

European Union (EU) biofuel targets are leading to a rapid increase in demand for feedstock crops such as sugar cane, oil palm and rape seed. This creates severe pressure for more agricultural land. Where this expansion occurs at the expense of forests, peat land and other carbon rich habitats, it results in substantial increases in greenhouse gas emissions from the soil and the removed vegetation. This expansion at the expense of natural habitats is often indirect, ie. biofuel crops are not planted on forestland, but instead displace other crops or pasture land which move to the forest. This makes it impossible to address this issue through sustainability certification schemes that by definition work at a farm-scale level.

Scientific research has now shown that emissions from indirect land use change (ILUC) have the potential to negate any greenhouse gas emission savings which might be generated from biofuel use. In fact the net-effect of biofuel targets could be an overall increase in emissions.

This briefing looks at how demand for “sustainable” palm oil is contributing to ILUC. This is illustrated using the example of Malaysian palm oil company Sime Darby which is deforesting new land partially in order to meet increase in demand for certified palm oil for biofuel.