

June 19, 2007

Honorable Tom Lantos
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
Washington, DC

Honorable Ileana Ros-Lehtinen
Ranking Minority Member
Committee on Foreign Affairs
U.S. House of Representatives
Washington, DC

Dear Chairman Lantos and Congresswoman Ros-Lehtinen:

The members of the Coalition to Promote U.S. Agricultural Exports take this opportunity to commend you for your leadership as you consider the trade title of the new Farm Bill and to share our views regarding this important legislation.

The Coalition to Promote U.S. Agricultural Exports is an ad hoc coalition of over 100 organizations, representing farmers and ranchers, fishermen and forest product producers, cooperatives, small businesses, regional trade organizations, and the State Departments of Agriculture (see attached). The Coalition believes that the U.S. must continue to have in place policies and programs that help maintain the ability of American agriculture to compete effectively in a global marketplace still characterized by highly subsidized foreign competition.

Farm income and agriculture's economic well-being depend heavily on exports, which account for over 25 percent of U.S. producers' cash receipts, provide jobs for nearly one million Americans, and make a positive contribution to our nation's overall trade balance. As you develop the trade title of the new Farm Bill, we urge your consideration and support for strengthening funding for the Market Access Program (MAP) and the Foreign Market Development (FMD) Program and for ensuring that the programs are fully and aggressively utilized. **It should be noted that MAP was originally authorized in the 1985 Farm Bill at a level of \$325 million, and the Coalition strongly supports returning the program to that authorized level of funding from its current level of \$200 million per year. We also urge that no less than \$50 million annually be provided for FMD for cost-share assistance to help boost U.S. agriculture exports.** For FMD, this proposed increase reflects approximately the 1986 level of funding, adjusted for inflation.

Both MAP and FMD are public-private partnerships that use government funds to attract, not replace, industry funds. They are administered on a cost-share basis with farmers and other participants required to contribute up to 50 percent of their own resources. These programs are among the few tools specifically allowed in unlimited amounts under World Trade Organization (WTO) rules to help American agriculture and American workers remain competitive in a global marketplace still characterized by highly subsidized foreign competition.

A recent independent cost-benefit analysis of the MAP and FMD programs prepared for the Department of Agriculture by Global Insight, Inc.—the world’s largest economic analysis and forecasting firm—illustrates the benefit of these vital market development programs. The study found that the increase in funding for MAP and FMD authorized in the 2002 Farm Bill – combined with the increased contributions from industry – increased the U.S. share of world trade since 2001 by over one market share point to 19%, which translates into \$3.8 billion in agricultural exports. **For every additional dollar spent on market development, \$25 in additional exports result within 3-7 years.** The study also found that farm cash receipts have increased \$2.2 billion during the 2002 Farm Bill due to the additional exports from market development. Higher cash receipts increased annual farm net cash income by \$460 million, **representing a \$4 increase in farm income for every additional \$1 increase in government spending on market development.**

In recent years, the EU, the Cairns group, and other foreign competitors have devoted approximately \$1.2 billion annually on various market development activities to promote their exports of agricultural, forestry, and fishery products. A significant portion of this is carried out in the United States. Market promotion is permitted under WTO rules, with no limit on public or producer funding, and is not expected to be subject to any disciplines in the Doha Round negotiations. As a result, it is increasingly seen as a centerpiece of a winning strategy in the future trade battleground. Many competitor countries have announced ambitious trade goals and are shaping export strategies to target promising growth markets and bring new companies into the export arena. European countries are expanding their promotional activities in Asia, Latin America, and Eastern Europe. Canada, Australia, New Zealand, and Brazil have also budgeted significant investments in export promotion expenditures worldwide in recent years.

In conclusion, the Coalition to Promote U.S. Agricultural Exports strongly believes that MAP and FMD have proven their effectiveness in helping to maintain and expand U.S. agricultural exports, protect American jobs, and strengthen farm income. We urge you to do everything you can to increase funding for these vital agricultural export programs in order to counter the intense foreign competition facing U.S. agriculture. We appreciate very much this opportunity to share our views and look forward to working with you as the development of the new Farm Bill progresses.

