

# Friends of the Earth slam Royal Bank for playing with food prices

The Royal Bank of Scotland and other European banks, pension funds and insurance companies are increasing global hunger and poverty by speculating in food prices and financing land grabs in poorer countries, according to a new report released this week.

[The report](#) reveals the significant involvement of these financial institutions in food speculation, and the direct or indirect financing of land grabbing.

RBS has net assets of up to £200m in agriculture and livestock derivatives, and funds companies involved in palm oil plantations and edible oil trading with loans and credit worth over £2.5bn.

✘ Campaigner Mary Church, said:

“This report reveals the devastating impact that the behaviour of RBS and other financial institutions have on global hunger and poverty. Taxpayers will be horrified to learn what RBS is doing with their money.

“Banks and financial institutions must not be allowed to continue gambling with human lives and our environment.”

Friends of the Earth Scotland is calling on financial institutions to investigate, publish and reduce their involvement in food speculation and investments in land. Banks, pension funds and insurers should phase-out and refrain from speculating in financial products based on staple foods, which threatens the human right to food. European regulators should introduce caps on the size of bets speculators can make

to curb excessive speculation.

The organisation believes that food speculation, with billions of euros flooding in and out of financial products based on foodstuffs, causes price volatility. They point out that these rapid and unpredictable price swings hit the most vulnerable hardest, threatening their right to food, and making it more difficult for farmers to maintain an income – creating instability, hunger and poverty.

[FOE Scotland](#) think that land-grabs, following direct and indirect investments in land by large European financial institutions, mean European companies are snatching up land, increasingly in Africa, at the expense of local livelihoods and food sovereignty, in addition to causing knock-on environmental devastation through land-use change.