



DrumBeat: October 8, 2007

Posted by [Leanan](#) on October 8, 2007 - 9:03am

Topic: [Miscellaneous](#)

[Diet for small planet may be most efficient if it includes dairy and a little meat](#)

A low-fat vegetarian diet is very efficient in terms of how much land is needed to support it. But adding some dairy products and a limited amount of meat may actually increase this efficiency, Cornell researchers suggest.

[Why a carbon tax is a bad idea](#)

Metcalf calculates that in 2005 a carbon tax would have cut CO₂ emissions by 717 million tons. **But almost 90 percent of that would come from cutting the use of coal**, which releases more CO₂ than oil and a lot more than natural gas. A carbon tax does a lot to push companies away from burning coal in older, more heavily polluting plants in which the cost of the tax could be more than the cost of the coal itself. But it does very little to cut oil use.

[Ice melt raises passage tension](#)

In another sign of potential friction in the warming Arctic, Canada has warned that it will step up patrols of the Northwest Passage.

[Nuclear Power Primed for Comeback](#)

But there is still a lot of worry about the economics of nuclear power. Nuclear plants are hugely expensive to build; they have long lead times and a history of cost overruns. Bottlenecks loom for key components if more than a few plants are built. The price of uranium has soared in recent years. So has the cost of construction materials and skilled labor, which is in short supply. Politicians, environmentalists and business still can't decide how to dispose of radioactive waste.

[Australia in giant wind farm plan](#)

Plans to build Australia's largest wind farm have been announced by the German

company Conergy.

The project would involve installing about 500 turbines near the outback town of Broken Hill in New South Wales.

[Raw material prices rise sharply](#)

Raw material costs for UK manufacturers rose at their sharpest rate for more than two years in September.

Rising oil prices helped to drive up input prices by 3.2% in September alone and 6.4% on the year, said the Office for National Statistics.

[Credit squeeze linked to Ukraine gas dispute](#)

The latest stand-off between Gazprom, the Russian state-controlled energy group, and Ukraine over \$1.3bn in unpaid natural gas bills is partly a result of the global liquidity crisis, according to one of the companies at the centre of the dispute.

Ukrgez-energo, a trading company that controls the supply of gas to industry in Ukraine, blamed difficulties in borrowing on shaky world credit markets for its inability to pay for imported supplies.

[Shell lifts force majeure on Nigeria Forcados oil](#)

Royal Dutch Shell last week lifted a force majeure on shipments from its Forcados oil export terminal in Nigeria, a company spokeswoman said on Monday.

The force majeure had been in place since output was shut-in at Forcados and EA fields, which typically produce around 477,000 barrels per day, due to damage from militant attacks in February 2006.

[Week in Petroleum: Preparing for the future](#)

In oil markets, the degree of preparation is often measured by the amount of inventory of a particular product heading into its peak seasonal demand period.

[North Korea oil exploration still an idea - Seoul](#)

South Korea has no firm data on any oil reserves in North Korea and it is far too soon to

talk about joint exploration in the reclusive state, officials in Seoul said on Monday.

[Azeris look to invest oil profit in Germany](#)

Azerbaijan plans to use its soaring oil revenues to buy stakes in German and other European companies, the country's president said.

[South Korea's 1st-Half Overseas Oil Output Rises 22%](#)

South Korea, which imports almost all the petroleum it needs, produced 22 percent more oil from its overseas projects in the first half as new fields came on stream and companies increased investments.

[Inner Mongolia grasslands turning to sand](#)

"The wild grass reached up to my knees in the past," said Chaogula, a 40-year-old herdsman as he pointed to barren fields in this remote part of China near the Mongolian border.

"But there's very little grass now. It hasn't rained here in six years and we have to buy fertilizers and feed for our livestock. We never needed these before," he said.

[Oil Poised for Drop as Price Gap to Gasoline Widens](#)

The widening gap between crude oil and the relatively low price of gasoline is signaling the first quarterly decline in oil prices in a year.

While oil has fallen in the fourth quarter during 13 of the past 20 years because of the transition from peak summer demand, the pressure for another drop in the months ahead is the most intense since 2004 and may defer any rebound to record crude prices until the first half of 2008.

