Source B

A short (early) history of industrial palm oil

Before the mid-19th century, all palm oil was produced by hand in West Africa. This is where the crop originates from, very closely linked with local livelihoods for thousands of years. But the Industrial Revolution caused a surge in demand for palm oil in Europe, and the need to secure reliable supplies led to the development of oil palm plantations. Throughout the colonial and post-war era, foreign investment drove intensive expansion of these plantations.

Early trade and the Industrial Revolution

When Europeans arrived on the coast of West Africa in the 15th century, the amount of palm oil consumed by locals did not go unnoticed. When merchants began trading slaves and shipping them across the Atlantic, they purchased palm oil as food for the slaves. When the Atlantic slave trade was banned in 1807, the British government encouraged traders to adopt palm oil as an alternative commodity. This became even cheaper in 1845, when the British government abolished duty on palm oil.

By the 1870s, palm oil was the primary export of many West African countries. Production was still entirely dependent on semi-wild palm groves and manual processing. This meant the quality of oil varied widely, and its supply was unreliable.

Meanwhile, palm oil had become a key material greasing the wheels the Industrial Revolution in Europe. It replaced the animal-based, fatty wax traditionally used in soap manufacturing. This gave a more satisfying lather and Palm Oil was also used to create odourless candles. Palm oil was also perfect as an industrial lubricant, for oiling engine parts and in tinplate production.

These new uses, combined with rapid population growth and urbanisation, resulted in an increased demand for palm oil in Europe that West Africa’s traditional systems of production struggled to meet. This kick-started efforts by European colonialists to expand production along industrial lines.

Lord Leverhulme's plantations

Despite some early, unsuccessful attempts to develop plantations in West Africa, William Lever of Lever Brothers in Liverpool was particularly eager to secure land for his company. The British businessman was certain that a more controlled, industrial approach to producing palm oil would provide the basis for a commercial palm oil trade.

In the early 1900s, Lever attempted negotiations with the British Colonial Office to develop land in Sierra Leone, Nigeria and Ghana (then part of British West Africa). The Colonial Office was wary of Lever's requests – they did not want to see a single company dominate trade in the region. Despite this, Lever was able to sign a treaty with the Belgian government in 1911 that granted him 750,000 hectares of land to develop in the Democratic Republic of Congo.

The project successfully introduced a more mechanised palm oil mill system, but infrastructure development was costly and slow, as was exporting palm fruit and oil to Europe. The venture failed to attract a large enough workforce to collect fruit and man the mills, so they forcibly recruited Congolese men into labour. Lever's venture showed limited profitability, he had begun one of the world's first modern multinational companies. Later, this would be renamed Unilever.

20th century development in Southeast Asia

Oil palms did not arrive in SE Asia until 1848, when Dutch botanists planted four seedlings in the botanic gardens in Bogor (then Buitenzorg) on the Indonesian island of Java.

For about 50 years, before plantation development started, oil palms were popular ornamental plants, planted along streets, in parks, and around administrative buildings and homes.

The development of Oil Palm plantations in SE Asia was led by a Belgian entrepreneur, Adrien Hallet. He noticed that Indonesia's ornamental palms bore more fruit than those in Africa. Believing that conditions must be ideal for cultivation, he set out to establish his own plantations. He set up Indonesia's first oil palm plantation on the island of Sumatra in 1911. Then in 1917, he helped two French planters develop Malaysia's first commercial estate in Selangor. Foreign investors took advantage of the "open-door" policy and within 20 years, Sumatra was exporting more Palm Oil than Nigeria. Plantation companies re-purposed their existing rubber infrastructure for oil palm cultivation when demand for rubber dropped after the first world war.

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