

2020 USDA EXPLANATORY NOTES – FOREIGN AGRICULTURAL SERVICE

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AGENCY-WIDE

PURPOSE STATEMENT

The Foreign Agricultural Service (FAS) is unique within the U.S. Government for its sole focus on global agricultural trade and food security issues. In May 2017, the Secretary of Agriculture enhanced the Department’s commitment to trade by establishing a new Under Secretary dedicated exclusively to Trade and Foreign Agricultural Affairs (TFAA). Additionally, earlier this year, the Department published the USDA Strategic Plan for FY 2018-2022, which includes the goal to “promote American agricultural products and exports.”

FAS’ vision outlines our approach to accomplishing that goal as well as the broader vision the Secretary has for the Department’s agencies to remain accountable to one another and to those who rely on us. This plan depends on our Agency’s proven experience and recognized expertise in utilizing trade policy, international programming, and market analysis to expand exports, as well as the strong connection between FAS in Washington and our overseas offices to effectively execute our mission. FAS has set its priorities, refocused resources, and ensured its activities are resulting in the desired outcome for stakeholders.

FAS is the lead U.S. agency tasked with promoting exports of U.S. agricultural products. This recognized expertise is trusted by farmers and ranchers, food processors, other U.S. government agencies, and non-governmental organizations to provide sound, reliable, and consistent intelligence on foreign agricultural markets, crop conditions and agro-political dynamics. The Agency advances the growth of U.S. agricultural exports through market intelligence, trade policy, trade capacity building and trade promotion programs. In concert, these capabilities allow FAS to engage foreign markets all along the market development spectrum – from developing economies to mature markets – facilitating an environment for trade growth opportunities for U.S. agriculture.

FAS continues to serve as the voice for U.S. agriculture in international affairs, bringing together the diverse views of American farmers, ranchers, processors, and trade associations, as well as U.S. government agencies and non-governmental organizations. FAS’s enacting legislation from 1930 allows for agricultural attachés and locally employed staff in international offices to serve as the vital eyes, ears, voice, and hands of U.S. agriculture around the world and often serve as the first point of contact for companies looking to export to a foreign market. Thus, FAS leadership in foreign agricultural affairs is realized through its global network of civil servants, foreign service officers and locally employed staff. FAS advocates for trade-promoting, science-based policies through trade agreements, partnerships, bilateral engagement, and international fora to address the evolving challenges of feeding a growing global population.

FAS achieves its mission through relationship-building. The Agency’s employees understand the importance of relationships in creating and maintaining an open and positive global trade environment. With its long-standing and unprecedented partnership and collaboration with the U.S. agricultural industry, other U.S. government agencies, and non-governmental organizations, FAS consistently evaluates and addresses customer needs. Equally essential are FAS’s relationships with international partners, including foreign governments, international organizations and international agriculture associations, as employees evaluate, advise on, and support the strengthening of the global market environment for U.S. food and agricultural products.

FAS embraces the challenge of being flexible and adaptable in an ever-evolving trade environment. FAS staff bring market intelligence data to life by delivering timely, accurate, and comprehensive analysis to policymakers and industry partners that directly informs agricultural trade policy decisions, program delivery, and decision-making.

Description of Agency Activities

Trade Policy

FAS’ trade policy work maintains a level playing field for U.S. food and agricultural exporters who compete internationally. By partnering with other government agencies and trade associations, as well as regional and international organizations, FAS coordinates global efforts aimed at trade liberalization by negotiating trade agreements; monitoring trade agreement compliance through formal and informal mechanisms; establishing transparent, science-based standards for U.S. agricultural products; and eliminating trade barriers.

FAS works to maintain and expand access to foreign markets in the face of unfair trade barriers. Removing existing barriers, while ensuring new ones are not introduced, directly helps rural America thrive and adds jobs and income to allied sectors such as storage, transportation, and insurance. FAS draws on headquarters staff and attachés covering more than 170 countries to negotiate with foreign governments to open markets. It also works with international organizations to develop fair, transparent international trading rules and standards that facilitate trade. The agency promotes the acceptance of crops produced using biotechnology and other new technologies and the

acceptance of U.S. organic standards around the world. An estimated 60-80 percent of U.S. processed food products could be negatively affected by restrictive labeling measures, testing requirements, and/or outright bans. Exports of these crops and other foods produced or processed using modern biotechnology form the core of U.S. agricultural exports that totaled \$143.4 billion in 2018, up 2 percent from 2017 and the second highest year in history, despite the impact of retaliatory tariffs imposed by some major trading partners. FAS will continue to negotiate, monitor and enforce international trade rules, including those related to sanitary and phytosanitary measures undertaken by foreign governments.

Trade Supporting Initiatives

FAS's policy work to reduce trade barriers is complemented with FAS's programs and activities that proactively expand export opportunities. These trade-supporting initiatives succeed by creating awareness of U.S. agricultural products and offering tools to support market participation. Thus, this goal focuses on promoting export opportunities for U.S. agricultural products through trade capacity building, market development, and trade promotion efforts. FAS also has a full cadre of foreign field offices staffed by highly trained and knowledgeable locally engaged staff (LES) who help match foreign buyers to U.S. sellers, advise private exporters, and support other market promotion activities. FAS' relationship with U.S. producer groups, known as cooperators, allows U.S. agriculture to respond to such changes in the international market place for food and agricultural exports. FAS programs that contribute to food and agricultural exports include: Market Access Program (MAP), Foreign Market Development Cooperator Program (FMD), Technical Assistance for Specialty Crops Program (TASC), Emerging Markets Program (EMP), Quality Samples Program (QSP), and Export Credit Guarantee Programs.

FAS is also the link that enables the U.S. to share its technical agricultural expertise with developing economies. FAS has significant experience in providing training and technical assistance and technical exchanges that build foreign country capacity and buy and process U.S. agricultural products. Programs that have supported economic growth and integration into the global agricultural trade economy include: Norman E. Borlaug International Agricultural Science and Technology Fellowship Program, the Cochran Fellowship Program, and agricultural-related technical assistance and capacity building. FAS' ongoing effort to improve internal operational processes will enable the agency to continue to conduct capacity building programs and U.S.-based technical training with prospective, future trading-partner countries. These enabling resources allow FAS to play a lead role in coordinating the linkage of agricultural expertise to U.S. international development activities, ensuring alignment with U.S. trade and foreign affairs policies.

Market Analysis and Advice

As the U.S. lead in global agricultural affairs, FAS uses its market intelligence, local presence in foreign markets, and global contacts to maintain long-standing relationships. These contacts are valuable to U.S. agricultural exporters in establishing and communicating the institutional understanding of other countries' agricultural sectors. Collecting and communicating market information is invaluable for U.S. exporters, as it provides a level playing field for U.S. organizations working abroad and supports these organizations in identifying new market opportunities.

FAS employees gather overseas policy developments, market data, and intelligence to inform domestic decision-making and support U.S. foreign policy around the globe. The Agency is trusted by U.S. decision-makers and entities worldwide to provide relevant, sound, and reliable information related to foreign agricultural markets, international trade barriers, crop conditions, and related policy developments. Through market analysis in Washington and reporting from FAS overseas offices on foreign production and demand, FAS contributes to the USDA economic information system establishing official estimates of world agricultural supply and demand that drive trading on commodity markets worldwide. FAS maintains key public-facing databases to provide convenient access to up-to-date international market information to inform strategy and business decisions.

Efficient Operations

FAS takes steps to employ efficient management practices and to monitor the use of government funds in the most effective manner. All stakeholders (employees, awardees, and partners throughout the Department and across U.S. government agencies) routinely provide feedback which is used to continuously evaluate programs and resources.

Headquarters of FAS is located in Washington, D.C. In addition to a highly specialized Washington-based staff, the agency maintains a targeted and highly efficient network of 93 offices providing coverage in more than 170 countries around the world that serve as first responders in cases of market disruption, provide critical market and policy intelligence to support our strategic goals, and represent U.S. agriculture in consultations with foreign governments. As of September 30, 2018, FAS had 581 in permanent full-time employment which include 466 in

headquarters, 115 Foreign Service Officers, and 42 LES' whom are not included as part of FAS' permanent full-time employment count.

FAS funds several food aid and import programs, such as the Food for Progress (FFPr), McGovern-Dole International Food for Education and Child Nutrition Program, and the U.S. Sugar, Cotton, and Wool Programs. These programs are implemented with strict adherence to their legal mandates, effective management, and have specific legislative requirements ensuring FAS is both effective and efficient in its program delivery. The FFPr uses the food resources of the United States to support developing countries to develop and expand their agricultural economies. The U.S. Sugar, Cotton, and Wool Programs are U.S. Farm Bill programs which provide price supports, domestic marketing allotments, and tariff-rate quotas. These programs, administered in coordination with the Farm Service Agency (FSA), have specific legislative requirements which enable FAS to manage these commodities to their outlined allocations. These programs reduce the economic injury to domestic manufacturers resulting from tariffs respectively on imports of raw cane sugar, refined sugar, sugar syrups, specialty sugars, sugar-containing products, cotton fabric, and wool fabric. As with its food aid portfolio, FAS manages these import programs to be both effective and efficient.

In FY 2019, FAS will continue to implement its executive-level review to align its footprint with its investments and programs and ensure that resources are in line with USDA trade priorities. FAS plans to backfill up to 40 positions to maintain a strong workforce to carry out trade policy and trade supporting initiatives. FAS' goals and objectives focus on the mission of the Under Secretary to Trade and Agricultural Affairs. FAS' mission is to ensure that resources are aligned to provide excellent customer support to U.S. producers and exporters, as well as cost effective and coordinated services to external stakeholders. FAS ensures that the reallocation of requested resources are in line with USDA trade priorities.

Legislative and Departmental Authorities

FAS was established on March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83 690, enacted August 28, 1954, which transferred the agricultural attachés from the Department of State to FAS. This memoranda were consolidated in Title 5 of the Agricultural Trade Act of 1978, as amended. Secretary's Memorandum No. 1020-39, dated September 30, 1993, transferred the functions of the former Office of International Cooperation and Development to FAS.

Title 5 of the Agricultural Trade Act of 1978, most recently amended in 2008, states that the Administrator of FAS is given the power to “exercise such functions and perform such duties related to foreign agriculture,” and may also be assigned other duties by law or by the Secretary of Agriculture (Title 5, section 502b). Additionally, the Administrator is responsible for oversight of FAS, the General Sales Manager, and the Agricultural Attaché Service (Title 5, section 502c).

Specifically, U.S. Code, Title 7, Chapter 87, 5693, mandates: “The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by –

- (1) Acquiring information pertaining to agricultural trade;
- (2) Carrying out market promotion and development activities;
- (3) Providing agricultural technical assistance and training; and
- (4) Carrying out the programs authorized under this Act, the Food for Peace Act (7 U.S.C. 1691 et seq.), and other Acts.” (Title 5, section 503)”

USDA Regulation 1051-001 (June 2005) defines the role of the FAS as the Department's lead agency in coordinating all agricultural matters with foreign countries. Regulation 1051-002 (December 2004) further states that FAS' responsibilities “include, but are not limited to, the responsibility to coordinate the carrying out by Department agencies of their functions involving foreign agriculture policies and programs and their operations and activities in foreign areas; acting as a liaison on these matters and functions relating to foreign agriculture with the Department of State (DoS), the United States Trade Representative (USTR), U.S. Agency for International Development (USAID), and foreign governments; conducting functions of the Department relating to the World Trade Organization (WTO) and legislation affecting international agricultural trade; and administering and directing the Department's programs in international development, technical assistance and training carried out under the Foreign Assistance Act of 1961, as amended.”

OIG and GAO Reports

Table FAS-1. Completed OIG Reports

ID	Date	Title
07601-0001-41	07/13/2018	Foreign Agricultural Service’s Export Credit Guarantee Program

Table FAS-2. Completed GAO Reports

ID	Date	Title	Result
GAO-18-219	12/29/2017	Inter-American Organizations: U.S. Agencies Support Oversight Mechanisms but Could Enhance Their Monitoring of U.S. Assistance Agreements	USDA is implementing the GAO recommendations.

Table FAS-3. In-Progress GAO Reports

ID	Title
102383	U.S. Agencies’ Implementation of Tobacco Export Promotion
102492	U.S. Assistance to Central America
102938	Foreign Assistance Performance Guidelines

AVAILABLE FUNDS AND STAFF YEARS**Table FAS-4. Available Funds and Staff Years (thousands of dollars, staff years (SY))**

Item	2017		2018		2019		2020	
	Actual	SY	Actual	SY	Estimate	SY	Budget	SY
Salaries and Expenses:								
Discretionary Appropriations.....	\$196,571	737	\$199,666	700	\$199,666	742	\$192,824	768
Supplemental Appropriations.....	6,074	30	6,382	30	6,382	30	6,063	30
McGovern-Dole Program:								
Discretionary Appropriations.....	201,626	-	207,626	-	207,626	-	-	-
Transfers In	120	-	90	-	-	-	-	-
Adjusted Appropriation.....	404,391	767	413,764	730	413,674	772	198,887	798
Balance Available, SOY	61,128	-	37,571	-	-	-	-	-
Other Adjustments (Net)	6,300	-	40,745	-	-	-	-	-
Total Available.....	471,819	767	492,080	730	413,674	772	198,887	798
Transferred Balances.....	-10,403	-	-	-	-	-	-	-
Balance Available, EOY	-13,657	-	-84,998	-	-	-	-	-
Obligations	447,759	767	407,082	730	413,674	772	198,887	798
Subtotal Obligations, FAS.....	447,759	767	407,082	730	413,674	772	198,887	798
Ob. Under Other USDA Appr.:								
Commodity Credit Corporation for:								
Market Access Program Admin. Costs	5,604	23	5,604	23	5,604	23	5,604	23
Technical Assistance for Specialty Crops								
Program Admin. Costs.....	1,086	3	1,086	3	1,086	3	1,086	3
Emerging Markets Program Admin. Costs	970	5	970	5	970	5	970	5
Quality Samples Program Admin. Costs.....	189	1	177	1	189	1	189	1
Foreign Market Dev. Program Admin. Costs.....	1,321	6	1,321	6	1,321	6	1,321	6
Food for Progress Admin. Costs	4,020	15	6,020	15	6,020	15	-	-
Cotton and Wool Project Admin. Costs	249	1	247	1	247	1	247	1
Legal Services	-	-	350	-	350	-	350	-
McGovern-Dole Program	1,659	11	3,500	11	3,500	11	-	-
Landsat data and support (Remote Sensing)	4,930	3	5,247	3	5,665	3	5,665	3
IRM Activities	18,430	2	17,214	2	18,430	2	18,430	2
IRM Activities (non-CCC).....	4,422	3	4,670	3	4,500	3	4,500	3
Under Secretary (Travel)	500	-	500	1	500	1	500	1
Emerging Markets Program	2,000	1	2,600	1	2,600	1	2,600	1
USDA Satellite Imagery	75	-	75	-	75	-	75	-
Codex	705	1	-	-	-	-	-	-
OSEC: Biotech Funding.....	750	-	-	-	-	-	-	-
P.L. 480 Title II.....	112	2	112	2	112	2	112	2
Other Agreement.....	-	-	24,412	-	-	-	-	-
Total, Other USDA	47,022	77	74,105	77	51,169	77	41,649	51
Total, Agriculture Appropriations	494,781	844	481,187	807	464,843	849	240,536	849
Other Federal Funds:								
U.S. Agency for International Dev. (USAID) and others for developmental assistance								
	94,568	170	33,895	170	35,000	170	35,000	170
Total, Other Federal	94,568	170	33,895	170	35,000	170	35,000	170
Total, FAS.....	589,349	1,014	515,082	977	499,843	1,019	275,536	1,019

PERMANENT POSITIONS BY GRADE AND STAFF YEARS*Table FAS-5. Permanent Positions by Grade and Staff Years*

Item	2017 Actual			2018 Actual			2019 Estimate			2020 Budget		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
ES	6	-	6	4	-	4	4	-	4	4	-	4
SES.....	5	13	18	5	17	22	5	17	22	5	17	22
GS-15.....	46	-	46	48	-	48	48	-	48	48	-	48
GS-14.....	116	1	117	128	1	129	128	1	129	128	1	129
GS-13.....	154	1	155	154	1	155	154	1	155	154	1	155
GS-12.....	106	-	106	120	1	121	120	1	121	120	1	121
GS-11.....	45	1	46	32	-	32	32	-	32	32	-	32
GS-10.....	1	-	1	2	-	2	2	-	2	2	-	2
GS-9.....	22	1	23	11	1	12	11	1	12	11	1	12
GS-8.....	7	-	7	7	-	7	7	-	7	7	-	7
GS-7.....	18	-	18	18	-	18	18	-	18	18	-	18
GS-6.....	2	-	2	-	-	-	-	-	-	-	-	-
GS-5.....	1	-	1	2	-	2	2	-	2	2	-	2
GS-4.....	3	-	3	-	-	-	-	-	-	-	-	-
GS-3.....	-	-	-	1	-	1	1	-	1	1	-	1
Other Graded.....	22	99	121	23	95	118	23	95	118	23	95	118
Total Permanent.....	554	116	670	555	116	671	555	116	671	555	116	671
Unfilled, EOY.....	64	1	65	89	1	90	-	-	-	-	-	-
Total Perm. FT EOY..	490	115	605	466	115	581	555	116	671	555	116	671
Staff Year Est.....	767	247	1,014	730	247	977	772	247	1,019	814	205	1,019

VEHICLE FLEET**Motor Vehicle Fleet**

The passenger motor vehicles of FAS are used almost exclusively by Foreign Service Officers and their staffs stationed at posts overseas. FAS' overseas mission requires the use of official government vehicles to conduct field crop assessment trips to gather agricultural data, official travel to countries within regional coverage, transportation to local government offices, travel to representation events with agribusiness organizations, transporting official visitors, and providing mail/messenger courier services.

Although FAS owns its overseas vehicle fleet, these vehicles are subject not only to USDA Directives, but are also under the authority of the Chief of Mission at each station. Each overseas station has an established vehicle policy to which USDA Foreign Service Officers must adhere and the Chief of Mission has the authority to determine other authorized uses that are permitted in accordance with the Foreign Affairs Manual Governing Asset Management.

Replacement Criteria

For FY 2020, there are three anticipated vehicle purchases. The vehicles purchased will replace existing vehicles and will require the disposal of three vehicles. The vehicles anticipated to be replaced average ten (10) years in age and average 40,000 miles. All other vehicles are working properly. In FY 2019, FAS' overseas vehicle fleet consists of one (1) sedan, seven (7) mini-vans, eight (8) 4x2 Light Trucks, and thirty-nine (39) 4x4 Light Trucks.

Reductions to Fleet

Normally, passenger vehicles may not be replaced unless they either have a mileage of 100,000 or 7 years or more of age. Armored vehicles have a shorter life-span and are normally replaced every 5 years. Condition of the vehicle and cost analysis of maintenance and operating cost are also factors for replacement. Each post that has a vehicle is required to record daily usage, including fuel cost and maintenance in a Vehicle Log.

Impediments to managing the motor vehicle fleet: FAS will dispose of 5 vehicles in FY 2019 to reduce the vehicle fleet size to 50 to comply with the Deputy Secretary reduction to the fleet size for underutilized vehicles.

Table FAS-6. Size, Composition, and Annual Costs of Motor Vehicle Fleet^a

Fiscal Year	Sedans and Station Wagons	Lt. Trucks, SUVs, and Vans (4x2)	Lt. Trucks, SUVs, and Vans (4x4)	Total Vehicles	Annual Operating Costs^b
2017	1	17	36	54	\$201
Change	-	-	+2	+2	-74
2018	1	17	38	56	127
Change	-	-2	+1	-1	+20
2019	1	15	39	55	147
Change	-	-2	-3	-5	+25
2020	1	13	36	50	172

^a Vehicle count include those owned by agency and leased from commercial sources or GSA.

^b Excludes acquisition costs and gains from sale of vehicles as shown in FAST.

SHARED FUNDING PROJECTS*Table FAS-7. Shared Funding Projects (dollars in thousands)*

Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
Working Capital Fund:				
Material Management Service.....	\$166	\$171	\$183	\$216
Mail and Reproduction Services	358	433	525	525
Integrated Procurement Systems	83	108	91	96
Procurement Operations Services.....	-	-	-	-
Human Resources Enterprise Management Systems.....	8	12	15	16
Subtotal	615	724	814	853
Creative Media & Broadcast Center.....	89	61	22	27
National Finance Center.....	228	252	251	264
Financial Shared Services	841	899	1,370	2,680
Internal Control Support Services	76	59	45	45
Subtotal	1,233	1,271	1,687	3,016
Client Technology Services.....	2,842	925	1,069	1,058
National Information Technology Center.....	2,395	2,590	2,800	2,800
Enterprise Network Services	86	168	827	862
Subtotal	5,323	3,683	4,697	4,720
Correspondence Management	93	84	109	109
Total, Working Capital Fund.....	7,265	5,763	7,308	8,698
Department-Wide Shared Cost Programs:				
GSA Space – NCRCDC	92	95	95	97
DHS GSA Building Security NCRCDC	200	204	204	207
1890's USDA Initiatives.....	38	34	34	37
Advisory Committee Liaison Services	11	12	12	15
Classified National Security Information	189	103	103	106
Continuity of Operations Planning.....	21	19	19	22
Emergency Operations Center.....	24	21	21	24
Facility and Infrastructure Review and Assessment.....	5	4	4	7
Faith-Based Initiatives and Neighborhood Partnerships.....	4	10	10	13
Hispanic-Serving Institutions National Program.....	20	18	18	21
Human Resources Transformation	17	9	9	12
Identity Access Management	69	61	61	64
Medical Services	48	40	40	43
People's Garden.....	7	5	5	8
Personnel Security Branch	117	323	323	326
Pre-authorizing Funding.....	35	33	33	36
Retirement Processor/Web Application	6	5	5	8
TARGET Center	15	13	13	16
USDA 1994 Program	8	7	7	10
Virtual University.....	21	10	10	13
Total, Department-Wide Reimbursable Programs.....	947	1,026	1,026	1,085
E-Gov:				
Budget Formulation and Execution Line of Business	5	3	3	6
Enterprise Human Resources Integration	20	19	19	22
E-Rulemaking	17	21	21	24
Financial Management Line of Business.....	1	1	1	4
Geospatial Line of Business	13	13	13	16
Human Resources Line of Business	2	3	3	6
Integrated Acquisition Environment	14	14	15	17
Total, E-Gov.....	72	74	75	95
Agency Total.....	8,284	6,863	8,409	9,878

ACCOUNT 1: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored):

For necessary expenses of the Foreign Agricultural Service, including not to exceed \$250,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$192,824,000, of which no more than 6 percent shall remain available until September 30, 2021, for overseas operations to include the payment of locally employed staff: Provided, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1737) and the foreign assistance programs of the United States Agency for International Development: Provided further, That funds made available for middle-income country training programs, funds made available for the Borlaug International Agricultural Science and Technology Fellowship program, and up to \$2,000,000 of the Foreign Agricultural Service appropriation solely for the purpose of offsetting fluctuations in international currency exchange rates, subject to documentation by the Foreign Agricultural Service, shall remain available until expended.

