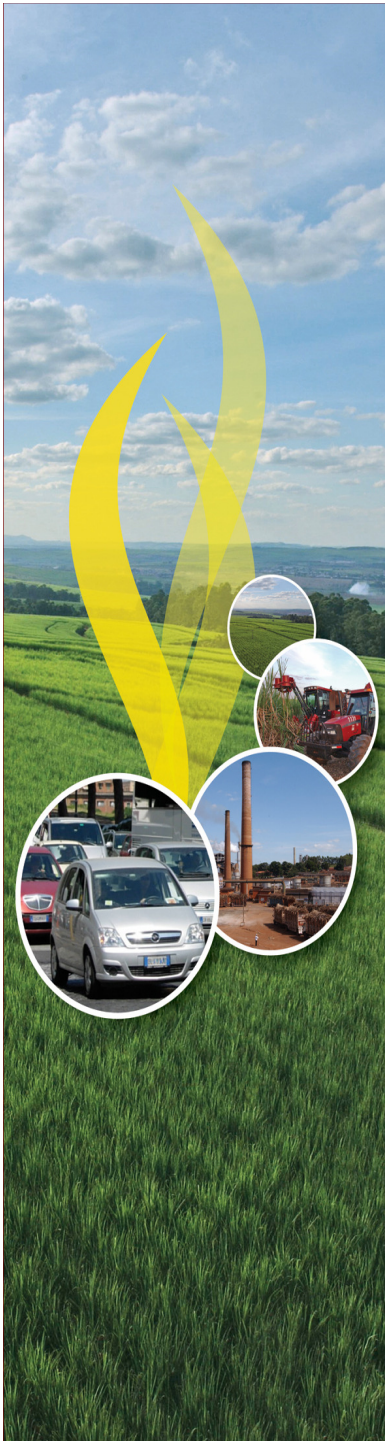


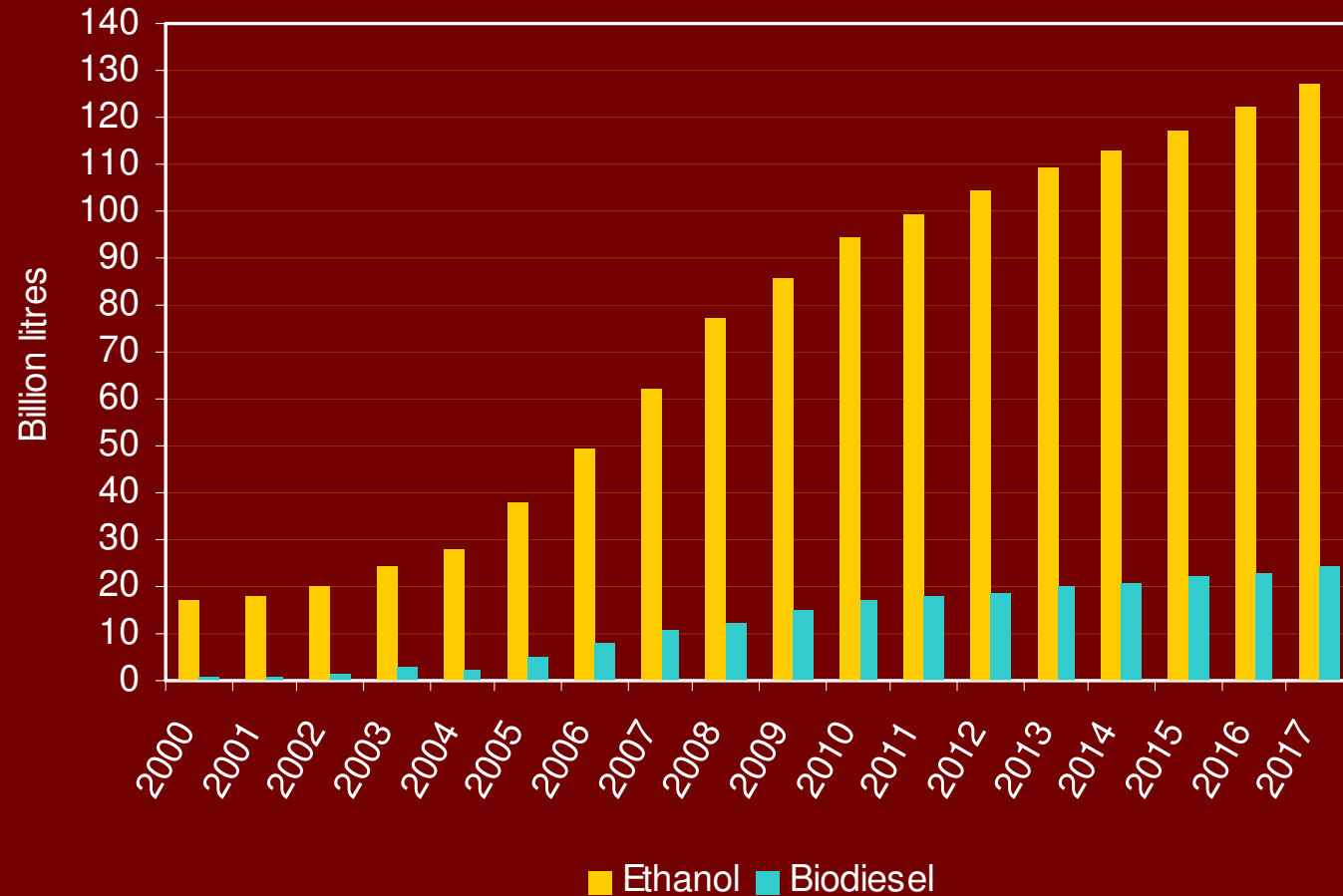
The State of Food and Agriculture 2008

Biofuels: prospects, risks and opportunities

Food and Agriculture Organization
of the United Nations
