

TDs call for an end to gambling on food



To mark World Food Day, 2011, a cross-party group of TDs went to one of Dublin's casinos to register their opposition to speculative trading in food.

The group, all of whom are members of the Association of European Parliamentarians with Africa (AWEPA), called for a better regulated system of trading in financial markets which has led to increased food prices and food price volatility.

“Speculative trading in food commodities is a well-known headache to many farmers because of how it affects prices,” said Roscommon TD, Denis Naughten.

“But what is not so widely known are the devastating effects of speculative trading in food commodities on Africa, where 13 million people are currently affected by famine in the Horn of Africa.

“Food speculation is also taking money out of the pockets of Irish farmers by increasing the margin that the middle man takes – which puts further pressure on farm gate prices.

“But in Africa, the effects of recent price hikes in wheat, soybeans and maize, inflated by speculative trading bubbles, have had absolutely terrible consequences.”

Dublin TD Maureen O’Sullivan, the chairperson of the Parliamentarians with Africa group, added:

“There must be a better system than speculative trading in foods, such as maize, which are essential to so many millions of people’s survival.

“That is why we are in the casino today – to symbolise how unnatural it is to gamble with pieces of food, or corns on the cob, as we know them.

“Food markets are naturally subject to greater price volatility but vast increases in derivatives trading have greatly increased those risks.

“Ultimately, this is gambling with millions of people’s lives.”



Olivia Mitchell TD, who is a Vice-President of the Association of European Parliamentarians with Africa, added:

“Speculative trading in food commodities is one of the factors which has caused a ‘perfect storm’ in Africa, leading to the devastating hunger we see today.

“In a report earlier this year, the OECD concluded that only well-functioning markets could help smooth price fluctuations.

“A more stable trading system of food commodities would be good news both to Irish farmers and to African consumers.”

Summing up the issue from an African perspective, Mbemba Jabbi, education officer of the Africa Centre in Ireland, said:

“One of the best solutions is very simple – to set strict limits on the amount that bankers and traders can bet on food prices.

“Governments worldwide are now under great pressure to reform financial markets and, on World Food Day, this is one of the most sensible, humane reforms that could be made.”

ENDS

18th October 2011

NOTES:

1. World Food Day is celebrated every year around on 16th October in honour of the date of the founding of the Food and Agriculture Organization of the United Nations in 1945. The World Food Day theme for 2011 is "Food prices - from crisis to stability".
2. A June 2011 OECD report, “Price Volatility in Food and Agricultural Markets: Policy Responses”, endorsed calls for better regulated markets in commodity future markets by many NGOs and other international organisations.
3. For further information, please contact Simon Murtagh, Policy Officer of the Association of European Parliamentarians with Africa (AWEPA), on 087 3238718.