



Drumbeat: October 30, 2009

Posted by [Leanan](#) on October 30, 2009 - 9:07am

Topic: [Miscellaneous](#)

[Saudis to drop WTI as price benchmark for U.S. crude](#)

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“What it [the Saudi move] really speaks to is the demand shift in oil away from the U.S. and to other places in the world. That's what's really driving the bus,” said Jeff Rubin, the former CIBC chief economist and author of *Why Your World Is About to Get a Whole Lot Smaller: Oil and the End of Globalization*.

“North American oil demand has peaked,” he said. “What this really says is that whereas WTI in the past had been a premium price, now WTI is going to be a discount price.”

In fact, the lifeblood of western civilization is bumping up against the “Goldilocks” limit of \$80/bbl, as I predicted would occur under economic growth. A minimum price of \$60/bbl allows oil suppliers to make enough money to justify new projects, so per-barrel prices between \$60 and \$80 are supposed to be “just right,” even though today's price is four times higher than the 20-year average. The “Goldilocks” minimum price of \$60/bbl matches the “Goldilocks” maximum price of 2005. As recently as 2003, OPEC had an official “Goldilocks” zone between \$22/bbl and \$28/bbl. For a little historical context, consider this: In 1969, the U.S. refused a ten-year, locked-in offer of \$1/bbl oil from the Shah of Iran because the price was too high.

[The story of gas \(5\)](#)

Russia's gas production, though currently in decline, is expected to experience a boost of

up to 40 percent over 2008 by the year 2030.

Still, it is natural gas from Central Asia and the Caspian that is of crucial importance for both Nabucco and South Stream, while unimpeded access to these resources will finally decide which of the two pipelines could become a viable gas exporting route. After all, every race has a winner and a loser.

[Shortage of natural gas in the Middle East could impact new petrochemical projects](#)

Increased domestic gas demand, delayed supply response, limited regional pipeline co operation, and below-market pricing are factors that affect the long-term security of gas supply here. Evolution of the region's gas industry has lagged behind that of the oil sector, despite significant gas deposits. Gas was traditionally weaker than crude oil in the Gulf, and suffered from persistent under investment in the 1990's because there was no financial incentive to upgrade infrastructure. Also, the Middle East region is not uniformly gas rich- Qatar, Iran, Egypt and Saudi Arabia have significant gas reserves, while others like the UAE, Kuwait, Bahrain, Jordan and Syria are relatively gas-poor. Oman and Yemen have chosen to export gas that could otherwise satisfy long term domestic demand. Further, gas reserves alone do not result in available gas supply, as seen in Iran's inability to become an important gas exporter despite its enormous reserves, and limitations faced by Iraq for successful gas development. Since much of the region's gas supply is associated gas rather than non-associated gas, reserves are often not available to supply domestic markets or export markets because re-injection is critical to maintain current levels of crude oil production.

[Polish firm agrees deal to import more Russian gas](#)

WARSAW (Reuters) - Poland's gas monopoly PGNiG PGNI.WA and Russia's Gazprom agreed on increased gas deliveries to Poland under a deal that will run until 2037, PGNiG said on Friday.

The deal, which still needs to be approved by both governments, follows months of negotiations between Poland and Russia and lessens risk of winter gas shortages in the ex-communist European Union member country.

[ConocoPhillips Shifts to a Leaner Strategy](#)

ConocoPhillips CEO James Mulva signaled a dramatic shift in course for the nation's third-largest oil company Wednesday, saying that after years of bulking up through acquisitions, it is now focused on being a smaller, leaner business that takes better care of its shareholders.

"Some will say what we're doing essentially is that we're shrinking to grow," Mulva said during a conference call to discuss the company's quarterly earnings. "That would be a fair assessment."

But the change is necessary in light of the global recession and the difficulty of accessing new oil and gas reserves around the globe, coupled with the massive costs of extracting them, he said.

[The Philippines: Open books to gain sympathy, oil firms told](#)

A MALACAÑANG official yesterday oil companies should not expect to gain public sympathy unless they open their books.

