

**Statement by
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Chairwoman Stabenow, Ranking Member Boozman, Members of the Committee, I am pleased to appear before you with my colleagues, U.S. Department of Agriculture (USDA) Market and Regulatory Programs, Under Secretary Moffitt, and Sarah Charles, Assistant to the Administrator, U.S. Agency for International Development. I want to thank the President and Secretary Vilsack for their faith in me to serve as the USDA Under Secretary for Trade and Foreign Agricultural Affairs (TFAA). I also want to thank members of this Committee for your advice and support throughout the nomination process. I value the conversations that we have already had, and I look forward to working with you as the Farm Bill process moves ahead. I appreciate the opportunity to discuss the trade, market development, international food security, and trade capacity building programs and activities administered by the United States Department of Agriculture (USDA) as authorized by the Agriculture Improvement Act of 2018 (2018 Farm Bill).

The pandemic has been incredibly difficult on all Americans whether they live in urban, rural, suburban, or tribal communities. Despite this unprecedented adversity, the Biden-Harris Administration is working to better position our agriculture and rural communities to compete in the global economy. For our part, we are working every day to meet this challenge to diversify revenue streams for those communities by creating and expanding export market opportunities for our farmers, ranchers, and producers, as well as ensure that U.S. agriculture plays a key part in supporting the food security needs of people at home and around the world.

INTRODUCTION

The TFAA Mission Area within the Department promotes U.S. agricultural exports, works to reduce trade barriers that impede U.S. agricultural exports, opens new markets for U.S. farm products and contributes to the global food security situation. As Under Secretary, I oversee the Foreign Agricultural Service (FAS) and the U.S. Codex Alimentarius Office. FAS is USDA's lead international agency and this year the Agency celebrates its 70th year of linking U.S. agriculture to the world to enhance export opportunities and global food security. FAS is proud to report that U.S. agriculture just set a new record in agricultural exports of \$196.4 billion in fiscal year (FY) 2022, topping last year's record by 14 percent.

FAS supports producers through a network of agricultural economists, marketing experts, negotiators, and trade specialists in Washington, D.C. and through our network of Foreign Service Officers posted in nearly 100 international offices covering 180 countries. We are proud that our role in opening and maintaining markets has resulted in billions of dollars of additional U.S. agricultural exports for the benefit of American producers and that the international food assistance programs and capacity building activities administered by FAS help millions of people worldwide.

The efforts of FAS employees, both in Washington and around the globe, combined with Farm Bill authorized market promotion programs, and in collaboration with the U.S. agricultural community, have contributed to some of the strongest agricultural export numbers on record. For many American agricultural products, overseas markets now account for more than half of total sales. Maintaining and expanding those export markets are critical, not only for producers and businesses who are exporting food and agriculture products, but also for those producers whose main market is domestic. USDA ERS estimates that in 2020 U.S. agricultural exports supported more than one million jobs here at home and contributed more than \$154 billion in additional economic activity¹. Nonetheless, to continue these impressive gains, we cannot rest. We must continue to refine and improve our longstanding Farm Bill authorized programs to ensure that they operate efficiently, effectively, equitably, and sustainably.

TRADE POLICY

FAS expands and maintains access to foreign markets for U.S. agricultural products by removing trade barriers and enforcing U.S. rights under existing trade agreements. FAS works with foreign governments, international organizations, and the Office of the U.S. Trade Representative (USTR) to improve accountability and predictability for agricultural trade. We will continue to focus on maintaining and expanding access to export markets for American producers through rebuilding trust with our partners and holding them accountable.

The People's Republic of China (PRC), Canada, and Mexico continue to lead as the top importers of U.S. agricultural products with record high values at \$36.4 billion, \$28.4 billion, and \$28.0 billion in FY 2022 respectively (up 9 percent, 17 percent, and 18 percent from FY 2021).

With a population of 1.4 billion and a middle class the size of the entire United States, the PRC is the largest market for U.S. agricultural exports. Despite tension in 2018-2019 with China, American agriculture has proven to once again how effectively it can compete on a more level playing field. The United States continues to have strong, record high exports to the PRC of soybeans, sorghum, beef, poultry, tree nuts, and dairy. However, we still face a variety of non-tariff barriers in that market, such as non-science based, sanitary and phytosanitary measures and onerous regulatory procedures. The U.S. Government is continuing to engage the PRC to resolve these issues and streamline import procedures.