LEAD-OFF TABULAR STATEMENT

Table FAS-8. Lead-Off Tabular Statement

Item	Amount
2019 Annualized Continuing Resolution.....	\$199,666,000
Change in Appropriation	-6,842,000
Budget Estimate, 2020.....	<u>192,824,000</u>

PROJECT STATEMENT**Table FAS-9. Project Statement (thousands of dollars, staff years (SY))**

Item	2017		2018		2019		Inc. or Dec.	Chg Key	SY	2020	
	Actual	SY	Actual	SY	Estimate	SY				Budget	SY
Discretionary Appropriations:											
Trade Policy	\$82,560	310	\$53,907	210	\$68,264	247	-\$366	(2)	-	\$67,898	247
Trade Promotion	70,766	265	-	-	-	-	-	-	-	-	-
Capacity Building/Food Security	43,245	162	-	-	-	-	-	-	-	-	-
Trade Supporting Initiatives.....	-	-	68,467	237	64,835	243	-4,331	(3)	-	60,504	243
Market Analysis and Advice.....	-	-	46,792	127	41,822	129	-105	(4)	-	41,717	129
Efficient Operations	-	-	30,500	126	24,745	123	-2,040	(5)	26	*/	22,705
Subtotal	196,571	737	199,666	700	199,666	742	-6,842	(1)	+26	192,824	768
Supplemental Appropriations:											
CCC Export Programs Admin	6,074	30	6,382	30	6,382	30	-319	-	-	6,063	30
Total Adjusted Approp.....	202,645	767	206,048	730	206,048	772	-7,161	-	26	198,887	798
Rsc, Trns, Other (Net).....	-10,523	-	-3,385	-	-	-	-	-	-	-	-
Sequestration.....	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.....	192,122	767	202,663	730	206,048	772	-7,161	-	+26	198,887	798
Transfers In:											
Cong. Relations.....	120	-	90	-	-	-	-	-	-	-	-
Bal. Available, SOY.....	-	-	28,488	-	-	-	-	-	-	-	-
Total Available.....	192,242	767	231,241	730	206,048	772	-7,161	-	+26	198,887	798
Bal. Available, EOY	-4,574	-	-35,726	-	-	-	-	-	-	-	-
Total Obligations.....	187,668	767	195,515	730	206,048	772	-7,161	-	+26	198,887	798

*/Note: Realignment of staff due to uncertainty of funding for food aid programs.

The justifications items are keyed to the Change Key (Chg Key) column on the Project Statement.

JUSTIFICATIONS

FAS is the foreign affairs agency with primary responsibility for the United States Department of Agriculture's (USDA) overseas programs—market development, international trade agreements and negotiations, and the collection of statistics and market information. FAS is unique within the U.S. Government for its sole focus on global agricultural trade issues. FAS serves U.S. farmers, ranchers, fishermen, foresters, and agribusinesses, collaborates across the U.S. government, and partners with the private sector non-government organizations to further the economic prosperity of rural America. This recognized expertise is trusted by farmers and ranchers, food processors, other U.S. government agencies, and non-governmental organizations to provide sound, reliable and consistent intelligence on foreign agricultural markets, crop conditions and agro-political dynamics. The agency's global network of agricultural attachés and locally employed staff provide an unparalleled resource for understanding trade policy and market development issues as they arise.

FAS' goals and objectives focus on the mission of the Under Secretary to Trade and Agricultural Affairs. FAS' trade and foreign strategies ensure that resources are aligned to provide excellent customer support to U.S. producers and exporters, as well as cost effective and coordinated services to external stakeholders. Continuation of FAS' mission is critical because it provides a level playing field for U.S. agriculture exporters, increases the demand for U.S. agricultural products, and develops emerging markets overseas.

The total FY 2020 Salaries and Expenses budget request is \$192,824,000 and 768 staff years (does not include CCC Export Credit Guarantee Program funding of \$6,063,000 and 30 staff years for 2020). This request results in a net decrease in funding of \$6,842,000 for 2020 (\$199,666,000 and 742 staff years available in 2019) from the FY 2019 Annualized Continuing Resolution level. FAS would realign 26 staff years due to the elimination of funding for food aid programs. During FY 2020, these employees would continue to administer existing agreements under the programs. In subsequent years, FAS would continue to have some of the staff monitor agreements until existing agreements are closed. Staff would also be reallocated to other strategic priorities. The proposed budgetary decrease would be applied throughout all FAS' strategic goals, but to a lesser degree on those that are higher priority to the

Administration, Trade Policy and Market Analysis and Advice. Each of these activities supports FAS' mission as the lead trade agency that promotes U.S. food and agricultural exporters in taking advantage of market opportunities. The proposed funding level will allow FAS to continue strong support of its long-term goal of promoting U.S. agricultural exports. Funds requested will be used to carry out activities and functions consistent with the full range of authorities and activities delegated to the agency.

To ensure that resources are in line with USDA trade priorities, FAS is conducting its executive-level review to align its' organizations footprint with its investments and programs. After the adjustments in organization and resource allocations, FAS will be able to report on any cost savings and the amount of resources that are added to support trade objectives. FAS' goals and objectives focus on the mission of the Under Secretary to Trade and Agricultural Affairs. FAS' mission is to ensure that resources are aligned to provide excellent customer support to U.S. producers and exporters, as well as cost effective and coordinated services to external stakeholders. FAS ensures that the reallocation of requested resources is in line with USDA trade priorities.

The numbers of the following listing relate to values in the Chg Key column of the Project Statement:

- (1) A net decrease of \$6,842,000 (\$199,666,000 and 742 staff years available in 2019).

The funding change is requested for the following items:

- A) An increase of \$1,600,000 for International Cooperative Administrative Support Services (ICASS) (\$16,506,171 available in 2019)

The International Cooperative Administrative Support Services (ICASS) entity was established by Public Law 104-208 (U.S. Department of State Appropriations Act) in 1996. The ICASS system is the principal means by which the U.S. Department of State (DoS) provides and shares the cost of common administrative support at its more than 200 diplomatic and consular posts overseas with FAS and all other agencies with an overseas presence in a U.S. Mission. Under the Chief of Mission's authority, FAS relies on its base funding to maintain continuous administrative support services for overseas offices provided by DoS and the U.S. Agency for International Development (USAID). Under ICASS regulations, participating agencies are required to pay their portion of these "platform" costs. The anticipated expansion of the ICASS platform will increase the direct and indirect ICASS costs for FAS. Base funds for FAS ICASS charges will continue to fund these service expenses, but an increase is needed to cover the estimated 2020 assessment.

- B) An increase of \$1,530,000 for pay costs for FAS' Locally Engaged Staff (LES) (\$23,500,000 and 335 staff years available in 2019).

Executive Order 13655, signed December 23, 2013, rescinded a 2-year freeze in pay of civilian Federal employees which had been instituted pursuant Executive Order 13561 (signed on December 22, 2010). Commencing in June 2014 the DoS began processing wage increases for the local compensation plans which were identified as critical needs. This was based on attrition or any post below the average position in their market for salaries. DoS will continue its review process for all compensation plans overseas and FAS will incur increased payments of compensation for overseas LES into 2020.

- C) An increase of \$900,000 for Capital Security Cost Sharing (CSCS) (\$10,490,353 available in 2019).

The increase is due to estimated CSCS costs. DoS implements the CSCS under the authority of Section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999, as amended. The law authorizes the Secretary of State to determine the cost share amount allocable to each agency to support safe, secure, and in some cases new, U.S. diplomatic facilities. It applies to all agencies with overseas personnel under chief of mission authority. The required contributions provided by FAS fund the construction of new U.S. Government facilities (i.e. Embassies and Consulates) and maintenance of existing facilities throughout the world.

- D) An increase of \$593,000 for Biotech programs.

The proposed funding would help remove non-science-based barriers to the export of U.S. agricultural biotechnology products. As authorized in the 2018 Farm Bill, FAS will use funds to prevent and remove foreign non-science-based barriers that block or impede U.S. exports of agricultural biotechnology products and to facilitate global acceptance of agricultural biotechnology in support of U.S. trade objectives. These strategic goals align with the Presidential Executive Order on Promoting Agriculture and

Rural Prosperity in America, which includes advancing the adoption of innovation and technology for agricultural production as well as the export of domestically produced agricultural products.

E) A decrease of \$3,000,000 for the Scientific Cooperation Exchange Program.

The Scientific Cooperation Exchange Program (SCEP) supports collaborative relationships between teams of scientific and technical experts from the United States and the People’s Republic of China. Since 1979, the program has facilitated exchanges for more than 3,000 participants on topics including food safety and security, animal and plant health, and agricultural biotechnology and emerging technologies. By helping U.S. and Chinese companies understand each other’s products and needs, the program provides an avenue through which U.S. agricultural exports can play a role in the burgeoning Chinese economy. This reduction will eliminate the entire program.

F) A decrease of \$8,465,000 for program and management support costs.

A decrease of funding for management support contracts, non-IT contracts, other contractual services, travel, and administrative costs.

Table FAS-10. 2020 Budget Activity Structure

Activity	Percentage
Trade Policy.....	35%
Trade Supporting Initiatives	31%
Market Analysis and Advice.....	22%
Efficient Operations.....	12%
Total	100%

FAS’ strategic framework mirrors its commitment to provide exceptional service and consistent management excellence across the agency. FAS has separate management plans that detail its strategies to achieve its goals in the areas of enterprise governance, financial resource management, human capital management, performance and efficiency, information technology, and emergency preparedness.

FAS’ unrivaled global network of agricultural affairs and agricultural trade offices connect agricultural exporters to foreign customers and provides crucial information on international agricultural markets. FAS markets are driven by four goals: trade policy, trade supporting initiatives, market analysis and advice, and efficient operations. Efforts under these four goals help maintain the Agency’s focus on helping create economic growth in rural America, and the overall U.S. economy, through agricultural trade.

Trade Policy

(2) A net decrease of \$366,000 for Trade Policy (\$68,264,000 and 247 staff years available for the 2019) administrative costs and activities.

FAS works with foreign governments, international organizations, and the Office of the U.S. Trade Representative to establish international standards and rules to improve accountability and predictability for agricultural trade. Services are needed now because the United States’ competitive edge in international markets is dependent on negotiated trade agreements that establish transparent and science-based ground rules. FAS is the best entity to deliver the services and works to ensure that negotiated Free Trade Agreements lead to meaningful market access for the U.S. agricultural sector and that agreements are properly implemented and enforced to provide the greatest benefit to American farmers, ranchers, processors and exporters.

FAS provides this service so that new trade agreements can achieve two critical trade objectives for the United States: (1) they immediately provide vastly improved access to key markets, and (2) they can level the playing field with respect to third-country competitors.

Base funds will allow FAS to continue to play a particularly important role in monitoring agreements and then working with other agencies to enforce them. FAS relies on its worldwide network of attachés, its frequent communication with private sector stakeholders, and formal WTO notification procedures to monitor foreign trade and regulatory actions that have the potential to affect trade. Some problems can be addressed quickly on the ground by our overseas staff. Where that fails, FAS works in concert with other U.S. trade and regulatory agencies to prevent market closures or reopen markets, leading to billions of dollars in additional exports annually. FAS uses a full range of tools from trade capacity building, to the coordination of technical consultations, to formal high level political engagement to address the issues without entering into lengthy and expensive litigation. When needed, we work hand-in-hand with USTR on formal litigation under the WTO.

FAS serves and works to improve market access for U.S. agricultural products and reduce the harm to the industry resulting from SPS regulations by monitoring and enforcing international SPS rules, strengthening the global SPS regulatory framework, and encouraging the adoption of international standards. Similarly, FAS and its partners maintain a broad and active agenda to prevent non-SPS Technical Barriers to Trade (TBT) in the form of product standards, technical regulations, and conformity assessment procedures. These measures, aimed at preventing deceptive practices, have resulted in a proliferation of disparate labeling, registration, certification, and quality standard requirements for routinely consumed food and feed products, sometimes resulting in unnecessary obstacles to trade. Trade issues concerning such measures are addressed by the WTO Agreement on TBT.

In FY 2018, the Secretary established the Interagency Trade Policy Committee (ITPC). The Under Secretary for Trade and Foreign Agricultural Affairs (TFAA) chairs the ITPC, and permanent members consist of the Under Secretary for Marketing and Regulatory Programs and the Under Secretary for Food Safety. The purpose of the ITPC is to develop a unified Departmental trade strategy that actively considers input across USDA agencies, to serve as a decision-making body on trade issues and strategies, and to ensure that regulatory and scientific matters impacting trade are deliberated in the development of consistent trade policy positions.

The agency uses the dollar value of trade that was preserved through FAS assistance with foreign market access issues as a measure of meeting its strategic goal. The data used for this measure is readily available to collect and represents a direct linkage between FAS actions and export value.

- A) An increase of \$534,000 for ICASS costs.
- B) An increase of \$510,000 for LES costs.
- C) An increase of \$300,000 for CSCS.
- D) An increase of \$593,000 for FAS Biotech programs.
- E) Decrease of \$2,303,000 for management support contracts and administrative costs.

Trade Supporting Initiatives

- (3) A net decrease of \$4,331,000 for Trade Supporting Initiatives (\$64,835,000 and 243 staff years available for the 2019) for administrative costs and activities.

A substantial portion of U.S. agricultural cash receipts comes from export sales, making the vitality of rural America dependent on international trade. FAS commodity analysts, country experts in Washington, and Foreign Service Officers around the world provide timely analysis of global trends, which enable policy makers and private exporters to respond promptly to changes in the international market.

FAS supports U.S. industry efforts to build, maintain, and expand overseas markets for U.S. food and agricultural products. FAS fulfills an immediate service need for continual trade promotion activities globally which helps U.S. food and agricultural exporters take advantage of market opportunities created by its trade policy and capacity building successes. FAS is the lead entity of these programs and activities that works collaboratively through partnerships with private sector associations and state and regional trade groups, and U.S. food and agricultural exporters. Successful marketing strategies depend on a strong understanding of market trends, such as rising incomes in countries such as China, Indonesia, and Mexico that stimulate demand for a more nutritious and varied diets. As markets change, FAS facilitates the American farmer's need by providing tools to introduce new products to new customers, maintain current sales in the face of new competition, and overcome constraints such as tight credit.

FAS is the link that enables the U.S. to share its technical agricultural expertise with developing economies. FAS has significant experience in providing training and technical assistance, and technical exchanges that build foreign country capacity to grow, buy, and process U.S. agricultural products. These services are needed to strengthen the volume of foreign countries to trade and participate in international markets fully, thus expanding demand for U.S. agricultural products. Moreover, USDA foreign cooperators in developing countries, host-government officials, farmers, agricultural scientists, extension agents, educators, and private-sector representatives are also key to USDA's success in promoting trade capacity building.

Base funds will maintain service delivery to trade supporting initiative activities as part of the agency's ongoing effort to assist U.S. food and agricultural exporters to take advantage of market opportunities created by the agency's trade policy and capacity building successes. FAS is responsible for administering these programs and activities and partners with private sector associations, state and regional trade groups, and U.S.

food and agricultural exporters. The results of FAS' efforts ultimately benefit both the farm and non-farm sectors of the U.S. economy through job creation and additional economic activity.

FAS coordinates with the interagency Trade Promotion Coordinating Committee, State Departments of Agriculture, agricultural and industry organizations, and other USDA agencies to identify opportunities to collaborate and increase program effectiveness.

- A) An increase of \$533,000 for ICASS costs.
- B) An increase of \$510,000 for LES costs.
- C) An increase of \$300,000 for CSCS.
- D) A decrease of \$3,000,000 in program costs for FAS' scientific exchange programs.
- E) A decrease of \$2,674,000 for management support contracts and administrative costs.

Market Analysis and Advice

- (4) A net decrease of \$105,000 for Market Analysis and Advice (\$41,822,000 and 129 staff years available for the 2019) administrative costs and activities.

FAS is unique within the U.S. Government for its sole focus on global agricultural trade issues. This recognized expertise is trusted by farmers and ranchers, food processors, other U.S. government agencies, and non-governmental organizations to provide sound, reliable, and consistent intelligence on foreign agricultural markets, crop conditions and agro-political dynamics. The agency's global network of agricultural attachés and locally employed staff provide an unparalleled resource for understanding trade policy and market development issues as they arise. Through this talented and highly skilled staff FAS has built long-term, agriculture-specific relationships with foreign stakeholders that are invaluable to building institutional knowledge of host countries' agricultural sectors. This knowledge is put to work on maintaining a level playing field for U.S. food and agricultural exports abroad and expanding new opportunities in countries with market potential.

FAS's network of global contacts and long-standing relationships with international groups contribute to the agency's unique market intelligence capacity. FAS analysts provide objective intelligence on foreign market conditions, prepare production forecasts, assess export opportunities, and track changes in policies affecting U.S. agricultural exports and imports.

- A) An increase of \$533,000 for ICASS costs.
- B) An increase of \$510,000 for LES costs.
- C) An increase of \$300,000 for CSCS.
- D) A decrease of \$1,448,000 for management support contracts and administrative costs.

Efficient Operations

- (5) A decrease of \$2,040,000 for Efficient Operations (\$24,745,000 and 123 staff years available for the 2019)

In addition to a highly specialized Washington-based staff, the agency maintains a targeted and highly efficient network of 93 offices providing coverage in more than 170 countries around the world that serve as first responders in cases of market disruption, provide critical market and policy intelligence to support our strategic goals, and represent U.S. agriculture in consultations with foreign governments.

FAS's strategic framework includes a commitment to provide exceptional service and consistent excellence in management across the Agency. FAS also focuses on strategies to achieve objectives in enterprise governance, financial resource management, human capital management, performance and efficiency, information technology, and emergency preparedness. FAS implements mandated food aid programs with strict adherence to their legal mandates and effective management.

The strategic plan represents the dynamic process within FAS to ensure the best results for American exporters. Through this process, the agency is able to continually strive to take advantage of its unique focus on global agricultural trade and food security issues.

- A) A decrease of \$2,040,000 for management support contracts and administrative costs.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS*Table FAS-11. Geographic Breakdown of Obligations and Staff Years (thousands of dollars, staff years (SY))*

State/Territory/Country	2017		2018		2019		2020	
	Actual	SY	Actual	SY	Estimate	SY	Budget	SY
District of Columbia.....	\$121,505	651	\$127,783	615	\$129,783	656	\$125,336	682
Florida.....	509	-	568	-	-	-	-	-
Other Countries.....	5,405	116	36,581	115	69,883	116	67,488	116
Afghanistan.....	2	-	-	-	-	-	-	-
Algeria.....	593	-	445	-	-	-	-	-
Angola.....	103	-	110	-	-	-	-	-
Argentina.....	1,048	-	1,341	-	-	-	-	-
Australia.....	669	-	637	-	-	-	-	-
Austria.....	183	-	197	-	-	-	-	-
Bangladesh.....	104	-	303	-	-	-	-	-
Belgium.....	2,226	-	2,522	-	-	-	-	-
Bosnia and Herzegovina.....	58	-	70	-	-	-	-	-
Brazil.....	2,191	-	2,535	-	-	-	-	-
Bulgaria.....	119	-	164	-	-	-	-	-
Burma.....	277	-	417	-	-	-	-	-
Canada.....	1,540	-	1,372	-	-	-	-	-
Chile.....	712	-	607	-	-	-	-	-
China.....	8,658	-	9,561	-	-	-	-	-
Colombia.....	1,135	-	1,385	-	-	-	-	-
Costa Rica.....	885	-	825	-	-	-	-	-
Croatia.....	104	-	107	-	-	-	-	-
Cuba.....	46	-	1	-	-	-	-	-
Dominican Republic.....	948	-	778	-	-	-	-	-
Ecuador.....	208	-	205	-	-	-	-	-
Egypt.....	1,187	-	1,174	-	-	-	-	-
El Salvador.....	140	-	159	-	-	-	-	-
Ethiopia.....	554	-	547	-	-	-	-	-
France.....	978	-	1,021	-	-	-	-	-
Germany.....	909	-	973	-	-	-	-	-
Ghana.....	972	-	784	-	-	-	-	-
Guatemala.....	780	-	777	-	-	-	-	-
Haiti.....	-	-	25	-	-	-	-	-
Honduras.....	61	-	69	-	-	-	-	-
Hong Kong.....	1,162	-	1,205	-	-	-	-	-
Hungary.....	58	-	70	-	-	-	-	-
India.....	1,678	-	1,560	-	-	-	-	-
Indonesia.....	1,248	-	897	-	-	-	-	-
Israel.....	270	-	277	-	-	-	-	-
Italy.....	1,191	-	1,216	-	-	-	-	-
Jamaica.....	115	-	108	-	-	-	-	-
Japan.....	3,392	-	3,735	-	-	-	-	-
Jordan.....	79	-	84	-	-	-	-	-
Kazakhstan.....	52	-	249	-	-	-	-	-
Kenya.....	534	-	790	-	-	-	-	-
Malaysia.....	379	-	484	-	-	-	-	-
Mexico.....	2,816	-	3,052	-	-	-	-	-
Morocco.....	449	-	458	-	-	-	-	-
Mozambique.....	72	-	79	-	-	-	-	-
Netherlands.....	774	-	755	-	-	-	-	-
New Zealand.....	118	-	125	-	-	-	-	-
Nicaragua.....	76	-	91	-	-	-	-	-
Nigeria.....	617	-	545	-	-	-	-	-
North Korea.....	2,427	-	2,485	-	-	-	-	-
Pakistan.....	575	-	995	-	-	-	-	-
Panama.....	122	-	185	-	-	-	-	-
Peru.....	1,006	-	1,109	-	-	-	-	-
Philippines.....	822	-	975	-	-	-	-	-
Poland.....	628	-	558	-	-	-	-	-
Romania.....	119	-	135	-	-	-	-	-

2020 USDA EXPLANATORY NOTES – FOREIGN AGRICULTURAL SERVICE

State/Territory/Country	2017		2018		2019		2020	
	Actual	SY	Actual	SY	Estimate	SY	Budget	SY
Russia.....	2,244	-	1,322	-	-	-	-	-
Saudi Arabia.....	631	-	645	-	-	-	-	-
Senegal.....	692	-	743	-	-	-	-	-
Serbia.....	103	-	102	-	-	-	-	-
Singapore.....	178	-	185	-	-	-	-	-
South Africa.....	1,398	-	962	-	-	-	-	-
Spain.....	528	-	715	-	-	-	-	-
Sri Lanka.....	-	-	26	-	-	-	-	-
Switzerland.....	1,339	-	1,055	-	-	-	-	-
Taiwan.....	1,549	-	1,674	-	-	-	-	-
Tanzania.....	43	-	49	-	-	-	-	-
Thailand.....	1,182	-	1,215	-	-	-	-	-
Tunisia.....	88	-	108	-	-	-	-	-
Turkey.....	1,226	-	954	-	-	-	-	-
Ukraine.....	528	-	515	-	-	-	-	-
United Arab Emirates.....	1,370	-	1,180	-	-	-	-	-
United Kingdom.....	1,317	-	1,015	-	-	-	-	-
Venezuela.....	597	-	562	-	-	-	-	-
Vietnam.....	1,641	-	1,949	-	-	-	-	-
Obligations.....	192,242	767	231,241	730	-	772	-	798
Bal. Available, EOY.....	-4,574	-	-35,726	-	-	-	-	-
Total, Available.....	187,668	767	195,515	730	199,666	772	192,824	798

CLASSIFICATION BY OBJECTS*Table FAS-12 Classification by Objects (thousands of dollars)*

Item No.	Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
	Personnel Compensation:				
	Washington D.C.	\$57,844	\$62,463	\$66,243	\$69,363
	Personnel Compensation, Field	22,495	24,291	25,551	26,331
11	Total personnel compensation	80,339	86,754	91,794	95,694
12	Personal benefits	28,074	30,695	32,375	33,415
	Total, personnel comp. and benefits	108,413	117,449	124,169	129,109
	Other Objects:				
21.0	Travel and transportation of persons	8,919	8,906	9,000	9,000
22.0	Transportation of things	1,550	1,248	1,500	1,500
23.1	Rental payments to GSA	92	95	95	97
23.2	Rental payments to others	3,763	3,749	3,800	3,800
23.3	Communications, utilities, and misc. charges	3,550	3,396	3,500	3,500
24.0	Printing and reproduction	305	520	550	550
25.1	Advisory and assistance services	30,987	29,102	31,548	22,666
25.2	Other services from non-Federal sources	9,719	11,426	12,000	10,500
25.3	Other goods and services from Federal sources	2,207	1,642	1,700	1,700
25.4	Operation and maintenance of facilities	20	17	20	20
25.5	Research and development contracts	13,850	13,970	14,000	12,500
25.6	Medical care	218	179	200	200
25.7	Operation and maintenance of equipment	1,618	1,442	1,500	1,500
25.8	Subsistence and support of persons	8	17	20	20
26.0	Supplies and materials	1,442	1,542	1,550	1,330
31.0	Equipment	766	527	600	600
41.0	Grants, subsidies, and contributions	41	84	90	90
	Total, Other Objects	79,055	77,862	81,678	69,576
99.9	Total, new obligations	187,668	195,515	206,048	198,887
	DHS Building Security Payments (included in 25.3).....	\$200	\$204	\$204	\$207
	Position Data:				
	Average Salary (dollars), ES Position	\$173,357	\$176,651	\$176,651	\$180,007
	Average Salary (dollars), GS Position	\$100,912	\$102,829	\$102,829	\$104,783
	Average Grade, GS Position	12.9	13.0	13.0	13.1

STATUS OF PROGRAMS

The Foreign Agricultural Service (FAS) is the foreign affairs agency with primary responsibility for the United States Department of Agriculture's (USDA) overseas programs—international trade agreements and negotiations, market development, and the collection of statistics and market information. FAS’s programs and global network of agricultural attachés and locally employed staff provide an unparalleled resource for understanding trade policy and market development issues as they arise.

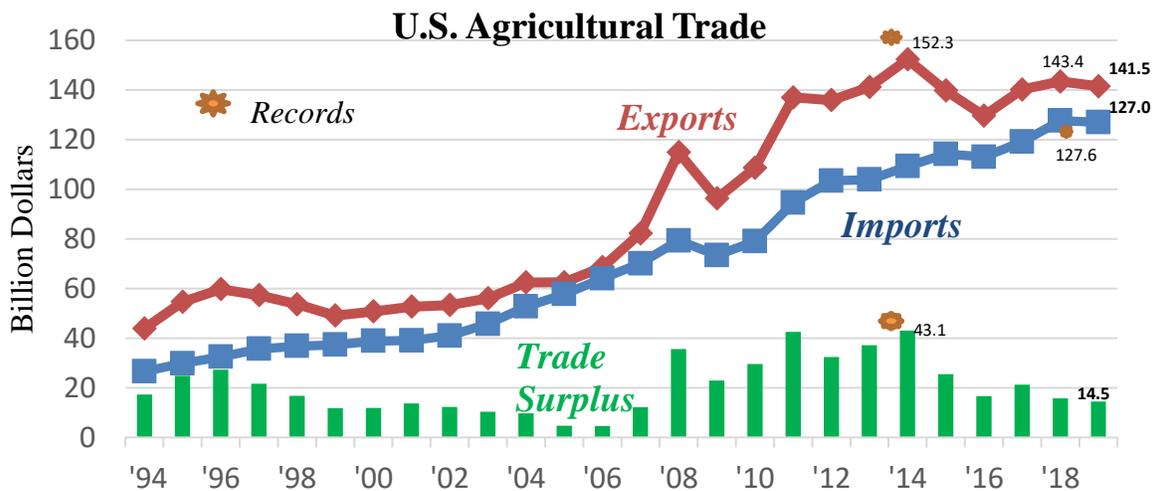
MARKET ANALYSIS AND ADVICE

SUMMARY OF AGRICULTURAL TRADE

In 2018, U.S. agricultural exports reached \$143.4 billion, up \$3.2 billion, or 2 percent, from 2017 and the second highest year in history, despite the impact of retaliatory tariffs imposed by some major trading partners. This was in large part thanks to the performance of corn in the third and fourth quarters. Corn exports surged \$1.6 billion, or 17 percent, over the previous year, as reduced competition from South America boosted U.S. corn volume shipments to a record 63.5 million metric tons (MMT). Soybeans, on the other hand, dropped \$2.2 billion due to retaliatory tariffs imposed by China, which led to reductions in both volume and prices. Overall major bulk commodity exports were down 2 percent on both a value and volume basis. High-value product exports fared better, with livestock, poultry, and dairy export value up \$1.7 billion, a 6-percent increase over 2017. Beef and veal accounted for most of the increase with record volume and export value. Poultry and dairy products also had moderate increases. Pork exports increased \$204 million on record volume, as reductions in China and Mexico from retaliatory tariffs were offset by increased shipments to South Korea and Japan. Horticultural product exports were up \$709 million from last year, mostly due to higher tree nut sales.

China fell from the largest export destination in 2017 to third place below Canada and Mexico, as U.S. exports to China dropped 25 percent to \$16.3 billion, mostly a result of lower soybean shipments, as well as drops in wheat and hides and skins sales. Exports to Canada and Mexico reached \$20.6 billion and \$18.8 billion, respectively, both a one-percent increase from 2017. Sales to the European Union (EU) were up 10 percent to a record \$12.7 billion, mainly due to higher soybean exports, while shipments to Japan increased 7 percent to \$12.6 billion, as a result of higher corn, beef, and pork exports. Rounding out the top 10 were South Korea (\$8.0 billion), Hong Kong (\$4.2 billion), Vietnam (\$3.9 billion), Taiwan (\$3.8 billion), and Indonesia (\$3.1 billion), all new records. It’s notable that exports to Vietnam jumped 52 percent in 2018, allowing it to edge out Taiwan as the eighth largest market, thanks to surging sales of corn, soybeans, soybean meal, cotton, and DDGs. Elsewhere, exports to Egypt more than doubled to \$923 million, buoyed by rising soybean and corn shipments.

Overseas markets remain vital to U.S. farmers. For many agricultural products, a significant portion (one-third or higher) of domestic production (on a volume basis) is exported. Exports are also an important source of income for food processing companies, packaging materials companies, transportation, and other related industries.



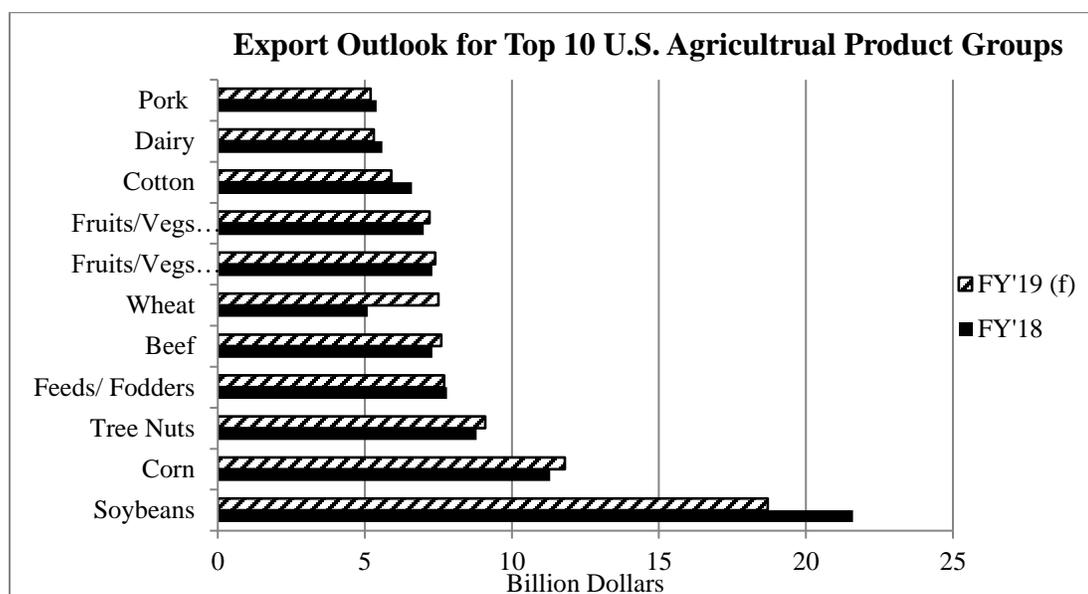
Note: Forecasts are based on USDA's "Outlook for U.S. Agricultural Trade" published on November 29, 2018. Source of trade data: the U.S. Bureau of the Census.

COMMODITY EXPORT HIGHLIGHTS

The 2019 agricultural exports are forecast at \$141.5 billion, down \$1.9 billion from last year and would be the third highest in history if realized.

Major bulk commodity exports are forecast at \$47.2 billion in 2019 compared to \$48.5 billion in 2018. Major bulk export volume is expected to reach 154.2 MMT, a slight increase from last year, as higher wheat offset lower soybean volume exports. Compared to the previous year, the highlights for 2019 are:

Grains. Wheat exports for 2019 are forecast at \$7.5 billion, up 47 percent from 2018 on higher volumes. The increase is due to reduced global competition, especially from Russia and Australia. Corn exports are forecast at \$11.8 billion, up 5 percent from 2018 due to higher prices.



Soybeans. Soybean exports are forecast at \$18.7 billion, a \$2.9-billion drop from 2018 exports. Record U.S. soybean production is pressuring prices lower, while trade tensions with China have reduced U.S. export volumes.

Cotton. Cotton exports are forecast at \$5.9 billion, a decline of \$700 million from 2018. Diminished U.S. crop sizes, a record crop in Brazil, and a slowdown in global demand growth are contributing factors.

High-value product exports are forecast at \$94.3 billion in 2019, down \$500 million from 2018. Compared to last year, the forecasted highlights for 2019 are:

Feed and Oilseed Products. Feeds and fodders exports are projected at \$7.7 billion, down slightly from 2018. Soybean meal export values are down \$600 million from last year at \$4.5 billion, while soybean oil exports are down slightly at \$800 million.

Animal Products. The export forecast for livestock, poultry, and dairy products is \$30.1 billion, \$400 million lower than 2018 exports, largely due to reductions in dairy, eggs, and turkey meat exports. Beef and veal, on the other hand, are up \$300 million to a record \$7.6 billion on strong global demand, particularly East Asia. Pork exports are down \$200 million from last year on lower prices; volumes are up due to robust demand in Latin America and other emerging markets. Despite retaliatory tariffs, Mexico's demand for pork remains strong.

Horticultural Products. The 2019 export forecast for horticultural products is at \$35.3 billion, up \$700 million from 2018, led by tree nuts, which are expected to reach a record \$9.1 billion.

TOP EXPORT MARKETS

The top five markets account for 54 percent of U.S. agricultural exports. Exports to China are forecast down \$7.3 billion from last year to \$9 billion, as continued trade tensions limit U.S. export opportunities for many products, most notably soybeans. After being one of the top three U.S. agricultural markets over the last 10 years (and perching as the top market in 6 of those years), China is now expected to drop to the 5th place, after Canada, Mexico, the EU, and Japan.



Canada is forecast to remain the top U.S. market at \$21.5 billion (up \$900 million from 2018), followed by Mexico at \$19.7 billion (up \$900 million). Exports of agricultural products to the EU are forecast at \$13.4 billion, up \$700 million from last year, on the strength of higher exports of soybeans. Exports to Japan are projected at \$12.6 billion, even with last year.

COMMODITY IMPORT HIGHLIGHTS

With more than 300 million of the world's most affluent consumers, the U.S. food market is second only to the EU in total food expenditures. Strong demographic characteristics, combined with a demand for year-round availability of fresh fruits and vegetables, an appetite for diversity and luxury products, and a relatively open market make the United States a top priority for food manufacturers around the globe.

The import forecast for 2019 is \$127 billion, down \$600 million from last year, primarily due to lower horticultural product imports.

Horticultural Products. Imports are forecast to drop to \$62.1 billion, down \$1.1 billion from last year. Most of the decline is due to an unexpectedly strong finish to 2018. Imports of processed fruits and vegetables, fresh vegetables, and tree nuts are expected to remain strong.

Grains, Oilseeds, and Products. Imports are forecast down \$300 million to \$22.2 billion.

Livestock, Dairy, and Poultry. Imports are forecast to decline slightly to \$17 billion, largely due to reductions in beef unit values.

Sugar and Tropical Products. Imports are forecast to increase \$800 million to \$23.8 billion mainly due to higher imports of coffee and cocoa products.

TOP FOREIGN SUPPLIERS

The top forecasted suppliers in descending order are Mexico, EU, Canada, China, and Indonesia. Supplies from these exporters are forecast to account for 64 percent of total U.S. imports, with the Western Hemisphere accounting for 55 percent of the total import bill.

TRADE POLICY

Greater access to foreign markets for U.S. agricultural producers requires an aggressive trade policy to lower tariffs, to reduce non-tariff barriers, to eliminate export subsidies, to reduce trade-distorting domestic subsidies and to foster the development of rules-based international systems that facilitate global trade. FAS works with other USDA agencies, the Office of the United States Trade Representative (USTR), and others in the U.S. Government to negotiate new trade agreements and enforce existing trade agreements. FAS overseas attachés and Washington-based analysts cover more than 170 countries worldwide to prevent and resolve trade problems involving U.S. products and to provide country and regional intelligence to support U.S. exporters and agricultural producers. FAS combines its intelligence gathering, analytical skills, overseas presence, extensive industry contacts, marketing programs, trade capacity building programs, technical expertise, and relations with other U.S. Government agencies to develop and implement coordinated strategies to open overseas markets for U.S. agriculture. These efforts directly augment the private sector's ability to export and support the President's goals of job creation and sustainable economic growth. Notable achievements in these areas in 2018 include:

Current Activities

Poultry Dispute with India Resolved. After a successful World Trade Organization (WTO) dispute against India and subsequent arbitration for its longstanding ban on poultry due to incidents of avian influenza, the first U.S. poultry shipments since 2006, arrived in India in 2018. The current value of exports is \$100,000 and may increase to around \$450 million over the longer term.

Review of Proposed Foreign Regulations Prevents Disruptions to Agricultural Trade. In 2018, FAS reviewed more than 1,700 regulatory measures proposed by foreign governments that had the potential to significantly affect U.S. exports. After soliciting input from stakeholders across the U.S. government and private industry, FAS developed written comments to the WTO on 218 of the measures to minimize the negative impact on trade. For example, in 2017 Japan proposed a restrictive maximum residue limit on an herbicide used in corn production. FAS worked across the U.S. government and industry to identify data to support the U.S. Maximum Residue Level (MRL) and provided it to Japan. As a result of U.S. efforts, Japan adopted the U.S. MRL. This effort alone preserved more than \$2.5 billion in U.S. corn exports to Japan.

FAS Preserves Preferential Access to Indonesia. FAS led an interagency charge to maintain the U.S. Fresh Food of Plant Origin (FFPO) equivalency with Indonesia. FFPO equivalency affords U.S. exporters the comparative advantage of direct access to the port of Jakarta and more efficient customs processing. In 2018, more than \$1.275 billion of U.S. agricultural exports benefitted from Indonesia's FFPO recognition.

Apples Enter All Ports in India. FAS interventions contributed to a change in India's policy, which had limited imports of fresh apples to the port of Mumbai. U.S. Embassy intervention expanded eligible ports to include Chennai, Cochin, Kolkata, and both the inland container depot and international airport in New Delhi. The availability of more ports facilitated record shipments during 2018 as U.S. exporters capitalized on an Indian ban on our biggest competitor, China. In 2018, the United States exported \$170 million in fresh apples to India.

FAS Preserves Farmers' Fertilizer Flexibility. FAS countered efforts in Japan and the European Union to set trade restrictive MRLs for two fertilizers. FAS advocacy helped secure a five-year renewal in the European Union for glyphosate and fertilizer glyphosate used on plant products. The efforts preserved \$3.3 billion in exports. FAS also countered separate actions by the European Union and Japan to impose trade restrictive MRLs on fosetyl-aluminum, a fertilizer used on tree nuts. In the European Union, FAS work secured a trade facilitating MRL. In Japan, FAS efforts led Japan to withdraw its proposal that would have resulted in many false positives and detections of a fertilizer that was never used. These FAS successes preserved \$4.5 billion worth of trade to Japan.

U.S.-Morocco Free Trade Agreement (USMFTA) Finally Yields Fruit. Morocco lifted its bovine spongiform encephalopathy (BSE) ban, paving the way for certificate negotiations. Improved terms of trade for U.S. bovine semen supports a market valued at up to \$0.5 million annually. Morocco opened its market to U.S. poultry, a market worth \$20 million under the 2018 tariff-rate quota (TRQ) volume that also provides the greater access to African markets. After more than a decade of disagreement, Morocco pledged to hold multiple wheat tenders per year and to allow U.S. wheat preferential access under the tariff-rate quotas established under the USMFTA. The second 2017 tender for the U.S. common wheat tariff rate quota (TRQ) was fully allocated, with expected total sales topping \$6.6 million.

Dairy Market Reopens in Turkey. FAS perseverance paid off for dairy exporters. Turkey closed its market in 2016 following numerous extensions after Turkey revised its import requirements. FAS negotiated with Turkey

successfully to allow U.S. dairy exporters to regain full access to the Turkish market for milk and milk-based products. U.S. exports of dairy products to Turkey were previously valued as high as \$25 million in 2013 but declined to approximately \$1 million in 2018.

FAS Ensures U.S. Exporters Are Not Assessed Higher Tariffs. FAS offices around the world intervened to ensure that exporters assessed the negotiated tariff rates for U.S. products. Japanese customs officials misclassified a shipment of sausages, doubling the tariff rate. FAS worked with industry to file a formal appeal, then engaged with Japan to ensure proper review of the case, saving the U.S. exporter approximately \$80,000 in annual duties. FAS stepped in when Korea demanded additional information before granting preferential treatment under the United States-Korea Free Trade Agreement (KORUS) for canned soup, saving the exporter \$1,000,000 in duties. FAS fought back when the European Union introduced a scheme to charge retaliatory tariffs on shipments prior to retaliatory tariffs' effective date. The European Union required U.S. exporters to apply for refunds. FAS saved exporters time and money preparing additional and unnecessary paperwork.

First Corn Shipment in 18 Months Arrives in Vietnam. Corn arrived in Vietnam for the first time since 2016. Vietnam had imposed a methyl bromide fumigation requirement on U.S. Distillers Dried Grain with Solubles (DDGs), corn, and wheat after quarantine pests were detected in multiple shipments. FAS and APHIS worked tirelessly over the 18 months to persuade Vietnam to accept a revised fumigation protocol for U.S. DDGs, corn, and wheat, allowing exports to resume. The United States exported \$101 million of corn to Vietnam in 2016.

FAS Gains Release of More than \$77 Million in Detained Shipments. In 2018, FAS negotiated the release of hundreds of detained shipments from the United States in dozens of countries. These shipments represent well over \$77 million and range from brahman bulls in Thailand to high value almonds in Vietnam and Spain, to high quality beef in Belgium and the Netherlands, to squid in Peru to ginseng in Hong Kong. Detained shipments risk being destroyed and have an immediate impact on U.S. companies, especially small and medium-sized companies that cannot afford to lose an entire container or more of product.

Tenacious Engagement with Argentina Bears Fruit, Pork, and Poultry. FAS persistently pressed Argentina throughout 2018 to follow through on commitments made during high level meetings in 2017. The efforts paid off with renewed or expanded market access for stone fruits, pork, and poultry. U.S. stone fruit exports to Argentina are expected to reach approximately \$400,000 annually. The market for pork is estimated at \$10 million annually.

Solving Two Problems at Once. FAS has turned several detained shipments into opportunities to both free the detained shipment and to clarify trading partners' import requirements which will prevent future detentions. Four cases involved clarifying European Union requirements; two additional EU incidents involved the high-quality beef quota. FAS pushed back against unnecessary health attestations on seafood export certificates which led to the release of a \$200,000 shipment of live lobster and to facilitate the unimpeded clearance of future shipments worth \$86 million in 2018.

Sheep, Goat, and Veal Exports Poised to Take Advantage of New Markets. FAS collaborations with FSIS and APHIS have opened the market in Japan to sheep and goat meat and the market in El Salvador to lamb and veal meat. These markets have been closed since Bovine Spongiform Encephalopathy (BSE) was detected in 2003.

Continued Recovery from HPAI Regionalizes Korea and Opens 3 Other Markets. In 2018 FAS continued its efforts to recover markets harmed by highly pathogenic avian influenza detections and to protect exports against any future detections. Sustained and coordinated efforts among FAS, APHIS and FSIS bore fruit in 2018 as Korea accepted a regionalized protocol protecting \$35 million in poultry exports. FAS and APHIS also worked to lift bans imposed by South Africa, Saudi Arabia, and Ivory Coast.

Stuck Military Shipments. FAS facilitated the clearance of military shipments through customs in three instances during 2018. FAS intervened and advocated with Bulgaria to exempt \$35 million worth of U.S. military food shipments annually from new fiscal controls designed to crack down on the illegal movement of goods in and out of Bulgarian bonded warehouses. For more than a year, U.S. military transshipments through Bulgaria to Turkey were stopped because of Turkish restrictions for Bulgarian domestic animal health reasons. FAS' offices in Bulgaria and Turkey worked with both governments to align Turkey's requirements with OIE guidelines and free U.S. shipments totaling \$9.2 million. FAS worked with FSIS to verify the authenticity of certificates to free a U.S. military container of meat products valued at \$32,580 from the Port of Antwerp, Belgium.

Persistence Yields Results for Innovative Technologies. FAS made inroads in acceptance for biotechnology in Ethiopia and Argentina. In May, Ethiopia, once a vocal biotechnology opponent, authorized the environmental release and commercialization of two insect resistant Bt cotton hybrid varieties. In May, Argentina streamlined its

process for importing genetically engineered (GE) products for food and processing only. The U.S. exported nearly 500 million tons of soybeans to Argentina worth \$160 million in 2018.

Dairy Continues to Flow to Indonesia. FAS countered an Indonesian regulation requiring milk supply chain structures to be either entirely domestic or joined with domestic producers. Using Embassy interventions, World Trade Organization (WTO) Sanitary Phytosanitary Agreement (SPS) Committee meetings, and technical interventions, FAS preserved a dairy market worth \$161 million to U.S. exporters.

Taiwan Implements Science Based Standard to Regulate Potato Greening. FAS and APHIS countered Taiwan's rejection of green potatoes with scientific information to support our claim that green potatoes were not a food safety concern. After two years of exchanges, Taiwan agreed to end its practice of issuing violations for potato greening based on visual inspections and established a new 200 ppm glycoalkaloid standard. The United States exported more than \$79 million worth of potatoes and potato products to Taiwan in 2018.

Fumigation Waiver Moves Peas and Pulses into India. FAS and APHIS engaged India in bilateral talks to secure a waiver to allow U.S. chickpeas, peas, and pulses to be fumigated on arrival without penalty. The waiver will remain in effect until India accepts the U.S. systems approach for pulses. U.S. exports of chickpeas, peas, and pulses were worth \$20 million in 2018.

Pacific Northwest Potatoes Reenter Korean Market. FAS and APHIS worked over six years to restore market access to Korea for table stock potatoes from the Pacific Northwest (PNW). PNW potatoes had been restricted since 2012 due to concerns about zebra chip disease. Restoration of PNW access is expected to increase U.S. potato exports to Korea by up to \$10 million a year.

Fueling the Fuel Additive Market. FAS is breaking down barriers to ethanol exports around the world. FAS rolled back tariffs in China, increased blend rates in Colombia, and advocated for favorable greenhouse gas calculations in Japan to grow the market for ethanol throughout the world. These actions contributed to ethanol's \$2.7 billion exports in 2018.

Guatemala Opens Market for U.S. Exports of Fishery Products. Guatemala ceased the inspection of fish and fish products at import and began requiring certification by the exporting country. This change shut down U.S. fishery exports while FAS and National Oceanic and Atmospheric Administration (NOAA) negotiated with Guatemala to gain acceptance for NOAA's Export Inspection Certificate. All federally inspected fishery product processing and distribution facilities including warehouses are eligible to export to Guatemala. U.S. Fish and fish products exports to Guatemala are worth \$7 million annually.

U.S. Wheat Gains Market Access to Myanmar. In 2017, Myanmar imposed new requirements on imported plant related commodities. FAS and APHIS provided pest risk information and worked with Myanmar to keep shipments flowing during the negotiations. Myanmar quickly approved U.S. wheat grain exports used for food, feed, and processing. FAS estimates that wheat sales to Myanmar are worth \$10 million annually.

New Export Certificate for Feed Products. For over two years FAS and AMS worked with Brazil to agree to certification language that will meet Brazil's requirement for a Good Manufacturing Practice Certificate (GMP) issued by a governmental authority from the country of origin. The new certificate language will make it easier for U.S. companies to export feed products not containing animal product ingredients to the Brazilian market. The market is worth \$66 million to U.S. exporters.

TRADE SUPPORTING INITIATIVES

Current Activities

FAS supports U.S. industry efforts to build, maintain, and expand overseas markets for U.S. food and agricultural products. The agency administers several export development programs including the Foreign Market Development (Cooperator) Program (FMD), Market Access Program (MAP), Technical Assistance for Specialty Crops (TASC) Program, Quality Samples Program (QSP), and Emerging Markets Program (EMP). These programs provide funds to U.S. organizations to conduct a wide range of activities including market research, consumer promotion, trade servicing, capacity building, and market access support. The results of FAS' efforts ultimately benefit both the farm and non-farm sectors of the U.S. economy through the creation of jobs and new market opportunities. Working with the State Regional Trade Groups (Food Export USA Midwest, Food Export USA Northeast, the Western United States Agricultural Trade Association, and the Southern United States Trade Association) and other industry organizations, FAS encourages outreach efforts that focus on facilitating export readiness for U.S. small- to medium-sized enterprises (SMEs). FAS facilitates U.S. industry participation in a range of international trade shows and manages credit guarantee programs to benefit U.S. agricultural exports.

MARKET DEVELOPMENT PROGRAMS

Selected Examples of Recent Progress

MAP-Funded Activities Contribute to Increased Sales of Butter to Egypt. In 2018, the U.S. Dairy Export Council (USDEC) assisted a major Egyptian cheese processor in identifying a U.S. supplier of butter to be used in their manufacturing process. This Egyptian processor is a major producer of high-quality cheese, which is exported throughout the Middle East. Products are marketed under a variety of brands. The local USDEC office invited the processor to visit the USDEC booth at Gulfood in Dubai where they met with several U.S. companies who could supply them with butter in the specifications desired. An agreement was reached with a U.S. butter supplier that resulted in 150 MT of sales, valued at almost \$700,000. Market Access Program funding was crucial in allowing USDEC to expand the footprint of the USDEC booth at Gulfood. In 2018, 21 U.S. companies exhibited at the USDEC booth, including both cheese and ingredient suppliers.

Nebraska Department of Agriculture's (NDA) EMP-Funded Reverse Trade Mission Results in Exports. NDA leveraged EMP funds to bring 15 Bulgarian agricultural importers, oilseed factory crushers, and grain traders to Nebraska. Participants made contacts with Nebraska producers and learned about the exceptional qualities and advantages of using U.S. soybeans to meet Bulgaria's domestic needs. As a result, nine Bulgarian companies signed Letters of Intent to use U.S. soybeans in their production. NDA reported that contracts were negotiated worth an estimated \$5 million per year for the next three years.

U.S. Distiller Dried Grains with Solubles (DDGS) Exports to South Korea Set a Record for the Fourth Consecutive Year. The U.S. Grains Council's (USGC) MAP-funded promotional program in South Korea has resulted in four consecutive years of growth in DDGS exports. DDGS are a valuable feed co-product of ethanol production. In September-August 2016/2017, South Korea imported a record 968,190 MT of U.S. DDGS valued at \$173 million. Exports for September-August 2017/2018 reached nearly 1.2 MMT, valued at \$230 million, 22 percent above last year's volume and 33 percent ahead of last year's value. As a result, the inclusion rate has gone up dramatically from 2.1 percent on average in 2013 to 5.0 percent on average in 2017.

Thanks to MAP, Michigan Cherry Exports Take off in Germany. Cherry Central, located in Traverse City, Michigan, used Food Export-Midwest's MAP-funded branded program to showcase their products at ANUGA in Germany in 2017. As a result, in February 2018 they were able to report over \$2 million in sales to Germany and projected an additional \$3 million in sales over the next 12 months.

Long-Term Technical Assistance from the U.S. Soy Industry Boosts the Philippines to Top Importer of U.S. Soybean Meal. In October-September 2017/2018, the Philippines became the number one importer of U.S. soybean meal. Technical and trade support, along with in-country representation, has built a solid foundation for this loyal market. In 2015, the market share for U.S. soybean meal was 59 percent and had risen to 70 percent by 2017. FMD-funded technical consultants in animal utilization and aquaculture have helped to increase demand. For example, in March 2018, U.S. Soybean Export Council consultants conducted round-table and in-house meetings with the biggest customers of U.S. soybean meal in the Visayas Region. These activities promoted the production and use of U.S. full fat soybean meal and have contributed to Filipino nutritionists' recognition of the advanced amino acid profile of U.S. soy. In turn, nutritionists communicate this information to buyers who then strongly prefer U.S. soy for its nutritional value and consistent, year-round supply. The Philippines' soybean market continues to be driven by high demand from the country's swine and poultry industries.

Bangladesh Cotton Day Expected to Result in Over \$60 Million in Sales. Bangladesh is an emerging opportunity market for U.S. cotton. It is the largest manufacturer of cotton apparel products and the world's largest cotton importer, but the United States only has a ten percent market share. Cotton Council International's primary objective with a MAP-funded Cotton Day event was to promote the advantages of U.S. cotton to Bangladesh's supply chain. Over 240 key mill owners, senior production and sourcing executives, and garment manufacturers attended. This event included a technical and educational component focused on mills and manufacturers. This was followed by a fashion show highlighting creative and innovative ideas for U.S. cotton apparel. This approach was successful in increasing participants familiarity with U.S. cotton, with those indicating they were "very familiar" doubling from 33 percent to 66 percent, after the event. Post event surveys also showed that 86 percent of the attendees perceived U.S. cotton quality to be better than cotton from other regions and 76 percent indicated that they expected to purchase more U.S. cotton. U.S. cotton sales resulting from this event were estimated at nearly 700,000 bales, with an estimated value of over \$260 million.

MAP Helps Grow Demand for U.S. Sweet Potatoes in the EU. In 2018, ASPMI teamed with leading U.S. sweet potato importers and six large EU retail chains to roll out the promotion campaign. Over 280,000 consumer brochures were distributed. ASPMI invested \$37,500 in the campaign, which yielded sales of 30,000 boxes of sweet potatoes valued at over \$563,000. Promotions like these are helping to grow demand in the EU. Total U.S. sweet potato exports to the EU in 2016 were \$124 million and increased to \$134 million in 2017; Jan-August 2018 exports are running 13 percent ahead of the previous year. Exports to the region more than doubled in the past 5 years and are on track to reach another record in 2018. Increased exports are benefiting U.S. sweet potato farmers in Arkansas, North Carolina, Idaho, Louisiana, Mississippi and California, and most sweet potato operations are small to medium family-owned farms. MAP funds give them the assistance needed to access new export markets that they otherwise would not be able to reach.

MAP Grows Demand for U.S. Pears in Brazil. The Pear Bureau Northwest's well-rounded MAP program has made Brazil one of the U.S. industry's best markets for Bartlett Pears. In-store promotions, retailer promotion agreements, consumer outreach activities and consumer advertising created a strong market window from October 2017 to early January 2018. Exports reach 3.1 MT with a value of \$4.8 million, almost a 70 percent increase in value compared to the previous year.

QSP Results in First Commercial U.S. Chip-Stock Sales to Myanmar. During marketing year 2017/2018, the United States exported \$75,750 in direct fresh potato exports to Myanmar, up from \$29,400 the year before. Potato chips are popular with Myanmar consumers of all ages, who eat them as snacks and with rice for lunch and dinner. Local chip production is increasing, and Potatoes USA saw an opportunity for U.S. potatoes to meet growing demand. Using QSP, Potatoes USA initiated a series of potato chipping trials. Results were very positive as companies reported that they were satisfied with the consistent size and quality of U.S. chip-stock, which resulted in a larger size fried product and better frying color. The trials led to the first-ever commercial purchases of U.S. chip-stock potatoes by Myanmar in the last quarter of the July-June 2017/2018 marketing year. Since then, U.S. producers have made three commercial shipments of U.S. chipping potatoes to the market.

New York Manufacturer Makes First Sale to Chile with MAP Assistance. In 2018, Rosina Food Products, Inc., located in Buffalo, New York, participated in the Food Export-Northeast, MAP-funded international representative finder service. With assistance from the Food Export-Northeast Central America In-Market Representative, Rosina Food was able to locate qualified buyers and travel to Chile to meet with three importers. As a result, the company reported \$100,000 in sales.

MAP Promotions Strengthen U.S. Tomatoes' Position with Canadian Foodservice Sector. In May 2018, USA Tomatoes/the Florida Tomato Committee used MAP to partner with Fresh Start Foods East (FSFE) to conduct a late-spring foodservice promotion in Central and Atlantic Canada. During a four-week promotion, FSFE sold more than 36,000 boxes, generating sales valued at more than \$500,000 in farm gate value—providing a significant late-season boost for Florida tomato growers. In recent years Canada has accounted for more than 90 percent of U.S. tomato exports, topping \$107 million in 2017. MAP-funded promotions such as this one with Fresh Start Foods East continue to help keep Florida field-grown tomatoes top-of-mind within Canada's foodservice sector.

FMD Funds Enable the United States to be Represented at the International Seed Federation (ISF). The ISF is an important forum for setting policy related to seed trade. Membership is comprised of national seed associations, and the American Seed Trade Association (ASTA) represents the U.S. seed industry. FMD funding enables ASTA and some of its members to attend ISF meetings. Having a consistent presence is critical for ongoing success at this international level. The ISF passed eight position papers at their 2018 Congress. The United States was represented

on the drafting committee for each of these papers. A strong presence from the United States ensures that all the papers that are passed at the ISF are aligned with U.S. interests. These papers touched every aspect of the seed industry. They strengthened intellectual property protection for plant breeders, helped facilitate the trade of treated seed, reduced export costs for companies, provided guidance on how governments can develop aligned policies surrounding plant breeding innovations and helped to prevent future trade disruptions. These papers encouraged global cooperation and are all aligned with U.S. positions, which specifically benefited U.S. seed companies and increased their market access globally. The United States exported a record \$1.8 billion worth of seeds in 2017. This increase in exports is partially due to a more coordinated global environment.

MAP Helps Introduce of New Poultry Products in Japan. USA Poultry and Egg Export Council (USAPEEC) used MAP for a booth at the 2018 Supermarket Trade Show, the largest food show in Japan. This year, 88,121 people attended the show including distributors, buyers, food services, restaurants and other food businesses. USAPEEC and Maple Leaf Farms presented a display and sampling booth for various new poultry items. One Japanese importer provided mini corn dogs, turkey pastrami, smoked turkey thigh meat, and game hen. Another importer provided whole turkey, roasted turkey, smoked turkey, turkey breast, duck breast meat and smoked turkey drum. Maple Leaf Farms provided samples of grilled duck breast and duck breast with soba noodle soup. Sampling new products was a big draw at the show, and U.S. participants reported nearly \$500,000 in sales.

MAP Activity Drives U.S. Wine Sales in Denmark. During the July-June 2017/2018 program year, the Northwest Wine Coalition (NWC) partnered with the California Wine Institute (WI) and New York Wine and Grape Foundation (NYWGF) on a reverse trade mission of Danish sommeliers, part of a multi-year MAP-funded Global Broad-based Initiative. The cooperators organized an in-market seminar and wine and food pairing event in Denmark to engage the sommeliers further and develop their commitment to wines from across the United States. Following the visits, sales of American wines in Denmark increased significantly. U.S. wine exports to Denmark were just under \$16 million from January-June 2017 and reached over \$23.6 million in January-June 2018. The joint cooperator project played a clear role in helping drive this growth. Prior to the project, the visiting sommeliers reported that following the visit they carried an average of 35 American wines, compared to 30 prior to the activities.

MAP Activities in Taiwan Encourage Foodservice Outlets to Promote U.S. Beef. In 2018, U.S. Meat Export Federation (USMEF) launched a unique “Diamond Plus Precious” program celebrating outstanding gourmet restaurants using U.S. beef, awarding top establishments in key dining categories. USMEF has cooperated with about 100 restaurants for each of these annual events, and now there are more than 700 outlets regularly using U.S. beef. U.S. beef exports to Taiwan in 2018 through August reached 39,000 MT, valued at \$360 million, 40 percent ahead of last year’s value and 36 percent ahead in volume. The United States holds 74 percent of Taiwan’s chilled beef market, the highest of any Asian destination.

TASC Helps Northwest Horticulture Council (NHC) Meet Myanmar’s Pest Risk Assessment Requirements. Opening the market to U.S. apples, pears and cherries, in January 2017, the Myanmar government announced that pest risk assessments (PRA) would be required for all fruits and vegetables imported into the country. Following dialog with FAS and APHIS, Myanmar authorities agreed to allow staggered PRA application dates through early 2018. However, Myanmar did not have the resources and expertise to conduct PRAs for apples, pears, and cherries imported from the Pacific Northwest, so the only way imports from the United States could continue for those commodities was for PRAs to be submitted to Myanmar by APHIS. This NHC TASC grant was used to pay an expert consultant to work with industry and provide the analysis and information requested by Myanmar to APHIS. All three PRAs were accepted by the Myanmar government - apples on September 2, 2017, pears on January 4, 2018, and cherries on March 29, 2018. Now that this trade barrier has been removed, Myanmar annual imports are estimated to increase to 30,000 cartons (40-lb) of apples (up from 20,000), 2,000 cartons (44-lb) of pears (currently none imported), and 10,000 cases (20-lb) of cherries, up from 1,500. Successful completion of this project benefits the Pacific Northwest tree fruit growers and Myanmar’s consumers, resulting in approximately \$1 million per year of high-quality apples, pears, and cherries entry into that country.

INTERNATIONAL TRADE SHOWS

Current Activities

In 2018, about 900 U.S. companies and organizations participated in 19 USDA-endorsed trade shows in 12 countries, drawing buyers from all over the world. On-site sales totaled nearly \$300 million and 12-month projected sales reported by exhibitors were estimated at over \$2 billion. The companies made over 15,000 serious business contacts and displayed more than 4,500 new products.

Selected Examples of Recent Progress

Gulfood 2018 Boasts the Largest USA Pavilion. The 23rd annual Gulfood show was held February 18-22, 2018 in Dubai, United Arab Emirates, and had over one million square feet of exhibition space, 97,000 attendees, 5,000 exhibitors and 120 national pavilions. This USDA-endorsed show boasted 167 U.S. exhibitors in the USA Pavilion, who reported \$81 million in on-site sales, \$422 million in 12-month projected sales and introduced 4,000 new products. U.S. exhibitors represented a broad range of U.S. agribusiness and food companies, including those new-to-market, new-to-export, minority-owned and small to medium sized enterprises. First-time Gulfood exhibitors represented 20 percent of the population of the exhibitors in the USA Pavilion. Forty foreign buyers from Africa, South Asia, and the Middle East travelled to the show through sponsorship from 15 FAS overseas offices.

USA Pavilion Nets Big Profits at Seafood Expo Global (SEG) 2018. SEG, the most important international event for the seafood industry, took place April 24-26, 2018, in Brussels, Belgium. This annual event attracted over 29,000 buyers, suppliers, media and other seafood professionals from more than 150 countries, and 1,946 exhibitors from 78 countries. The USA pavilion at SEG was composed of four industry association pavilions: The Southern U.S. Trade Association (SUSTA), Food Export USA Northeast, Intertribal Agriculture Council and the Alaska Seafood Marketing Institute (ASMI). In total, 44 U.S. exhibitors displayed their products in the USA pavilion. USA Pavilion exhibitors reported record breaking on-site sales of \$181 million and 12-month projected sales of over \$1 billion.

Largest USA Pavilion to Date at Food and Hotel Asia 2018 Trade Show Delivers Record Sales for U.S. Exporters. From April 24 - 27, the Food and Hotel Asia Show, Asia's largest international food and hospitality trade event, took place in Singapore, Singapore. The USA Pavilion was sold out and had the largest U.S. participation to date, with 111 exhibitors. Twelve-month sales projections for USA Pavilion exhibitors were a record of over \$42.6 million.

Newly USDA-Endorsed APAS Trade Show - A Huge Success for U.S. Exporters. From May 7 – 10, the newly USDA-endorsed APAS trade show was held in São Paulo, Brazil. It is known around the world as the largest trade show in the supermarket industry with more than 74,000 visitors in attendance at the 2018 show. The USA Pavilion featured 10 companies generating \$2.72 million in on-site sales and over \$18.8 million in 12-month projected sales.

Anuga 2017 Big Success for U.S. Exhibitors. The 2018 Anuga food show, October 7-11, 2017, was again one of the world's biggest and most important business platforms for the international food industry. Amazingly, 7,405 companies from 107 countries took part in the show on exhibition space covering 284,000 square meters consisting of “ten shows in one,” and featured roughly 165,000 trade visitors from 198 countries, of which approximately 75 percent were from outside Germany. The USA Pavilion welcomed 157 U.S. exhibitors, including 105 small companies, 17 minority-owned companies, and 26 new-to-market companies. As a result of attending Anuga 2017, U.S. exhibitors reported on-site sales and 12-month projected sales at \$18 million and \$286 million, respectively.

Foodex Japan 2018 U.S. Pavilion Projected \$18.5 Million in Sales. Held in Tokyo from March 6-9, 2018, the annual USDA endorsed Foodex Japan show is the largest food show in Asia. The U.S. Pavilion had 55 exhibitors and reported \$352,000 in on-site sales and \$18.5 million in 12-month projected sales of U.S. agricultural products. U.S. companies made 712 business contacts and introduced 283 products in the market. Of the 55 U.S. companies represented, twenty-one were small businesses (under 50 employees), three companies were new to export, and five were minority-owned companies.

Seoul Food & Hotel Korea. From May 1-4, 2018 this endorsed annual food and retail sales show took place in Seoul, Korea. Thirty-eight exhibitors in the U.S. Pavilion reported over \$3.1 million in on-site, and nearly \$5.9 million of 12-month projected sales of U.S. agricultural and food products. U.S. companies made over 362 business contacts and introduced 212 products in the market. Of the 38 U.S. companies represented, thirteen were small businesses (under 50 employees), eight companies were new to market, three companies were new to export, and nine were minority-owned companies.

U.S. SHOWS WITH INTERNATIONAL COMPONENT

The American Food Fair at the National Restaurant Association's (NRA) Restaurant Hotel-Motel Show. This USDA-supported show, held in Chicago, Illinois on May 19-22, 2018, had roughly 2,300 exhibitors representing over 900 product categories, and attracted an estimated 67,000 foodservice professional from all 50 states and over 120 countries. Within the NRA Show, the American Food Fair Pavilion (AFF) was organized by the National Association of State Departments of Agriculture (NASDA) and featured 110 U.S. exhibitors as well as the Hawaii, Indiana, Illinois, Kentucky, Maine, Michigan, Minnesota, Tennessee and Wisconsin State Departments of Agriculture organized pavilions; 17 FAS offices from across the world organized 360 foreign buyers to visit the American Food Fair Pavilion.

AGRIBUSINESS TRADE MISSIONS***Current Activities***

FAS conducts Agribusiness Trade Missions (ATMs) in countries and regions around the world that demonstrate strong economic growth potential, decreasing barriers to trade or have other relevant market conditions that support U.S. agricultural exports. ATMs provide first-hand education to U.S. businesses and State Department of Agriculture representatives about economic conditions and regulatory environments in host-country markets; allow U.S. businesses to conduct one-on-one business meetings with counterpart companies from targeted countries; and enable senior leadership from USDA to engage government representatives in trade-related policy dialogue that furthers U.S. interests and bolsters bilateral relations.

In 2018, FAS conducted five Agribusiness Trade Missions, which included participants from 127 U.S. agribusinesses, 17 non-profit agricultural associations (cooperators), and 29 State Department of Agriculture representatives. In total, these organizations participated in 2,278 one-on-one business meetings and generated more than \$88 million in 12-month projected sales.

Current Activity Results

U.S.-India ATM. From October 30-November 3, USDA led 31 U.S. organizations, including 18 agribusinesses, six cooperators, one trade association, six ethanol groups, and the State Commissioners of Agriculture for Minnesota and North Dakota on an ATM to India. The ATM included visits to Mumbai and New Delhi, where the U.S. delegation received market briefings, participated in site visits, and conducted more than 600 one-on-one meetings with counterpart companies from India, Sri Lanka and Bangladesh.

U.S.-Guatemala ATM. Representatives from 30 U.S. companies, four cooperators and eight State Departments of Agriculture joined USDA on the February 26-March 2 mission, where they participated in 450 business-to-business meetings with potential customers from Guatemala, Honduras and El Salvador. Since implementation of the CAFTA-DR trade agreement, U.S. agricultural exports to the three Northern Triangle countries have doubled, and USDA noted that American products enjoy a reputation in the region for safety, quality and availability. Twelve-month projected sales for the trade mission totaled \$49 million.

U.S.-South China ATM. From May 13-25, USDA led an ATM of 26 U.S. organizations, including 22 companies, three cooperators, one association and six State Departments of Agriculture representatives to Southern China. FAS facilitated 470 one-on-one meetings between U.S. exporters and Chinese buyers, which led to reported on-site sales of \$2.5 million and 12-month sales of \$16.8 million of U.S. food exports. In addition, ATO Guangzhou and FAS coordinated meetings with port officials and other stakeholders to strengthen relationships.

U.S.-Japan ATM. From June 11-15, USDA led 42 U.S. agribusinesses, 15 State Departments of Agriculture, and a U.S. ethanol delegation on an ATM to Japan. FAS facilitated almost 500 one-on-one meetings between U.S. exporters and Japanese buyers, which led to reported on-site sales of \$1.4 million and 12-month sales of \$5.9 million of U.S. food exports. The meetings also laid groundwork for relationships between the U.S. agribusiness leaders and their Japanese counterparts. In addition, FAS coordinated meetings with Government of Japan officials, local agribusiness leaders and other stakeholders to strengthen the U.S.-Japan bilateral relationship.

U.S.-Indonesia ATM. From July 16-19, USDA led 18 U.S. businesses and two State Departments of Agriculture on an ATM to Indonesia. FAS facilitated 251 one-on-one meetings between U.S. exporters and Indonesian, Malaysian and Philippine buyers. Meetings led to reported on-site sales of \$1.3 million and 12-month sales of \$14.9 million of U.S. food exports. The ATM also enabled significant forward progress on efforts to remove longstanding trade barriers for U.S. agriculture in Indonesia. High-level officials from the Government of Indonesia (GOI) expressed a willingness and commitment to work towards resolving key barriers affecting U.S. exports of horticulture, soybeans, dairy, animal proteins, and live cattle.

COUNTRY STRATEGY SUPPORT FUND***Current Activities***

FAS Washington works closely with FAS Posts to link the use of the Country Strategy Support Fund (CSSF) to the strategic trade expansion goals of FAS and USDA. The fund supports market promotion and other FAS strategic priorities, including market access. Project examples include:

Selected Examples of Recent Progress

CSSF Helps Build Demand for U.S. Craft Beer in South Korea. In partnership with the Brewers Association (BA), ATO Seoul presented the ‘Great American Craft Beer Showcase’ booth at the Seoul International Wines & Spirits Expo 2018. A total of 21 American craft breweries participated in the booth, including four new-to-market breweries, offering an opportunity for the Korean craft beer trade and opinion leaders to experience the quality, value, and diversity of premium beer that the American craft beer industry has to offer. During the two days of the exhibition, over 1,000 target trade audience visited the booth. Additionally, the ‘Great American Craft Beer Seminar’ that BA presented during the show provided 50 attendees from the Korean beer and alcohol beverage industry with up-to-date information about American craft beer industry trends and food-beer pairing ideas. Evaluation surveys indicated that the activity generated over 100 serious contacts with target Korean buyers and would bring over \$100,000 of new sales to the participating American craft breweries within the next 12 months. In addition, two of the new-to-market American craft breweries that participated are likely to develop Korean import distribution partners, expected to result in an additional \$40,000 in sales.

CSSF Enables Tunisian Buyers to Attend the Brussels Seafood Show. FAS Tunis recruited and sponsored two Tunisian buyers to the U.S. Pavilion at the Seafood Expo held in Brussels, Belgium, April 24 –26, 2018. FAS facilitated 20 meetings with U.S. exhibitors and trade associations. While buyers recorded no on-site purchases, they reported \$430,000 in estimated 12-month purchases of U.S. hake, shrimp, lobster tail, rockfish, and wild salmon.

Bovine Dairy Genetics and Nutrition Roadshow Sponsored by CSSF in Bulgaria. In 2018, FAS Sofia organized a two-day dairy genetics and nutrition seminar and site visit. This activity educated over 110 farmers and government regulators, which far exceeded expectations. The program also featured official meetings with senior Bulgarian Ministry of Agriculture officials and a roundtable discussion with senior regulators and Bulgarian breeding associations. The event was widely covered in specialized media. U.S. dairy genetics importers reported \$65,000 in new sales and much higher interest in genomic testing. The U.S. Soybean Export Council (USSEC) also participated and is following up on new leads for importing soy hulls. FAS Sofia’s local partners, the Association of Animal Genetics Importers and the Extension Service of Trakia University, remain in touch with U.S. Livestock Genetic Exports, Inc. and the National Association of Animal Breeders (NAAB) regarding future collaboration.

ATO Tokyo Uses CSSF to Introduce the Concept of “Craft” Spirits to Potential Japanese Buyers. On August 23, 2018, ATO Tokyo conducted the U.S. Craft Whiskey & Hard Cider Trade Showcase, which focused on introducing new products to Japanese bartenders and buyers from high-end restaurants and liquor wholesale companies. ATO Tokyo recruited six U.S. suppliers and nine domestic importers as exhibitors of a variety of U.S. craft spirits and hard cider related products such as U.S. whisky, gin, vodka, rum, bitters and hard ciders. During the five-hour long trade showcase, ATO staff conducted two seminars on U.S. craft spirits and ciders trends, and the exhibitors offered samples of all the products and met with potential clients. Fifteen U.S. craft spirits and hard cider suppliers represented 38 U.S. brands and showcased 57 different craft spirits, hard cider, and related products. Over 100 liquor industry professionals and media influencers attended. Exhibitors reported total expected sales of \$96,400 over the next 12 months.

COMMODITY CREDIT CORPORATION (CCC) EXPORT CREDIT GUARANTEE AND FACILITY GUARANTEE PROGRAMS

Current Activities

The objective of the CCC Export Credit Guarantee Program (GSM-102) is to increase sales of U.S. agricultural commodities to international markets by facilitating the extension of export credit to countries – mainly developing countries – that have sufficient financial strength to have foreign exchange available for scheduled payments. By facilitating financing, the GSM-102 Program directly supports U.S. agricultural exports. In turn, this helps to create and maintain jobs in production agriculture and the processing, transportation, distribution, and maritime industries.

In 2018, the GSM-102 program supported \$2.0 billion in agricultural commodity exports. The program targets approximately 130 countries worldwide. The largest markets were South America, Africa/Middle East, Mexico, and Central America. The most heavily registered commodities included yellow corn, soybeans, soybean meal, wheat, soybean oil, distiller’s dried grains, and rice.

Selected Examples of Recent Progress

Program exports by dollar value for 2018 were 25 percent above the 2017 program level. The GSM-102 program is critical in supporting sales of U.S. commodities to many markets. Accomplishments for 2018 include:

The GSM-102 program supported \$700 million in U.S. yellow corn sales in 2018. U.S. yellow corn exports to Morocco, Nicaragua, and Israel, through the GSM-102 program, accounted for 28 percent, 24 percent, 18 percent, respectively, of all U.S. yellow corn exports to these countries (based on total U.S. export data through August 31, 2018). The GSM program helps U.S. exports to compete with other major yellow corn suppliers, such as Argentina, in these markets.

Soybeans were the second largest commodity supported by the GSM-102 program, with \$610 million in sales for 2018. U.S. soybean sales under the program to Venezuela, Costa Rica, and Egypt accounted for nearly 40 percent, 25 percent, and 20 percent, respectively, of all U.S. soybean exports to these countries (based on total U.S. export data through August 31, 2018). With the help of the GSM-102 program, the United States gained market share in Egypt in 2018 (October-August) against major competitors Ukraine and Argentina.

The GSM-102 program supported \$303 million of U.S. soybean meal sales in 2018. U.S. soybean meal sales under the program to Costa Rica, Ecuador, and the Dominican Republic accounted for nearly 32 percent, 30 percent, and 24 percent, respectively, of all U.S. soybean meal exports to these countries (based on total U.S. export data through August 31, 2018). With the help of the GSM-102 program, the United States gained market share in Ecuador in 2018 (October-August) against major competitor Argentina.

The GSM-102 program supported \$215 million in U.S. wheat sales for 2018. U.S. wheat sales under the program to South Korea, Morocco, and Nigeria accounted for 27 percent, 25 percent, and 10 percent, respectively, of all U.S. wheat exports to these countries (based on U.S. export data through August 31, 2018). With the help of the GSM-102 program, United States was able to compete in South Korea's wheat market against major suppliers Australia, Canada, and Ukraine in 2018 (October-August).

The GSM-102 program supported \$69 million in U.S. soybean oil sales for 2018. U.S. soybean oil sales under the program to Guatemala, Peru, and the Dominican Republic accounted for nearly 35 percent, 30 percent, and 20 percent, respectively, of all U.S. soybean oil exports to these countries. With the help of the GSM-102 program, United States gained market share in Peru in 2018 against major competitor Argentina.

In 2018, the GSM-102 program also supported \$48 million in sales of distiller's dried grains (DDGs), accounting for 100 percent of total U.S. exports of DDGs to Tunisia. Sales of rice under the program, valued at \$40 million, accounted for 40 percent of total U.S. rice exports to Honduras.

**GSM-102 Program
Exports Supported by Region
FY 2018**

Country/Region	\$ Millions
Africa & Middle East	\$393
Asia Region	48
Caribbean Region	123
Central America Region	375
Mexico	383
South America Region	523
South Korea	141
Southeast Asia Region	0
Turkey	54
Total	2,040

FACILITY GUARANTEE PROGRAM

The revised Facility Guarantee Program (FGP) began its second year of operation in 2018. The FGP is designed to boost sales of U.S. agricultural products by providing credit guarantees to improve or establish agriculture-related facilities in emerging markets where demand may be limited due to inadequate storage, processing, handling, or distribution capabilities. The FGP is a subset of the GSM-102 program and draws on the \$5.5 billion yearly authorization for the Export Credit Guarantee Programs. No guarantees were issued under this program in 2018, but USDA continues outreach efforts to increase industry’s awareness of the program.

PROGRAM MANAGEMENT/OVERSIGHT

Program Evaluations

In 2018, FAS continued to proactively manage GSM-102 program risk and costs. To help meet this goal, FAS continued its annual analysis of historical program defaults and recoveries to determine true net default rates and applied actuarial data to the credit reform subsidy model. Average program subsidy was negative at -0.19 percent in 2018 and is currently estimated at -0.22 percent for 2019.

During 2018, USDA’s Office of Inspector General (OIG) conducted a review of FAS’ administration and oversight of the GSM-102 program. OIG determined that FAS has adequate controls in place to ensure the program is administered in compliance with applicable laws, regulations, policies and procedures.

BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM

The Borlaug International Agricultural Science and Technology Fellowship Program (Borlaug) trained 31 Fellows in 2018. Since the program’s inception, USDA has sponsored more than 850 Borlaug Fellows from 69 countries. Borlaug promotes agricultural productivity, food security, trade, and economic growth by providing training and collaborative research opportunities to early and mid-career scientists, researchers, or policymakers from developing and middle-income countries. In so doing, Borlaug assists developing and middle-income countries in strengthening agricultural practices through the transfer of science and new agricultural technology. The program also addresses obstacles to the adoption of technology, such as ineffective policies and regulations. Borlaug continues to strive for diversity, with females comprising 70 percent of participants in 2018. The following sections highlight accomplishments during 2018.

Biotechnology

Seven Fellows conducted biotechnology research on topics such as risk perception, risk assessment, and risk management. They also used new generation sequencing technologies and molecular marker-assisted selection for disease resistance. Countries participating in these topics included Algeria, Malawi, Mexico, Morocco, Sri Lanka, and Turkey. These programs contributed to increasing those countries’ understanding of U.S. policies related to genetically engineered (GE) crops and food products. Algeria remains an important market for U.S. corn and soybean meal, yet the market remains under threat, and it could be lost if adverse biotechnology policies continue. In Malawi, increased biosafety testing capacity for GE products supports FAS engagement with regional governments towards allowing GE food imports. In Mexico, the research on genetic diversity in peppers and GE breeding techniques for corn can improve the general acceptance of agri-biotech products. The biotechnology

research conducted by the Moroccan Borlaug Fellow can help protect U.S. exports of soybeans (\$100 million) and corn (\$100 million) against any possible changes to Morocco's current legislation. The Turkish Borlaug Fellow's research on GE risk perception, assessment, and management can improve market conditions in Turkey, where biotechnology remains the greatest trade barrier. Turkey does not base its law against GE crops and food products on science-based principles, representing a barrier to an estimated \$500 million of U.S. agricultural exports annually. If strictly enforced, the law could jeopardize more than \$1.2 billion of trade. The adoption of biotechnology can increase market access for U.S. products through trade and positively impact food security.

World Trade Organization Trade Facilitation

Three fellows conducted research that supported U.S. goals related to World Trade Organization's (WTO) Sanitary/Phyto-Sanitary (SPS) issues such as international standards on testing of meat and dairy products, microbial risk assessment for poultry and meat, and pest risk assessment. Countries participating in these topics include Ghana, Rwanda, and South Africa. The Ghana program about microbial risk assessment can lead to the adoption of scientific and internationally recognized import approval systems by regulatory agencies. This will support market access for U.S. poultry products. Similarly, for Rwanda, the fellow's research on international standards on testing of meat and dairy products can lead to the same result for U.S. milk and poultry products. Implementation of science-based international sampling and testing techniques could potentially reduce the barriers faced by U.S. meat and poultry meat products at the ports of entry. The South African fellow's research on pest risk assessment for plant pests as an SPS issue in horticulture products helped support understanding of and adherence to WTO commitments.

Fall Army Worm in Africa

Five fellows conducted research on Fall Army Worm (FAW), studying integrated pest management, molecular techniques for identification of specific species, risk assessment of the application of pathogens as natural regulatory agents, efficacy of bio-pesticides, and other biological methods for control. Countries participating in these topics include South Africa and Zambia. FAW, an insect pest which can cause significant crop yield losses, represents a serious food security threat for Africa. In its larval stage, the pest feeds primarily on maize, but it can also feed on rice, sorghum, millet, sugarcane, vegetable crops, cotton, and more than 80 additional plant species. FAW has the potential to cause maize yield losses in a range from 8.3 to 20.6 million tons per year, representing a range of 21-53 percent of the annual production with an estimated value between \$2.5 and \$6.2 billion. Every country in Sub-Saharan Africa has some level of FAW infestation. If left unaddressed, it could threaten Africa's future prosperity and stability, and collapse of effected countries' ability to import U.S. goods.

Food Safety

Two Fellows conducted research on food safety issues (risk assessment and food quality controls for animal products) and used near infrared technology for food safety and quality inspections. Countries participating in these topics include Mongolia and Tanzania. The Mongolian fellow's research helped to enhance policy makers' knowledge and addressed food security challenges by building safe, traceable food, and market systems that expand trade and economic growth. In Tanzania, the research program on risk assessment and food quality controls helped to build capacity for import regulatory agencies in the region to adopt and apply international scientific and internationally standards for traded food products. The adoption of scientific and internationally recognized import approval systems by regulatory agencies will support market access for U.S. products.

Other Topics

Other Fellows conducted research on issues related to animal health and nutrition (Uganda, Ukraine), natural resource management (Malawi and Morocco), plant health (Egypt, Georgia, Ghana, Kenya, Liberia, Mozambique), and resilient agriculture (Peru and Tunisia). Examples of these research projects include plant health research on Fusarium head blight in Georgian wheat, fertilizer optimization use in Malawi, integrated pest management for greenhouse hydroponic crops in Egypt, and molecular and biochemical indicators of salt tolerance for citrus in Tunisia. The Borlaug program supports U.S. trade interests in various ways. In Georgia, the research program can encourage Georgian scientists and policy makers to adopt research methods and technologies accepted and promoted by the United States. Also, scientific justifications can be used during the negotiations and discussions with the European Union (EU) as Georgia is in discussion on SPS regulations with EU.

Research results can encourage Georgia to accept agricultural methodology and technologies used in the United States, thereby facilitating trade. A science-based and American-linked Georgian scientific research community will be an ally for utilizing U.S. perspectives on SPS issues and help to maintain the U.S. market access to Georgia. Borlaug also supports U.S trade objectives by indirect methods. The program also creates a trade-enabling environment for U.S. agriculture. The research programs support the development of foreign governments'

agricultural institutions and systems to enhance their ability to be effective trading partners. Through these collaborative research programs, foreign exchange participants become better positioned to influence public policy. This can lead to increased market access and improved policy and regulatory frameworks.

Accomplishments in 2018 include the following:

A Borlaug fellow from Malaysia, a Research Officer from the Agro-Biotechnology Institute (ABI), conducted biotechnology research at Tennessee State University. A Research Associate Professor with the Department of Agriculture and Environmental Sciences served as the mentor from October 2016 to January 2017. The goal was to learn how to conduct molecular marker analysis of fragrant rice. The fellow learned genotyping by sequencing, received training on DNA extraction for rice as well as simple sequence repeat and single nucleotide polymorphism markers with the goal of finding molecular markers linked to the *badh2* gene and other quantitative trait loci for fragrance in rice. The fellow's research objectives were to design a primer for Sabah fragrant rice and to clone the fragrant rice gene. In March 2017, the fellow began research on fragrant rice selection at ABI by sowing 26 rice accessions in four replicates for evaluation using the marker selection technique learned during the fellowship. Upon completion of the research in June 2018, the fellow harvested medium grain rice and obtained 6.6 pounds of well-developed, filled grains which are potential for fragrant rice source. With the popularity of aromatic rice rising, sharing research on this rice variety could potentially lead to a new variety of fragrant rice grown by U.S. farmers that could address the increased market demand for aromatic rice.

A veterinarian and entomologist from Ukraine's National Scientific Center "Institute of Experimental and Clinical Veterinary Medicine" studied approaches and methods used in tick molecular biology and genomics at Baylor College of Medicine, Texas A&M University, and USDA-ARS Knippling-Bushland U.S. Livestock Insects Research Laboratory and Veterinary Pest Genomics Center. A professor, director, and research leader at USDA-ARS Knippling-Bushland, mentored the fellow. The objectives were to study approaches used in tick molecular biology, genomics research techniques, and bioinformatics methods. The fellow also gained knowledge and academic experience to improve practical skills on the integration of big data sets related to the stated scientific work. As a research result, he generated new data that represents a state-of-the-art contribution to the knowledge of soft tick biology. The fellow plans to create a Global Soft Tick Genomics Consortium together with researchers at Texas A&M to advance genomics studies of the scarcely studied arthropod disease vectors. The mentor and fellow plan to publish their research results. Several arthropod pests and vectors of infectious diseases threaten animal health and eventually hamper agricultural productivity and economic development. This research will increase the capability of U.S. trading partners to control the disease within their own territory and prevent its spread.

A senior research fellow from National Scientific Center "Institute of Experimental and Clinical Veterinary Medicine" in Kharkiv, Ukraine conducted a study on Johne's disease and epidemiology modeling of animal infectious diseases at the University of Tennessee Institute of Agriculture with the help of his mentor, a professor in the Department of Forestry, Wildlife and Fisheries. The goals of the research were to develop a new method and improve the existing ones for diagnosing and preventing tuberculosis (TB) and paratuberculosis (PTB) in animals. His research goals also included the control system measures for TB in animals; methods for estimating, analyzing, and managing risk of TB and PTB in Ukraine; and prevention methods of the transboundary drift of MAP pathogens. Johne's disease occurs in domestic and wild animals worldwide. In the United States, the disease causes an estimated annual loss of \$220 million to the agricultural economy. The heavy economic burden on the agricultural industry urged the scientific community to develop effective control measures for Johne's disease. This research will increase the capability to prevent and control this disease and it also decreases the risk of foreign animal disease introduction onto territory of the United States.

A Borlaug Mentor at Kansas State University (KSU) trained the Uganda One Health team from the Ministry of Health on computational epidemiology and network science and attended a national meeting on Ugandan readiness for the prevention and control of the Ebola Virus during October 2018. The Mentor's research and collaboration on transboundary diseases with their Ugandan Borlaug Fellow advanced human and animal health to support improved agricultural practices and build trade capacity in Uganda. The Ugandan scientist's fellowship related to epidemiological investigation of Rift Valley fever (RVF), helped improve Uganda's capacities to rapidly detect and control RVF outbreaks in animals and reduce risks of RVF transmission to people. The fellowship and following collaboration with KSU also supported the U.S. goals associated with the One Health Agenda to prevent zoonotic diseases (i.e., anthrax, brucellosis, and influenza that are transmissible between people and other animals) that could both threaten the United States domestically and its export interests.

A South African Borlaug fellow collaborating with a U.S. scientist conducted research on growing citrus under net structures to ascertain the impact achieved in blocking out the Asian citrus Psyllid, which causes Citrus Greening

Disease. The goal was to prevent Psyllid spread in California and South Africa. This unique collaboration is essential to the U.S. citrus industry. Citrus Greening Disease has devastated Florida citrus, and now California citrus growers are particularly concerned. This Borlaug research is key to protecting California's \$1.7 billion citrus industry.

A Ukrainian Borlaug Fellow from the National Academy of Agricultural Sciences in Kyiv, Ukraine spent 12 weeks at The Ohio State University studying the influence of irrigated and rain-fed agriculture on soil fertility and soil structure. The goal was to improve irrigation systems management in Ukraine. The fellow and mentor developed suitable practices based on novel and holistic approaches of crop diversification (rotation and cover crops) with plant stress alleviators (salicylic acid - aspirin) under continuous no-till. These practices help to improve soil quality, water- and nutrient-use efficiency, reduce greenhouse gas emission, and increase economic crop productivity with enhanced agroecosystem services.

An Ethiopian Borlaug Fellow was selected to serve as Director of the National Agricultural Biotechnology Research Center in Ethiopia. This institution is the primary Agricultural Biotechnology Research Center in Ethiopia and serves as a central facility for modern bioscience research, particularly molecular based genetics, genomics, proteomics, bioinformatics, biochemistry, and transgenic research in Ethiopia and Eastern Africa. This center is developing strategies for sustainable use of genetic resources used in the United States.

FY 2018 Borlaug Participants by Region

Region	Number of Participants*
Asia	2
Eastern Europe and Eurasia	3
Latin America and the Caribbean	4
Africa and the Middle East	22
Program Total	31

**Note: Borlaug changed the method for counting the number of Fellowships this year. The new method uses the Fellows' actual training dates rather than the execution date of the agreement with the host institution. Some Fellows selected during 2018 will complete their training during 2019, and they will be included in next year's report. This change will reflect an apparent decrease in the reporting of participants for some regions.*

COCHRAN FELLOWSHIP PROGRAM

The Cochran Fellowship Program (Cochran) provided short-term training in the United States for 495 international participants from 53 countries in 2018. Since its inception in 1984, the program has trained more than 18,500 participants from 126 middle income countries and emerging markets. Cochran fellows meet with U.S. agribusinesses, attend policy and food safety seminars, and receive technical training related to short- and long-term, market development and trade capacity building. The following are examples of Cochran accomplishments that strengthen trade linkages between recipient countries and the United States.

Asia

U.S. Livestock Genetics Export Strengthens Relationship with Pakistani Buyers through Cochran Program.

In 2016, a Pakistani farm owner received Cochran training from U.S. Livestock Genetics Export, Inc. (USGLE), and the farm owner subsequently imported live cattle from the United States. The Pakistani farm owner enjoyed the program so much that they sent their farm's veterinarian to participate in a 2017 Cochran program. Over the past three years, USLGE has hosted three separate buyers' missions from Pakistan. With the assistance of these buyers' missions, the United States suppliers exported 209 pregnant U.S. Holstein heifers for \$1.03 million to the Punjab Province of Pakistan in January 2018. Furthermore, the province also imported embryos worth \$130,000 from the United States. Building this relationship through buyer's missions has allowed current and future livestock genetic distributors to enter into new markets. USLGE also uses funding from the Market Access Program to help America's livestock organizations increase their exports in international markets.

Cochran Team from China Results in \$250,000 in Sales of U.S. Products. In September 2018, the Cochran program brought several importers to the United States on a High-Quality Fruit Ingredients Cochran program designed to meet the increasing demand for U.S. products in the dairy/yogurt and beverage industry. Attendees consisted of importers, dairy food manufacturers, and beverage representatives. Representatives already purchased

nearly \$250,000 in U.S. products, including: frozen sweet cherries, raspberry puree for yogurt manufacturing and micro-dried orange powder for beverage manufacturing. More sales are expected over the next several months.

Myanmar Approves U.S. Cherries and Citrus for Import Following Cochran Program. A fellow who participated in the Cochran Food Safety Program for their agency, the Myanmar Plant Protection Division (PPD), approved commodities under the new Pest Risk Assessment after they returned from their trip to the United States. The PPD in Myanmar's Ministry of Agriculture, Livestock, and Irrigation has reviewed Pest Risk Assessment information provided by APHIS for U.S. cherries and citrus (including mandarins, oranges, grapefruits, lemons, and limes). These products were previously admitted under a temporary exemption set to expire on March 31, 2018. In 2017, cherries and citrus exports to Myanmar totaled \$168,000. As of August 2018, the value for cherries specifically had already increased by 125 percent. With the new PPD approval, these products are now approved for import into Myanmar indefinitely. APHIS continues to seek approval for numerous other horticultural products, including various berries, stone fruits, and lettuce, which are highly sought by local retailers.

Cochran Program on Cold-Chain Improves Storage Facilities and Increases Sales of U.S. Products in India.

During a 2017 Cochran training on cold chain management, Indian fellows were trained to address many cold-chain and logistical issues faced by Indian retailers. Prior to the program, sales for high-value food products, such as chocolates, showed downward trends during the summer and monsoon months. After the program, fellows implemented monitoring services to ascertain the ideal temperature throughout the logistical process, installed humidifiers and dehumidifiers at warehouses, and shared knowledge with other retailers. Annual sales for chocolates and confectionery items from the United States, like Hershey's, have gone up by \$770,000 for one of the fellow's businesses since their participation in the 2017 program.

Latin America

Ecuador Increases Beef Imports 500 Percent. An Ecuadoran fellow, who had participated in a beef processing and slaughtering fellowship in 2014, owns a food import company that services Ecuador's restaurant and hotel sectors. The company is expanding and diversifying the company's U.S. beef imports. By 2018 DATU imported fourteen different cuts of U.S. beef, up from two types of cuts earlier. High-end beef cut exports from the United States increased from \$20,000 in the year 2016 to an estimated \$300,000 in the year 2018.

On the Heels of a Trade Mission, the Cochran Fellowship Program Helps Widen Market for Montana Cattle Ranchers in Nicaragua. FAS, the Montana Department of Agriculture, and the U.S. Livestock Genetics Export Association organized a Nicaraguan trade mission to the state of Montana in October 2017. The trade mission included eight influential Nicaraguan cattle companies, owners of slaughterhouses, feedlots, large farmers, and the Executive Directors of the two largest Nicaraguan Cattle Associations. As a result the trade mission, the Nicaraguan cattle industry is implementing an artificial insemination program using Montana cattle genetics for an initial private investment of \$100,000 and expects additional sales of \$500,000 within the next two years. The market potential in the mid-term could reach up to \$5 million considering the Nicaraguan livestock sector is also interested in importing live bulls and embryos to improve the quality of the herd.

Expansion of U.S. Livestock Genetics Export Opportunities in Nicaragua. A Fellow from Nicaragua, who owns an artificial insemination company in Nicaragua, has formalized a relationship with Sexing Technologies, a leading artificial insemination company based in Texas. According to the Fellow, the Cochran program was essential in helping him expand his knowledge of U.S. livestock genetics and establish contact with distributors. The program, conducted in 2016, also included visits to Texas A&M and the University of Wisconsin. After the training, the Fellow ordered the first 2,000 doses of bovine semen with a total value of \$21,000 and will buy a total of 12,000 doses with an estimated value of \$126,000. The Fellow hopes to become the exclusive distributor for Sexing Technologies in Nicaragua and increase imports every year.

Fellows Encourage Sales of U.S. Beef Exports as Brazil and the United States Celebrate Bilateral and Reciprocal Beef Market Access. Eight Brazilian Fellows observed the entire supply chain, visited premium retail and food service companies, and met with potential exporters in the United States. After the program, one of the top Brazilian newspapers, O' Estado de Sao Paulo, published seven pages on typical meat cuts of the United States such as Ribeye, New York Strip, T-Bone, Porterhouse, Prime Rib, Tomahawk, and the Flat Iron. The content published in Paladar has a U.S. market value of \$248,000. FAS Sao Paulo is currently assisting Brazilian buyers who participated in the program to connect with U.S. exporting companies, and Brazilian importers expect to import 20 containers of top sirloin caps.

Africa

Moroccan Cochran Fellows and FAS Training Recipients Secure Market Access for U.S. Poultry. In 2018, two Cochran Program alumni, who were also trained in Agricultural Statistics and Animal Health at Colorado State University and with APHIS, co-led the Moroccan negotiating team that secured market access for U.S. poultry in Morocco. The efforts were noted in a USDA testimony given by USDA Under Secretary McKinney earlier this year. Market access for U.S. poultry is valued at \$10 million annually in Morocco.

Fellows Help to Open and Improve Markets for U.S. Products in Kenya. Fellows who participated in a dairy herd management and genetics training were directly involved in opening the U.S. dairy genetics market in Kenya and the east African region. The fellows became distributors for various cooperators that they met during the training, such as Worldwide Sires East Africa Ltd., American Breeders Service, and Cooperative Resource International. The market has expanded with U.S. exports of dairy genetics into Kenya averaging over \$290,000 per year from 2007-2017. The United States supplied 15 percent of the total dairy genetics imported into the Kenyan market in 2017, valued at nearly \$150,000. This should remain steady in 2018.

Zambia Applies Risk Assessment Knowledge to Regulations for Importation of Commodities. In March 2018, the Cochran Fellowship Program and Tuskegee University trained five agricultural professionals from the Southern Africa region on SPS and Risk Assessment topics. A Plant Health Inspector from the Zambian Agriculture Research Institute (ZARI), reported the knowledge acquired from the training strengthened her understanding of the SPS agreement and of risk assessment practices. The Fellow also participated in a workshop on the Domesticating and Aligning of the Plant Pests and Disease Act Cap 233 of Zambia. The workshop focused on phytosanitary measures for selected seed trade within the Southern African Development Community (SADC), a regional economic organization comprised of 14-member countries. With SPS policies in Kenya and the sub-region more closely aligned with the United States, this should facilitate the increase of exports of products like seeds and beans to the region.

Kenya Strengthen Import Risk Assessment Capabilities. A 2018 SPS and Risk Assessment topics training at Tuskegee University, helped to strengthen the knowledge of fellows to use quantitative SPS risk analysis and software tools to assist Kenyan decision makers in the importation of animal products. Because of the training, Kenya's Department of Veterinary Service is now well-sensitized on U.S. meat and poultry inspection standards and will better serve local importers willing to source such products from the United States with knowledge on importation and risk assessment approaches.

Eastern Europe and Eurasia

Turkish Nut Buyers to California Lead to Exports. In March 2018, a group of six buyers from a variety of leading Turkish nut and dried fruits importers and processing companies travelled to California. The trip resulted in sales of \$840,000 due to the newly established business relationships from the program, and expectations are high for continued sales and exports to Turkey. The fellows have already purchased 100 MT of shelled almonds (value of \$650,000), and 20 MT of in-shell walnuts (value of \$75,000). One of the fellows has purchased 100 MT of sunflower seeds (value of \$115,000) from a company in South Dakota that they met at the Natural Products Expo West. The Turkish companies serve the Turkish market, and export to surrounding countries and Europe. The companies in the program are in contact with U.S. suppliers of almonds and walnuts regularly and plan to do more business with them in the future.

Uzbek Leads to Agreement of Cooperation Between Institutions of Higher Education. This program introduced fellows to farm-level water management methods, effective irrigation, and water distribution techniques. The program resulted in an Agreement of Cooperation between University of California Davis and the Tashkent Institute of Irrigation and Agricultural Mechanization Engineers. The agreement provides the basis for professional exchanges, joint conferences, seminars, and exchanges of other educational materials and research. Using U.S. models as a foundation for improving irrigation and water management in Uzbekistan will more closely align Uzbek standards with U.S. standards. Injecting U.S. expertise into Uzbekistan's irrigation and water management practices will encourage greater agricultural cooperation, and open new commercial avenues.

FY 2018 Cochran Participants by Region and Funding Source

Region	USDA Appropriation	Dept. of State	Total
Asia	120	0	120
Eastern Europe and Eurasia	86	31	117
Latin America and the Caribbean	146	0	146
Africa and the Middle East	112	0	112
Program Total	464	31	495

TRADE CAPACITY BUILDING

USDA coordinates, represents, and implements capacity building policies and activities in targeted countries and regions through bilateral, multilateral, and public/private partnerships in support of U.S. Government trade objectives. Activities include enhancing countries' capacity to participate, comply with, and enforce international trading systems, trade agreements, and WTO accessions. The following are examples of capacity building accomplishments.

Lamb Equivalence Leads to Increased U.S. Exports to Central America. Lamb equivalence agreements were signed between the U.S. and Central American Custom Union (CACU) countries with support from FAS' capacity building programs. As a result of these agreements, the U.S. exported \$775,000 in lamb products to CAFTA-DR in 2017. In addition, U.S. lamb exports are up 6 percent to just over \$700,000 in calendar year 2018 and are expected to surpass \$1 million in 2019.

Dominican Government Simplifies Sanitary Registration Process for U.S. Products. The Dominican Republic's Ministry of Public Health and Social Welfare issued two resolutions that aim to simplify the process for obtaining the required Sanitary Registration for food and beverage products. These resolutions clarify that all U.S. food products authorized by the U.S. Food and Drug Administration (FDA) qualify for the Simplified Procedure to obtain a Sanitary Registration. This fast-track abbreviated procedure will reduce registration wait times significantly and save U.S. exporters \$50 per product registration. This regulatory change occurred with support from the FAS CACU program.

FAS Supports Improved Processed Food Regulations in India and Philippines. FAS hosted two outreach workshops in 2018 promoting science and rules-based standards for processed food ingredients in New Delhi, India and Manila, Philippines, in partnership with FDA and U.S. industry associations. The workshops reached over 90 domestic officials and industry representatives in New Delhi and over 70 in Manila and improved the participants' understanding of science and rules-based standards. During the workshop, U.S. regulatory and industry experts developed contacts with their Indian and Filipino counterparts, which will be utilized to resolve specific technical issues in the future and provide feedback on regulation development. The workshop also provided an opportunity for U.S. and foreign industry representatives to meet with Indian and Philippine government officials to discuss ongoing trade issues. For example, the color industry was able to discuss specific barriers for their products and develop a joint plan for addressing them. Additionally, India contacted USDA requesting additional U.S. experts on food additives within a week after the seminar.

Support for Strengthening National SPS Committees. In 2018, USTR drafted a proposal for WTO SPS Committee consideration of a workshop or thematic session on strengthening national SPS committees (NSCs) in which Members share current practices and building strategies to develop national SPS policies and engage across regional and international organizations. Strengthening NSCs enables countries to more effectively meet their WTO obligations under the SPS Agreement and supports U.S. efforts to strengthen cooperation with African countries on SPS Committee issues. The proposal is a direct result of a March 2018 food safety trade standards workshop that FAS convened in Tanzania in collaboration with FDA and USTR. During a harmonization discussion, there was consensus among the regional participants that the national SPS committees need significant strengthening in terms of buy-in from their parent ministries and enabling policies. The USTR proposal was circulated to a broader group of African countries for co-sponsorship and comments and was ultimately submitted to the WTO SPS Secretariat by Kenya, with co-sponsorship by Benin, Burkina Faso, Burundi, the Gambia, Ghana, Kenya, Madagascar, Morocco, Nigeria, the United States, and Zambia. A thematic session will take place in July 2019.

FAS Launches Web Based SPS Module. The FAS Food Safety Network launched its SPS web-based distance learning course modules in February 2018. Requiring only an internet connection, the modules are free and open to all audiences, including USDA employees via AgLearn. The 14 interactive course modules are available in English, French, and Spanish, and address the WTO's SPS Agreement, as well as a variety of SPS plant health topics such as pest risk analysis. Additional modules will be added in 2019 on animal health and food safety. Sharing these

modules in developing countries can help officials develop and strengthen SPS systems based on science and global standards, which will create new opportunities for U.S. agricultural exports and help foreign officials and producers better understand SPS standards needed to access new markets.

FAS and USAID Advance Risk-Based Inspection System in Colombia. To address inspection methods that are hindering U.S. Agricultural Exports into Colombia and to assist the Government of Colombia (GOC) fulfill its trade and investment framework agreement obligations, FAS and USAID are helping the GOC decrease their physical inspections. A joint assessment in 2018 included the two agencies and Customs and Border Protection which examined the GOC’s potential to implement a greater risk-based approach to inspections. As a result, FAS will respond to Colombian regulatory agencies’ training needs to enhance U.S. agricultural trade flow.

EFFICIENT OPERATIONS

FAS funds several food aid programs, namely Food for Progress (FFP) and the McGovern-Dole International Food for Education and Child Nutrition Program. FFP uses the food resources of the United States to support developing countries to develop and expand their agricultural economies. The McGovern-Dole Program provides for the donation of U.S. agricultural products, as well as financial and technical assistance, to support school feeding and maternal and child nutrition projects. These programs are implemented with strict adherence to their legal mandates and effective management, ensuring FAS is both effective and efficient in its food aid delivery.

FOREIGN FOOD ASSISTANCE PROGRAMS

FAS actively administers food assistance programs (Food for Progress (FFPr), the McGovern-Dole International Food for Education and Child Nutrition (McGovern-Dole) Program, and the Local and Regional Food Aid Procurement (LRP) Program) to help developing countries strengthen economic development and facilitate the transition from food assistance recipients to commercial importers. No programs were furnished under the P.L. 480, Title I program, which did not receive an appropriation.

In 2018, FAS projects focused on making school feeding programs sustainable and improving developing countries’ abilities to produce and trade agricultural commodities. The programs featured a mix of monetization and direct distribution to meet the specific food security needs and challenges of recipient countries. In 2018, FAS programmed approximately 239,700 metric tons of food assistance with a value of approximately \$323.0 million. The cost of purchasing commodities was \$135.3 million, and the cost for transportation and other non-commodities was estimated at \$214 million. Both costs include agreements awarded prior to 2018. Food assistance was provided through donations, with no concessional sales agreements. A total of 17 countries received food assistance through FAS-administered programs.

FAS FOOD ASSISTANCE PROGRAM SUMMARY, 2018

<u>Program</u>	<u>\$ Millions</u>	<u>MT (000)</u>
CCC Funded/FFPr	\$137.0	196.0
McGovern-Dole Food for Education	\$176.0	43.7
LRP	\$10.0	0
Total, Food Assistance	\$323.0	239.7

CCC FUNDED - FOOD FOR PROGRESS (FFPr)

The FFPr program assists developing countries and emerging democracies by introducing and expanding private enterprise in the agricultural sector. In 2018, CCC funding provided 195,910 MT of commodities valued at \$92.2 million, and \$44.8 million of transportation and other non-commodity costs. Implementing partners were either private voluntary organizations (PVOs) or foreign governments that monetize (commercially sell) the commodities and use sales proceeds to fund development projects. Countries receiving CCC-funded FFPr assistance and the quantity of the commodities programmed in 2018 are shown in the tables below.

2018 CCC –FUNDED FFPr

(\$ Millions)

<u>COUNTRY</u>	<u>TOTAL VALUE</u>
Philippines	25.2
Egypt	12.8
Cambodia	27.9
Georgia	23.9
Andean/Central***	<u>47.2</u>
Subtotal	137.0

**COMMODITIES PROGRAMMED IN 2018 UNDER
CCC-FUNDED FOOD FOR PROGRESS**

(000 MT)

<u>COMMODITY</u>	<u>MT</u>
Hard Red Winter Wheat	54.0
Soybean Meal	98.5
Crude Degummed Soybean Oil	<u>43.5</u>
Subtotal	196.0

Since 2012 – 2018, FAS oversees \$1,058.5 million in FFPr programs in 36 countries. These programs have demonstrated success in assisting farmers and agribusinesses, increasing agricultural productivity, improving rural infrastructure for developing markets, and increasing trade. Below is a list of active FFPr programs, as well as examples of successes under these programs. FAS expects to see similar outcomes from programs funded in 2019.

**ACTIVE FOOD FOR PROGRESS PROGRAM
2012–2018 FISCAL OBLIGATIONS**

(\$ Millions)

<u>FY</u>	<u>Region</u>	<u>Country</u>	<u>Total Value</u>
2012	Western Hemisphere	El Salvador	12.4
2012	Western Hemisphere	Guatemala	10.9
2012	Western Hemisphere	Honduras	18.3
2012	Near East	Jordan	22.5
2012	Sub-Saharan Africa	Mali	20.9
2012	Sub-Saharan Africa	Mozambique	20.6
2012	Western Hemisphere	Nicaragua	35.5
2012	Sub-Saharan Africa	Senegal	8.3
2012	Sub-Saharan Africa	Senegal and Gambia	9.3
2012	Sub-Saharan Africa	Tanzania	20.2
2013	Sub-Saharan Africa	Burkina Faso	18.6
2013	Sub-Saharan Africa	Ethiopia	23.8
2013	Sub-Saharan Africa	Kenya	23.1
2013	Sub-Saharan Africa	Liberia	7.5
2013	Sub-Saharan Africa	Mauritania	5.7
2013	Sub-Saharan Africa	Mozambique	18.3
2013	East Asia & Pacific	Philippines	23.3
2013	East Asia & Pacific	Timor Leste	12.9
2014	Western Hemisphere	El Salvador	17.4
2014	Sub-Saharan Africa	East Africa Regional*	22.9
2014	Sub-Saharan Africa	Senegal	11.8
2014	Western Hemisphere	Guatemala	29.0
2014	Western Hemisphere	Nicaragua	13.2
2014	East Asia & Pacific	Philippines	12.8
2014	Sub-Saharan Africa	Tanzania	15.7

<u>FY</u>	<u>Region</u>	<u>Country</u>	<u>Total Value</u>
2015	Sub-Saharan Africa	Ghana	57.6
2015	Sub-Saharan Africa	Benin	51.6
2015	Western Hemisphere	Dominican Republic	39.9
2015	Western Hemisphere	Honduras	17.4
2015	Near East	Jordan	25.1
2015	Sub-Saharan Africa	Mali	7.3
2016	East Asia & Pacific	Bangladesh	24.0
2016	Sub-Saharan Africa	Burkina Faso	24.2
2016	Western Hemisphere	Guatemala	18.3
2016	Western Hemisphere	Haiti	10.9
2016	Sub-Saharan Africa	Malawi	20.6
2016	Sub-Saharan Africa	Mozambique	25.6
2016	East Asia & Pacific	Pakistan	22.9
2017	Near East	Jordan	18.7
2017	East Asia & Pacific	Laos	16.8
2017	Sub-Saharan Africa	Ethiopia	14.7
2017	Sub-Saharan Africa	Cote d'Ivoire	14.6
2017	East Asia & Pacific	Sri Lanka	21.2
2017	Western Hemisphere	Honduras	16.5
2017	Sub-Saharan Africa	SeGaBe**	38.7
2018	East Asia & Pacific	Philippines	25.2
2018	Near East	Egypt	12.8
2018	East Asia & Pacific	Cambodia	27.9
2018	Central Asia	Georgia	23.9
2018	Western Hemisphere	Andean/Central***	47.2
	Subtotal		1,058.5

* Includes Kenya, Malawi, and Tanzania

** Includes Senegal, Gambia, and Guinea Bissau

*** Includes Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, and Peru

Following are success stories in FFPr:

Honduras – Increasing Linkages to International Coffee Markets. The Sustainable Agriculture Improvement project in Honduras was implemented in 2017 in partnership with Technoserve. The project is designed to increase productivity and quality for over 32,000 coffee farmers through integrated training on improved technologies and establish linkages with formal markets. In FY 2018, progress towards these objectives included training to strengthen post-harvest practices and improve product quality for almost 6,500 farmers and establishing linkages to formal markets for over 9,300 coffees and 1,700 bean producers. For the first time, coffee producers-initiated exports to two European markets— Spain and Italy. Producers received a premium price of approximately \$1 per kilo from these sales. During FY 2018, over 300 producer organizations strengthened their market options with coffee exporters and bean wholesalers with sales totaling approximately \$11.7 million.

Philippines – Increasing Small Enterprises to International and Domestic Markets. During September 2017 through March 2018, swine producers realized over \$3.3 million in sales, signaling increasing competitiveness with the pork produced in other parts of the Philippines that dominate the regional market. In 2018, PCCP also helped beneficiaries reach export markets; producers in the fisheries sector established sustainable market connections and realized \$5.2 million in sales, the majority of which was lobster destined for East Asian markets.

Bangladesh – Increasing Shrimp Yields through USDA Technical Assistance. The USDA through Winrock International’s Safe Aqua Farming for Economic and Trade Improvement (SAFETI) in Bangladesh assisted one farmer in southwest Bangladesh and her family who have been farming shrimp for 11 years. In 2018, she attended trainings organized by the USDA-funded SAFETI project. Her increased level of production, nearly four times what she produced the previous year, is a first for her. The demonstration effect of her harvest is proving to be powerful, with many farmers in the surrounding communities planning to implement the same techniques in the next harvest season.

Ghana – Ag Tech Innovation through USDA Support. AMPLIFIES aims to install 800 storage units (dry or cold storage) as a result of USDA assistance and for 7,700 individuals to benefit directly from assistance. As of 2018, the project has surpassed its original target and provided 1,000 storage units, benefiting 5,630 individuals directly. During the same reporting period, AMPLIFIES-affiliated participants attended an annual pre-harvest event. Seven participants successfully linked to poultry sector buyers that resulted in 1,267 MT of white and yellow maize and 11 MT of soybeans being sold, amounting to approximately \$362,875 of total product transacted during this one-day event. AMPLIFIES is valued at \$14.83 million and its period of performance is scheduled to end in 2020.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM

The McGovern-Dole International Food for Education and Child Nutrition (McGovern-Dole) program feeds school children with U.S.-sourced commodities and enhances the literacy, nutrition, and hygienic practices of the children and their families. The program supports communities of pre- and primary school-age children and provides nutrition programs for women, infants, and children in foreign countries. Authorized by the Farm Security and Rural Investment Act of 2002, the program became operational in 2003. About \$176 million in assistance was made available under the program in 2018, with approximately 28 percent of these funds allocated to commodity and freight costs.

The remaining funds support complementary activities focused on ensuring sustainability, educational instruction, teacher training, school infrastructure construction, water and sanitation improvements, and administrative expenses. USDA/FAS has not obligated all of the FY 2018 funds due to World Food Programme (WFP) inability to counter sign agreements. McGovern-Dole has reduced funding and commodity levels accordingly. More than 1.5 million people, including children, teachers and community members, will benefit from the 2018 projects.

2018 MCGOVERN-DOLE FUNDING ALLOCATIONS

(\$ Millions)

<u>COUNTRY</u>	<u>ESTIMATED TOTAL VALUE</u>
Burkina Faso	\$24.0
Cameroon*	27.0
Guatemala*	27.0
Senegal	21.0
Sierra Leone	25.0
Sri Lanka*	26.0
Timor Leste*	<u>26.0</u>
Subtotal	176.0

*Five-year program

2018 COMMODITIES FOR PROGRAMMING UNDER MCGOVERN-DOLE

<u>COMMODITY</u>	<u>MT</u>
Beans, Black	2,530
Dark Red Kidney Beans	750
Beans, Pinto	1,820
Bulgur, Soy Fortified	5,410
Cornmeal	2,180
Cornmeal, Soy-fortified	1,370
Corn-Soy Blend Plus	140
Lentils	2,100
Peas, Green Split	150
Peas, Yellow Split	3,010
Fortified Rice	20,470
Salmon, Pink	1,210
Vegetable Oil	<u>2,580</u>
Subtotal	43,720

USDA FAS has approximately \$918.6 million in active programming from 2012 to 2018 in 28 countries. These programs were successful in boosting attendance, increasing literacy scores, improving school infrastructure, enhancing administrative skills, and assuring program sustainability.

Below is a list of active McGovern-Dole programs and examples of success stories. USDA expects to see similar outcomes from 2019 funded programs.

ACTIVE MCGOVERN-DOLE FOOD FOR EDUCATION PROGRAMS
FY 2012–2018 FISCAL OBLIGATIONS

(\$ Millions)

<u>FY</u>	<u>Region</u>	<u>Country</u>	<u>Total Value</u>
2012	South & Central Asia	Kyrgyz Republic	\$16.2
2014	Sub-Saharan Africa	Benin	19.0
2014	Sub-Saharan Africa	Burkina Faso	23.0
2014	Western Hemisphere	Guatemala	22.4
2014	Western Hemisphere	Nicaragua	12.3
2014	South & Central Asia	Nepal	26.9
2014	Sub-Saharan Africa	Senegal	11.5
2015	Sub-Saharan Africa	Cote d'Ivoire	35.0
2015	Western Hemisphere	Honduras	33.7
2015	Sub-Saharan Africa	Mali	29.9
2015	Sub-Saharan Africa	Mozambique**	60.8
2015	Sub-Saharan Africa	Rwanda	25.0
2015	Sub-Saharan Africa	Sierra Leone	18.2
2016	East Asia & Pacific	Cambodia	15.2
2016	Sub-Saharan Africa	Ethiopia	12.0
2016	Western Hemisphere	Guatemala**	51.4
2016	Sub-Saharan Africa	Guinea Bissau	20.0
2016	Western Hemisphere	Haiti	14.0
2016	East Asia & Pacific	Laos	27.3
2016	Sub-Saharan Africa	Kenya	28.0
2016	Sub-Saharan Africa	Malawi	15.0
2016	Sub-Saharan Africa	Tanzania	33.0
2017	Western Hemisphere	Nicaragua	23.2
2017	South & Central Asia	Nepal	29.3
2017	Sub-Saharan Africa	Liberia	29.1
2017	East Asia & Pacific	Laos	27.4
2017	South & Central Asia	Kyrgyz Republic	15.4
2017	Sub-Saharan Africa	Republic of Congo	30.0
2017	Sub-Saharan Africa	Benin	21.3
2017	South & Central Asia	Bangladesh	17.1
2018	Sub-Saharan Africa	Burkina Faso	24.0
2018	East Asia & Pacific	Timor-Leste	26.0
2018	Sub-Saharan Africa	Senegal	21.0
2018	Sub-Saharan Africa	Cameroon	27.0
2018	Sub-Saharan Africa	Sierra Leone	25.0
2018	South & Central Asia	Sri Lanka	26.0
2018	Western Hemisphere	Guatemala	27.0
		Subtotal	\$918.6

**Two agreements signed with different organizations.

Following are recent success stories under McGovern-Dole:

Bangladesh – Partnering with USAID Education to Leverage Resources and Benefit More School Age Children. USDA awarded the United Nations (UN) World Food Programme (WFP) \$17.1 million in 2017 to implement a three-year McGovern-Dole school feeding project for 47,689 school-age children in pre-primary and primary schools in two sub-districts of Cox's Bazar. The project also provided capacity strengthening support to relevant Government agencies in Bangladesh. In 2018, WFP partnered with USAID and Sesame Workshop (the nonprofit educational organization behind Sesame Street) to provide 60,000 additional books to the libraries supported under the McGovern-Dole project. Not only will these books support students' literacy skills, they will also include health and nutrition messaging from WFP. These books are funded by USAID and provided to the McGovern-Dole school feeding program free of cost. WFP, through funding provided by McGovern-Dole, can improve the education, health, and nutrition of students through the school feeding program and able to effectively advocate for expansion of nutrition-sensitive school meals nationwide through central level capacity strengthening and policy development.

Cambodia – National Government Steps up to Lead School Feeding Conversation and Make Financial Contributions. USDA awarded the WFP \$15 million in FY 2016 to implement a three-year school feeding program. Through this program, WFP has supported the Ministry of Education Youth and Sports (MoEYS) to mobilize resources and lead on the transition to a national school meals program in Cambodia. In 2018, MoEYS identified key benchmarks for the transition as well as submitted a funding proposal to the Ministry of Finance for \$6 million to fund a Home-Grown School Feeding Program (HGSF) over the next three years. This request falls under the National Social Protection Policy Framework and would benefit more than 200 schools. MoEYS has made this high-level commitment to ensure that HGSF is fully recognized as a key to enhancing primary enrolment promoting better nutrition for school children, gaining longer term benefits from associated education, and generating community benefits and social capital through the home-grown elements of the programme.

Cameroon – Integrating Nutrition-Sensitive Meals and Good Hygiene to Improve the Dietary Diversity of School-Age Children. In the North West region of Cameroon, Nascent Solutions’, totaling \$27 million, focus on nutrition and hygiene has delivered positive dietary results to approximately 75,000 direct beneficiaries, including over 22,000 pre- and primary school students. Nascent Solutions has developed and implemented an integrated school and community-based health nutrition-sensitive and hygiene program by leveraging activities that include: 92 school-based gardens for nutrition instruction and direct source of supplementary foods for school meals and 46 boreholes to facilitate the construction and installation of school-based hand-washing stations to provide access to clean water for human consumption, use in cooking of school meals, and hygiene and health maintenance. An 3-year evaluation of the project, conducted in June 2018, revealed a nine-percent increase in school-age children receiving a minimally acceptable diet. This increase in an area commonly known as “dietary diversity” is mainly attributable to the combined effect of supplementary school-garden produce and voluntary parent and community vegetable and fruit contributions, alongside regular school meals which consist of fortified rice, vegetable oil, pinto beans and corn-soy blend.

Tanzania – Communities Helping Educate Adolescent Boys and Girls on Health and Hygiene. USDA awarded Project Concern International (PCI) \$33.3 million in 2016 to implement a five-year school feeding program. Through this program, PCI has developed an innovative menstrual hygiene management (MHM) activity called “Huru Kits for Freedom!”. This program provides support for adolescent girls such as reusable sanitary pads, construction of improved sanitation facilities (latrines with washrooms), and the training of health teachers and Voluntary Student Aids (VSAs). Since October 2017, health teachers and VSAs have trained a total of 5,426 students (3,227 girls and 2,199 boys) on MHM and life skills. A total of 3,318 reusable Huru Kits were distributed to an equal number of girls at 136 schools.

Senegal – National Government and Local Communities Sustaining School Feeding Activities through School Gardens. USDA awarded Counterpart International (CPI) \$21 million in 2018 to implement a five-year school feeding program. Through this program, CPI has been working with the Government of Senegal (GoS) and the local communities with the goal of building a sustainable school meals program in Northern Senegal by establishing community farms to support school feeding through the production of cereals and vegetables alongside complimentary nutrition education. Using parcels of arable land donated by GoS in 2016, CPI and the local communities selected twenty schools to benefit from the community farms. In 2018, over 105 MT of rice, cowpeas, maize and vegetables have been harvested and collected. These cereals and vegetables were added to USDA commodities in rations for an additional nutritional boost and sold in local markets to sustain this activity by purchasing seeds, tools, and building community storerooms.

LOCAL AND REGIONAL PROCUREMENT PROGRAM

The objectives of the USDA Local and Regional Procurement (LRP) program are to ensure the cost effectiveness and timely provision of safe, quality foods to populations affected by food crises and disasters; to strengthen the ability of local and regional farmers, community farmer groups, farmer cooperatives, processors, and agribusinesses to provide high quality commodities in support of school feeding programs, and responses to food crises and disasters; and increase the capacity of organizations and governments to procure commodities in support of school feeding programs, development activities, and responses to food crises and disasters. In 2018, USDA awarded three LRP agreements for \$10 million.

2018 LRP FUNDING ALLOCATIONS

(\$ Millions)

<u>COUNTRY</u>	<u>ESTIMATED TOTAL VALUE</u>
Honduras	\$2.4
Senegal	3.6
Guatemala	<u>4.0</u>
Subtotal	\$10.0

**ACTIVE LRP PROGRAMS
FY 2016-2018 FISCAL OBLIGATIONS**

(\$ Millions)

<u>FY</u>	<u>REGION</u>	<u>COUNTRY</u>	<u>TOTAL VALUE</u>
2016	East Asia & Pacific	Laos	\$1.0
2016	Sub-Saharan Africa	Mozambique	2.0
2016	Sub-Saharan Africa	Rwanda	2.0
2017	Sub-Saharan Africa	Benin	1.9
2017	Sub-Saharan Africa	Kenya	1.0
2017	Sub-Saharan Africa	Tanzania	2.0
2018	Western Hemisphere	Honduras	2.4
2018	Sub-Saharan Africa	Senegal	3.6
2018	Western Hemisphere	Guatemala	<u>4.0</u>
	Subtotal		\$19.9

Kenya – USDA’s LRP Program Supports Women Farmers and Alternative Livelihood. In 2017, USDA awarded \$1.0 million to the WFP to implement a two-year LRP program in Kenya benefitting 31,150 individuals. Through this program, WFP worked to build the capacity of women’s groups and entrepreneurs to supply commodities to LRP schools. In 2018, these women’s groups supplied 40 MT of locally grown cowpeas and sorghum to WFP to be provided in the school ration to boost the nutritional content of the meal. This in turn boosted the agricultural production directly benefitting local farmers and women’s groups.

Mozambique - USDA supports Improved Nutrition by Procuring Locally Produced Orange-fleshed Sweet Potatoes while Improving Rural Community Life. In 2016, USDA awarded World Vision (WVI) \$2 million to implement a 2-year LRP project, benefitting 46 schools and nearly 24,500 school-age children in the Muecate and Nacaroa Districts of Nampula Province of Mozambique. In December 2017, WVI worked with 47 farmers groups to plant three varieties of sweet potatoes. From April to September 2018, these farmers groups were able to harvest 4.7 MT of OFSP. From the harvest, 3.5 MT of OFSP were sold to schools participating in the LRP program, 0.54 MT were used for home consumption increasing the diet diversity for all family members involved in the project, and 0.66 MT were sold on the local market. With the proceeds earned from selling the OFSP, the farmers were able to reinvest into next year’s crops, start a shop, and save the remaining balance.

Program Evaluation

FAS invests in program evaluations on an ongoing basis to improve learning and accountability across the McGovern Dole, Food for Progress and Local and Regional Procurement programs. Evaluations are often multi-year activities, and evaluations started during 2018 include: an impact evaluation of McGovern Dole literacy activities taking place in Mozambique (baseline phase), an impact evaluation of Food for Progress poultry projects taking place in Ghana (mid-term phase), a post-project evaluation of three closed Food for Progress projects that focuses on sustainability (planning stages), and a group of evaluations and assessments of Food for Progress projects focusing on key themes in the program’s Learning Agenda and on monetization. FAS’s project-level monitoring and evaluation system was also updated in 2018 to include new and revised standard indicators that aid USDA in aligning with interagency initiatives such as Feed the Future and in reporting on our programs to stakeholders which include Congress.

ACCOUNT 2: PUBLIC LAW 480 – TITLE I & TITLE II**PURPOSE STATEMENT**

Under programs authorized by P. L. 480, as amended, U.S. agricultural commodities are exported to developing countries as food assistance. No commodities may be made available except upon determination that adequate storage facilities are available in the recipient country at the time of exportation to prevent spoilage or waste and that the distribution will not be a substantial disincentive to the recipient country's domestic production.

No agreements may be made with the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights or other flagrant denial of the right to life, liberty, and personal security unless the use of the commodities themselves or proceeds from their sale are targeted to the neediest people of that country and are made available through channels other than the government.

Facilities and funds of the Commodity Credit Corporation (CCC) are, by law, used in carrying out programs for exporting agricultural commodities. The law also authorizes making appropriations to cover costs of such programs. When funds for Title I ocean freight differential and Title II become available, advances are made to the Corporation for estimated costs. If the amounts appropriated are greater than actual costs, the excess is carried forward for use in future years.

The following activities are carried out under P.L. 480, as amended:

1. P.L. 480 Title I- Financing sales of agricultural commodities to developing countries or private entities for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended.

All sales of commodities are made pursuant to agreements concluded under Title I authority, using funds appropriated for P.L. 480. Title I agreements are intended to encourage economic development in recipient countries.

P.L. 480 Title I sales are made to developing countries as defined in section 402(5) of P.L. 480 and must not disrupt world prices or displace expected commercial sales (sections 403(e) and (h)). Agreements with private entities as well as foreign governments are authorized (sections 101-102).

Repayments for agricultural commodities sold under Title I, with interest at a concessional rate as determined by the Secretary, may be made either in U.S. dollars or in local currencies on credit terms up to 30 years, with a grace period of up to five years. Interest is charged from the date of last delivery in each calendar year. Payments received under fiscal year 1992 and subsequent agreements are deposited in a financing account for use by the U.S. Treasury to offset U.S. Government outlays.

Under the Food for Progress Act of 1985, CCC may provide agricultural commodities on a grant basis or may finance the sale and exportation of agricultural commodities on credit terms to support developing countries and countries that are emerging democracies and have made commitments to introduce or expand free enterprise elements in their agricultural economies. For commodities furnished on a grant basis, the Corporation may pay, in addition to acquisition costs and ocean transportation, such related commodity and delivery charges as specified for commodities supplied under Title II.

For most sales agreements under Title I, CCC will pay ocean freight charges only to the extent of the difference between U.S.-flag rates and foreign-flag rates when U.S.-flag vessels are required to be used by authority of the Merchant Marine Act. This difference in rates is known as the ocean freight differential. In limited cases, full transportation costs to port of entry or point of entry abroad may be included with the cost of the commodity in the amount financed by CCC to ensure that U.S. food aid will reach the neediest recipients.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries which are least developed and either (1) have an International Monetary Fund standby agreement or a structural adjustment program of the International Bank for Reconstruction and Development in effect; or (2) do not have an agreement in effect but are pursuing a policy to promote democratic, market-oriented and long-term economic development. If such authority is used to waive payments, no new Title I assistance may be provided for that country for two years following the date of the authorized waiver unless the President provides prior written justification to the Congress.

2. P.L. 480 Title II- Commodities supplied in connection with dispositions abroad.

In past years, P.L. 480 Title II grants funded emergency and development food aid programs authorized under Title II of the Food for Peace Act (P.L. 83–480). Funding for Title II is appropriated to the U.S. Department of Agriculture and is administered by the U.S. Agency for International Development (USAID). There is no request for Title II. To replace the inefficient food aid provided through Title II, the 2020 request includes funding for emergency food needs within the new, more efficient International Humanitarian Assistance (IHA) account.

APPROPRIATIONS LANGUAGE

The appropriation language follows (new language underscored):

For administrative expenses to carry out the credit program of title I, Food for Peace Act (Public Law 83-480) and the Food for Progress Act of 1985, \$135,000, shall be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

LEAD-OFF TABULAR STATEMENT

Table P.L. 480 Title I-1. Lead-Off Tabular Statement

Item	Amount
2019 Annualized Continuing Resolution	\$149,000
Change in Appropriation	-14,000
Budget Estimate, 2020	<u>135,000</u>

Table P.L. 480 Title II-2. Lead-Off Tabular Statement

Item	Amount
2019 Annualized Continuing Resolution	\$1,600,000,000
Change in Appropriation	-1,600,000,000
Budget Estimate, 2020	<u>0</u>

PROJECT STATEMENT**Table P.L.480 Title I-3. Project Statement (thousands of dollars, staff years (SY))**

Item	2017 Actual	SY	2018 Actual	SY	2019 Estimate	SY	Inc. or Dec.	Chg Key	SY	2020 Budget	SY
Discretionary Appropriations:											
P.L. 480 Title I - Admin. Exps	\$149	-	\$149	-	\$149	-	-\$14	(1)	-	\$135	-
Total Adjusted Approp.	149	-	149	-	149	-	-14	-	-	135	-
Rsc, Trns, Other (Net)	-	-	-	-	-	-	-	-	-	-	-
Sequestration	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation.	149	-	149	-	149	-	-14	-	-	135	-
Recoveries, Other (Net)	-	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY	-	-	-	-	-	-	-	-	-	-	-
Total Available	149	-	149	-	149	-	-14	-	-	135	-
Bal. Available, EOY	-	-	-	-	-	-	-	-	-	-	-
Total Obligations	149	-	149	-	149	-	-14	-	-	135	-

Table P.L.480 Title II-13. Project Statement (thousands of dollars, staff years (SY))

Item	2017 Actual	SY	2018 Actual	SY	2019 Estimate	SY	Inc. or Dec.	Chg Key	SY	2020 Budget	SY
Discretionary Appropriations:											
P.L. 480 Title II - Donations	\$1,600,000	-	\$1,600,000	-	\$1,600,000	-	\$1,600,000	(2)	-	-	-
Subtotal	1,600,000	-	1,600,000	-	1,600,000	-	-1,600,000	-	-	-	-
Supplemental Appropriations:											
State Dept. GWOT/OCO.	300,000	-	-	-	-	-	-	-	-	-	-
General Provision	-	-	116,000	-	116,000	-	-116,000	-	-	-	-
Subtotal	300,000	-	116,000	-	116,000	-	-116,000	-	-	-	-
Total Adjusted Approp.	1,900,000	-	1,716,000	-	1,716,000	-	-1,716,000	-	-	-	-
Total Appropriation	1,900,000	-	1,716,000	-	1,716,000	-	-1,716,000	-	-	-	-
Recoveries, Other (Net)	123,331	-	152,495	-	-	-	-	-	-	-	-
Bal. Available, SOY	72,738	-	208,714	-	234,679	-	-234,679	-	-	-	-
Total Available	2,096,069	-	2,077,209	-	1,950,679	-	-1,950,679	-	-	-	-
Bal. Available, EOY	-208,714	-	-234,679	-	-	-	-	-	-	-	-
Total Obligations	1,887,355	-	1,842,530	-	1,950,679	-	-1,950,679	-	-	-	-

The numbered justifications items are keyed to the Change Key (Chg Key) column on the Project Statement.

JUSTIFICATIONS**P.L. 480 Title I**

(1) A decrease of \$14,000 (\$149,000 available in 2019).

The Farm Service Agency (FSA) supports both the PL 480 Title I and CCC Export Credit Guarantee (GSM) loan programs. FSA analyzed the workload associated with the two loan portfolios and as a result, a realignment of funding between the two programs was necessary. Workload in PL 480 was significantly less than previously estimated, and workload in the GSM program was significantly greater than previously estimated. Funds were redirected to meet higher priorities. Although no new loans are being made under P.L. 480 Title I, the FY 2020 request is commensurate with the workload of the remaining portfolio.

P.L. 480 Title II

(2) A decrease of \$1,600,000,000 (\$1,600,000,000 available in 2019).

In past years, P.L. 480 Title II grants funded emergency and development food aid programs authorized under Title II of the Food for Peace Act (P.L. 83–480). Funding for Title II is appropriated to the U.S. Department of Agriculture and is administered by the U.S. Agency for International Development (USAID). There is no request for Title II. To replace the inefficient food aid provided through Title II, the 2020 request includes funding for emergency food needs within the new, more efficient International Humanitarian Assistance (IHA) account.

CLASSIFICATIONS BY OBJECTS

Table PL 480 Title I-5. Classification by Objects (thousands of dollars)

Item No.	Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
25.3	Other goods and services from Federal sources	\$149	\$149	\$149	\$135
99.9	Total, new obligations	149	149	149	135

Table PL 480 Title II-6. Classification by Objects (thousands of dollars)

Item No.	Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
41.0	Grants, subsidies, and contributions	\$1,887,355	\$1,842,530	\$1,950,679	-
99.9	Total, new obligations	1,887,355	1,842,530	1,950,679	-

ACCOUNT 3: MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM

PURPOSE STATEMENT

The program provides for the donation of U.S. agricultural commodities and associated financial and technical assistance to carry out preschool and school feeding programs in foreign countries. Maternal, infant, and child nutrition programs are also authorized under the program.

LEAD-OFF TABULAR STATEMENT

Table MGD-1. Lead-Off Tabular Statement

Item	Amount
2019 Annualized Continuing Resolution	\$207,626,000
Change in Appropriation	-207,626,000
Budget Estimate, 2020	<u>0</u>

PROJECT STATEMENT

Table MGD-2. Project Statement (thousands of dollars, staff years (SY))

Item	2017 Actual	SY	2018 Actual	SY	2019 Estimate	SY	Inc. or Dec.	Chg Key	SY	2020 Budget	SY
Discretionary Appropriations:											
McGovern-Dole Program	\$201,626	-	\$207,626	-	\$207,626	-	-\$207,626	(1)	-	-	-
Total Adjusted Approp	201,626	-	207,626	-	207,626	-	-207,626	-	-	-	-
Rsc, Trns, Other (Net)	-	-	-	-	-	-	-	-	-	-	-
Sequestration	-	-	-	-	-	-	-	-	-	-	-
Total Appropriation	201,626	-	207,626	-	207,626	-	-207,626	-	-	-	-
Recoveries, Other (Net)	6,300	-	40,745	-	-	-	-	-	-	-	-
Bal. Available, SOY	61,128	-	9,083	-	49,182	-	-	-	-	49,182	-
Total Available	269,054	-	257,454	-	256,808	-	-207,626	-	-	49,182	-
Bal. Available, EOY	-9,083	-	-49,182	-	-49,182	-	-	-	-	-	-
Total Obligations	259,971	-	208,272	-	207,626	-	-207,626	-	-	49,182	-

JUSTIFICATION

(1) A decrease of \$207,626,000 (\$207,626,000 available in 2019).

The 2020 Budget prioritizes development assistance programs and proposes to eliminate the McGovern-Dole food aid program. In kind food aid is associated with high transportation and other costs and is inefficient compared to other types of development assistance. In addition, the McGovern Dole program has unaddressed oversight and performance monitoring challenges.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS

Table MGD-3. Geographic Breakdown of Obligations and Staff Years (thousands of dollars, staff years (SY))

State/Territory/Country	2017 Actual	SY	2018 Actual	SY	2019 Estimate	SY	2020 Budget	SY
District of Columbia	201,626	-	207,626	-	207,626	-	-	-
Obligations	201,626	-	207,626	-	207,626	-	-	-
Recoveries, Other (Net)	6,300	-	40,745	-	-	-	-	-
Bal. Available, SOY	61,128	-	9,083	-	49,182	-	49,182	-
Bal. Available, EOY	-9,083	-	-49,182	-	-49,182	-	-	-
Total, Available	259,971	-	208,272	-	207,626	-	49,182	-

CLASSIFICATION BY OBJECTS

TABLE MGD-4. CLASSIFICATION BY OBJECTS (THOUSANDS OF DOLLARS)

Item No.	Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
41.0	Grants, subsidies, and contributions	259,971	208,272	207,626	49,182
99.9	Total, new obligations	259,971	208,272	207,626	49,182

ACCOUNT 4: CCC EXPORT CREDIT GUARANTEE PROGRAMS

APPROPRIATIONS LANGUAGE

The estimates include appropriation language for this item as follows (new language underscored):

For administrative expenses to carry out the Commodity Credit Corporation's Export Guarantee Program, GSM 102 and GSM 103, \$6,381,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which \$6,063,000 shall be transferred to and merged with the appropriation for "Foreign Agricultural Service, Salaries and Expenses", and of which \$318,000 shall be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

LEAD-OFF TABULAR STATEMENT

TABLE GSM-1. LEAD-OFF TABULAR STATEMENT

Item	Amount
2019 Annualized Continuing Resolution	\$8,845,000
Change in Appropriation	-2,464,000
Budget Estimate, 2020	<u>6,381,000</u>

PROJECT STATEMENT

Table GSM-2. Project Statement (thousands of dollars, staff years (SY))

Item	2017 Actual	2018 Actual	2019 Estimate	Inc. or Dec.	Chg Key	2020 Budget
Discretionary Appropriations:						
FSA Administrative Expenses	\$2,463	\$2,463	\$2,463	-2,145		\$318
FAS Administrative Expenses	6,074	6,382	6,382	-319		6,063
Subtotal	<u>8,537</u>	<u>8,845</u>	<u>8,845</u>	<u>-2,464</u>		<u>6,381</u>
Mandatory Loan Level:						
GSM 102	1,581,962	1,977,571	5,000,000	-		5,000,000
Facilities	-	-	500,000	-		500,000
Subtotal	<u>1,581,962</u>	<u>1,977,571</u>	<u>5,500,000</u>	<u>-</u>		<u>5,500,000</u>

JUSTIFICATION

A net decrease of \$2,464,000 (\$8,845,000 available in 2019).

Funding will be used to carry out the administrative functions for the Commodity Credit Corporation Export Loan Guarantee programs (GSM), including program management, financial management and other functions.

The funding change is requested for the following items:

- a. A decrease of \$2,145,000 for Farm Service Agency Administration Expenses as a result of the realignment of funding from FSA PL 480 Administrative Expenses funding (\$2,463,000 available in 2019).
The Farm Service Agency (FSA) supports both the PL 480 Title I and CCC Export Credit Guarantee (GSM) loan programs. FSA analyzed the workload associated with the two loan portfolios and as a result, a realignment of funding between the two programs was necessary. The workload review of GSM revealed that FSA personnel costs for financial management and information technology (IT) support, as well as other IT costs associated with supporting this program, were both severely underfunded. The increased funding requested will better align resources with workload between the PL 480 and GSM programs.
- b. A decrease of \$319,000 in FAS Administrative Expenses (\$6,3823,000 available in 2019).

This decrease is due to the realignment of resources between FAS and FSA in efforts to improve efficiencies in servicing its loans.

CLASSIFICATION BY OBJECTS

Table GSM -3. Classification by Objects (thousands of dollars)

Item No.	Item	2017 Actual	2018 Actual	2019 Estimate	2020 Budget
25.3	Other goods and services from Federal sources	8,537	8,845	8,845	6,381
	Total, Other Objects	8,537	8,845	8,845	6,381

AGENCY-WIDE PERFORMANCE**SUMMARY OF PERFORMANCE**

The Foreign Agricultural Service (FAS) was re-established on March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. The mission of the agency is "*Linking U.S. agriculture to the world to enhance export opportunities and global food security.*" The Department revised the USDA Strategic Plan and released it with the FY 2019 President's Budget.

The FAS has four strategic goals and two strategic objectives that contribute to one Strategic Objectives within the Department's Strategic Plan. The following table summarizes the results for the Departmental Key Performance Indicators (KPIs) for which FAS is responsible.

Table FAS- 1 KPI-Trade Policy

KPI	2016 Actual	2017 Actual	2018 Actual	2018 Target	2018 Result	2020 Target
Value of trade preserved through resolution of foreign market access issues such as U.S. export detention, restrictive SPS & TBT issues, and trade regulations (Billions)	5.0	7.5	12.75	4	Exceeded	6-8

SELECTED PAST ACCOMPLISHMENTS TOWARD THE ACHIEVEMENT OF THE KPI OUTCOMES

- After a successful WTO dispute against India and subsequent arbitration on its longstanding ban on poultry due to avian influenza, the first U.S. poultry shipments since 2006 arrived in India in 2018. Estimate of the market's value today is \$100,000 and it eventually should be worth around \$450 million.
- In 2018, FAS countered efforts in Japan and the EU to set two trade restrictive MRLs. FAS advocacy helped secure a five-year renewal in the EU for glyphosate, an herbicide used on plant products, preserving \$3.3 billion in exports. FAS also countered separate actions by the EU and Japan to impose trade restrictive MRLs on fosetyl-aluminum, a fungicide used on tree nuts. In the EU, FAS work secured a trade facilitating MRL. In Japan, FAS efforts led Japan to withdraw its proposal that would have resulted in many false positives, detections of a fungicide that was never used. These FAS successes preserved \$4.5 billion worth of trade to Japan.
- In 2018, U.S. agricultural exports valued at \$143.4 billion were due in part to the assistance that 93 FAS overseas offices covering 171 countries provided to U.S. firms with consignments detained in foreign ports. In 2018, FAS negotiated the release of hundreds of detained shipments in dozens of countries. These shipments represent well over \$77 million and range from brahman bulls in Thailand to high value almonds in Vietnam and Spain, to high quality beef in Belgium and the Netherlands, to squid in Peru to ginseng in Hong Kong. Detained shipments risk being destroyed and have an immediate impact on U.S. companies, especially small and medium-sized companies that cannot afford to lose an entire container or more of product.
- FAS and APHIS engaged India in bilateral talks to secure a waiver to allow U.S. chickpeas, peas, and pulses to be fumigated on arrival, without penalty. The waiver will remain in effect until India accepts the U.S. systems approach for pulses. U.S. exports of chickpeas, peas, and pulses were worth \$20 million in 2018, down more than 75 percent due to tariff increases.
- FAS perseverance paid off for dairy exporters in 2018. Turkey closed its market in 2016 following numerous extensions after Turkey revised its import requirements. After nearly 7 years of negotiation, U.S. dairy exporters have full access for milk and milk-based products from the United States. U.S. exports of dairy products to Turkey were previously valued as high as \$25 million in 2013 but had steadily declined to approximately \$1 million in 2018.
- Due to sustained FAS interventions, India rescinded its limits on fresh apples from all third country suppliers to a single port of Mumbai. U.S. Embassy intervention expanded eligible ports to include Chennai, Cochin, Kolkata, and both the inland container depot and international airport in New Delhi. The availability of more ports facilitated record U.S. shipments during 2018 and favorable market conditions. In 2018, the United States exported \$170 million in fresh apples to India.
- FAS led an interagency charge to maintain the United States Fresh Food of Plant Origin (FFPO) equivalency with Indonesia in 2018. FFPO equivalency affords U.S. exporters the comparative advantage of direct access to the port of Jakarta and more efficient customs processing. In 2018, more than \$1.275 billion of U.S. agricultural exports benefitted from Indonesia's FFPO recognition.

SELECTED ACCOMPLISHMENTS EXPECTED AT THE 2020 PROPOSED RESOURCE LEVEL

- Ensure that the potential impacts on U.S. agriculture of the U.S. Government’s trade policy options are understood and considered in the U.S. Government’s trade policy formulation.
- Engage with industry and the Food and Drug Administration, among other regulatory agencies, to address the registration requirements affecting exports of processed products to countries such as China, Korea, Colombia, and Egypt.
- Provide continuing support for new trade agreement negotiations with Japan, the European Union, the United Kingdom, and others.
- Conduct international outreach on science-based regulation of veterinary drugs.
- Work with a coalition of like-minded countries supportive of the use and trade of products derived from innovative agricultural production methods, focusing on plant biotechnology, and new livestock production technologies.
- Reduce the threat of disruption to agricultural trade by shortening the gap for new biotech approvals between China and the United States.
- Enforce U.S. trade agreements and defend U.S. agricultural interests through the WTO’s Dispute Settlement Body.
- Encourage countries to create science-based regulations and standards in line with the CODEX guidelines in order to harmonize requirements, facilitate trade, and prevent misleading claims.
- Encourage and track the notification of new and amended standards and regulations through the SPS and TBT Committees of the WTO while enhancing service to industry through expansion of public databases of foreign SPS/TBT measures.
- Through bilateral and multilateral discussion, encourage the development of risk based and science based regulatory approaches to minimize disruption to agricultural trade and adoption of new technologies.
- Continue working with U.S. regulatory agencies to expand electronic export certifications to facilitate exports.

Table FAS- 14 KPI-Trade Supporting Initiatives

KPI	2016 Actual	2017 Actual	2018 Actual	2018 Target	2018 Result	2020 Target
Value of agricultural exports resulting from participation in USDA endorsed foreign agricultural trade shows and trade missions (Billions)	1.26	2.35	2.13	1.70	Exceeded	2.13

SELECTED PAST ACCOMPLISHMENTS TOWARD THE ACHIEVEMENT OF THE KPI OUTCOMES

- In FY 2018, over 900 U.S. companies and organizations participated in 19 USDA-endorsed trade shows in 12 countries. On-site sales totaled nearly \$300 million and 12-month projected sales reported by exhibitors were estimated at \$2 billion. The companies made over 15,000 business contacts and displayed more than 4,500 new products in various markets on all continents. On average, about 30 percent of the exhibitors in U.S. Pavilions at USDA-endorsed shows report that they are small- and medium-sized enterprises.
- Conducted five Agribusiness Trade Missions in FY 2018, which included participants from 127 agribusinesses, 17 cooperator groups and 29 State Department of Agriculture representatives, resulting in \$88.2 million in 12-month projected sales.
- Continued implementation of the USA Common Branding initiative, which results in greater uniformity, consistency, and identifiability to USA Pavilions at endorsed trade shows worldwide.
- Initiated a campaign to upgrade the design and construction elements of the USA Pavilion at selected endorsed trade shows. This initiative will modernize the look of USA Pavilions and better position our exhibitors to showcase their products.
- MAP funds are used by U.S. industry cooperators, in partnership with FAS, to build, maintain and expand overseas markets for U.S. food and agricultural products. MAP is used to conduct a wide range of activities including market research, technical assistance, consumer promotion, trade servicing, capacity building, and market access support. For example, Cotton Council International’s MAP-funded “Cotton Days” – one-day promotional and educational events in Taiwan and Japan, held in May 2018, are expected to result in over \$60 million in sales. In another example, the Alaska Seafood Marketing Institute MAP-funded retail promotions in Japan, October 4-10, 2017, resulted in over \$223 million in sales.
- FAS and Cooperators, in particular the State Regional Trade Groups (Food Export USA Midwest, Food Export USA Northeast, the Western United States Agricultural Trade Association, and the Southern United States Trade Association) work to increase small- to medium-sized company participation in trade shows and trade teams through cost-share MAP funding.

- Provided U.S. government policy makers, producer groups, and private exporters the market intelligence they need to develop successful market strategies.
- Supported commercial sales through issuance of \$2 billion in credit guarantees in FY 2018 and other strategic marketing support.
- In FY 2018, continued outreach efforts to increase industry awareness of the enhanced Facility Guarantee Program (designed to assist in financing infrastructure projects in emerging markets that will benefit the export of U.S. agricultural commodities and their products) and the GSM 102 Program. As a result of this outreach, and to diversify the portfolio of obligor countries, Brazil was added as a bank eligible country with credit lines on its eligible banks available for use by importers throughout Latin America

SELECTED ACCOMPLISHMENTS EXPECTED AT THE 2020 PROPOSED RESOURCE LEVEL

- In 2020, the USDA will target support of 22 international trade shows and continue implementation of the design and construction initiative to improve the USA Pavilions at as many of the endorsed trade shows as possible.
- In 2020, USDA is expecting to conduct 5-7 Agribusiness Trade Missions (ATMs) in countries and regions around the world that demonstrate strong economic growth, lower barriers to trade or have other relevant market conditions that support U.S. agricultural exports.
- USDA is implementing the new Agricultural Trade Program.
- FAS will continue outreach efforts for the GSM-102 Program and the new and enhanced Facility Guarantee Program (FGP), to ensure relevant stakeholders have the knowledge to use these programs to expand U.S. agricultural exports. Specifically, FAS will maintain the level of program outreach realized in FY 2018.
- FAS will continue to operate the program in a way that balances the benefits of expanding U.S. agricultural exports to developing countries with the risks of doing so by maintaining robust due diligence and risk assessment procedures, and to the maximum extent practicable, setting program fees at a level sufficient to cover program costs and losses. To this end, FAS will continue to refine the GSM-102 program fee calculator as needed.