

# **The Competition in 2002**

**U.S. and Competitor Expenditures on Export Promotion  
for Agricultural, Forestry, and Fishery Products**



**United States Department of Agriculture  
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Mention of a trade name or brand name does not constitute endorsement or recommendation by the Department over similar products not named.

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<sup>1</sup> Information on Greece was not available for 2002.

## THE COMPETITION IN 2002

### U.S. AND COMPETITOR EXPENDITURES ON EXPORT PROMOTION FOR AGRICULTURAL, FORESTRY, AND FISHERY PRODUCTS<sup>2</sup>

August 2004

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**SUMMARY:** *Most major agricultural exporting countries use publicly financed export promotion activities to expand sales. The majority of the funding for promotion activities done in other countries, however, is from private sources. Each country has unique means of financing these programs, and there is no uniform definition or method to account for each system on an equivalent basis. Despite these differences, this report attempts to compare overall spending in this arena among major agricultural exporters.*

*Many times, government funding is matched by industry contributions, which are frequently derived from levies on producers or processors or on exports of the products eligible for export promotion.*

*Our estimates, describing activities for 2002, show that competitors' total spending (government and private sector) exceeded that in the United States by nearly 4 to 1. In 2002, total foreign expenditures for export promotion were just over \$1.2 billion, compared to U.S. spending of \$331 million.<sup>3</sup> The competitors spending the most were the European Union at \$377.6 million (57.1 percent privately funded), New Zealand at \$352.9 million (99.8 percent privately funded), and Brazil with \$120 million (58.3 percent privately funded).*

### Introduction

While U.S. exports of agricultural products have climbed for each of the last 4 years, competition is stiff in major import markets. Most of our competitors have developed a government export strategy for agricultural products, if not for trade in all goods and services. Our competitors use a number of other tools like export subsidies, export credits and credit guarantees, single desk marketing boards, and tax policies to help the exporter make the sale. This report focuses on those market development programs that are similar to the USDA's Market Access Program (MAP) and the Foreign Market Development (FMD) program. These programs support market promotion activities for exports of agricultural, forestry, and fishery products.

### Major Export Promotion Activities

Most developed and many developing countries have export promotion programs. In many countries, governments work as partners with agricultural producers, food processors, and the timber and fisheries industries. In most countries, producers finance the bulk of promotional programs. Fees based on sales or exports are two methods used to generate funds. Government assistance to export promotion is currently not subject to discipline under the WTO Agreement on Agriculture.

Export promotion includes a wide variety of activities:

- **Advertising** on television, radio, and in print media. This includes both general consumer and trade publications. Increasingly, Internet Web sites are developed and used to promote

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<sup>2</sup> This report was based on the contents of post Competitor Reports and the author's own research. Throughout the report, the most recent data available were used. For most of the country reporting, this was 2002. Most business firm data, however, are for 2003.

<sup>3</sup> All figures shown are in U.S. dollars unless otherwise indicated.

products. Examples include generic ads designed to reinforce an image for all products from a country, such as Australia's "Clean and Green" campaign, as well as ads for individual commodities and company products.

- **Trade show participation** at major international shows such as ANUGA or FOODEX, as well as for smaller, more specialized markets, like ingredients or restaurants. Trade shows are an important way to introduce new products to a large number of buyers and to make new contacts. Support can range from "how-to" seminars to cost sharing.
- **Public education and media campaigns** are designed to generate more demand by increasing familiarity with the product among potential consumers and showing how the product is used or fits into the local cuisine.
- **National branding** promotes a national brand name, such as "Ireland, the Food Island." Often national branding is licensed to companies for use on their products, usually for a fee. National brands are often associated with a specific standard that must be met before the brand name can be used.
- **In-store menu promotions and tastings**, geared to food retailers and wholesalers or restaurants, include promotional and display materials and recipe guides. Wine tastings and samples given out at grocery stores are examples of this type of promotion.
- **Trade missions and reverse trade missions** introduce foreign business and news media to a country's products. Trade missions are visits by exporters to the importing country. Reverse trade missions invite foreign buyers, including trade delegations and the news media, to the exporting country to visit producers, processors, or packers, as well as to visit public or private sector officials.
- **Technical assistance** can range from invitations to specialists to attend training courses or related technical seminars in the exporting country to demonstrations in the importing country to increase the use of a specific commodity or ingredient. Examples include baking seminars or demonstrations of Hazard Analysis Critical Control Points (HACCP) programs. Another example is introducing a new product for the local cuisine.

## Countries Chosen for Study

Twenty-nine foreign countries are included in this report, in addition to the activities of the European Commission independent of its member states' programs. EU countries include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. Cairns Group countries include Argentina, Australia, Brazil, Canada, Chile, Malaysia, New Zealand, South Africa, and Thailand. Other competitors included in the report are China, India, Korea, Mexico, Norway, and Turkey. Finally a section on the United States, which highlights key USDA programs, is included.

## Estimated Market Promotion Expenditures

The 29 countries studied spent an estimated \$1.206 billion in 2002 on market promotion activities. Government allocations account for about 28 percent (\$341.9 million) of promotion expenditures; producer and industry assessments and other fees make up the remaining 72 percent (\$864.7 million). We estimate EU market promotion at \$378 million in 2002. For the Cairns Group countries we have information on, expenditures totaled \$662.2 million. Funding from the other reporting countries totaled an estimated \$166.8 million.

## European Union Spending

The distribution in spending by government and private sector shows about 43 percent by government and 57 percent by industry. This is a slightly lower industry contribution rate than in past years. Total funding was \$377.6 million, which is nearly identical to past years. France was the biggest spender (\$89.8 million), followed by Spain (\$52.6 million), Netherlands (\$51.7 million), and Ireland (\$51 million).

## Cairns Group Spending

Export promotion expenditures for 2002 were an estimated \$662.2 million, with 82 percent coming from private sector sources. The largest spender was New Zealand (\$352.9 million), followed by Brazil (\$120 million), and South Africa (\$59.2 million). Promotional spending overall is up significantly since the last report.

## Recent Trends in Export Promotion Programs

Total foreign promotional spending is up about 6 percent since 1998, when estimates were last calculated.<sup>4</sup> At that time, government funding made up about 22 percent of total promotional spending. Since then, the government share of foreign market promotion spending in 2002 increased to about 27 percent. EU spending in 2002 was almost identical to spending in 1998, although European currencies declined in value during that time relative to the dollar. Cairns Group spending for countries we have data on is up about 10 percent over 1998 figures. Brazil had the largest increase in spending, more than doubling from \$58.3 million in 1998 to an estimated \$120 million in 2002. Australia had the steepest decline. In 1998 total Australian spending was \$109.9 million, but in 2002 it was only \$49.3 million. This is likely due to undercounting because much private spending is no longer publicly available.

## Regional or Provincial Government Promotions

Another interesting result derived from an analysis of countries' marketing efforts is the large number of sub-national governmental organizations involved in export promotions. At least 12 of the 29 countries in this report have some type of state, provincial, or regional government funding for at least one food or beverage product. Often the local government will promote a particular product made or grown in that area, especially wines. In the United States, state governments often provide matching grants for trade show participation, as well as maintaining offices in foreign markets.

## Continuing Trend: Privatization of Commodity Groups

An interesting trend is that governments are privatizing or semi-privatizing functions related to market promotion activities, including Denmark, Finland, Ireland, and the Netherlands in the EU, as well as Australia, New Zealand, and South Africa among Cairns Group countries. In most cases, the former commodity board or cooperative has privatized and evolved into a multinational corporation. Often they retain statutory authority to collect levies for promotional purposes.

Shown below are recent sales results of some of the privatized groups. Some were formerly cooperatives or commodity boards.

## Recently Privatized Commodity Organizations

### FY 2003 Revenue:<sup>5</sup>

Firm	Country	Major Products	FY 2003 Revenue
Danish Crown	Denmark	Meat	\$9.588 billion
Fonterra	New Zealand	Dairy	\$6.379 billion
Arla Foods	Denmark / Sweden	Dairy	\$5.907 billion
Royal Friesland	Netherlands	Dairy	\$5.160 billion
Campina	Netherlands	Dairy	\$4.123 billion
Irish Dairy Board	Ireland	Dairy	\$1.780 billion

<sup>4</sup> These figures include only countries for which reports were made in both years.

<sup>5</sup> Sources in all cases are annual reports. Converted to U.S. dollars. Exchange rate used based on period average.

## Recently Privatized Commodity Organizations FY 2003 Revenue (continued):

Firm	Country	Major Products	FY 2003 Revenue
AWB Ltd.	Australia	Wheat	\$1.347 billion
Zespri	New Zealand	Kiwifruit	\$694 million
ENZA – Turners and Growers	New Zealand	Apples, pears, flowers	\$351 million
Capespan	South Africa	Fruit	\$214 million
Coillte <sup>6</sup>	Ireland	Forestry	\$136 million
Finpro	Finland	All	\$32 million
Woolmark	Australia	Wool	\$30 million
Meat New Zealand <sup>7</sup>	New Zealand	Meat	\$12 million
Australian Pork Ltd.	Australia	Pork	\$10 million

Several of these organizations -- Australian Pork, Ltd., Finpro, Woolmark, and Meat New Zealand -- simply promote sales, while all others are actually involved in sales.

Some countries, such as Argentina, Australia, and Finland, have formed a non-profit organization, with representation from both government and industry, to perform export promotion services.

Competitor market promotion expenditures, by country, are summarized in the table on page 7. Market promotion expenditures presented in the table are similar to USDA's FMD and MAP expenditures. Unless otherwise stated, the market promotion expenditure estimates exclude expenses related to the operation of overseas offices and staff costs. Market promotion expenditures, whenever possible, include the costs associated with regional or provincial government promotions. (Data for state government spending in the United States are not available.)

### Note on Trade Figures

Trade figures shown in the country reports are from the World Trade Atlas or United Nations for the most recent calendar year available. This is usually 2003, but there are a few countries with only 2002 data available. U.S. export data are from the Bureau of the Census.

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<sup>6</sup> Fiscal year 2002 results.

<sup>7</sup> Fiscal year 2002 results.

**COMPETITORS' EXPENDITURES ON EXPORT  
PROMOTIONS FOR AGRICULTURAL, FORESTRY, AND  
FISHERY PRODUCTS IN 2002**

<b>Country</b>	<b>Government Funding</b>	<b>Industry Funding</b>	<b>Total</b>
	----- million -----		
European Commission (EU-wide)	\$11.0	\$2.8	\$13.8
Austria	\$3.9	\$19.2	\$23.1
Belgium-Luxembourg	\$3.7	\$2.7	\$6.4
Denmark	\$4.7	\$8.4	\$13.1
Finland	\$3.9	\$7.3	\$11.2
France	\$42.5	\$47.3	\$89.8
Germany	\$13.2	\$3.8	\$17.0
Greece	NA	NA	NA
Ireland	\$16.0	\$35.0	\$51.0
Italy	\$10.8	\$10.8	\$21.6
Netherlands	\$6.7	\$45.0	\$51.7
Portugal	\$2.9	\$0.0	\$2.9
Spain	\$31.6	\$21.0	\$52.6
Sweden	\$0.5	\$3.2	\$3.7
United Kingdom	\$10.7	\$9.0	\$19.7
<b>European Union Total</b>	<b>\$162.1</b>	<b>\$215.5</b>	<b>\$377.6</b>
Argentina	\$3.5	\$1.5	\$5.0
Australia	\$31.1	\$18.2	\$49.3
Brazil	\$50.0	\$70.0	\$120.0
Canada	\$12.6	\$12.7	\$25.3
Chile	\$13.3	\$13.3	\$26.6
Malaysia	\$0.0	\$16.2	\$16.2
New Zealand	\$0.6	\$352.3	\$352.9
South Africa	\$1.9	\$57.3	\$59.2
Thailand	\$7.2	\$0.5	\$7.7
<b>Cairns Group Total</b>	<b>\$120.2</b>	<b>\$542.0</b>	<b>\$662.2</b>
China	NA	NA	NA
India	\$11.5	NA	\$11.5
Korea	\$21.3	\$3.4	\$24.7
Mexico	\$25.4	\$75.0	\$100.4
Norway	\$0	\$24.5	\$24.5
Turkey	\$1.4	\$4.3	\$5.7
<b>Total Other Countries</b>	<b>\$59.6</b>	<b>\$107.2</b>	<b>\$166.8</b>
<b>Total Foreign Export Promotions</b>	<b>\$341.9</b>	<b>\$864.7</b>	<b>\$1,206.6</b>
<b>United States</b>	<b>\$123.4</b>	<b>\$208.0</b>	<b>\$331.4</b>

# Activities and Expenditures of European Union-15 (EU-15) Countries

## Austria

Austria is a net agricultural importer. (For forestry products, however, it is a net exporter, exporting \$3.4 billion in 2003.) In 2003, total exports of agricultural, forestry, and fishery products were \$9.2 billion. It is an important supplier of processed foods, including meat and dairy products. Principal Austrian promotional organizations include Agricultural Market Austria-Marketing Association (AMA-MA), ProWood Austria (PWA), and the Austrian Wine Marketing Service Association (WMSA). These organizations are financed primarily by mandatory check-off programs and are used mostly for domestic promotions. WMSA receives some public funds from provincial and federal governments in addition to check-off funding. Austria spent € 24.5 million (\$23.3 million) on export promotion in 2002.

## Agricultural Market Austria - Marketing Association (Agrarmarkt Austria - Marketing Gesellschaft)

<http://www.ama.at/>

AMA - MA is the most important marketing organization for agricultural products. It is responsible for promotions of all agricultural products with the exception of forest products. Austria's most important export markets for foods and beverages are Germany and Italy. Campaigns and promotions concentrate primarily on these countries. The total fund of collected check-offs from agricultural producers and wine trade for marketing was around €18.2 million (\$17.3 million) in 2002.

AMA - MA strategies, which can be divided into quality, taste, origin, and marketing, include:

- Improve quality based on EU standards (particularly the EU White Paper on Food Safety)
- Support higher standards for beef and pork through labeling regulations
- Improve consumer awareness of the quality advantages of foods with the AMA quality seal and the AMA-organic label;
- Support use of Internet for spreading quality-oriented information; e.g., AMA quality seal.
- Create an Austrian culinary identity
- Support positive image of agriculture by showing the Austrian farmer as a guarantor of high life quality and through initiating Austrian "slow food" initiatives
- Find market potential and development through market niches
- Create strategic alliances with the retail trade
- Improve the freshness of products
- Provide information about quality of Austrian agricultural products through direct marketing activities in Germany and Italy, participation at fairs, and training programs
- Expand and consolidate Austrian foods in European retail trade through partnerships with 60 organizations and Austrian promotion weeks in 7,000 German and 1,000 Italian supermarkets

## Promotion of organic production

Since September 2002 AMA-MA has conducted a promotional effort co-financed by the European Commission. Used for generic public relations work, promotion, and advertising and funded for 42 months in the amount of € 4.8 million (\$4.5 million), it gets half its funding from the Commission and the rest from commodity check-off and Austrian government funds.



## **ProWood Austria (proHolz Austria)**

<http://www.proholz.at/>

ProWood Austria (PWA) focuses activities on the domestic and Italian market. Its strategies are long-term oriented and targeted to inform about the multiple possibilities and advantages of wood. Specific strategies include informing buyers and potential buyers about the sustainability of Austrian forestry, as well as creating new uses for wood products, and campaigning for Austrian wood/wood products in foreign markets.

PWA focuses on Italy, where 65 percent of Austria's wood exports, primarily sawn wood, are marketed. Under the name "Promolegno," various campaigns are carried out in Italy each year. They include participation at fairs, distribution of information, and seminars for architects and other groups involved in wood use.

Germany and Switzerland are also important clients for Austrian wood, but little promotion is carried out in these countries. According to PWA, the German and Swiss wood promotion organizations (Arge Holz and Lignum, respectively) promote wood use generically; additional Austrian product information is not regarded as necessary. The United States is also a growing market with an export share of 4 percent in total. So far there are just minor marketing promotions there.

Similar to the check-off on agricultural products, forest enterprises and sawmills pay check-offs per cubic meter of wood to PWA. The total budget for 2002 was €2.18 million (\$2.07 million) of which 20 percent is used for promotions abroad.

## **Austrian Wine Marketing Service Association (Oesterreichische Weinmarketingservicegesellschaft)**

<http://www.winesfromaustria.com/>

The goal of the Austrian Wine Marketing Service Association (AWMSA) is a balanced marketing mix adjusted for target countries, particularly Germany, which consumes 70 percent of Austrian wine exports. This includes image work and campaigns for Austrian wines through information and advertising. The goal is to dominate the quality wine segment in the domestic market and to double 2000 exports of bottled wines by 2010.

Some events are carried out in cooperation with Austrian foreign trade posts of the Austrian Chamber of Commerce. Austrian wine has been promoted in the following countries/cities: London, Tokyo, Helsinki, The Hague, New York (press tasting), Verona, Stockholm, Brussels, Prague, Warsaw, Krakow, Paris, Delhi, Bangkok, and Oslo.

Wine marketing is financed by contributions from wine producers, traders, and public funds. These combined funds are used for promotions in Austria and foreign markets. In 2002, AWMSA funding totaled €7.15 million (\$6.8 million) -- €3.15 million (\$3 million) from AMA – MA ; €2.5 million (\$2.4 million) from Austria's three wine producing provinces of Lower Austria, Burgenland, and Styria and €1.5 million (\$1.4 million) from the federal budget.

## Belgium-Luxembourg

Belgium and Luxembourg are net agricultural exporters, with total exports in 2003 reaching \$25.4 billion (when forestry and fishery products trade are included). Within Belgium, government responsibility for export promotion was given to the Flemish and Walloon regions in 1994. Flanders' export promotion strategy focuses on maintaining its most profitable markets, spending almost all export funds, mostly producer fees, on the European market. Although Wallonia has a broader export promotion scope, most of its spending is also focused on the European market. Export promotion towards the U.S. market is limited to participation in some U.S. food shows. Luxembourg has minimal promotional efforts as it exports only small quantities of wine to Belgium and the Netherlands.

The most important export products are pork, beef and veal, poultry meat, vegetables, potatoes, and sugar. Neither Flanders nor Wallonia has any significant fishery and forestry activities and both regions are net importers for both sectors.

Product focus varies due to internal/environmental advantages within each area of Belgium. Pork, poultry, and vegetables are mainly produced in Flanders and Wallonia, while most potatoes and sugar are produced in Wallonia. Beef production is important in both regions. The majority of the Belgian food processing industry is also located in Flanders. Animal and vegetable production are decreasing as a result of environmental restrictions. Wallonia has a more expansive strategy as it aims to take advantage of decreased Flemish sales. However, differences are limited because both programs are subject to the same European rules.

Belgium has a producer-funded board in Flanders called "Vlaams Centrum voor Agro- en Visserijmarketing" (Flanders' Agricultural Marketing Board) (VLAM – <http://www.vlam.be/>). In addition, both the Flanders and Wallonia regions operate governmental export promotion boards called Export Vlaanderen (<http://www.export.vlaanderen.be/>) and Agence Wallonne A l'Exportation (AWEX - <http://www.wallonia-export.be/>).

### Flanders

VLAM and Export Vlaanderen collaborate on export promotion, especially at trade fairs.

VLAM is responsible for the collection of producer fees for promotion of agricultural production, and for fresh and processed agricultural products. For this purpose, VLAM receives a yearly appropriation from the Flemish government to pay its overhead. VLAM operates offices in Germany and France.

In 2002, 62.1 percent of VLAM's funding came from producer fees, 28.5 percent from the Flemish government, 5.7 percent from the European Union, and 3.7 percent from other sources. The budget for various products in 2002 equaled €3.48 million (\$3.1 million) for agricultural crops, meat, poultry, eggs, dairy, flowers, and other miscellaneous items.

While VLAM's primary focus is on domestic promotion, its export promotion efforts are strongest for fruit and vegetables (50 percent) and meat (40 percent). Meat promotion is almost exclusively business oriented with focus on importers and retailers. Main tools include a quarterly newsletter and a Web site [www.belgianmeat.com](http://www.belgianmeat.com). VLAM had a meat pavilion at six European food fairs. No promotion was oriented to third countries for meat. To better coordinate meat promotional efforts, a Belgian Meat Office was created in 2002. For fruit and vegetables, most efforts are also concentrated on business communication. The main tools are food fairs and advertisements in the trade press. Budgets only allowed for some in-store promotion in France. In 2002, third country promotion for fruit and vegetables consisted of participation at FoodAsia in Singapore, World Food in Moscow, and PMA in New Orleans. The potato sector participated in Sahara 2002 in Cairo, Egypt. For other sectors, promotion efforts were limited to trade show participation. Almost all export promotion is oriented towards the European Union.

## **Wallonia**

Agence Wallonne A l'Exportation (AWEX) is the Walloon export office for all economic sectors. About half of the activities undertaken by AWEX are oriented towards third countries. The agricultural and food sectors account for about a quarter of total activities. These are primarily oriented towards the promotion of processed food products, followed by animal products, wood products, and horticultural products. Walloon export promotion efforts are mainly government funded as very little in producer fees is collected. The 97 AWEX representatives worldwide play an important role in export promotion activities.

AWEX doesn't disclose financial details on its various programs but the estimated budget for various products in 2002 equaled € 1.5 million (\$1.4 million) for agricultural crops, beef meat, cattle genetics, dairy, organics products, processed products, and miscellaneous. The major beneficiary is the processed food sector, followed by the meat sector. The majority of funds are used for participation in food fairs. Other important activities include trade missions as well as reverse trade missions. Third country promotion in 2002 was mainly through participation in Prodexpo in Moscow, Agrimaroc in Casablanca, and Natural Products Expo West in Anaheim. AWEX also conducts many multisectoral trade missions worldwide and co-sponsors market investigation missions on a 50-percent cost-sharing basis.