While it is a challenge to manage all the complexities of our relationship with the PRC, we recognize the importance of this market and will continue to represent and advocate for U.S. agriculture. At the same time, we are aggressively diversifying our global portfolio of export markets for U.S. agricultural products to other promising markets, such as Vietnam, the Philippines, Egypt, and Kenya.

Canada and Mexico are the other two of the top three largest export markets for U.S. agricultural exports, accounting for a combined \$56.4 billion in FY 2022, up \$8.3 billion from

¹ Kenner, Bart, Hui Jiang, Dylan Russell, Wendy Zeng, Steven Zahniser, Maros Ivanic, Fengxia Dong, Megan Husby, and Xuan Hong Pham. Outlook for U.S. Agricultural Trade: February 2022, AES-119, USDA, Economic Research Service and USDA, Foreign Agricultural Service, February 24, 2022. <https://www.ers.usda.gov/webdocs/outlooks/103379/aes-119.pdf?v=2666.4>

last year. While our closest neighbors are among our largest trading partners and benefit nearly every segment of American agriculture, these relationships are not without challenges. Since gaining expanded market access for U.S. fresh potatoes in May 2022, USDA continues to work diligently with our Mexican counterparts to support that expanded access. USDA, in close coordination with USTR and industry, continues to engage Mexico at every level to help ensure there is transparent and predictable access for U.S. exporters so that trade continues unimpeded. We are also coordinating closely with USTR to press Mexico to avoid any trade disputes in corn and maintain a transparent, science- and risk-based regulatory approval process for all biotechnology products. With respect to our northern neighbor, in December 2021, a USMCA dispute settlement panel found Canada's dairy TRQ allocation measures to be inconsistent with Canada's USMCA obligations. In response to the adverse findings of the panel, Canada made changes to its TRQ allocation measures, however Canada remains out of compliance with USMCA obligations. On May 25, 2022, the United States requested dispute settlement consultations with Canada under the USMCA. On December 20, 2022, the United States requested new dispute settlement consultations, expanding its challenge of Canada's dairy TRQ allocation measures. We will continue to press for the full benefits of market access for the U.S. dairy sector that the United States secured in the USMCA and will continue to work in lockstep with USTR.

USDA is also paying attention to opportunities in the broader Indo-Pacific region. In May 2022, with the support of 13 Indo-Pacific Partners, President Biden launched the Indo-Pacific Economic Framework for Prosperity (IPEF) to deepen economic relationships in the region and coordinate approaches on global economic challenges such as fair and resilient trade, improving the sustainability and resiliency of supply chains, and unlocking the economic opportunities as the region transitions to a clean economy, and strengthening anti-corruption efforts and increasing the effectiveness of tax administration in the region. Although not a traditional trade agreement, IPEF can yield fruitful opportunities for U.S. agriculture by addressing non-tariff barriers and sanitary and phytosanitary restrictions, and current negotiations look promising. We have been interested in this region for some time, so we welcome the benefits an enhanced focus could bring for U.S. agriculture and market diversification efforts. In 2021, 14 of the 25 largest U.S. agricultural export markets were in the Indo-Pacific region, including fast-growing markets in Southeast Asia. USDA is turning senior level attention to this region and will continue to consult with USTR and the Department of Commerce as IPEF progresses to promote U.S. agriculture in the region. We are also pleased that the United States has begun negotiations with Taiwan under the auspices of the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States for the purpose of reaching agreements with high-standard commitments and economically meaningful outcomes, including provisions to facilitate agricultural trade.

Africa remains a continent of great, yet mostly untapped, potential for U.S. agricultural exports. In FY 2022, only one African country (Egypt) was in the United States' top 15 agricultural export markets, and only four additional countries (Nigeria, Morocco, Algeria, and South Africa) were in the United States' top 50 agricultural export markets – but we expect this to change significantly in the future. U.S. agricultural exports to the African continent totaled close to \$6.8 billion in FY 2022, with soybeans, wheat, and poultry meat and products as the top three products. Africa is home to some of the world's fastest growing economies and the continent's rapidly growing middle class is forecast to triple by 2030, which provides an unprecedented opportunity for U.S. agriculture. A key development for trade across the African

continent is the 2019 ratification of the African Continental Free Trade Area (AfCFTA) that aims to create a continental market for goods and services with a harmonized trade facilitation regime. AfCFTA will be one of the largest trading blocs in the world once trade negotiations conclude and the AfCFTA is fully implemented. USDA shares many of AfCFTA's objectives and is actively providing technical support to the African Union as they work to lower barriers, diversify trade, and further develop science- and risk-based regulatory systems. In these ways, the AfCFTA presents a long-term positive opportunity for U.S. exporters seeking to gain market access in African countries.

