



ICSA response to the Biofuels Obligation Scheme Consultation

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ICSA – the Irish Cattle & Sheep Farmers’ Association- would like to contribute to the consultation on the Biofuels Obligation Scheme from the specific perspective of how biofuels can benefit agriculture in Europe, and having regard to climate change challenges.

ICSA, as a farmer representative association, does not possess expert knowledge on the technical details around most of the questions in the consultation questionnaire, so instead, we prefer to outline in brief our view to support the proposition to increase the biofuel obligation rate to 10% in 2019 and 12% in 2020.

The overall ICSA position is that EU policy should favour crop based biofuels.

The case for maximising crop based biofuels

1. Lower emissions (66% for crop based ethanol compared to fossil fuels)
2. Less dependence on imported fossil fuels
3. Viable outlet for European farmers (worth €6 billion in 2015), improves the outlook for tillage and may be complementary to plans to resurrect sugar beet in Ireland
4. Jobs in less developed rural regions in Europe
5. Bolster investor confidence that EU policy is coherent and stable
6. Avoids conflict with WTO rules and general moral imperative to stop dumping food in the least developed countries so that their agriculture can develop
7. By-product meets the need for locally produced GM free animal feed protein
8. Successful biofuel refineries support research into other by-products which can contribute to higher tech, more efficient European farming

However, this is complicated by the current negotiations on the RED II directive which is leaning towards reducing the role of crop based biofuels. The proposals from the Commission and the EU parliament position present a policy framework posited on the belief that so called advanced biofuels will be better and that there will be a relatively rapid transition to electric vehicles.

This is an incomprehensible and flawed strategy in our view for the following reasons:

1. Crop based ethanol can be produced for about 45c/ litre in Europe at present, whereas advanced biofuels will cost at least three times that and this is assuming that investors will build facilities which is a dubious assumption.
2. Electric vehicles may be the future but not anytime soon. The imperative of the climate change challenge cannot wait ten years or more for the current dominant combustion engine fleet to be phased out.
3. Crop based ethanol delivers 66% less emissions than fossil fuel and is already in production at relatively low cost so it is the only logical solution for European member states that struggle to meet the transport renewable energy target, such as Ireland which is about half way.

ICSA believes that the only sensible approach is for Ireland to strongly resist the anti-crop based biofuel narrative implied by the direction of the RED II negotiations. Proposals from the EU parliament to cap the biofuel contribution at the 2017 level is almost worse than the original EU Commission proposal although there is an improvement in terms of rejecting palm oil.

However, tight restrictions on the availability of crop biofuels in terms of counting progress to the renewable transport target will undermine Ireland's ability to reach the targets.

ICSA therefore believes that Ireland needs to adopt a strong line to roll back the restrictions that are implied in the current stage of RED II negotiations at the trilogue level so that the proposed increase in the biofuel obligation rate is actually effective.

ICSA understands that concerns about the ability of the modern fleet to utilise E10 are over stated as almost all modern cars are suitable.

