand, this pollution increases along with the volume of oil palm fruit processed in the mills, often to the point where the water is not useable anymore.

An important factor that makes the claim of “minimal” use of chemicals per hectare irrelevant is the scale of the operation. Oil palm plantations often cover thousands and thousands of hectares, transforming “minimal needs” into large amounts of agrochemicals. In West-Sumatra, for example, an oil palm company uses five types of herbicides and apply them in a single or mixed form. It applies about 7-8 liters of these toxic substances per hectare on a three-monthly basis ⁵. For 50 thousand hectares, this means 350 to 400 thousand liters every three months, between 1.4 and 1.6 million liters a year. This adds up to a vast quantity of toxic, dangerous products if used at such a large scale, which is common for the corporate oil palm plantation projects. Use of pesticides and chemical fertilizers on such a large scale and over such long periods of time also significantly increases the nitrogen content in the water, triggering accelerated growth of algae on the water surface, altering microclimates and reducing oxygen levels in the water, that in turn leads to a decline in river biodiversity.

The same is true for water consumption that might be “minimal” in the case of a few oil palm trees, but will risk causing water shortage in the case of large-scale oil palm plantations. Companies also often divert the course of rivers or open up drainage canals in order to obtain and be able to regulate the optimal flow of water in the plantation areas. This diversion of water almost always is done at the expense of people’s needs, for example for fishing and drinking water. The manipulation at scale of the natural water flow also affects the equilibrium of the local water supply through the different natural water basins on which people depend.

Lie 5. Oil palm plantations conserve the environment and contribute to reducing global warming

Oil palm plantations are notorious direct drivers of deforestation, destroying the very important fundamental functions fulfilled by forests such as maintaining the biodiversity, as well as being the home of forest-dependent peoples. In Indonesia and Malaysia, where most of the world’s oil palm plantations are located – about 14 million ha in 2012 ⁶ –, more than 50% of oil palm expansion since 1990 has taken place at the expense of forests ⁷. Meanwhile the increasing oil

⁵ Verbal information from local organisation in Sumatera, Indonesia.

⁶ Overbeek W, Kröger M, Gerber J-F. 2012. An overview of industrial tree plantation conflicts in the global South. Conflicts, trends, and resistance struggles. EJOLT Report No. 3, 100 (<http://www.wrm.org.uy/publications/EJOLTplantations.pdf>)

⁷ Kongsager, R. and Reenberg, A., 2012. Contemporary land-use transitions: The global oil palm expansion. GLP Report No. 4 GLP-IPO, Copenhagen. (<http://ihdp.unu.edu/article/read/contemporary-land-use-transitions-the-global-oil-palm>)

palm expansion in Africa and Latin America is, according to many reports and articles ⁸, also driving deforestation.

The land use change involved in the setting up of oil palm plantations causes the conversion of forest or peat forest lands, in the course emitting huge quantities of carbon. These emissions however are often omitted in claims about the supposed climate benefit of palm oil as an agrofuel. In one study, it has been calculated that using palm oil as an agrofuel leads to 25% more CO₂ emissions than if fossil fuel-based diesel is used when these emissions from land use change to oil palm plantations are included in the calculation. ⁹

Governments of oil palm producing countries and palm oil producing companies lobby at the international level to have oil palm plantations considered as forests – *the United Nations organization FAO still defines them as an agricultural crop*. By having them relabelled as “forests”, the aim is to secure access to REDD+ ¹⁰, CDM ¹¹ or other ecosystem trading schemes, which could then enable the companies to generate an extra income from selling carbon credits from the oil palm plantations. However, the idea of oil palm companies receiving money for (temporary!) carbon storage in their plantations is unacceptable; not only because of the amount of CO₂ emitted when forests were converted into oil palm plantations, but also given the negative impacts of large-scale oil palm plantations on people and the environment. And last but not least, this is unacceptable because the mechanism of carbon trading itself implies the continuation, not reduction of polluting activities that contribute to climate change by the carbon credit buyers elsewhere ¹².

