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# USDA's Foreign Agricultural Service: An Overview

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## USDA's Foreign Agricultural Service: An Overview

The United States is one of the top exporters of agricultural and food products. In 2022, the United States exported \$196 billion in agricultural and food products, which accounted for about 20% of total U.S. agricultural and food production by value. Exports to foreign markets contribute to the overall health of the U.S. agricultural and food sectors. However, U.S. exports face challenges from foreign competition and trade barriers imposed by foreign governments. The United States is also a top importer of agricultural and food products, with imports reaching \$198 billion in 2022.

Many federal government agencies are involved in matters related to U.S. agricultural trade. Created in 1953, the U.S. Department of Agriculture's (USDA's) Foreign Agricultural Service (FAS) is the lead federal agency tasked with promoting exports of U.S. agricultural products and carrying out the agricultural trade and international cooperation policies of the United States. FAS consists of staff in its Washington, DC, headquarters and in nearly 100 field offices covering approximately 180 countries and territories around the world.

Several statutes direct the U.S. agricultural trade policy that FAS carries out, including supporting free and fair trade and working to reduce foreign trade barriers. FAS's trade policy mission is to expand and maintain "access to foreign markets for U.S. agricultural products by removing trade barriers and enforcing U.S. rights under existing trade agreements" by working with other U.S. government agencies, industry stakeholders, foreign governments, and international organizations. FAS also represents U.S. agricultural interests in multilateral and international organizations. The agency coordinates engagement with U.S. public- and private-sector interests through agricultural trade advisory committees to gather input from stakeholders on agricultural trade policy. FAS administers programs for imported dairy and sugar products and two trust funds that provide payments to U.S. manufacturers in certain circumstances.

As part of its duty to acquire and disseminate information about agricultural trade, FAS produces international market intelligence and analysis that inform U.S. policymakers and stakeholders. The agency publishes and contributes to public-facing reports and maintains databases related to trade statistics, commodities, and foreign markets.

Additionally, FAS administers several programs that aim to support U.S. agricultural exports. The 2018 farm bill reauthorized and provided mandatory funding for several agricultural export promotion programs. These programs provide funds for U.S. organizations to conduct activities that expand, maintain, and develop overseas markets for U.S. agricultural products. FAS administers export credit guarantee programs that assist in the export of U.S. agricultural products mainly to developing countries. As part of its market promotion and development activities, the agency is also involved in trade missions and shows by supporting U.S. companies and organizations.

FAS carries out programs related to food assistance and agricultural technical assistance as part of its mission to support global food security and trade capacity. Food assistance programs include using proceeds from donated U.S. agricultural commodities to support overseas agricultural development activities and addressing issues of hunger, literacy, and health for school-age children. The agency also administers several fellowship and exchange programs that promote international technical assistance.

Congress has maintained an interest in international agricultural trade and food security. As an agency that carries out the policies and programs for agricultural trade and international cooperation on behalf of the United States, FAS presents a number of issues that Congress could consider. Examples for congressional consideration may include priorities for U.S. agricultural trade policy, reporting requests or requirements on agricultural trade-related issues, and the modification of existing programs or establishment new ones that may be administered by FAS. With several 2018 farm bill authorized and mandatorily funded FAS-administered programs expiring, Congress may consider how to address the expiration of these programs.

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## Introduction

The U.S. Department of Agriculture's (USDA's) Foreign Agricultural Service (FAS) is a key federal government agency involved in shaping U.S. agricultural trade policy. Agricultural trade plays an important role for U.S. agriculture that relies on overseas markets and consumers. Congress has provided direction for U.S. policies in agricultural trade and international cooperation. This includes establishing related programs administered by FAS through legislation, particularly through the farm bill, an omnibus and multiyear law that governs agricultural and food programs.<sup>1</sup>

This report provides first an overview of the importance of U.S. agricultural trade. It then addresses FAS's creation, structure, and global footprint. It further identifies FAS's roles in implementing U.S. agricultural trade policy, international agricultural market intelligence and analysis, export promotion, and food and technical assistance programs. It then provides potential considerations for Congress in the context of programs authorized in the farm bill.

## Importance of U.S. Agricultural Trade

The United States is one of the top exporters of agricultural and food products, with exports reaching \$196 billion in 2022 (see **Figure 1**).<sup>2</sup> Exports to foreign markets contribute to the overall health of the U.S. agricultural and food sectors, accounting for approximately 20% of total U.S. agricultural and food production by value annually since 2001.<sup>3</sup> Agricultural and food product exports represent about 10% of total U.S. merchandise exports by value.<sup>4</sup> Although the United States is a major exporter of agricultural products throughout the world, U.S. exports face challenges from foreign competition and trade barriers imposed by foreign governments. U.S. exports of agricultural and food products are varied, as are their destinations. In addition, in 2022, the United States imported \$198 billion in agricultural products, which provided U.S. consumers more choice, variety, and product availability as well as more competition for certain U.S. producers.

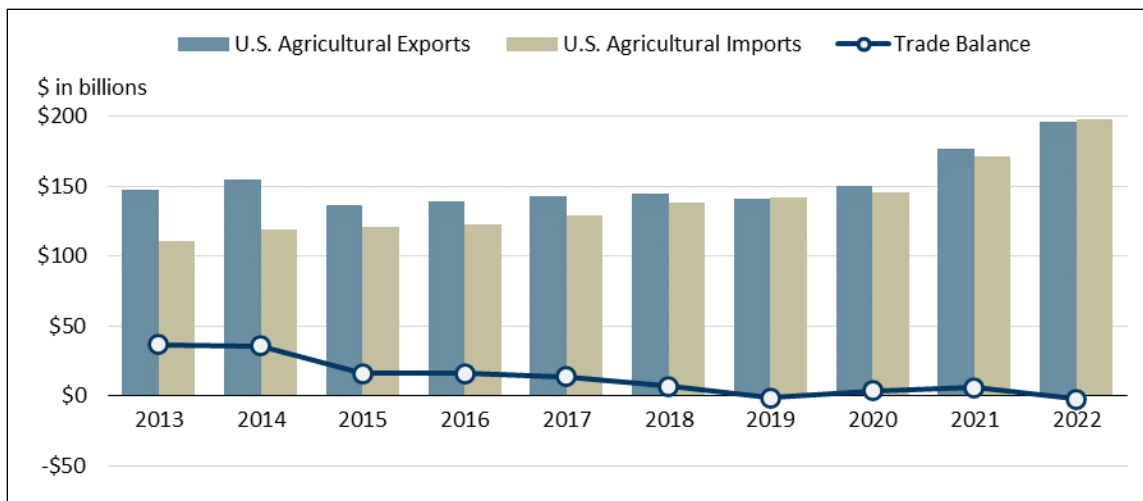
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<sup>1</sup> For more information about the farm bill, see CRS In Focus IF12047, *Farm Bill Primer: What Is the Farm Bill?*.

<sup>2</sup> U.S. Department of Agriculture (USDA), Foreign Agricultural Service (FAS), "Global Agricultural Trade System Online: GATS Home," <https://apps.fas.usda.gov/gats/default.aspx>. USDA's definition of *agricultural products* follows the World Trade Organization (WTO) definition of the term to harmonize U.S. trade reporting practices with the international community. WTO's definition includes most food products but excludes products such as seafood and forestry products. USDA tracks these as agricultural-related products. FAS defines *U.S. agricultural commodity* for its export promotion programs as "any agricultural commodity of U.S. origin, including food, feed, fiber, forestry product, livestock, insects, and fish harvested from a U.S. aquaculture farm or harvested by a vessel in waters that are not waters (including the territorial sea) of a foreign country, and any product thereof." See USDA, FAS, "Agricultural Products," <https://apps.fas.usda.gov/gats/AgriculturalProducts.aspx>. The European Union (EU) is the largest exporter of agricultural products by value.

<sup>3</sup> USDA, Economic Research Service (ERS), "Exports expand the market for U.S. agricultural products," February 22, 2023, <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=58396>. ERS estimates total production as the sum of total farm cash receipts and value added by food manufacturers. For further details, see USDA, ERS, "U.S. Export Share of Production, Import Share of Consumption (2008-2021)," [https://www.ers.usda.gov/media/ftepuq5i/export\\_import\\_value\\_shares\\_final.xlsx](https://www.ers.usda.gov/media/ftepuq5i/export_import_value_shares_final.xlsx).

<sup>4</sup> U.S. International Trade Commission, *U.S. Trade by Industry Sector and Selected Trading Partners*, June 2023, p. 2.

**Figure 1. U.S. Agricultural Exports and Imports, 2013-2022**

**Source:** U.S. Census Bureau Trade Data via U.S. Department of Agriculture (USDA), Foreign Agricultural Service (FAS), “Global Agricultural Trade System Online: GATS Home,” BICO-10, August 2023, <https://apps.fas.usda.gov/gats/default.aspx>.