Rome
7 October 2008

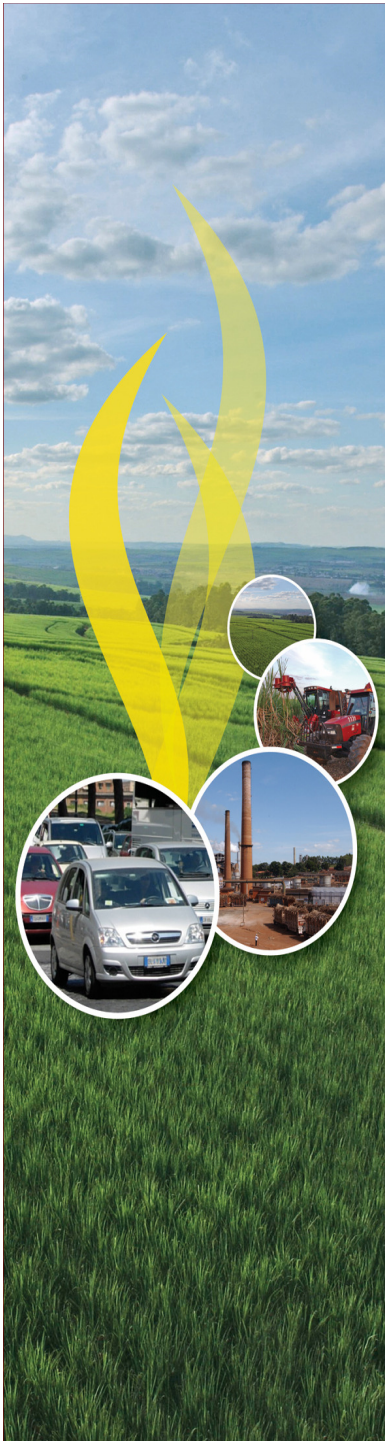


World ethanol and biodiesel production, 2000-2017



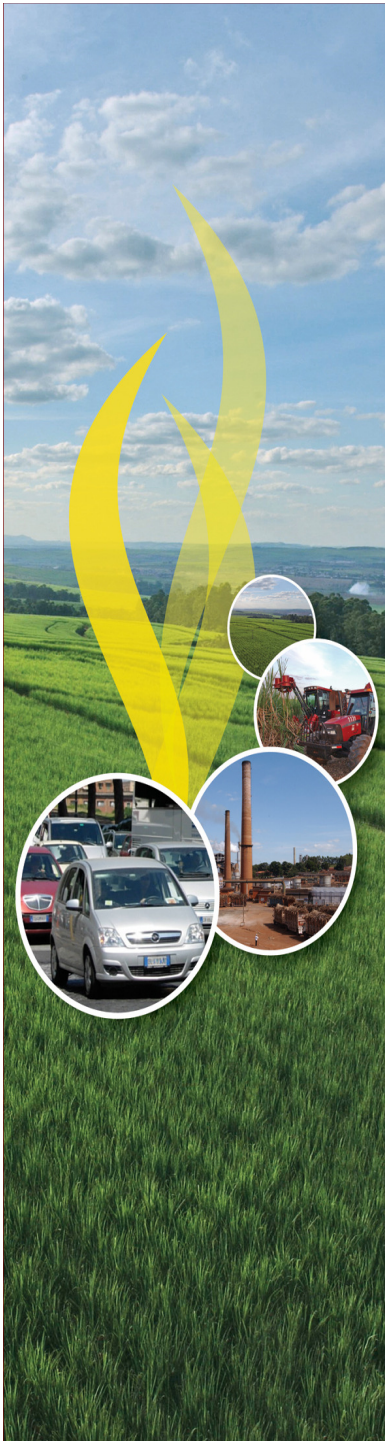
Note: Figures for 2005-2017 include non-fuel ethanol

