



DrumBeat: June 22, 2008

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[You. Will. Not. Be. Able. To. Get. Food. - report on trends](#)

You. Will. Not. Be. Able. To. Get. Food. Need this be spelled out any more plainly? It is time to consider that the stage has been set for petroleum-induced famine.

We have "innocently" accommodated rising population with greater and greater food production via technology and the profit motive. But now we have run out of room to grow, as biotechnology, for example, has severe limitations -- major ones being petroleum dependence and topsoil loss. The biggest wild card for our existence is climate change, as we see with floods and other extreme weather affecting our food supply.

[Next Great Depression? - Greed and high oil prices could spark meltdown](#)

"A very nasty period is soon to be upon us -- be prepared," Bob Janjuah, a credit strategist for the Royal Bank of Scotland, wrote in a report that sent shockwaves through the global financial community.

Janjuah is warning that these skyrocketing energy prices are inflicting big damage by fuelling inflation and paralysing major central banks, who may be forced to hike interest rates at a time economies are slowing and the U.S. subprime crisis is sending a tidal wave around the world, sparking a global credit crunch.

[Women Worst Hit by Food Crisis](#)

The current food crisis is yet another reminder of the feminisation of poverty. Women produce most of the food in poor countries, yet they have less access to seed, fertilisers and extension services. They are also the most hungry -- about seventy per cent of the people who do not have access to enough food are women and girls. Women form the bulk of the working poor -- they toil long hours without reaping enough to enable them to climb out of the dollar-a-day absolute poverty bracket. In some countries women widowed by HIV and AIDS are routinely disinherited, and in these and many other countries women's lower cultural or legal status means that they do not own the land they till. The food crisis has inevitably taken a greater toll on women, and consequently the well-being of whole communities is affected.

[Food crisis a threat to urban population](#)

Food and energy crisis is likely to have devastating effects on African urban dwellers, Executive Director of the UN-Habitat Dr Anna Tibaijuka has said.

The UN Habitat director said urban dwellers' dependence on nature puts them at great risk as prices are skyrocketing.

"For services such as water, the urban poor depend on vendors and pay prices that are much higher than those paid by the urban rich who are often connected to subsidised municipal supplies," Tibaijuka said.

[Dearth of Ships Delays Drilling of Offshore Oil](#)

As President Bush calls for repealing a ban on drilling off most of the coast of the United States, a shortage of ships used for deep-water offshore drilling promises to impede any rapid turnaround in oil exploration and supply.

[Diesel shortage hits other cities](#)

ROSARITO BEACH – Despite the arrival of a gasoline cargo tanker yesterday, the diesel crisis in the Tijuana area has extended to Baja California's other major cities.

[Pumped up, tapped out: As gas prices soar, more people stand on the edge](#)

Dan and Daniela Ayers are a typical middle-class couple with a home and a budget, a spending plan under siege by the fuel pump.

Today, gas siphons off money they used to spend dining out, on camping trips to the north end of Carolina Beach and on visiting relatives in Raleigh and Charlotte, among other things, said Daniela Ayers, who works at a Wilmington architecture firm.

[Thirst for oil will keep prices high](#)

WE'RE all being affected by the rise in global oil prices. The big question is whether the recent rally is caused by an imbalance between global supply and demand, whether it's the result of speculation, or both. Oil prices have doubled over the last 12 months even though global demand growth has slowed.

How do we explain this? Let's look at the evidence.

[Pump pain: Gas stations blaming Wall Street speculators](#)

Washington's gas stations don't want to be held responsible for high oil prices — they say they're just passing along the cost.

So now they're passing the buck to where they think the blame lies: Wall Street.

The Washington Oil Marketers Association (WOMA) is putting brochures, fliers and signs in gas stations, urging customers to lobby their legislators "to fight back against oil speculators and control runaway oil prices."

[Blame central banks, not speculators for oil price](#)

As was the case in the 1970s, the oil price is rising in response to a falling greenback and rising inflation at the end of a long period of economic expansion.

Slower world growth, lower inflation and a firmer US dollar would set the market back to rights. The question is whether that can be achieved gradually or will be forced through the shock of a global recession. Politicians would like a simpler solution.

[Air Travel and Carbon on Increase in Europe](#)

MURCIA, Spain — The boom in low-cost air travel has turned this corner of southern Spain into a thriving tourist destination, and retired plumbers and schoolteachers into Europe's new jet set.

But it has done more than democratize air travel and offer new vistas to working-class people. It has also opened a new dimension to the global warming crisis.

[Sea of Trash](#)

The world's oceans are filling with bottles, wrappers and other flotsam. Is there anything better to be done than picking it off the beach, one piece at a time?