**Note:** Data are not adjusted for inflation.

## USDA’s Foreign Agricultural Service: Creation and Background

FAS is the agency within USDA that carries out the agricultural trade policy of the United States, and it is the lead U.S. agency tasked with promoting exports of U.S agricultural products.<sup>5</sup> The Secretary of Agriculture established FAS on March 10, 1953.<sup>6</sup> FAS falls under USDA’s Trade and Foreign Agricultural Affairs mission area, which has “the primary responsibility of ensuring USDA speaks with a unified voice on international agricultural issues domestically and abroad.”<sup>7</sup>

The Agricultural Act of 1978 (P.L. 95-501, §503; 7 U.S.C. §5693), as amended, instructs FAS to assist the Secretary of Agriculture to carry out the agricultural trade and international cooperation policies of the United States by

- acquiring information pertaining to agricultural trade;
- carrying out market promotion and development activities;
- providing agricultural technical assistance and training; and

<sup>5</sup> USDA, FAS, *Foreign Agricultural Service Strategic Plan FY2023-2027*, p. 4.

<sup>6</sup> USDA, *2023 USDA Explanatory Notes – Foreign Agricultural Service*, 2022, p. 36-4. The Secretary of Agriculture’s Memorandum 1320, supplement 1, established FAS. Prior to Memorandum 1320, predecessor agencies within USDA carried out functions related to foreign agricultural matters. For further background, see National Archives and Records Administration, *RG 166: Records of the Foreign Agricultural Service Narrative Reports, 1904-1994*, July 2020; and Ryan Swanson, “The History of the Foreign Agricultural Service: Helping U.S. Producers Feed, Clothe and House the World,” USDA, FAS, *AgExporter*, vol. XV, no. 3 (March 2003), <https://permanent.fdlp.gov/lps19216/www.fas.usda.gov/info/agexporter/2003/March/pgs4-11.pdf>.

<sup>7</sup> In the Agricultural Act of 2014 (P.L. 113-79, §3208), Congress required USDA to create a position focused on agricultural trade. The Secretary of Agriculture established Trade and Foreign Agricultural Affairs (TFAA) and the position of Under Secretary for TFAA in May 2017.

- carrying out the programs authorized under this act, the Food for Peace Act (7 U.S.C. §§1691 et seq.),<sup>8</sup> and other acts.

The current FAS organizational structure has four main units that carry out policies and programs for agricultural trade and international cooperation:

1. Trade Policy and Geographic Affairs carries out trade policy functions.
2. Global Market Analysis conducts international market, trade, and production analysis.
3. Global Programs administers market development and export promotion programs as well as food and technical assistance programs.
4. Foreign Affairs supports FAS policies overseas.<sup>9</sup>

In September 2022, FAS reported 614 permanent full-time employees, 147 temporary and term employees, and an additional 360 locally employed staff (foreign nationals).<sup>10</sup> Congress funds FAS and its programs through annual discretionary appropriations and mandatory funding.<sup>11</sup>

**Table I. Foreign Agricultural Service Funding**

\$ in millions

	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Discretionary on the Basis of Appropriations</b>					
Salaries and Expenses	213.9	215.5	221.8	228.6	237.3
Commodity Credit Corporation (CCC) Export Credit Guarantee Program Transfer <sup>a</sup>	6.4	6.1	6.1	6.1	6.1
McGovern-Dole <sup>b</sup>	210.3	220.0	230.0	237.0	248.3 <sup>c</sup>
Discretionary Subtotal <sup>d</sup>	430.5	441.6	457.9	471.7	491.7
<b>Mandatory on the Basis of Outlays<sup>e</sup></b>					
Market Access Program	195	158	157	191	225
Foreign Market Development Program	33	28	23	35	35
Emerging Markets Program	6	3	1	1	8

<sup>8</sup> The Food for Peace Act (P.L. 83-480), commonly referred to as “P.L. 480,” provides statutory authority for most international food assistance programs administered by USDA and the U.S. Agency for International Development (USAID). For more information about P.L. 480 programs, see CRS Report R45422, *U.S. International Food Assistance: An Overview*; CRS In Focus IF12067, *Farm Bill Primer: U.S. International Food Assistance Overview*; and CRS In Focus IF12081, *Farm Bill Primer: International Food Aid Programs, McGovern-Dole and Local and Regional Procurement*.

<sup>9</sup> More details on FAS policies can be found at USDA, FAS, “About FAS,” <https://fas.usda.gov/about-fas>.

<sup>10</sup> USDA, *2024 USDA Explanatory Notes – Foreign Agricultural Service*, 2023, p. 36-4.

<sup>11</sup> Mandatory funding for FAS programs is from the Commodity Credit Corporation (CCC), a wholly U.S. government-owned entity that serves as a funding mechanism for agricultural programs. For more information, see CRS Report R44606, *The Commodity Credit Corporation (CCC)*. Many mandatory programs are authorized by the farm bill. For more information, see CRS In Focus IF12047, *Farm Bill Primer: What Is the Farm Bill?* Some FAS mandatory programs include funding authority that expired at the end of FY2023. For more information, see CRS Report R47659, *Expiration of the Farm Bill*.

	FY2019	FY2020	FY2021	FY2022	FY2023
Technical Assistance for Specialty Crops	6	4	4	5	9
Priority Trade Fund	—	—	—	—	4
Quality Samples Program <sup>f</sup>	3	1	1	1	3
Agricultural Trade Promotion Program <sup>g</sup>	17	67	58	59	100
Food for Progress	165	205	384	127	245
Pima Agriculture Cotton Trust Fund	15	15	15	15	15
Agriculture Wool Apparel Manufacturers Trust Fund	27	26	20	20	33
Export Credit Guarantee Program (GSM-102) <sup>h</sup> [Loan Commitments]	-4 [2,024]	-5 [2,224]	-4 [2,224]	-9 [3,403]	-4 [5,000]
Facility Guarantee Program [Loan Commitments]	—[—]	—[—]	—[—]	—[—]	—[500]
Mandatory Subtotal <sup>i</sup>	463	502	659	445	673

**Source:** CRS from annual appropriations texts and reports, President's budget appendices, USDA budget summaries, and FAS and Commodity Credit Corporation (CCC) explanatory notes.

**Notes:** Funds are not adjusted for inflation. The Food for Peace Title II program grants, which are under the FAS appropriations section but administered by the U.S. Agency for International Development, are not included. For more information about FAS-administered programs in this table, see "Export Credit Guarantees," "Food Assistance," "Market Development and Trade Promotion Programs," and "Cotton and Wool Trust Funds."

- a. The CCC Export Credit Guarantee Program funds are transferred to FAS for administrative and overhead expenses.
- b. The McGovern-Dole International Food for Education and Child Nutrition Program. For more information about the program, see "Food Assistance."
- c. P.L. 117-328 appropriated funding for the McGovern-Dole Program under Division A – Agriculture Appropriations Act and Division M – Additional Ukraine Supplemental Appropriations Act.
- d. Discretionary subtotal calculations are based on original figures from appropriations.
- e. FY2023 outlays are estimates. Outlays are rounded to the nearest million dollar from available data.
- f. The Quality Samples Program was established by USDA using the authorities of the CCC Charter Act (15 U.S.C. §714c(f)).
- g. The Agricultural Trade Promotion Program was established by USDA using the authorities of the CCC Charter Act (15 U.S.C. §714c(f)). The Secretary of Agriculture created this temporary program in 2018 in response to foreign tariff retaliation and trade disruptions. It is similar to FAS's Market Access Program and Foreign Market Development Program. The last notification of funding opportunity closed in June 2019.
- h. GSM stands for General Sales Manager, which refers to the FAS official administering the GSM-102 program. Outlays are negative from program fees and interest from rescheduled debts that exceed the cost of defaults.
- i. Mandatory subtotals based on rounded data.

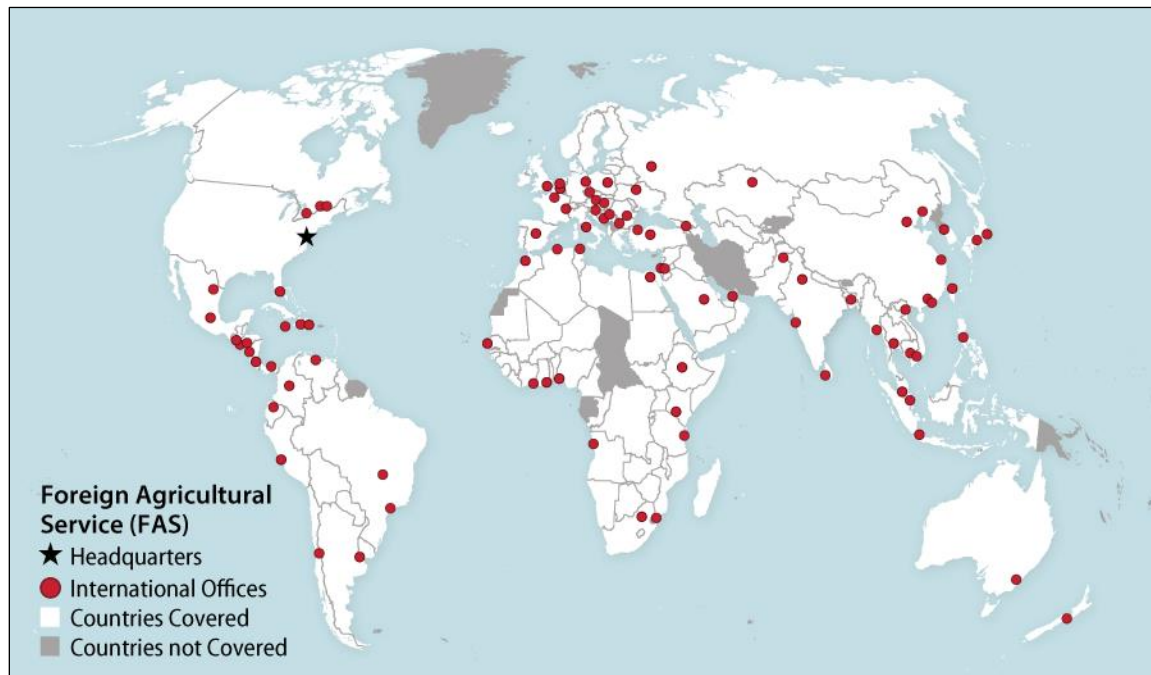
## FAS's Overseas Footprint

FAS's overseas presence can be traced to the Agricultural Act of 1954 (P.L. 83-690, Title VI; 7 U.S.C. §§1761 et seq.), which authorized the Secretary of Agriculture to appoint and oversee



