



Drumbeat: October 31, 2009

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Topic: [Miscellaneous](#)

[Jeff Rubin: Get ready for triple-digit oil again soon](#)

Nothing is shrinking faster these days than global trade. For the first time in decades, world trade volume, the lifeblood of the global economy, is actually falling. And chances are that downsizing is here to stay.

One reason global trade is shrinking is that most major economies have been contracting. Recession-scarred economies will of course recover. They always do. The Chinese economy is already on the mend and in time other economies will also get back on their feet. But unfortunately for an oil-hungry global economy, so too will crude prices — which is not only the real reason the economy tanked in the first place, but also the reason the economy coming out of this recession will be very different than the one that went into it.

Whether we move goods by air, ship, rail or truck, the global economy runs on oil.

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turn it into pellets and sell it to coal-fired power plants.

Some companies will pay up to \$20 a ton for long-term contracts. At an average of 3 tons per acre, a mere 100-acre field could yield a gross profit of \$6,000.

But University of Nebraska-Lincoln farm experts say that residue is even more valuable to the farmer by adding nutrients and lending structure to the soil.

[Can Biotech Food Cure World Hunger?](#)

What will drive the next Green Revolution? Is genetically modified food an answer to world hunger? Are there other factors that will make a difference in food production?

[Farmers' markets for seed savers](#)

The small-scale seed-sharers aren't generally dealing in patented goods—a lot of that is genetically modified, which they tend to avoid—but these efforts, tied in with improved access for urban agriculture at schools and community gardens, are part of an increasingly vocal protest against the ownership of seeds. Ian Aley is with FoodShare, a non-profit focused on hunger and food issues in Toronto. “The reason we do seed saving and include it in our urban agriculture program,” he says, “is because of a broader issue: having autonomy and having control over our own food sources.” These urban farmers are also proving effective guardians of biodiversity, whether that means saving rare plums or out-of-style varieties like yellow corn.

[French Ideal of Bicycle-Sharing Meets Reality](#)

Residents here can rent a sturdy bicycle from hundreds of public stations and pedal to their destinations, an inexpensive, healthy and low-carbon alternative to hopping in a car or bus.

But this latest French utopia has met a prosaic reality: Many of the specially designed bikes, which cost \$3,500 each, are showing up on black markets in Eastern Europe and northern Africa. Many others are being spirited away for urban joy rides, then ditched by roadsides, their wheels bent and tires stripped.

With 80 percent of the initial 20,600 bicycles stolen or damaged, the program's organizers have had to hire several hundred people just to fix them. And along with the dent in the city-subsidized budget has been a blow to the Parisian psyche.

[Edward Burtynsky: Economies of Scale](#)

A believer in the concept of “Peak Oil”—the point at which global oil production will hit its apex and supplies will rapidly disappear to calamitous effect—Burtynsky chose to photograph the rapidly growing Las Vegas suburbs and recreational activities like NASCAR races and the Sturgis Motorcycle Rally to look at oil-fueled culture before they're obsolete. He explains, “My thought was, if we are at that crest [in the oil supply], and many believe we are cresting, what are the kinds of things that I can photograph today that may not be here in 50 years?”

[Carolyn Baker: It's Too Late, Baby.. Times Up!: A Book Review](#)

I would say that the real crux of *Time's Up* is the challenge of how to keep the human race from continuing to commit suicide. The first 82 pages of the book are devoted to a painstaking explanation of the inextricable connection between humans and all other life forms. The fundamental reality of the connection is that “nothing is so dependent upon other forms of life as humans, the ultimate consumers.” Likewise, “everything we do has the potential to disrupt something, knock it off balance as we negotiate the finest of lines; yet that line we are repeatedly stepping over.”

[Rubin: Oil price to affect trade](#)

Expect to see fewer ships coming into Halifax from across the Atlantic Ocean as the price of fuel skyrockets, says Jeff Rubin, a former chief economist at CIBC World Markets.

"Between the first and second OPEC oil shock, which was a period of great increase in oil prices, there was massive trade diversion away from transatlantic and transpacific trade and towards regional trade," said the author of the bestselling *Why Your World is About to Get a Whole Lot Smaller*.

