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U.S. Agricultural Export Programs: Background and Issues

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SUMMARY

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U.S. Agricultural Export Programs: Background and Issues

Sales of U.S. agricultural products to foreign markets absorb about one-fifth of U.S. agricultural production, contributing notably to the health of the farm economy. Over the years, additional countries have become significant importers of U.S. farm products, and high-value products have come to account for a larger share of U.S. export value. The total value of U.S. agricultural exports has declined since 2014, largely due to lower prices of bulk agricultural commodities, even as export volumes have continued to grow. The growth in the value of U.S. agricultural imports has outpaced the growth in U.S. agricultural exports, contributing to a decline in the U.S. agricultural trade surplus from $16 billion in 2016 to $4 billion in 2020.

Developing countries, with relatively young populations, high income growth, and rapid urbanization, have contributed to notable increases in U.S. agricultural exports. Meanwhile, demand from wealthier countries that are experiencing slower economic and population growth, such as Canada, the European Union (EU), and Japan, is barely growing. At the same time, consumers in many countries are demanding more diverse types of food beyond staples that meet only their basic caloric needs. This is consistent with a shift in U.S. exports away from bulk commodities and toward consumer-oriented food products, which comprised 11% of U.S. agricultural export tonnage but almost half of total value in 2020.

In specific countries, consumers are demanding foods that reflect their values, such as organic products, food produced using sustainable practices, and foods grown and manufactured without the use of forced labor or illegally deforested land. These changing consumer demands are creating market opportunities for certified organic, sustainable, or equitably produced products.

Some experts assert that the United States' core advantage in agricultural exports may lie in quality, safety, and other nonprice factors. In that case, communication of these differences to potential foreign buyers via certification schemes may benefit U.S. exports. Also, some Members of Congress have expressed an interest in seeking increased participation in exports by small- and medium-sized enterprises, and producers and processors of specialty crops from across the country.

The Foreign Agricultural Service of the U.S. Department of Agriculture (USDA) administers five market development programs that aim to assist U.S. industry efforts to build, maintain, and expand overseas markets for U.S. agricultural products. Separately, USDA's Commodity Credit Corporation guarantees loans so that private U.S. financial institutions will extend financing to buyers in emerging markets that want to purchase U.S. agricultural products.

Important issues for the 117th Congress include exploring options to expand U.S. agricultural markets while ensuring that the economic benefits of USDA export development programs are distributed widely across the United States. Members of the World Trade Organization (WTO), including the United States, have stated that the WTO should consider provisions to impose additional tariffs on imports of any goods (including agricultural products) produced without internalizing the costs imposed on the environment, and Congress may wish to explore how such an approach would affect the U.S. aricultural sector. The Coronavirus Disease 2019 (COVID-19) pandemic has raised awareness that agricultural exports are vulnerable to supply chain disruptions in individual markets; Congress may wish to assess whether USDA export promotion programs adequately encourage diversity of export products and of export markets to minimize risks from supply chain disruptions in a specific market.

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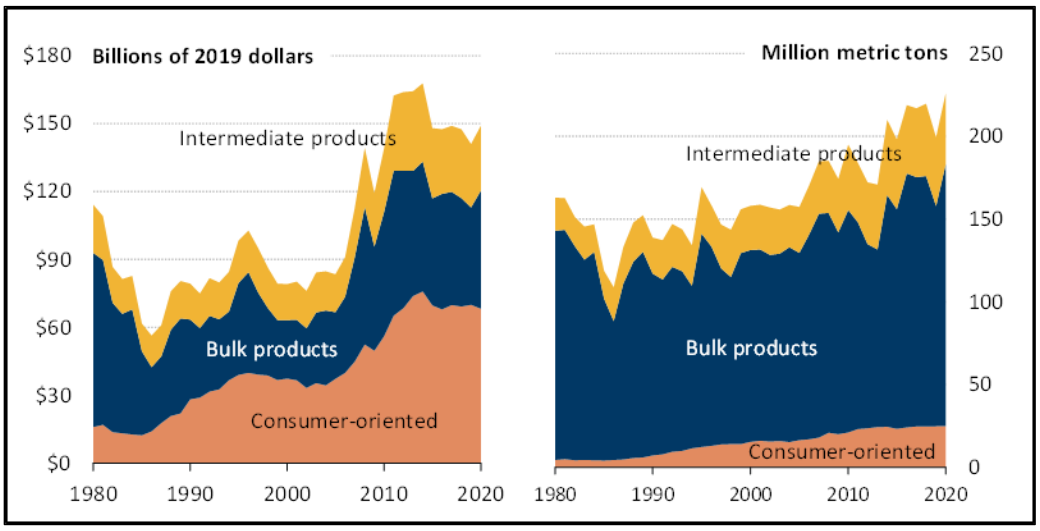
Introduction

Sales of U.S. agricultural products abroad absorb about one-fifth of total farm production by value[1] and are a major outlet for many farm commodities, including over three-fourths of U.S. output of cotton and about half of total U.S. production of wheat and soybeans.[2] Shifts in global food consumption patterns have led to increased U.S. agricultural exports and changes in their composition (**Figure 1**). As global consumers have become wealthier and increasingly urban, they demand a greater diversity of food and labor-saving foods, increasing trade in these products.[3] As a result, consumer-oriented food products, such as meats, dairy products, fruits, vegetables, and packaged foods, have accounted for an increasing share of the value of U.S. agricultural exports in recent years.

Figure 1. U.S. Agricultural Exports in Value and Volume, 1980-2020

In Billions of Constant 2019 Dollars and Million Metric Tons



Source: U.S. Census Bureau Trade Data, via U.S. Department of Agriculture (USDA), Foreign Agricultural Service (FAS), accessed March 2021, at https://apps.fas.usda.gov/gats/ExpressQuery1.aspx.

Notes: Nominal values are converted to constant 2019 dollars using Gross Domestic Product deflators from the Congressional Budget Office. USDA, FAS's bulk, intermediate, consumer-oriented (BICO) classification, Harmonized Tariff Schedule (HTS) 10-digit codes are used for product categories. Based on USDA's definition, *consumer-oriented products* includes meats, fruits, vegetables, processed food products, beverages, and pet food; *bulk products* include grains, oilseeds, pulses, cotton, and other raw agricultural products; *intermediate products* include oils, butter, and other semi-processed products used for manufacturing consumer-ready products. This figure uses the World Trade Organization (WTO) definition of agriculture, adopted by USDA in March 2021.

U.S. exports of bulk agricultural products such as grains, oilseeds, and cotton have continued to grow in tonnage while their values (in constant 2019 dollars) have declined due to lower prices.

[1] U.S. Department of Agriculture (USDA), Economic Research Service (ERS), "Agricultural Trade: Exports Expand the Market for U.S. Agricultural Products," accessed March 2021, at https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/agricultural-trade/.

[2] CRS calculation based on USDA, Foreign Agricultural Service (FAS), Production Supply and Demand Online, accessed November 2020, at https://apps.fas.usda.gov/psdonline/app/index.html#/app/home.

[3] For more on this topic, see Anita Regmi and Birgit Meade, "Demand Side Drivers of Global Food Security," *Global Food Security*, vol. 2, issue 3, August 2013, pp. 166-171.

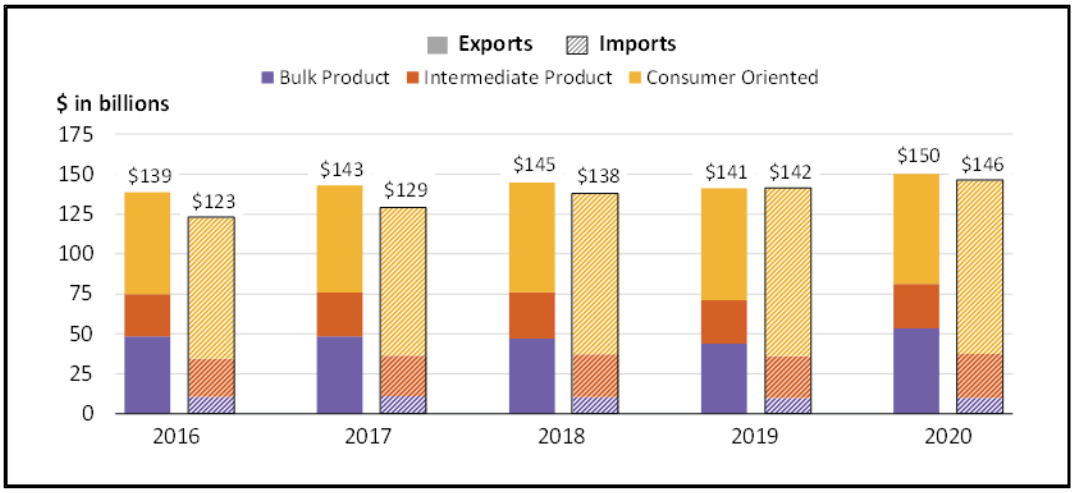
In contrast, exports of consumer-oriented food products have grown, comprising 11% in tonnage but almost half of the total value of agricultural exports in 2020.

