

Realtime Deforestation

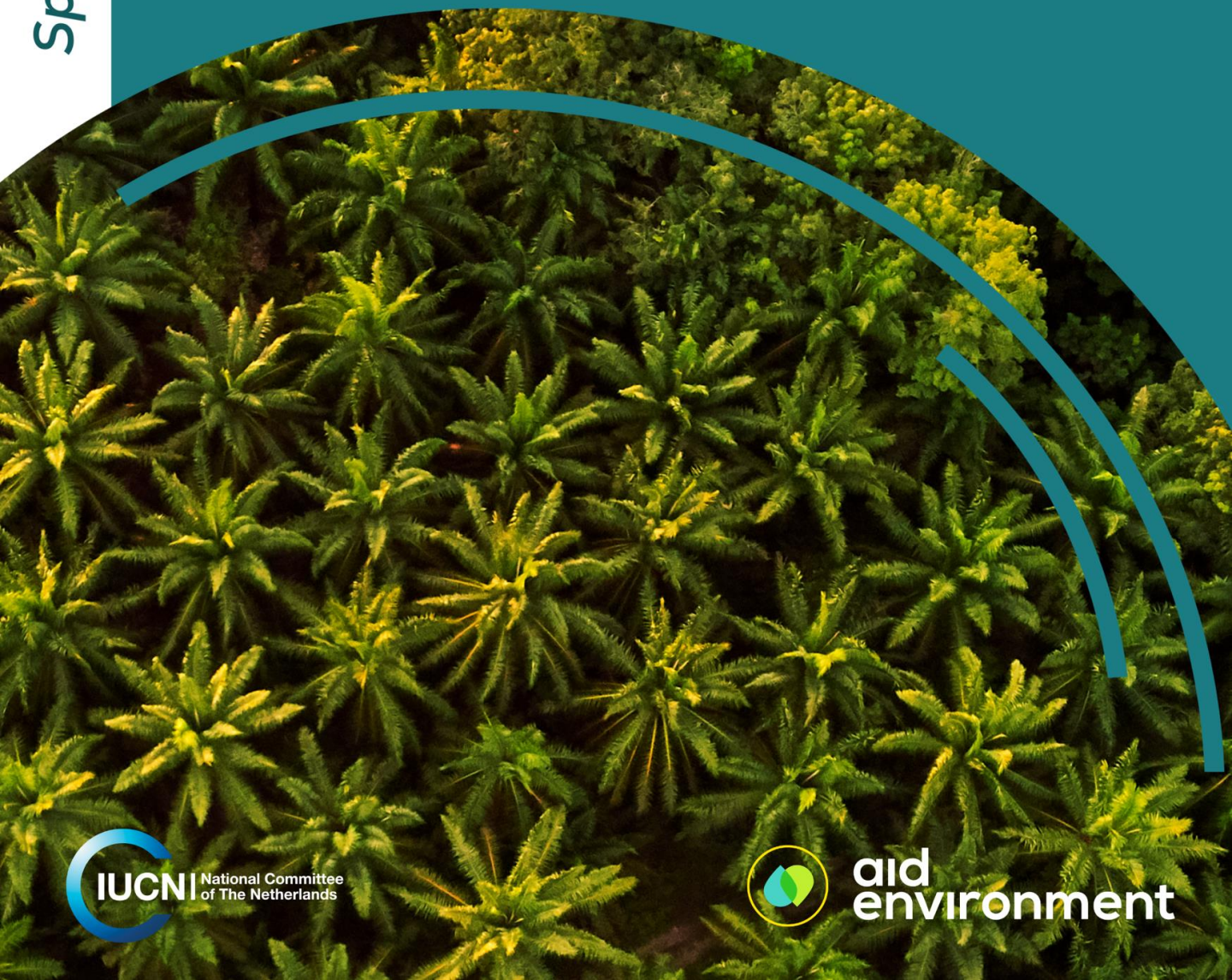
Monitoring System

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Updated in
September 2023

*Palm oil supply chain
Amazon - Colombia*



AidEnvironment develops **Realtime Deforestation Monitoring (RDM)** reports to engage companies and urge action towards real-time deforestation events, as well as to support civil society and financial sector stakeholders in their efforts to halt deforestation linked to commodity production and trade.

This special RDM report of April 2023 presents **six Colombian palm oil company case studies** that were part of a broader study to unravel the Colombian palm oil supply chain, and its linkages to the European market, in collaboration with IUCN NL. Most cases are in the Colombian Amazon biome and cover deforestation between 2011 and 2021 and fires in 2021 and 2022.

The palm oil mills of the companies in the case studies are linked to commodity traders and FMCG companies that source and use Colombian palm oil for food products and cosmetics, including **AAK, ADM, Cargill, Colgate, Bunge, Danone, Ferrero, Fuji Oils, Friesland Campina, General Mills, Grupo Bimbo, Hershey, Kellogg’s, L’Oréal, PepsiCo, Mars, Mondelez, Nestle, Unilever**, and others.

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The six case studies show that Colombian palm oil flows entering the EU market are potentially linked to palm oil mills situated near areas where there are indications of **savanna burning, environmental damage to watersheds, and displacement of Indigenous groups or peasants** through forced or unfair land deals.

There are signs of direct small-scale forest clearances for palm oil cultivation. The case studies in particular suggest that **oil palm expansion has an indirect role in pushing the deforestation frontier**, with many current pastures that might be overtaken by oil palm plantations in the near future. Recent fires in the borders of palm areas and heavy forest loss and conversion around 20 to 25 years ago on areas that are now oil palm plantations, as shown by the deforestation alert system, suggest that oil palm plantations are contributing to the further expansion of the deforestation frontier, along with cattle farming, illicit crops, and other crops such as banana in southwest Meta and northern Guaviare.

The case studies conducted on the transition zone between the Amazon and the Orinoquia have primarily impacted natural savannah ecosystems and, to a much lesser extent, forest ecosystems. This finding aligns with a 2017 study (1), based on 2014 MODIS satellite maps, that reported only 9 percent (12,474 ha) of oil palm expansion in Colombia is replacing forest at the country level. However, palm plantations located in savannah areas affect river basins and drainage, disrupting functional connectivity by impeding the flow of water and the continuity of gallery or riparian forests.

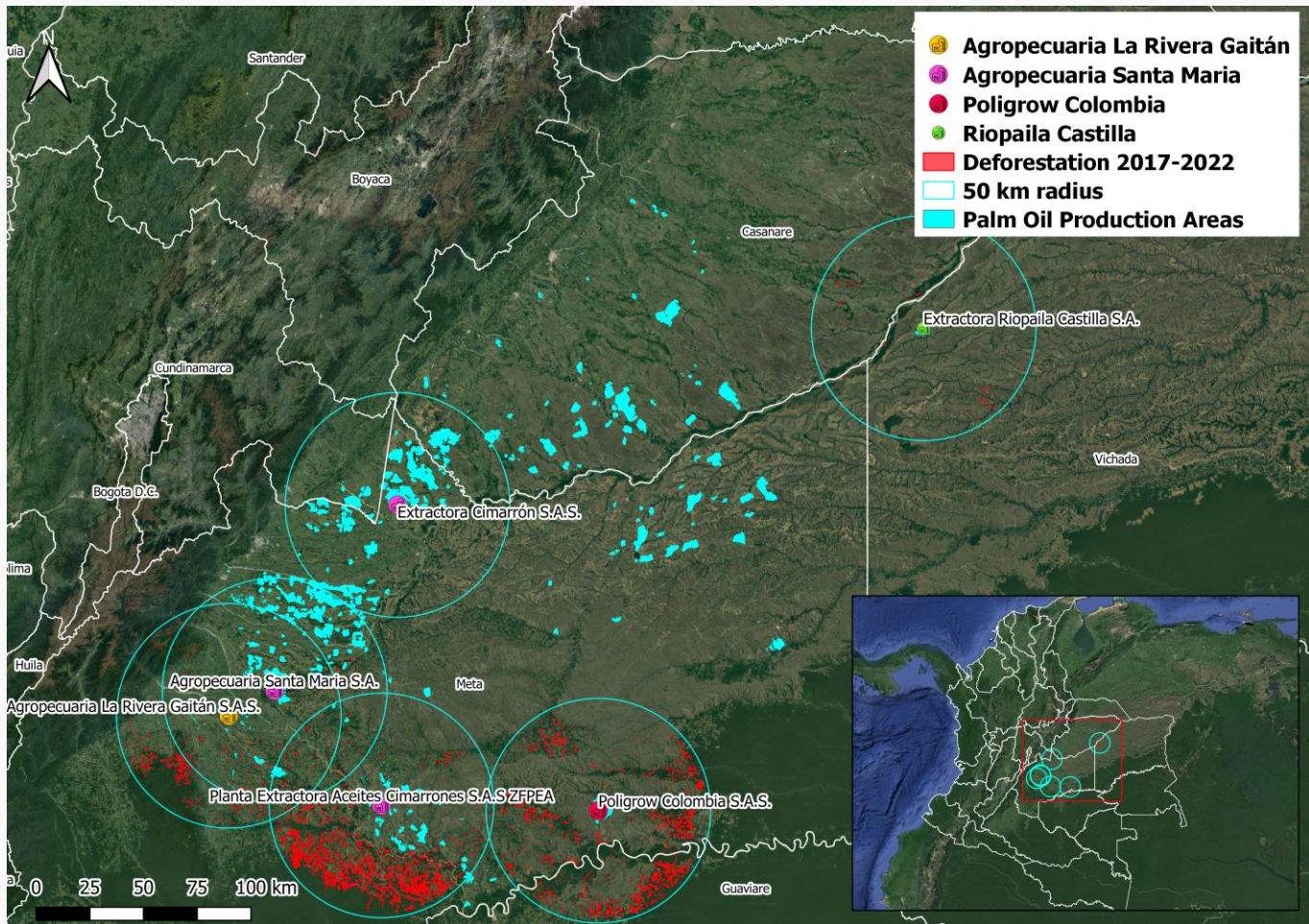


Figure: Oil palm plantations areas, company palm oil mills of cases 1 (Poligrow), 2 (Agropecuaria Santamaria), 3 (Agropecuaria La Rivera Gaitán), and 4 (Riopaila Castilla) including the 50 km radius circle around the mill, and proximity to Colombia's current deforestation frontier. Cases 5 (Daabon Group) and 6 (Oleoflores) are in northern Departments not included in this Figure.