[Mexico's Pemex backs Chicontepec, sees net debt up](#)

MEXICO CITY (Reuters) - The troubled Chicontepec oil project remains an important part of the portfolio of Mexico's state oil company Pemex and any talk of scrapping it is "speculative," Pemex executives said on Friday.

Pemex has come under heavy criticism from government officials due to the poor results at Chicontepec, where billions of dollars of investment have yielded little in terms of new production capacity.

[Bahrain to host Middle East oil and gas summit](#)

Dr. Mirza said that propelling the oil and gas sector towards more sustainability is among the top priorities of the leaderships in the region, where we have noted the success achieved by GCC countries in setting comprehensive strategies for developing and upgrading the oil and gas which supported these countries in facing the recent international financial crisis.

The minister said that the repercussion of the recent crisis has proved the winning bet on modern technology.

[Kuwait, S. Arabia to start drilling in Arash field](#)

As Iran seeks to jointly invest in the Arash gas field with Saudi Arabia and Kuwait, the two Arab states are expanding the scope of offshore exploration.

The massive Arash field is shared by Iran, Kuwait and Saudi Arabia, where it is known as 'Dorra', and is a contested area between Tehran and Kuwait.

[Chevron Confident About Exploiting US Shale Gas](#)

Chevron Corp. is confident in its ability to exploit shale gas in the U.S. despite the challenges this type of resource poses for oil major companies, the head of the company said Friday.

"Our drilling organization and our company is quite capable of multiple-well programs," Chief Executive David O'Reilly said on an earnings conference call. "We have demonstrated that capability."

[Nigeria: Group Challenges Oil Firms On Land Encroachment](#)

Port Harcourt — Non Governmental Organisations (NGOs) have declared their opposition to land grabbing by multinational companies, Genetically Modified crops and AGRA.

This was part of a communiqué issued at the end of a conference on AGRA, Land Grabs and Non-Ecological Agriculture hosted by the Environmental Rights Action/Friends of the Earth Nigeria (ERA/FoEN) to discuss the challenge posed by the Alliance for a Green Revolution in Africa (AGRA) - an initiative of the Bill & Melinda Gates Foundation and the Rockefeller Foundation.

[Nigeria: FG Considers 10 Percent Oil Equity Stake for Niger Delta](#)

Sopuruchi Onwuka — Federal government may finally round off its peace moves in the Niger Delta by ceding 10 percent interest in joint venture firms which are to be incorporated to the Niger Delta communities.

The proposal which is currently in the National Assembly might also form part of the Petroleum Industry Bill that is being considered by the relevant committees in both houses of the bi-cameral legislature.

[The Philippines: No need to fear oil shortage 'horror tale'](#)

The government and the public should not be alarmed by "horror tales" about a fuel shortage in the wake of the freeze of pump prices in Luzon, an industry insider said.

"Don't be afraid of the 'oil shortage.' The major oil companies have yearly supply contract terms with producers. They cannot stop importing fuel," said the industry insider who spoke on the condition of anonymity.

[Dar turns on generators](#)

DAR, TANZANIA- Finally, the power rationing that had threatened to leave dozens of employees jobless due to low production in factories will end this week following governments order to have Independent Power Tanzania Limited (IPTL) switch on its generators.

[Iran to import 33 million cubic meters of Turkmen gas by mid December](#)

TEHRAN (ISNA)-Iran's Oil Minister Massoud Mir Kazemi said the country is to import 33 million cubic meters of natural gas from Turkmenistan daily after the two sides ended construction of a new pipeline. He said the rise of gas import is planned to be concluded by mid December.

[Bridging the Generation Gap on Climate](#)

The rapid march of climate change up the global agenda has prompted a new, and often poignant, conversation between the generations and, in public, among a self-appointed elite.

At its core, that conversation is about whether some of the first beneficiaries of the wonders developed during the past century — like electricity at the flick of a switch — have the means, or the will, to help their descendants with the consequences of burning vast quantities of fossil fuels.

[The Danger of Staring too Close at 350](#)

I'm no marketing expert, but I posit that the genius behind most effective marketing campaigns lies in their direct simplicity.