Citigroup Inc., Deutsche Bank AG and HSBC Holdings Plc anticipate oil will slide from last month's record \$83.90 a barrel as gasoline sales weaken to the lowest level this year and a slowing U.S. economy curbs demand. Profits from making fuels are so low that refiners have 12.5 percent of capacity off line, the second-highest rate of the past two decades for this time of year, data from the U.S. Department of Energy show.

[UK: Household income sees ten-year squeeze](#)

Households are suffering the biggest squeeze on their finances in a decade because of tax

rises and higher bills, research has shown. It suggests that the Government's take from taxes has leapt by some 85% in a decade.

...Other rises since 1997 include:

- The cost of communication - telephone, mobile and broadband internet - up 76.9% to a £743 a year;
- Spending on health, up 59.2% to an average of £519, not least because of higher dental fees;
- The price of petrol, up 54.6% to an average of £1,106;
- The cost of insurance, up 51.7% to an average of £1,047;
- The price of the BBC licence fee, up by 49.6% to £138;
- Annual spending on transport per household, up 48.5% to £4,824.

[UK: Federation warns of fuel rises](#)

THE Federation of Small Businesses has announced it fears that the 2p rise in fuel duty will hit many small businesses hard.

It says prices are already high at the pump and this will make it worse.

Many firms cannot take their produce or tools on public transport.

India - [Profit Charge: Oilcos refuse to lug Railways diesel load](#)

Railways consumes about 2 billion litres of diesel, making it one of the largest bulk consumers of the fuel. It currently enjoys a discount of Rs 1,125.27 per kilolitre. With spiralling global oil prices leading to a decline in the fortunes of India's public-sector oil companies, they are in no mood to offer sops. "We can't give discounts to anybody when we are making losses," a senior HPCL official said.

[Australia: Motorists being 'robbed blind on petrol'](#)

Queensland motorists are being "robbed blind" by fuel retailers who do not pass on the state's petrol subsidy, an inquiry has heard.

[Australia: Petrol inquiry told small operators struggling](#)

The Queensland Government inquiry into petrol prices in Brisbane today was told

supermarket-owned operators are dominating the market.

[Newton's Third Law of Motion at work in the marketplace](#)

Every time we tinker with one commodity to make up for another, we encounter an equal and opposite reaction somewhere in the chain.

[Schools squeezed by rising food costs](#)

It is a worsening situation, school officials say, as the escalating cost of food used in school lunches and breakfasts eats away at local school budgets.

"Milk has increased at a faster rate than most other foods," says Edward Gilbert, director of food services for Stoughton public schools.

...The school district also has "felt the hit" in the price of water, juice beverages, paper goods and dry goods because of higher costs in fuel, manufacturing and labor, he said.

[Church's 'call to action' includes energy-efficient windows](#)

In an effort to reduce their winter heating bill and environmental footprint, members of Franklin's century-old Federated Church are in the midst of a fundraising effort to replace many of the aging windows at its Main Street sanctuary and adjacent parsonage.

..."We need to meet our expenses and be responsible to the earth," added interim pastor Vicki Hammel.

[Bird seed prices take wing](#)

The price of traditional bird seeds has soared 50 percent or more in the past six months, prompting many backyard bird lovers in Metro Detroit to either bear the extra cost or switch to cheaper grub for their feathered friends.

As demand for commodities such as corn and sunflower oils grows, for reasons ranging from alternative fuel politics to healthier drive-through french fries, price increases are making themselves felt beyond the human food chain.

[Options abound as winter heating season approaches](#)

"If you have your own supply of wood, that's the least expensive way to heat," said Dave Somogyi, owner of Somogyi's Coal and Supply along Route 22 near Route 219 in

Ebensburg.

[Cold realities: As help for homeowners lags, oil costs expected to rise](#)

The average homeowner in the United States who uses oil heat will pay \$1,834 this winter, \$400 more than last year. Those costs are expected to be even higher here in the colder Northeast.

[Transportation News: Rail Carriers in the Cross Hairs](#)

If the ACC allegations are even remotely accurate, it means rail profits (and stock price) were tremendously inflated by fuel surcharge profits – with as much as 73% of profits coming from surcharges in 2006 for some carriers. It also means that success of the current or future law suits over the surcharges would have a huge impact on rail carrier financial results.

