May 16, 2011

Honorable Jack Kingston, 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 Kingston 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 12 Agriculture Appropriations bill. We strongly urge that MAP be funded at no less than $200 million for FY 12, as authorized in the 2008 Farm Bill. MAP has been funded annually at this level since FY 06. In addition, we believe that FMD should be funded at no less than $34.5 million, also as provided in the Farm Bill. 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 foreign competition supported by government sponsored activities. In recent years, the EU, the Cairns group, and other foreign competitors have devoted considerable resources to various market development activities to promote their exports of agricultural, forestry, and fishery products. According to the EU's most recent World Trade Organization (WTO) notification, the EU is providing over $1.4 billion in marketing and advertising activities to support its agricultural sector. A significant portion of these activities is carried out in the United States, and earlier this year, the EU Parliament approved a resolution urging the EU to commit even greater resources to promote its agricultural exports. Because market promotion programs are permitted under World Trade Organization (WTO) rules, with no limit on public or producer funding,

such programs are increasingly seen as a centerpiece of a winning strategy in the international trade battleground. Many 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 its strongest component. 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 300 percent, and today over 1 million Americans have jobs that depend on these exports. According to USDA, each $1 billion in agricultural exports supports approximately 8,400 U.S. jobs. Thousands of small to medium size enterprises throughout the country, including family farms, depend on MAP and FMD for export markets.

We are strongly supportive of the Administration's commendable goal through the National Export Initiative (NEI) of doubling U.S. exports over five years. For agriculture, MAP and FMD are key tools in making this a successful effort.

A recent study by IHS Global Insight, commissioned by USDA and released last year, 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, it should be emphasized, is a cost-share program under which farmers and other participants are required to contribute as much as a 100 percent match of their own resources to be eligible. It has been and continues to be an excellent example of an effective public-private partnership. While government is an important partner in this effort, industry funds within USDA export programs are now estimated to represent almost 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 program.

By any measure, MAP has 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 foreign competitors. MAP is one of the few tools U.S. agriculture has to compete in the international marketplace, and is 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 APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
MAY 16, 2011

Alaska Seafood Marketing Institute
American Cotton Exporters Association
American Cotton Shippers Association
American Feed Industry Association
American Hardwood Export Council
American Meat Institute
American Peanut Council
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
Calcot, Ltd.
California Agricultural Export Council
California Association of Wheat Growers
California Association of Winegrape Growers
California Canning Peach Association
California Cherry Export Association
California Dried Plum Board
California Farm Bureau Federation
California Fig Advisory Board
California Grape and Tree Fruit League
California Kiwifruit Commission
California Pear Growers
California Pistachio Export Council
California Strawberry Commission
California Table Grape Commission
California Walnut Commission
Cal Pure Pistachio, Inc.
Cherry Marketing Institute
CoBank
Dairy Farmers of America
Dairylea Cooperative, Inc.
Distilled Spirits Council of the United States
Florida Citrus Commission
Florida Citrus Mutual
Florida Citrus Packers Association
Florida Citrus Processors 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
Hardwood Veneer Association
Highlands County Citrus Growers Association, Inc.
Hop Growers of America, Inc.
Indian River Citrus League
Kansas Livestock Association
Kentucky Distillers' Association
Land O'Lakes, Inc.
Leather Industries of America
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 Pecan Growers Council
National Pork Producers Council
National Potato Council
National Renderers Association
National Sorghum Producers
National Sunflower Association
National Turkey Federation
New York Wine & Grape Foundation
NORPAC Foods, Inc.
Northwest Horticultural Council
Ocean Spray Cranberries, Inc.
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

The Catfish Institute
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. Apple Export Council
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 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
Wood Component Manufacturers Association