



INDONESIAN PALM OIL COMMISSION

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Jakarta, 6 June 2011

To.
Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam,

Re: Food Standards Amendment (Truth in Labelling - Palm Oil) Bill 2010

With regard to the Food Standards Amendment (Truth in Labelling - Palm Oil) Bill 2010, we, from Indonesian Palm Oil Commission (an organization established in 2003 under Ministry of Agriculture Decree, which members are associations and palm oil stakeholders) would like to express some concern regarding basic reason why Truth in Labelling – Palm oil was put to the Australian Government Parliament

1. The proposal required listing palm oil in the ingredients use in food products, while other vegetables are categorized under the general grouping as vegetable oil, we believe the discriminatory treatment due to the pressure given by many NGO's to relate palm oil and the environment (without giving the producing countries the chances to tell the Australian on the other side of the accusations /story). This will likely lead to negative perception regarding the nutritional adequacy and sustainability production of palm oil, despite much evidence to the contrary. We understand that Food Standard Australia New Zealand focus on food safety not environment. We note that Australia consume only very small amount of palm oil. These amounts become lesser lately.
2. Indonesia also believed that consumer should be provided with accurate, transparent and scientific base evidence, this should also applied to all vegetables oils in food formulations and products and should be listed accordingly. By singling out palm oil, it is an unfair treatment and discrimination imposed to palm oil producers, which also against the articles of World Trade Organization (WTO).
3. It has been known that all vegetables oil is cholesterol free so do palm oil. Palm oil has an equal balance of saturated fat and unsaturated fatty acid. According to many study among others done in Australia (University Sydney and CSIRO Adelaide) palm oil are safe for human consumption and neutral on its effect on blood cholesterol. Harvard Medical School through its study publish saturated fats are relatively neutral

in terms of cardiovascular risk. The intentions to label palm oil is related to the statement of palm oil contain saturated and unsaturated fat that according to Friends of the Earth quoted by Australian Heart Foundation, palm oil can cause heart diseases, which is not mentioned the daily in take and no body in the world only eat palm oil, in their diet many other things are there such meat and meat product other fat etc.

4. On the other hand, meat or beef from cattle import from Australia by Indonesia (Indonesia import cattle and meat from Australia (89% Australia world export) every year and consume by the Indonesian people, this beef cause more health concerned such as high blood cholesterol, high blood pressure, cardio vascular diseases, Indonesia also considering a strict labelling on the use of meat/beef from Australia.
5. With regards to the statement “That palm oil is considered high in saturated fat sand consumer should be made aware if it use in foods they are eating for the health reasons”. Palm oil produced in sustainable way and palm oil produced in an unsustainable way are “like products” according to WTO and saturated fat in both oils will have the same health effects. To accuse palm oil that it is not healthy (while the product specifications are the same) it has to be proven scientifically and transparent ways.
6. In the propose bill for an act, refer to page 2, 4. Purpose of Act

The purpose of this Act is:

- a. to ensure that consumers have clear, accurate information about the inclusion of palm oils in foods ; and
- b. to encourage the use of certified sustainable palm oil in order to promote the protection of wild life.

In page 3 Schedule 1- Amendment of Food and Standards Australia New Zealand.

This section clearly mentioned that palm oil used in food or to produce food has been certified sustainable in accordance with regulation, the listing of palm oil as ingredient of the food may be shown as certified sustainable palm oil according to RSPO.

For sustainable palm oil it is clear the FSANZ is not dealing with environment in their standard, in this case sustainable produce palm oil following RSPO standard can not be a standard adopt by FSANZ. If the Australian Government adopts RSPO as government standard, it is against WTO articles, because standard discriminate palm oil producers from palm oil manufactures, buyers, consumer, etc. and also from other vegetables oils.

Since RSPO is a b-b organizations it does not have any government involvement, the standard apply to their members only, take an assumption that Australian government implement as RSPO compulsory standard while RSPO standard is voluntary for their member, is Australia member of RSPO? The member

of RSPO from Australia mostly are traders and certification bodies, last year the Australian Food and Grocery Council was became a member of RSPO just July last year. RSPO sustainable palm oil is available in Indonesia and Malaysia, Australia businessmen; manufactures can buy the oil in the world market easily.

7. If Australia would like give big impact to the world palm oil market, Australia has to buy more sustainable palm oil, now in 2010 Australia and New Zealand only import 18.835 ton and in 2009 buy only 173 ton of palm oil from Indonesia, which is not sustainable palm oil according RSPO standard. Who would have to be blame?
8. Since April 1 2011, Indonesian government unilaterally has implement Indonesian Sustainable Palm Oil Certification System which follow all Indonesian and international regulation related to Environment and based to the meeting of World Summit on Sustainable Development (WSSD) in Doha and the certification system to follow International Standardization Organization (ISO), we implement the 3P principles (Planet, People and Profit). This will completely implement to reach the smallholders level in 4 years.

Sincerely yours,

Dr. Rosediana Suharto