Source: OECD and FAO

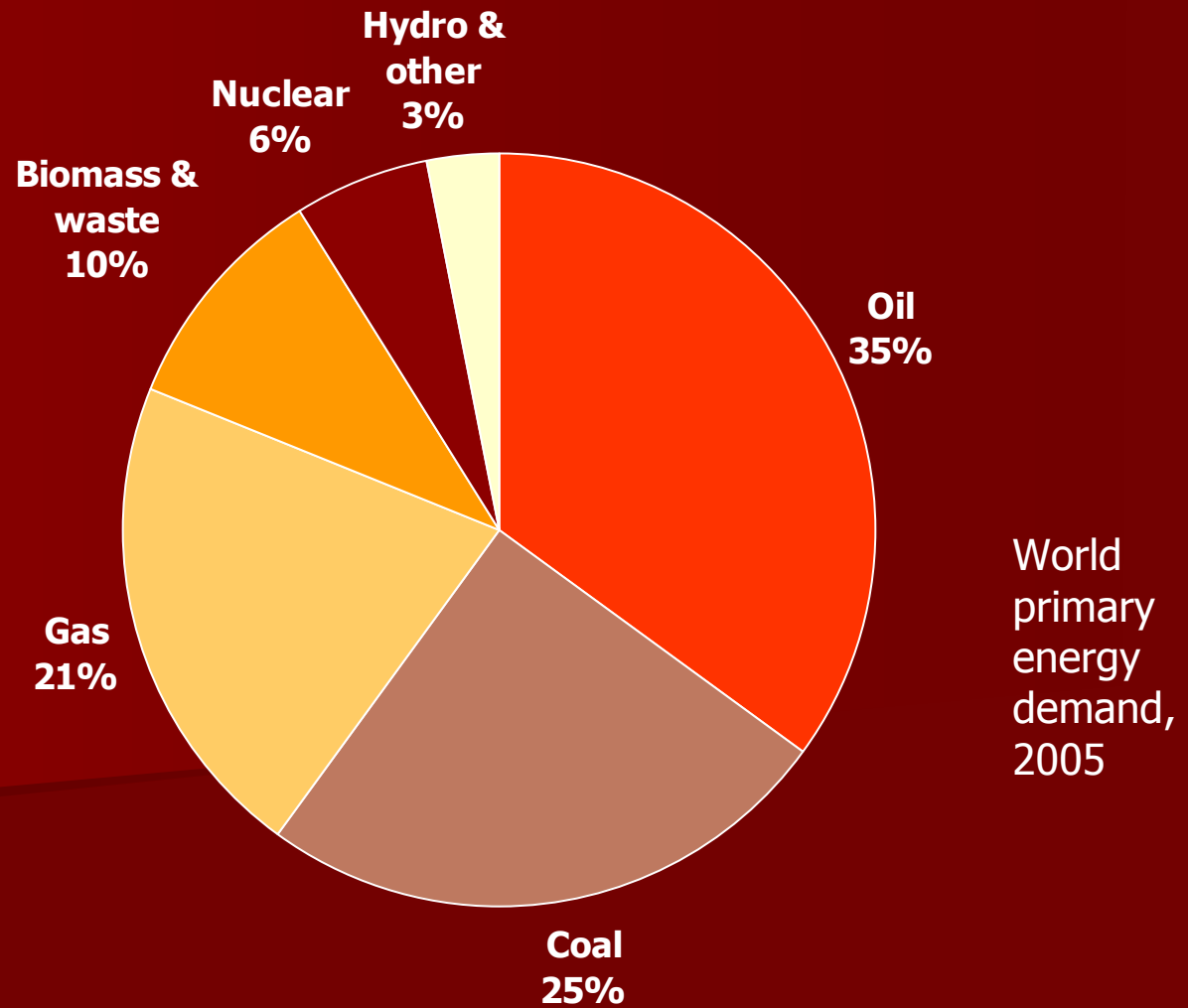
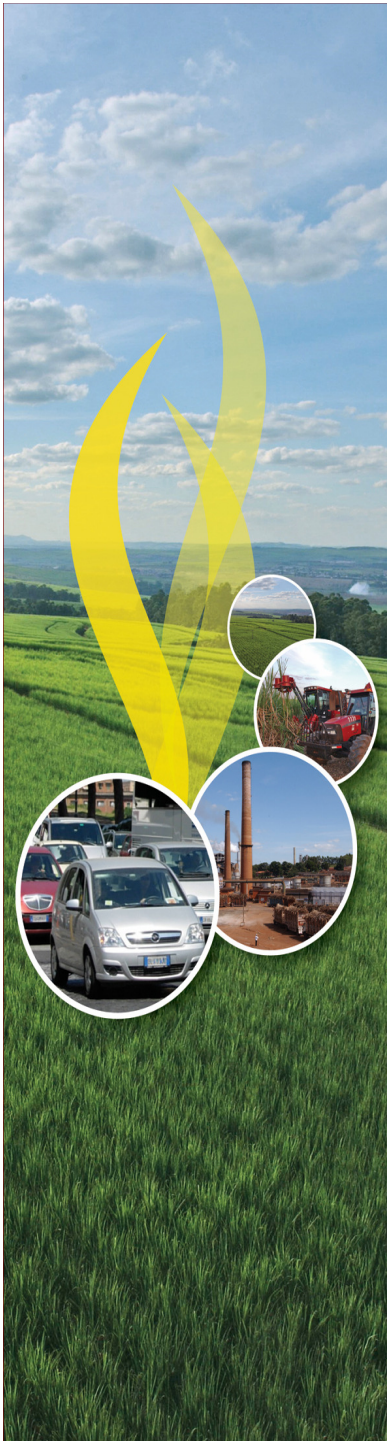


