

Fuelling hunger: new data reinforces why the UK must tackle damaging biofuels policies at the G8 and the EU

Executive summary

More and more land is being switched from food production to grow crops for biofuels, exacerbating the problem of world hunger. The amount of food crops consumed as fuel by G8 countries annually could have fed more than 441 million people for a year, more than seven times the population of the UK.

Meanwhile, new data based on ActionAid research reveals that in sub-Saharan Africa six million hectares of land – 38 times the size of London – are now under the control of European companies planning to make money from Europe’s biofuel policies. Of the European companies that have invested in biofuels in sub-Saharan Africa, 30 are from the UK.

This is happening against a backdrop of 870 million people going hungry globally, and despite recommendations from influential global organisations like the World Bank, the World Trade Organisation and the UN’s Food and Agricultural Organisation that biofuels mandates be removed because of their role in causing food price increases.

This year the UK government has a major opportunity as the chair of the G8 summit in June to ensure that rich countries recognise the damaging effects of biofuels on food security. As one of the leading countries in the European Union – which is this year deciding on the future direction of its biofuels policies – the UK can also promote effective action within the EU to stop land being used for crops to fuel cars rather than feed people.

ActionAid urges the UK government to seize the initiative and demonstrate its commitment to tackling world hunger by promoting an end to the policies that take food away from the world’s poorest people.

G8 countries’ food as fuel consumption

As more and more food is used to fuel cars, it is increasingly clear that biofuel use in the world’s richest countries, including G8 nations, is contributing to global food price rises and world hunger.

Table 1 summarises just how many people could be fed if crops currently being used to produce biofuels for consumption in G8 countries were instead devoted to food production. While the US figure increases the total substantially, it is clear that even without the US, biofuels consumption in the other G8 countries takes a massive amount of food out of the food system at a time when 870 million people go to bed hungry every night.

| | |
|---------|-------------------|
| USA | 333,437,606 |
| Germany | 35,390,412 |
| France | 31,277,215 |
| Canada | 15,731,227 |
| Italy | 15,376,584 |
| UK | 10,166,141 |
| Japan | 498,667 |
| Russia | No data available |
| Total | 441,877,853 |

Table 1: The number of people who could have been fed for a year by the amount of food used as fuel in G8 countries.¹

The total number of people that could be fed by the food used as fuel in G8 countries is more than seven times the population of the UK,

considerably larger than the population of the US, and only marginally smaller than the entire population of member states belonging to the EU. It is also roughly half the number of people who currently go hungry, estimated by the UN at 870 million globally.

According to a report prepared for the G20 group of the world's leading nations by the World Bank, the OECD, WTO, IFPRI, IMF and five UN agencies, "food prices are substantially higher than they would be if no biofuels were produced".² Meanwhile a group of UN experts on food and agriculture has concluded that "the rise in prices largely reflects the difficulty that supply has had in keeping up with demand, and because the rise in biofuels has greatly increased the scope and rate of that rise in demand, it has played a predominant role in driving up prices".³

A telling indication of the extent to which crop production within the EU itself is being diverted to biofuels is the fact that 65% of all EU vegetable oil – mainly oil seed rape – now goes to biofuels. By 2020 EU biofuel targets could push up the agricultural price of vegetable oils by as much as 36%, cereals by as much as 22% and oilseeds by as much as 20%.⁴

ENOUGH FOOD FOR EVERYONE

IF WE STOP BURNING FOOD FOR FUEL



Land investments in poorest countries

As a result of the investment climate created by EU biofuels policies,⁵ European companies have invested extensively in land for biofuels both inside and outside the European Union – I and that could have produced food for people but is now designated for producing food for cars.

According to an ActionAid database of European biofuel company activities in Africa covering a time period from 2009 (when the European Union introduced the Renewable Energy Directive which drives up biofuels demand in Europe) to 2013, there are 98 documented biofuel projects covering 6 million hectares.⁶ That is the equivalent of more than 100 New Forests to grow crops which will end up as fuel in our petrol tanks.

The biggest investors of biofuels in sub-Saharan Africa (SSA) are from the UK (30 projects), Italy (18) and Germany (8).

The average size of investment is 68,000 hectares (ha) per plot. That is more than half the size of Manchester. Many of the projects have the explicit intention of exporting back into the EU in the near future, for example Swiss company Addax in Sierra Leone and Principle Energy in Mozambique.⁷ Together, these two projects alone will export about 300 million litres of ethanol per year, enough to supply half the UK's current ethanol demand. Exports are due to start 2013/14.

The data confirms the significant impact European biofuel policies are having on the distribution of land and on land rights in developing countries. So far, however, very little biofuel from sub-Sahara Africa shows up in European biofuel import statistics, given the time lag between investments being made and land being cleared and actual production leading to export.

Biofuel plantation projects take time to establish, and

The amount of food consumed as fuel by G8 countries annually could have fed more than 441 million people for a year, more than seven times the population of the UK.

many fail for different reasons – from unexpectedly low crop yields to credit falling through – resulting in no biofuels being exported at all. But for the communities living there, the damage is already done as they have often lost access to their land and livelihoods.

