

Coburn Amendment 1007– To reduce funding for the Market Access Program (MAP) by 20 percent and to restrict the use of those funds

USDA's Foreign Agriculture Service administers five export promotion programs. The most prominent of these is the Market Access Program (MAP). MAP was established by Section 203 of the Agricultural Trade Act of 1978 and costs \$200 million annually to subsidize advertising, market research, and travel around the globe for various trade groups, cooperatives, corporations, and their members or employees.

Many, if not all, of these subsidies go towards activities and obligations that rightly belong to private companies and their trade associations. MAP's penetration into private market functions in particular has gone so deep, one beneficiary noted: "It's like an extension of the business now."¹

The beneficiaries of MAP are some of the most profitable in the country. For example, the California wine industry received over \$7 million from MAP while having U.S. sales of nearly \$18 billion in 2009. Another example is the Cotton Council International (CCI), on behalf of the American cotton industry, which received over \$20 million from MAP and \$4.7 million from the Foreign Market Development Program (FMDP) in 2010, when USDA estimated cotton revenues of \$5.3 billion and prices were on their way to their highest since the Civil War. CCI used a portion of its funds for a fashion reality show in India designed to "Play up the romance, with chic designs, flamboyant colours, romantic laces, cute frills and more."² This despite CCI's acknowledgement that the program was: "created to promote the use of cotton in general, not necessarily cotton from the United States."³

MAP has provided taxpayers funds for: wine tasting trips to Europe and Asia for California winemakers, pet hair care products, a demonstration and tasting tour in the UK for candy mints, liquor mixology demonstrations in

¹ <http://www.susta.org/downloads/2009annualrpt.pdf>

² Facebook, "Let's Design http://www.facebook.com/permalink.php?story_fbid=145838335465121&id=122562764472609, Last accessed on May 17, 2013.

³ Nixon, Ron, New York Times: "US Spends Millions to Support Agricultural Exports," February 12, 2011, <http://www.nytimes.com/2011/02/13/us/politics/13agriculture.html?ref=todayspaper.%20Last%20accessed%20on%20June%202012>, Last accessed on May 17, 2013.

Russia, and promotions for well-known corporate brands like Sunkist, Welch's (Grape Juice), and Blue Diamond (Almonds).

While USDA says that funds are awarded on competitive basis annually, in reality MAP has become a permanent subsidy to some of the nation's most profitable agricultural sectors. In fact, 57 of the 76 associations or cooperatives awarded assistance between 2000 and 2010 received it in all of the previous ten years. Indeed, many of the associations have been subsidized since the inception of the program.

Despite all of this, it is not clear that the program is having any substantial impact on American agriculture's total share of global exports. In contrast to USDA-financed studies, the agency's Inspector General and the Government Accountability Office (GAO) have noted the declining market share of American agricultural exports and have questioned the "overall economic benefit" of the program. GAO even questions its impact of specific commodities.⁴⁵

In proposing to reduce the program by 20 percent in 2010, the Obama Administration noted: "MAP's economic impact is unclear and it does not serve a clear need."⁶

The Coburn amendment follows the Administration's recommendation. It will reduce funding for the program by 20 percent. This is a common sense reduction, given strained budgets and more urgent Farm Bill priorities.

⁴ United States Department of Agriculture, Office of Inspector General (Southeast Region), "Audit Report: Foreign Agricultural Service Implementation of the Trade Title of the 2002 Farm Bill and the 2002 President's Management Agenda," Page I, March 2007, <http://www.usda.gov/oig/webdocs/50601-12-AT.pdf>, Last Accessed on May 17, 2013.

⁵ Government Accountability Office, "Agricultural Trade: Changes Made to Market Access Program But Questions Remain on Economic Impact," April 1999, Page 2, <http://www.gao.gov/archive/1999/ns99038.pdf>, Last Accessed on May 17, 2013.

⁶ White House, Office of Management and Budget, "Terminations, Reductions and Savings (FY 2011)," <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/trs.pdf>, Last Accessed on May 17, 2013.