## Denmark

Denmark exports two-thirds of its agricultural production and is a net exporter in agriculture and fishery products. Exports in agricultural, forestry, and fishery products exceeded \$15.6 billion in 2003. Two-thirds of its agricultural exports went to other EU member states. A major exporter of meats, cheeses, and seafood, funding for export promotions comes from government and private sources. The Danish Agricultural Council is the umbrella organization for agricultural policy, covering the entire distribution chain. In general, promotion through the commodity boards has decreased and is now conducted by the major exporting companies. Top markets are Germany, the United Kingdom, Japan, Sweden, Italy, and the United States. "Food from Denmark" is a recently organized group of 10 Danish food companies working cooperatively in the U.S. market.

### National Strategy

With a significant reduction of export subsidies that come from EU export restitutions, export promotions are essential for the continuing prosperity of the Danish farm and food industries. Under the aegis of the Danish Agricultural Council,<sup>8</sup> government agencies and industry sources contribute to international promotions.

In 2002, the Danish government provided \$166 million for all its farm support programs. Of this amount, \$4.7 million was used for export promotion support. For fisheries, there is only a generic campaign to increase consumption in the domestic market.

Danish commodity organizations receive their funding from Danish legislative funds. Producers pay a fee based on production. These funds are supplemented by partially rebated CO<sub>2</sub> levies and pesticide taxes. Only \$12.4 million of these privately sourced funds are for export market development. While two funds are maintained by the Danish Dairy Board and the Danish Bacon & Meat Council, most export promotion activities are carried out by their member companies and exporters. In addition, the Agricultural Marketing Board, under the Danish Agricultural Council, coordinates promotion activities, mostly at international trade fairs. That budget was \$2.3 million in 2002.

Since Arla Foods is responsible for more than 90 percent of dairy product exports and Danish Crown controls more than 90 percent of total pork product exports, these companies now plan and finance their own branded promotions. Campaigns by the Danish Bacon & Meat Council to promote "Danish" are limited to bacon in the United Kingdom and pork in Japan.

Consequently, Danish exporters are increasingly dependent on their embassy agricultural offices for market surveys and general market intelligence. The Ministry of Food, Agriculture, and Fisheries operates 22 offices around the world with a budget of \$20 million.

### Danish Dairy Board

<http://www.mejeri.dk/view.asp?ID=450>

The Danish Dairy Board promotes exports only for butter (Lurpak brand). Promotion activities are directed towards the United Kingdom and the Middle East, which account for 75 percent of Denmark's butter exports. Effective 2004, Lurpak promotions will be financed directly by the exporting dairies.

UK marketing activities include television advertising for London and South England, brochures sent to households, and in-store promotions. In the important Middle East market, TV campaigns predominate. Store activities concentrate on increasing shelf space.

The Milk Production Levy Fund (MPLF) administered by the Danish Dairy Board, is financed by a mandatory fee for each liter of milk produced. It is also supported by partially rebated CO<sub>2</sub> levies and

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<sup>8</sup> Web site is at <http://www.landbrugsraadet.dk/view.asp?ID=624>.

pesticide taxes. In 2002, the Milk Production Levy Fund budget amounted to \$15 million for research and development, extension and education services, health and control activities and marketing activities. The government provided \$4.9 million. Marketing activities include promotions on domestic as well as export markets, with the 2002 export market promotion budget at \$2 million.

## **Danish Bacon & Meat Council**

[http://www.danskeslagterier.dk/smcms/Danish\\_English/Danish\\_Quality/Danske\\_Slagterier/Index.htm?ID=4265](http://www.danskeslagterier.dk/smcms/Danish_English/Danish_Quality/Danske_Slagterier/Index.htm?ID=4265)

Promotions are carried out in the United Kingdom, Japan, South Korea, and Germany. There is a total budget of \$7.7 million with \$4.3 million designated for bacon promotion in the UK. The overall promotion theme stresses the quality of Danish pork with food safety a major component. TV advertising has been replaced with cheaper radio advertising highlighting "Good bacon has DANISH written all over it." Campaign information also includes salmonella status, animal welfare, and the ban of growth promoters. Other activities include advertising, store promotions (including recipes), demonstrations, posters, and labels.

Similar activities are carried out in Japan, where generic bacon promotions are partly EU financed and arranged in cooperation with French bacon exporters. TV advertising has been replaced by magazine advertisements. Participation in FoodEx is also supported by Danish promotion funds.

In Germany, activities have concentrated around marketing the quality guarantee. Promotion activities are directed towards decisionmakers in the meat industry, retail and catering sectors, with the processing industry as the major target group. Information includes subjects as product safety, traceability, and animal welfare, including animal transport. Danish marketing efforts are concentrated on direct mail, business-to-business, and advertising in trade publications, with no consumer marketing activities.

The Pork Production Levy Fund (PPLF) is managed by the Danish Bacon & Meat Council and financed by a fee from each pig slaughtered. It is also funded by partially rebated CO<sub>2</sub> levies and pesticide taxes. The PPLF budget for 2002 was \$40.1 million for research and development activities, extension and education services, health and control activities, and marketing activities. The government contributed \$8.2 million. Marketing activities include promotions on domestic as well as export markets. The total 2002 export market promotion budget amounted to \$7.7 million of which \$1.4 million was government funds.

## **Danish Association of Horticultural Producers (DEG)**

[http://www.deg.dk/DEG/generelt/genereltramme\\_uk.htm](http://www.deg.dk/DEG/generelt/genereltramme_uk.htm)

DEG's export promotion activities concentrate on promoting Danish potted plants in European markets and include Internet information ([www.floradania.dk](http://www.floradania.dk)), four yearly newsletters for the retailers, country reports, market analysis, and press information. The Board also supports pavilions at IPM in Essen, Germany; Flormart 2002 in Padua, Italy; Salon du Vegetal, Angers in France; and Acrobalt in Vilnius, Lithuania.

Producer fees finance DEG's Fruit and Vegetable Production Levy Fund. It, too, is supported by partially rebated CO<sub>2</sub> levies and pesticide taxes. The Government approves the budgets and funded \$1.5 million in 2002. The Fruit and Vegetable Production Levy Fund budget amounted to \$4.25 million for research and development activities, extension and education services, health and control activities, and marketing activities. Marketing activities include both domestic and export promotions. The total 2002 export market promotion budget amounted to \$743,500.

## **Other Export Promotion Activities**

The Danish Marketing Board, under the Agricultural Council, operates an office in Japan to assist members in trade promotions, especially for dairy and pork exporters. It also partly finances Danish national pavilions at major food fairs.

The Danish Agricultural Export Promotion Board is financed by partially rebated CO<sub>2</sub> levies and pesticide taxes. The total 2002 export market promotion budget amounted to \$2.264 million and was funded entirely by the government.

Food From Denmark,<sup>9</sup> an organization of 10 Danish food companies, was formed in 2002 to jointly promote Danish food sales in the United States. They had a pavilion at the Fancy Food Show in 2003 (New York), developed a Web site, and printed a brochure to publicize their products. It is unclear whether they get any direct government financial support.

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<sup>9</sup> Web site is at <http://www.foodfromdenmark.dk/>

## Finland

While a net importer of agricultural and fishery products, Finland is a net exporter of forest products. Total forestry exports in 2003 were \$4.3 billion, while agricultural exports were only \$1.5 billion. In Finland, 2002 direct government export promotion funding for agricultural products was limited, with most funding coming from industry. Government contributions to the promotion of agricultural exports were estimated at about €0.6 million (\$0.5 million).

### National Strategy

Finnish government policy states that, because Finland is a small economy, “rapid economic growth can only be achieved by utilizing the global market, i.e. by exporting and going global.” Thus, public measures that enhance economic development in Finland, regardless of the ownership base of the enterprise, are encouraged. The Ministry of Trade and Industry (MTI)<sup>10</sup> supports both agricultural and nonagricultural exports. MTI provides funds either directly to private companies or through the industry organization “Finpro.” The wood sectors in Finland, Sweden and Norway cooperate in export promotions through the privately funded organization, the Nordic Timber Council.

Products eligible for funding include processed foods and beverages. Also, the forest products industry may apply for funding. Although some large companies participate in the program, MTI prefers small to medium-size enterprises.

### FinPro

<http://www.finpro.fi/index.asp?Lang=eng>

Finpro is a private sector trade organization that offers various export assistance services, some of which are free, to Finnish exporters of both processed agricultural and non-agricultural products. Finpro sends some project proposals to the MTI for co-funding. In 2002, government funding for agricultural projects amounted to €600,000 (\$500,000). About threefold the amount, about €1.9 million (\$1.8 million), was contributed by the participating companies. Government funding to projects for wood products amounted to €1.8 million (\$1.7 million).

Finpro’s total operating budget for 2002 was €34.7 million (\$33 million). Government funding to Finpro amounted to €20.1 million (\$19 million) (58 percent). The remaining €14.6 million (\$14 million) came from its own sources.

Headquartered in Helsinki, Finpro works globally with Finnish companies through its 51 trade centers in 39 countries. Of 360 employees, approximately 126 are based in Helsinki and 234 at trade centers around the world. The Finpro trade centers facilitate market familiarization, business contacts, identification of promotional opportunities, and trade delegations.

Its organizational structure and method of operation improves cooperation with other publicly funded business organizations, such as Tekes (The National Technology Agency), Employment and Economic Development Centers, and the Finnish National Fund for Research and Development. With this cooperation, Finpro has evolved into an organization with a broad range of services for export-oriented and new-to-export companies. Export promotion is now only one aspect of Finpro’s activities.

Typical activities supported by Finpro include international trade show participation, business delegations, market studies, industry sector seminars, road shows, and communication programs. The bulk of the organization’s market promotions are aimed at other European Union countries, Russia, and the Baltic countries.

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<sup>10</sup> Web site is at [http://www.ktm.fi/index.phtml?menu\\_id=1&lang=3](http://www.ktm.fi/index.phtml?menu_id=1&lang=3).

## **Nordic Timber Council (NTC)**

<http://www.nordictimber.org/ntc/index.asp>

In 2002, Finnish government funding to the wood industry amounted to € 1.8 million (\$1.7 million). In 2002, NTC's total budget was \$6.3 million, of which Finnish industry contributed \$2.4 million, and the rest came from Sweden and Norway. NTC emphasizes the structural qualities of Nordic pine and spruce and conformance with production and harvest methods that are consistent with the environment. It distributes information materials at trade fairs, conferences, and seminars, and directly to the timber and furniture industry, architects, builders, and consumers. NTC has foreign offices in the Netherlands, United Kingdom, France, Spain, and Germany. It is headquartered in Stockholm.

The focus of NTC's activities is the United Kingdom, Japan, China, and the United States. Since the European market is saturated, NTC is also focusing attention on markets where wood has the greatest growth potential (e.g., where the use of non-wood building materials dominate). In those markets, lobbying for changes in technical regulations in order to get market access, is one of the major activities.



## France

France is the third largest agricultural exporter after the United States and the Netherlands, with 2003 exports of \$41.1 billion. It is the world's largest wine exporter, \$6.8 billion in 2003, more than doubling Spain's \$2.6 billion. In 2002, the French total budget for promoting agricultural, food, and fishery products amounted to € 95 million (\$89.8 million), a drop of 4.4 percent from 2001. This included SOPEXA's budget of €50 million (\$47.3 million) for overseas branded and generic promotions. For the wine, dairy, fruits and vegetables, walnuts, and meats sectors, there are many trade associations involved in export promotions. The overall promotional budgets for SOPEXA and these trade associations decreased in 2003.

### National Strategy

In France, agriculture is a top priority in national export strategy. The French Ministry of Agriculture, Food, and Fisheries (MinAg) and the "Societe pour l'Expansion des Ventes des Produits Agricoles et Alimentaires" (SOPEXA), France's major agricultural promotion organization, jointly conduct programs and draft legislation to promote French agriculture.

### French National Market Promotional Agency (SOPEXA)

<http://www.frenchfoods.com/>

Because of global competition and the various food crises during 2002, SOPEXA beefed up its overseas presence. Through conferences, trade shows, and seminars, SOPEXA promotes France's food industry at trade, cultural, and sporting events. SOPEXA also worked to develop its relationship with the retail food sector worldwide, through in-store promotions and media campaigns to improve and cash in on the image of French foods with an emphasis on food safety. SOPEXA also worked to develop Web partnerships with several French brands.

SOPEXA organizes overseas trade missions and conferences for foreign scientists to showcase French "know-how" in applied genetics and livestock production. SOPEXA also supported large marketing campaigns with wine and spirits, cheeses, fresh fruit, and other value-added products.

These programs included generic and branded campaigns for wines in Ireland, Switzerland, China, Japan, Russia, Canada, and the United States. They included trade shows, media coverage, in-store promotions, TV and radio spots, conferences, and press lunches. Research studies for marketing opportunities for "Emmental" and other French cheeses were conducted in the United Kingdom, Austria, Spain, Portugal, Hungary, Belgium, Hong Kong, and the United States.

Fresh fruit promotions touted the health benefits of French apples including point-of-sale (POS) promotional material in supermarkets and press relations in Scandinavia and the Netherlands. For value-added products, a French week was organized in China, including TV spots, media coverage and POS materials, and tastings in large supermarket stores. In Greece, seminars, conferences and press lunches were conducted for French meat, dairy, fish, and grocery items. French gourmet foods were promoted at the Summer Fancy Food Show in New York through VIP cocktails and concept promotions. Other activities included Web site development, newsletters, seminars, sales missions, trade teams, market research, project evaluation, as well as logo creation/use.

In 2002, SOPEXA had a total budget of € 50 million (\$47.3 million) to support overseas branded and generic promotions. Funding sources included a direct government grant of € 20 million (\$18.9 million). The rest of SOPEXA's budget came from industry funds (similar to U.S. check-off funds) or from government funds first paid to industry associations that were subsequently paid to SOPEXA for its promotional services in that industry's name. SOPEXA's 2002 promotional budget for activities in the United States was € 4.7 million (\$4.4 million). These promotions focused on wine and gourmet foods. In 2003, SOPEXA's U.S. activities budget increased 27 percent in Euro terms.

SOPEXA has a well-established network with offices or representatives in 38 countries including the EU, the United States, Canada, the Middle East, Eastern and Central Europe, and Asia. SOPEXA also maintains a special delegation to the European Commission and has 170 employees.

## **Wine**

<http://www.onivins.fr/>

France has a national organization, the French Wines and Vines Board (ONIVINS), as well as several regional groups, to support wine export promotions. In 2002, ONIVINS' budget for foreign market promotion activities was € 10.4 million (\$9.8 million), of which € 5 million (\$4.7 million) was for overseas promotions. ONIVINS' budget for promotions in the United States in 2002 amounted to € 550,000 (\$520,340). ONIVINS' budget decreased in 2003 and is also expected to drop by 4 percent in 2004.

Major regional wine trade associations have promotional budgets for overseas activities, financed by the industry and administered either by themselves or SOPEXA. The top three and their overseas promotional funding for 2002 are the Burgundy Wine Trade Association, at € 2.4 million (\$2.3 million); the Beaujolais Wine Trade Association at € 1.9 million (\$1.8 million); and the Bordeaux Wine Trade Association at € 14.7 million (\$13.9 million). The Burgundy Wine Trade Association export program was administered by SOPEXA and allocated € 280,000 (\$264,900) to programs in the United States. Most of the Beaujolais Wine Trade Association's overseas promotion budget was also administered by SOPEXA. The Beaujolais Wine Trade Association is self-financed. Its U.S. promotions were funded at € 100,000 (\$94,600) and administered by the Association. The Bordeaux Wine Trade Association conducts domestic and overseas promotions and is funded by the Bordeaux wine industry.

## **Fruits and Vegetables**

Several groups have a role in export promotions, including the French Board of Fruits, Vegetables and Horticultural Products (ONIFLHOR)<sup>11</sup> and the French Fresh Fruits and Vegetable Interprofession (INTERFEL).<sup>12</sup>

In 2002, ONIFLHOR, which is funded 70 percent by the government and 30 percent by the industry, split a budget of € 12.8 million (\$12.1 million) evenly for both domestic and overseas promotions for fresh fruits and vegetables. In addition, ONIFLHOR had a budget of € 5 million (\$4.7 million) to finance promotions for processed fruits and vegetables. ONIFLHOR administers its own promotions. Currently, there are no promotions conducted by ONIFLHOR in the United States. ONIFLHOR's overseas promotions are conducted by the association for fresh and processed fruits and vegetables and horticultural products and consist mainly of in-store promotions and tastings, POS materials, and seminars in Europe and Canada.

INTERFEL promotes fresh fruits and vegetables overseas, and administers its own budget, which is not released. It also gets funding from both the government and the industry. INTERFEL does not conduct promotions in the United States.

## **Prunes**

<http://www.pruneau.fr/gb/prune-industry/bip.html>

The French Prune Board (BIP) spent € 100,000 (\$94,600) on its overseas promotional budget in 2002. BIP's budget is totally self-funded from a 2 percent contribution levied on growers' sales and another 2 percent on processors' sales. Promotions consist of in-store demonstrations and tastings at the request of the industry. The BIP does not conduct activities in the United States.

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<sup>11</sup> Web site is at <http://www.oniflhor.fr/>.

<sup>12</sup> Web site is at <http://www.interfel.com/>.

## Walnuts

Two regional organizations, in Bordeaux and Grenoble have a minor role in promoting walnut exports, but with funding under € 100,000 (\$94,600).

## French Dairy Board (ONILAIT)

<http://www.onilait.fr/>

In 2002, ONILAIT used government funding for overseas promotions, mainly for promoting cheese in the EU and dairy products in third countries. ONILAIT has a 3-year promotional program in the United States amounting to € 1.5 million (\$1.4 million), mainly for media campaigns and trips, POS materials, and trade shows for cheese. The overseas promotional budget of ONILAIT is not released. The overall ONILAIT budget for 2004 is forecast to drop 3.5 percent.

## French Livestock, Meat and Poultry Board (OFIVAL)

<http://www.ofival.fr/>

In 2002, OFIVAL had a budget for overseas promotions of about € 3 million (\$2.8 million), half financed by the Government and half by the industry. The promotions (trade shows and media coverage) are mainly in Asia and the Middle East for beef and pork and in Europe and the Middle East for poultry. No promotional activities were conducted in the United States.

## French Interprofessional Meat & Poultry Associations (INTERBEV & CIV)

<http://www.interbev.asso.fr/>

INTERBEV's budget for overseas promotions was € 2 million (\$1.9 million) in 2002. It was entirely self-financed. Programs include trade show participation, public relations events and conducts advertising. Most of their promotions are conducted in the European Union. In 2002, some live-cattle promotions were done in Lebanon. No promotions were conducted in the United States.

## French Seafood Board (OFIMER)

<http://www.ofimer.fr/Pages/Accueil/1Accueil.html>

In 2002, OFIMER's budget for overseas promotions was € 1.2 million (\$1.1 million). This budget is financed 20 percent by the government and 80 percent from industry levies. The bulk of this amount is to finance the participation of OFIMER at the European Seafood Exposition in Brussels. OFIMER does not conduct any promotional activities in the United States.

## French Wood Federation (FNB)

<http://www.fnbois.com/indexeng.php>

The French Wood Association (Fédération Nationale du Bois - FNB) promotes French timber in foreign countries. Their budget supports participation in international trade shows, including the United States, as well as trade missions. Its programs are self-administered and self-funded; no figures are available.

## French Grain Trade Association (France-Export Céréales)

<http://www.franceexportcereales.org/>

France Export Céréales had a budget for overseas promotions during 2002 of € 1.5 million (\$1.4 million). This budget was entirely financed by the industry and managed by France Export Céréales. It conducted no activities in the United States.

## Germany

While Germany has the third largest agricultural trade deficit after Japan and the United Kingdom, it has a strong export promotion program for its agricultural industry. Agricultural exports in 2003 totaled \$31.9 billion, while imports reached \$45.2 billion. Major products exported include dairy (\$5.5 billion) and red meats (\$3.2 billion). Total federal government spending for export promotion in 2001, the most recent year available, was about \$13.2 million. Germany's main agricultural exports to the United States include wood, beer, coffee, cocoa products, and wine.

### National Strategy

The primary market promotion organization is the Central Market Promotion Organization of German Agriculture known as "Centrale Marketing-Gesellschaft der Deutschen Agrarwirtschaft MbH" or CMA. Others include the Wine Institute or "Deutsches Weininstitut GmbH" and the Wood Sales Fund or HAF, which has a small export promotion budget. In addition, some of the Länder (states) have minimal budgets for export promotion.

### Centrale Marketing-Gesellschaft der Deutschen Agrarwirtschaft MbH

<http://www.cma.de/>

Most of CMA's funds come from producer check-offs, including sugar, flour, malt, fruits, vegetables, horticultural products, milk, slaughtered chicken, live chicken, eggs, beef cattle, hogs, sheep, rapeseed oil, and sunflower oil. Its export efforts focus on promoting meat, dairy products, bakery products, sweets, juices, and beer.

Much of the German food manufacturing industry is medium-sized. German food companies are very active both in Germany and in the EU markets and are increasingly expanding to the Eastern European market. Export items are characteristically high value and high quality. However, export divisions in the smaller-sized companies often may treat exports as "exotic," meaning they don't consider exports in a strategic manner.

The CMA had an estimated CY 2001 budget of €96.3 million (\$86.2 million), mostly for domestic promotion. Export promotion to all countries, including EU member states, was estimated at €14.6 million (\$13.2 million). Generally about 70 percent of funds earmarked for export promotion is for other EU countries, 10 percent to the United States and 20 percent to all other third countries.

