

HUOBER



Fruit of the oil palm

The excessive monoculture cultivation of oil palms, the impact of this in the environment and the precarious working conditions in cultivating countries have met with criticism over recent years.

HUOBER BREZEL is decidedly against this development. However, to completely reject the use of palm oil in foods would be to ignore the actual conditions, the global context and certainly would not help the situation of the people in the cultivating countries.

Alternatives have to be developed and ways found to encourage people to pursue responsible cultivation as a result of our demand and support.

We have thoroughly investigated the conditions of oil palm cultivation and since 2001 have exclusively used organic palm oil from our partner in Colombia. We visited this partner on site in March 2016. (You can find the full

report under point 3.)

The organic palm oil we use, produced in sustainable conditions, is certified at the highest level by the RSPO (Roundtable on Sustainable Palm Oil) as well as in accordance with the guidelines of the EU regulation on organic farming.

We have compiled the major facts below so that you as our customer can fully understand our conscious decision to use palm oil in our products:

1] What is palm oil?

Palm oil is a vegetable oil derived from the fruit of the African oil palm.

The oil palm, which originates from West Africa, can grow to be 30 metres tall and can live to be anything up to 200 years old. It bears fruit after around three years. The fruit takes six to nine months to ripen.

BACKGROUND ON RAW MATERIALS

palm oil

- 1] What is palm oil?
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The syncarps of the oil palm consist of several hundred fruits and can weigh up to 50 kilograms. They are harvested several times a year.

Due to its characteristics and use, palm oil is the most important vegetable oil worldwide and is a constituent of every second product in supermarkets. It is mainly used in the manufacture of foods, but is also used to make cosmetics and cleaning agents.



Syncarps of the oil palm

Furthermore, around half of the imported palm oil in Germany is used as a source of energy.

Today around 60 million tonnes of palm oil are produced worldwide on an area of 12 million hectares. Almost 90% is produced in Southeast Asia; around one per cent comes from Colombia.



The village of Aracataca; many of the company's employees come from here.

2] Why we use palm fat?

◆ Palm fat has qualitative characteristics which are perfect for our long-life bakery products. It is heat resistant, has high oxidative stability, has no taste or smell, and gives our products a long life. Experiments of baking with domestic oils cannot yet match this high stability.

◆ As an organic manufacturer, we do not use preservatives, flavour enhancers or other chemical additives. Our experiments have shown that we would need to deploy such aids to maintain our high quality levels if we used sunflower oil in our baking.

◆ At room temperature, palm oil has a semi-solid structure and does not have to be hardened in processing. It has a high proportion of saturated fats and does not form trans-fats harmful to health when heated. This is a major difference to other vegetable oils.

◆ The oil palm has the highest yield of all oil plants. Four to six times as much acreage would be required to yield the same amount of oil from the domestic sunflower. In the case of Germany, that would represent 1.64 million hectares (statistics from a WWF survey).

◆ Cultivating the oil palm represents a livelihood for many smallholders and does not necessarily

mean forest clearance, excessive monoculture and exploitation. We take our responsibility seriously by supporting exemplary, sustainable and organic cultivation. Just as we are committed to eco-farming at home, we also want to support eco-cultivation worldwide and nurture established relations long term. Last but not least, cultivation has been driven forward by the strong demand from Europe.

To develop alternatives to palm oil, HUOBER BREZEL supports the high-oleic organic sunflower growing programme of the Peter Kunz seed growing initiative.



Tequendama Farm plantation; in the background full-grown oil palms and in the foreground the seedlings

3] Report on our palm oil _producer_

Our sustainable organic palm oil comes exclusively from Colombia. In March 2016 we visited our partner to see the cultivation and working conditions for ourselves.

The region

The growing area is in the north of Colombia not far from the Caribbean coast near the village of Aracataca. The area around the plantation was exploited at the beginning of the twentieth century by the „United Fruit Company“ (today, Chiquita Banana) as southern fruits were cultivated there for export without any benefit for the locals. Guerrilla groups then destabilised the area over many years.

Today the region is experiencing positive development. The cultivation of bananas, citrus fruits and also oil palms offers many locals a way of earning their living and contributes to the development of the region.

Our palm oil producer Daabon played a decisive role in the positive local development.

The producer

Daabon is a family company currently being run by the third generation. The company started out in 1914 by growing bananas.



Entrance to Tequendama Farm in Colombia, Daabon

At the beginning of the 1990s, the company switched to eco-production inspired by the cultivation methods of a Demeter farm in Europe. Daabon not only has Tequendama Farm, but also other cultivable land, and works together with several smallholders. In addition to the production of palm oil, the company also grows organic bananas and organic coffee, as well as offering logistic services.

Today the company has over 2,000 employees who all enjoy the advantages of a registered workplace - medical, pension and unemployment insurance - just as we do here.

