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## US AND EU BIOFUELS POLICIES MUST BE CONSIDERED ALONG WITH US AND EU FARM POLICIES

**“Biofuels policies have an important impact on production decisions of agricultural producers on both sides of the Atlantic, and arguably distort agricultural markets more than traditional farm programs,”** notes IPC member Willem-Jan Laan and Unilever’s Director of Global External Affairs,” and as such should also be reconsidered as the EU and the US undertake farm policy reforms.

IPC’s Policy Focus “Biofuel Policies in the U.S. and EU” raises two key points:

- **The EU and US should phase out subsidies and tariffs, given concerns about the impact of biofuels production on food prices.** Biofuels may have a place in an overall renewable energy strategy, aimed at reducing greenhouse gas emissions and the use of fossil fuels, so removing rather than imposing restrictions on imports would be a more consistent policy. The paper acknowledges that assistance in the early development of bio-energy on the basis of the infant industry argument may be justified, but that there is growing evidence that the biofuels infant has grown up.
- **The EU and US are well advised to consider the scientific foundation, justification and trade impact of government mandated sustainability criteria.** Incorporating “Indirect Land Use Change” into net greenhouse gas savings calculations clearly makes sense, but presently it is not certain whether agreement for doing so can be reached, as this issue is highly politicized.

This IPC Policy Focus draws from the September 2011 IPC Discussion Paper “Farm Policy in the US and the EU: The Status of Reform and the Choices Ahead,” by David Blandford, Tim Josling, and Jean-Christophe Bureau, now available on IPC’s website at <http://www.agritrade.org/Publications/FarmPolicyintheUSandEU.html>

This Policy Focus, along with two additional Policy Focus briefs, “The Future of Direct Payments,” and “What Next for Farm Policy in the U.S. and EU?” released earlier in September 2011, is available at <http://www.agritrade.org/Publications/FarmPolicyintheUSandEU.html>. A final Policy Focus “Research and Development: The Future of Agriculture,” will be released this October.

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### About IPC

The International Food & Agricultural Trade Policy Council promotes the role of trade in creating a more open, equitable, productive and sustainable global food & agricultural system. IPC makes pragmatic trade policy recommendations to help solve the major challenges facing the global food & agricultural system in the 21st century—the need to promote global food security, to sustainably increase productivity, and to contribute to economic growth and development.

IPC convenes influential policymakers, agribusiness executives, farm and civil society leaders, and academics from around the world in order to clarify complex issues, foster broad stakeholder participation in policy deliberations, and build consensus around pragmatic policy recommendations. More information about the organization and its membership can be found on our website: [www.agritrade.org](http://www.agritrade.org).