(1) <https://iopscience.iop.org/article/10.1088/1748-9326/aa5892/meta>

These impacts severely affect the quantity and quality of water and other resources available to local communities and biodiversity that depend on them. Of particular concern is the impact on the Caño Pororio in the southern region of Meta, where palm plantations have disrupted its natural course. This situation indicates that the plantation model employed in the area does not consider the protection zones of rivers and streams.

Other relevant finding from the case studies is that in some cases **oil palm expansion in Colombia is in the near proximity to conflict dynamics**. Operating in such a landscape increases the risk that palm oil production is contributing to severe negative social impacts, including human rights and labour violations, displacement, land disputes, and extortion, abuse, and murder of Indigenous peoples and local communities by armed groups. Nevertheless, no evidence was found to conclude that palm oil plantations are the cause of these conflict dynamics. The fact that palm cultivation is in some cases in proximity to illicit crops, could possibly be explained by the Colombian government promoting palm oil as a product substituting illicit crops. This approach by the government has shown challenges related to proper environmental management, phytosanitary difficulties, pressure exerted by some actors on land tenure, and labour conditions.

We can conclude that having mills in areas with conflict dynamics demands heightened scrutiny from auditors to prevent environmental or human rights violations. However, due to their location in regions beset by security concerns, these mills are sometimes inaccessible to auditors and other independent (civil society) parties tasked with verifying and improving compliance. This, in turn, results in persistent risks of non-compliant palm oil entering the value chain with respect to EU regulations such as the EU Deforestation Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD).

Connection between palm oil, illicit crops and conflict. The Colombian National Planning Department found in their Armed Conflict Incidence Index that Colombian municipalities where palm oil grows, register twice as many conflicts (1). Other studies (2) demonstrated that areas of oil palm plantation expansion have geographically coincided with areas with paramilitary presence. Human rights violations in palm oil supply chains linked to Europe may soon become legally noncompliant under the EU CSDDD, in addition to being illegal under Colombian law.

Other existing literature and field research conducted by, for example, International Crisis Group on Colombian palm oil areas, show a link between oil palm and conflict dynamics. According to these sources, palm oil-linked conflict has multiple dimensions:

- Massive displacement of communities has been taking place to make land available for the cultivation of palm oil;
- Different (armed) illegal groups have been using extortion of palm oil producers to finance their activities; and;
- Palm oil producers have been using paramilitary forces to intimidate local people and activists.

Disclaimer on the case studies

Because we deliberately selected cases with potential deforestation (or close proximity to deforestation) and/or with other environmental and social impacts linked to oil palm expansion, the case studies in this report do not necessarily represent the situation of the entire Colombian palm oil sector. We cannot guarantee the completeness of these case studies or whether situations on the ground have changed for better or worse since sources were consulted. The authors of this report assume no responsibility for any errors found in the sources used. The report is intended solely for informational purposes and should not be construed as providing any endorsements, representations, or warranties of any kind. The information provided is current as of the date of the report's publication and is subject to change without prior notice.

(1) <https://www.repository.fedesarrollo.org.co/handle/11445/4352>

(2) https://cbc.collectifs.net/doc/informe_en_v3-1.pdf

Case Study 1: Poligrow Colombia

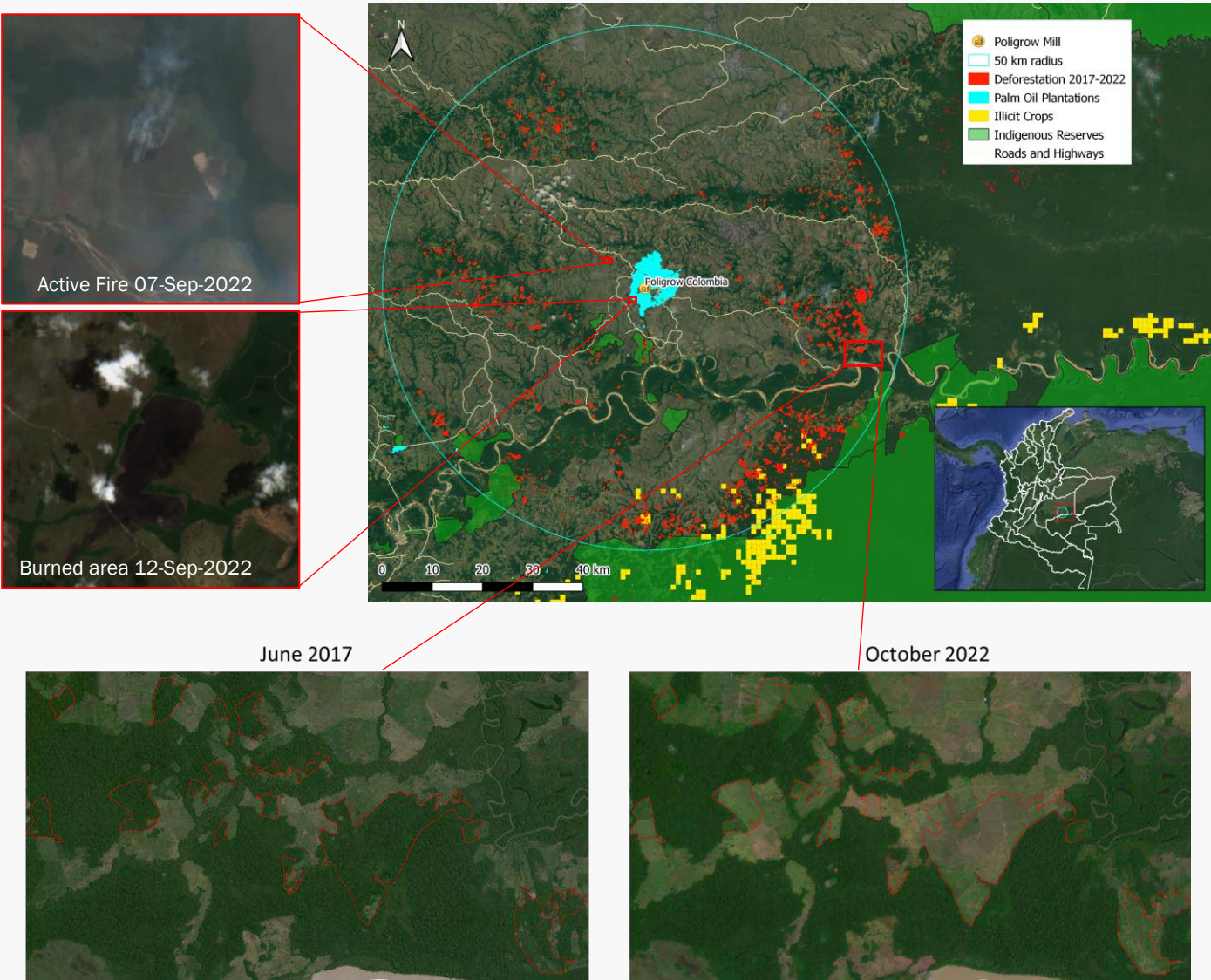


Figure: Map on top shows the location of the Poligrow Colombia S.A.S. palm oil mill (Oliomapi) in Mapiripán (Meta, Colombia). It visualises that the palm oil mill is located within a 50 km radius of a deforestation frontier; near Indigenous territories Cachivera del Nare, Guayabero La Fuga y Piratapuya Asentado en la Fuga, Caño Negro, Naexal Lajt, Caño Ovejas, and La Sal; and near illicit crop production areas. In 2019, the surface of oil palm plantation within the 50km radius was 5,680 ha (Descals et al. 2021). Two satellite photos below show conversion of 513 ha of native vegetation between June 2017 and October 2022 within a 50 km radius around the Poligrow palm oil mill. This 513 ha falls outside the current oil palm plantation area (in light blue in the figure) and can therefore not be linked to the palm oil mill.

Case Study 1: Poligrow Colombia

General comments

Palm oil producing company Poligrow Colombia S.A.S. was founded in 2008. Operating in the municipality of Mapiripán, in the department of Meta, the multinational Poligrow has a complex and opaque corporate group structure, under Italian-Spanish ownership (1).

In 2023, the company received its first certificate of verification for sustainable palm production in Colombia from the Sustainable Palm Oil Corporation (APS Colombia), the National Federation of Oil Palm Growers (Fedepalma) and Icontec. This certification helps to strengthen sustainability best practices across the value chain. Poligrow Colombia also states that it has an active environmental programme, which aims to restore the riverine forest and protects a conservation area of 1551 ha (116)

However, since the planting of its oil palm started in 2010, Poligrow has been linked to some social and environmental violations taking place on its estates, with claims varying from forced displacement of Indigenous communities and lack of free, prior and informed consent, to environmental degradation and (2)(3)(4)(5)(6).