Key messages

- Opportunities as well as risks
- Impacts depend critically on policies
- Current policies seek to
 - enhance energy security
 - mitigate climate change
 - support agriculture and rural development

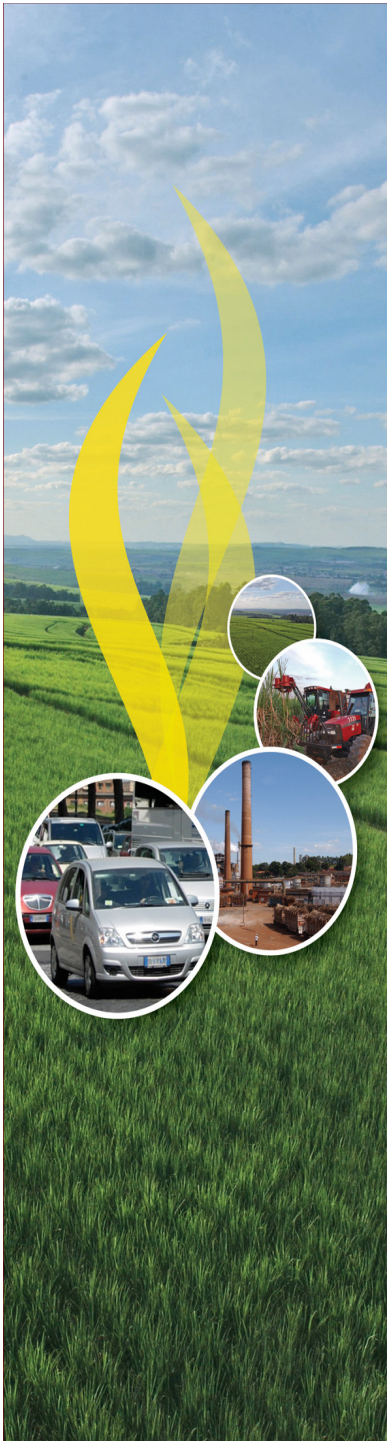


