



Drumbeat: April 13, 2009

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Attenborough warns on population

The broadcaster Sir David Attenborough has become a patron of a group seeking to cut the growth in human population.

On joining the Optimum Population Trust, Sir David said growth in human numbers was "frightening".

Sir David has been increasingly vocal about the need to reduce the number of people on Earth to protect wildlife.

The Trust, which accuses governments and green groups of observing a taboo on the topic, say they are delighted to have Sir David as a patron.

Don't bet on a big crude oil rally

Consensus opinion appears to have concluded that North American's major stock market indices and world crude oil prices all appear to have set bear market lows and the next bull market has begun. The next big problem is the timing and the magnitude of rallies as we look forward. Don't bet on a major crude oil rally.

Malthus and vice

Without growth, there would be no economy as we know it. But modern culture, by and large, doesn't see that it can exist only in the medium of ceaseless growth and expansion, because a fish doesn't see the water it swims in. Only today, in the recent, breathless moments of the greatest economic crash since the Great Depression, do we begin to perceive the waters around us.

Slowly, we are coming to realize that the last 200 years of economic growth have been based on a monumental Ponzi scheme that has pushed the final reckoning ever forward in time, until the future is now. Slowly, we are coming to realize that Malthus was right.

KUWAIT (KUNA) -- Kuwait Minister of Oil Sheikh Ahmad Al-Abdullah Al-Sabah said Monday it was too early to determine that OPEC needed new output cuts when it meet next month.

"We are satisfied with current oil prices," Sheikh Ahmad told reporters after the inauguration of an exhibition in the Plastic Arts Society.

Saudi Arabia urged to utilise savings efficiently to offset crisis

Saudi Arabia adopted a wise policy by saving a large portion of its petrodollars windfall during seven years of oil boom but it should now use these assets efficiently, a major Saudi bank said yesterday.

The National Commercial Bank (NCB), the largest bank in the Kingdom by assets, said a surge in credits by Saudi official lending establishments would help offset a downturn in the economy because of the global financial turbulence and the ensuing decline in oil prices and output.

Ziff: US unconventional gas share to leap

HOUSTON -- Ziff Energy Group forecasts unconventional gas production will supply 53% of US gas needs by 2020, up from 30% in 2000.

Don't Hold Your Breath for High Oil Prices

The Russian government sees some sectors of the economy improving in the second half of 2009. Whether the recovery can be sustained — and, more important, whether the recent good times can return — will largely depend on the price of oil.

Impending Skills Shortage In Agricultural Science Puts World Food Supply At Risk

Low numbers of UK students and researchers working in the agricultural sciences mean that we may not have the resources needed to ensure sufficient food-crop production across the globe in the near future. The warning comes from the Royal Society which is conducting a major study exploring how science can enhance global food-crop production.

Weak pound heaps food price inflation on poorest households

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The collapse of the pound on the foreign exchanges is keeping food price inflation at painful levels, with the heaviest impact falling on poorer households and pensioners.

The British Retail Consortium (BRC), which represents most major shop chains, reported yesterday a 9 per cent rise in the price of food in the shops in the year to March, against a fall in the prices of non-food items of 1.5 per cent. Prices were up 0.4 per cent month-on-month. Despite a general fall in inflation – the annual rise in the Retail Prices Index (RPI) hit zero last month – food prices remain stubbornly high, and rising.

US green policy will kill economy, says oil chief

Washington's energy and environment policy risks plunging the US into an economic tailspin that could turn it into "the world's cleanest third world country", one of the US oil industry's most successful chief executives has warned.

James Hackett, chairman and chief executive of Anadarko, one of the US's largest independent oil and gas companies, said in an interview: "The histrionic and maniacal focus on carbon dioxide is intellectually repugnant to me." It was "taking the economy into a tailspin".

Is America's love affair with the "exburbs" over?

GAINESVILLE, Virginia (Reuters) - Jean Bell didn't plan to take care of her neighbor's lawn when she moved to this cluster of brick townhouses hard by the freeway.

But the house next door has sat vacant for the past year and a half, and the bank that owned it wasn't keeping it up. So the retiree and her family have mowed and watered the grass to deter the burglars who have hit nearby developments.

