



Land being cleared and replanted with oil palms in the Butaw plantation, Greenville, Liberia (2014). Anna Fawcus/Oxfam America

LIBERIA: A NEW FRONTIER FOR DEFORESTATION

Down a network of dirt roads outside the southern Liberian town of Greenville sits the Equatorial Palm Oil (EPO) company's Butaw plantation.¹ After turning off the road you pass a new open iron gate, with an uninhabited guard house. A few kilometers later there is another gate, this one manned by guards, and past that are the vast nurseries of oil palms and the remnants of a large mill, roofless and rusted, stripped during Liberia's civil war.

Just beyond the Butaw plantation is the community of Komonah, where the local farmers say the new unguarded gate is a bad omen. The palm oil plantation intends to expand beyond the borders of the established plantation, idle since the civil war, but now slowly coming back to life under the ownership of Liberia Forest Products (a subsidiary of EPO and

Kuala Lumpur Kepong Bhd's (KLK) joint venture in Liberia).² As the company expands into a new, larger concession area, it will swallow up large areas of forest land, including land belonging to the community.

Clearance of this land could have serious implications for the local community, threatening their crops and livelihoods, while expelling huge quantities of carbon pollution into the atmosphere and contributing to climate change.

Added to this, EPO has a questionable human rights record, leaving many local farmers worried about how development will proceed.

"We don't want this company to operate on our land," says Eric Pyne, a married father of five, who grows rice, cassava, corn, and other vegetables on 2 hectares (ha) of land in the community.

Rapid expansion of industrial palm oil

Following the end of the civil war in 2003, Liberia began to emerge as a new frontier for palm oil production. In 2013, the country was the 25th largest producer of palm oil globally,³ and massive investments in its palm oil sector suggest that it is only going to increase in size. The Rights and Resources Group has estimated that 5.02 million ha of land (approximately 50 percent of Liberia's total land area) has been allocated to multinational companies through concessions for activities such as mining, agriculture and timber production.⁴

Four companies — EPO, Golden Veroleum Liberia (GVL), SIFCA, and Sime Darby — are driving the rapid expansion of Liberia's palm oil sector. Some of this development is occurring on the site of old plantations, which were largely abandoned during the civil war. However, much of the land extends beyond these areas. Clearing this land to grow palm oil has the potential for significant social and environmental impacts if the risks are not effectively managed.

More than 40 percent of Liberia's land area is forested.⁵ Additionally, Liberia supports 42 percent of the remaining area of the Upper Guinea Forest, a highly biodiverse tropical rainforest.⁶ Deforestation to clear this land for palm oil plantations would create massive greenhouse gas (GHG) emissions and contribute significantly to climate change, which is already increasing levels of hunger in Liberia. Liberia's forests are also critical for many rural communities who depend on the land to feed their families. Deforestation of these resources could have a significant human impact and undermine local food security. In fact, research undertaken in March 2012 has already identified negative impacts on the food security and livelihoods of communities affected by the expansion of a palm oil plantation in northwest Liberia.⁷

EPO and human rights

Since 2011, Sime Darby, GVL and EPO's activities in Liberia have all been the subject of complaints to the Roundtable on Sustainable Palm Oil (RSPO) initiative. This highlights the social and environmental impacts of the land clearances and the expansion of palm oil plantations by these companies.

In September 2013, the Sustainable Development Institute (SDI), a Liberian NGO, supported local communities in Grand Bassa county in filing a complaint to the RSPO against EPO. The complaint alleged that EPO, through its subsidiary LIBINC Oil Palm Inc., had cleared community land for the production of palm oil, destroying farms, crops, and a local school, all without securing the consent of the affected community, the Jogbahn Clan.⁸ In a response to Oxfam in May 2014, EPO denied these allegations.⁹ In the complaint, SDI also identified a high risk of major social and environmental damages arising from further expansion of the plantation.¹⁰

In December 2013, a coalition of national and international NGOs, including Global Witness and SDI, accused EPO of being involved in the arbitrary arrest and assault of Liberian community members who claim that they were resisting EPO's efforts to take their land.¹¹ In the same month, EPO responded to both the RSPO complaint¹² and the concerns raised by Global Witness, denying the allegations.¹³

In March 2014, Liberia's President, Ellen Johnson Sirleaf, made a commitment to ensure that any expansion by EPO on to the land of the Jogbahn Clan in Grand Bassa county would be dependent on the approval of affected communities.¹⁴ According to reports from May 2014, some of the affected communities have expressed opposition to ongoing activities by the company to prepare for the expansion of the Palm Bay plantation in Grand Bassa county.¹⁵

