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News Release

RSPO COMMENTS ON PROPOSED PALM OIL LABELING BILL IN AUSTRALIA

Kuala Lumpur, April 21, 2011: The Roundtable on Sustainable Palm Oil (RSPO) today released a statement of their positioning on the Truth in Labeling - Palm Oil Bill 2010 in Australia, whereby mandatory labeling of products containing palm oil has been proposed.

The purpose of the Act is to ensure that consumers have clear, accurate information about the inclusion of palm oil in foods; and to encourage the use of certified sustainable palm oil in order to promote the protection of wildlife habitats. RSPO supports the latter objective.

Darrel Webber, Secretary General of the RSPO, commented that: ""However, distinguishing palm oil as the only edible oil that requires labeling implies that other edible oils do not face similar challenges. RSPO takes a strong view against this supposition as issues surrounding environmental destruction, social concerns and wildlife conservation are prevalent across the board with cultivation of any type of monoculture crops.

"Further to this, such a labeling exercise that singles out palm oil may only serve to ostracize agricultural farmers in developing countries such as Indonesia, Malaysia, Papua New Guinea, South America, West Africa, etc. whose key source of income comes from palm oil. These smallholders need to be educated, guided, encouraged and inspired to adopt sustainable standards and solutions, rather than have their livelihoods affected. RSPO certification program aims to support smallholders in this light." Webber reiterated.

He went on to say that: "The long term repercussion of this proposed Bill may decrease the demand for palm oil but will not eliminate the key reasons this proposal is aimed at addressing in the first place. This is because edible oil is a key ingredient in most consumer products. Demand would merely shift to other vegetable oils, increasing the sustainability problems connected to these other particular crops."

An imminent development which the RSPO hopes will address some of the strategic thinking and considerations behind this proposed Bill will be the launch of the RSPO trademark, which will be stamped on product packaging and labels which contain RSPO Certified Sustainable Palm Oil (CSPO) in their raw material or feedstock, targeted for launch by middle of the year.

The trademark will enable consumers to confirm very quickly that the products they buy contribute to sustainable production of palm oil. The trademark logo could end up on the packaging of thousands of consumer products worldwide.

"RSPO certification at the plantation level and the trademark on the end product completes the loop from upstream to downstream within the supply chain and will reflect that sustainable oil palm cultivation does not contribute to the sustained destruction of valuable tropical forests or damage the interests of people in the regions where the palms are grown." Webber concluded.

Latest market statistics on CSPO (certified sustainable palm oil)

The growth of CSPO is clearly demonstrated by these latest statistics. Production of CSPO for the current year to date has reached a record high of 4.657million metric tons, already considerably surpassing last year's full year production of 2.821million metric tons. The uptake of certified sustainable palm oil for the current year to date is 2.146million metric tons, which has also already exceeded previous year's uptake of 1.456million metric tons.

How RSPO aims to address concerns

The Roundtable promotes palm oil production practices that help reduce deforestation, preserve biodiversity, and respect the livelihoods of rural communities in oil producing countries. It ensures that no new primary forest or other high conservation value areas are sacrificed for palm oil plantations, that plantations apply accepted best practices and that the basic rights and living conditions of millions of plantation workers, smallholders and indigenous people are fully respected.

About RSPO

The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The Secretariat is based in Kuala Lumpur with a satellite office in Jakarta.

RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil. For further information, please refer to our website: www.rspo.org