

Palm oil: A Messy Business

Recommendations to the University of Edinburgh

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Key Messages

- Current cultivation and management practises of palm oil are unsustainable.
- The University is stimulating the continuation of these practices by generating demand for the crop.
- The University should increase the variety of oils used, locally sourcing wherever possible.
- Labelling palm oil free products would help improve consumer awareness and choice.
- The University needs to use its leverage as a purchaser to ensure positive change.
- Pressure needs to be placed on multinational companies to source certified sustainable palm oil, and on the RSPO to enhance current criteria.

Introduction

The oil palm, *elaeis guineensis,* is native to central Africa but is successfully cultivated on large a scale as a commercial crop in tropical lowland areas. Crude palm oil is the most in demand product derived from the palm and is extremely versatile, primarily due to its solid state at room temperature. It is colourless, odourless, flavourless and very stable in nature [1]. This versatility and diversity in application means palm oil is found in almost half of supermarket products, ranging from packaged foods and baked goods, to household cleaning products. It is also widely utilised globally as a biofuel.

In recent years production has exploded and palm oil has become the most widely used vegetable oil, in part due to the agronomic characteristics of the tree. Throughout its economic lifespan of around 25-30 years the tree continuously produces fruit bunches. This enables the industrial production of a constant supply of the vegetable oil to meet global demand and in turn reduces the price of the global commodity [2]. The majority is now cultivated in Indonesia and Malaysia, together accounting for 85% of global production, with Europe being one of their largest markets.

Unsustainable industry and alternative oils

Our research determined that palm oil is a high yielding cash crop which provides jobs and economic benefits. The crop itself is less environmentally damaging than other vegetable oils. It requires less land, water, fertilizers, pesticides and energy input per hectare, yet produces significantly higher yields than alternative substitutes [3]. However, the industrial monoculture farming techniques and bad practices within the industry are resulting in high ecological and social costs. The rapid expansion of the industry is fuelling deforestation of highly diverse tropical peatlands, critical habitats for endangered species and home to indigenous people. The slash and burn methods used for deforestation release large volumes of carbon into the atmosphere that had previously been stored for thousands of years, accelerating climate change. These fires also create great plumes of haze which pose health risks to local communities and wildlife. Although the industry creates significant economic benefits, these are typically reserved for a small number of people. The plantations, including those certified under RSPO, are frequently associated with human rights violations and child labour[4].

Certifications

A variety of voluntary initiatives, business certification schemes, and mandatory standards have formed in the hope of improving the sustainability of palm oil production. All prioritize different criteria, with certain schemes focussing on environmental concerns, while others highlight social issues. They also require varying levels of compliance with the Roundtable on Sustainable Palm Oil (RSPO) necessitating 100% compliance, whilst others require compliance with only 50% of criteria. For this reason, although our research indicates a combination of all certifications would be optimal for ensuring all around sustainability, it is felt RSPO certified palm oil is what the University should be focusing on.

RSPO operates a 4-tiered scheme to sustainable certification. The top two tiers contain 100% certified sustainable palm oil (CSPO). ‘Identity Preserved’ is the optimal standard, where CSPO is physically separated from non-sustainable palm oil throughout the supply chain and is traceable back to a specific plantation. ‘Segregated’ is as above, but the CSPO can only be traced back to a group of possible plantations. ‘Mass Balance’ and ‘Book and Claim’ are the bottom two tiers of the scheme. Neither guarantee 100% CSPO, with businesses opting for the latter knowingly buying non-sustainable palm oil but ‘offsetting’ every ton with payments to CSPO growers in the form of ‘GreenPalm’ certificates. However, there is a lack of transparency within RSPO making it difficult to determine which tier companies source from, as very few are up front. Moreover there is generally no distinction to differentiate between the tiers on packaging, only the ‘RSPO’ logo is displayed, making it very difficult for the consumer to shop responsibly without eliminating palm oil altogether.

Palm oil within the University

The results of our small scale survey suggest palm oil is used widely within the University, with three out of four suppliers assessed commonly using palm oil in their non-processed goods sold to the University. Moreover, none of those suppliers knew whether the palm oil they used was certified sustainably sourced.

Recommendations

Worldwide demand for palm oil is expected to double again by 2050, to 240 million tonnes, therefore the scope of the work ensuring its sustainability is huge. However, due to the widespread nature of social and environmental controversies surrounding palm oil cultivation, the University should be aiming to avoid association and encouragement of the unsustainable practices within the industry. Through mass purchase of non-certified palm oil containing products, the University is fuelling demand, in turn stimulating the continuation of destructive cultivation and management practices. Improvement will only occur when large scale purchasers, such as the University, apply sufficient pressure on producers to change. One of the most effective methods for this would be to stop the procurement of non-certified palm oil wherever possible.

One option would be to completely eliminate palm oil from any product sold within the University's premises. This would ensure avoidance of any affiliation with environmentally damaging and corrupt plantations. However, as alternative vegetable oils often require greater inputs yet produce lower yields, new and potentially much larger problems would be created as a result of boycotting palm oil completely. This is therefore not seen as an effective or feasible way forward.

A compromise could encompass the University utilising smaller volumes of a wider range of vegetable oils. Supplier engagement could facilitate a reduction in palm oil use within goods from local producers, such as baked items sold in the cafes. Instead these small scale producers could be encouraged to utilise more locally produced fats and oils such as butter or rapeseed. The benefits would be threefold; an increase in support for local small businesses, a reduction in the use of potentially unsustainable palm oil, and a reduction in greenhouse gas emissions from the long distance transfer of raw ingredients. These benefits would also reinforce the University's commitment to local sourcing, reducing food miles, and fairly traded and ethical foods, as stated on their website. Where products do not contain palm oil, labelling could be utilised to highlight consumer awareness, as has been successful in countries such as France, Belgium, and Italy [5]. Where suppliers will not alter their palm oil use, it is the University's responsibility to ensure only certified sustainable palm oil is used, with more effort being directed into guaranteeing this in the future.

As these alternative fats would be more expensive the University would potentially need to amend budget prioritisation and conduct research to ensure consumers would be prepared to pay more. A simple questionnaire directed at students and staff would highlight consumer opinion on increasing specific price premiums. From discussions throughout our research there was a strong feeling that small price premiums would not affect consumer choice.

For products bought on mass from multinational corporations, including many of the chocolate bars, palm oil remains the most sustainable vegetable oil for mass cultivation. However, it should be ensured that all palm oil procured and used within the University is derived from RSPO segregated or identity preserved certification. This will likely require the University to utilise its power as a large scale buyer to increase pressure on these corporations to shift to sourcing only from the top two tiers of RSPO certification. Moreover pressure should also be placed on the RSPO for better incorporation of social issues such as human rights violations within the certification criteria.

These recommendations would aid in reducing the University's affiliation with unsustainable and harmful palm oil plantations. However, it is acknowledged that new issues could arise as a result of these recommendations. For example switching margarine containing palm oil for butter in sandwiches would present new concerns surrounding greenhouse gas emissions and animal welfare.

Conclusion

Palm oil is a high yielding cash crop, superior to alternatives, which provides jobs and large economic benefits for developing countries. However poor management practices are causing large-scale social concerns and irreversible environmental damage. Therefore the University of Edinburgh must do more as a powerful purchaser to increase pressure on suppliers to improve current practices and protect some of the most biodiverse regions of the world. This is a real chance for the University to prove it is serious about sustainability commitments through the implementation of changes. Moreover it presents an opportunity for the University to become an exclusive national leader within the field of ensuring only sustainably sourced palm oil is procured and sold on campus.

References

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