



Commodity Futures Trading Commission

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Statement

Statement of Commissioner Bart Chilton, “Heartburn in the Heartland”, Agricultural Markets Roundtable, Commodity Futures Trading Commission Headquarter

April 22, 2008

Thank you for conducting this timely meeting, Mr. Chairman. Agricultural markets are the very genesis of our organization. In fact, we have managed to retain several staffers who began overseeing these markets when they worked in the basement of the Department of Agriculture, before the CFTC became an independent agency. To simply say that it is our responsibility is to ensure the integrity of the agriculture markets is a huge understatement. Keeping the agriculture markets honest is a key component of our mantra and our mandate.

Here is what I know: there’s heartburn in the heartland. There’s concern about how these risk management markets are working. And that is why this roundtable is so important. We need to get thoughtful, detailed and comprehensive information in order to continue to carry out that important mandate. And that mandate, to be clear, requires that we ensure the integrity of these price discovery and risk management markets -- not only for hedgers and for speculators, but for American consumers.

I note, by the way, that the CFTC’s focus on agriculture markets is also an important reason why we should remain an independent agency. Agriculture is far too critical to get lost in the shuffle. We provide oversight and enforcement of these markets 24-7-365. We have subject matter expertise that shouldn’t be jeopardized. While I don’t have a problem with self-evaluation of our government, those that want to simply shuffle boxes around in Washington, DC should look other places than the CFTC.

And, while the agricultural markets are part of our history, and part of our future, I certainly don’t want to diminish the importance of other commodities and the sophisticated financial instruments that also fall under our jurisdiction. In fact, today is Earth Day, and another key and emerging market that we need to be prepared to oversee is the carbon futures markets. These markets are already flourishing in the European Union (EU) and will take off soon in the United States.

We are in the midst of some unprecedented times in the derivatives industry. The industry has grown faster in the United States than anyplace else in the world. In fact, in the last five years, the derivatives industry doubled around the globe, but in the U.S., it has tripled. We have many new opportunities, with carbon markets and other new products, but we need to ensure that we do all we can so that our markets, and particularly agricultural markets, are working for everyone -- from the farmer seeking to hedge his considerable risk of producing a safe crop, to the index fund adding to the necessary liquidity of the market, to the American consumers concerned about the costs of feeding their families.

I'm pleased to have the many experts with us today. I look forward to the discussion and reading any additional materials provided for the record.

Thank you again, Mr. Chairman.