



WORLD GROWTH

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Caught Red Handed:

The Myths, Exaggerations and Distortions of Greenpeace, Friends of the Earth and Rainforest Action Network

The Campaigns Against South-East Asia's Poor



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**Palm Oil Green Development
Campaign**

Alleviating Poverty through Wealth Creation

Palm oil provides developing nations and the poor a path out of poverty. Expanding efficient and sustainable agriculture such as Palm Oil Plantations provides small and large plantation owners and their workers with a means to improve their standard of living.

Sustainable Development

Sustainable development of palm oil plantations and growth of the palm oil industry in developing nations can and will be achieved through consultation and collaboration with industry, growers, lobby groups and the wider community.

Climate and the Environment

Palm Oil is a highly efficient, high yielding source of food and fuel. Palm Oil plantations are an efficient way of producing fossil fuel alternatives and capturing carbon from the atmosphere.

Opportunity and Prosperity

Developing nations must be allowed the chance to grow and develop without political intervention by environmental groups or developed nations. It is crucial that developing nations be given the same opportunities which developed nations have benefited from.

Property Rights

Efficient palm oil plantations and the growing demand for palm oil give smaller land holders greater opportunities to make a living off their land, maintain their ownership and support their rights to property and prosperity.

Caught Red Handed:

The Myths, Exaggerations and Distortions of Greenpeace, Friends of the Earth and Rainforest Action Network

Greenpeace, Friends of the Earth and the Rainforest Action Network are urging a boycott of use of palm oil — supposedly to protect the environment. However, if they succeed, the environment will be at bigger risk, the livelihoods of millions in Indonesia and Malaysia will be threatened and the poor in Africa and South America will remain stuck in a poverty trap.

Greenpeace, FoE, RAN and other environmental non-government organisations threaten to tar the reputation of those who purchase palm oil as against the environment. This is not true. The threat is baseless. They will however act in a way which directly harms the poor. That is a fact.

Almost half of Indonesia's population — over 100 million people — live on less than 2 dollars per day.

Over thirty million live below the poverty line. Millions of people in Malaysia and Indonesia rely on income from palm oil to pay their bills, feed their families, put a roof over their heads and build savings.

Greenpeace, FoE and the Rainforest Action Network want consumers in developing nations to stop buying palm oil. They claim palm oil production is the principal destroyer of the Orang-utan.

These claims are exaggerated and untrue. And worse, Greenpeace, FoE and RAN are urging action that jeopardises the chance for millions of people in developing nations to escape poverty.

The Food and Agricultural Organization regularly points out that the leading cause of deforestation (and thereby removal of Orang utan habitat) is poverty — the poor clearing forest for food, fuelwood and shelter.

Other environmentalists understand the importance of eradicating poverty to protect the environment. In 2005, the United Nations Environment Program proclaimed loudly that 'Poverty Will Make the Great Apes History'. Last year, the world's first female African Nobel Prize winner stated that the way to end deforestation was to "end poverty".

And yet, Greenpeace, FoE and RAN are urging consumers to boycott a product, cultivation of which has been recommended by development agencies because of its proven record dramatically reducing poverty in South-East Asia.

Boycotting palm oil will not save the Orang-utan — active conservation programs are already in operation — but it will force hundreds of thousands of people into poverty.

Greenpeace, FoE and RAN have built campaigns on falsehoods, misrepresentations and factual errors.

The Campaigns Against South-East Asia's Poor

Greenpeace, FoE and RAN have launched vicious and misleading campaigns against the palm oil industry, the vast majority of which is in Indonesia and Malaysia. The leading technique is to threaten to damage the business of major corporations with valuable global brands.

These campaigns are based on claims which are factually incorrect or misleading. They urge consumers to boycott palm oil and products containing it on the basis of these claims.

A Campaign That Will Harm the Poor

The real aim of the Greenpeace, FoE and RAN campaigns is to pressure countries such as Indonesia to halt any conversion of forest land to agro forestry or agriculture.

They argue this protects forest biodiversity. It doesn't. Twenty five percent of Indonesia and over 50 percent of Malaysia is already reserved for forest conservation.