agricultural attachés in cooperation with the Secretary of State.<sup>12</sup> The Foreign Service Act of 1980 (P.L. 96-465, 22 U.S.C. §3922) authorized USDA to use the Foreign Service personnel system to consolidate and simplify the authorities of U.S. foreign affairs agencies.<sup>13</sup>

**Figure 2. FAS Offices and Global Coverage**



**Source:** Figure created by CRS based on USDA, FAS, “International Offices Directory,” October 2023, <https://www.fas.usda.gov/international-offices>.

FAS has over 100 U.S. employees and 360 locally employed staff based in approximately 95 field offices globally that cover more than 170 countries and territories around the world.<sup>14</sup> Most of the overseas FAS offices are designated Offices of Agricultural Affairs (OAAs) within U.S. embassies or consulates. OAAs carry out the mission of FAS overseas, which could include advocating U.S. agricultural trade policy interests by engaging with host foreign governments; reporting on developments in foreign agricultural sectors; supporting FAS export promotion and capacity-building programs; assisting U.S. exporters in foreign markets or foreign importers seeking U.S. suppliers; and supporting congressional delegation visits.<sup>15</sup>

<sup>12</sup> The House Committee on Agriculture expressed concerns over communication problems between USDA and agricultural attachés, who were previously directly controlled by the Department of State. See U.S. Congress, House Committee on the Whole on the State of the Union and Committee on Agriculture, *Agricultural Act of 1954*, report to accompany H.R. 9680, 83<sup>rd</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 93-1927, June 26, 1954, pp. 3, 28-29. The 1930 Foreign Agricultural Service Act (P.L. 71-304) established USDA’s first agricultural attachés. In 1939, USDA’s agricultural attachés were transferred to the Department of State following the President’s Reorganization Plan No. II pursuant to the provisions of the Reorganization Act of 1939 (P.L. 76-19).

<sup>13</sup> U.S. Congress, Senate Foreign Relations, *Foreign Service Act of 1980*, report to accompany S. 3058, 96<sup>th</sup> Cong., 2<sup>nd</sup> sess., August 22, 1980, S.Rept. 96-913, pp. 1-3.

<sup>14</sup> USDA, *2024 USDA Explanatory Notes—Foreign Agricultural Service*, 2023, p. 36-4; and USDA, FAS, “International Offices Directory,” <https://fas.usda.gov/international-offices>.

<sup>15</sup> Examples of the role of Offices of Agricultural Affairs can be found on U.S. Embassy and USDA websites. See, for example, U.S. Embassy & Consulate in Thailand, “Doing Business in Thailand (Agro-Food Products),” (continued...)



Title IV of the Agricultural Act of 1978 (P.L. 95-501, 7 U.S.C. §§1765a et seq.) established overseas Agricultural Trade Offices (ATOs) for the purpose of export promotion and market development. ATOs aid in connecting U.S. suppliers and foreign buyers, and they organize export promotion activities, such as trade shows.<sup>16</sup> Currently, there are 13 ATOs located in the Americas and East Asia.<sup>17</sup>

## Role of FAS in U.S. Trade Policy

The executive branch's overall trade policy is the responsibility of the Office of the United States Trade Representative (USTR), which works with other executive branch departments and agencies, including with FAS on agricultural trade matters.<sup>18</sup> FAS conducts the functions of USDA related to laws affecting international agricultural trade, which include programs designed to reduce foreign tariffs and other trade barriers (7 C.F.R. §2.601(a)(2)).

FAS's trade policy mission is to expand and maintain "access to foreign markets for U.S. agricultural products by removing trade barriers and enforcing U.S. rights under existing trade agreements" by working with other U.S. government agencies, industry stakeholders, foreign governments, and international organizations.<sup>19</sup> Several statutes direct the U.S. agricultural trade policy that FAS supports in carrying out, including the following examples:

- The Food Security Act of 1985 (P.L. 99-198, 7 U.S.C. §§1736p et seq.), as amended, declares the agricultural trade policy of the United States, as follows: (1) be the premier world supplier of agricultural and food products; (2) support free and fair trade; (3) negotiate further reductions of foreign tariff and nontariff barriers (NTBs), including sanitary and phytosanitary (SPS) measures (for more background on agricultural trade-related terminology, see text box, below); and (4) aggressively counter unfair foreign trade practices.<sup>20</sup> P.L. 99-198, as amended, also established goals for future agricultural trade negotiations, including eliminating foreign tariff and NTBs to trade, eliminating foreign trade-distorting export subsidies, and disciplining state-trading entities from dumping agricultural products to foreign markets.<sup>21</sup> Additionally, the Trade and Development Act of 2000 (P.L. 106-200, 7 U.S.C. §1736r note) sets out agricultural trade negotiating objectives for the United States with respect to the World Trade Organization (WTO).
- Trade Promotion Authority (TPA) legislation expedites the congressional procedures to approve and implement trade agreements negotiated by the

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<https://th.usembassy.gov/business/getting-started-thailand/business-thailand-agro-food-products/>; and USDA, FAS, "About USDA Brazil," <https://usdabrazil.org.br/en/about-usda-brazil/>.

<sup>16</sup> Agricultural Trade Office (ATO) activities are described in U.S. Embassy and USDA websites. See, for example, USDA, FAS, "Agricultural Trade Office - Seoul," <https://www.atoseoul.com/>; and USDA, FAS Mexico, "Welcome to the Foreign Agricultural Service in Mexico," <https://mexico-usda.com.mx/about-en/>.

<sup>17</sup> USDA, FAS, "International Offices Directory," <https://www.fas.usda.gov/international-offices>.

<sup>18</sup> For more information about U.S. trade policy, see CRS Report R45148, *U.S. Trade Policy Primer: Frequently Asked Questions*; and CRS In Focus IF11016, *U.S. Trade Policy Functions: Who Does What?*.

<sup>19</sup> For more information, see USDA, FAS, "About FAS," <https://fas.usda.gov/about-fas>; and USDA, *2024 USDA Explanatory Notes – Foreign Agricultural Service*, p. 36-3.

<sup>20</sup> U.S. Congress, House Committee on Agriculture, *Federal Agriculture Improvement and Reform Act of 1996*, conference report to accompany H.R. 2854, 104<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 25, 1996, H.Rept. 104-494, pp. 371-372.

<sup>21</sup> *Ibid.*, pp. 372-373.

President and sets negotiating objectives and trade policy.<sup>22</sup> For example, the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418, 19 U.S.C. §2901(b)(7) and 7 U.S.C. §5202) set specific U.S. agricultural negotiating objectives and policy during the Uruguay Round multilateral trade negotiations.<sup>23</sup> The most recent TPA authorized, the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (P.L. 114-26, 19 U.S.C. §4201(b)(3)), set specific trade negotiating objectives, such as securing market access through robust rules on SPS measures and addressing foreign countries' misuse of geographical indication (GI) protections (for more background on GI protections, see text box, below).

FAS addresses foreign trade barriers to U.S. agricultural goods in numerous ways. These can include government-to-government engagements involving staff-level officials discussing issues at a detailed technical level. Unresolved issues that further escalate may involve more senior government officials, such as at the cabinet and ambassador levels. Bilateral engagements addressing trade barriers can be conducted on an ad hoc basis or within established mechanisms and venues, such as through bilateral trade agreements or multilateral forums.<sup>24</sup>

FAS may work with other U.S. government agencies to address trade barriers, including USTR, the Department of Commerce's International Trade Administration, and regulatory agencies (e.g., USDA's Animal and Plant Health Inspection Service and Food Safety Inspection Service or the Food and Drug Administration). Along with engaging directly with foreign governments on trade issues, FAS and U.S. organizations with agricultural export interests can use FAS-administered export promotion and technical assistance programs to assist in addressing trade barriers (see "Market Development and Trade Promotion Programs" and "Food and Technical Assistance"). If a trade barrier and dispute cannot be resolved with a foreign trading partner by government-to-government engagements and the United States considers the trade barrier to violate trade rules and obligations under a specific trade agreement, the United States could initiate the dispute settlement process under the WTO or a free trade agreement.<sup>25</sup>

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<sup>22</sup> For more information about the Trade Promotion Authority, see CRS Report R43491, *Trade Promotion Authority (TPA): Frequently Asked Questions*; and CRS In Focus IF10038, *Trade Promotion Authority (TPA)*.

