



DrumBeat: April 20, 2008

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Topic: [Miscellaneous](#)

[Michael Pollan: Why Bother?](#)

Why bother? That really is the big question facing us as individuals hoping to do something about climate change, and it's not an easy one to answer. I don't know about you, but for me the most upsetting moment in "An Inconvenient Truth" came long after Al Gore scared the hell out of me, constructing an utterly convincing case that the very survival of life on earth as we know it is threatened by climate change. No, the really dark moment came during the closing credits, when we are asked to . . . change our light bulbs. That's when it got really depressing. The immense disproportion between the magnitude of the problem Gore had described and the puniness of what he was asking us to do about it was enough to sink your heart.

[Sticker Shock in the Organic Aisles](#)

Organic prices are rising for many of the same reasons affecting conventional food prices: higher fuel costs, rising demand and a tight supply of the grains needed for animal feed and bakery items. In fact, demand for organic wheat, soybeans and corn is so great that farmers are receiving unheard-of prices.

But people who have to buy organic grain, from bakers and pasta makers to chicken and dairy farmers, say they are struggling to maintain profit margins, even though shoppers are paying more. The price of organic animal feed is so high that some dairy farmers have abandoned organic farming methods and others are pushing retailers to raise prices more aggressively. Several organic manufacturers worry that sales may slow as consumers cut back.

[Food \(and fuel\) for thought](#)

Fertilizer production is second only to petroleum refining when it comes to industrial use of natural gas in the United States: 97 percent of the fertilizer applied to crops is manufactured from natural gas. With spiking energy costs, fertilizer manufacturers are opting to close their doors and instead sell their natural gas supplies. Fertilizer prices are climbing as a result.

[Oil hits record \\$117 a barrel](#)

According to analysts, the refiners in America are trying to create an artificial shortage of gasoline and other distillates. Gasoline supplies have declined over the past five weeks to the lowest since January as refiners cut their processing rates.

[Growing world needs every form of energy-Shell](#)

Netherlands - ROME (Reuters) - The world will need every form of energy available -- from coal to biofuels -- to keep pace with a booming population, the chief executive of Royal Dutch Shell said on Sunday.

Jeroen van der Veer also said record oil prices, which hit \$117 a barrel on Friday, had yet to curb the thirst for fuel.

"... Despite high prices, demand is not dropping, there is only slower growth. Easy oil and easy gas cannot supply all that surge in demand," he told reporters on the sidelines of the International Energy Forum.

[Businesses in Bay Area May Pay Fee for Emissions](#)

SAN FRANCISCO — Air quality regulators in the San Francisco Bay Area appear set to begin charging hundreds of businesses in the region for their emissions of heat-trapping gases.

It is believed to be the first time in the country that any government body would charge industries directly for emissions that contribute to climate change. The regional agency that is considering the fee, the Bay Area Air Quality Management District, would be effectively leapfrogging the continuing debate in Sacramento and Washington over how to control emissions.

[Plant may avoid emissions curbs](#)

Of the fuels commonly used to run power plants, none releases more of the global-warming gas than coal. In the Southeast, coal produces more electricity than any other fuel.

In the past several years, power companies have pushed to build more than 150 coal-fired plants. But with Congress poised to restrict carbon-dioxide emissions and a trend toward greater environmental concern, some analysts say the boom may be fizzling.

[Now's time to cut back](#)

It's high time to go on strike. I'm not talking about some union local or a guild out in California. I mean a comprehensive and all-inclusive national strike.

And a week on the picket lines won't do. This might take a while, and it might require a long-term change in lifestyle. But it does not involve staying home from work, or anything that will hurt household finances or the economy. In fact it will increase disposable income and help our nation's economic health.

I'm talking about an energy-consumption strike, a flat-out commitment to substantially decrease use of every kind of energy that we, as a nation, have come to waste, so blatantly.

[Leafonomics](#)

In poor countries around the world, there's money being made by cutting down forests. Should these countries be paid *not* to cut down their forests? Such a curious transfer of wealth may represent the next twist in the politics of climate change.

[World Oil Production: Continued Stress](#)

As an engine of economic growth, the availability of oil is seen as a strategic necessity and has been highly politicized on a global basis. Governments compete for limited energy resources to drive their economies. This raises the question as to whether future supplies will be sufficient to meet what seems to be insatiable demand. The concerns have reached epic proportions as an increasingly tight energy supply situation has raised prices for these products, which are competing for consumer's disposable income. By raising input costs not only for heating and transportation but also across the commodity spectrum, capital flows and trade the world over are affected.

Many pundits believe that we have reached peak production of oil. Basically, wells are being depleted faster than new reserves of oil are being found. These fears have been amplified by the difficulty many oil companies are having maintaining recoverable reserves. Large oil fields such as those in Mexico and in the Alaskan North Slope are in decline and nearing depletion. New finds have been increasingly difficult to come by.

