

Steven Ciobo MP, Chairman
Mr Craig Thomson MP, Deputy Chairman
Standing Committee on Economics
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Honorable Chairmen,

I am writing to you to highlight some concerns that I have pertaining to the proposal to label products containing palm oil in Australia. I believe these moves are ill-advised and would result in a number of unintended consequences that would be devastating to people in developing nations and unnecessarily costly to Australian consumers.

As a risk analyst I follow global market trends and trade issues, particularly in emerging markets. Given how fundamental food security is in global affairs, palm oil is of particular interest to me. Palm oil, a commonly used vegetable oil that's derived from palm trees, regularly comes under attack from environmental groups that either seek to ban it outright, or severely restrict its entry into the global market.

Environmental groups endeavor to prevent palm oil from entering the food supply chain through a number of pernicious methods. Labeling is one of them and the additional costs incurred are usually passed downstream impacting the poorest in society - in this case the producers. Also hit will be consumer prices. It is hard to see who benefits from this proposal beyond a handful of powerful environmental groups.

Food labeling has traditionally been reserved for goods that may threaten the health and well-being of consumers. Palm oil, which actually can be used as a healthier alternative to many other oils, has been arbitrarily targeted by environmental groups. What's more, if businesses in the developing world can no longer afford to export palm oil, the economic consequences would be extremely severe. In an era of open trade and flowing goods and services, are we really attempting to dictate to these emerging markets what and how they can sell their produce?

Environmentalists simply believe that palm oil should not be part of the food chain, a stance that isn't backed by science, but pure politics.

Please find a link: <http://www.conservativeblog.org/amyridenour/2011/8/14/greens-squeeze-impooverished-out-of-jobs-1.html>

to a recent op-ed that I published for the National Center for Public Policy Research in Washington, D.C., regarding this very issue. Should you wish to contact me to discuss this matter further, I would be more than happy to do so.

Yours sincerely,
Jeff Stier