An RSPO complaint against subsidiary Poligrow Italy alleges that the land planted by Poligrow “was obtained by intimidation and without the proper consent of the indigenous owners” and that the company “is using paramilitary forces to intimidate the local people and activists” (8). The Indigenous communities Jiw and Sikuni claim the land is theirs (2). While no formal complaint was filed against Poligrow Colombia S.A.S., RSPO launched an independent investigation into the allegations of its member. The company remains under continuous control to implement an action and management plan (9). A recent update is not yet available, however, because surveillants of the certification body conducting independent audits were not able to physically reach the area due to the local volatile situation linked to the presidential elections (8).

The evidence visually confirmed through analysis of satellite images, show that the burning of plots is one of the main causes of environmental degradation. These burning practices degrade the soil biodiversity and functionality of gallery vegetation of natural palms (morichales), which is a strategic ecosystem of the region for biodiversity and water stability. These gallery ecosystems regulate the water flow into greater river basins such as Caño Ovejas and Caño Jabón.

(1) <https://www.somo.nl/reconquering-and-dispossession-in-the-altillanura/>

(2) https://www.youtube.com/watch?v=6q2RU_8RRTc

(3) <https://www.business-humanrights.org/en/latest-news/colombia-ngos-allege-palm-company-poligrow-has-contributed-to-forced-displacement-land-grabbing-opponents-have-received-death-threats/>

(4) https://www.cnvinternationaal.nl/_Resources/Persistent/f/c/5/2/fc52def8f83870cc4d29d0ac5564a299663a5c9a/CNVI-0308%20-%20Profundo%20Palm%20Oil%20Sector%20analysis%20Latin%20America%20report%20CNV%20Internationaal.pdf

(5) <https://www.wrm.org.uy/bulletin-articles/colombia-palm-producing-company-poligrow-plans-to-grab-more-land-under-the-small-producers-scheme>

(6) https://s3.amazonaws.com/environmental-investigation-agency/assets/2016/07/acto_administrativo_CORMACARENA.pdf

(7) https://commission.europa.eu/publications/proposal-directive-corporate-sustainability-due-diligence-and-annex_en

(8) <https://askrspo.force.com/Complaint/s/case/500900000028ErzPAAS/detail>

(9) https://rspo.my.salesforce.com/sfc/p/#900000000YoJi/a/Oo000000PwuU/Y_EKdq2n5C8H0XwyhvebskdzMNpnHegho93uORZ5nbw

Case Study 1: Poligrow Colombia

General comments
<p>The palm oil mill of the company (Oliomapi, coordinates: 3.013; -72.203) is in close vicinity of the most recent Colombian deforestation frontier, indigenous territories, and near illicit crop production (see map above). Since palm oil cultivation and extraction of fresh palm oil fruits need to take place near palm oil mills, recent deforestation and fires near palm oil mills put the sourcing area at risk.</p> <p>We identified 10 ha land use change between 2011 and 2021 that is linked to palm oil in the forest galleries close to the palm oil mill, according to data from the IDEAM Forest and Carbon Monitoring System (10).</p> <p>While we only identified 10 ha land use change between 2011 and 2021 that is linked to palm oil in the forest galleries close to the palm oil mill, according to data from the IDEAM Forest and Carbon Monitoring System [10].</p> <p>Between 2021 and 2022 there were 6,400 ha of land burned in vicinity of the palm oil production areas (11), see map above for few examples of fires and burned areas. We have no evidence that the burning of the plots are directly linked to Poligrow Colombia, however there is a risk that some of these burned areas are now potentially being prepared for the production of palm oil. These burning practices degrade the soil and functionality of gallery forests which are bordering natural savannah ecosystems.</p> <p>The potentially non-complaint palm oil production that could be linked to land use change, potentially affected rivers and natural palm groves, and human rights violations, may enter or may have entered the European market. The following palm oil buyers source from the Oliomapi palm oil mill: AAK, ADM, Cargill, Ferrero, Fuji Oils, General Mills, Grupo Bimbo, Johnson n Johnson, Kellogg, KLK Oleo, Nestle, Olenex, Oleon, PepsiCo, Unigra, Unilever, Upfield, and Vandemoortele (12).</p>
<p>(10) IDEAM Forest and Carbon Monitoring System 2011-2021.</p> <p>(11) NASA Fire Alerts.</p> <p>(12) See 2021-2022 public palm oil mill lists of all these companies, for instance AAK, Cargill, and PepsiCo.</p>

Case Study 2: Agropecuaria Santamaria

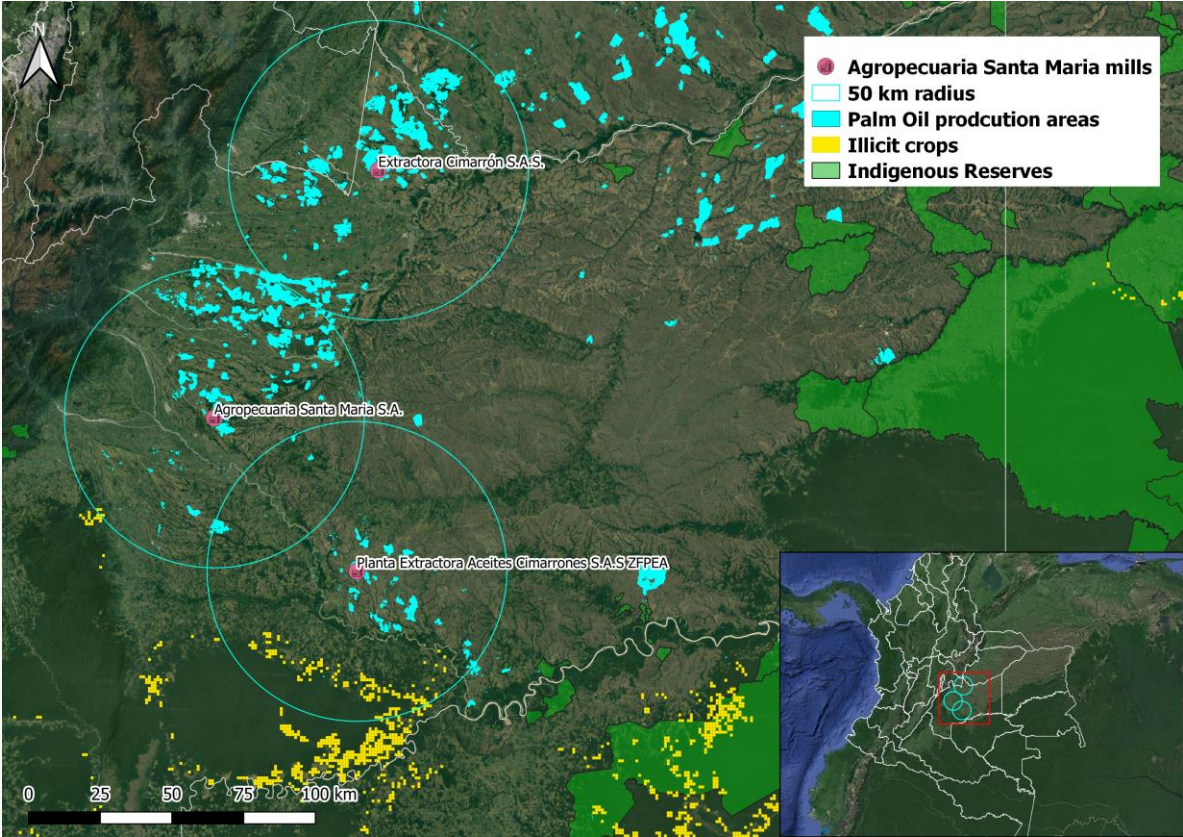


Figure: Locations of three Colombian palm oil mills linked to Agropecuaria Santamaria

PLANTATION COMPANY	MILL NAME	DETAILS (COORDINATES / DEPT. / UML CODE)	CERTIFICATIONS	BUYERS (2021-2022)
Planta Extractora Aceites Cimarrones S.A.S.ZFPEA	Aceites Cimarrones	3.035; -73.111 / Meta / PO1000003979. Operational since November 2012. Within 50 km distance of deforestation frontier, national parc/reserve, and illicit crop production	Yes, ISCC and RSPO (MB; 6,753 MT CSPO)	AAK, Acepalma, ADM, BASF, Cargill, Colgate, Danone, Friesland Campina, Fuji Oil, General Mills, Grupo Bimbo, Indutrade, Johnson n Johnson, Kellogg, KLK Oleo, Lipidos, Mondelez, Nestle, Nisshin, Olam, Olenex, Oleon, PepsiCo, PZ Cussons, Reckitt Benckiser, Sime Darby, Unigra, Unilever, Upfield, Vandemoortele. In 2020, also Ferrero and Bunge sourced from this mill; Bunge also in 2021.
Agropecuaria Santa Maria S.A.	San Martin	3.516; -73.558 / Meta / PO1000003981. Operational since June 2006. Within 50 km distance of deforestation frontier, indigenous territory, national parc/reserve, and illicit crop production	Yes, ISCC and RSPO (IP; 5,463 MT CSPO)	AAK, Acepalma, ADM, BASF, Bunge, Cargill, Danone, Ferrero, Friesland Campina, Fuji Oil, General Mills, Grupo Bimbo, Johnson n Johnson, Kellogg, KLK Oleo, LDC, Lipidos, Mondelez, Nestle, Nisshin, Olam, Olenex, Oleon, PepsiCo, PZ Cussons, Reckitt Benckiser, Sime Darby, Unilever, Upfield, Vandemoortele
Extractora Cimarrón S.A.S.	Extractora Cimarrón	4.292; -73.044 / Meta / PO1000006349. Within 50 km distance of national parc or reserve	No	ADM, Grupo Bimbo, Johnson n Johnson, KLK Oleo, Mondelez, Olenex, Oleon, Reckitt Benckiser, Unilever

Table: Company group mills of Agropecuaria Santamaria in Colombia. Source: AidEnvironment, based on public mill lists of palm oil traders and FMCGs, and RSPO.