<sup>23</sup> The Uruguay Round negotiations occurred from 1986 to 1994 and resulted in the establishment of the WTO, an international organization that administers trade rules and agreements. For more background about the WTO, see CRS Report R45417, *World Trade Organization: Overview and Future Direction*. For more background on FAS's role in the WTO, see the text box in the "Multilateral Engagements" section of this report.

<sup>24</sup> Agricultural trade issues may be raised in a number of venues, including within existing free trade agreements (FTAs) and trade and investment framework agreements (TIFAs), the WTO, and on the margins of other multilateral government gatherings. For a list of FTAs and TIFAs the United States is party to, see USTR, "Free Trade Agreements," <https://ustr.gov/trade-agreements/free-trade-agreements>; and USTR, "Trade & Investment Framework Agreements," <https://ustr.gov/trade-agreements/trade-investment-framework-agreements>.

<sup>25</sup> For more background, see USDA, FAS, "Trade Agreements," <https://www.fas.usda.gov/topics/trade-policy/trade-agreements>; and USDA, FAS, "World Trade Organization," <https://www.fas.usda.gov/topics/world-trade-organization>. For more information about the dispute settlement process, see CRS In Focus IF10645, *Dispute Settlement in the WTO and U.S. Trade Agreements*.

### Selected Terminology for Agricultural Trade

**Trade Barriers.** The Office of the United States Trade Representative (USTR) broadly defines *trade barriers* as “government laws and regulations or government-imposed measures, policies, and practices that restrict, prevent, or impede the international exchange of goods and services; protect domestic goods and services from foreign competition; artificially stimulate exports of particular domestic goods and services....” (see USTR, *2023 National Trade Estimate Report on Foreign Trade Barriers*, March 2023, p. 1). Section 181 of the Trade Act of 1974 (P.L. 93-618, 19 U.S.C. §2241), as amended, directs USTR to annually prepare a report known as the National Trade Estimate, which lists the trade barriers of foreign countries. Section 203(e)(7) of the Agricultural Trade Act of 1978 (P.L. 95-501, 7 U.S.C. §5623(e)(7)), as amended, directs USDA to annually submit to appropriate committees of Congress a report that includes significant and emerging sanitary and phytosanitary (SPS) issues and trade barriers affecting U.S. exports of specialty crops (i.e., fruits, vegetables, tree nuts, dried fruits, horticultural crops, wine, and nursery crops).

**Nontariff Barriers (NTBs).** NTBs to trade are government measures with the intent to restrict trade. Examples may include laws and regulations to protect human, animal, or plant life or health, commonly known as SPS measures, and measures known as technical barriers to trade (TBT) that are related to mandatory compliance with regulatory requirements, voluntary standards, and conformity assessment procedures required by regulations or standards. Although SPS and TBT measures can have legitimate aims, such as ensuring product safety and informing consumers, these measures may be hidden trade barriers or may go beyond what is necessary to meet a government’s objective. General examples of SPS and TBT measures that can be construed as NTBs to trade include imposing SPS measures that ban imported agricultural products with insufficient scientific evidence or imposing regulatory requirements on imported products while exempting those requirements for similar domestically produced products.

**SPS Measures.** “Sanitary” refers to human and animal health, including food safety, and “phytosanitary” refers to plant health. SPS measures are laws, regulations, standards, and procedures that governments enforce to protect human, animal or plant life or health. For more information about SPS measures and NTBs to agricultural trade, see CRS In Focus IFI1903, *Addressing Nontariff Barriers to Agricultural Trade at the WTO*.

**Geographical Indication (GI).** GIs identify goods that originate from a certain place where a given quality, reputation, or other characteristic is attributable to that place. The U.S. government and food manufacturers are particularly concerned about the European Union’s (EU’s) broad protection of GIs that the United States considers a generic or common name. For more information about GIs, see U.S. Patent and Trademark Office (USPTO), “Geographical indications,” <https://www.uspto.gov/ip-policy/trademark-policy/geographical-indications>.

FAS’s role in U.S. agricultural trade policy also involves working in a number of multilateral forums, coordinating engagement with U.S. public- and private-sector input on agricultural trade policy through the agricultural trade advisory committee system, administering dairy and sugar import programs, and administering trust funds for domestic apparel and textile manufacturers harmed by import tariffs on cotton and wool fabrics.

## Multilateral Engagements

FAS represents U.S. agricultural interests in many multilateral forums. These forums provide venues for the United States to cooperate with other forum members as well as address disputes and differences about international agricultural issues (see the following text box for more information).

### FAS Involvement in Multilateral and International Organizations

**World Trade Organization (WTO).** The WTO was established in 1995 as an international organization dealing with international trade rules with the “objective to help its members use trade as a means to raise living standards, create jobs and improve people’s lives.” It succeeded the post-World War II General Agreement on Tariffs and Trade. Several WTO committees provide forums for members to discuss trade issues that affect agricultural trade and matters related to WTO agreements. FAS is part of the U.S. Permanent Mission to the WTO in Geneva, Switzerland, along with USTR and the Department of Commerce.

**United Nations (U.N.).** FAS supports the U.S. Mission to the U.N. Agencies in Rome along with the Department of State and USAID. In addition, FAS works to advance U.S. policies and support to the U.N. Food

and Agriculture Organization (FAO) and World Food Programme (WFP). The FAO's goals are to end hunger, food insecurity, malnutrition, and poverty while sustainably managing and using natural resources. WFP is the leading humanitarian organization that provides emergency food assistance and promotes economic and social development. WFP is a partner with FAS for food assistance projects under the McGovern-Dole International Food for Education Program. Additionally, FAS has supported USDA's engagement with the U.N. Food Systems Summit addressing issues related to sustainable development as well as the recent U.N. Climate Change Conferences. For more information about the U.N. Food Agencies and the McGovern-Dole Program, see CRS In Focus IF12434, *Global Food Security: Selected Multilateral Efforts*; and CRS In Focus IF12081, *Farm Bill Primer: International Food Aid Programs, McGovern-Dole and Local and Regional Procurement*.

**Organisation for Economic Cooperation and Development (OECD).** OECD is an intergovernmental economic organization with the stated goal of shaping "policies that foster prosperity, equality, opportunity and well-being for all." OECD consists of 38 countries with a secretariat based in Paris, France. FAS supports the United States' participation in OECD on agricultural and food policy issues, including its role in the OECD Committee for Agriculture and Global Forum on Agriculture.

**Asia-Pacific Economic Cooperation (APEC).** APEC is a regional economic forum consisting of 21 member economies with the aim to "create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration." FAS is involved in several APEC working groups related to agricultural and food policy, including the Policy Partnership on Food Security and the High Level Policy Dialogue on Agricultural Biotechnology. In 2023, the United States was the host economy and held the APEC Food Security Ministerial meeting.

**Inter-American Board on Agriculture/Inter-American Institute for Cooperation on Agriculture (IABA/IICA).** IABA is the governing board of IICA, a 34-member organization recognized under the Organization of American States' (OAS's) Charter. IICA specializes in agriculture with the mission to encourage and promote the efforts of its members to "achieve agricultural development and rural well-being through international technical cooperation of excellence."

**International Standard-Setting Bodies.** FAS coordinates with other lead USDA and relevant U.S. government agencies involved in the three international standard-setting organizations recognized by the WTO: the Codex Alimentarius Commission, which concerns food safety; International Plant Protection Convention; and World Organization for Animal Health.

**Group of Seven (G-7) and Group of Twenty (G-20).** FAS supports USDA's participation in the meetings of the G-7 and G-20 ministers responsible for agriculture. Both are forums for members of the world's largest economies to discuss and address issues related to agriculture, such as food security, sustainability, and rural development. For more information about the G-7 and G-20, see CRS Report R40977, *International Economic Policy Coordination at the G-7 and the G-20*.

## Agricultural Trade Advisory Committees

The Trade Act of 1974 (P.L. 93-618, §135; 19 U.S.C. §2155) created an advisory committee system for the public and private sectors to convey its views to the U.S. government and for U.S. trade negotiators to seek information and advice from the public and private sectors related to trade agreement negotiation objectives and trade policy matters.<sup>26</sup> The Agricultural Policy Advisory Committee (APAC) for Trade and six commodity-specific Agricultural Technical Advisory Committees (ATACs, see text box, below) provide advice to the United States Trade Representative<sup>27</sup> and the Secretary of Agriculture concerning U.S. agricultural trade policy. The APAC and ATAC membership consists of the U.S. agricultural industry, for-profit and nonprofit organizations, as well as academia.<sup>28</sup> Under the current APAC and ATAC charters, the committees

<sup>26</sup> For more information about the advisory system's role in forming overall U.S. trade policy, see CRS Report R45148, *U.S. Trade Policy Primer: Frequently Asked Questions*; and CRS In Focus IF11016, *U.S. Trade Policy Functions: Who Does What?*.