Export market promotion consisted of expenditures for offices, sales promotion, advertising, and special marketing, as well as arranging for trade shows, seminars, advertisements, finding foreign importers, offering subsidized booths at trade shows and connecting German companies to distributors overseas. Currently there are 11 foreign offices that CMA maintains overseas - Greece, Italy, United Kingdom (also covers Ireland), Spain (also covers Portugal), Belgium (also covers France and Luxembourg), Poland, Russia, Hungary (covers Southeast Europe), China, Japan (covers the Far East countries), and the United States.

### Wine

<http://www.deutscheweine.de/Frame.asp?Sprache=E>

The German wine industry's market promotion activities are split up about equally between the domestic and export markets. The promotion of German wines is through the German Wine Fund, which includes the Wine Institute and the Wine Academy. These affiliated groups are funded through a check-off program. The Wine Fund publishes newsletters and market information and supports media visits to German wine areas, wine tastings, seminars, courses, advertising, and trade shows. The Wine Fund has created an international network of press in important export markets for German wines. Wine promotion activities have taken place in such countries as Great Britain, Japan, the United States,

Canada, the Netherlands, Belgium, the Nordic countries, Denmark, France, Brazil, Ireland, Mexico, South Korea, Southeast Asian countries, Eastern Europe, and the Baltic.

In 2002, the total promotional budget for the combined German Wine Fund/Wine Institute/Wine was €12.6 million (\$11.9 million), of which €3.5 million (\$3.3 million) was for export promotion.

## **Forest Products**

<http://www.holzabsatzfond.de/>

The Wood Sales Fund or HAF (Holzabsatzfond) is the central institution responsible for promotion of the German forest and wood industry. A law covering forestry products ("Holzabsatzfondsgesetz") mandates a check-off program under HAF.

In CY 2002, expenditures for sales promotion amounted to € 10 million (\$9.45 million). Funds are used for generic market promotion, mainly in Germany. In CY 2002, 5.5 percent of the funds, or about € 550,000 (\$520,000), was used for export sales promotion. Advertising, public relations, market and market promotion research, professional consultation, and research are the essential instruments for sales promotion.

The HAF program check-off is imposed on companies of the forest and wood industry by the Bundesanstalt für Landwirtschaft und Ernährung (BLE), Federal Office for Agriculture and Food.

## Ireland

With a population of just under 4 million, Ireland is one of the world's largest agricultural exporters. Total agricultural exports in 2003 were \$10.8 billion or \$2,700 per person. Three commodities – beverage base (\$3.9 billion), beef (\$1.1 billion) and dairy products (\$1.1 billion) -- account for about three-fifths of exports by value. Given the importance of the sector, the Irish government has tasked one agency, Bord Bia (the Irish Food Board), to promote and develop markets for Irish food both domestically and internationally. Bord Bia works closely with a number of other agencies and organizations to achieve its goals. Of a total budget of €26.2 million (\$24.7 million), some €16.6 million (\$15.7 million) was spent on overseas promotional, marketing, and market finance programs. In addition, there is a state agency, the Irish Sea Fisheries Board, which promotes seafood sales. Finally, private or quasi-private organizations representing the dairy and forestry industries use self-funded programs for export promotion.

### **Bord Bia (BB)**

<http://www.bordbia.ie/>

The Irish Government combined several commodity groups to create Bord Bia (BB). Its aim is to promote the Irish food industry both within Ireland and overseas. BB will eventually also assume the marketing functions of the Fisheries Promotions Board (BIM).

The organization continues to develop its export marketing strategies and is strengthening its coverage of other aspects of the food industry such as niche markets, specialty, and convenience foods. Meat and meat product promotion is still its dominant activity, however, as most of its income outside the Irish government's grant comes from levies from meat producers. The current levies are, per head: for cattle, €1.90 (\$2.32); for sheep, €0.25 (30¢); and for hogs, €0.25 (30¢).<sup>13</sup>

BB's market development activities include participation at the main European Union trade shows. These activities are further enhanced by in-country retail promotions such as supermarket tastings. BB also hosts trade missions to Ireland from all markets. These missions have been instrumental in securing trade with North African and Middle Eastern countries in particular.

BB provides market assistance to food companies through a range of services including the provision of market intelligence, the development of buyer/supplier links, quality improvement programs, and promotional initiatives. Financial assistance is available to food companies to cover up to 50 percent of specified marketing improvement initiatives. Irish embassies and diplomatic missions also actively promote Ireland as a place where good, quality food is produced.

BB has overseas offices located in London, England; Amsterdam, Netherlands; Düsseldorf, Germany; Paris, France; Milan, Italy; Madrid, Spain; Chicago, IL; and Moscow, Russia.

### **The Irish Sea Fisheries Board**

<http://www.bim.ie/>

The Irish Sea Fisheries Board (BIM) is a state agency with responsibility for the overall development of the Irish fishery industry. Its market development program aims to develop and expand both the domestic and export markets for Irish fish and fish products. It is estimated that about €300,000 (\$283,000) is annually used in export market development.

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<sup>13</sup> Exchange rates of €1.00 = \$1.22 as of April 1, 2004, used here.

## Private Groups

### Irish Dairy Board

<http://www.idb.ie/>

The IDB is a cooperative whose members are Irish dairy cooperatives. In addition to financing its operations from export sales profits, the IDB charges members a levy based on the quantity of milk processed. It does not publish figures spent on export promotion.

The IDB uses a number of trade promotional activities to promote its products that retail under the “Kerrygold” brand name. These promotions range from trade shows, consumer tastings, and competitions to in-country TV advertising. It also exhibits at major trade shows often under the umbrella of BB. In addition to being the largest exporter of Irish dairy products, the IDB also owns a number of subsidiary companies in Europe and the United States. It has packing and distribution subsidiaries in the United Kingdom, the United States, Belgium, Germany, and France.

Total sales were € 1,894 million (\$1.79 billion) in 2002. Though export sales are worldwide, 56 percent go to other European Union countries and 26 percent to the Americas.

### Coillte Teoranta - The Irish Forestry Board (Coillte)

<http://www.coillte.ie/>

Coillte is a private company that manages state-owned forests. This corporation helps manage about 70 percent of all Ireland’s forests. It had sales of € 144 million (\$136 million) in 2002. It manages 441,000 hectares (just over 1 million acres), and sells forest products mostly to Ireland, the rest of the EU, and North America. It does not publish figures spent on export promotion.

## Italy

While Italy is a net agricultural importer, it is still a large exporter of many items to the United States, especially high-value and processed products such as wine, fruits and vegetables, processed fruits and vegetables, and meats. Total Italian agricultural exports were \$20.4 billion in 2003. Italian agricultural exports to the United States totaled \$2.1 billion. The main food and agricultural exports to the United States include wine (\$816 million), olive oil (\$369 million) cheese (\$204 million), pasta (\$152 million), cured hams and pork (\$36 million) and a variety of other, mostly value-added processed foods.

### Italian Exports of Food and Beverages

Pasta and confectionery products are good examples of Italy's manufacture and trade of consumer-ready foods that use U.S. bulk commodities as ingredients. Italy exported \$1.08 billion in pasta to the world in 2003. These industries used \$111 million in U.S. wheat in 2003 and annual imports of U.S. wheat have been above \$100 million since 1999.

Most Italian exports of food and beverages are to other European Union (EU) members. Italian food and agricultural exports were \$20.4 billion in 2003; most of this went to EU partners. Horticultural products are significant in the mix of Italian food exports to northern Europe. Italy's foremost customers (by value) for food and beverages were Germany, France, the United Kingdom (UK), and the United States.

### Italian Export Promotion Expenditures

The Italian Trade Commission (ICE)<sup>14</sup> of the Ministry of Production Activities (MPA) is the national agency tasked with developing and implementing Italy's international export promotion programs for all products. The most common promotional activities for food and beverage products include trade shows, ad campaigns, wine and food tastings, and public relations activities. Legislative authority for export promotion is shared with the 20 Italian regions, which use ICE as the primary means of conducting and organizing trade promotions.

ICE's 2003 annual expenditure for the promotion of foods and beverages was approximately \$25.8 million, of which half came from private companies and associations. The other half came from the Ministry of Agriculture, the Ministry of Production Activities, and the regional governments' budgets.

About one-third of ICE expenditures on food, beverages, and agricultural products, was spent on wine promotions (workshops, wine tastings, or point-of-sale promotions). Wine promotion focused on the United States, the UK, Canada, Switzerland, and Japan, but emerging and other Asian markets including China were targeted for some Italian wine promotions. ICE also financed trade missions to Italy, especially for reporters from the food and beverage press. Italian promotions of food and wine were also tied to Italian tourism promotion.

The ICE spends 22 percent of its promotional budget in the United States. Europe takes a little over one-fourth of promotions, and Asia (mostly Japan) follows with less than a fourth of the expenditures. All other countries comprise another quarter.

Italy's top buyer of wine is the EU, with 2003 exports of \$1.67 billion. In 2003 Italy exported \$815 million in wine to its second largest customer, the United States. Other third country importers of Italian wine were Switzerland (\$205 million), Canada (\$148 million), and Japan (\$135 million). Wine grapes are grown in all 20 Italian regions. Italy's exporters of food and wines frequently link tourism and foods to regional culture. Italy's agricultural leadership also encourages producers to develop "traditional specialties."

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<sup>14</sup> Web site is at <http://www.ice.gov.it/>. The English language Web site is at <http://www.italtrade.com/>.



The support of these types of regionally identified foods and beverages continues to be of paramount importance to Italy. In 2004 they will be promoted in a new way, with an internet gateway, [www.naturalmenteitaliano.com](http://www.naturalmenteitaliano.com), funded by the Ministry of Agriculture, but administered by ISMEA, the national services for agriculture and food agency, and by Buonitalia, [www.buonitalia.com](http://www.buonitalia.com), a new institution. Buonitalia's funding is hard to track because it is jointly owned by shares, some owned by government and industry. ICE, the Agriculture Ministry, and Productive Industries Ministry, along with the regions continue to be involved in export promotion.

## Netherlands

The Netherlands is a key player in world agricultural trade. It is the third largest agricultural exporter (after the United States and France), with over \$45 billion in exports annually. It also has the highest trade surplus in agriculture, of about \$18 billion. (These figures include trade with other European Union (EU) member states.) The Dutch Ministry of Agriculture, Nature & Food Quality funds € 7 million (\$8.4 million) annually for export promotion activities. Industry funds of the Dutch Product Boards, mostly sourced from the sector, are declining each year and totaled € 47.3 million (\$45 million) in 2002. About half of the budget is aimed at the German market. The centralized private sector portion of funding declined slightly by € 2 million to € 47.3 million (\$45 million). The private sector's promotion budget for 2003 was expected to decline further. This is likely due to individual companies increasingly taking over responsibility for product promotion in foreign markets. Little of the Ministry of Agriculture's funding (some € 140,000 or \$133,000) was targeted to promotions in the United States.

### Dutch Ministry of Agriculture, Nature & Food Quality

<http://www.minlnv.nl/international/>

The Ministry of Agriculture, Nature, and Food Quality is the government agency responsible for promoting Dutch agricultural products. In 2002, the Department of Trade and Industry in the Ministry allocated € 7 million (\$6.7 million) for export promotion. In addition, the Dutch Ministry of Agriculture has funding for market research with an annual budget of about € 3.5 million (\$3.3 million) and demonstration centers in China and Vietnam at € 400,000 (\$380,000). The Ministry of Agriculture performs these services:

- Encourages corporate social responsibility in the private sector
- Stimulates innovation
- Supports the reorganization of the horticulture, livestock, and fishery sectors
- Supports the use of export promotion tools

Much like USDA's Foreign Agricultural Service, the Ministry of Agriculture works with its 40 offices worldwide to assist Dutch agricultural small- and medium-sized enterprises in their foreign markets.

Important tools include trade missions, trade contact meetings, seminars, symposia, and market surveys. Since 1999, Dutch promotion policy has focused on the German market with the 4-year program "Masterplan Nachbarland Niederlande." In 2002, expenditures of the Ministry of Agriculture on bilateral economic corporation were € 3.79 million (\$3.6 million), and on "Masterplan Nachbarland Niederlande" € 3.39 million (\$3.2 million). In emerging markets, the Dutch Ministry of Agriculture gives special attention to the promotion of Dutch expertise and technology instead of export promotion of food products. At the moment, four "expertise centers" are operational.

The Dutch Ministry of Agriculture promotes Dutch agricultural products mainly at U.S. agricultural product exhibitions and trade fairs, like the Fancy Food Show. Products typically promoted include biscuits, chocolates, cookies, beer, cheese, fruits, and vegetables.

### Dutch Product Boards

The Product Boards represent all activities of farmers, traders, slaughterhouses, processors, distributors, and retailers. They are quasi-governmental trade organizations authorized to create standard rules and regulations pertaining to their products/commodities. Promotional outlays by product boards are financed primarily through producer check-offs and levies. The European Commission (EC) contributes a relatively small share of the budget, about € 360,000 (\$342,000). The private sector's funding declined 4 percent in 2002 to € 47.3 million (\$45 million) and likely declined further in 2003.

The bulk of the Product Boards' market promotions are aimed at other EU countries. However, export promotion activities are increasingly being shifted to individual companies. Product Boards are seeking

to retain their importance and will probably increase their input in other activities such as development and management of quality-assurance systems, stimulation of research and innovation, and market research and communication.

## Horticultural products

Horticultural products receive the most promotional support, reflecting the importance of these industries to the Dutch agricultural economy. The Product Board for Horticulture<sup>15</sup> has a strong international network for the promotion of Dutch horticultural products. The Dutch ornamental sector consists of about 55,000 relatively small companies, which require centralized market promotion. One of the main promotion activities of the Product Board is the Floriade, a decennial flower show and one of the largest in the world. The Floriade 2002 attracted 2.3 million people from all over the world. The horticultural sector contributed 10 percent of the total budget, € 11 million (\$10.4 million). The Dutch Government provided € 700,000 (\$665,000) to the Floriade. The promotional budget in 2002 of € 39.3 million (\$37.3 million) was allocated amongst the following groups:

- Flowers by the Flower Council of Holland (BBH). The BBH had a promotion budget of € 24.8 million (\$23.6 million). During 2003-2005, the EC will contribute € 239,000 (\$227,000) to the promotion activities of the BBH. The BBH provides most of its promotional budget for Germany, France, the United Kingdom, and Italy. Promotional activities consist of consumer advertising, trade promotion, and public relations. An estimated € 1 million (\$950,000) is allocated for promoting Dutch ornamental flowers, bulbs, and plants in the United States.
- Flower bulbs by the International Flower Bulb Centre (IBC).<sup>16</sup> The IBC had a promotion budget of € 8.3 million (\$7.9 million) in 2002. The budget of IBC is primarily used for public relations, trade advertising, and exhibitions, especially in other EU member countries. According to the Dutch Ministry of Agriculture, the IBC is the only promotion organization with a specific budget and strategy for the United States, with 2002 export promotion expenses of € 225,000 (\$214,000).
- Trees by Plant Publicity Holland (PPH). PPH had a promotion budget of € 2.4 million (\$2.28 million) in 2002. PPH promotes Dutch ornamental trees and shrubs in the Netherlands and foreign markets. The majority of the budget is intended for EU markets.
- Fruits and vegetables by the Dutch Fruit and Vegetable Information Bureau (VGF).<sup>17</sup> The VGF had a promotion budget of € 3.4 million (\$3.23 million) in 2002. During 2003-2005, the EC will contribute € 1.5 million (\$1.65 million) to the promotion activities of the VGF. Promotions of the VGF are mainly focused on the domestic market.

## Grains and Other Arable Crops

The Main Board for Arable Crops (except oilseeds) provides a range of funds, paid by levies, to the sector. Part is spent on the promotion of flax, seed potatoes, and potatoes for consumption, and onions. The total budget for these promotion funds in 2002 was € 4.2 million (\$4 million). During 2001-2003, the EU Commission contributed € 133,000 (\$135,000) to the promotion activities of the Netherlands Institute for the Promotion of Arable Crops, which promotes potatoes and onions.

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<sup>15</sup> The Web site for the Product Board for Horticulture is at <http://www.tuinbouw.nl/default.htm>.

<sup>16</sup> The Web site for the International Flower Bulb Centre is at <http://www.bulbsonline.org/>.

<sup>17</sup> The Web site for the Dutch Fruit and Vegetable Information Bureau is at <http://www.vgf.info/>. The English language version is at <http://www.fruitandvegetables.org.uk/>.

## **Meat, Poultry, and Eggs**

<http://bedrijfsnet.pve.agro.nl/eng/>

The Product Board for Livestock and Meat and the Product Board for Poultry and Eggs conduct market research and contribute to sales promotion activities for the Dutch meat and poultry sectors. Since 2001, these Product Boards have been totally independent and receive no Dutch government financial support. Their promotional budgets in 2002 totaled € 10.6 million (\$10 million). In 2002, € 450,000 (\$428,000) was budgeted for live cattle exports, and € 6.81 million (\$6.47 million) was allocated for promotion of meat and poultry products in foreign markets. About a fifth of the budget is intended for the promotion of poultry and eggs. The campaign for poultry products is mainly focused on German importers and retailers.

Several other smaller organizations are also involved in export promotion in these sectors, including:

- Information Center for Dutch Cattle, responsible for sales promotion of breeding cattle
- Dutch Livestock Export Association, which promotes live pigs in other EU member states
- Dutch Meat Bureau, which promotes Dutch fresh and canned meats, as well as meat by-products

## **Fishery Products**

<http://www.dutchfish.nl/www/english/default.asp>

In 2002, the Fish Board provided € 631,000 (\$600,000) for generic seafood promotions through the Dutch Fish Marketing Board (SNV). SNV's objective is to increase consumption with the younger generation, through ads on radio and television. The starts of the mussel and raw herring seasons involves numerous festivities, organized and funded by the Dutch Fish Marketing Board, with a lot of press coverage. Since Belgium and France are important markets for Dutch mussels, several campaigns on radio and television were conducted there as well.

## **Dairy Products**

<http://www.prodzuivel.nl/>

The Dutch Dairy Board is financially independent from the government. Its promotional budget in 2002 for the domestic and export markets was € 5.9 million (\$5.6 million). Their budget is mainly used for educative material for the Dutch consumer. A small part of the budget is used for branding of Dutch cheese and butter on the German market. The Dutch dairy sector is dominated by two cooperatives, Royal Friesland and Campina. Both dairy companies are focused on international markets and on private label brands. Consequently, the private sector increasingly prefers to promote their products independently, without assistance from the Dutch Government and the Dairy Board.

## Portugal

While Portugal is a significant net importer of agricultural, forestry, and fishery products (with an annual trade deficit in these sectors of some \$3 billion), it has a comprehensive government economic development policy that promotes exports in farm, forestry, and seafood products. In 2002, ICEP Portugal, the government agency responsible for promotion of agricultural, forestry, and fishery products, carried out activities valued at \$3.6 million. About \$700,000 was devoted to activities in the United States.

### National Strategy

The government agency ICEP Portugal<sup>18</sup> promotes agricultural, forestry, and fishery exports. It is attached to the Office of the Secretary of State for Trade and Tourism of the Ministry of the Economy.

ICEP has 38 offices abroad; 15 are located within the EU and support ICEP Portugal's promotional activities. Promotion of agricultural exports is just part of its overall economic development strategy, which includes promoting and publicizing the following national economic activities:

- International investment flows
- Trade of goods and services
- Tourism

Overlaying all efforts is the "Image of Portugal Abroad." ICEP Portugal hopes to recast the image of Portugal. The symbol developed to promote this brand, **Marca Portugal** (Portugal brand, a capital P within a circle), can be used either by any company or agent wanting to promote any sector of the Portuguese economy abroad.

Of the \$157 million budget for 2002, only \$3.1 million was spent on the promotion of agricultural, forestry, and fishery products. Due to overall public spending cuts, ICEP Portugal encourages private sector trade associations to apply for European Union (EU) subsidies.

Priority agricultural products include tomato paste, olive oil (with emphasis on the Brazilian market), dairy products (particularly cheese), fresh fruits (mainly pears - Pera Rocha), wine (both table and Port), and mineral water.

ICEP Portugal's promotional activities include sponsorship and participation in trade fairs, points-of-sale promotions, trade missions, public relations activities (mainly for wine), some market research, and direct assistance to exporters. ICEP does not provide any direct funding to companies that participate in ICEP promotional activities. The level of subsidy that ICEP provides to show participants decreases incrementally after the second trade show.

Some of the ICEP Portugal's promotional activities are with trade groups where ICEP provides only logistical support, serving as the liaison between the trade group and the other individuals/companies involved. The trade associations and individual companies apply for EU subsidies for promotional activities.

The primary target markets for promotion activities are EU member countries, particularly Spain, as well as Brazil, Japan, and the United States are considered target markets for Portuguese agricultural products. Major emphasis is placed on participation at trade shows, sponsoring trade teams and advertising.

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<sup>18</sup> The Web site for ICEP Portugal is at <http://www.icep.pt/>. The English language Web site is at <http://www.portugalinbusiness.com/>.

During 2003, ICEP Portugal trade show participation focused mostly on wine shows in the EU and the United States, as well as Lisbon's Alimentaria and ANUGA (the biennial German trade show). In 2004, ICEP Portugal followed this trend with more wine show participation as well as Alimentaria Barcelona and SIAL Paris.

## **Wine Promotions**

In 2002, ICEP's budget for promotional activities in the United States decreased by 16 percent to \$700,000. The products most heavily promoted were table and Port wines. ICEP activities conducted for table and Port wines include participation at wine fairs, wine tastings, in-store promotions, reverse trade missions, and sponsorship of certain events. ICEP Portugal has a contract with several public relations companies to introduce and develop the market for Portuguese table wines.

