



**NBGA joined in a letter of support for MAP & FMD funding To House Ag Appropriators:**

Dear Mr. Chairman and Ranking Minority Member DeLauro:

We are writing to urge your strong support for maintaining vital funding for USDA's important export programs, including the Market Access Program (MAP) and Foreign Market Development (FMD) program, when the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies considers the FY 07 Agriculture Appropriations bill. We strongly urge that MAP be funded at no less than \$200 million for FY 07, as authorized in the 2002 Farm Bill. In addition, we believe that FMD should be funded at its full authorized level of \$34.5 million, as provided in the Farm Bill. These are the same levels of funding included in the FY 06 Agriculture Appropriations bill. We also request that you strongly oppose any efforts that would either eliminate or reduce funding for these important programs.

Farm income and agriculture's economic well being depend heavily on exports, which account for over 25 percent of U.S. producers' cash receipts. With the 2002 Farm Bill, Congress sought to bolster U.S. trade expansion efforts by approving an increase in funding for MAP and FMD, which began to reverse the decline in funding for these important export programs that occurred during the previous decade. It should be noted that MAP was originally authorized in the 1985 Farm Bill at a level of \$325 million annually, and actual funding reached a high of \$200 million per year in the late 1980's and early 1990's.

American agriculture and American workers continue to face strong subsidized foreign competition. In 2003, according to USDA, the European Union (EU) spent more than \$3.25 billion on agricultural export subsidies compared to approximately \$30 million by the U.S. In other words, the U.S. is being outspent by more than 100 to 1 by the EU alone with regard to the use of export subsidies.

In recent years, the EU, the Cairns group, and other foreign competitors also devoted approximately \$1.2 billion on various market development activities to promote their exports of agricultural, forestry, and fishery products. A significant portion of this is carried out in the United States. Market promotion is permitted under World Trade Organization (WTO) rules, with no limit on public or producer funding, and is not expected to be subject to any disciplines in the Doha Round negotiations. As a result, it is increasingly seen as a centerpiece of a winning strategy in the future international trade battleground. Many competitor countries have announced ambitious trade goals and are shaping export programs to target promising growth markets and bring new companies into the export arena.

U.S. imports of agricultural products continue to grow on an annual basis, continuing a 35-year upward trend that has increased at a faster pace recently. Our traditional trade surplus is shrinking because imports are at record levels and continue to rise faster than exports. In FY 99, the U.S. recorded its first agricultural trade deficit with the EU of \$1 billion. In FY 06, USDA forecasts that the trade deficit with the EU will grow to \$6.8 billion, the largest agriculture deficit the U.S. runs with any market.

America's agricultural industry is willing to continue doing its best to offset the alarming trade deficit confronting our country. However, the support provided by MAP and FMD (both green box programs) is essential to this effort.

MAP and FMD are among the few programs specifically allowed in unlimited amounts under WTO rules to help American agriculture and American workers remain competitive in a global marketplace still characterized by highly subsidized foreign competition. The over 70 U.S. agricultural groups that share in the costs of the MAP and FMD programs fully recognize the export benefits of market development activities. Since 1992, MAP participants have increased their contributions from 30 percent (30 cents for every dollar contributed by USDA) to 166 percent (\$1.66 in industry funds for every USDA dollar). For FMD, the contribution rate has risen from 76 percent to the current level of 139 percent.

By any measure, these programs have been tremendously successful and extremely cost-effective in helping maintain and expand U.S. agricultural exports, protect American jobs, and strengthen farm income. Reducing or eliminating funding for them in the face of continued highly subsidized foreign competition and while we are in the midst of WTO negotiations would be nothing less than unilateral disarmament.

Again, we urge you to do everything you can to help maintain and fully fund these vitally important programs, as authorized under the 2002 Farm Bill.

Sincerely,

Alaska Seafood Marketing Institute  
American Feed Industry Association  
American Peanut Council  
American Quarter Horse Association  
American Sheep Industry Association  
American Soybean Association  
Blue Diamond Growers  
Calcot, Ltd.  
California Association of Winegrape Growers  
California Cling Peach Board  
California Dried Plum Board  
California Fig Institute  
California Pistachio Commission  
California Plum Marketing Board  
California Stone Fruit Coalition  
California Strawberry Commission  
California Tomato Commission  
California Walnut Commission  
Cherry Marketing Institute  
CoBank  
Colorado Association of Wheat Growers  
Colorado Wheat Administrative Committee  
Diamond of California  
Florida Citrus Commission  
Florida Department of Citrus  
Florida Peanut Producers Association  
Food Export USA-Northeast  
Ginseng Board of Wisconsin  
Gulf Citrus Growers Association  
Hop Growers of America, Inc.  
Indian River Citrus League

Kansas Association of Wheat Growers  
Kansas Wheat Commission  
Land O'Lakes, Inc.  
Mid-America International Agri-Trade Council  
Minnesota Association of Wheat Growers  
Montana Grain Growers Association  
National Barley Growers Association  
National Cattlemen's Beef Association  
National Confectioners Association  
National Corn Growers Association  
National Council of Farmer Cooperatives  
National Grange National Grape Cooperative Association, Inc.  
National Milk Producers Federation  
National Pork Producers Council  
National Potato Council  
National Renderers Association  
National Sorghum Producers  
National Sunflower Association  
North American Millers' Association  
North Dakota Wheat Commission  
Northwest Horticultural Council  
Oregon Wheat Growers League  
Pet Food Institute  
Southern U.S. Trade Association  
Sun Maid Growers of California  
Sunsweet Growers, Inc.  
Texas Wheat Producers Association  
The Catfish Institute  
The Popcorn Institute  
United Fresh Fruit and Vegetable Association  
USA Dry Pea and Lentil Council  
U.S. Apple Association  
U.S. Dairy Export Council  
U.S. Livestock Genetics Export, Inc.  
U.S. Meat Export Federation  
U.S. Wheat Associates, Inc.  
Valley Fig Growers  
Washington Apple Commission  
Washington State Fruit Commission  
Welch Foods Inc., A Cooperative  
Western Growers Association  
Western U.S. Agricultural Trade Association  
Wheat Export Trade Education Committee  
WineAmerica (The National Association of American Wineries)  
Winegrape Growers of America