



Rising cost of rice and other grains are calling many to rethink whether biofuels adaption can wait a couple of years. SEAN GALLUP/GETTY IMAGES

Biofuels halt would ease food prices

WASHINGTON (Reuters)—A moratorium on global grain and oilseed-based biofuels would help ease raging wheat and corn prices by up to 20 percent in the next few years, a leading agriculture research group said earlier this week.

"Our models analysis suggests that if a moratorium on biofuels would be issued in 2008, we could expect a price decline of maize by about 20 percent and for wheat by about 10 percent in 2009-10. So it's this significant," Joachim von Braun, who heads the International Food Policy Research Institute (IFPRI), told reporters in a briefing.

"There are biofuels and there are biofuels, good and bad ones ... Waste-based and sugarcane-based can be very good," von Braun said.

The role of burgeoning biofuel production, which diverts food crops like corn to make ethanol, has become a sharply divisive issue in the United States and elsewhere as the world grapples with a dramatic shock in food prices.

The soaring cost of basic staples like milk and bread has sparked unrest and deepened political instability in many corners of the developing world.

Biofuel supporters in the United States call the ethanol criticism wrong-headed and see the technologies as a needed alternative to America's dependence on foreign oil.

That is especially important, they say, with oil prices breaking new ground close to \$120 a barrel.

U.S. food prices are expected to jump by up to 5 percent this year. At the same time, about a quarter of the U.S. corn crop will go toward ethanol.

Yet the Bush administration sees energy, not ethanol, as the biggest price driver, and describes a future for biofuels that leans heavily on alternate sources like switchgrass.

"The truth of the matter is, it's in our national interest that we -- our farmers -- grow energy, as opposed to us purchasing energy from parts

of the world that are unstable or may not like us," President George W. Bush said on Tuesday.

Backlash brewing? With more costly food and fuel exacerbating the pain of a slowing economy, and the ranks of needy Americans receiving government food vouchers on the rise, a backlash appears to be taking root in the United States.

Some state governments are publicly reconsidering their ethanol policies, and a few big meat and poultry companies are asking for steps to cool the high cost of animal feed.

In Von Braun's eyes, crops like sugar cane offer greater promise for biofuels. "The opportunities of agriculture being an energy producing sector should not in principle be discarded," he said.

World leaders have coalesced around the need for an urgent fix to the deepening food crisis. The United Nations, for its part, is pleading with donor countries to pad

strained food aid budgets and help avert a spike in global hunger.

The source of this "perfect storm" in global prices is usually attributed to the confluence of several factors, including poor weather in exporting nations, increasing demand in growing nations like India and China, and biofuels.

Von Braun also said that changing supply-and-demand dynamics had been driving soaring crop prices through the end of last year, but that market speculation and government steps to curb prices—such as export bans—had taken on an increasingly influential role in 2008.

"Especially in the last couple of months, price increases far exceeded what global supply and demand would suggest to you. That's then a response to erratic government trade policies, the export bans, and also the opening up of opportunities for speculative trading," he said.

Feted potato may get special treatment in WTO deal

GENEVA (Reuters)—The potato, celebrated by the United Nations this year as a cheap source of nourishment, is also turning heads in global free trade talks where both rich and poor countries are vying to protect their farmers.

Potatoes are on the list of "tropical and alternative" products that would get special treatment under the World Trade Organization's (WTO) Doha round, an agreement aiming to boost global trade flows and help poor-country exporters.

That list, proposed by developing economies including Bolivia, Costa Rica, Peru and Venezuela, also recommends better access to rich countries for agricultural exports such as roses, bananas, avocados, papayas, cassava, coffee, ginger, palm oil, cane molasses and cocoa powder.

But many rich countries, among them Switzerland, the United States, and Canada, also see the potato as one of their key crops, and fear its classification as a tropical product could put their own farmers at a disadvantage.

The European Union is pushing for a much shorter list of tropical products, which excludes the spud, to be used as the basis for ongoing negotiations in Geneva.

The question of how to handle potatoes cuts to the core of problems marring the Doha round, now in its seventh year.

Efforts to wrap up the deal in 2008 hinge on a breakthrough in the agriculture negotiating committee, where many of the WTO's 151 members have sought to avoid cuts to the tariffs and subsidies shielding their most valued foods from competition.

"For centuries, potatoes have been a staple in diets across the world. It is a product in which many countries have great interest," WTO spokesman Keith Rockwell told Reuters.

"Resolving this issue will be key

to finding a solution in agriculture and hence the Doha round," he said.

Alternative

The U.N.'s Food and Agricultural Organization (FAO) has designated 2008 the International Year of the Potato, and is promoting the carbohydrate-rich tuber as an alternative to wheat, rice and other globally traded commodities whose prices have shot up in past months.

Eric Kueneman of the FAO's International Year of the Potato Secretariat said that while potatoes are indigenous to South America, they are grown in large quantities in China, India and Russia, and could be used elsewhere to fight hunger and poverty.

"Expanding the production of potato in some cases can contribute to reducing the shortages of rice and wheat that are too expensive and not available for importation," he said in a telephone interview from Rome.

The international potato trade is worth about \$6 billion a year and is dominated by frozen and dehydrated products, such as french fries and potato chips, which developing countries tend to import from rich markets instead of producing themselves.

Many poorer economies would benefit from investments in storage facilities to keep potato stocks cool, Kueneman said.