Wine tasting and seminars were a part of trade shows in Boston; Washington, DC; and Vermont; as well as a wine tasting events in New York; at the Aspen festival in Colorado; and at the World Trade Center in San Francisco. ICEP Portugal has two U.S. offices, in New York and San Francisco.

## Spain

Spain is a significant agricultural exporter, at \$22 billion in 2003, with a trade surplus of \$7.1 billion. Spanish government funds for promotional activities of foodstuffs abroad in 2002 amounted to \$32 million. Sectoral plans and official pavilions in international food and beverage fairs are the main promotional activities. Wine, citrus, other fresh and processed fruits and vegetables, and olive oil were the major products promoted.

### National Strategy

Spain's market promotion strategy is focused on its most competitive products and its major export markets. The main foodstuffs promoted are fresh fruit and vegetables (primarily citrus, deciduous, table grapes, asparagus, melons, lettuce, and tomatoes), canned fruits and vegetables, almonds, canned fish, wine, olive oil, Manchego cheese, Serrano ham, and sausages. The main target markets for promotions are EU member countries, North America, China, Japan, the Middle East, Latin America, and Central Europe. Agricultural products are an important component of Spain's external trade, accounting for about 14 percent of total exports, which were valued at \$156 billion in 2003.

The Spanish Foreign Trade Institute (ICEX)<sup>19</sup> is the government agency that promotes exports for all goods, including agricultural, food, and fishery products. ICEX's budget for 2002 (including overhead) was € 184 million (\$175 million); of this amount, € 33.3 million (\$31.6 million) was used to promote agricultural, food and fishery products abroad. No funds are available for the promotion of wood products.

The Institute's promotional activities abroad are supported by 11 promotional centers, 7 of which are food/beverage-related (located in New York, Toronto, Düsseldorf, The Hague, London, Paris, and Milan) and by 80 trade offices around the world.

While objectives and activities are similar, ICEX programs are not exactly comparable to any U.S. programs, since ICEX does not provide any direct funding to individual companies or organizations. Rather, programs are "coordinated" with these groups and tend to be generic in nature. Reportedly, the impetus for conducting a particular marketing activity generally comes from the sectoral groups.

### Sector Organizations

Promotional activities of ICEX in conjunction with industry associations include sponsorship of and participation in trade fairs, point-of-sale promotions, market research, trade missions, training, and direct assistance to exporters.

The main industry associations involved with ICEX in promotional activities are as follows:

- The Citrus Board INTERCITRUS<sup>20</sup> spent \$3.5 million last year on an advertising campaign abroad; this was co-financed by ICEX. Some \$700,000 were used to a promotion campaign for clementines in the U.S. during November and December of 2002.
- The Olive Oil Trade Association ASOLIVA,<sup>21</sup> in conjunction with ICEX, carries out campaigns in overseas, including selected EU countries, Japan, Brazil, the United States, Australia, and China. The total annual budget for olive oil promotion is about € 7 million (\$8.5 million), of which € 4 million (\$5 million) is government funds and the remaining € 3 million (\$3.5 million), industry's contribution.

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<sup>19</sup> The Web site for ICEX is at <http://www.icex.es>.

<sup>20</sup> The Web site for Intercitrus is at <http://www.intercitrus.org/ndsite.php?lang=en>.

<sup>21</sup> The Web site for Asoliva is at <http://www.asoliva.com/ingles/home.htm>.

- Various Spanish WINE APPELLATIONS OF ORIGIN (such as Rioja, Ribera del Duero, Castilla-La Mancha), in conjunction with ICEX, carry out promotional activities in foreign countries.
- Other organizations that normally carry out promotion activities co-financed by ICEX include CONXEIMAR (canned fish) and several Cheese Boards.

During 2002, ICEX, in conjunction with industry associations, participated in international food and wine trade shows worldwide, including SIAL Paris, SIAL Shanghai, Fancy Food San Francisco, Fancy Food New York, and Vinitaly Verona.



## Sweden

Sweden is a net importer of agricultural products, with 2003 imports of \$5.6 billion exceeding exports by \$3.3 billion. It is, however, a net exporter of forestry products, which accounted for almost \$3.6 billion in 2003. In Sweden, direct government export promotion funding for agricultural products is limited, at about \$500,000.

### National Strategy

Government support is channeled through the Ministry of Agriculture, Food and Fisheries (MAF). MAF has been partially funding the activities of an organization called Food from Sweden (FFS).<sup>22</sup> The project aims to expand exports of processed agricultural and fishery products manufactured primarily from Swedish inputs. FFS assists Swedish companies with their exports to targeted markets, mainly countries within Europe. FFS organizes activities such as educational programs, seminars, and trade fairs.

FFS strengthens the image of Swedish food abroad through promoting the Swedish Model, which emphasizes food safety, non-use of antibiotics in animal feed, animal welfare and safeguarding the environment. In 2002, the Swedish Government's funding to FFS amounted to SEK 5 million (\$500,000). Private funding came to SEK 30 million (\$3 million). After years of diminished government financing, Sweden has decided that the food industry is one of the most promising export industries in Sweden. This conclusion is reflected in the government's recent promise of additional government funding to FFS. Should the government keep its promise, FFS will receive an additional SEK 30 million (\$3 million) over a period of 3 years, starting in 2004.

FFS is using only generic advertising for its activities, while participating companies may advertise their own brands. In 2002, targeted markets were the United Kingdom and Germany. Trade fairs and in-store promotions are its main activities. In 2002, FFS was present at the following fairs: ISM in Cologne (confectionary fair); Grüne Woche in Berlin; International Food and Drink Exhibition in London; World of Private Label in Amsterdam; Fancy Food Show in New York; SIAL in Paris; and ANUGA in Cologne.

### The Nordic Timber Council

<http://www.nordictimber.org/ntc/index.asp>

Sweden provides no government support for wood product export promotions. The forestry industries in Sweden, Finland, and Norway are, however, through the Nordic Timber Council (NTC) promoting the use of sawn wood. NTC emphasizes the structural qualities of Nordic pine and spruce and conformance with production and harvest methods consistent with environmental considerations.

Almost entirely financed by the sawmill industries in these three countries, NTC distributes information materials at trade fairs, conferences, and seminars, and directly to the timber and furniture industry, architects, builders, and consumers. NTC has offices in the Netherlands, United Kingdom, France, Spain, and Germany. Its headquarters is in Stockholm.

The focus of NTC activities is the United Kingdom, Japan, China, and the United States. Since the European market is saturated, NTC is also focusing attention on markets where wood has the greatest growth potential (e.g., where the use of nonwood building materials dominate). One of the main activities is working with governments to seek regulatory approval for use of their products in the construction trade.

In 2002, NTC's total budget was \$6.3 million, of which \$3.2 million was contributed by the Swedish industry, \$2.4 million by the Finnish industry and \$700,000 by the Norwegian industry.

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<sup>22</sup> The Web site for Food From Sweden is at <http://www.foodfromsweden.com/>.

## United Kingdom

The United Kingdom (UK) is one of the world's largest agricultural importers, with imports exceeding exports by \$23.1 billion in 2003. Still, UK exports in agriculture surpassed \$11.8 billion that year. There are two overarching agricultural marketing operations in the United Kingdom: Food from Britain<sup>23</sup> and the Department of Environment, Food, and Rural Affairs.<sup>24</sup> The major commodity-specific organizations promote meat, salmon, and fish. UK promotions focus primarily on markets in Europe and Asia and to a lesser extent, North and South America.

### National Strategy

UK efforts to promote domestic and export sales of agricultural products have undergone a considerable change recently. The Department for Environment, Food and Rural Affairs (DEFRA) sponsored a new organization, the International Agriculture & Technology Centre (IATC).

Also, Food From Britain (FFB), a quasi-governmental agency headquartered in London, recently closed local offices in Switzerland, Japan, and Poland and opened new ones in Central Europe (Poland, The Czech Republic, and Hungary) and Asia Pacific (Hong Kong and Greater China, Southeast Asia, Japan, and Australia). The Nordic office extended its coverage to Finland and Norway and opened a new office in Sweden. Other offices include Belgium, France, Italy, the Netherlands, North America (Riverside, Connecticut, and Half Moon Bay, California), Portugal, and Spain.

FFB's budget for FY 2002/03 (April - March) was UK£10.8 million (\$18.7 million). UK Government funding amounted to UK£6.2 million (\$10.7 million). The remaining UK£4.9 million (\$8.5 million) came from industry membership fees, third party contributions to export and domestic marketing projects, consultancy fees, publications, and exhibition fees. FFB's budget for North America was not available.

The Foot and Mouth Recovery Plan (a special effort run by FFB to counteract the bad publicity and market closings resulting from the recent disease outbreak) received funding from DEFRA (UK£ 0.5 million (\$770,000) in 2002/03, down from UK£ 2.5 million (\$3.6 million) in 2001/02) to assist the UK food industry to recover from the impact of the disease. In 2002/03, most funding was used overseas; only 3 percent was utilized on activities within the UK.

Food from Britain has three divisions: exhibitions, specialty foods, and consultancy. In the exhibitions category, FFB receives financial support from the Department of Trade and Industry. Typical activities include trade show support and overseas in-store promotion assistance to UK exporters. In 2003, the specialty division secured UK£ 3 million (\$5.2 million) to help regional producers develop their markets, both overseas and in the United Kingdom. Export consultancy manages initial market appraisals, market selection and entry, consumer studies, and key account management for UK exporters. In addition, export seminars are conducted at different venues across the UK. These seminars focus on particular export regions/markets and feature presentations given by FFB directors. Promotions and budgets are not product specific but rather cover the entire British food and beverage range. None of the programs provides funds to private companies or branded programs.

### Department for Environment, Food and Rural Affairs (DEFRA)

DEFRA sponsors the International Agriculture & Technology Centre (IATC). The IATC is co-sponsored by UK Trade and Investment, the Royal Agricultural Society of England, and Advantage West Midlands. The IATC's conducts overseas fact-finding missions, attends trade shows, and conducts ministerial missions.

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<sup>23</sup> The Web site for Food From Britain is at <http://www.foodfrombritain.com/>.

<sup>24</sup> The Web site for DEFRA is at <http://www.defra.gov.uk/>.

## **Home Grown Cereals Authority (HGCA)**

<http://www.hgca.com/>

Cereals export promotion is carried out via the British Cereal Exports (BCE) division of the Home Grown Cereals Authority (HGCA), a quasi-governmental organization. BCE provides information to overseas buyers on the quality and availability of UK grain, attends trade shows, organizes trade missions to new markets, maintains new markets, and generally increases the profile of UK cereals. These activities are focused on the European Union (EU) (Italy and Spain), North Africa (Morocco and Tunisia), and China. BCE's funding is via a statutory levy on growers, dealers, and processors of cereals with no government contribution. In 2002/03, BCE's budget for export promotions remained at UK£ 347,000 (\$600,000).

## **Meat & Livestock Commission (MLC)**

<http://www.mlc.org.uk/>

The Meat and Livestock Commission (MLC) is levy-funded and engages in generic advertising and promotion on behalf of the industry including meat producers, breeding stock and genetics, meat plants, and abattoirs. With respect to export promotion, only producers and abattoirs contribute. For FY 2002/03 (Feb-Mar) UK£ 1.8 million (\$3.1 million) was budgeted, slightly down from the previous marketing year. The marketing focus is heavily European, with offices in Brussels and Paris, and agents in several other European countries. Typically, MLC provides trade-servicing assistance to UK suppliers and overseas buyers through conferences, trade shows, and trade missions.

## **Scottish Quality Salmon (SQS)**

<http://www.scottishsalmon.co.uk/>

SQS represents the Scottish salmon industry and provides support through information and technical support unavailable elsewhere. The organization improves the quality and sustainability of salmon farming, and its membership represents 65 percent of industry output. In addition to salmon farmers, SQS has members throughout the supply chain, including feed companies, salmon smokers, and processors. SQS maintains the Tartan Quality Mark. This recognized trademark assures retailers and consumers that food certification inspectors have overseen all aspects of husbandry, temperature, hygiene control, processing, and handling.

The assurance and quality of Scottish salmon is important in France, where Scottish salmon is accredited by the Label Rouge scheme. Despite the current surge in sales to the United States, SQS will reportedly continue to focus its export program on Europe.

## **Sea Fish Industry Authority (SFIA)**

<http://www.seafish.org/>

SFIA is a levy-funded trade association for promotion of domestic and export sales. Strategy focuses on pelagic species, through a package of market development activities. Trade missions and representation at appropriate overseas exhibitions are offered to the trade. SFIA also maintains a database of UK processors with information on their export capabilities. Suppliers are also given assistance in finding buyers.

## **EU Commission Funding of Export Promotions**

Since 1999, the European Union (EU) Commission has funded agricultural promotions in non-EU countries. Council Regulation 2702/1999 allows certain activities, including public relations, promotional or publicity measures, that highlight the advantages of Community products, especially in terms of quality, hygiene, food safety, nutrition, labeling, animal welfare, or environmental friendliness. Trade shows, information campaigns, and new market studies are also permitted activities.

Measures are cost shared up to 50 percent by the EU, with the sponsor or member state picking up the remainder. The EU can finance certain specific measures (information on EU quality and labeling systems, high-level visits, studies) at 100 percent.

In late October 2003, the Commission approved € 11.6 million (\$13.6 million) of funding for 7 of 10 proposals submitted to promote European agricultural products outside the EU. EU funding was € 5.8 million (\$6.8 million); the rest was from the exporter, local member state, or association getting the funding. In early 2004, an additional five of six applications were approved. Products covered in the new programs are wine, fruit and vegetables, cheeses, olive oil, organics, and ham. The countries targeted are the United States, Canada, Japan, the Middle East, Switzerland, Russia, Australia and Norway. The EU will contribute about half - € 2.9 million (\$3.1 million), with the rest coming from the exporter, local member state or association getting the funding.

# Activities and Expenditures of Cairns Group Countries

## Argentina

Argentina is one of the world's largest agricultural exporters, and in 2003 the country had agricultural exports of \$14 billion and an agricultural trade surplus of \$13.2 billion. In addition to major bulk commodities like wheat, soybeans, soybean meal, soybean oil, and corn, Argentina is a major exporter of meat, fresh fruit, dairy products, and wine.

### National Strategy

The Government of Argentina continues to focus on market promotion for high-value products through public/private sector partnerships. The chief government-assisted programs include Fundación Export.Ar, which is federally and privately funded, the Secretariat of Agriculture, and the Secretariat of Small and Medium Enterprises (Secretaria de la Pequeña y Mediana Empresa). Provincial governments also provide limited support. Total promotional funding for these programs was approximately \$5 million for 2002. The markets most targeted are the European Union (EU), the United States, and Latin America (primarily Brazil). An estimated \$1.4 million was spent on direct promotional activities in the United States.

### Fundación Export.Ar

<http://www.export-ar.org.ar/>

Formally administered and funded by The Ministry of Foreign Relations, Fundación Export.Ar is a non-profit organization maintained by the government and the private sector to promote all Argentine products internationally. Export.Ar is made up of members of the Ministry of Foreign Relations, private sector banks, exporter associations, and industry and agribusiness lobby groups. With a total budget of approximately \$3 million, the main activities consist of participation in food shows and sales missions. Market intelligence via briefs, reports, and seminars are another key role for the marketing arm. This group continues to focus on the EU, the United States, Brazil, Japan, Korea, China, and Singapore. The group supports a large variety of products from year to year; however, foods and beverages (primarily wine) account for half of the total activities.

Another key role is getting companies ready to export. Activities include seminars on health and quality standards, best practices, Hazard Analysis and Critical Control Point (HACCP), foreign government regulations, determining an export price, and commercial credit terms.

Argentina is forging a new strategy to capitalize on increased consumer interest in wholesome foods by promoting its products as "natural" and organic. As a low-cost and low-input producer, this approach attempts to differentiate Argentina as a provider of natural foods. Organic production is expanding to take advantage of increasing opportunities and because conversion to organic production is fairly easy.

Export.Ar provides assistance in:

- Market information in specific foreign markets
- Information concerning regulations, customs tariffs, and other trade-related information
- Information on the macroeconomic situation of the country, industrial sector, statistics
- Planning overseas business trips
- Planning trade missions
- Participation in trade shows
- Seminars on the market for exports of a range of products

The government of Argentina also offers credit for trade fair participation. Export.Ar also assists foreign importers in finding Argentine suppliers and services.

There are 61 Export.Ar offices throughout Argentina, with market database links to over 120 diplomatic offices overseas. Agriculture-related events during 2003 included officially sponsored pavilions at 12 trade shows (three in the United States), including ANUGA, BioFach, PMA, and the Americas Food & Beverage Show. They also sponsored a reverse trade mission with 11 executives from supermarket chains in Brazil, Chile, and Peru, with 80 companies participating.

### **Secretariat of Agriculture**

The Secretariat of Agriculture also has a small role in export promotion, supporting non-traditional agricultural products in foreign markets. Examples of these products include Patagonian lamb, beef, and organic products. In past years, the Secretariat of Agriculture has promoted fish, spices, fruits, vegetables, flowers, and animal products by offsetting travel costs for attending international fairs (up to 50 percent of per diem and ticket) and purchasing space and allocating it to exhibitors at fairs. This program has received loans from the World Bank and the Inter-American Development Bank during the 1992-1997 term. Since then, PROMEX, a branch of the Argentine Secretariat of Agriculture, has funded activities until additional international money is secured. The program does not operate from any specific fund and likely did not exceed \$150,000 in 2002.

### **Secretariat of Small and Medium Enterprises**

The Secretariat of Small and Medium Enterprises program is available to first-time exporters of agricultural and other products. Each company is given direction and expertise through a coordinator who assists throughout the entire exporting process. The Secretariat of Small and Medium Enterprises is funded through tax rebates at about \$14,000 per program.

### **Local Governments**

Local governments in Mendoza, Cordoba, Santa Fe, and the city of Buenos Aires also have export promotion programs for their products. In most cases they are mixed programs (with government and private support). Their products and budgets vary every year and are very difficult to track.

There are also a few product associations that promote their own products. This is the case of wine and beef (launched in 2003).

## Australia

Australia is one of the world's leading net agricultural exporters, with a positive balance of trade of \$11 billion in 2003 and agricultural exports of \$14.7 billion. Besides being a leading exporter of such bulk products like wheat and cotton, Australia is a leader in meat, dairy, wine, and cheese. Market development has focused on productivity and response to market signals. With 70 percent of most commodities geared for the export market, continued promotional investment is expected. Australia has found that promoting itself as a "Clean-Green" producer has aided the perception of quality and safety. Emphasis is given to the nearby Asian markets and to high-value quality products.

The Australian government takes a back seat to private industry in its support of exports. It reimburses small- to medium-sized companies for part of their export promotion activities. In most cases, promotional support is provided primarily by producer-based organizations funded by grower levies collected under statutory authority. Because many commodity organizations have privatized, promotional spending is difficult to calculate. As a result, private sector spending has appeared to decline from previous reports. This is highly unlikely. The national government funds a National Food Industry Strategy to help Australia compete in the global food market. Also, single desk sellers (state trading enterprises)<sup>25</sup> create a monopolistic form of marketing that effectively controls supply and price.

### National Food Industry Strategy (NFIS)

<http://www.nfis.com.au/>

NFIS is an industry-led company funded by the Department of Agriculture, Fisheries and Forestry<sup>26</sup> to be a "change agent" in the Australian food industry, started in 2002 and funded at A\$102.4 million (US\$60 million) over 5 years. The NFIS covers processed food, beverages, processed ingredients, horticulture products, and supplier industries (bulk products). Developed under the leadership of the National Food Industry Advisory Council, NFIS has set a long-term goal to become "a significant global player with a sustainable and profitable role in the global food production system."

Funding has been provided for the following key associated programs:

- A\$47.1 million package aimed at stimulating innovation by Australian-based firms
- A\$12.4 million "centers of excellence" initiative
- A\$34.7 million innovation grants program
- A\$17.1 million to continue and expand the Technical Market Access Program
- A\$5.3 million to establish a Food Industry Market Development Program
- A\$2.5 million to increase Australia's capacity to pursue its objectives in international standard-setting bodies
- A\$15.6 million initiative to strengthen the integrity of Australia's food products
- A\$14.7 million to establish and operate the new Council and to fund other tasks to support its work.

### Australian Trade Commission (Austrade)

<http://www.austrade.gov.au/>

Austrade is a business-focused statutory authority within the Foreign Affairs and Trade portfolio. Austrade is dedicated to helping Australian businesses--particularly small and medium enterprises (SMEs)--find export and investment opportunities overseas, through the resources of its offices in Australia and in 90 foreign cities. Austrade works closely with the Department of Industry, Science and

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<sup>25</sup> Some of the organizations are not technically part of the state, but rather have a monopoly license from the state to trade on behalf of the industry.

<sup>26</sup> Web site is at <http://www.affa.gov.au/>.

Tourism to attract inward investment. Austrade's Export Finance Assistance Programs division provides financial assistance to encourage small and medium Australian businesses to export. It does this principally through the Export Market Development Grants (EMDG) program.

The EMDG program reimburses some of the marketing costs new exporters incur in marketing. The program is open to all businesses meeting the criteria set out in the EMDG Act 1997. Australian-based firms exporting Australian goods, services, intellectual property rights, and know-how must have export sales under A\$25 million (US\$13 million) per annum and income under A\$50 million (US\$26 million) per annum. A grant can be up to 50 percent of export promotional expenditure after the first A\$15,000 (US\$7,860) is deducted.

For SMEs, the funding levels are gradually reduced after the third grant. After the seventh grant, the company is no longer eligible to receive funding. The grant ceiling is A\$50,000 (US\$26,200) per grant year.

In 2001/02, A\$142.9 million (US\$74.9 million) in EMDG grants was paid to 3,078 recipients in all sectors. Austrade does not report individual grants, nor totals by sector.

