

Coalition to Promote U.S. Agricultural Exports

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For Immediate Release

Contact: Steve Mercer, (703) 650-0251 or smercer@uswheat.org

Agricultural Export Coalition Calls for Increased Federal Funding for Export Programs

Washington, D.C. — More than 120 members of the Coalition to Promote U.S. Agricultural Exports are urging leaders of the House Committee on Agriculture to increase funding for USDA export programs in the new farm bill to generate additional demand for U.S. farm products in an increasingly competitive global market.

In a Sept. 19, 2017, letter to Committee Chairman Michael Conaway (R-TX), and Ranking Minority Member Collin Peterson (D-MN), coalition members urged that funding for the Market Access Program (MAP) be increased to \$400 million annually and funding for the Foreign Market Development (FMD) program be increased to \$69 million annually. The coalition called for phasing in the additional funding over the life of the next farm bill.

“We are requesting increased MAP and FMD funding because the programs have proven their value, with impressive return on investment, and because producers and the rural economy are struggling in part because of international competition,” said Mark Powers, president of Northwest Horticultural Council and chairman of the coalition.

MAP and FMD are cost-share programs. Overall, producers and other participants contributed matching funds representing 70 percent of total program funds in 2016. Federal MAP funding has been apportioned at an annual level of \$200 million since 2006 and FMD at its annual level of \$34.5 million since 2002. Since then, inflation and a depreciated U.S. dollar have reduced the promotional power of that funding almost 30 percent. Sequestration and USDA administrative expenses have also significantly reduced annual program funding.

“There is opportunity for growth in those overseas markets and industry members have increased their export promotion investment. Yet the real, effective value of funding from our federal partner has steadily eroded even as competitors greatly outspend us,” Powers said.

The letter offered strong data comparing the funding level of the U.S. to some of its competitors, citing a major study completed in 2013 on behalf of several U.S. agri-food export market development organizations. It found that in 2011, 12 countries and the European Union (EU) central government spent an estimated \$1.8 billion, including \$700 million in public funds and \$1.1 billion in private funds, on export promotion for agri-food products¹. Compared to agricultural production value, the U.S. public spending on export market development is among the lowest relative to these twelve nations.

Results from a 2016 econometric study give quantifiable rationale for increased funding, Powers said. Commissioned by USDA's Foreign Agricultural Service (FAS) as required by Congress and conducted by Informa Economics IEG, working with Texas A&M University and Oregon State University economists, the study showed MAP and FMD boosted U.S. agricultural export volume and revenue, protected and created American jobs, and increased farm income.

Specifically, the study concluded that return on investment of MAP and FMD between 2002 and 2014 was \$24 in export gains for every additional \$1 spent on foreign market development, consistent with results from several previous studies. Plus, an average annual increase in farm income of \$2.1 billion and

creation of 239,000 new full and part-time jobs was attributed to MAP and FMD activities during this time frame.

“Every analysis of these programs shows that increased federal funding for MAP and FMD will generate a profitable return to the agricultural and rural economies,” Powers said. “There is no doubt that these programs are highly successful public-private partnerships worth the increased investment. We look forward to working with the House Agriculture Committee and its leaders to increase export opportunities for hard-working American farmers, producers and small businesses.”

The coalition letter is attached. There is also in-depth information about the programs and their outcomes at www.AgExportsCount.org.

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¹ *An Analysis of Competitor Countries' Market Development Programs, Agralytica Consulting, June 2013*

² *Economic Impact of USDA Export Market Development Programs, Informa Economics, IEG, July 2016*

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, specifically those participating in the Market Access Program (MAP), administered by USDA's Foreign Agricultural Service. 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 which is still characterized by subsidized foreign competition.