Therefore, the best way for oil palm companies to contribute to reducing global warming is not to set up any new plantation. Even their argument that planting oil palm on degraded lands would enhance the carbon stock in that particular area does stand up to scrutiny. As noted in the reply to Lie number 1, companies tend to occupy those lands with the best growing conditions for the palm trees, which obviously exclude degraded lands.

⁸ See WRM and other publications listed at the end of this booklet under “Further information on impacts oil palm plantations”

⁹ Euractive, 2012: Biodiesels pollute more than crude oil, leaked data show (<http://www.euractiv.com/climate-environment/biodiesels-pollute-crude-oil-lea-news-510437>)

¹⁰ Reduced Emissions of Deforestation and Forest Degradation

¹¹ Clean Development Mechanism

¹² On the WRM web page, you can find several materials that explain the risks and problems involved with REDD and carbon trading, for example the booklet “10 things communities should know about REDD” in <http://www.wrm.org.uy/publications/10AlertsREDD-eng.pdf>

Lie 6. Companies say they are committed to listening to communities that will be affected by the plantations or that are already affected by oil palm plantations, and address their demands ¹³

By the time companies engage with communities, they usually already have a permit or support of some form from the national government to start their plantation. The project is therefore always top-down, never bottom-up, and the option of not establishing the plantation is rarely part of the spectrum of options discussed.

So when companies are contacting communities, it is usual for them to come not to listen and learn about community demands and about how the land is already used. They come to inform the community about the company plans in the hope that communities will not hinder but rather support them. To obtain such support, companies tend to initially target community leaders, putting pressure on them to agree to and ensure local support for the plantation project, often arguing that government at the highest level already gave their support. When companies encounter resistance among leaders and communities, a tactic often used in attempting to break this resistance is to offer some kind of benefit, most often a few jobs and/or some social project for the specific community.

Companies rarely uphold the internationally broadly accepted principle that guarantees communities the right of Free Prior and Informed Consent (FPIC). For FPIC to be meaningful it must include the right to say no to the project. And when companies say they do apply FPIC, they often mix up “consent” with some sort of “consultation”, using for example an attendance list from meetings held at a community to “prove” that the communities were consulted and are in support of their plans.

In most cases, Sime Darby in Liberia and Herakles in Cameroon being recent examples ¹⁴, companies only sit down with communities and listen to their demands when they are forced to, for example after heavy protests by a community against the company practices and against the impacts of the plantations on their lives.

¹³ For example, the Herakles company active in Cameroon affirms: "Herakles Farms is committed to listening to the concerns of all stakeholders and modifying our practices where necessary". (<http://www.cmtevents.com/aboutevent.aspx?ev=120927&>)

¹⁴ See http://wrm.org.uy/countries/Liberia/uncertain_futures.pdf and <http://wrm.org.uy/bulletin/165/Cameroon.html>

Lie 7. Oil palm plantations create many jobs and thus contribute to employment in the region

The jobs in oil palm plantations are usually badly paid and therefore relatively cheap for the companies¹⁵. Moreover, workers' rights, such as receiving payment during illness, are rarely protected. In many cases, the workers do not have a contract with the company that guarantees both a monthly salary as well as additional benefits. Rights common in such contracts in countries with an adequate labor legislation and effective labor inspection services are absent from the large majority of contracts that oil palm plantation workers have – if they have an employment contract at all. It is common for workers on oil palm plantations to work as day laborers, without contract or any additional benefits.

In some countries, outsourcing of labour is a way of evading legal social obligations while it is also an anti-trade union tool that promotes informal and precarious labor. In Colombia, for example, the government encouraged the creation of Cooperatives for Associated Work (CTAs). While claiming that these new forms of employment would turn workers into their own bosses, in reality the CTAs stripped workers of their rights as employees without providing any comparable rights to ensure decent working conditions. By turning direct employment with the company into employment through CTAs, workers rights to organize in trade unions, to complain about bad working conditions or to demand a better salary were restricted.¹⁶