Gary Olivar, deputy presidential spokesman for economic affairs, said oil companies should quit hiding behind the Oil Deregulation Law and be more transparent, more cooperative and comply with the policies of government.

[Egypt's nuclear plans threatened](#)

CAIRO // As Egypt's government prepares to finalise plans for the country's first nuclear power plant by the end of this year, opposition from a prominent tourism developer risks scuttling the project.

But if the proposed site at Al Dabaa, a remote strip of desert coast about 140km west of Alexandria, does not receive final approval by the end of this year as planned, it could spell the end of Egypt's nascent civil nuclear energy plans and the beginning of an energy crisis, said Mohamed Mounir Megahed, the vice chairman for the Nuclear Power Plants Authority.

[Nicaragua taps geothermal energy with Canadian firms](#)

MANAGUA, Nicaragua (UPI) -- Nicaragua is hoping to tap into its vast geothermal power resources and has awarded two concessions to Magma Energy Corp. and its partner Polaris Geothermal Inc., both of Canada, as part of a long-term energy self-sufficiency plan.

Industry experts say Nicaragua has the most geothermal energy potential of any country in Central America. Mostly trapped in volcanic mountains along the Pacific Coast, experts say geothermal energy alone can solve Nicaragua's energy crisis while efforts are under way to exploit wind power and other forms of renewable energy.

[Asian car manufacturers among leaders in "world sustainability league"](#)

Asian car manufacturers are outperforming their American and several of their

European rivals in using their economic, environmental and social resources more efficiently.

[An open letter to Steve Levitt](#)

The problem of global warming is so big that solving it will require creative thinking from many disciplines. Economists have much to contribute to this effort, particularly with regard to the question of how various means of putting a price on carbon emissions may alter human behavior. Some of the lines of thinking in your first book, *Freakonomics*, could well have had a bearing on this issue, if brought to bear on the carbon emissions problem. I have very much enjoyed and benefited from the growing collaborations between Geosciences and the Economics department here at the University of Chicago, and had hoped someday to have the pleasure of making your acquaintance. It is more in disappointment than anger that I am writing to you now.

I am addressing this to you rather than your journalist-coauthor because one has become all too accustomed to tendentious screeds from media personalities (think Glenn Beck) with a reckless disregard for the truth. However, if it has come to pass that we can't expect the William B. Ogden Distinguished Service Professor (and Clark Medalist to boot) at a top-rated department of a respected university to think clearly and honestly with numbers, we are indeed in a sad way.

[Arctic Sediments Show That 20th Century Warming Is Unlike Natural Variation](#)

ScienceDaily — The possibility that climate change might simply be a natural variation like others that have occurred throughout geologic time is dimming, according to evidence in a *Proceedings of the National Academy of Sciences* paper published October 19.

The research reveals that sediments retrieved by University at Buffalo geologists from a remote Arctic lake are unlike those seen during previous warming episodes.

The UB researchers and their international colleagues were able to pinpoint that dramatic changes began occurring in unprecedented ways after the midpoint of the twentieth century.

[Willing to give up blue skies for climate fix?](#)

We can probably engineer Earth's climate to cool the planet, scientists say, but are we willing to live with the downsides? Those could include creating more droughts, more ozone holes and, oh yeah, a thin cloud layer that obscures blue skies and gives astronomers fits.

With potential negatives like that it's no wonder that "geoengineering," as the technique is called, has few hardcore advocates.

[White House fights back on Cash for Clunkers](#)

Obama administration goes to battle with Edmunds.com on Cash for Clunkers analysis, saying the program contributed heavily to last quarter's economic expansion.

[Putting Up Produce: Yes, You Can](#)

The worst recession in decades and a trend toward healthier eating are inspiring many Americans to grow their own food. Now the harvest season is turning many of these gardeners into canners looking to stretch the bounty of the garden into the winter.

[From farm to table, a link to the past](#)

The event is part of a larger program called RAFT Grow-Out. RAFT, which stands for Renewing America's Food Traditions, is affiliated with Slow Food USA and made up of many smaller organizations dedicated to what RAFT calls the "save it by eating it" paradigm. The Grow-Out, held for the first time, provides farmers with donated heirloom seeds and connects them to chefs who create menus based around the crops. Boston-based nonprofit Chefs Collaborative is the RAFT partner working with this event. Participating restaurants include Henrietta's Table and Hungry Mother, both in Cambridge, and Tastings Wine Bar and Bistro in Foxborough.

