

104TH CONGRESS
2D SESSION

H. R. 2950

To preserve and strengthen the Foreign Market Development Cooperator Program of the Department of Agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1996

Mr. NETHERCUTT (for himself, Mr. MCHUGH, Mr. COOLEY, Mr. HASTINGS of Washington, Mrs. CHENOWETH, and Mr. JOHNSON of South Dakota) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To preserve and strengthen the Foreign Market Development Cooperator Program of the Department of Agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Agriculture Market
5 Development Act of 1995”.

6 **SEC. 2. ESTABLISHMENT AND IMPLEMENTATION.**

7 (a) ESTABLISHMENT.—The Secretary of Agriculture
8 shall establish and, in cooperation with eligible trade orga-
9 nizations, carry out a foreign market development co-

1 operator program to maintain and develop foreign markets
2 for United States agricultural commodities.

3 (b) IMPLEMENTATION.—The program authorized
4 under subsection (a) shall be carried out through multi-
5 year contracts or agreements between the Secretary of Ag-
6 riculture and eligible trade organizations under which
7 cost-share assistance is provided to such organizations as
8 cooperators for the conduct of foreign market development
9 activities, and to third party cooperators, under annual
10 marketing plans provided for in section 5.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—Subject
12 to section 7(c), there are authorized to be appropriated
13 to the Department of Agriculture for use in providing cost-
14 share assistance to eligible trade organizations under con-
15 tracts and agreements entered into under subsection (b)
16 and for other costs of the foreign market development co-
17 operator program established under this Act (including
18 contingent liabilities not otherwise funded) such sums as
19 may be necessary for each of fiscal years 1996 through
20 2000.

21 **SEC. 3. ELIGIBLE TRADE ORGANIZATIONS; REQUIREMENTS**
22 **FOR PARTICIPATION.**

23 (a) ELIGIBLE TRADE ORGANIZATION.—For purposes
24 of this Act, the term “eligible trade organization” means
25 a United States trade organization that promotes the ex-

1 port of one or more United States agricultural commod-
2 ities and that does not have a business interest in or re-
3 ceive remuneration from specific sales of agricultural com-
4 modities.

5 (b) REQUIREMENTS FOR PARTICIPATION.—

6 (1) ELIGIBLE TRADE ORGANIZATION.—In order
7 for an eligible trade organization to enter a contract
8 or agreement with the Secretary of Agriculture for
9 the conduct of foreign market development activities
10 as a cooperator under this Act, the organization
11 shall—

12 (A) establish that it is funded primarily by
13 United States members of the industry it rep-
14 resents;

15 (B) prepare and submit to the Secretary of
16 Agriculture annually a marketing plan as pro-
17 vided for under section 5; and

18 (C) meet any other appropriate require-
19 ments established by the Secretary for partici-
20 pation in the foreign market development co-
21 operator program established under this Act.

22 In addition, each participant shall endeavor to pro-
23 vide an annual contribution for activities under the
24 marketing plan that is equal to or greater than the

1 amount provided for such activities by the Depart-
2 ment of Agriculture.

3 (2) CRITERIA FOR APPROVAL OF CONTRACTS
4 AND AGREEMENTS.—The Secretary of Agriculture
5 may enter into a contract or agreement with an eli-
6 gible trade organization for the conduct of foreign
7 market development activities under this Act only if
8 the Secretary determines that the activities under
9 the eligible trade organization’s marketing plans—

10 (A) have a strong likelihood of achieving
11 success in maintaining or increasing foreign
12 consumption and imports of one or more United
13 States agricultural commodity;

14 (B) will make long-range contributions to
15 United States agricultural exports;

16 (C) focus on a commodity or commodities
17 the export of which is important to United
18 States agriculture and this Nation’s foreign bal-
19 ance of payments;

20 (D) include the provision by the eligible
21 trade organization of a competent United
22 States-based staff and other resources to ensure
23 adequate development, supervision, and execu-
24 tion of project activities;

1 (E) are coupled with a commitment by pri-
2 vate organizations to back up promotional ac-
3 tivities with aggressive selling and adequate
4 supplies of the commodity involved or the qual-
5 ity desired by foreign buyers; and

6 (F) are focused on markets for which the
7 United States is in competition with other ex-
8 porting countries.