[In Mexico, a tempest in an oil barrel](#)

MEXICO CITY — Leftist politicians have shut down Congress, staged hunger strikes and rallied tens of thousands in the streets to fight what they call the "privatization" of the state-owned oil company, Petr leos Mexicanos.

All that in just nearly two weeks since Mexican President Felipe Calderon unveiled his

oil reform proposal.

But the protesters might be wasting their time.

Under the tepid provisions of the bill, few private companies are likely to scramble for a piece of the Pemex pie, industry executives and analysts say.

[Mexico's Unfinished Reform](#)

THOUGH YOU wouldn't know it from listening to the Democratic presidential candidates, Mexico's biggest economic problem is not the North American Free Trade Agreement but its failure to open its economy even more widely to investment and trade. The single largest obstacle to Mexican growth is the country's state oil monopoly, Petróleos Mexicanos, or Pemex. Created in 1938, the company has become synonymous with inefficiency and corruption; though it supplies 40 percent of Mexico's government revenue, its production has declined 10 percent in the last three years, largely because it lacks the capital or expertise to tap offshore oil reserves.

[The Global Inflation Wave and OPEC's Role](#)

A few points need to be pointed out before discussing the issue at hand. First, the global wave of inflation affecting commodities and the current global economic crisis have nothing to do with oil prices. The fact is that the causes behind the rising prices of foods include result from many factors; the rising standard of living standards in major Asian countries such as China; the commercial production of bio-fuel in the United States which has diminished the area of agricultural plots dedicated for growing wheat and barley, and hence the shortage in the supplies of wheat available for bread and pastas; the rise in international prices despite the expansion of areas dedicated for the growth of corn since huge amounts of the produce have been allocated for the production of bio-fuel rather than as animal feed, and this in turn has led to a decline in the volume of meat supplies in the market and to price increases.

[Terminal first in nation](#)

The nation's first new onshore terminal for liquefied natural gas in nearly 30 years received its inaugural world shipment last week in Cameron Parish.

Situated on the Sabine-Neches Waterway in the city of Cameron, the new Sabine Pass LNG Terminal will be the largest in the world because of its regasification capacity, and each day could send out the equivalent of 5 percent of total U.S. natural gas consumption, or more gas than all of Louisiana consumes in one day.

[Is Hyperion worth it?](#)

"It's just going to create a horrendous amount of traffic," Cody said of the proposed oil refinery and power plant, envisioned for a rural Union County site less than a 10-minute drive from his Main Street location. "Whether it'll be good or bad, I'll let you know after I see it and after I get through it."

[All Atmospherics, No Climate](#)

When they finally got around to the issues, they were the same ones that we've heard before: Who would best deal with an economy hobbled by predatory banks giving mortgages to anyone who could sign their names? How can we most quickly exit the Iraq debacle? Who would offer more tax relief for the not-so-poor while imposing the fewest new taxes on the not-so-wealthy?

Worthy issues all. But one was missing: the environment.

[Going climate neutral](#)

Faced with this challenge, we are beginning to hear the catch phrase "going climate neutral." HSBC claims to have done it. The University at Buffalo is promising to do it as a result of signing the American College and University Presidents Climate Commitment. Professional architects are aiming at it with Architecture 2030, a program calling for all new buildings to be climate neutral by 2030. Environmentally aware individuals or families can do it, too. Here's how to achieve a climate neutral lifestyle.

[Is this the end for cheap airline fares?](#)

The changes hit home last month for Chicago technology executive Ian Drury, who saw the price of a ticket to India that he had planned to purchase jump \$1,500, overnight.

"It's definitely a much tougher world for the business traveler as a result of increasing fuel costs," Drury said.

[The Big Thirst](#)



Oil prices rose above \$116 a barrel last week, setting another record for the world's most indispensable energy commodity. What was striking about this latest milestone was what didn't happen: there was no shortage of oil, no sudden embargo, no exporter turning off its spigot.

...“This is the market signaling there is a problem,” said Jan Stuart, global oil economist at UBS, “that there is a growing difficulty to meet demand with new supplies.”

[Review: Reinventing Collapse by Dmitry Orlov](#)

...Orlov points out that because we are so identified with owning a car as part of this American middle class identity we will be hard put to let it go. And when we are forced to (due to diminishing and increasingly expensive gasoline supplies) so will go the myth of the middle class. In turn he explains how the Russians lost faith in the classless worker's paradise because they could clearly see that there was an elite strutting around in cool Armani threads. Meanwhile the lack of consumer goods and trendy fashions meant that a good life for all never became a reality.

