No Action on Farm Bill in 2012 Threatens Vital Export Market Opportunities

Washington, D.C. (November 5, 2012)--To avoid an unnecessary funding crisis for America's long-standing and successful public support for agricultural exports, members of the Coalition to Promote U.S. Agricultural Exports strongly urged U.S. House of Representatives leadership to take action this year on a new five-year Farm Bill in a letter dated Nov. 2, 2012.

"With the expiration of the 2008 Farm Bill on Sept. 30, USDA's Foreign Agricultural Service currently has no authority to run market promotion and development programs including the Market Access Program (MAP) and the Foreign Market Development (FMD) for FY 13," the organizations said in their letter to Speaker of the House John Boehner (R-Ohio) and House Minority Leader Nancy Pelosi (D-Calif.).

The farm families and small to medium size businesses that foot the bill for 60 percent of export development depend on MAP and FMD to conduct export activities they cannot do by themselves. And with a forecast value in FY 12 of $136.5 billion, agricultural exports are a vital part of the U.S. economic engine. However, federal funds for these programs will end early in 2013 for many organizations that have already started cancelling or reducing activities.

"Without these programs, our economy will suffer and America will lose jobs because our competition will know that we are not willing to compete in rapidly growing international markets," said Coalition Chairman Mike Wootton, senior vice president for corporate relations with Sunkist Growers Inc. "We cannot afford to undermine farm and rural incomes by suddenly abandoning some of the most successful public/private programs in the U.S. government."

By any measure, MAP and FMD have been tremendously successful and extremely cost-effective. Coalition members cited a recent study by IHS Global Insight, commissioned by USDA, which found U.S. food and agricultural exports increased by $35 for every additional $1 invested by government and industry on market development from 2002 to 2009. The study also found that increased overseas demand over the same period helped reduce U.S. domestic farm support payments by about $54 million annually.

Without funding for these programs, Russia, China, the European Union, Argentina, Brazil, Australia and many other countries will quickly gain a competitive edge in growing overseas markets, coalition members said. In order to continue to be competitive internationally, American agriculture needs the long term certainty provided by enactment of a new five-year Farm Bill.

These programs form a successful partnership between non-profit U.S. agricultural trade associations, farmer cooperatives, nonprofit state-regional trade groups, small businesses and USDA to share the costs of international marketing and promotional activities such as consumer promotion, market research, trade shows and trade servicing.

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 United States 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. Since its formation in the late 1980s, the Coalition's goal has been to ensure that funding is maintained (and increased) for the Market Access Program (MAP) and the Foreign Market Development (FMD) Program administered by USDA's Foreign Agricultural Service (FAS).