

Project POTICO FACT SHEET

PROBLEM

Indonesia's virgin forests are being cut down at an alarming rate for palm oil production, emitting green house gases and causing a loss of biodiversity in the region.

SOLUTION

Project "POTICO," (**P**alm **O**il, **T**imber, **C**arbon **O**ffsets) is a revolutionary new approach to ecosystem management in Indonesia that is designed to improve sustainability in a region known for its high deforestation rate. POTICO's goal is to prevent deforestation by diverting planned oil palm plantations away from forests and onto already degraded areas. This strategy would ensure that palm oil production can expand to meet demand, generating local revenues and jobs, while halting the destruction of forests.

PALM OIL FACTS

- Indonesia is now the world's number one producer of palm oil, with 44 percent of the world's production.
- From just 600,000 hectares in 1985, oil palm plantations have exploded to more than 6 million hectares in 2007 and are expected to increase to 10 million hectares by 20120 in response to global demand for palm oil as a biofuel and as an ingredient in food, cosmetics, and other products. This is a growth from 1.5 million acres in 1985 to 15 million acres in 2007.
- Global consumption of palm oil exceeded 35 million metric tons in 2005. The United States annually consumes about 2% of palm oil. Asia and the European Union account for over 70% of the world's imports. The top 5 palm oil consuming countries regions are China, Indonesia, the European Union, India, and Malaysia.
- Oil palm is regarded as a promising biofuel crop because it requires less land than other oil crops to achieve comparable yields. In 2008, the oil palm yielded an average of 3.68 metric tons of oil per hectare, outperforming major oil crops such as rapeseed (0.59 metric tons per hectare), sunflower (0.42 metric tons per hectare), and soybean (0.36 metric tons per hectare).



INDONESIA FOREST FACTS

- 10% of the world's tropical rainforests are in Indonesia
- 225 million acres (90 million hectares) in Indonesia are currently covered by rainforests
- Since 1990, approximately 25 percent of the country's forests—about 28 million hectares or 70 million acres—have been cleared
- 70% of Indonesia's forests have been lost to logging and plantations
- 35-50 million acres (15-20 million hectares) of logged and degraded land are potentially available for palm oil plantations
- According to some estimates, Indonesia is now the 3rd or 4th largest emitter of greenhouse gases due mostly to the deforestation occurring in the country.

BENEFITS OF POTICO

- Development opportunities for local communities. For every 5-10 hectares (1 hectare is approximately 2.5 acres) of oil palm plantation, Project POTICO will create approximately one job.
- Preservation of 100,000 - 500,000 hectares of Indonesia's virgin tropical Indonesian rainforests that were previously slated for conversion
- ; 100,000 – 500,000 hectares of degraded land will be converted into oil palm plantations in a manner that creates sustainable, local jobs.
- Development opportunities for local communities. An oil palm plantation employs a person for every 5-10 hectares (1 hectare is approximately 2.5 acres).
- Prevention of future illegal logging through adoption of FSC-certified forest management guidelines
- Availability of additional FSC-certified wood supply for use in paper products
- Reduction of greenhouse gas emissions and of biodiversity loss from forest clearing

