Will the meeting in Rome result in action against food speculation?

The idea that speculating on food prices has become a way for western financial institutions to make money at the cost of lives is abhorrent.

Momentum is building to get some really tough action on the speculation pushing up food prices. At a conference today in London organised by the UK Food Group, Olivier De Schutter, the UN special rapporteur on the right to food, warned that a food crisis is inevitable unless we tighten up regulations on markets.

"The problem with the current system is when there is one [bit of] bad news, such as wildfires in Russia... speculators bet on higher prices, which leads those holding the food stocks not to sell in the hope of prices going up. This leads states to impose export bans, this leads to a chain reaction on the markets, which is dictated by panic rather than by the fundamentals and by the realities of stocks. That will continue happening until we better regulate the activity of financial investors on those markets for derivatives and agricultural commodities," he told the Guardian this afternoon.

There was already enough suspicion about risky financial products given how they brought the global economy to the brink of meltdown two years ago. But the idea that speculating on food prices has become a way for western financial institutions to make money at the cost of lives is really abhorrent. We've heard a lot recently about famine in west Africa and hunger in many other parts of the world; this is not about the availability of food, it's about the cost.

Look at the clip of Michel Barnier, the single market commissioner for the EU.

I don't think I have ever seen such passionate abhorrence and acknowledgement of responsibility from a politician. At least this is a political figure who still seems human – but can he live up to his rhetoric?

De Schutter warned today that the proposals being considered by the EU are not tough enough. It will be interesting to see if the UK is prepared to take on this issue; regulation is not something this coalition government has been too keen on, let alone regulation coming from Europe, but this issue could really fuel public anger with the banks.

My colleague Simon Rogers sketches out how food prices are rising. And John Vidal is reporting on the Food and Agriculture Organisation (FAO) summit in Rome, but the World Development Movement is arguing that the FAO must come out more strongly against speculation. The NGO has been pushing for action for months.
Will the meeting in Rome result in action against food speculation? [...]

http://www.guardian.co.uk/global-development/poverty-matters/2010/s...