

## Questions and answers

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## Palm oil

### What is palm oil?

Palm oil is the world's most important vegetable oil. It is extracted from the pulp of the fruit of oil palms. These grow around the equator, in Asia, Africa and Latin America. The pulp is refined into palm oil, the seeds into palm kernel oil. Each fruit contains 90% palm oil and 10% palm kernel oil. The small, reddish-orange fruits are first steam-sterilized and then pressed. All coloration, flavors and smells are then removed so that the oil can be used in a wide variety of ways.

### Why is palm oil used in many products?

Palm oil has a solid, but malleable consistency that can't be matched by either sunflower oil, rapeseed oil, cocoa butter or coconut oil. Palm and coconut oil are the only regular vegetable fats that are solid at room temperature. All other vegetable fats and oils are liquid at room temperature and must be hardened for certain applications.. For this reason as well as its good baking qualities, neutral taste and durability, palm oil is used in processed products.

### Is palm oil unhealthy?

In general, it is recommended that you give preference to fats and oils with a high proportion of monounsaturated and polyunsaturated fatty acids, such as olive oil, for example (more than 70%). Palm oil contains 50% unsaturated fatty acids. As such, moderate consumption is recommended, just like with other oils and fats, such as coconut oil (92% saturated fatty acids) and butter (66% saturated fatty acids). With 40% monounsaturated and 10% polyunsaturated fatty acids, palm oil is richer than other fats in monounsaturated and polyunsaturated fatty acids, which play an important role in our health.

What's more, palm oil contains high levels of vitamin E compared to other vegetable and animal fats, namely 60-100mg per 100g. Another interesting factor is that this palm vitamin E is largely made up of substances that are known for their powerful antioxidant effect. It is also believed that these substances, known as tocotrienols, also have other positive effects on human health. For instance, they have been proven to reduce cholesterol levels and are said to strengthen the heart and nervous system.<sup>1</sup>

### Is palm oil carcinogenic?

Palm oil can indeed cause cancer - but so too can other vegetable oils. The carcinogenic effect depends not on the type of vegetable oil, but the way it is used. 3-MCPD and glycidyl ester can be produced by heating processes like toasting or smoking. In the recently updated Article 4 of Commission Regulation (EC) no. 1881/2006, the EU has limited glycidyl ester (GE) to a maximum of 1.00mg/kg for oils/fats in foodstuffs and 0.50mg/kg for oils/fats used in the production of baby food and cereal-based children's food. These values also apply in Switzerland.

## Production, import and consumption

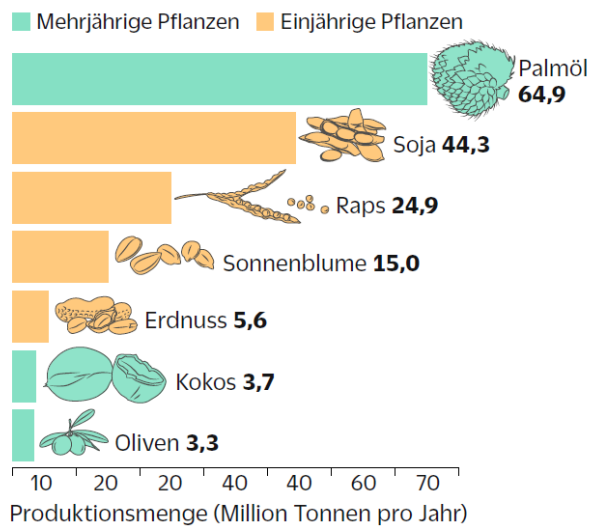
### Which countries are the biggest producers and consumers of palm oil?

Palm oil production rose from 15.2 million metric tons a year in 1995 to 72.8 million metric tons in 2018. As such, palm oil is the world's most produced oil. It is followed by soy, rapeseed and sunflower oil.

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<sup>1</sup> <https://www.rapunzel.de/fares-bio-palmoel-gesundheits-aspekte.html>

Figure: Production volumes of oil plants (NZZ am Sonntag / The Tropical Oil Crop Revolution, 2017)



Palm oil is primarily produced in Indonesia (57%) and Malaysia (27%). Between 1995 and 2018, global consumption of palm oil rose from 14.6 to 70.5 million metric tons. Indonesia, India, the EU, China and Malaysia are the largest consumers of palm oil, together accounting for about 55% of total consumption. According to estimates, global demand will be somewhere between 264 and 447 million metric tons in 2050, an increase by a factor of between 2.5 and 5 over today's figures.

