

Biofuels Role in Global Food and Energy Security

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2009 Western Hemisphere Economic Officers' Conference
U.S. Department of State, Saint Louis MO, January 16, 2009

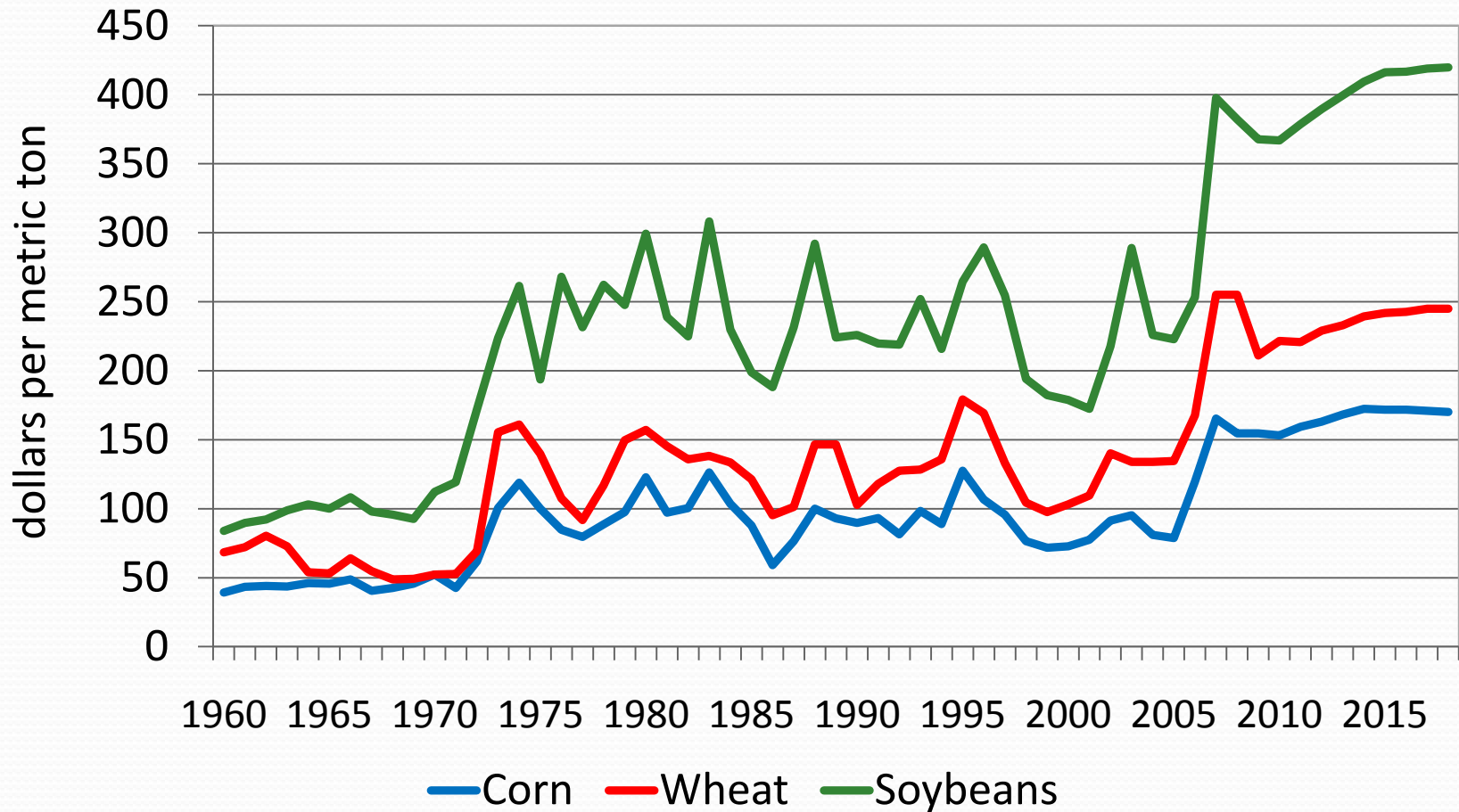
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U.S. Crop Farm Prices

