

G20/B20: SUSTAINABLE VEGETABLE OILS INDUSTRY RESILIENCE GUARANTEES ENERGY AND FOOD SUPPLIES THROUGH GLOBAL CRISIS

Bali, 3 November 2022 - Vegetable oil supply chains have proven to be resilient in the face of the three successive emergencies that occurred over the last three years: the pandemic, the interruption in supplies and the impacts of the conflict in Ukraine. Without forgetting the climate crisis with extended periods of drought. According to data compiled by the **Food and Agriculture Organization of the United Nations**, the price for edible oils rose to almost 250 per cent of standard price levels, causing a shock throughout the food economy. This was the main theme of the “**Sustainable Vegetable Oils Conference**” that took place today in Bali, Indonesia.

The World Bank estimates that for each one percentage point increase in food prices, 10 million people are thrown into extreme poverty worldwide. The UN World Food Program states that skyrocketing food prices may cause 323 million people globally to become acutely food insecure or at high risk.

Vegetable oil producers and exporters should contribute in addressing this urgent crisis. **Indonesia** and **Malaysia** accounted for **92%** of total **palm oil exports** over 2019-2021. Major **soybean oil exporters** include **Argentina (46%** of global exports over the period), **Brazil (10%)**, the **European Union (8%)**, and the **United States (8%)**. **Canada** is the major exporter of **rapeseed (canola) oil** that accounts for **58%** of rapeseed oil exports, followed by **Russia (13%)**, **EU (8%)**, and **Belarus (7%)**.

*“The Conference – declares **Pietro Paganini, President** of Competere – was a real success, thanks to the participation of the most important stakeholders in the vegetable oil sector, i.e., representatives of the governments of the main producing countries, in particular China, India, Russia, and Ukraine, as well as Indonesia and Malaysia. This shows that in a time of international conflicts and geopolitical tension, the community of vegetable oil producers can build cross-division alliances. This is so, to provide the world with the necessary energy both to strengthen food security and to guarantee economic growth”.*

The conference was organized by the **Indonesian Government as President of the G20 2022 Group**, in collaboration with the **Council of Palm Oil Producing Countries, Competere, FAO, WFP, WTO**, of corporations such as **Cargill, Sine Darby** and sectorial organizations such as **GAPKI, United Soybean Board, Malaysian Sustainable Palm Oil** and NGOs, such as **Solidaridad**.

Organizations working in this sector have guaranteed energy to billions of people around the world. Both physical energy for moving goods, as well as food, thus reinforcing nutritional security in one of the most critical moments for humanity since the end of World War II. They have done it in a way that is sustainable, reducing the impact on the environment, on biodiversity and forests, and achieving environmental standards that have become a benchmark for many other supply chains.

The conference aimed to support the **Group of Twenty (G20)** and is relevant to the **G20’s Indonesia presidency agenda** to strengthen cooperation on the issues of global food security and sustainable agriculture.



Over the past several production chains have succumbed to the weight of the pandemic, the continuous and sudden bottlenecks of supply chains, the climate crisis, and geopolitical frictions, pushing prices skyrocketing. The vegetable oil supply chain has resisted despite everything, demonstrating great resilience. Where the production and distribution of some oils has suffered blockages and slowdowns, others have intervened ensuring food and energy safety.

In this dramatic context, many supply chains, such as oil palm and soybean, have managed to invest in innovation and sustainability, reducing the impact of agricultural and production systems on biodiversity, land use and forests. Of all **the supply chains, those of vegetable oils, led by the production of palm oil, proved, data in hand, the most sustainable and resilient.** And it continued to respond positively to the increasingly stringent legislation in terms of quality and environmental sustainability and human resources that Europe, often with a one-sided and uncooperative approach, has continued to develop. Just as vegetable oils have resisted the paradoxical boycott media campaigns that other commercial sectors or NGOs have promoted with little awareness of the desperate need that the West has for vegetable oils.

The first vegetable oil conference addressed these problems and discussed the challenges facing humanity, such as exponential population and consumption growth, and the climate crisis.

For the first time, leading global vegetable oil stakeholders have met within the context of the G20 to discuss current challenges, and with the goal of strengthening the resilience and sustainability of production chains.

Indonesia is a world leader in the production of vegetable oils, especially palm oil. The food security of dozens of nations and billions of people depend on Indonesian exports. With this event, the central government in Jakarta is looking to demonstrate its ability to guide the various supply chains and producer countries toward economic stability and environmental and social stability.

Over the last ten years, Indonesia has become one of the major investors in projects aimed at safeguarding biodiversity and recovering forest resources. The commitment to organize this conference during the G20 must act as a stimulus for the global industry and producer countries, but above all for the tens of millions of small farmers who, through their efforts, contribute to guaranteeing energy for the world.

Vegetable oils can help provide food security and sustainable energy. Central to this, according to Rizal Lukman, Secretary General of CPOPC, is the role of palm oil. Palm oil is the most affordable with abundant stocks of all vegetable oils and has been the most efficient vegetable oils and therefore may provide an answer to the current crises. Despite its superiority, palm oil however has been in the vortex of sustainability issues, owing to extensive smear campaigns by its rivals.

Therefore, in the spirit of togetherness, this conference can serve as an avenue for countries to extend their cooperation with a view to build alliance guided by common interests, and to provide action-oriented recommendations for countries and stakeholders to design resilient and sustainable supply chains to tackle future food and energy crises.