

The Debate on Biofuels: Between Food Security and the Price of Oil

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The debate on so-called “biofuels” has intensified in recent days. Rhetorical arguments are blindly repeated with speeches citing the environment and poor people as the central concerns. But when the time comes to make decisions these are wholly ignored. The United Nations and other institutions have made alarming warnings about fuels derived from agriculture, which in a strict sense should be called “agrofuels” to remind us they come from food crops.

Questions about agrofuels are now coming from various fronts. The director of the International Monetary Fund (IMF), Dominique Strauss-Kahn, added fuel to the fire when stating that producing biofuel from food crops constituted “a truly moral problem” while poor countries face full-fledged food crises. Bolivian president Evo Morales recently launched similar critiques.

The UN’s Special Rapporteur on the Right to Food Jean Ziegler once again called the massive production of biofuels a “crime against humanity” since using fertile lands to produce fuels reduces the amount of land used to grow food, which in turn raises food prices.

Speaking from the 30th Latin American and Caribbean Regional Conference of the UN’s Food and Agriculture Organization (FAO) Brazil’s president Luiz Inácio Lula da Silva retorted, “The real crime against humanity would be dismissing biofuels a priori, relegating countries strangled by food and energy shortages to dependency and insecurity.”

Representatives from 33 countries attended the FAO meeting with the objective of analyzing problems caused by the rising price of basic foods and the implications of this on food security. The conclusions of the conference were not promising. As the conference finished, FAO director Jacques Diouf said the food crisis in the world would be a prolonged one: “Some say if food production increases that prices will go down, but that isn’t what’s going to happen.”

He explained the spike in food prices is caused by a combination of factors, among them: the 58 percent rise of fertilizer prices in the last year, the high cost of oil, the actions of “speculators” looking for “opportunities” in markets of raw materials. In his view, the problem is not a shortage of food, but rather a problem of poor peoples’ access to food.

Juan García Cebolla, who coordinates the FAO’s “No Hunger Campaign” in Latin America and the Caribbean, corroborates his boss’ argument: “The region produces 30 percent more than what it needs to adequately feed its population. This shows its not a problem of

production in general, even if there are areas that produce less than they consume.” According to the FAO, 52 million people in Latin America are undernourished, nine million of which are boys and girls under the age of five.

Before the FAO, Lula argued that biofuels are not the “villain” threatening the food security of poor countries, and far from it: he said they could be used as a tool for economic development. He complained that biofuels’ impact on food is always brought up, but that no one questions “the negative impact of rising oil prices on production costs, or that few rise up against the harmful impacts of subsidies and agricultural protectionism” sustained by rich countries.

Perhaps without noticing Lula was essentially agreeing with the message of his archenemy at the head of the FAO (Diouf) in highlighting that rising food prices are being caused by a slew of villains, including the rise in oil prices. The value of oil has grown five-fold in the last decade if measured in dollars or quadrupled if measured in Euros. But the costs of extracting and processing crude have not changed substantially, so who is accumulating the winnings?

The major oil wells are not in the lands of central countries, and the largest reserves are not in the hands of private companies. Most of the little oil left in the world is actually in the hands of Third World state oil companies. The key question is: Where are those resources going?

The current discussion over food and agrofuels is avoiding a central issue: the problem is not only what is produced, it also about how the winnings are allocated. It is not just about whether land is sufficiently abundant to accommodate all crops, the problem is also about how this is organized and who controls production and the distribution of the profits.

The rationale expressed by the Brazilian president—part of a broader collective imaginary—is that farmers should produce agrofuels for export, rather than food. In this line of reasoning, the profits generated by biofuels will provide farmers (and other poor people) the economic means to buy food.

The problem, however, is that for some reason this income never reaches the poor farmers, who are supposedly the main preoccupation of rhetoric at these summits. The money stays at the various parts of a long chain of production, distribution, and consumption in which other groups enjoy the profits. This is the real “moral problem,” the actual “crime against humanity.”

It’s likely that the huge demand for biofuels shares responsibility for the rise in food prices. But it’s not true that biofuels are wholly responsible for an entire fifth of the world’s population is going hungry.

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