Modest impacts on energy security



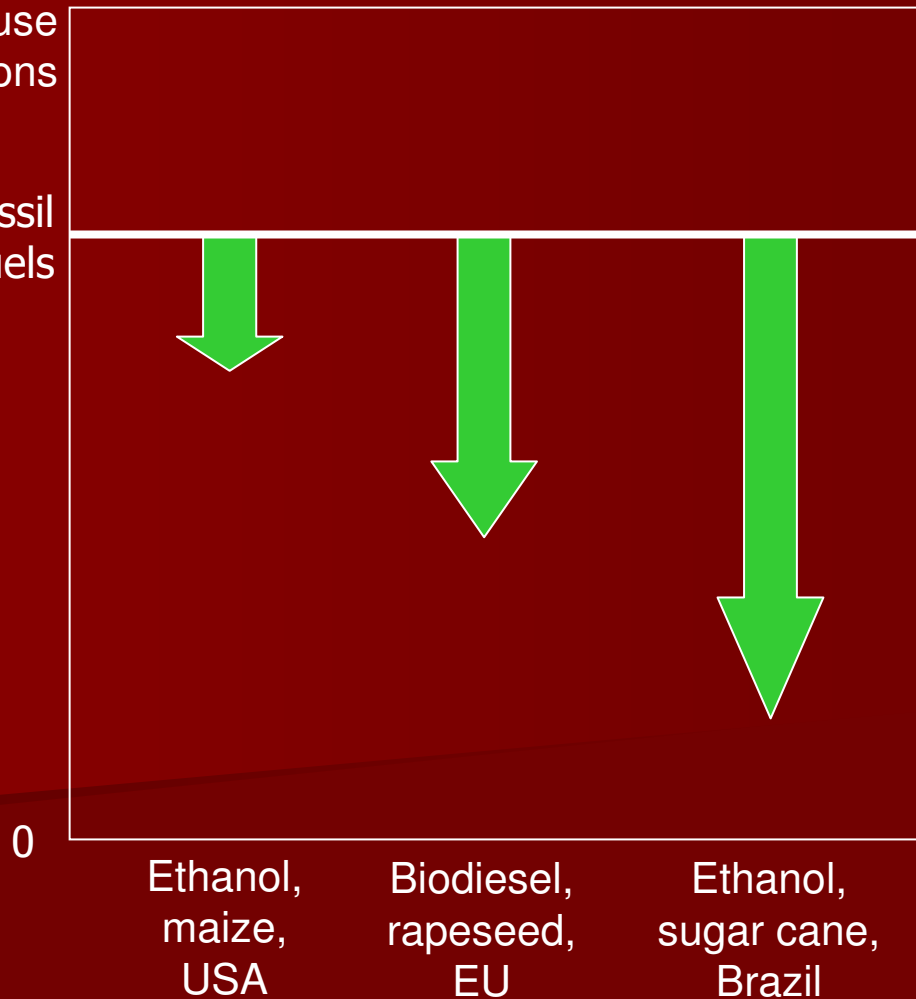
Source: IEA

Diverse impacts on climate change



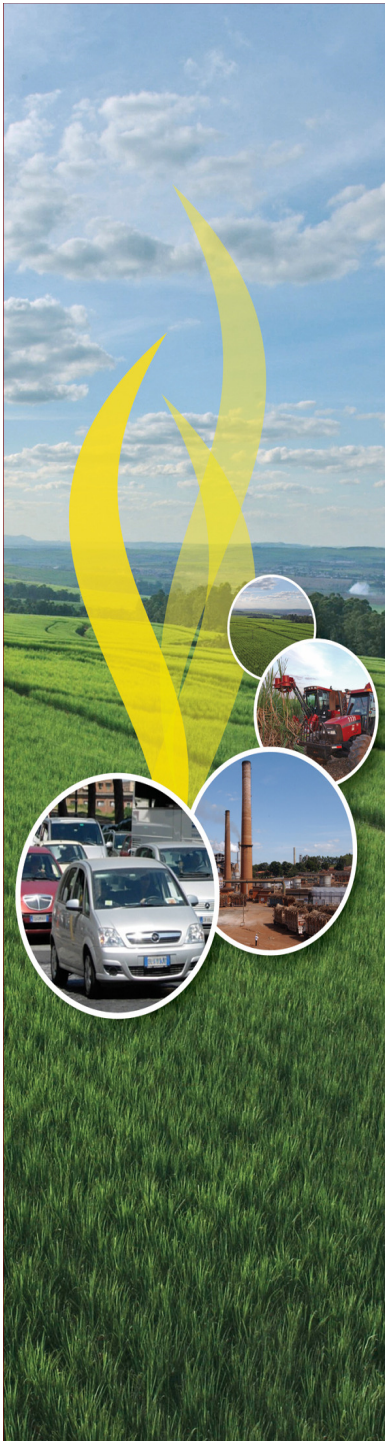
Greenhouse gas emissions

Fossil fuels



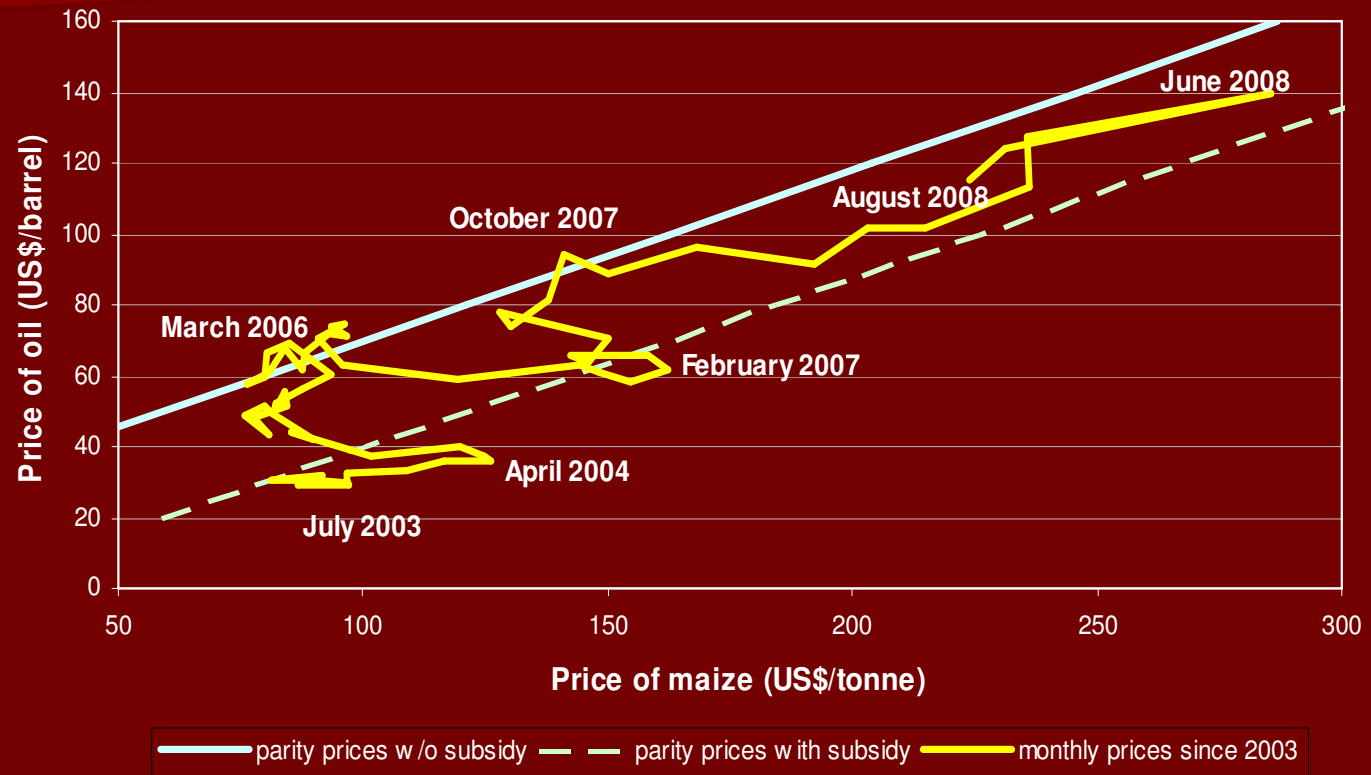
with land-use change