Furthermore, workers, including women, working in the oil palm plantations, have to carry out hazardous activities like applying agrottoxins, with severe negative impacts on their health. Often they lack access to safety equipment that could at least reduce the impact. And when peasants start growing oil palm for the company or work on company plantations, they have no or less time left to work on the field, to produce food and collect food products in the forests. In the case of women, they face a double work load:

Working in the [company] fields is very hard, essentially it's just so hard being a labourer. You have to accept the heat and being rained on. Apart from the responsibility in the house, there's also the work outside of the house, from morning until the afternoon and once home there are still more house chores that must be done'.¹⁷

Harassment by foremen or security guards from the companies is also a common reality:

"The foremen, sometimes they harass the female workers so that they have relations with them and then in return give them better work. But because we struggle for our rights, they forced us to give up our job, and I

¹⁵ See reports on Liberia and Gabon, listed at the end of this booklet under "Further information on impacts of oil palm plantations".

¹⁶ See <http://www.rel-uita.org/>

¹⁷ Dewy, P. et al, 2010. Research report: The oil palm plantation weakens the situation of women. Sawit Watch and Women's Solidarity for Human Rights, Bogor.

had my daughter at school and I had to take her away, and I had my son at school and I had to take him away, because they forced us to give up our job”¹⁸

In some cases, workers even come from outside the communities, because community members do not accept the poor working conditions. Regarding the more qualified jobs, very few or no community people have access to these jobs; such qualified workers are generally recruited from outside, not from within the local communities. Also communities complain that most of the jobs are in the first years when the oil palm plantations are established and that afterwards few jobs remain.

Although the work at an oil palm plantation is still mainly manual, it cannot compete with the quantity of work and number of jobs that can be created through a diversified small-scale agriculture and (forest) land use, managed and controlled by peasant communities.

Lie 8: Involving peasant farmers in planting oil palm in expansion regions offers additional benefits and is an excellent alternative for them.

Often companies, like Petrobrás in Brazil¹⁹, say they will implement part of their projected plantations through smallholders; they promise that this offers an additional benefit for local communities. But is this really true? What are the experiences from Indonesia, the country with the highest number of oil palm smallholders in the world?

In Indonesia, about 30% of all the oil palm fruit delivered at processing mills come from smallholder plantations. Through a complex land allocation process, most of these smallholders are part of a government-promoted scheme where an area around the mill – the *inti* – belongs to the company and a surrounding area – the *plasma* – often more distant from the mill, belongs to smallholders. Each smallholder has about two hectares of oil palm, with a minor area for other activities, for example subsistence agriculture. Smallholders can come from the same area but are also migrants who move to the region as part of transmigration programs.

Some of the main complaints from smallholders are related to the fact that they are not consulted about the oil palm project by which on the one hand they are forced to give up their customary lands, including forest lands they often depend on in many ways, while on the other hand, they get in return the two-hectare plot of oil palm with a sort of “land title”. This means a violation of

¹⁸ See “Bajo Aguán: grito por la tierra”, <http://wrm.org.uy/wp/es/videos/bajo-aguan-grito-por-la-tierra/>

¹⁹ <http://www.petrobras.com.br/pt/noticias/petrobras-investe-em-producao-de-biodiesel-no-para-e-em-portugal/>

their customary land rights and often results in conflicts, of which hundreds exist today in Indonesia.

Another problem is that to establish the plantations, the smallholders assume a debt that they often have difficulties in paying back. Governments and companies tend to exaggerate the profits that the oil palm plantations can offer to local people. At the same time, they rarely properly inform the smallholders about the costs and about the risk of assuming a debt which, depending on the agreements, the smallholders incur directly or that they have to repay to the company for preparing their two hectare plots and planting the crops. The scheme practiced in Indonesia today often dooms farmers into a life of permanent debt. Many farmers lack contracts with the company and have very limited information on the financial scheme they got involved in. As the income from the two hectares is so reduced by debt repayments and other overheads, people need to complement their income with activities outside their land.

