

**Feedback from the Global Renewable Fuels Alliance (GRFA)**

For

**The FAO Committee on World Food Security/High Level Panel (HLPE) of Experts on Food Security and Nutrition**

On

**Biofuels and Food Security, A zero-draft consultation paper, January 28th, 2013**

The Global Renewable Fuels Alliance feels the current draft of the HLPE’s Biofuels and Food Security reportis negatively biased against biofuels. The draft report uses data that is incorrect, unsubstantiated and omits key areas of research that would change the reports final recommendations dramatically if this information were included in the final report.

The GRFA would like to make the following suggested changes to the draft report:

1. The HLPE draft report should not rely, in any capacity, on the science of Indirect Land Use Change.
   * The indirect land use change impacts of biofuels, or ILUC, are controversial because the science is flawed, immature and there are massive disparities in the final data. ILUC is an untested and heavily disputed theory that assumes that crops used for biofuels will displace other crops used for food. ILUC estimates vary drastically depending on the input data assumptions of the researchers and some are based on false or out-of-date assumptions. Often key inputs, such as co-products, are not included in the scientific models that seek to measure ILUC. While some studies such as a recent report from the US Department of Energy that looked at historical data, determined that indirect land use change resulting from corn ethanol expansion over the past decade has likely been “minimal to zero.” (United States Department of Energy, Decomposition Analysis of U.S. Corn Use for Ethanol Production from 2001-2008, 2010)
   * More proof of ILUC flaws come from the National Institute of Space Research, which found that deforestation in the Amazon has declined sharply just as biofuels production in the United States quadrupled. The same study found that in 2004, 10,588 square miles of the Amazon was cut down but in 2009/10, that number dropped to 2,490.7 square miles. In the meantime, U.S. ethanol production had gone from approximately 3 billion gallons in 2004 to approximately 13.23 billion gallons in 2010. In Brazil the tropical protection program, Amazon Region Protected Area, resulted in a 75 percent reduction in tropical forest clearing since 2004, even as ethanol production doubled.
   * While the indirect land effects of biofuels production have not been proven, the environmental impact of oil production is widely known and getting worse. Oil exploration is now venturing into extremely sensitive environments as conventional supplies disappear. Oil companies today must undertake risky exploration in areas such as the arctic, offshore in some of the deepest oceans in the world and in large parts of the Canadian boreal forest for the Canadian oil sands.
2. The HLPE draft report fails to explore and should include a chapter summarizing the impact oil prices have on the price of food.
   * The GRFA has demonstrated over the long term that the price of food is directly affected by the price of oil.
   * In fact as the below chart illustrates, the price of food follows the price of oil resulting in food price spikes soon after a spike in the price of oil.

Source: IMF – Primary Commodity Prices

* + Oil prices impact global food prices in many ways. High oil prices increase the cost of fertilizer, inflate the cost of packaging and raise the cost of transportation.
  + David Hallam, the FAO’s Deputy Director confirmed this when he said “unexpected oil price spikes could further exacerbate an already precarious situation in food markets.”
  + Access to food is irrelevant if prices are at levels where people are unable to afford it.