MARKET DEVELOPMENT AND EXPORT ASSISTANCE

Over numerous Farm Bills, Congress authorized and refined an effective combination of agricultural market development and export credit guarantee programs. These programs are designed to develop markets, facilitate financing of overseas sales, and resolve market access barriers – all of which are goals central to the FAS mission. We must open, expand, and maintain access to foreign markets, given 95 percent of the world's consumers live outside the United States. FAS partners with more than 70 cooperator groups representing almost every sector of the U.S. food and agricultural industry and manages a toolkit of Farm Bill-authorized trade promotion programs to help U.S. exporters develop and maintain markets for hundreds of agricultural products. Included under the umbrella of the Agricultural Trade Promotion and Facilitation Program as provided in the 2018 Farm Bill are the Market Access Program (MAP), Foreign Market Development Cooperator Program (FMD), Technical Assistance for Specialty Crops (TASC), and Emerging Markets Program (EMP).

These programs, in conjunction with USDA-sponsored international trade shows and Agribusiness Trade Missions (ATMs), assist U.S. agricultural producers in marketing commodities overseas by bolstering their in-country presence, helping to make sales and building demand for U.S. products. As many of the participants on these ATMs are small and mid-size companies, these missions open opportunities to create relationships and ultimately, through sales, diversify a business's revenue stream supporting additional jobs in rural economies across the country.

A 2021 MAP/FMD study², managed by the U.S. Grains Council and conducted by IHS Markit, in cooperation with Texas A&M University, concluded that “USDA Export Market Development programs are highly effective at generating an extremely high return on investment and account for a high percentage of the level of U.S. agricultural exports.” The study reports that the MAP, FMD and associated industry contributions boosted exports by an average of \$9.6 billion annually from 1977-2019, representing about 13.7 percent of total agricultural export value, returning \$24.40 for every dollar invested.

Market Access Program (MAP)

The largest market development program operated by FAS is the Market Access Program. Through MAP, FAS partners with non-profit U.S. agricultural trade organizations, U.S. agricultural cooperatives, non-profit State Regional Trade Groups, and state agencies to share the costs of overseas marketing activities, such as consumer promotion, market research,

² (<https://www.fas.usda.gov/sites/default/files/2022-05/USGC-IHS-Markit-Cost-Benefit-Report.pdf>)

and trade show participation. The 2018 Farm Bill maintained the available \$200 million of Commodity Credit Corporation (CCC) funds annually for MAP. These funding levels for MAP leverage industry contributions, often with support from a variety of research and promotion programs, better known by some as producer check off programs, that to aid in the creation, expansion, and maintenance of foreign markets for hundreds of U.S. agricultural products. A broad range of U.S. commodities, from Michigan tart cherries and dry beans to South Dakota beef and soybeans, to Arkansas poultry, Alaska seafood, Hawaiian coffee, southern softwood lumber, and apples and pears from the Pacific Northwest, all benefit from MAP. In FY 2023 MAP is providing funding to 73 U.S. agricultural trade associations, State Regional Trade Groups, state agencies, and agricultural cooperatives. For perspective, a 2021 competitor study, led by the USA Poultry and Egg Export Council (USAPEEC), reported that the EU Central Fund, Common Market Organization investment, and individual government export development investments, combined are estimated to be more than \$644 million. Support for wine alone was estimated at \$275-\$280 million annually, which was substantially more than the combined funding of MAP and FMD for all of U.S. agriculture.

I would like to highlight a couple MAP successes for you today. The U.S. Grains Council has used MAP to educate Korean buyers about the availability and price of U.S. ethanol and introduce buyers to U.S. suppliers. These promotional efforts have helped U.S. ethanol exports to Korea grow from 47.3 million gallons in 2016 to 137.4 million gallons in Marketing Year 2020/21, valued at \$520 million. Another prime example of the value of the MAP program is how USAPEEC used MAP to introduce U.S. chicken paws to China and grow demand. Long considered a residual to broiler production and carrying marginal value in the domestic market, USAPEEC used MAP to develop relationships with buyers, create demand for U.S. chicken paws as a snack item, and more recently expand use into traditional Chinese dishes. U.S. exports of frozen chicken paws to China began in 1997 totaling \$12 million and grew to a record level of \$696 million in 2021.

