

**THE PALM OIL ACTION GROUP'S SUBMISSION TO  
THE SENATE ECONOMICS COMMITTEE**

**INQUIRY INTO  
THE FOOD STANDARDS AMENDMENT  
(TRUTH IN LABELLING LAWS) BILL 2009**

**REQUEST TO INCLUDE COMPULSORY LABELLING OF PALM OIL**

## 1. Background:

2A (c) of the *Food Standards Australia New Zealand Act 1991* (the Act) clearly states that it covers the provision of adequate information relating to food to enable consumers to make informed choices.

Palm oil is a vegetable oil ingredient that is commonly used in many processed food and grocery products. Recent surveys have uncovered that palm oil is used in up to 40% of the top grocery brands sold in Australia. The unsustainable processes and methods used to grow conventional oil palm plantations are directly associated with a large number of damaging environmental and social impacts.

Thousands of hectares of rainforest are being cleared every day for the planting of monoculture palm oil plantations. Deforestation leads to the decrease in habitat for a number of threatened and endangered species. Some threatened and endangered species currently impacted by this deforestation include the Borneo and Sumatran orangutans, the Asian elephant, the Sumatran rhinoceros and the clouded leopard. Deforestation, land clearing and burning also result in increases in global CO<sub>2</sub> emissions. The release of carbon dioxide, a greenhouse gas, has been directly linked with causing unnatural climate change. Indonesia is currently the world's third highest CO<sub>2</sub> emitter and most of Indonesia's emissions come directly from the clearing of rainforests and draining of peatlands for palm oil production.

The Palm Oil Action Group has been campaigning to stop unsustainable production of palm oil. As our campaign grows we have seen an increase in consumer outrage over their unwitting contribution to the extinction of species and the speeding up of global warming.

Consumers have written telling us of their confusion and frustration at their inability to determine whether palm oil or sustainable palm oil is included in a product. It is currently difficult and time consuming to track this information down. Consumers are powerless at their point of purchase, instead having to phone or write to manufacturers. Without palm oil labelled they are not easily able to make an informed decision about whether to buy a product or not, if they are concerned about the spread of unsustainable palm oil.

This frustration and inability to make informed choices can be directly attributed to the fact that there is currently no legislation stating that palm oil must be labelled as such, and many companies therefore simply label it as 'vegetable oil' or 'vegetable fat', clearly denying consumers the ability to make an informed decision about the foods that they buy, as is their right.

Many companies also claim that they are supporting sustainable palm oil, citing membership of the Roundtable for Sustainable Palm Oil (RSPO) as proof. However RSPO membership alone is not credible proof that the company is using certified sustainable palm oil. In 2008, for example, only 1% of sustainable palm oil produced was bought worldwide. This amounts to only

15,000 litres of 1.5 million litres produced, and yet almost all companies contacted about their use of palm oil cite membership of the RSPO.

This highlights a second needed requirement to not only provide consumers with the knowledge about the presence or absence of palm oil in products, but additionally to specify if the palm used has come from a certified sustainable source.

Examples of the public showing deep concern for this issue can easily be seen:

- a) Over 3,000 petitions collected and submitted.
- b) 14 consumer actions (just by POAG alone) run in front of KFC and Woolworths stores involving over 70 volunteers.
- c) The enormous response to Melbourne Zoo's launch of their 'Don't Palm Us Off' campaign in Victoria – over 36,000 signatures in the first two months telling us that they want the choice (and it should be that it was only launched in Victoria, it has not yet gone national).
- d) Hundreds of letters written to Cadbury, Woolworths and KFC about their use of Palm Oil.

## **2. Growing Company Awareness**

Already many companies have bowed to consumer pressure and decided to remove palm oil from their products and food processing. Other companies have decided to voluntarily accurately label palm oil in the ingredients list.

After 2 years of consumer protests, this year KFC confirmed they would phase out palm oil in 2010.

In mid 2009 Cadbury Australia added palm oil to its Dairy Milk Chocolate. Due to consumer backlash over this change Cadbury Australia stated that it "[...] got it wrong" and made a commitment to remove palm oil from its Dairy Milk Chocolate.

Woolworths has excluded palm oil from its Select Brands, however they admit it is difficult to police this through the supply chain as many of the lesser ingredients in products contain palm oil derivatives.

