



BI(12)6316:2

Mr José Manuel Silva Rodriguez
Director General
DG AGRI
200 rue de la Loi
B-1040 Brussels

Brussels, 18th September 2012

Re: Indirect Land Use Change (ILUC) and European biofuels promotion policy

Dear Director General,

We have heard that the European Commission is currently examining a proposed directive modifying the directives on the promotion of the use of energy from renewable sources and fuel quality. This would include introducing ILUC factors, limiting the proportion of biofuels produced from certain arable crops and encouraging the development of biofuels produced from waste and residues. Copa-Cogeca believes that these initial proposals run counter to the aims of climate and energy policy as well as the Bioeconomy Strategy. We would therefore like to share our observations with you.

The introduction of ILUC factors in EU legislation is completely unacceptable as it is scientifically impossible to evaluate the effects of land use change related to EU biofuels policy. Copa-Cogeca has already pointed out the inadequacies of the IFPRI report (2011) on numerous occasions. Arbitrary ILUC factors would penalise biofuels production in the EU and would not reduce land use change in third countries. However, 1.5 to 2 million hectares of arable land are currently not cultivated in the EU and the productivity gains from agricultural inputs are a positive development. Furthermore, the level of ILUC factors set to be introduced immediately in the Fuel Quality Directive would threaten many recent investments made in response to the targets set 3 years ago. The biodiesel sector would be condemned to rapid decline and disappearance. The ethanol sector, still in its infancy, would see its development prospects severely limited.

The introduction of a 5% limit on biofuels produced from certain arable crops would make it impossible to achieve the target of renewable energy sources providing 20% of the EU's final energy consumption by 2020. Furthermore, it would eliminate the improvements to the EU's supply of protein for animal feed made over the last few years. Indeed, the development of the EU biofuels industry has been one of the few measures that have allowed imports of protein for animal feed to be reduced by 2 million tonnes soya meal equivalent over the last 3 years.

The introduction of an incentive for producing biofuels from waste and residues using the statistical trickery of quadruple counting would artificially inflate the contribution of second generation biofuels, which are not commercially available in the EU or in third countries. Furthermore, this incentive could lead to a surge in waste and residue imports such as imports of used cooking oil.

Finally, the definition of waste and residues is so broad that products which are not waste could be included in this category (molasses and cooking oil, for example).

Copa-Cogeca would therefore ask the European Commission to revise its proposed directive by coming up with effective and constructive measures which meet the objectives of energy and climate policy. In particular, Copa-Cogeca requests that the European Commission

- remove ILUC factors from both directives;
- maintain the objective of renewable energy sources providing 10% of energy consumed by the transport sector;
- guarantee that existing and future investments will continue;
- provide a precise definition of waste and residues using a positive list;
- remove double and quadruple counting, which will lead to first generation biofuels being replaced by fossil fuels;
- define a separate binding objective higher than 10% for advanced biofuels;
- maintain the legal basis allowing sustainability criteria to be verified in bilateral agreements (Directive 2009/28 Article 18(4));
- put in place an agricultural research programme focused on increasing the productivity of arable crops.

We hope that these comments will be granted your full consideration.

Yours sincerely,

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Secretary General

cc: Philip Lowe (ENER), Jean-Luc Demarty (TRADE), Jonathan Faull (MARK),
Daniel Calleja Crespo (ENTER), Robert-Jan Smits (RTD)