[The Saudi Spigot: Riyadh is about to open the oil tap wider, but what happens when it's tapped out?](#)

The question, though, is whether it is still within the Saudis' power to bring oil prices down dramatically. With 260 billion barrels of proven reserves -- a quarter of the world's total -- and an estimated productive capacity of 11 million barrels a day, they

remain the likeliest source of fresh supply. But even an additional 500,000 barrels a day is only about half the increase in global consumption last year, almost all of which occurred in Asia. And it will take years for the Saudis to raise their productive capacity even higher, as they say they want to do. Some energy experts think the legendary Saudi fields are far closer to being tapped out than the secretive kingdom admits. Matthew R. Simmons, an investment banker specializing in energy, has published a much-discussed paper suggesting that Saudi oil production is already near its physical limits -- a conclusion the Saudis vigorously dispute.

[Jeddah energy summit seeks answers to oil price crisis](#)

SAUDI ARABIA. Leaders of global oil powers and consumer nations gathered in Jeddah on Sunday seeking ways to control spiralling oil prices seen as a mounting threat to the world economy.

Oil prices have rocketed on the back of a falling dollar, global political tensions, limited spare capacity and what many say is pure speculative trading.

[Peak Carbon](#)

So, now my prediction: Peak Carbon occurred in the US in 2007.

[Oil crisis - maybe we just need more strict speculator controls](#)

At the moment, however, we're facing an emergency which might have disastrous consequences for the forwarding, logistics and transport industries, consequences that will be reflected in increased prices to end users, cobwebby distribution patterns and the demise of shippers who can't hack it in the face of rapidly-rising prices.

The soaring price of oil isn't because we're almost out of the stuff, although the peak oil purists do have a point if only they would dilute their ideological hyperbole.

[Drill Deeper](#)

IF THERE IS a silver lining in the price of gasoline shooting past \$4 a gallon, it's that it has sparked an intense debate in the United States about its energy security -- or lack thereof. President Bush and Sen. John McCain (R-Ariz.) have given the impression that relief for drivers lies in off-shore drilling and the construction of nuclear power plants. In fact, those solutions wouldn't produce results for years. But if this level of passion and debate continues through the fall election and is followed up by action, the nation will be better off.

[Wishful Thinking at the Economist](#)

The Economist's view that all is for the best in market-land is plain wrong. Oil is being hoarded. So can we blame sheikhs rather than Wall Street shakers? No. When Aramco decides whether to turn the taps, it judges whether its oil will be worth more later. As it sees speculators continuing to buy, it is confident that prices will continue to rise. When Goldman Sachs talks of \$200 oil by year-end, then like Gladys with her house, Aramco waits.

[Supervisors get grim forecast about oil supply, economy](#)

AT THE COUNTY Civic Center, the Board of Supervisors' weekly agenda is set by the board's president.

Often, it's a more bureaucratic exercise than political one.

But board president Charles McGlashan has his colleagues muttering after he had them sit through "a primer" on "peak oil" and a consultant's warning that we are five years away from a steep decline in global oil supply, depression and "public panic."

[China securing access to Middle East oil](#)

Dubai recently announced its partnership with China in the creation of a billion dollar investment fund. Saudi commitment to double oil exports to China by 2010. These two announcements exemplify China's Middle East energy strategy: to entrench itself economically in the region, even at a loss, so as to obtain the political leverage required to secure access to oil and gas.

[Tariff dispute unsettles Argentina](#)

Road closures, export shutdowns and a sense of looming calamity have replaced the relative calm and prosperity of recent years in Latin America's third-largest economy, after Brazil and Mexico. Scattered shortages of food and fuel have shaken consumers already anxious that rising prices and a looming energy crisis may signal a new downturn in Argentina's long history of boom-and-bust cycles.

[Surviving peak oil will require rethinking our transportation policies](#)

There should have been banner headlines in every newspaper in the country. It should have been the lead story on every newscast. On June 7 U.S. Energy Secretary Samuel Bodman announced that the world had reached peak oil output and that demand was outracing supply.

Instead, Bodman's pronouncement in Japan, before the energy chiefs of eight industrialized countries, drew virtually no notice. Bodman did not use the term "peak oil," but the situation he described, flat global oil production dating back to 2005, coupled with ever-increasing demand, including hefty increases in demand from China and India, precisely fits the paradigm of peak oil.

[Economy crisis used to force lifestyle change](#)

Kunstler and others in the Smart Growth, New Urbanist and environmentalist movements have been calling for the same policies long before gas prices have increased, but the gas spike provides new impetus for their plans. The only way, of course, that any of Kunstler's ideas could be implemented is through government coercion.