Major Australian producer promotion boards include AWB Ltd, Meat & Livestock Australia, Dairy Australia, Australian Pork Limited, Horticulture Australia Limited, Australian Wine and Brandy Corporation, and the Woolmark Company.

## **AWB Ltd**

<http://www.awb.com.au/AWBL/launch/>

AWB (formerly known as the Australian Wheat Board) has transitioned from statutory authority to a grower-owned and controlled company. It markets and sells wheat on behalf of Australian wheat growers to more than 50 countries and 100 individual customers. It provides international sales and marketing services with a goal of maximizing returns to growers who deliver to the National Pool. This group has expanded its international presence in Asia as well as in European and North African markets. It has also started a branded promotion program in Indonesia, where it has a license agreement with Bogasari Flour Mills. As a part of the agreement, Bogasari will use a minimum of 60-percent AWB wheat in its grist.

## **Meat and Livestock Australia (MLA)**

<http://www.mla.com.au/>

MLA is another privatized commodity board that is now a producer-owned company. It provides services to red meat (beef, mutton/lamb, goat) industries, including producers, processors, exporters, live animal exporters, and retailers. MLA's major activities include improvements in market access, building demand for Australian red meat, and conducting research and development. MLA is primarily funded by a transaction levy paid by producers on livestock sales, supplemented by cooperative contributions from individual processors, wholesalers, food service operators, and retailers. Processors and live animal exporters pay levies voluntarily to MLA.

MLA conducts market research, market promotion, and trade support activities domestically and in major foreign markets. In addition to its head office in Sydney, MLA maintains offices in: Washington, DC, for the Americas; Frankfurt, Germany, for Europe; Tokyo, Japan, and Seoul, Korea, for Asia; and Manama, Bahrain for the Middle East and Africa. In addition, MLA has trade representatives located in Singapore, Malaysia, Indonesia, the Philippines, Hong Kong, and Taiwan.

MLA has designed an international beef promotion campaign to secure markets in Japan, Korea, Taiwan, United States, South Africa, and the Middle East. It has specific strategies for each market. Following the 2001 BSE outbreak in Japan, the strategy there changed to activities that would reassure Japanese consumers that Australian beef is safe and free of BSE.



After the removal of the U.S. import tariff-rate quota for sheepmeat in November 2001, MLA developed a strategy focused on expanding retail and foodservice customer bases in the United States, particularly for Fresh Australian Premium Lamb. This strategy included the use of magazine advertising.

## **Dairy Australia**

[http://www.dairyaustralia.com.au/template\\_home.asp](http://www.dairyaustralia.com.au/template_home.asp)

On July 1, 2003, the Australian Dairy Corporation and the Dairy Research and Development Corporation merged to become Dairy Australia (DA). DA is a Commonwealth statutory marketing authority operating under powers granted by the Dairy Produce Act 1986. The objective of DA is to enhance the profitable production and marketing of Australian dairy products to increase returns to both the farm and manufacturing sectors. Its international trade development programs work to improve the long-term international trading environment for Australian dairy products. The overall strategic objective of these programs is to maximize profitable trading opportunities for Australian dairy products in international markets. Dairy Australia is funded by the Australian dairy industry and by its own trading activities. The Government provides no funds; however, DA works closely with the government in developing, implementing, and reviewing its work programs. Its main strategies are to:

- Expand long-term market access opportunities and rights in strategic markets by building the momentum for trade liberalization in multilateral trade negotiations
- Defend existing access and trading rights through direct bilateral representation
- Position Australia as a preferred supplier of dairy products in strategic markets through selected marketing and relationship programs
- Develop an interactive information exchange with key industry participants that assist stakeholders to make informed business planning, investment, and marketing decisions

DA has coordinated several missions to Europe to talk with key European Union (EU) government and industry groups about trade reform options. To build on previous efforts to establish international alliances, DA hosted missions from Argentina and Uruguay during MY 2001/02. These visits resulted in commitments to work jointly for reform throughout 2002 and 2003.

In China, the Corporation has a strong partnership with the China Dairy Industry Association, which helped secure participation of the eight major dairy firms from China. In Japan, the Corporation has traditionally focused on supporting Australia's cheese exports to this market. The Corporation also continues to publish and distribute the "Dairy Australia" magazine, which builds awareness and understanding of Australia's export capabilities among buyers in key markets. The magazine is published in five languages and distributed to over 3,000 dairy managers and opinion leaders in 20 international markets.

## **Australian Pork Limited**

<http://www.apl.au.com/>

Australian Pork Limited (APL) is a producer-owned, not-for-profit provider to the pork industry. APL has a contract with the federal government to allow it to administer marketing levies collected by the Commonwealth. APL is directly accountable to its levy-paying members for the programs delivered and money spent. During MY 2001/02, APL conducted export-marketing activities in Singapore and Japan. In Singapore, the main emphasis was on TV ads promoting the health and nutritious aspects of Australian air-flown pork. A program of AIRPORK tastings and integrated AIRPORK promotional programs were run in supermarkets throughout the year. Eight AIRPORK cuts were approved under the "Healthier Choice" program run by the Health Promotion Board in Singapore.

In Japan, an Australian Pork Handbook was produced and circulated among the Japanese trade. The handbook provided full details of the production processes for Australian pork from the producer to

processing and export stages of the supply chain. The Australian Pork Mark of Quality promotes Australian pork in Japan and is used on cartons of Australian pork and a range of point-of-sale materials. The mark of quality is also utilized during importer/exporter/retailer promotions.

## **Horticulture Australia Limited (HAL)**

<http://www.horticulture.com.au/>

HAL is the national research, development, and marketing organization for the horticulture industry, which replaced the Australian Horticultural Corporation (AHC) and the Horticultural Research and Development Corporation (HRDC) on February 1, 2001. HAL was established as a not-for-personal-profit company in accordance with the Memorandum of Understanding signed by 26 industry organizations. HAL is funded by grower levies.

HAL's market development team provides market research, advertising, and promotional programs for horticultural products in both domestic and export markets, and access to developing export markets.

In MY 2001/02, macadamia promotion programs in both domestic and overseas markets resulted in a 20-percent increase in in-shell prices. During the year, HAL helped to increase exports of stone fruit by 10 percent by building relationships with importers and their customers in Taiwan, trade receptions, and a communications campaign. The **AUSTRALIA**fresh program represented 60 percent of apple exports and ran 76 individual promotions in 13 markets.

## **Australian Wine and Brandy Corporation**

<http://www.awbc.com.au/>

The Australian Wine and Brandy Corporation (AWBC) is the government authority responsible for the promotion and regulation of Australian wine and brandy. It is primarily funded through levies on wine and brandy producers and exporters. An EMDG was provided to the Australian Wine & Brandy Corporation of A\$145,875 (US\$76,424). The Corporation's promotional arm, the Australian Wine Export Council (AWEC), through its offices in Australia, London, Frankfurt, Tokyo, New York, and Toronto, runs a series of wine promotion programs in a number of countries. It provides export assistance to Australian wine producers and produces point-of-sale material in a number of languages. One program with Australian and foreign embassies ensures that officials with access to suitable Australian wines promote both Australia and its products in their overseas postings.

A major activity remains the hosting and coordination of visits by key wine trade and media visitors to Australia's wine regions. 180 visitors were supported in MY 2001/02, including 43 from the UK/Ireland, 25 from Scandinavia, 10 from Germany, 32 from Netherlands/Belgium, 8 from the United States, 20 from Singapore, 16 from Austria, 5 from Canada, 5 from China, and 4 from Japan.

Broad-based promotional activities targeting the trade and the consumer market were used throughout the 2001/02 year in London, Frankfurt, Scandinavia, United States, Canada, and Japan. A variety of promotional themes targeted retail consumers and the trade such as international trade shows, wine tastings for retail and academia, food festivals, joint-product promotions, and seminars. During 2001/02, the AWB-USA Promotional Program had record support by member companies and funds subscribed. Major promotional and marketing activity included: Auswat Trade Tour to Australia; Australia Day Harvest Wine and Food Festival, New York; Bridal fairs in Los Angeles and Chicago; Wine Journalists Tour to Australia (3 persons); AWB Roadshow Tastings in San Diego, Phoenix, and Atlanta; "Wine Seasons of Australia," PR trade and consumer campaign (countrywide); and Wine and Food Media, and tastings.

In Japan during 2001/02, promotional activities were conducted to create greater consumer awareness in the market, highlighted by the inaugural Australian Wine Week.

## **The Woolmark Company**

<http://www.woolmark.com/>

The Woolmark Company is a commercial, for-profit business that evolved from the former statutory organization, Australian Wool Research and Promotion Organization. The company has more than 2 million issued shares and gets no direct funding from the wool levy. During 2001/02, Woolmark retail promotional events were conducted across 10 major countries throughout Europe, Asia, and the United States. National TV campaigns featuring Woolmark endorsement for department store promotions appeared in Europe, and home laundry new product launches were conducted in the United States, India, Japan, and across Europe.

The Woolmark Company used its contractual obligations to supply opening ceremony formal and casual wear for the Australian Olympic Team at the 2002 Winter Games in Salt Lake City. The team uniform was used as a proving ground for a range of new nonwoven wool fleece and high tech Sportwool™ developments. Alisa Camplin, the Australian gold medallist in aerial skiing at the Games, as the Woolmark ambassador achieved intense media interest on national TV in the United States. Woolmark will use feedback from the whole team to fast track innovations in reintroducing wool into the winter sports sector.

## **Brazil**

Brazil is one of the largest agricultural exporters in the world, with 2003 exports of \$21.1 billion and a balance of trade surplus in agriculture of \$17.4 billion. Major exports include soybeans, soybean meal, soybean oil, sugar, coffee, tobacco, as well as processed products like poultry, beef, pork, and fruit juices. The Brazilian government has become more aggressive in market promotion as a tool to expand overall exports. Agriculture and food sectors have received special support from the federal government. The National Export Promotion Agency, now renamed APEX-BRASIL, is expanding activities and devoting new resources for market promotion, providing \$40 million for agricultural promotions. State government agencies also provide \$10 million in support for agricultural exporters. Many sector organizations with active programs for export promotion add \$70 million in funding.

### **National Strategy**

The Brazilian strategy to expand overall exports was defined in 1998 with the Special Export Program (known as PPE in Portuguese), as an innovative strategy to increase exports through a joint effort between the public and private sectors. The federal government identified 18 agricultural sectors to receive special support.

The new 2003 government has reformulated the PPE to make it more functional. Among these alterations: integrating Brazilian government agencies and exporters and pursuing a more aggressive market promotion program, with an export goal of \$100 billion by 2006.

### **National Export Promotion Agency**

<http://www.apexbrasil.com.br/>

The National Export Promotion Agency (Agência de Promoção de Exportações, or APEX in Portuguese) was created as part of the Brazilian Small- and Medium-Sized Business Service (SEBRAE) and began with \$50 million allocated yearly.

The new administration restructured APEX early in 2003. Now called APEX-BRASIL, it is a new autonomous agency linked to the Ministry of Industry, Development, and Foreign Trade (MDIC), with the authority to formulate, coordinate, and implement the Brazilian market promotion policy for all export products.

Currently, APEX-BRASIL supports 193 projects in partnership with different sectors of the Brazilian economy, valued at nearly \$100 million, with an estimated 40 percent for agricultural and food promotion programs. APEX-BRASIL regulations allow a match up to 50 percent of the cost of each export promotion project.

### **SEBRAE (Brazil's Small- and Medium-Sized Business Service)**

<http://www.sebrae.com.br/>

SEBRAE is the arm of APEX-BRASIL in each state to help establish an export focus among Brazilian small companies. These firms have succeeded in the export business through "export consortia," an Italian concept imported by the Brazilians. SEBRAE's export assistance efforts involve export orientation seminars, market research, publication of catalogs, public relations, logo creation, and participation in trade shows. For small companies, APEX-BRASIL/SEBRAE provides up to 75 percent of the cost of participating in a specific project. SEBRAE's budget for food and agricultural market promotion is an estimated \$5 million.

## **Ministry of Foreign Affairs (MRE), Department of Commercial Promotion (DPC)**

DPC's main function is to coordinate the 52 commercial promotion offices (SECOMs) in the Brazilian embassies and consulates overseas, and to provide overseas support to APEX-BRASIL export promotion programs, including market research. SECOMs promote both agricultural and non-agricultural exports.

In addition, DPC operates the Web site "BrazilTradeNet"<sup>27</sup> where more than 43,000 companies (both foreigners and Brazilians) are doing business. DPC's current budget is estimated at \$2 million.

## **State Government Market Promotion Agencies**

The state governments' market promotion agencies promote both agricultural and nonagricultural products. Of the 27 states in Brazil, only 12 states are active in market promotion. These agencies support their local exporters as SEBRAE does, with additional activities like in-store promotions, sales missions, and assistance with shipment of product samples overseas.

APEX-BRASIL is forming partnerships with the most active state agencies to carry out new initiatives in export promotion. These new initiatives involve market research, road shows, trade shows, and reverse marketing activities. The states' promotional funding for agricultural and food products is an estimated \$10 million.

## **Private Organizations**

Brazil has a number of agricultural sector organizations that perform market promotion activities with APEX-BRASIL. Private funds for export promotion from these groups account for an estimated \$70 million. With the exception of the Confederation of Brazilian Hides and Skins Industries (CICB) and the Brazilian Association of Specialty Coffee (ABCE), all the groups get half of their market promotion funding from APEX-BRASIL.

## **Brazilian Food Industry Association (ABIA)**

<http://www.abia.org.br/>

ABIA is a private, non-profit organization formed by large Brazilian and multinational companies, such as Nestlé, Parmalat, Cargill, Kraft, and Bunge. ABIA's budget for market promotion is estimated at \$6.2 million. The Brazilian food industry is composed of nearly 40,000 companies, with only 250 large companies. Total sales in 2003 are estimated to reach \$131 billion, while exports of food products and beverages are estimated at \$14.3 billion.

ABIA has two initiatives for market promotion: 1) getting multinationals to export Brazilian ingredients and raw materials to their headquarters overseas, and 2) using the newly created national product logo, "Try Brazilian Taste," announced at ANUGA 2001. Small- and medium-sized food exporters had their participation in ANUGA financed up to 75 percent.

## **Poultry and Pork - Brazilian Poultry Exporters Association (ABEF)<sup>28</sup> and Brazilian Pork Processors and Exporters Association (ABIPECS)<sup>29</sup>**

ABEF and ABIPECS are private, non-profit organizations formed by the largest poultry and pork processors and exporters, respectively. Both have promotional programs similar to their counterparts in the United States. Since pork processors and exporters in Brazil also process and export poultry, ABIPECS works jointly with ABEF on market promotion. They share the same offices and staff, but their market promotion budgets are separate.

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<sup>27</sup> Web site is at <http://www.braziltradenet.gov.br/frmdefault.aspx?lang=l>.

<sup>28</sup> Web site is at <http://www.abef.com.br/ingles/default.htm>

<sup>29</sup> Web site is at <http://www.abipecs.com.br/>

ABEF has worked in the past as a national lobbying group for the poultry exporters. Program activities are aimed at the Brazilian government, international organizations, and foreign governments to guarantee market access and reduce nontariff barriers for Brazilian broiler exports. The five largest poultry exporters account for nearly 90 percent of all poultry exports from Brazil. Target markets for ABEF's market promotion efforts include Russia, Egypt, South Africa, Angola, Cuba, Dominican Republic, Iran, Iraq, and Jordan. ABEF's budget for market promotion is estimated at \$2.4 million.

ABEF was one of the first private organizations to coordinate its export promotion with APEX-BRASIL. Since last year, ABEF has participated in more than 19 trade shows overseas, mostly in Europe, Asia, and Middle East. Promotion activities include demonstrations and publicity at the store level, general media activity, and market research. ABEF also conducts trade policy initiatives like improving market access and eliminating sanitary barriers under the budget for market promotion.

ABIPECS' major goal is to develop new markets for Brazilian pork exports once highly concentrated in two markets (Hong Kong and Argentina), Russia is now the major importer of Brazilian pork.

Trade servicing, participation in trade shows, display and sampling of products, sales catalogs in foreign languages, trade missions, reverse trade missions, and publicity are the market promotional programs developed by ABIPECS to target overseas markets in Asia, the European Union (EU), and Latin America. Since Russia became the largest importer of Brazilian pork, ABIPECS is targeting Russian retailers in their promotional efforts to avoid the high cost of doing business in Russia through European trading companies. ABIPECS' budget for market promotion is estimated at \$2.8 million.

## **Brazilian Beef Processors and Exporters Association (Associação Brasileira das Indústrias Exportadoras de Carne - ABIEC)**

<http://www.abiec.com.br/abiec/>

A private, non-profit organization, ABIEC is comprised of the largest beef processors, packers, and exporters. ABIEC has functioned as a national lobbying group with few international market promotion activities. ABIEC has spent much of its budget on trading servicing, specifically on the elimination of sanitary barriers to Brazilian beef in the EU, Asia, and Russia. Nearly 60 percent of Brazil's beef exports originate from five major beef packers that facilitate market promotion efforts in overseas markets. ABIEC's budget for market promotion is estimated at \$2.8 million.

ABIEC has initiated a market promotion program approved by APEX-BRASIL in conjunction with the Office of Production and Marketing (SPC) of the Ministry of Agriculture, Livestock, and Food Supply (MAPA). The objective of this program is to promote the brand "Brazilian Beef," emphasizing the product as "natural" (grass-fed beef as opposed to grain-fed beef). ABIEC targets markets worldwide, but major efforts still focus on the EU, which accounts for nearly 60 percent of Brazilian beef exports. Specific market development activities include trade shows, trade servicing, and logistical support to the Brazilian government to remove non-tariff trade barriers to Brazilian beef. Activities also include publicity on CNN International and reverse marketing (travel to Brazil by foreign importers of beef and trade journalists).

## **Brazilian Fruit Institute (Instituto Brasileiro de Frutas - IBRAF)**

<http://www.ibraf.org.br/>

IBRAF is the most traditional national, private, and non-profit organization of the fruit industry, mostly for mangoes, papayas, melons, grapes, and tropical fruits. IBRAF represents the largest fruit producers and packers, which are mostly concentrated in the northeast and southern regions of Brazil. IBRAF market promotion activities have concentrated on market survey studies for Brazilian fruits overseas, participation in trade shows in the EU and the United States, advertising in Europe, point-of-sale materials, catalogs in foreign languages, and display and sampling of Brazilian fruit. IBRAF has provided funds for logistical support for Brazilian quarantine and plant health officials to negotiate

phytosanitary agreements with foreign governments, such as Japan. Target markets are primarily in the EU, but the United States is also a major target through trade shows such as the Produce Marketing Association. IBRAF's budget for market promotion is estimated at \$3 million.

In addition to IBRAF, fruit producers and packers have increasingly used APEX-BRASIL funds through state export promotion agencies, of which the most active are the Bahia Export Promotion Agency (PROMOEXPORT/BA) and the state regional office of SEBRAE in Minas Gerais state (SEBRAE-MG). The international focus of these state groups includes the regional MERCOSUR market. The combined market promotion budget for these groups is estimated at \$4.3 million.

### **Brazilian Cocoa and Confectionery Manufacturers Association (ABICAB)**

[http://www.abicab.org.br/ingles/index\\_home.htm](http://www.abicab.org.br/ingles/index_home.htm)

ABICAB is a private, national, non-profit association formed by major chocolate manufacturer groups, including multinationals. The ABICAB focus on market promotion is to participate in select trade shows overseas promoting Brazilian chocolates. Target markets are in Latin America, Asia, and the Middle East. ABICAB'S budget for market promotion is estimated at \$3.4 million.

### **Brazilian Association of Mechanically Processed Timber (ABIMCI)**

[http://www.abimci.com.br/engl/index\\_en.html](http://www.abimci.com.br/engl/index_en.html)

ABIMCI is a private, national, and non-profit organization formed by plywood manufacturers and exporters. Export market promotion activities include market research, trade missions, catalogs in foreign languages, and participation in selected trade shows. Target markets are the EU, the United States, Latin America, and Asian countries. To date, APEX has financed 30 percent of a Brazilian trade mission to China and Japan to research market opportunities for Brazilian plywood. The APEX/ABIMCI export promotion agreement calls for Brazilian exporters to double exports of plywood (both hardwood and softwood) within 4 years, focusing on exports of high-value products. ABIMCI's budget for market promotion is estimated at \$10.1 million.

### **Brazilian Beverage Association (ABRABE)**

<http://www.abrabe.org.br/>

ABRABE is a private, national, non-profit organization formed by Brazilian and multinational groups producing distilled spirits, soft drinks, and Brazilian rum. Traditionally, ABRABE has functioned as a lobbying group in Brazil. ABRABE recently began to coordinate a market promotion program for Brazilian rum (cachaça). Promotion activities have concentrated on market research, participating in selected trade shows, mostly in the EU, Canada, and the United States. Activities include development of point-of-sale materials in foreign languages, publicity, displays, and sampling of products. In the United States, ABRABE is conducting an institutional lobbying campaign to change the Harmonized Tariff Schedule (HTS) classification of rum given to "cachaça" to differentiate the Brazilian product from traditional rum.

ABRABE has also begun the market promotion of Brazilian wine in select overseas markets, including the United States, EU, Canada, and Latin American countries. Promotional activities have concentrated on market research and participation in trade shows. Brazilian embassies overseas display and sample Brazilian wines during their national day. ABRABE'S budget for market promotion is estimated at \$5.6 million.