The actual effect of these campaigns is to pressure developing countries to cease expansion of agriculture and impede economic development. Conversion of forest to agriculture is widely recognised as one of the most effective and enduring paths to build prosperity.

By blocking this development avenue, these campaigns risk reversion to low return subsistence farming and an extension of poverty. Poverty contributed to the period of social unrest and the devastating fires in Indonesia in the late 1990's.

The major threat today to the Orang-utan is the trade in Orang-utan as a 'bushmeat' or pets and the unauthorised clearing of forest land by the poor seeking to plant subsistence and lower return crops to raise an income. If poverty is not eradicated and worse, increases, the Orang-utan will be at greater risk.

Boycotting palm oil will merely deny millions of people living in poverty the opportunity to grow through such a high yield and high return crop as palm oil – and it will not save the Orang-utan.

A Campaign That Undermines Core Business

In April of this year, there was a large scale protest in the middle of Jakarta by the palm oil farmers' union against the actions of Greenpeace and Unilever. Similarly, they have threatened to boycott Nestle products in the face of the food company's threat to suspend purchases of Indonesian palm oil.

Shareholders should question whether those companies which cave to pressure and threats from environmental NGOs are serving their best interests by cutting off high-growth markets, such as Indonesia. Wholesale customers should question if brands such as Nestle will provide them products at real market prices, given that Nestle will have to change to more expensive and less reliable suppliers of vegetable oils.

In short, campaigns by Greenpeace, FoE and RAN are directly counter to the interests of shareholders of those companies targeted.

A Falsified Campaign

Greenpeace, FoE and RAN have launched campaigns which are littered with exaggerations, inaccuracies and misleading information.

Most recently, Greenpeace launched a tasteless and misleading campaign against palm oil produced by Indonesian company Sinar Mas. The campaign was heavy on blood and shock tactics to pressure Nestle to dump Sinar Mas as a palm oil supplier. Fearing for its reputation, Nestle announced the suspension of palm oil purchases from Indonesia, despite there being no concrete or objective proof of Greenpeace's claims.

Analysis shows that these campaigns are based on claims with little or no substantiation and rely almost solely on absolutist statements and unfounded appeals to the emotions of consumers in developed nations.

| False Claim | Who | The Facts |
|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Orang-utan will be extinct by 2011¹.</p> | <p>Rainforest Action Network</p> | <p>Even the Rainforest Action Network has been embarrassed by this wildly inaccurate and rhetoric filled statement — having to publicly withdraw the statement in 2010.</p> <p>In the embarrassing back down, RAN claimed “we try and be as accurate as possible but we don’t always succeed... we are a campaigning organisation so research is not our main thrust”².</p> |
| <p>Indonesia currently has the fastest deforestation rate of any major forested country in the world³.</p> | <p>Greenpeace</p> | <p>This claim was made by Greenpeace in late March 2010 as part of the attack on Kit-Kat producer, Nestle.</p> <p>Just days later the UN Food and Agriculture Organisation released the key findings for the 2010 Global Forest Resource Assessment which revealed that Indonesia had dramatically reduced its rate of deforestation between 2000 and 2010 and no longer had the fastest deforestation rate in the world⁴.</p> <p>However Greenpeace continues to make this inaccurate claim throughout its activist campaigns.</p> |

1 Blackwashing: do NGO tactics risk long term public trust?, 5 January 2010, citing Wash and Spin Cycle Threats to Tropical Biodiversity, http://www.orangutans-sos.org/news/202_blackwashing-do-ngo-tactics-risk-long-term-public-trust.

2 Ibid.

3 Greenpeace, Caught Red-Handed,: How Nestle’s use of palm oil is a having a devastating impact on rainforest, the climate and orang-utans, <http://www.greenpeace.org/raw/content/international/press/reports/caught-red-handed-how-nestle.pdf>.

4 25 March 2010, FAO publishes key findings of global forest resources assessment, <http://www.fao.org/news/story/en/item/40893/icode/>.

False Claim

In Southeast Asia alone the equivalent of 300 football fields are deforested every hour for palm oil plantations⁵.

Who

Greenpeace

The Facts

This claim has no foundation.

