

## EU biodiesel producers: output growing too slowly

July 15, 2009 8:17 AM ET



BRUSSELS (AP) - European biodiesel output is expanding too slowly to meet the EU's goal for biofuel to replace a tenth of transport fuel by 2020, producers said Wednesday.

European production grew 35.7 percent last year to 7.7 million metric tons, an increase largely due to France, where output doubled last year.

The European Union needs 33 million metric tons of biofuel by 2020 to meet a climate change target on reducing greenhouse gas emissions. It will have to import a large part of this but also aims to grow more fuel at home.

The European Biodiesel Board claimed that the 2008 figure was "far below what EU biodiesel producers could achieve" and masked falling output in two major producer nations, Germany and Austria.

Soaring food prices encouraged European farmers to plant more grain and less biofuel crops last year.

The EBB also blames U.S. subsidies and below-cost selling for holding back investments in the crop fuel sector.

The EU acted on this earlier this month by imposing five-year fees on U.S. biodiesel sold by Archer Daniels Midland Co., Cargill Inc. and several others to Europe, the world's biggest user and producer of crop-based fuels. The European market is worth euro5 billion (\$7 billion).

The EBB claims cheaper American imports have crippled European producers. Half of the region's 276 existing biodiesel plants in Europe are lying idle and governments now need to scale up output rapidly to help wean Europe off imported oil and gas, it says.

Biodiesel is usually made from rapeseed oil in Europe and from soybeans in the United States. It is mixed with mineral fuel to power diesel cars, trucks, buses and trains or is used as a heating fuel.

Brazil and the United States focus more on bioethanol which can be made from sugar cane and grain.

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