ActionAid International USA
1420 K Street NW
Suite 900
Washington, DC 20005

Phone: +1-202-835-1240
Fax: +1-202-834-1244
e-mail: Inquiries@actionaidusa.org
www.actionaidusa.org

POLICY BRIEF: BIOFUELS AND FOOD SECURITY

Problem: The drive to increase biofuels production has had unintended consequences on world hunger. The demand for feedstocks for ethanol and biodiesel created competition for land and public resources, in many cases undermining food production and pushing small-scale farmers off their lands. The World Bank estimates that as much as 75% of the rise in food prices last year was attributable to the increase in demand for biofuels. While commodity prices have dropped over the last few months, Renewable Fuels Standards (RFS) targets for biofuels consumption remain unaltered, creating the conditions for renewed instability as investors seek to satisfy US energy demands.

Recommendations: The US government should stop the rush to expand biofuels consumption and assess the impacts on food production, hunger and the environment around the world. Based on those lessons, Congress and the Administration should implement a more sustainable approach that balances the need for food production with the demand for new sources of renewable energy.

Actions: The US Congress and the Obama Administration should:

- Reform RFS targets so that they can be met with sustainable local production that generates jobs and incomes in rural areas. Current US production levels are sufficient to meet the 2008 target of 9 billion gallons a year.
- Only provide subsidies to biofuels or other renewable fuels that actually reduce greenhouse gas emissions. Eligibility should be based on a full life-cycle analysis that includes indirect land use changes in the United States and developing countries. Current laws require that corn ethanol reduce emissions by 20% and that more advanced biofuels achieve a 50% reduction in greenhouse gas emissions.
- Require that any foreign assistance – whether through grants from US agencies or loans from international financial institutions – provided for the development of renewable fuels in developing countries include a thorough analysis of the potential tradeoffs with food production that is informed by consultations with local farmers and consumers.
- Support the establishment of food reserves in the US and developing countries to prevent price instability due to sudden increases in demand or crop failures.
- Maintain restrictions on trade in biofuels to encourage sustainable production to meet local needs, whether in the United States or developing countries.

Results:

These actions would help to ensure that any biofuels production supports the right to food and rural livelihoods. Putting the brakes on the expansion of the demand for biofuels would help farmers both in the United States and developing countries to increase incomes, generate new sources of renewable energy and achieve food security. US farmers could produce feedstocks in ways that would strengthen rural economies and increase energy supplies. Developing countries would have the breathing room to establish the safeguards and regulatory structures to ensure that farmers, consumers and the environment benefit from this new production.

Background:
The public debate on biofuels changed dramatically over the past year. What started out as an intriguing proposal on an apparently innovative alternative fuel source quickly turned into an important and contentious topic of international debate.[1]

The 2005 Energy Policy Act set new standards requiring that all gasoline sold in the United States include increasing amounts of renewable fuels, starting with 4 billion gallons in 2006. These targets were increased under the 2007 Energy Security and Independence Act, rising from 9 billion gallons in 2008 to 36 billion gallons by 2022, of which 21 billion gallons must be met by advanced biofuels. The law also requires that renewable fuels reduce greenhouse gas emissions. Early studies on corn-based ethanol concluded that it would produce a modest reduction in emissions. More recent studies incorporating indirect costs, particularly changes in land use and the resulting reduction in carbon sequestration as plant matter is removed from the soil, have concluded that ethanol production could actually produce twice as much greenhouse gas emissions as gasoline, particularly if forest or other sensitive land is converted to crop production for ethanol.[2]

Biofuels consumption targets in both the US and EU have created new pressures on land use around the world. At a consultation in Ghana, community member Sanatu Yaw commented on the loss of so-called marginal lands now being used for biofuels:

> *"The sheanuts that I am able to pick during the year help me to keep my children in school, to buy cloth and also to supplement the household's food needs when the harvest from my husband's farm runs out….Now they have destroyed the trees and so we have lost a good source of income forever, yet we have not been paid anything as compensation."*

In Senegal, a country that experienced riots in 2008 because of rising food prices, the government launched an ambitious plan to expand biofuels production. This has created new pressures on community lands. In the Bignona area, for example, the Forestry Department estimates that clearing forests to create plots of jatropha (a drought resistant, high-yielding oil crop) could entail a 68 percent reduction in income sources for rural populations.

In Guatemala, the expansion of land under cultivation for sugarcane and palm oil has resulted in both concentration of land ownership (when smaller scale farmers sell their lands to larger landowners) and "re-concentration" (when large plantations are sold and consolidated into even larger landholdings). Both processes affect rural livelihoods and food security.

In Brazil, increasing sugar production for ethanol has contributed to rising food prices and land concentration. There is evidence that cattle ranchers and other agricultural producers displaced from the southern Brazil are pushing the agricultural frontier north, potentially leading to new pressure on sensitive ecosystems.

---

[1] This background information is drawn from See *Food, Farmers, and Fuel: Balancing Global Grain and Energy Policies with Sustainable Land Use,* ActionAid, November 2008. Available at http://www.actionaidusa.org/assets/pdfs/food_rights/actionaid_biofuels_report_nov_08.pdf

[2] Timothy Searchinger, et al, "Use of U.S. Croplands for Biofuels Increases Greenhouse Gases Through Emissions from Land-Use Change" *Science Magazine*, 29 February 2008.