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Statement by Agricultural Export Coalitions in Support of the Cultivating Revitalization by Expanding American Agricultural Trade and Exports (CREAATE) Act in the U.S. Senate

WASHINGTON, D.C. – Members of the Coalition to Promote U.S. Agricultural Exports and the Agribusiness Coalition for Foreign Market Development welcome and strongly support passage of S. 1839, the Cultivating Revitalization by Expanding American Agricultural Trade and Exports (CREAATE) Act, introduced Tuesday by Sen. Angus King (I-ME), Sen. Joni Ernst (R-IA), Sen. Joe Donnelly (D-IN), and Sen. Susan Collins (R-ME).

The introduction of the CREAATE Act in the Senate follows the House version, H.R. 2321, introduced May 3 by Rep. Dan Newhouse (R-WA) and Rep. Chellie Pingree (D-ME).

CREAATE seeks to expand the successful Market Access Program (MAP) and Foreign Market Development (FMD) program to boost trade's impact on U.S. farmer profitability and the U.S. economy.

The bill would increase statutory funding for the programs, which are now authorized at \$200 million per year for MAP and \$34.5 million per year for FMD. Both have faced stagnant funding and eroding real dollar impact due to inflation, sequestration, administrative costs and increased global competition. CREAATE calls for phasing in additional annual funding for MAP to \$400 million in FY 2023 and additional annual funding for FMD to \$69 million in FY 2023.

There is convincing evidence that such increases would generate very positive, incremental returns. A November 2016 econometric study by Informa Economics, IEG, found that increased public funding for MAP and FMD, coupled with increasing private contributions from farmers and others, would:

- increase average annual agricultural export value by \$3.4 to \$4.5 billion;
- increase farm cash income by \$500 million to \$700 million;
- increase U.S. gross domestic product by \$4.5 to \$6.0 billion; and
- create up to 85,000 new and part-time jobs.

For decades, USDA export promotion programs have helped American farmers create, expand and maintain access to foreign markets, cultivating hundreds of billions of dollars in exports and creating millions of American jobs in the agriculture sector and support industries. [Several independent evaluations](#) have shown that the activities funded by MAP and FMD are consistently effective at increasing demand overseas and raising farm income at home.

Yet the real, effective federal funding that reaches agricultural cooperator organizations carrying out market development work with these programs has steadily eroded even while international competitors continue to greatly outspend the United States.

In FY 2017, for example, just \$173.5 of the \$200 million MAP appropriation was allocated to 68 non-profit commodity organizations participating in the program. Just \$26.6 million of the FMD appropriation was allocated to 23 non-profit commodity organizations participating in the program. Taking inflation into account, this means the \$200.1 million total that FAS awarded for MAP and FMD in FY 2017 had an

actual promotional power of only about \$140 million. Meanwhile, as trade becomes an increasingly important part of farm income, applications for funding have come to far exceed the actual allocated amount available.

The success of these programs has been sustained through increasing support and resolve from the participating non-profit U.S. agricultural trade associations, farmer cooperatives, non-profit state-regional trade groups and small businesses partners. These groups contributed more than 70 percent of available funds in 2016, which is well above program requirements.

Meanwhile, America's competitors have ramped up their own export promotion. For example, the European Union spends more than \$255 million per year just to promote wine exports, more than the U.S. spends for the promotion of all commodities through MAP and FMD. If this trend continues, the disadvantage in the global marketplace for American producers will only worsen.

The Coalition to Promote U.S. Agricultural Exports and the Agribusiness Coalition for Foreign Market Development agree with U.S. Secretary of Agriculture Sonny Perdue when he said, "if you grow or produce it, we are going to sell it."

More information from the coalitions and allied partners about the impact of MAP and FMD is at www.AgExportsCount.org.

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About the Coalition to Promote U.S. Agricultural Exports

The Coalition to Promote U.S. Agricultural Exports is an ad hoc coalition of organizations representing farmers and ranchers, fishermen and forest product producers, cooperatives, small businesses, regional trade organizations, and the State Departments of Agriculture. The Coalition believes 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 subsidized foreign competition.

About the Agribusiness Coalition for Foreign Market Development

The Agribusiness Coalition for Foreign Market Development represents producers and agribusiness who support policy and programs that help to develop, maintain and expand long-term export markets for U.S. agricultural products.