



EUROPEAN COMMISSION

Cabinet of Commissioner Günther H. Oettinger
Head of Cabinet

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Dear Mr Beulin,

Thank you for your letter of 30 April 2012 regarding indirect land use change relating to biofuels.

The Commission is aware that decarbonising transport requires very significant investments by companies such as the ones you represent and the current uncertainty about how the issue of indirect land use change will be addressed is not conducive to these much needed investments. As you may agree, we need to find a robust solution which provides for a reasonably lasting, reliable policy framework.

As you point out in your letter, the indirect land use change emission modelling finds EU production of rapeseed biodiesel to be associated with drainage of peatlands in South-East Asia. It is important to note that this is the estimated *indirect* land use change, meaning that it is not part of the direct production chain of rapeseed. The models estimate that the increased use of rapeseed for biodiesel is leading to increased production of palm oil to satisfy demand that would otherwise have been partly satisfied by rapeseed (that is now used for biofuels instead).

Given this complexity, the Commission is finalising an impact assessment focusing on the evaluation of a number of policy options for minimising the indirect land use change impacts. The evaluation of the policy options requires a baseline scenario for indirect land use change impacts to 2020 that the policy options can be compared against. As indirect land use change can only be estimated through modelling, we have taken the view that, although a number of limitations and uncertainties remain, the latest IFPRI study represents the best available estimation of the likely indirect land use change impacts associated with the European biofuel consumption to 2020.

Yours sincerely,

Michael A. Köhler