With major investments needed for rail infrastructure, this issue makes understanding rail carrier economics much more difficult than before. Rail carriers have traditionally had among the lowest returns on invested capital of any industry – one reason why infrastructure developments were slow to come. Lately, investment plans have been accelerated, based on rising demand and improving returns, but perhaps the real returns were masked by surcharge profits.

[Transportation is Moving - Slowly - Toward Sustainability](#)

The transportation sector is a powerhouse when it comes to the amount of fuel and energy it consumes. Combined, road and air transportation account for nearly 20 percent of global energy demand.

And while it appears that little can be done at this point to curb fuel and energy consumption in the commercial aviation sector, the automotive industry is poised to take great strides in the coming years.

[Geothermal industry goes full steam ahead](#)

Welcome to the Geysers, the largest single producing geothermal energy field in the world. Although the 47-year-old field is the country's largest geothermal producer, supplying almost 3 percent of California's electricity, it is virtually unknown.

[Could West Texas algae curb oil dependence?](#)

A year ago, this dusty patch of land near the New Mexico border contained little more than dirt and the odd sprig of alfalfa. Today, it is home to a \$3 million laboratory that is crackling with activity.

The hi-tech lab was built for a peculiar but possibly revolutionary purpose: to explore ways algae can be used to reduce the world's dependence on oil.

[N.C. examines production of state biofuels](#)

A surplus of production and the absence of distribution mechanisms has stalled the Midwest ethanol industry, a predicament that the growing N.C. biofuels movement hopes to avoid.

A state-mandated strategic plan calls for North Carolina to produce enough biofuel to account for 10 percent of its liquid fuels by 2017.

[Biofuels speeding global warming](#)

Most crops grown in the U.S. and Europe to make "green" transport fuels actually speed up global warming because of industrial farming methods, says a report by Nobel prize-winning chemist Paul J. Crutzen.

[Population theorists worry about food supplies](#)

Why is this sort of Malthusian gloom and doom so appealing to so many? You don't have to be a farmer or an agricultural economist to raise an eyebrow over predictions of chronic crop shortages. While weather may affect crop yields from one season to the next, shortages tend to give way to surpluses, as higher prices induce producers to increase their output. And somehow man, through his eternal inventiveness, always finds a way to produce more with less.

[U.S. Fails to Track Critical Minerals](#)

Oil isn't the only natural resource we rely on to keep society humming; many non-fuel minerals are also essential to our daily lives. But neither the government nor industry has enough key information to make sure those mineral supplies are secure, according to a new study by the National Research Council.

The U.S. depends on a number of critical minerals to make everything from cellphones and toothpaste to flat-screen TVs and pacemakers, and many of those minerals are increasingly being imported from other parts of the world.

[Nigeria: Conoil Gets 14-Day Ultimatum](#)

The National Union of Petroleum and Natural Gas workers (NUPENG) and the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) have given a fourteen-day ultimatum starting from last Friday to the management of Conoil Plc to reverse all anti-union measures taken by the management of Belbop Nigeria Limited.

[Russia's OAO Gazprom's profit rose 14 percent in 1st quarter, helped by non-operating items](#)

Gazprom said the profit rise reflected a 44.69 billion ruble (\$1.8 billion) gain from the deconsolidation of its pension fund unit Gazfond, and a 8.59 billion ruble (\$344 million) gain from disposals of financial assets.

Operating profit fell to 209.8 billion rubles (\$8.4 billion) from 230.5 billion rubles, due to slower revenue growth attributed to lower demand from central and western Europe during an unseasonably warm winter.

[Kazakhstan reassures Italy over Kashagan oilfield](#)

Kazakhstan reassured Italy on Monday it had no plans to change the terms of a contract signed between Italy's Eni and the Central Asian state's government to develop the giant Kashagan oilfield.

[The Deepwater Dance Marathon](#)

Last week, the Minerals Management Service conducted the biggest Central Gulf of Mexico lease sale in over a decade. In case you had any doubt, the deepwater is still bringing in the dollars. The average bid per block touched a new record, and the total number of bids submitted more than doubled last year's total. This dance just keeps heating up.