A related difficulty involves the extra costs and other problems involved in the oil palm business, like the dependence on the company for transport of the fruits. Transport cannot be delayed when the fruits are mature, or smallholders run the risk of losing the harvest and income. One problem is that at the time of transport of the fruits from the plantations to the processing mills, companies tend to give priority to their own plantations and not to the smallholders. To make things worse, the smallholders are further away and often lack access to adequate roads to get to their plots, also in terms of the maintenance, making transport even more difficult:

'Our land has been divided up into inti and plasma but the inti is close to us by the road while the plasma is about 18 kilometers away and has no road, so even if the sawit (oil palm) was good (productive) it does not benefit us.'

Other complaints are related to the use of agrottoxins. Although often too expensive and therefore not used, where smallholders do use pesticides, they are not prepared for such a use:

'Yes, we do (use pesticides) but we don't know about the risks. None of us had training. We took no precautions until someone went blind. So, yes, now we are very concerned.'

Also problems exist with workers representation at the government-led cooperatives, making it even more difficult for the families to defend their rights and to voice their concerns. One local inhabitant summarizes the experience like this:

*'It's as if we were ghosts on our own land. We have been so pierced through by the spines of the oil palm that we are almost dead, left haunting what was once our own land. We don't usually say this, but this is how it is really. We need to make our case ourselves and explain how the oil palm is hurting us.'*²⁰

²⁰ Colchester, Marcus and Norman Jiwan, 2006. Ghosts on our Own Land: Indonesian Oil Palm Smallholders and the Roundtable on Sustainable Palm Oil. Forest Peoples Programme/SawitWatch (<http://www.forestpeoples.org/sites/fpp/files/publication/2011/02/ghostsonourownlandtxt06eng.pdf>)

Lie 9. Oil palm plantations help communities develop and improve the supply of basic services to the residents (roads, clinics, schools)

It is true that often a network of roads throughout the plantations is set up by the oil palm company. But the roads are built because good access is essential for the transport of the harvested fruits. The road network either can benefit the communities or jeopardize them, for example when the company changes the course of roads traditionally used by communities. A common complaint of communities is that their right to freely come and go through the area where plantations are set up becomes restricted and they may even lose access and be prevented from using the road by private guards employed by the company to “secure” the oil palm plantation.

When it comes to building and offering schools and health services, communities often complain that these promises are delayed or not fulfilled. Even if the company offers medical services to its employees, such a right is usually not extended to the affected communities.

However, while it is relatively easy and attractive for companies to construct health or education facilities which can be officially inaugurated and shown as concrete and visible contributions to communities, it is much harder and more expensive to maintain and improve them in the long term, especially for governments in the global South which most often have been forced to reduce budgets for education and health as a result of neoliberal policies.

At the end of the day, companies benefit more from government measures to ‘attract investment’ – getting concessions for low or no fees and other advantages such as tax breaks, subsidies, loans with low interest rates, etc. - than communities benefitting from the company’s local initiatives. In Gabon for example, an agreement between the government and oil palm producer Olam includes income tax holidays for 16 years, exemption from VAT and custom duties on imported machinery and inputs, Oil & Gas and fertilisers.²¹

Lie 10. Oil palm companies contribute to sustainable development of countries

Most of the present expansion of oil palm plantations in Africa and also in Latin America²² is not a result of an increasing local or national demand for palm oil on these continents. To the contrary. It is much more about supplying markets outside these continents. It is also at these

²¹ <http://www.flex-news-food.com/console/PageViewer.aspx?page=33410>

²² In some countries of Latin America part of the new industrial oil palm plantations are also destined to domestic or regional consumption and production.

faraway places that refining of the crude oil and transforming it into final products takes place. The jobs and wealth created around these activities do not benefit people in the producing countries.

Data from 2010/2011 suggest that India is now the main global importer of palm oil, followed by China and the European Union. However, Europe remains by far the biggest per capita consumer of palm oil and vegetable oil in general, including oil made from other seeds like soy and rapeseed. This is due to its excessive consumption pattern that includes the use of oil palm in a large range of different supermarket products, different from China's and India's use which is largely related to basic use for cooking purposes. Per capita vegetable oil consumption in the EU in 2010 was 2.6 times bigger than in China and 4.5 times bigger than in India²³. EU agrofuel targets set in recent years are another driver of oil palm consumption in the EU.