"You can't process on much of a scale for the industrial market if you don't have a way to store it," he said. "Some infrastructure and technology developments have to be in place."

Economists say a Doha deal—which would make it easier and cheaper to export food, fuels, cars, and clothes, as well as to provide cross-border services such as transportation—would add billions of dollars to the global economy each year.



HOT POTATOES: With potatoes set to get special treatment by being listed under WTO's "tropical and alternative" products, many countries are seeking to protect their farmers against what they see as a key disadvantage. IAN WALDIE/GETTY IMAGES

Strengthen links between education and the private sector

By RADCLIFFE DOCKERY
Special to The Epoch Times

The need for our future generations to compete globally may be the most important issue facing Ontario. Numerous Statistics Canada reports confirm that as the baby boomers age, many professions will face a labour shortage.

This implies that Generation Y, defined as ages 12-24; will have an array of opportunities available to them in our province. Many private sector organizations will have to deal with this labour shortage and compete for the skills of Generation Y. Our education system must be able to prepare Generation Y with the hard and soft skills necessary to excel at these new careers.

On April 17th, the Canadian Policy Research Network released a report stating that 23.7 percent of Canadians under the age of 25 report feeling overqualified for their jobs. This represents the lowest results within the Organization for Economic Co-Operation's (OECD) 16 nations. The report also states that in 2005, salaries for 20 percent of Generation Y were lower than \$11.25. Such low wages for this generation are again troubling.

To address this particular gap, the education system must be better focused on developing practical skills that can be applied in the private sector. First of all, the ability for students to specialize in subject areas should be allowed at earlier grades. We are already seeing examples of this within the Peel District School Board, where Allan A. Martin Senior Public School has implemented an International Business and Technology program

for grade 7 and 8 students.

Such programs must be deployed more aggressively and should involve professionals who can advise educators about the delivery of class content. Without the input of professionals and consultants outside of the classroom, any program will turn off students and remain irrelevant to private sector organizations.

Secondly, the Ministry of Education must have a tighter link with the Ministries of Economic Development & Trade and Finance. This will ensure that the \$15 billion Ministry of Education is not only focused on test scores but focused on the needs of the various private sector organizations.

While academic achievement is important as it relates to skilled trades and knowledge based careers—too many Ministries of Education appear unable to connect academic achievement to career success. Ensuring tighter integration between these Ministries should help close this gap.

The McKinsey Quarterly reports that the fast growing Chinese economy will face a labour shortage over the next 20 years. The Japanese government has stated that they will require over 14 million immigrants by the year 2050. In South Africa, the top 20 companies reported that their graduating students do not have enough practical experience to take on roles within the nation as stated in the University World News on November 7th. South Africa's neighbour, Botswana is also facing a labour shortage according to Business Monitor International. What does all of this mean?

It means that if the education and private sectors do strengthen

their links, the best and brightest in Canada may leave our country. Call this the new "Brain Drain".

China, Japan, South Africa and Botswana along with many other nations could easily become the destination for young people making less than \$11/hour in Ontario. The Department of Foreign Affairs has international youth programs that allow young people to gain global experience. Combine this with school boards viewing cultural diversity as a serious economic issue, and our students will develop the skills necessary to diversify Canada's exports.

Private sector organizations must start to improve upon the 26 percent of Ontario companies that dedicate staff to issues of diversity. With both sectors working together to empower the rapidly growing visible minority populations, students in Ontario may be more inclined to stay.

There will be no shortage of career opportunities for Generation Y as baby boomers retire. However, there must be a better connection between all levels of education and the private sector. The private sector must embrace the creativity of young people and the education sector must bring more practicality into the classroom. This combination will ensure that we as a province can improve the standard of living for everyone.

Radcliffe Dockery is a Keynote Speaker and Consultant delivering skills training and consulting for organizations looking to compete in Diverse Markets at home and abroad. To learn more about how Radcliffe can assist your organization, contact him at (416) 855-0072 or vision@highereye.com

Spain may turn surplus homes into public housing

MADRID (Reuters)—Spain's housing ministry said earlier this week it was studying ways to convert some of the 500,000 to 600,000 new, unsold homes on the market into public housing to counter a property slowdown.

Turning new housing stock into state homes would cut the oversupply depressing the market and help the government raise public housing output to 150,000 units a year from a current 100,000, housing ministry sources said.

The plan, led by newly appointed Housing Minister Beatriz Corredor, could help remove excess supply within two years and allow a market recovery by 2010.

Corredor will soon meet developers to discuss proposals. "I think we can reach deals," said a ministry official, who asked not to be named, adding that not all new homes on the market were suitable for public housing.

Increasing the public housing stock, currently around 1 percent of the total, will require extra funding and has support from the Economy Ministry.

Further slowdown

House price growth fell to 3.8 percent in the first quarter, the slowest rate in ten years and below Spain's 4.5 percent inflation rate.

The ministry saw chances house price growth would fall further as there are too many houses on the market for demand of around 450,000 units in 2008.

"There is room for them to keep falling, it depends on the [economic] situation," a source at the ministry said. "Could prices fall abruptly? I don't know. It's not what property developers say. They think they won't fall a lot more."

Property developers and real-estate firms see a fall in house prices during the next two years, with some expecting a double-digit decline. Economy Minister Pedro Solbes

said on Friday prolonged turmoil in money markets had caused a sharper than forecast slowdown after property prices tripled over the

last 10 years.

House price growth should stabilize around the rate of inflation by 2010, the housing ministry said.

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