

July 30, 2008

United States House of Representatives
Washington, D.C. 20515

Dear Member of Congress:

The undersigned agricultural organizations strongly urge you to vote for H.R. 6604, the Commodity Markets Transparency and Accountability Act of 2008. This important legislation would benefit farmers and the entire economy by insuring that the nation's commodity futures markets are utilized for their original purpose-- to serve as a marketplace where producers and users of commodities can hedge their commercial transactions free of manipulation.

Production agriculture relies on smoothly functioning futures markets for risk management and price discovery. Unfortunately, in recent months concerns about agricultural futures market performance have grown, and the ability of producers and processors to use those markets for hedging has in some cases been seriously compromised.

At the same time, agricultural producers have a strong interest in transparent and efficient energy futures markets, since so many of our input costs are directly related to U.S. and world energy prices. We are concerned that energy futures prices have been unduly affected by new capital flows, including passively-managed, long-only index funds. These funds and other sources of speculative capital may also be affecting agricultural futures markets to the extent that these markets are not fully available to farmers trying to hedge their crops.

H.R. 6604 addresses our concerns about both agricultural and energy markets in a balanced, responsible, and bipartisan way. It will require transparency and improved access to market-critical information, as well as establishing reasonable requirements to limit speculative positions. It would require the CFTC to set trading limits for all agricultural and energy commodities, in order to prevent excessive speculation. The bill will strengthen the Commodity Futures Trading Commission with both new legal authority and increased staffing as it grapples with complex and important new issues of oversight, surveillance and regulation.

There are many reasons for high energy prices; this bill does not and cannot address all of them. However, H.R. 6604 will help market users by enhancing transparency and accountability in exempt commercial markets, foreign boards of trade and other venues, and by clarifying the appropriate treatment of hedgers and speculators.

We strongly endorse this bill and will appreciate your affirmative vote.

Sincerely,

Agricultural Retailers Association
American Agriculture Movement
American Association of Crop Insurers
American Corn Growers Association

American Cotton Shippers Association
American Peanut Produce Manufacturers, Inc.
Atlantic Cotton Association
Independent Cattlemen's Association of Texas
Minnesota Corn Growers Association
National Association of State Departments of Agriculture
National Corn Growers Association
National Cotton Council
National Farmers Organization
National Farmers Union
National Grange
National Milk Producers Federation
National Sorghum Producers
R-CALF United Stockgrowers of America
Southern Cotton Shippers Association
Southern Peanut Farmers Federation
Southwest Council of Agribusiness
Texas Cotton Association
United Egg Producers
United States Cattlemen's Association
US Rice Producers Association
USA Rice Federation
Western Cotton Shippers Association
Western Peanut Growers Association
Women Involved in Farm Economics