Case Study 2: Agropecuaria Santamaria

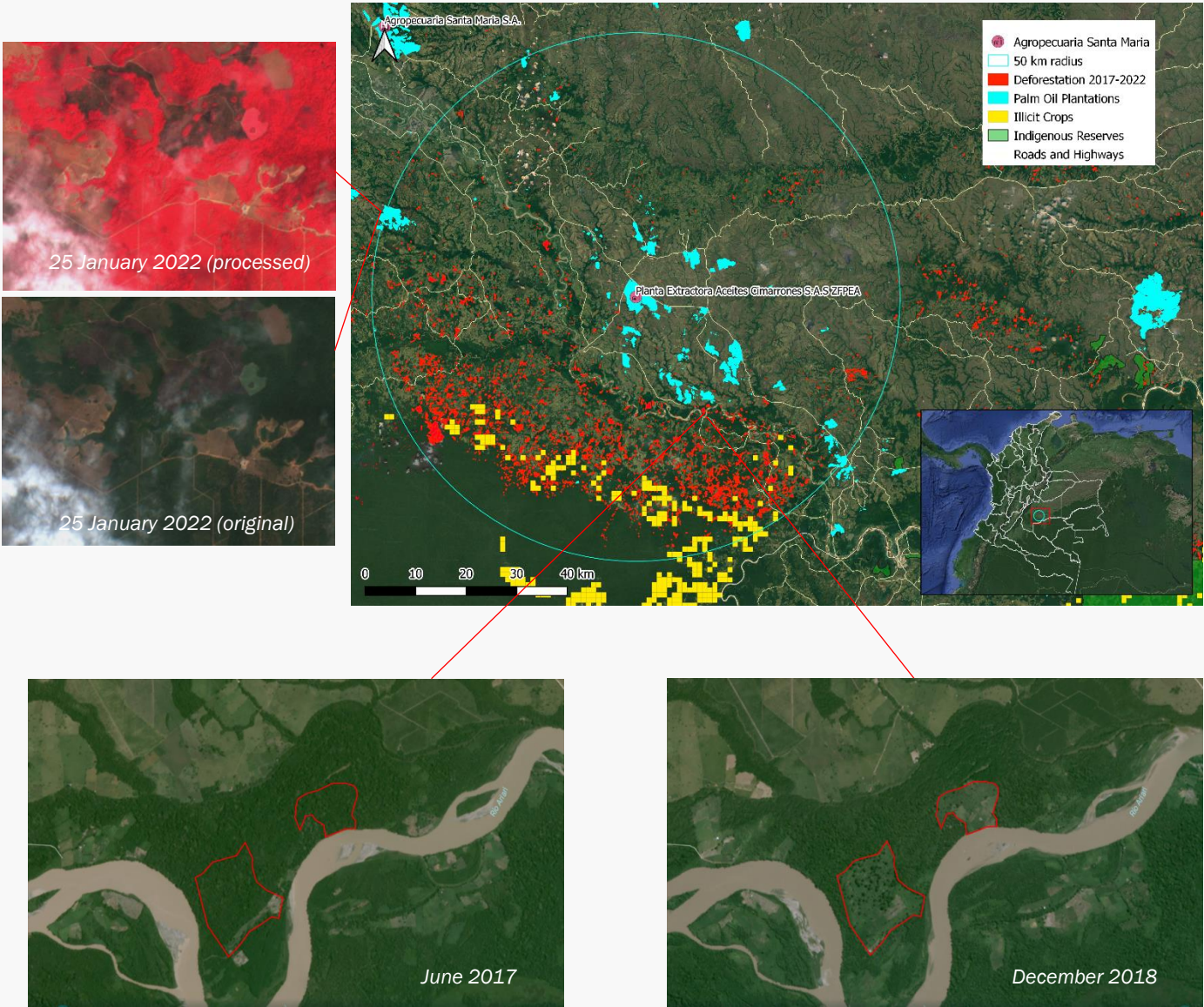


Figure: Map on top shows the location of the Planta Extractora Aceites Cimarrones palm oil mill in Puerto Rico (Meta, Colombia). In 2019, the surface of oil palm plantations within the 50km radius was 11,321 ha (Descals et al 2021). It shows that the palm oil mill is located within a 50 km radius of a deforestation frontier; and near illicit crop production. Two satellite photos below show the deforestation of 73 ha of native vegetation between June 2017 and December 2018 within a 50 km radius around the Agropecuaria Santa Maria palm oil mill, although these clearings cannot be attributed to the Cimarrones palm oil mill. Satellite images on the top left show locations of active fire and burned areas.

Case Study 2: Agropecuaria Santamaria

General comments

European and Southeast Asian palm oil buying companies report to source from three palm oil mills linked to palm oil producer Agropecuaria Santamaria, all based in Meta, Colombia (see map and table above). Acepalma, the second largest palm oil exporter from Colombia to Europe, also sources palm oil and palm oil products from the Agropecuaria Santamaria's mills, with the Netherlands and Spain as major destination countries.

Agropecuaria Santamaria is an RSPO member (1) and has an NDPE policy (2), including a commitment to no burning, no deforestation, no loss of high conservation values (HCV), a public grievance form, and respecting FPIC of local communities. Although this cannot be directly linked to the Cimarrones palm oil mill, we identified 1,466 ha of deforestation between 2011 and 2021 in a 50-km radius around the mill, based on the information of IDEAM (3). Between 2021 and 2022, there were 247 ha of land burned in the vicinity of the palm oil production, which can also not be directly link to the Cimarrones palm oil mill.

The Aceites Cimarrones mill is situated near the most recent Colombian deforestation frontier, a national reserve, and areas of illegal crop production (see figure above). According to FCDS, the Aceites Cimarrones extraction plant (coordinates: 3.035; -73.111) was “the last plant that was installed in the area, therefore, it is an area that saw the largest growth in recent years”. In 2019, the surface of oil palm plantation within the 50km radius was 11,321 ha. Since the palm oil mill needs to be located near the plantations, due to the limited shelf life of fresh palm oil fruits, areas within the sourcing area of the company are at risk.

There is no hard evidence that the deforestation in the region can be directly attributed to the company. However, considering the increase in palm oil production in the proximity of the Aceites Cimarrones palm oil mill and the proximity of other oil palm plantations near the forest clearings, we see a potential risk that, without proper monitoring, these areas might potentially be converted to oil palm plantations in the next 10 to 20 years. Reportedly, the Cimarrones plant also sources in the municipalities Puerto Rico and Puerto Concordia. In the latter municipality we found sources of deforestation directly associated with oil palm.

An analysis developed by FCDS shows that the areas in close proximity to the Cimarrones Plant have experienced an increase in burned forests, which have subsequently been replaced by palm plantations on gallery forests or *morichales*. These ecosystems are crucial for regulating water in the region. Currently, there are over 2,700 hectares of palm plantations within the conservation and environmental protection area outlined in the Management Plan of the Middle and Lower Ariari River Basin, which was published in 2018 by CORMACARENA (4). These plantations are situated near the main tributaries of the Ariari basin, including Caño Pororio, Caño Limón, Caño Tigre, and Caño Yamus. This information suggests that an environmental conflict exists in the area due to conflicting land use practices.

(1) <https://rspo.org/members/1-0260-18-000-00/>

(2) <http://agrosantamaria.com/somos.html>

(3) IDEAM Forest and Carbon Monitoring System 2011-2021.

(4) <https://historico.cormacarena.gov.co/gestion-de-planificacion/pomcas/pomca-rio-medio-y-bajo-ariari/>.