Renewed interest in heirloom foods stems from a variety of factors. Some chefs like the taste of antiquated squash, others want to preserve crop diversity as a matter of food security.

[Three Gorges Dam 'a model for disaster'](#)

China's Yangtze River hydropower project has been a 'model for disaster', according to a river protection charity, which is concerned about new proposals for similar projects.

The Three Gorges Dam, whose reservoir is due to reach its final height of 175 metres over the next few weeks, will be able to produce enough electricity to meet close to one tenth of China's current electricity demands.

However, Rivers International say the Dam has driven fish species to extinction, caused frequent toxic algae blooms and is subjecting the area to erosion and frequent landslides.

[EPA requires AEP to test W.Va. coal-ash site](#)

CHARLESTON, W.Va. (AP) -- The U.S. Environmental Protection Agency said Thursday it is requiring American Electric Power to conduct safety tests on waste impoundments at a West Virginia coal-burning plant to ensure their structural stability.

Although the impoundments at the Philip Sporn plant aren't considered an immediate failure risk, EPA said it was requiring the tests because the structures have similar designs to one that failed last December in Tennessee.

[City puts bicyclists directly in the path of motorists](#)

In one of the busiest shopping districts in Long Beach, Calif., bicyclists are kings of the road in an experiment that turns frustrated motorists into serfs.

The seaside city south of Los Angeles is encouraging bikers to get right in front of cars. It painted a five-foot wide green stripe down the middle of one of the two lanes in either direction of the Belmont Shore section of the city. Even though cars were whizzing by at 30 miles an hour yesterday, bikes were free to ride right in their path.

[Saudis to drop WTI as price benchmark for U.S. crude](#)

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[Aramco to drop WTI as pricing guide for crude](#)

Aramco's switch to ASCI sparked speculation other exporters of sour crude to the US may follow its example. But the move should not be interpreted as a rejection of WTI's

general role as market leader, Horsnell said. "US gulf crudes tend to be assessed in terms of differentials to WTI, rather than as separate centers of independent price discovery, and we expect that to continue," he said. "Should an active OTC or futures market based on ASCI eventually arise, then the dynamics could change. However, establishing futures contracts based on delivered US gulf sour has proved very problematic in the past and is still very far from an inevitable development. Indeed, the current regulatory climate is not exactly ideal for any innovative development of new OTC or formal exchange-based oil derivatives."

[SNAP ANALYSIS - Saudi switch aims for better value for its oil](#)

DUBAI (Reuters) - Saudi Arabia is dropping a U.S. light sweet crude oil benchmark as the basis for pricing its sales to the United States for one more like its own sour crude and that is less swayed by the volatile futures market.

[NYMEX plans two new sour crude futures contracts](#)

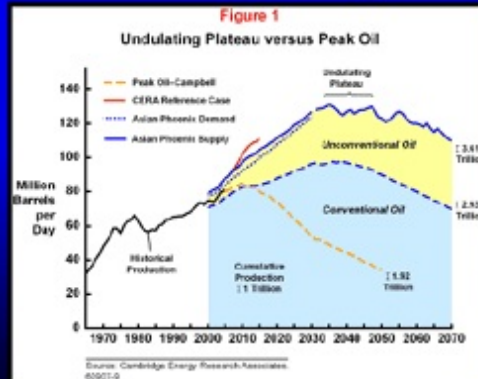
NEW YORK (Reuters) - The New York Mercantile Exchange plans to launch a cash-settled futures contract tracking the Argus sour crude index by year end and another contract for physical delivery sour crude at a later date, NYMEX operator CME Group said on Thursday.

CME said the NYMEX contract plans are a response to Argus Media's announcement on Wednesday that Saudi Arabia's state oil company Aramco will switch to the Argus sour crude index as the benchmark price for all grades of crude sold to the United States.

