

The Perils of Palm Oil

Environmental Degradation and Food Security in West Africa

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Palm oil production has devastated forests around the globe and is responsible for numerous alarming environmental effects, including severe forest fires, air and water pollution, and the disruption of food chains. Environmental concerns and new production restrictions have pushed major multinational companies in the global palm oil market to develop new plantations in West and Central Africa.

West Africa is already one of the world's most food insecure regions, and environmental degradation and deforestation due to palm oil production will exacerbate this crisis. Deforestation from large-scale palm oil production will worsen regional food security by removing the safety net function of forests, replacing staple crops, and bringing about other negative environmental consequences, such as reduced rainfall. Furthermore, food insecurity has been linked to episodes of violence and civil unrest, including the Arab Spring.

While current efforts to manage the effects of palm oil production focus on deforestation, the risk to food security in West Africa merits a tailored response. The creation of a council of relevant U.S. agencies and initiatives would enable existing programs to more effectively manage the multi-faceted challenge posed by expanding palm oil production.

Global palm oil market trends

Current global palm oil production is valued at approximately \$50 billion annually, and consumption is projected to triple between 2009 and 2050. Half of all packaged products (particularly foods and cosmetics) contain palm oil, and it is increasingly being used as a biofuel in European countries.

The vast majority of palm oil is currently produced in Southeast Asia—Indonesia and Malaysia account for 80 percent of global production. However, palm oil companies are searching for a new region in which to establish plantations. The combined effects of optimistic demand projections in the global palm oil market and restrictions on logging and land acquisition in Southeast Asia have led companies to West Africa. Palm oil is native to West Africa, so the region is uniquely well-suited to succeed Southeast Asia as a center of global palm oil

production. Between 2010 and 2015, more than five million hectares of land were allocated by West African governments for new palm oil plantations.

Deforestation and Food Insecurity

Cultivation and production of palm oil is the leading cause of deforestation today in Indonesia, Malaysia, and other equatorial countries. In addition to deforestation, palm oil plantations also have a range of other environmental impacts, including habitat damage, forest fragmentation, biodiversity loss, disruption of food chains, changes in soil composition, water and air pollution, conversion of wetlands, peatlands, and arable lands, and increased greenhouse gas emissions.

Two of the most important environmental impacts of palm oil production are the increased use of slash-and-burn techniques to clear land for new plantations and reduced climate change resilience due to deforestation. West Africa already faces significant climate and environmental pressures and has experienced the world's most severe land degradation in recent decades, leading to decreased soil quality and declining agricultural productivity. Roughly one third of the population of sub-Saharan Africa currently lives in areas that have been affected by land degradation since the 1980s. Continued land degradation due to palm oil production will imperil the food security of much of West Africa's rural poor, many of whom depend on farming for their livelihoods.

The impact of palm oil production on regional food security and stability will be greater in West Africa than in Southeast Asia. Palm oil production in Southeast Asia has had devastating environmental effects. Half of the forest cover in Sumatra, one of Indonesia's most intensive palm oil producing regions, was lost between 1985 and 2008. However, food security in Southeast Asia is far more robust than in West Africa. In the past several decades, much of Southeast Asia has made vast strides towards food security—the percentage of the population classified as food insecure in Southeast Asia plummeted 18.7 points in the last 20 years. Food insecurity is already acute in West Africa. Therefore, the environmental consequences of palm oil production are likely to be more destabilizing in West Africa than in Southeast Asia.

Strengthening food security in West Africa

The powerful economic benefits of palm oil production in West Africa mean the expansion of palm oil plantations in the region is inevitable. However, fostering responsible palm oil production and combatting regional food insecurity is both possible and necessary. Safeguarding food security in palm oil producing regions necessitates a two-pronged approach.

- *Supporting smallholder production.* Empowering smallholder farmers must be the cornerstone of efforts to support food security and foster sustainable production. To remain productive, palm oil trees must be replanted at maximum intervals of 30 years. However, replanting is prohibitively expensive for many smallholder farmers. Failure to replant increases pressure to deforest and encourages the use of slash-and-burn methods to clear new land for cultivation. Moreover, many smallholder farmers face considerable obstacles to trading with big companies such as lack of respect for land ownership rights, little or no

access to credit, vulnerability to price gouging, obstacles to market integration, and aging tree crops.

- *Bolstering land rights.* Strengthening land rights is key not only to political stability and conflict resolution, but it also insulates smallholder farmers and communities from increased food insecurity. Clear land use rights incentivize farmers to invest in terraced fields, tree planting, high-quality fertilizer and other sustainable production practices by lengthening their planning horizons. Clear delineation of property boundaries and respect for land rights is key to ensuring that West African communities are able to control their land and benefit appropriately from its sale.

Refining current environmental and food insecurity efforts

Reconciling competing economic and environmental needs in West Africa will require a sophisticated, multipronged approach and cooperation from the parties involved in the production, processing, and sale of palm oil. Therefore, while the environmental threat of palm oil is well established, it must be balanced against fundamental economic concerns.

Many countries have begun to push for a more coordinated approach to international development. The U.K. Department for International Development advocates the use of “integrated development” programs that bring together different development sectors at work in a single region or community. USAID uses country development cooperation strategies to incorporate all US development efforts within a single country. A larger scale version of the country development cooperation programs, along the lines of the U.K.’s integrated development approach, could be created to address palm oil production in West Africa.

With minimal cost, a council of U.S. agencies dedicated to addressing various facets of food insecurity and palm oil production in West Africa could be created. Many examples of similar councils already exist, such as the U.S. Interagency Council on Homelessness, which includes 19 federal agencies, as well as partner members from the private sector. The creation of such a council would facilitate cooperation from programs housed in different agencies or branches and enable the U.S. to more effectively coordinate and deploy existing resources. Furthermore, the council could include partners such as non-governmental organizations and other groups invested in mitigating the environmental or food insecurity implications of palm oil production. The council would enable relevant U.S. agencies and organizations dedicated to the environment, combating poverty, and other challenges in West Africa to harmonize their efforts in the region.