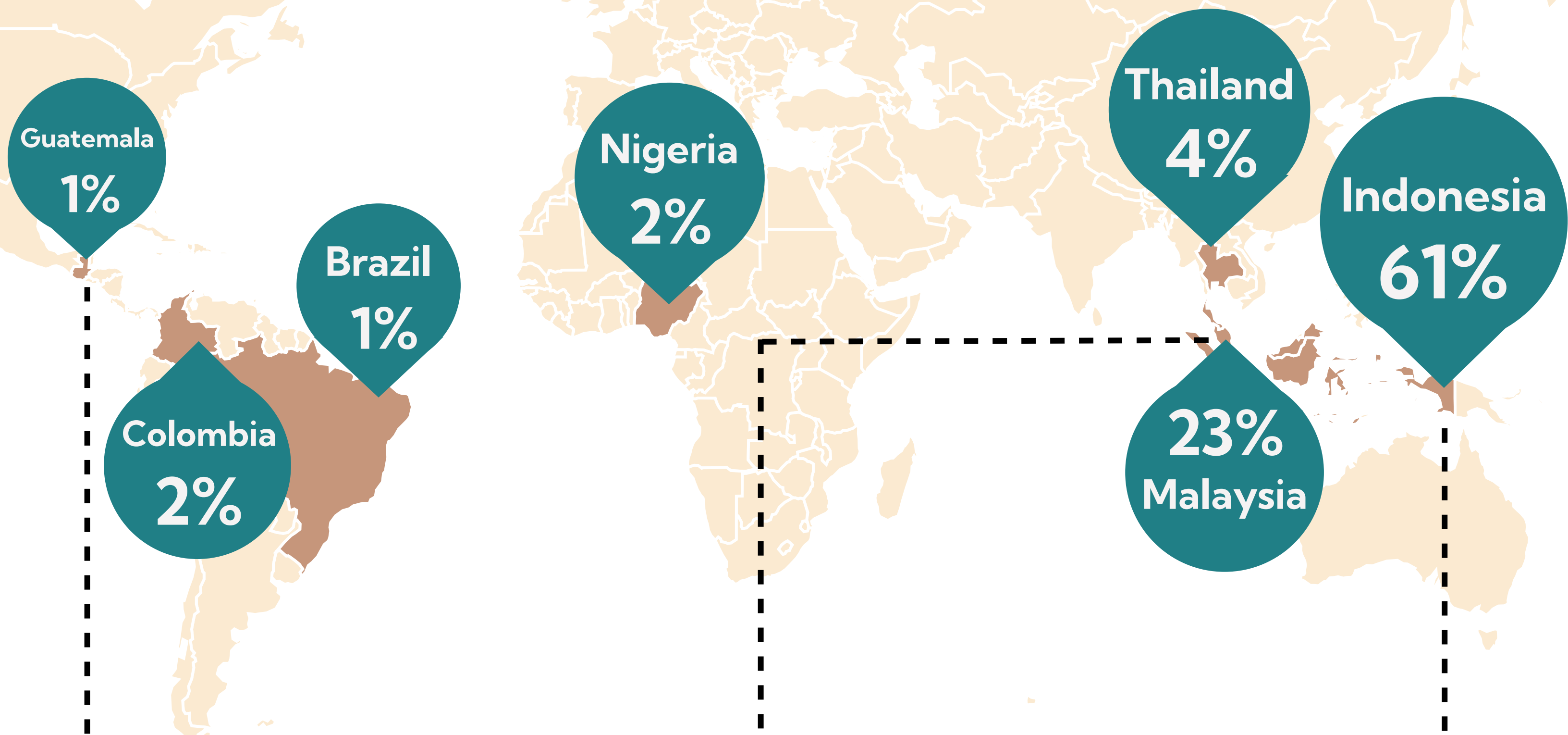


# Palm Oil

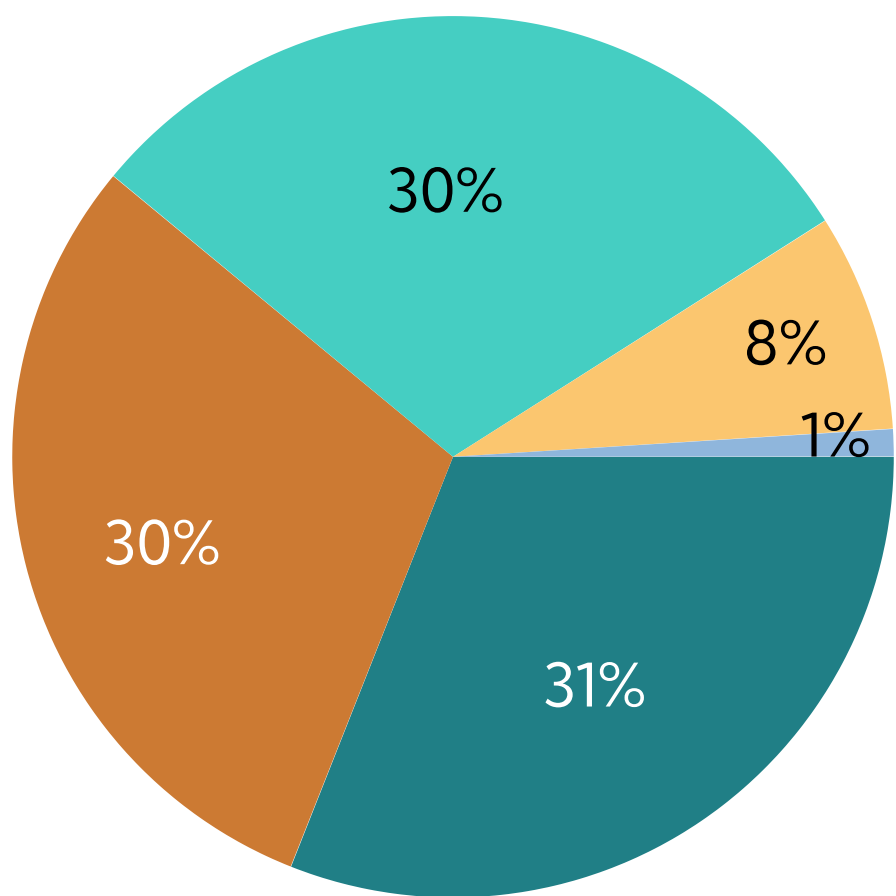


## Production & Trade

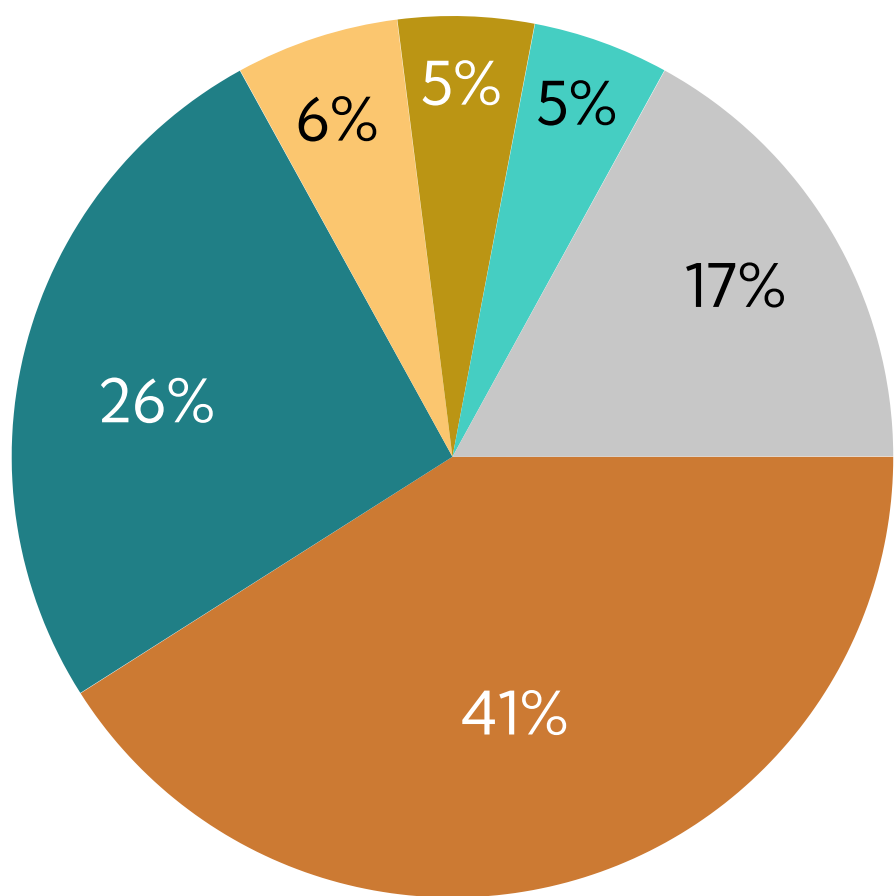
### Global top-7 palm oil producers



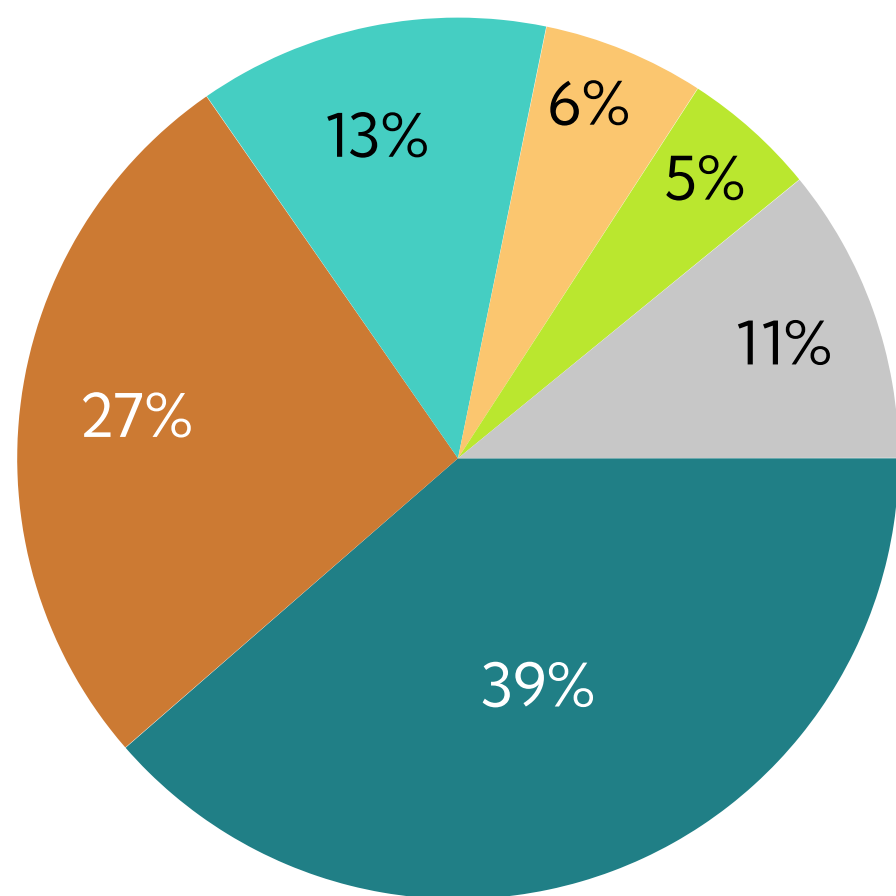
Top 5 EU recipients of Guatemala exports



