

May 8, 2014

Honorable Robert Aderholt, Chairman  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Honorable Sam Farr, Ranking Minority Member  
Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Aderholt and Ranking Member Farr:

As members of the Coalition to Promote U.S. Agricultural Exports, we are writing to urge your strong support for maintaining vital funding for USDA's important export programs, including the Market Access Program (MAP) and Foreign Market Development (FMD) Program, when the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies considers the FY 15 Agriculture Appropriations bill. We strongly urge that MAP and FMD be funded at no less than \$200 million and \$34.5 million respectively for FY 15, as authorized by the new 2014 Farm Bill. MAP has been funded annually at this level since 2006 and FMD at its level since 2002. We greatly appreciate the strong support annually expressed by Congress in fully funding these vital export promotion and market development programs and urge that you strongly oppose any efforts that would either eliminate or reduce funding for them.

MAP, which is administered by USDA's Foreign Agricultural Service (FAS), forms a highly successful partnership between non-profit U.S. agricultural trade associations, farmer cooperatives, non-profit state-regional trade groups, small businesses and USDA to share the costs of international marketing and promotional activities such as consumer promotions, market research, trade shows, and trade servicing. The FMD program benefits U.S. producers, processors, and exporters by assisting their organizations in developing new foreign markets and increasing market share in existing markets. Overseas promotions are targeted toward long term development. MAP and FMD are distinct, separate programs that address different aspects of market development and promotion and are examples of some of the most successful public-private partnerships.

American agriculture and American workers continue to face increasingly strong international competition supported by government sponsored activities. A major study completed last year on behalf of several U.S. agri-food export market development organizations found that,

together in 2011, twelve countries and the European Union (EU) central government alone spent an estimated \$1.8 billion, including \$700 million in public funds and \$1.1 billion in private funds, on export promotion for agri-food products (*An Analysis of Competitor Countries' Market Development Programs*, Agralytica Consulting, June 2013). For comparison, in 2011, the total U.S. export promotion public expenditure was \$256 million. Compared to agricultural production value, the U.S. public spending on export market development is among the lowest relative to these twelve nations.

While real funding for MAP and FMD has been reduced by sequestration and administrative costs in recent years, the European Parliament adopted a package last month to promote European agricultural products that is expected to be approved by other EU institutions in coming weeks. The new agricultural promotion policy will increase EU funding from roughly 60 million EUR currently to 200 million EUR (\$83 million to \$276.8 million U.S. Dollars) in 2020. Many other competitor countries have announced ambitious trade goals and are shaping export programs to target promising growth markets and bring new companies into the export arena.

Exports are a vital part of the U.S. economic engine, and agricultural exports continue to be among its strongest components. The export forecast for FY 14 is estimated to be approximately \$142.6 billion, which would surpass by \$1.7 billion the all time record level of \$140.9 billion achieved in FY 13, and would be \$6.8 billion above the \$135.8 billion in exports recorded in FY 12. Since its creation in 1985, MAP has proven to be highly successful in helping to boost U.S. agricultural exports, protecting and creating American jobs, and increasing farm income. Over this period, U.S. agricultural exports have increased by nearly 500 percent, and today about 1 million Americans have jobs that depend on these exports. Thousands of small to medium size enterprises throughout the country, including family farms, depend on MAP and FMD for export markets.

A study by IHS Global Insight, commissioned by USDA and updated in 2011, found that the increase in market development spending through MAP and FMD since 2002 substantially increased U.S. export market share, which resulted in the annual value of U.S. agricultural exports to increase by \$6.1 billion. The study also found that over the 2002-09 period export gains associated with the programs increased the average annual level of U.S. farm cash receipts by \$4.4 billion and net cash farm income by \$1.5 billion. For every additional \$1 expended by government and industry on market development during this period, U.S. food and agricultural exports increased by \$35, **a 35 to 1 return on investment**. At the same time, the study also found that U.S. domestic farm support payments were reduced by roughly \$54 million annually due to higher prices from increased demand abroad, thus reducing the net cost of farm programs.

MAP and FMD, it should be emphasized, are cost-share programs under which farmers and other participants are required to contribute as much as a 100 percent match of their own resources to be eligible. They have been and continue to be excellent examples of very effective public-private partnerships. While government is an important partner in this effort,

industry funds are now estimated to represent over 60 percent of total annual spending on market development and promotion, up from roughly 45 percent in 1996 and less than 30 percent in 1991. Clearly, U.S. producers and industry are committed to the programs.

By any measure, MAP and FMD have been tremendously successful and extremely cost-effective in helping maintain and expand U.S. agricultural exports, protect and create American jobs, strengthen farm income and help to offset the government-supported advantages afforded international competitors. MAP and FMD are two proven tools U.S. agriculture has to compete in the international marketplace, and are even more important today as our competitors continue to use their considerable financial resources to gain market share.

We appreciate this opportunity to express our views and look forward to working with you to achieve the goals of expanding U.S. agricultural exports, increasing farm income, and protecting and creating American jobs.

