

# False claims of the agrofuels lobby

The three agrofuel lobbies are making a range of claims that don't stand the test against reality. Here are some examples of what they claim:

## ARGUMENT: Agrofuels are sustainable

**The MPOC in their BBC television ad says “Malaysia palm oil. Sustainably produced since 1917”**

**UNICA in their advertising series say “The Brazilian experience proves that food, fuel, feed and fiber can be produced simultaneously and sustainably”**

**Abengoa in their advertising series say “Imagine a cleaner energy and an energy locally produced in the European Union. Bioethanol can do both.”**

A wide range of actors have well-founded doubts regarding the sustainability of agrofuels. Here are some examples of many:

The **Advertising Standards Authority (ASA)**<sup>1</sup> in the UK on January 9<sup>th</sup> 2008 ruled that the MPOCS claims in their BBC television ad are misleading. They considered that “Sustainably produced” is a vague and general term. The consumer is likely to take from the term that palm oil is produced without harming the environment in any way. However, the MPOC had not provided substantiation to show that all palm oil plantations in Malaysia met criteria for sustainable production (not least because those criteria were not yet in existence). The sustainability of palm oil production in Malaysia is still subject to public and scientific debate and a final certification system has not yet been agreed.

Further, the ASA considered that the claims in the BBC ad (“its trees ... help our planet breathe”, “a gift from nature, a gift for life”, “this gift from nature, this gift for life” and “sustainably produced”, along with the footage of native rainforests and wildlife) would induce the viewers to think that it was generally accepted that palm oil plantations in Malaysia benefited the environment. The ASA concluded that this is a misleading claim as there is no consensus that there was a net benefit to the environment from Malaysia's palm oil plantations.

Despite this ruling, the MPOC launched a new video “Malaysia Palm Oil: Golden Oil from Green Agriculture” and other promotional material that repeated the claim that “Malaysia Palm Oil is Sustainable”<sup>2</sup>

In the face of such blatant unreasonableness, criticism of the MPOC's claims comes even from within the **palm oil industry**:<sup>3</sup>

*“MPOC must get rid of that video,” said a senior executive with a major plantation firm. “A few of the statements are so blatantly untrue that it undermines our credibility. It doesn't matter that some of the video is accurate. Environmental groups are going to focus on the obvious fallacies and use them against us.”*

*“Dr. Basiron's comments are a liability,” said a senior researcher with an agrochemicals firm. “Most of what he said was accurate but when he makes ridiculous claims on biodiversity loss and deforestation, it only serves to help the greenies and tarnish the image of the MPOC.”*

*An executive from another plantation company said he was surprised that the MPOC made the same mistakes with the new video as it did with a previous advertisement that was labeled misleading by Britain's Advertising Standards Authority (ASA).*

1 See ruling at: [http://www.asa.org.uk/asa/adjudications/Public/TF\\_ADJ\\_43763.htm](http://www.asa.org.uk/asa/adjudications/Public/TF_ADJ_43763.htm)

2 see new video titled 'Golden Oil from Green Agriculture' [http://www.youtube.com/watch?v=SCp9y6\\_Ajal](http://www.youtube.com/watch?v=SCp9y6_Ajal)

3 Malaysian Palm Oil – Green gold or green wash. A commentary on the sustainability claims of Malaysia's palm oil lobby, with a special focus on the state of Sarawak. Friends of the Earth 2008. p. 51  
<http://www.foeeurope.org/publications/2008/malaysian-palm-oil-report.pdf>

The **European Environment Agency's Scientific Committee** (composed of 20 independent scientists from 15 EEA member countries) in April 2008 published an opinion on the environmental impacts of biofuel use in Europe.<sup>4</sup> It considers that the 10% biofuel target is an overambitious experiment whose unintended effects are difficult to predict and difficult to control. Therefore the Scientific Committee recommends suspending the 10 % goal; carrying out a new, comprehensive scientific study on the environmental risks and benefits of biofuels; and setting a new and more moderate long-term target, if sustainability cannot be guaranteed.

