



A PROVEN PARTNERSHIP FOR U.S. AGRICULTURE

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EXPANDING AGRICULTURAL EXPORTS ACT

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EXPORT PROMOTION BACKGROUND: Between 1977 and 2019, export promotion programs operated by the U.S. Department of Agriculture (USDA), Market Access Program (MAP) and Foreign Market Development Cooperator Program (FMD), have added an average of \$9.6 billion annually to the value of U.S. agricultural exports, equal to nearly \$648 billion, or 13.7 percent, in additional export revenue. These export promotion programs have been utilized by a wide swath of U.S. agricultural commodities, generating a net return of \$24.50 for every dollar spent and contributed to the creation of 225,800 full- and part-time jobs across the U.S. economy.

Through MAP, USDA partners with U.S. agricultural trade associations, cooperatives, state regional trade groups and small businesses to share the costs of overseas marketing and promotional activities that help build commercial export markets for U.S. agricultural products and commodities. When MAP funds are used for generic marketing and promotion, participants must contribute a minimum 10% match. For promotion of branded products, a dollar-for-dollar match is required. Through FMD, USDA partners with U.S. nonprofit agricultural trade associations to address long-term opportunities to reduce foreign import constraints or expand export growth opportunities for U.S. agricultural commodities.

THE PROBLEM: Investment in U.S. export promotion programs has not kept pace with foreign competition, placing the U.S. at a competitive disadvantage. Recent studies show a surge in public agri-food export promotion investment by the European Union and other competitors. China's Belt and Road Initiative is actively supporting agricultural co-operation and development overseas and cultivating internationally competitive multinational agricultural companies. In January 2022, the Regional Comprehensive Economic Partnership went into effect. The \$200 billion free trade agreement among 15 Asia-Pacific member countries establishes the largest trade block in history and accounts for 30% of the world's population and 30% of the world's GDP. The U.S. isn't included.

The economic impact of U.S. export promotion programs continues to erode. MAP has remained static since 2006 and fully one-third of its funding has been lost to sequestration, inflation, and program administration. FMD has also remained static and without an increase since 2002.

BILL SUMMARY: The Expanding Agricultural Exports Act (EAEA) would address these challenges by providing the necessary funding for MAP and FMD to remain competitive with other foreign export programs. Specifically, the EAEA:

- Doubles the annual mandatory funding for both MAP and FMD
- Increases MAP mandatory funding from \$200 million annually to \$400 million
- Increases FMD mandatory funding from \$34.5 million annually to \$69 million