### How much palm oil does Switzerland import and from where?

Palm oil consumption is falling in Switzerland. In 2019, Switzerland imported 23,700 metric tons of palm oil and palm kernel oil for its food industry. Just a decade ago, imports into Switzerland were a quarter higher, at 32,000 metric tons. Switzerland's consumption of palm oil represents 0.03% of the total worldwide. Malaysia and the Solomon Islands each account for about 30% of palm oil imports into Switzerland. Other countries of origin include Ivory Coast, Papua New Guinea, Cambodia and Colombia. Detailed information about the countries of origin as well as projects in source countries can be found [here](#).

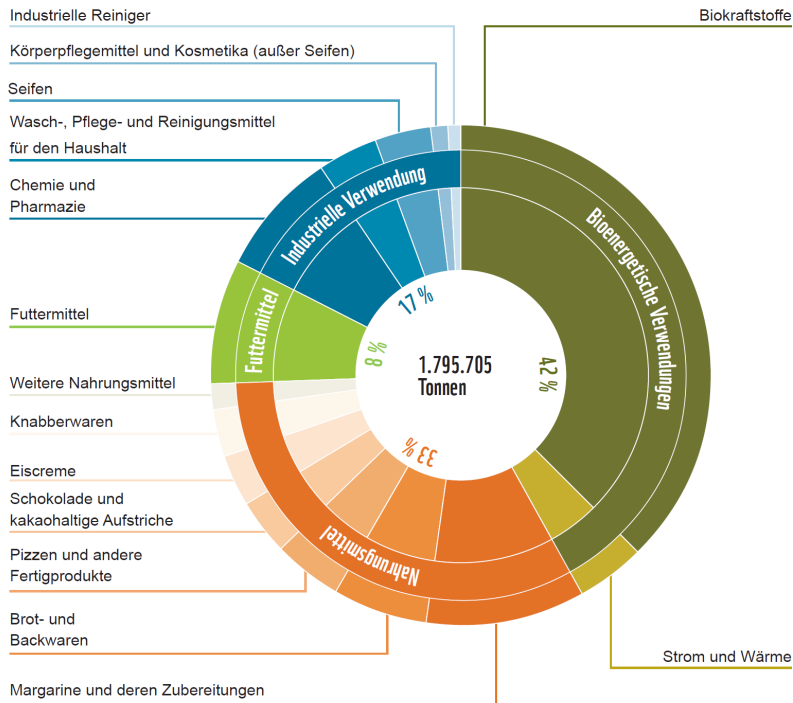
### Who are the biggest players on the market?

The Sime Darby conglomerate in Malaysia is the world's largest producer of palm oil. It manages some 600,000 hectares of plantations (equivalent to 15% the surface area of Switzerland) and produces 2.48 million metric tons of palm oil a year. The second biggest player, with 500,000 hectares of palm oil plantations and some 170,000 employees, is the Indonesian company Golden Agri Resources. Wilmar International, the Indonesian company Indofood, and Kuala Lumpur Kepong from Malaysia are other big players in the sector. The [SPOTT](#) (Sustainability Policy Transparency Toolkit) platform assesses the environmental impact of about 100 companies.

### How is palm oil used? What is palm oil used for?

Worldwide, 5% of produced palm oil is used as biofuel, industry accounts for another 15% (for cosmetics, toothpaste, shower gel, shampoo, deodorants, cleaning products, medicines, etc.), while the remaining 80% is consumed by the foodstuffs industry.

Figure: Palm oil consumption for individual consumer goods or consumer goods groups in Germany in 2013 (Auf der Ölspur, WWF Germany, 2016)



## Sustainability

What exactly is sustainable palm oil?

Sustainability with regard to the production of palm oil means that environmental and social criteria such as working conditions and compliance with land use rights are taken into consideration during both the cultivation of oil palms and the production of the oil, and that vulnerable zones such as rainforests and peat moors are protected against the uncontrolled expansion of oil palm plantations. This preserves the available biodiversity and ensures that no such areas are dug up, cleared or drained to make way for oil palm plantations because they absorb large amounts of CO<sub>2</sub>.<sup>2</sup>

Is all palm oil the same?