The figure of 300 football fields was first cited from a Food and Agriculture Organisation as the average rate of total deforestation in Indonesia between 1990 and 2000. Firstly, this land clearing was not at all due to palm oil plantations. The FAO has stated that between 2000 and 2008, while forestry land has decreased by 13.1 million hectares, oil palm plantations have increased by only 2.9 million hectares compared to 'other land uses' including buildings and roads which have increased by 9.4 million hectares⁶.

Furthermore, the most recent FAO data, released on 25 March 2010 has found that land clearing in Indonesia has decreased from an average of 1.9 million ha per year between 1990-2000 to 0.5 million ha per year between 2000-2010⁷.

Oil palm plantations in Malaysia do not cause deforestation. Malaysia pledged at the Rio Earth Summit to keep over 50 per cent of land under primary forest and 23 per cent of land as agricultural land. These targets have now been reached. As a result, no primary forest is converted to oil palm plantations in Malaysia. All future expansion in palm oil product in Malaysia will be achieved through improvements in productivity. The Malaysian palm oil industry is seeking to double oil palm productivity by 2020.

Claim that palm oil is the primary or even major cause of deforestation in Indonesia or South-East Asia is false.

5 <http://www.greenpeace.org/australia/issues/deforestation/overview/palm-oil>.

6 Food and Agriculture Organisation, 2009, ResourceStat, FAO statistical database on resources cited in World Growth, "Palm Oil: The Sustainable Oil", September 2009.

7 Ibid, n 4.

False Claim

A 2007 UNEP report identified oil palm plantations as the leading cause of rainforest destruction in Malaysia and Indonesia⁸.

Who

Greenpeace

The Facts

This Report — “The Last Stand of the Orangutan” — is not what it seems.

It is not a UNEP Report. While funded by UNEP, it formally disclaims that the opinions are not necessarily those of the UNEP.

It is not proper research report. It was done by way of ‘rapid response assessment’, which may take as little as one week to complete.

It draws heavily on a paper by the anti-palm oil ally, Friends of the Earth. There is no new evidence or research and no reference to research of positions of the Malaysian Government or palm oil industry. It focuses primarily on Indonesia and makes no mention of the conservation policies and practices in Malaysia.

The Report merely synthesizes the existing anti-palm oil campaigns.

The conclusion of the Report is disproved by statistics from the Food and Agriculture Organisation which found that between 2000 and 2008 almost 80 per cent of land in Indonesia was cleared for building or roads⁹. The Stern Review also back the finding that only 20 – 30 per cent of land clearing occurs because of palm oil¹⁰.

⁸ Ibid, n 3.

⁹ Ibid, n 6.

¹⁰ Grieg-Gran M., (2008) The Cost of Avoiding Deforestation: Update of the Report Prepared for the Stern Review of the Economics of Climate Change, International Institute for Environment and Development.

False Claim

85 percent of palm oil is grown in the tropical countries of Indonesia, Malaysia and Papua New Guinea (PNG) on industrial plantations¹¹.

Who

Rainforest Action Network

The Facts

Greenpeace refers to all commercial cropping as “industrial”.

If agroforestry and agriculture were not conducted on a commercial scale, there would be starvation and poverty. Even more habitat would be despoiled since subsistence farming requires more land is significantly less productive than commercial farming.

Further, 40 per cent of plantations are owned by small landholders in both Malaysia and Indonesia. The designation of these plantations as ‘industrial’ — connoting big business — is wildly misleading.

False Claim

A single palm oil plantation can destroy the forests, watersheds, and forest resources of thousands of Indonesians, leaving entire forest communities to face poverty, many for the first time¹².

Who

Rainforest Action Network

The Facts

This is a misrepresentation of the Report “The impacts and opportunities of oil palm in Southeast Asia: What do we know and what do we need to know?”¹³ published by the Centre for International Forestry Research and cited by RAN as evidence for this claim.

The Report states instead that:

- a. oil palm plantations offer wealth and development, are highly profitable and have provided oil palm workers access to healthcare, education and secure incomes.
- b. “it is estimated by the industry that the oil palm sector benefits around 6 million people, many of whom have been rescued from poverty”; and
- c. acknowledges that evidence of the impact of oil palm plantations of local communities is highly anecdotal and often conflicting¹⁴.