Overview of U.S. Agricultural Trade

U.S. agricultural exports exceeded imports in every year since 1967, the point from which consistent data are available, until 2019, when imports were higher than exports for the first time (**Figure 2**).[4] The faster-paced growth in the value of U.S. agricultural imports has contributed to a decline in the U.S. agricultural trade surplus from $16 billion in 2016 to $4 billion in 2020.

Figure 2. Value of U.S. Agricultural Trade, 2016-2020

In Billions of Dollars



Source: U.S. Census Bureau Trade Data, via USDA, FAS, accessed March 2021, at https://apps.fas.usda.gov/gats/default.aspx.

Notes: Data are for calendar years, not adjusted for inflation. For definitions, see notes to **Figure 1**.

Bulk agricultural commodities like grains and oilseeds continue to account for about a third of the total value of U.S. agricultural exports but about 70% of the total volume.[5] In recent years, consumer-oriented products have made up about 50% of the value of U.S. agricultural exports, with the remainder accounted for by intermediate goods such as livestock feed and cooking oils.[6]

On the import side, high-value goods' share of the total value of U.S. agricultural imports increased from 91% ($112 billion) in 2016 to 93% ($136 billion) in 2020. This includes relatively high-priced processed products such as alcoholic drinks, specialty cheeses, and meat products, as well as seasonal fruits and vegetables, unroasted coffee, spices, cut flowers, and other tropical products. As U.S. consumer demand for organic food is growing at double-digit rates,[7] U.S. imports of organic products increased 44%, from $1.7 billion in 2016 to $2.4 billion in 2020.

[4] U.S. Census Bureau Trade Data, via USDA, FAS, accessed March 2021, at https://www.fas.usda.gov/databases/global-agricultural-trade-system-gats.

[5] Ibid.

[6] Ibid. CRS calculation of export shares.

[7] USDA, ERS, "Organic Market Summary and Trends," accessed March 2021, at https://www.ers.usda.gov/topics/natural-resources-environment/organic-agriculture/.

Major U.S. Agricultural Exports and Markets

Almost 70% of the value of U.S. agricultural exports is accounted for by the top 15 categories of products, with soybeans making up over 14% of the total (**Table 1**).

Table 1. Top U.S. Agricultural Export Products by Value

Annual Average Exports of $145.3 billion from 2018 to 2020

Rank	Product	$ Billions	Share of Total
1	Soybeans	20.5	14.1%
2	Corn	9.9	6.8%
3	Tree nuts	8.7	6.0%
4	Beef products	7.9	5.4%
5	Pork products	6.7	4.6%
6	Dairy products	5.9	4.1%
7	Wheat	6.0	4.1%
8	Cotton	6.2	4.3%
9	Soup & other preparations	5.7	3.9%
10	Soybean meal	4.7	3.3%
11	Fresh fruit	4.5	3.1%
12	Poultry (excluding eggs)	4.1	2.8%
13	Bakery & cereal products	3.5	2.4%
14	Feeds & fodders	3.0	2.1%
15	Processed vegetables	3.0	2.1%
	Other products	45.1	31.0%

Source: U.S. Census Bureau Trade Data, via USDA, FAS, accessed March 2021, at https://apps.fas.usda.gov/gats/default.aspx.

Notes: USDA adopted WTO's definition of agriculture in March 2021. The three-year average values are used to smooth out trade fluctuations during 2018-2020 resulting from trade disputes and the Coronavirus Disease 2019 (COVID-19) pandemic.

Likewise, the top 15 export markets account for almost 80% of the total value of U.S. agricultural exports, with three importing countries—Canada, Mexico, and China—accounting for about 40% of the value (**Table 2**).

Table 2. Top U.S. Agricultural Destinations by Value

Annual Average Exports of $145.3 Billion from 2018 to 2020

Rank	Country	$ Billions	Share of Total
1	Canada	22.0	15.2%
2	Mexico	19.0	13.1%
3	China	16.5	11.4%
4	Japan	12.3	8.5%
5	EU-27	11.2	7.7%
6	South Korea	8.0	5.5%
7	Vietnam	3.7	2.5%
8	Taiwan	3.6	2.5%
9	Philippines	3.1	2.1%
10	Hong Kong	3.0	2.1%
11	Indonesia	2.9	2.0%
12	Colombia	2.9	2.0%
13	Thailand	1.9	1.3%
14	India	1.9	1.3%
15	Egypt	1.8	1.2%
	Other Countries	31.5	21.7%

Source: U.S. Census Bureau Trade Data, via USDA, FAS, accessed March 2021, at https://apps.fas.usda.gov/gats/default.aspx.

Notes: USDA adopted WTO's definition of agriculture in March 2021. The three-year average values are used to smooth out annual fluctuations. EU = European Union, excluding the United Kingdom.

Developing countries, with relatively young populations, high income growth, and rapid urbanization, have contributed to notable increases in U.S. agricultural exports even as demand from wealthier countries that are experiencing slower economic and population growth, such as Canada, the European Union (EU), and Japan, is barely growing (**Figure 3**). U.S. agricultural exports to Southeast Asia, the largest U.S. export market among the developing group of countries, grew 19%, from $11.4 billion in 2016 to $13.6 billion in 2020.[8] During the same period, U.S. agricultural exports to South Asia grew 62% (from $2.7 billion to $4.4 billion), to North Africa 66% (from $1.7 billion to $2.9 billion), and to Central America 12% (from $3.9 billion to $4.4 billion).

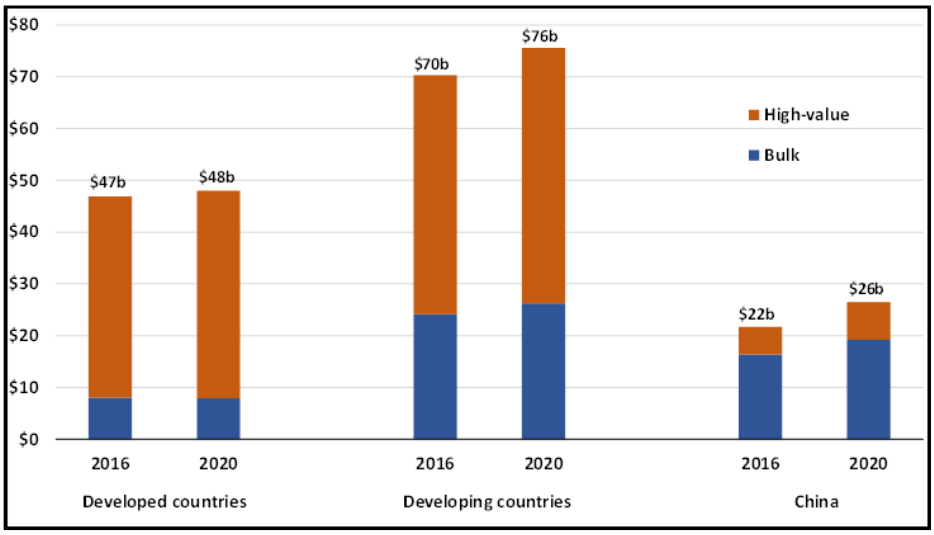
The composition of U.S. agricultural exports varies across U.S. trading partners. For example, over 80% of U.S. agricultural exports to developed-country markets are consumer-oriented food products, while three-fourths of U.S. exports to China are bulk agricultural commodities. Export opportunities in developing countries vary, with consumer-oriented products making up over half of the total value of U.S. agricultural exports in countries catering to the tourist industry in the Caribbean, and bulk agricultural products making up about three-fourths of the total value of U.S. agricultural exports to North Africa.[9]

[8] U.S. Census Bureau Trade Data, accessed February 2021, at https://apps.fas.usda.gov/gats/ExpressQuery1.aspx.

[9] Ibid.

Figure 3. U.S. Agricultural Exports By Country Grouping

In Billions (b) of Dollars, 2016 and 2020



Source: U.S. Census Bureau Trade Data, accessed March 2021, at https://apps.fas.usda.gov/gats/default.aspx.

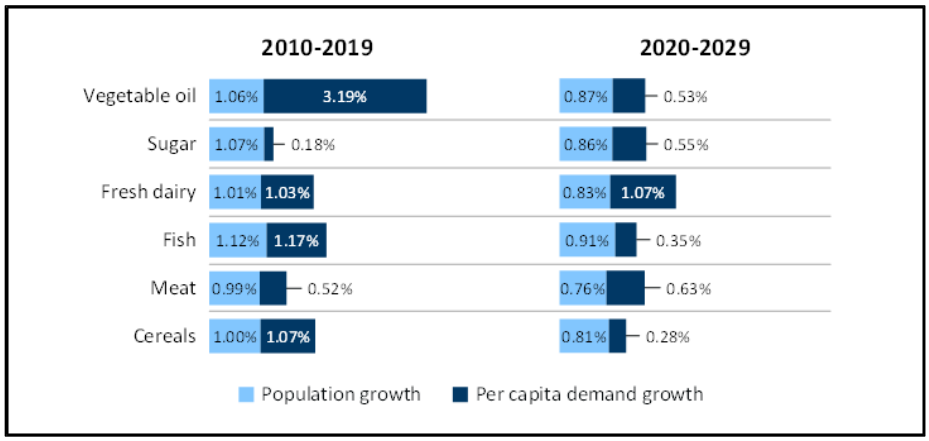
Notes: USDA adopted WTO's definition of agriculture in March 2021. Data are not adjusted for inflation and are in calendar years. For definitions, see notes to **Figure 2**. China is not included in either the developed or developing country group.

