

President Barack Obama  
President of the United States  
1600 Pennsylvania Ave. NW  
Washington, D.C. 20500

February 18, 2009

Dear Mr. President:

In 2008, the price of basic food staples rose by incredible proportions. Between May 2007 and March 2008, hard red winter wheat rose 137 percent, and from July 2007 to June 2008 corn prices rose 98 percent. Other food commodities rose in a similar fashion putting daily sustenance out of reach for 200 million more people in the developing world. Families used to buying kilos of food were only able to buy cups of the same food items. People went hungry. Children stopped growing for months at a time, others perished. The steep price run-up was followed by a sudden slide in commodity prices. Currently, some food commodity prices have decreased to levels that have forced farmers in the developing world and the United States from their farms. The world's food commodities' markets have become dangerously and unacceptably volatile.

A significant part of last year's 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 surging prices were undeniably impacted by increasing demand for agrofuels and a lack of grain reserves. And the current global economic crisis has brought down overall demand leading to falling prices. Nonetheless, it is clear that excessive speculation in the U.S. commodity futures markets dramatically exacerbated the volatility of world food prices. It was more than simple supply and demand issues that led to the 2008 food crisis.

The deregulation of the commodities futures markets, beginning in the 1990s and culminating in the Commodity Futures Modernization Act of 2000, encouraged major investors to enter the futures market for the first time since the before the Great Depression. These major investors of pension funds, hedge funds, sovereign wealth funds and others increased the massive price fluctuations that we witnessed in 2008. This could have been stopped with sensible rules that, if enforced, would have staved off the malnutrition and starvation that was caused by excessive gambling on 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.

It is because of this that the **NUMBER** undersigned national and international organizations concerned about world food and energy prices, write to request that you work to rapidly regulate the food and energy commodities futures markets to remove excessive speculation that has so clearly increased price volatility in the last few years. By doing this, you will help to create a more stable and effective world commodities market. We cannot allow our basic food needs to be subject to the whims of investors.

Sincerely,

Cc: Representative Nancy Pelosi, Speaker of the House  
Representative Eric Cantor, Minority Whip  
Senator Harry Reid, Senate majority leader  
Senator Mitch McConnell, Senate minority leader  
Representative Collin C. Peterson, Chairman, House Committee on Agriculture  
Representative Frank D. Lucas, Ranking Member, House Committee on Agriculture  
Senator Tom Harkin, Chairman, Senate Committee on Agriculture, Nutrition and Forestry  
Senator Saxby Chambliss, Ranking Member, Senate Committee on Agriculture, Nutrition and Forestry  
Representative Henry A. Waxman, Chairman, House Committee on Energy and Commerce  
Representative Joe Barton, Ranking Member, House Committee on Energy and Commerce  
Senator Jeff Bingaman, Chairman, Senate Committee on Energy and Natural Resources  
Senator Lisa Murkowski, Ranking Member, Senate Committee on Energy and Natural Resources  
Representative Barney Frank, Chairman, House Committee on Financial Services  
Representative Spencer Baucus, Ranking Member, House Committee on Financial Services  
Senator Max Baucus, Chairman, Senate Committee on Finance  
Senator Chuck Grassley, Ranking Minority Member, Senate Committee on Finance