EPO's planned expansion

EPO is initiating large-scale development for palm oil production in Liberia through two large concessions: Palm Bay (in Grand Bassa county) and Butaw (in Sinoe county). According to the company, these two concessions cover a total area of almost 89,000 ha (34,398 ha in Palm Bay and 54,550 ha in Butaw).¹⁶ EPO's planned expansion into these concession areas will involve both the rehabilitation of existing oil palm plantations, abandoned during the civil war, and the establishment of additional plantation areas.¹⁷ EPO also has a Memorandum of Understanding for the development of an additional 80,000 ha within the River Cess county expansion area. EPO therefore has a total reported land bank of 169,000 ha — the equivalent of 315,816 American football fields.¹⁸

In a response to Oxfam, EPO stated that it has yet to carry out a survey of the Butaw concession area and therefore has not yet formulated any plans to expand outside the confines of the original plantation area.¹⁹ However, the company clearly indicates through its public reporting that it

intends to expand beyond the old plantation areas. For example, on its website, EPO states that “with a land bank of 169,000 ha, EPO plans to develop 50,000 ha for production in the next ten years, doubling to 100,000 ha in 20 years.”²⁰ EPO also indicated in its response to Oxfam that it has held meetings with village elders and other concerned inhabitants to ensure that prior consent is obtained before any action is taken on concession areas outside of the original plantation boundaries. This suggests that the company is in the process of developing plans to expand beyond the area of the old plantation.

EPO has already begun clearing land and planting new oil palms at its Palm Bay and Butaw plantations. At the end of 2013, EPO reported that a total of 3,726 ha had been planted with new oil palms (3,036 ha at Palm Bay and 690 ha at Butaw).²¹ In its response to Oxfam, EPO stated that all work presently being undertaken on the Butaw concession is limited to replanting existing oil palm areas. The company plans to more than double the area planted with new oil palms by the end of 2014, with a target to plant over 2,000 ha in Butaw and 3,000 ha in Palm Bay.²²

EPO’s supply chain

Founded in 2005, EPO operates in Liberia through a 50:50 joint venture called Liberian Palm Developments Ltd (LPD). In November 2013, the Malaysian palm oil giant, Kuala Lumpur Kepong Bhd (KLK), became EPO’s joint venture partner in LPD and the largest shareholder in EPO (the latter via its subsidiary KL-Kepong International Ltd).²³ A joint venture agreement announced in April 2014 indicates that Taiko Plantations Sdn Bdn (Taiko), a wholly owned subsidiary of KLK, will manage and conduct LPD’s operations.²⁴ LPD operates through four Liberian companies: LIBINC Oil Palm Inc. (which owns the Palm Bay plantation), Liberia Forest Products Inc. (LFPI, Butaw plantation), Liberia Agricultural Development Corporation (LADC, River Cess expansion area) and EPO Liberia (an operating company).

KLK is a major supplier to food and beverage giants including Cargill, a commodities trader that is one of KLK’s main customers. Since January 2012, Cargill has received 23 shipments from KLK with a total of 20,000 metric tons of palm oil.²⁵ Cargill in turn has supplied palm oil and its derivatives to various global food companies, including General Mills and Kellogg.²⁶

While EPO is not currently exporting any Crude Palm Oil (CPO), it plans to sell CPO in both domestic and international markets in the future. Although the company indicates that in the short term, most of its production will be sold in local markets,²⁷ it has identified growing markets in China and India, and recognizes that it is in a good position to export to Europe and the US.²⁸ Going forward, palm oil produced at EPO’s plantations in Liberia could therefore be included in KLK’s shipments of palm oil to Europe and the US and into the brands of the food and beverage sector.

As part of its development of the Butaw plantation, EPO is replacing mature oil palm trees from the old plantation with newly planted trees.

However, the inclusion of expansion areas within the concession agreement indicates that EPO is intending to plant oil palms on large amounts of land beyond the area of the old plantation, which could significantly expand the project's social impact and carbon footprint — especially if the company clears virgin forests. The scale of the potential land-use change and land clearance is even more significant when the company's total land bank of 169,000 ha is considered.

EPO has published an environmental policy statement promising that it will only operate on land that has already been cleared, adding that it will not clear natural forests to create land for its plantations, and will aim to minimize GHG emissions.²⁹ The company also indicates that, as its plantations are located on land that has previously been logged, it will not degrade primary forests during the development of its plantations.³⁰ In its response to Oxfam, EPO indicates that if and when it decides to expand beyond the existing boundaries of the old plantation at Butaw, all necessary procedures will be properly followed to ensure that it conforms to all RSPO and Liberian government requirements.