Economic Factors Affecting Agricultural Trade

According to the Organisation for Economic Co-operation and Development (OECD), changes in global food consumption patterns over the last decade were largely driven by shifts in individual consumer preferences (per capita demand) rather than population growth (**Figure 4**). The OECD projects that population increase will matter even less over the next decade, while shifts in consumer preferences accelerate demand growth for dairy products and sugar.

Figure 4. Annual Growth in Demand For Selected Food Categories

Percentage Growth, 2010-2019 Versus 2020-2029



Source: Organisation for Economic Co-operation and Development (OECD) and United Nations Food and Agriculture Organization (FAO), "OECD-FAO Agricultural Outlook," OECD Agriculture Statistics, 2020, http://dx.doi.org/10.1787/agr-outl-data-en. Figures for 2020-2029 are OECD projections.

Table 3 presents some key macroeconomic variables for selected U.S. markets that influence consumer food demand patterns. In general, faster growth in gross domestic product (GDP) and a weaker dollar are associated with more rapid growth of demand for U.S. agricultural exports, with the exception of China. U.S. agricultural exports to China face strong competion from other exporters such as Brazil and the EU, leading to a decline in the U.S. share of China's agricultural imports, by value, from 25.2% in 2010 to 14.5% in 2020.[10]

Table 3. Macroeconomic Variables Affecting U.S. Agricultural Exports

Country, Region	GDP Per Capita 2019	Annual Real GDP Growth, 2010-19	Annual Population Growth, 2010-19	Annual Real Exchange Rate Change, 2010-19	10-Year Real Export Value Growth
World	$11,198	1.8%	1.1%	1.3%	2%
Growing Markets					
Bangladesh	$1,288	5.6%	1.1%	-2.8%	189%
Vietnam	$2,042	5.2%	1.0%	-1.1%	129%
India	$2,305	5.7%	1.3%	-1.1%	124%
Philippines	$3,176	4.6%	1.6%	-0.3%	55%
Thailand	$6,625	3.3%	0.4%	-0.6%	36%
South Korea	$27,293	2.7%	0.5%	-0.9%	25%
Mexico	$10,344	1.5%	1.3%	1.7%	13%
European Union	$37,598	1.4%	0.2%	2.5%	13%
Indonesia	$4,547	4.4%	1.0%	0.5%	9%
Canada	$53,826	1.4%	0.8%	1.8%	6%
Stable or Declining Markets					
South Africa	$7,723	0.7%	1.0%	2.3%	-1%
Taiwan	$23,532	3.0%	0.2%	0.2%	-5%
Japan	$49,623	1.5%	-0.1%	3.3%	-16%
China	$8,283	7.2%	0.4%	-0.5%	-32%
Egypt	$2,908	1.2%	2.5%	2.3%	-36%
Cuba	$6,955	2.2%	-0.2%	0.0%	-39%
Nigeria	$2,294	0.7%	2.9%	-1.7%	-44%
Morocco	$3,650	2.4%	1.0%	2.4%	-67%

Source: USDA, Economic Research Service (ERS), "Macroeconomic Assumptions for the 2020 Baseline," September 2019; and U.S. Census Bureau Trade Data, accessed via USDA, FAS, accessed March 2021, at https://apps.fas.usda.gov/gats/default.aspx.

Notes: GDP = Gross Domestic Product, in real 2010 dollars. Exchange rate is local currency per U.S. dollar, and a negative rate indicates depreciation of the dollar. Exchange rates have a 2010 base year. The EU trade data exclude the United Kingdom.

[10] Jason Hafemeister, Acting Deputy Under Secretary for Trade and Foreign Agricultural Affairs, "Trade and U.S. Agriculture Market Access, Institutions, and Competition Policy," USDA Outlook Forum, February 18, 2021.

The following sections discuss the variables presented in **Table 3** and other factors that affect the demand for and supply of agricultural products.

Income Growth

Global economic growth, measured by real GDP, proceeded at an annual average rate of 4.2% over the past decade. Economic growth was slower (less than 2% per year) in developed countries, but over 5% in South Asia and over 4% in some Southeast Asian countries. High rates of GDP growth are associated with rising incomes, which support greater spending on food and consumption of a greater diversity of food products.[11]

Most high-income countries are approaching a food consumption level (in terms of calories ingested) that is close to saturation. In these countries, additional income does not result in notable increases in calories consumed, but rather in more diverse diets and increased spending on convenience foods, such as packaged food products. In developing countries, in contrast, rising incomes lead to additional spending on all foods, with larger increases in spending on meats, dairy, processed food, and other specialty food products. For example, a study based on 2005 data found that a 10% increase in average household income led to food spending increases of approximately 8% in countries that were relatively poor, such as Ethiopia, Kenya, and India, but raised food spending by only 3% in the United States.[12]

Population Growth

Although growth has slowed globally, many developing countries are registering relatively faster rates of population growth compared to developed countries. Over 40% of the population in Sub-Saharan Africa and almost 30% of the population in South Asia is under the age of 15, compared to 15% in Europe and 18% in North America.[13] A country's age distribution can affect its food consumption behaviors: older consumers tend to eat less food and may be less inclined to change their consumption patterns, whereas a more youthful population may aspire to shift away from traditional staples to add diversity and value-added products to their meals.[14]

Exchange Rate

A strong dollar may make some U.S. products more expensive compared to competitor products, while a weak dollar improves the competitiveness of most U.S. products. For example, when the U.S. dollar appreciates against the Japanese yen, importing $1 of U.S. exports will cost more yen than before. This could prompt a Japanese importer to shift away from U.S. exports to products from countries whose exchange rates have not appreciated against the yen. During the past decade, the U.S. dollar appreciated against the currencies of some countries to which U.S. exports

[11] Anita Regmi ed., *Changing Structure of Global Food Consumption and Trade*, International Agriculture and Trade Report WRS-01-1, USDA, ERS, May 2001; also see Anita Regmi and Birgit Meade, "Demand Side Drivers of Global Food Security," *Global Food Security*, vol. 2, issue 3, 2013, pp. 166-171.

[12] Andrew Muhammad et al., *International Evidence on Food Consumption Patterns: An Update Using 2005 International Comparison Program Data*, Technical Bulletin, no. 1929, Appendix Table 1, ERS, USDA, March 2011.

[13] The World Bank, World Development Indicators, accessed October 2020, at https://databank.worldbank.org/source/world-development-indicators.

[14] Anita Regmi and John Dyck, "Effects of Urbanization on Global Food Demand," in Anita Regmi ed., *Changing Structure of Global Food Consumption and Trade*, WRS-01-1, USDA, ERS, May 2001, pp. 23-30.

declined, such as Japan, Egypt, Morocco, and South Africa, but a weaker dollar contributed to significant growth in U.S. agricultural exports to Bangladesh, Vietnam, and India.

Although the U.S. dollar also appreciated against other currencies in North America and Europe, U.S. agricultural exports to these regions did not suffer. Geographic proximity and preferential trading arrangements likely supported U.S. export growth to Canada and Mexico.

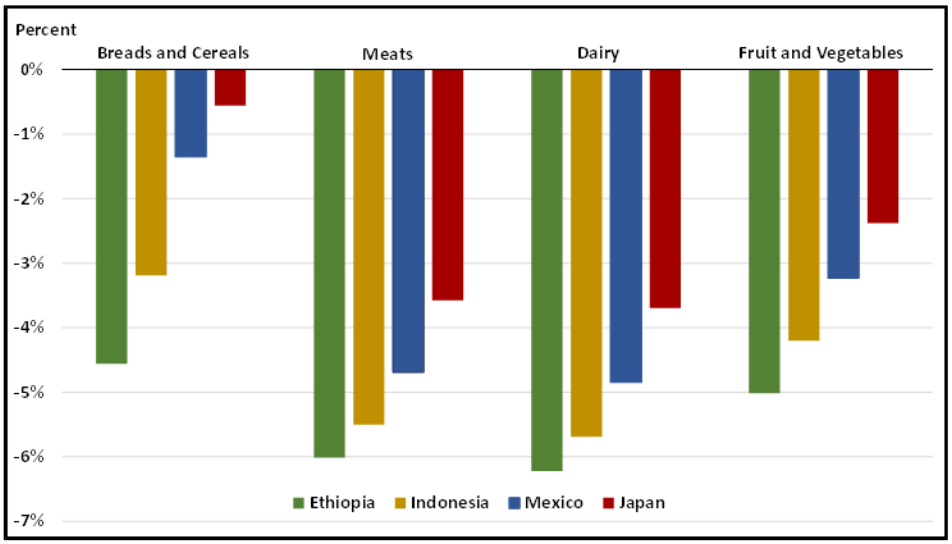
Food Prices

Households in poorer countries tend to make larger cuts to their food budgets when food prices increase than households in wealthier countries.[15] They typically accomplish this by maintaining spending on staple foods, such as cereals and breads, that meet caloric needs, while curbing outlays on more expensive foods.

