

MAP 07- 003

SUBJECT: One-Year Extension of Graduation Period for Foreign Trade Shows

TO: MAP Participants

BACKGROUND

Participation in international trade shows has proven to be a successful market development activity undertaken by many participants in the MAP brand program. A company's presence at these shows often is a vital component in establishing and maintaining a productive presence in foreign markets. Many international trade shows are held in the same country annually and biannually (e.g., SIAL and ANUGA are held in alternating years in France and Germany, respectively).

The MAP regulations at 7 CFR 1485.14(d)(2) state that "CCC will not provide assistance to a single company for brand promotion in a single country for more than five years..." Consequently, many companies face graduation from a host country after exhibiting at a trade show for five years, even if the company has had no other activities in that country and participating in the show is used exclusively as a gateway for developing customers in other countries. Therefore, to further the objectives of the MAP, the FAS has determined that certain approved international trade show activities in foreign countries may be exempt from the graduation requirement stated in 7 CFR 1485.14(d)(2).

POLICY

Participation in a trade show which is:

1. A food or agricultural show, with no less than 30 percent of exhibitors selling food or agricultural products;
2. A regional show, meaning that it targets buyers, distributors and the like from more than one foreign country; and
3. An international show, with no less than 15 percent of its visitors from countries other than the host country,

will not be considered by the FAS in determining the graduation date for a company in a particular country. Please note that this program notice does not include foreign trade shows that target a single country; reimbursement for eligible expenditures associated with participation in these shows will be considered when determining a company's graduation date in a particular country. Any participant that is uncertain whether a particular show meets the above criteria should seek guidance from its marketing specialist. As with all program activities, the Market Development and Grants Management Division will continue to approve or disapprove individual trade show

participation. A list of international trade shows that have been approved as "exempt" as of the date of this memo is attached.

In order to take advantage of the provisions in this notice, participants must establish individual brand activities for each company participating in an international trade show that has been approved as "exempt". Participants then must use the cost code "EXEMPT" when submitting claims for reimbursement that are directly related to the company's participation in the trade show. All other brand promotion activities in that same country must be identified in separate activity codes by company, and must not use the cost code "EXEMPT".

By April 30, 2007, participants were to have reported to their commodity branches the export gains, by country, that MAP-funded companies have enjoyed as a result of their attendance at these foreign trade shows for the following program years: **2003/04, 2004/05, and 2005/06**. This information will provide the basis for both evaluating the effectiveness of this policy and in considering whether to extend the policy beyond the 2007 MAP year. FAS will issue new policy guidance prior to the 2008 MAP year.

EFFECTIVE DATE

This program notice is effective throughout the 2007 MAP year.



J. Lawrence Blum
Acting Deputy Administrator
Office of Trade Programs

International Trade Shows Exempted from the Graduation Requirement

ANUGA Cologne
SIAL Mercosur
SIAL Paris
Food Ingredients Europe
IPM (horticultural)
Food Ingredients South America
European Seafood Exposition
Food Ingredients Asia
ISM-Cologne
Gulfood
FOODEX Japan
ifia Japan (food ingredients)
FHA (Food & Hotel Asia)
HOFEX
BioFach
Fish International
The London International Wine and Spirits Fair
BETA International (equestrian)
Fiera Cavelli (equestrian)
Al Fares (equestrian)
Interzoo
Zoomark