Similarly, the **Environmental Audit Committee of the UK House of Commons** in January 2008 called for a moratorium on agrofuel targets whose unintended effects are difficult to predict and difficult to control.<sup>5</sup> In its report "Are biofuels sustainable?"<sup>6</sup> it raises the concern that some agrofuels emit more greenhouse gases than fossil fuels, and that habitats such as tropical rainforests are being destroyed in order to plant the new crops. It argues that the Government should instead concentrate on the use of sustainable biofuels such as waste vegetable oil and the development of more efficient biofuel technologies that could have a role to play in the future once they have been shown to be sustainable. It recommends that support should no longer be provided for the production of "damaging first generation biofuels".

The UK **Renewable Fuels Agency in their Gallagher Review** of the Indirect Effects of Biofuels (prepared for the UK government)<sup>7</sup> concluded that there is a future for a sustainable biofuels industry but that feedstock production *must* avoid agricultural land that would otherwise be used for food production. This is because the displacement of existing agricultural production, due to biofuel demand, is accelerating land-use change and, if left unchecked, will reduce biodiversity and may even cause greenhouse gas emissions rather than savings. The introduction of biofuels should be significantly slowed until adequate controls to address displacement effects are implemented and are demonstrated to be effective. A slowdown will also reduce the impact of biofuels on food commodity prices, notably oil seeds, which have a detrimental effect upon the poorest people.

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4 <http://www.eea.europa.eu/highlights/suspend-10-percent-biofuels-target-says-eeas-scientific-advisory-body>

5 [http://www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee/eac\\_210108.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac_210108.cfm)

6 <http://image.guardian.co.uk/sys-files/Environment/documents/2008/01/18/EACbiofuelsreport.pdf>

7 <http://www.dft.gov.uk/rfa/reportsandpublications/reviewoftheindirecteffectsofbiofuels.cfm>

**ARGUMENT: Agrofuels don't cause deforestation and don't have damaging effects on the environment**

**The MPOC claims that “zero-burning is strictly enforced by Malaysia’s laws” and “forests are not converted for oil palm expansion in Malaysia”**

**Unica claims that “sugarcane expands primarily on degraded pastures and does not [...] cause deforestation of the Amazon” and that its biofuel is “grown on only 1% of Brazil's arable land”**

**Abengoa claims that bioethanol “can be locally produced in the EU without affecting [...] the environment”**

Although the **Malaysian palm oil lobby** claims that zero burning practices are enforced throughout Malaysia, the reality is that this is not the case in Sarawak, Malaysia’s largest state in terms of land territory, and the state where oil palm plantations are being most vigorously expanded so far. This can be verified by a visit to the website of the Sarawak Natural Resources and Environment Board (NREB)<sup>8</sup>, where documents are posted that clearly demonstrate that open burning for plantation expansion, is legalized in Sarawak. Open burning, even on peat land, is routinely allowed and appears to be commonly practised by plantation companies in Sarawak.<sup>9</sup>

The Malaysian palm oil lobby also claimed that “forests are not converted for oil palm expansion in Malaysia”. But there is an overwhelming body of evidence that oil palm plantations are being expanded at the expense of tropical forests. In Sarawak, peat swamp forests are particularly targeted for expansion and for this purpose at least 400,000 ha of Permanent Forest Estates were allocated for the conversion into agriculture plantations, mostly oil palm. Based on statistics supplied by the Malaysian government, it is estimated that the average loss of natural forest in Malaysia for oil palm expansion amounts to 70,000 hectares per year in the 1990-2010 period. A recent call by Malaysia’s Prime Minister on the country’s state governments to end this practice was swiftly brushed off by the Chief Minister of Sarawak, indicating that the state will continue to allocate more forestlands for oil palm expansion.<sup>10</sup>

MPOC claims that oil palm plantations in Malaysia were mostly planted on former rubber, cocoa and coconut plantations. They argue that between 1990 and 2005, the total oil palm area increased by some 2 Mha, while the total area of rubber, cocoa and coconut plantations declined with 1.14 Mha and they thus argue that only the balance is planted on (logged over) forest areas.<sup>11</sup> Interestingly, the new area opened up for oil palm plantations in the 1990-2005 period (929,000 ha) nearly matches the reported natural forest cover loss in Malaysia over the same period (913,000 ha).<sup>12</sup> So, following MPOC’s line of argument, it might well be argued that all deforestation in Malaysia can be attributed to oil palm expansion.<sup>13</sup>

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8 nreb.gov.my/main\_legis.html

9 Malaysian Palm Oil – Green gold or green wash. A commentary on the sustainability claims of Malaysia’s palm oil lobby, with a special focus on the state of Sarawak. Friends of the Earth 2008. p. 22ff.