He's radical, but even mainstream thinking is echoing Kunstler's ideas. A recent CNN.com article, probing the subprime crisis, asked: "Is America's suburban dream collapsing into a nightmare?" The solution found in the article: "walkable urbanism."

[The 'Peak Oil' Myth: New Oil Is Plentiful](#)

The data is becoming conclusive that peak oil is a myth. High oil prices (USO) (OIL) are doing their job as oil exploration is flush with new finds.

[Gordon Brown calls for drop in oil prices at Saudi Arabia summit](#)

Prime Minister Gordon Brown today held out the prospect of a fall in the cost of oil after a global summit in Saudi Arabia at which he said major producing countries accepted for the first time that prices are too high.

Mr Brown declined to predict what level prices would reach at the pump, but said agreement had been secured with members of the Opec cartel that record crude prices of almost 140 US dollars a barrel were causing damage and investment was needed to increase supply.

[Comment: Peak Oil](#)

In the background however ones mind starts wondering if we are living in a post Peak Oil society. Peak Oil refers to the point in time at which the production of oil has been reached and from that point production will gradually decline. There is however many opinions on if we have passed peak oil, about to pass peak oil or if it will be in another 10 - 20 years. The majority however seem to think that we have or are about to pass the peak oil point. What are the implications of this. The first one, because demand will

outstrip supply, will be an increase in prices. The next one will be further increases because forecasters can see the supply and demand problem getting worse in the future rather than better. Then producers, who are the only people who accurately know their own reserves, might see the benefit into holding onto as much reserves or stock given the future scarcity.

[Vermont: Dubie's declaration spurs action](#)

On June 11, Lt. Gov. Brian Dubie held a press conference to declare an emergency in advance of this winter's heating season. Dubie admits he has no explicit authority to declare such an emergency, but he thinks that just saying the word "emergency" can focus people's attention and spur collaborative activity.

[Philippines: Dealing with the oil crisis](#)

What is so shocking about the current state of affairs is that our capacity to influence developments in oil has deteriorated from 25 years ago. Then we had a pro-active energy strategy, we had a government energy complex working to diversify our energy sources and we had mechanisms to influence the domestic price of oil.

Today, in the era of oil deregulation, we are 100% at the mercy of Chevron-Caltex, Shell and Aramco, which controls Petron — the Philippines formerly state-run oil company. The OPEC countries that dominate the production of crude are often cast as the villains, yet the last few years have been years of record profits for the oil majors.

[Australia: Nats want petrol tax cut of 20 cents](#)

The Nationals would like the petrol excise slashed by up to 20 cents a litre if the economy allows it.

And with voters spooked by sky-high oil prices, the Liberals hinted they could raise their five cents a litre excise promise.

The coalition launched a petrol excise price war, sparked by a Liberal backbencher who last week proposed a 10 cent cut.

[Planet's greenest person won't be a Boston Celtic](#)

When Jordan Wirfs-Brock decided to go green, she did so with the fervor of a convert. She ditched her car, gave up meat and traded in her degree in aerospace engineering from MIT for a career writing for a "green" company.

According to 3rdwhale.com, she's a contender for the Greenest Person on the Planet

award.

...“We’re trying to make stars of ordinary people going to extraordinary lengths to reduce their impact on the planet,” said Boyd Cohen, chief Beluga officer and founder of 3rdwhale.com, likening the contest to “American Idol.”

[Minister: Saudi Arabia can increase oil production](#)

JIDDAH, Saudi Arabia - Saudi Arabia's oil minister says the kingdom is willing to produce more oil if customers need it, but he cited no specific production increase.

The kingdom will pump about 9.7 million barrels a day beginning in July because of recent increases already announced.

But Saudi Oil Minister Ali al-Naimi says it can produce more than 9.7 million a day if customers request it.

The oil minister also says the kingdom can increase its pumping capacity long-term by as much as 2.5 million extra barrels a day.

[Amid doubts, oil powers seek tonic to record prices](#)

JEDDAH, Saudi Arabia (Reuters) - The world's top energy policy makers meet in this Red Sea city on Sunday for emergency talks on halting oil's unrelenting rally, but hope for an immediate solution to record prices appeared dim.

[David Strahan - Hope springs eternal but the oil won't: a Russian lament](#)

It must be lonely being Tony Hayward. As the oil price continues to soar, there is a gathering consensus that global production of the black stuff is nearing fundamental geological limits. Yet BP's chief executive continues to argue valiantly that the causes of the current oil shock are "not so much below ground as above it, and not geological but political".

