UNION ZUR FÖRDERUNG VON OEL- UND PROTEINPFLANZEN E.V.

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UFOP "POLITICS NEWS"

Indirect land use change (iLUC)

The introduction of the iLUC factors proposed by the EU Commission must be prevented. Its introduction would have fatal consequences – not just for the German and European biofuels industry!

1. **The billions of euros of investments in German and European biofuel production plants were made on the basis of trust in a reliable policy and as a contribution to climate protection and more efficient resource utilisation. These, as well as tens of thousands of jobs, would be lost!**
2. **The energy transition cannot take place without biofuels. In traffic they are the only sustainable alternative currently available!**
3. **iLUC factors increase the import dependence of protein foodstuffs! The growing import requirement for soy meal in particular would necessarily lead to an increased need for acreage in the countries of origin – which leads the iLUC theory into absurdity!**
4. **iLUC factors are not an effective measure against illegal forest clearance overseas, but punish European farmers for methods of cultivation used in third countries!**
5. **iLUC factors restrict biodiversity and crop rotation systems – sustainable land management is inconceivable without rapeseed and sunflowers, which are by far the most important leaf crops in the EU. In the EU, rapeseed and sunflowers are also the most important honey plants for bees – the most important staple diet for growing bee colonies will be taken away from them!**

From the start of the iLUC discussion, UFOP and the other German and European agricultural and bioenergy business associations have emphatically pointed out the necessity of subjecting the IFPRI Institute study, on which the Commission proposal is based, to an academic review. As of now this has still not taken place, although even the authors point out the multitude of uncertainties in their study. In UFOP's view, such a grave political decision cannot be made on such an inadequate basis. As we see it, the federal government is obligated to arrange for the scientific viability of this study to be checked.

Background

The controversial iLUC hypothesis says that the European biofuels policy leads to an expansion of the acreage devoted to renewable raw materials in Europe and third states, thus causing global displacement effects in land usage. In order to restore market balance in the demand for raw materials in the food and feedstuffs market, one of the consequences would be land use changes overseas, for example through the clearance of rain forests.

Rapeseed cultivation for biodiesel in jeopardy as early as 2013!

In the Renewable Energy Directive (2009/28/EC) the EU Commission was charged with investigating possible indirect land use changes and, if applicable, making proposals for an adjustment of the legal framework conditions. In October 2012 the first ideas of the "Climate policy" General-Directorate were announced. According to these "iLUC factors" were to be included as additional penalty values in the greenhouse gas (GHG) balance sheet for biofuels. The vegetable oil-specific (rapeseed, sunflower, soya, palm) iLUC factor is 55 g CO_2 eq/MJ. For cereals and other high-starch plants surcharges of 12 g CO_2 eq/MJ are planned and 13 g CO_2 eq/MJ for raw sugar. A vegetable oil-specific iLUC factor of the proposed amount would mean the end for biodiesel, vegetable oil-based HVO and also for the still not approved co-refining of plant oils in petroleum refineries. Thanks to these surcharges, the rapeseed oil grown in Germany could in practice no longer be used for biodiesel production as early as 2015, since Germany will be the first member state to introduce a greenhouse gas quota in 2015. Thus, already in 2014, the rapeseed harvest would be affected by the decision!

Market distortions because of multiple counting!

The planned double and even quadruple counting of residual and waste materials in biofuels in the commission's proposal would also lead to distortions in the market for residual materials, which are urgently needed in agriculture (e.g. soil balance). These materials experience a significant increase in added value – despite their low mass, straw and other materials are transported over long distances. Ultimately the consumption of fossil mineral oil increases as, on a quantity basis, the use of biofuels will be substituted by multiple counting. As a consequence iLUC factors and multiple counting even lead to a significant increase in the need for fossil fuels – particularly in the diesel market, where there is a deficit!

Politicians must continue to back sustainable European biofuel production

Biofuel industry associations acknowledge that the growing of foodstuffs takes precedence in agricultural production. With biofuels such as biodiesel made from rapeseed and bioethanol made from sugar beet or cereals it is guaranteed that these biofuels will be produced in conjunction with valuable foodstuffs and feedstuffs. "Plate or tank" is a media conflict, not a real one. By contrast, the growing of raw materials for biofuels production even extends the availability of foodstuffs, as the proportion of raw material costs in biofuels is exceptionally high at over 60 %. When food and thus raw material prices are increasing, biofuel processors will be the first to leave this competition. This can be seen for example in the fact that in Brazil especially bioethanol production is falling for this reason – the biofuels sector is thus serving as a storage buffer for the food supply.

Sustainability certification milestone

The introduction of an international sustainability certification system for biofuels, starting at the level of biomass cultivation, is a milestone in securing raw material traceability and greenhouse gas reduction in open international markets for biomass. With the introduction of iLUC factors, the EU Commission calls this successful result of the Directive into question. The practical necessity of having to participate in the system of certification lapses – the deforestation of the rainforests would rather be accelerated. In addition, the confidence of the business community in the security of its investments would be destroyed. Under such uncertain conditions, who would continue to invest in plants for the production of so-called 2nd generation biofuels?

UFOP's demands

- The IFPRI institute study, on which the proposals of the EU Commission are based, must be subjected to an academic review.
- Effective protection of existing investments – the EU Commission cannot make an about-turn only three years after passing the Renewable Energy Directive.
- No introduction of global iLUC factors as the biodiesel from EU production is especially disadvantaged in the models.
- Capping the share of 1st generation biofuels at 5 %, continuing double-counting and extending it to quadruple-counting lead to misallocations and must be prevented.
- Introduction of national protection laws for areas that are especially deserving of protection (rainforest, peat bogs, etc.) in third countries.

Additional information about iLUC is available on: www.ufop.de.

About UFOP e. V.:
The Union for the Promotion of Oil and Protein Plants e. V. (Union zur Förderung von Oel- und Proteinpflanzen e. V. - UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein plants in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new application opportunities in the food, non-food and feed sectors. UFOP public relations aim to promote the marketing of domestic oil and protein plant end-products.

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