No. Since 2004, the Roundtable on Sustainable Palm Oil (RSPO) has been working to ensure palm oil is produced sustainably and fairly. For nutritional purposes, Switzerland imports almost exclusively RSPO-certified or certified organic palm oil and palm kernel oil. The certified proportion of global production accounts for about 20% of the total.

Why do Swiss players reply on the RSPO?

The requirements for RSPO-certified palm oil were made stricter in November 2018. The WWF welcomes the new principles and criteria, which bring significant improvements<sup>3</sup>: "The revised principles and criteria overcome some of the shortcomings of the previous version and are far closer to the strict criteria of the Palm Oil Innovation Group (POIG)," says Matthias Diemer, a former WWF Switzerland palm oil expert. In spite of these advances, he believes the RSPO still needs further amendment in places: "The RSPO must significantly improve the quality of auditing, because tougher regulations are only as good as compliance with and monitoring of them," he adds. The Palm Oil Network is constantly working to improve the RSPO.

What can be done to halt the deforestation used to create farmland for palm oil cultivation?

Certification systems like the RSPO have laid down rules, processes and criteria for sustainable palm oil. These are designed to minimize deforestation, slash-and-burn clearing and human rights abuses by the palm oil industry, and prevent them altogether in the long term. Nevertheless, the destruction of rain forests can't be stopped by certification systems alone. This is a task for the governments in the relevant producing countries, which must apply and continually improve their legislation in order to promote the sustainable production of raw materials. The producing countries must also be supported in building up suitable capacities. In addition, companies that process palm oil can and must be made responsible and ensure their products don't result in further deforestation. Finally, consumers must also be encouraged to buy only those products made using sustainable criteria.<sup>4</sup>

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<sup>2</sup> <https://www.forumpalmoel.org/unser-service/faq>

<sup>3</sup> <https://www.wwf.ch/de/medien/palmoel-standard-des-rspo-wird-verschaerft>

<sup>4</sup> <https://www.forumpalmoel.org/unser-service/faq>

## Swiss Palm Oil Network

Why was the Palm Oil Network founded?

The main reason is that its members wanted to have an even greater impact and push for further ecological and social improvements in the countries of origin: All the members of the Palm Oil Network have been lobbying for many years to ensure the sustainable cultivation of palm oil in the countries of origin. For this reason, the members already ensure that all the palm oil they buy for the Swiss foodstuffs market is certified and segregated RSPO or Bio Suisse palm oil procured via the importers Florin and Nutriswiss. The network enables the players to combine their experiences and know-how so they can act jointly with a common voice and have a greater impact, thus bringing about further ecological and social improvements.

What are the aims of the Palm Oil Network?

- The Palm Oil Network strives to continue developing the RSPO standard and improve the implementation of RSPO directives along supply chains.
- Additional criteria that go beyond the current RSPO standard must be implemented by suppliers. An implementation plan including improvement projects (targeted also at smallholders) is currently being drawn up. This plan is intended to ensure suppliers continuously improve and that all additional criteria are met by 2025.
- The aim is for full traceability – ideally all the way back to the plantation – by the year 2025. This is already the case for palm oil and palm kernel oil, though not for palm stearin as the latter is processed and, at least as far as Switzerland is concerned, produced at hundreds of mills.
- Given that the market conditions are constantly changing, the Palm Oil Network wants to initiate innovative processes and policies such as the development of sustainability standards for other tropical oils, like coconut oil, for example.

What specifically are members doing to ensure improvements are made?

The importers Florin and Nutriswiss procure 100% certified and segregated RSPO or Bio Suisse palm oil for the Swiss foodstuffs market. Initiatives by individual members also show that Switzerland can have an effect within the supply chains as well as in the countries of origin, albeit to a small extent, by ensuring the players accept responsibility and help protect the rainforest and biodiversity:

Barry Callebaut: <https://www.barry-callebaut.com/en/manufacturers/sustainability-in-action/palm-oil>

Coop: <https://www.actions-not-words.ch/content/taten-statt-worte/en/sustainability-topics/agriculture-and-processing/raw-materials/palm-oil.html>

HUG: <https://natuerlich-ehrlich.hug-familie.ch/de/rohstoffe/palmoel/10>

Migros: <https://generation-m.migros.ch/de/nachhaltigkeitsthemen/nachhaltiges-palmoel.html>

