

Nestle resumes ties in Indonesia palm oil controversy

KUALA LUMPUR, MALAYSIA: Food giant Nestle will resume buying palm oil from Indonesian giant Sinar Mas if an independent audit clears the Jakarta-based firm of claims it is devastating rainforest, a Nestle official said on Monday, 17 May 2010.

The world's largest food company dropped Sinar Mas, Indonesia's biggest palm oil firm, as a supplier in March in response to protests by environmental group Greenpeace, after Anglo-Dutch company Unilever also severed ties this year.

Jose Lopez, Nestle SA's executive vice president, said the Swiss company would "take the right decision" after an ongoing independent audit due for completion by the end of next month.

"Of course, I have nothing against the company or anybody else," he said when asked whether Nestle will resume buying palm oil from Sinar Mas.

"If, as you say, it's all baseless, then why should I have any decision against," Lopez told reporters during a sustainable palm oil forum in Malaysia's capital.

Palm oil, which is used extensively as biofuel and for making processed food and toiletries, has been vilified by environmentalists for causing deforestation and threatening species such as orangutans and rhinos.

Indonesia and Malaysia are the world's top two palm oil exporters and account for 85% of global production.

Lopez said Nestle had entered a partnership with non-profit group The Forest Trust (TFT) and others in order to identify and exclude high risk plantations or farms linked to deforestation.

"This partnership with TFT is a further sign of our strong commitment to ending deforestation of rainforests," he told the forum.

Sinar Mas has announced it has suspended a plantation manager in relation to a case cited by Greenpeace in West Kalimantan, and that it requested the independent probe to verify Greenpeace's claims.

Apart from Nestle and Unilever, US food company Cargill has also demanded answers from Sinar Mas about claims it is devastating forests.

Source: AFP

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