



Leaving forests intact

Both in terms of productive capacity and efficiency of land use, oil palm scores well above any other oil crop. Its productive capacity per hectare is close to ten times that of soybean or rapeseed, which allows for greater production using a smaller land area. The EU, a net importer of crop-based oil, would have to find space to plant an additional 4.9 million hectares of soybean or 1.7 million hectares of rapeseed, an area approximately twice the size of Belgium, in order to make up for its imports of palm oil from Malaysia.

This efficiency translates into a smaller planted area in order to achieve current production levels than any other crop can offer. In fact, only 20% of Malaysia's land area is used for agriculture, of which 75% is taken up by oil palms. Of the remaining land area, 20% is idle land or urban development, leaving forested area at close to 60% of the total—far ahead of almost any Western country. And with a legislated lower limit of 50%, and new oil palm cultivation coming almost exclusively from utilisation of idle land or crop conversion, Malaysia's forest cover is certain to be maintained.

The industry's practices are held to high environmental standards, and the Malaysian Palm Oil Association (MPOA), is a founding party to the Roundtable on Sustainable Palm Oil (RSPO), which defines standards and monitoring criteria for the sustainable production and use of palm oil. Production processes recycle most parts of the oil palm, including effluent from the processing of palm fruits, which is combined with empty fruit bunches to create a fertiliser that replaces chemical fertilisers that would otherwise be required.



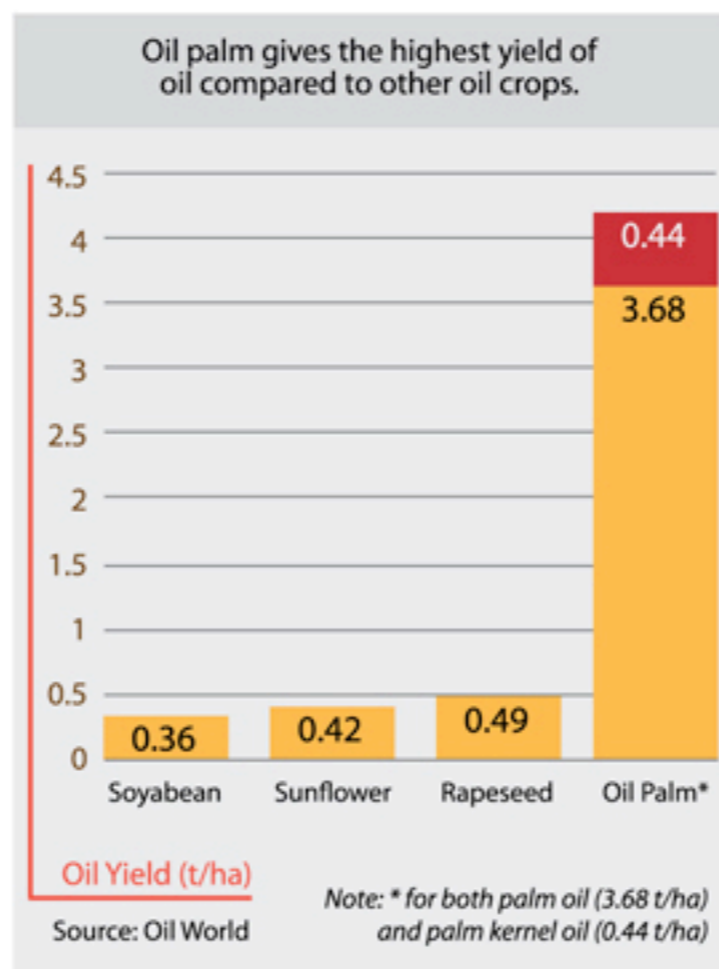
Empty fruit bunches are placed around an oil palm tree to recycle its nutrients.

Palm Oil: The Green Answer

Palm oil is the only product able to sustainably and efficiently meet a large portion of the world's increasing demand for oil crop-based consumer goods, foodstuffs and biofuel.

With demand for oils and fats set to increase by 15.5% to 184.4 million metric tonnes by 2020, the world needs to ensure a stable, efficient and sustainable source. And demand for biofuel continues to grow, in many cases driven by government efforts to decrease greenhouse gas emissions. The facts show that palm oil is the most efficient and sustainable means by which to meet this demand, and that there is little in the way of an alternative available today. In short, the world needs palm oil.

With the increased attention paid to oil crops, and oil palm in particular, a number of criticisms have been levelled at Malaysia's palm oil industry, from accusations of rampant deforestation and unsound environmental practices to unfair treatment of farmers and indigenous people. These allegations—protectionist agendas hidden under a thin veneer of environmental concern—are based neither on scientific evidence, nor, for that matter, on fact.



Green credentials

What makes palm oil so attractive is that its production puts minimal strain on the environment. Ideally suited to Malaysia's climate, the oil palm requires no irrigation besides the abundant natural rainfall. Natural means have also been developed to combat most pests, and as a perennial crop with a lifespan of 25 years, no tilling is required, minimising disturbance to the land as compared to annual oilseed crops, which cause soil erosion.

Driving social development

In addition to its green credentials, Malaysia's palm oil industry also plays an important role in the industrialisation of the country and the alleviation of poverty, especially amongst rural populations. Between cultivation, processing and various downstream sectors, palm oil provides a decent living for close to one million people in Malaysia. Under a programme administered by the Federal Land Development Authority (FELDA), four-hectare plots are distributed to landless farmers, who then receive assistance in growing oil palms and working towards ownership of the land.

With its high productivity, green cultivation practices and efficient extraction process, palm oil stands out as the logical choice for meeting the world's growing need for oil crop-based products. Indeed, no other crop can offer a feasible alternative to palm oil on a larger scale.