### **Association of Tropical Fruit Juices Processors (ASTN)**

<http://www.infonet.com.br/astn/>

A private, national, non-profit organization, ASTN represents small- and medium-sized producers of tropical juices, mostly from northeast Brazil. Promotional activities concentrate on market research, development of catalogs in foreign languages, point-of-sale materials, and participation in trade shows,

mostly in the EU. The market promotion program also aims to brand “Tropical Juice Brazil.” ASTN’s budget for market promotion is estimated at \$3.2 million.

### **Brazilian Flower Institute (IBRAFLOR)**

<http://www.ibraflor.com.br/ibraflor/>

A private, national, non-profit organization, IBRAFLOR represents the most important Brazilian flower producers. Brazil is a small player in the world cut-flower market with exports of only \$13 million in 2000. However, the agreement between APEX and IBRAFLOR for market promotion established an export goal of \$80 million by 2004. Year-to-date (Jan-Jul) export data for 2004 suggest this goal will not be reached. IBRAFLOR’s market promotion program is new, and it is basically focused on market research, development of catalogs in foreign languages, and participation in trade shows. Targeted markets include Japan and Germany. IBRAFLOR’s budget for market promotion is estimated at \$2.5 million.

### **Confederation of Brazilian Hides and Skins Industries (CICB)**

<http://www.brazilianleather.com.br/index.asp?idioma=2&canal=capa>

CICB is a private, national, non-profit organization formed by the most prominent Brazilian hide and skins industries involved in international trade. Promotion activities concentrate in market research and participation in trade shows in Asia and the EU. Other activities include: trade missions, development of catalogs in foreign languages, and advertising. CICB’s budget for market promotion is estimated at \$2.8 million, of which APEX-BRASIL funds 45 percent.

### **Brazilian Specialty Coffee Association (ABCE)**

<http://www.bsca.com.br/index.php?lang=en>

A private, national, non-profit organization, ABCE represents producers of fine coffee. Market promotion activities focus on trade shows in the EU, Canada, and the United States. So far, ABCE has succeeded in its market promotion efforts because it has focused on high-value “specialty coffee.” ABCE’s budget for market promotion is estimated at \$6.6 million, of which APEX-BRASIL funds 45 percent.



## Canada

Canada is one of the world's leading net exporters of agricultural, forestry, and fishery products, with 2003 exports of \$33.4 billion<sup>30</sup> exceeding imports by \$15.3 billion. Its forest products exports (\$12.7 billion), are over two-thirds the level of its agricultural exports (\$17.4 billion). Total Canadian market promotion expenditures for agricultural, forestry, and fishery products (federal and provincial government and industry expenditures combined) are estimated at \$25.3 million during 2002. Of that amount, private spending of all types is estimated at \$12.7 million. Provincial spending (mostly from Quebec, Ontario, and Alberta) to market promotion expenditures was estimated at \$3.2 million. Federal spending was estimated at \$7.3 million. The Canadian Agriculture and Food International (CAFI) Program is the key element of Canada's international strategy.

### National Strategy

Growth in Canadian agricultural and food exports are major goals of Canada's Agricultural Policy Framework (APF) announced in 2001. The policy framework acknowledges that Canada requires an international strategy to take advantage of market opportunities around the world. The APF promotes Canada's reputation as a leader in food safety and increased government action for improved market access in world markets.

It utilizes a network of federal-provincial coordination groups and industry bodies such as the national sectoral groups, the Canadian Agri-Food Marketing Council, and the Agricultural, Food and Beverage Sectoral Advisory Group on International Trade.

### The Canadian Agriculture and Food International Program

<http://www.agr.gc.ca/int/cafi-picaa/>

CAFI supports Canada's agriculture and food industry by helping to build successful strategies in key international markets. It promotes Canada as a world leader in producing safe, high-quality agriculture, food, beverage, and seafood products in an environmentally sustainable way. In the market promotion area, CAFI matches industry funds to support promotional activities for Canadian agriculture.

During 2002, CAFI funding was \$8.4 million. Fish and seafood did not become eligible for CAFI funding until 2003. Wood products are not eligible. Administered by Agriculture and Agri-Food Canada, the program delivers financial support by providing matching contributions to industry associations for both Long-Term International Strategies (LTIS) and Short-Term projects. The purpose of LTIS is to gain recognition and facilitate long-term sustainable export success. These strategies are generally 3-5 year plans. Short-term projects are typically one-time activities related to new-market constraints or growth opportunities. Proposals are accepted from sectoral groups and companies. Programs can be funded for branding and market development, technical-marketing support, and market access.

### Agri-Food Trade Service (ATS)

<http://ats.agr.ca>

ATS provides Canadian agricultural companies centralized access to market information, trade counseling, and export support activities. The Web site provides international trade and investment information for the Canadian agricultural industry. The site also promotes Canadian product suppliers and investment in the Canadian agricultural industry.

Agriculture & Agri-Food Canada has joined with Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada to mount sophisticated trade show exhibits and food promotions. The ATS, together with the provinces and industry, has developed an export training program to raise the

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<sup>30</sup> U.S. dollars used throughout the report on Canada unless otherwise noted.

level of export marketing expertise and to help Canadian agricultural firms become export capable. Courses are offered under a Forum for International Trade Training (FITT) program.

Other DFAIT programs include the New To Exporting (NTE) program. Eligible costs under the NTE include market visits, incoming buyers, trade fair participation abroad, product testing for market certification, legal fees for marketing agreements incurred abroad, air transportation costs for off-shore company trainees, and product demonstration costs.

Another program, Market Development Strategies, provides assistance on the basis of a company's 1-year or 2-year international marketing plan. Eligible costs include market visits, incoming buyers, trade fair participation abroad, product testing for market certification, legal fees for marketing agreements incurred abroad, air transportation costs for off-shore company trainees, and product demonstration costs. Annual contribution per application is a minimum of C\$5,000 and a maximum of C\$50,000.

## **The Trade Commissioner Service**

<http://www.infoexport.gc.ca/>

International Trade Canada (ITCan) has a Trade Commissioner Service that helps companies with target markets. The trade commissioners in 140 offices in Canadian embassies and consulates assist companies in assessing market potential. They provide market reports, contacts lists, advice, visitor information, hotels, interpreters, and local transportation services.

## **Virtual Trade Commissioner**

<http://www.infoexport.gc.ca/registration/CCRegistrationBenefits.jsp?lang=en>

The Virtual Trade Commissioner is provided as a company's personal gateway to the Canadian Trade Commissioner Service. It offers several online services to expedite access to overseas Trade Commissioners and buyers. They can sign up for specific events and obtain information like market reports, import regulations, and trade events. Companies can also order certain services: market prospects, key contacts search, local company information, face-to-face briefings, and troubleshooting.

## **Canadian Wheat Board**

<http://www.cwb.ca/en/index.jsp>

The Canadian Wheat Board offers technical assistance and after-sales service to customers through agencies such as the Canadian International Grains Institute (CIGI), the Canadian Malting Barley Technical Centre (CMBTC), and the Canadian Grain Commission (CGC). The CIGI's facilities in Winnipeg include state-of-the-art pilot-scale milling, baking, and pasta-making equipment. The CMBTC's facilities include world-leading pilot-scale malting and brewing equipment. The CGC, with its Grain Research Laboratory, is responsible for quality control, conducting research into optimizing the processing benefits of western Canadian grain, ensuring that Canadian grain exports meet the strictest international safety standards.

## **Quebec Agri-Food Export Club**

<http://www.clubexport.ca/content/en/accueil/>

The Agri-Food Export Club includes more than 350 member companies in Quebec. Exports by members account for over 80 percent of Quebec's agricultural exports.

## **Canada Pork International**

<http://www.canadapork.com/english/pages/frmsts/page02.html>

Established in 1991, Canada Pork International is the export promotion agency of the Canadian pork industry. It is a joint initiative of the Canadian Meat Council, representing pork packers and trading companies, and the Canadian Pork Council, the national hog producer organization. Canada Pork International was established to provide market information to foreign customers; address market

access issues affecting exports; develop and implement the generic international promotional efforts of the Canadian pork industry; and keep the industry apprised of changes taking place in export markets.

Canada Pork International activities focus on organizing promotional activities in priority markets, developing promotional material, investigating and reporting on export market opportunities, and informing foreign customers on the availability of Canadian pork products and potential suppliers.

## **The Canadian Soybean Export Association**

<http://www.canadiansoybeans.com/>

The Canadian Soybean Export Association (CSEA) is a voluntary association of members of the Canadian soybean industry, working to promote the exports of Canadian soybeans and soy products. Members include soybean exporters, traders, researchers, and provincial and federal government officials from Ontario, Quebec, Manitoba, and British Columbia.

## **The Canadian Beef Export Federation**

[http://www.cbef.com/CBEF\\_int.htm](http://www.cbef.com/CBEF_int.htm)

Canada Beef Export Federation (CANADA BEEF) is an independent nonprofit organization. Canada Beef's mission is to expand and diversify export sales and market share of Canadian beef and beef products, with sustained profit based on brand value and unique Canadian advantages. Its mandate is to identify and develop markets with the cooperation of all companies, organizations, and institutions that will benefit. The Federation undertakes generic, industry-wide Canadian beef promotions in each of their priority markets. It assists members in undertaking company-specific market development and training activities, and offers financial assistance to encourage travel to foreign markets.

The Canadian Beef Breeds Council, a non-profit association established in 1994, focuses on issues affecting the purebred beef cattle industry. Market development activities include: gathering market intelligence, coordinating outbound market access and promotional missions, hosting inbound missions, and developing support materials.

## **Council of Forest Industries**

<http://www.cofi.org/>

The Council of Forest Industries represents 150 British Columbia forest companies and associations. It maintains overseas market development offices in Japan and the United Kingdom.

Recent marketing efforts include work on market access and technical standards issues, advocacy of wood usage in Japan, environmental issues in Europe and other markets, and resolution of plant health issues, particularly related to concerns about pinewood nematode by European buyers.

## Chile

Chile is a significant net exporter in agricultural, forestry, and fishery products, with exports in 2003 of \$6.5 billion and a trade surplus of \$5 billion. ProChile, the branded name for the Chilean Trade Commission, is an agency in the Ministry of Foreign Affairs. ProChile administers Chile's export promotion fund for both agricultural and nonagricultural products. It provided \$13.3 million for agricultural, forestry, and fishery products promotions in 2002. For 2003, the fund had \$12.9 million available. ProChile is funding a "Taste of Chile" campaign, which is a generic promotion covering beverages, processed foods, salmon, aquaculture, and fresh fruits.

### National Strategy

ProChile promotes a national strategy but allows each sector leeway to develop its image/strategy. Industry associations and companies submit detailed proposals for program funding.

Taken together the programs are inclusive, involving all agricultural industries. The Chilean government focuses on creating a favorable image of the country as a free-trade advocate and a reliable supplier with an ample range of excellent-quality, competitively-priced goods and services, while offering good business opportunities.

### ProChile

<http://www.prochile.cl/>

An Executive Committee of government and private sector representatives selects which promotional activities to support. ProChile's underwrites up to 50 percent of the cost of promotional projects. Currently Chile does not have check-off provisions for any industry, nor are there any fixed allotments for certain sectors or previous participants. Special emphasis is given to projects that diversify exports and aid small- and medium-size companies.

Given shrinking resources, ProChile is focusing more heavily on generic promotions and projects that incorporate a country image, to help foster tourism and investment. In 2003, ProChile launched a "Taste of Chile" campaign in the European Union that jointly promoted fresh fruits, salmon, beverages (including wine and spirits), aquaculture, and processed foods. The target audience was importers, distributors, retailers, and hotels and restaurants. Besides product promotions, the organizers focused on promoting Chile as a politically stable, environmentally friendly, reliable counter-seasonal supplier.

Export promotion funds cover branded and generic advertising (television, radio and print); point-of-sale materials, in-store promotions, demonstrations (including displays and travel); trade shows and receptions (including displays and travel); public relations campaigns; seminars, sales missions, and trade teams; market research; and project evaluations.

ProChile works with traditional players (the fresh fruit, wine, and salmon export associations), and with newer entrants into the export market (the honey, organics, red meat, white meat, and dairy associations).

### Chilean Fresh Fruit Association (CFFA)

[http://www.cffa.org/cffa\\_ing/ffa.htm](http://www.cffa.org/cffa_ing/ffa.htm)

CFFA represents 85 percent of fresh fruit exports. The market destinations are broadly balanced, with 34 percent to United States and Canada, 28 percent to Europe, 26 percent to Latin America, 7 percent to Asia and 5 percent to the Middle East.

For the past several years, CFFA implemented a worldwide marketing campaign to create an awareness of Chilean fruits and their natural growing conditions. This campaign focuses on Europe, the United States, Japan, and Korea. CFFA also promotes food safety and the quality control procedures

used by Chilean producers to comply with international regulations. The program, called GAP – Good Agricultural Practices – describes a combination of product quality, health and safety requirements, environmental quality, and labor standards.

### **Wines of Chile (Viñas de Chile)**

<http://www.vinasdechile.cl/ingles/index.html>

Viñas de Chile represents 45 wineries that control 90 percent of domestic sales and exports. It works closely with the government and represents the sector in commercial, economic, and legislative affairs. Viñas de Chile provides marketing support, including wine tastings, market research, promotion strategies, research studies on the health benefits of moderate wine consumption, trade shows, and technical conferences.

### **SalmonChile**

<http://www.salmonchile.cl/index.php>

SalmonChile, the branded name for La Asociación de la Industria del Salmón de Chile, promotes the consumption and sale of salmon and trout in both domestic and international markets. It represents 47 companies involved in all aspects of the Chilean salmon trade.

## Malaysia

Malaysia is one of the top 20 agricultural exporters (\$9.3 billion in 2003), with a positive balance of trade in agricultural, forestry, and fishery products of some \$8 billion. Because of their importance in trade, the Malaysian government focuses on palm oil and forest products for most of its export support programs. In addition to export promotion, Malaysia supports these industries with credit, tax incentives, and development programs. Several commodity organizations use producer assessments to fund promotion programs, with 2002 funding of some 61.3 million ringgit or \$16.2 million. Activities include printing and distribution of pamphlets and brochures, trade missions, market intelligence visits, technical and advisory services, and trade shows.

### Palm Oil

The marketing programs of the palm oil industry aimed to consolidate traditional markets, penetrating new markets and promoting new products. The two organizations involved in this effort are the Malaysian Palm Oil Promotion Council (MPOPC)<sup>31</sup> and the Malaysian Palm Oil Board (MPOB).<sup>32</sup> The MPOPC is a quasi-governmental organization funded through a levy or “cess” on the total of crude palm oil produced at the rate of RM2/ton (about 54¢ per ton). It initiates and coordinates programs of market development, public relations, and promotions, as well as scientific and technical services. The Council is made up of representatives of the palm oil industry, the Ministry of Primary Industries and MPOB. The MPOPC had a budget of about RM23.8 million (US\$6.3 million) in 2002. These funds supported promotion activities such as printing and distribution of pamphlets and brochures, carrying out market missions and market intelligence visits, advisory services, and involvement in trade fairs.

MPOPC's current targeted markets are Africa (Burkina Faso, Niger, Kenya, Gabon, and Egypt), Latin America (Antigua, Surinam, Colombia, Honduras, Brazil, and Guyana), the Islamic Republics in Central Asia (Uzbekistan, Kazakhstan and Kyrgyzstan), Eastern Europe (Russia, Poland, Romania, and Croatia), and North Korea. It has nine overseas offices in the United States, Egypt, Pakistan, Brazil, China, Bangladesh, India, South Africa, and Austria.

The second palm oil promotion organization, MPOB, is government-mandated and furnishes technical support for developing new markets and consolidating established markets, as well as expanding emerging markets. The services include technical assistance, collaborative research, troubleshooting and problem solving, and seminars and exhibitions on the importation, handling, processing, and usage of palm oil in various products.

MPOB is also funded through the industry by a levy on total crude palm oil production. The current levy, RM5/ton (\$1.32 per ton), is also collected at palm oil mills. About \$15.7 million was collected in 2002.

### Malaysian Timber Council

<http://www.mtc.com.my/>

With forest products, the Malaysian Timber Council (MTC) carries out overseas market promotions. MTC was established in January 1992 to respond to the worldwide anti-tropical timber campaigns. It is now involved in all major aspects of market promotion. MTC promotes the development of the timber-based industry, as well as the marketing of timber products. The 2002 budget amounted to RM27 million or \$7 million.

MTC is funded through an export levy on timber and timber products, with the amount depending on the tree species. MTC carries out programs similar to those of MPOPC. In the recent past, technical missions were sent to India, Kuwait, Libya, Syria, Brazil, the United States, Germany, Italy, China, and Turkey.

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<sup>31</sup> Web site for the Malaysian Palm Oil Promotion Council is at <http://www.mpopc.org.my/index1.htm>.

<sup>32</sup> Web site for the Malaysian Palm Oil Board is at <http://www.mpob.gov.my/>.

MTC is also strengthening its marketing efforts in the Far East and the Middle East by setting up regional marketing offices in Shanghai, China, and Dubai, United Arab Emirates, to promote Malaysian timber and timber products.

## New Zealand

New Zealand is one of the world's top agricultural exporters, with 2003 exports of \$8.3 billion. It is a significant player in world trade, especially in dairy and meat. In 2003, dairy exports exceeded \$3.2 billion and meat exports were \$2.4 billion. New Zealand's agricultural, forestry, and fishery products sectors allocated over \$350 million to export promotion in 2002. New Zealand's export promotional activity is almost entirely industry-funded statutory organizations or individual private companies, with very little government funding or support. New Zealand's agricultural sectors have undergone significant structural changes in recent years, resulting in new funding approaches for carrying out export promotion.

### National Strategy

In recent years, fundamental changes in the organizational structure of New Zealand's agricultural, forestry, and fishery industries have significantly altered the way market development activities are conducted overseas. As a result of a more commercial orientation, funding levels and marketing strategies have become less transparent.

New organizations give greater discretionary authority to farmers in raising levies and in determining how to utilize these funds. Some (meat) allow promotional activity while others (dairy and wool) only use funding for activities such as research and education.

### Government Promotional Funding

Government funding for the export promotion of New Zealand's agricultural, forestry, and fishery sectors in 2002 was NZ\$1.2 million (US\$550,000). The government organization, New Zealand Trade and Enterprise (NZTE),<sup>33</sup> aids the development of New Zealand organizations. NZTE funding helps match New Zealand exporters with foreign buyers, conduct market research and intelligence, hold overseas promotional events, and assist companies with capability development. NZTE requires private firms to cover at least half of the cost of covered promotional activities.

Although NZTE's food and beverage section covers the majority of New Zealand's agricultural sectors, nearly all funding is directed to supporting the marketing activity of the dairy, meat, seafood, wine, and specialty foods industries. NZTE identifies and works with those firms that have potential to grow in international markets and offer benefits to New Zealand's economy. Targeted products include high-value foods and agricultural products used in pharmaceutical applications.

### Dairy

The world's ninth largest dairy company, Fonterra,<sup>34</sup> controls more than 95 percent of the NZ\$10 billion (US\$4.6 billion) export industry and exports to over 140 countries. The United States is Fonterra's largest market.

Fonterra aspires to global dairy industry leadership. Because of significant trade barriers facing New Zealand dairy products in overseas markets, future growth for Fonterra will come from overseas acquisitions. The principal markets targeted for expansion and promotional activity by Fonterra include Australia, Asia, the United States, Mexico, and South America. It has already acquired firms or established joint ventures in the United States, Mexico, Brazil, Argentina, Chile, Peru, Venezuela, Jamaica, the European Union (EU), Bahrain, Saudi Arabia, South Africa, Malaysia, Indonesia, Singapore, Sri Lanka, Korea, Philippines, Singapore, Taiwan, China, Hong Kong, Japan, India, Russia, and Australia.

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<sup>33</sup> The Web site for NZTE is at <http://www.nzte.govt.nz/>.

<sup>34</sup> The Web site for Fonterra is at <http://www.fonterra.com/default.jsp>.



Fonterra currently has licensing and tariff-rate quota rights in many important markets, including butter and cheese to the EU, cheese subject to quota to the United States, butter to Canada, cheese and animal fats to Japan, and whole milk powder to the Dominican Republic.

Dairy industry promotional expenditure for 2002 is estimated at NZ\$700 million (US\$322 million). Although the U.S. market is just under 6 percent of New Zealand's dairy exports by value, approximately NZ\$45 million (US\$20.7 million) was spent on promotion in the U.S. market. Because Fonterra sees the U.S. market as more open and therefore offering greater export opportunity than the European market, the United States is a priority.

Fonterra had producer levies of NZ\$40 million (US\$18.4 million) in 2003/2004, none of which went for export promotions, but rather activities like research and education.

## **Meat and Wool**

<http://www.meatnz.co.nz/>

A wool producer referendum, held in August 2003 by Meat and Wool New Zealand, set future producer levy rates for a period of 5 years and stopped any market development activity during those 5 years. Funding for export promotional activity will therefore fall from slightly less than NZ\$12 million (US\$5 million) in 2001 to zero in 2004.

Generic wool promotional expenditure for 2002 was approximately NZ\$10.5 million (US\$4.8 million), about one-fifth the level of funding in the mid-1990s. The U.S. market accounts for roughly 5 percent of New Zealand wool exports and promotional expenditures in the United States were NZ\$500,000 (US\$230,000).

Meat producers voted in 2003 to continue funding market development activity with annual funding levels of NZ\$9.1 million (US\$5.3 million) over the next 5 years. This is similar to the export promotional budget of recent years. Meat and Wool New Zealand will leverage these funds by dedicating them exclusively to joint activities where exporters and importers agree to provide additional funding to cover the cost of generic marketing activities. Matching contributions will be negotiated on an individual case-by-case basis.

Market development activities for New Zealand's red meat (sheep and beef) are proportionate to their contributions: about 60 percent for beef and 40 percent for lamb. New Zealand's beef promotional activity is focused on the restaurant and food service trade in Asia. Because New Zealand exports manufacturing grade beef to the United States, its promotional funding here is nil.

