

COMMODITY FUTURES TRADING COMMISSION

RENEWAL CHARTER OF THE AGRICULTURAL ADVISORY COMMITTEE

(1) Committee's Official Designation.

The advisory committee's official designation is the Agricultural Advisory Committee ("AAC").

(2) Authority.

The AAC is a discretionary advisory committee established by the authority of the Commodity Futures Trading Commission ("Commission") in accordance with the Federal Advisory Committee Act ("FACA"), as amended, 5 U.S.C. §§ 1001-1014.

(3) Objectives and Scope of Activities.

The AAC's objectives and scope of activities shall be to provide the Commission with advice and recommendations on issues affecting agricultural producers; consumers; processors; lenders; other major market participants, including derivatives intermediaries, buy-side representatives, and exchanges; regulators; and others interested in or affected by the agricultural derivatives markets through public meetings.

(4) Description of Duties.

In accordance with 5 U.S.C. § 1008(b), the duties of the AAC shall be solely advisory. The AAC will provide advice and recommendations on the following topics: issues affecting agricultural producers; consumers; processors; lenders other major market participants, including derivatives intermediaries, buy-side representatives, and exchanges; regulators; and others interested in or affected by the agricultural derivatives markets. By simple majority vote, the AAC may call for, adopt, and transmit AAC or AAC subcommittee advice and recommendations to the Commission. AAC advice and recommendations shall be developed in consultation with all members of the AAC and any transmission to the Commission shall include dissenting or minority views, if any. AAC subcommittee advice and recommendations shall be deliberated on by the AAC before transmission to the Commission. No determination of fact or policy shall be made by the AAC on behalf of the Commission. Determinations of action to be taken and policy to be expressed with respect to AAC advice and recommendations shall be made solely by the Commission.

(5) Agency or Federal Officer to Whom the Committee Submits its Recommendations.

The AAC shall submit its recommendations to the Commission. The AAC will also have a "Sponsor," who may be the Chairman of the Commission, a Commissioner, or a designee of the Commission, and who will be responsible for ensuring that the advice and recommendations of the AAC are provided to the Commission.

(6) Support.

The Commission shall provide necessary support services for the AAC.

(7) Estimated Annual Operating Costs and Staff Years.

The estimated annual operating costs for supporting the AAC are approximately \$88,565. This cost estimate includes costs associated with meeting expenses as well as the cost of .15 of one full-time Commission employee needed to support the AAC on a continuing basis. AAC members will not be compensated by the Commission for their services and will not be reimbursed or receive per diem from the Commission for travel-related expenses to attend AAC meetings.

(8) Designated Federal Officer.

The Commission shall appoint a full- or permanent part-time Commission employee to serve as the Designated Federal Officer (“DFO”) of the AAC and any established AAC subcommittees. The Commission may appoint additional full-time or permanent part-time Commission employees to serve as alternate DFOs (“ADFOs”) for the AAC and/or any established subcommittees. The DFO or ADFO, among other responsibilities, shall: 1) ensure that committee activities comply with the FACA, its regulations, agency procedures, and any other applicable laws and regulations; 2) approve or call all AAC and subcommittee meetings; 3) prepare and approve all meeting agendas; 4) attend all AAC and subcommittee meetings for their duration; 5) fulfill the requirements under 5 U.S.C. § 1009(b); 6) adjourn any meeting when the DFO or ADFO determines it to be in the public interest; 7) chair any meeting when directed to do so by the Sponsor; 8) maintain information on committee activities and provide such information to the public, as applicable; 9) and ensure that committee and subcommittee members receive appropriate training *e.g.*, FACA overview, ethics training.

(9) Estimated Number and Frequency of Meetings.

The AAC shall meet at such intervals as are necessary to carry out its functions. It is estimated that meetings of the AAC will occur at least annually; meetings of AAC subcommittees may occur more frequently.

(10) Duration.

The AAC will continue until two years from the date of renewal, unless the Commission directs that it terminate on an earlier date.

(11) Termination.

The AAC shall terminate two years from the date of renewal, unless the charter is renewed prior to its expiration in accordance with 5 U.S.C. § 1013(a)(2)(A).

