# Ethiopia: The Biofuel Myth

By Jose Graziano DA Silva

Over the past several years, biofuels have become a bone of contention. For some, a renewable energy source produced from organic matter amounts to a magic wand in the fight against climate change. But others view biofuels as an existential threat, because the plants used to create them compete for agricultural land and water that would otherwise be used to grow food.

But this is a false dichotomy. The choice cannot be between food and fuel. We can make good use of both. Given the right conditions, biofuels can be an effective means to increase food security by providing poor farmers with a sustainable and affordable energy source.

In some land-locked African countries, gasoline costs three times the global average, making fuel prices one of the main barriers to agricultural growth. Extending the use of biofuels in these regions could boost productivity and create new employment opportunities, especially in rural areas. The effect could be made even stronger if the additional demand for feedstock created by biofuels was met by family farmers and small-scale producers.

Biofuels have become a fact of life, and their use is expected to continue to increase steadily. In 2013, biofuels accounted for three percent of the total transport fuel used around the world, according to a report by the Food & Agricultural Organisation (FAO) and the OECD [Organisation for Economic Co-operation & Development]. While this percentage is expected to remain steady, we can nonetheless expect the production of biofuels to grow in absolute terms as the global market for transport fuels also expands.

Indeed, global biofuel production is projected to be double by 2023 relative to its level in 2007. If that prediction is borne out, biofuels will consume 12pc of the world's coarse grain, 28pc of its sugar cane, and 14pc of its vegetable oil. As production of these fuels grows, we will require policies, programmes and capacities that ensure that they are used sustainably, without distorting food markets or compromising food security, which will always be the first priority.

The pioneers of biofuels would probably be surprised by how little they contribute to the total world fuel supply today. Rudolf Diesel's first engine, designed in the late 1800s, ran on fuel derived from peanut oil. Henry Ford once scouted Florida in hopes of buying tracts of land to plant sugar cane, convinced that the United States would not tolerate the pollution from burning fossil fuels or the dependency implicit in importing oil to produce gasoline.

Only in recent decades have biofuels regained their original appeal, owing to efforts to secure affordable energy, generate income, and mitigate the dependency of which Ford warned. More recently, concerns

about pollution, climate change, and the finite nature of fossil fuels has driven a spike in demand - one that must now be managed.

Flexibility is key to efforts to leverage the world's growing reliance on biofuels to boost agricultural productivity, accelerate rural development, and increase food security. For example, policymakers must defuse the competitive pressures between food and fuel by designing schemes to counter price volatility for basic foodstuffs.

Authorities could require that the percentage of biofuels blended with conventional fuel be increased when food prices drop and cut when they rise. This would serve as a sort of automatic stabilizer. Poor farmers would continue to enjoy robust demand for their products even when food prices dropped, and consumers would be protected from rapid or excessive price increases.

National targets could also be made more flexible. If mandates for biofuel use were applied over several years instead of only one, policymakers could influence demand in order to minimise pressure on food prices.

At the individual level, greater flexibility could also be built in at the pump, through the promotion of flex-fuel vehicles of the type already in use in Brazil. If cars are equipped with engines that can run on conventional fossil fuels or blends with high percentages of biofuels, consumers can adapt to changes in prices by switching between one or the other.

Finding the right balance will not be easy. But if we harness our collective knowledge, include developing countries' smallholder farmers in this effort, and maintain our focus on reducing poverty and protecting the vulnerable, we can have more fuel, more food, and greater prosperity for all.

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