Nearly 95 percent of all producer-funded lamb meat marketing activity will be spent on consumer-oriented promotions to develop the New Zealand Lamb Rosette generic brand in the United Kingdom, with the balance going largely to France and Germany.

## **Kiwifruit**

<http://www.zespri.com/>

Export promotional funding by the grower-owned kiwifruit organization Zespri Group Ltd. In 2002 was NZ\$30 million (US\$13.8 million). Zespri receives no government assistance for promoting kiwifruit. Market development activity tends to be consumer oriented, with a focus on creating a healthy, exciting image for Zespri's kiwifruit. It focuses on markets in Asia, Europe, and the United States. Approximately NZ\$1 million (US\$450,000) was spent on promoting kiwifruit in the United States in 2002.

Zespri Group Ltd. was created in April of 2000 from the commercial assets of the New Zealand Kiwifruit Marketing Board. Shares in Zespri were issued to growers. Today, Zespri handles all kiwifruit exports from New Zealand, with the exception of the relatively modest volumes sold to Australia. Zespri currently accounts for 30 percent of world kiwifruit trade. During New Zealand's peak export season,

Zespri accounts for more than 60 percent of all kiwifruit supplied to the European market and more than 90 percent of supply to the Japanese market.

## **Apples and Pears**

The New Zealand apple and pear industry has completely decentralized in the past few years. The Apple and Pear Marketing Board restructured in April 2000 into a corporate structure named ENZA Ltd., resulting in significant changes in the way they carry out overseas market development activity. Until then, it had been the exclusive exporter of apples and pears. The Board carried out overseas marketing activities to expand sales of all New Zealand fruit under the ENZA label. Funding for such activity was generated by producer levies assessed by the Board under its statutory authority. Since that time, ENZA merged with Turners & Growers, retaining the Turners & Growers name.

In two short years New Zealand has evolved from having only one statutory exporter of apples and pears to more than 100. Apple and pear exporters now fund and conduct specific promotional or sales activities in key markets to promote their own private labels and export strategies. Promotion focuses on individual brands, with no generic campaigns.

An estimated NZ\$9 million (US\$4.1 million) was spent on export promotion in 2002. The U.S. market, which accounted for 18 percent of the value of New Zealand's apple exports in 2002, was allocated NZ\$1.6 million (US\$740,000) of this total budget. There is little government funding for these sectors.

## **Wine**

<http://www.nzwine.com/>

New Zealand Wine (NZW), an industry group, is funded by levies assessed against grape growers and wineries, as well as user-pay activities. During the 2002/2003 season approximately NZ\$3 million (US\$1.4 million) was spent by NZW on the generic promotion of New Zealand wine in overseas markets. Most was spent on New Zealand wine events and seminars in key markets. The United States, United Kingdom and Australia account for 80 percent of New Zealand's export value and most promotional effort is focused on these three markets. Approximately NZ \$600,000 (US\$275,000) was spent on wine promotion in the United States in 2002.

## **Venison and Velvet**

<http://www.deernz.org/n3.html>

Deer Industry New Zealand (DINZ) promotes the orderly development of the deer industry and is funded by a compulsory farmer levy. In 2002, NZ\$2.15 million (US\$1 million) was spent on generic promotion of venison (NZ\$1.45 million or US\$667,000) and velvet (NZ\$0.7 million or US\$333,000) in overseas markets.

The principal market targeted by venison exporters is Germany, which in 2002 took over 50 percent of total export volume. Promotion aims to convince consumers that venison can be consumed year-round. An agreement reached with France in February 2004 removes the restrictive 6-month import window. Promotional expenditure in the United States is modest due to poor sales growth. Approximately NZ\$350,000 (US\$161,000) was spent in 2002 on promotion, with DINZ providing NZ\$95,000 (US\$44,000) and the exporting organizations contributing the remainder. Some New Zealand exporters choose to utilize their own brand.

The Korean market takes almost 80 percent of New Zealand's velvet production. Other markets include Taiwan and the United States. Promotional expenditure in the United States is insignificant due to limited size.

## **Seafood**

Export promotion by New Zealand's seafood industry is undertaken directly by individual fishing companies. With the exception of the New Zealand Mussel Industry Council (NZMIC), no generic promotion is carried out by industry organizations. Annual promotional expenditure by NZMIC is estimated at NZ\$200,000 (US\$92,000). The United States accounts for 25 percent of New Zealand's seafood exports, but almost no promotional efforts are directed at this market.

## **Forestry**

New Zealand's major wood processing companies conduct their own export promotion and utilize their own distribution channels in export markets. Small- and medium-sized wood processing firms rely on representative organizations to undertake export market development activity for them. Both the New Zealand Pine Manufacturers Association, representing pine manufacturing exporters, and the New Zealand Timber Industry Federation, an affiliation of independent saw millers, promote on behalf of their clients. Post estimates total export promotional expenditure in 2002 at approximately NZ\$2 million (US\$920,000). There is no generic promotion.

Annual government funding falls below NZ\$200,000 (US\$92,000). This funding is channeled through NZTE, working directly with individual exporters.

## **South Africa**

As one of the world's leading agricultural exporters, South Africa had agricultural exports of \$3 billion in 2003, \$800 million in fresh fruit and \$400 million in wine exports. The Department of Trade and Industry, through the Export Marketing and Investment Assistance Scheme (EMIA), manages South Africa's agricultural export programs. The 2002/03 (April-March) budget for this program remained at \$19 million, with \$1.9 million to support agriculturally related promotional programs. In the late 1990's, commodity boards were deregulated, and many groups became private companies.

### **Department of Trade and Industry (DTI)**

<http://www.dti.gov.za/home.asp>

The Department of Trade and Industry's (DTI) Directorate of Export and Investment Promotion administers South Africa's agricultural export programs for bulk and processed food products. DTI's mission is to develop exports and provide assistance and services to South African enterprises wishing to enter the global market. Promotional assistance for such enterprises is provided mainly through the Export Marketing and Investment Assistance Scheme (EMIA).

DTI promotes South African exports by encouraging public/private sector partnerships for trade fairs, missions, and the sharing of market information through the Export and Investment Promotions Division. The division assists existing and prospective exporters to obtain valuable market information, as well as make business contacts in all major foreign markets.

EMIA promotes all South African exports. EMIA's FY 2002/03 budget remained the same as last year at \$19 million. While the DTI does not allocate specific funds for agricultural promotion, about 10 percent of funding is used by agricultural industries.

EMIA is responsible for export market research, foreign direct investment promotion, outward-selling missions, inward-buying missions, inward-investment recruitment missions, and foreign exhibitions. Its involvement includes trade shows like SIAL in Paris and PMA in Atlanta. It also defrays trade show participation costs, matches grants for industry-specific nonprofit trade groups, and manages a special fund for small, medium, and micro exporters. It has service centers in Port Elizabeth, Capetown, and Durban.

### **Producer Boards Replaced by Free Market**

South African producers and suppliers of agricultural commodities now operate exclusively under a free-market structure, and use of tariffs has replaced former quantitative controls. Imports are also freely traded, subject to the payment of the relevant tariff by the importer.

### **Other Government Organizations**

Trade and Investment South Africa (TISA) is the EMIA office that encourages foreign direct investment in South Africa and develops South African export growth into various markets. Part of TISA's mandate is to develop small and formally disadvantaged exporters.

TISA also engages in promotional activities, including investment missions, to establish South Africa as an investment destination.

### **Fresh Produce Exporters Forum (FPEF)**

The Fresh Produce Exporters' Forum (FPEF), a unique consortium of 70 South African companies, collectively exports nearly 90 percent of all fresh fruit volume from South Africa. It works closely with the Deciduous Fruit Producers' Trust (DFPT), the growers' cooperative umbrella organization. One of its largest members is Capespan.

## **Capespan**

<http://www.capespan.com/>

Capespan (Pty) Ltd. markets mostly to Europe, but also to the United States, Canada, Africa, and Asia. Today, brands such as Cape, Outspan, Fyffes and Bella Nova benefit from the unique marketing, logistical, and technical capabilities of Capespan. As a private company, it does not provide data on export promotion funding.

Since its origin as a South African firm, it has extended its services to assist fruit growers in other parts of Africa, as well as North and South America, New Zealand Europe and various Mediterranean regions. It also has subsidiaries and joint ventures worldwide in shipping, holding, marketing, packing, and other lines in the distribution chain. In addition to a vast array of fresh fruits, Capespan companies also trade fruit juices, wine, beverages, and muesli cereals and bars.

## **Wines of South Africa (WOSA)**

<http://www.wosa.co.za/>

Wines of South Africa (WOSA) represents all South African wine producers who export their products. WOSA has over 320 exporters. It is a nonprofit organization and is totally independent of any producer, wholesaling company, or any government department, although it is recognized by government as an Export Council. No funding on promotions is available.

WOSA promotes the export of all South African wines in key international markets. Traditional markets include the United Kingdom (which accounts for more than 50 percent of all South Africa's wine exports), Germany, the Netherlands, and Belgium. More recently, WOSA has also been developing markets for South African wines in Scandinavia, the United States, Canada, and Japan.

WOSA is funded from two sources -- a 7c (US 1¢) per liter levy on all exported bottled natural and sparkling wines and R8 million (\$1.3 million) contribution from the South African Wine Industry Trust.

WOSA increases the visibility of South African wines abroad. It exhibits regularly at major wine shows, including ProWein in Germany, the London Wine Trade Fair, Vinexpo in France and Japan, as well as at Vinordic in Stockholm. WOSA also works closely with the Western Cape Tourism Board to advance Cape wine tourism. In addition, WOSA holds regular marketing seminars for members, bringing international wine buyers and marketers to the country to communicate changing international market needs, demands, and opportunities.

In addition, WOSA brings wine and lifestyle journalists to the Cape on an ongoing basis. They meet enthusiastic and knowledgeable growers and vintners, who are replanting and upgrading vineyards extensively to meet the needs of an increasing international following. The focus is on more extensive plantings of red varieties.

WOSA also holds the biennial Cape Wine trade exhibition. Cape Wine 2004, held from March 30 to April 2, was South Africa's biggest ever wine trade exhibition, showcasing 4,000 wines from 268 exhibitors to about 2,500 visitors – 1,200 foreign visitors, with 150 foreign and 100 local media.

## Thailand

Thailand is one of the world's leading agricultural exporters, in 2003 running a \$10.4 billion surplus in agricultural, forestry, and fishery products. Due to its relative competitiveness, Thailand remains the world's leading exporter of seafood (\$3.9 billion in 2003), rubber (\$2.8 billion), rice (\$1.9 billion), sugar (\$930 million), and poultry meat (\$640 million). However, increased foreign market competition, following a trend of global trade liberalization, has forced Thailand to develop programs and policies to develop new markets for its products. In 2002, government funding for export support efforts, both promotions and export development, was about THB 309 million (\$7.2 million). Private spending totaled about THB 21.7 million (\$500,000). The Thai private sector usually conducts its own market development and promotion activities independent of the Royal Thai government.

### National strategy

It is difficult to characterize recent market promotion efforts by Thailand as constituting an "agricultural export strategy," with responsibilities for export promotion scattered among a number of government agencies. In Thailand, the Ministry of Commerce<sup>35</sup> (MOC), through its Department of Export Promotion<sup>36</sup> (DEP) and Department of Foreign Trade<sup>37</sup> (DFT), is the major actor in export promotion programs.

The present marketing efforts of the government cover a wide range of commodities and services, including agricultural products, food products, textiles, jewelry, and furniture. The Ministry of Agriculture and Cooperatives (MOAC)<sup>38</sup> and the Ministry of Industry (MOI) are not directly responsible for international marketing activities. However, Thailand's overall marketing strategy for agricultural products and food can be summarized as follows:

- Promote the country as "Kitchen of the World"
- Conduct a country-wide campaign in improving food safety and sanitation to meet international standards among Thai food processors
- Continue promoting exports to existing key markets and explore potential markets such as the Middle East, South Asia, and Russia; promote exports of niche market products such as organic and Halal foods
- Initiate in-store promotions to expand the consumer base in buying countries, such as Thai Food Festivals in supermarkets in China
- Educate Thai entrepreneurs in rules, regulations, marketing trends, and quality standards for international trade
- Establish an information center to monitor trade restricting regulations in distribution countries
- Conduct regular export promotions through trade shows, trade missions, trade information dissemination, training, seminars, and public relations
- Promote the trademark "Thailand Brand" for exported foods, especially with Thai restaurants overseas that meet quality and sanitary standards; provide training on Thai cooking to chefs working in Thai restaurants overseas

While DEP concentrates on international market promotion and development, DFT focuses on international trade issues/regulations to facilitate exports. However, the DFT has its own budget to conduct certain marketing activities on major bulk agricultural products, such as rice and tapioca products. The Committee of the International Trade Promotion Fund (CITPF) is another agency under

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<sup>35</sup> The Web site for the Thai Ministry of Commerce is at <http://www.moc.go.th/>.

<sup>36</sup> The Web site for the Thai Department of Export Promotion is at <http://www.thaitrade.com/default.shtml>.

<sup>37</sup> The Web site for the Thai Department of Foreign Trade is at <http://www.dft.moc.go.th/eng/default01.htm>.

<sup>38</sup> The Web site for the Thai Ministry of Agriculture and Cooperatives is at <http://www.moac.go.th/english/index.shtml>.

the Ministry of Commerce administering export promotion activities. Despite MOC supervision, the committee is comprised of representatives from different government agencies and trade associations, and allocates funds to support international market promotion and development, in conjunction with the normal governmental budget. Due to the limited government budget, the fund from CITPF evidently plays a crucial role in Thailand's export promotion program.

Unlike the United States, private industry associations in Thailand do not receive funds from the government or acquire producer funds for market promotion programs, especially in agricultural products. Agricultural industry associations normally focus their activities on information and trade policy issues, rather than market promotion.

DEP and CITPF accomplishments in fiscal year 2002 (October – September) include trademark registration efforts, public relations, and advertising campaigns for Thai Hom Mali (jasmine) rice; a rice trade conference; agricultural export development; and promotion of key agricultural commodities (especially rice, tapioca products, coffee, and fruits) through the activities of trade missions, in-store promotions, market surveys, participation in major trade shows, distributing market information, market research, and training seminars for new-to-export companies.

## Activities and Expenditures of Other Countries

### China

While a net agricultural importer, China is also a major agricultural exporter, with \$15.4 billion in exports in 2003. It is also the second largest fishery products exporter, sending \$5.2 billion in seafood to overseas markets. China's agricultural exports have increased in 2002 and 2003, after a slight decline in 2001. Consumer-oriented foods make up over half of agricultural exports.

Despite enormous economic changes, China remains fundamentally a non-market economy and the lines between public and private funding are blurred. Currently, the Chinese government does not publish expenditures for export promotion.

National, provincial, and local governments frequently sponsor domestic trade shows for every commodity, but where funding for these activities comes from is impossible to determine. The leading national government organization for agricultural export promotion is the China Council for the Promotion of International Trade – Specialized Sub-Council for Agriculture (CCPIT-SSA). Chinese entities regularly participate in international shows.

### **China Council for the Promotion of International Trade – Specialized Sub-Council for Agriculture (CCPIT-SSA)**

<http://www.ccpit-ssa.org.cn/eng/index-eng.htm>

CCPIT-SSA is under the jurisdiction of the Chinese Ministry of Agriculture (MOA), and under the dual leadership of MOA and CCPIT. CCPIT-SSA promotes exports, international trade cooperation, and technological exchange. CCPIT-SSA also holds trade shows in China and helps Chinese enterprises visit and participate in overseas agricultural expositions.

Activities include:

- Developing trade missions for foreign buyers and Chinese companies interested in exporting
- Providing trade information services
- Promoting Chinese companies
- Hosting Chinese companies in international trade shows
- Organizing and participating in international conferences and seminars in the field of agricultural trade
- Providing professional training courses with foreign institutes and national agricultural organizations
- Working with the Chinese government to draft legislation for enterprise management

It has created several important international trade shows, including the China Fisheries & Seafood Expo, China International Agricultural Expo (CIAE), Agro-Foodtech China, and a show related to infrastructure, the Irrigation Expo China. The shows provide business services and support to both Chinese and foreign companies.

In addition, it organizes Chinese companies' participation in many international trade shows to help them promote sales in foreign markets. These shows include Veronafiere (Verona, Italy), Grüne Woche (Berlin, Germany), Colusa Farm Show (Colusa, California), Vinitaly (Verona, Italy), and Sima (Paris, France).



## India

India is a major agricultural exporter, with a positive trade balance in agriculture exceeding \$1.5 billion in 2003. Agriculture is one of the most important sectors of the Indian economy, contributing nearly 25 percent to the country's gross domestic product and providing employment to about two-thirds of the population. Historically, India has placed great emphasis on agricultural exports, which in recent years accounted for 14 percent of India's total annual exports. Several governmental agencies, government-decreed commodity boards, and private sector trade associations provide promotional support to agricultural exporters.

### National Strategy

The Indian government places strong emphasis on export promotion and marketing assistance. India is a net exporter of agricultural goods, exporting \$6.4 billion worth in Indian fiscal year (IFY) 2002/03 (Apr-Mar). With recent crop diversification programs and a growing food-processing sector, India has begun to exploit export opportunities for several new products that could compete directly with U.S. exports (fruits and vegetables, processed food products, meat, dairy, and poultry products).

India's funding for export promotion and market development activities for agricultural, fishery, and forest products in IFY 2002/03 is estimated at \$11.5 million, of which 10 percent is targeted toward the United States.

### Market Development Assistance (MDA)

The MDA program is the umbrella organization responsible for market development for both agricultural and non-agricultural products. Export promotion activities supported by MDA include:

- Market study tours to foreign countries by exporters
- Participation in trade fairs and exhibitions abroad
- Trade delegations, fairs, and buyer/seller meetings sponsored by export promotion councils; publicity and advertisement abroad
- Maintenance of warehouses and offices in Latin America by recognized Indian export or trading companies

Autonomous organizations under the Department of Commerce with an export promotion mission are: Agricultural and Processed Food Products Export Development Authority (APEDA); several commodity boards (tea, coffee, spices, and tobacco); and an Export Promotion Council for cashews. Typically the government levies a fee ("cess") on the F.O.B. export value of agricultural products, which goes to the Consolidated Fund of India (CFI), the equivalent to the U.S. Treasury. The Ministry of Commerce allocates export promotion and market development support to these autonomous organizations.

### Agricultural and Processed Food Products Export Development Authority (APEDA)

<http://www.apeda.com/>

APEDA is the government's main agricultural export development arm. Its mandate is export development and the promotion of mostly processed/value-added food products.

APEDA offers financial assistance to exporters, growers, and trade associations for activities related to export promotion. One of its major activities is trade show participation. It also provides airfreight subsidies on exports of certain horticultural, poultry, and processed food products to targeted markets. It provides technology and support for research and development, packaging development, modernization of meat plants, and similar projects. It also sets up Agri Export Zones (AEZs), to increase exports of valued natural resources available within those areas.

In addition to MDA funding, APEDA receives some limited income from publication sales and export registration fees from members. In 2002, market promotion-related activities were funded at \$4 million. Here are some target markets for specific products:

- **Floriculture and seeds:** United States, Netherlands, Germany, France, Japan, and Italy
- **Fruits and vegetables:** Malaysia, United Arab Emirates, United Kingdom, Bangladesh, and Saudi Arabia
- **Processed fruits and vegetables:** United Arab Emirates, United States, United Kingdom, Germany, and Saudi Arabia
- **Meat and meat products:** Malaysia, United Arab Emirates, Philippines, Jordan, Turkey, Mauritius, and Saudi Arabia
- **Basmati rice:** Saudi Arabia, United States, Kuwait, United Kingdom, and United Arab Emirates
- **Non-basmati rice:** Russia, Saudi Arabia, Sri Lanka, South Africa, and Bangladesh
- **Wheat:** Yemen, United Arab Emirates, Turkey, and Korea
- **Potatoes:** Bangladesh and Oman

## **Marine Products Export Development Authority (MPEDA)**

<http://www.mpeda.com/>

MPEDA is a national organization charged with the promotion of marine product exports. In addition to export promotion, it performs regulatory functions like extension, training, and establishing export standards. Total spending on market promotion was estimated at \$1 million in 2002.

MPEDA has trade promotion offices in Tokyo and New York. MPEDA participates in specialized international food and trade fairs, organizes buyer-seller meetings in major seafood markets, and sponsors visits of Indian delegates and individual sales teams to foreign countries. A prestigious biennial Indian seafood trade fair organized by MPEDA brings overseas buyers and sellers together. Its target markets for seafood include the United States, Japan, Canada, the European Union (EU), and South Africa.

## **Oilseeds and Rice**

Many private trade/exporter organizations support foreign promotion activities for oilseeds. The Central Organization of Oil Industry and Trade (COOIT) is the apex body of these associations and several small state-level associations. Subordinate associations include: the Soybean Processors Association (SOPA) - soybean meal; the Solvent Extractors Association (SEA) - rapeseed meal, sunflower seed meal, and rice bran extraction; the Groundnut Extraction Export Development Association (GEEDA) - peanut meal; the Indian Oil and Produce Exporters' Association (IOPEA) - peanuts and sesame seed; and the All India Cotton Seed Crushers' Association (AICOSCA) - cottonseed meal. For rice, there is the All India Rice Exporters' Association.

## **Commodity Boards and the Cashew Export Promotion Council (CEPC)**

Six commodity groups (cashews for export as well as tea, coffee, spices, tobacco, and rubber) perform many functions in addition to market promotion. They are also involved with production development, research, extension, processing and packaging, regulation, and domestic market development. Their marketing activities include trade shows, trade missions, advertising, market research, and services that help connect buyer to seller.

