



Introduction to Palm Oil-3

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NUS-IPB-FASTrack Asia 2014-FST2203 - Food Commodities in Indonesia

SUSTAINABLE PALM OIL?



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Collaboration of nearly 900 palm oil growers, processors, traders and investors, environmental NGO and the manufacturers or retailers that purchase this commodity.

The RSPO was established in 2004 to promote the production and use of sustainable palm oil for People, Planet, and Prosperity.



THE PROMISE OF SUSTAINABLE PALM OIL

- Enables the world's most widely produced edible oil and the world's lowest priced vegetable oil to be sustainably produced.
- Allows smallholders in producing markets to reap benefits from sustainable practices; access to international markets; increase in productivity and efficiency, etc
- Protects the rights of communities and workers
- According to RSPO principle and criteria, primary forests with high conservation value must be protected.



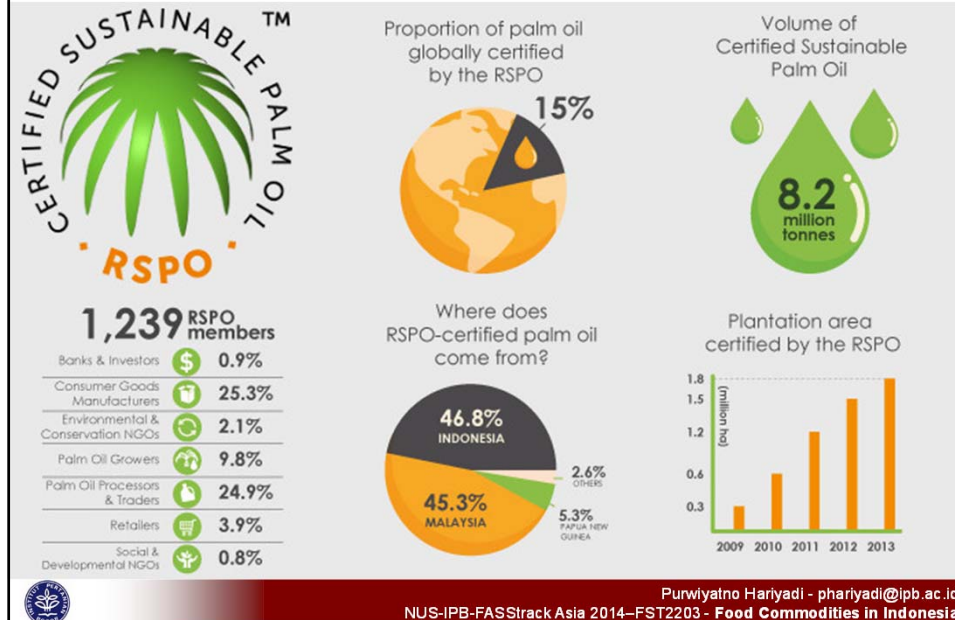


RSPO Achievements

- In July 2009, 4% or 1.5 million tonnes of the palm oil produced was RSP0 certified (RSP0 2009).
- Approximately 250,000 tonnes of palm oil has been purchased (Unilever, 2010).
- By January 2010, RSP0 certified plantations were able to supply 1.76 million tonnes of sustainable palm oil annually, 13 times the amount imported into Australia every year (WWF, 2010).



RSPO Achievements ... 2013/2014

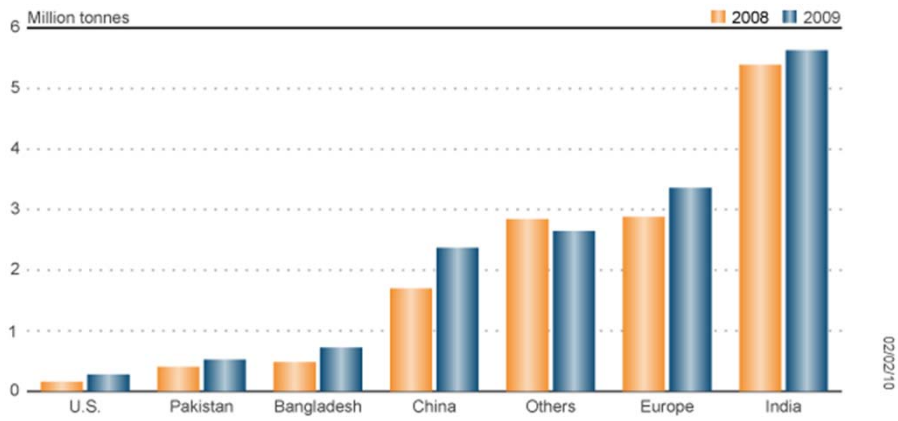


Problems with the RSPO

- Some of the criteria are still weak because they lack operational meaning and are thus difficult to monitor and audit (Press release, 2009).
- Principle 5 and 6, concerning social criteria and the development of new plantations have been the most difficult to implement
- Lack of marketing (Nikoloyuk, 2009).