1960 to 2018 prices

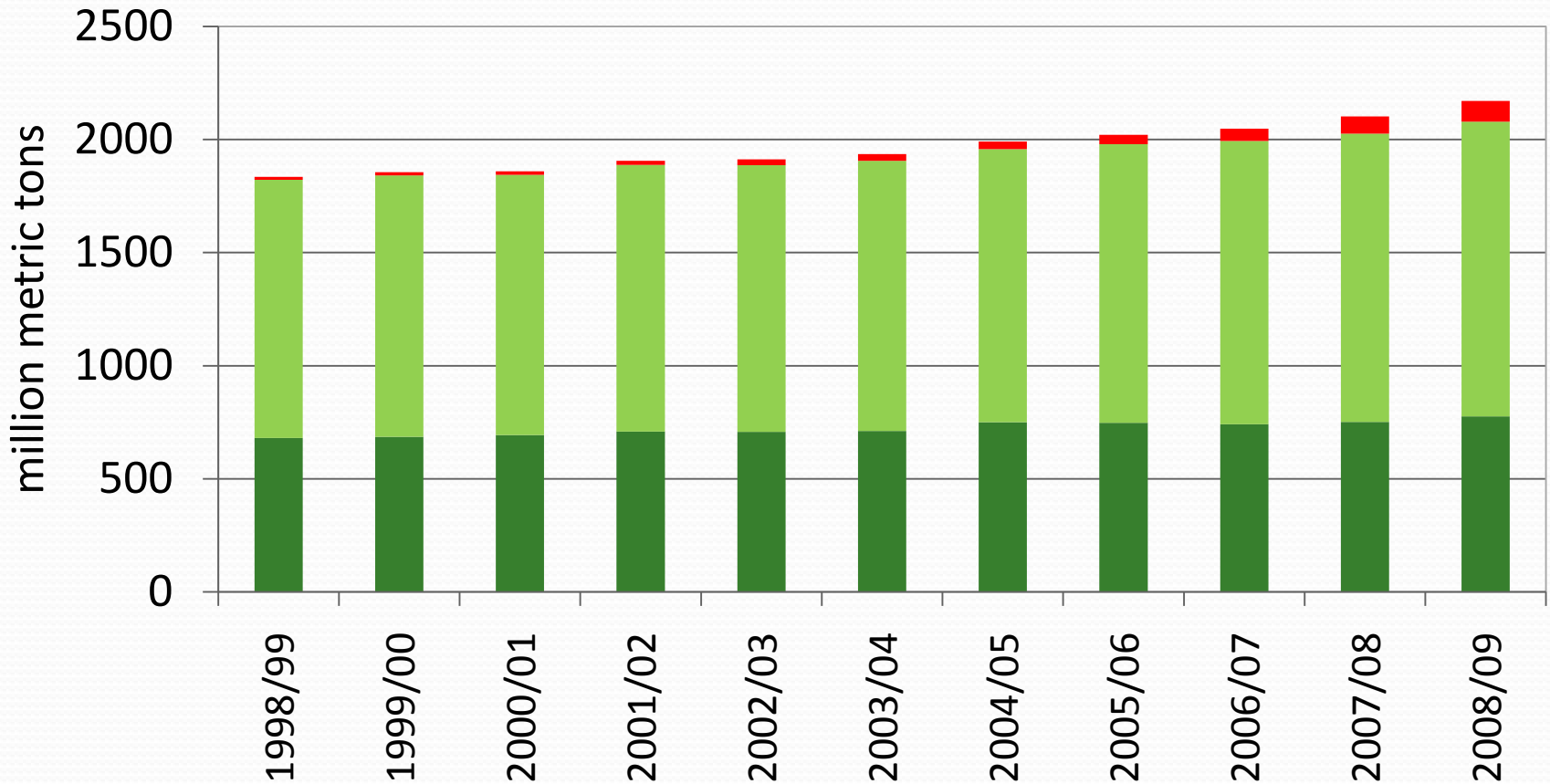


Factors from 2005/06 to 2007/08

Transient or Persistent?

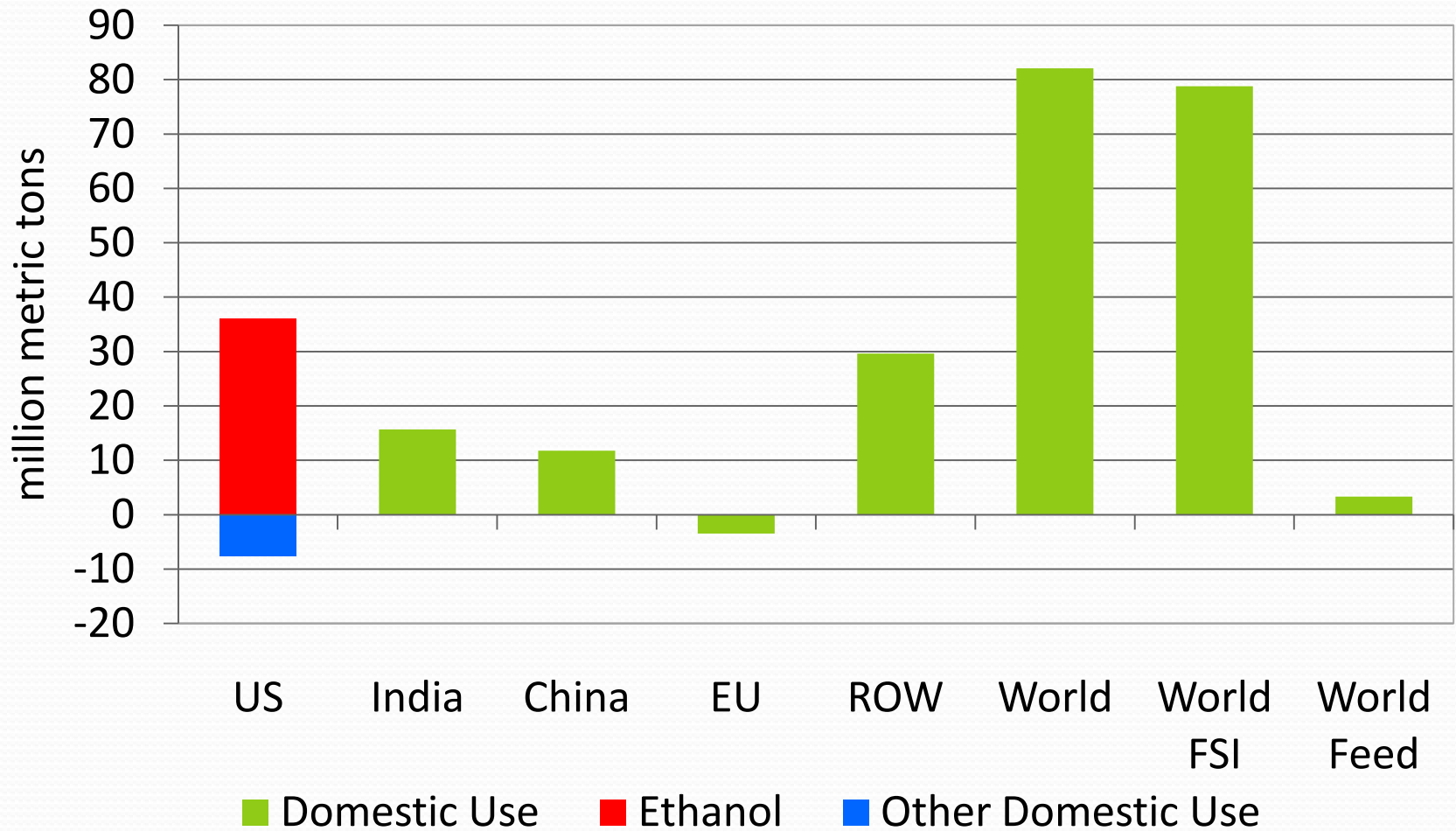
- Declining stocks and stocks to use
- Lower production
- Increased petroleum / weak dollar
- Changes in trade restrictions
- Resilient world demand
- Higher crop input prices
- Biofuel feedstock demand
 - Maize in US, Veg Oil in the EU

