

Recent developments of the EU biofuel policy - implications for domestic rapeseed demand

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In June 2009 the Renewable Energy Directive (2009/28/EC) - RED - went into force. With this directive the European Union introduced the obligatory aim for each Member State that in 2020 at least 10 percent of the energy used in the transport sector has to be derived from renewable resources. This aim has to be achieved first of all by using biofuels. Consequently the member states obliged the petrol industry to fulfil "biofuel quotas". But additional requirements were also introduced by this directive: threshold of minimum greenhouse gas (GHG) savings: today 35% and from 2017 onwards a minimum of 50% (for new plants: 60%). The RED additionally foresees as a special "bottleneck" for rapeseed and other crops for biofuel production, that a minimum GHG-saving (standard value) has already to be ensured on the stage of the crop production on the stage of the so called NUTS2-regions.

As a result of the critical public discussion about the increasing demand of area for Biofuel that on the other hand in the worst case rain forest would be cleared to balance the market demand. This effect is called "indirect Land Use Change" (iLUC). With its current proposal to amend the RED, the EU-Commission intends to introduce "iLUC-factors" firstly on a reporting basis. Taking into account the discussed iLUC-factors for vegetable oil based biofuels, rapeseed oil methylester would most likely no longer qualify as a biofuel that can be counted against the political targets. Additionally, the Commission suggested the introduction of a cap of max 5% of biofuels made from crops like rapeseed.

The presentation gives a brief overview about the framework of the RED to promote biofuels and the proposals of the European Commission from October 2012. The ability of European rapeseed production to meet the new requirements will be discussed as well as the resulting change in domestic demand for rapeseed. Based on some scenarios regarding the opportunity to substitute domestic demand by increased exports, the consequences on cultivated European rapeseed area will be explored as well.