

Developing Market Access for U.S. Animal Food Products Is Critical

The U.S. animal food industry's ability to grow relies on filling the increasing need for animal protein in export markets. In 2022, U.S. animal food manufacturers exported over \$7.4 billion in products, including \$4.9 billion in feed and feed ingredients and \$2.5 billion in pet food products – a 13.5% increase in total value over 2021. Our industry can remain globally competitive by ensuring access to properly funded agencies and programs and initiatives to achieve additional market access and reduce barriers to trade.

AFIA POSITION

The American Feed Industry Association (AFIA) supports efforts to further boost U.S. agricultural exports. The competitive position of U.S. agricultural products overseas, including animal food, is at stake, given the surge in investment by the European Union and other competitors in foreign markets. The U.S. Department of Agriculture's Market Access Program (MAP) and Foreign Market Development (FMD) programs, funded through the expiring Farm Bill, should be doubled to provide an avenue to combat global competition. The AFIA also supports proper funding for a U.S. Codex Office for science-based international standards; securing Trade Promotion Authority (TPA), which is key for market access and tariff reductions; and renewing the Generalized System of Preferences (GSP) and a new Miscellaneous Tariff Bill (MTB), tools used to reduce or eliminate duties on imported products vital to the industry.

KEY POINTS

- **Increase MAP and FMD funding in the Farm Bill to support U.S. agricultural producers with international market development.** MAP funding should be increased to \$400 million annually and FMD to \$69 million annually. The programs have not seen funding increases since 2002 and 2006, respectively. The promotional power of the funding has been reduced by 30% with inflation, a depreciated U.S. dollar and growing USDA administrative expenses. Historically, these programs generate a net return of \$24.50 for every \$1 of U.S. government investment. Using Commodity Credit Corporation funds in lieu of an increase in MAP and FMD funding is a short-term solution to a long-term problem.
 - **Cosponsor S. 176 or H.R. 648 – the Expanding Agricultural Exports Act of 2023 – which will double MAP and FMD funding** to \$400 million and \$69 million, respectively.
- **Properly fund the U.S. Codex Office to ensure U.S. leadership in multilateral discussions on science-based international food safety standards.** Science-based food standards are the foundation of trade and market access for U.S. agricultural and food products.
- **Move forward with TPA to secure future free trade agreements.** The Biden administration's agricultural trade negotiator should pursue strengthening U.S. trading relationships through substantive trade agreements that include market access for agriculture products.
- **Support GSP and MTB renewal to secure imports of vital imports at reduced costs to producers, and ultimately, consumers.** Both programs expired in 2020; the GSP promotes economic development by eliminating duties on thousands of products when imported from one of 119 designated beneficiary countries and territories and the MTB provides temporary reductions or suspensions of duties on certain U.S. imports.

VIEW ISSUE



PAPERS ONLINE

Contact Leah Wilkinson at lwilkinson@afia.org for any questions.

Last updated Sept. 2023