Case Study 3: Agropecuaria La Rivera Gaitán

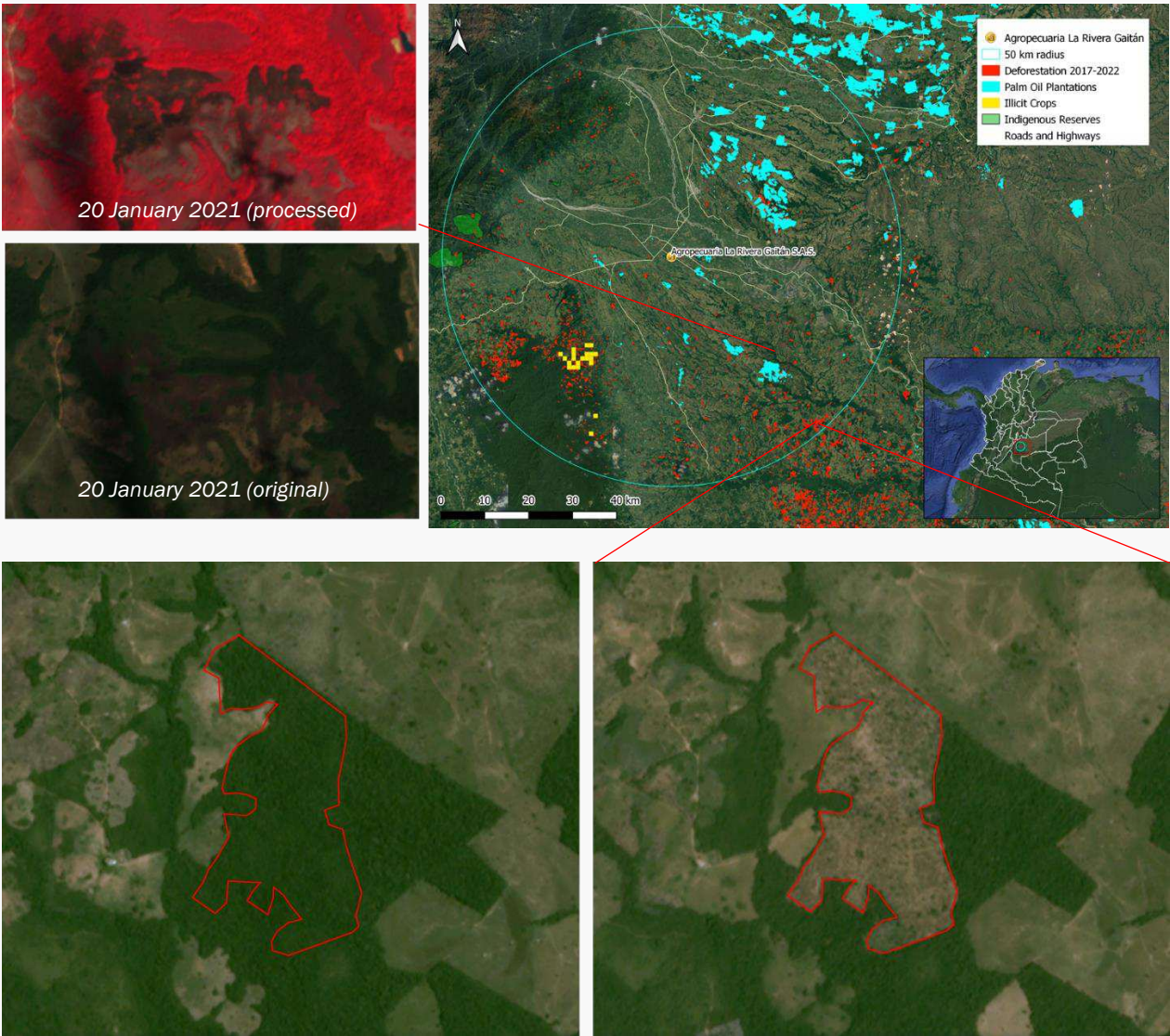


Figure: Map on top shows the location of the Agropecuaria La Rivera Gaitán palm oil mill in Granada (Meta, Colombia). It shows that the palm oil mill is located within a 50 km radius of a deforestation frontier; indigenous territories Villa Lucia and Ondas del Cafre; and near illicit crop production. In 2019 the surface of oil palm plantations within the 50km radius was 15,371 ha (Descals et al 2021). Two satellite photos below show deforestation of 55 ha of native vegetation between June 2017 and October 2022 within a 50 km radius around the Agropecuaria La Rivera Gaitán palm oil mill. The two satellite photos on the top left show locations of active fire and burned areas.

Case Study 3: Agropecuaria La Rivera Gaitán

General comments
<p>Agropecuaria La Rivera Gaitán S.A.S. is an agro-industrial complex located in the Ariari region in Colombia's Meta department. The company is involved in the cultivation, extraction, production and commercialization of palm oil oils, fats and its derivatives (1).</p> <p>International buyers, including ADM, Cargill, General Mills, Grupo Bimbo, Kellogg, KLK Oleo, Mondelez, Nestle, Olenex, Oleon, PepsiCo, Unilever, and Vandemoortele, source palm oil (products) from the company's main mill (coordinates: 3.410; -73.750; UML code: PO1000003980) (2). In addition, AAK, ADM, and General Mills also claim to source from another mill of the company, with coordinates 4.314361; - 72.083, based in Puerto Gaitán, Meta (no UML code) (3)(4)(5).</p> <p>The company's founder, Reinel Gaitán Tangarife, was captured in February 2022 for allegedly being "Colombia's largest deforester", linked to environmental crimes, illegal mining, bribery, and fraud (6). His son is the head of the list of the Democratic Center for the House of Representatives in Meta.</p> <p>The company's main mill, which has been operational since June 2011, is located within a 50 km radius of a recent deforestation frontier, indigenous territory, national reserve, and illicit crops production (see overview map above). In 2019 the surface of oil palm plantation within the 50km radius was 15,371 ha.</p> <p>Based on information of IDEAM, 960 ha of palm-oil related deforestation has been identified in this area from 2011 until 2021 (7). There is no evidence to link it to this company. Between 2021 and 2022 644 hectares of land were burned in the vicinity of the palm oil production areas, an indication that potentially more land is being prepared for oil palm plantations. Moreover, FCDS indicated that the palm oil operations of the company might be linked to the invasion of 116 ha of oil palm plantation into private property. Research of FCDS has also identified that more than 880 ha of palm plantations of Agropecuaria La Rivera are located in areas prioritised for forest and environmental restoration, according to the Management Plan of the Middle and Lower Ariari River Basin, as they are part of the Caño Guacamayas and Caño Urichare river basins.</p>
<p>(1) http://www.agropalmares.com</p> <p>(2) See 2021-2022 public palm oil mill lists of all these companies.</p> <p>(3) https://www.aak.com/siteassets/sustainability/aak-public-mill-list-september-2021.pdf</p> <p>(4) https://assets.adm.com/Sustainability/2021-Reports/ADM-Global-2021-Q1-Q2.pdf</p> <p>(5) General Mills – Mill List H2 2022.</p> <p>(6) https://cambiocolombia.com/articulo/justicia/cayo-el-mayor-deforestador-de-colombia</p> <p>(7) IDEAM Forest and Carbon Monitoring System 2011-2021.</p>

Case Study 4: Riopaila Castilla

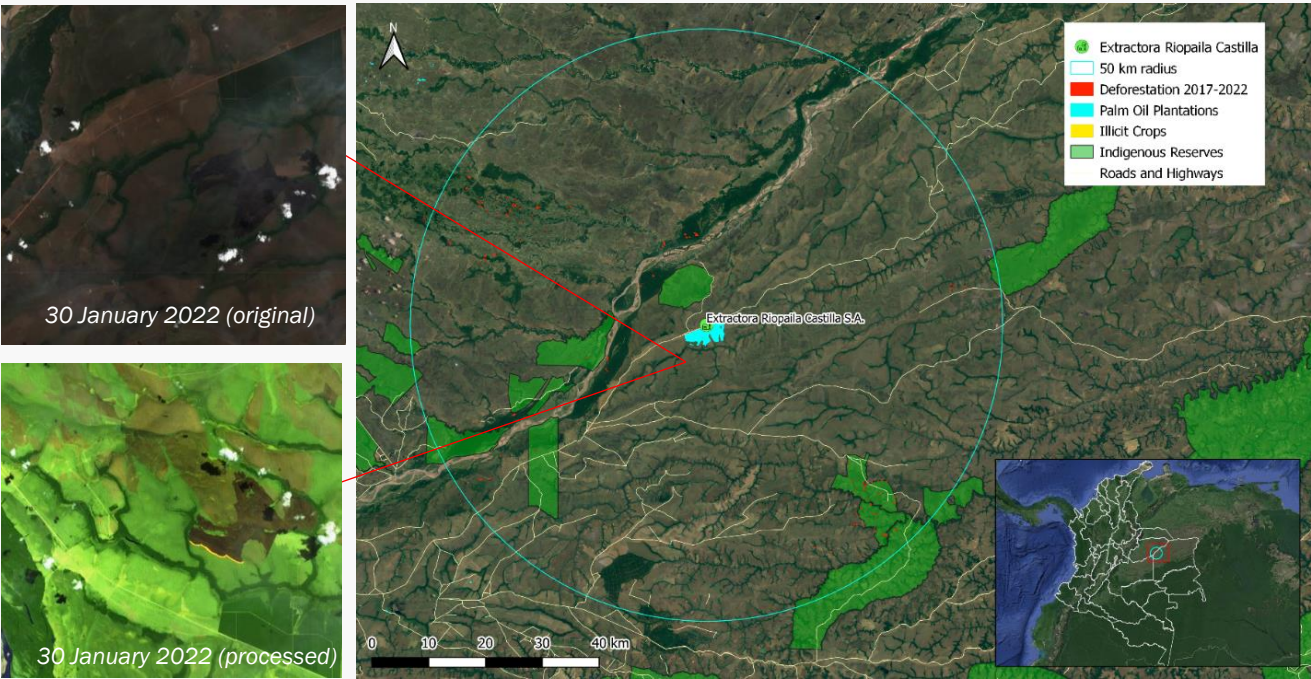


Figure: Map on top shows the location of the Extractora Riopaila Castilla palm oil mill in Santa Rosalia (Vichada, Colombia). It shows that the palm oil mill is located within a 50 km radius of Indigenous territories El Saladillo, Macucuana, Paraje de San Juanito, El Duya y Paravare, Merey La Verita, Salivas y Piapocos, Saliva Corregimiento de Santa Rosalia, and Nueva Esperanza del Tomotion. In 2019, the surface of oil palm plantation within the 50km radius was 1,755 ha (Descals et al 2021). The two satellite photos on the top left show one example of the location of active fires near the palm oil mill covering 1,676 ha.

Case Study 4: Riopaila Castilla

General comments

Riopaila consists of 29 companies in Colombia's Vichada Department using approximately 50,000 ha of land. On paper, Riopaila Castilla is leasing the lands they are using. Nevertheless, based on the website of LandMatrix, Riopaila has allegedly created artificial companies that bought the land, to circumvent Colombian law 160 of 1994 (1).