Since his company's Russian joint venture, TNK-BP, is under ferocious assault from both its Russian shareholders and the Russian state, Mr Hayward can be forgiven for thinking the industry's problems are man-made rather than natural. But this is a false distinction, and closer analysis suggests BP's predicament is itself evidence of looming geological constraints to global production, or "peak oil".

[Talks on new Iraq oil law to resume this week](#)

BAGHDAD - Officials from the Iraqi central government and the self-ruled Kurdish region in the north will resume talks this week in Baghdad to try to settle their differences over a proposed new oil law, a Kurdish spokesman said Sunday.

[Iranians told to save energy or face loadshedding](#)

TEHRAN: Iranians on Saturday were told to cut their electricity consumption by 10 per cent or face daily power cuts because of a severe drought and low production by hydroelectric power plants.

Residents of the capital Tehran could face up to four hours of blackouts each day, officials said according to media reports.

[Dotcom crash, credit crunch, oil bubble?](#)

LONDON (Reuters) - The Dotcom boom and bust shook the world economy almost a decade ago, last year the credit crunch seized up financial markets, now an oil price bubble may cause more havoc.

[U.S. cities cut services, raid reserves on fuel cost](#)

NEW YORK (Reuters) - Surging fuel prices are forcing cities across the United States to cut back on services and dip into cash reserves to keep their fleets on the road, according to a survey released on Friday.

Ninety percent of the 132 mayors surveyed by the U.S. Conference of Mayors reported that climbing fuel prices have had a significant impact on city budgets and operations.

[Big cars rule Gulf roads amid record oil prices](#)

DUBAI (Reuters) - Luxury sports cars, gas-guzzling SUVs, even tank-like Hummers all jostle for space on Gulf highways, their owners buoyed by record oil prices that have forced some motorists to ditch cars for bicycles in the West.

Not only has government-subsidized gasoline prevented motorists in the Gulf Arab region from feeling the pinch at the pump, but windfall revenues from \$140-a-barrel oil have fuelled an economic boom and put deluxe cars in more people's reach.

[Lofty oil could lead to more-resilient economy](#)

WASHINGTON (Reuters) - The wrenching adjustments U.S. consumers and businesses have begun to make to cope with sky-high energy costs mark the start of a painful process that should lead to a more energy-efficient, resilient economy.

U.S. households, forced to spend more at the gasoline pump, are shifting away from pricier items and cutting down on miles driven, while companies are planning to invest in more energy-efficient equipment to control costs.

[FOX News Poll: Americans 'Energized' for Action](#)

Nearly two-thirds of Americans (62 percent) say they expect — within the next six months — to wait in long gas lines to fill up their cars; moreover, almost half (48 percent) claim to have changed their summer travel plans because of prices at the pump.

...After taking the body blows of higher energy prices, Americans seem more willing than ever to fight back with bold initiatives. For example, just over three-quarters (76 percent) support immediately increasing oil drilling in the United States — a position recently espoused by presumptive Republican nominee John McCain. More than seven in 10 Democrats (71 percent) also hold this view.

[India's Growth Outstrips Crops](#)

JALANDHAR, India — With the right technology and policies, India could help feed the world. Instead, it can barely feed itself.

India's supply of arable land is second only to that of the United States, its economy is one of the fastest growing in the world, and its industrial innovation is legendary. But when it comes to agriculture, its output lags far behind potential. For some staples, India must turn to already stretched international markets, exacerbating a global food crisis.

[U.S. May Free Up More Land for Corn Crops](#)

CHICAGO — Signs are growing that the government may allow farmers to plant crops on millions of acres of conservation land, while a chorus of voices is also pleading with Washington to cut requirements for ethanol production.

The Midwest floods have washed out an estimated four million acres of prime farmland, crimping this year's harvest as the world desperately needs more grain. With corn prices setting records and soybean prices not far behind, the Bush administration is under intense pressure to do what it can to bolster the food supply.

[Small farms best for environment: organic group](#)

MODENA, Italy (Reuters) - Small-scale, not industrial farming, is the answer to food shortages and climate change, organic farmers argued this week.

[Daimler to offer electric Mercedes in 2010: report](#)

FRANKFURT (Reuters) - Daimler plans to roll out a Mercedes-Benz model that runs on electricity in 2010, its chief executive said in a newspaper interview.

"We plan an electric Smart for 2010 and for the same year a Mercedes (electric) model as well," Dieter Zetsche told Frankfurter Allgemeine Zeitung in comments to be published in the Saturday edition.

[Three strikes and we're out](#)

A scientific and political consensus now exists on the threat posed to our civilization by climate change. The problem is generating the political will to take the steps necessary to radically reduce our consumption of fossil fuels.

The present oil shock provides the answer to that problem - if our leaders have the courage to use it.



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