<http://www.foeeurope.org/publications/2008/malaysian-palm-oil-report.pdf>

10 Malaysian Palm Oil – Green gold or green wash. A commentary on the sustainability claims of Malaysia’s palm oil lobby, with a special focus on the state of Sarawak. Friends of the Earth 2008. p. 28ff.

<http://www.foeeurope.org/publications/2008/malaysian-palm-oil-report.pdf>

11 Basiron, Y. Sustainable Palm Oil Production in Malaysia. Paper presented at: Symposium on Sustainable Development, London, 18 July 2006; FAO, 2006. Global Forest Resource Assessment 2005. Food and Agriculture Organization, Rome.

12 Calculation based on data from the WorldBank and the FAO; see table p. 29, Malaysian Palm Oil – Green gold or green wash. A commentary on the sustainability claims of Malaysia’s palm oil lobby, with a special focus on the state of Sarawak. Friends of the Earth 2008. <http://www.foeeurope.org/publications/2008/malaysian-palm-oil-report.pdf>

13 Of course, not all deforestation can be attributed to oil palm expansion because natural forests were also lost in Malaysia as a result of other causes (e.g. dam construction, highways, tree plantations and urban development). Most likely, a larger area of forest was lost than what was reported by Malaysia to the FAO for the period at hand.

**Unica's** claims that sugarcane expands primarily on degraded pastures is not correct either. It seems currently impossible for Unica to gauge accurately whether 'most' of its sugarcane is grown on degraded pastures, since the amount of land falling under that category is fiercely disputed. Embrapa<sup>14</sup>, the Brazilian Ministry of Agriculture<sup>15</sup>, and the Brazilian Ministry for Environment have recently come up with estimates ranging from 30 to 200 million hectares of degraded land currently in existence in Brazil. There is evidence that sugarcane is actually often grown on the Cerrado savannah of Central Brazil, one of the world's most biodiverse and also most threatened habitats.<sup>16</sup> The cerrado is now disappearing more than twice as the rate as the neighboring Amazon rainforest, according to a Brazilian expert on the savanna ecosystem.<sup>17</sup>

In addition, though the advertisement clearly implies that degraded pastures would be a suitable place to raise sugarcane, a 2007 study proves the opposite.<sup>18</sup> The study shows that, while small scale farming and milk production can prosper on degraded pastures, they are quickly being displaced by the expansion of giant sugarcane monocultures. There is increasing international consensus<sup>19</sup> that indirect impacts by pushing other agricultural activities into forested areas have to be taken into account as well. The main causes for deforestation in the Amazon between 2000-2005 were 60-70% cattle farmers and 30-40% small-scale subsistence agriculture, large-scale commercial agriculture only for 1-2%.<sup>20</sup> However, large-scale commercial agriculture such as sugarcane has a much greater impact on deforestation by consuming cleared land, savannah, and transitional forests, thereby pushing cattle ranchers and slash-and-burn farmers ever deeper into the forest frontier.<sup>21</sup> Between May 2000 and August 2006, Brazil lost nearly 150,000 square kilometres of forest—an area larger than Greece.<sup>22</sup>

Finally, Unica's claim to produce agrofuels on only 1% of arable land is clearly preposterous, given that an analysis by IBGE<sup>23</sup> estimates that the area occupied by sugarcane already makes up 18% of the area already under agricultural production in Brazil.