The investors of the Riopaila group are the Colombian company Riopaila Castilla, the Spanish companies Agroindustria Ibiza, Inversiones Agrícolas Málaga, and Inversiones Agrícolas Asturias; and Luxembourg holding company Asturias Holding (see Figure below). According to a report by Business & Human Rights, the group was able to acquire land that had been reportedly dispossessed from peasants in the municipality of Castilla La Nueva, for prices below market conform prices (2), as part of a widespread practice wherein "certain companies take advantage of the results of the armed conflict to favor their projects and businesses". In response, Riopaila asserted "that the group does not have, nor has it had, ownership of land or operations in the Castilla La Nueva municipality, in the department of Meta" (3).

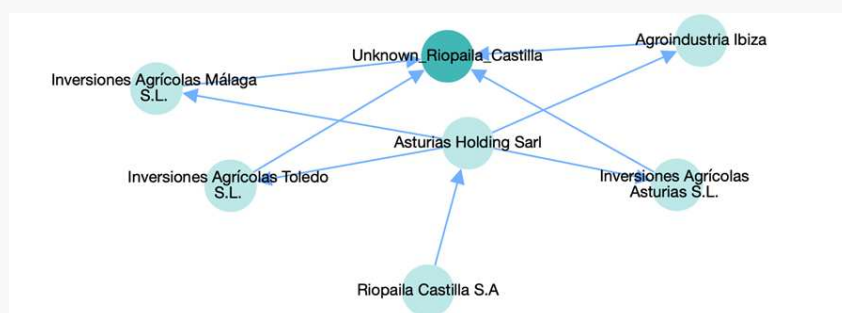


Figure: Network of parent companies and tertiary investors/lenders linked to Riopaila Castilla. Source: LandMatrix, 2022. Note: The operating company is Riopaila Castilla, "but it constituted 29 societies to acquire 50,000 hectares of land and circumvent Colombian law. For simplicity, those 29 societies are represented as one in Unknown_Riopaila_Castilla".

The plantation company Extractora Riopaila Castilla SA runs a palm oil mill (coordinates: 5.031; -70.842; UML Code: PO1000010035) that is linked to numerous international buyers, including AAK, ADM, Danone, Fuji Oil, General Mills, Grupo Bimbo, Johnson n Johnson, KLK Oleo, Lipidos, Nestle, Nisshin, Olam, Olenex, Oleon, Unilever, Upfield, and Vandemoortele (4). This mill is located less than 50 km away from indigenous territories.

While no active clearing of native vegetation was identified between 2012 and 2021 in the oil palm area around the Riopaila mill, between 2021 and 2022 there were 16,020 ha of land burned in the vicinity of the palm oil production area; see also images above. There is no direct proof that this land was burned for palm oil production. These burning events near the palm oil mill are an indication that some of these areas are now potentially being prepared for oil palm production. Riopaila has no RSPO membership, nor certified palm oil production.

Apart from palm oil, Riopaila Castilla has also exported 32,931 MT of cane or beet sugar from Colombian departments Valle del Cauca and Risaralda to Europe between 1 January 2020 and 31 December 2022. Export volumes on palm oil could not be identified through Panjiva shipping data.

- (1) <https://landmatrix.org>
- (2) https://media.business-humanrights.org/media/documents/files/documents/resumen_ejecutivo_informe_a_la_cev.pdf
- (3) https://media.business-humanrights.org/media/documents/files/documents/RESPUESTA_PARA_HUMAN_RIGHTS_-_RIOPAILA_CASTILLA_JUNIO_8_2020.pdf
- (4) See 2021-2022 public palm oil mill lists of all these companies.
- (5) Panjiva shipping data, 1 January 2020 and 31 December 2022

Case Study 5: Daabon Group

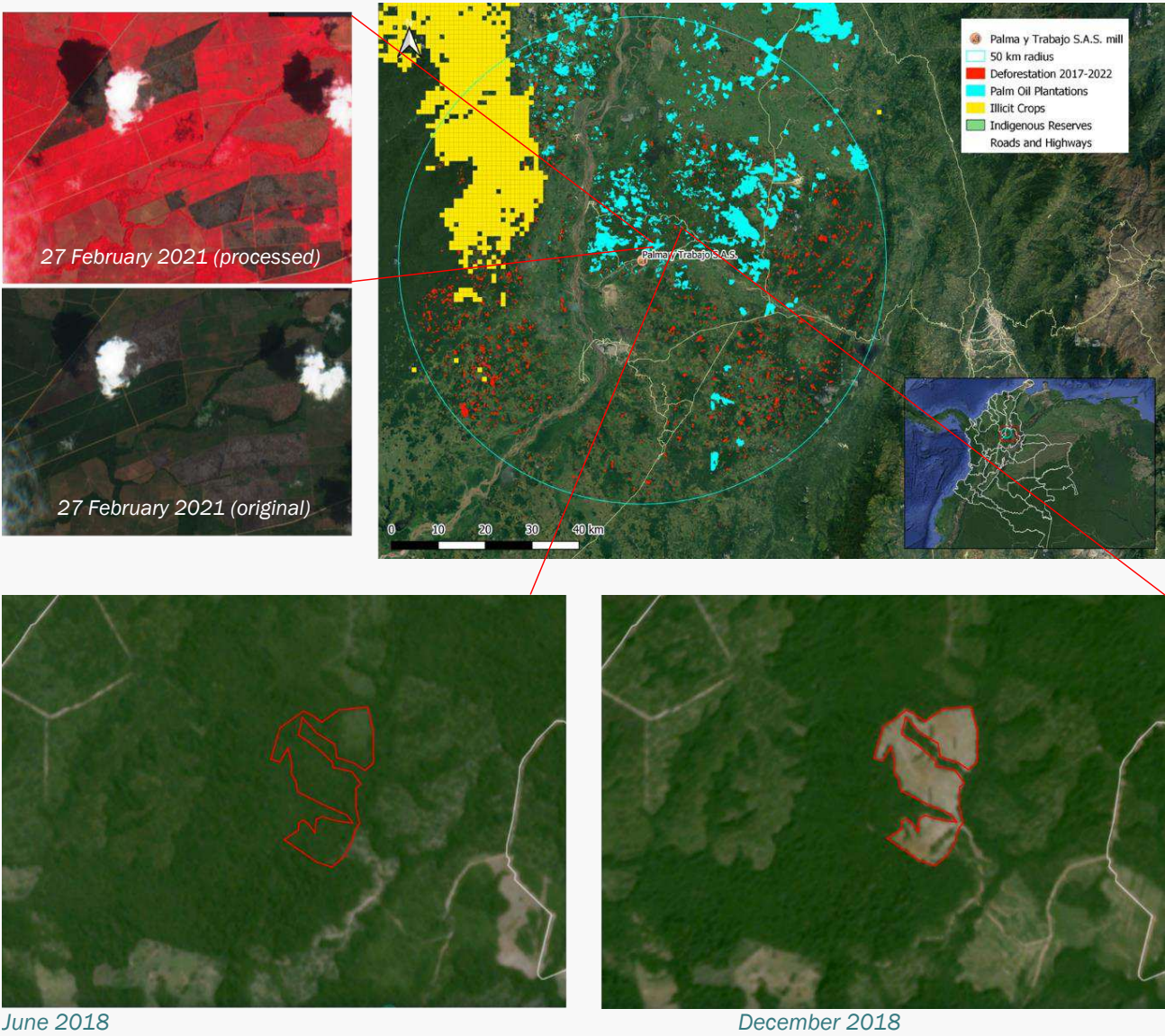


Figure: Map on top shows the location of Daabon Group palm oil mill in Puerto Wilches (Santander, Colombia). In 2019 the surface of oil palm plantation within the 50km radius of the Palma y Trabajo S.A.S. mill was 37,709 ha (Descals et al 2021). It shows that the palm oil mill is located within a 50 km radius of deforested areas and near illicit crop production. Two satellite photos below show deforestation of 10 ha of native vegetation between June 2018 and December 2018 within a 50 km radius around the Daabon Group palm oil mill. These clearings cannot be attributed to the mill. Satellite images on the top left show locations of active fire and burned areas.

Case Study 5: Daabon Group

General comments

Grupo Daabon is a family-owned company founded in Colombia in 1914 with its headquarters in Santa Marta, according to the company's website (1). They operate in the sectors of agriculture, industry, logistics, and real estate, in five continents. C.I. Tequendama (headquartered in Magdalena) is the palm oil arm of the company group, involved in the production, refinery, and transformation of palm oil.

From 2017 through 2021, Colombian company Daabon Group was one of the five major suppliers of Colombian palm oil (152,252 MT of HS code 1511) to predominantly Europe and Latin America, through its subsidiary C.I. Tequendama, according to Panjiva shipping data (2).

Reported area of cultivation is 4,038 ha in the municipalities Aracataca and El Reten (Magdalena) and Riohacha (Guajira), while the company operates a refinery in Mamatoco (Santa Maria). Plantation subsidiary Palma y Trabajo, located in Puerto Wilches (Santander), is involved in the milling of palm oil and palm kernel oil, and Oleaginosas Del Yuma (also in Puerto Wilches) is growing oil palm in more than 3,000 ha.

Other companies that are part of Daabon Group are Caribeans Ecosoap (Oleochemicals), Global Organic (Traders), and Terlica (Storage units, among others) (3). Global Organic, with its headquarters in Panama, is one of the top-10 largest recent global buyers of Colombian palm oil (4).

