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Editorial

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FOOD vs. FUEL...
SUGAR, or ETHANOL?
Does a conflict exist?

Oh, how commodity prices have really soared! Well for one, the prices of petroleum products have gone crazy, hitting around 120 USD per barrel as of this writing. Considering therefore that a large chunk of production cost of almost all goods is due to power and transport, then prices are sure to spiral upwards. In the farms, fertilizer costs have also risen considerably, these being largely petroleum-based, too.

Even as the present political dispensation gets largely blamed for this occurrence, the government has had the foresight of coming up with an instrument that could partly mitigate the effects of the almost irreversible price escalation of petroleum—alternative, renewable energy in biofuels. The passage of R.A. 9367, or the Biofuels Act of 2006, aims to encourage the production and usage of Biofuels from indigenous crops for blending into gasoline and diesel fuel mainly for transport use. It has added objectives of addressing pollution and developing the countryside economy, with clean, green, and affordable fuel alternative.

And for the sugarcane industry, bioethanol would be our responsibility locale.

The Act has prominently mentioned SRA in its many provisions in due recognition of the vital role which sugarcane would play as the major feedstock of bioethanol. One major mandate was for SRA to come up with a system to balance the allocation of cane for sugar and for bioethanol. Fast forward to the present, when prices of food are going up by the day—how would the sugarcane industry react? Do we go on shifting cane for ethanol, or do we prioritize sugar production over that of fuel?

First, let us consider the facts and figures: Do we have enough sugar now? How much ethanol, therefore, sugarcane, does the Biofuels blending program require? How long would it take to put up an ethanol plant? Where would these plants be erected, and how much sugarcane would each of them need?

If we have the answers to the above-cited queries, then we can have a clearer grasp of the scenario—do we really have a food vs. fuel conflict in the sugarcane industry? I'll leave the thinking to you, fellow stakeholders. To help you in your *pagmumuni-muni*, consider the following:

We produce around 5% surplus sugar every year (about 100,000 tons) which we need to ship to the low-priced world market for our local prices to remain profitable for the producers.

This excess sugar is the equivalent of around 40,000 hectares of cane computed backwards.

The 5% minimum amount of ethanol blend come 2009 will require some 223 million liters of ethanol, or converted to sugarcane hectarage, around 50,000 hectares, without touching the existing farms.

The above volume requirement would need around 5-6 ethanol plants of economic size.

These plants will require 18-30 months of construction before they become operational.

The SRA will be the agency to issue a certification to the sugarcane suppliers of bioethanol plants that their lands or operations are not in conflict with food production, and believe me, we are already having a lot of headache just deciding on the guidelines.

Last words of contemplation—notice that we did not touch anything about the most important issue, considering that these are hard times...., the *income factor*. And, this is largely the farmer's discretion. For at the end of the day, could we, should we prevent anybody from choosing the path where he will profit the most?