Lie 11: The palm oil industry is committed to a number of high standards like ethical conduct

The big players in the palm oil industry claim in the public information about their business approach that they adhere to different but nonetheless "high ethical standards" of conduct. They claim that business is done with "integrity", "respect", "honesty" and "trustworthiness".²⁴

However, the reality of the conduct of the palm oil sector in countries like Indonesia fails to substantiate these claims that oil palm companies are examples of good ethical conduct. To the contrary, the sector has been involved in cases of corruption, graft, and bribery as well as rent-seeking by politicians²⁵, public and government officials. Furthermore, many cases of violence have been reported²⁶ in the hundreds of conflicts with local communities that companies are involved with.

²³ See <http://www.wrm.org.uy/publications/EJOLTplantations.pdf> (Overbeek W, Kröger M, Gerber J-F. 2012. An overview of industrial tree plantation conflicts in the global South. Conflicts, trends, and resistance struggles. EJOLT Report No. 3, 100 p.)

²⁴ See for example the Wilmar website (<http://www.wilmar-international.com/who-we-are/core-values/>), the world's biggest oil palm plantation company, and Sime Darby website (http://www.simedarby.com/core_values.aspx), the second biggest company.

²⁵ See www.antikorupsi.org, for example <http://www.antikorupsi.org/id/content/pasal-anti-pencucian-uang%C2%B8-membabat-kejahatan-kehutanan#translate-en> and <http://www.antikorupsi.org/id/content/mouna-wasef-menghitung-kerugian-negara-akibat-illegal-logging#translate-en>. Also: http://www.thejakartapost.com/search?search_words=Suwarna+Fatah+graft+cases&cx=0&y=0, http://www.thejakartapost.com/search?search_words=Hartati+Murdaya+and+Amran+Batalipu+graft+case&cx=0&y=0, and <http://www.thejakartapost.com/news/2013/02/27/bpk-reports-26-mining-and-plantation-companies-police.html>, <http://www.thejakartapost.com/news/2013/06/07/asian-agri-told-pay-rp-43t.html>

²⁶ See for example article on Wilmar and human rights: <http://wrm.org.uy/bulletin/173/Indonesia.html>

The increasing market in the European Union (EU) for palm oil

Increasing demand for oil palm is directly related to increasing demand for agrofuel for domestic consumption, and particularly the agrofuel boom in the EU, with targets established for 2020 related to the use of “renewable energy”. Palm oil in the EU is now a prime feedstock because it is by far the cheapest type of plant oil available in large quantities. In previous years, very substantial amounts of palm oil were already burned in power stations and combined heat and power plants in the Netherlands and Germany. Following protests about social and environmental impacts of these plantations, use of palm oil has fallen, although Italy continues to provide incentives for burning palm oil with ‘green subsidies’. And new plans to use agrofuels for power generation in the UK could lead again to an increase of palm oil use in power stations. Increases in use are also likely in the US. Additionally, by 2020, the European aviation industry plans to use two million tons of biokerosene a year. Palm oil is expected to be the main future feedstock for airlines.

However, the evidence shows that the biggest impacts this ‘boom’ has had on the expansion of oil palm plantations in the South so far have been indirect impacts: With the EU using two-thirds of rapeseed oil production for agrofuels for different purposes, the food, cosmetic and chemical industries have switched to using palm oil instead.²⁷

Lie 12. RSPO guarantees sustainable oil palm

The Roundtable for Sustainable Palm Oil (RSPO) has put together a set of principles and criteria which a company that wants to be certified by the RSPO needs to adhere to, to be able to claim to produce ‘sustainable palm oil’. However, RSPO suffers from structural problems that make it impossible to deliver this promise. The main problem is that the big global players in the palm oil sector represent the huge majority of its members. Another problem is that RSPO does not differentiate between different scales of operation, applying the same criteria to small plantations and to monocultures of tens or hundreds of thousands of hectares that by definition are never sustainable for local people and nature.