Daabon's plantation company Palmas y Trabajo S.A.S operates the Palmatra mill in Santander department (coordinates: 7.238; -73.799; UML code: PO1000006312). The certified mill (RSPO, Organic, and Fairtrade) produced 9,432 MT of Identity Preserved (IP) CSPO in 2021. International buyers of the mill include AAK, ADM, Daabon, Ferrero, General Mills, Grupo Bimbo, Kellogg, Mondelez, Nestle, PepsiCo, Unilever, Upfield, and Vandemoortele (5). Around the palm oil mill, between 2012 and 2021, a total of 91 ha of native vegetation were cleared. While this cannot be directly linked to the Palmatra mill, palm oil production is an indirect driver of deforestation in Colombia. The expansion of palm oil in this landscape could displace other land uses and could therefore be a potential driver of indirect deforestation.

Moreover, there is ongoing investigation to an RSPO complaint against Palmas y Trabajo S.A.S, Progreso Palmero S.A.S, and Oleaginosas de Yuma S.A.S, all being subsidiaries of the Daabon Group, filed by Union 'Sintrainagro Puerto Wilches' in September 2020 (6). It concerns a complaint on labour conditions. The complainant was stating that these Daabon subsidiaries have been non-compliant with labour rights/laws; anti-union practices; and that employees were not provided sufficient protection equipment. On 6 March, 2023 the complaint was withdrawn by the complainant through a letter dated 19.01.2023 (7)

More recent shipping data (8) of Seair (1 January 2020 until 31 December 2022) reveals that C.I. Tequendama exported 103,716 MT of palm oil products (crude palm oil, crude palm kernel oil, oilcake, and refined palm oil) to European countries, the majority to the Netherlands (68%), Germany (10%), and the United Kingdom (9%). Of these total palm oil products exports, 85 percent (88,061 MT) was crude palm oil.

(1) <https://www.daabon.com/en/>

(2) Panjiva shipping data

(3) <https://rspo.org/members/1-0132-12-000-00/>

(4) Panjiva shipping data

(5) See 2021-2022 public palm oil mill lists of all these companies.

(6) <https://askrspo.force.com/Complaint/s/case/5000o000033jihFAAQ/detail>

(7) RSPO. Complaint: Palmas y Trabajo S.A.S&Progreso Palmero S.A.S & Oleaginosas de Yuma S.A.S. [Case: GR-015894 \(site.com\)](#)

(8) Seair shipping data.

Case Study 6: Oleoflores

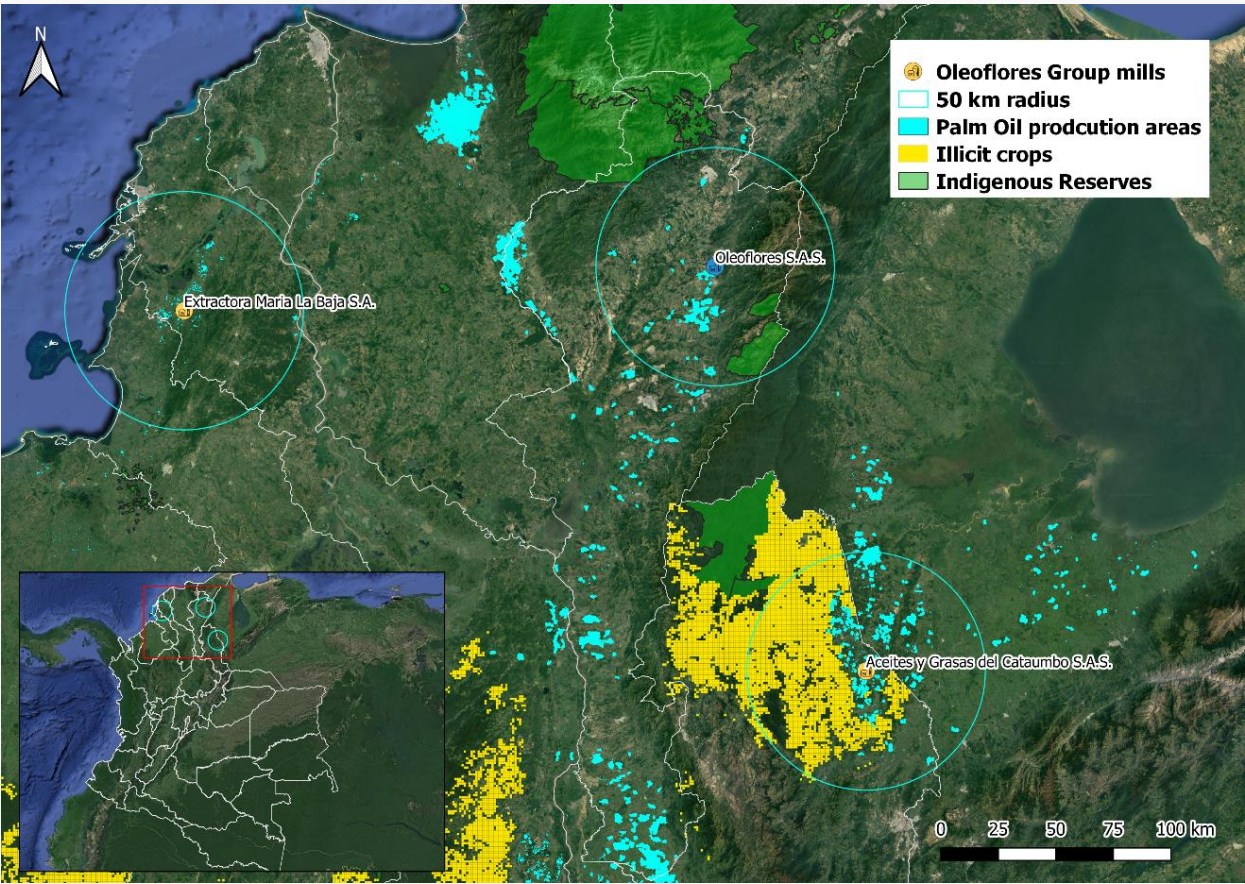


Figure: Locations of three Colombian palm oil mills of Oleoflores

PLANTATION COMPANY	MILL NAME	DETAILS (COORDINATES / DEPT. / UML CODE)	CERTIFICATIONS	BUYERS (2021-2022)
Aceites y Grasas del Cataumbo S.A.S.	Aceites y Grasas del Cataumbo	8.502; -72.640/ Norte de Santander / PO1000007953 Within 50 km distance of national parc or reserve.	Yes, ISCC and RSPO (IP;MB, 5,671 MT CSPO)	ADM, Fuji Oil, General Mills, Grupo Bimbo, Kellogg, KLK Oleo, Mondelez, Nestle, Olenex, Oleon, PepsiCo, Unilever, Upfield, Vandemoortele
Extractora María La Baja S.A.	Extractora María La Baja	9.923; -75.328 / Bolívar / PO1000007502 Within 50 km distance of national parc or reserve.	No	AAK, ADM, Danone, Fuji Oil, General Mills, Grupo Bimbo, Johnson n Johnson, Kellogg, KLK Oleo, LDC, Lipidos, Mondelez, Nestle, Nisshin, Olam, Olenex, Oleon, PepsiCo, PZ Cussons, Reckitt Benckiser, Sime Darby, Unilever, Upfield, Vandemoortele
Oleoflores S.A.S.	Oleoflores	10.097; -73.235 / Cesar / PO1000003324 Within 50 km distance of national parc or reserve.	Yes, ISCC and RSPO (MB, 8,085 MT CSPO)	AAK, Acepalma, ADM, Avon, BASF, Bunge, Cargill, Colgate, Danone, Fuji Oil, General Mills, Grupo Bimbo, Johnson n Johnson, KLK Oleo, LDC, Lipidos, L'Oreal, Mars, Mondelez, Nestle, Nisshin, Olam, Olenex, Oleon, PepsiCo, PZ Cussons, Reckitt Benckiser, Unigra, Unilever, Upfield, Vandemoortele

Table: Company group mills of Oleoflores in Colombia. Source: AidEnvironment, based on public mill lists of palm oil traders and FMCGs, and RSPO.