Top 5 EU recipients of Malaysian exports



Top 5 EU recipients of Indonesia exports



- Belgium

■ France

■ Netherlands

■ Spain
- Germany

■ Italy

■ Ireland

■ Other EU27+UK countries

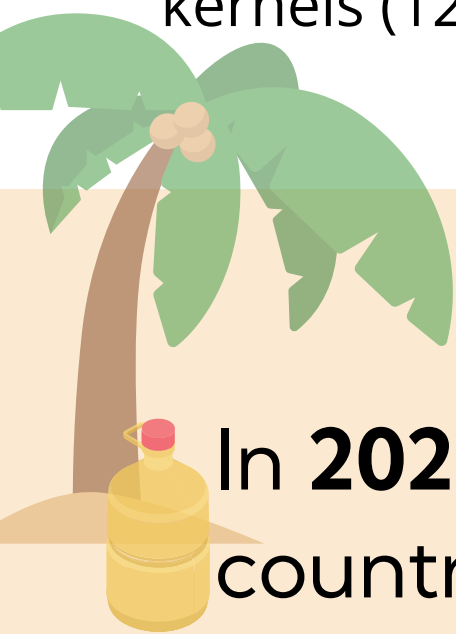
Note: Relevant palm oil products imported in the EU include, next to palm oil (HS 1511), crude palm kernel or babassu oil (151321), palm oilcake (230660), refined palm kernel and babassu oil(151329) and palm nuts and kernels (120710). The trade data presented relates exclusively to palm oil.