<sup>27</sup> The United States Trade Representative refers to the cabinet-level official who heads the USTR agency.

<sup>28</sup> List of Agricultural Policy Advisory Committee (APAC) for Trade and Agricultural Technical Advisory Committee (ATAC) members can be found at USDA, FAS, "Trade Advisory Committees," <https://www.fas.usda.gov/topics/trade-advisory-committees>.

meet approximately twice per year at the call of the Secretary of Agriculture and the United States Trade Representative and dependent on other factors, such as level of activity in trade policy and needs of the agency heads.<sup>29</sup> FAS staff serve as designated federal officers that chair or attend, call, adjourn, and approve agendas for advisory committee meetings.

## Dairy Import Licensing and Sugar Import Programs

FAS administers import programs for certain dairy and sugar products. These trade-related programs are parts of broader federal government dairy and sugar support programs. For more information about the other support programs, see CRS Report R45730, *Farm Commodity Provisions in the 2018 Farm Bill (P.L. 115-334)*, CRS In Focus IF11163, *2018 Farm Bill Primer: The Farm Safety Net*, and CRS In Focus IF12202, *Farm Bill Primer: Support for the Dairy Industry*.

### Agricultural Trade Advisory Committees (ATACs)

- ATAC for Trade in Animals and Animal Products
- ATAC for Trade in Fruits and Vegetables
- ATAC for Trade in Grains, Feed, Oilseeds, and Planting Seeds
- ATAC for Trade in Processed Foods
- ATAC for Trade in Sweeteners and Sweetener Products
- ATAC for Trade in Tobacco, Cotton, and Peanuts

## Dairy Import Licensing

FAS issues one-year licenses to importers of certain foreign dairy products as a means to administer the U.S. dairy tariff rate quota (TRQ) system.<sup>30</sup> Chapter 4 of the U.S. Harmonized Tariff Schedule (HTS) indicates which dairy imports require an FAS-issued license to be subject to the low-tier tariff rate, the maximum annual quantity allowed under the low-tier tariff rate, and any country-specific quantity allocations for the low-tier tariff rate.<sup>31</sup> FAS issues three types of licenses: renewable historical licenses that are carried over annually, nonrenewable nonhistorical licenses issued annually through a lottery system, and designated licenses for cheese importers that meet qualification standards and are designated by the government of the exporting country (7 C.F.R. §§6.23-6.25).<sup>32</sup>

## Sugar Import Programs

FAS administers sugar import TRQs and a sugar reexport program.<sup>33</sup> USDA determines the annual quantity allowed under the in-quota, low-tier tariff rate for sugar imports every fiscal year

<sup>29</sup> APAC and ATAC charters are available at <https://www.facadatabase.gov> and <https://www.fas.usda.gov/topics/trade-advisory-committees>.

<sup>30</sup> Tariff-rate quotas (TRQs) are two-tiered applications of tariffs for an imported product. A specified quantity of imports (in-quota) enters into the importing country at a reduced tariff rate. Imports that exceed the quantity (out-of-quota or over-quota) typically face higher tariffs. For background about the WTO and agricultural TRQs, see WTO, *The WTO Agreements Series: Agriculture*, 3<sup>rd</sup> ed. (Geneva: WTO, 2016), pp. 15-16. Dairy Tariff-Rate Quota Import Licensing (7 C.F.R. Part 6 Subpart B) are the regulations for administering the U.S. dairy TRQ program, and 7 C.F.R. §2.601(12) notes the delegation of authority to FAS to administer the program. See USDA, FAS, "Dairy Import Licensing Program," <https://www.fas.usda.gov/programs/dairy-import-licensing-program>.

<sup>31</sup> The U.S. Harmonized Tariff Schedule (HTS) can be accessed at <https://hts.usitc.gov/>.

<sup>32</sup> Additional descriptions of the dairy import licensing system can be found in WTO, "Replies to Questionnaire on Import Licensing Procedures," G/LIC/N/3/USA/19, September 28, 2022, pp. 9-12 (hereinafter WTO, "Replies to Questionnaire").

<sup>33</sup> Allocation of Tariff-rate Quota on Imported Sugars, Syrups and Molasses (15 C.F.R. Part 2011) are the regulations for the sugar TRQ program. The Refined Sugar Re-export Program, the Sugar Containing Products Re-export Program, and the Polyhydric Alcohol Program (7 C.F.R. Part 1530) are the regulations for the sugar reexport program. See USDA, FAS, "Sugar Import Program," <https://www.fas.usda.gov/programs/sugar-import-program>.



while USTR allocates the in-quota quantities to supplying countries based on historical shipments to the United States.<sup>34</sup> FAS issues certificates of quota eligibility (CQE) for the sugar TRQ to countries allocated to supply the United States. The CQE must be returned with the sugar shipment for the sugar to be subject to the in-quota tariff rate. Under the commitments of the Uruguay Round, the United States allows for in-quota access not less than 1,117,195 metric tons of raw sugar and not less than 22,000 metric tons of refined sugar.<sup>35</sup> The Secretary of Agriculture may modify the TRQs if there is a determination that domestic supplies are inadequate to meet domestic demand at reasonable prices.<sup>36</sup> FAS also issues certificates for in-quota imports of specialty sugar under the refined sugar TRQ.<sup>37</sup> The purpose of the certificate is to allow import of certain refined sugar not widely available in the United States at the lower in-quota tariff rate.<sup>38</sup> CQEs are required for sugar imported under TRQs established by the U.S. free trade agreements with Colombia, Panama, and Peru if USTR determines the trading partner has a trade surplus in these goods.<sup>39</sup> FAS also issues specialty sugar certificates for Panama and Peru for the TRQs established under the U.S. free trade agreements with the respective countries.<sup>40</sup>

FAS administers a sugar reexport program not subject to the sugar TRQ limitations by issuing import licenses to eligible refiners, manufacturers, or producers importing raw sugar to be further processed and reexported in refined form; in refined form in sugar-containing products; or used for the production of certain polyhydric alcohol (7 C.F.R. Part 1530).

## Cotton and Wool Trust Funds

The Miscellaneous title of the Agricultural Act of 2014 (2014 farm bill; P.L. 113-79) established the Pima Agriculture Cotton Trust Fund and the Agriculture Wool Apparel Manufacturers Trust Fund within USDA.<sup>41</sup> The 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334, 7 U.S.C. §§2101 note and 7101 note) amended the programs. The purpose of the trust funds is to allocate payments to reduce injury to domestic manufacturers resulting from domestic tariffs on imported cotton or wool fabrics that are higher than tariffs on certain apparel articles made of

<sup>34</sup> Additional U.S. note 5 for the HTS Chapter 17 explains USDA and USTR's roles in the U.S. sugar import program. The United States outlines the sugar import program in WTO, "Replies to Questionnaire," pp. 6-9.

<sup>35</sup> Subheading note 1 of Chapter 17 of the HTS defines raw sugar, otherwise it is considered refined sugar. In-quota raw sugar has a lower duty rate than in-quota refined sugar.

<sup>36</sup> See additional U.S. note 5(a)(ii) of the HTS Chapter 17.

<sup>37</sup> 15 C.F.R. Part 2011 Subpart B. Also see additional U.S. note 5(a)(i) of the HTS Chapter 17.

<sup>38</sup> WTO, "Replies to Questionnaire," p. 6.

<sup>39</sup> USDA, FAS, "Notice of a Request for Extension of a Currently Approved Information Collection," 87 *Federal Register* 79274, December 27, 2022; and USTR, "Determination of Trade Surplus in Certain Sugar and Syrup Goods and Sugar-Containing Products," 87 *Federal Register* 78185, December 21, 2022.

<sup>40</sup> USTR, "Implementation of United States-Panama Trade Promotion Agreement Tariff-Rate Quota for Imports of Sugar," 77 *Federal Register* 65439-65440, October 26, 2012; and U.S. Customs and Border Protection (CBP), *Fact Sheet: Sugar Quota Import Program*, April 12, 2022, <https://www.cbp.gov/document/fact-sheets/sugar-quota-import-program>.