And because our ideologically indoctrinated minds are so closed to such deep seated change and so invested in our "can do" innovation, we will, like Napoleon, be unable to retreat from the overextended, oil fueled, debt based economy which is poised to come crashing down, financed as it is by foreign investment that will eventually decide that we are not a good credit risk.

[As Climate Change Melts Polar Ice, a New World Emerges](#)

So quickly is the ice melting that the prospect of a navigable, ice-free Arctic Ocean is no longer the stuff of fanciful imagination, and has been the topic of two NOAA National Ice Center-sponsored conferences, the April 2001 Naval Operations in an Ice Free Arctic Symposium, and the July 2007 Impact of an Ice-Diminishing Arctic on Naval and Maritime Operations Symposium. Within our lifetimes, and possibly in less than a single generation, we may witness the opening up of Arctic sea lanes that are fully navigable year-round: the strategic, economic and diplomatic consequences will be enormous.

[Nigel Lawson loses no sleep over global warming](#)

Nigel Lawson, the Iron Lady's chancellor, scourge of the miners and father of the adorable Nigella, has joined the ranks of the climate change sceptics. He believes David Cameron's green agenda is overblown, biofuels are useless and carbon trading resembles 'nothing so much as the sale of indulgences by the medieval church.'

[Review: Book details life after oil, government](#)

Kunstler made his name as an acidic critic of contemporary architecture and landscapes - or as he calls them "suburban crudscapes." He could have used the novel as an opportunity to create cardboard characters that mouth Kunstlerian themes. Instead, he sketches out a scarred world wobbling between order and chaos. Marijuana grows by the roadside, McMansions are stripped for scrap. On a visit to the state Capitol in Albany, Robert finds the lieutenant governor pathetically trying to keep government running with a typewriter and a gun.

[OPEC can boost output by 2 million bpd -- Chairman](#)

(KUNA) -- The Organization of Petroleum Exporting Countries (OPEC) has the ability to increase its production by two million barrels a day, a senior OPEC official said.

Visiting OPEC Conference President and Algeria's Energy and Mines Minister Chakib Khelil told KUNA the increase could mainly come from Saudi Arabia, adding that other countries like Algeria, Libya, Venezuela, and Nigeria could also contribute in the raise.

[No Need for Further Saudi Oil Capacity Expansion — Al-Naimi](#)

ROME, 20 April 2008 — Top oil exporter Saudi Arabia has no plans to embark on further capacity expansion as long-term oil demand forecasts fall and alternative fuel supplies rise, the Saudi oil minister told industry newsletter Petroleum Argus.

The holder of the world's largest oil reserves sees no need to go beyond its 2009 capacity target of 12.5 million barrels per day "at least up to 2020," Minister of Petroleum and Mineral Resources Ali Al-Naimi said.

[Russian oil drop may be inflating prices](#)

The International Energy Agency has hinted that a 1 per cent drop in Russian output in the first quarter of 2008 is contributing to record oil prices. This is the first time in ten years that Russian production will have fallen.

Analysts say the fall may be anomalous, due simply to high taxes and inadequate reinvestment. Russia is the world's second-biggest producer of crude oil and one of its main exporters, with reserves of about 40 billion tons, of which 25 billion are on its continental shelf.

[UK: Calm urged over refinery shutdown](#)

"Even if Ineos are right and Grangemouth has reduced or even no production for a month there is enough petrol in the UK to cover that."

[Shell, Qatar to supply LNG to Dubai from 2010](#)

ROME (Reuters) - Royal Dutch Shell plans to begin supplying liquefied natural gas (LNG) to Dubai in the peak demand summer period from 2010 after signing deals with the emirate and QatarGas, a Shell executive said on Sunday.

Shell aims to supply around 1.5 million tonnes of LNG a year, said Martin Trachsel, Shell's vice-president for gas and power in the Middle East Gulf.

[Sinopec predicts 50% decrease in Q1 net profit](#)

BEIJING, April 20 (Xinhua) -- China Petroleum and Chemical Corporation (Sinopec), the country's largest oil refiner, predicted its net profit to decrease by more than 50 percent in the first quarter of 2008 from a year earlier.

...The company said the continuous rise of crude oil price on the global market and domestic price controls led to big losses in refining business and squeezed profit margins.

[Petrochina to get its first subsidy, Sinopec warns of profit drop](#)

HONG KONG (MarketWatch) -- China's two biggest-listed oil firms - PetroChina Co. and China Petroleum & Chemical Corp., or Sinopec - said Saturday they expect to receive a government subsidy to compensate for low fuel prices on a monthly basis starting this month.

[Gulf Arabs put brakes on buying spree, await bargains](#)

DUBAI/ROME (Reuters) - Gulf Arab exporters awash with cash from record oil income have put the brakes on foreign asset buys as the global credit crisis promises more bargains later and the political spotlight falls on how they invest.

