



**December 11, 2025**

**House Agriculture Committee  
Hearing on Reauthorization of the Commodity Futures Trading Commission**

The National Grain and Feed Association (NGFA) respectfully requests submission of this statement into the written record for the House Agriculture Committee's hearing on reauthorization of the Commodity Futures Trading Commission (CFTC).

The NGFA, established in 1896, consists of grain, feed, processing, exporting and other grain-related companies that operate facilities handling U.S. grains and oilseeds. Its membership includes grain elevators; feed and feed ingredient manufacturers; biofuels companies; grain and oilseed processors and millers; exporters; livestock and poultry integrators; and associated firms that operate over 8,000 facilities providing goods and services to the nation's grain, feed and processing industry. NGFA's membership includes cooperatives and private companies employing 175,000 Americans and supporting over 1.16 million associated jobs nationwide with an annual economic impact of \$401.7 billion.

The NGFA strongly supports reauthorization of the CFTC as a standalone agency. It performs an important oversight and regulatory role benefiting the grain, feed and processing industry -- a primary user of agricultural products on regulated exchanges. Our association maintains a strong and professional working relationship with CFTC and believes current regulation helps the United States maintain its agricultural and energy leadership in exchange-traded derivatives.

Our industry, as the first purchaser of grains and oilseeds from producers, has traditionally provided both marketing and risk management services to farmers through a variety of cash contracts. NGFA's membership also represents a substantial portion of the hedge business volume on the grain exchanges, so we have strong interest in the performance of both futures and cash markets.

As the undisputed centerpiece of price discovery and price risk management in grain-based agriculture, exchange-traded futures contracts remain the single most important tool and provide the foundation for many other risk management tools. Virtually all cash contracts offered to grain farmers are designed to permit hedging the risk through exchange instruments. Thus, a high percentage of cash contracting activity establishes a price risk to the buyer that is ultimately "laid off" in futures markets.

NGFA has a long history of working closely with CFTC in many areas, but this statement will focus on several key issues impacting our members that were recently brought before the CFTC.

## 24/7 Trading

While other CFTC-regulated industries may request 24/7 trading, commercial users oppose 24/7 trading of agricultural commodities contracts for the following reasons:

- Trading is heavier at the market opening and settlement and provides opportunities to price larger orders. Spreading liquidity across a wider trading period creates trade execution risk, potentially widens bid/ask spreads, and expands potential for market manipulation while the market is diluted.
- The underlying domestic cash market does not trade 24/7, thus having futures markets open for more hours while cash markets are closed would create additional exposure and risk.
- Global cash markets are accommodated by current trading hours. Traders in Geneva and Rotterdam are at the end of their workdays when daytime trading settles at 1:20 pm CST and Beijing traders are beginning their workday when overnight trading opens at 7:00 pm CST. Thus, the daytime trading hours accommodate European trading, and the overnight futures align with trading hours in Asia.
- Our members perform their daily reconciliation functions when markets are closed. This function is critical in managing risk and exposure in cash markets.
- A pause in trading in futures markets is essential for physical deliveries. This pause allows those involved in physical deliveries to assess what is changing in cash and futures markets, along with their delivery economics. NGFA believes actions in the delivery market are what lead to convergence, and this is a critical function of the agricultural futures contracts.
- Staffing costs would unnecessarily increase to add monitoring of futures markets during the expanded weekday hours and weekends. Extended trading would lead to less time for managing other aspects of their businesses.
- Having a large gap between when the market settles and closes would create confusion for the industry and its customers.

In short, NGFA members believe expanding trading hours to 24/7 would increase price risk and costs without offsetting benefits.

## Intermediate Trading

NGFA members appreciate the intermediary role Futures Commission Merchants (FCM) play in futures and other derivative markets by handling customer orders, managing client accounts and ensuring margin requirements are met. NGFA had concerns that the pool of FCMs would shrink further when the Federal Reserve, the

Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency were proposing to increase capital requirements through Basel iii endgame rulemakings. NGFA believes the proposal, if implemented, would have disincentivized banks from providing FCM services and led to increased hedging costs. Fortunately, the current Federal Reserve leadership has indicated plans to ease Basel iii endgame requirements.

In 2022, FTX proposed disintermediate trading for clearing cryptocurrency derivatives, which NGFA members feared would creep into agricultural and energy futures markets. Under FTX's proposal, customers would have directly cleared trades and bypassed traditional FCM intermediaries. This proposal was touted as innovation and streamlining but caused NGFA members concern about fund custody, the lack of traditional checks and balances, and customer protections offered by FCMs. FTX collapsed before CFTC could provide a final decision on the disintermediate proposal.

NGFA members escaped two proposals that had the potential to disrupt the proven intermediate trading system. We believe a light was shown on the important role FCMs play in risk management.

### **Commitments of Traders Report**

The Commission provides a valuable service to agricultural markets through its weekly publication of Commitments of Traders (COT) reports. The COT report is CFTC's most downloaded item, a testament to its value. The COT report data is collected on Tuesday and reported on Friday. It is a summary of open interest positions held by various types of market participants and helps traders make informed decisions about the market dynamics and their risk exposure.

NGFA believes COT report benefits could be improved by reducing the three-day lag time between data collection and reporting as well as by increasing the frequency of COT reporting. Further, NGFA urges CFTC to establish a process to publish current COT reports immediately following federal government shutdowns. The current process involves publishing missed COT reports in chronological order over the course of weeks or even months and can result in market participants being in the dark for long periods. NGFA members see CFTC's work on COT reports as a great benefit to the marketplace and encourage CFTC to further explore ways to enhance this offering.

### **Conclusion**

NGFA supports CFTC as a standalone agency and appreciates Congress and CFTC's understanding of the agricultural industries' needs for managing risk. Thank you for your consideration of NGFA's statement.

Sincerely,



Michael J. Seyfert  
President and Chief Executive Officer  
National Grain and Feed Association  
mseymert@ngfa.org  
(202) 289-0873