

**Priority question for written answer P-003444/2022
to the Commission**

Rule 138

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Subject: The role of speculation in rising food prices and the specific case of European pension funds

In its 2022 Trade and Development report the UN Conference on Trade and Development (UNCTAD) pointed out on the food price crisis: ‘insufficient attention has been paid to the role of speculators and betting frenzies in futures contracts, commodity swaps and exchange traded funds’.

There is growing evidence that purely financial entities are increasingly driving the markets, leading to sharp increases in food and agricultural commodity prices on futures markets and unusually high volatility. The share of non-commercial financial operators in the wheat and maize markets has risen sharply since 2020, as have major capital flows into agricultural exchange-traded funds (ETFs).

Recent investigations by a consortium of journalists show that European pension funds invest billions in commodity derivatives. ABP, one of the most prominent Dutch pension funds, held around EUR 10 billion in investments in food commodities in 2021.

1. Has the Commission assessed whether the current legislative framework appropriately addresses excessive volatility on commodity markets, and what is the Commission’s assessment of the impact on food prices of speculation in commodity markets?
2. What regulatory and/or supervisory actions does the Commission intend to take to limit excessive speculation in crucial commodity markets?
3. Does the Commission agree that this case shows that institutions for occupational retirement provision (IORPs) should be obliged to better take into account preferences of IORP beneficiaries in their investment policy?