As the UK prepares to host an event on hunger in the run-up to the G8 summit, it should be a matter of troubling concern that many investments in land for biofuels are taking place in countries with high levels of food insecurity, as seen in the table below.

In Senegal, more than a million people received assistance from the World Food Programme (WFP) in 2012 due to food insecurity. The WFP also reports that in some regions of Senegal, as much as 20% of the population suffers from acute malnutrition, while in other regions up to 30% of children suffer stunted growth because of a sustained lack of food.⁹ Yet the amount of land taken out of food production in Senegal in order to produce biofuels is the equivalent of almost a million football pitches.

| Country | Ranking out of 105 countries in terms of food insecurity http://foodsecurityindex.eiu.com/Index | Total hectares of land investments for biofuels |
|--------------|--|---|
| Senegal | 94 | 650,106 |
| Zambia | 95 | 570,900 |
| Madagascar | 101 | 526,000 |
| Mozambique | 93 | 344,306 |
| Sierra Leone | 92 | 320,000 |
| Tanzania | 99 | 217,076 |



PHOTO: ACTIONAID

Henzanani Merakini in Dakatcha, Kenya, describes how a biofuel plantation changed her family's life in 2011

“Once the jatropha started being grown, my family’s children and animals have been kept off the land. We have been told that children and animals cannot go there. My family has lived in the area for about 200 years. My father, grandfather and ancestors are all buried here. We are so poor that we cannot fight a big company like this, so it is my wish that people assist us so we can be left in peace.”

“We have made a living here. In this forest, there are things that benefit us, and now our forest is being destroyed. From the forest, we get money to educate our children. But as of now, we no longer have mandate over the forest, we have to leave.”

Similarly in Sierra Leone, land double the size of London has seen investment in biofuels production – this in a country where as many as 45% of households, according to the WFP, do not have enough food.

Expensive and not good for the climate

Negative impacts on world hunger and community land are not the only consequences of biofuels production.

- **Climate impacts:** Loopholes in current EU legislation mean that biofuels that are worse for

the climate than fossil fuels are being burned in our cars. Under current projections of biofuels use until 2020 in the EU, biofuels consumption could add an additional 56 million tonnes of CO₂ emissions by 2020 – the equivalent of putting more than 26 million new cars on our roads by 2020.¹¹

- **Costs:** Biofuels consumption would cost UK motorists more than an extra billion pounds per year in increased fuel costs compared to not adding them to the fuel mix.¹² In 2013, it was revealed that – at a time of austerity and budget deficits – EU taxpayers were paying between 9.3-10.7 billion euros per year in subsidies to prop up the biofuels industry.

Recommendations

It is increasingly clear that what may have been a well-intentioned policy to try to make our transport fuels greener has turned out to be disastrous for global hunger. It has led to the diversion of land from producing food for people to producing fuel for cars. It has turned out that many biofuels are harmful to the environment and that, at a time of economic hardship, they are costing tax payers and motorists in developed countries enormous sums.

With the UK hosting the G8 meeting in June, as well as playing an important role in shaping EU legislation on biofuels this year, the government has two key opportunities to tackle the damaging impacts that the world's biofuel policies have on food and land. Specifically, the UK government should:

- Recognise biofuels as a key structural cause of hunger, using its presidency of the G8 to champion a major shift in biofuels policy and encourage other countries to follow suit.
- Use the EU's energy ministers' meeting on 6 June to call for an end to the use of food as fuel in the EU.

¹ ActionAid UK was not able to find any reliable data regarding biofuels consumption in Russia and has therefore not included Russia in these calculations. The calculations are based on the estimated amount of petajoules (PJs) consumed annually as biofuels in each of these countries, and how many people could have been fed with that amount of energy (when translated into calories, assuming the average adult needs to consume 2,240 calories per day) for a year. The amount of energy consumed per country derived mainly from the GAIN EU-27 Biofuels Manual 2012, and the EIA (in the US).

² World Bank et al, 2011. Price Volatility in Food and Agricultural Markets: Policy Responses. <http://www.oecd.org/agriculture/pricevolatilityinfoodandagriculturalmarketspolicyresponses.htm>

³ HLPE, 2013. Biofuels and Food Security. V0 Draft. www.fao.org/fsnforum/forum/discussions/biofuels-v0

⁴ OECD-FAO, 2011. Agricultural Outlook 2011-2020. http://www.fao.org/fileadmin/user_upload/newsroom/docs/Outlookflyer.pdf

⁵ This includes the 2006 communication 'An EU strategy for biofuels' and later the EU's Renewable Energy Directive in 2009.

⁶ ActionAid's own research as of March 2013.

⁷ ActionAid 2013. Internal data base of European biofuel companies in Africa.

⁸ <http://www.wfp.org/countries/senegal/food-security>

⁹ <http://www.wfp.org/countries/senegal/food-security>

¹⁰ <http://www.wfp.org/countries/sierra-leone/food-security>

¹¹ http://www.actionaid.org/sites/files/actionaid/driving_to_destruction_nov_2010.pdf

¹² http://www.actionaid.org/sites/files/actionaid/iisd_biofuels_at_what_cost_uk_report_final.pdf

¹³ http://www.transportenvironment.org/sites/te/files/publications/Briefing_IISD_Biofuels_T%26E.pdf