

Sustainability as a Success Factor for Palm Oil Producers

In an article '*Sustainability as a Success Factor for Palm Oil Producers Supplying the European Vegetable Oil Markets*', author Emanuele Novelli posited that the EU, the third largest palm oil consumer after India and Indonesia, can make or break a palm oil producer. Therefore the continent's stand on palm oil sustainability standards is to be taken seriously if a producer is to maintain a foothold in the EU market.

Novelli's article was published in March 2016 edition of the 'Oil Palm Industry Economy Journal' published by the Malaysia Palm Oil Board.

To the Malaysian general public, palm oil sustainability is measured by the criteria set by the Roundtable for Sustainable

Palm Oil (RSPO) or the Malaysia Standard Palm Oil (MSPO) certification. But to gain acceptance into the EU market, palm oil must also satisfy the amended EU biofuel legislation and the EU Regulation 1169/11 on the Provision of Food Information to Consumers, amongst others.

Also in the sustainability equation are the Global Risk Assessment Services (GRAS) on whom palm oil buyers turn to ensure deforestation-free supply chains. There is also the recent emergence of the International Sustainability and Carbon Certification (ISCC) scheme which is quickly gaining a reputation.

When the oil palm NKEA (national key economic area) guidelines were unveiled in 2011

with the national economic transformation programme (ETP), it adopted eight so-called 'entry point projects' (EPPs) to triple the revenue from the oil palm sector. 'Sustainability' is conspicuously absent in the EPPs but implicit in especially the development and commercialisation of second generation biofuel technologies involving the use of oil palm wastes.

The full article, along with informative charts and maps, can be accessed via <http://palmoilis.mpob.gov.my/index.php/opiej>