



2.3.2017

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on the Environment, Public Health and Food Safety

on palm oil and deforestation of rainforests
(2016/2222(INI))

Rapporteur: Florent Marcellesi

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes the increased use of palm oil both as a biofuel and in processed food, where its use has increased compared with that of other vegetable oils, with some 50 % of packaged goods now containing palm oil;
2. Notes that palm oil accounts for around one third of total global consumption of vegetable oil, and some 60 % of the global trade in vegetable oils;
3. Is concerned about the potential risk posed to the environment and society by the forecasted tripling of worldwide demand for palm oil in the coming decades;

Use of other fats and oils

4. Notes that palm oil is used as an ingredient and/or substitute by the agri-food industry because of its productivity and chemical properties, for example its ease of storage, melting point and lower price as a raw material;
5. Notes also that palm kernel cake is used in the EU for animal feed, especially for fattening dairy and beef cattle;
6. Notes that rapeseed cake/by-products may also be used as a protein-rich animal feed that can decrease dependence on global imports of soybean;
7. Highlights in this context that social, health and environmental standards are stricter in the EU;
8. Calls on the Commission and the Member States to put in place policy to make greater use of plentiful supplies of butter fat produced in the EU instead, in order to decrease dependency on palm oil imported from third countries;

Labelling

9. Welcomes the provision under Regulation (EU) No 1169/2011 on the provision of food information to consumers for mandatory labelling of types of vegetable oils, including palm oil, in the list of ingredients of packaged foodstuffs;
10. Insists on the implementation of this mandatory labelling by Member States and processors, to enable traceability and informed purchasing decisions;
11. Notes the great potential of using digital means to offer information to consumers on the sustainability of palm oil contained in processed goods, for example via barcode scanning apps;
12. Calls on the Commission to provide comprehensive data on the use and consumption of palm oil in Europe and its importation into the EU;

Health

13. Highlights the findings of the European Food Safety Agency (EFSA) study¹ and other studies which indicated that processed vegetable oils, and in particular palm oil, contain genotoxic and carcinogenic contaminants formed during the refining process or at high temperatures, with potential health implications;
14. Urges the Member States to continue to ensure compliance with food safety legislation and the labelling of products manufactured using vegetable fats, including palm oil;
15. Notes with concern that in some Member States palm oil continues to be used in the manufacture of dairy products such as cheese without this being indicated on the product, which is misleading to consumers;
16. Calls on the Commission and the Member States to carry out campaigns to inform consumers about the specific characteristics of palm oil in order to protect their health and encourage informed consumption;

Drivers of deforestation and geographical scale/range

17. Notes that palm oil production is a major driver of deforestation on an alarming scale in tropical areas;
18. Notes that 73 % of global deforestation arises from the clearing of land for agricultural commodities, with 40 % of global deforestation caused by conversion to large-scale monocultural oil palm plantations²;
19. Notes that the majority of palm oil production takes place in Malaysia and Indonesia, together accounting for some 85 % of global production, with production also significant or increasing in Papua New Guinea, Liberia, the Democratic Republic of the Congo, Columbia and Peru;
20. Notes also the rapid scale and acceleration of change, with areas converted to palm oil doubling or tripling over one or two decades in those seven principle exporting countries, with up to a 15 % loss of forest cover in just over a decade;
21. Notes the complexity of the factors driving global deforestation, such as clearing land for cattle or arable crops, in particular to produce soya feed for EU livestock, as well as palm oil, urban sprawl, logging and other intensive agricultural activity;
22. Recognises that a comprehensive approach is needed that takes account of all drivers of deforestation, with action and collaboration in both producing and consuming countries;

Environmental effects

¹ EFSA Journal 2016;14(5):4426 [159 pp.], <https://www.efsa.europa.eu/en/efsajournal/pub/4426>

² The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation, 2013, European Commission, <http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf> (p.56)

23. Recognises the importance of preserving the rainforest and biodiversity; is deeply concerned about the conversion of extremely biodiverse tropical forest to monocultural palm oil plantations at the expense of irreplaceable natural habitats and ecosystems containing countless critically endangered and endemic species;
24. Notes the effects of large oil palm monocultures, which increase pest presence, water pollution from agrochemicals and soil erosion, and impact the carbon sinking and ecology of the whole region, hampering the migration of animal species;
25. Notes that the burning of tropical forest and peaty soils, inter alia to convert land for inputs to the agri-food and energy systems, is associated with heavy environmental damage, including the release of high volumes of greenhouse gases;

