



FOOD AND BEVERAGE COMPANIES' JOINT STATEMENT ON BIOFUELS

G20 governments must address biofuels as a cause of food crises

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The G20 Summit in Cannes, France is an important moment for the world to address food security. As 4 of the largest food and beverage companies with global supply chains and customers worldwide, we are pleased that the summit agenda tackles the drivers of high and volatile food prices, which have driven an additional 44 million people into poverty in the second half of 2010 (after an even higher increase since 2008). We are concerned, however, that biofuel policies are absent from the agenda.

Expert opinion, including from the intergovernmental agency report to the G20, the High Level Panel of Experts' report on food price volatility and the IFPRI Global Hunger Index, is converging on the view that market distorting biofuel policies are significant drivers of high and volatile food prices. The growing demand for biofuels has contributed to food shortages and competition for land and scarce water, disproportionately affecting the most vulnerable people, while often having a negative greenhouse gas balance. We are particularly concerned that even countries with frequent famines are following the misguided policies of advanced economies.

G20 governments must address biofuel policies, alongside tackling other drivers of high and volatile food prices, through improved agricultural productivity with a sustainable use of resources, efficient commodity market regulation, improved transparency and open markets, including the commitment not to restrict exports. In particular, we urge governments to reassess policies that divert food to fuel, such as fixed blending targets, and pricing subsidies.

We would urge Governments to support technologies with a positive greenhouse gas effect which do not undermine food security. Support for "second generation" biofuels should be strictly dependent on advance impact analysis based on coherent criteria concerning land and water use. There should be no more diversion of food for fuel.

As global food and beverage companies, we have a responsibility to contribute towards food security, but this will only be achieved alongside effective government policy on the drivers of food price volatility. According to an Institute of Development Studies report, food prices are set to at least double in the next 20 years. The time to act is now to prevent another global food price crisis and all the awful consequences this entails.