

AgLink: Small Businesses' Connection to Emerging Markets

By Brian Guse and Patricia Jehle

The sale was finalized on April 12, 2000. It totaled over \$1 million. The company was small—six employees, including the president and vice president. They were exporting to Morocco, a developing country.

It was not the first time American Pulp and Paper Corporation of Redmond, Wash., had made a million-dollar sale to Morocco.

An impossible dream? No, thanks to the company's skilled marketer and a little-known FAS program called AgLink.

"I would say AgLink was the primary reason we were able to expand our market into Northern Africa," said Nicole Benchekroune, export sales manager for American Pulp and Paper Corporation. "I would love to see it expanded to more developing countries in Africa—it would be a great service for exporters and the countries seeking to import U.S. products."

As it turns out, Worldwide AgLink, a separate program from AgLink Morocco, will be expanding. Worldwide AgLink was

originally a program focused on countries of the former Soviet Union, but was expanded in April 2000 to include other countries such as China, Mexico, and South Africa. Worldwide AgLink is funded through FAS' Emerging Markets Program.

AgLink Morocco will conclude on Dec. 31, 2001. But Benchekroune will still be able to rely on FAS' agricultural outreach and promotion efforts. Agency staff, at the U.S. Embassy in Rabat, provide excellent service to Benchekroune to help her maintain a presence there. AgLink Morocco was a complement to the embassy's already extensive services.



What Is AgLink?

Many managers at small- to medium-sized companies aspire to export their products. The problem is they may lack the confidence—or capital—to make it happen.

AgLink is an FAS program designed to bridge these gaps in money or moxie, thereby enhancing trade. Through AgLink, U.S. managers can get money for travel as well as a living stipend while looking for opportunities overseas. They can also get help with visa applications.

In addition to AgLink Morocco assistance, Benchekroune received the help of FAS Embassy staff. Former agricultural attache Quintin Gray escorted her on visits with companies, helping make access easier. This allowed Benchekroune to find new opportunities when U.S. sanctions in Iran and Iraq made doing business there no longer an option.

“I had a background and expertise in working with French businesses, so North Africa seemed like a good choice. Moreover, the company already had active sales in Algeria,” she said. “AgLink paid for plane fares and hotel stays for one of our team members, buying time for us to make contacts.”

American Pulp and Paper Corporation sells wood pulp and fluff for hygiene products such as tissues and diapers. When they visited Morocco for the first time, they alerted Gray of their intentions and he forwarded specifics to Patricia Jehle, AgLink Morocco’s coordinator, who helped the firm apply.

Through AgLink, and the help of FAS Rabat, the company noted a big difference in how it was received by Moroccan importers.

“Initially, many of the companies we contacted didn’t reply, but when we were identified as a U.S. company working with

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USDA, they were much more eager to give us an appointment,” Benchekroune said. “After showing them what we have to offer, they asked us, ‘Why didn’t you visit us sooner?’ They were delighted to have a product that was high quality and price competitive with suppliers in Europe.”

Twice, Benchekroune and a partner traveled to Morocco thanks to help from AgLink. She feels that having the two trips helped to seal strong business ties.

“In Morocco they want to look you in the eye and feel they trust you,” Benchekroune said. “That’s why we so appreciated AgLink Morocco’s willingness to help us not once, but twice. “It’s even more important when you consider that our competition in Europe can get on the plane and be in Morocco in two hours.”

Apply On-Line

Any small- to medium-sized business can apply to AgLink. Applications are accepted year-round and are evaluated by USDA international affairs specialists. Detailed application guidelines are on-line: www.fas.usda.gov/icd/grants/progdes.html

AgLink How Does It Work?

One of AgLink’s best traits may be its adaptability. FAS international affairs specialists work with managers to design an overseas exchange program that best suits their needs.

U.S. managers also have the option of choosing a business manager in their target country for up to two-months of on-the-job business training in the United States. The U.S. company can even hold management seminars or training in its new market overseas.

Thomas Wilbur, of Thomas International, a food product supplier in Seattle, Wash., found that AgLink’s flexibility works to his advantage.

Knowing his apples, cherries and barley would do well in the former Soviet Union, Wilbur narrowed the list of importers he wanted to work with down to two. AgLink sponsored a U.S. visit for one of them.

There was a bonus in the arrangement for the overseas importer. The Russian businessman learned how the produce industry works in the United States and how it could work for him as a supplier.

The key is to scope out each unique situation, then work with FAS staff to create a winning plan.

AgLink: Diversity in Products

AgLink is open to any small- to medium-sized agribusiness whether it sells wood products, produce or even plants.

For example, several Marrakech table grape growers have purchased the rights to grow a high-yielding early-season grape variety owned by Sun World International Inc. in Bakersfield, Calif. In addition, Moroccan nurseries will be licensing rights to grow and distribute grapevines. The deal could be worth \$1–2 million.

The California company also licensed one Moroccan nursery, Agriga Maroc, to produce new grapevines for them.

At the beginning of the deal, though, things were dicey. While the company had received requests from growers, a fear of patent infringement and a lack of knowledge about Morocco's fruit industry held them back. AgLink helped the company with market contacts and carefully tracked Morocco's legislation on intellectual property legislation, so they could feel confident about exporting. Only then did Sun World proceed.

Which Countries Are AgLink Eligible?

All emerging-market countries such as China, Mexico, Poland, Russia and South Africa can participate. Basically, these are countries that are taking steps toward market-oriented economies through improvements to food, agriculture or rural business sectors. They must also show the potential to provide a viable and significant market

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for U.S. commodities or agricultural products.

In addition to these requirements, USDA uses two rather specific criteria. First, per capita income must be less than \$9,360. Second, population must exceed 1 million. However that number may encompass regional groupings such as the Caribbean Basin nations.

A Final Writing Assignment

Feedback is an essential part of AgLink. At each stage of the exchange, the U.S. company must evaluate the program and activities that AgLink supported. The company must submit a final report six months after the completion of the Worldwide AgLink project. ■

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Write a Winning AgLink Proposal

- Describe your agribusiness. Tell about its history, size, area of emphasis, major customers and target markets, resources and previous overseas work.
- Provide a statement of what your company hopes to achieve through AgLink. Specifically, what joint activity do you see your company developing with your counterpart overseas?
- Do you have contacts already in mind, or do you intend to develop them while in the country?

For a visiting overseas manager:

- Provide the name and position of the staff person who will coordinate the activities of the visiting manager, develop the training plan and arrange housing.

