NEW LABELLING OF VEGETABLE OILS/FATS IN EU: IMPACT ON THE PALM OIL INDUSTRY

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Since 2009, we observe in Europe an ongoing pressure to reduce palm oil consumption in food, only the biodiesel production is driving growth.

The decrease of palm oil usage in foods may be explained by the debate on its consumption supported by various arguments: environmental, animalist, humanitarian and/or health-related.

How far the current decrease in the palm oil consumption has been accelerated by a new EU regulation in oil labelling?
We observe in EU since months a slightly but surely evolution: a systematic rephrasing of the list of ingredients.

As of December 2014, food producers will be obliged to put on labels if they use rape oil, palm oil, soy oil or any other oil that are currently all labeled as "vegetable oil".

- The labeling of palm oil as an ingredient in food is currently not mandatory in the list of ingredients under EU food labeling law.
- Although all ingredients of a foodstuff have to be indicated in the list of ingredients, there are exceptions such as for "vegetable oil" or "vegetable fat".
- If a product contains palm oil and/or others oils, the indication of "vegetable oil" in the ingredients is sufficient.
- However, certain vegetable oils such as soya or peanut oil already need to be declared explicitly because they are allergens, which is not the case for palm oil.
- Under Regulation (EU) No. 1169/2011 (FIR), the specific vegetable origin like palm oil for example, must be indicated starting from December 2014.
- By making it compulsory for the oil origin to be specified, a mere look at the list of ingredients will tell consumers what kind of oils is contained in the product.

Since January 2012, we had observed a quick ramp up in the description of the oil blends in the new products launch, concomitantly with a reformulation of oil recipes.

Several reformulation strategies are on going. On one hand, some food manufacturers have decided to maintain the palm oil in their recipe but through a “sustainable quality” (RSPO).
In Europe, more than 60% of sustainable palm is consumed for foods, quite exclusively by international branded companies.

On the other hand, some brand leaders and retailers have already undertaken to suspend the use of palm oil altogether and change their recipes.
Even considering its vertiginous growth rate, the « palm free » labelled products account only for 7.6% of the total new product launch containing palm oil.

Reducing palm oil in Europe is echoing the continuing pressure about saturated fat concern. In 2011, Denmark became the first country to establish a “fat tax”, imposed on so called saturated fats.
In 2006, the Regulation on nutrition & health claim allows leading brands and retailers to reduce saturated fats and communicate on the packaging.