Impact on local communities, land grabs and small farmers

26. Notes the very negative effects of conversion to monocultural palm oil plantations on forest dwellers, including small-scale farmers, who are increasingly being dispossessed of their land or moved to the least fertile areas;
27. Notes with concern the prevalence of logging, land grabbing and illegal or forced acquisition of plantation land; notes further that destruction of the rainforest also destroys the livelihoods of those subsistence communities dependent upon it;
28. Notes the social injustice and poor working conditions which prevail on some plantations;
29. Calls therefore on the relevant authorities in source countries to respect human rights, including the land rights of forest dwellers, and to strengthen environmental, social and health commitments, taking into account the UN Food and Agriculture Organisation (FAO) voluntary guidelines on land tenure¹;

Rural development and agroecological practices

30. Considers that preservation of the rainforest should be combined with sustainable rural development to prevent poverty and promote employment in the areas concerned, and calls on the Commission and the Member States to contribute to regional socio-economic development in this way;
31. Recognises the role of oil palm as part of diverse intercropping systems in ensuring valuable income for smallholders;
32. Considers that efforts to halt deforestation must include local capacity-building, technological aid, the sharing of best practices between communities and support to help smallholders make the most effective use of their existing croplands without resorting to further forest conversion; stresses, in this context, the strong potential of agroecological practices to maximise ecosystem functions via mixed, high-diversity planting, agroforestry and permaculture techniques, without resorting to input dependency or monocultures;

¹ UN FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, Rome 2012, <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>

Biofuels

Growth of palm oil as a biofuel

33. Notes that in Europe demand for palm oil is largely due to its use as a biofuel;
34. Notes that 70 % of biofuel consumed in the EU is grown/produced in the EU and, of the biofuel imported into the EU, 23 % is palm oil, mainly from Indonesia, and another 6 % is soya¹;
35. Notes, while its uptake varies between Member States, the huge growth in palm oil as a first generation biodiesel, increasing by 2.6 million tonnes between 2010 and 2014, representing an increase of 606 %, while the total share of palm oil in EU biodiesel consumption grew from 6 % in 2010 to nearly one third in 2014 (31 %), with almost half of palm oil used in the EU being used as transport fuel²;

Indirect effects, including indirect land use change (ILUC)

36. Notes the indirect effects of EU biofuel demand associated with tropical forest destruction;
37. Notes that certain biofuel production pathways increase overall greenhouse gas emissions when emissions from indirect land use change (ILUC) are taken into account³, with palm oil biodiesel being the highest emitting biofuel⁴;
38. Requests therefore that the full energy cost of growing biofuel crops is taken into account in the analysis of biodiesel as an alternative fuel and that ILUC emissions from biofuel production be fully taken into account in the Renewable Energy Directive;
39. Considers, in line with the principle of Policy Coherence for Development, that biofuels should not cause deforestation nor impact on food security and the right to food in third countries, aiming at phasing out public support for biofuels produced from palm oil;

First and second generation biofuels

40. Notes the dominance of first generation biofuels and the lack of commercial availability of second generation biofuels; calls on the Commission and the Member States to support further development of next generation biofuels in order to avoid deforestation;
41. Calls for the rapid phasing-out of all incentives for biofuels derived from palm oil, as these drive competition for land at the expense of food production, result in deforestation and therefore significantly contribute to greenhouse gas emissions;
42. Refers to the 'GLOBIOM' study showing the strikingly high level of greenhouse gas

¹ EUROSTAT - Supply, transformation and consumption of renewable energies; annual data (nrg_107a), Globiom study 'The land use change impact of biofuels consumed in the EU', 2015, and <http://www.fediol.be/>

² Ibid.

³ Commission Renewable Energy Progress Report (SWD(2015)0117).