Sincerely,

Coalition to Promote U.S. Agricultural Exports (See Attached List)

June 19, 2007

Honorable Collin Peterson
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, DC

Honorable Bob Goodlatte
Ranking Minority Member
Committee on Agriculture
U.S. House of Representatives
Washington, DC

Dear Chairman Peterson and Congressman Goodlatte:

The members of the Coalition to Promote U.S. Agricultural Exports take this opportunity to commend you for your leadership as you begin consideration of a new Farm Bill and to share our views regarding a future trade title.

The Coalition to Promote U.S. Agricultural Exports is an ad hoc coalition of over 100 organizations, representing farmers and ranchers, fishermen and forest product producers, cooperatives, small businesses, regional trade organizations, and the State Departments of Agriculture (see attached). The Coalition believes that the U.S. must continue to have in place policies and programs that help maintain the ability of American agriculture to compete effectively in a global marketplace still characterized by highly subsidized foreign competition.

Farm income and agriculture's economic well-being depend heavily on exports, which account for over 25 percent of U.S. producers' cash receipts, provide jobs for nearly one million Americans, and make a positive contribution to our nation's overall trade balance. As you develop the trade title of the new Farm Bill, we urge your consideration and support for strengthening funding for the Market Access Program (MAP) and the Foreign Market Development (FMD) Program and for ensuring that the programs are fully and aggressively utilized. **It should be noted that MAP was originally authorized in the 1985 Farm Bill at a level of \$325 million, and the Coalition strongly supports returning the program to that authorized level of funding from its current level of \$200 million per year. We also urge that no less than \$50 million annually be provided for FMD for cost-share assistance to help boost U.S. agriculture exports.** For FMD, this proposed increase reflects approximately the 1986 level of funding, adjusted for inflation.

Both MAP and FMD are public-private partnerships that use government funds to attract, not replace, industry funds. They are administered on a cost-share basis with farmers and other participants required to contribute up to 50 percent of their own resources. These programs are among the few tools specifically allowed in unlimited amounts under World Trade Organization (WTO) rules to help American agriculture and American workers remain competitive in a global marketplace still characterized by highly subsidized foreign competition.

A recent independent cost-benefit analysis of the MAP and FMD programs prepared for the Department of Agriculture by Global Insight, Inc.—the world’s largest economic analysis and forecasting firm—illustrates the benefit of these vital market development programs. The study found that the increase in funding for MAP and FMD authorized in the 2002 Farm Bill – combined with the increased contributions from industry – increased the U.S. share of world trade since 2001 by over one market share point to 19%, which translates into \$3.8 billion in agricultural exports. **For every additional dollar spent on market development, \$25 in additional exports result within 3-7 years.** The study also found that farm cash receipts have increased \$2.2 billion during the 2002 Farm Bill due to the additional exports from market development. Higher cash receipts increased annual farm net cash income by \$460 million, **representing a \$4 increase in farm income for every additional \$1 increase in government spending on market development.**

In recent years, the EU, the Cairns group, and other foreign competitors have devoted approximately \$1.2 billion annually on various market development activities to promote their exports of agricultural, forestry, and fishery products. A significant portion of this is carried out in the United States. Market promotion is permitted under WTO rules, with no limit on public or producer funding, and is not expected to be subject to any disciplines in the Doha Round negotiations. As a result, it is increasingly seen as a centerpiece of a winning strategy in the future trade battleground. Many competitor countries have announced ambitious trade goals and are shaping export strategies to target promising growth markets and bring new companies into the export arena. European countries are expanding their promotional activities in Asia, Latin America, and Eastern Europe. Canada, Australia, New Zealand, and Brazil have also budgeted significant investments in export promotion expenditures worldwide in recent years.