1. The HLPE draft report fails to explore and should include a section on the economic development benefits biofuels offer, especially in developing countries.
   * The GRFA finds the positions expressed in the HLPE draft report inconsistent with the positions of senior FAO policy makers.
   * As recently as May 2011 the UNFAO said that investment in biofuels could actually help to improve food security in rural economies by creating jobs and boosting incomes.
   * Heiner Thofern, head of the FAO Bioenergy and Food Security Project, said that if "done properly and when appropriate, bio-energy development offers a chance to drive investment and jobs into areas that are literally starving for them."
   * In 2011, the FAO released the study, *Making Integrated Food-Energy Systems work for People and Climate*, which stated that "investment in bioenergy could spark much-needed investment in agricultural and transport infrastructure in rural areas and, by creating jobs and boosting household incomes, could alleviate poverty and food security."
   * A recent GRFA report, *Contribution of Biofuels to the Global Economy* done in partnership with the global economic research company, Cardno Entrix, found that the global biofuels industry contributed $277.3 billion and supported nearly 1.4 million jobs in all sectors of the global economy in 2010.
   * The global biofuels industry is a bright spot in the current world economy, defying current economic conditions and growing.
   * Another recent case study, *Biofuels, poverty, and growth: a computable general equilibrium analysis of Mozambique*, demonstrated the economic development benefits of a biofuels industry in a developing nation. It found that "the proposed biofuel investments increase Mozambique's annual economic growth by 0.6 percentage points and reduce the incidence of poverty by about six percentage points over the 12-year phase-in period."
   * Oil producing nations are prosperous because they are geographically located on top of an oil reserve unlike the wide array of biofuel feedstocks, which can be developed anywhere.
   * This means that any nation, especially developing countries, can develop their own biofuels industry, which in turn will increase their employment rates, boost salaries, relieve poverty and improve food security.
2. The HLPE draft report incorrectly promotes outdated biofuels vs. food myths and conveniently does not address other issues related to food security.
   * The HLPE draft report makes a biased assertion that food security and biofuels cannot coexist, which is simply incorrect.
   * The HLPE report is incorrect regarding the amount of land used to grow biofuel feedstocks.
   * Current global land use for biofuels is minimal, using about 3% of total arable land area. There are currently massive amounts of unused, underproductive or marginal land available that could be used for biofuel production without compromising food production. A 2011 study by the University of Illinois found that there is an additional 320 – 702 million hectares of global land available for sustainable biofuels production. This is “an area that would produce 26% to 56% of the world’s current liquid fuel consumption,” (University of Illinois at Urbana−Champaign, Department of Civil and Environmental Engineering, Land Availability for Biofuel Production, 2011).
   * The HLPE report unfairly characterizes biofuels as the greatest threat to food security when it is in fact our reliance on crude oil that threatens the environment and the global economy.
   * The International Energy Agency (IEA) has clearly noted in its last two World Energy Outlook’s (WEO) that crude oil is the world’s largest energy problem.
     1. In 2011 the IEA stated oil demand would rise 14% between 2010 and 2035, from 87 million barrels per day (mb/d) in 2010 to 99 mb/d in 2035.
     2. This means to meet demand new reserves will have to be exploited – namely environmentally damaging oil sands or dangerous deep well oil.
     3. There is a growing dependence on the OPEC countries as a supplier of the world’s oil. Over 90% of the required growth in world oil output will come from OPEC countries, pushing the share of OPEC in global production above 50% by 2035.
     4. The 2012 WEO stated that crude oil was putting the “brakes on the global economy” because oil subsidies have reached an all time high of $660 billion but oil prices are still at an all time high making our energy system “unsustainable” according to the IEA.
   * To lower food prices we must break our addiction to crude oil and increase the use of alternative fuels, like biofuels.
   * The International Energy Agency’s *Technology Roadmap – Biofuels for Transport* stated that biofuels could make up 27% of the worlds transport fuels by 2050, eliminate 2.1 gigatonnes of CO2 emissions and not jeopardize food security.
   * The same IEA report also revealed that current global biofuels production utilizes only 2% of global arable land, which is simply not significant enough to have any impact on food prices.
   * A 2012 report by the United Kingdom’s National Non-Food Crops Centre found that “We can minimize competition for land by increasing its productivity. Improved breeding and management techniques will increase the productivity of crops. An annual yield increase of just 2% would double biofuels production volumes by 2050 without any land expansion,” (National Non-Food Crops Centre, The changing face of the planet: The role of bioenergy, biofuels and bio-based products in global land use change, 2012).
   * The primary challenge is still not how much food we grow but how efficiently we grow it, distribute it and how much of it we waste.
   * Food waste is an issue not properly addressed by the HLPE draft report.
   * It is well understood, that global food production far exceeds our needs today; however hunger is still a global challenge but there are other ways to combat this problem. The scale of food waste worldwide is unacceptably high. According to a report for the UN by the Swedish Institute for Food and Biotechnology, around 1.3 billion tonnes of food is either lost, or wasted, globally each year. The figure represents 33% of the world's total food production; and the study says that reducing losses in developing countries could have an "immediate and significant" impact on livelihoods and food security.
3. The HLPE draft report’s view of advanced biofuels incorrectly represents their potential and commercial viability and must be corrected.
   * Biofuels continue to grow in importance as the rising price of oil impacts every aspect of the global economy.
   * More than 700 new biorefineries are required (at 193 million litres/refinery) by 2025 to meet the known and existing mandates around the world.
   * The total announced annual capacity under development is nearly 20 billion litres, at an average annual capacity of 100 million litres.
   * The United States Department of Agriculture recently released its Billion-Ton Update, which is excellent at suggesting both the volume and variety of potential feedstocks. It stated that there would be enough available, sustainable biomass to support 3 times the fuel production required under the Renewable Fuel Standard, using known processing technologies.
   * By the end of 2013 there are 23 signature commercial-scale advanced biorefineries slated for completion.
   * Of these 23 refineries, they are in five different countries, using 12 different feedstock strategies, employing 12 different processing technologies and 8 product sets representing 649 million gallons of capacity.
   * With the hundreds of refineries planned, ample proven feedstock supplies and dozens more commercial scale refineries coming online by the end of 2013, it is clear that the HLPE draft is incorrect in assuming that advanced biofuels are delayed or that concerns over their adoption exist.