Significant impacts on agriculture & food security

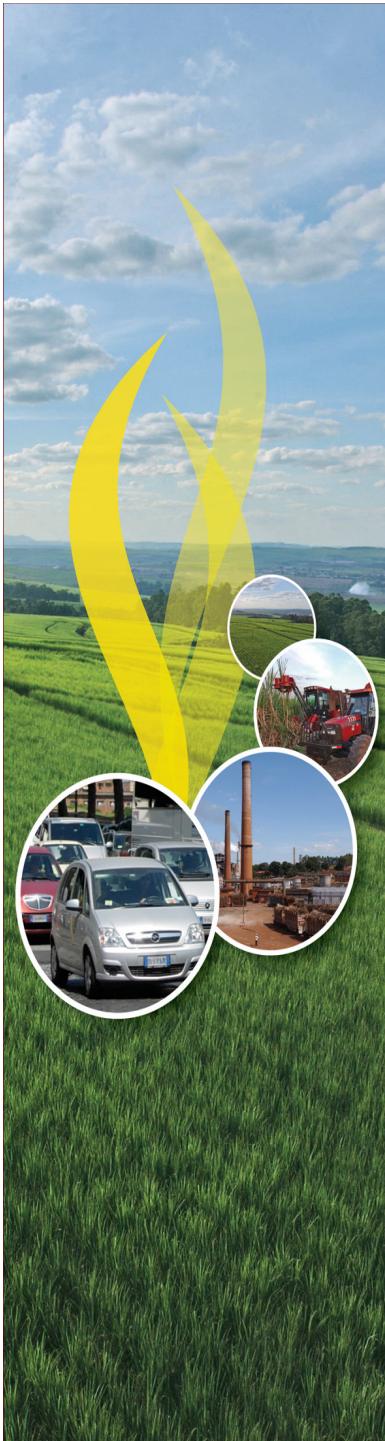


	Share of crop to biofuels
Brazil	50% of sugarcane
USA	30% of maize
EU	60% of rapeseed
World	5% of cereals, 9% of vegetable oils, but <u>over half of the increase</u> during 2005-2007