Palm oil is now the cheapest vegetable oil available, if compared with others like soy or rapeseed oil, supplying consumer markets in industrialized and emerging countries. This market is maintained and fuelled by the big RSPO players for whom the consumption pattern of using palm oil in a huge range of mainly supermarket products, consumed by a minority of the world population, generates enormous profits. The net profit in 2012 of the two main oil palm

²⁷ WRM briefing document, 2013. Tree plantations in the South to generate energy in the North: A new threat to communities and forests.

plantations companies was US\$ 1.3 billion in the case of Wilmar ²⁸, and US\$ 1.4 billion in the case of Sime Darby ²⁹. The corporate logic that enables profit making on such a scale is dependent on more and more expansion. In this context, the RSPO membership and thus the “commitment” to a “sustainable” way of palm oil production is merely a ‘passport’ to enter into new territories and further expand production and profits. Meanwhile, oil palm companies continue to externalize most of the social, economic, cultural and environmental “costs” of their plantations to people and nature. RSPO thus does not interfere with the principal objective of companies – expanding market share and profit for shareholders. Rather, it serves as a form of ‘greenwashing’ of oil palm plantations and their image.

Much closer to a sustainable way of producing palm oil and many products based on it are the traditional systems of growing oil palm and processing palm oil for products sold on local and regional markets. These traditional oil palm economies are still practiced in many western and central African countries and in a specific region in Brazil. These diversified traditional palm oil systems, where palm oil is grown in agroforestry or intercropping schemes provide significantly more benefits for local and national economies in these countries, at a much lower environmental cost. An estimate of between 6 and 7 million hectares of oil palm in Africa was produced in traditional growing systems ³⁰, especially in Nigeria, representing about one third of the globally planted area.

²⁸ <http://ir-media.wilmar-international.com/phoenix.zhtml?c=164878&p=irol-fundFinancialHighlights>

²⁹ http://www.simedarby.com/5_years_financial_summary.aspx

³⁰ http://wrm.org.uy/countries/Africa/Oil_Palm_in_Africa.html

Conclusion

The presented claims of the palm oil industry are not only misleading, many times they are also false, including the statement that they improve the wellbeing of local communities. For most people, as this booklet shows, life indeed changes with the invasion of oil palm plantations in their territory, but for the worse.

For the communities, oil palm expansion goes hand-in-hand with a reality of loss of access to farm and forest lands, impacts on their water supply, and also increasing food prices in the region. It does not offer perspectives for future generations in terms of access to land and forests. Working as smallholders or as workers in the plantations exposes many people to lifelong indebtedness and an uncertain future of dependence on the company and on the price the company is willing to pay for the oil palm fruit.

Hundreds of resistance struggles taking place in oil palm expansion areas in Latin America, Africa and Asia are testimony that communities do not easily accept all these impacts imposed on them. These communities do not want to be “slaves” on their own lands and they have other proposals for how to improve their lives. They struggle for recognition of their land rights and territories. They demand support for their alternatives to large scale plantation development.

On the other end of the production chain, in the main palm oil consuming countries, still too few people and organizations are engaged in the struggle to change the current production and consumption model that promotes the industrial use of oil palm in hundreds of supermarket products. This is especially true for the European Union with the highest per capita palm oil consumption and among middle class segments of society in emerging countries, where consumption patterns exported by industrialised countries lead to increases in consumption of products based on palm oil and other vegetable oils. The demand in the EU is further driven by the targets of using ‘renewable energies’, including agrofuels.

Stronger alliances among communities and organizations in consumer countries and oil palm plantation countries are needed to more effectively challenge the ongoing expansion of oil palm plantations. This will need to involve among others exposing the lies and empty promises of oil palm companies, solidarity with those defending the territories and forests on which communities in Asia, African and Latin American countries depend and that are at risk of being taken over by palm oil plantations. It will also require solidarity with those working towards different production and consumption models which are not based on further destruction of forests and peoples’ livelihoods in the global South.