**Abengoa** claims that the EU biofuel target of 10% can be reached with locally (in the EU) produced bioethanol without affecting the environment. However, according to estimations made by the European Environment Agency (EEA), "the land required to meet the 10 % target exceeds the available land area in the EU even if a considerable contribution of second generation fuels is assumed. The consequences of the intensification of biofuel production are thus increasing pressures on soil, water and biodiversity. The 10 % target will require large amounts of additional imports of biofuels. The accelerated destruction of rain forests due to increasing biofuel production can already be witnessed in some developing countries. Sustainable production outside Europe is difficult to achieve and to monitor."<sup>24</sup>

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14 Tecnologias Embrapa auxiliam na recuperação de áreas degradadas. [www.embrapa.br](http://www.embrapa.br), acessado em 01/08/08.

15 Reuters. *Recuperação de pastagens e agricultura sustentável terão R\$ 1 bi*. O Estado de São Paulo, 02/07/08.

16 Sugarcane ethanol: a sweet solution for Europe's fuel addiction? Research paper by Corporate Europe Observatory, Sept. 2008. <http://www.corporateeurope.org/ethanolfueladdiction.html>

17 Dr. Ricardo Machado, author of a recent Conservation International (CI) study on the cerrado, told <http://news.mongabay.com/2007/0821-cerrado.html>

18 Teixeira, W.F, Zucarelli, M.; Ortiz, L.(Coord.) *Despoluindo Incertezas: Impactos Territoriais da Expansão das Monoculturas Energéticas no Brasil e Replicabilidade de Modelos Sustentáveis de Produção e Uso de Biocombustíveis*, 2007. Disponível em: [http://www.natbrasil.org.br/Docs/biocombustiveis/expansao\\_biocombustiveis\\_brasil.pdf](http://www.natbrasil.org.br/Docs/biocombustiveis/expansao_biocombustiveis_brasil.pdf)

19 Cf e.g. the Gallagher Review of the Indirect Effects of Biofuels <http://www.dft.gov.uk/rfa/reportsandpublications/reviewoftheindirecteffectsofbiocombustiveis.cfm>

20 <http://www.mongabay.com/brazil.html>

21 Explanation from Philip Fearnside, co-author of a report in Science [21-May-04] and member of Brazil's National Institute for Amazonian Research in Manaus on <http://www.mongabay.com/brazil.html>

22 <http://rainforests.mongabay.com/20brazil.htm>

23 IBGE – INSTITUTO BRASILEIRO DE GEOGRAFIA E ESTATÍSTICA. *Produção Agrícola Municipal: Culturas Temporárias e Permanentes*. IBGE, 2006.

24 Opinion of the EEA Scientific Committee on the environmental impacts of biofuel utilisation in the EU - <http://www.eea.europa.eu/highlights/suspend-10-percent-biocombustiveis-target-says-eeas-scientific-advisory-body> (April 10 2008)

## ARGUMENT: Agrofuels lead to big greenhouse gas saving and don't create a carbon debt

**The MPOC claims that “palm oil achieves green house gas savings of up to 80 - 90% when compared to fossil fuels and that oil palm does not create carbon debt as it “absorbs almost as much carbon dioxide as tropical forests do”**

**Unica claims that “brazilian sugar cane reduces GHG emissions by up to 90%”and argues that sugarcane generates a carbon credit as it“captures more carbon than pasture land”**

**Abengoa claims that “bioethanol enables a 45-70% reduction in greenhouse gases for each kilometer driven”**

A large number of studies and reports agree that agrofuels are not per default 'carbon neutral'. Whether the **Environmental Audit Committee** of the UK House of Commons, the **Gallagher Review of the Indirect Effects of Biofuels**, the **International Energy Agency**, the latest **FAO report** on The State of Food and Agriculture 2008 or the **EU's Proposal for a Directive** on the promotion of the use of energy from renewable sources<sup>25</sup>, there is consensus that the GHG savings have to be calculated well-to-wheel. Most sources include additional emissions from agriculture, manufacture of fertilisers and emissions of nitrous oxide (a potent greenhouse gas) from its application, fuel processing and distribution, and emissions from carbon stock change caused by land use change. When all these emissions are considered, agrofuels can actually lead to more GHG being emitted than if petrol or diesel was used.