<sup>41</sup> Prior to FAS's administration of the Pima Agriculture Cotton Trust Fund, the Tax Relief and Health Care Act of 2006 (P.L. 109-432, §407) established the Cotton Trust Fund authorizing distribution of funds for FY2007 and FY2008 by CBP to eligible manufacturers and spinners of certain pima cotton and a nationally recognized association for the promotion of pima cotton grown in the United States for use in textile and apparel goods. Prior to FAS's administration of the Agriculture Wool Trust, the Miscellaneous Trade and Technical Corrections Act of 2004 (P.L. 108-429, §4002(c)(6)), as amended, authorized the Department of Commerce to administer payments to manufacturers for certain worsted wool fabrics through calendar year 2014. Additionally, Title V of the Trade and Development Act of 2000 (P.L. 106-200), as amended, established temporary TRQs for certain wool fabrics, and CBP administered a duty refund program for certain wool imported by manufacturers and processors, which is a basis for payments for one of the programs under the current Agriculture Wool Trust.

cotton or wool fabrics.<sup>42</sup> A prior bill that attempted to establish the trust funds argued that U.S. apparel and textile manufacturers faced inverted tariffs because tariffs for imported finished cotton shirts and wool suits are lower than the tariffs for imported fabric inputs, which affects the competitiveness of U.S. manufacturers that use the inputs.<sup>43</sup>

The 2018 farm bill allocates Commodity Credit Corporation (CCC) mandatory funds of \$16 million per year through 2023 to the Pima Agriculture Cotton Trust Fund (7 U.S.C. §2101 note) and an amount equal to the lesser of either an amount determined by the Secretary of Agriculture as necessary or \$30 million each year to the Agriculture Wool Apparel Manufacturers Trust Fund (7 U.S.C. §7101 note). FAS is delegated to administer both trust funds in coordination with USDA's Farm Service Agency.<sup>44</sup> Payments are available to nationally recognized associations that promote pima cotton for the domestic use in textile and apparel goods, yarn spinners of pima cotton that produce ring spun cotton yarns, manufacturers of men's and boys' cotton shirts that imported cotton fabric, and manufacturers that produced or imported certain wool fabrics.

## Market Intelligence and Analysis

When USDA was established in 1862, its intended purpose was to acquire and disseminate information about agriculture (12 Stat. 387; 7 U.S.C. §2201).<sup>45</sup> Among FAS's statutory duties is "acquiring information pertaining to agricultural trade" (7 U.S.C. §5693(1)). FAS produces international market intelligence and analysis that informs U.S. policymakers and stakeholders involved in agricultural trade. The agency publishes and contributes to public-facing reports and maintains databases related to trade statistics, commodities, and foreign markets.<sup>46</sup> FAS uses a variety of resources to develop agricultural market intelligence and analysis, including satellite imagery, reports from FAS overseas offices, weather data, news reports, and official U.S. and foreign government data, among other sources.

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<sup>42</sup> USDA, FAS, "Pima Agriculture Cotton Trust Fund," <https://www.fas.usda.gov/programs/pima-agriculture-cotton-trust-fund>; and USDA, FAS, "Wool Apparel Manufacturers Trust Fund," <https://www.fas.usda.gov/programs/wool-apparel-manufacturers-trust-fund>.

<sup>43</sup> U.S. Congress, Senate Committee on Finance, *A Bill to Create a Citrus Trust, to Renew and Modify the Cotton Trust Fund, and to Modify and Extend the Wool Trust Fund*, report to accompany S. 3568, 112<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 20, 2012, S.Rept. 112-227, p. 4.

<sup>44</sup> 7 C.F.R. §2.601(a)(50). FSA administers a number of agricultural support programs, including credit and loan, commodity, ad hoc disaster, and conservation programs. Regulations for the trust funds are located at 7 C.F.R. Part 1471.

<sup>45</sup> The Department of Agriculture Organic Act of 1862 established what is now USDA.

<sup>46</sup> 7 C.F.R. §§2.601(a)(3), 2.601(a)(23), 2.601(a)(38), and 2.601(a)(49). Access to FAS reports and databases are available at USDA, FAS, "Data and Analysis," <https://www.fas.usda.gov/data>.



### FAS Market Intelligence and Analysis Selected Products

**World Agricultural Supply and Demand Estimates (WASDE):** monthly report published by USDA that includes estimates and forecasts for the U.S. and world supply and use of major agricultural commodities. FAS contributes information on foreign production and trade to the WASDE. The World Agricultural Outlook Board within USDA's Office of the Chief Economist coordinates with key USDA agencies in preparing the WASDE.

**Production, Supply, and Distribution Online (PS&D):** database of the global supply and use of selected agricultural commodities. Grains, oilseeds, and cotton are updated simultaneously with the WASDE report, and other commodities are updated biannually or annually.

**World Agricultural Production Report and World Markets and Trade Report:** regularly published reports on major agricultural commodities. The World Agricultural Production reports provide grains, oilseeds, and cotton crop acreage, as well as yield and production in major countries worldwide. World Markets and Trade reports provide U.S. and global trade, production, consumption, and stocks for grains, oilseeds, cotton, citrus, dairy, livestock and poultry, coffee, certain fruits, and tree nuts.

**Global Agricultural Information Network (GAIN):** reports produced by FAS overseas offices that contain analyses on topics such as foreign market agricultural production and trade developments and forecasts, foreign market exporting guides, and foreign food and agricultural import requirements.

**Global Agricultural Trade System (GATS):** database of current and historical trade data organized by agricultural commodity and agricultural related product groups. Monthly U.S. agricultural trade data are from the U.S. Census Bureau. GATS also contains trade statistics from the United Nations.

**Export Sales Report:** daily and weekly U.S. export sales reports for 40 U.S. agricultural commodities. All exporters of the 40 commodities are required to report to FAS on a weekly basis, or daily basis if a sales activity reaches a certain quantity. Section 602 of the Agricultural Trade Act of 1978 (7 U.S.C. §5712), as amended, requires exporters of specified commodities to report export sales to the Secretary of Agriculture.

**International Agricultural Trade Report:** periodic reports focused on developments or outlook of foreign markets or specific commodities.

**Geospatial Assessment Applications:** geospatial applications that provide data such as crop and vegetation conditions, weather, and water level variations of lakes and reservoirs.

## Export Programs

### Market Development and Trade Promotion Programs

FAS administers several market development programs that aim to support “U.S. industry efforts to build, maintain, and expand overseas markets for U.S. food and agricultural products.”<sup>47</sup> The 2018 farm bill (P.L. 115-334, 7 U.S.C. §5623) reauthorized export promotion programs with mandatory funding from FY2019 to FY2023 of \$255 million annually through USDA's CCC with funds remaining available until expended. These programs, consolidated by the 2018 farm bill and categorized collectively as the Agricultural Trade Promotion and Facilitation Program (ATPPF), are the following:

- **Market Access Program (MAP).** MAP provides funds to share the cost of marketing and promotion activities to “encourage the development, maintenance, and expansion of commercial export markets” for U.S. agricultural commodities.<sup>48</sup> Eligible participants include nonprofit U.S. agricultural trade organizations, nonprofit state regional trade groups, U.S. agricultural cooperatives, and state government agencies. Small-sized private U.S. commercial entities may participate in a branded program through a MAP

<sup>47</sup> USDA, *2024 USDA Explanatory Notes—Foreign Agricultural Service*, 2023, p. 36-22.

<sup>48</sup> 7 U.S.C. §5623(b)(2). Regulations for MAP are covered by 7 C.F.R. Part 1485 Subpart B.

- participant. The 2018 farm bill funded MAP not less than \$200 million annually from FY2019 to FY2023.
- **Foreign Market Development (FMD) Program.** Similar to MAP, FMD provides funds to share the cost of overseas marketing and promotion activities. However, only nonprofit U.S. agricultural trade organizations are eligible to participate in FMD, and it is focused on the generic promotion of U.S. commodities rather than branded products.<sup>49</sup> The 2018 farm bill funded FMD not less than \$34.5 million annually from FY2019 to FY2023.
  - **Emerging Markets Program (EMP).** EMP provides funds for technical assistance activities to U.S. private or government entities with a demonstrated role or interest in U.S. agricultural exports. The program was established “to develop agricultural markets in emerging markets” and “promote cooperation and exchange of information between agricultural institutions and agribusinesses in the United States and emerging markets.”<sup>50</sup> The 2018 farm bill funded EMP not more than \$8 million annually from FY2019 to FY2023.
  - **Technical Assistance for Specialty Crops (TASC).** TASC funds U.S. organizations with a demonstrated role or interest in exporting U.S. agricultural specialty crops, which include most cultivated plants and the products of cultivated plants except for wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar, and tobacco.<sup>51</sup> Eligible activities for TASC funding involve addressing existing or potential SPS or technical barriers that prohibit or threaten the export of U.S. specialty crops. The 2018 farm bill funded TASC \$9 million annually from FY2019 to FY2023.

An additional Priority Trade Fund supplements the other ATPFP programs “for authorized activities to access, develop, maintain, and expand markets” for U.S. agricultural products.<sup>52</sup> The 2018 farm bill provided \$3.5 million annual mandatory funding for the Priority Trade Fund from FY2019 to FY2023. In general, these programs provide reimbursable matching or cost-share funds for U.S. organizations to conduct activities that expand and develop foreign markets for U.S. agricultural products.

The Quality Sample Program (QSP) is another program with the objective to develop and expand U.S. agricultural exports. Unlike the ATPFP programs, which are authorized and funded by the farm bill, QSP is authorized under the CCC Charter Act (P.L. 80-806; 62 Stat. 1070; 15 U.S.C. §714c(f)), as amended, which allows CCC to use its powers to aid in the development of foreign markets for commodities. QSP is designed to assist U.S. entities in providing commodity samples to potential foreign importers to help develop a new market for a U.S. product, promote a new U.S. product, or promote a new use for a U.S. product rather than promote the substitution of an established U.S. product.<sup>53</sup>

<sup>49</sup> Regulations for FMD are covered by 7 C.F.R. Part 1484.