A 2011 USDA study reported that a 10% increase in cereal prices led households in a country such as Ethiopa, which then had a per capita income of $1,361, to reduce spending on staple cereals by 4%, while in Indonesia, with a per capital income of $8,680, a similar price change led to only a 3% drop in spending. In Mexico, with per capita income of $18,246, a 10% cereal price increase was associated with a 1% drop in puchases, and in Japan, with a per capita income of nearly $38,000, the price increase affected spending on cereals hardly at all.[16] A similar pattern is evident for meats, dairy products, and fruits and vegetables (**Figure 5**).[17]

Figure 5. Food Expenditure Reductions With a 10% Increase in Price of a Product

Selected U.S. Export Markets



Source: Andrew Muhammad et al., *International Evidence on Food Consumption Patterns: An Update Using 2005 International Comparison Program Data*, Technical Bulletin, no. 1929, Appendix Table 6, ERS, USDA, March 2011.

Note: Countries selected to illustrate price responsiveness across different income levels, out of 144 countries included in the report.

[15] For example, Daniel J. Gustafson, "Rising Food Costs & Global Food Security: Key Issues & Relevance For India," *Indian Journal of Medical Research*, vol. 138, no. 3, September 2013, pp. 398-410.

[16] Per capita GDP data from World Bank are expressed on a purchasing power parity basis in 2017 dollars. See https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.KD.

[17] Andrew Muhammad et al., *International Evidence on Food Consumption Patterns: An Update Using 2005 International Comparison Program Data*, Technical Bulletin, no. 1929, ERS, USDA, March 2011.

Global economic recovery from the Coronavirus Disease 2019 (COVID-19) pandemic may affect food availability as well as food prices. FAO lowered its global cereal supply forecasts in December 2020. FAO's food price index, a measure of the monthly change in international prices of a basket of food commodities, registered the highest monthly average since July 2014 in March 2021, led by strong gains in vegetable oils, meat, and dairy prices, stoking fears of growing food insecurity.[18] Rising food prices could slow down the pace of U.S. agricultural export growth in some developing countries, and in some cases may even lead to a decline in the level of exports.

Sources of Agricultural Exports

The top 10 states account for almost 60% of the total value of U.S. agricultural exports, with California alone accounting for over 17% of agricultural exports in 2019 (**Table 4**). One reason for this is that California is home to three major ports that handle waterborne containerized shipments (**Figure 6**).

Table 4. Top Exporting States of Agricultural Products, 2019

In Billions of Dollars

Rank	State	Export Value	Share of Total Exports
1	California	$23.5	17.3%
2	Iowa	$10.0	7.4%
3	Illinois	$7.8	5.8%
4	Texas	$6.4	4.7%
5	Nebraska	$6.3	4.6%
6	Minnesota	$6.3	4.6%
7	Kansas	$4.9	3.6%
8	Indiana	$4.5	3.3%
9	North Dakota	$4.1	3.0%
10	Missouri	$3.8	2.8%

Source: USDA, ERS, "State Export Data," accessed March 2021, at https://www.ers.usda.gov/data-products/state-export-data/.

Note: Total agricultural exports in calendar year was $136 billion, and uses the 2019 USDA definition of agriculture.

Almost 20% of U.S. food-manufacturing plants are located in California (**Table 5**), also the leading state in agricultural production.[19] This state is the top destination for domestic shipments of temperature-controlled freight, much of which moves from production sites (such as dairy farms or animal slaughterhouses) to processing plants.

The top 15 states together account for three-fourths of all food-manufacturing plants in the country (**Table 5**). Among these, California, Texas, and Illinois are among the top 10 states in exports of agricultural products.

[18] FAO, "FAO Food Price Index Rising For Tenth Straight Month," April 8, 2021, at http://www.fao.org/worldfoodsituation/foodpricesindex/en/.

[19] USDA, ERS, "FAQs," accessed March 2021, at https://www.ers.usda.gov/faqs/#:~:text=In%202019%2C%20the%20top%2010,Farm%20Income%20and%20Wealth%20Statistics.

West Coast ports handle 66% of all U.S. waterborne containerized agricultural exports, with California ports accounting for almost 50% of total U.S. shipments of such products (**Figure 6**). In contrast, bulk products, such as grains, flow mainly through ports on the Gulf of Mexico—with over 60% of agricultural exports by volume moving through ports in the New Orleans region, which handle only a small share of containerized agricultural exports.

Table 5. U.S. Food Manufacturing and Temperature-Controlled Shipment Destinations

For Top 15 States

U.S. Food Manufacturing			Temperature Controlled Shipment Destinations		
Number of Plants, 2018			Value of Shipment, 2017		
State	Number	% of U.S.	State	$ Billion	% of U.S.
California	5,770	19.5%	California	192	9.9%
New York	2,327	7.9%	New York	175	9.0%
Texas	1,845	6.2%	Texas	167	8.6%
Pennsylvania	1,431	4.8%	Illinois	102	5.3%
Washington	1,265	4.3%	Pennsylvania	98	5.1%
Florida	1,203	4.1%	Florida	93	4.8%
Illinois	1,194	4.0%	Ohio	80	4.1%
New Jersey	1,079	3.6%	Georgia	68	3.5%
Oregon	1,017	3.4%	North Carolina	58	3.0%
Wisconsin	870	2.9%	Colorado	54	2.8%
Ohio	838	2.8%	Wisconsin	52	2.7%
Michigan	834	2.8%	Michigan	52	2.7%
Colorado	817	2.8%	Massachusetts	50	2.6%
Massachusetts	692	2.3%	Washington	49	2.6%
North Carolina	659	2.2%	Indiana	45	2.3%
Others	7,753	26.2%	Others	599	31.0%

Source: CRS, using data from U.S. Bureau of the Census, 2018 County Business Patterns; data as of October 2020, at https://www.census.gov/programs-surveys/cbp.html, and U.S. Bureau of Census, 2017 Commodity Flow Survey Temperature Data, as of October 2020.

Note: Temperature-controlled shipments include food and pharmaceuticals.

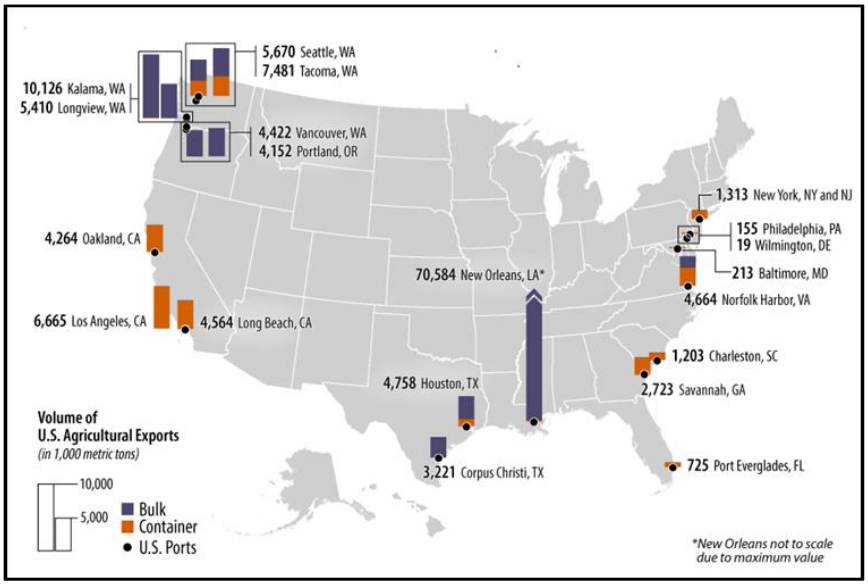
Global demand for high-value foods shipped internationally in containers, such as meats, dairy products, fruits, vegetables, and various packaged foods, is increasing, particularly in Asia. From 2016 to 2020, the nominal value of U.S. consumer-oriented food exports to East and Southeast Asia grew by 18%, from $20.5 billion to $24.1 billion, and to South Asia by 33%, from $888

million to $1.18 billion.[20] Additionally, containers are useful for exporting higher-value commodities, such as identity-preserved grain, food-grade soybeans, peas, and lentils.[21]

Due to the large U.S. trade imbalance with Asia in containerized goods, westbound rates across the Pacific have historically been much lower than eastbound rates, allowing U.S. producers to export agricultural products that might not be competitive if transportation costs were higher. However, this rate disparity means that container carriers primarily cater their services to U.S. imports. During periods of tight container supply, waterborne carriers in West Coast ports may prefer to send empty containers back to Asia rather than delay turnaround by loading with U.S. agricultural commodities from the interior.[22] A surge in exports from China in the second half of 2020 compounded this problem, as ocean carriers hurried to return empty containers to China rather than waiting for them to be loaded with U.S. agricultural exports.[23]

Figure 6. Top 20 U.S. Ports Moving Waterborne Agricultural Trade

Exports in 1,000 Metric Tons, 2017



Source: USDA, AMS, Profiles of Top U.S. Agricultural Ports, June 2019.