350 means solving global warming. Simple and direct.

If only it were that simple. For starters, we shot past 350 ppm of atmospheric CO₂ years ago, and our foot is still on the accelerator. Current measurements of CO₂ are around 387 ppm and growing annually. Civilization emerged and, for all but barely the past couple hundred years, flourished with 280 ppm of CO₂ in the atmosphere.

[Australian renewable energy crisis as REC price dives](#)

The Australian renewable energy industry faces a colossal threat of sudden extinction. Last week, the Renewable Energy Certificate (REC) price dived to AU\$23 after spending recent months hovering at AU\$38. This is well below the AU\$50/REC enjoyed only four months ago, and poses severe problems for the renewable energy industry.

[Jeff Rubin: Get ready for triple-digit oil again soon](#)

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[Gas prices chugging higher as holidays near](#)

Americans are paying more for gasoline than they did last year as the holidays approached — billions of dollars that could go to books, clothes and Barbie dolls instead being spent at the pump.

Gas averaged nearly \$2.70 a gallon Friday, the highest of the year — adding bad news to an already fragile economy and making it even less likely that people will spend their way out of the recession.

[Oil Set for Surge to \\$90, Commerzbank Says: Technical Analysis](#)

(Bloomberg) -- Crude oil is on track to reach \$90 a barrel in New York providing that prices remain above \$75, according to technical analysis by Commerzbank AG.

Oil for December delivery is trading around \$79 a barrel on the New York Mercantile Exchange today, having climbed to a one- year high of \$82 on Oct. 21. The advance may continue to \$90, Commerzbank said in a report. The number is an important level using so-called Fibonacci analysis, as it was at the start of oil's slump toward a four-year low at the end of last year, according to the bank.

[Crude Oil May Fall on Stronger Dollar, Survey Shows](#)

(Bloomberg) -- Crude oil may fall next week on speculation that the dollar will rebound against the euro and equities will decline.

Fifteen of 34 analysts, or 44 percent, said futures will drop through Nov. 6. Ten respondents, or 29 percent, predicted the market will rise and nine forecast that futures will be little changed. Last week, 50 percent of analysts said prices would fall.

[U.S. Inflation to Appear Next in Food and Agriculture](#)

While most mainstream economists such as Nouriel Roubini are warning of deflationary threats to the U.S. economy, it is our belief that massive price inflation has already begun. The Federal Reserve's policy of massive monetary inflation in 2009 has caused the Dow Jones to bounce over 50% from its low, oil to rise 100% from its low, and gold to surge to a new all time nominal high. One NIA co-founder just saw his health insurance premium rise 16% over a year ago; and the average tuition for a four-year public college increased this year by 6.5%.

[Demand will support Mackenzie: Exxon](#)

Natural gas demand will increase by 50 per cent in the next two decades, creating enough room to bring online the Mackenzie pipeline, a senior Exxon Mobil Corp. XOM-N official said Friday.

There is "room for a lot of gas in North America," said Andrew Swiger, senior vice-president and member of the management committee of Exxon Mobil.

[The great pipe dream](#)

Exxon predicts the global population will consume 50% more natural gas by 2030 than guzzled now. The fossil fuel will overtake coal as the world's second-largest source of energy, Mr. Swiger said.

But Canada's potential contribution to the new swells of natural gas is a sensitive political topic. The proposed 1,220-kilometre Arctic natural gas pipeline, which could transfer 1.2 billion cubic feet of gas per day to Canada and the United States, has been on and off the table since Pierre Trudeau was prime minister in the 1970s.

[A winding road ahead of Pdvsa](#)

Pdvsa still owes USD 4.5 billion to service providers The goal of reducing to zero the debts of the state-run oil company Petróleos de Venezuela (Pdvsa) still looks distant.

The Venezuelan oil industry has 4.5 billion debt obligations with suppliers. Although the state oil company has issued bonds to meet its commitments, funds are still insufficient.

[Pdvsa's contribution closing the year down 47.7 percent](#)

In the face of oil prices around USD 50, the Executive Office estimates that at the end of 2009, input of state-run oil holding Petróleos de Venezuela to the Treasury will total USD 20 billion.