Sincerely,

Coalition to Promote U.S. Agricultural Exports (See attached.)

cc: Members, House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

**ORGANIZATIONS SIGNING COALITION TO PROMOTE U.S. AGRICULTURAL EXPORTS  
LETTER TO HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE  
MAY 8, 2014**

Alaska Seafood Marketing Institute	Distilled Spirits Council of the United States
Almond Hullers & Processors Association	Florida Citrus Commission
AMCOT	Florida Citrus Mutual
American Feed Industry Association	Florida Citrus Packers Association
American Hardwood Export Council	Florida Department of Citrus
American Meat Institute	Florida Fruit & Vegetable Association
American Peanut Council	Florida Peanut Producers Association
American Pistachio Growers	Food Export Association of the Midwest USA
American Quarter Horse Association	Food Export USA - Northeast
American Seed Trade Association	Georgia Poultry Federation
American Sheep Industry Association	Ginseng Board of Wisconsin
American Soybean Association	Gulf Citrus Growers Association
Appalachian Hardwood Manufacturers Association	Hardwood Federation
Atlantic Seaboard Wine Association	Hardwood Plywood and Veneer Association
Blue Diamond Growers	Hardwood Manufacturers Association
Brewers Association	Highlands County Citrus Growers Association, Inc.
California Agricultural Export Council	Hop Growers of America, Inc.
California Association of Winegrape Growers	Illinois Corn Growers Association
California Canning Peach Association	Indian River Citrus League
California Cherry Export Association	Indiana Corn Growers Association
California Date Commission	Indiana Soybean Alliance
California Dried Plum Board	Iowa Corn Growers Association
California Farm Bureau Federation	Kansas Grain Sorghum Producers Association
California Fig Advisory Board	Kansas Livestock Association
California Grape and Tree Fruit League	Kentucky Corn Growers Association
California Pear Growers	Kentucky Distillers' Association
California Raisin Marketing Board	Land O'Lakes, Inc.
California Table Grape Commission	Leather Industries of America
California Walnut Commission	Livestock Exporters Association of the USA
Cape Cod Cranberry Growers Association	Maryland Grain Producers Association
Cherry Marketing Institute	Missouri Corn Growers Association
CoBank	Mohair Council of America
Cranberry Institute	
Dairy Farmers of America	

National Association of State  
Departments of Agriculture  
National Association of Wheat Growers  
National Barley Growers Association  
National Cattlemen's Beef Association  
National Chicken Council  
National Confectioners Association  
National Corn Growers Association  
National Cotton Council  
National Council of Farmer Cooperatives  
National Farmers Union  
National Grange  
National Grape Cooperative Association,  
Inc.  
National Hardwood Lumber Association  
National Milk Producers Federation  
National Peanut Buying Points  
Association  
National Pecan Growers Council  
National Pork Producers Council  
National Potato Council  
National Renderers Association  
National Sorghum Producers  
National Sunflower Association  
National Turkey Federation  
Nebraska Corn Board  
Nebraska Grain Sorghum Board  
Nebraska Grain Sorghum Producers  
Nebraska Wheat Board  
Nebraska Wheat Growers Association  
New Mexico Sorghum Association  
New York Wine & Grape Foundation  
NORPAC Foods, Inc.  
North American Blueberry Council  
Northwest Horticultural Council  
Northwest Wine Coalition  
Ocean Spray Cranberries, Inc.  
Ohio Corn & Wheat Growers  
Association  
Oklahoma Sorghum Association  
Oregon Winegrowers Association  
Organic Trade Association  
Peace River Valley Citrus Growers  
Association  
Pet Food Institute

Produce Marketing Association  
Softwood Export Council  
Southern Forest Products Association  
Southern U.S. Trade Association  
Sunkist Growers  
Sun Maid Growers of California  
Sunsweet Growers, Inc.  
Texas Cattle Feeders Association  
Texas Pecan Growers Association  
The Popcorn Institute  
Tree Top, Inc.  
United Egg Association  
United Egg Producers  
United Fresh Produce Association  
USA Dry Pea and Lentil Council  
USA Poultry & Egg Export Council  
USA Rice Federation  
U.S. Apple Association  
U.S. Dairy Export Council  
U.S. Dry Bean Council  
U.S. Hides, Skins & Leather Association  
U.S. Livestock Genetics Export, Inc.  
U.S. Meat Export Federation  
U.S. Rice Producers Association  
U.S. Wheat Associates, Inc.  
Valley Fig Growers  
Washington Apple Commission  
Washington Association of Wheat  
Growers  
Washington Association of Wine Grape  
Growers  
Washington Grain Commission  
Washington State Fruit Commission  
Washington State Potato Commission  
Washington Wine Institute  
Welch Foods Inc., A Cooperative  
Western U.S. Agricultural Trade  
Association  
WineAmerica (The National Association  
of American Wineries)  
Wine Institute