Note: New Orleans Port Region includes South Louisiana, New Orleans, Baton Rouge, Avondale, St Rose, Gramercy, and Destrehan, LA.

[20] U.S. Census Bureau Trade Data, via USDA, FAS, accessed March 2021, at https://apps.fas.usda.gov/gats/default.aspx.

[21] Kimberly Vachal, *Marketing U.S. Grain and Oilseed by Container*, DP-272. North Dakota State University, 2014; see summary at https://www.ams.usda.gov/sites/default/files/media/02-2015%20Marketing%20U.S.%20Grain%20and%20Oilseeds%20by%20Container%20%28Summary%29.pdf.

[22] Lori Ann LaRocco, "Carriers Rejected at Least $1.3 Billion in Potential U.S. Agricultural Exports From July to December," CNBC, March 17, 2021, at https://www.cnbc.com/2021/03/15/carriers-rejected-at-least-1point3-billion-in-potential-us-agricultural-exports.html.

[23] Bipartisan Members of Congress letter to Federal Maritime Commission (FMC), March 9, 2021, at https://adriansmith.house.gov/newsroom/press-releases/over-100-members-house-send-letter-address-carriers-declining-ship-us; Bipartisan Senators letter to FMC, March 2, 2021, at https://www.thune.senate.gov/public/_cache/files/e6457a3b-880d-4d7c-8631-dd6c389918c4/07E2CD6F355CF7B7F10C77EE20D2D3BB.03.02.21-thune-klobuchar-final.pdf; and California State officials letter to FMC, January 28, 2021, at https://www.scribd.com/document/493103397/Go-Biz-CDFA-letter.

USDA Agricultural Export Programs

The USDA's Foreign Agricultural Service (FAS), initially focused on improving the competitive position of U.S. agriculture, currently has a broader mandate to enhance export opportunities as well as help ensure global food security.[24] To that end, FAS engages with foreign governments and international organizations to remove trade barriers and enforce U.S. rights under existing trade agreements; partners with industry groups to help U.S. exporters develop and maintain markets for agricultural products; provides objective market intelligence; and leads USDA's efforts to help developing countries improve their agricultural systems and build their trade capacity.

The 2014 farm bill (P.L. 113-79) called for a reorganization of trade functions of USDA to separate domestic farm programs from export-oriented programs. This law directed the Secretary of Agriculture to establish the position of under secretary of agriculture for trade and foreign agricultural affairs. In May 2017, USDA moved FAS operations under the new under secretary, separating them from the crop insurance programs to which they were previously joined under USDA's under secretary for farm and foreign agricultural affairs.[25]

The reorganization also created the U.S. Codex office, which manages the planning, policy development, support, and coordination for U.S. involvement in the Codex Alimentarius,[26] the international food standards-setting body. Officials from USDA, the Food and Drug Administration, the Department of State, the Department of Commerce, the Environmental Protection Agency, and the Office of U.S. Trade Representative form a steering committee for U.S. Codex program.

Agricultural Trade Promotion and Facilitation Program

The 2018 farm bill (P.L. 115-334) brought a variety of existing USDA export promotion programs together under a single Agricultural Trade Promotion and Facilitation Program and created a new Priority Trade Fund. The program has a mandatory budget authorization of $255 million annually through FY2023, including $200 million for the Market Access Program (MAP), $34.5 million for the Foreign Market Development Program (FMDP), $10 million for the Emerging Markets Program, and $9 million for Technical Assistance for Specialty Crops. The Quality Samples Program is authorized under the Commodity Credit Corporation (CCC) Charter Act, not the farm bill, and is funded through the CCC's borrowing authority.[27]

The CCC Charter Act grants the Secretary of Agriculture broad powers and discretion to use the CCC.[28] The CCC has served as a mandatory funding mechanism since 1933 for programs including commodity and income support, natural resources conservation, export promotion, international food aid, disaster assistance, agricultural research, and bioenergy development. USDA employees and facilities carry out all CCC activities, overseen by a board of directors who

[24] USDA, "About FAS," accessed March 2021, at https://www.fas.usda.gov/about-fas.

[25] USDA, "Secretary Perdue Announces Creation of Undersecretary for Trade," Press Release, no. 0038.17, May 11, 2017.

[26] Codex Alimentarious, "About Codex Alimentarious," accessed March 2021, at http://www.fao.org/fao-who-codexalimentarius/about-codex/en/.

[27] 15 U.S.C. §714c(f) states that the CCC is authorized to use its general powers to "Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities (other than tobacco) (including fish and fish products, without regard to whether such fish are harvested in aquacultural operations)."

[28] CRS Report R44606, *The Commodity Credit Corporation (CCC)*, by Megan Stubbs.

are also USDA officials. The CCC has $100 million in capital stock; buys, owns, sells, and donates agricultural commodities; and provides loans to farmers and ranchers. It has permanent indefinite borrowing authority of $30 billion from the U.S. Treasury.

Congress has established eligibility criteria for U.S. industry entities and agricultural commodities and products to participate in export promotion programs (7 U.S.C. §5623). All commodities and their products of U.S. origin, including food, feed, fiber, forestry products, livestock, insects, and fish harvested from a U.S. aquaculture farm or harvested in U.S. marine waters are eligible for these programs.[29] When considering nonprofit U.S. trade organizations for funding, the CCC may favor those organizations that have the broadest producer representation and affiliated industry participation of the commodity being promoted.

The list of countries eligible to participate in export promotion programs under the "emerging market" designation has not changed since 1995.[30] The Secretary of Agriculture has the authority to designate any country, foreign territory, customs union, or other economic market as an emerging market provided that (1) it is taking steps toward a market-oriented economy; and (2) it has the potential to provide a viable and significant market for U.S. agricultural commodities and products (7 U.S.C. §5622).

The 2018 farm bill allows MAP and FMDP funding for certain activities in Cuba so long as funds are not used in contravention of policy outlined in National Security Presidential Memorandum 5 of June 16, 2017, which requires that funds be "channeled to benefit Cuban people" and not "the Cuban government or its military, intelligence, or security agencies or personnel."[31] The Senate Appropriations Committee has directed USDA to publish an annual report describing the details of MAP and FMDP grants to Cuba.[32] Several farm-related groups[33] and some Members of Congress are seeking to remove the existing trade embargo on Cuba (S. 249), which would make it easier to use U.S. public or private financing for agricultural exports.[34]

Market Access Program (MAP)

MAP—which aids in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products—was originally authorized by the Agricultural Trade Act of 1978 (P.L. 95-501, as amended), and is administered by FAS.[35] MAP provides funding to nonprofit U.S. agricultural trade associations, nonprofit U.S. agricultural cooperatives, nonprofit state and regional trade groups, and small U.S. businesses for overseas marketing and promotional activities, such as trade shows, market research, consumer promotions for retail products,

[29] For example, see 85 *Federal Register* 8, January 13, 2020.

[30] 60 *Federal Register* 44723, August 28, 1995.

[31] For more on U.S. policy on Cuba, see CRS Report R45657, *Cuba: U.S. Policy in the 116th Congress and Through the Trump Administration*, by Mark P. Sullivan.

[32] Senate Appropriations Committee, Explanatory Statement on agriculture, November 10, 2020, at https://www.appropriations.senate.gov/news/committee-releases-fy21-bills-in-effort-to-advance-process-produce-bipartisan-results. In 2020, Potatoes USA used Market Access Program (MAP) funding to ship U.S. seed potatoes to Cuba for varietal field trial, per the protocol signed by USDA and Cuba for U.S. seed potato exports to the country.

[33] U.S. farm-related group letter to President Biden, February 10, 2020, at https://static1.squarespace.com/static/5e3d7cf054f8264efecdf2ef/t/602404112553a66c75b26c29/1612973074145/Cuba+letter+to+President+Biden+February+2021.pdf.

[34] Group of 75 Members of Congress letter to President Biden, March 2, 2021, at https://rush.house.gov/media-center/press-releases/rush-cohen-lee-moore-75-democratic-colleagues-urge-president-biden-to.

[35] MAP had two predecessor programs. In 1996, MAP replaced the Market Promotion Program, which was established in 1990 to replace the Targeted Export Assistance Program authorized in 1985.

technical capacity building, and seminars to educate overseas customers. MAP funds assist primarily in marketing value-added products, such as fruits, dairy products, meat, nuts, wood products, wine, and seafood. MAP funds can be used to support both generic promotions and brand-name promotions. Generic promotions are undertaken by nonprofit trade associations, state regional groups, and state agencies to increase demand for a specific commodity (e.g., peas, lentils, cotton), with no emphasis on a particular brand. The number of associations engaged in MAP increased from 62 in 2014 to 67 in 2020 (**Table A-1**).

