



MAY 27 2003

MAP 03-005

United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Foreign
Agricultural
Service

1400 Independence
Ave, SW
Stop 1042
Washington, DC
20250-1042

TO: MAP Participants

SUBJECT: Extension of Graduation Period for Foreign Trade Shows

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 or 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 participation 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 other 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. The FAS will make the final determination with regard to the eligibility of international trade shows under this notice. Therefore, 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 appropriate commodity division will continue to approve or disapprove individual trade show participation.

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 "EXMPT" 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.

Participants should report to their commodity division the export gains, by country, that MAP-funded companies have enjoyed as a result of their attendance at these foreign trade shows. This information will be used to provide the basis for both evaluating the effectiveness of this policy and in considering any requests for subsequent extensions.

EFFECTIVE DATE:

This program notice is effective as of the date of this memo, and the policy will remain in effect through the 2005 MAP year, at which time it will be reevaluated.



FRANKLIN D. LEE

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Commodity and Marketing Programs