[Matt Simmons: ASPO'S Peak Oil Message: Successes And Impediments](#)

Energy Optimism Is Still A Faith-Based Belief

- There is no solid data to bolster the optimists' claims.
- Their proof based on simple beliefs.
- It is time for data reform to end the optimists' claims.



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[Daniel Yergin on What's Next For Global Energy](#)

Perhaps no one is better positioned to sift through the complicated and interrelated questions surrounding "peak oil," renewable energy, climate change and energy security, than Cambridge Research Energy Associates Chairman Daniel Yergin.

Yergin won a Pulitzer Prize for his book, *The Prize: The Epic Quest For Oil, Money & Power*, published nearly twenty years ago - and has recently written a new epilogue for the book on the current state of the great energy game.

Yergin will be sitting down for a chat on the future of global energy with Steve Clemons today from 12:30pm - 2:00pm at the New America Foundation.

[Putin Warns Ukraine Over Gas Crisis](#)

NOVO-OGARYOVO, Russia (Reuters) - Russian Prime Minister Vladimir Putin on Friday warned that Ukrainian President Viktor Yushchenko risked provoking a new gas crisis that could disrupt supplies to Europe.

"It looks like, we will again have problems with energy payments," Putin said after a telephone call with Ukrainian Prime Minister Yulia Tymoshenko, Yushchenko's main political foe and a frontrunner in a January 17 presidential election.

[Gazprom in Europe: Russian government plans to share part of Yamal gas resources](#)

The Russian government plans to share bits of the giant Yamal prize with international companies. However, rather than a sign of liberalism, this represents an attempt to address the fundamental challenges that the expanding Gazprom is facing in Europe.

[Chevron Third-Quarter Profit Declines as Energy Demand Slumps](#)

(Bloomberg) -- Chevron Corp., the second-largest U.S. energy company, said third-quarter profit fell 51 percent as slumping fuel demand pulled down oil and natural-gas prices.

[12 dead in Jaipur oil depot blaze; Deora says fire 'to die down on its own'](#)

JAIPUR: Petroleum minister Murli Deora on Friday said the fire at Indian Oil Corporation's fuel depot on the outskirts of the city has to die down on its own and there was "no other solution" to douse the leaping flames.

[SEG: Saleri says oil, gas key in new energy era](#)

HOUSTON -- The world has entered a new energy era in which overall energy efficiency and oil recovery efficiency will improve, environmental harmony will grow, and oil, gas, and coal will continue to dominate.

That is the view of Nansen Saleri, founder, president, and chief executive officer of Quantum Reservoir Impact LLC, Houston, and a former Saudi Aramco reservoir management chief.

When considering conventional and unconventional resources, 150-250 years of liquids production remain at output levels of 50-100 million b/d, Saleri said, relying on National Petroleum Council 2007 estimates.

Global oil recovery factors long estimated at around 35% have begun growing toward 50-60% and will ultimately reach 80%, he forecast in a presentation to the Society of Exploration Geophysicists annual meeting in Houston.

The energy world is filled with unpredictability over the outcomes of recession, price volatility, geopolitics, resource nationalism, renewables, global warming, and most of all "peak oil" versus peak demand.

Geophysicists and the rest of the oil and gas industry should focus more on peak demand than on peak oil, Saleri urged.

[Exxon, Oil Majors Battle to Restore Earnings as Demand Plunges](#)

(Bloomberg) -- Exxon Mobil Corp., PetroChina Co. and Royal Dutch Shell Plc are

battling slumping fuel demand as oil majors seek to rebuild profits battered by the global fallout from the worst U.S. downturn since the Great Depression.

Exxon Mobil's U.S. refineries lost about \$2.3 million a day last quarter as gasoline and diesel prices fell. Shell, whose refining earnings declined 47 percent, said the plunge in demand will keep profit margins narrow in "the short and medium term" and a quick recovery in energy usage and prices is unlikely.

Oil companies around the world are slashing costs, cutting jobs and holding back on some new investment to halt the slide in earnings, even as they seek to fund renewable energy projects. Exxon Mobil cut its capital-spending estimate for 2009 by 10 percent as third-quarter profits at the Irving, Texas- based explorer and Shell hit their lowest level in six years.