MAP funds may be spent by the participating organizations themselves (direct funding) or redistributed to entities that have applied to participating organizations for MAP assistance (indirect funding). Since FY1998, USDA policy has prohibited the allocation of MAP funds to large U.S. companies. Agricultural cooperatives and small U.S. companies[36] can receive assistance under the brand program, which seeks to establish consumer loyalty to brand-name products.[37] To conduct branded product promotion activities, individual companies must provide a funding match of at least 50% of the total marketing cost. For generic promotion activities, trade associations and others must meet a minimum 10% match requirement.

Although MAP is a mandatory program and hence does not require an annual appropriation, agriculture appropriations acts have on occasion capped the amounts that could be spent on the program or imposed other restraints on programming. For example, the FY1996 Agriculture Appropriations Act prohibited the use of MAP funds to promote exports of mink pelts or garments. Since 1993, no MAP funds may be used to promote tobacco exports.

MAP has been targeted for cuts by some Members of Congress who maintain that it is a form of corporate welfare, or who want to eliminate it to help offset increased expenditures on other programs, but such efforts have been unsuccessful.[38] Moreover, a 2016 study reports that USDA export promotion programs are effective in increasing demand for U.S. agricultural products, even though other factors such as prices and exchange rates may have a greater impact.[39] MAP funding has remained at $200 million annually since FY2006, and was reauthorized at that level through FY2023 in the 2018 farm bill (§3201b).

Foreign Market Development Program (FMDP)

FMDP, also known as the Cooperator Program, was established in 1955 and, like MAP, has the primary objective of assisting industry organizations in the expansion of export opportunities. The 2018 farm bill (§3201c) reauthorized CCC funding for FMDP for FY2019-FY2023 at an annual level of $34.5 million. The program has been funded at this level since FY1997.

FMDP funds industry groups, with a match requirement, to undertake activities such as consumer promotions, technical assistance, trade servicing, and market research. Unlike MAP, which mainly promotes consumer goods and brand-name products, FMDP mainly promotes generic or bulk commodities. Grains, oilseeds, and cotton received 72% of the $27 million FMDP allocation in 2020 (**Table A-2**).

[36] As defined by the Small Business Administration.

[37] A listing of MAP funding allocations by participating organization for FY2013 and FY2014 is available at http://www.fas.usda.gov/programs/market-access-program-map/map-funding-allocations-fy-2013.

[38] A coalition of food and agricultural industry group wrote a letter to the House Subcommittee on Agriculture and Rural Development to fully fund MAP and the Foreign Market Development Program, March 11, 2021, at https://www.nasda.org/letters-comments-testimony/coalition-letter-to-promote-u-s-agricultural-exports.

[39] Informa Economics, *Economic Impact of USDA Export Market Development Programs*, July 2016.

Technical Assistance for Specialty Crops (TASC)

TASC funds projects that address sanitary, phytosanitary, and technical barriers that prohibit or limit U.S. specialty crop exports. The 2008 farm bill (P.L. 110-246) defined specialty crops as all cultivated plants, and the products thereof, produced in the United States except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar, and tobacco. The 2014 farm bill (P.L. 113-79) broadened TASC's scope, replacing "related barriers" with "technical barriers." This change allowed TASC to fund projects that address technical barriers to trade that are not related to sanitary or phytosanitary barriers.

The types of activities covered include seminars and workshops, study tours, field surveys, pest and disease research, and preclearance programs. The 2018 farm bill (§3201e) authorizes TASC funding of $9 million annually through FY2023, but USDA allocated only $4.2 million to the program in 2019.[40]

The E. (Kika) de la Garza Emerging Markets Program (EMP)

EMP provides partial funding for technical assistance activities that promote U.S. agricultural exports to emerging markets.[41] Guidance on qualified countries is provided each year in the program application announcement.

EMP is intended to develop, maintain, or expand markets for U.S. agricultural products by making available to emerging markets U.S. expertise to make assessments of food and rural business systems needs; recommend measures necessary to enhance the effectiveness of these systems, including potential reductions in trade barriers; and to identify and carry out specific opportunities and projects to enhance their effectiveness. Technical assistance may include feasibility studies, market research, sector assessments, orientation visits, specialized training, business workshops, and similar activities. Under the 2018 farm bill (§3201d), EMP annual mandatory allocations for FY2019-FY2023 cannot exceed $8 million annually and must cover at least three emerging markets each year.

Quality Samples Program (QSP)

QSP assists U.S. agricultural trade organizations in providing small samples of their products to potential importers in emerging markets overseas. QSP focuses on industrial and manufacturing users of products, not end-use consumers, and allows manufacturers overseas to conduct test runs to assess how U.S. food and fiber products can best meet their production needs. Projects are required to focus on developing a new market or promoting a new use for the U.S. product. Priority is given to importers who have not previously purchased the product that will be supplied; are unfamiliar with the variety, quality attributes, or end-use characteristics of the U.S. product; have been unsuccessful in previous attempts to import, process, or market the U.S. commodity (e.g., because of improper specification, blending, formulation, sanitary or phytosanitary issues); are interested in testing or demonstrating the benefits of the U.S. commodity; or need technical assistance in processing or using the U.S. commodity. FAS used $2.3 million of CCC funds for QSP in FY2018, $2.2 million in FY2019, and $1.1 million in FY2020.[42] In FY2020, measures undertaken to prevent the spread of COVID-19 hampered

[40] USDA, *2019 U.S. Specialty Crops: Trade Issues Report*, Annual Report to Congress, October 2020.

[41] Program regulations appear at 7 C.F.R. §1486.

[42] CRS communication with USDA, FAS, March 2021.

implementation of plans that required traveling to foreign markets, leading to lower levels of program use.

Priority Trade Fund

The 2018 farm bill (P.L. 115-334, §3201) also authorizes funding for one or more new programs to access, develop, maintain, and expand markets for U.S. agricultural products, with mandatory funding of $3.5 million annually through FY2023. Such programs may be funded at the discretion of the Secretary of Agriculture. Any funds allocated under other export programs that remain unobligated after the end of the first fiscal year in which they are made available will be reallocated to the priority trade fund.

Export Credit Guarantee Programs

Under the export credit guarantee programs, private U.S. financial institutions extend financing at prevailing market interest rates to countries that want to purchase U.S. agricultural exports with a CCC loan guarantee. The CCC assumes the risk of default on payments by the foreign purchasers on loans for U.S. farm exports. Two export credit guarantee programs were reauthorized: the short-term credit guarantee program GSM-102[43] and the Facility Guarantee Program (FGP).

GSM-102 Program

The GSM-102 program guarantees repayment of short-term financing extended by approved foreign banks, mainly in developing countries, for purchases of U.S. food and agricultural products by foreign buyers. The GSM-102 program aims to encourage commercial exports of U.S. agricultural products on competitive credit terms to buyers in countries where credit to maintain or increase U.S. sales may not be available without CCC guarantees. Eligible countries are those that USDA determines can service the debt backed by the guarantees. The use of CCC guarantees for foreign aid, foreign policy, or debt rescheduling purposes is prohibited. The CCC selects agricultural commodities and products according to market potential and eligibility based on applicable legislative and regulatory requirements. All products must be entirely produced in the United States. Eligible products include a broad range of agricultural commodities and high-value products.[44]

The 2018 farm bill (§3201) extends provisions for GSM-102 credit to approved foreign financial institutions of up to $5.5 billion annually for up to 18 months for the purchase of U.S. farm and food products. Net federal outlays under the GSM-102 program have been negative in most years going back to the mid-1990s (i.e., generating revenue for the government), as program fees and interest from rescheduled debts have generally exceeded the cost of defaults. The total guarantees for FY2020 were $2.2 billion—over 86% of which went to Latin America.[45] Over 99% of the guarantees in FY2020 supported export sales of grains, soybeans, and flour, soybean meal, or soybean oil.

[43] The acronym GSM refers to the General Sales Manager, an official of FAS who administers the credit, and other, export programs. For more, see https://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102.

[44] A list of eligible commodities and products under the GSM-102 program can be found at https://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102.

[45] CRS communication with USDA, FAS, January 2021.

Facility Guarantee Program (FGP)

The FGP guarantees financing of goods and services exported from the United States to improve or establish facilities in emerging markets to handle, market, store, or distribute imported U.S. agricultural products. The farm bill extends authorization of at least $1 billion per year through FY2023 in direct credits or credit guarantees; this funding is available for both GSM-102 and FGP. The Secretary of Agriculture may provide an FGP guarantee for the term of the depreciation schedule of the facility, not to exceed 20 years. The Secretary of Agriculture may waive requirements that U.S. goods be used in the construction of a facility if such goods are not available or their use is not feasible. The CCC is required to prioritize projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets, and projects for which nongovernmental entities agree to assume a relatively larger share of the costs.

