

Biofuels: Fueling Hunger?

Threats of Another Global Food Crisis

2011 began with record-breaking food prices that experts warn could lead to another full-fledged global food crisis. The 2008 global food crisis brought impoverished people onto the streets when they couldn't afford to buy staple foods like rice, wheat, corn and oil. In early 2011, rising food costs contributed to the uprisings in Tunisia and Egypt and sparked food riots in several other countries. World leaders initially responded to the 2008 crisis with pledges of increased food and agricultural assistance. When prices started to fall off the front pages, political momentum faltered. Out of sight, out of mind, world leaders have not addressed the root causes of the crisis.

Now, with prices on the rise, we are once again on the brink of a global food crisis. This time we need to resolve the issues that fuel the price hikes or we can expect to see food crises happen more and more frequently in the years to come. Though many factors contributed to the "silent tsunami" of food price spikes in 2008, the most recent analysis highlights biofuels expansion as a significant driver of the food price spike.¹ While there are numerous elements at play in the 2010 and 2011 price rises, biofuels are a piece of the food price volatility puzzle. If biofuels targets set by the U.S. and Europe are met the amount of land used to create fuel rather than food will increase dramatically. The result? Food prices could rise by up to 76% by 2020, pushing 600 million people into hunger.²



Julio Ngoene, farmer in Mozambique who lost his land to a biofuels company. 'Our livelihood was dependent on the farms- and they've taken our farms.'

Biofuels Basics

Fuels obtained from biological material are biofuels. Most of the biofuels being produced today are actually agrofuels— fuels made from agricultural crops like corn, soy and other oils and sugar – and they are being produced on an industrial scale to meet a growing global demand for renewable fuels. When biofuels are blended with traditional fossil fuels they can power our cars or be used for heat.

Enticed by visions of biofuels production driving renewed rural development and helping to achieve energy independence, the U.S. government jumped on the biofuels bandwagon and set ambitious targets for production.³ The U.S. government also increased the percentage of biofuels allowed to be blended into the gas we buy at the pump. Using plants to fuel our cars sounds great in theory, but the latest research shows that biofuels are not a clean, green answer to rural development and energy independence.

The UN Special Envoy for the Right to Food, Olivier De Schutter, called the 2008 global food crisis a "massive violation" of human rights and a "silent tsunami" that pushed 100 million people into poverty and 30 million into hunger. The World Bank estimates that between June and December 2010 an additional 44 million people have fallen below the extreme poverty line due to food price hikes.



Matilde Ngoene. The majority of her land was taken by a biofuels company in Mozambique. Matilde had enough land to feed 15 people all year round, now the small amount of land she has left is not enough to feed her household.

“They haven’t paid us anything, they haven’t told us anything,” she said.

Photographer’s Credit
James Oatway/Panos/ActionAid

In fact, the biofuels boom has made global hunger worse and is actually worse for the environment than fossil fuels. The biofuels rush has increased the volatility of corn prices, leaving farmers more vulnerable in the U.S. and around the world. The dramatic increase in biofuel production and has even failed to curb our dependence on foreign oil. Industrial biofuels are an expensive and inefficient fuel, and at greater blends with gas could cause trouble for older cars and small engines. For myth busting facts on biofuels, see *Come Clean on Hunger: The Dirty Truth about Industrial Biofuels*.

How do Biofuels Fuel Hunger?

Biofuels are made from food crops like corn, so by using biofuels we are basically burning food in our cars. **The amount of crops it takes to fill a 4X4 tank with biofuel would feed a child for a year. That is 1,000 meals, or 40 meals per gallon.**⁴ The impact of the biofuels boom on people is deeper than the lost potential of meals. To put faces to the biofuels and hunger statistics, read *Facing the Facts: Experiences of the Biofuels Boom*.

RIGHT NOW - Crops used for fuel instead of food and feed means less food to go around. The U.S. is the largest exporter of corn and wheat and the third largest exporter of soybeans, so international price increases are predominantly driven by price changes in the U.S. market. Nearly 40% of the 2010 U.S. corn crop will become fuel. Not only is corn production going to fuel, but wheat and soy producers are starting to shift to corn for fuel.

Increased demand for grains for food, feed and fuel has depleted stocks to the lowest levels in decades. High demand and low supply causes prices to rise. The result? More people go hungry.

OUR FUTURE – Study after study finds that when the entire process – or the lifecycle – of biofuels production is taken into account, biofuels actually cause more greenhouse gas emissions than the fossil fuels they were intended to replace. The biofuels boom could make climate change worse, making global hunger worse too.

Not only do the land use changes (shifting crops from food and feed to fuel) escalate greenhouse gas emissions, but the fertilizers required to grow industrial biofuels release nitrous oxides, which are 300 times more powerful as a greenhouse gas compared to carbon dioxide. If biofuels remains unchecked and climate change continues on its current path, then by 2020 the yields of rain fed agriculture in Africa will be cut in half.