Further information on impacts of oil palm plantations:

- "Oil Palm in Africa: past, present and future scenarios", by Ricardo Carrere, WRM 2011 – (in English: http://wrm.org.uy/countries/Africa/Oil_Palm_in_Africa.html) (in French: http://www.wrm.org.uy/countries/Africa/Palmier_a_huile_en_Afrique.pdf)
- Interactive map on oil palm expansion in Africa, by WRM (http://wrm.org.uy/countries/Africa/Oil_Palm_in_Africa.html)
- "Uncertain futures: the impacts of Sime Darby on communities", by Silas Kpanan'AYoung Siakor. WRM and SDI, 2012 (only in English: http://wrm.org.uy/countries/Liberia/uncertain_futures.pdf)
- "Étude sur l'impact des plantations agro-industrielles de palmeirs à huile et d'hévéas sur les populations de Gabon", by Frank Ndi Jimbi. Brainforest, in collaboration with FERN and WRM, 2013 (Only in French: <http://wrm.org.uy/wp/blog/books-and-briefings/etude-sur-limpact-des-plantations-agro-industrielles-de-palmiers-a-huile-et-dheveas-sur-les-populations-du-gabon/>)
- "Crime environnemental: sur la piste de l'huile de palme", video by Basta and Friends of the Earth France about Sime Darby in Liberia, 2012 (only in French: <http://vimeo.com/40397295>)
- "Live or drive: a choice has to be made: a case study of Sime Darby operations in Liberia", by Basta and Friends of the Earth France, 2012 Informe FOE-França sobre Sime Darby in Liberia (in English and French: <http://www.amisdelaterre.org/Huile-de-palme-vivre-ou-conduire.html>)
- "Progrès ou problème?", video on oil palm impacts in Indonesia, "Progreso o retroceso: voces de las plantaciones de palma de aceite", by Lifemosaic, in collaboration with Sawitwatch and Friends of the Earth Indonesia, (In French: <http://vimeo.com/40397295>) (in French) (In Spanish: <http://vimeo.com/27342092>)
- "Bajo Aguan: grito pela terra", by Alba Sud, Rel-UITA, in collaboration with FIAN, COPA and WRM. Video about oil palm impacts in Honduras, 2012 (in Spanish <http://wrm.org.uy/wp/es/videos/bajo-aguan-grito-por-la-tierra/in> Portuguese http://wrm.org.uy/paises/Honduras/Grito_por_la_Tierra_pt.html)
- "Seeds of destruction: expansion of industrial oil palm in the Congo basin – potential impacts on forests and people", by Rainforest Foundation UK, 2013 (In English:

<http://www.rainforestfoundationuk.org/files/Seeds%20of%20Destruction,%20February%202013.pdf>

- ‘Promised Land: Palm oil and land acquisition in Indonesia – Implications for local communities and indigenous peoples’, by Forest Peoples Programme and SawitWatch, <http://www.forestpeoples.org/topics/palm-oil-rspo/publication/2010/promised-land-palm-oil-and-land-acquisition-indonesia-implicat>
- ‘Ghosts on our own land: Oil palm smallholders in Indonesia and the Roundtable on Sustainable Palm Oil’ by Forest Peoples Programme and SawitWatch <http://www.forestpeoples.org/topics/palm-oil-rspo/publication/2011/ghosts-our-own-land-oil-palm-smallholders-indonesia-and-roundt>
- ‘Land is life: Land rights and oil palm development in Sarawak’ by Forest Peoples Programme and SawitWatch <http://www.forestpeoples.org/topics/palm-oil-rspo/publication/2010/land-life-land-rights-and-oil-palm-development-sarawak>
- ‘Palm oil and indigenous peoples in South East Asia’ by Forest Peoples Programme <http://www.forestpeoples.org/topics/palm-oil-rspo/publication/2010/palm-oil-and-indigenous-peoples-south-east-asia>

Useful websites:

- www.wrm.org.uy
- www.oaklandinstitute.org
- www.palmwatchafrica.org
- www.sawitwatch.or.id
- www.forestpeoples.org
- www.rel-uita.org