



## **Export Promotion Market Access Program and Foreign Market Development Program**

### **Background**

The Hardwood industry is heavily reliant on global export markets. The U.S. currently enjoys a trade surplus of \$1.3 billion in hardwood lumber, up from \$1.1 billion in 2015. Approximately 40% of all hardwood lumber production and nearly 60% of the highest value-added grades of hardwood are now exported, totaling \$2.4 billion in 2016. It is vital that markets remain open for these businesses and the men and women they employ.

The Market Access Program (MAP) uses funds from the U.S. Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) to help U.S. producers, exporters, private companies, and other trade organizations finance promotional activities for U.S. agricultural products. MAP encourages the development, maintenance, and expansion of commercial export markets for agricultural commodities, including those made of hardwood. Activities financed include consumer promotions, market research, technical assistance, and trade servicing. Closely related to MAP and vital to the wood products industry overseas is the Foreign Market Development Program (FMD), administered by the Foreign Agricultural Service (FAS) of USDA. The goal of the FMD program is to develop, maintain, and expand long-term export markets for U.S. agricultural products. Both programs continue to demonstrate significant return on the federal dollars invested; for every dollar spent, a net return of \$28.30 has been realized.

The American Hardwood Export Council (AHEC) operates a worldwide program for U.S. hardwood companies to promote the full range of American hardwood products, including lumber, veneer, plywood, flooring, molding, and dimension materials, in over 50 export markets. AHEC also provides the global hardwood industry – importers, specifiers and end-users – with promotional assistance, technical information and sources of supply for American hardwoods. A significant percentage of AHEC's program budget comes from the federally funded Market Access Program (MAP) and Foreign Market Development Program. Reduced or eliminated funding for these programs would severely limit AHEC's ability to provide vital services to the hardwood industry and reduce access to foreign markets.

### **Issue**

These programs provide essential resources to support the development of foreign markets for U.S. hardwood and hardwood products. The American Hardwood Export Council (AHEC) receives funding from both programs. Although funding for MAP and FMD is included in the 2018 Farm Bill at the \$200 million level for MAP and at \$34.5 million for FMD, we must remain vigilant to ensure that dollars are fully appropriated.

### **Hardwood Federation Position**

The Hardwood Federation will monitor implementation and appropriations work to ensure that Farm Bill programs impacting the hardwood industry are funded and implemented as outlined in the legislation, particularly in terms of the export promotion programs.