Cryptocurrency

Key Takeaways:

- Cryptocurrency markets have been described as the "Wild West" of currency: regulation is minimal and there are considerable risks associated with the asset.
- American Farm Bureau Federation (AFBF) is seeking feedback on policy related to the use of cryptocurrency and how and whether it should be regulated.
- There is currently debate over whether the Commodities Futures Trading Commission or the Securities Exchange Commission should regulate cryptocurrencies and how - whether as securities or commodities.

Questions:

1. TFBF and AFBF policy both support coin and paper remaining legal tender. Should our policy address the existence or regulation of cryptocurrencies?
2. From your perspective, how should cryptocurrency be regulated?
3. How much regulation is necessary to protect investors and avoid risks to the larger economy and who should regulate it?

Background

A cryptocurrency is a substitute for money which relies on blockchain technology. Blockchain makes enough copies of a record change in enough places (the "distributed ledger") to make faking a change difficult.

Cryptocurrency is not the only use of blockchain. Blockchain can be a tool for ensuring the integrity of shared records and for automating escrow and contracting. Cryptocurrency is not required for these blockchain uses.

A cryptocurrency can be pegged to another asset, like a stablecoin (described later in the paper), and that asset may or may not be held to another asset. It can also be tied to the proof of completion of a math calculation, designed to be difficult enough to limit the growth in the supply of the cryptocurrency, like bitcoin, for example. If the cryptocurrency is not fully backed, its value is based on faith, without the backing of a government.

What is cryptocurrency used for?
Cryptocurrency can have contracting terms built into it to automate escrow or to allow for payment in other contingencies, although these uses can and usually are done with blockchain tools outside of cryptocurrency. Most commonly though, cryptocurrencies have been useful for anonymous transfers of value, which can have legitimate uses but can also be used to bypass financial reporting required by many government agencies for large transactions, tax avoidance, or to hide the gains of illegal activity.

Cryptocurrency markets have been described as the “Wild West” of currency: regulation is minimal and there are considerable risks associated with the asset. For the individual user/investor, cryptocurrency value can have huge swings, and because the assets are designed to be untraceable, there have been multiple cases of cryptocurrency exchanges being “hacked” and investor assets untraceably stolen. For the public, as cryptocurrency exchanges grow, they could become “too big to fail” and the government could be in a position of bailing out an inherently risky enterprise.

What is the issue?

There is currently debate over whether the Commodities Futures Trading Commission or the Securities Exchange Commission should regulate cryptocurrencies and how - whether as securities or commodities.

One example of Congress evaluating the extent of regulation needed for cryptocurrency focuses on stablecoins. A stablecoin is a digital currency pegged to a “stable” reserve asset, such as the U.S. dollar or gold. Stablecoins are commonly used for cross-border payments, costing significantly less per transaction than traditional remittances. In 2025 alone, over $700 billion in stablecoins have moved in more than 120 million transactions each month. However, there is no regulatory framework for these types of transactions.

To address this, Senator Bill Hagerty (R-TN) introduced the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, which would regulate payment stablecoins and establish marketing standards for stablecoins, including 100% reserve backing with U.S. dollars and other liquid assets. The bill would also classify payment stablecoin issuers as financial institutions under the Bank Secrecy Act. The GENIUS Act passed out of the Senate in mid-June, gaining bipartisan support with a 68-30 vote.

Proponents of the GENIUS Act and its attempt to address the question of how to regulate cryptocurrencies see the benefits of protecting consumers and setting industry standards, making cryptocurrencies more trustworthy and mainstream for digital payments and other financial instruments. Critics say the legislation doesn’t go far enough and leaves gaps in regulatory

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Learn more about the GENIUS Act:

protections and does not properly address concerns about conflicts of interest.

Policy

Tennessee Farm Bureau
Economic Policy (Partial)

We support the continued use of physical currency and recommend the U.S. government continue to produce a sufficient supply of coin and paper currency. Farm Bureau should monitor the emerging concept of cryptocurrencies. With any new technology, there are potential threats and opportunities for our economy.

American Farm Bureau
224 / Marketing Philosophy (Partial)

7. We support blockchain technology.

415 / Agricultural Credit (Partial)

4. Commercial Banks

    4.1. We support:

        4.1.6. Keeping coin and paper currency as our legal tender.

    4.2. We oppose:

        4.2.4. Moving to an all-digital financial system.