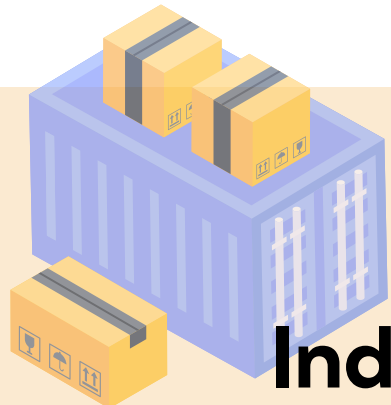
The majority of EU imported volumes of palm oilcake and refined palm kernel or babassu oil are from **Indonesia and Malaysia**. In 2021, for oilcake, 95% originated from Indonesia and 3% from Malaysia; for refined palm kernel oil 53 % came from Indonesia, and 45% from Malaysia.

Crude palm kernel or babassu oil **largely originates from Malaysia** (54%), **Papua New Guinea** (11%), **Honduras** (10%), and **Colombia** (8%).

EU imported palm nuts and kernels originate mostly from Côte d'Ivoire (48%), Thailand (8%), and Cameroon (5%), but **these numbers are close to 0% in terms of volume and value**



In **2020**, the top 7 producing countries **comprised 94% of palm oil production worldwide**, of which Indonesia and Malaysia cover 84%. Palm oil is the most imported palm nut derivative in the EU and one-third of all the imports are used in the food industry.



**Indonesia and Malaysia are the largest suppliers of palm oil to the EU.** The EU received respectively 44.6% and 25.2% of its palm oil import volumes in 2021 from these two producer countries, followed by Guatemala (8.8%), Papua New Guinea (6.6%), Honduras (5.4%), and Colombia (4.1%).







# Palm oil

## Environmental Risks

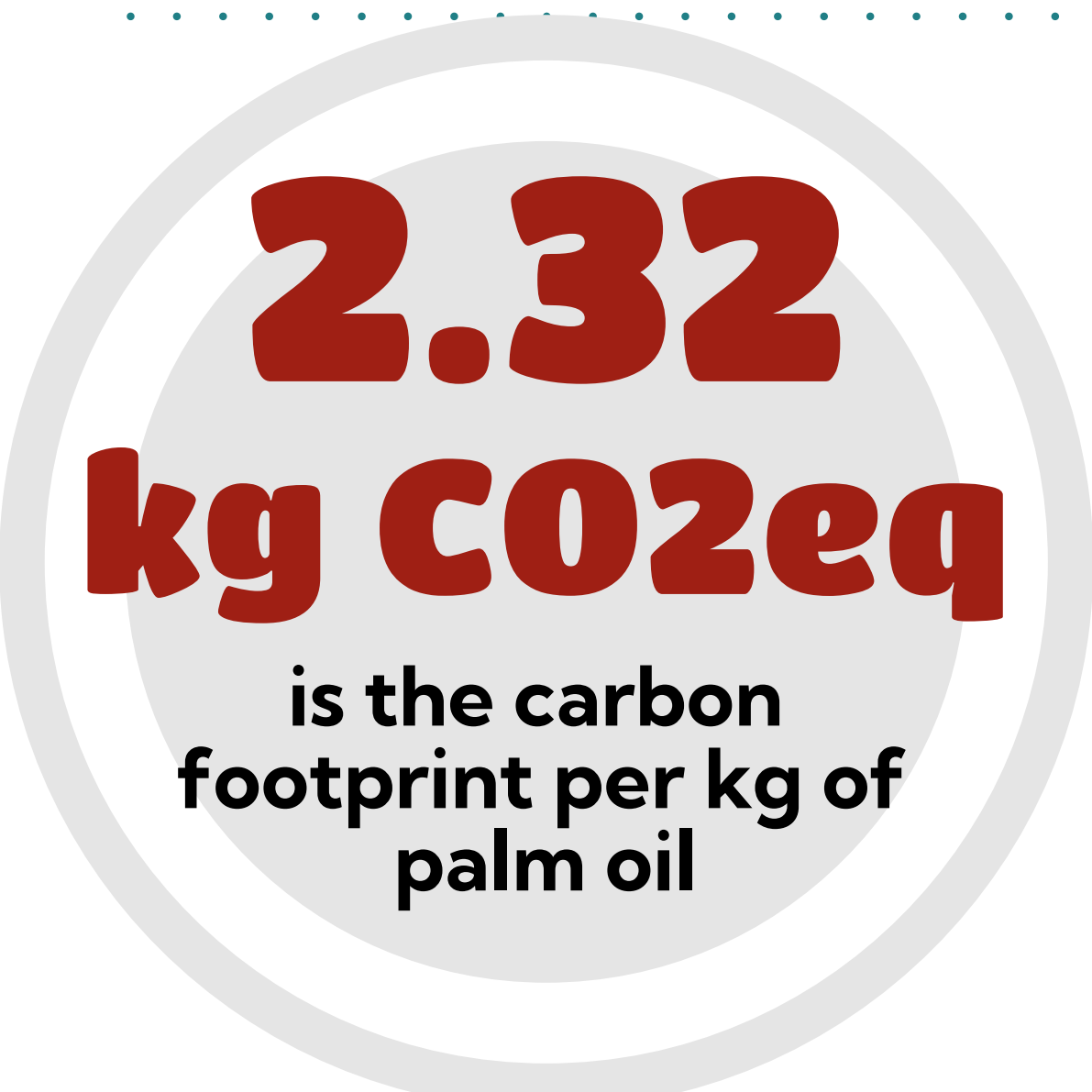
Palm oil production is one of the best known commodity drivers for **forest loss and peatland destruction**. While historically deforestation rates were very high, particularly in Southeast Asia, **recent research suggests that deforestation continued to decline in the Indonesia, Malaysia, and Papua New Guinea**. However, Papua New Guinea is currently considered the latest frontier for palm oil linked deforestation.



