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# Forest Conversion News

WWF's newsletter on the forest conversion driven by expanding palm oil and soybean cultivation

## Soy and palm oil threaten tropical forests – WWF seeks solutions

Palm oil and soybean cultivation is booming at the expense of tropical forests. Oil palm and soybean plantations are eating their way deeply into tropical forests. The global area of oil palm plantations has doubled in the last 10 years. Between 1985 and 2000, cultivated area rose from 600,000 to three million hectares in Indonesia alone. Soybean fields have expanded by two-thirds to 30 million hectares in South America since 1995. It is impossible to foresee an end to the boom and experts estimate that the demand for palm oil will practically double by 2020.

Intact and valuable tropical forests are being sacrificed to rapidly expand oil palm and soybean production. Plantations cultivated on cleared forest areas are indeed lucrative. Earnings are two-fold, coming first from logged wood, then from the plantations. Natural forests are lost and local populations are frequently the losers.

WWF is doing what it can to prevent the expansion of oil palm and soybean plantations from threatening valuable forests and the animal and plant species living in them. Improved methods of soybean and oil palm cultivation should be developed and applied. WWF is convinced the demand for palm oil and soybean can be met by intelligent land use, without clearcutting and burning down valuable forests.

WWF is working together not only with plantation operators but also with the complete chain of custody (processors, traders and supermarkets) to promote the general acceptance of environmentally and socially sound methods of cultivation. All are called upon to assume responsibility and use only palm oil and soybean that meet ecological and social standards. WWF intends to develop such standards in a joint effort.

WWF has also begun talking to banking institutions, urging them to invest only in businesses cultivating soybean and palm oil in a sustainable way. At the same time, WWF's global network is making an effort to have the application of better cultivation methods inserted as a requirement into international trade agreements.

Within the framework of the "WWF Forest Conversion Initiative", WWF Switzerland is coordinating WWF activities around the world that focus on palm oil and soybean. WWF, an international organisation with offices in 90 countries, is seeking solutions to a global problem, the gradual conversion of intact tropical forests into monotonous plantations.

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### Round table on sustainable palm oil

No internationally binding standards for sustainable palm oil cultivation exist to date. This situation should change in August 2003 when a round table convening in Southeast Asia will lay the foundation for developing such standards and criteria. Palm oil producers, processors and traders, as well as investors and supermarket representatives, will be seated at the round table together with representatives of governments and NGOs.

The round table was initiated by WWF and a number of businesses that produce, process, trade or sell palm oil. A committee to organise the round table is being set up now.

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**Link:** <http://www.sustainable-palmoil.org/>

**Download:** [Round Table on Sustainable Palm Oil](#); [The Organizing Committee](#)

### Swiss supermarket does pioneering work for sustainable palm oil

Deeds not words: Migros, Switzerland's largest retailer group, is the first business to define and apply standards for the sustainable production of palm oil around the world. These standards incorporate social and ecological factors, and they guarantee that palm oil production does not induce the clearcutting of tropical forests. A producer of palm oil in Ghana has already been certified according to Migros standards. All of the edible oils and fats sold in Migros supermarkets contain only palm oil produced in a sustainable way. Migros intends to progressively introduce palm oil from sustainable sources to other product segments as well.

Migros was awarded the World Business Award for its pioneer project last August at the Johannesburg World Summit. This prize is awarded by the UN Environment Programme (UNEP), and the International Chamber of Commerce (ICC).

**Link:** [www.miosphere.ch/forest/](http://www.miosphere.ch/forest/)

**Download:** [Migros criteria for oil palm plantations](#) (33 KB)

## “Check your oil” – consumers demand transparency

“Check your Oil – Save the Forests!” Starting in April 2003, WWF will use this slogan in Germany, Sweden and Switzerland to create awareness of the fact that palm and soybean oil are used in many everyday products, and that forests have been clearcut and burned down to make way for the cultivation of these tropical oils. The action will make it clear that boycotting is not the solution. Consumers will be encouraged to direct critical questions at supermarkets and the manufacturers of products using oil of uncertain origin. In their letters and e-mails, consumers will ask for information on original sources and the methods used to produce palm and soybean oil. At the same time, businesses will be called on to do what they can to see that cultivation methods for these edible oils are improved.

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## Sweden – Karlshamns promotes sustainable palm oil

Karlshamns, a Swedish vegetable fats company, wants to work out generally recognised standards for the sustainable production of palm oil. A company press release announced that Karlshamns aims to buy palm oil only from suppliers who do not expand their plantations at the cost of valuable tropical rainforests.

**Link:** [Karlshamns press release](#), 13 January 2003; [www.karlshamns.com](http://www.karlshamns.com)

## Open letter to the Indonesian embassy in Sweden

Six Swedish retail and food businesses have called on Indonesia to participate in the dialogue on sustainable palm oil production. In an open letter to the Indonesian embassy in Stockholm, these businesses expressed their concern about the deforestation occurring in areas where oil palm is cultivated. Palm oil is a valuable commodity, but must be cultivated in a sustainable and socially responsible way, they said.

## Publications

### Oil palm plantations in Indonesia continue to expand

It is expected that global demand for palm oil will double in the next 20 years. A study by AIDEnvironment, a Dutch consultancy, came to the conclusion that new oil palm plantations covering some three million hectares will be cultivated in Indonesia to meet this need. The study was commissioned by WWF.

The area used for oil palm plantations in Indonesia has increased from 600,000 to three million hectares since 1985. This expansion led to the destruction of valuable rainforests and drastic habitat loss for threatened species such as Sumatran elephants and orangutans. The study points out that solutions are

possible only if investors and businesses that buy and process palm oil insist on the application of cultivation methods that are environmentally and socially sound.

**Download:** [“Oil palm plantations and deforestation in Indonesia” report](#) (1.06 MB)

## The EU is South America's most important market for soybean exports

A study commissioned by WWF has found that the rapid growth of the area under soybean cultivation in South America is spurred by exports. The European Union is the most important market for soybean exports from South America. Some 45 percent of exported soybeans and as much as 62 percent of exported soy meal goes to the EU. Inversely, 60 percent of soybeans and 95 percent of soy meal imported into the EU come from South America. In Europe, the imported soybeans are mostly processed into soy meal and soy oil. Soy meal is mostly used for animal fodder. The most important EU buyers of South American soy are Spain, Germany and the Netherlands.

**Download:** [“Corporate actors in the South American soy production chain” report](#)

## Media review

### Brazil on the way to becoming the world's largest soybean producer

Brazil could overtake the U.S. as the world's largest soybean producer within 10 years. The area used for soybean cultivation is growing at the rate of 10 percent per year. The U.S. Department of Agriculture estimates that this area will increase six-fold to 100 million hectares. Growth is primarily in Mato Grosso and other states in Brazil's Central-West region. Huge areas of savannah (*cerrado*) are being converted into agricultural land. However, expansion is shifting more and more to the north, into areas of tropical rainforest.

**Source:** [Reuters, 25 February 2003](#)

### New road in the Amazon region paves way for soybean cultivation

Petrobras, Brazil's state petroleum company, has been accorded permission to build a 550-kilometre gas pipeline in the western Amazon basin. Two roads will also be built along the pipeline and used for pipeline construction and maintenance. Environment organisations fear that settlers will use the roads to move into now intact rainforest regions, converting them into land for agricultural use. Plans to asphalt a 784-kilometre road through the southern Amazon basin would concede another 80,000 hectares of forest to the development project. Soybean exporters would profit the most. Soybean cultivation is shifting more and more from the savannah to the rainforest.

**Source:** Neue Zürcher Zeitung, 9 January 2003