

June 10, 2010

Honorable Rosa DeLauro, 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 Jack Kingston, 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 DeLauro and Ranking Member Kingston:

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 11 Agriculture Appropriations bill. We strongly urge that MAP be funded at no less than \$200 million for FY 11, 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 least at the full authorized level of \$34.5 million, as provided in the Farm Bill, and if possible, at the higher level of \$69 million proposed by the Administration. We also request that you strongly oppose any efforts that would either eliminate or reduce funding for these important programs.

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. 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 nearly 900,000 Americans have jobs that depend

on these exports. According to USDA, each \$1 billion in agricultural exports supports 8,000 to 9,000 U.S. jobs.

A recent study by IHS Global Insight, commissioned by USDA and released in March, found that the increase in market development spending through MAP and FMD since 2002 increased U.S. export market share by 1.3 percentage points and the annual value of U.S. agricultural exports 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.

American agriculture and American workers also 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. A significant portion of these activities is carried out in the United States. 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.

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 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
JUNE 10, 2010**

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
Atlantic Cotton Association
Blue Diamond Growers
Calcot, Ltd.
California Agricultural Export Council
California Asparagus Commission
California Association of Winegrape Growers
California Canning Peach Association
California Cherry Export Association
California Cling Peach Board
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 Stone Fruit Coalition
California Strawberry Commission
California Table Grape Commission
California Tomato Farmers
California Walnut Commission
Cherry Marketing Institute
CoBank
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
Hop Growers of America, Inc.
Indian River Citrus League
Kansas Livestock Association
Kentucky Distillers' Association
Land O'Lakes, Inc.
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 Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Potato Council
National Renderers Association
National Sorghum Producers
National Sunflower Association
National Turkey Federation
NORPAC Foods, Inc.
North American Millers' Association
Northwest Horticultural Council
Northwest Wine Coalition
Ocean Spray Cranberries, Inc.
Peace River Valley Citrus Growers Association
Pet Food Institute
Produce Marketing Association
Shelf-Stable Food Processors Association
Softwood Export Council
Southern Cotton Association
Southern Forest Products Association
Southern U.S. Trade Association
Sunkist Growers
Sun Maid Growers of California
Sunsweet Growers, Inc.
Texas Cattle Feeders Association
Texas Cotton 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 Cotton Association
Western Growers Association
Western Pistachio Association
Western U.S. Agricultural Trade Association
WineAmerica (The National Association of American Wineries)
Wine Institute