**Land use & deforestation**

In the light of environmental and social sustainability concerns in relation to palm oil from Southeast Asia, several **Latin American countries see an opportunity to open export markets** as they present palm oil from the region as a more sustainable option.

**While oil palm in Latin America indeed mostly expands on non-forested land, conversion and deforestation still occurs.** Some of the leading exporters require particular due diligence: Colombia, Guatemala, and Honduras.



Considering the direct link between oil palm plantation and peatland expansion and conversion, **GHG emissions linked to palm oil production have been (historically) significant**, mainly in Southeast Asia. Just for the production of the crop, without considering deforestation-linked emissions, the carbon footprint of palm oil is **low to moderate** (0.80 kg CO2eq per kg of palm nut; 2.32 kg CO2eq per kg of palm oil).

**Emissions**

Environmental sustainability concerns are prominent in the Latin American and African palm oil sector and require continued due diligence, **especially for regions and ecosystems that report considerable loss of vegetation and biodiversity**: Petén province in Guatemala, Amazon Rainforest, the Chocó-Darién moist forest, the tropical Maya Forest, and the Colombian savanna, the Nigeria State forest and the Congo Basin.

**Biodiversity Loss**



**Oil palm expansion is linked with the contamination of rivers and water sources** used by local and indigenous communities. Reported issues include pollution, decline in surface water quality, soil erosion, drained peatlands, and loss of access to clean drinking water. Moreover, because of oil palm expansion and its influence on (water) ecosystem services, protection against landslides, provision of regular water supply, water catchments, and riparian buffers are affected.

**Water Use**



# Palm oil

## Social Risks

### Land appropriation

Oil palm expansion is frequently linked with the dispute for **land** and the recognition of the rights of indigenous and (in Latin America) afro-descendant communities. Particularly on the African continent, oil palm expansion is linked to land-grabbing, violence and intimidation.

### Labour conditions

**204,135 ha**

of the Indonesian oil palm area is affected by agrarian conflict

**Breaches of labor rights in the palm oil industry are widespread.** Plantation companies largely set too high targets for workers harvesting fruit bunches, so harvesters can only achieve them with the help of family members, often the workers' wives.

**The lack of decent wages and food sovereignty** are also migration factors.

### Gender Issues

The extent of exploitation and discrimination of women within the palm oil industry is hard to deny. The seizure of land by oil palm corporations are affecting women's ability to produce food and access land. In Indonesia, the majority of local workers are women, who transformed from food producers into food buyers and cheap labour for the plantation companies. **As casual workers, women lack job and social security, they are not paid the minimum wage nor do they have social protection.** Abuse and violence against women are frequently reported in oil palm plantations worldwide.

**70%**  
of Indonesia's oil palm plantation workers are casual labourers with little social, legal, and labour rights; the majority of them is female

### Health & Safety

The intensified use of pesticides in the palm oil sector has **increased the vulnerability of workers to acute poisoning and chronic health effects.** Since many casual workers are female, they are most exposed. This is of particular concern given the demonstrated link between exposure to pesticides and women's reproductive problems such as birth defects, infertility, spontaneous abortion and still births.