9 **SEC. 4. COOPERATOR RESPONSIBILITIES.**

10 (a) TRADE SERVICING, TECHNICAL ASSISTANCE,
11 AND CONSUMER EDUCATION.—

12 (1) IN GENERAL.—Eligible trade organizations
13 participating in the foreign market development co-
14 operator program under this Act shall provide mar-
15 ket development and customer support services out-
16 side the United States directed at foreign pur-
17 chasers, potential purchasers, and users of United
18 States agricultural commodities, through trade serv-
19 icing, technical assistance, and consumer education.

20 (2) SPECIFIC GOALS.—Trade servicing, tech-
21 nical assistance, and consumer education by each eli-
22 gible trade organization under subsection (a) shall
23 be conducted so as to achieve the following goals (as
24 well as other appropriate goals specified by the Sec-
25 retary by regulation):

1 (A) To increase foreign consumer and com-
2 mercial use of the United States commodity in-
3 volved and products made from such commod-
4 ity, to develop long-term foreign demand for the
5 commodity, and to help overcome constraints to
6 United States exports of the commodity in-
7 volved.

8 (B) To establish a long-term presence in
9 foreign markets for the commodity involved.

10 (C) To enable foreign users of the com-
11 modity and products made from the commodity
12 to enhance their competitiveness, analyze mar-
13 kets, improve end use quality, and respond to
14 consumption trends.

15 (D) To make maximum use of new tech-
16 nologies, including satellite transmissions, to
17 disseminate trade information and enhance in-
18 dustry technologies that will expand demand for
19 the commodity.

20 (E) To increase technical contact between
21 the United States production industry for the
22 commodity and foreign customers and users so
23 as to achieve better and more accurate market
24 analyses and trade intelligence collected in the
25 public and private sector.

1 (F) To identify third parties to contribute
2 to the implementation of activities conducted
3 under the eligible trade organization's annual
4 marketing plan either through cash or in-kind
5 contributions.

6 (b) COORDINATION, ASSISTANCE, AND CONSULTA-
7 TION.—

8 (1) COORDINATION AND ASSISTANCE.—Eligible
9 trade organizations participating in the foreign mar-
10 ket development cooperator program under this Act
11 shall coordinate their activities with those of agricul-
12 tural trade officers of the Foreign Agricultural Serv-
13 ice. In turn, such officers and other Foreign Agricul-
14 tural Service personnel shall assist the eligible trade
15 organizations in the development and operation of
16 trade promotion programs that use product exhibits,
17 trade teams, market information services, and trade
18 referral services to expand international markets for
19 United States agricultural commodities.

20 (2) CONSULTATION.—Eligible trade organiza-
21 tions shall consult with the staff of the Foreign Ag-
22 ricultural Service to ensure that their annual mar-
23 keting plans under this Act are consistent with and
24 complement the foreign market development activi-
25 ties of the Service.

1 **SEC. 5. ANNUAL MARKETING PLANS.**

2 (a) IN GENERAL.—An eligible trade organization
3 participating in and receiving assistance for any year
4 under the foreign market development cooperator program
5 established under this Act shall develop and submit to the
6 Secretary of Agriculture a marketing plan to carry out
7 trade servicing, technical assistance, and consumer edu-
8 cation, as provided for in section 4(a), for such year.

9 (b) REQUIREMENT FOR PLANS.—Each annual mar-
10 keting plan submitted by an eligible trade organization
11 under subsection (a) shall specifically describe the manner
12 in which assistance received by the organization in con-
13 junction with funds and services provided by or through
14 the organization will be expended in implementing the
15 plan.

16 (c) AMENDMENTS.—An annual marketing plan may
17 be amended at any time by the eligible trade organization
18 with the approval of the Secretary of Agriculture.

