

From the May 2009 Issue

Greenpeace: biodiesel not seen as significant driver in Amazon deforestation

Posted 11:00AM CST, May 4, 2009

by Nicholas Zeman

In July 2006, after Greenpeace International authored a report claiming that soya farming was the leading driver of Amazon deforestation, ADM, Cargill and other members of Brazil's vegetable oil and grain exporting industries "agreed to a voluntary moratorium on trading soy harvested from newly deforested areas in the Amazon biome for a period of two years," said Bunge Ltd. in a company statement. "The intent was to relieve pressure on the Amazon biome, so work could be undertaken by government, industry, farmers and environmental groups to ensure its long-term protection." The moratorium is scheduled to end in July after the original agreement was extended last year.

"We hope this moratorium is extended through 2010," said Paulo Adario, director of Greenpeace's Amazon deforestation campaign. "But we haven't begun any serious negotiations as of yet." The sustainable production of biodiesel has been a major focus of the global industry in recent months, as consumer opinion has indicated, especially in Europe – so much so that EU nations do not want to buy biofuels that put pressure on food crops or are made in ways that damage indigenous ecosystems.

"Biodiesel demand for soy oil is not seen as a significant driver of Amazon deforestation" Adario said. "Most of the soya grown in Brazil, including what is grown on illegal plantations, is for animal and human consumption; and right now, the Brazilian government is investing in other feedstocks for the development of its biofuels program."

The South American country, which is looking to grow its export power in the biofuels market, is being very careful about how its feedstocks are grown and sourced. "Sugarcane cultivation for ethanol production is the primary risk to the Amazon right now," Adario told Biodiesel Magazine. "But the Brazilian government is taking steps to fight this because they know that if the ethanol or biodiesel produced here is found to be supported by land that is responsible for rain forest destruction, the world market is going to say 'no, no, no.'"

While Greenpeace says the moratorium has had a significant impact and soy cultivation is no longer the leading driver of Amazon deforestation, there is still much work to be done. "There is no certification for soy in Brazil and very little traceability," Adario said. "So the question is, 'Are the traders ready to totally exclude the farmers who grow soy illegally from the market?'"

Although the domestic feedstock situation is thin at times, U.S. biodiesel producers are reportedly not looking to South America to source needed raw materials. "We rarely import anything, in terms of agricultural commodities, from South America," said Darrel Good, University of Illinois extension marketing specialist. "We do import some palm oil at times, but that is mostly as a food ingredient."

While soybean prices have been strong in early 2009, partly related to uncertainty over South American soybean production prospects, Bill George of the U.S. Department of Agriculture's Foreign Agriculture Service said limiting expansion of soya on illegal acres is insignificant compared to other factors. "Drought, lack of access to financing, and a decline in yields are the major factors for the Brazilian soybean industry," he told Biodiesel Magazine. "So I would see a decline of illegal soy acres as a drop in the bucket in regard to the overall scenario."