

April 12, 2016

The Honorable Pat Roberts
Chairman
Senate Committee on Agriculture,
Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC, 20510

The Honorable Debbie Stabenow
Ranking Member
Senate Committee on Agriculture,
Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC, 20510

Dear Chairman Roberts and Ranking Member Stabenow,

The undersigned organizations represent a very broad cross-section of U.S. production agriculture and agribusiness. We urge you to cast an affirmative vote for the “Commodity End-User Relief Act” when it is considered later this week in the Committee on Agriculture, Nutrition and Forestry.

This legislation contains a number of important provisions for agricultural and agribusiness hedgers who use futures and swaps to manage their business and production risks. Some, but certainly not all, of the bill’s important provisions include:

- Sections 101-103 – Codify important customer protections to help prevent another MF Global situation.
- Section 104 – Provides a permanent solution to the residual interest problem that would have put more customer funds at risk – and potentially driven farmers, ranchers and small hedgers out of futures markets – by forcing pre-margining of their hedge accounts.
- Section 302 – Gives the force of law to relief from burdensome and technologically infeasible recordkeeping requirements in commodity markets.
- Section 304 – Requires the CFTC to conduct a study and issue a rule before changing the de minimis threshold for swap dealer registration in order to make sure that doing so would not harm market liquidity and end-user access to markets.
- Section 306 – Confirms the intent of Dodd-Frank and historical practice at the Commodity Futures Trading Commission that anticipatory hedging is considered bona fide hedging activity, a hugely important matter for maintaining risk management tools for producers and traditional hedgers.

Thank you in advance for your support of this bill that is so important to U.S. farmers, ranchers, hedgers and futures customers.

Sincerely,

Agribusiness Council of Indiana
American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
American Soybean Association
Commodity Markets Council
Kansas Grain and Feed Association
Michigan Agri-Business Association
Michigan Bean Shippers Association
Minnesota Grain and Feed Association
National Association of Wheat Growers
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain and Feed Association
National Pork Producers Council
Nebraska Grain and Feed Association
North American Export Grain Association
North Dakota Grain Dealers Association
Ohio Agribusiness Association
Oklahoma Grain and Feed Association
Rocky Mountain Agribusiness Association
USA Rice

cc. Members, Committee on Agriculture, Nutrition and Forestry, United States Senate