The plantations

Daabon produces palm oil mostly on its own plantations (70%), obtains 20 per cent from the „Alianzas“ and buys around 10 per cent from independent producers depending on requirements.

The „Alianzas“ is an association of several hundred smallholders who cooperate with Daabon. Daabon guarantees a fixed price, acceptance of the harvest and social security. In addition, the company supports the smallholders in their independence with advice on cultivation and business procedures.



Employees off on their well-earned lunch break with their buffalos

Every year, around 25,000 tonnes of certified sustainable palm oil is produced on around 6,300 hectares. According to Daabon's own information, about 80 per cent of production is organic.

The plantations are around 1,500 hectares and thus considerably smaller than in monoculture cultivation in Southeast Asia; they are characterised by natural scrub. Furthermore, around ten per cent remains unused to maintain the eco-system and provide animals (frogs, birds, rodents and monkeys) with a natural refuge.

There is no clearance for new areas; abandoned cultivable land or pasture land is used instead.

genous population, nature protection etc.) to avoid such situations.



Visiting the compost heap

earthworms and adds them to the compost. This increases the nitrogen content of the compost which is particularly beneficial for the seedlings.

The observation of natural processes also has an effect when it comes to pest control. The infestation of the oil palm by bugs and caterpillars is contained by spraying local fungal cultures. The fungus is cultivated specifically for this purpose in the lab and deployed on the trees using water.

Cultivation

There are 142 oil palms on one hectare in the plantations. This ensures healthy development of the trees and leaves plenty of space for haulage. The oil palms can be harvested over a period of 35 years. After that, they are too high to be harvested by hand and new trees are planted.

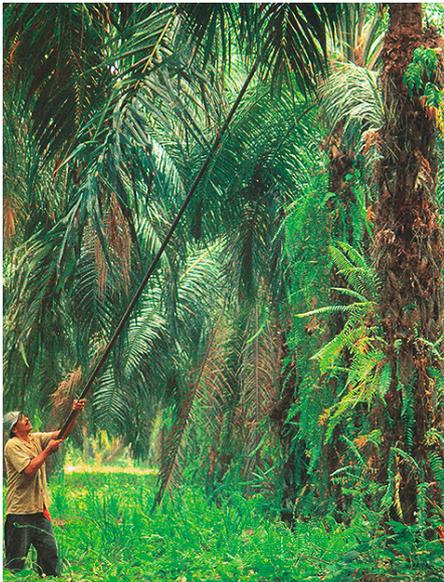
The fruits are cut out of the tree-tops with long hand saws and then transported from the woods to the roadside using buffalos. From here, they are transported to the oil mill on trucks.

Compost from the proprietary compost plant is used as opposed to artificial manure.

This consists of buffalo manure as well as other by-products such as leaves, fruit clusters, peel, branches and sand. To improve the quality, the company breeds

Processing

The fruit is processed quickly once harvested. The oil mill is local.



Palm oil harvest (Daabon)

In 2007, the company came under fire as it bought up areas that smallholders later laid claim to. The situation was not conclusive and, as the conflict could not be resolved, the company withdrew from the area in 2010. The purchasing of land is now subject to strict criteria (Clinton List, indi-



Oil mill, Tequendama Farm

First, the orange/red fruits are loosened from the fruit bundle and then steamed. After that the reddish oil is pressed from the fruit and filtered. Our oil comes to Germany as raw palm oil and is then made into palm fat.



A drawing of Daabon's sustainability principle

Sustainability

Daabon regularly assesses the diversity of animal species on its plantations; this is how any changes in the eco-system can be detected at an early stage. The company's maxim is; if the soil is healthy, the plants are healthy, if the plants are healthy so are the animals. In terms of energy, Daabon's mission is to deal carefully with existing resources. For this purpose the company has constructed a biogas plant in which methane is generated from the materials left over in production. This is used for their own energy supply. The boiled water from the oil mill is recycled and reused. Together with other companies, Daabon has founded the „palm oil innovation group“

to drive forward sustainable cultivation.

Social commitment and responsibility

The company supports local people who decide to be self-employed with what are referred to as micro loans as well as helping them with further training. For example, a seamstress was helped in this way and now makes work clothes for the employees. Furthermore, Daabon engages in various infrastructure projects, builds settlements for employees and supports school projects.

We were able to see for ourselves a number of impressive local examples of how the company lives its ecological and social responsibility. Our visit showed us that further collaboration is fruitful and also demonstrated that sustainable palm oil production is possible.

Report and pictures by Arlend Huober, 2016

Certificates Daabon, (Selection)



Visiting the company Daabon on the Tequendama Farm (2016); from the left: Arlend Huober, Patricia Abreza (Head of Social Projects), Filipe Guerreiro (Head of Sustainability), Karen Gomez Huober