A worker holds up a handful of palm fruit at a South-east Asian plantation and mill supplying palm oil to Finnish biodiesel giant Neste Oil. (Munshi Ahmed/Bloomberg via Getty Images)

THE HUNGER GRAINS

The fight is on. Time to scrap EU biofuel mandates.

EU biofuel mandates, a subsidy to big business that could cost every adult about €30 each year by 2020, deprive millions of people of food, land and water. Countries with poor protection of land rights are magnets for land deals—most of which are to grow crops that can be used for biofuels. If the land used to produce biofuels for the EU in 2008 had been used to produce wheat and maize instead, it could have fed 127 million people for the entire year. It is completely unacceptable that we are burning food in our petrol tanks while poor families go hungry. EU governments have it within their power to make a difference to the lives of millions of hungry people. It's time to scrap EU biofuel mandates.

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SUMMARY

In 2009, EU governments committed to sourcing 10 per cent of transport energy from renewable sources by 2020: they are set to meet this target almost exclusively using biofuels made from food crops. By putting a mandate in place, European governments are propping up powerful industry and farming lobbies without spending a penny from national budgets: as direct subsidies and tax exemptions are phased out, the cost is increasingly borne by the consumer. For example, by 2020 biofuel mandates are likely to cost UK consumers between £1bn and £2bn more each year—that's about £35 from every adult—and to cost German consumers between €1.37bn and €2.15bn more—up to €30 per adult. EU governments have replaced subsidies paid out of the public purse with a subsidy that consumers, often without their knowledge, pay directly to big business.

It is frequently claimed that biofuels are worth supporting because they help fight climate change. By replacing fossil fuels, they supposedly make transport 'greener'. But, in fact, some biofuels are even worse than fossil fuels. Growing crops for biofuels displaces other agricultural production onto 'carbon sinks'—forests, peatlands and grasslands—all of which keep greenhouse gases out of the atmosphere until they are ploughed up. Modelling shows that ploughing up carbon sinks to meet EU biofuel mandates could be as bad for the environment as putting an extra 26 million cars on Europe's roads. And EU biofuel mandates have devastating impacts on millions of people around the world. The overwhelming consensus from research on the impact of large-scale biofuel production shows that benefits are reaped by a small elite. As academic research from Indonesia concludes, 'there are some winners but many losers'.

The past five years have seen two record spikes in the price of food; and prices are rising again, with corn and soy hitting record highs in summer 2012. The evidence on the contribution of biofuel policies to recent international food price spikes is so compelling that, in 2011, ten international organisations—including the IMF and the World Bank—made an unprecedented call for G20 governments to scrap biofuel mandates and subsidies. By 2020, EU biofuel mandates alone could push up the price of some foods by as much as 36 per cent. This translates into hunger and malnutrition for millions of people, especially in countries like Yemen which import most of their food.

Because much more diesel is used in the EU than petrol, EU biofuel mandates have a particular impact on the price of crops used to make biodiesel, including soy and oil palm. This drives up the retail price of cooking oil in importing countries like Haiti and exporting countries like Indonesia. Even in regions that are relatively isolated from international markets, like sub-Saharan Africa, land deals driven by biofuel production mean that there is less land available to grow local staples, fruit and vegetables, making it difficult for parents to provide their children with healthy, nutritious meals. Flexible biofuel mandates, or mandates that

are suspended when a food price spike threatens, are not the answer. Even if they could dampen price spikes on international markets, they fail to address the bigger problem: that our limited resources—land, water, soil—are being used to produce crops for biofuel production when they should be used to produce much-needed food.

Recent evidence suggests that two thirds of big land deals in the past ten years are to grow crops that can be used for biofuels, such as soy, sugarcane, palm oil and jatropha. The commercial stimulus to meet the EU mandates by 2020 means that the land needed to grow crops for biofuels must be acquired quickly, which means that many land deals for biofuel production are 'land grabs', concluded without the consent of affected communities. In one plantation in Ghana, 69 families were thrown off their land, without being consulted or provided with any kind of compensation and 1,500 more families could lose land if the plantation develops as planned. Research in Mozambique and Indonesia found that women are least likely to be consulted in land deals for biofuel production, even though they are often the most seriously affected. Indonesia is one of the EU's main sources of biodiesel, and the nascent biofuel sectors in Mozambique and Ghana are strongly connected to EU markets.

Biofuel production has a major impact on the environmental resources on which many people living in developing countries rely. For example, one farmer, living in Guatemala among plantations of sugarcane destined for export, claimed that 'the companies have stolen the water from us'. As huge soy plantations use up local water resources, one community in Paraguay has had to sink wells twice as deep into the ground to reach water suitable for drinking —only hitting the sinking water table after 20 metres, compared with an average of 10 before the plantations arrived. Most of the sugarcane ethanol produced in Guatemala goes to meeting EU demand for biofuels, and it is likely that much of the soy produced in Paraguay also ends up in EU fuel tanks.

Part of the solution to problems associated with biofuel production lies with national governments, and many governments should do far more to stop land grabs and make sure that investors act in local people's interests. But even those governments strongly committed to protecting the rights of their citizens don't stand a chance in the face of the speed of mandate-driven expansion of the biofuel sector. Advanced biofuels, sustainability criteria and critiques of governance in developing countries are all distractions from the fact that EU governments have it within their power to make a difference to the lives of millions of hungry people. It is completely unacceptable that we are burning food in our petrol tanks while poor families go hungry and millions are being pushed off their land. The fight is on: it's time to scrap the mandates.

RECOMMENDATIONS

- EU governments should scrap national biofuel mandates.

- The European Commission, European Parliament and EU governments should revise the EU Renewable Energy Directive of 2009 to:

  - remove the 10 per cent 2020 binding target for renewable energy in transport;

  - account for the entirety of the greenhouse gas emissions of biofuels by including emissions caused by indirect land use change in greenhouse gas accounting; and

  - introduce binding social sustainability criteria for biofuel production, covering food security, access to land and water, human rights, and the principle of free, prior and informed consent for all communities affected by land deals.

- The EU's post-2020 Renewable Energy Strategy should be informed by the negative impacts of the current biofuels policy on food security and access to land in developing countries. While ambitious overall renewable energy targets are an important part of promoting sustainable renewable energy, no new target should be set for the transport sector.

- EU governments should push other G20 countries to scrap biofuel mandates and subsidies.

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