Ford's fuel efficient future

Ford is taking a measured approach to rolling out electrically driven cars. We got to drive a few of the vehicles that the company has up its sleeve.

Kurt Cobb: Until all the evidence is in

Nobody actually waits until all the evidence is in. The simple reason is that all the evidence will never be in. For that to occur one would have to know about everything going on in the universe right now and where those things would lead in the future. For Earth-bound residents, perhaps it would be sufficiently rigorous to know everything that is going on in the solar system and its future.

What do people mean when they say they want to wait until all the evidence is in? Most often they mean they want to wait for more information. But, sometimes they mean nothing of the sort. Sometimes they mean they want *you* to wait until all the evidence is in before you proceed to do something they don't like. In other words it's a stalling technique, one used quite effectively by the fossil fuel industry to prevent meaningful action to control greenhouse gasses.

Vietnam: Electricity production rises, but shortfalls still loom in dry season

Despite not entering the peak hot season yet, the peak capacity of electric generating sources has been rising, hitting 12,400 MW on March 24, an increase of 10.3 per cent from 12 months earlier.

This has given rise to fears of severe shortage before the dry season ends in May.

Americans stick to their guns as firearms sales surge

At the Guns and Ammo Warehouse they are reluctant to admit Barack Obama is right about very much. But customers enjoy the thought that his controversial campaign comment, that "bitter" small-town Americans are clinging to their guns, has proved more true than the president could have imagined.

Firearms sales have surged in the six months since Obama's election as millions of Americans have gone on a buying spree that has stripped gun shops in some parts of the country almost bare of assault weapons and led to a national ammunition shortage.

Kunstler: The Coming Siege of Austerity

The idea that we're about to resume the insane behavior that induced the current epochal malaise of economy is so absurd it will only be heard in the faculty dining halls of the Ivy League. And if America is not picking up where it left off eighteen months ago -- the orgy of spending future claims on wealth unlikely to accrue -- then what is our destiny? Based on what's out there in the organs of public thinking, it seems that we don't want to think about it.

So many forces are arrayed against a return to the previous "normal" that we will be lucky, in another eighteen months, to still find ourselves speaking English and celebrating Christmas.

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Forget Peak Oil; Peak Gasoline is Already Here

The demand picture is indeed weak, especially in the U.S., where gasoline demand apparently peaked in 2007 and won't return. That's due to a cocktail of higher fuelefficiency, shifting transportation habits, and the growing role of biofuels, in the WSJ. Speaking of which, the University of Texas boasts what could be the world's largest collection of algae, suddenly in demand as a biofuel feedstock, also in the WSJ.

Asia to see bumper oil harvest

Tokyo: Asia will witness its biggest increase in new crude oil supplies in nine years, but a substantial rise in refining capacity will largely absorb the cheaper grades and prevent margins from coming down sharply.

Lukoil unveils oil, gas discovery in Saudi Arabia

(MENAFN) The President of Russia's Lukoil announced that the company has discovered to oil fields in Saudi Arabia, The Saudi Gazette reported.

He said in a press conference that the two fields have $C_1 + C_2$ reserves of 70 million tons of condensate and 300 billion cubic meters of gas.

UK: Budget will make or break renewable energy

INDUSTRY LEADERS have warned that this year's budget will "make or break" Britain's struggling renewable-energy sector.

The Treasury has been flooded with demands for several billion pounds in funds that industry says it needs to stave off the collapse of sectors like wind power and to jumpstart fledgling industries such as electric cars and clean coal.

Author of 'Hubbert's Peak' to speak at Johns Hopkins

The author of *Hubbert's Peak* and *Beyond Oil* will deliver the Ernst Cloos Memorial Lecture on Monday, April 13, at Homewood. Ken Deffeyes, a longtime Shell Oil petroleum engineer and Princeton faculty member, will speak on "Peak Oil: War, Famine, Pestilence" at 5 p.m. in 110 Hodson Hall. The lecture is sponsored by the Morton K. Blaustein Department of Earth and Planetary Sciences. Attendance is by reservation only; call 410-516-7135.