Foreign Market Development Cooperator Program (FMD)

The Foreign Market Development Cooperator Program is another FAS-administered market development program reauthorized by Congress in the 2018 Farm Bill. FMD is a cost-share program that aids in the creation, expansion, and maintenance of long-term export markets for U.S. agricultural products. The 2018 Farm Bill maintained the annual funding level for FMD at \$34.5 million in CCC funds. The program fosters a market development partnership between FAS and U.S. agricultural producers and processors who are represented by non-profit commodity or trade associations known as cooperators. Under this partnership, FAS and each cooperator pool their technical and financial resources to conduct overseas market development activities. FMD-funded projects generally address long-term opportunities to reduce foreign import barriers or expand export growth opportunities. For example, FMD supported projects might include efforts to reduce infrastructure or historical market impediments, improve processing capabilities, modify codes and standards, or identify new markets or new uses for an agricultural commodity or product. In FY 2023, FMD is providing partnership resources to leverage funding of 23 U.S. agricultural trade associations.

Thanks to FMD funding, Cotton Council International (CCI) conducted “Cotton Day” activities in Turkey in 2021, the first in-person events there since the beginning of the COVID pandemic. U.S. cotton industry leaders met with their counterparts in the Turkish textile industry,

and customers provided feedback about using U.S. cotton in their products. Participants were particularly interested in CCI's technical services. U.S. cotton sales to Turkey increased by 500,000 bales, valued at about \$245 million, in the two months following these activities.

Technical Assistance for Specialty Crops (TASC) Program

U.S. exports of specialty crops reached \$25.1 billion in FY 2022, accounting for 13 percent of total U.S. agricultural exports. Tree nuts represented more than one-third of FY 2022 specialty crop exports. Other specialty crops like fruits, vegetables, dried fruits, horticultural crops, wine, and nursery crops are increasing in export value. Despite these increases, trade barriers such as burdensome requirements related to pre-export plant health inspections, low or missing pesticide maximum residue levels, labeling, or quality certification may prevent some U.S. specialty crop producers from shipping products overseas.

Utilizing the Technical Assistance for Specialty Crops program, USDA is committed to assisting U.S. agricultural stakeholders to overcome trade barriers that deter U.S. specialty crop exporters and help them compete in the global marketplace. First authorized in the 2002 Farm Bill, the TASC program is administered by FAS to fund projects that address existing and potential SPS and technical barriers to trade that may affect U.S. specialty crop exports. TASC activities must benefit the industry at large rather than a specific company, and applicants must provide a clear strategy for overcoming trade barriers and market access issues. In line with the changes to the program made in the 2018 Farm Bill, TASC awards are generally granted for a project period not exceeding five years, with the opportunity for an extension based on a determination of the effectiveness of continued funding.

For example, a 2021 TASC grant awarded to USDA/ARS, Sinclair, and the International Fresh Produce Association resulted in the successful development of a home-compostable price lookup sticker that was originally expected to take 5-10 years. Following this effective use of TASC funding, a prototype was completed in October 2022 that will help maintain U.S. exports of grapefruit and sweet potatoes to the EU and other markets. In another project, TASC funding helped the California Table Grape Commission monitor and report on non-precleared product shipments to Australia. This reporting, funded by TASC, helped improve the on-arrival process, minimize problems during the shipping season, and allowed for broad distribution of actionable information to California table grape shippers exporting to the Australian market.

Emerging Markets Program (EMP)

EMP provides grants to eligible U.S. private or government entities to conduct assessments of the food and rural business system needs of emerging markets, make recommendations on how to enhance the effectiveness of such systems, including potential reductions in trade barriers, and provide technical assistance to enhance the effectiveness of such systems. For this program, an emerging market is defined as any country, foreign territory, customs union, or other economic market 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 United States agricultural commodities.” Private, federal, and state organizations are eligible to participate in EMP. For Fiscal Year 2022, the EMP program supported 32 agricultural export promotion projects with funding totaling \$6.4 million.

