

THE COALITION TO PROMOTE U.S. AGRICULTURAL EXPORTS

April 27, 2022

The Honorable Tammy Baldwin
Chair
Subcommittee on Agriculture
Senate Appropriations Committee
United States Senate
Washington, D.C. 20510

The Honorable John Hoeven
Ranking Member
Subcommittee on Agriculture
Senate Appropriations Committee
United States Senate
Washington, D.C. 20510

Dear Chair Baldwin and Ranking Member Hoeven,

We ask you and your committee colleagues to maintain funding in fiscal year 2023 for essential export promotion and market development funds provided by the Agricultural Trade Promotion and Facilitation programs. Specifically, we request at least \$200 million for the Market Access Program (MAP) and \$34.5 million for the Foreign Market Development (FMD) program. These modest investments, paired with full private-sector cost share, are invaluable as we race to reclaim global export markets shut off during the pandemic and diversify markets amid war and geopolitical unrest.

Following a multi-year trade conflict with China and uncertainty with our North American trading partners, American food and agricultural exporters have answered the challenge to diversify markets to decrease the reliance on any single market. Export growth to Myanmar, the Philippines, and to the Middle East as well as South America all demonstrate American exporters pursuit of new markets even in the face of tariffs leftover from our trade policy of the last three years. This pursuit occurs every day in the face of growing investment and new trade pacts made by international competitors.

This year, the European Commission allocated €185.9 million euros (\$210.6 million USD) for the promotion of European Union agri-food products both globally and in Europe. China's Belt and Road Initiative states, "We will actively pursue agricultural co-operation and development overseas, establish large-scale offshore centres for farm product production, processing, storage, and transportation, and cultivate internationally competitive multinational agricultural companies." And, in January, the Regional Comprehensive Economic Partnership went into effect. This \$200 billion non-U.S. trade agreement among 15 Asia-Pacific member countries establishes the largest trade agreement in history, accounting for 30% of the world's population and 30% of the world's GDP.

At home, U.S. food and agriculture exporters continue to face real challenges. A recent forecast by the U.S. Department of Agriculture Chief Economist noted that U.S. agricultural exports face economic fallout associated with the Russian invasion of Ukraine and higher containerized shipping rates which make up more than 35% of the value of U.S. agricultural exports. Containerized agricultural exports are

saddled with higher U.S.-to-Asia shipping rates and reduced carrier service for key export routes to Southeast and East Asia, with containerized shipment volumes down more than 20% over the second half of 2021. In the last two years container shipping costs have increased between 300-500% meaning lost export value, depending on the product, of 10-40%. Shipping cancellations and delays have cost over 20% in lost food and agricultural export sales.

Full funding of these programs ensures that we can continue to compete and that we don't miss a step moving forward. The success story of American food and agricultural exports continues even as the real dollar value of these programs has declined. MAP has been at the same funding level since 2006, and since that time, fully one-third of MAP funding has been lost to sequestration, inflation, and program administration. FMD hasn't had an increase in 19 years. Therefore, we are asking you and your colleagues to use discretionary funds to provide \$7 million – less than 3 percent of the program investment - for USDA administrative and operational costs to begin reversing this trend of diminished value. With administrative funding in place, the full investment of MAP and FMD can be realized for the intended purpose of U.S. agricultural export promotion and long-term market development.

We're thankful for your work and the work of the Agriculture Appropriations Subcommittee. Please continue the investment in these critically necessary programs.

Sincerely,

The Coalition to Promote U.S. Agricultural Exports (see attached)

cc: Members, Senate Appropriations Subcommittee on Agriculture, Rural Development, and Food and Drug Administration, and Related Agencies

The Coalition to Promote U.S. Agricultural Exports includes over 125 food and agricultural organizations across the nation spanning all segments of food and agriculture.

Organizations Signing Coalition to Promote U.S. Agricultural Exports Letter to Senate Agriculture Appropriations Subcommittee

Alaska Seafood Marketing Institute
American Cranberry Growers Association
American Farm Bureau Federation
American Feed Industry Association
American Forest and Paper Association
American Hardwood Export Council
American Peanut Council
American Pistachio Growers
American Quarter Horse Association
America Seed Trade Association
American Sheep Industry Association
American Soybean Association
APA-The Engineered Wood Association
Atlantic Seaboard Wine Association
Blue Diamond Growers
California Agricultural Export Council
California Apple Commission
California Association of Winegrape Growers
California Canning Peach Association
California Cling Peach Advisory Board
California Dried Plum Board
California Farm Bureau Federation
California Fresh Fruit Association
California Grain & Feed Association
California Melon Research Board
California Olive Commission
California Strawberry Commission
California Table Grape Commission
California Walnut Commission
California Wheat Commission
Cape Cod Cranberry Growers' Association
Cherry Marketing Institute
CoBank
Cranberry Institute
Dairylea Cooperative, Inc.
Florida Citrus Mutual
Florida Citrus Packers Association
Florida Department of Citrus
Food Export Association of the Midwest USA
Food Export USA – Northeast
Florida Fruit and Vegetable Association
Florida Peanut Producers Association
Florida Tomato Exchange
Georgia Poultry Federation
Ginseng Board of Wisconsin
Global Food & Nutrition, Inc.
Gulf Citrus Growers Association
Hardwood Federation
Highlands County Citrus Growers Association, Inc.
Hudson Pecan Company
Idaho Grain Producers Association
Illinois Corn Growers Association
International Fresh Produce Association
Kansas Grain Sorghum Producers Association
Kansas Livestock Association
Kentucky Distillers' Association
Kentucky Thoroughbred Association
Land O'Lakes, Inc.
Louisiana Cotton and Grain Association
Michigan Apple Association
Missouri Corn Growers Association
Mohair Council of America
National Association of State Departments of Agriculture
National Association of Wheat Growers
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 Hay Association
National Milk Producers Federation
National Oilseed Processors Association
National Peanut Buying Points Association
National Pork Producers Council
National Potato Council
National Sorghum Producers
National Sunflower Association
National Turkey Federation
North Carolina Sweet Potato Commission
Nebraska Corn Board
Nebraska Grain Sorghum Board
New York Apple Association

New York Wine & Grape Foundation
North American Association of Food Equipment
Manufacturers
North American Meat Institute
North American Renderers Association
Northwest Horticultural Council
Ohio Corn and Wheat Growers Association
Oregon Wine Board
Oregon Winegrowers Association
Organic Trade Association
Pear Bureau Northwest
Pet Food Institute
Softwood Export Council
South Dakota Association of Cooperatives
Southeastern Lumber Manufacturers
Association
Southern U.S. Trade Association
Sunkist Growers
Synergistic Hawaii Agriculture Council
Texas Cattle Feeders Association
Texas Grain Sorghum Association
Texas Pecan Growers Association
Texas Quarter Horse Association
The Popcorn Institute
USA Dry Pea and Lentil Council

USA Poultry and Egg Export Council
USA Rice Federation
U.S. Apple Association
U.S. Apple Export Council
U.S. Cattlemen's Association
U.S. Dairy Export Council
U.S. Dry Bean Council
U.S. Meat Export Federation
U.S. Rice Producers Association
U.S. Wheat Associations, Inc.
Washington Apple Commission
Washington Association of Wheat Growers
Washington Grain Commission
Washington Hop Commission
Washington State Fruit Commission
Washington State Potato Commission
Washington Winegrowers Association
Washington Wine Institute
Watson Green LLC
Western Growers
Western U.S. Agricultural Trade Association
WineAmerica – National Association of
American Wineries
Winegrape Growers of America
Wine Institute