Nestlé: [https://www.nestle.ch/de/fragen-sie-nestle/antworten/fragnestle\\_huile\\_palme\\_de9](https://www.nestle.ch/de/fragen-sie-nestle/antworten/fragnestle_huile_palme_de9)

Pro Fairtrade: <https://profairtrade.ch/888/en/sourcing-principles/>

## Alternatives

### Why can't we simply replace palm oil?

Palm oil can't be replaced in certain foods because alternative fats and oils have very different properties. Palm oil is solid at room temperature, has a neutral taste and doesn't need to be hardened before using it. For example, it is an important ingredient for cream fillings in the chocolate industry. At best, it could be replaced by other exotic fats or oils (cocoa butter, coconut oil, shea butter, etc.), though not rapeseed oil.

However, cocoa butter and coconut oil have a different consistency and a different melting curve, and are therefore not a suitable alternative to palm oil for every application. Due to their fatty acid profile, vegetable oils like sunflower and rapeseed oil have a liquid consistency at room temperature and are thus mostly unsuitable for replacing a solid fat in products that require this rigidity (e.g. flaky pastry).

### Why don't we just use more butter instead of palm oil?

Palm oil has one major advantage over butter: It keeps for a long time, i.e. it doesn't go rancid quickly. What's more, butter is of animal origin and therefore out of the question for the increasing numbers of people who opt for a vegan diet.

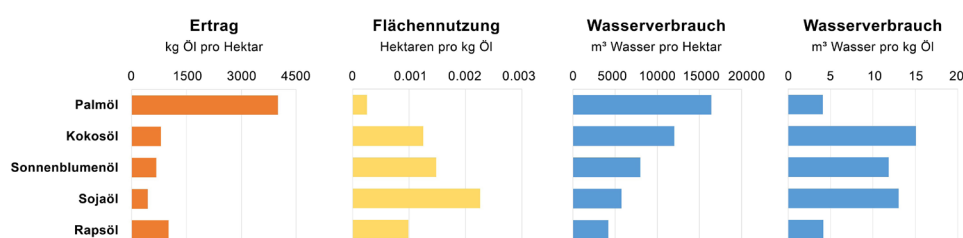
### In principle, is there any point in switching to palm oil-free products?

No other oil can be produced as efficiently and requires so little farmland. That's why the WWF recommends not replacing palm oil with other vegetable oils. "At 3.3 metric tons of oil per hectare, oil palms are five times as productive as rapeseed, coconuts and sunflowers," says Corina Gyssler of WWF Switzerland. "Were we to replace palm oil, we would have to plant oilseed plants on far larger areas, with a correspondingly negative environmental impact."<sup>5</sup>

Demanding different vegetable oils would simply shift the effect and thus create similar problems in other countries around the world, for instance threatening the Brazilian rainforest due to increased soy cultivation. Even Europe's top vegetable oil, rapeseed (conventional rapeseed generates approx. 1.35 metric tons of oil per hectare<sup>6</sup>), couldn't satisfy the increasing global demand for vegetable oils.

Although oil palm cultivation requires 30-70% more water than other plantations, the high yield of oil palms makes their water consumption (per kilogram of oil produced) lower than that of all other types of oil.<sup>7</sup>

Figure: Annual yield, land use and water consumption by oil palms and other oil plants (Gabriele Manoli / ETH Zurich, 2018).



<sup>5</sup> Tages-Anzeiger; Saturday, January 27, 2018, p. 51

<sup>6</sup> [https://orgprints.org/33773/1/batlogg-bernet-2018-FiBLBericht-RapsoelPalmoelVergleich\\_final.pdf](https://orgprints.org/33773/1/batlogg-bernet-2018-FiBLBericht-RapsoelPalmoelVergleich_final.pdf)

<sup>7</sup> <https://ethz.ch/en/news-and-events/eth-news/news/2018/10/blog-manoli-palmoel.html>

What if I want to avoid it nonetheless or reduce my consumption?

In general, you can get by without palm oil for your home cooking. Freshly prepared lasagna contains no palm oil, whereas the frozen variety does. So unless you want to cook everything yourself, you'd best avoid ready-to-eat meals. And when purchasing products that contain palm oil, make sure this comes from sustainable sources.