Case Study 6: Oleoflores

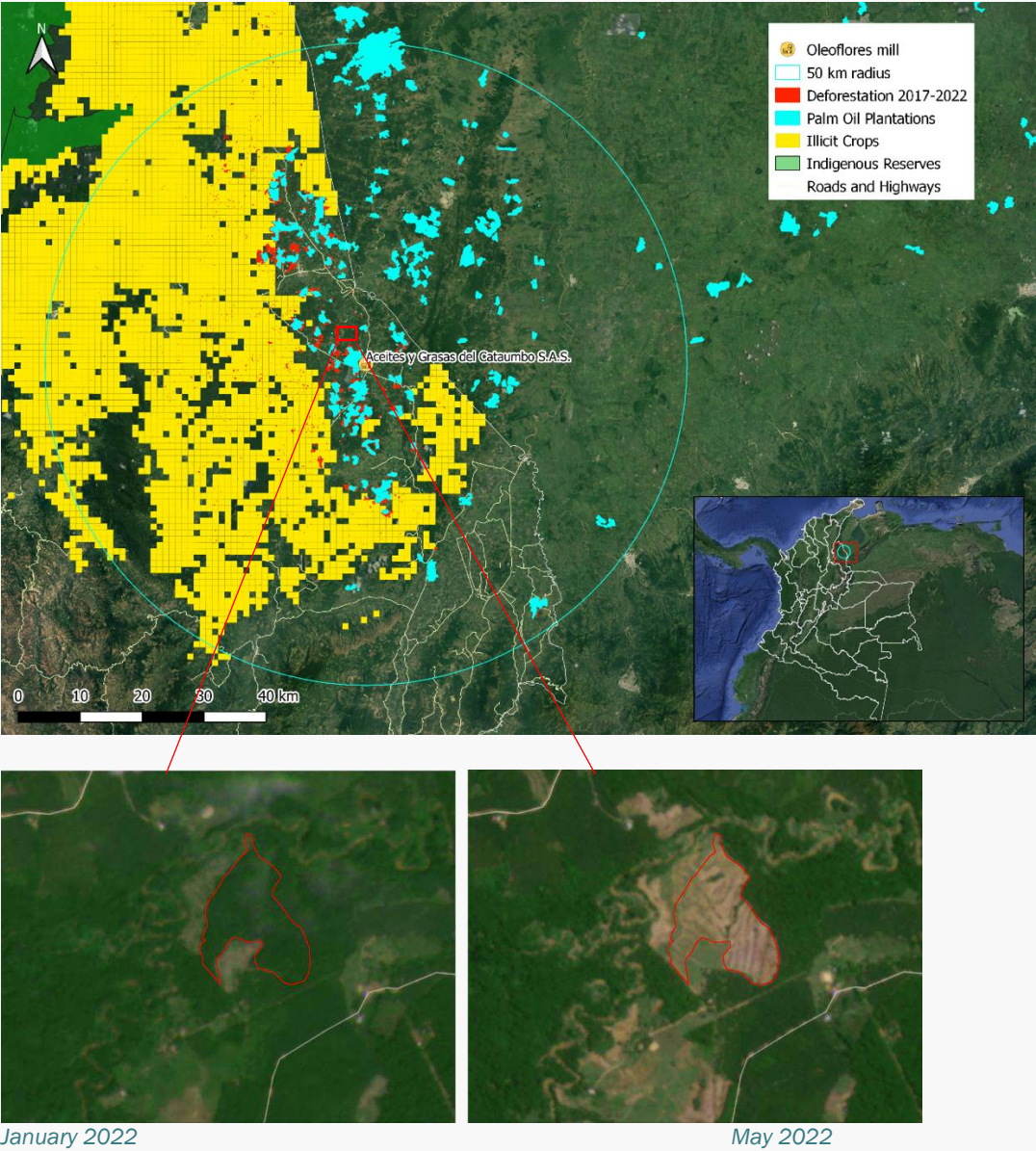


Figure: Map on top shows the location of Aceites y Grasas del Cataumbo in Tibu (Norte de Santander, Colombia). It shows that the palm oil mill is located within a 50 km radius of illicit crop production. Two satellite photos below show deforestation of 15 ha of native vegetation between January and May 2022 within a 50 km radius around the Aceites y Grasas del Cataumbo palm oil mill, although these cannot be automatically attributed to the palm oil mill.

Case Study 6: Oleoflores

General comments

Grupo Oleoflores is a family-owned palm oil company in Colombia that produces oil palm seeds, palm oil (products), and biodiesel, and operates nurseries, oil palm plantations (private, independent and smallholders), palm oil mills, refineries, and a margarine plant. The company reports to manage approximately 55,000 ha of oil palm plantations in Central and North Colombia, with a processing capacity of 420,000 MT of FFB per year, and refinery capacity of 72,000 MT of CPO per year (1).

According to Panjiva shipping data, Oleoflores is one of the top Colombian exporters to Europe, with the Netherlands and Spain as its main destination countries (2). International buyers of the company's three palm oil mills, Aceites y Grasas del Cataumbo (Department Norte de Santander), Extractora Maria La Baja (Bolívar), and Oleoflores (Cesar), are listed in the Table above.

The group is owned by Carlos Roberto Murgas Guerrero, former Colombian minister of agriculture, and his son Carlos José Murgas Dávila is vice-president of the company. According to a recent study (3), it is “undeniable that the company has governmental ties” and “a potential influence peddling and/or conflict of interests”. This argument is validated by the fact that the company's CEO has served as a minister of agriculture under different presidential administrations as well as by other findings. For instance, Grupo Oleoflores was one of the investors in the political campaign for the presidency of Álvaro Uribe Vélez in 2002 (4). The company was also part of generous government subsidy schemes (e.g. Agro Ingreso Seguro - AIS) and tax exemptions that have been linked with corruption associated with the payment of political favours to legal and illegal actors (3) (5)(6).

LandMatrix has documented dubious land deals to Carlos Murgas Guerrero (7). Hacienda Las Flores and Bioagroindustrial de Colombia (both owned by Carlos Murgas) have purchased small properties in municipality Tibú (Norte de Santander department, Catatumbo subregion). In this process, the companies allegedly took advantage of people's situation in a violence-affected region and may have exerted pressure on smallholders forcing them to sell their land (8), reportedly without community consent (9) (10).

In addition to the social impacts, peasants and local communities have reported reduced access to water sources since the oil palm plantations of Oleoflores and other companies expanded, consuming an increasing amount of water for irrigation (6).

Between 2012 and 2021, 498 ha of native vegetation was cleared within the 50-km sourcing buffer of the palm oil mill [153], although no direct link can be proven. The maps above show that Oleoflores' Aceites y Grasas del Catatumbo palm oil mill is located very close to a large area of illicit crop production, but there is no evidence of a link between the palm oil mill and illicit crop production. There is a risk that part of this area, currently being cleared and/or used for illicit crop production, might be converted into oil palm plantations in the next 10 to 20 years. The area is located within the 50-km sourcing buffer of the palm oil mill. In some cases, oil palm cultivation takes place near to illicit crops but no causal link has been proven so far. This could be explained by the fact that palm oil has been promoted by the Colombian state as a product of substitution of illicit crops, trying to replace illegal activities with palm oil production. This approach has shown challenges related to proper environmental management, phytosanitary difficulties, pressure exerted by some actors on land tenure, and the labour conditions.

While Oleoflores exported mainly to non-European countries, such as the Dominican Republic, the USA, and Mexico, the company exported a total of 8,953 MT of palm oil products (crude oil and crude kernel oil) to Spain (89%) and the Netherlands (11%) between 1 January 2020 and 31 December 2022, according to shipping data retrieved from Seair (11).

(1) <https://rspo.org/members/2-0530-14-000-00/>

(2) Panjiva shipping data

(3) https://www.cnvinternationaal.nl/_Resources/Persistent/f/c/5/2/fc52def8f83870cc4d29d0ac5564a299663a5c9a/CNVI-0308%20-%20Profundo%20Palm%20oil%20Sector%20analysis%20Latin%20America%20report%20CNV%20Internationaal.pdf

(4) <https://ail.ens.org.co/wp-content/uploads/sites/3/2020/06/Mapeo-de-relaciones-comerciales-Colombia-Holanda-en-aceite-de-palma.pdf>

(5) <https://www.sciencedirect.com/science/article/pii/S0743016717309178>

(6) <https://rutasdelconflicto.com/especiales/acuatenientes/murgas.html>

(7) <https://landmatrix.org/investor/35421/>

(8) <https://landmatrix.org/media/uploads/fuent%2012.%20Unidad%20de%20restitución%20de%20tierras.pdf>

AidEnvironment has developed six company case studies in close collaboration with IUCN NL. Apart from satellite monitoring, we have used existing literature (e.g. on deforestation, misconduct, land ownership, land conflicts, producers, traders and investors) and public palm oil mill lists to link these cases to deforestation, conversion of native vegetation and other social and environmental impacts to identified European palm oil operators and traders.

Crucial for this case study approach was to identify and proof the physical flows of palm oil fresh fruit bunches (FFBs) from the deforestation-linked oil palm plantations to the mills. AidEnvironment has used a ‘**radius monitoring approach**’ to link deforestation-linked oil palm plantations with palm oil mills/companies. Linked to its limited shelf life, fresh palm fruits need to be transported to the mills within 24 hours after collection (FFBs are picked every 10-12 days). Some even [say](#) the palm fruits should be harvested and sent to the extraction plants within 6 to 12 hours, which “requires great operational interdependency and thus geographical closeness between the two processes (cultivation and extraction)”. This allows for a ‘radius monitoring approach’, since it is estimated by palm oil companies that mills can only source from plantations within a 50 km radius around the mills due to this perishability (though this may vary depending on available infrastructure, such as road density and quality). This implies that satellite deforestation and fire monitoring in the area immediately surrounding a mill might reveal useful information about (smallholder) plantations that fall within its sourcing area. The geographic information system (QGIS) confirmed the assumption that that oil palm plantations within a 50 km radius around the palm oil mill will likely fall within the mill’s sourcing area, as it showed that oil palm plantation areas are often concentrated around the mills.

Criteria for the selection of cases included the presence of deforestation, fires, or other native vegetation conversion, proximity to Colombia’s current deforestation frontier, proximity to indigenous territories, national reserves, and to illicit crops production, whether the identified palm oil mills were connected to pollution of nearby waterways and rivers, controversial land deals, RSPO complaints, and other social issues (e.g. land disputes, displacement, labour rights issues).

Sources used:

- Deforestation – [IDEAM](#) - Instituto de Hidrología, Meteorología y Estudios Ambientales
- Public palm oil mill lists 2021-2022 of all large palm oil company traders and fast-moving consumer goods (FMCG) companies
- Palm oil areas – [A Descals et al.](#), 2019
- Illicit crops – [SIMCI Colombia](#)
- Indigenous reserves – [ANT Colombia](#)
- Fire alerts – [NASA](#)
- Satellite imagery – Planet - Imagery © 2022 Planet Labs PBC. All use subject to the Participant License Agreement
- Satellite imagery (fires) – [Sentinel](#)
- National [parks](#)



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