However, Oxfam's research in Liberia has determined that there may be areas of virgin forest within the Butaw concession area that are soon to be cleared. Counter to EPO's stated policies, local people told Oxfam that the company planned to clear virgin forests soon.³¹

To minimize GHG emissions associated with palm oil production, companies sourcing palm oil from EPO and KLK should ensure that they are able to verify that their own deforestation policies are effectively implemented during the production of palm oil.

Impacts on local communities

In addition to the significant GHG emissions it will create, deforestation to accommodate the expansion of EPO's Butaw plantation will also have important implications for local communities.³²

To explain what is happening, Eric Pyne, drew a square in the dirt, and then a larger one outside it, indicating that the proposed expansion of the plantation will widen its borders. "They say they are coming to carry out their survey," he says, pointing to the larger, expanded area. "The first company that came here took our land and we never got any benefit from the company, and now the central government is letting them take our remaining land."

He says the forest is a crucial resource: "I can go in the bush, I can make my farm, and in the same forest I can set my traps and hunt." Others say they use the forest to gather wood for building houses and furniture, and fish in the rivers.

Eric Pyne is now farming 2 ha of land that he cleared last winter. He walks to it along a narrow path through dense forest, just off the main road. You can see small rice, cassava, and corn seedlings coming up. His wife and sister-in-law are there, planting more cassava seeds in one corner, digging with hand tools in the thin earth.

Eric Pyne says that if they are forced to move away from their home, losing the farm and access to the forest, he would expect some level of compensation. But he says neither the company nor the government have indicated that the community will see any sort of development coming out of the plantation. “There will be no benefit to our children,” Pyne says simply. “No drinking water, we don’t have latrines, we don’t have road connections, we don’t have school. We don’t have all that.” In addition, many of the people interviewed by Oxfam say that they have not benefitted from the plantation through the creation of jobs.

Anthony Tarpeh is a farmer in his late 50s who has lived in Komonah for most of his life. He and other elders have established a committee to monitor EPO’s proposed expansion of the plantation, and hope to negotiate some sort of agreement. “From the time God created the land, we are here from the creation,” he says. “We’re the first ones here. We have a right to these resources under customary law.”

Agricultural production in Sinoe county was once sufficient to ensure that people not only had enough food to eat, and to enable them to sell food to other areas, particularly Monrovia. However, since the war, agricultural production in Sinoe county has been well below its potential. Food insecurity and malnutrition present significant challenges for local communities (see Figure 1 below).³³

Liberia is a food insecure country, with 41 percent of the population considered food insecure even in normal years. There are also high levels of poverty, with between 65 and 80 percent of Liberians living on less than \$1.25 per day. More than 85 percent of Liberian children do not consume a minimally acceptable diet.³⁴

Local communities living close to the Butaw plantation are also concerned about the effects of changing weather patterns on their crops. Farmers at Komonah spoke of rains that are becoming less predictable and dew patterns that are changing. According to one farmer, some years there is not enough food.³⁵ Similarly, farmers noted that rains are less predictable and storms are getting heavier. These farmers, who grow food crops, such as cassava, rice, plantain, and corn, without the use of fertilizers, may therefore already be experiencing the negative effects of climate change.

Figure 1: Liberia, overview food security map



Source: B. Owadi, A. Kendle and T. Koiwu (2010) 'Liberia: The State of Food and Nutrition Security October 2010', World Food Programme, <http://www.wfp.org/content/liberia-comprehensive-food-security-and-nutrition-survey-2010>

NOTES

- 1 EPO, a subsidiary of the Malaysian palm oil giant Kuala Lumpur Kepong Bhd (KLK), operates in Liberia through a 50:50 joint venture with KLK called Liberian Palm Developments Ltd (LPD). LPD operates through four Liberian companies: LIBINC Oil Palm Inc., Liberia Agricultural Development Corporation, Liberia Forest Products Inc. (owns Butaw plantation), and EPO Liberia (an operating company).
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PT Adei Plantation & Industry, KL-Kepong Plantation Holdings and KL-Kepong Edible Oils all belong to the plantation segment of KLK that is in charge of cultivation and processing of palm and rubber products and refining of palm products.

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For further information on the issues raised in this paper please e-mail advocacy@oxfaminternational.org

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