Driller thriller: Antarctica's tumultuous past revealed

It's not oil these men are drilling for, but another precious resource - historical

perspective that could help us to predict the future of sea level rise. Welcome to the Antarctic Geological Drilling project, or Andrill.

This international team is extracting two columns of stone from the sea floor. A few kilometres away, scientists at McMurdo Station, a US research base, work 24 hours a day to analyse them. The cores of stone are providing them with a record peering 19 million years into Antarctica's history.

Doom Or Boom?

Let's grow our way out of a carbon-based economy.

Falling production to inevitably alter Big Oil's playing field

PARIS – Standard economics says the higher the price, the more you can invest.

The more you invest, the greater your ability to raise production to meet ongoing demand. The oil and gas industry has worked this way for decades.

Higher prices meant higher production, which meant everyone had enough fuel to drive stupidly big SUVs.

At least it did until recently. Then something troubling happened. Even as oil prices set records, and even as the investment spigot was cranked wide open to meet relentless demand, some of the world's biggest oil companies were incapable of pumping as much oil as they had before.

Oil Industry Braces for Drop in U.S. Thirst for Gasoline

DALLAS -- Since Henry Ford began mass production of the Model T nearly a century ago, car-loving Americans have gulped ever-increasing volumes of gasoline. A growing number of industry players believe that era is over.

Among those who say U.S. consumption of gasoline has peaked are executives at the world's biggest publicly traded oil company, Exxon Mobil Corp., as well as many private analysts and government energy forecasters.

The reasons include changes in the way Americans live and the transportation they choose, along with a growing emphasis on alternative fuels. The result could be profound transformations not only for the companies that refine gasoline from crude oil but also for state and federal budgets and for consumers. Much of contemporary America, from the design of its cities to its tax code and its foreign policy, is predicated on a growing thirst for gasoline.

Crisis hits North Sea oil search

The remaining lifespan of the UK's North Sea oil and gas production risks being halved as the economic crisis has prompted a plunge in exploration in one of the western world's most important deposits, the industry has warned.

The number of exploration wells being drilled in the North Sea has collapsed by 78 per cent in the first quarter of 2009 compared with the same period last year, according to the most recent industry data from Deloitte, the accounting and consulting firm.

'Zero Petroleum Growth'

CHICAGO -- "Peak oil is an illusion," Joe Petrowski, CEO of Gulf Oil/Cumberland Farms, told attendees Wednesday at the 2009 NACS State of the Industry Summit in partnership with CSP in Chicago. But the "political peak" for oil is very real, he cautioned. The end result: "Get ready for a future of zero petroleum growth," he said. Petrowski examined world demand for petroleum products, alternative solutions and domestic implications in his closing presentation, "Meeting the Challenges of an Industry in Transition."

Crude Oil Falls After IEA Cuts Demand Forecast to Five-Year Low

(Bloomberg) -- Crude oil fell in New York after the International Energy Agency said 2009 demand may slump to the lowest in five years as factories shut and car sales tumble amid a deepening global recession.

Average US gasoline price rises 10 cents a gallon

NEW YORK (Reuters) - The average U.S. retail gasoline price rose about 10 cents a gallon over the past three weeks due to environmental costs linked to warmer weather, though the price was 40 percent lower than a year earlier, according to the Lundberg survey released on Sunday.

Further Opec output cut possible: Iran

Iran's Opec governor said if oil demand continued to drop the group may decide to further cut its oil output, the Iranian newspaper *Hamshahri* on Monday quoted him as saying.

"If the demand continues to decrease until the next Opec meeting, further output cut is possible," Mohammad Ali Khatibi said. The Organisation of the Petroleum Exporting Countries next meets on May 28.

Nigeria: Insurers' Energy Pool On the Brink of Collapse

The Nigerian Energy Insurance Pool established about three years ago to deepen capacity of local insurers in oil and gas insurance is on the brink of collapse due to intrigues by players in the insurance market.

Gunmen attack Nigerian oil refinery

Gunmen riding in 18 boats attacked an oil facility on Monday in restive southern Nigeria, commandeering a naval vessel and killing one sailor, a private security official said.