Such amount mirrors a 47.7 percent plunge compared with USD 38.3 billion in 2008. However, last year, oil prices averaged USD 86. In the 2010 Budget Bill, the government envisaged the revenues for 2009. Note in this context that Pdvsa's contribution has been hit by lower output and oil prices performance.

[Kuwait oil production seen rising 30% by 2018](#)

Oil production in Kuwait is predicted to grow by nearly 30 percent by 2018, with crude volumes reaching 3.6m barrels per day, according to a new report.

Between 2008 and 2018, global research firm Business Monitor International said it was forecasting an increase in production of 29.3 percent.

[Pertamina to up oil output in 2010](#)

Oil and gas producer PT Pertamina, the country's most profitable state company, is setting its sight on raising oil production by up to 8 percent next year to meet the ever-increasing demand.

[Huge Oil, Gas Reserves Found In Western Iran](#)

TEHRAN (Mehr News Agency) - Considerable oil and gas reserves have been found in Khorramabad block, western Iran, the data collected by the Norwegian energy group StatoilHydro shows. Seismic operations and geological surveys carried out by StatoilHydro there indicate it is more probable to hit huge natural gas deposits at the block, the Mehr News Agency reported.

[Nigerian Workers Stage Protest Rally Against Oil Sector Deregulation](#)

Thousands of protesters have marched through the streets of Abuja to protest against key policies, including privatization of refineries.

Nigerian unions have fiercely opposed the planned deregulation of the downstream sector of the oil industry. They argue that the planned withdrawal of subsidies on petroleum products would lead to higher prices and inflict more hardship on Nigerians, especially the poor.

[Tap in to one of the world's biggest oil reserves](#)

Despite what most people believe, investing in oil is actually simple, easy, and capable of building a lifetime of wealth.

[Byron King: Rare Earths and Other Critical Metals](#)

All the vital technologies in your life rely on an incredibly small number of specialty metals.

Electronics, aerospace, military defense, automotive, clean-tech, renewable energy: none of these would exist without these “technology metals”...and there’s shortage looming just down the road.

[Is this the true face of rural Ireland?](#)

The optimistic view is that rural Ireland will come full circle, simply because of national need. In the rush to specialise, farmers have lost the key skills of the kitchen garden, the means of producing food. “The old models have let us down. The institutions have let us down,” says Catherine Corcoran of the Tipperary Institute. “What happens in the future when oil runs out? Even David McWilliams and Eddie Hobbs have come round to the extreme gravity of climate change and peak oil. Who then is going to produce the food? Who is going to produce the energy?”

[No easy answers when electricity is cut off](#)

The electricity had been cut off and it was dark in the house, so her young daughter didn't realize that the lid was down on the toilet seat around 3 a.m. last Friday.

"She's in there cleaning up urine and she didn't even wake me up, because she knew I had to work," said the mother, holding back tears.

The day before, A&N Electric Cooperative cut off the mother's power -- as she tells the story, about 24 hours before the direct paycheck deposit would have enabled her to keep it on.

['Right to dry' could wean Americans off consumption](#)

EARLIER this year, a company called National Clothespin of Montpelier, Vermont, mothballed its manufacturing equipment. As a result, there is no longer a single manufacturer of wooden clothes pegs in the US, even though that peculiarly American sect, the Shakers, invented them. National Clothespin now imports clothes pegs from China so it can inscribe cutesy phrases on them, attach magnets to the back, and sell them as novelty products.

[Ricardo to Develop Fuel Efficient Vehicle for U.S. Army](#)

VAN BUREN TWP., Mich., /PRNewswire/ -- Ricardo, Inc., the US subsidiary of Ricardo plc, the leading independent provider of technology, product innovation and engineering solutions to the world's automotive, defense, transport and new energy industries, has been awarded a contract for the development of a new vehicle under the Fuel Efficient Ground Vehicle Demonstrator (FED) program launched by TARDEC, the U.S. Army's Tank Automotive Research, Development and Engineering Center in Warren, Michigan.

