

Big Food Companies Accused of Risking Climate Catastrophe

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The rush to palm oil and biofuels threatens to release 14 billion tonnes of carbon from Indonesia's peatlands. Many of the largest food and fuel companies risk climate change disaster by driving the demand for palm oil and biofuels grown on the world's greatest peat deposits, a report will say today.

Unilever, Cargill, Nestlé, Kraft, Procter & Gamble, as well as all leading UK supermarkets, are large users of Indonesian palm oil, much of which comes from the province of Riau in Sumatra, where an estimated 14.6bn tonnes of carbon – equivalent to nearly one year's entire global carbon emissions – is locked up in the world's deepest peat beds.

More than 1.4m hectares of virgin forest in Riau has already been converted to plantations to provide cooking oil, but a further 3m hectares is planned to be turned to biofuels, says the Greenpeace report.

Carbon is released when virgin forests are felled and the swampy peatlands are drained to provide plantation land. The peat decomposes and is broken down by bacteria and the land becomes vulnerable to fires which often smoulder and release greenhouse gases for decades.

If the peatlands continue to be destroyed to make way for palm oil plantations, this will significantly add to global climate change emissions, the report says. Nearly half of Indonesia's 22m hectares of peatland has already been cleared and drained, resulting in it having the third-highest man-made carbon emissions, after the US and China. Destruction of its peatlands already accounts for nearly 4% of all global greenhouse gas emissions.

The peat soils of Riau, which are eight metres deep in areas, have the highest concentration of carbon stored per hectare anywhere in the world. "This huge store is at risk from drainage, clearance and fire," the report says. "The area of peatland is relatively small, but destroying it would be the equivalent of releasing five years' emissions from all the world's coal and gas power stations."

Riau's plantations already provide 40% of all Indonesia's palm oil, and half the province is expected to be covered in plantations within a few years.

The Indonesian plantations, which Greenpeace says provide oil used in global brands like Flora margarine, Pringles, KitKat, Cadbury's Flake and Philadelphia cream cheese, feed a rising global demand for cheap vegetable oil used in producing food, cosmetics and, increasingly, vehicle fuel. "Demand [for palm oil as a cooking oil] is predicted to double

within 25 years and triple by 2050. Further expansion in Indonesia is expected to be on the wet peatlands, because most of the dry forests have already been converted", the report says.

The report accepts that retail companies and food manufacturers have virtually no way of tracing where the palm oil they use comes from. Oils from different regions, and even countries, are blended, stored and shipped in shared vessels. "Due to the logistics of this commodity market, real traceability is simply not possible at this time," a major food retailer, who asked not to be named, told Greenpeace.

But the environment group said yesterday that the companies could not be exonerated from blame. "Faced with impending climate catastrophe, the palm oil industry is grabbing available cheap land like Indonesia's carbon-rich peatlands. The big food giants are supporting the rapid growth of CO2 emissions that may render halting dangerous climate change impractical, if not impossible," said John Sauven, director of Greenpeace UK.

Meeting European demand for palm oil alone would require nearly 60,000 square miles of plantations, says the report. Europe expects biofuels to make up 10% of all its transport fuel by 2010, China 20% by 2012, India 20% by 2012, and the US 10% by 2020.

"Substituting even 10% of the world demand for diesel fuel for road transport would require more than 75% of the world's total current demand for soya, palm oil and rapeseed oil," said Greenpeace.

As well as Indonesian provinces such as Riau, Asian entrepreneurs are already looking to Papua on the Indonesian island of New Guinea, one of the last great expanses of rainforest in south-east Asia. "There is already evidence of large scale land grabbing in the name of biofuel, with one company alone laying claim to nearly 3m hectares of forest," the Greenpeace report says. "Feeding the growing demand is likely to take place through expanding palm oil productions in Indonesia. It will feed off forest destruction and fuel not only cars, but climate change."

The food companies deny direct involvement in the creation of palm plantations, but accept that there is a problem sourcing sustainable oil. In a letter to Greenpeace, Nestlé, which uses 170,000 tonnes of palm oil from Malaysia and Indonesia, said it sourced its supplies from "responsible" suppliers. "At present there is no palm oil that is certified as sustainable. As soon as the principles are adopted, Nestlé will do its part in promoting their adoption."

Unilever, which uses 1.2 m tonnes of palm oil a year, said it had invested a lot of time and money in ensuring that its palm oil supplies were grown in an environmentally responsible way: "Our work ... has recently been made harder by the rush into biofuels. We have lobbied hard with governments to alert them to the unintended consequences of this policy on global food supply and deforestation."

Cargill, which imports 535,000 tonnes of palm oil a year to Britain, said: "We already make impact assessments for new developments and do not develop in areas of high conservation value."

Indonesia will next month host the UN climate change conference in Bali, where countries will begin to negotiate a worldwide deal to combat global warming. At the moment, developing countries such as China and Indonesia are not required to limit emissions.

In numbers

11m The number of hectares of Indonesian peatlands already cleared and drained

4% Current share of global greenhouse gas emissions from peatland destruction

25 Years from now the demand for palm oil for cooking will be double today's rate

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