Conflicts between forest dwelling communities and modern society are common in many developing nations. They often stem from poor property rights and a lack of consistency and transparency in the development process, including how property rights are allocated to developers.

Boycotts of palm oil will not contribute to resolution of these problems.

¹² Rainforest Action Network, The Problem with Palm Oil, http://ran.org/campaigns/rainforest_agribusiness/spotlight/the_problem_with_palm_oil/the_problem/.

¹³ Centre for International Forestry Research, (2009) “The impacts and opportunities of oil palm in Southeast Asia: What do we know and what do we need to know?”, <http://www.cifor.cgiar.org/Knowledge/Publications/Detail?pid=2792>.

¹⁴ Ibid.

False Claim

Rapid plantation development is leaving indigenous communities impoverished and indebted¹⁵.

Who

Friends of the Earth

The Facts

The impact on indigenous communities is exaggerated and disregards the contribution to local economic development of introduction of plantations.

The Indonesian Government and Palm Oil Commission (IPOC) that help develop and support smallholders in growing oil palm plantations.

Under a Plasma Scheme, the developer is committed to purchase fresh fruit bunches (FFB) from the local small landholders at formula prices set by the government less the costs incurred by the developer in processing and selling the FFB.

IPOC also collaborates with local banks to facilitate cheap loans for smallholders to replant oil palm plantations and ease the debt burden.

False Claim

Up to 50 Orangutans are killed every week as a result of the palm oil industry¹⁶.

Who

Friends of the Earth

The Facts

A draft study for the Great Ape Survival Project in 2005, a joint programme between the UNEP and UNESCO, identified the priority populations of the four species and sub-species of Orang-utan. It did not list palm oil as a threat to any of the Bornean Orang-utans. Noticeably, the anti-palm oil campaigns had not commenced in 2005 and this study blamed the loss of habitat on illegal logging¹⁷.

The study did list oil palm as a threat to the Sumatran Orang-utan in five of eight priority populations, however only palm oil was only listed as the leading threat for one population.

Studies have also found that the population of the Sumatran Orang-utan were severely depleted as a result of rebuilding efforts following the 2004 tsunami and declined by one third due to the 1997 forest fires¹⁸.

Most Sumatran Orang-utans are located in Aceh, where there is only a 12 per cent cross over between oil palm plantations and Orang-utan habitat.

In 2005, the UNEP stated that the greatest threat to the Great Apes, including the Orang-utan, was poverty¹⁹.

16 <http://www.foe.org.au/corporates/activities-and-projects/project-1/palm-oil-issues>.

17 UNEP World Conservation Monitoring Centre, 1 September 2005, "POVERTY WILL MAKE THE GREAT APES HISTORY", <http://www.unep-wcmc.org/press/WAGAC/pressrelease.htm>.

18 Wildlife Conservation Society-Indonesia Program (WCS-IP); cited in Mongabay <http://news.mongabay.com/2006/0814-orangutans.html>; and

19 Above, n 16.

False Claim

Deforestation causes 20 per cent of global carbon emissions²⁰.

Who

Greenpeace

The Facts

Current estimates of the rates of tropical deforestation are based on very weak science²¹.

In fact, a leading scientist has recently stated that these estimates are over-stated and based on out-of-date data. Rather than 20 per cent deforestation was more likely to constitute 12 per cent of emissions and may be as low as 6 per cent²².

Current calculations of carbon sinks and the rate of deforestation are based on two types of data. The estimates are based on satellite imaging which takes broad-area samples only.

Analysis of current rates of tropical deforestation have found deforestation rates between 23 per cent and 54 per cent lower than current estimates.

These conclusions are supported by recent data released by the FAO which found that deforestation in tropical regions has dropped, in some cases markedly, between 2000 and 2010.

20 Greenpeace Australia Pacific, How forest loss causes climate change, <http://www.greenpeace.org/australia/issues/deforestation/overview/forest-loss-climate-change>.

21 World Growth (2008), *Winners All: How Forestry Can Reduce Both Climate Change Emissions and Poverty — A Pro-Development Program*.

