

January 11, 2017

Dear Member of the House of Representatives:

The undersigned organizations represent a very broad cross-section of U.S. production agriculture and agribusiness. We urge you to cast an affirmative vote on H.R. 238, the “Commodity End-User Relief Act,” when it moves to the floor for consideration.

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 306 – Relief from burdensome and technologically infeasible recordkeeping requirements in commodity markets.
- Section 308 – Requires the CFTC to conduct a study and issue a rule before reducing 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 311 – Confirms the intent of Dodd-Frank that anticipatory hedging is considered bona fide hedging activity.

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

Sincerely,

American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
American Soybean Association
Grain and Feed Association of Illinois
Kansas Grain and Feed Association
Michigan Agri-Business Association
Michigan Bean Shippers

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 Milk Producers Federation
National Pork Producers Council
National Sorghum Producers
Nebraska Grain and Feed Association
North American Millers Association
Northeast Agribusiness and Feed Alliance
Ohio AgriBusiness Association
South Dakota Grain and Feed Association
USA Rice
Wisconsin Agri-Business Association