[Oil companies give cool outlook](#)

LONDON (Reuters) - Exxon Mobil Corp, Royal Dutch Shell Plc and Eni SpA dashed hopes for an imminent turnaround for the oil industry, saying sluggish economic recovery was weighing on energy demand and prices.

The three posted big drops in quarterly earnings on Thursday after crude oil and natural gas prices plummeted and refining margins were squeezed.

[India's Reliance Industries Q2 profit dips 6.55 pct](#)

MUMBAI (AFP) - Indian refining and energy giant Reliance Industries Ltd said quarterly net profit dropped by 6.5 percent on Thursday as core refining margins fell following a tumble in global crude prices.

[Saudi move is bid to realign oil market](#)

LONDON (Reuters) - Saudi Aramco's decision to abandon a light sweet oil benchmark closely linked to NYMEX futures as the basis for crude sales to U.S. customers reflects growing frustration with its performance over the last two years.

While it will not imperil NYMEX's status as the main forum for oil futures trading, it will increase pressure on the exchange to consider adjustments to its contract. In time NYMEX may have to allow a wider range of crudes to be delivered and add a delivery location on the U.S. Gulf Coast.

[Senate Panel Backs Iran Petroleum Investment Sanction](#)

(Bloomberg) -- The Senate Banking Committee voted unanimously today to further restrict trade with Iran and impose sanctions on companies that help the country acquire refined petroleum products.

The 23-0 vote follows yesterday's approval by the House Foreign Affairs Committee of a similar measure to sanction companies involved in supplying, shipping, financing and consulting for Iran's petroleum sector. Iran has limited refining capacity.

[Chevron tried to taint Ecuador toxic waste trial: lawyer](#)

WASHINGTON (AFP) – Videos posted online by US oil company Chevron purporting to show rampant corruption among Ecuadoran officials are actually a set-up meant to taint an ongoing trial against the energy giant, an attorney in the case alleged.

"By releasing the videos, in my opinion Chevron is trying to taint a trial process that they knew they were going to lose, with the hope that the case would be dismissed in Ecuador," Steven Donziger, an attorney for Ecuadoran Amazon communities who are suing the oil giant told reporters.

[Russia Cuts November Crude Oil Export Duty by 3.9%](#)

(Bloomberg) -- Russia's government will cut the export duty on crude oil by 3.9 percent on Nov. 1, according to an order signed by Russian Prime Minister Vladimir Putin.

The levy will decrease to \$231.20 a metric ton, or \$31.54 a barrel, from \$240.70 a ton the previous month under the order, which was published today in the official Rossiyskaya Gazeta newspaper.

[Gazprom Sees Europe Gas Demand In 2020 Up 12.5% To 700 BCM/Year](#)

LONDON -(Dow Jones)- Russia's state-controlled natural gas monopoly OAO Gazprom expects annual demand for gas in Europe to grow to 700 billion cubic meters in 2020, up 12.5% from the current level, the company said in a statement late Thursday.

[Dead fish drifting in Indonesia after oil leak](#)

JAKARTA, Indonesia – Thousands of dead fish and clumps of oil have been found drifting near Indonesia's coastline more than two months after an underwater well began leaking in the Timor Sea, officials and fishermen said.

An estimated 400 barrels a day of oil has been leaking from a fissure that erupted on Aug. 21 at a rig about 150 miles (250 kilometers) off the Australian coast. PTTEP

Australasia, a branch of Thai-owned PTT Exploration and Production Co. Ltd., has failed repeatedly to stop the leak but says it is still trying.

[Canada's Economy Unexpectedly Shrank 0.1% in August on Energy](#)

(Bloomberg) -- Canada's economy unexpectedly shrank in August, suggesting the economy may not have exited a recession in the third quarter after output was little changed in July.

Gross domestic product fell 0.1 percent in the month, as oil and gas extraction dropped 2.3 percent and manufacturing fell 0.7 percent, Statistics Canada said today from Ottawa. Economists expected a 0.1 percent increase, according to the median estimate of 23 analysts surveyed by Bloomberg.