Oil price tumble to hit energy profits

PROFIT warnings from US oil giants have set the scene for sharp falls in revenue for Woodside, Santos and Oil Search in forthcoming quarterly reports, as tumbling oil prices inflict a heavy toll on the energy sector.

Chevron is the latest oil major to highlight the tough conditions. Last week it said its first quarter earnings would be "sharply lower" than the December quarter after much lower oil prices in January and February.

Oil and Stocks Have Bottomed, But Their Paths Forward Vary

If extreme supply shortfalls in the period of 2013 - 2016 elevate oil prices there will be substantial efforts by automobile consumers and producers and by government to push next generation high-mpg cars into the fleet. But the number of such cars that could be manufactured for U.S. consumption will be limited due to battery shortages to perhaps 1 - 3 million per year - not enough to make a significant dent in America's 250-million car fleet. That's one reason Hirsch's 2005 analysis forecasted a 20-year time requirement for the world to mitigate peak oil.

Israel's North Sea

During the 1960s, Britain emerged from a deep economic crisis when it discovered large oil and gas deposits in the North Sea. Norway also prospered from its oil and gas reserves there. Early this year, Israel discovered its own North Sea between Hadera and Rosh Hanikra. Iran has announced plans to import up to 200,000 barrels of oil per day from Iraq to feed a refinery in the oil-rich province of Khuzestan.

Clashes Over Thai Protests Intensify

BANGKOK — Soldiers armed with assault rifles fought running street battles with antigovernment protesters in Bangkok on Monday as unrest spread through a wider swath of the Thai capital and the chief of Thailand's armed forces vowed to use "every means to end the chaos."

Major shopping malls shut their doors, foreign governments advised their citizens in Bangkok to stay inside and the government banned the sale of gasoline in the center of the city in an effort to stop protesters from making Molotov cocktails.

Trinidad and Tobago's energy policy

The world is at present living through the credit crunch, the climate/environmental crunch and the energy crunch. We hope that the restructuring of the global financing system will rectify the first. The second and the third conflate and dramatically affect our ability to successfully operate our economy; particularly since our oil and gas are depleting resources. The policy decision for our energy sector, a priori, cannot then be business as usual, building more LNG or steel plants or aluminium smelters. Blind faith that there is more gas out there waiting to be found is at best avoiding the responsibility of creating an energy policy that looks at T&T's energy security, export capacity and the efficient and effective use of our energy resources in the reconstruction of our economy. The production of a green paper on alternative energy outside the context of this economic reconstruction is inadequate.

Obama's Economic Mirage

What Obama proposes is a "post-material economy." He would de-emphasize the production of ever-more private goods and services, harnessing the economy to achieve broad social goals. In the process, he sets aside the standard logic of economic progress.

Since the dawn of the Industrial Age, this has been simple: produce more with less. ("Productivity," in economic jargon.) Mass markets developed for clothes, cars, computers and much more because declining costs expanded production. Living standards rose. By contrast, the logic of the "post-material economy" is just the opposite: Spend more and get less.

Planning for fewer cars: Aging population needs pedestrian-friendly neighborhoods

A recent vote on a senior living complex in Oceanside points to a dilemma as America's population ages and other factors such as energy and climate change come into play: constructing residences in areas where it is not always necessary to use cars for daily living.

Where to From Here?

Firstly, despite gloom about discovery prospects and the concept of Peak Oil, we're not all about to head to the local fuel station, only to find that there's no fuel left. Although the price of oil may rise a huge amount in the next 5 or 10 or 20 or 30 or 40 years, oil (and so petrol and diesel) will still be available.

The current predictions regarding oil supply and usage need to be considered within a historical context.

When I was a kid in the mid Seventies, oil was going to run out before the year 2000. I can quite clearly remember wondering why an older brother was going into a job with aircraft when it was certain that well before he finished his career, no planes would be flying – how could they, without oil-based fuel?

That idea now looks like madness. Equally, those who suggest that we will be living in an oil-less world within our lifetimes are probably wrong.

