
FACT SHEET

SUSTAINABLE PALM OIL FOR INDIA.

CENTRE FOR
RESPONSIBLE
BUSINESS (CRB)

INTRODUCTION

Palm oil is well established as an essential and ubiquitous ingredient in many FMCG products, such as biscuits, chips, cosmetics and personal care items. However, given its high demand, versatile nature and use across products, questions have often been raised about its sourcing, trade and consumption.

Forming nearly 33% of the world's production mix, palm oil has emerged as the main source of vegetable oil globally, and is an integral ingredient in many food and household products.¹ 70% of the palm oil consumed in India is utilised as edible oil in households, by the food service industry and in manufacturing processed snacks. With the remaining 30% used by consumer goods. Oil palms are the highest yielding oilseeds, providing 6-10 times better yield per hectare than any other oilseed, viz. Soy, Sunflower, Groundnut, etc. As an oil, it is versatile with over 20 derivatives, all with varying melting points, allowing it to be

used across sectors and product ranges.²

India is the second largest consumer and biggest importer of palm oil – with the volume of 8.45 million MT imports in 2021³. It is also the world's third largest consumer of edible oils and almost 68% of the consumption in the country is met through imports. More than 90% of India's imports are from Indonesia (69%) and Malaysia (24%). Given its diversified use, palm oil has been and continues to be one of the primary factors of deforestation in some of the world's most bio-diverse forests, especially in south-east Asian countries destroying the habitat of already endangered species, resulting in uncontrolled forest fire, displacing communities, loss of livelihoods among others.^{4,5}

However, palm oil can be cultivated in a sustainable manner. Sustainable palm oil is palm oil that has been produced responsibly, in accordance with globally recognised standards that promote

sustainable palm oil along with addressing various environmental and social issues. Over the last two decades, different voluntary standards and certifications have emerged to promote sustainable palm oil, starting with voluntary standards such as the



¹ https://www.wwfindia.org/about_wwf/making_businesses_sustainable/palm_oil/

² <https://www.indiaspoc.org/images/I-SPOC-Biennial-Report.pdf>

³ <https://www.indexmundi.com/agriculture/?country=in&commodity=palm-oil&graph=imports>

⁴ https://ec.europa.eu/environment/forests/pdf/palm_oil_study_kh0218208enn_new.pdf

⁵ <https://www.wwf.org.uk/updates/8-things-know-about-palm-oil>

Roundtable for Sustainable Palm Oil (RSPO) and mandatory national standards, such as, Indonesia Sustainable Palm Oil (ISPO) and Malaysia Sustainable Palm Oil (MSPO).

Looking at the demand for palm oil in India, the Government of India (GoI) has started to promote domestic production in the country. GoI approved the National Mission on Edible Oils - Oil Palm (NME-OP) on August 18, 2021. The scheme aims to focus on increasing area and productivity of oilseeds and Oil Palm⁶. A financial outlay of Rs.11,040 crore out of which Rs.8,844 crore is the share of Government of India has been set aside for the implementation of the scheme.

As of January 2022, the new scheme aims to cover palm oil trees in an additional area of 650,000 hectares by 2025-26 and thereby reaching the target of 1 million hectares. With this, the domestic production of crude palm oil (CPO) is expected to go up to 1.12 million tonnes by 2025-26 and up to 2.8 million tonnes by 2029-30. A total of 14 states (5 North-East States, 5 States from South of India, 2 from East India and 2 from West India) have been identified for the implementation of this scheme. 11 State-

level Action plans have been approved including a revised plan from Assam. The total fund as allocated for these 11 State- Level Action Plans is INR 200 Crores and the total planned acreage in these 11 states would cover a total area of 26,000 hectares (i.e., 4% of the target). The table below shows the targeted acreage under the schemes in the 14 states.

Targeted Acreage in NMEO-OP Implementation States (14)

- Assam (200,000 ha)
- Telengana (125,300 ha)
- Andhra Pradesh (112,000 ha)
- Arunachal Pradesh (40,000 ha)
- Manipur (31,000 ha)
- Nagaland (30,000 ha)
- Mizoram (27,000 ha)
- Karnataka (19,300)
- Tamil Nadu (18,500)
- Chhattisgarh (16,400 ha)
- Gujarat (12,700 ha)
- Odisha (10,500 ha)
- Kerala (6,500 ha)
- Goa (800 ha)

OVERVIEW OF ACTIVITIES

The Centre for Responsible Business (CRB) has developed a specialised understanding of practises on sustainable supply/value chains across various sectors and commodities. Over the years, CRB has studied and engaged with international businesses and organisations particularly from the 'Global North' in promoting supply/value chain sustainability and traceability

across sectors involving production networks like India. Engagement in the palm oil sector in India brought in an additional layer of complexity and challenge for CRB, given that the consumption was driven in this case by a 'southern' country (India) and not by an advanced economy from the 'north'.

Through its work on sustainable palm oil,

⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1746942>

CRB aims to promote awareness about the need for and opportunities from uptake of sustainable palm oil with actors along the supply chain in India.

The goal has been pursued by conducting action-oriented research, working on multi-stakeholder initiatives along with fostering industry stewardship for supporting uptake of sustainable palm oil in India, building awareness and targeted capacity building of value chain actors, together with creating opportunities for engaging the media and youth (millennials) on sustainable consumption practises and to increase demand for FMCG products using sustainable sources of palm oil.