World Grains Use

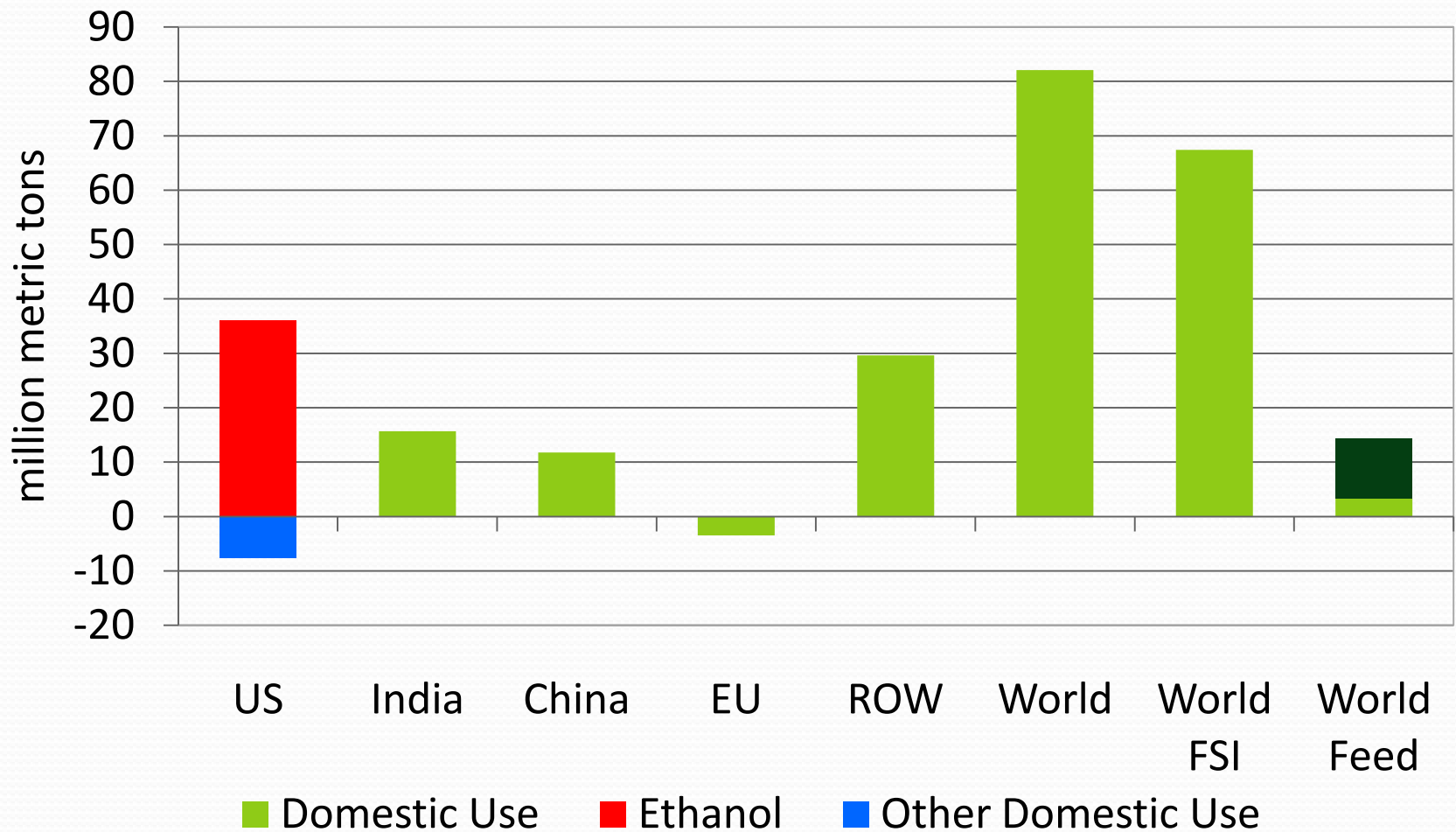


- Feed Use
- Food, Seed and Indus. Less US Corn Ethanol
- US Corn Ethanol

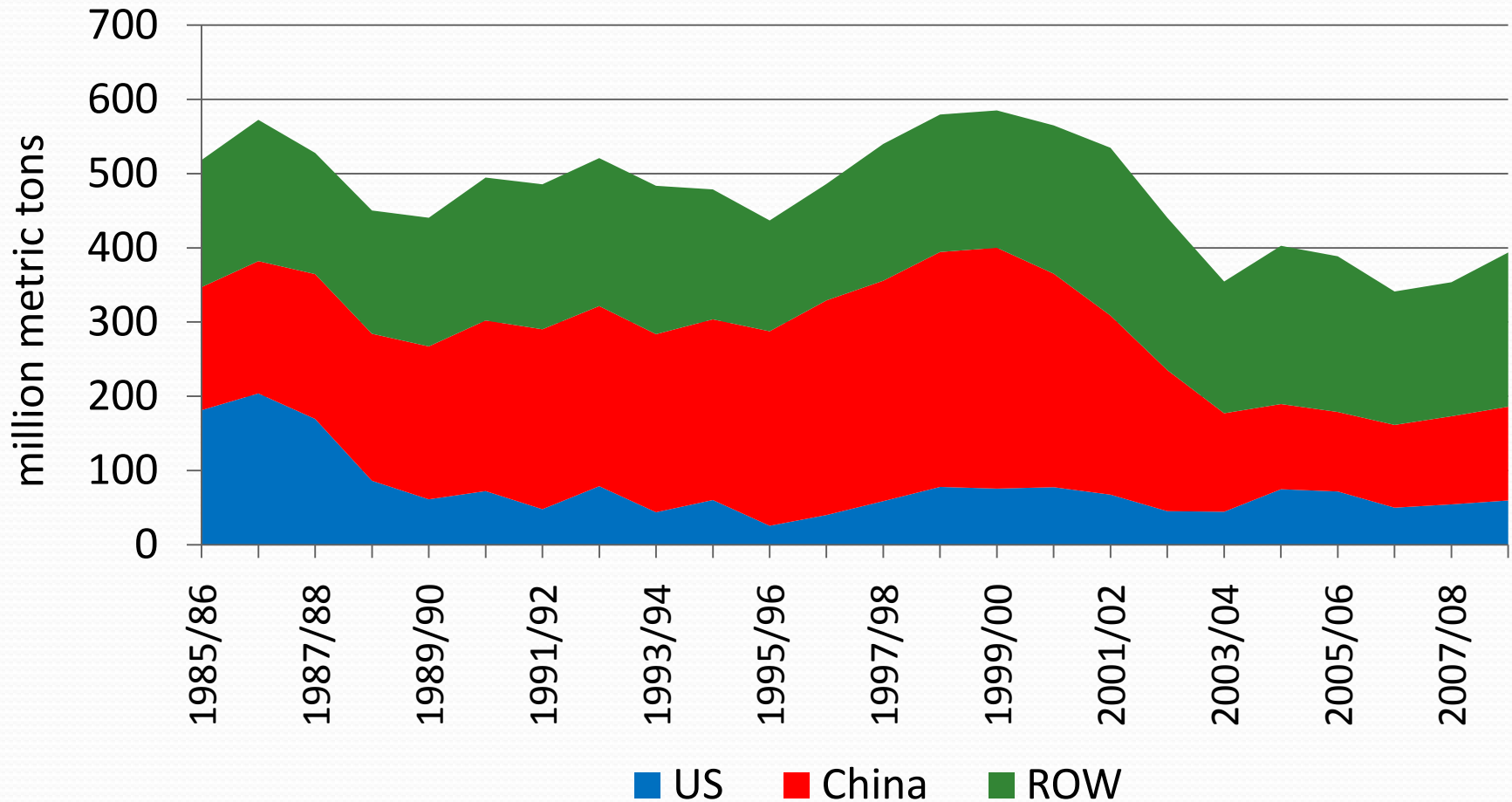
Change in grain domestic use between 2005/06 and 2007/08