Ethanol Industry Burning Through Equity

Another ethanol refiner hoisted a white flag this past week. Aventine Renewable Energy at Pekin filed for chapter 11 federal bankruptcy protection, and while it is not the first, nor the biggest, its financial challenges point to continued stress for an industry that had been on top of the world a year ago. Aventine joins VeraSun, the nation's largest ethanol producer on the bankruptcy list, during a week that a half dozen of VeraSun's old plants were sold to another ethanol refiner, Valero.

Of course, the larger ethanol companies are not the only ones having difficulty. Many smaller one and two plant operations have also sought bankruptcy protection in the past year following the plummet in crude oil futures in the latter part of 2008. No, they were not all caught speculating on the long side of the crude oil market, but caught in a cost-price squeeze. With ethanol prices linked at the hip to unleaded gasoline, what goes up must come down and ethanol prices fell below cost of production. At least the cost of production that had been booked by the plant's corn buyers.

Nuclear industry taking shape in the Gulf

DUBAI: Oil and Gas rich Arab and Gulf nations have started thinking about life, once the petroleum boom is over. Leading world oil producers like Saudi Arabia, Kuwait and even

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il Drum | Drumbeat: April 13, 2009 http://www.theoildrum.com/u gas rich Qatar are firming up proposals to set up nuclear power plants to meet future energy needs.

Lawmaker wants new homes to make energy

SACRAMENTO (AP) - If state Assemblywoman Lori Saldana has her way, buyers of California homes built a little more than a decade from now would not have to worry about paying big electricity bills. The homes would produce power themselves.

The San Diego Democrat has introduced legislation that would require all homes built starting in about 2020 to be so-called zero net energy buildings. That means they would be extremely energy efficient and produce enough power to offset any electricity they draw from the grid.

Even In Hydro-Rich Northwest, Coal Still Major Power Source

One of the most common misconceptions about Oregon's power is that it's practically all nice clean hydroelectric from the Columbia River. But the reality is this.

To turn on their lights, Pacific Northwesterners use about forty percent coal -- and about the same amount of hydro, plus a mosaic of other power sources making up the last twenty percent.

Get going with Galloway cattle

The commercial beef industry, both in the UK and across much of the world, has focussed on continental cattle breeds that require significant consumption of cereals, normally demanding considerable inputs of artificial fertilisers. Systems and cattle breeds have adapted to utilise the abundant cheap cereals, and become reliant on heavily mechanised forage methods, in the latter decades of the twentieth century. As the century closed, significant tracts of uncultivated marginal land in the UK had started to fall into disuse, having become uneconomic for intensively produced beef.

But with peak oil production behind us, and a new economic climate, the maths driving livestock enterprises are changing rapidly. Although the 2008 harvest has temporarily pulled the price of corn back down, all the signs are that the price of arable products is going to inexorably rise.

Traditional breeds of cattle, developed over centuries to thrive on grass based systems, and on less productive land are making a comeback, not least the Galloway breeds. Utilising poor and unploughable soils, often in areas of extreme weather, has long been an accepted niche for the ancient Galloway breeds of cattle.

NEWBURYPORT — Fresh ripe strawberries in the dead of a New England winter and purchasing cheap clothing and goods from China are trademarks of the late 20th century. But local energy expert Niall Robinson says the 21st century will be marked by our ability to adapt to life without such things, as the world moves toward an event known to industry experts as "peak oil."

How can you kill a planet? And Still live on it!

In the most important, brilliant and electrifying documentary film of the 21st century, "Blind Spot" by Adolfo Doring, Randal Wallace and David Gill--they conduct interviews with men and women studying human impact on this planet. Those educators introduce humanity's stark future if we continue on our current path. I urge every U.S. Congress politician, governor, mayor and citizen to take an hour to watch, and then, take action. I especially urge someone to bring this video to Barack Obama for personal viewing.

Don't Expect Much From The Next Kyoto

The Copenhagen Climate Convention is still eight months off, but it already looks likely that the follow-up to the Kyoto Climate Protocol will end without agreement on dramatic new action to curb global greenhouse gas emissions. The reason? American politics.

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