<sup>50</sup> 7 U.S.C. §5623(d)(2). 7 U.S.C. §5623(d)(1) defines *emerging market* as “any country, foreign territory, customs union, or other economic market” determined by USDA that “is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of its economy” and “has the potential to provide a viable and significant market for” U.S. agricultural commodities.

<sup>51</sup> Regulations for TASC are covered in 7 C.F.R. Part 1487.

<sup>52</sup> 7 U.S.C. §5623(f)(3)(A)(v).

<sup>53</sup> Grants.gov, *USDA-FAS-QSP-2024: Quality Samples Program*, March 17, 2023, <https://www.grants.gov/web/grants/view-opportunity.html?oppId=346794>. For additional information, see USDA, FAS, “Quality Samples Program (QSP),” <https://www.fas.usda.gov/programs/quality-samples-program-qsp>.

For more background on these programs, see CRS Report R46760, *U.S. Agricultural Export Programs: Background and Issues*, and CRS In Focus IF12155, *Farm Bill Primer: Trade and Export Promotion Programs*.

## Export Credit Guarantees

The 2018 farm bill reauthorized export credit guarantee programs for exports to emerging markets through FY2023 with funding from CCC of not less than \$1 billion each fiscal year (7 U.S.C. §5622 note). Additionally, \$5.5 billion is available each fiscal year from CCC (7 U.S.C. §5641(b)) with no funding expiration date. FAS administers two export credit guarantee programs.<sup>54</sup>

- **Export Credit Guarantee Program (GSM-102).** GSM-102 provides payment guarantees for the commercial export of U.S. agricultural products mainly to developing countries.<sup>55</sup> In FY2022, \$3.4 billion in loan commitments were made under GSM-102.<sup>56</sup> CCC does not provide financing but assumes the default risk in case the foreign financial institution involved fails to make any payment covered by the guarantee.<sup>57</sup> If the foreign financial institution fails to make any payment as agreed, the participating exporter of U.S. agricultural products or participating U.S. financial institution that takes assignment of the payment guarantee may submit a claim to CCC for payment.<sup>58</sup>
- **Facility Guarantee Program (FGP).** FGP provides credit guarantees for financing the establishment or improvement of facilities or provides services or goods in emerging markets primarily to promote the export of U.S. agricultural products.<sup>59</sup> No loan commitments were made for FGP in FY2022.<sup>60</sup>

For further background on these programs, see CRS Report R46760, *U.S. Agricultural Export Programs: Background and Issues*, and CRS In Focus IF12155, *Farm Bill Primer: Trade and Export Promotion Programs*.

## Trade Missions and Shows

FAS is involved in international trade missions and trade shows to support U.S. companies and organizations as part of its duties to carry out market promotion and development activities. U.S. companies, state departments of agriculture, and other organizations with U.S. agricultural export interests may participate in FAS-organized overseas trade missions, known as “Agribusiness Trade Missions” (ATMs). These trade missions, led by senior USDA officials, are meant to connect U.S. businesses with potential customers and educate participants about the “economic

<sup>54</sup> Regulations for the export credit guarantee programs are covered by 7 C.F.R. Part 1493.

<sup>55</sup> USDA, FAS, “Export Credit Guarantee Program (GSM-102),” <https://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102>.

<sup>56</sup> USDA, *2024 USDA Explanatory Notes—Commodity Credit Corporation*, 2023, p. 30-43.

<sup>57</sup> Office of Management and Budget, *Appendix, Budget of the U.S. Government, Fiscal Year 2024*, 2023, p. 105.

<sup>58</sup> *Ibid.*

<sup>59</sup> USDA, FAS, “Facility Guarantee Program,” <https://www.fas.usda.gov/programs/facility-guarantee-program>.

<sup>60</sup> USDA, *2024 USDA Explanatory Notes—Commodity Credit Corporation*, 2023, p. 30-43.

conditions and regulatory environments in host-country markets.”<sup>61</sup> USDA also uses the overseas visit to engage with the foreign host-government on trade policy and cooperative issues.<sup>62</sup>

FAS endorses international trade shows and works with trade show organizers and other organizations to create a “USA Pavilion” to showcase U.S. products. FAS provides additional services and assistance to participating U.S. companies.<sup>63</sup> Cooperators,<sup>64</sup> state regional trade groups, and state departments of agriculture also participate as exhibitors.<sup>65</sup>

## Food and Technical Assistance

The Agricultural Act of 1978 (P.L. 95-501; 7 U.S.C. §5693), as amended, instructs FAS to assist the Secretary of Agriculture to carry out agricultural trade and international cooperation policy by providing agricultural technical assistance and training and carrying out programs authorized under P.L. 95-501, the Food for Peace Act (FFPA; P.L. 83-480, 7 U.S.C. §1691), and other acts.

### Food Assistance

Current food assistance programs originated from FFPA, commonly known as “P.L. 480.” Section 2 of FFPA (7 U.S.C. §1691), as amended, identifies five objectives in enhancing food security in developing countries:

- combat world hunger and malnutrition and their causes;
- promote broad-based, equitable, and sustainable development, including agricultural development;
- expand international trade;
- foster and encourage the development of private enterprise and democratic participation in developing countries; and
- prevent conflicts.

USDA and the U.S. Agency for International Development (USAID) are the main agencies that administer food assistance programs. FAS administers the following nonemergency food assistance programs that were reauthorized by the 2018 farm bill (P.L. 115-334) through FY2023:

- **Food for Progress** (7 U.S.C. §1736o). The program’s two principal objectives are to improve agricultural productivity and expand trade of agricultural products in developing countries. Donated U.S. agricultural commodities are sold, usually to the local market of target countries, and the proceeds are used to support agricultural development activities.
- **McGovern-Dole International Food for Education and Child Nutrition Program** (7 U.S.C. §1736o-1). The program’s objectives are to “reduce hunger, increase literacy, and improve the health and dietary practices of school-age children, with an emphasis on girls” by funding school meals and education and

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<sup>61</sup> USDA, *2024 USDA Explanatory Notes—Foreign Agricultural Service*, 2023, p. 36-22. For more information about upcoming and past Agribusiness Trade Missions (ATMs), see USDA, FAS, “Trade Missions,” <https://www.fas.usda.gov/topics/trade-missions>.

<sup>62</sup> Ibid.

<sup>63</sup> USDA, FAS, “Trade Shows,” <https://www.fas.usda.gov/topics/trade-shows>.

<sup>64</sup> *Cooperators* are nonprofit commodity or trade associations that represent U.S. agricultural producers and processors.

<sup>65</sup> USDA, *2024 USDA Explanatory Notes—Foreign Agricultural Service*, 2023, p. 36-21.

nutrition programs implemented by private-voluntary organizations and other international organizations in countries with high food insecurity.<sup>66</sup>

- **Local and Regional Food Aid Procurement Program** (7 U.S.C. §1726c). The program supplements the McGovern-Dole Program by providing locally and regionally procured food.

For more information on U.S. international food assistance programs, see CRS Report R45422, *U.S. International Food Assistance: An Overview*, CRS In Focus IF12067, *Farm Bill Primer: U.S. International Food Assistance Overview*, and CRS In Focus IF12081, *Farm Bill Primer: International Food Aid Programs, McGovern-Dole and Local and Regional Procurement*.

## Technical Assistance

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (P.L. 95-113, 7 U.S.C. §3291) authorizes USDA to carry out research, extension, and teaching activities with foreign institutions, departments and ministries of agriculture, and individuals. FAS administers several fellowship programs related to agricultural technical assistance, including specific programs authorized by farm bills and funded by appropriation acts:

- **Cochran Fellowship Program** (7 U.S.C. §3293). The Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624) formally authorized and expanded an existing international agricultural fellowship program.<sup>67</sup> The program trains individuals from middle-income countries, emerging markets, and emerging democracies for the purposes of developing eligible countries' agricultural systems and strengthening trade linkages with the United States.<sup>68</sup> Congress authorized without fiscal year limitation such sums as may be necessary to carry out the program except for certain criteria. Funds are not to exceed in any fiscal year \$4 million for eligible middle-income countries that no longer qualify for U.S. bilateral foreign aid assistance due to per capita income levels; \$3 million for eligible middle-income countries that never qualified for U.S. bilateral foreign aid assistance but with an ongoing mutually beneficial relationship with the United States; and \$6 million for eligible countries that are transforming to a more democratic system of government. USDA may also receive outside sources to fund the program. Authorization for the program is permanent.
- **Borlaug International Agricultural Science and Technology Fellowship Program (Borlaug Fellowship Program)** (7 U.S.C. §3319j). The Food, Conservation, and Energy Act of 2008 (P.L. 110-234) established a fellowship program to provide scientific training and study in the United States for individuals from eligible countries for the purposes of promoting food security and economic growth and supporting scientific exchanges.<sup>69</sup> Congress authorized

<sup>66</sup> USDA, *Fiscal Year 2021 International Food Assistance Report*, p. 1.