Indonesia's top palm oil buyers



Source: Indonesian Palm Oil Association (GAPKI)

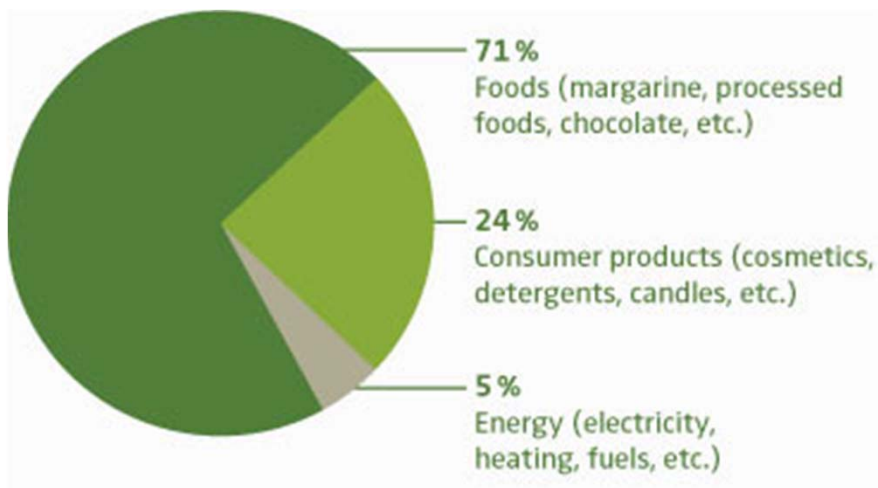
Reuters graphic/Catherine Trevethan, Claire Morel

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Palm Oil Utilization?

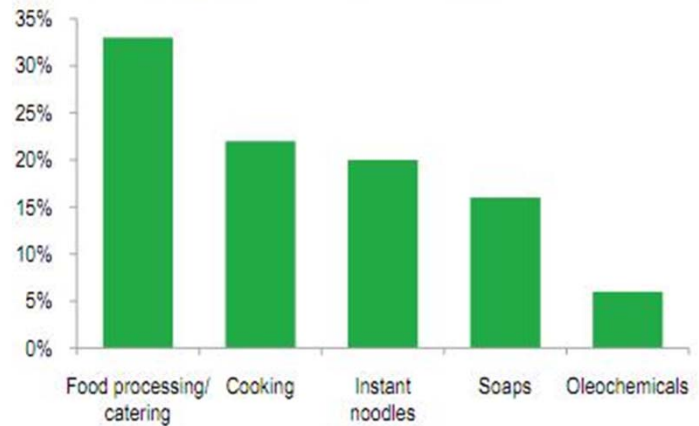


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Palm Oil Utilization?

Chart 33: Allocation of CPO use in China, 2011

The bulk of CPO goes into food processing



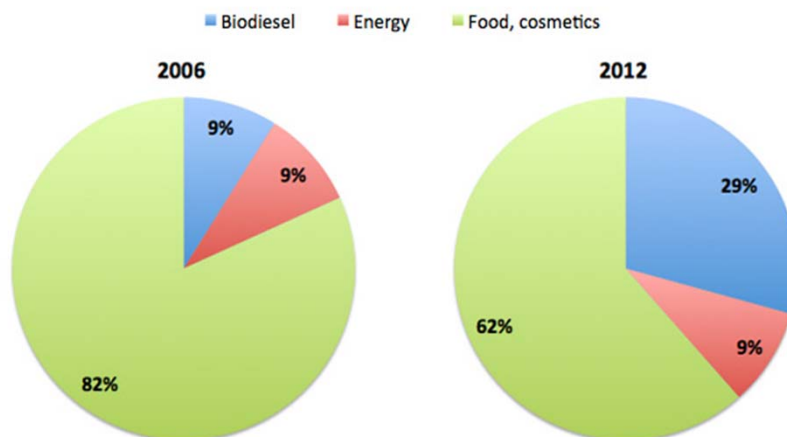
Sources: USDA, Standard Chartered Research



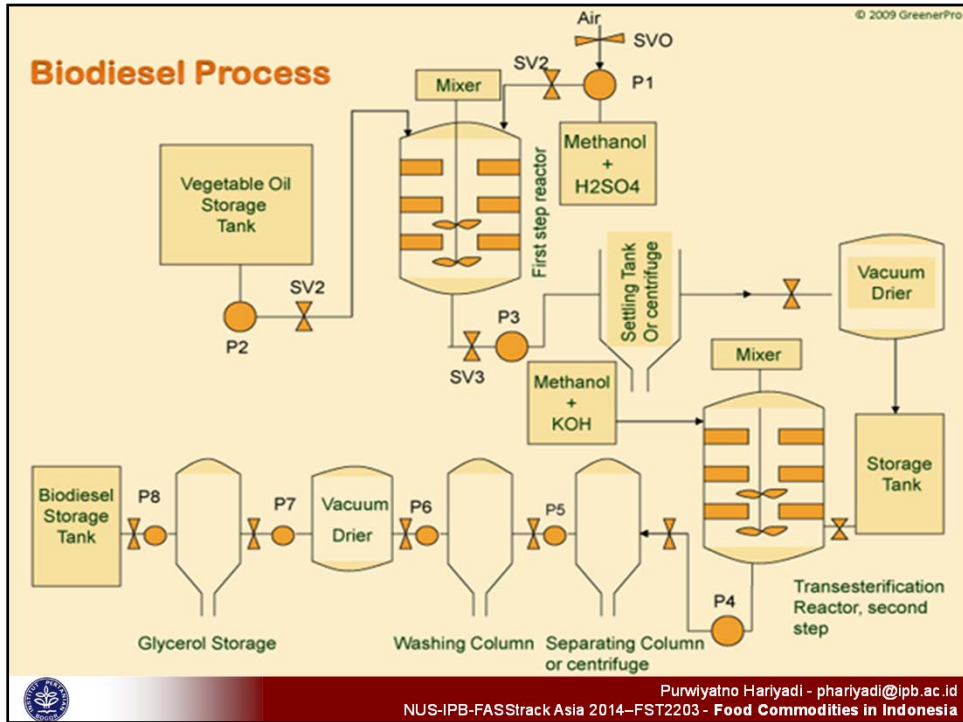
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Biodiesel?

E.U.-27 Palm Oil Consumption



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Thank you

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