May 6, 2019

Honorable Sanford Bishop, 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 Jeff Fortenberry, Ranking Minority Member
Subcommittee on Agriculture, Rural Development,
    Food and Drug Administration, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
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Dear Chairman Bishop and Ranking Member Fortenberry:

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 agricultural 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 20 Agriculture Appropriations bill. As part of the new 2018 Farm Bill, Congress provided $255 million for Agricultural Trade Promotion and Facilitation, under which MAP and FMD are to be funded at no less than $200 million and $34.5 million respectively for FY 20. We strongly urge that you put no limitations on this authorized funding. 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 continue doing so.

The 2018 Farm Bill also authorizes such sums as are necessary to carry out MAP and FMD. These administrative costs, which totaled over $7 million in FY 19, currently come out of program money. We strongly urge the subcommittee to cover these costs with discretionary funds, thereby allowing additional resources for program use.

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 trade servicing, market research, trade shows, and consumer promotions. 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. While real funding for MAP and FMD has been reduced by sequestration and administrative costs in recent years, the 2019 European Union (EU) budget provides 191.6
million euros for the promotion of European agri-food products by European trade organizations, producer organizations, and agri-food bodies. This is an increase of 12 percent compared to the 2018 EU budget, and it is the EU’s intention to have a budget of 200 million euros available by 2020 for food promotion. 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 19 is estimated to be approximately $141.5 billion. While this is below the all time record level of $152.3 billion set in FY 14, it is important to note that average exports over the past five years have increased to nearly four times the level of the mid 1980's. 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. Today, over 1.1 million Americans have full time 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 July 2016 econometric study1 of export demand by Informa Economics IEG, working with Texas A&M University and Oregon State University economists, showed that MAP and FMD generated a remarkable return on investment between 1977 and 2014 of $28.30 in export gains for every additional $1 spent on foreign market development, which is consistent with previous study results. In addition, the study showed the programs are responsible for 15 percent of total agricultural export revenue, equal to $309 billion, since 1977. MAP and FMD also returned an average annual increase in farm net income of $2.1 billion while creating 239,800 new full and part-time jobs between 2002 and 2014, according to study results.

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 about 73 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

1Economic Impact of USDA Export Market Development Programs, Informa Economics, IEG, July 2016
ORGANIZATIONS SIGNING COALITION TO PROMOTE U.S. AGRICULTURAL EXPORTS
LETTER TO HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE
MAY 6, 2019

Alaska Seafood Marketing Institute
Almond Alliance of California
American Cotton Shippers Association
American Cranberry Growers Association
American Feed Industry Association
American Hardwood Export Council
American Peanut Council
American Pistachio Growers
American Pulse Association
American Quarter Horse Association
American Seed Trade Association
American Sheep Industry Association
American Soybean Association
American Walnut Manufacturers Association
Appalachian Hardwood Manufacturers Association
Atlantic Seaboard Wine Association
Blue Diamond Growers
Brewers Association
California Agricultural Export Council
California Apple Commission
California Avocado Commission
California Blueberry Association
California Blueberry Commission
California Canning Peach Association
California Cherry Export Association
California Date Commission
California Dried Plum Board
California Farm Bureau Federation
California Fig Advisory Board
California Fresh Fruit Association
California Pear Growers
California Raisin Marketing Board
California Strawberry Commission
California Table Grape Commission
California Walnut Commission
Cape Cod Cranberry Growers’ Association
Cherry Marketing Institute
CoBank
Cranberry Institute
Decorative Hardwood Association
Distilled Spirits Council of the United States, Inc.
Florida Citrus Mutual
Florida Citrus Packers Association
Florida Citrus Processors Association
Florida Department of Citrus
Florida Peanut Producers Association
Florida Tomato Exchange
Food Export Association of the Midwest USA
Food Export USA - Northeast
Fruit Growers Supply Company

Georgia Poultry Federation
Ginseng Board of Wisconsin
Global Food & Nutrition, Inc.
Hardwood Federation
Hardwood Manufacturers Association
Hop Growers of America, Inc.
Idaho Grain Producers Association
Illinois Corn Growers Association
Indian River Citrus League
Kansas Livestock Association
Lake States Lumber Association
Leather Industries of America, Inc.
Michigan Apple Association
Missouri Corn Growers Association
Missouri Forest Products Association
National Association of Egg Farmers
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 Grape Cooperative Association, Inc.
National Hardwood Lumber Association
National Hay Association
National Milk Producers Federation
National Oilseed Processors Association
National Peanut Buying Points Association
National Pork Producers Council
National Potato Council
National Renderers Association
National Sorghum Producers
National Sunflower Association
National Turkey Federation
National Wood Flooring Manufacturers Association
Nebraska Wheat Board
Nebraska Wheat Growers Association
New York Apple Association
New York Wine & Grape Foundation
North American Blueberry Council
North American Meat Institute
North Dakota Wheat Commission
Northeast Loggers Association
Northwest Horticultural Council
Northwest Wine Coalition
Ocean Spray Cranberries, Inc.