19 **SEC. 6. OVERSIGHT.**

20 (a) MONITORING.—The Secretary of Agriculture
21 shall monitor the expenditure of funds received by each
22 eligible trade organization under this Act.

23 (b) REPORTS, BOOKS, AND RECORDS.—Each eligible
24 trade organization receiving assistance under this Act
25 shall—

1 (1) keep financial accounts of, submit regular
2 reports providing information on, activities con-
3 ducted and funds spent under the organization's an-
4 nual marketing plan; and

5 (2) make available to the Secretary of Agri-
6 culture for inspection, at any reasonable time and
7 place, the books and records of its business and fi-
8 nancial transactions.

9 (c) AUDITS.—Each eligible trade organization receiv-
10 ing assistance under the foreign market development co-
11 operator program under this Act shall have conducted an
12 audit or financial review of the organization's activities
13 under such program, which shall accurately account for
14 funds and services received and expended under this Act.

15 (d) EVALUATION.—

16 (1) IN GENERAL.—The Secretary of Agriculture
17 shall periodically evaluate the foreign market devel-
18 opment activities of each eligible trade organization
19 to determine whether the organization is in compli-
20 ance with its annual marketing plan and to deter-
21 mine the effectiveness of the organization's activities
22 under the plan in maintaining and developing mar-
23 kets for United States agricultural commodities, tak-
24 ing into consideration the difficulty of precisely

1 quantifying the effects of long-term trade servicing
2 and technical assistance.

3 (2) HIGH-VOLUME AGRICULTURAL COMMOD-
4 ITIES.—With respect to activities directed toward
5 maintenance and development of markets for high-
6 volume agricultural commodities, in performing such
7 evaluations, the Secretary shall consider—

8 (A) the long-term benefits of a United
9 States presence in foreign markets for such
10 commodity given the benefit to the United
11 States economy as a whole of a strong high-vol-
12 ume commodity export sector; and

13 (B) the intense competition by other ex-
14 porting countries in the international markets
15 for such commodities.

16 **SEC. 7. IMPLEMENTATION DATE AND TRANSITION.**

17 (a) IMPLEMENTATION DATE.—The Secretary of Ag-
18 riculture shall establish the foreign market development
19 cooperator program authorized under this Act not later
20 than 90 days after the enactment of this Act.

21 (b) TRANSITION.—In establishing the program au-
22 thorized under this Act, the Secretary shall ensure that
23 on-going foreign market development cooperator projects
24 and activities are continued and appropriately incor-
25 porated into the program under this Act.

1 **SEC. 8. CONFORMING PROVISIONS.**

2 (a) AMENDMENT TO AGRICULTURAL ACT OF 1954.—

3 Section 601 of the Agricultural Act of 1954 (7 U.S.C.
4 1761) is amended by redesignating the existing text as
5 subsection (a) and adding at the end a new subsection as
6 follows:

7 “(b) The Secretary of Agriculture shall coordinate ac-
8 tivities conducted under subsection (a) with the conduct
9 of the programs authorized under the ‘Agriculture Market
10 Development Act of 1995’.”

11 (b) AGRICULTURAL COMPETITIVENESS AND TRADE
12 ACT OF 1988.—

13 (1) APPLICABILITY OF PROVISIONS.—Sub-
14 sections (d) and (e) of section 4214 of the Agricul-
15 tural Competitiveness and Trade Act of 1988 (7
16 U.S.C. 5234) shall apply to the activities of the eligi-
17 ble trade organizations to which assistance is pro-
18 vided under this Act.

19 (2) AMENDMENT OF PAYMENT-IN-KIND PROVI-
20 SION.—Subsection (b) of section 4214 of the Agri-
21 cultural Competitiveness and Trade Act of 1988 (7
22 U.S.C. 5234) is amended by adding at the end the
23 following: “The Secretary of Agriculture shall co-
24 ordinate activities conducted under this subsection

1 with the conduct of the programs authorized under
2 the Agriculture Market Development Act of 1995.”.

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