A great example of EMP work is a 2021 Cranberry Marketing Committee project that implemented a multifaceted culinary training program for more than 900 students across India to familiarize young culinary professionals with U.S. cranberries. The training sessions concluded with a competition in which the students were asked to prepare their own unique dish using U.S. cranberries, and the dishes were judged by an expert panel of chefs. In a post-training survey, 97 percent of the participating students indicated that the training heightened their awareness of U.S. cranberries, with nearly 88 percent stating that they would use U.S. cranberries in future recipes. Moreover, three of the five participating institutes plan to continue U.S. cranberry education in the years to come, helping to establish U.S. cranberries' presence within India's expansive and growing foodservice sector and leading to increased export opportunities for the entire U.S. cranberry industry.

Export Credit Guarantee Program (GSM-102)

The GSM-102 program encourages sales of U.S. agricultural commodities to international markets by facilitating the extension of needed trade financing. Over 130 countries – mainly developing countries and emerging markets in Latin America, Asia, and Africa and the Middle East - are targeted destinations under the program. In 2022, the GSM-102 program supported \$3.4 billion in U.S. agricultural exports of corn, soybeans, soybean meal, wheat, rice, cotton, and other commodities, including the first-ever sale of U.S. apples under the program. Significant export markets included Mexico, Colombia, Guatemala, South Korea, Egypt, and Morocco. The fiscal year 2022 program was the largest since 2012, supporting U.S. exports and global food security by providing U.S. food and feed to international markets and much-needed liquidity to foreign banks in times of global economic uncertainty.

In November 2022, with input and support from industry, USDA reduced program fee rates for longer-term transactions. This change is in line with international agreements and will allow additional program flexibility for U.S. exporters to help global food security while maintaining fees that are sufficient to cover the program's long-term operating costs and losses.

DATA AND ANALYSIS

The FAS network of global contacts and long-standing relationships with international groups contribute to the Agency's unique market intelligence capacity. FAS analysts provide objective intelligence on foreign market conditions, prepare production forecasts, assess export opportunities, track changes in policies affecting U.S. agricultural exports and imports, and support U.S. foreign policy around the globe. The Agency is trusted by U.S. decision-makers and entities worldwide to provide relevant, sound, and reliable information related to foreign agricultural markets, international trade barriers, crop conditions, and related policy developments. Through market analysis in Washington and reporting from FAS overseas offices on foreign production and demand, FAS contributes to the USDA economic information system establishing official estimates of world agricultural supply and demand that drives trading on commodity markets worldwide. FAS maintains key public-facing databases to provide convenient access and up-to-date international market information to inform strategy and business decisions. Collecting and communicating market information is invaluable for U.S. exporters, as it provides a level playing field for U.S. organizations working abroad and supports these organizations in identifying new market opportunities. Through our Global Ag Information

Network (GAIN) this type of information is gathered and reported by our 70 posts overseas and published on the FAS website. In 2022, we published over 2,200 reports that were viewed 1.28 million times. FAS information helps producers and others make informed decisions during fluid and challenging situations by providing data and analysis to make sense of complex global commodity fluctuations, such as those we are currently seeing in the wake of Russia's full-scale invasion of Ukraine.

INTERNATIONAL CLIMATE EFFORTS

USDA is actively engaged in climate issues and in the international domain, the United States is leading by example. FAS is part of the broader USDA effort to build markets for climate smart commodities by proactively and transparently explaining the United States' initiatives to trading partners. FAS shares information about USDA efforts to improve productivity while reducing environmental and climate impacts: such as programs that help reduce emissions and increase carbon sequestration, investments to improve forest health, decarbonize rural infrastructure, expand the use of climate smart practices through incentives and technical assistance. These programs and investments promote innovation, and build resilience in the U.S. agriculture sector. Through its partnerships, FAS is working to increase international engagement, strengthen the credibility of our call for greater climate-focused efforts, and prompt other countries to adopt similar actions and commitments.

FAS works within USDA and more broadly within the U.S. government to ensure a coordinated approach as we engage country partners and international organizations on issues related to climate change. FAS is exploring bilateral and multilateral opportunities to expand capacity building in developing countries. Our domestic approach to tackling the climate crisis is of interest globally, and sharing our national experience strengthens our global policy positions. Through the Agriculture Innovation Mission for Climate (AIM for Climate), launched at COP27 and amplified with further commitments at COP28, FAS is bringing participants together to increase and accelerate global innovation, research and development on agriculture and food systems that support climate action. FAS posts are supporting a whole-of-government recruitment effort in targeting potential partner countries to ensure a broad representation of countries.

