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## A NEW KIND OF HUNGER

Food prices rise as more crops go into producing biofuels

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The increasing demand for biofuel, which is derived from biomass — usually plants — has taken a bite out of supplies of crops and other farm products worldwide. The redirection of crops from mouths to fuel tanks is reflected in the rise of prices of ordinary food items in Japan.

A driver fills up with bio-gasoline ? a mixture of crop-made ethanol and gasoline ? at a gas station in Sugunami Ward, Tokyo, on April 27. KYODO PHOTO

For the first time in 17 years, Q.P. Corp., Japan's biggest mayonnaise maker, will raise the price of its main product by about 10 percent, starting with Friday's shipment.

"It's because the price of the ingredients, mainly rapeseed and soybeans, rose," said Shunsuke Horiike, spokesman for Q.P., citing stronger demand in China. But he also blamed the price hike on biomass fuel.

"Rapeseed oil is used for biodiesel in Europe," Horiike said. "In the United States, corn is used to produce ethanol, and because of that, soybean acreage has been decreased."

Many countries, including Japan, see biofuel, mainly ethanol, as an eco-friendly replacement for petroleum, but experts doubt it can be a sustainable alternative energy resource.

Masatoshi Matsumura, a professor of life and environment sciences at the University of Tsukuba in Ibaraki Prefecture, said using food resources to produce biofuel is meaningless because it would cause unnecessary agricultural competition and lead to higher crop prices.

When U.S. President George W. Bush pledged in January to increase the supply of alternative fuels to 35 billion gallons (132.5 billion liters) a year in 2017, six times the amount in 2006, corn futures topped \$ 4 a bushel at the Chicago Board of Trade, or about twice as high as the same period last year.

"We need to produce fuel from new resources that are not food," Matsumura said.

Matsumura is currently working on a project to produce biodiesel from sunflower oil and is seeking ways to increase its production. Making biofuel from resources not widely used for food is one of the most sustainable ways to produce alternative fuels, he said.

Sunflowers can be imported from many parts of the world, including Russia, South America and Southeast Asia, that would diversify sources of fuel, Matsumura said.

However, most biofuel currently produced in Japan is a mix of gasoline and ethanol derived from crops.

In April, Japanese oil companies started selling bio-gasoline — a mixture of imported ethanol produced from sugar cane and corn, and gasoline — at 50 gas stations in the Kanto region.

The fuel appears to be off to a good start, partly because retail prices are the same as regular gasoline thanks to government subsidies.

"Apparently because the name bio-gasoline appeals to people, we are seeing pretty good sales," said Fumiaki

Watari, president of the Petroleum Association of Japan.

Watari, who is also chairman of Nippon Oil Corp., said the industry intends to increase the number of gas stations selling bio-gasoline to 100 by the end of March 2009.

Japan has been keen on fighting global warming under the Kyoto Protocol by committing to reduce its greenhouse gas emissions by 6 percent from 1990 levels by 2012.

But observers say Japan lags behind Brazil, the U.S. and Europe in promoting biofuel.

In February, a government panel on biofuel announced Japan should aim to boost production to an annual 6 million kiloliters in fiscal 2030 — a big leap from the approximately 30 kiloliters per year in fiscal 2005.

It was the first time the government has come up with a numerical target.

But Miyuki Tomari, chairman of the nonprofit organization Biomass Industrial Society Network, said Prime Minister Shinzo Abe is merely promoting biofuel, currently focused on ethanol, to win support for the ruling bloc in the runup to the July Upper House election.

"He's using it to gain support from rural areas" where farmers, who are strong supporters of Abe's Liberal Democratic Party, believe his policy will increase production of crops and additional subsidies from the project, she said.

In a campaign speech in April in Okinawa, Abe praised ethanol as a state-of-the-art fuel that is environmentally friendly.

"What the government actually needs to do is create a framework in which individuals and businesses will be motivated" to reduce gas emissions, she said.

Introducing a carbon tax, raising prices of electricity sold to utilities and promoting emissions trading — which allows high-emission companies to purchase credits from others — are among the key policies the government should promote, Tomari said.

"Producing biofuel may be a good option for Europe and the U.S., where their food self-sufficiency rate is high," Tomari said. "But for countries like Japan with a 40 percent food self-sufficiency rate, the priority should be placed on providing food for humans and livestock."  
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