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PRESS RELEASE

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Time to act on food price speculation, says Agribusiness Accountability Initiative

The U.N. Conference on Trade & Development should follow the logic of its own arguments and act against the devastating impact of financial speculation on the world's food markets, the Agribusiness Accountability Initiative (AAI) said in Accra today.

Cereal price speculation is a direct fallout of the Credit Crunch, which has afflicted the world's financial markets since last August, AAI added. AAI is an international network that promotes food system reform.

According to UNCTAD, limiting the impact of financial volatility on the world's poorest and ensuring that the global economy benefits developing countries are among the key topics at this week's UNCTAD XII ministerial conference in Accra.

'Financial volatility is having a direct impact on the world's poorest,' Joseph Ssuuna, AAI's global advisor representing Africa, pointed out.

'It takes the form of massive commodity market speculation which has pushed the prices of wheat, maize, rice and other basic foods out of the reach of hundreds of millions of people around the world,' he added.

Joseph Ssuuna is also the Secretary-General of the PELUM Association in East and Southern Africa, which has headquarters in Lusaka, Zambia.

These issues were discussed today at a meeting called at the UNCTAD XII conference by the AAI on the topic of supply management on agricultural markets. The meeting was chaired by Judith Pojda, AAI's Global Coordinator.

'The Credit Crunch prompted investors to take their funds out of stock markets, financial derivatives and property, and speculate instead in wheat and corn futures, the oil market and other essential commodities,' argued Thomas Lines, Coordinator of the AAI's International Working Group on Supply Management.

'UNCTAD was created in 1964 to address the devastation wrought on people in poor countries by instability in the commodity markets, and to manage commodity supplies as the main method to achieve this goal,' Lines added.

‘Forty-four years later the situation is urgent once again. We call for an immediate policy change to limit the damage caused by present-day commodity speculation and guard against any repetition of such damage in the future.

‘All we ask is that in this critical situation UNCTAD’s member states should once again permit UNCTAD to do the work it was set up to do. In recent years powerful developed countries have prevented UNCTAD from continuing with this mandate.’

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