Exchange programs such as the Cochran and Borlaug fellowships have started the process of including training and information sharing around climate change strategies and activities into our programs. Moving forward, Food for Progress and McGovern-Dole will also incorporate appropriate tools and training activities to address climate change impacts in targeted countries. As funding is available, FAS also plans to develop specific capacity building activities in targeted countries by expanding institutional and research capacity, conducting farmer training and demonstration projects, and supporting our niche and added contributions to interagency and multilateral efforts.

FOOD SECURITY AND CAPACITY BUILDING

In addition to the important work FAS does to promote U.S. exports and build trade capacity for American agriculture, FAS also leads USDA's efforts to help developing countries enhance their food security, improve their agricultural systems, and build their trade capacity to receive our exports or send their products to the U.S. in a form that meets our consumers'

requirements. USDA's staff coordinate with colleagues across the Department and the U.S. Government, particularly the U.S. Agency for International Development (USAID) and the State Department, as well as with donors, stakeholders, and beneficiaries to enhance global food security and build markets. Collaboration with our interagency partners extends well beyond the Beltway -- our programs benefit from collaborating with FAS Attachés in our embassies around the world and with foreign officials and stakeholders.

USDA administers three international food assistance programs that were reauthorized by the 2018 Farm Bill. These include the McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole); the Food for Progress Program (FFPr); and the USDA Local and Regional Food Aid Procurement Program (USDA LRP). These non-emergency food assistance programs help meet the nutritional needs of beneficiaries and support agricultural development and education.

USDA is also responsible for maintaining and managing the Bill Emerson Humanitarian Trust (BEHT). Funds released from the BEHT allow USAID to address emergency food needs under Title II of the Food for Peace Act. A release of funds from the BEHT can only be triggered if the USAID Administrator determines that funds available for emergency needs under Title II for a fiscal year are insufficient to meet emergency needs during the fiscal year.

McGovern-Dole

This past year the McGovern-Dole Program celebrated its 20th anniversary, which is a significant achievement and a testament to the value of the program. USDA is proud to administer the McGovern-Dole Program and continue the legacy of two great champions of U.S. agriculture and international food assistance -- the late Senators George McGovern and Robert Dole. Since its inception in the 2002 Farm Bill, the McGovern-Dole Program has helped feed and educate more than 31.1 million children in almost 50 countries. Over the past 20 years, the McGovern-Dole Program has grown in size and scope to support quality school meals and education around the world. Through the McGovern-Dole Program, USDA has worked to build the capacity of host governments and communities to transition McGovern-Dole supported schools to their national school meals programs. For example, since 2015, USDA awarded the World Food Program (WFP) two consecutive awards for projects in Côte d'Ivoire. Through the second award, made in FY 2020, WFP is working to reinforce the achievements made under the first award and is proceeding with a gradual handover of the school feeding program to the Government of Côte d'Ivoire. The first steps toward the handover of the school feeding implementation to the government have begun -- as of the 2022-2023 school year, the government is expected to cover a significant portion of feeding days a month from its own resources.

McGovern-Dole uses appropriated funds to purchase commodities grown by American farmers and donated funds to enhance food security; improve literacy (especially for girls); and strengthen the nutrition and health of school-age children. McGovern-Dole awards are made annually to eligible implementing partners - private voluntary organizations (PVOs) and the World Food Program, a public international organization. Following an objective proposal review process, USDA selects and funds the strongest proposals based on rigorous criteria, including demonstrated experience, ambitious goals and outcomes, established capacity to coordinate with U.S. Government agencies and local governments, detailed commodity

distribution plans, and thorough graduation and sustainability plans. School feeding projects are made possible through a combination of U.S. donated food commodities, some food commodities procured locally or regionally, and technical assistance provided by qualified entities to help each project achieve success. In countries where McGovern-Dole projects are implemented, USDA works to assure that host country governments contribute to school feeding in many ways and from a variety of levels, from local to national. Such contributions often include internal transportation of commodities, provision of land for project infrastructure, construction materials, in-kind labor, food accompaniments, and more.

In FY 2022, USDA funded eight McGovern-Dole proposals for new projects valued at \$220 million in Burundi, Cambodia, The Gambia, Lesotho, Madagascar, Mauritania, Tanzania, and Timor Leste. A total of 43,890 metric tons (MT) of donated U.S. commodities will be provided over the term of these four- to five-year projects. Including the eight new projects funded in FY 2022, McGovern-Dole now has a total of 55 active projects in 34 countries valued at close to \$1.3 billion across the life of the projects. In FY 2021 alone, McGovern-Dole projects directly benefited more than 4.5 million children and community members. This included feeding nutritious school meals to over 2.1 million food-insecure children, training tens of thousands of Parent Teacher Associations and teachers, and rehabilitating thousands of school facilities.

