

Item 5. Soaring Food Prices and Food Security

Mr Killmann introduced this issue. David Rhodes, Chief Executive, New Zealand Forest Owners Association then presented the New Zealand perspective on biofuels and food security, after which Mrs Donna Harman, President and CEO, American Forest & Paper Association, talked about the United States' climate change & bioenergy policy.

The first presentation mentioned the growing the demand for food and liquid biofuel; almost all basic food commodities have seen their international prices rise significantly over the past two years. The current world population is about 6 billion people and around 850 million do not have enough food to eat. By 2050 the world population will reach 9 billion people, increasing demand for food and competition for land. Climate change will also impact populations in vulnerable areas. Competition for land for production of fuel, fibres, food and fodder for animals, will increase in the future, leading to migration and instability at national and international levels.

Mr David Rhodes made a presentation on forestry biofuel potential in New Zealand and stressed the significant importance of biofuel origin and sustainable production. He mentioned that although biofuel is important, current policies are creating distortions and biofuels are contributing to the food price crisis. Biofuel strategies that determine land use outcomes need aligning with social strategies and must avoid negative impacts on other sectors

The U.S. climate change & bioenergy policy was presented by Mrs Donna Harman, who mentioned that the AF&PA (American Forest & Paper Association) members have reduced their CO₂ emissions by 14 percent between 2000 and 2006. Nearly 90 percent of the electricity generated at U.S.A. pulp and paper mills is co-generated and fossil fuel use per ton of paper production declined by 56 percent since 1972 and by 9 percent between 2004 and 2006. There are polices and federal regulations that related to CO₂ emission, for example the Transportation Department will raise fuel efficiency standards for cars by 25 percent by 2015. It was stressed that food and energy issues are interconnected and climate change polices must also be considered.

Finally, Ms Elizabeth de Carvalhaes, Executive President, Associação Brasileira de Celulose e Papel (Bracelpa) made a presentation on World Food Security, Planted Forests and Bioenergy in Brazil. Ms Carvalhaes presented an overview of the certified forest area, planted area, agricultural and other areas, mentioning how much Brazil's agricultural productivity has increased over the last 20 years. The main Brazilian agribusiness exports in Brazil are soy, meat, forest products (of which 50% from pulp and paper) and sugar-alcohol complex. This country can be compared with the emerging economies such as China and India; GDP growth in Brazil is growing sustainable and mainly agriculture impacts in this growth. Brazil is a major supplier of food in the emerging economies.

Since the seventies, gasoline in Brazil has been blended with 25% ethanol Sugar cane production does not receive any subsidy from government. This sector directly generates around one million jobs. It was mentioned that 100 countries could supply biofuels to 200 nations, while currently 20 oil producers provide fossil fuels to the rest of the world. Flex Fuel Vehicles (FFV) were introduced on the Brazilian market in March of 2003. These vehicles are designed to be fuelled with gasoline, ethanol or any blend of gasoline with ethanol it is expected that demand for them will increase (assembling vehicles and exporting machinery). The ethanol from cellulose has higher productivity than that from sugar cane but the production cycle is longer. Brazil could be self-sufficient in transportation not using petroleum; the transport industry is ready to invest strongly in alternative sources. This country could be a major player in delivering food to the emerging economies, contributing to the development of renewable fuel and sustainable processes.

Item 6. The image of the forest industry

Reference was made to the paper "The image of the forest industry", which was available amongst the documentation provided to the participants (see papers presented).