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Palm oil fact sheet

Q. What is palm oil?

A. There are two types of oil gained from the oil palm tree: palm oil and palm kernel oil. Crushing and extracting the oil from the fruit of the tree produces palm oil. Palm kernel oil is obtained by crushing and extracting the oil from the seed or kernel of the fruit. There are two species of oil palm and both grow in the tropics: *Elaeis guineensis* and *Elaeis oleifer*.

Q. What kind of grocery products contain palm oil?

A. Palm oil is present in half the packaged products on our supermarket shelves. Palm oil is used in baked products such as bread and biscuits, fried products like chips, confectionery like chocolate, and cosmetics including shampoo.

Q. Where is palm oil produced?

A. Oil palm trees grow in the tropics and although originally native to West Africa and South America, they have been introduced to South-East Asian countries such as Malaysia, Indonesia and Papua New Guinea. Malaysia and Indonesia now produce 85% of the world's palm oil.

Q. How is palm oil produced?

A. Oil palm is an agricultural crop that grows in plantations. A mature oil palm tree produces palm fruit and it is from this fruit that the palm oil and palm kernel oil is extracted.

Q. How much land/forest is cleared every year for oil palm plantations?

A. It has been suggested that up to 300 football fields of forest are cleared every hour. The United Nations Environment Programme (UNEP) acknowledges that in Malaysia and Indonesia the main driver for this rainforest destruction is the development of oil palm plantations. Yet, there are approximately 300–700 million hectares of abandoned land globally that could potentially be used for oil palm plantations, 20 million hectares of which is in Indonesia alone.

Q. How many people work in the palm oil industry?

A. The palm oil industry is a large industry that employs hundreds of thousands of people around the globe. The World Bank and Asia Development Bank stated that the Malaysian palm oil industry currently employs 570,000 people and produces export earnings of more than RM68 billion (about \$22 billion Australian dollars) per year.

Q. Are there alternatives to unsustainable palm oil?

A. Yes, [Certified Sustainable Palm Oil \(CSPO\)](#). CSPO is palm oil that has been produced by plantations that have been well-managed with good environmental, social and economic standards. For example, CSPO must be sourced from plantations that were established on land cleared before 2005. In other words, by buying CSPO, major users of palm oil can avoid contributing to the ongoing destruction of forests in South-East Asia.

Q. Will changing to the production of CSPO affect the industry and economy of the countries where palm oil is produced?

A. No. We estimate that there are already 20 million hectares of idle, or abandoned, land in Indonesia alone. This land, formerly forested, then logged and not regenerated, is mostly suitable for oil palm plantations. Oil palm industry expansion can continue by directing plantings to this idle land.



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[Orang-utans and palm oil](#)

[Roundtable on Sustainable Palm Oil \(RSPO\)](#)

LOVE YOUR FORESTS



The Love Your Forests campaign aims to raise awareness amongst consumers of Forests Stewardship Council (FSC) certified products and the importance of responsible forest management.

[How to Love Your Forests](#)

RELATED RESOURCES

[Aussie retailers ranked in new WWF palm oil scorecard](#)
PDF 33 KB

[WWF Palm Oil Buyers' Scorecard Australia 2010](#)
PDF 1.17 MB

[Australia one step closer to sustainable palm oil](#)
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[WWF Palm Oil Buyers' Scorecard 2011](#)
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Q. Is there an additional cost to producing CSPO?

A. There can be an initial cost to the producer in getting their plantation up to the standard required to be certified as CSPO by the Roundtable on Sustainable Palm Oil (RSPO). However, producers may be able to cover the cost of improving their practices by charging a small premium on CSPO sales.

Q. Is there an additional cost to the shopper in buying groceries that use sustainable palm oil?

A. There shouldn't be. While there is a cost to producers to be certified, this cost is relatively low, and should have little or no impact on the final cost to the consumer.

Q. How much of the palm oil produced globally is CSPO?

A. In 2009, 4% or 1.75 million tonnes of palm oil produced was CSPO. This is a good start, considering CSPO only entered the market that year.

Q. How much CSPO have companies and retailers purchased?

A. To date, only 20% of the CSPO produced has been bought by manufacturers and retailers. WWF wants to improve this by getting responsible companies to buy CSPO. WWF believes that as consumers and companies demand more CSPO this will encourage more producers to have their plantations certified and halt the current unsustainable destruction of our rainforests.

Q. Who is the governing body or association on producing CSPO?

A. The Roundtable on Sustainable Palm Oil (RSPO) is a not-for-profit association of the palm oil industry that involves stakeholders from all sectors of the industry, including environmental and social non-government organisations. Its members include WWF and Oxfam, oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors.

Q. How do you qualify as a CSPO producer?

A. The RSPO has created a set of principles and criteria that set environmental, social and economic standards that a plantation must meet in order to be certified and recognised as a producer of CSPO.

Q. What are WWF's goals in encouraging the production and use of CSPO?

A. To ensure that one-quarter of global palm oil production is from certified, sustainable sources by 2012. We also want to get a public commitment from the Australian manufacturers and retailers using palm oil that they will move to 100% CSPO by 2015.

Q. How do I know if my product contains sustainable palm oil?

A. The simple answer at the moment is ... you don't!
To find out, you should contact the company who made your product and ask them if they are using CSPO. You should also request that your local Member of Parliament support the Food Standards Amendment – the Truth in Labelling Bill 2009 – which is currently before the Senate. This bill, if passed, will mandate that a product containing CSPO be labelled as CSPO in the ingredients list.

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