The **Gallagher review** states that "the balance of evidence shows a significant risk that current policies will lead to net greenhouse gas emissions".<sup>26</sup> Righelato & Spracklen in their article "Carbon Mitigation by Biofuels or by Saving and Restoring Forests" argue that any possible greenhouse gas savings from using land for agrofuels are smaller than those which could be obtained by allowing natural vegetation, and in particular natural forests, to recover on the same land.<sup>27</sup>

There are substantial differences regarding the figures used for GHG savings of different crops, and therefore substantial confusion as to which number is correct. However, most recent studies and sources indicate lower life-cycle savings than what MPOC, Unica and Abengoa claim they can achieve.

The **MPOCS's** claim that palm oil achieves GHG savings of up to 80-90% is based on a nine-year old study that did not take into account the GHG emissions released from deforestation or drainage of peat lands.

In the case of palm oil, the carbon debt is huge if the plantation is developed on peat soils and/or at the expense of forests. Fargione et al. calculated that it takes 420 years to repay the carbon debt for biodiesel from converted natural peat forests,<sup>28</sup> while another study estimated a carbon debt of over 900 years.<sup>29</sup> The debt can be small if the plantation was developed on mineral soil without forest cover. At present, most new plantation developments in Malaysia are established on peat land and/or forested land, and there is

<sup>25</sup> [http://www.parliament.uk/parliamentary\\_committees/environmental\\_audit\\_committee/eac\\_210108.cfm](http://www.parliament.uk/parliamentary_committees/environmental_audit_committee/eac_210108.cfm);

Gallagher Review of the Indirect Effects of Biofuels

<http://www.dft.gov.uk/rfa/reportsandpublications/reviewoftheindirecteffectsofbiofuels.cfm>

International Energy Agency (Biofuels for Transport – an International Perspective)

<http://www.iea.org/textbase/nppdf/free/2004/biofuels2004.pdf>;

FAO report on The State of Food and Agriculture 2008: Biofuels: prospects, risks and opportunities

[http://www.fao.org/sof/sofa/index\\_en.html](http://www.fao.org/sof/sofa/index_en.html)

Annex VII to the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the promotion of the use of energy from renewable sources

[http://ec.europa.eu/energy/res/legislation/doc/strategy/res\\_directive.pdf](http://ec.europa.eu/energy/res/legislation/doc/strategy/res_directive.pdf)

<sup>26</sup> Gallagher Review of the Indirect Effects of Biofuels

<http://www.dft.gov.uk/rfa/reportsandpublications/reviewoftheindirecteffectsofbiofuels.cfm>

<sup>27</sup> Renton Righelato and Dominick Spracklen: "Carbon Mitigation by Biofuels or by Saving and Restoring Forests" (Science, Vol 316, 17th August 2007, p.902)

<sup>28</sup> Fargione J., et al.: Land Clearing and the Biofuel Carbon Debt. Science 319, 1235. February 2008

<sup>29</sup> Gibbs, H.K. et al (2004), Carbon payback times for crop-based biofuel expansion in the tropics: the effects of changing yield and technology. Environ. Res. Lett. 3 (2008) 034001.

little non-forested, unused and truly degraded alternative land available.<sup>30</sup>

A landmark study by Delft Hydraulics, Wetlands International and Alterra found that “Deforested and drained peat lands in SE Asia are a globally significant source of CO<sub>2</sub> emissions and a major obstacle to meeting the aim of stabilizing greenhouse gas emissions [...]” The current total peat land CO<sub>2</sub> emission of 2,000 Mt/y equals almost 8% of global emissions from fossil fuel burning.”<sup>31</sup>

In the proposal for a Directive on the promotion of the use of energy from renewable sources, the EU uses figures ranging from 32-38% for typical GHG savings from palm oil biodiesel produced in countries like Malaysia and Indonesia.<sup>32</sup> In case of no methane emissions at the oil mill, savings can be up to 63%.

