

Agro-fooling ourselves

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EU and US targets and subsidies are fuelling a growing demand for 'agrofuels'. Far from being a sustainable energy source, the increased cultivation of crops for fuel threatens the world's poor with starvation, damages biodiversity and even contributes to global warming, argues Oscar Reyes.

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What has climate change got to do with the rising price of bread? The answer lies in the rush to turn farmland over to fuel production. In early September, global wheat prices hit a new record high of \$8 per bushel on the Chicago exchange, which provides the global benchmark. Coupled with the unpredictability of recent harvests – itself a symptom of climate change – and increased demand from China and India, the push for agrofuels (also referred to as 'biofuels') has already contributed to a 25-year low in global wheat stocks, forcing up the price.

Other staple crops are affected by similar trends, dubbed 'agflation' by economists. And while agrofuel production is not the only factor in these price increases, it is a major one. According to the recent OECD-FAO Agricultural Outlook 2007-2016, 'Increased demand for biofuels is causing fundamental changes to agricultural markets that could drive up world prices for many farm products.'

With the EU and its member states incentivising the growth of 'agrofuels', big money is pouring into this sector – with venture capitalists and major agribusiness standing to gain from recent price hikes. This rise in the price of staple crops can also benefit small farmers, but the increasing pressure on land is threatening to displace them from their farms as large-scale plantations take over.

Fuelling hunger

When the price of staple crops rises, it affects more than the price of a sandwich. The world's poorest people already spend 50 to 80 per cent of household income on food – and it is poverty, not scarcity, that is the major cause of hunger. When, in January, the US government announced a plan to produce 35 billion gallons of bio-ethanol a year by 2017, it was the poor of Mexico who felt the pain. The price of tortillas – the staple diet provided by hole-in-the-wall shops across poor neighbourhoods in the country – rose by 400 per cent in a matter of weeks. Tens of thousands of people protested in Mexico City in response.

Their voices have been joined by others from across the political spectrum. In April, Fidel Castro

warned against the 'sinister idea of converting food into fuel', prompting the Economist to run a leader article with the unlikely headline 'Castro was right'. In May, the leading US journal on international policy, Foreign Affairs, published an in-depth analysis of how 'Biofuels could starve the poor'. In mid-June, the UN special rapporteur on the right to food, Jean Ziegler, accused the US and EU of 'total hypocrisy' for promoting ethanol production in order to reduce their dependence on oil imports - an act which, he said, could result in 'hundreds of thousands' dying from hunger.

Climate con

The US push for agrofuels is driven mainly by a concern to 'reduce dependency on foreign oil', rather than concern for the climate. Studies of corn-based bio-ethanol (the main source promoted by the US) show that it requires as much, or more, energy to produce as it emits.

In Europe, the environmental case is at the centre of the debate. The EU is currently proposing a 10 per cent mandatory target for agrofuels in transport (excluding aviation fuel) by 2020, a measure that was due to be debated in the European Parliament on 26 September.

From an environmentalist viewpoint, there is a lot wrong with this proposal. For one thing, the EU simply doesn't have the domestic capacity to meet its agrofuel target. Even the existing EU target of 5.75 per cent agrofuel use by 2010 would require that an estimated 20 per cent of arable land be turned over to fuel production. With consumption still on the increase, it remains unclear as to how much more land would be required to account for 10 per cent of transport fuel use in 2020.

One immediate by-product is the scrapping of set-aside lands from 2008 - a plan that could decimate bird-life and insect populations. The EU's own calculations also bank upon untried 'second generation' agrofuels to make crop yields more efficient. Many of these technologies would prove highly controversial, since they include techniques to genetically modify trees, endangering the precautionary principle as a basis for such research.

Even this would not come close to meeting the new target, however, meaning that a large share of agrofuels would have to be imported from the global South. Palm oil grown in south east Asia is one of the most likely sources, but the environmental impacts would be profound. The conservation group Wetlands International estimated that the import to Europe of south east Asian palm oil originating from drained peatlands would generate up to 10 times more carbon dioxide than the equivalent emissions from burning fossil diesel.

Deforestation diesel

Direct emissions from transport fuel are only part of the picture, moreover. A recent study in the journal Science found that existing forests could absorb nine times more CO₂ than the production of agrofuels could achieve on the same area of land. According to Renton Righelato, co-author of the report, the 'mistaken policy' of targets and incentives is fuelling deforestation.

Sugar-cane and soybean farming in Latin America and the growth of palm oil plantations in south east Asia are among the major culprits, with the demand for these crops now accelerated by their cultivation for fuel use. 'It is like kicking your head to get rid of a headache,' as Birute Galdikas, a conservationist renowned for her work in Indonesia, recently told the Independent. 'The palm oil prices are going through the roof because of their use as biofuel and this, one of the poorest countries in the world, is cutting down its trees to supply the market.'

This has both economic and environmental impacts. Monoculture plantations not only threaten what remains of global forest cover, reducing biodiversity, but they also subject local populations to a new wave of plantations. João Pedro Stedile, of the MST (Landless Workers' Movement) in Brazil, has already observed 'an extraordinary concentration of land ownership' as a result of the agrofuel trend, with multinational seed companies and venture capitalists buying up land at the expense of small-scale farmers.

In the words of a recent report by GRAIN, an international NGO working on agricultural sustainability, this process 'amounts to nothing less than the colonial plantation economy, re-designed to function under the rules of the modern neoliberal, globalised world.'

The sustainability myth

In the face of these criticisms, the EU is now pushing for 'sustainability' criteria for agrofuel production. In July, EU Trade Commissioner Peter Mandelson warned that 'Europeans won't pay a premium for biofuels if the ethanol in their car is produced unsustainably by systematically burning fields after harvests. Or if it comes at the expense of rainforests.'

Behind the rhetoric, though, there is little in the EU's approach to address these concerns. Even tough sustainability criteria would leave unaddressed the major problems of the rush to agrofuels, since they would most likely displace other forms of agriculture from cleared land. The net deforestation would be the same, a 'secondary impact' on land use that no sustainability criteria can adequately account for.

In fact, no criteria or certification schemes can deal with the broader structural effects that agrofuels are having on agricultural intensification and food prices. The definition of 'sustainability' does not extend to issues of social justice - and as long as money is to be made, the push for agrofuels looks set to continue unabated. This is not simply the law of the market but is also an effect of subsidies. The US now ploughs up to \$7.3 billion per year into agrofuel subsidies, while both EU and US targets are spurring on the market for agrofuel production. As long as these incentives remain in place, the price of bread looks set to rise - which, in global terms, is a symptom of the disaster facing those who already live below the breadline.

P.S.

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