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MAY 6, 2008

PRESS CONTACT
Ben Lilliston, 612-870-3416, ben@iatp.org

Biofuels Contributing to Changing Land-Use Patterns, Affecting Biodiversity – New Report Finds

Minneapolis – Increasing production of crops for biofuels is exacerbating agriculture's impact on biodiversity in many parts of the world, finds a new report by the Institute for Agriculture and Trade Policy.

The report, "Biofuel and Global Biodiversity," is by Dr. Dennis Keeney and Claudia Nanninga and is available at: www.iatp.org. The paper includes case studies of three regions that have been growing much of the feedstock for biofuels around the world: the U.S., Brazil and Malaysia/Indonesia.

"Ethanol and biodiesel are being overlaid on a broken agricultural production system," said Dr. Keeney. "Many of the biodiversity impacts of biofuel feedstock production are not inherent to biofuel, but are more a symptom of damaging agricultural production systems and policies."

The report found that in the U.S., increased corn planting is reducing the diversity of crop rotations and threatening wetlands and acreage set aside for conservation. In Brazil, greater sugarcane production for ethanol is moving into the fragile, diverse Cerrado region, and soy production for biodiesel is contributing to significant destruction of the Amazon rainforest. Perhaps the largest loss of biodiversity is occurring in the rainforests of Malaysia and Indonesia, where palm oil plantations are rapidly being established to feed the growing demand for biodiesel in Europe and elsewhere.

The paper found that the biofuel industry has expanded due to two complementary drivers: the increase in the price of crude oil and national policies to encourage the production and use of biofuel. It concluded that future policy solutions need to focus on:

- Protecting rainforests and fragile, native ecosystems and indigenous lands – The most significant biodiversity threat is from biofuel feedstock production that extends onto native vegetation;
- Making sustainability a priority in all biofuel production – Policies should encourage more sustainable production of existing biofuel feedstocks – and accelerate the transition to more sustainable next generation biofuel feedstocks;
- Moderating price volatility in agricultural commodities – An updated supply management system could stabilize market prices and reduce incentives to encroach on native vegetation;
- Redesigning our agricultural and energy sectors – Agriculture and energy policies should prioritize local production and use.

"Public policy has been a major driver in the development of the biofuel industry," said Jim Harkness, IATP President. "In moving forward, smarter policy is crucial if biofuel production is going to protect and enhance – rather than decimate – global biodiversity."

IATP works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems.