Hedgers use futures contracts to as protection from price changes. Hedgers are producers or users of the underlying commodity. Farmers, ranchers, feedlots, ethanol plants, meat packers, and grain processers are a few examples of hedgers. Those who are hedgers will, at some point, own the physical commodity being traded. Hedgers use the futures market to reduce price risk.

Speculators use the futures market with the hope of making a profit. Speculators generally do not produce or use the underlying commodity being traded. Rather, they buy or sell futures contracts in hopes of profiting from price movements in the market by buying a contract at a lower price and selling at a higher price. Speculators accept risk in the futures market.