

# Programs and Activities in Latin America

**T**his issue of AgExporter explores the interdependence of the United States and Latin America (Central America, South America, the Caribbean and Mexico). FAS personnel, programs and activities at home and abroad are strengthening cultural, social, political and economic ties. This story provides an overview of programs being employed to further this goal, with insights from W. Kirk Miller, general sales manager of FAS.

“The United States and Latin American countries have a tremendous amount of interaction based on mutual interest,” said Miller. “Latin America has been a major contributor to the mosaic of American culture.

“In agricultural trade, we have many complementary relationships. Since the seasons are reversed in North and South America—our winter is the South American summer—we produce many crops—fruits, vegetables, grains and oilseeds—that mature at different times of the year and provide a wider mix of alternatives for food industries and con-

sumers,” Miller noted. Proximity provides transportation cost advantages in trading with Western Hemisphere neighbors. Many of the world’s major trading companies find it logical to establish trading centers in both the United States and Latin America.

“Our markets also are complementary. In fiscal 2002, two-way trade in agricultural products between the United States and Latin America totaled \$23.7 billion (about \$12 billion in each direction),” Miller said. “If you add in fish and forestry products, there was another \$757 million in U.S. exports to Latin America



and \$4.2 billion in U.S. imports.” As in many regions, trade in bulk products has decreased while trade in consumer-oriented products has grown in both directions.

“FAS works on many fronts to promote U.S. agricultural exports, develop long-term markets and improve world food security,” Miller said. “A key objective is to reduce trade barriers—formal ones, such as tariffs and quotas, and others, such as use of unreasonable, protectionist requirements disguised as sanitary and phytosanitary concerns.”

Resolution of a trade issue can bring direct and indirect benefits. “For example, it is often closely linked with increased enthusiasm among international investors,” said Miller. “Freer, fairer, more transparent trading environments tend to spur foreign investment.”

### Commercial Export Programs

FAS operates a number of commercial export programs that provide attractive financing for foreign buyers of U.S. farm products. The SCGP (Supplier Credit Guarantee Program) provides credit covering 65 percent of a sale for short terms (up to six months). The GSM-102 Export Credit Guarantee Program covers 98 percent of a credit sale for up to three years, and the GSM-103 Export Credit Guarantee Program covers 98 percent of a sale, typically for up to seven years. These programs are not export subsidies; they are a form of insurance, in place to protect U.S. exporters in markets where it may be difficult to obtain financing through conventional commercial channels.

The FGP (Facility Guarantee Program) helps to finance agriculture-related facilities linked to future imports of U.S. farm products in emerging mar-

### U.S. Commercial Credit Program Allocations for Latin America

	GSM 102		GSM 103		SCGP		FGP	
	2002	2003	2002	2003	2002	2003	2002	2003
<i>\$ Million</i>								
Caribbean	350	350	10	0	10	10	10	10
Central America	400	400	0	10	50	50	30	30
South America	650	700	5	5	20	20	20	10
Mexico	500	500	35	35	300	500	50	50
<b>Total</b>	<b>1,900</b>	<b>1,950</b>	<b>50</b>	<b>50</b>	<b>380</b>	<b>580</b>	<b>110</b>	<b>100</b>

kets. The Emerging Markets Program helps public and private organizations provide technical assistance to develop markets for U.S. agricultural exports in low- and middle-income countries. In fiscal 2002, \$1.5 million was allocated for such efforts in Latin America.

FAS also employs the MAP (Market Access Program) and cooperator (Foreign Market Development) program to promote U.S. agricultural goods in Latin America.

### Food Aid

FAS shares administration of food aid programs with USAID (the U.S. Agency for International Development). Some programs provide U.S. commodities directly to needy people, while others generate sales proceeds that are used to promote economic development in local communities.

“The programs, in many cases operating through the World Food Program and private voluntary organizations, help vulnerable people in countries throughout Latin America,” Miller said. Bolivia, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Nicaragua and Peru benefited from U.S. food aid in fiscal 2002. In Ecuador alone, FAS programs provided

loans to 8,000 entrepreneurs, primarily women, organized 320 village banking groups and provided business training.

Also in fiscal 2002, under the Food for Peace Program (Title I, Public Law 480), FAS provided \$21 million in commodities through long-term, low-interest loans to Latin American countries. Under Food for Progress, carried out using funds from Title I or available from USDA’s Commodity Credit Corporation, FAS provided \$20.4 million in food assistance to countries in the region to support economic development.

Section 416(b) channeled nearly \$3 million worth of food aid to the region. USDA has entered into a Section 416(b) agreement with Food for the Poor, Inc., to conduct a direct feeding program with USDA-donated nonfat dry milk (NFDM) in several Latin American and Caribbean countries. Such donations are analyzed to ensure that they will not reduce amounts of commodities traditionally donated to U.S. feeding programs or agencies, prevent the fulfillment of any agreement entered into under a payment-in-kind program or disrupt normal commercial sales.

In fiscal 2002, the pilot GFE (Global Food for Education) initiative provided \$10.6 million worth of food aid to Latin American children. (The McGovern-



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Dole International Food for Education and Child Nutrition Program will replace the GFE.)

### Cochran Program

The Cochran Fellowship Program strives to increase the capacity of other countries to meet their food needs, and to strengthen and enhance commercial and agricultural trade linkages between other countries and the United States. “The Cochran Program offers training in the food and agricultural industry for people from both the public and private sectors around the world,” Miller said. “Participants meet with professionals in various fields, participate in field observations and industry tours, obtain on-the-job training or attend university courses or seminars.”

### Hispanic Outreach Opportunities

To make these programs and others work, FAS relies on individuals of diverse backgrounds who bring many different talents to the workplace.

FAS continues to collaborate with Hispanic Serving Institutions (HSIs) on international projects for development, scientific research and exchanges. These international efforts link the unique capabilities and expertise of HSIs in agricultural training, research and technical assistance with countries worldwide. In addition, FAS has actively supported HSIs through the student employment programs and outreach activities with national Hispanic and Latino organizations.

FAS is collaborating on such activities as:

- New Mexico State University programs in environmental and natural

resource management, sustainable development and eco-tourism

- a project with Colegio Universitario Del Este, Puerto Rico, to reduce pollution in Jobos Bay

In addition, through the Student Career Experience Program, FAS affords Hispanic and other student trainees valuable work experience.

Another way in which FAS attracts individuals of diverse backgrounds and wide-ranging abilities is through the HACU (Hispanic Association of Colleges and Universities) National Internship Program. “The program gives us the opportunity to increase our workforce diversity by providing internship opportunities to high-achieving students,” Miller said. “While most of the HACU interns have been Hispanic, the program is open to all students.” ■