2.1. Action oriented research

- **Responsible Business Practices in the Indian Palm Oil Sector (2014):** The report developed in partnership with [I-SEAL Alliance](#), [RSPO](#) and [RSB](#) captured the dynamics of the palm oil sector in India. It studied the existing processes, practises and trends in the business with recommendations to make the steps to continue making the sector sustainable in the years to come
- **Improving uptake of Sustainable Palm Oil in India (2018):** A research report developed in collaboration with Rainforest Alliance (RA) looked at understanding and identifying the drivers to better assess how to change this situation along with driving demand for sustainable palm oil in the world's largest market. It analysed the Indian market and identified issues, actors and conditions that can act as 'triggers' for promoting sustainable palm oil uptake in India
- **Sustainability Ambassadors (2018-22):** Since 2018, CRB has been working in partnership with RSPO on promoting awareness about the need and opportunities for greater uptake of sustainable palm oil

along the supply chain in India. As part of this shared vision, CRB and RSPO continue working together on a project that aims to identify champions for the uptake of certified sustainable palm oil in India. Over this period, the projects have worked towards Business Commitment & Action on Certified Sustainable Palm Oil in India through interactions with businesses, youth and media representatives. The projects also focus on capacity building and awareness raising of businesses and consumers on the importance and uptake of sustainable palm oil.

As part of the project, CRB has engaged with over **50 organisations** including international organisations and NGOs, Industry Associations and Businesses, Financial Institutions, FMCGs. The aim of these interactions has been to understand the nature and volume of use of palm oil, awareness/ understanding (including technical elements) of certified sustainable palm oil, understand challenges in uptake/ use of palm oil and to identify possible pathways for businesses to initiate strategic thinking and movement.

2.2. Multi-stakeholder Sustainability Initiative

- **The Sustainable Palm Oil Coalition for India (I-SPOC)**

The Sustainable Palm Oil Coalition for India (I-SPOC), was conceived by four (founding) organisations – CRB, World Wide Fund for Nature India (WWF India), RSPO and RA, and launched in September 2018. The aim of I-SPOC is to promote sustainable consumption, import, and trade of palm oil and its derivatives along the supply chain. I-SPOC, through industry collaboration, seeks to create broader awareness on sustainability issues within industry and among consumers. At present, the coalition has 30 members.

This coalition includes 3 Working

Groups- Government Policy and Domestic Production, Supply Chain and End Users and Financial Institutions. The Working Group Members include industry actors, NGOs, and industry bodies to strengthen and contribute to the activities of the coalition.



• India and Sustainability Standards (ISS)

Sessions on sustainable palm oil in India and enhancing engagement with a wider multi-stakeholder group to raise awareness and drive potential



partnerships were held at ISS [2017](#), [2019](#), [2020](#) and 2021. The session in 2021 sought to facilitate a discussion around the challenges, risks, and opportunities for increasing the production of sustainable palm oil in India. The discussion during the session also looked at working on a potential roadmap for India to become a role model for the sustainable production of palm oil while building broader multi stakeholder consensus about the business opportunity of sourcing sustainable palm oil and the role brands and consumers can play.

2.1. Multi-stakeholder Sustainability Initiative

• Media Engagement

CRB along with RSPO and WWF India organised a [webinar](#) to discuss and

facilitate engagement on *Businesses with Purpose: Future-Proofing Businesses in a Post COVID-19 World*.

• Engagement with Youth

a. Young India Challenge

CRB was Knowledge Partner at the 10th Young India Challenge organised by Human Circle and supported by RSPO – held on 12-13 October 2019 in Delhi

b. Asian Youth for Sustainable Palm Oil Summit (AYSP0)and RT17

CRB participated as a youth delegate from India in the RSPO RT 17 held on 03-06 November 2019 in Bangkok, Thailand. The proceedings may be found [here](#).

c. Youth Fellowship for Sustainable Palm Oil (Yfs)

In 2020, CRB in consultation with RSPO has designed and conceptualised a Youth Fellowship for Sustainable Palm Oil (Yfs). The objective of this programme was to offer one of its kind opportunities to youth (young professionals between 18 years to 25 years to take charge by engaging and shaping the sustainability/SDG agenda based on their own ideas and actions. The certificate fellowship pursues to engage youth specifically on SDG 12 (responsible production and consumption) and SDG 13 (climate action). Further information about the Fellowship may be found [here](#).

d. Youth for Sustainability (Yfs) India Alliance

The Youth for Sustainability (Yfs) India alliance will be the driving force in the 'Decade of Action, 2020-30', for Responsible Consumption and Production (SDG12) and Climate Action

(SDG13) in India for a sustainable future by bringing together like-minded youth-focused and multi-stakeholder organisations and building consensus for individual, civil society, corporate and government policy actions. CRB is a member of the alliance. More details about CRB's work in this Alliance may be found [here](#).

e. Enhancing visibility through online platforms

CRB has been using its Website/ twitter/FB/LinkedIn/Instagram handles effectively to disseminate content related to Sustainability, Sustainable Development Goals, Sustainable Palm Oil on a regular basis. Further, CRB has also used its social media handle to highlight the need/benefits from transition towards sustainable palm in India.

WAY FORWARD.

- i. Incorporating Sustainability Principles in Domestic Production
- ii. Working with relevant stakeholders across supply chain to raise awareness on sustainable palm oil
- iii. Engaging Indian producers, traders, refiners and support them in making the transition to sustainable palm Oil
- iv. Promoting multi-stakeholder discussions on sustainability (specifically sustainable procurement) across the supply chain
- v. Further consolidating I-SPOC and building capacity of members and observers
- vi. Facilitating Strategic Communication and Awareness Generation activities especially among Youth Millennials

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