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