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Some Important Points on Sustainability of Malaysian Palm Oil

- (i) The oil palm industry in Malaysia has evolved over the past century into one of the most efficient and productive agricultural activities in the world. The industry has adhered to the principles of sustainability right from the beginning, and current practices remain committed towards the three pillars of sustainability, namely People, Planet and Profit (the 3-Ps).
- ii) The oil palm has been instrumental in helping alleviate or even eradicate poverty in Malaysia, and is the backbone of the country's economic and social development, contributing on average over €6.3 billion to the country over the past five years. In addition, the industry provides direct employment to more than 500,000 people.
- iii) Oil palm has been cultivated on legally designated agricultural land in Malaysia over three to four 25-year cycles. Malaysia's oil palm industry is one of the most highly regulated industries of the modern agricultural systems, being governed by more than 60 laws and regulations. These regulations are wide-ranging, and cover land acquisition and use, protection of wildlife and the environment, and control of potential pollutants and contaminants, besides emphasizing on the importance to the health, safety and welfare of workers in the industry.
- iv) Expansion of oil palm plantations in Malaysia does not encroach into forest areas, as the planting of oil palm is either through utilization of idle land or conversion from other crops, primarily rubber and cocoa. It has to be borne in mind that Malaysia has some 18.5 million hectares, or 56% of its total land area under forest and national parks, wildlife sanctuaries and nature reserve, while oil palm plantations in Malaysia occupy less than 13% of Malaysia's land area.
- v) The oil palm is a perennial crop that continues to produce oil for 20-25 years, unlike annual oil crops that have to be planted year after year. The high yields of the oil palm (average 3.74 tonnes oil/hectare/year) is in fact almost 10 times that of soybean (0.38 tonnes oil/hectare/year) and six times that of rapeseed (0.67 tonnes/hectare/year). Hence, the oil palm, which comprises about 5% of the world's total area planted with the seven major oil bearing crops, accounts for over 30% of the global production of oils from these crops. In comparison, rapeseed, which accounts for some 13% of planted area, accounts for about 16% of the oil production.

- vi) Research has shown that the oil palm plantations are more effective than the rainforest in generating new biomass (36.5 tonnes dry matter/ha/year compared to 25.7 tonnes/ha/year). The oil palm plantation is capable of accumulating up to 8.3 tonnes of biomass/year, compared to the tropical rainforest (5.8 tonnes of biomass/year), and is therefore an effective carbon sink. The oil palm is also an energy-efficient crop that requires the least energy and agrochemicals (pesticides, fertilizer) inputs.

- (vii) The Malaysian oil palm industry has for many years, been carrying out sustainable practices to ensure that the environment and the biodiversity within the plantations remain unharmed due to the cultivation of the crop. As such, Good Agricultural Practices (GAP) incorporating Integrated Pest Management (IPM) to reduce the use of pesticides, the planting of cover crops to reduce soil erosion, zero burning to reduce air pollution, mulching of plantation land with fronds and empty fruit bunches, are standard practices. Moreover, Malaysian oil palm companies have been actively involved in the Roundtable of Sustainable Palm Oil (RSPO).

- (viii) To further these, the Malaysian Palm Oil Board (MPOB), the research and development (R&D) and regulatory body under the ambit of Malaysia's Ministry of Plantation Industries and Commodities, that is responsible for developing and regulating the oil palm industry in the country, has developed Codes of Practices that cover the entire supply chain of oil palm and palm oil incorporating elements of sustainability and food safety to ensure the production of sustainable environmentally friendly and food-safe palm oil for consumers world-wide.