



United States Department of Agriculture

Foreign Agricultural Service

# Linking U.S. Agriculture to the World





## **A Vital Role in Farm Exports**

The Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) works to improve foreign market access for U.S. products, build new markets, improve the competitive position of U.S. agriculture in the global marketplace, and provide food aid and technical assistance to foreign countries.

FAS has the primary responsibility for USDA's international activities—market development, trade agreements and negotiations, and the collection and analysis of statistics and market information. It also administers USDA's export credit guarantee and food aid programs, and helps increase income and food availability in developing nations by mobilizing expertise for agriculturally led economic growth.

FAS also enhances U.S. agriculture's competitiveness by providing linkages to global resources and international organizations.

## **Representing U.S. Agriculture Abroad**

FAS has a global network of agricultural economists, marketing experts, negotiators, and other specialists that few organizations can equal. FAS agricultural counselors, attachés, trade officers, and locally employed FAS staff stationed in over 90 countries support U.S. agricultural interests.

In addition to agricultural affairs offices in U.S. embassies, agricultural trade offices also have been established in a number of key markets and function as service centers for U.S. exporters and foreign buyers seeking market information. FAS' overseas offices serve as the Department's "eyes and ears" for monitoring international issues. Our counselors and attachés work hand-in-hand with the country's ambassador and other components of its team. They work to ensure that agriculture's market access, food aid, capacity building, biotechnology, and information gathering remain at the forefront. When problems arise in our export markets, counselors and attachés play a critical role in providing immediate assistance to our exporters.

## **International Trade Policy**

FAS coordinates and directs USDA's responsibilities in international trade negotiations, working closely

with the U.S. Trade Representative's office. Trade policy experts at FAS help identify—and work to reduce—foreign trade barriers and other practices and policies that hinder U.S. agricultural exports.

FAS is the enquiry point for World Trade Organization (WTO) sanitary and phytosanitary issues and technical barriers to trade. As such, the agency serves as the official conduit for notifications and comments about these measures.

Trade information sent to Washington, DC, by FAS personnel overseas is used to develop and hone strategies to increase market access, monitor trade agreements, and improve programs and policies to make U.S. farm products more competitive.

## **Collecting the Data**

Reports prepared by our overseas offices cover changes in policies and other developments that could affect U.S. agricultural exports. FAS staff in U.S. embassies around the world assess U.S. export marketing opportunities and respond to the daily informational needs of those who develop, initiate, monitor, and evaluate U.S. food and agricultural policies and programs.

In addition to data collection, FAS also maintains a worldwide agricultural reporting system based on information from U.S. agricultural traders, remote sensing systems, and other sources.



## **Analyzing Production and Trade**

Analysts in Washington, DC, prepare production forecasts, assess export marketing opportunities, and track changes in policies affecting U.S. agricultural exports and imports. Policy makers, program

administrators, farmers, exporters, and others rely on these analyses to plan activities and to make decisions.



## **Promoting and Assisting U.S. Agriculture**

FAS programs help U.S. exporters develop and maintain markets for hundreds of food and agricultural products, from bulk commodities to brand name items.

The largest FAS promotional programs are the Market Access Program (MAP) and the Foreign Market Development Cooperator Program (FMD). Promotional activities under these two programs are carried out chiefly in cooperation with agricultural trade associations, State-regional trade groups, small businesses, and cooperatives that plan, manage, and contribute staff resources and funds to support these efforts. FAS also provides guidance to help exporters locate buyers and provides assistance through a variety of other methods. Additionally, FAS supports U.S. participation in several major trade shows and a number of single-industry exhibitions each year.

The Quality Samples Program (QSP) stimulates interest in and demand for U.S. agricultural products. It does this by helping trade organizations provide small samples of their agricultural products to potential importers in emerging markets overseas.

The Farm Security and Rural Investment Act of 2002 created the Technical Assistance for Specialty Crops Program (TASC) and reauthorized the Emerging Markets Program (EMP). TASC assists

U.S. organizations by providing funding for projects that address sanitary and phytosanitary and technical barriers that prohibit or threaten the export of U.S. specialty crops. EMP helps U.S. public and private organizations develop, maintain, or enhance U.S. exports to low- and middle-income countries that have or are developing market-oriented economies. These countries hold great potential for becoming long-term, viable markets.

