Palm Oil

Summary of Key Trafficking in Persons Issues in Palm Oil Production

- Undesirable and Hazardous Work
- Vulnerable Workforce
  - Child Labor
  - Migrant Labor
- Associated Contextual Factors Contributing to TIP Vulnerability
  - Association with Environmental Degradation
  - Association with Large-Scale Land Acquisition/Displacement

Overview of Palm Oil Production in sub-Saharan Africa

Trade

The top exporters of palm oil in sub-Saharan Africa were Niger, Côte d’Ivoire, Ghana, Uganda and South Africa.¹
The top importers of palm oil from sub-Saharan African producing countries are Malaysia, Senegal, Burkina Faso, Republic of the Congo, and Nigeria. Indonesia and Spain are also major importers.³
Features of Production and Supply Chain

Palm can be grown on large plantations or in smallholder schemes. Large palm oil companies usually have their own plantations, mills, and processing plants. Approximately 70-90 percent of palm oil production in Africa currently is from smallholders. Independent smallholders can seek out the highest available prices for mill purchase of their product; however, they may lack market access including credit for inputs. “Supported smallholders” or outgrowers are tied to mills through a variety of relationship models. Generally, they receive access to credit and/or technical assistance in return for a promise to sell their product.

Although most production in Africa is currently done by smallholders, as large companies with operations in Asia look to expand to meet global demand, Africa is increasingly a target for large-scale development. Up to 22 million hectares in central and west Africa are expected to be converted to palm plantations by 2021.

Palm oil trees come to maturity approximately three years after planting, so recently converted land will not yet be reflected in export volumes. After three years of applying herbicides and pesticides, weeding, and cultivating the growth of oil palm trees, workers must harvest the fruit. Fruit is removed from trees by hand using a sharp tool such as a scythe. Loose fruits are also collected from the ground. A palm bunch can weigh 55 pounds and contain 3,000 fruits. Harvest periods typically last fewer than 48 hours.

The fruit is transported to mills after harvesting, and then it is passed on to processing plants, where palm oil is produced from the flesh, and palm kernel oil is produced from the kernel of the fruit. For every ten tons of palm oil, one ton of palm kernel oil is produced. Oil may be further processed to produce derivatives of varying densities. The derivatives may also be blended with other vegetable oils.

Palm oil or its derivatives is present in up to 50 percent of all products in grocery stores. Sometimes labeled in products as “vegetable oil,” it is used in products including fuels, soaps and shampoos, processed foods, cereals, baked goods, margarine, cosmetics, confectionary items, cleaning products, detergents, toothpaste, and candles. Since 1970, the global demand for vegetable oils has increased by over one hundred metric tons. This has been attributed to the use of vegetable oils in consumer products, as well as an increasing demand for biodiesel fuels in developed countries. Since 1990, global consumption of palm oil has increased fivefold.

Growth in India and China contributes to the ever-increasing demand for oil, which the World Wildlife Fund reports may double by 2020.
Key Documented Trafficking in Persons Risk Factors in Palm Oil Production

According to the US Department of State, forced labor occurred in the production of palm oil in Benin.\(^\text{15}\)

**Undesirable and Hazardous Work**

Substandard living and working conditions have been documented in the palm oil industry in Cameroon.\(^\text{16}\) Housing provided by companies can be overcrowded and lack access to clean drinking water and sanitation, and workers often do not receive protective equipment.\(^\text{17}\) In Liberia, delays in wage payments have also been reported.\(^\text{18}\) Substandard living and working conditions have also been documented in the palm oil industry. Workers sometimes lack adequate personal protection equipment.\(^\text{19}\) Study of conditions on one plantation found a lack of access to safe drinking water and latrines in housing provided by a palm oil company.\(^\text{20}\) The same study found that the company used contract workers instead of regular employees in order to thwart unionization, in violation of Liberian law. Former employees reported being fired for making complaints to management.\(^\text{21}\)

Substandard working conditions have also been reported in Sierra Leone. Workers on a plantation have claimed they do not receive medical care when injured on the job and that arbitrary dismissals occurred often.\(^\text{22}\)

In general, workers experience poor working conditions in palm production in Uganda, including exposure to pesticides and inadequate personal protection equipment.\(^\text{23}\)

**Vulnerable Workforce**

**Child Labor**

The U.S. Department of Labor has reported that children are involved in the production of palm oil in Cameroon, Burundi, Uganda, Sierra Leone, and Cote d’Ivoire.\(^\text{24}\)

**Migrant Labor**

Internal migrant workers are employed in palm oil production in Burundi.\(^\text{25}\) Use of migrant workers was widespread, according to one report, and while farmers primarily hired Cameroonians, some hired Nigerians.\(^\text{26}\) In Liberia, migrant workers from Sierra Leone, Mali, and Guinea have been documented, though they appear to be rare.\(^\text{27}\) Migrant workers from other areas of Liberia are sometimes hired in
lieu of locals. Domestic migrants in Uganda are hired to work on plantations instead of locals and are paid below the prevailing wage in the area.  

