

Posted on Thu, Dec. 06, 2007

Biofuels generate interest

BY JANE BUSSEY AND JACQUELINE CHARLES

Biofuels once had the connotation of an energy source of the future. But extracting energy from sugar cane, corn, palm oil, and grasses has rapidly become an industry of the present and an opportunity for Central American and Caribbean nations.

"Biofuels are here to stay and they are going to get bigger over time," said Jeffrey Jacobs, of Chevron Technology Ventures, during a Wednesday panel at the 31st annual Miami Conference on the Caribbean Basin.

Opportunities for producing biofuels in Central America and the Caribbean have been one of the dominant themes of the three-day conference at the InterContinental Hotel in downtown Miami. About 20 speakers participated in the biofuels discussion Wednesday and organizers had to rush more chairs into the room to accommodate the overflow crowd.

Despite the interest in biofuels, which are made from plant material distilled into alcohol that can be blended into gasoline or used by itself in flex-fuel cars, flagging research, lack of political will and a shortage of capital have prevented countries in the region from fully developing their biofuels potential.

WORKING TOGETHER

Panelists described U.S.-Brazilian cooperation in developing hemispheric biofuel technology, while a number of government officials described ongoing production or plans for future production of biofuels.

Among the pluses of using the fuel are a reduction in dependence on imported oil, new crops for local farmers in small economies and a contribution to reducing greenhouse gases that contribute to global warming.

On the negative side, some contend that growing crops for biofuel production causes tropical rain forest destruction and also pushes up the price of corn and other foodstuffs because so much corn is used in biofuel production.

But many at the conference defended biofuels.

Gael Pressoir, from the Centro Hispañola de Investigación working in Haiti and the Dominican Republic, said higher food prices, for example, benefit poor farmers in the developing world, especially after years of their markets being flooded with low-cost corn from the United States.

"People are complaining about the current prices of food," Pressoir said. But he pointed out that the other side of higher prices for corn tortillas in Mexico is that ``finally farmers can be making a living in the developing world."

In Honduras, officials have received financing for a campaign to plant jahtropha bushes, whose seeds are used in biofuel production, around the edges of farms. The plant doesn't compete for farmland, isn't eaten by farm animals, and acts as an anti-pest agent.

But there have been some problems in the new and turbulent biofuel market.

Gino Bettaglio of the Salvadoran Investment Corp., ONIL, said that between the time a Bioenergia plant was started in El Salvador and began production, the cost of palm oil had jumped from \$400 a ton to \$650.

In addition, the plant built in Argentina had to be reconfigured to use palm oil instead of soybean oil. "Because of the high price of palm oil, we are now looking for alternatives," Bettaglio said.

HIGH-LEVEL TALKS

The U.S. State Department helped organize the biofuel session and State Department officials also met privately with regional government leaders to discuss biofuels.

About 600 government leaders, executives and academics attended the conference, which closed Wednesday night.

The event was organized by Caribbean-Central American Action, a Washington organization that promotes the private sector and free trade.