

**Dáil Éireann - Volume 631 - 14 February, 2007**  
**Priority Questions. - Energy Resources.**

**Mr. J. Breen** asked the Minister for Communications, Marine and Natural Resources the steps he has taken in view of the fact that the cost of the fuel value of wheat and maize has risen dramatically since the Bush initiative to replace Ireland's dependence on petrochemicals by developing and processing the bio-refining of lignocellulose feedstocks, which would give Ireland ample oil additives and platform chemicals and would have the knock-on effect of increasing domestic employment; and if he will make a statement on the matter.

**Mr. N. Dempsey:** My primary ministerial responsibility regarding bio-fuels is in the energy context and consequently in the production of bio-fuels to increase penetration in the transport sector. While I have no specific responsibility for the production of petrochemicals for industrial processes, I am aware that second generation biomass conversion technologies could, over time, provide a suitable fuel and product for both sectors.

I am giving major priority to the accelerated development of energy research, technology development and innovation to underpin energy policy goals, including bio-energy development and deployment. The development this year of a comprehensive Energy Research Strategy 2008-2013 overseen by the Irish Energy Research Council will set out the overall priorities.

The recently announced Charles Parsons awards included funding for biomass-related research. Under this programme, funding of almost €12 million is being provided to four universities on the island of Ireland for the purposes of accelerating research in several energy-related areas including biomass. This research will give us valuable information under Irish climatic conditions which will inform policy on the optimisation of land use for biomass purposes.

Sustainable Energy Ireland, SEI, is also supporting research work in second generation technologies through, for example, grant aid to an Irish university which is involved in an EU framework programme 6 project investigating the development of biomass-to-liquid, BTL. In BTL, biomass is converted to synthesis gas through gasification and the synthesis gas can be subsequently transformed to liquid fuel. The emphasis on the production of ethanol in the bio-fuels mineral oil tax relief scheme II supports the building of expertise in ethanol production in Ireland. This could have long-term benefits for the production and blending of second generation bio-fuels which use similar but more complex technologies and processes. A total of 11 applications were received under the bioethanol category in the second mineral oil tax relief scheme and four of these were successful in being awarded excise relief up to 2010. This will allow for the production of 306 million litres of bioethanol up to 2010. As a contracting party to the International Energy Agency, IEA, bioenergy implementing agreement, Ireland has signed up to participate in task 39, which deals with developments in liquid bio-fuels and particularly second generation technology. Ireland has also signed up as an observer to the new IEA bioenergy implementing agreement, task 42, which deals specifically with biorefineries. These international linkages position us well to monitor and benefit from international developments in this field and to identify appropriate applications for the Irish context.

**Mr. J. Breen:** I tabled this as a priority question to the Minister for Agriculture and Food because my premise was to make farming more viable. I cannot understand what this question has to do with the Department of Communications, Marine and Natural Resources. Will the Leas-Cheann Comhairle rule on whether I am in the right place to ask this question which was strictly directed at the Minister for Agriculture and Food? We cannot grow the crops to which I refer at sea; they must be grown on land. What does that have to do with this Department?

**An Leas-Cheann Comhairle:** The question has been

allocated to the Minister for Communications, Marine and Natural Resources. It is not within the remit of the Chair to interfere with that decision.

**Mr. J. Breen:** Can the Minister answer questions about the agricultural industry?

**Mr. Broughan:** He knows everything about fishing.

**Mr. J. Breen:** Yes, he does, but I am being serious.

**Mr. Perry:** Give him a chance.

**Mr. N. Dempsey:** The Deputy should ask the question and we will see if I can answer it. That is the best thing to do.

**Mr. Broughan:** He closed down the fishing industry.

**Mr. Durkan:** Agriculture has been closed down as well.

**Mr. J. Breen:** It is wrong and I protest in the strongest possible terms that my question was not put to the Department to which I wanted it put, the Department of Agriculture and Food. The Bush initiative would increase the price of wheat by 40% which is good for the Irish farmer. Extracting ethanol from wheat and maize cannot be considered a feasible option because the price is too high.

The Government was alerted some time ago to the possibility of building a sustainable industry with indigenous produce. That produce is the lignocelluloses feedstuffs to produce oil additives and platform chemicals that can replace our dependence on petrochemicals. It would revitalise our agriculture, bring people back to the land and provide employment in hub towns and cities. What has the Minister done about it? He can do nothing about it because the question should be answered by the Minister for Agriculture and Food. Does the Minister agree with me?

**Mr. N. Dempsey:** I would be happy to see the Minister for Agriculture and Food answering this question but responsibility for bio-fuels falls within the remit of the Minister for Communications, Marine and Natural Resources.

In keeping with the Government's approach to joined-up thinking, the production of bio-fuels has a value for agriculture. The Minister for Agriculture and Food made announcements recently about start-up grants and grants for energy-related crops, all of which are designed to feed into a bio-fuels industry. If I understood the Deputy correctly, there is a link between the bio-fuels and farming. Growing energy crops such as miscanthus, willow and rape seed will offer a new source of income for farmers. The Government's policies on bio-fuels attempt to build up that industry, encourage farmers to change practices and sow particular crops for that industry.

Through the mineral oil tax relief scheme we have encouraged people to set up refineries to put the bio-fuels in place. The talk about bio-fuels may be positive from a farmer's point of view but not so from other people's point of view. If people must compete for wheat, maize, rape seed oil or sugar beet for bioethanol or other crops, there could be a danger that because it is attractive to produce bio-fuels from these crops, the amount of the crops used for food or feedstuff might be diminished or push the prices beyond the reach of farmers. There are advantages and disadvantages in this argument.

**Mr. J. Breen:** I estimate that this crop would yield a profit of €1,000 per hectare. That is a lot of money, especially in the west. Does the Minister agree that our over-dependence on foreign produce will cost us jobs in the long run? I have two letters from major companies in my area of County Clare to the effect that if the cost of energy does not come down, they will relocate to the countries from which they came. This is serious. We must have a viable farming community and stop the flight from the land. A total of 40% of our farmers are part-time. If we continue to let this happen and not

provide an income for farmers, approximately 20% of the farming community will be in full-time farming by 2015.

I thank the Minister for answering the question but I still believe it was for the Minister for Agriculture and Food. Does the Minister agree that our over-dependence on foreign oils and fuels will put jobs at risk?

**Mr. N. Dempsey:** There is no question but that the cost of energy can pose dangers to Irish agriculture and industry. We have seen examples in this regard. I agree with the Deputy on that point. In general terms, however, there are advantages and disadvantages in all such activities. The move away from fossil fuels, which we must follow, allows us the opportunity to produce bio-fuels, which in turn allows farmers the opportunity in the future to grow crops they have not grown before. These crops can be grown in REPS areas and set aside and so on, providing an opportunity to earn an income. Hence, there is an opportunity for people to make an income and to halt the flight from the land to which the Deputy refers. In the future, and in keeping with what will happen everywhere else throughout the world, the number of people involved in agriculture here will probably diminish further as a result of the introduction of new methodology and much more streamlined food production.