The 2018 Farm Bill provided new authority within McGovern-Dole allowing the program to undertake a LRP component directly. The 2018 Farm Bill directed USDA to use not more than 10 percent of the funds made available for McGovern-Dole to procure local and regional agricultural commodities.

The FY 2022 agricultural appropriations act provided that not less than 10 percent of the funds made available for McGovern-Dole, or \$23,700,000, be used for the local and regional procurement of agricultural commodities under the program. For FY 2022, each of the eight awards includes a local and regional commodity procurement component. The integration of the local and regional procurement component into McGovern-Dole is a welcome addition that allows project implementers to improve the dietary diversity of school-age children through including more fresh fruits, vegetables, and animal protein into the daily school meal, and strengthens the capacity of local and regional farmers, cooperatives, processors, and agribusinesses to create a pipeline of high-quality commodities that support sustainable school meal programs.

Local and Regional Food Aid Procurement Program (USDA LRP)

First authorized as a separate program in the 2014 Farm Bill and reauthorized in the 2018 Farm Bill, USDA LRP is designed to strengthen the ability of local and regional farmers, community farmer groups, farmer cooperatives and associations, processors and agribusinesses to provide high-quality commodities that can be supplied to school feeding programs and, in coordination with USAID, help expedite provision of safe and quality foods to populations affected by food crises and disasters. In accordance with congressional intent, the USDA LRP program is designed to complement existing U.S. government food assistance programs, especially the McGovern-Dole program, which supports school feeding, as well as maternal and child nutrition projects around the world. Through FY 2019, Congress made funds available to

operate the USDA LRP program directly from the annual appropriation for McGovern-Dole. McGovern-Dole funds made available to USDA LRP by Congress in previous fiscal years appropriations are as follows: \$5 million (FY 2016), \$5 million (FY 2017), \$10 million (FY 2018), and \$15 million (FY 2019). During FY 2022, USDA had four continuing USDA LRP agreements with project implementers in Burkina Faso, Cambodia, Guatemala, and Nicaragua. Congress has not funded USDA LRP, since providing the authority to conduct LRP directly through McGovern-Dole in the 2018 Farm Bill.

Food for Progress

The Food for Progress Program (FFPr) was authorized in the Food Security Act of 1985, which provides that the program may be funded either through Food for Peace Title I appropriations or through the CCC. The FFPr statute caps freight costs for the program, when funded by the CCC, at no more than \$40 million per year. FFPr has two principal objectives: to improve agricultural productivity in developing countries and emerging democracies and to expand markets for US agricultural products. Under the FFPr, USDA enters into cooperative agreements with eligible organizations to implement projects in targeted countries. These projects generally support agricultural, economic, or infrastructure development and can also be targeted at hunger and malnutrition. USDA purchases U.S. agricultural commodities and provides them to the award recipient, which generally sells them on the local market in the targeted country in a process referred to as monetization. The award recipient will use the sale proceeds to implement its FFPr project. FFPr implementers have trained farmers in animal and plant health, improved farming methods, developed road and utility systems, established producer cooperatives, provided microcredit, and developed agricultural value chains for products not produced in the U.S. such as cashews and cacao. FFPr project implementers have included PVOs, foreign governments, universities, and intergovernmental organizations.

In FY 2022, FFPr award recipients made seven monetization sales of donated U.S. commodities to 13 buyers across six countries. The commodities included crude degummed soybean oil, soybean meal, and hard red winter wheat. A total of 88,560 MT of U.S. commodities with a commercial value of \$69.24 million was shipped in FY 2022. For example, FFPr provided more than 45,000 metric tons of U.S. crude degummed soybean oil and soybean meal to Shelter for Life to implement a cashew value chain project in Senegal, The Gambia, and Guinea-Bissau. With help from the project, cashew producers are no longer accepting bags of rice from intermediaries in exchange for raw cashew nut. Instead, they sign contracts directly with international exporters. In 2022 alone, project partner cooperatives in the three countries sold 79,752 MT of raw cashew nut, which helped farmers and farms generate more than \$71 million in sales. To date, the project has trained 20,946 farmers on good agricultural practices such as pruning and post-harvest techniques. As a result, 15,686 farmers have applied improved management practices or technologies on over 20,000 hectares of cashew plantations.