22 G.R. van der Werf, et al, *Nature Geoscience*, "CO2 emissions from forest loss," 2009, p. 737-738

False Claim

Clearing forests and draining and burning peatlands to grow palm oil for biodiesel to meet targets such as the EU Renewable Energy Directive will release more carbon emissions than burning fossil fuels²³.

Who

Greenpeace

The Facts

A recent study by the International Food Policy Research Institute entitled, “Global Trade and Environmental Impact of the EU Biofuels Mandate”, recently found that *“even if peat land emissions are considered, palm oil is the most efficient Feedstock”*. This Report highlights that both the impact of cultivation on peat land and the impacts on indirect land use change are currently overstated.

Data on the impact of peat land and oil palm cultivation on peat land are in their infancy. Many reports fail to make the distinction between boreal peat and tropical peat and therefore overstate the impact of agriculture on peat land in South-East Asia. Attempts to include emissions from fires as a consequence of clearing peat fails to take into consideration the social, economic and political upheaval that has surrounded most major fire events in South-East Asia.

23 Greenpeace UK, <http://www.greenpeace.org.uk/forests/palm-oil>, accessed on 30 April 2010.

False Claim

Oil palm plantations lead to methane emissions from peat fires.

Who

Friends of the Earth

The Facts

The level of current research on the impacts and cause of peat fires do not warrant sweeping assertions such as this.

Estimates of carbon equivalent emissions from peat show huge variations and margins of error. It is impossible to generalize about methane emissions from peat fires.

Similarly, it is virtually impossible to isolate the source of peat fires to one cause.

Fire events such as the 1997 Indonesian fires were caused by a combination of political upheaval, an abnormal El Niño weather period and population pressure.

Scientists who have attempted to quantify the emissions from peat fires state that the causes are largely unknown.

Palm oil is high in saturated fat and low in polyunsaturated fat. Biomedical research indicates that the consumption of palm oil increases the risk of heart disease²⁴.

Friends of the Earth

While palm oil is high in saturated fats, it has no trans fat and is high in vitamin E. The American Heart Association has consistently cited trans fat as more harmful to the health than saturated fats²⁵.

The negative health effects of trans fat has lead to many national and sub-national governments imposing bans or restrictions on the use and sale of goods containing trans fat.

As the CEO of the Canadian Heart and Stroke Foundation has been quoted as stating 'trans fats are not a choice. They are a killer.'²⁶

24 Above, n 15

25 <http://www.americanheart.org/presenter.jhtml?identifier=4582>.

26 <http://www.cbc.ca/health/story/2008/07/21/f-transfats.html>.

| False Claim | Who | The Facts |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Some 20 years from now, oil palm plantations mean that there could be little or no forest cover left in Malaysia and Indonesia²⁷.</p> | <p>Nature Alert</p> | <p>Malaysia has over 55 per cent of its land under forest.</p> <p>It pledged at the Rio Earth Summit to retain at least 50 per cent of its land as permanent forest. It has set an upper limit on agricultural land of 23 per cent, which has now been reached. This means that no more primary forest will be cleared for agriculture.</p> <p>Indonesia has 60 per cent of the total land area designated as forest — although some of that is production forest, not permanent forest. Both nations have recognized the need to retain forest cover and have made commitments to that end.</p> |
| <p>The palm oil industry is ‘arguably the most environmentally destructive industry in the world’²⁸.</p> | <p>Nature Alert</p> | <p>Statements such as these are a good indication of the weakness of the case made against palm oil.</p> <p>To contend “arguably” it is one of the most environmentally destructive industries in the world reflects a dogmatic assessment. No evidence is presented to support this sweeping conclusion.</p> <p>The evidence suggests the reverse. Palm oil biodiesel has been proven to be significantly more efficient at reducing GHG emissions than other biofuels, has an extremely high yield and is a renewable source of energy.</p> |

27 Sean Whyte, Nature Alert, 11 November 2009.

28 Ibid.



WORLD GROWTH

PO Box 3693
Arlington, VA 22203-3693
(866) 467-7200

www.worldgrowth.org