Funding comes from many sources, including grants for all groups except tobacco, product sales for tea and coffee, producer levies for tobacco, and registration and user fees. Total spending on market promotion was about \$3.4 million, a small share of the over \$40 million for all programs.

Target markets include:

- **Cashews:** the United States, Europe, Japan, and the Middle East
- **Tea:** Europe, the Middle East, Commonwealth of Independent States including Russia, and the United States
- **Spices:** the United States, EU, the Middle East, and Japan
- **Coffee:** EU, CIS including Russia, and the United States
- **Tobacco:** Russia, the Middle East, and Europe (non-EU)

### **India Trade Promotion Organisation (ITPO)**

<http://www.indiatradepromotion.org/>

ITPO was established in 1992 to promote exports and imports and upgrade technology through trade fairs in India and abroad. While most activities are related to nonagricultural products, ITPO organizes India's largest annual food exposition, "AAHAR."

### **Federation of Indian Export Organizations (FIEO)**

<http://www.fieo.com/>

FIEO is a private sector organization that represents over 100,000 exporters across India. It covers mostly nonagricultural products, but keeps its members informed of the latest developments with seminars and workshops in domestic and international trade, and organizes buyer-seller meetings and trade fairs in India and abroad.

## Republic of Korea

The Republic of Korea is one of the world's largest net importers of agricultural goods, with an agricultural trade deficit of some \$8 billion in 2003. Still, its 2003 agricultural exports were \$1.5 billion with \$1 billion for fishery products.

### AFMC

<http://www.afmc.co.kr/english/>

The Korean government actively supports agricultural and fishery products exports. It has established the Agricultural and Fishery Marketing Corporation (AFMC), a quasi-governmental agency under the supervision of the Ministry of Agriculture and Forestry, to carry out promotion of agricultural products to overseas markets. Total funding for its overseas offices and trade show assistance was about 7.7 billion won (\$6.2 million) in 2002. AFMC's export business department operates two divisions and three teams which help export Korean agricultural, food, and seafood products. It also manages the agricultural trade center located at its headquarters and agricultural trade offices abroad. Other goals of the AFMC include price stabilization and infrastructure development for export markets.

AFMC focuses on fruits (apples and pears), vegetables (eggplant and cucumber), flowers (lilies and roses), and processed foods (kimchi and ginseng-chicken soup).

Promotional programs focus on participation and exporter support in major food trade shows, operation of overseas offices, development of new export markets, and construction of the agricultural trade center. This building is expected to be completed in 2004.

AFMC recruits Korean exporters for 20 major international food shows, provides free exhibition space for Korean exhibitors, and sends three to four staff to each show to help Korean exhibitors at the show.

Funding for overseas offices was 3.5 billion won (around \$2.8 million) in 2002. AFMC has offices in Los Angeles, New York, Tokyo, Osaka, Beijing, Singapore, and Rotterdam, known as Korea Agricultural Trade & Information Centers (KATIC). Their activities include:

- Participating in major international exhibitions
- Improving packaging design
- Operating Korean traditional food exhibitions and temporary overseas exhibitions
- Advertising in popular foreign food magazines

## Mexico

Mexico, while one of the top agricultural exporters at some \$8.1 billion in 2003, is a net agricultural importer. Mexico has a balance of trade deficit in agriculture of \$4.5 billion annually. The United States is the primary market for Mexico's agricultural exports, accounting for more than 75 percent. Fresh vegetables are Mexico's most important agricultural export, totaling \$2.3 billion in 2003, followed by beer, \$1.2 billion, and fresh fruits, \$900 million. Mexico's free trade policy is augmented with aggressive export promotional programs.

Currently there are three government entities responsible for export promotion programs, the Foreign Trade Promotion Directorate, the Mexican Bank for Foreign Trade (BANCOMEXT) and the Support and Services to the Agriculture Trade (ASERCA). Most export promotion funding is from private companies, as there are no organized private entities that fund or coordinate export promotion programs. Total funding for export promotions, from both the private and public sector, was estimated at \$96 million in 2002.

### Foreign Trade Promotion Directorate

The Foreign Trade Promotion Directorate is responsible for the promotion of Mexican products worldwide, with activities very similar to those of the FAS. These programs include:

- Participation in foreign trade shows
- Coordination of exporter missions abroad
- Invitations for groups of potential buyers to come to Mexico
- Organization of educational seminars in Mexico and abroad

The Directorate has one major program for export promotions, Empresas Altamente Exportadoras (Large Export Enterprises) or ALTEX. ALTEX helps companies with either exports greater than US\$2 million per year or with more than 40 percent of production intended for export. It reimburses exporters for expenses related to exporting, such as packaging and promotional brochures.

It also manages the Maquila program and PITEX (Temporary Imports Program). Both programs allow companies to import items duty-free, as long as they are re-exported. Where maquiladoras are mostly for foreign companies' benefit, the PITEX program helps Mexican companies.

The Foreign Trade Promotion Directorate budget for 2002 is approximately MXN\$120 million (US\$10.8 million). 60 percent of this budget is devoted to promotions focused on the European market, 25 percent on the U.S. market, and the balance on the rest of the world.

### **Mexican Bank for Foreign Trade (BANCOMEXT)**

<http://www.bancomext.gob.mx/Bancomext/index.jsp>

Bancomext promotes investment to increase and consolidate Mexico's export capacity and designs strategies to introduce Mexican products to international markets.

Bancomext provides comprehensive services to the international trade and entrepreneurial community, including:

- Pavilions at foreign trade shows: Bancomext participates in U.S. food trade shows by hosting pavilions in the Fancy Food Show, the South West Food Service Show, the Candy Show, the Food Marketing Institute Show (FMI), and the Specialty Coffee Association Convention. Bancomext refunds 50 percent of all costs to Mexican exporters exhibiting in foreign food trade shows. Bancomext does not participate in the organization of the booths, so all preparations are

left to the interested group or individual participating in the trade show. The maximum amount the exporter is entitled to receive is \$4,000.

- Exporter and importer trade missions: Bancomext subsidizes the cost of private trade missions overseas. Participants pay 50 percent of the airline ticket and \$250 for the arrangement of a business agenda.
- Technical Assistance Program (PAT): Bancomext has an extensive annual program of educational seminars for new exporters. The topics cover the world market situation, market opportunities, foreign import regulations, methods of packing, and advertising overseas.

Bancomext also supports exporters by paying 50 percent of advertisement and catalog publication expenses for a company participating in any covered promotional activities.

Bancomext has 42 offices that support Mexican exporters around the world, 10 in the United States and 3 in Canada. Bancomext participates in 100 trade shows and coordinates two or three in-store promotions each year. Bancomext's budget for 2002 is estimated at MXN\$110 million (US\$9.9 million), 50 percent is devoted to promotions in the United States.

## **Support and Services to the Agriculture Trade Sector (ASERCA)**

<http://www.infoaserca.gob.mx/>

The Ministry of Agriculture runs ASERCA. While its main objective is to provide income support to producers of agricultural, forestry, and fishery products, ASERCA also has an export market promotion component. The most important programs managed by ASERCA are PROCAMPO (Program of Direct Supports to the Field) and PROGAN (Livestock Program), which are price support, extension, and resource conservation programs. About 15 percent of its MXN\$52 million (US\$4.7 million) budget goes to agricultural product promotions in the United States.

## **Private Sector Export Promotion Programs**

There are no organized promotion programs for the private sector. The Importers and Exporters Association (ANIERM) estimates that private exporters spent \$75 million on export promotions during the year 2002. They estimate that 35 percent (\$26.2 million) of all private export promotion funds target the United States.

## Norway

Norway, while a net agricultural importer, is the third largest fishery products exporter in the world, after Thailand and China. The fishery sector is the most important export sector for Norway after gas and oil. Exports of seafood were \$3.6 billion in 2003. Export promotions may decline in the coming years due to extensive cuts in the marketing budget for Norwegian seafood exports. Besides seafood, cheese is the only agricultural product getting significant export market promotion support.

### Seafood

<http://www.seafood.no/worldwide>

The government's Norwegian Seafood Export Council (NSEC), established in 1991 by the Ministry of Fisheries, is situated in Tromsø. Its board consists of seven members representing exporters, producers, fish farmers, and the Ministry of Fisheries. The company is financed by the fishery industry through fees on exports. The Council conducts generic promotions for Norwegian fishery product exporters, and had a marketing budget of about \$24.5 million in 2002, down 42 percent from the previous year. The reason for the decrease was uncertainty related to the discontinuation of the EU-Norway Salmon Agreement, which ended in May 2003. The main marketing strategy of the Norwegian Seafood Export Council is generic promotion of fish products both domestically and internationally. It also has the authority to approve Norwegian exporters and assure that they follow prescribed rules and regulations. In 2002, there were 536 approved Norwegian exporters, supplying 2,000 products to more than 130 countries. The schedules of promotional activities are coordinated with exporters so that they can take advantage of these promotions in marketing their brands.

The Council's marketing budget for 2002 was NOK 196 million (\$24.5 million), a 42-percent decrease from the Council's largest-ever marketing budget of 2001. Of this amount, most was used to promote exports (\$1.25 million was for domestic promotions). The reason for the drastic cut was an expected reduction in salmon export fees to the EU.

EU countries are the most important market for Norwegian fish exporters. In 2003, the EU accounted for 56 percent of total export value. Among the single country markets, Denmark (10.5 percent), Japan (10 percent), France (9.1 percent), and Russia (7.6 percent) were the most important destinations for Norwegian seafood.

In 2002 NSEC used about NOK 196 million (\$24.5 million) on market activities, which funded generic promotions as follow:

Generic general	\$2.3 million
Salmon and trout	\$15.6 million
Whitefish	\$4.6 million
Pelagic fish	\$1.6 million
Others	\$600,000

Most of the funds were used in European Union (EU) markets as they counted for 56 percent of all Norwegian fish exports. However, about \$580,000 was used for promotion in the United States, which accounted for less than 5 percent of Norwegian exports.

Norwegian exporters participate in all the largest food fairs including European Seafood Exposition (Brussels, Belgium), World Food (Moscow, Russia), Tokyo Seafood Show, Boston Seafood Show (United States), Polfish (Poland), Abras (Rio de Janeiro, Brazil), and China Fisheries (Qingdao, China). The NSEC strategy for Europe targets the consumers directly, by arranging competitions in restaurants and airing TV commercials. Asia is another important market where Norway is aiming at the hotel, restaurant, and catering businesses.

In the U.S. market, Norwegian salmon cannot compete in price with salmon from Chile and Canada, but Norway has secured a niche market for some products. Norwegian exporters have adjusted their products to U.S. consumer preferences by supplying the market with fish in filleted and ready-to-eat form. In 2003, the United States was ranked as the tenth largest market for Norwegian seafood, down one place from the previous year

NSEC works with the chef schools American Culinary Federation and Johnson & Wales University. The Council sponsors chefs on the road in the United States who hold seminars called "The Art of Norwegian Seafood." The Council also participates in the Seafood Summit in Bermuda and the Boston Seafood Show. Norwegian seafood exports to the United States are targeted to the hotel, restaurant, and institutional market rather than households.

## **Cheese**

<http://tine.no/international/>

TINE BA is the sales and marketing organization for Norway's dairy cooperative and is responsible for product development, quality assurance, production and distribution planning, marketing, and the export of TINE products. Jarlsberg cheese, with its characteristic sweet, nutty taste and large, round holes, accounts for 60 percent of TINE BA's total exports. In 2003, cheese and whey exports increased to \$75 million, from \$71 million in 2002. The United States is the largest export destination for Norwegian cheese with 2003 exports of \$32 million, or 43 percent of the total. The brand exported to the United States is mainly "Jarlsberg." About 16 percent of Norwegian cheese exports are destined for Japan, primarily as Norvegia brand white cheese and a whey/cream product called "Japanprim." In the German and Canadian markets, sales are channeled through Norwegian dairies' own subsidiaries, while agents or importers take care of sales in other markets.



## Turkey

Turkey is a major agricultural exporter, with agricultural exports of \$4.7 billion in 2003. Major exports include fresh fruit (\$550 million), tree nuts (\$450 million), and tobacco (\$320 million). In general, Turkey's limited export promotion spending for agriculture is directed towards the horticultural sector (dried fruits and nuts) and high-value processed products such as olive oil. These programs are mostly privately funded; total spending was about \$5.2 million. Activities include market research, trade missions, trade shows, and publication of promotional materials. These efforts are coordinated through a broad network of commercial counselors throughout the Middle East, Europe, Russia and the southern republics of the former Soviet Union, Pakistan, India, China, Japan, Korea, Australia, South Africa, United States, and Canada.

### National Strategy

The Undersecretariat of the Prime Ministry of Foreign Trade<sup>39</sup> (USFT) develops and improves commercial relations, and thereby exports, with Turkey's neighbors. Turkey envisions a leadership role in the region, especially with neighbors sharing cultural ties. The European Union (EU) is becoming more important since a large share of Turkey's exports is destined for this market. Turkey aspires to adopt European standards with respect to production and trade in agricultural and food products. Russia is another large market targeted for promotional activities. Horticultural exports to the FSU are significant, and the growth potential for this market is quite promising. Turkey participates in trade shows in the United States and Asia in addition to the Middle East and EU.

Japan got special attention in 2003, which was proclaimed "Turkish Year in Japan." Special events included participation in a Japanese food show, a gala dinner with dishes prepared using olives and olive oil, a reverse trade mission, and production of a film and book to promote olive oil.

### Export Promotion Center of Turkey (IGEME)

<http://www.igeme.org.tr/introeng.htm>

The Export Promotion Center of Turkey (IGEME) has a staff of 150, and is the main governmental organization responsible for all export market promotions. It works closely with the Exporter Unions, quasi-official membership-based trade associations that promote regional or sectoral exports. The USFT, however, coordinates the activities of both organizations. While the USFT chairs the board of IGEME, seven board members are private sector exporters who are also members of the Exporter Unions. A Ministry of Agriculture representative sits on the board; however, the Ministry of Agriculture has no marketing functions. The main IGEME office is in Ankara, with branch offices in Istanbul, Izmir, Rotterdam, and Lefkosa in Northern Cyprus.

IGEME's direct budget is approximately \$8.5 million. IGEME receives 40 percent of its budget from the Exporter Unions, which receive funds from private sector export levies. The budget available to IGEME for agricultural export promotion activities is approximately \$1.4 million.

IGEME's main promotional functions for agriculture are to:

- Conduct market research studies
- Develop and maintain contact and product information
- Facilitate international projects in the food or agricultural sector

IGEME works in five areas: research and development, training, trade promotion, publicity and promotion, and international relations.

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<sup>39</sup> Web site is at <http://www.foreigntrade.gov.tr/engmenu.htm> .

IGEME provides small- and medium-sized enterprises with marketing information and advice on exporting, market surveys of selected countries, and research. IGEME also supports training through a cost-sharing program. Other than marketing research and training, IGEME provides no other direct financial assistance to exporters.

The most important market promotion activity is foreign trade shows. IGEME, the Exporter Unions, and private exporters participate in numerous international trade shows in most regions around the world. The private sector pays for its own participation, but the government refunds some of the cost. The USFT provides a list of trade shows in a given year, and either IGEME or a regional Exporter's Union will coordinate participation in the fair by the appropriate sectors.

IGEME also publishes generic promotional materials (in English) for each important producing and exporting sector. These high quality, colorful brochures provide basic information on quality, production, and trade statistics for each product. While the material is generic, each brochure lists exporters of the product highlighted. Exporters apply to IGEME to be listed in the brochures. Brochures cover fresh fruits and vegetables, dried apricots, fishery products, poultry, frozen fruits and vegetables, organic agricultural products, fruit juices and concentrates, cut flowers, table grapes and raisins, fresh and dried figs, tomato and tomato paste, olive oil, hazelnuts, sugar confectionery, chocolate and cocoa products, macaroni, wine, and spices.

IGEME also publishes the Turkish Food Catalogue, which provides summary information for specific products as well as lists of exporters. These promotional materials are distributed at international trade fairs and to visiting foreign importers.

## **Exporter Unions**

In addition to IGEME, Exporter Unions, which are quasi-governmental associations of producers and exporters, facilitate exports and perform market promotion activities. The USFT works closely with the member-elected Export Unions boards. Activities of the Exporter Unions include the circulation of trade information and statistics, the organization of fairs and exhibitions (in both Turkey and abroad), and the organization of trade delegations. Operationally they are independent, as private sector members finance them. Still, the supervision and guidance of the USFT is significant. There are 13 Exporter Unions located in Istanbul (3), Bursa, Ankara, Mersin, Antalya, Giresun, Trabzon, Gaziantep, Erzurum, Denizli, and Izmir. Each Exporter Union promotes exports from all sectors that are important to their region. Izmir, home to the Aegean Exporter Union, with a staff of 75, is the largest exporting region for agricultural products. The three secretariats in Istanbul deal with agriculture; textile products, garments and leather products; and industrial products.

The private sector contributes significantly to these efforts through its fee-based membership in the Exporter Unions and through cost sharing when participating in international fairs and trade shows. Each exporter in Turkey is required to be a member of an Exporter Union. Private exporters contributed an estimated \$3.8 million to support the promotion activities of all the Exporter Unions. These funds make up the whole budget of the Exporter Unions. They get no funding from the USFT.

## United States

The United States is the world's leading agricultural exporter, with \$59.6 billion worth in 2003. It is a world leader in exports of basic products like soybeans, corn, wheat, cotton, rice, live animals, hides and skins, soybean oil, and tobacco, as well as processed products such as red meat, fruits and vegetables, dairy products, and snack foods. Exports in these products exceeded \$1 billion in 2003. The United States has a sophisticated agricultural export promotion system in place, partnering USDA's Foreign Agricultural Service with nonprofit trade associations representing commodity or regional interests. While USDA spending on market promotion totaled \$123.4 million in FY 2002, private spending was \$208 million. Most state governments have programs in place to assist exporters, but funding for these programs is generally limited.

### National Strategy

Promotion of agricultural exports is just one component of the federal government's national export strategy. USDA is a lead agency in the Trade Promotion Coordinating Committee (TPCC), comprised of representatives from 19 government agencies. USDA directs efforts for agricultural export promotion. In 2002, the TPCC made several recommendations for changing or adding new agricultural programs. As a result, a new biotech office is now in place to build coalitions and resolve market access issues. In addition, USDA is partnering with the Agency for International Development (USAID) and the State Department to pursue long-term capacity building efforts in developing countries.

The most important agricultural promotion programs are the Market Access Program (MAP) and the Foreign Market Development Program (FMD). In addition, several smaller programs address specific exporter needs. USDA also provides several services to exporters through its overseas offices, as well as assisting in trade shows and connecting buyer to seller. Other programs provide training for professionals (technical specialists and government officials) involved in agricultural trade in foreign markets.

MAP aids in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products. The MAP forms a partnership between non-profit U.S. agricultural trade associations, U.S. agricultural cooperatives, small U.S. businesses, and USDA to share the costs of overseas marketing and promotional activities such as consumer promotions, market research, trade shows, and trade servicing. MAP is intended for shorter-term, consumer-oriented promotions. Trade organizations and private firms develop proposals and submit them as part of the Unified Export Strategy (UES) process that allows applicants to request funding for various USDA market development programs (including the FMD program) through a single proposal. Branded promotions are permitted; however, there is a 5-year limit in any country. In FY 2002, 66 organizations received \$92.6 million in federal funding matched by \$163 million in industry contributions. Regional groups and groups promoting horticultural products and meat got over half of federal funds. Most of the rest went to grain, cotton, citrus, forest products, and wine groups. Most was spent in Japan, Mexico, Canada, and the United Kingdom, though other European and Asian markets were also funded.

The FMD program also aids in the creation, expansion, and maintenance of long-term export markets for U.S. agricultural products. The program has fostered a partnership between USDA and U.S. agricultural producers and processors, represented by nonprofit trade associations. Under this partnership, USDA and the cooperator pool their technical and financial resources to conduct overseas market development activities. These groups compete for USDA funding annually, based on the proposals they submit. Preference is given to nonprofit U.S. agricultural and trade groups that represent an entire industry, or are nationwide in membership and scope. In FY 2002, 24 organizations received \$30.9 million in federal funding matched by \$45 million in industry contributions. Groups promoting soybeans, wheat, and feed grains got over half of federal funds. Most of the rest went to forest products, cotton, rice, meat, and poultry groups. Program activities focus on reducing market

impediments, improving the processing capabilities of importers, modifying restrictive regulatory codes and standards in foreign markets, and identifying new markets or uses for U.S. products.

There are also four smaller programs with specific purposes in promoting agricultural exports, funded at \$22.8 million in FY 2002:

- The Emerging Markets Program (EMP), funded at \$10 million, provides funding for technical assistance activities to promote exports of U.S. agricultural commodities and products to emerging markets. To be considered an emerging market, a country (or region) must have both:
  - Per capita income of less than \$9,385 – the current ceiling on upper middle-income economies as determined by the World Bank
  - Population greater than 1 million. This may encompass regional groupings, such as the islands of the Caribbean Basin
- The Section 108 Foreign Currency Program provides cost-sharing assistance in foreign currencies to both the public and private sectors for the development, maintenance, and expansion of long-term export markets for U.S. agricultural products and agricultural technical assistance. Funding was \$9.5 million for both public and private programs.
- The Technical Assistance for Specialty Crops (TASC) program, funded at \$2 million, assists U.S. organizations by funding projects that address sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops. Examples of covered activities include seminars and workshops, study tours, field surveys, pest and disease research, and pre-clearance programs.
- The Quality Samples Program assists U.S. agricultural trade organizations to provide small samples of their agricultural products to potential importers in emerging markets overseas, with funding of \$1.34 million.

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