⁴ Globiom study 'The land use change impact of biofuels consumed in the EU', 2015.

emissions attributable to palm oil;

43. Calls for a mandatory origin labelling system for biofuel ingredients;

Supply chain transparency

44. Considers traceability in the food chain to be essential for importers and consumers, particularly for the purposes of being able to distinguish between legally and illegally produced or sustainably and non-sustainably sourced palm oil and its by-products;

45. Notes that supply chain transparency allows access to information on palm oil originating from high-risk areas;

Certification

46. Recognises the important role and potential of the various types of voluntary sustainability certification schemes for palm oil products, and considers that they must take into account the environmental and social impacts of its production;

47. Notes that the Court of Auditors concluded¹ that some certification schemes do not guarantee genuinely sustainable palm oil, and are thus not effective in ensuring relevant standards and compliance therewith;

48. Notes in particular that the Court of Auditors found that some schemes were insufficiently transparent or had biased governance structures that risked conflicts of interest and ineffective communication, criticised the standards of sustainability criteria, including land tenure conflicts, forced/child labour and poor working conditions for farmers, and also found that these failings resulted in unreliable statistics and overestimation of the volumes of biofuel certified to be sustainable;

49. Is therefore also concerned that the EU certification system for the sustainability of biofuels is not fully reliable, and considers that certification schemes should be further developed and improved constantly in order to ensure genuinely sustainable palm oil production and effective compliance with the relevant standards;

50. Calls for the relevant recommendations of the Court to be implemented, as agreed by the Commission;

51. Calls on the Commission to ensure trustworthy standards and to work towards establishing strong and binding frameworks to guarantee the sustainability of palm oil;

52. Calls for the by-products of the oil palm (kernel meal or cake) used in the EU to also be subject to certification;

Initiatives

53. Welcomes any multi-stakeholder initiative which aims at setting and implementing ambitious standards for sustainable palm oil production, including human, land and labour

¹ European Court of Auditors' Special Report No 18/2016 (2015 Discharge): The EU system for the certification of sustainable biofuels: http://www.eca.europa.eu/Lists/ECADocuments/SR16_18/SR_BIOFUELS_EN.pdf

rights;

54. Supports the goals set out in the UN's Sustainable Palm Oil Initiative and the Amsterdam Declaration of 2015 for a no-deforestation and no-conflict supply chain by 2020;
55. Notes the potential of initiatives such as the New York Declaration on Forests¹ aimed at helping to meet private-sector goals to eliminate deforestation resulting from production of agricultural commodities such as palm, soya, paper and beef by 2020; notes that some companies have more ambitious targets, but while 60 % of companies dealing in palm oil have committed to such initiatives, so far only 2 % are able to trace the palm oil they trade to its source²;
56. Calls on the Commission, the Member States and the industry to support initiatives such as the High Carbon Stock (HCS) approach, which determines areas suitable for planting with oil palms, e.g. degraded lands with low carbon storage and low environmental value, thereby supporting genuinely sustainable palm oil that can be produced without converting forests or interfering with ecosystems with a high conservation value;

Dialogue for better governance in producer countries

57. Calls on the Commission to step up dialogue where appropriate with governments of palm-oil-producing countries and companies, including through bilateral agreements with producer countries, to encourage effective environmental legislation preventing damaging land use changes and to increase environmental standards, biodiversity conservation, human, social and land rights and labour laws, transparency on land tenure and corporate ownership, and consultation of local communities to avoid land grabbing;

EU legal framework, including calls on the Commission

58. Is aware that the EU is the third largest importer of palm oil and palm kernel worldwide, and stresses the need to introduce rules that ensure the genuine sustainability of palm oil production;
59. Calls on the Commission and the Member States to strengthen existing control instruments and to use every means necessary to prevent the import into the EU of palm oil produced as a result of deforestation, to establish a regulatory framework of strong and enforceable measures to guarantee that all actors throughout the entire supply chain, including European financial institutions, and the investments and loans they provide, are only involved in genuinely sustainable palm oil production that ensures protection of forests, forest peoples and biodiversity;
60. Calls on the Commission to clearly define sanctions for non-compliance, while maintaining trading relations with third countries;

Precedence and existing legislation

61. Looks to the model of the cocoa sector to establish international standards for sustainable palm oil production, and notes that mechanisms similar to the EU Timber Regulation can

¹ UN Climate Summit, 2014.

