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Mr Dacian Cioloş
Member of the European
Commission
200 rue de la Loi
B-1049 Brussels

Brussels, 10th October 2012

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

Dear Commissioner,

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 to 5%, abolishing subsidies for first generation biofuels after 2020 and incentivising the development of biofuels produced from waste and residues.

Copa-Cogeca believes that these initial proposals are unacceptable in their current form due to the negative impact they would have on our ability to meet the targets set in the Climate and Energy Package as well as on EU agricultural production and the food chain.

Firstly, the introduction of ILUC factors, particularly 55g CO₂ eq/MJ for oil-rich crops such as rapeseed, would immediately wipe out the biodiesel market and the market for transport fuel decarbonisation. As a result, 2/3 of rapeseed produced in the EU (13 million tonnes) could no longer be sold on the EU market. Consequently, the EU would increase its protein deficit by around 15% (7 million tonnes of rapeseed meal) although it already imports 80% of what it requires and there is a risk of disruption to supplies due to poorly synchronised GMO authorisations. The risk of some livestock production relocating could therefore increase further. In addition, farmers would be forced to reduce rapeseed surface area by more than 50% or around 4 million hectares, which would have a negative impact on the sustainability of agricultural production, particularly crop rotation, biodiversity and nitrate retention. Bearing in mind that 1.5 to 2 million hectares of arable land have remained uncultivated in the EU27 since 2008, Copa-Cogeca believes that there is a real risk of arable land being abandoned. Recoupling agricultural subsidies to food production to mitigate this risk is not an option on account of successive CAP reforms.

Secondly, the 5% cap to be introduced on biofuels produced from certain arable crops is lower than the reference value of 5.75% set in Article 3.1.b.ii of Directive 2003/30/EC. Given that some Member States already have national targets above 5%, the Commission's initial proposal would first and foremost penalise European production by bringing the development of this sector in the affected Member States to an abrupt halt and leading to a slowdown in industrial and agricultural activity and the loss of jobs. The sugar beet sector is a case in point. Let us not forget that after the 2006 reform, the EU reduced its production of quota sugar by almost 6 million tonnes or 700,000 hectares and closed 83 factories. Today, some industrial plants remain profitable partly thanks to significant investments in the production of ethanol for carburation. For this reason, an EU policy U-turn would risk another restructuring of the industry in this sector.

Thirdly, the Commission would propose abolishing support for biofuels produced from crops intended for human and animal consumption after 2020 and only supporting advanced biofuels produced from raw materials which would not create competition for agricultural land used for producing food and feedingstuffs. This initial proposal completely ignores the fact that, unlike biofuels sectors in tropical areas, the European biofuels sector is simultaneously and equally an essential source of food protein for animal feed thanks to the by-products it produces. In this way, it makes a substantial contribution to reducing imports of the protein-rich materials required for animal feed in the EU-27. The proposal also ignores the fact that European biofuels promotion policy is a result of the evolution of European agriculture policy, which aims to reduce exports of European agricultural products and encourage imports, particularly from least developed countries, with the intention of strengthening local agriculture. Finally, the proposal ignores productivity gains from agricultural inputs and policies supporting biofuels in other parts of the world such as the USA and Brazil.

Fourthly, the introduction of incentives for producing biofuels from waste and residues using the statistical trickery of multiple counting would reduce the availability of renewable energy sources for the transport sector and increase the EU's energy dependence.

Copa-Cogeca would therefore ask the European Commission to revise its proposed directive based on the following measures:

- Evaluation of the role of biofuels and their by-products in the food chain, including beyond 2020;
- Protection of existing and ongoing investments through a grandfather clause in both directives;
- Removal of ILUC factors from both directives;
- Evaluation of the European Parliament resolution of 15th March 2012 on the Roadmap for moving to a competitive low carbon economy in 2050, which proposes promoting adequate protection of the environment in third countries affected by land use change bilaterally and multilaterally in order to take account of the greenhouse gas emissions attributable to changes in land use patterns. This could be achieved through the introduction of additional sustainability requirements on certain categories of biofuels imported from third countries;
- Maintenance of the objective of renewable energy sources providing 10% of energy consumed by the transport sector without capping first generation biofuels at 5%;
- Definition of a separate, mandatory objective higher than 10% for advanced biofuels and removal of multiple counting;
- Commitment by the EC to a targeted research programme focused on agricultural productivity and the efficient use of resources in biofuel production.

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

Yours sincerely,



Secretary General

cc: Georg Häusler, Alina Ujupan, José Manuel Silva Rodriguez, 