As of October 5, 2020, USDA had allocated $497 million in FGP to cover 70 countries.[46] Regulatory constraints limiting the use of established facilities to U.S. imports, eligibility criteria for foreign banks, and other constraints have limited FGP use, with the program inactive in some years.[47]

Agricultural Export Programs: Emerging Issues

Over the years, Congress has altered export promotion programs to focus on facilitating exports of value-added agricultural products rather than raw commodities and to conform with U.S. obligations under international trade agreements, such as under the World Trade Organization (WTO). Government spending to strengthen general marketing and promotion services covered by export programs, unlike direct payments to farmers, is not limited by WTO rules.[48]

Members of the WTO, including the United States, have stated that the WTO's 12th Ministerial Conference, scheduled to convene in late 2021,[49] should approve goals that align with the United Nations Sustainable Development Goals.[50] One such goal could be to encourage countries to impose additional tariffs on imports of any goods (including agricultural products) produced without internalizing the costs imposed on the environment. Canada, the EU, and Norway have initiated certification schemes for products that internalize the costs of environmental externalities through taxes or greenhouse gas offsets, among other policies.[51] Producers could conceivably seek to use such certification to avoid tariffs of this type.

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[46] USDA, FAS, "FY 2021 FGP Allocations," accessed January 2021, at https://www.fas.usda.gov/programs/facility-guarantee-program/fy-2016-fgp-allocations.

[47] For more information, see CRS Report R43696, *Agricultural Exports and 2014 Farm Bill Programs: Background and Current Issues*, by Mark A. McMinimy.

[48] CRS Report R46456, *Reforming the WTO Agreement on Agriculture*, by Anita Regmi, Nina M. Hart, and Randy Schnepf.

[49] World Trade Organization (WTO), "Twelfth Ministerial Conference to Take Place in Geneva in Late 2021," March 1, 2021, at https://www.wto.org/english/news_e/news21_e/minis_01mar21_e.htm.

[50] Global Forum for Food and Agriculture, "Global Forum for Food and Agriculture Communiqué 2020: Food for All! Trade for Secure, Diverse and Sustainable Nutrition," 12th Berlin Agriculture Ministers' Conference, January 18, 2020; and WTO, "Advancing Sustainability Goals Through Trade Rules to Level the Playing Field: Draft Ministerial Decision," WT/GC/W/814, December 17, 2020.

[51] USDA, FAS, GAIN Report Numbers: CA2021-0014, March 12, 2021; E42021-0029, March 9, 2021; and NO2021-0003, March 17, 2021.

The 2018 farm bill (§3308) established a new priority for U.S. agricultural policy: promoting global food security, defined as "access by any person at any time to food and nutrition that is sufficient for a healthy and productive life." Meanwhile, consumers increasingly demand products that reflect their values. In specific countries, this translates to increased demand for organic food and a growing interest in products certified as having been produced without the use of forced labor[52] or illegally deforested land[53] or produced using sustainable practices.[54] These changing consumer demands are creating market opportunities for certified organic, sustainable, or equitably produced products.

Some experts assert that the United States' core advantage in agricultural exports may lie in quality, safety, and other nonprice factors.[55] Communication of these differences to potential foreign buyers via certification schemes may benefit U.S. exports. A bill introduced in the 116th Congress, the Growing Climate Solutions Act (H.R. 7393), would have created a certification program at USDA to promote farmer and forest landowner participation in carbon credit markets; such certification might eventually be useful in promoting export sales.

In the interim, the broad authorities provided by the CCC to the Secretary of Agriculture under 15 U.S.C. §714c(f) may allow USDA to pilot certification schemes for exports of food and agricultural products that are sustainably produced or produced without the use of forced labor. Congress may wish to use its oversight authority to explore issues related to this possibility.

Some Members of Congress have contended that USDA's various export promotion programs do not benefit producers in all parts of the country equally. A private study released in 2016 on behalf of three agricultural associations asserts that USDA export market development programs disproportionately benefit growers in the Midwest, while delivering relatively small benefits to the food processing and services sectors in the Northeast.[56] One possible response to concerns about equity considertations would be to expand export promotion programs that target growers and processors of specialty crops, particularly small and medium-sized enterprises that have not historically engaged in trade.[57]

The COVID-19 pandemic and recent trade disputes[58] have raised awareness regarding the importance of maintaining diverse U.S. import sources and export markets to minimize risks from supply chain disruptions in a specific market. China, which accounted for 17% of the total value of U.S. exports in 2020, is making large investments in agricultural research, focusing on the development and use of high-quality seeds and livestock genetics, with the goal of reducing its

[52] J. Scott Maberry and Mario Andres Torrico, "Forced Labor and Supply Chains: A Complete Ban on Goods from Xinjiang or Additional WROs on the Horizon?," *National Law Review*, vol. XI, no. 83, March 24, 2021.

[53] Some Members of Congress seek to prohibit imports of products from illegally deforested lands (H.R. 4263 116th Congress); see Cara Korte, "Illegal Deforestation Is Ravaging the Planet and Driving Emissions Up. A New Bill in Congress Seeks to Change That," *CBS News*, March 3, 2021.

[54] For example, see "Chairman Blumenauer Files Legislation to Update Key Trade Program," December 8, 2020, at https://blumenauer.house.gov/media-center/press-releases/chairman-blumenauer-files-legislation-update-key-trade-program. Also see H.R. 219, introduced in the 117th Congress to modify the Generalized System of Preferences.

[55] Jeffrey J. Reimer et al., "Agricultural Export Promotion Programs Create Positive Economic Impacts," *Choices*, vol. 32, no. 3, 3rd Quarter 2017.

[56] Informa Economics, *Economic Impact of USDA Export Market Development Programs*, Prepared for U.S. Wheat Associates, USA Poultry & Egg Export Council, and Pear Bureau Northwest, July 2016.

[57] Agricultural Industry Coalition letter to House Agriculture Subcommittee on Appropriations Chairman Sanford Bishop Jr. and Ranking Member Jeff Fortenberry, March 9, 2021, at https://www.uswheat.org/wp-content/uploads/2021/03/Coalition-to-Promote-US-Agricultural-Exports-FY-22_House-Letter.pdf.

[58] CRS Report R45903, *Retaliatory Tariffs and U.S. Agriculture*, by Anita Regmi.

future imports of food and agricultural products.[59] Congress may therefore wish to assess how the existing USDA export programs could be used to expand U.S. export growth opportunitiues for a diversity of U.S. products.[60] For example, Congress could explore options to improve access for U.S. agricultural products to the fast-growing markets in Southeast Asia and South Asia.

Congress could also consider options for using USDA export promotion programs together with other U.S. government programs that are designed to help developing countries engage in agricultural trade. Strengthening storage capacity, cold chains, and port facilities could improve longer-term opportunities for U.S. high-value food exports to many developing countries, particularly those where population and income levels are likely to continue to grow in the coming years. Programs that support these activities, such as EMP and FGP, are intended for developing countries and do not compete with market promotion programs, such as MAP and FMDP, that may continue to promote exports of U.S. agricultural products to existing markets.[61] Additionally, the United States could seek to leverage the WTO's Trade Facilitation Agreement, under which developing countries may receive assistance to build up capacity related to supply chains and border and customs clearance.[62]

[59] USDA, FAS, "China 2021 No 1 Document Underscores Seed Genetics Stable Grain and Pork Supplies for Food Security," GAIN Report Number: CH2021-0041, April 2, 2021; and Wendong Zhang, presentation to Farm Foundation Trade and Climate Change Conference, April 7, 2021.

[60] Senator Debbie Stabenow has indicated an interest in long-term investments to rebuild markets. See Morning Ag Clips, "Stabenow Urges Improvements to Trade Payments," November 17, 2019, at https://www.morningagclips.com/stabenow-urges-improvements-to-trade-payments/.

[61] FAS allocates MAP and FMDP funding to industry groups, which may reallocate portions of the total funding across countries and products covered by each group, based on its analysis and prioritization.

[62] WTO, Trade Facilitation Agreement, accessed January 2021, at https://www.tfafacility.org/.

Appendix. Export Promotion Program Allocations

Table A-1. Market Access Program (MAP) Allocations

FY2014-FY2021, In Thousands of U.S. Dollars

Partner	2014	2015	2016	2017	2018	2019	2020	2021
Alaska Seafood Marketing Institute	3,561	4,161	3,961	4,216	4,112	4,382	4,226	4,255
American Feed Industry Association								200
American Hardwood Export Council, APA—The Engineered Wood Association, Softwood Export Council, Southern Forest Products Association	8,996	8,737	7,459	8,661	8,288	6,727	8,413	8,208
American Peanut Council	2,236	1,382	1,906	2,335	2,476	2,498	2,439	2,449
American Pecan Council							597	604
American Pistachio Growers/Cal-Pure Pistachios Inc.	1,380	1,571	1,779	1,734	1,727	1,767	1,718	1,742
American Seed Trade Association	229	286	332	427	439	287	332	358
American Sheep Industry Association	421	483	438	343	466	449	441	378
American Soybean Association	4,523	4,403	4,623	5,345	5,393	3,905	4,403	4,884
American Sweet Potato Marketing Institute	200	200	106	199	195	203	213	261
Blue Diamond Growers/Almond Board of California	4,729	5,001	5,240	4,951	5,007	5,103	4,959	4,986
Brewers Association, Inc.	601	601	701	471	706	709	651	665
California Agricultural Export Council	1,229	861	748	81	1,012	896	981	733
California Cherry Marketing and Research Board	519	444	598	587	566	567	490	414
California Dried Plum Board								2,837
California Cling Peach Board	445	500	511	496	470			
California Fresh Fruit Association (formerly Grape and Tree Fruit League)	421	413	417	331	405	404	394	394
California Olive Committee				100	100	110	132	122
California Pear Advisory Board	442	469	492	477	319	419	364	373
California Prune Board	2,668	3,023	2,993	3,003	2,910	2,938	2,796	0
California Strawberry Commission			335	319	148	312	290	306
California Table Grape Commission	3,093	3,425	3,354	3,124	3,285	3,284	3,247	3,128
California Walnut Commission	3,903	4,146	4,112	4,177	3,911	4,101	3,928	3,928
Cherry Marketing Institute	204	290	341	307	235	244	290	289