The FED program, launched in late 2008, has the overarching goals of improving military vehicle technology, reducing fuel consumption on the battlefield, and reducing the nation's dependence on oil. Ricardo will apply its expertise in the development and manufacture of special vehicles and advanced automotive technology to create a demonstration vehicle that maximizes fuel economy while maintaining the capability and performance of light tactical wheeled vehicles.

[Clever 'chopped' cars promise cheap electric commuting](#)

IT COULD take a "perfect storm" to create electric cars that match gas-powered cars' range - a mix of motor-industry investment, infrastructure change and advances in battery technology. Instead of waiting, a new project aims to build cheap vehicles good enough for short commutes.

[EIB to Help Finance U.K. Offshore Wind Connections to Grid](#)

(Bloomberg) -- The European Investment Bank may lend as much as 300 million pounds (\$496 million) to help link offshore wind parks to the U.K.'s power grid as Britain aims to reduce carbon-dioxide emissions.

The loans would be given to 13 bidders in tenders to own and operate power cables from six wind farms being built by companies including Scottish & Southern Energy Plc, the U.K. energy regulator said in an e-mailed statement today.

[Activist's message at USF: End needless waste of food](#)

Less than 50 percent of crops harvested around the world are for human consumption, Shiva said. Of that food, 50 percent is wasted, which results in just over 12 percent of all the food produced on the planet actually being consumed.

"Couldn't we make sure that no one was hungry if that food wasn't wasted?" she asked.

[Pushing vegetarianism is not the answer to climate change](#)

I was a vegetarian for 23 years, up until about three years ago. Nobody knows better than me how good and varied a diet a veggie can have. As a positive lifestyle choice - taken for whatever reasons - it has a lot to commend it.

But for most people, it's just another variation of the dreary old hairshirt environmentalist message that says that in order to care for the planet you've got to give up everything that's fun. There's no sex, drugs or rock n' roll in this new eco-topia - and now there's no meat either.

It's the wrong message. It is guaranteed to turn people off. It is guaranteed to lose support. Nobody votes for hairshirts, and nobody has yet proven that they are required.

[Utilities Say Boxer's Climate Bill Trims Free Pollution Permits](#)

(Bloomberg) -- The chiefs of Exelon Corp. and American Electric Power Co. said climate-change legislation in the Senate would shortchange companies of free pollution permits they would get under a version passed in the House.

[U.K. Faith Leaders Release Landmark Statement on Climate Change](#)

U.K. faith leaders issued a first-of-its-kind statement on climate change Thursday in which the signatories recognized "unequivocally that there is a moral imperative to tackle the causes of global warming."

"This," they stated, "is reinforced by the reality that it is the poor and vulnerable who are most profoundly affected by the environmental impact of climate change - especially drought, floods, water shortages and rise in sea levels."

[E.U. Reaches Funding Deal on Climate Change](#)

European Union leaders on Friday offered to contribute money to a global fund to help developing countries tackle global warming hoping kick-start stalled talks on a new

agreement on climate change.

But E.U. leaders disappointed climate campaigners by making the offer conditional on donations from other parts of the world and by failing to decide how much Europe would contribute to a global pot of up to 50 billion euros by 2020.

[Copenhagen Expectations Too High, Former U.S. Negotiator Says](#)

(Bloomberg) -- A treaty to curb global warming probably won't be completed in Copenhagen in December, and countries should ratchet down hopes for such an accord, a former U.S. climate-change negotiator said.

"I do wish some government would actually start to lower expectations rather than keep raising them," Eileen Claussen, a former State department official under President Bill Clinton, told reporters today in Washington.

[AEP Tests Coal's Future at Its West Virginia Plant](#)

(Bloomberg) -- An American Electric Power Co. plant in New Haven, West Virginia, may help determine whether the nation's 1,500 coal-burning power generators become relics of a dirtier age or can flourish in a low-carbon world.

[Limiting Growth in 2 Provinces Is the Key to Canada's Greenhouse Goals, Study Finds](#)

A report by two environmental groups and financed by Toronto-Dominion Bank finds that Canada can meet its greenhouse gas reduction targets only by limiting economic growth in the oil-rich provinces of Alberta and Saskatchewan.



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