(12) Membership and Designation.

The AAC shall consist of approximately 30-35 members (voting and nonvoting). Representatives from the Regional Reserve Banks of the Federal Reserve System as well as regular government employees may serve as nonvoting members on the AAC or an AAC subcommittee. The Commission shall appoint and may remove members at any time. The Sponsor shall designate a member of the AAC or AAC subcommittee to serve as the Chair absent the objection of a majority of the Commission. The Sponsor may also designate another committee or subcommittee member to serve as a co-Chair absent the objection of the majority of the Commission.

AAC members are selected to represent a balance of viewpoints that are necessary to effectively address the issues to be considered by the AAC. Members will represent a wide range of perspectives and interests, and may include the viewpoint categories listed below. The viewpoint categories and precise number of members in any category may vary over time due to the AAC's work.

- (i) agricultural producers and/or direct or indirect users/consumers of agricultural products;
- (ii) providers of agricultural credit;
- (iii) other major market participants, including derivatives intermediaries, buy-side representatives and exchanges;
- (iv) other regulators or representatives from relevant government agencies; and
- (v) academia or public interest groups.

The AAC requires members with deep expertise and experience in the following areas: risk management and hedging practices using futures, options, swaps, and other derivatives; trade execution associated with such practices; and the legal and regulatory regimes that govern hedging and risk management. Producers, end users, and agribusiness and industry trade associations are among the primary sources of these forms of knowledge and experience, and these entities should be represented by individuals who share in this expertise and can represent their interests in a way that helps the Commission to understand and resolve highly technical issues.

The AAC may be composed of representative members, special government employee members ("SGE"), and regular government employee ("RGE") members. Representative members serve on the AAC primarily to convey to the Commission and to the AAC the views and interests of the organizations or groups that they represent. The Commission may appoint individuals to serve as representative members. Alternatively, the Commission may authorize organizations that are affected by the AAC's work, or whose members are affected by the AAC's work, to serve as representative members. Each member organization would designate an individual (with final approval by the Sponsor) to represent the organization or, where relevant, the organization's members. The member organization may also designate an alternate with Sponsor approval.

SGE members provide advice to the Commission on the basis of their expertise and best, independent judgment in a manner free from conflicts of interest. The Commission shall not appoint federally registered lobbyists to serve as SGEs on the AAC. RGE members provide their own independent judgment in Committee deliberations, and may provide their agency's or department's views on matters discussed or deliberated upon at Committee meetings.

(13) Subcommittees.

The Commission may establish and dissolve AAC subcommittees. The number of members on any AAC subcommittee will not exceed the number of AAC members. AAC members may, with the Sponsor's approval, serve on any AAC subcommittee. Other subcommittee members shall be appointed by the Commission. Subcommittee members may be removed by the Commission at any time. AAC subcommittees shall report to the AAC and may not

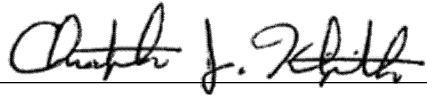
provide advice or recommendations directly to the Commission or to any Commission employee. An AAC subcommittee may, by simple majority vote, adopt and transmit its advice and recommendations to the AAC. AAC subcommittee advice and recommendations shall be developed in consultation with all AAC subcommittee members and any transmission to the AAC shall include dissenting or minority views, if any. AAC subcommittees shall have no authority to make decisions on behalf of the AAC. No determination of fact or policy shall be made by any AAC subcommittee on behalf of the Commission.

(14) Recordkeeping.

Records of the Committee and any subcommittees shall be maintained in accordance with the General Records Schedule 6.2 and other Commission records guidance. Records of open AAC meetings will be made available to the public on the Commission's website.

(15) Filing Date.

This charter has been filed with the Commission; the Senate Committee on Agriculture, Nutrition and Forestry; the House of Representatives Committee on Agriculture; the Committee Management Secretariat of the U.S. General Services Administration; and the Library of Congress on August 1, 2024.



Christopher J. Kirkpatrick
Secretary of the Commission

Dated: August 1, 2024
Washington, D.C.