[Hungarian government not planning MOL law change after EU threat](#)

The Hungarian government on Friday said it currently had no plans to call off a vote on a law aimed at defending its largest energy firm MOL from foreign takeover after the European Commission threatened the government with legal action.

[Review: *Deep Economy: The Wealth of Communities and the Durable Future* by Bill McKibben](#)

Perhaps most devastating, though, and controversial, will be McKibben's take on the

economics of depression. Just as we could do a better job of redistributing the fruits of economic growth, it is conceivable, although unlikely, that we could invent our way out of the problems of peak oil and global warming. In other words, that somehow or other we could continue to fuel not just the living standards of the Western Europe and the United States -- Americans currently use about 24 barrels of oil per person per year -- but the booming economies of China and India. But why would we want to, McKibben asks, when the growth economy -- and its avalanche of stuff -- has not made us any happier? Indeed, when it has made us decidedly unhappier? Drawing on research in the field of cognitive psychology and behavioral economics, McKibben argues that "more" does not always -- and hasn't lately -- equaled "better" or "happier." Despite a tripling in gross domestic product per capita since 1950, despite driving more cars, despite living in bigger houses, and despite, when not working, being constantly and instantly entertained, Americans are not considerably happier -- and in many cases much unhappier -- than either their forebears or people living in other developed countries.

[Australian queue-cutting set to fuel the rising price of coal](#)

Another surge in the price of coal is feared after the operator of the world's biggest coal export terminal cut the number of ships permitted to load at the port of Newcastle in Australia.

Queues at the port, which exports coal from the Hunter Valley mines, reached a peak of 79 vessels in the summer as Asian power producers scrambled to fill up in anticipation of coal shortages this winter. To reduce congestion, last week the port operator cut export allocations for the fourth quarter of this year by two million tonnes.

[Australia: Inquiry hears suggestions for regulating petrol industry](#)

The first day of the Queensland Government's petrol price inquiry has heard a number of suggestions on how to best regulate the industry.

The inquiry is investigating whether Queensland's eight cents per-litre fuel subsidy is being passed on in full to motorists.

[Indian industry body calls for hike in fuel prices to cut oil companies' losses](#)

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) said a minimum price hike of one rupee and two rupees a litre for diesel and petrol respectively, along with a 20 rupees-per-cylinder hike for liquefied petroleum gas (LPG), will enable oil marketing companies (OMCs) to restrict losses within about 550 bln rupees.

[India: Country vulnerable to volatility in crude prices](#)

India imports 73 per cent of oil to meet its fuel needs and faces inflationary pressure on any sharp increase in global crude prices.

[Siniora & Qatar discuss a new refinery for Lebanon](#)

Lebanon was among the first in the Middle East to build oil refineries in the 1950's, but now its facilities in Zahrani and Tripoli are inoperative making it one of the only countries in the region with no refining capacity, and consequently entirely dependent on imported fuel sources. With prices of oil soaring the cost of meeting annual energy consumption requirements is not sustainable in the long-term.

[No conspiracy: Gas prices are based on supply and demand](#)

Drivers usually get a break from high gas prices in the fall, but for the fifth straight week gasoline prices continue to climb.

Consumers often blame gas stations or a gas supplier conspiracy for raising prices without reason, but there's more to the climbing cost of fuel than the increasing numbers at the pump.

[War Without End, Amen](#)

The Middle East -- and much of the world's oil supply -- would be hostage to one of the most unstable balances of terror the world has ever known. It wouldn't take much to spark off a regional, nuclear war. Oil prices will rise and plateau at God-knows-what because of the constant, hair-trigger tension and a world-wide recession or even depression might ensue as prices rise because of cascading costs in the distribution chains. Food would cost more, business travel would drop, jobs would be lost, public transportation would become more expensive, etc., etc. The era of cheap oil and the lifestyle it affords would be over.

[Indonesia: Car sales up 20% in September](#)

Car sales in Indonesia increased 20% year-on-year in September 2007 to 41,000 units, pushing year-to-date volumes to 318,000 units.