Prices of crude oil and maize, 2003-2008

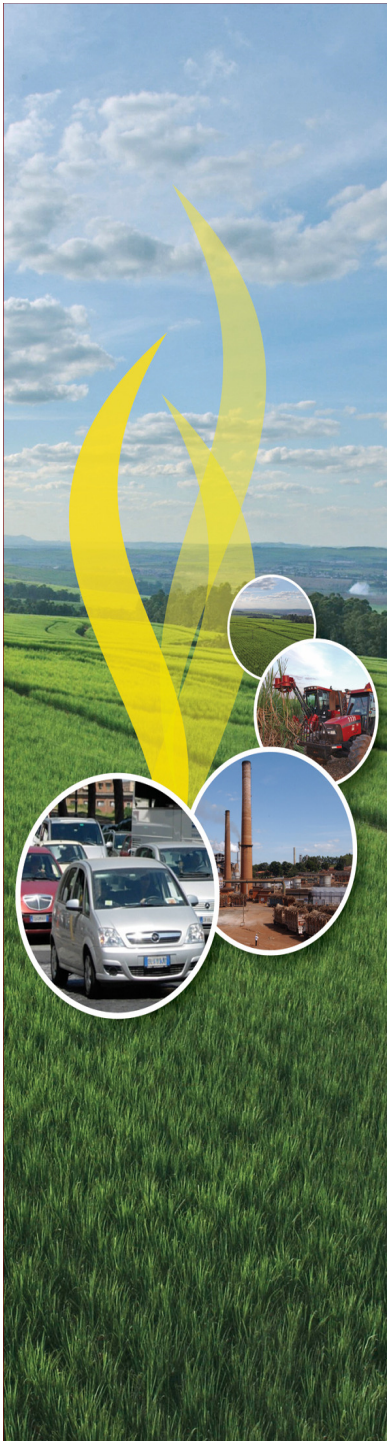


Monthly prices are from the Commodity Research Bureau (www.crbtrader.com). Parity price lines for US ethanol are from Tyner and Taheripour 2007.



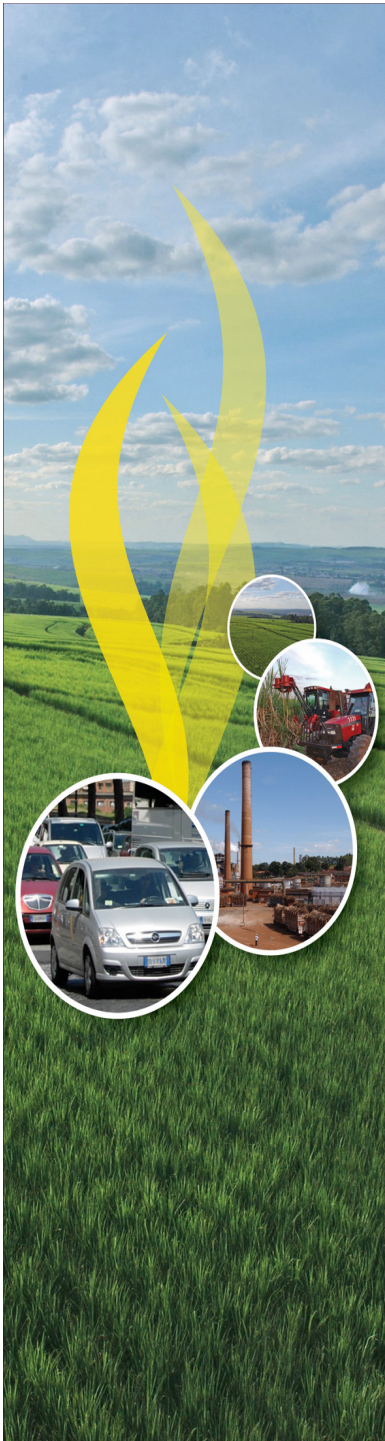
Significant impacts on agriculture & food security

- Farmers are responding to incentives
- Harvests are increasing
- ...but over 920 million people still lack access to sufficient food



