

## Foreign Market Development Program

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March 2000

The Foreign Market Development Cooperator Program (FMD), also known as the Cooperator Program, uses funds from the U.S. Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) to aid in the creation, expansion, and maintenance of long-term export markets for U.S. agricultural products. The FMD is authorized by Title VII of the Agricultural Trade Act of 1978, and is administered by the USDA's Foreign Agricultural Service.

For more than 40 years, the program has fostered a trade promotion partnership between USDA and U.S. agricultural producers and processors who are represented by nonprofit commodity or trade associations called Cooperators. Under this partnership, USDA and the Cooperator pool their technical and financial resources to conduct overseas market development activities.

**How the program benefits U.S. agriculture:** The Cooperator program directly benefits U.S. farmers, processors, and exporters by assisting their organization in developing new foreign markets and increasing market share in existing markets.

The program allows all segments of U.S. agriculture, including those associated with small-volume export commodities, to participate in efforts to build export markets. The overseas promotions focus on generic U.S. commodities, rather than individual brand-name products, and are targeted toward long-term development.

The Cooperator program has helped support growth in U.S. agricultural exports by enlisting private sector involvement and resources in coordinated efforts to promote U.S. products to foreign importers and consumers around the world. In 1998, cooperators and U.S. industry contributed resources totaling 110 percent of the funds provided by FAS.

Agricultural exports are important to the overall U.S. economy, generating economic activity, income, and jobs. U.S. agricultural exports support about 1 million American jobs – with about one third of them in the farm sector. The other two-thirds are in processing, marketing and transportation. These jobs, on average, are higher paying than non-export related jobs.

**How the program works:** Under the FMD, funds from the USDA's Commodity Credit Corporation are used to partially reimburse cooperators conducting approved overseas promotional activities. Preference is given to nonprofit U.S. agricultural and trade groups that represent an entire industry or are nationwide in membership and scope.

Each year USDA announces an application period for participation in the FMD and publishes it in the *Federal Register*. Proposals for the FMD are developed by trade organizations and may be submitted to USDA as part of the Unified Export Strategy (UES) process that allows applicants to request funding for various USDA market development programs through a single strategically coordinated proposal. FMD regulations (7 CFR 1550), revised on September 30, 1999, define program requirements, including cost-sharing, strategic planning, reimbursement procedures, records and reporting requirements, and evaluations.

The FMD applications undergo a competitive review process based on the criteria specified in the *Federal Register* announcement. Funds are awarded to those applicants that demonstrate effective performance based on a clear, long-term strategic plan. Upon approval, CCC enters into a cooperative program agreement with each

approved applicant. All Cooperators must keep an itemized list of expenses incurred during the program year and submit them to FAS for reimbursement. All expenses are subject to audits, and Cooperators are held accountable for maintaining proper documentation for the program.

**Where to get information:** To submit a FMD proposal or to find out how to do so, contact the USDA/FAS Marketing Operations Staff , AG Box 1042, 1400 Independence Ave., SW., Washington, DC 20250-1042; Phone: (202) 720-4327; on the Internet: <http://www.fas.usda.gov/mos/programs/fmdprog.html>.

Information on all USDA-FAS programs, trade data, and reports are available by accessing the FAS Home Page at: <http://www.fas.usda.gov>.

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**FOREIGN MARKET DEVELOPMENT (FMD) PROGRAM BUDGET CEILINGS  
FISCAL YEAR 2000**

<b>TRADE ORGANIZATION</b>	<b>2000 BUDGET CEILING</b>
American Forest and Paper Association	\$2,851,287
American Peanut Council	\$561,945
American Seafood Institute	\$80,069
American Seed Trade Association	\$272,163
American Sheep Industry Association	\$167,537
American Soybean Association	\$7,081,782
Cotton Council International	\$1,953,000
Leather Industries of America	\$198,069
Mohair Council of America	\$26,129
National Cottonseed Products Association	\$140,374
National Dry Bean Council	\$122,103
National Hay Association	\$55,345
National Renderers Association	\$1,009,044
National Sunflower Association	\$265,871
North American Millers Association	\$81,528
USA Dry Pea and Lentil Council	\$187,890
USA Poultry and Egg Export Council	\$1,512,990
USA Rice Federation	\$1,739,535
U.S. Dairy Export Council	\$708,348
U.S. Grains Council	\$5,709,387
U.S. Hide, Skin and Leather	\$85,759
U.S. Livestock Genetics Export Inc.	\$801,336
U.S. Meat Export Federation	\$1,528,287
U.S. Wheat Associates	\$6,394,954
Western Growers Association	\$11,269

**TOTAL****\$33,546,001**

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