[China's Solar Boom Loses Its Luster](#)

A shortage of refined polysilicon has pinched solar-cell makers in the past few years. The raw material's price has gone from around \$30 a kilogram to over \$250 on the spot market, creating a windfall for producers like MEMC Electronic Materials (WFR). But

the higher prices have hurt China's latest solar-cell contenders, which lack established supplier relationships-which helps explain the net losses at China-based Canadian Solar (CSIQ).

[Talisman's retired contrarian picks his next fight](#)

Do you think the world has reached peak oil production?

I do - we're there or close to it. Mexico, the North Sea and possibly Ghawar [in Saudi Arabia, the world's largest conventional oil field] are all in decline. The truth is the world is producing 30 billion-plus barrels of oil a year and is finding less than 10 billion. This is the worry.

If we're close to peak oil, what is your price forecast?

The price has to be high enough to hurt demand. It has to be rationed by price. There is no real demand destruction yet [with oil near \$80 (U.S.) a barrel]. It'll have to be at \$120 a barrel, I think, before you'll see that.

[Is oil price going to hit \\$100 a barrel?](#)

"All the various components (of the global energy crisis) came together after 9/11, and 9/11 was a major factor in bringing them together. Once we realise this, many other developments fall into place: the war on terror; the invasion of Iraq; the rise of Iran; the radicalisation of Islam and the increasing sectarian tensions within Islam; the decline in American power and influence; nuclear proliferation; China's pursuit of natural resources and its negative effect on curing the resource curse; and Russia's use of gas supplies to suborn its former empire and the larger danger it poses for Europe. The core of the crisis is the tight supply situation for oil." So wrote George Soros, probably the world's most influential hedge fund manager, in 2006.

[Forum will seek local solutions to climate change](#)

The peak oil theory contends that once maximum oil production is reached, availability will decline and prices will rise dramatically.

"To me, peak oil is more compelling because at that point you're going to get people paying attention," he said.

[Willits and the problem of slow knowledge](#)

But after three years, Willits, while still a clear leader in peak oil preparedness, has not achieved nearly the progress envisioned by Bradford and other organizers. While their

sense of urgency still remains, they have begun to realize that municipal governments move at what seems like a glacial pace and that public awareness is not the same as public understanding.

[70s royalty hike a boom not a bust](#)

Last time Alberta Conservatives stirred up a hornets' nest by raising oil and gas royalties, the province kept score on the aftermath.

"We heard many dire predictions," Peter Lougheed reminded the legislature in his first annual state-of-Alberta address as premier on Oct. 25, 1972.

[Diesel Shortage Could Hamper N.D. Harvest](#)

Spot shortages of diesel fuel could slow down harvest in some parts of North Dakota.

According to the North Dakota Department of Agriculture, some dealers have rationed fuel to make sure everyone can keep rolling.

[GM to set up car venture in Uzbekistan](#)

General Motors Corp (GM.N) has set up a joint venture in Uzbekistan to produce and sell cars in the central Asian state, the Uzbek state auto company said on Monday.

[Africa: Workers' struggle and capitalist nightmare](#)

"Many features of this latest Nigerian farce, namely corruption and mismanagement, still scar many other parts of Africa. The post-colonial continent has hitherto been a colossal flop. "

This editorial comment from the Economist magazine, following the Nigerian elections earlier this year, in spring, is typical of how right-wing politicians describe Africa today. This "colossal flop" is cynically treated as an "African" phenomenon, with no explanation given of its roots in colonialism, capitalism and imperialism.

[My journey to sustainability](#)

Does living sustainably require that we drive more? Yes, it does. Does living sustainably cost more than regular trips to the grocery store? Yes, it does. Do we feel less dependent and more fulfilled through the relationships we've established by living this way? Yes,

we do. It gives us great satisfaction to know the farmers we buy things from. They are small producers and make a point of being organic and sustainable themselves. We feel fulfilled because we've taken our food purchases and health into our own hands. We also feel fulfilled by supporting a small local producer instead of a multi-national conglomerate. That multi-national won't talk to us about the health of the cows and the pasture grass when we visit, or show us how to bottle-feed a calf or move a chicken tractor. Our farmer will.

[No country immune from animal disease: U.N.](#)

No country is immune from animal diseases as the globalization of movement of people and goods, tourism and climate change favor the spread of animal viruses around the world, the U.N. food agency said on Monday.



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