<sup>67</sup> U.S. Congress, Senate Agriculture, Nutrition, and Forestry, *Food, Agriculture, Conservation, and Trade Act of 1990*, report to accompany S. 2830, 101<sup>st</sup> Cong., 2<sup>nd</sup> sess., July 6, 1990, S.Rept. 101-357, p. 198.

<sup>68</sup> Program web page is located at USDA, FAS, "Cochran Fellowship Program," <https://www.fas.usda.gov/programs/cochran-fellowship-program>. Eligible countries are determined by a gross national income per capita test as determined by USDA.

<sup>69</sup> Program web page is located at USDA, FAS, "Borlaug Fellowship Program," <https://www.fas.usda.gov/programs/borlaug-fellowship-program>. USDA originally established the program in 2004.

appropriations of such sums as necessary to remain available until expended. Authorization for the program is permanent.

- **International Agricultural Education Fellowship** (7 U.S.C. §3295). The 2018 farm bill (P.L. 115-334) established a fellowship program for U.S. citizens to assist eligible countries for the purposes of developing “globally minded” U.S. agriculturalists, focusing on meeting the food and fiber needs of the eligible countries, and strengthening trade linkages between eligible countries and the U.S. agricultural industry.<sup>70</sup> Congress authorized appropriations of \$5 million each fiscal year from 2019 to 2023 for the program.

In addition to the specific fellowship programs codified in statute, FAS administers other programs providing international fellowships and exchanges as well as projects with other U.S., foreign, and international government agencies, research institutions, and agricultural industry organizations to improve the agricultural systems and trade capacity of developing countries.<sup>71</sup>

**Table 2** lists selected FAS fellowship and exchange programs.

Additionally, FAS carries out technical assistance and other activities overseas through reimbursable agreements on behalf of USAID, foreign governments, and international organizations that are funded by other agencies.<sup>72</sup>

**Table 2. Selected FAS Fellowship and Exchange Programs**

Program	Description	Year Established
Scientific Cooperation Exchange Program (SCEP) with China	Supports collaborative relationships between scientific and technical exports from the United States and China	1979
Scientific Cooperation Research Program (SCRP)	Supports joint research, extension, and education projects between researchers from the United States and emerging market economies	1980
Faculty Exchange Program (FEP)	Assists participants from developing countries with one-semester training at a U.S. Land Grant Agricultural University to improve the institutions of their home countries	1995
Embassy Science Fellows Program (ESFP)	Places USDA technical exports at overseas U.S. embassies to provide technical expertise and advice	2002
Scientific Exchanges Program (SEP)	Supports collaborative programs between agricultural professionals from the United States and eligible countries through education and collaborative research	Pilot program announced in 2019

**Source:** CRS from FAS, “Programs,” <https://www.fas.usda.gov/programs> and notification of funding opportunities shared at <https://www.grants.gov/>.

<sup>70</sup> Program web page is located at USDA, FAS, “International Agricultural Education Fellowship Program,” <https://www.fas.usda.gov/programs/international-agricultural-education-fellowship-program>. Eligible countries are determined by a gross national income per capita test as determined by USDA.

<sup>71</sup> Further information can be found at USDA, FAS, “Fellowships & Exchanges,” <https://fas.usda.gov/topics/fellowships-and-exchanges>; and USDA, FAS, “Capacity Building & Economic Development,” <https://fas.usda.gov/topics/capacity-building-and-economic-development>.

<sup>72</sup> USDA, *FY 2024 Budget Summary*, 2023, p. 44.



## Considerations for Congress

Congress has maintained an interest in international agricultural trade and food security. As an agency that carries out the policies and programs for agricultural trade and international cooperation on behalf of the United States, FAS presents numerous issues that Congress could consider. Congress may use a number of tools available, including legislation, appropriations, report language, oversight, and direct communication, to influence, direct, or evaluate FAS and its programs.<sup>73</sup>

Congress established the overall agricultural trade policy of the United States in response to the international trade environment through various acts, including declarations of agricultural trade policies and objectives.<sup>74</sup> As foreign trade barriers affecting U.S. agricultural exports arise or require greater attention, Congress may consider directing or influencing USDA and FAS to address or prioritize such issues.<sup>75</sup>

FAS publishes and provides a suite of reports and data related to agricultural trade. Congress may consider if there is specific, additional reporting needed that FAS could produce or discontinue existing reporting requirements.<sup>76</sup>

FAS administers several programs related to U.S. agricultural exports and international food and technical assistance. As Congress considers various issues and its priorities related to foreign agricultural affairs, such as promoting U.S. export competitiveness and foreign market share, improving international trade linkages, and ensuring food security, it may evaluate,<sup>77</sup> modify,<sup>78</sup> or provide guidance to existing programs as well as establish new programs to be administered by FAS.<sup>79</sup> Congress may also consider requesting USDA to use its broad authorities under the CCC

<sup>73</sup> Although Congress directs the President or Secretary of Agriculture to carry out certain authorized trade and agricultural programs, some programs are delegated to FAS given its roles and responsibilities pertaining to foreign agricultural affairs.

<sup>74</sup> See example legislation on agricultural trade policy in this report's section "Role of FAS in U.S. Trade Policy."

<sup>75</sup> For example, in S.Rept. 118-44 for the FY2024 agriculture appropriations bill (S. 2131), the Senate Committee on Appropriations encourages FAS and USDA's Animal and Plant Health Inspection Service to engage with trading partners, international organizations, and others in addressing issues related to the trade of forest products. Also, see an example of congressional and executive agencies coordinating to address a tariff trade barrier in USDA, FAS, *India Reduces Import Duty Tariff Levied on Pecans - Cracking Open the Door for the American Nut*, GAIN Report IN2023-0016, February 22, 2023.

<sup>76</sup> For example, FAS publishes weekly summary U.S. export sales for certain agricultural commodities as required by 7 U.S.C. §5712. This was in response to concerns about the lack of information about large exports sales, including a 1972 grain sale to the Soviet Union that greatly affected domestic supplies. For background, see U.S. Congress, House Committee on Agriculture, *Agriculture and Consumer Protection Act of 1973*, report on H.R. 8860, 93<sup>rd</sup> Cong., 1<sup>st</sup> sess., June 27, 1973, H.Rept. 93-337, pp. 35-36.

<sup>77</sup> For example, see U.S. Government Accountability Office, *International Food Assistance: Agencies Should Ensure Timely Documentation of Required Market Analyses and Assess Local Markets for Program Effects*, GAO-17-640, July 13, 2017, as requested by the Chairman of the House Committee on Agriculture to review FAS and USAID food assistance programs and their provisions of in-kind food aid.

<sup>78</sup> For example, the Fortifying Refrigeration Infrastructure and Developing Global Exports Act of 2023 (FRIDGE Act of 2023, H.R. 4612) would authorize an additional \$1 million for the Foreign Market Development Program to specifically provide technical assistance related to infrastructure in new and developing foreign markets for U.S. agricultural commodities.

<sup>79</sup> For example, the 2018 farm bill (P.L. 115-334; 7 U.S.C. §3295) established the International Agricultural Education Fellowship Program for U.S. citizens to assist developing countries in establishing school-based agricultural education and youth extension programs; in S.Rept. 118-44, the Senate Committee on Appropriations encourages USDA to avoid limiting eligibility of applicants to specific countries or regions.



Charter Act to establish programs related to international agricultural trade and assistance initiatives.<sup>80</sup>

## Farm Bill Considerations

The farm bill traditionally has been the main legislative vehicle to modifying policies and programs for U.S. agriculture, including programs related to international agricultural trade and assistance. With the authorization and mandatory funding expirations of a number of 2018 farm bill programs administered by FAS, Congress may take into consideration how to address this either through enacting temporary extensions or enacting a new farm bill. FAS programs affected by the 2018 farm bill expiration include the following:

- Export promotion programs under the ATPFP are unable to fund program applicants for FY2024.
- The Pima Agriculture Cotton Trust Fund and the Agriculture Wool Apparel Manufacturers Trust Fund are unable to make payments to applicants after December 31, 2023. Although the 2018 farm bill provided mandatory funding for the trust funds, they are programs without a budget baseline after 2023.<sup>81</sup>
- Food for Progress is set to terminate after December 31, 2023.
- Authorizations of appropriations for the McGovern-Dole International Food for Education and Child Nutrition Program, Local and Regional Food Aid Procurement Program, and International Agricultural Education Fellowship expired at the end of FY2023.

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<sup>80</sup> For example, see United States Senate Committee on Agriculture, Nutrition, and Forestry, “Stabenow, Boozman Urge Secretary Vilsack to Support American Farmers by Making Investments in Trade Promotion and Food Assistance,” press release, September 6, 2023; and USDA, “USDA Bolsters Investments in International Trade and Food Aid,” press release, October 24, 2023.

<sup>81</sup> For more information about programs without a budget baseline beyond the 2018 farm bill, see CRS In Focus IF12115, *Farm Bill Primer: Programs Without Baseline Beyond FY2023*.

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