FAO Points to Brazil as Example to the World in Bio-Energy

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Under the pressure from soaring oil prices and growing environmental constraints, momentum is gathering for a major international switch from fossil fuels to renewable bio-energy sources such as sugar cane or sunflower seeds, the United Nations Food and Agriculture Organization (FAO) said today, April 25.

"The gradual move away from oil has begun. Over the next 15 to 20 years we may see bio-fuels providing a full 25% of the world's energy needs," Alexander Müller, the new Assistant Director-General for FAO' Sustainable Development Department, Alexander Müller, said at the agency's Rome headquarters.

FAO's interest in bio-energy stems from the positive impact which energy crops are expected to have on rural economies and the opportunity offered countries to diversify their energy sources.

"At the very least it could mean a new lease of life for commodities such as sugar whose international prices have plummeted," FAO's Senior Energy Coordinator Gustavo Best noted.

Factors pushing for such a momentous change in the world energy market include environmental constraints such as increased global warming and the Kyoto Protocol's curbs on emissions of carbon dioxide and other greenhouse gasses as well as a growing perception by governments of the risks of dependence on oil.

"Oil at more than 70 dollars a barrel makes bio-energy potentially more competitive," Mr. Müller said. "Also, in the last decade global environmental concerns and energy consumption patterns have built up pressure to introduce more renewable energy into national energy plans and to reduce reliance on fossil fuels."

FAO highlighted Brazil as an example for the rest of the world. Latin America's largest country is the world's biggest producer of bio-ethanol and 1 million Brazilian cars already run on fuel made from sugar cane, with most new cars powered by "flex fuel" engines. Introduced three years ago they use either gasoline or bioethanol, or any mix of the two.

Europe lags well behind Brazil in bio-ethanol production and consumption, but the European Union (EU) has set itself the target of increasing the share of bio-fuels in transport to 8 per cent by 2015. However, if oil prices stay high, things could move even faster, FAO noted.

Europe is already the world's largest producer of bio-diesel, now made from rapeseed, soya or sunflower seeds.

"The beauty of bio-energy is that production can be tailored to local environments and energy needs," Mr. Best said. "Where there's land, where there's farmers, where there's interest, bio-energy may be the best option. And if we add some sound analysis and good business models, we will get that option right."

But he stressed that FAO was focusing on the likely benefits for small farmers. One hazard is that large-scale promotion of bio-energy relying on intensive cash-crop monocultures could see the sector dominated by a few agro-energy giants, without any significant gains for small farmers.

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