

Civil society groups urge President Obama, Congress to curb food speculation and fight global hunger

A press release issued by FIAN International

(24 March 2009, WASHINGTON/HEIDELBERG) Today, a coalition of faith, hunger, international development, human rights, farm and food organizations including FIAN International sent a letter to President Barack Obama requesting decisive support for efforts to wring out excess speculation in agricultural futures markets that threatens the food security of hundreds of millions of people. The letter notes that, “A significant part of last year’s food price fluctuations were the result of excessive speculation in the commodities markets by the very hedge funds and investment banks that helped create the current economic meltdown.”

“The need for international action is urgent to fulfil the right to adequate food of the most vulnerable populations directly affected by the crisis,” says FIAN International Secretary General Flavio Valente. “This urgent action should include policy measures that guarantee immediate protection against factors that clearly are aggravating the crisis, such as, among others, speculation on the commodities ‘futures’ market.”

“Investors need to realize that their apparently innocent investments in food and energy commodity futures have driven up world food prices. This has forced hundreds of millions of people already living on the edge into desperate situations. Children are going hungry, even dying,” said David Kane of the Maryknoll Office for Global Concerns. “It is absolutely unacceptable that investors are enriching themselves off the suffering of so many. President Obama and the Congress must act quickly in order to avoid another food crisis this year.”

The letter was signed by 183 social justice and civil society groups including 107 international groups from 29 countries and 76 groups based in the United States. The United Nations Food and Agriculture Organization estimated that 200 million additional people in the developing world faced malnutrition because of surging food prices in 2008. The signatories urge the president and congress to re-regulate the commodity futures market to prevent speculation from continuing to contribute to global hunger and food insecurity.

The letter states that the 2008 food price volatility “could have been stopped with sensible rules that, if enforced, would have staved off the malnutrition and starvation that was caused by excessive gambling of food prices. Important reforms are needed now to prevent mega-investors from viewing the futures market like a casino where they can gamble on hunger.”

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