Economists say the battle against domestic inflation in the world's top oil-exporting region is capping spending at home, leaving sovereign funds that invest much of the surplus oil revenue struggling to find a profitable home for their money.

[Biofuels won't solve world energy problem-Shell](#)

"The essential point of biofuels is over time they will play a role," Jeroen van der Veer, chief executive of Royal Dutch Shell, told reporters on the sidelines of the International Energy Forum.

"But there are high expectations what role they will play in the short term."

[Shell, Exxon Face Higher Oil Production Costs on Carbon Limits](#)

(Bloomberg) -- Royal Dutch Shell Plc, Exxon Mobil Corp. and the rest of the oil industry may face higher costs to exploit Canada's tar sands, the biggest deposit outside of Saudi Arabia, because of efforts to rein in climate change.

A Canadian mandate to bury carbon dioxide when producing the oil may add between \$2 and \$13 a barrel to the cost of production, according to Pembina, an Alberta-based environmental group. Mining crude from the area now costs around \$60 a barrel.

[UK: Energy firms to raise bills yet again](#)

Energy companies are preparing to slap hard-pressed households with a second massive hike in utility bills this year. Bills could start rising again in the summer by as much as 25 per cent, or an average £250 per household.

...Last week senior Norwegian energy executives also warned government officials and regulator Ofgem that they do not see the UK as a priority for exporting gas. Norway supplies about one-fifth of the gas consumed in this country. With North Sea reserves dwindling, the UK is facing having to import about half of its gas from countries such as Norway and Russia by 2010.

[Pursuing the polluters](#)

An environmental suit may open the door for small countries to take on the multinationals.

[Oil firm's drilling plans would encroach on Utah artwork](#)

ROZEL POINT, UTAH -- When artist Robert Smithson assembled a massive spiral unfurling into the Great Salt Lake 38 years ago, there was no indication that this remote spot would be altered again by humans any time soon.

Smithson's work, called "Spiral Jetty," became a world-renowned piece of art, its striking man-made pattern created amid isolation. Now art lovers fear it is threatened by plans to explore for oil a few miles offshore.

[Oil Majors Must Rethink Business to Survive, Eni Says](#)

International oil companies must improve their technological expertise to survive a trend of increasing nationalism among nations with energy resources, Eni SpA Chief Executive Officer Paolo Scaroni said.

``The balance of power between international energy companies and producing nations is changing, and not in our favor," Scaroni said today in a Bloomberg Television interview at the International Energy Forum in Rome. ``The game is about technology. We need to be needed."

[ANALYSIS - Oil majors forced to accept tough terms](#)

ROME (Reuters) - From Iraq to Ecuador, international oil companies have swallowed their pride and agreed to contract terms they would have walked away from a few years ago.

Oil prices have risen more than five-fold since 2002, emboldening OPEC and non-OPEC energy producers alike to demand a greater share of record revenues and tighten national oil company (NOC) control over the world's biggest reserves.

[TABLE - The top 15 oil reserves holders, consumers](#)

United States (Reuters) - Following are countries and companies holding the world's biggest oil reserves, as well as the leading consumers, producers and exporters.

[U.S. Midwest Oil Refineries Unharmed by Earthquake](#)

(Bloomberg) -- Refineries in the U.S. Midwest run by Marathon Oil Corp., Valero Energy Corp., BP Plc, Exxon Mobil Corp. and CountryMark Cooperative were unaffected by an early morning earthquake in Illinois.

Marathon, the largest refinery in the Midwest, shut its Potoka crude-oil pipeline as a precaution after the earthquake struck, Linda Casey, a company spokeswoman, said in a telephone interview. The line has returned to service and is operating normally she said.

[Exposed: the great GM crops myth](#)

Genetic modification actually cuts the productivity of crops, an authoritative new study shows, undermining repeated claims that a switch to the controversial technology is needed to solve the growing world food crisis.

The study – carried out over the past three years at the University of Kansas in the US grain belt – has found that GM soya produces about 10 per cent less food than its conventional equivalent, contradicting assertions by advocates of the technology that it increases yields.

[Across Globe, Empty Bellies Bring Rising Anger](#)

Saint Louis Meriska's children ate two spoonfuls of rice apiece as their only meal recently and then went without any food the following day. His eyes downcast, his own stomach empty, the unemployed father said forlornly, "They look at me and say, 'Papa, I'm hungry,' and I have to look away. It's humiliating and it makes you angry."

That anger is palpable across the globe. The food crisis is not only being felt among the poor but is also eroding the gains of the working and middle classes, sowing volatile levels of discontent and putting new pressures on fragile governments.

[Biofuels under attack as world food prices soar](#)

PARIS (AFP) - Hailed until only months ago as a silver bullet in the fight against global warming, biofuels are now accused of snatching food out of the mouths of the poor.



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