[The Next Economic Crisis, Spiralling Inflation](#)

Peak Oil is not someone's pet theory. It is not a rumour spread by left-leaning conservationists. Peak Oil is supported by hard production data. Peak Oil is a field-by-field extrapolation of what has already happened to existing oil fields. As most investors know, the US has had to import ever-increasing amounts of oil as their own supplies have decreased. But now, the exact same thing is happening in Britain's North Sea and in Mexico.

Oil is a finite resource, and many of the world's largest oil fields are being rapidly depleted. The maximum rate of global petroleum extraction has peaked, and now the rate of production is entering terminal decline. The reason for the decline is, to a large extent, the lack of new discoveries. Most of the major discoveries were made in the 1950s and 1960s. Since then, the annual discoveries of oil have kept dropping to the point where, when we take oil out, we do not replace the reserves.

[ConocoPhillips: Time to Embrace Natural Gas Transportation](#)

Since the shale plays have been, and will continue to be, a game changer in this space, why doesn't Mulva join other natural gas advocates like Hefner, Pickens, and McClendon and embrace natural gas transportation in America? Certainly COP will continue to profit from the fundamentals of oil supply/demand and the continuing ramping up of gasoline powered vehicles in China, India and Asia in general. This is validated by a \$75/barrel price during a period of brimming oil inventories coincident with the worst financial downturn since the Great Depression.

[India grants Congo \\$263 mln in infrastructure loans](#)

KINSHASA (Reuters) – India has offered Democratic Republic of Congo \$263 million in loans to build hydroelectric plants and repair battered infrastructure in the war-ravaged central African nation, Congo's foreign minister said on Friday.

[Canadian Hydro drops plan to buy Lake Erie wind farm](#)

Calgary-based Canadian Hydro Developers Inc. said Friday it has terminated its earlier plans to purchase a subsidiary that is developing one of the largest wind farms in the world in Ontario.

The company had first agreed to the deal with Utah-based Wasatch Wind Inc. for the rights to the 4,400 megawatt project, to be built in Lake Erie, at the beginning of October. Terms of the deal had not been disclosed.

However Canadian Hydro has since been acquired by TransAlta Corp., leading to the change in strategy.

[Local Motors: A New Kind of Car Company](#)

When John B. Rogers was a Marine deployed in Iraq in 2004, he brought a book called *Winning the Oil Endgame* with him to the Gulf. The book, by environmental activist Amory B. Lovins, discusses how people can end their dependence on fossil fuels. Rogers says reading the volume inspired him to create a new type of car company, one he believes offers a more efficient and effective way of designing, manufacturing, and selling autos.

[New energy = new transmission lines: But finding agreement on where to put them isn't easy](#)

DENVER — Giant wind turbines and solar collectors have become the icons for our great energy transition from fossil fuels to renewable sources. But will giant electrical transmission lines ever become half as sexy?

[Chinese banks to fund \\$1.5B Texas wind farm](#)

China took a big leap into the U.S. renewable energy market Thursday, putting up \$1.5 billion for a 36,000-acre wind farm in Texas with the power to light up 180,000 homes.

The project is a joint venture with U.S. Renewable Energy Group, a private equity firm, Austin, Texas-based Cielo Wind Power LP and Shenyang Power Group of China.

[Solar power execs bullish on 2010 despite earnings](#)

ANAHEIM, California (Reuters) - Executives from solar power companies see clearer skies in 2010 for the beleaguered industry, even as quarterly reports from heavyweights like First Solar Inc and SunPower Corp have disappointed investors and dragged down shares.

The industry has struggled to emerge this year from tight credit markets, a global glut of panels and falling prices.

[BP Is 'Disappointed' With \\$87 Million Texas City Refinery Fine](#)

(Bloomberg) -- BP Plc, which expects an \$87 million fine in relation to its response to an explosion at the Texas City refinery, said it's "disappointed" with the penalty from the U.S. Occupational Safety and Health Administration.