² <http://forestdeclaration.org/wp-content/uploads/2015/09/2016-NYDF-Goal-2-Assessment-Report.pdf>

help ensure that only legally produced products are placed on the EU market;

62. Calls for the inclusion in EU biofuels policy of effective sustainability criteria that protect land of high biodiversity value, high carbon stocks and peatland, and that include social criteria;

Use of bilateral agreements and trade

63. Notes that mechanisms such as the Voluntary Partnership Agreements can help clarify legality problems associated with land grabs and forest conversion by triggering national land reforms and transparency on land tenure;
64. Calls for bilateral agreements to be used as a catalyst for effective environmental protection, including applying differential tariff schemes depending on whether the palm oil is sustainable or not, or excluding unsustainable palm oil and its derivatives from free trade agreements;
65. Calls on the Commission to include a ‘no deforestation’ guarantee and the need to respect community rights in trade agreement negotiations with palm-oil-producing countries;

Assistance and capacity-building

66. Insists on the importance of supporting developing countries with the means necessary to improve governance, enforcement and judicial procedures at local, regional and national level, in order to protect forests and peatlands, and to expand agroecological farming practices;
67. Calls on the Commission to encourage the exchange of best practices on transparency and cooperation between governments and companies that use palm oil and, together with the Member States, to work with third countries to develop and implement national laws and to respect customary community land rights that ensure that forests, forest peoples and their livelihoods are protected;

Existing EU commitments and action plan

68. Calls on the Commission to honour the EU’s international commitments, inter alia, those made within the framework of the Paris Climate Conference (COP 21), the UN Forum on Forests (UNFF)¹, the UN Convention on Biological Diversity (UNCBD)², the New York Declaration on Forests, the Sustainable Development Goal to halt deforestation by 2020³ and the FLEGT Action Plan, and to step up its efforts in developing a detailed EU action plan to visibly and emphatically protect forests and forest peoples’ rights and come forward with concrete proposals to halt deforestation and forest degradation that include provisions on trade in agricultural commodities in particular palm oil, and on preventing the classification of monocultural plantations as reforestation;
69. Underlines the need to place social and environmental criteria, including the right of

¹ UN Forum on Forest conclusions.

² UN Convention on Biodiversity, Aichi targets: <https://www.cbd.int/sp/targets/>

³ Sustainable Development Goals, Art. 15.2, Target of halting deforestation: <https://sustainabledevelopment.un.org/sdg15>

access to land, above the logic of mere financial profit in the evaluation of various forest strategies;

70. Calls for more research at EU level into sustainable animal feed in order for alternatives to oil palm products to be developed for European agriculture.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2017
Result of final vote	+: 34 -: 3 0: 3
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Daniel Buda, Nicola Caputo, Matt Carthy, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Jean-Paul Denanot, Albert Deß, Herbert Dorfmann, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Elisabeth Köstinger, Zbigniew Kuźmiuk, Mairead McGuinness, Ulrike Müller, James Nicholson, Marijana Petir, Laurențiu Rebegea, Bronis Ropė, Maria Lidia Senra Rodríguez, Czesław Adam Siekierski, Tibor Szanyi, Marc Tarabella, Marco Zullo
Substitutes present for the final vote	Franc Bogovič, Michela Giuffrida, Florent Marcellesi, Anthea McIntyre, Susanne Melior, Sofia Ribeiro

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

34	+
ALDE	Jan Huitema, Ivan Jakovčić, Ulrike Müller
ECR	Beata Gosiewska, Zbigniew Kuźmiuk, Anthea McIntyre, James Nicholson
EPP	Franc Bogovič, Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Elisabeth Köstinger, Mairead McGuinness, Marijana Petir, Sofia Ribeiro, Czesław Adam Siekierski
EUL/NGL	Matt Carthy
Greens/EFA	Martin Häusling, Florent Marcellesi, Bronis Ropé
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Nicola Caputo, Viorica Dăncilă, Paolo De Castro, Jean-Paul Denanot, Michela Giuffrida, Susanne Melior, Tibor Szanyi, Marc Tarabella

3	-
EFDD	Marco Zullo
EUL/NGL	Luke Ming Flanagan, Anja Hazekamp

3	0
EFDD	John Stuart Agnew
ENF	Laurențiu Rebegea
EUL/NGL	Maria Lidia Senra Rodríguez

Key to symbols:

+ : in favour

- : against

0 : abstention