Contextual Factors Contributing to Trafficking in Persons Vulnerability

Association with Large-scale Land Acquisition

In Benin, investors from Malaysia, South Africa, and China have been involved in proposals for large scale land acquisitions for palm oil production. Conflicts with palm oil companies have erupted in violence in the past. At the Okomu Oil Palm Plc., there was an attack that left two dead and seven injured. It was reportedly motivated by locals’ desire for the company to leave the area. In 2014, 300 hectares of palm and rubber plantations belonging to Okomu were burned.

In Burundi, conflicts have frequently arisen over use of land for palm oil cultivation, and competition for land in this densely populated country has intensified this problem. Refugees returning to the country have found that their land has been given away to people with connections to local elites for palm oil production. The parastatal Office of Palm Oil has also taken large parcels of land for palm oil production without providing compensation.

Palm oil companies active in Cameroon have received criticism for large-scale land acquisition. A plantation evicted indigenous people from their land and has since refused to hire them, paying the few it does hire significantly less than other workers. In 2016, a demonstration was held in Cameroon at the same time as demonstrations in Côte d’Ivoire, Sierra Leone, Liberia, and Paris, in protest over land. An activist opposing palm oil expansion was convicted on charges including unlawful assembly. A project by Herakles Farms, an American company, has been at the center of an ongoing scandal over large-scale land grabbing. Leaders of local NGOs opposed to the project have suffered from judicial and administrative harassment with the cooperation of Cameroonian officials, and one leader has been convicted of defamation. Herakles Farms has also been accused of corrupt practices in its efforts to secure 73,000 hectares of land for palm oil plantations, including bribery of local chiefs and misleading promises to local populations. People have reportedly been paid as little as USD 50 per year for leasing their land.

Palm oil companies have also been implicated in land rights violations in Côte d’Ivoire. In 2016, a demonstration was held in Côte d’Ivoire, in coordination with demonstrations in other West African countries and in Paris, in protest over large-scale land acquisition by a company. The protests targeted the company’s failure to address conflicts arising between local communities and the company’s palm oil plantations and displacement of farmers.

Land acquisition is a serious and pervasive problem in the palm oil industry in Liberia, and has been complicated by disputes over land tenure arising after the civil war. According to the Rainforest Action Network, over 1.5 million acres of land have been allocated for palm oil development. The UN Panel of
Experts on Liberia has expressed concerns over the risk of conflict in concessions to palm oil companies. Some community members who have objected to plans for expansion of plantations have claimed that security personnel from palm oil companies have harassed and intimidated them. Palm oil expansion has increased local communities' vulnerability by reducing food security and livelihood opportunities. One report found that some people received no compensation when their land was taken for palm cultivation. In 2013, a Liberian NGO filed a complaint through the RSPO on behalf of 11 communities that claimed their rights to free, prior, and informed consent for development of their customary lands had been violated.

Communities have also complained of contamination of their drinking water and fish ponds by fertilizers from palm oil plantations. Global Witness also accused a company in Liberia of intimidating landowners and exploiting the Ebola outbreak, and the absence of NGO support that it caused, to push through large-scale land deals for palm cultivation without adequate levels of informed consent by communities. Some who objected to the transfer of land were subjected to arbitrary arrests and violence. During the crisis, 13,350 hectares were allocated for palm oil cultivation. An MoU covering 519 people, and thus likely signed en masse, was signed during a week in which the president had banned public meetings due to the outbreak.

Large-scale land acquisitions have been reported in the palm oil industry in Sierra Leone, where large plantations now cover about 17 percent of all arable land. One company has been accused of coercing landowners to sign away land without sufficient compensation. A 12,000-hectare land concession took land from farmers in 40 villages and led to protests that resulted in demonstrators being arrested. Residents have complained of only receiving USD 5 per acre. In 2013, police fired shots at a group of armed protestors demonstrating against the company’s planned expansion of plantations. Six land rights activists who have protested palm oil expansion have been incarcerated. Protests have highlighted poor compensation for land, corruption, pressure to sign agreements, and lack of proper consultations.

Association with Environmental Degradation

Palm oil production is linked with substantial environmental consequences, notably through widespread deforestation. As palm production in Africa ramps up, deforestation is increasing in palm-producing regions.

According to the World Wildlife fund, 2.5 metric tons of effluent are produced for every ton of palm oil processed in palm oils mills. This effluent causes water pollution. Environmental destruction, particularly contamination of water sources, has been reported in Uganda.
This report was funded by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.

Endnotes