OSHA this month rejected BP's request for more time to comply with a settlement over the 2005 blast, which killed 15 workers and left hundreds injured. The London-based company, Europe's second-largest oil producer, now anticipates a fine, spokesman Andrew Gowers said today by phone.

[Argentine enviro secretary fined for dirty river](#)

BUENOS AIRES, Argentina – Environmentalists praised a judge on Wednesday for fining Argentina's environmental secretary and two local politicians for failing to clean up the polluted river that flows sluggishly through the heart of the capital.

[Tests on treasured maize ignite fears in Mexico](#)

MEXICO CITY (AFP) – As scientists race the clock to increase food production worldwide, new trials to plant genetically-modified maize have stoked anger in Mexico, the cradle of corn.

Many here are sensitive about meddling with maize, which dates back to pre-Hispanic times, when mythologies held that people were created from corn.

Some fear Mexico could one day lose the wealth of native varieties it still produces, including red and blue, to a few, tough breeds of GM maize, as well the livelihoods of hundreds of thousands of subsistence farmers.

[Will U.S. go empty-handed to world climate talks?](#)

WASHINGTON — Without a new law requiring cuts in greenhouse gas emissions, the U.S. could end up going empty-handed to the international climate talks in December.

Many nations are watching to see whether the Senate will make progress on a climate and energy bill that would spell out the U.S. national emissions-reduction plan. Without an offer of such cuts from the largest source of emissions that are already in the atmosphere, there won't be a global deal at the talks in Copenhagen, Denmark .

[EU sets 100 bln euro climate summit goal for poor states](#)

BRUSSELS (AFP) – EU leaders were struggling Friday to agree how to fund the fight against climate change, with poorer eastern European nations urging their more affluent western neighbours to bear the lion's share of the burden.

[China, India could shame rich nations: UN scientist](#)

BEIJING (AFP) – China and India could use their growing clout to shame developed countries into committing to a climate change deal in Copenhagen in December, the UN's top climate scientist said on Friday.

[EU Emissions Trade Cost U.K. 3 Billion Pounds, Taxpayers Say](#)

(Bloomberg) -- The European Union carbon-permit trading program cost British consumers 3 billion pounds (\$5 billion) last year as it boosted energy prices, said a taxpayer lobby group.

The cost, equivalent to 117 pounds per family in the U.K., is too high and EU lawmakers should consider abolishing the program, the world's biggest greenhouse gas market, said Matthew Sinclair, director of research at the London-based Taxpayers' Alliance. "The EU emissions trading scheme has been an expensive failure," he said yesterday in an e-mailed statement.

[Arctic Multiyear Ice Practically Vanishing](#)

Polar shipping routes have finally been unblocked, thanks to the virtual disappearance of the multiyear ice spanning the Arctic Ocean, according to an Arctic expert.

For centuries, enormous sheets of multiyear ice reaching up to 260 feet thick have impeded the way of ships looking for a short cut through the fabled Northwest Passage from the Atlantic to the Pacific.

However, Canada's Research Chair in Arctic System Science at the University of Manitoba, David Barber, noted that the ice is vanishing at an unbelievably fast rate.

In a presentation to Parliament, Barber said, "We are almost out of multiyear sea ice in the northern hemisphere."

[Higher temperatures will harm many crops, report says](#)

WASHINGTON -- Global warming would be bad news for all those amber waves of grain, and for the corn and soybeans that are plentiful throughout the Midwest.

"The grain-filling period" -- the time when the seed grows and matures -- "of wheat and other small grains shortens dramatically with rising temperatures. Analysis of crop responses suggests that even moderate increases in temperature will decrease yields of corn, wheat, sorghum, bean, rice, cotton and peanut crops," according to "Global Climate Change Impacts in the United States," a report based on a comprehensive review of scientific literature and government data by a team of American scientists.

[Methane's impact on global warming far higher than previously thought](#)

The effects of a critical greenhouse gas on global warming have been significantly underestimated, according to research suggesting that emissions controls and climate models may need to be revised

Methane's impact on global temperatures is about a third higher than generally thought because previous estimates have not accounted for its interaction with airborne particles called aerosols, Nasa scientists found.



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