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### **IATP WELCOMES CFTC ADVISORY COMMITTEE REPORT ON CLIMATE-RELATED FINANCIAL RISK**

**MINNEAPOLIS**—On September 9, the Commodity Futures Trading Commission (CFTC) released a much-anticipated advisory report, [Managing Climate Risk In The U.S. Financial System](#). The report, a consensus product by 34 authors, is a pathbreaking initiative that makes dozens of recommendations for action by several U.S. financial regulators and by different sectors of the financial services industry.

Steve Suppan, author of the Institute for Agriculture and Trade Policy (IATP)'s just-released report, [Agricultural Finance for Climate Resilience](#), said of the CFTC report, "Although the report does not make recommendations to agricultural finance regulators, the authors recognize the 'sub-systemic risks' of agricultural finance due to the multiple vulnerabilities of agriculture to climate change. The research basis for the recommendations is extensive: equally impressive is the report's emphasis on what we don't know about climate-related financial risk because of insufficient or even absent data. IATP urges Congress to revise the current CFTC reauthorization bill (HR 6197) to make it a self-financing agency able to implement the recommendations of this report."

IATP responded to two CFTC requests for information for the report. In our [May 14 letter](#), we recommended that the CFTC or the Department of Treasury's Office of Financial Research (OFR) establish a climate-related financial risk research program. Although IATP is surely not the only respondent to have made that recommendation, it is nevertheless important that the advisory report makes the recommendation to OFR, which serves all federal financial regulators.

Our [June 19, 2019 letter](#) to the CFTC, before work had begun formally on the report, urged the advisory committee to recommend that the CFTC conduct a "360 degree review" of its rules and data analysis, to determine which of them should be recommended for revision in light of the report's findings. This report, however, is considerably more ambitious than what IATP had envisioned originally. We hope that federal financial regulators and the financial services industry will implement many of the report's recommendations.

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Based in Minneapolis with offices in Washington, D.C., and Berlin, Germany, the Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems.