



WETEC

WHEAT EXPORT TRADE EDUCATION COMMITTEE
Suite 300, 415 Second Street, N.E.
Washington, D.C. 20002 Telephone: (202) 547-2004



**National Association of
Wheat Growers**

415 Second St. NE, Suite 300
Washington, DC 20002
(202)547-7800 Fax (202)546-2638

U.S. Farm Bill – The Trade Title

Agricultural exports and the programs that support them are an important element of success for U.S. wheat producers. The United States wheat industry exports nearly 50 percent of production clearly placing extreme importance on fair and unfettered access to markets and aggressive market promotion activities. We strongly believe that an aggressively funded trade title is imperative to a successful U.S. wheat industry as we continue to move the industry towards market dependence and away from government support programs.

The U.S. must maximize the use of trade programs within the World Trade Organization's limitations. Market development and promotion programs are "green box" programs not subject to limitation by the WTO. Increases in funding for these programs will enhance our negotiating leverage and ultimately return their cost to the government by increasing sales around the world and reducing producer reliance on government payments.

Wheat producers continue to suffer through low prices and natural disasters coupled with subsidized and unfair competition from competitors. Support for increased access and creating greater market demand abroad is a significant part of sound federal farm policy.

- **Foreign Market Development Program** - The wheat industry strongly supports one of our longest standing and most effective agricultural export programs, the Foreign Market Development (FMD) or Cooperator Program. The Cooperator Program is funded jointly by U.S. agricultural producers and the federal government. The U.S. wheat industry supports a funding level of no less than \$43.25 million.
- **Market Access Program** - The wheat industry supports aggressive funding for the Market Access Program (MAP). USDA's Market Access Program is a cost-share program which requires that farmers and other participants contribute their own resources. It has been and continues to be an excellent example of an effective public/private partnership that works. The U.S. wheat industry supports a funding level of no less than \$200 million.
- **Export Enhancement Program** - The wheat industry supports the reauthorization and full funding of the Export Enhancement Program (EEP) at the maximum allowable levels under our WTO commitments to enhance U.S. wheat exports and market development programs until all export subsidies have been eliminated.
- **Export Credit Guarantee Programs** - USDA's export credit guarantee programs were designed to facilitate the sales of U.S. agricultural products. GSM programs have effectively assisted many countries in the purchase of U.S. wheat as part of the process from concessionary food assistance to cash customers. The industry supports the continuation of the GSM programs. Additionally, we support revising the export credit program to better meet the needs of private sector buyers.
- **Food Assistance Programs** - The wheat industry supports the continued use of P.L. 480 Food for Peace, Food for Progress and the Global Food for Education (GFE) program. We urge that funding for P.L. 480 Title I be increased to 800,000MT, Title II be increased to 2,500,000 MT. We support an aid level of 1,000,000 MT for Food for Progress and 700,000MT for GFE. To ensure the integrity and availability of these programs and remove any perceived use as market support programs, the Congress should designate a defined

commodity level that will be made available for humanitarian use regardless of market conditions. USDA should retain primary responsibility over food assistance programs.

- **Supplier Credit Program** - The Supplier Credit Guarantee Program (SCGP) allows the CCC to guarantee a portion of the payment due from importers under the short-term financing exporters have extended them directly. The supplier credit program terms should be extended to one year.
- **Quality Samples Program** - The Quality Samples Program (QSP) is designed to encourage the development and expansion of markets for U.S. commodities. These funds are used to assist U.S. groups in providing samples of various commodities to potential importers. This gives importers a better understanding of the quality and usefulness of U.S. agricultural products. QSP should be reauthorized and funded at no less than current farm bill levels.
- **Biotechnology** – The wheat industry supports provisions that provide critical tools to ensure the acceptance and adoption of important biotechnologies around the world. We support:
 - 1) mechanisms that direct the Secretary of Agriculture to enhance foreign acceptance of agricultural biotechnology through education and outreach to foreign customers and directs the Secretary to assist exporters of U.S. commodities who are harmed by unwarranted and arbitrary trade barriers related to the sale of biotechnology products;
 - 2) allowing USDA to assist important emerging markets in developing countries to rapidly and safely adopt these important tools that will help feed and sustain millions of the world's poorest people;
 - 3) grant programs to provide the necessary funding for environmental assessment research and for the development of agricultural biotechnology with respect to the developing world which shall be administered through the Foreign Agricultural Service.