**Unica** claims that Brazilian sugarcane reduces GHG emissions by up to 90% and captures more carbon than pasture land. However, the demand for land for sugarcane is leading to the conversion of Cerrado grasslands and wooded savannah for crops, releasing stored carbon dioxide, and displacing previous users like cattle farmers who move into tropical forests. Fargione et. al. estimated that, if of the effect of land conversion was taken into account, it would take sugar cane ethanol sourced from previously wooded Cerrado lands in Central Brazil 17 years to repay its climate debt.<sup>33</sup> Given that sugarcane plantation often deplete the soil in less than 17 years, there is no guarantee that this carbon debt will ever be paid.<sup>34</sup>

EU figures in the Directive on the promotion of the use of energy from renewable sources indicate typical GHG savings from sugarcane of up to 74%.<sup>35</sup>

**Abengoa** claims that “bioethanol enables a 45-70% reduction in greenhouse gases for each kilometer driven”. This could actually be true if they were talking about sugarcane from Brazil. However, this statement appears together with their second main claim, that “the European bioethanol industry can achieve EU targeted goals using locally produced biomass [...]”. As they are referring to European production, it is also the reduction potential of bioethanol produced in the EU which has to be considered.

In the EU ethanol is mainly made from cereals (wheat, corn, rye, barley) and sugar beets. According to EU figures, typical GHG savings from wheat ethanol for use in transport can be as low as 32%, whereas new figures not yet analysed show sugar beet could be as high as 61%. However these figures do not take into account any land use changes (direct or indirect) so are likely to be much lower. A value anywhere close to 70% can currently be potentially achieved by waste vegetable or animal oil (83%) - a technology Abengoa Bioenergy doesn't seem to be investing in<sup>36</sup> - and some future biofuels that are not or in negligible quantities on the market at the moment.<sup>37</sup>

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30 Malaysian Palm Oil – Green gold or green wash. A commentary on the sustainability claims of malaysia's palm oil lobby, with a special focus on the state of Sarawak. Friends of the Earth 2008. p. 28ff.

<http://www.foeeurope.org/publications/2008/malaysian-palm-oil-report.pdf>

31 Peat CO<sub>2</sub>: Assesment of CO<sub>2</sub> emissions from drained peatlands in South-east Asia. Aljosja Hooijer (Delft Hydraulics), Henk Wösten (Alterra), Marcel Silvius (Wetlands International), Susan Page. A study of Delft Hydraulics in cooperation with Wetlands International and Alterra. 2006

32 Annex VII to the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the promotion of the use of energy from renewable sources

[http://ec.europa.eu/energy/res/legislation/doc/strategy/res\\_directive.pdf](http://ec.europa.eu/energy/res/legislation/doc/strategy/res_directive.pdf)

33 FARGIONE, Joseph. Hill, Jason. Tilman, David. Polasky, Sthepen. Hawthorne, Peter. Land Clearing and the Biofuel Carbon Debt Science. Science, 29 February 2008: Vol. 319. no. 5867, pp. 1235 – 1238, or

<http://www.nature.org/initiatives/climatechange/features/art23819.html?src=new>

34 Sugarcane ethanol: a sweet solution for Europe's fuel addiction? Research paper by Corporate Europe Observatory, Sept. 2008. <http://www.corporateeurope.org/ethanolfueladdiction.html>

35 Annex VII to the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the promotion of the use of energy from renewable sources

[http://ec.europa.eu/energy/res/legislation/doc/strategy/res\\_directive.pdf](http://ec.europa.eu/energy/res/legislation/doc/strategy/res_directive.pdf)

36 Cf their website [http://www.abengoabioenergy.com/sites/bioenergy/en/acerca\\_de/general/introduccion/index.html](http://www.abengoabioenergy.com/sites/bioenergy/en/acerca_de/general/introduccion/index.html)

37 Annex VII to the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the promotion of the use of energy from renewable sources

[http://ec.europa.eu/energy/res/legislation/doc/strategy/res\\_directive.pdf](http://ec.europa.eu/energy/res/legislation/doc/strategy/res_directive.pdf)

## ARGUMENT: Agrofuels don't compete with food production and don't affect food prices

**Unica claims that sugar cane “expands primarily on degraded pastures and does not compete with food production [...]”**

