



Do Trade Programs Affecting Specialty Crops Need to be Altered?

BACKGROUND

USDA's Foreign Agricultural Service (FAS) has the primary mission of addressing the growing importance of a global marketplace and supporting U.S. agriculture through the facilitation and development of trade. However, other agencies within USDA play a pivotal role in fostering and developing international trade. Those agencies include the Animal and Plant Health Inspection Service (APHIS), Agricultural Marketing Service (AMS), and Agricultural Research Service (ARS). Program issue areas are inclusive of trade promotion, market development, research, technical assistance, and trade remedies.

The Market Access Program (MAP) facilitates U.S. agricultural exports and uses Commodity Credit Corporation (CCC) funds to help U.S. producers, exporters, private companies, and other trade organizations finance promotional activities for U.S. agricultural products. It encourages the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program. Activities financed include consumer promotions, market research, technical assistance, and trade servicing. MAP dollars can be used on brand-name promotions and generic promotions.

The Quality Samples Program (QSP) enables potential customers around the world to discover the quality and benefits of U.S. agricultural products. QSP helps create export sales of commodities by providing samples to foreign importers, fostering new partnerships between importers and U.S. exporters. The program focuses on processors and manufacturers rather than consumers. QSP projects should benefit an entire industry or commodity rather than a specific company or product. Projects should focus on developing a new market or promoting a new use for U.S. products.

USDA's Export Credit Guarantee Program promotes purchases of U.S. agricultural exports by providing competitive credit terms to foreign buyers through credit guarantees to encourage financing of commercial exports of U.S. agricultural commodities. CCC funds guarantee the payments due from approved foreign banks to U.S. exporters or financial institutions. The CCC determines which countries and banks are eligible, what level of debt can be assumed, and which commodities and products will be eligible (depending upon market potential). By reducing financial risk to lenders, credit guarantees encourage exports to importers in developing countries that have sufficient financial strength to have foreign exchange available for scheduled payments.

The Food for Progress Program helps developing countries and emerging democracies modernize and strengthen their agricultural sectors. U.S. agricultural commodities, such as dehydrated vegetables, are donated to recipient countries and sold on the local market. The proceeds from these sales are used to support agricultural, economic, or infrastructure development programs in the recipient country.

In addition, the Specialty Crop Block Grant Programs (SCBGP) are used by states to enhance the competitiveness of U.S. specialty crops in foreign markets. SCBGP funds may also be used to enhance competitiveness domestically.

ISSUE

An obstacle to U.S. trade overseas is the implementation of unwarranted Sanitary and Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT) measures. SPS measures are requirements and regulations that governments apply to products in order to protect human, animal, or plant health. The World Trade Organization Agreement on the Application of SPS Measures recognizes the rights of governments to implement measures provided these policies are based on science and do not unjustifiably discriminate against countries and agricultural products. However, at times governments may apply SPS measures that are not based on science and are trade prohibitive. The U.S. Trade Representative provides an annual report on technical barriers to trade, which is inclusive of all industries, not just agriculture.

The Technical Assistance for Specialty Crops (TASC) program, administered by FAS, is designed to provide funds to eligible entities for projects that address sanitary, phytosanitary, and technical barriers that prohibit or threaten exports of U.S. specialty crops. The program is intended to benefit an entire industry or commodity as opposed to a specific company and/or brand. Activities undertaken with TASC program grants include seminars and workshops, study tours, field surveys, and pest and disease research programs.

OPTION #1

Is there a need for new trade programs to ensure that U.S. imports meet the strict production criteria outlined in the Food Safety Modernization Act in order to ensure that any agricultural imported commodities or products meet the same or comparable requirements that U.S. agricultural producers must meet?

OPTION #2

Are current resources sufficient to ensure potential trade agreements like the Trans-Pacific Partnership, the Transatlantic Trade, and Investment Partnership and future free trade agreements ensure sanitary and phytosanitary issues are adequately addressed for U.S. specialty crop producers?