Change in grain domestic use between 2005/06 and 2007/08



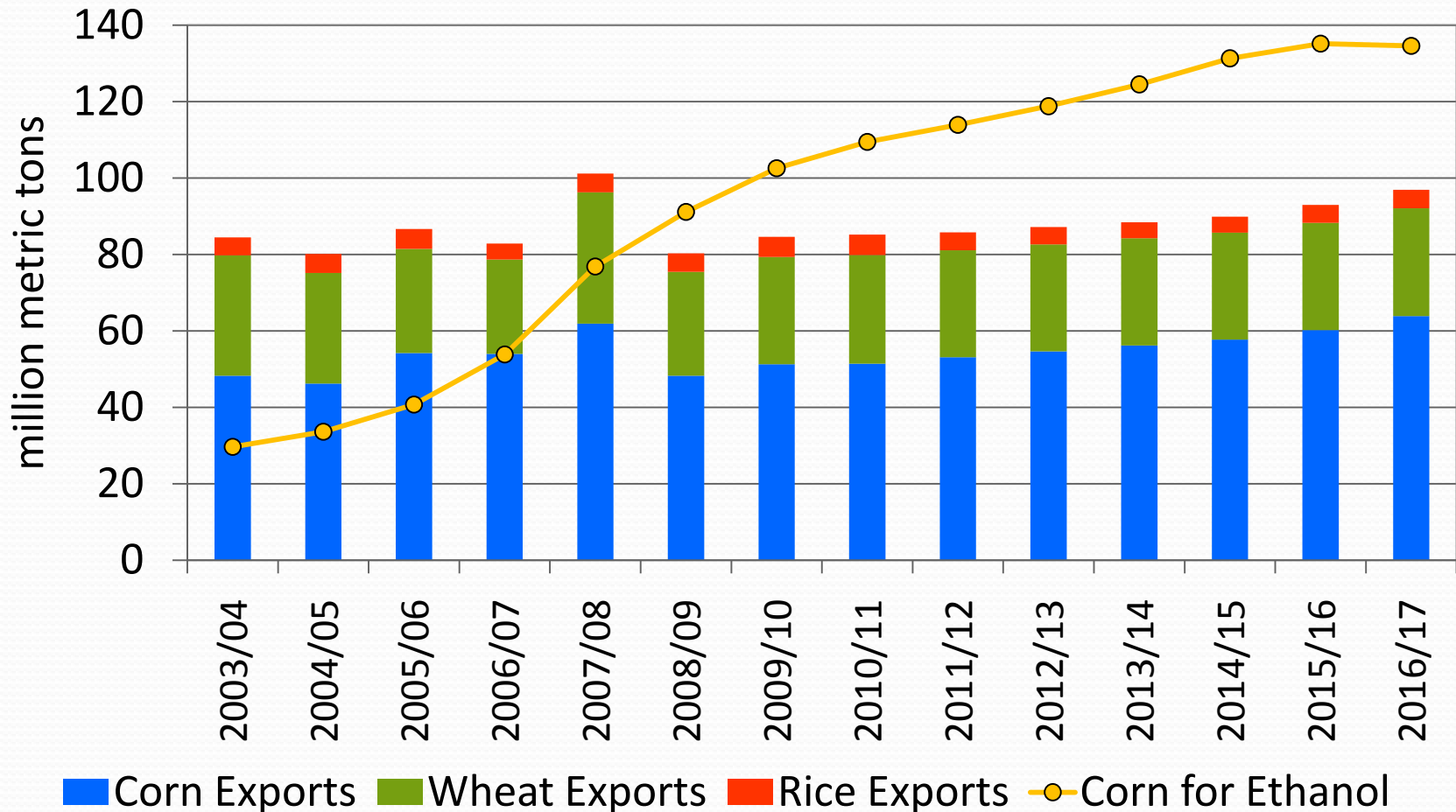
World Grain Stocks



World Crop Productivity and Consumption by decade

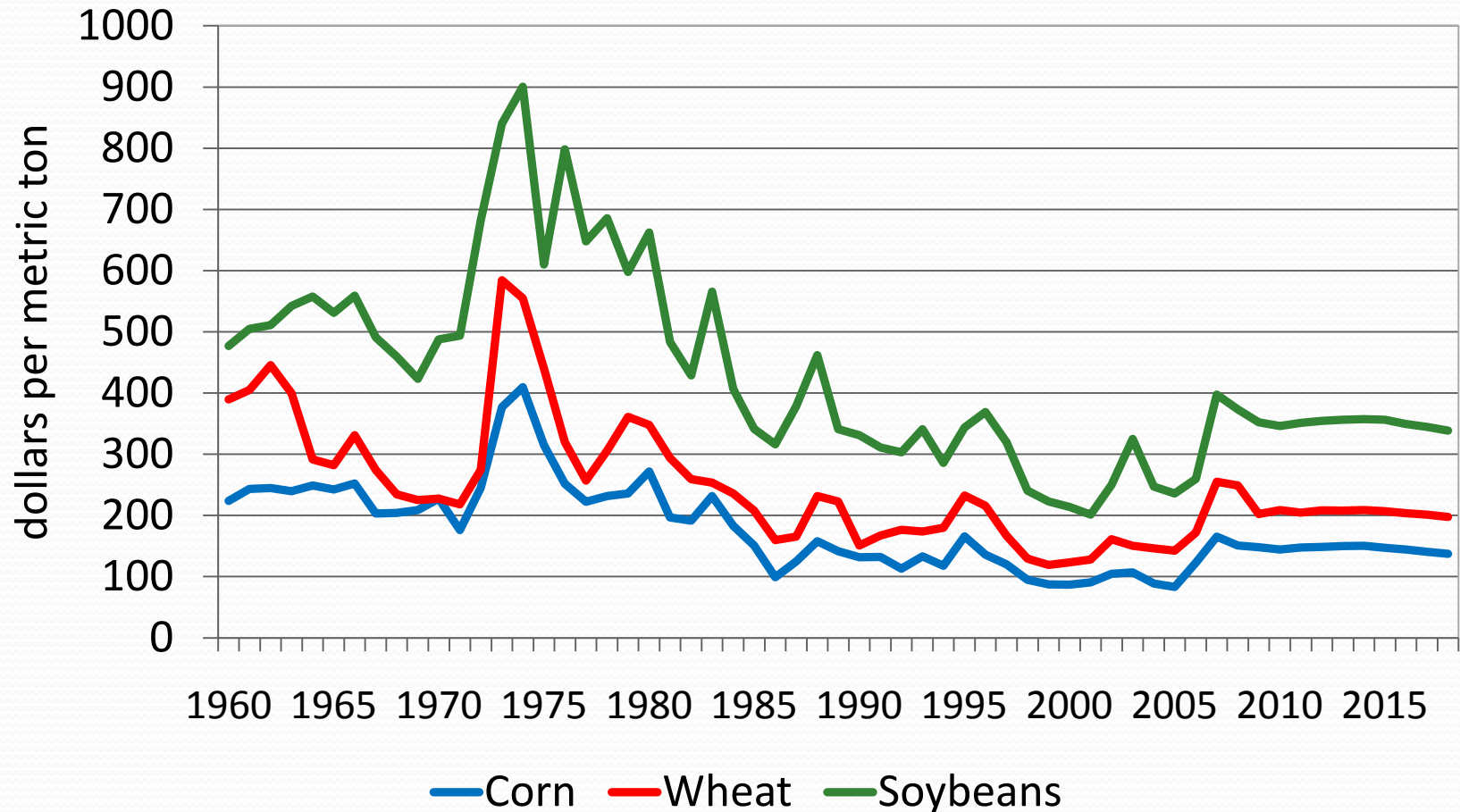
	1960-1970	1970-1980	1980-1990	1990-2007
Grains				
Yields	2.8	1.9	2.4	1.3
Area	0.5	0.9	-0.5	-0.2
Production	3.3	2.8	1.6	1.0
Consumption	3.3	2.6	1.7	1.2
Grains and Oilseeds				
Area	1.6	1.3	-0.03	0.2
Production	4.0	3.0	2.0	1.4
Consumption	4.1	2.9	2.0	1.5

