Trade Notes...

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USDA Allocates $110 Million to Promote U.S. Food and Agriculture

Sixty-five U.S. trade organizations have received $110 million for fiscal 2003 to promote U.S. agricultural products overseas under the MAP (Market Access Program). MAP uses funds from USDA's CCC (Commodity Credit Corporation) to enter into agreements with U.S. agricultural trade organizations, state-regional trade groups and cooperatives. The CCC funds are used to share the costs of overseas marketing and promotional activities for both brand and generic products targeting marketing constraints and opportunities. MAP funds are awarded competitively based on four weighted criteria—the degree to which the applicant contributes resources to the program, historic export performance, projected export goals and achievement of past export goals. For a list of the 2003 MAP allocations or for more information on the program, call the FAS Marketing Operations Staff at (202) 720-4327 or visit the FAS Web site at: **www.fas.usda.gov/mos/programs/mapprog.html**

United States and Chile Sign Historic FTA

The United States and Chile signed a historic FTA (free trade agreement) that will eliminate bilateral tariffs, lower trade barriers, promote economic integration and expand opportunities for both countries. The U.S.-Chile FTA will increase U.S. market access for goods and services and provide strong protections for U.S. investors in Chile. American workers, consumers, businesses, farmers and ranchers will enjoy preferential access to one of the world's fastest growing economies. Products and services will be able to flow back and forth between the United States and Chile with no tariffs and under streamlined customs procedures. About three-quarters of both U.S. and Chilean farm goods will be tariff-free within four years, with all tariffs and quotas phased out within 12 years. U.S. farmers' access to Chilean markets will be as good as or better than that of the EU (European Union) or Canada, both of which already have FTAs with Chile. Before the agreement, U.S. farmers faced higher tariffs than farmers from Canada or the EU. Farmers will gain duty-free treatment within four years for important U.S. products such as pork and pork products, beef and beef products, soybeans and soybean meal, durum wheat, feed grains, potatoes and processed food products such as potato fries, pasta, distilled spirits and breakfast cereals.

Sun, Sand and Sales in the Caribbean

In June, FAS sponsored the A Taste of the U.S.A. Caribbean Region Trade Mission to Jamaica and St. Lucia. Participants were U.S. high-value food companies selling meats, produce, wines, desserts, frozen foods and beverage mixes. In Jamaica, nine U.S. companies held 95 meetings resulting in $400,000 in projected 12-month sales. One of two new-to-market companies anticipates future sales in Jamaica. In Saint Lucia, five companies had 57 meetings resulting in $70,000 in on-site sales and almost $1.3 million in projected 12-month sales. Two of the companies projecting sales were new-to-market. In Saint Lucia, the Virginia Department of Agriculture sponsored two video conferences or "virtual tastings" with buyers in Antigua and Trinidad.

World Coffee Production To Decline in 2003/04

USDA has forecast world coffee production in 2003/04 at 107.1 million bags (bag= 60 kilograms or 132.276 pounds), down nearly 13 percent, or 15.6 million bags, from the previous year. Most of the reduction is attributed to the substantial decline in Brazil's 2003/04 coffee production. Brazil's coffee production during 2003/04 is expected to be 33.6 million bags, down 35 percent, or 18.0 million bags, from 2002/03. Mainly as a result of the smaller crop in Brazil, total coffee supplies in 2003/04 are forecast at 136.2 million bags, down nearly 6 percent from the previous year. Due to the decreased supplies, total coffee exports in 2003/04 are forecast at 86.9 million bags, down 2.1 million bags from 2002/03.