In conclusion, the Coalition to Promote U.S. Agricultural Exports strongly believes that MAP and FMD have proven their effectiveness in helping to maintain and expand U.S. agricultural exports, protect American jobs, and strengthen farm income. We urge you to do everything you can to increase funding for these vital agricultural export programs in order to counter the intense foreign competition facing U.S. agriculture. We appreciate very much this opportunity to share our views and look forward to working with you as the development of the new Farm Bill progresses.

Sincerely,

Coalition to Promote U.S. Agricultural Exports (See Attached List)

SIGNATURES ON LETTER TO HOUSE AGRICULTURE COMMITTEE AND
HOUSE FOREIGN AFFAIRS COMMITTEE
JUNE 19, 2007

Alaska Seafood Marketing Institute	Mohair Council of America
American Feed Industry Association	National Association of State Departments of Agriculture
American Forest and Paper Association	National Association of Wheat Growers
American Hardwood Export Council	National Barley Growers Association
American Meat Institute	National Cattlemen's Beef Association
American Peanut Council	National Chicken Council
American Quarter Horse Association	National Confectioners Association
American Seed Trade Association	National Cotton Council
American Sheep Industry Association	National Council of Farmer Cooperatives
American Soybean Association	National Grange
Blue Diamond Growers	National Grape Cooperative Association, Inc.
Calcot, Ltd.	National Oilseed Processors Association
California Agricultural Export Council	National Pork Producers Council
California Apple Commission	National Potato Council
California Asparagus Commission	National Renderers Association
California Association of Winegrape Growers	National Sorghum Producers
California Canning Peach Association	National Sunflower Association
California Cherry Export Association	National Turkey Federation
California Cling Peach Board	North American Millers' Association
California Dried Plum Board	Northwest Cherry Growers
California Farm Bureau Federation	Northwest Horticultural Council
California Fig Advisory Board	Northwest Wine Coalition
California Kiwifruit Commission	Ocean Spray Cranberries, Inc.
California Pear Growers	Peace River Valley Citrus Growers Association
California Pistachio Export Council	Pet Food Institute
California Stone Fruit Coalition	Produce Marketing Association
California Strawberry Commission	Softwood Export Council
California Table Grape Commission	Southern Forest Products Association
California Walnut Commission	Southern U.S. Trade Association
Cherry Marketing Institute	Sunkist Growers
CoBank	Sun Maid Growers of California
Diamond Foods	Sunsweet Growers, Inc.
Distilled Spirits Council of the United States	Texas Cattle Feeders Association
Elanco	The Catfish Institute
Florida Citrus Commission	The Popcorn Institute
Florida Citrus Mutual	Tree Top, Inc.
Florida Citrus Packers Association	United Egg Association
Florida Citrus Processors Association	United Egg Producers
Florida Department of Citrus	United Fresh Produce Association
Florida Fruit & Vegetable Association	USA Dry Pea and Lentil Council
Florida Peanut Producers Association	USA Poultry & Egg Export Council
Food Export Association of the Midwest USA	USA Rice Federation
Food Export USA - Northeast	U.S. Apple Association
Georgia Poultry Federation	U.S. Apple Export Council
Ginseng Board of Wisconsin	U.S. Dairy Export Council
Gulf Citrus Growers Association	U.S. Dry Bean Council
Hop Growers of America, Inc.	U.S. Hides, Skins & Leather Association
Indian River Citrus League	U.S. Livestock Genetics Export, Inc.
Kansas Livestock Association	U.S. Meat Export Federation
Kentucky Distillers' Association	U.S. Rice Producers Association
Land O'Lakes, Inc.	

U.S. Wheat Associates, Inc.
Valley Fig Growers
Vinifera Wine Growers Association
Washington Apple Commission
Washington State Fruit Commission
Welch Foods Inc., A Cooperative
Western Growers Association

Western Pistachio Association
Western U.S. Agricultural Trade Association
WineAmerica (The National Association of American
Wineries)
Winegrape Growers of America
Wine Institute