US grain exports and Corn for ethanol use



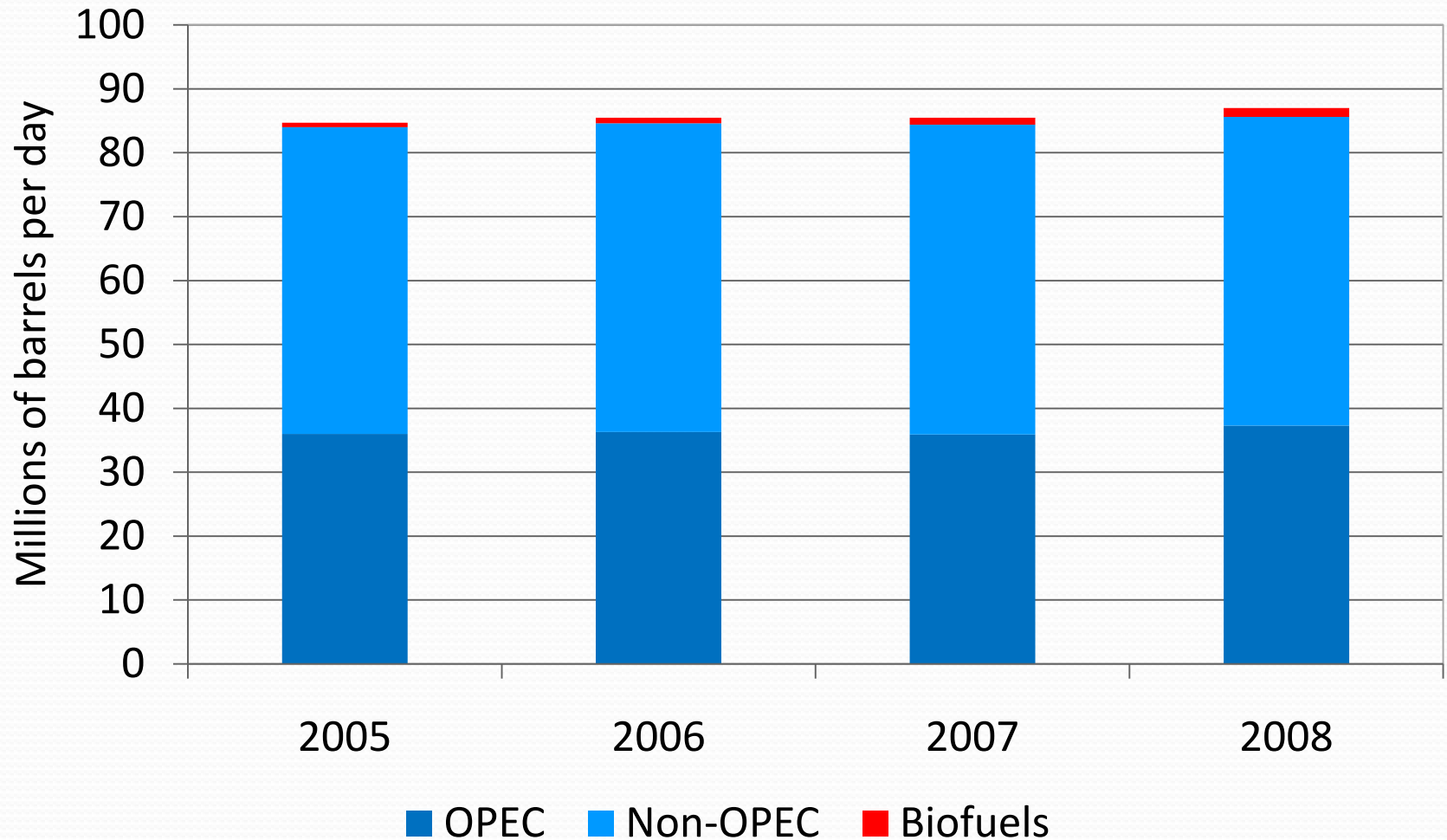
Real U.S. Crop Farm Prices

in year 2007 US dollars

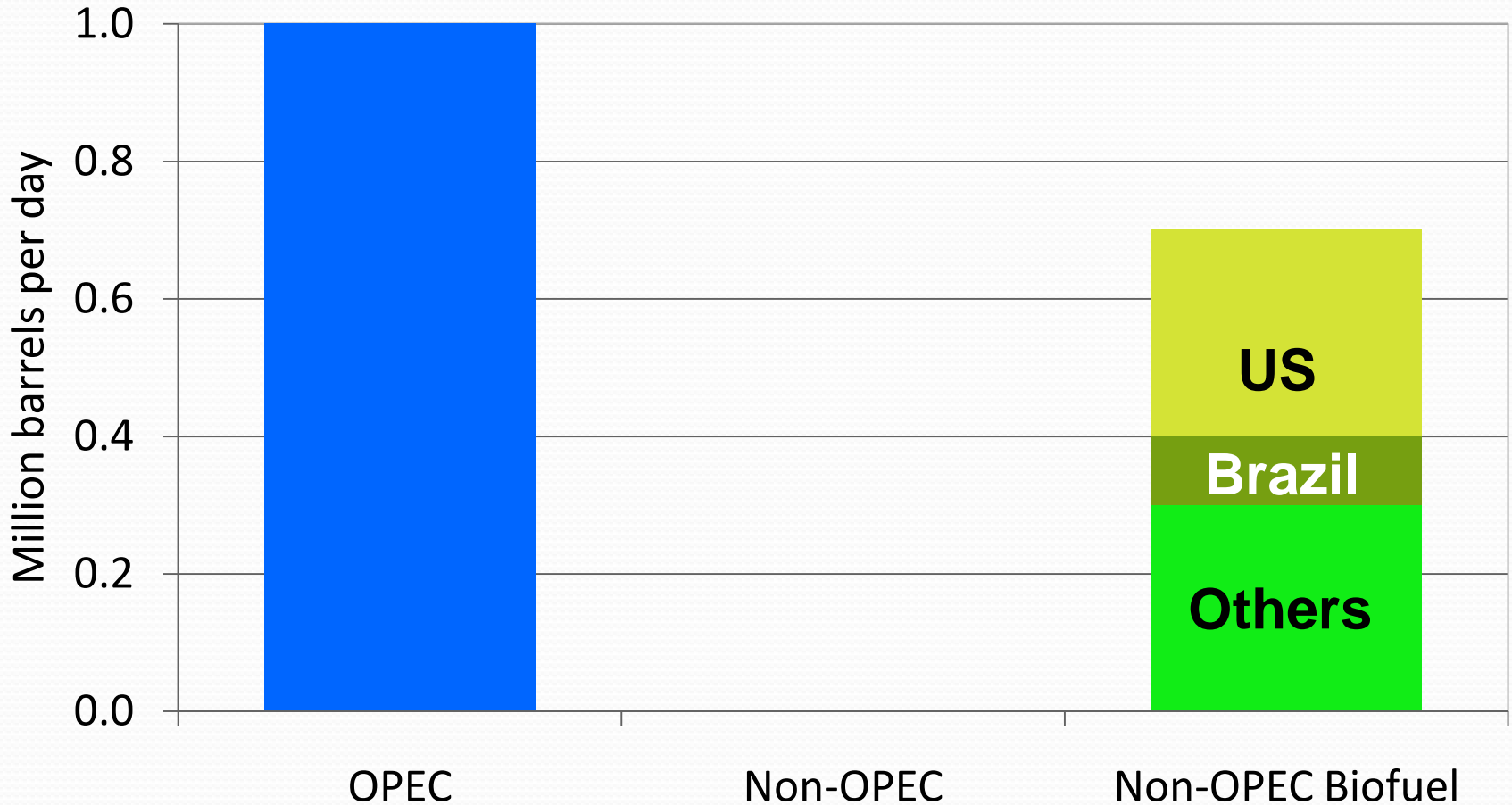


World Oil and Biofuel Supply

millions of barrels per day



Change in World Oil and Biofuel Supply 2006 to 2008 millions of barrels per day

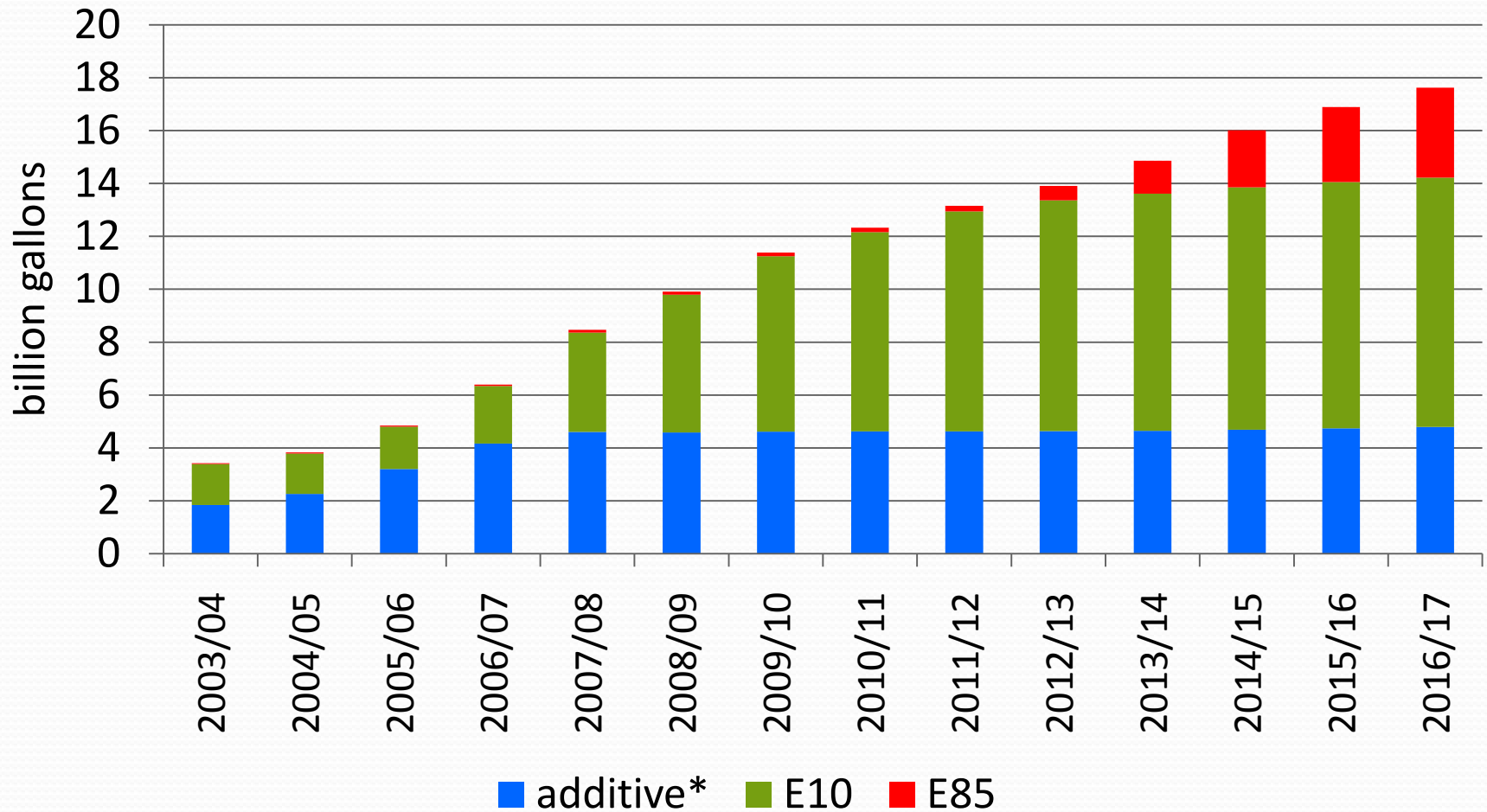


Key US Biofuel Policies

Policies effecting fuels entering motorfuel supply

- Blender's Credits
 - \$0.45 per gallon ethanol, \$1.00 biodiesel, \$1.01 cellulosic
 - Paid for by taxpayers
- Import Tariff of \$0.54 per gallon
- Energy Independence and Security Act of 2007
 - Mandates, minimum quantities by feedstock types
 - Obligated party is blenders not motor-fuel consumers, motorfuel consumers ultimately pay
 - Establishes a system similar to cap and trade to meet minimum quantities.
 - Implementation very uncertain, rules not yet released

Ethanol consumption by category



Source: FAPRI-MU projections, November 2008

*To meet air quality requirements and state mandates

For more information

- For more on the FAPRI global outlook, go to <http://www.fapri.iastate.edu> and click on “FAPRI 2008 World Agricultural Outlook Briefing Book Now Online”
- For more on the FAPRI US outlook, go to <http://www.fapri.missouri.edu/> and click on the March 5 “FAPRI US Baseline Briefing Book”
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