**Abengoa claims that bioethanol “can be locally produced in the EU without affecting food prices [...]”**

The **World Bank and the IMF** have produced a report on the rising food prices, concluding that increased bio-fuel production has contributed to the rise in food prices. The increased demand for bio-fuel raw materials, such as wheat, soy, maize and palm oil has led to an increased competition for cropland. The report says that “Almost all of the increase in global maize production from 2004 to 2007 (the period when grain prices rose sharply) went for bio-fuels production in the U.S., while existing stocks were depleted by an increase in global consumption for other uses. Other developments, such as droughts in Australia and poor crops in the E.U. And Ukraine in 2006 and 2007, were largely offset by good crops and increased exports in other countries and would not, on their own, have had a significant impact on prices. Only a relatively small share of the increase in food production prices (around 15%) is due directly to higher energy and fertilizer costs.”<sup>38</sup>

The latest **FAO report on The State of Food and Agriculture 2008** (Biofuels: prospects, risks and opportunities) concluded that “rapidly growing demand for biofuel feedstocks has contributed to higher food prices, threatening the food security of poor net food buyers in both urban and rural areas. Safety nets are urgently needed to protect the world’s poorest and most vulnerable people and ensure their access to adequate food.”<sup>39</sup>

## Annex

See misleading material of the Malaysian Palm Oil Council

- For the MPOC BBC television ad, see [http://www.foeeurope.org/corporates/greenwash/MPOC/index\\_MPOC.html](http://www.foeeurope.org/corporates/greenwash/MPOC/index_MPOC.html)
- see new video titled 'Golden Oil from Green Agriculture' [http://www.youtube.com/watch?v=SCp9y6\\_AjaI](http://www.youtube.com/watch?v=SCp9y6_AjaI)
- See MPOC press release at [http://www.mpoc.org.my/envo\\_pressrelease\\_150908.asp](http://www.mpoc.org.my/envo_pressrelease_150908.asp)
- see invitation to the breakfast roundtable discussion:  
[http://www.foeeurope.org/corporates/worstlobby/mpoc\\_gplus\\_roundtable\\_invitation.pdf](http://www.foeeurope.org/corporates/worstlobby/mpoc_gplus_roundtable_invitation.pdf)

See the ruling of the British Advertising Standards Authority on MPOC's BBC television ad  
[http://www.asa.org.uk/asa/adjudications/Public/TF\\_ADJ\\_43763.htm](http://www.asa.org.uk/asa/adjudications/Public/TF_ADJ_43763.htm)

See misleading material of Abengoa: See Abengoa ads and Letter to the European Voice (October 2nd 2008) at  
[http://www.foeeurope.org/corporates/worstlobby/abengoa\\_advertisement\\_and\\_letter.pdf](http://www.foeeurope.org/corporates/worstlobby/abengoa_advertisement_and_letter.pdf)

T&E report referenced in the Abengoa advertisement [http://www.transportenvironment.org/Publications/prep\\_hand\\_out/lid:431](http://www.transportenvironment.org/Publications/prep_hand_out/lid:431)

Opinion of the EEA Scientific Committee on the environmental impacts of biofuel utilisation in the EU  
<http://www.eea.europa.eu/highlights/suspend-10-percent-biofuels-target-says-eeas-scientific-advisory-body>

See ads of Unica: [http://www.foeeurope.org/corporates/worstlobby/unica\\_advertisement.pdf](http://www.foeeurope.org/corporates/worstlobby/unica_advertisement.pdf)

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<sup>38</sup> Rising food prices:

Policy options and World Bank response

. p.1 [http://siteresources.worldbank.org/NEWS/Resources/risingfoodprices\\_backgroundnote\\_apr08.pdf](http://siteresources.worldbank.org/NEWS/Resources/risingfoodprices_backgroundnote_apr08.pdf)

<sup>39</sup> FAO report on The State of Food and Agriculture 2008: Biofuels: prospects, risks and opportunities  
[http://www.fao.org/sof/sofa/index\\_en.html](http://www.fao.org/sof/sofa/index_en.html)