

Family Farmers to Protest Price Fixing Outside CME – Fri. April 15th 12:00 Noon, 141 W. Jackson in Chicago



To mark Via Campesina's International Day of Peasant Struggle, family farmers and their allies will once again be converging on the doorstep of the Chicago Mercantile Exchange (CME) – 141 W. Jackson – at Noon on Fri. April 15th to expose the price fixing by commodity speculators that is behind the ongoing global food crisis.

Dairy farmers in particular are calling upon the Dept. of Justice (DoJ) and the Commodity Futures Trading Commission (CFTC) to take action against the food giants that are continuing to defy anti-trust rules and manipulate markets for their own private gain. At the CME rally, FFD will also be launching a nationwide consumer boycott campaign against one of the worst dairy market racketeers. For more on the corruptive influences behind the CME, see below.

From 5:30 – 7:30 pm on Fri. April 15th, Family Farm Defenders would also like to invite the public for a local food potluck and open forum on Sowing Seeds of Solidarity. Come learn more about Via Campesina and the struggle for food sovereignty and economic justice at home and abroad. This event will be held at the Unit 2 Art Collective, 2041 W Carroll Ave., in Chicago.

CME – Corporate Auction Block for Global Free Trade

Ever wonder who really sets the “free market” price for your food? Why would people in Brazil, South Africa, Japan, India, or Australia, care so much about what a handful of traders are doing in Chicago?

What is the Chicago Mercantile Exchange (CME)?

Founded in 1898 as the non-profit Chicago Butter and Egg Board, the CME has since grown into the world's largest private trading clearinghouse. Each day an elite group gathers at the CME in downtown Chicago to swap commodities such as cheese, carbon credits, pork bellies, and fertilizer. Within seconds this “thin” market reverberates around the globe, affecting farmgate prices and grocery bills for billions of people. In 2002 the CME went public, issuing its own stock, and in 2007 acquired the Chicago Board of Trade (CBOT) for \$8 billion as one of its designated contract markets (DCMs). In 2008 the CME Group bought out another rival, the New York Mercantile Exchange (NYMEX) for \$8.9 billion, and in 2009 also acquired the Dow Jones Indexes. In 2008 the CME reported revenues in excess of \$2.5 billion, handling over a billion contracts worth \$1,000+ trillion dollars. While some human shouting still occurs in the pit, over 70% of CME trading happens quietly behind the scenes through its Globex electronic platform. Beyond its headquarters in Chicago, the CME also has offices in New York, Houston, Washington DC, Sydney, Singapore, London, Hong Kong, and Tokyo. Craig Donohue has been

the CEO of CME Group since 2007 and took home \$4.7 million in salary and stock options in 2009.

CME – Insider Trading Cloaked in Secrecy

Because the CME is a private corporation, it is not subject to the same transparency and accountability rules governing public agencies. While the CME often fondly invokes the public trust doctrine, its primary fiduciary responsibility is to its private investors. In this respect, the undemocratic character of the CME fits well with that of other global free trade entities such as the International Monetary Fund (IMF), World Bank, and the World Trade Organization (WTO) – all of which are run by unelected officials who ostensibly police themselves. According to the CME’s own mission statement, “Integrity and openness are critical. We expect the highest ethical standards from our employees and market participants. We rigorously regulate our markets.” Many of those who have been victimized by the CME would beg to differ.

The Commodity Futures Trading Commission (CFTC) is charged with overseeing the CME, but since much of the manipulation involves commodity cash trading, the CFTC can only intervene if this corruption trickles over into futures markets. In 2004 the Dept. of Justice in conjunction with twenty three State Attorney Generals began an anti-trust investigation of collusion by the dairy giants at the CME, but this effort was stymied by the Bush White House and has yet to be fully pursued by the Obama administration. In 2008 the CFTC did find Dairy Farmers of America (DFA) guilty of price rigging at the CME and levied a \$12 million fine. Unfortunately, much more needs to be done to free farmers and consumers from the unfettered greed of corporate power that currently dominates the CME in Chicago.

How Can You Help Bring Fair Trade to the Global Food Market?

Contact the Commodity Futures Trading Commission to demand a democratic overhaul of the CME that prevents corporate price fixing:

CFTC, 1155 21st St. NW, Washington, DC 20581 tel. (202) 418-5000

Contact the Senate Judiciary Committee to demand a thorough Congressional and U.S. Dept. of Justice (DoJ) investigation of unfair trading practices at the CME:

Patrick Leahy – chair (D-VT), Chuck Grassley (R-IA), Amy Klobuchar (D-MN), Dianne Feinstein (D-CA), Herb Kohl (D-WI), Chuck Schumer (D-NY), Dick Durbin (D-IL) –
Congressional Switchboard # 202-224-3121