USDA also uses the Dairy Export Incentive Program (DEIP) to foster sales in markets where the competitiveness of U.S. dairy products is impeded by subsidized products from other countries. Under this program, USDA pays cash to exporters as bonuses, allowing them to sell certain U.S. dairy products at prices lower than the exporter's costs of acquiring them.

The Trade Adjustment Assistance for Farmers Program (TAA) provides technical assistance and cash benefits to eligible U.S. producers of agricultural commodities if increased imports have contributed importantly to a specific price decline for the five preceding market years.

## **Commercial Export Financing**

FAS provides U.S. agricultural exporters with short- and intermediate-term commercial financing support through Commodity Credit Corporation (CCC) export credit guarantee programs. The Export Credit Guarantee Program (GSM-102) and the Intermediate Export Credit Guarantee Program (GSM-103) protect U.S. exporters or U.S. financial institutions against risk if the importer's foreign bank fails to make payment. These programs are designed to expand



and maintain foreign markets for U.S. agricultural commodities, and can help developing nations make the transition from concessional financing to cash purchases.

The Supplier Credit Guarantee Program (SCGP) guarantees payments up to 180 days on promissory notes from importers for a percentage of the face value.

The Facility Guarantee Program (FGP) provides payment guarantees to facilitate the financing of U.S. goods and services exported to improve or establish agriculture-related facilities in emerging markets.



## **Donations and Concessional Sales**

USDA shares administration of U.S. food aid programs with the U.S. Agency for International Development. USDA channels food aid through four programs to help needy people around the world:

- Food for Progress Program provides donations of agricultural commodities to needy countries to encourage economic and agricultural reforms that foster free enterprise.
- Section 416(b) programs provide donations of Commodity Credit Corporation-owned commodities in surplus of domestic program requirements for assistance to developing and friendly countries.
- McGovern-Dole International Food for Education and Child Nutrition Program provides for donations of U.S. agricultural products and financial and technical assistance for school feeding and

maternal and child nutrition projects in low-income, food-scarce countries committed to universal education.

- Title I of Public Law 480 (Food for Peace) provides for long-term concessional sales of U.S. agricultural commodities to support economic growth in countries that need food assistance.

## **Agricultural Linkages Through International Cooperation**

FAS carries out a broad array of international training, technical assistance, and other collaborative activities with developing and transitional countries to facilitate trade and promote food security. In order to increase the benefits to developing nations participating in global agricultural markets, FAS offers numerous trade capacity-building programs.

FAS helps nations understand and prepare for meeting World Trade Organization (WTO) requirements. FAS helps countries focus on the critical role science and technology can play in raising agricultural productivity in an environmentally sustainable way. This includes assistance in developing appropriate policies and institutions to facilitate research and technology transfer in order to increase incomes, reduce hunger, and improve nutrition.

FAS' Cochran Fellowship Program brings agriculturists to the United States to give them exposure to such areas as U.S. economic policies, agricultural business practices and products, and biotechnology benefits and safeguards.

Around the globe, FAS responds to special needs as they arise, such as contributing to reconstruction efforts in Iraq and Afghanistan, including helping them develop appropriate agricultural institutions and policies.





## Getting the Information

FAS produces hundreds of documents each year that chart and analyze production, consumption, trade flows, and market opportunities for about 100 agricultural products.

FAS informational products, which are available online at **[www.fas.usda.gov](http://www.fas.usda.gov)**, include:

- **Periodical reports** that present information on U.S. and world production, supply and demand, and trade for many commodities, as well as the latest trade policy developments and export marketing information.
- **AgExporter**, a magazine based on information from USDA overseas experts. Articles focus on markets abroad, detailing trade opportunities and export/import requirements for specific countries.
- **Market- and commodity-specific reports.**
- **Trade leads, foreign buyers list, U.S. suppliers list**, and other practical information.
- **News releases and program announcements** about FAS programs and policies.

FAS information is available through:

- **FAS home page:** <http://www.fas.usda.gov>
- **Subscriptions** from the National Technical Information Service, Tel.: (800) 363-2068 or (703) 605-6060. TDD for those with hearing impairments only, Tel.: (703) 487-4639.

## Challenges for the Future

*The major services of FAS—market intelligence, access, and development; trade policy formulation and monitoring; food aid; and linkages—are expected to gain in importance in the years ahead as U.S. agricultural exporters work to overcome international barriers and succeed in world markets.*



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