UN Rights Rapporteur: End Biofuel Mandates for Greater Food Security

By Timothy Spence | December 4, 2012

The United Nations' Special Rapporteur for food rights is calling for the European Union and United States to abandon their biofuel mandates, saying the requirements have “extremely negative” impacts at a time of volatility in commodity supplies and prices.

Olivier De Schutter, a Belgian law professor who became rapporteur during the throes of the 2008 food crisis, says the end to biofuel obligations would be the most immediate way to control speculation and price spirals that were augmented this year by extreme weather, including a drought that continues to grip more than half the United States.

“There is one immediate measure that could be taken, and that would have an immediate impact in taming the markets down and avoiding the current speculation on land and on food commodities...and that measure is to abolish mandates on biofuels,” De Schutter told The InterDependent ahead of Human Rights Day. “It’s very clear to me and to many experts that the policies pursued in the U.S., and the EU, in particular since 2006—these mandates have been extremely negative in their impacts.”

The EU’s 2006 Renewable Energy Roadmap set a target of 10 percent renewable energy use in road transport fuels by 2020, which Europe is on course to meet, mostly with biodiesel and ethanol, and to a smaller extent, through electric vehicles. For decades, the U.S. has promoted—and until this year, subsidized—ethanol, a biofuel derived from starchy plants like wheat and corn. The 2007 U.S. Energy Independence and Security Act calls for producing 36 billion gallons (136.3 billion liters) by 2022, nearly triple the 2010 output.

De Schutter is not alone in asking for a reversal of fuel policies. The U.S. drought prompted José Graziano da Silva, director general of the UN Food and Agriculture Organization (FAO), to urge Americans to suspend the biofuel quota. “The worst drought for 50 years is inflicting huge damage on the US maize crop, with serious consequences for the overall international food supply,” he wrote in a Financial Times commentary last August.

The global campaign group Oxfam has lobbied European energy ministers—who would have to bless any shift in the EU’s biofuel ambitions—to end mandates, claiming in a September report (The Hunger Grains) that the wheat and corn grown for biofuel could feed 127 million people for a year, or 15 percent of the 870 million people the FAO has classified as malnourished.

Clemens Breisinger, a research fellow at the International Food Policy Research Institute in Washington, says he’s convinced biofuel mandates undermine food security by creating competition between crops grown for food and fuel. He explained that about 40 percent of the U.S. corn crop is used for ethanol production, exposing food markets to price pressure when crops fail. “You really don’t need rocket science to show that this does have an impact,” he said in a telephone interview, noting that the U.S. is a major food exporter.

Pressure for Change

With summer fields of scorched crops stretched across the American Heartland, and southern European farmers under similar strain, global prices have risen, creating pressure for action. Although the FAO’s price index has fallen since September and is well below the peaks of 2008 and 2011, autumn dairy prices have remained high, in part because of tighter feed supplies. Meanwhile, the U.S. Agriculture Department reports that more than half the crucial High Plains region is under extreme or exceptional drought, and nearly 65 percent of the continental U.S. is under stress. There is lingering concern about future prices if winter wheat crops fail.

The response to appeals to abandon agricultural fuel mandates has differed on opposite sides of the Atlantic. In October, the European Commission called for cutting the 2020 biofuel target from 10 to 5 percent—a move that still must be approved by the bloc’s 27 national governments. In announcing the proposal, Connie Hedegaard, the EU executive’s climate commissioner, called for “truly sustainable biofuels. We must invest in biofuels that achieve real emission cuts and do not compete with food.”

But just last month, the U.S. Environmental Protection Agency rejected a request by governors of several American states to suspend the biofuel requirement due to high prices of corn for human and livestock use. The U.S. agency said it found no evidence that removing the mandate would lead to significantly lower commodity prices.

Biofuel industry representatives, meanwhile, contend that the EU’s reaction could hurt farmers and damage investments made in biofuel production and refining. In a joint statement following Commissioner Hedegaard’s announcement, leading European farmers’ organizations, along with the ethanol and biodiesel industries, urged the commission to reverse course.

Industry organizations in turn welcomed the EPA ruling on ethanol production. Rob Vierhout, secretary-general of European Renewable Ethanol, a trade group, lauded the U.S. EPA decision, saying in a statement: “It is encouraging that the US government authorities have based their decision-making on biofuels policy on hard facts and data analyses. We hope that this decision will encourage European decision-makers that there is no link between food prices and biofuels mandates and therefore introducing radical
policy measures to curb biofuels is unjustified.”

Vierhout had earlier criticized the FAO director general for urging Washington to suspend its ethanol mandate. “You cannot present a convincing case that biofuels are structurally causing higher food prices,” he said shortly after Graziano da Silva’s commentary was published. “We have had problems with [volatility] for decades and even in the time when biofuels were absolutely not around.”

Ensuring Social Justice

The UN food rights rapporteur sees the reactions from both Brussels and Washington to be counterproductive, and a sign of pressure that politicians face from “a very powerful economic sector.” The European Commission’s proposal to halve the fuel requirement does not go far enough, De Schutter said, and called on governments to immediately “renounce imposing such mandates in the production or consumption of biofuels.”

De Schutter, a Harvard-educated professor at the Catholic University of Louvain in Belgium and the College of Europe in Warsaw, sees his role as important in providing independent advice. Special rapporteurs carry a formal mandate, though they are not employees of the UN. De Schutter spends no time in court fighting for the right to food, but does court national leaders to promote food rights. “Our power is to shape discussions and to inform governments,” he explained. “It gets the conversation going and it helps stimulate the debate.”

Besides calling for an end to the biofuel mandates, De Schutter is also urging governments to be more aggressive in taming commodities speculation, and advocates a global social protection scheme for developing countries. The scheme, which De Schutter proposed along with Magdalena Sepúlveda Carmona, the UN Special Rapporteur on extreme poverty and human rights, calls for advanced countries to pay into a fund to help the poorest nations provide health care, unemployment and disability insurance, and food aid.

Social security, De Schutter explained, “is a way to ensure that the demographic growth remains limited and the speed of growth is reduced. It’s a way to ensure that girls will be educated for more years. It’s a way to ensure that the poorest groups in the country will have better incomes, allowing markets to develop.”

“I was surprised—favorably surprised—by the level of interest shown by governments and international agencies for this proposal,” he said of the initiative he launched with his Chilean colleague Carmona in October.

Yet Brussels and Washington are both weighing lean budgets for the foreseeable future, as European countries, battered by a three-year sovereign debt maelstrom, are under domestic pressure to reduce overseas development aid. Despite the response to the social fund proposal, De Schutter conceded it would not be easy to secure financing for the social fund in austere times. “That is, of course,” he said, “the major question mark.”