GLOBAL – In an effort to meet the growing demand for biofuels, countries and companies are buying and grabbing land at an alarming rate. In just five African countries, 1.1 million hectares have been given over to industrial biofuels for export. Often this land acquisition happens without the consultation or consent of the people living and farming on the land. People displaced from ancestral lands lose the capacity to feed themselves from their own production and are forced into forests and other marginal lands to secure their livelihoods. Some have described this land grab as then next era of colonialism in poor nations.

LOCAL – In the U.S., big agribusiness and oil companies win with the renewable fuel standards and accompanying subsidies for biofuels production, but the corn price rollercoaster hurts small scale farmers and animal agricultural producers that depend on maize to feed their livestock. The financial crisis has hit U.S. biofuels refineries hard, causing many to report plummeting stock prices and even bankruptcy, making it clear that the promotion of biofuels as a rural development driver is a false promise.

Is it all bad?

Not all biofuels are created equal – and not all biofuels are agrofuels. There is growing interest in advanced biofuels made from waste or algae, but it is not yet clear if they will be commercially viable, and there is more research to be done to determine how they will impact food security and the environment.

Where do we go from here?

Despite the fact that biofuels are estimated to have been responsible for at least 30% of the global food price spike in 2008,⁵ policymakers have maintained the Renewable Fuel Standard (RFS) targets, which are set to increase biofuels production, rising from 13 billion gallons in 2010 to 36 billion gallons by 2022. It is the time to revise those targets and refocus attention on tempering excessive U.S. demand for energy and finding better solutions that contribute to global food security and help us to achieve energy security.

There are two upcoming opportunities to contain the biofuels boom and ensure that U.S. policy balances energy and hunger concerns:

- **Let VEETC expire.**

Jobs, the economy, and reducing the deficit are top priorities for Congress in 2011. We can save taxpayer dollars, without cutting jobs or hurting our economy, by allowing the Volumetric Ethanol Excise Tax Credit (VEETC) and the Biodiesel Tax Credit to expire.⁶ Ultimately, ethanol subsidies are a taxpayer give-away to big oil companies that increase the profits of a handful of agribusiness corporations. Ending these subsidies would save almost \$7 billion a year and would help contain biofuels expansion.

- **Don't blend more ethanol into our gasoline.**

Although revising the RFS entirely is not likely in Congress this year, some of the important details – like how much biofuel is blended into the gas we get at the pump – are still up for debate. Ensuring that the percentage of biofuels in gas stays at 10% will help limit the biofuels demand and protect our engines too.

ActionAid is working for policy changes on both of these fronts and is exploring other policy options that would enable states to opt out of the corn ethanol piece of biofuel targets.

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Elisa Mongue, a single mother, had her farm land taken by a biofuel company. She survives by making and selling reed mats in the village. “I don’t have a farm, I don’t have a garden, because the only land that I have has been destroyed. We are just suffering of hunger, because even if I go to look for another farm, they will just destroy it again,” she said.

Photographer’s Credit
James Oatway/Panos/ActionAid

2011 Food Price Hike Crisis – An Urgent Call to Action

With forecasts of another food price hike crisis under way, we have a unique opportunity to educate policy makers about the costs of converting food to fuel. Together we can change our agricultural policies to address the root causes of the crises and protect future generations from hunger and poverty.

¹ For comprehensive analysis on the causes and consequences of the 2008 Global Food Crisis, read the International Food Policy Research Institute (IFPRI) <http://www.ifpri.org/sites/default/files/publications/rr165.pdf>

² For a longer and more detailed analysis of the impact of industrial biofuels on people and global hunger, see ActionAid's Meals Per Gallon http://www.actionaid.org.uk/doc_lib/meals_per_gallon_final.pdf

³ For more about the agrofuel rollercoaster ride in the US and the impact on farmers and consumers in Ghana, Senegal and Mozambique, read ActionAid's Rethinking the Rush to Agrofuels http://actionaidusa.org/assets/pdfs/food_rights/rethinking_the_rush.pdf and Food, Farmers and Fuel http://www.actionaidusa.org/assets/pdfs/food_rights/actionaid_biofuels_report_nov_08.pdf

⁴ This and other statistics can be found in ActionAid International Biofuels Campaign Guide http://www.actionaid.org.uk/doc_lib/biofuels_campaign_guide.pdf

⁵ In 2008 several studies came out that identified biofuels as a part the food price hike crisis. The IMF attributed 20-30%, IFPRI 30%, FAO 56-59%, OECD almost 60% and the Donald Mitchell study for the World Bank at 75%. The World Bank later said that the role of biofuels was likely less than originally thought.

⁶ For more on VEETC, see ActionAid's Who Needs \$6 Billion? http://actionaidusa.org/what/food_rights/who_needs_6_billion/

For more information:
www.actionaidusa.org
ActionAid International USA
1420 K Street, NW, Suite 900
Washington, DC 20005
202-835-1240



ActionAid fights to end poverty and the injustices that cause it by helping poor and excluded people to secure and exercise their rights.