## **3. Our Right To Know**

We at The Palm Oil Action Group believe that it is imperative that consumers have the right to know if a product contains palm oil or not. The current Act is out of date and requires amendments to include the mandatory labelling of palm oil. In fact this issue clearly shows that the current legislation is too narrow in its objectives. Ideally the Act would be expanded to include sustainable food production.

In this case mandatory labelling requirements will provide consumers with the knowledge required to make an informed choice. We therefore propose that

the mandatory labelling of Palm Oil and Certified Sustainable Palm Oil should be introduced into the proposed Food Standards Amendment (Truth in Labelling Laws) Act 2009.

#### **4. Proposed Inclusion**

The purpose of the proposed *Food Standards Amendment (Truth in Labelling Laws) Act 2009* is to amend the *Food Standards Australia New Zealand Act 1991* (the Act) to require the Food Standards Australia New Zealand (the Authority) to develop and approve certain food labelling standards that producers, manufacturers and distributors are required to adhere to.

We believe that this proposed amendment should go further and include the mandatory labelling of palm oil in all food products, on the grounds of consumer choice and the public's right to know if palm oil is in their food.

We would submit that an amendment be made to the proposed Bill (*Food Standards Amendment (Truth in Labelling Laws) Act 2009*) to include compulsory labelling of palm derived vegetable fats and oils to specify 'palm oil', mandating the use of the words "palm oil" in the ingredients list of all packaged foods which contain any (amount of) palm oil and palm oil derivatives, regardless of whether or not the palm oil has been certified by the RSPO.

We would further submit that an amendment mandating the labelling of certified sustainable palm oil also be included, requiring the use of the words "certified sustainable palm oil" in the ingredients list of all packaged foods, if the company can prove its use of certified sustainable palm oil. It should be noted that currently the only certified sustainable palm oil is via the RSPO.

#### **5. Example: Standard 1.2.4 – Labelling of Ingredients**

This standard sets out specific requirements for the labelling and naming of ingredients and compound ingredients. It states that fats or oils when they are declared in the statement of ingredients on a food label:

1. Must be qualified as to whether the source is animal or vegetable.
2. Where the source of vegetable oil is peanut, soy bean or sesame the specific source name must be declared .
3. In the case of dairy products, including ice cream, the source of animal fats or oils must be specifically declared.
4. Must not be used for Diacylglycerol oil.

It is The Palm Oil Action Group's view that Standard 1.2.4 – Labelling of Ingredients needs to be amended to include palm in point two above, as an oil that must be specifically declared. This inclusion should cover not only vegetable oils and fats as an identified ingredient but also palm oil derivative ingredients including emulsifiers and humectants.

As previously mentioned we also believe that the sustainability of the oil should be included in the ingredients list, which may mean adding another point rather than just adding “palm” to point two above.

## **6. Consumer Choice**

There can be little doubt that consumers should have the right to choose products that contain palm oil in them or not. What is in doubt at the moment is their ability to do so.

Without clear and strong labelling laws ensuring that any food product that contains palm oil must specifically state “palm oil” on the ingredients list, consumers are left in the dark as to what they are buying.

The issue of informed choice is not limited in any way by the FSANZ Act and it can (and should) extend to international and/or local environmental issues and any other issues about which consumers may wish to be informed. Again, this highlights the necessity to expand the FSANZ’s objectives to include sustainable food production.

Whilst public health and safety is the highest priority of the FSANZ in developing food standards and this issue must be considered in determining whether to make or vary a food standard, this is not the only matter relevant to the making of a food standard.

Unsustainable palm oil production is a clear and present international environmental threat to the wellbeing of ecosystems, species survival, Indigenous peoples, and global warming.

With growing awareness of these issues, and a growing want to not be complicit in unsustainable ways of living, consumers deserve the right of choice at point of purchase as to whether they buy products that are made with palm oil as an ingredient.

## **7. Contact**

The Palm Oil Action Group would be happy to appear in front of the Senate Economics Committee Inquiry into the Food Standards Amendment (Truth In Labelling Laws) Bill 2009 to answer any questions in relation to the submission. Please contact either Anasuya Claff, Campaign Coordinator 0431 779 644, or Tony Gilding, Joint Founder 0413 123 000.