Partner	2014	2015	2016	2017	2018	2019	2020	2021
Cotton Council International	15,424	16,668	13,324	14,919	14,590	13,706	14,454	12,562
Cranberry Marketing Committee	1,561	1,792	1,912	1,904	1,798	1,698	1,603	1,317
Distilled Spirits Council	402	384	359	153	409	432	489	537
Florida Department of Citrus	3,885	4,384	4,289	3,880	3,462	3,558	3,369	3,353
Florida Tomato Committee		4		284	253	258	246	221
Food Export Association of the Midwest USA	9,638	10,272	10,622	8,516	8,872	9,961	9,843	10,708
Food Export USA Northeast	8,139	8,896	8,610	9,154	9,022	9,115	8,602	8,901
Ginseng Board of Wisconsin	168	438	428	452	438	438	416	348
Hop Growers of America	310	310	226	208	370	361	378	351
Intertribal Agriculture Council	643	728	737	750	734	730	717	678
Mohair Council of America	46	118	145	144	140	134	78	27
National Association of State Departments of Agriculture	3,533	2,330	899	1,606	1,029	1,211	2,744	1,277
National Confectioners Association	966	669	579	750	1,333	1,366	1,168	1,368
National Pecan Growers Council	487	224	700		621			
National Potato Promotion Board	3,647	4,999	4,720	4,826	3,922	4,825	4,610	4,697
National Renderers Association	872	940	423	748	1,020	907	972	1,029
National Sunflower Association	1,119	1,119	1,138	1,133	949	1,035	949	1,007
National Watermelon Promotion Board	290				165	175	193	190
New York Wine and Grape Foundation	485	423	349	462	407	459	411	459
North American Export Grain Association								350
Northwest Wine Promotion Coalition	988	1,157	1,181	1,114	1,085	937	1,030	1,140
Organic Trade Association	747	785	889	846	754	827	813	817
Pear Bureau Northwest	2,927	3,070	3,057	2,895	2,828	2,346	2,694	2,805
Pet Food Institute	1,361	1,323	1,337	1,070	1,290	1,470	1,402	1,410
Raisin Administrative Committee	828	3,018	2,634	2,887	2,814	2,826	2,681	2,652
Southern United States Trade Association	5,874	7,152	6,025	6,549	6,215	6,518	6,762	6,262
Sunkist Growers, Inc.	2,373	2,660	2,431	1,143	1,721	2,112	1,653	2,005
Synergistic Hawaii Agriculture Council	388	379	367	30	295	309	306	308
The Popcorn Board	370	386	346	332	346	363	318	307
U.S. Apple Export Council	713	999	819	944	442	552	473	682
U.S. Dairy Export Council	4,085	3,203	4,334	4,870	4,626	4,713	4,641	4,719

Partner	2014	2015	2016	2017	2018	2019	2020	2021
U.S. Dry Bean Council	1,148	871	888	1,009	823	763	968	978
U.S. Grains Council	6,732	5,074	7,483	6,671	8,580	8,882	8,887	8,634
U.S. Hide, Skin and Leather Association	50	67	159	302	314	255	317	367
U.S. Highbush Blueberry Council				200	197	205	197	288
U.S. Livestock Genetics Export, Inc.	1,538	1,431	1,231	742	1,201	1,362	1,480	1,545
U.S. Meat Export Federation	14,074	10,724	12,515	13,316	13,184	13,080	12,954	13,071
U.S. Pecan Growers Council				680		673		
U.S. Wheat Associates	5,973	4,508	5,709	6,082	5,510	5,692	5,869	6,086
USA Dry Pea and Lentil Council	850	983	1,159	999	845	1,070	1,023	1,128
USA Poultry and Egg Export Council	4,952	4,925	4,944	5,263	4,041	5,224	5,400	5,387
USA Rice Federation/U.S. Rice Producers Association	2,735	2,793	2,750	2,913	2,488	2,473	2,734	2,764
Washington Apple Commission	4,931	5,179	5,145	4,863	4,856	4,943	4,735	4,804
Washington State Fruit Commission	1,362	1,686	1,856	1,759	1,722	1,737	1,666	1,709
Welch Foods, Inc.	834	933	983	929	706	907	865	807
Western U.S. Agricultural Trade Association	8,098	7,705	7,703	6,881	9,688	8,203	8,137	7,713
Wine Institute	6,322	7,105	6,997	6,639	5,526	6,483	6,299	6,317
TOTAL	171,875	173,208	172,847	173,506	173,802	174,600	176,850	175,600

Source: USDA, FAS, "Market Access Program (MAP)," accessed December 2020, at https://www.fas.usda.gov/programs/market-access-program-map.

Table A-2. Foreign Market Development Program (FMDP) Allocations

FY2014-FY2021

Partner	2014	2015	2016	2017	2018	2019	2020	2021	CY 2021 Extension
Almond Board of California	125.0	275.0	275.0	194.1	207.3	251.1	192.8	169.7	55.7
American Hardwood Export Council, APA—The Engineered Wood Association, Softwood Export Council, Southern Forest Products Association	2,655.4	3,447.5	3,262.3	2,703.1	2,608.8	2,768.0	2,578.9	2,306.4	751.2
American Peanut Council	533.7	158.3	347.1	495.3	510.5	496.1	461.6	418.7	136.6
American Seed Trade Association	185.7	246.3	251.8	231.7	284.0	296.9	187.2	249.6	88.8
American Sheep Industry Association	123.8	148.2	137.9	98.4	122.3	150.0	119.8	112.9	36.4
American Soybean Association	5,198.5	7,251.7	6,230.8	6,566.3	6,037.9	6,725.4	6,994.0	6,378.7	2,056.8
Cotton Council International	3,199.7	3,505.1	3,858.7	3,976.7	3,736.6	4,703.9	4,084.7	3,771.1	1,225.1
Cranberry Marketing Committee	153.8	182.7	115.1	85.5	136.5	207.3	162.4	138.6	45.5
Leather Industries of America	210.7	228.9	271.3	331.8	349.1	280.4	0.0	563.7	182.7
Mohair Council of America		18.0	29.8	19.5	4.6	4.1	29.1		
National Renderers Association	682.5	285.0	781.5	578.2	603.8	535.2	591.3	518.5	170.0
National Sunflower Association	212.5	244.5	236.5	223.0	195.1	133.0	162.4	150.4	48.5
North American Millers Association	54.6	24.5	36.7	56.4	63.0	65.0	50.7	63.5	19.3
U.S. Dairy Export Council	442.2		256.1	535.6	578.8	659.5	523.3	485.7	157.8
U.S. Dry Bean Council	100.3	118.8	108.2	85.0	90.4	125.8	99.4	88.6	28.8
U.S. Grains Council	2,439.5	2,238.8	2,825.2	2,890.3	3,055.1	2,457.9	2,754.4	2,563.5	837.7
U.S. Hide, Skin and Leather Association	92.0	132.1	134.5	144.9	135.9	217.5	700.7		
U.S. Livestock Genetics Export, Inc.	535.5	555.3	624.3	466.4	390.3	448.3	373.0	249.8	89.1
U.S. Meat Export Federation	1,081.8	1,370.1	1,288.2	1,168.0	1,077.1	864.2	1,154.3	1,032.3	336.4
U.S. Wheat Associates	4,176.7	3,576.2	3,976.6	3,332.8	3,649.1	3,363.0	3,472.3	3,316.3	1,004.3

USA Dry Pea and Lentil Council	157.7	162.5	165.6	151.5	142.4	0.0	31.8	138.6	45.3
USA Poultry and Egg Export Council	1,014.9	1,299.3	1,230.2	1,090.7	999.0	709.8	890.5	825.5	275.0
USA Rice Federation	1,267.2	1,266.3	1,018.4	1,144.4	1,507.5	1,634.7	1,347.4	1,241.5	403.8
TOTAL	24,643.8	26,735.2	27,461.7	26,569.5	26,484.9	27,097.2	26,961.9	24,783.6	7,994.5

Source: USDA, FAS, "Foreign Market Development Program (FMDP)," accessed December 2020, at https://www.fas.usda.gov/programs/foreign-market-development-program-FMDP/FMDP-funding-allocations-fy-2020.

Note: In 2021, FAS is transitioning FMDP funding from a fiscal year basis to a calendar year basis.

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