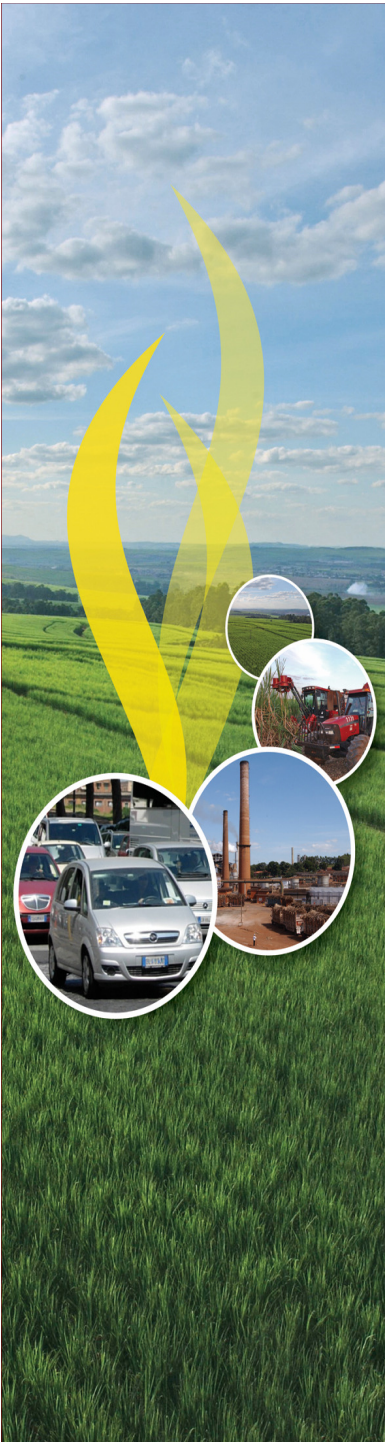
Key messages

- Opportunities as well as risks
- Impacts depend critically on policies
- Current policies imply
 - modest impacts on energy security
 - diverse impacts on climate change
 - significant impacts on agriculture and food security
- Reducing risks and expanding opportunities requires changing policies



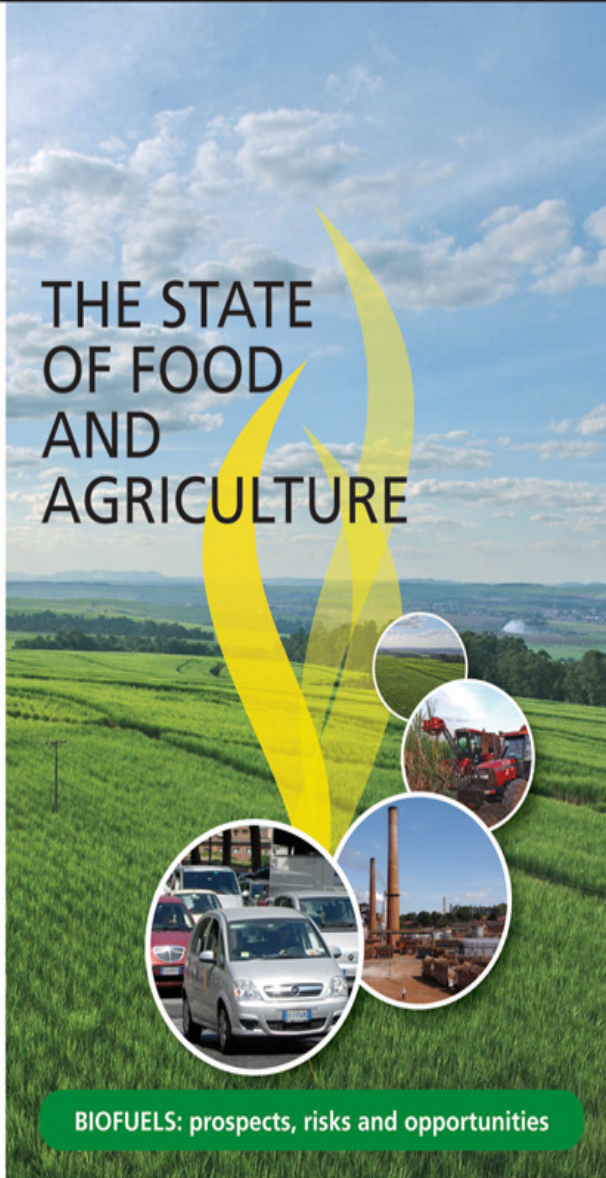
Policy action is urgently needed

- Protect the poor and food insecure
- Invest in agriculture and rural development
- Ensure environmental sustainability
- Review current biofuel policies
- Promote international policy coordination



2008

THE STATE
OF FOOD
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BIOFUELS: prospects, risks and opportunities



Available on
FAO's website

at

<http://www.fao.org>