



2 September 2010

The Right Honourable Caroline Spelman MP  
Secretary of State for Environment, Food and Rural Affairs  
Defra  
Nobel House 17 Smith Square  
London SW1P 3JR  
UK

Dear Mrs. Spelman,

At the first Global Business of Biodiversity Symposium held recently in London you announced the UK government's intention to fund a research project into Britain's consumption of palm oil.

In your speech you made a number of observations which raises concerns with World Growth about the direction and intent of this research project. It may lead to results which could undermine efforts to enhance the sustainability of the industry and undermine efforts to reduce poverty and increase production of a vital food staple.

World Growth is a non-profit, non-governmental organization established to expand the research, information, advocacy, and other resources to improve the economic conditions and living standards in developing and transitional countries. World Growth supports the production of palm oil and the use of forestry as a means to promote economic growth, reduce poverty and mitigate greenhouse gas emissions. World Growth believes a robust cultivation of palm oil and forestry provides an effective means of environmental stewardship that can serve as the catalyst for increasing social and economic development.

Firstly, World Growth is pleased that in your speech you recognized that millions of Indonesians are employed by the palm oil industry. In Indonesia nearly 40 million people live below the poverty line. Unfortunately, there are a number of propositions in your speech which are inaccurate and could even mislead.

You stated that "the growth of palm oil plantations is the single greatest cause of permanent forest loss in Southeast Asia". NGO's like Greenpeace regularly make such assertions. They are incorrect. I fear you may have been poorly briefed.

The United Nations Food and Agriculture Organisation has stated for years that the primary cause of deforestation in developing nations is poverty. This drives the poor to clear land for subsistence farming, housing and wood fuel. The most recent FAO data clearly indicates that the primary cause of removal of wood in Asia is to acquire fuel wood.

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Africa's first female Nobel Laureate, Wangari Maathai, when recently asked how is deforestation to be halted, replied "Stop poverty".

Malaysia is the second largest producer of palm oil in the world and oil palm plantations in Malaysia do not cause deforestation. Malaysia pledged at the Rio Earth Summit in 1992 to keep over 50 percent 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.

Furthermore, the official statistic in Indonesia, the world's largest producer of palm oil, is that palm oil plantations account for only 7 percent of forest land cleared. As well, according to the most recent FAO data (released on 25 March 2010) deforestation in Indonesia has substantially decreased from an average of 1.9 million hectares per year between 1990-2000 to 0.5 million hectares per year between 2000-2010. In that time, palm oil production has increased.

You also stated that "this isn't currently a sustainable industry". This is bemusing and inaccurate because by any reasonable yardstick palm oil is the most sustainable vegetable oil.

It has a higher yield than other crop-based oilseeds, requiring only 0.26 ha to produce one tonne of oil, compared with 2.2 ha for soybean and 1.5 ha for rapeseed. Palm oil generates almost 10 times the energy that it consumes, compared with a ratio of 2.5 for soybeans. Palm oil also uses less fertiliser and sequesters more carbon than other oilseed crops.

World Growth is concerned that if the review takes as its point for departure the picture presented by your remarks, it will produce results, such as recommending curtailment of purchases of palm oil in the UK, which give undue weight to the biases of anti-palm oil environmental NGOs and pay little regard to the development dimension of the industry and its role in raising living standards.

I am certain your food advisors will be able to inform you how effective palm oil has been for reducing poverty in Indonesia and Malaysia, in the process providing land to formerly landless people, and boosting production of what is now a food staple for which demand is increasing in the developing world.

Indeed World Growth understands that DIFID is contributing to a pilot project in Uganda sponsored by the UN International Fund for Agricultural Development to draw on the lessons in Indonesia and Malaysian and to develop a palm oil industry with the express purpose of reducing poverty in Uganda.

A valuable environmental dividend is also on offer. It is widely recognised that environmental sustainability is improved as a nation becomes more developed and poverty is reduced. Conversely, restricting the growth of oil palm will hinder efforts to reduce poverty, which as we have previously observed, is the leading driver of deforestation.

Anti-palm oil activists will want to see your review introduce measures to curtail the import of palm oil into the UK. World Growth urges you to ensure the enquiry encompasses the vital



development dimension of Palm Oil, consider the sustainability issues objectively and recognize the importance of expanding palm oil production to ensure supply is adequate to meet the rapidly growing demand for it in the developing world.

Should you require any additional information, please feel free to contact World Growth at [info@worldgrowth.org](mailto:info@worldgrowth.org) or +1-866-467-7200.

Yours sincerely,

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