

Brands, retailers make 2015 palm oil pledges.

By Jess Halliday, 27-Oct-2009

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Nestle and Marks & Spencer have this week made new pledges about their use of sustainable palm oil, with both ramping up to using only certified oil in products by 2015.

Palm oil is used in a broad range of consumer food and toiletries products, but its production has caused massive deforestation in South Asia, placing livelihoods of humans and habitats of forest animals like orang-utans under threat.

Since 2004 the Roundtable on Sustainable Palm Oil (RSPO) has been working on certification for plantations that produce in a sustainable manner.

The first 500 tonne shipment of sustainable palm oil reached European shores last year. Over the next five years big strides are expected to be made towards greater availability. But it is not simply a matter of supply to meet demand: investment in infrastructure and the scheduling of future shipments to Europe is heavily dependent on demonstrating that strong demand is there.

Nestle has this week set out what its demand will be: It will use only sustainable palm oil in its products by 2015.

In all, Nestle uses 320,000 tonnes of palm oil per year, 0.7 per cent of global production of 42m metric tonnes. A spokesperson for Nestle told FoodNavigator.com that the company will gradually step up its use of the sustainable oil over the next five years, as more becomes available for purchase.

It uses palm kernel oil in some of its confectionery and dairy products, and also buys processed palm oil and processed oil mixes that often hail from multiple sources.

"Nestle does not use crude palm oil nor has any direct links to the palm oil plantations and continues to work with suppliers to investigate the traceability of all possible sources of any palm oil used," said the company.

Unilever, a major competitor of Nestle but a colleague in the RSPO, has already pledged to be using just sustainable palm oil by 2015.

Retailer action

UK retailer Marks & Spencer, which is renowned for private label food and beverage products, has also announced this week that it expects to be using only sustainable palm oil by 2015.

Over the last two years, it has been working towards reformulating what products it can away from using palm oil altogether. Where this has not been possible for taste and quality reasons, it says it now uses what sustainable palm oil it can obtain from planned shipments.

The issue remains, however, that not all the sustainable palm oil produced (1m tonnes in the last year) is sold and shipped as such. This means that the millers do not receive the premium due, but sell their oil on the market for the regular price, where it is mixed with non-sustainable.

In order to still support sustainable palm oil, Marks & Spencer is buying GreenCert certificates that relate to the quantities of palm oil as yet unmet by segregated sustainable supply. The oil the user received may not be sustainable in its own right, but the fee for the certificate bolsters the price for the miller, and thus supports their sustainable operating practices.

Sainsbury's too, has recently made a new announcement on its sustainable palm oil use. At the beginning of this month it said that its digestive and rich tea biscuits, of which it sells over 300m a year, will use certified.

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