

United Nations

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Feeding the World vs. Short-Term Profits

Speculations with Natural Resources and Food Products

The Economic and Financial Committee,

Deeply concerned with the problems associated with short-term speculation and the ways by which they influence the prices of agricultural commodities,

Underscoring the urgent need for the provision of, and access to, trade finance to commodity-dependent developing countries, given the tightened access to all types of credit and noting debt sustainability,

Reaffirming the G-20 Summit of 2011 and its initiatives to promote and increase the level of food security throughout the world,

Recognizing that the Agricultural Market Information System (AMIS) was founded at the G-20 conference on November 3rd, 2011 to establish food market transparency,

Recognizing that the Group on Earth Organizations Global Monitoring Initiative (GEOGLAM) is an initiative created by the G20 on November 3rd, 2011 to use technology to help project long term and short term speculation,

Aware of the fact that an estimated 805 million people are chronically malnourished,

Regretting the events that have occurred in effect of short-term speculation because of the level of lack of proper regulation or supervision to prevent such events from occurring,

Recognizing the efforts of the United Nations Food and Agriculture Organization (FAO), the World Food Programme (WFP), and the World Bank (WB) to combat the problems that are associated between feeding the world and short term profits,

Confident that regulating speculation could be beneficial only in the effort to make sure short term speculation is done in the means of benefiting people not creating an economic profit,

Emphasizing that the financial and economic crisis has demonstrated the need for more effective government involvement so as to ensure an appropriate balance between the market and the public interest, and recognizes the need to better regulate financial markets,

Reiterating the international financial system should support sustained, inclusive and equitable economic growth, sustainable development, and hunger and poverty eradication efforts in developing countries, while allowing for the coherent mobilization of all sources of financing for development,

Affirming the sovereignty of all nations in regards to food speculation and its effect,

Confident about reaching a solution that will benefit all United Nations members in this conference,

1. *Recommends* the strengthening of Agricultural Market Information System (AMIS) in an effort to regulate short term speculation by:
 - a. Introducing a central and global registration system for every trader that is entering the market,
 - b. Recommending that governments help provide data to AMIS to combat short term speculation with the sovereignty of all nations respected,

- c. Using the data gathered from the registrations to identify potential speculators disregarding their activities on a variety of agricultural commodity markets,
 - d. Suggesting that the data gathered reports on the I.D. number of the trader and the commodity that is being traded,
 - e. Recommending that the I.D. number system includes several indicators for distinguishing between commercial and non-commercial traders in the short and long term, namely speculators, among them being the trader's business sector, the average holding period of the commodity, the collective number of financial transactions performed by the respective trader and the comparison of delivery and ownership history,
 - f. Proposing to the AMIS to carry out the classification of the traders according to the abovementioned criteria to identify a critical level at which an investor should be classified as a speculator,
 - g. Suggesting offering the market history of the commodities to be published under AMIS to provide data on different instances of short term speculation,
 - h. Advising the construction of a bi-annual report detailing companies whose acts of short term speculation are in an effort detrimental to the economies of developing nations and not supporting the idea of the improvement of food security,
 - i. Distributing a bi-annual report to the international community and publicizing in hopes to discourage companies who participate in short-term speculations,
 - j. Further supporting the AMIS in hiring the human resources concentrating the economic expertise required;
2. *Supports* the strengthening transparency of the food market in an effort to pin point possible occurrences of short term speculation that may be detrimental to the economies of developing nations;
3. *Encourages* the establishment of a method of mild regulation to ensure the proper use of short and long term speculations by:
 - a. Encouraging the cooperation with FAO and AMIS to be the supervisors of this method of regulation in order to support the idea of transparency,
 - b. Regarding the importance of abiding to the national sovereignty of all nations when regulating speculations;
4. *Expresses its hope* to establish transparency with short term speculation in the global food markets by using organizations such as AMIS, FAO, and WFP to help fund and organize a plan to supervise the food markets with the sovereignty of all nations being protected;
5. *Favours* the support of long term speculation to help growing agricultural markets in need of help;
6. *Notes further* that not all forms of short term speculation are detrimental to the global market, but that some forms can affect the market in a positive way;

7. *Supports* the advancement of growing technological improvements towards short and long term speculations by considering using the Group on Earth Organizations Global Monitoring Initiative (GEOGLAM) to improve the current state of the speculation system in total;
8. *Emphasizes* the importance of cooperation among all member states to consider the importance of this topic and the outcomes that can occur due to the misuse of speculation in the global food market;
9. *Encourages* Member States to offer their support and opinions on the topic in an overall effort to create stronger food markets for the world;
10. *Draws attention* to the importance of the FAO, AMIS, GEOGLAM, World Bank (WB), and WFP in the overall improvement of a conceptual idea to this topic;
11. *Designates* this resolution as a guideline by which all Member States and Organizations will have access to the advice and suggestions presented throughout this resolution;
12. *Calls upon* the WB to develop and express its opinion on creating a guideline on how to avoid short term speculation that negatively affects the global food market;
13. *Stresses* the importance of continued consideration of the issue of agriculture development, food security and nutrition, and further encourages Member States and all stakeholders to consider this issue in congruence with the post-2015 development agenda
14. *Calls upon* international financial institutions and development banks to assist developing countries, in particular commodity-dependent developing countries, in managing the effects of excessive price volatility;
15. *Encourages* further steps following those already undertaken by domestic regulatory bodies to limit the number of positions that may be held by any one trader.