Fellowship Programs

USDA invests in the future of developing countries by helping them strengthen their agricultural institutions and regulatory systems, encouraging compliance with international norms and fostering an environment conducive to agricultural growth and trade. Before developing countries can become customers for U.S. agricultural products, they must first

become politically, economically, and socially stable. The lack of economic development, particularly in fragile countries and regions, results in economic and political instability which can pose a national security threat to the United States. FAS-sponsored fellowship programs and exchanges enable international researchers, policymakers, and agricultural specialists to work alongside their U.S. counterparts, acquiring knowledge and skills to help build their countries' agricultural sectors. FAS administers three Congressionally authorized fellowship programs: the Borlaug International Agricultural Science and Technology Fellowship Program (Borlaug); the Cochran Fellowship Program (Cochran); and the International Agricultural Education Fellowship Program (IAEFP).

The namesake of Nobel Laureate Dr. Norman E. Borlaug, a fellow Iowan whose statue proudly stands in the Capitol, the Borlaug Program promotes agricultural productivity, food security, trade, and economic growth by providing training and collaborative research opportunities to early and mid-career scientists, researchers, or policymakers from developing and middle-income countries. Since the program's inception in the 2008 Farm Bill, USDA has supported more than 975 Borlaug Fellows from 69 countries. The Cochran Fellowship Program, named for the late Senator Thad Cochran of Mississippi who served as the Chairman of this Committee, as well as the Ranking Member, operates in middle-income and emerging market countries, providing training opportunities for senior and mid-level specialists and administrators working in agricultural trade and policy; agribusiness development; management; animal, plant, and food sciences; extension services; agricultural marketing; and many other areas representing the public and private sectors of interest to agriculture. Since 1984, Cochran has provided training for over 19,250 international Fellows from 127 countries worldwide. Opportunities to host Cochran Fellows are circulated through the U.S. Land Grant University System, USDA, other federal government agencies, the U.S. Agricultural Export Development Council, U.S. private agri-businesses, and agricultural consultants.

The IAEFP was authorized under the 2018 Farm Bill to provide fellowships to eligible U.S. citizens to assist developing countries in establishing school-based agricultural education and youth extension programs. The program was created to 1) develop globally minded United States agriculturists with experience living abroad; 2) help meet the food and fiber needs of the domestic population of eligible countries; and 3) strengthen and enhance trade linkages between eligible countries and the United States agricultural industry. Congress appropriated \$1 million in FY20 for the inaugural IAEFP. FAS awarded FY20 funds to Texas A&M University and Catholic Relief Services for programming in Ghana and Uganda, respectively. Due to the global pandemic, selected fellows were restricted from traveling; thus, their fellowships were delayed. However, nine fellows arrived in Ghana in August 2021 for their program to provide technical advice on improving agricultural production, increase knowledge of the importance of robust agricultural extension programs, and share their experiences with youth-based agricultural organizations, such as 4-H. The Ghana IAEFP concluded in June 2022. Due to additional delays caused by security concerns and an Ebola outbreak in Uganda, the program's Uganda activities continue to be delayed. FAS continues to monitor the situation and will resume programming once conditions on the ground improve. Congress appropriated an additional \$1 million in both FY21 and FY22 for the IAEFP. Texas A&M University was awarded FY21 funds to establish the program in Guatemala for two consecutive years. They were also awarded FY22 funds to conduct a second year of the IAEFP in Ghana. The University of Missouri also received FY22 funds to establish the program in Mexico. A cohort of nine fellows is anticipated to arrive in each of these three countries in August 2023 to begin their programs.

CONCLUSION

As Under Secretary, I am proud to be part of the USDA mission area responsible for efforts to improve foreign market access for U.S. products, build new markets, diversify farm and ranch revenue streams, improve the competitive position of U.S. agriculture in the global marketplace, and support food security and technical assistance beyond our borders. I believe Congress has an important opportunity to refine these trade programs when reauthorizing the next Farm Bill so that they make U.S. farm policy more efficient, effective, equitable, and sustainable while providing greater export opportunities to a vast range of markets for the benefit of even more U.S. farmers, ranchers, and other stakeholders.

I look forward to answering your questions and working with you as you and your staff consider the next Farm Bill and the programs that will facilitate U.S. agricultural exports and maintain our commitment to providing technical and food assistance to those around the world in need.

Thank you.

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