Comments on:

Jason Barton's "American Importation of Brazilian Ethanol: Methods sensitive to economic, ecological, and social issues

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Synopsis of working paper

- The U.S. could import more Brazilian ethanol (by lowering tariffs)

- How would this affect Brazil?
  - Forests, ecology, conservation?
  - People (ethanol producers, land owners, farm workers)?
  - Equity: distribution of benefits in Brazil?

- Possible approach: U.S. should lower import tariff by an amount needed to offset the increased cost of forest reserves and other conservation initiatives

Things to consider –
as this research proceeds

- **The set of issues is ambitious**

- E.G.: in addition to US ethanol trade policy,

  "I ask how labor market conditions can be improved to allow efficient implementation of Legal Reserves and Areas of Permanent Preservation to increase employment in Sao Paulo and to ensure availability of soil and water resources for generations to come."

- Also: mechanization, burning cane and climate

Things to consider – as this research proceeds

- Clearly state specific testable hypotheses

- Distinguish the economics of the private/commercial economy from social welfare issues (BCA) (environment, equity, jobs and workers)

- Establish a clear baseline (e.g., for production, trade, prices)

Are these questions of US policy or Brazilian policy?

- US policy currently reflects US farm interests

- Why would US lower ethanol import tariffs? (US consumer interests, US energy goals?)

- Would US lower its import tariffs in order to cover costs of land use regulations in Brazil?

Additional Thoughts:

- Brazilian policies for conservation, labor conditions, equity, occur in a complex setting

- Can forest code mandates be expected to affect the amount of forest – or just its location?

- If US wants to promote ecological and equity issues in Brazil, is the ethanol import tariff the best leverl?

- If Brazil wants to promote "sustainable" and "equitable" ethanol production, doesn't it also have multiple tools to choose from?