Sourced from Crikey: Wednesday, 20 April 2011
http://www.crikey.com.au/2011/04/20/a-strange-absence-in-the-palm-oil-labelling-controversy/

A strange absence in the palm oil labelling controversy

by Bernard Keane

Coverage of the stoush this week between the arrayed forces of palm oil□—□the Malaysian company IOI, and the Australian Food and Grocery Council□—□and Nick Xenophon over labelling of palm oil products has missed a major development in the sustainability self-regulation process for palm oil.

On Monday, the Malaysian Palm Oil Council fronted a Senate hearing into a bill initiated by Xenophon and the Greens to require labelling of products containing palm oil. Malaysia is the second biggest producer of palm oil and the Malaysian High Commissioner has supported the MPOC in its campaign against the bill. The council's CEO, Dr Yusof Basiron, used his appearance to claim palm oil was produced sustainably and the labelling requirement would simply salve the consciences of Western elites while costing jobs in Malaysia.

Palm oil's reputation for environmental and social destruction is so bad that the industry itself agreed to take part in a sustainability assessment process, the Roundtable on Sustainable Palm Oil, which includes producers, their major food industry customers and some NGOs. The Roundtable was established in 2004, and its secretariat is based in Kuala Lumpur.

Yesterday the Australian Food and Grocery Council joined in, attacking Xenophon over a numerical error□—□he had said Australia accounts for 3% of palm oil production when it's 0.3%□—□and attacking the idea of mandatory labelling. "Ms Carnell said food labels need to be easy to comprehend and should only contain important product information relating to health, nutrition and safety," said the release, which explained that the RSPO process enabled companies to purchase sustainable palm oil.

There was something missing, though, something neither the AFGC nor the Malaysian Palm Oil Council were saying. The council has close links with the Malaysian conglomerate IOI, one of the world's biggest palm oil producers. The council's chairman, Lee Yeow Chor, is group executive director of IOI.

Two weeks ago the RSPO issued a savage finding against IOI relating to its environmental and social practices in Sarawak in Malaysia, finding that IOI had breached two core membership mandates and suspending all certification for any of IOI's activities. The company has been involved in a long-running dispute with a village community in Sarawak, in which it repeatedly trespassed and harvested palm oil without a licence.

Major IOI customers such as Unilever and Nestlé are members of the AFGC. The international offices of the companies brushed off the RSPO finding, saying only they "may review" their continuing sourcing of source palm oil from IOI.

And neither the Malaysian Palm Oil Council nor the AFGC have seriously addressed why identifying palm oil products would either be so expensive or why it would be such a catastrophic blow to sales if consumers knew they were buying products that used palm oil. There are strong echoes here of the AFGC's long-time opposition to mandatory labelling of all GM food, intended to enable parents to know whether they are feeding infants products containing GM soy below the arbitrary 2% threshold used by industry to prevent disclosure of regular "accidental contamination". The AFGC used the "consumers will be confused and scared" argument on GM labelling as well.