

**Daniel B. Whitley  
Administrator  
Foreign Agricultural Service  
U.S. Department of Agriculture**

**Before the House Committee on Agriculture  
Subcommittee on Livestock and Foreign Agriculture  
Washington, DC  
April 6, 2022**

Chairman Costa, Ranking Member Johnson, Members of the Subcommittee, I am pleased to appear before you with my colleague, Sarah Charles, Assistant to the Administrator, USAID Bureau of Humanitarian Assistance, U.S. Agency for International Development (USAID). I appreciate the opportunity to discuss the trade, market development, international food assistance, and 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 Food for Peace Act, the Agricultural Trade Act of 1978, and a host of other agricultural trade laws. As Administrator of the Foreign Agricultural Service (FAS), I want to thank the Subcommittee for your continued support for the work of the Agency and the Department. As the Farm Bill process moves ahead, I look forward to working with you and offer the assistance of our staff to help support your efforts.

As Secretary Vilsack noted before this Committee in January, the COVID-19 pandemic has been incredibly difficult on Americans in urban, rural, suburban, and 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 by creating more and better export market opportunities for our farmers, ranchers, and producers.

Before I discuss our work to support trade and international food aid, I would like to start by sharing that our prayers are with the Ukrainian people as they deal with this latest unprovoked and unjustified attack by Russia. We stand with the people of Ukraine during this tragic moment for the world. For our part, USDA stands ready to step up. The Secretary is fully engaged on this issue alongside his G7 agriculture minister counterparts. He has empowered all of USDA to review the tools at our disposal to assist Ukraine. At the recent Commodity Classic, the Secretary implored farmers to never take freedom for granted and highlighted the fact that it is farmers and ranchers that helped America prosper. Never have those words rung true more than today.

## **INTRODUCTION**

The Foreign Agricultural Service (FAS) is USDA's lead international agency, linking U.S. agriculture to the world to enhance export opportunities and global food security. FAS supports producers through a network of agricultural economists, marketing experts, negotiators, and trade specialists in Washington, D.C. and 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 provide assistance that has helped millions of people worldwide.

The efforts of FAS employees, both in Washington and around the globe, combined with 2018 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. Exports of U.S. farm and food products to the world totaled \$177 billion in 2021, topping the 2020 total by 18 percent and eclipsing the previous record, set in 2014, by 14.6 percent. For many American agricultural products, foreign markets now represent more than half of total sales. U.S. agricultural exports support more than one million jobs here at home and contribute more than \$154 billion in additional economic activity. Nonetheless, in order 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 also holding them accountable.

The People Republic of China (PRC), Mexico, and Canada continue leading as the top importers of U.S. agricultural products with record high values at \$33 billion, \$25.5 billion, and \$25.0 billion in calendar year 2021 respectively (up 25 percent, 39 percent, and 12 percent from 2020).

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. Following the 2018-2019 trade war with China, the Phase One Agreement provided some relief, allowing American agriculture to prove once again how effectively

it could compete with a more level playing field. As a result of the Agreement and growing import demand, the United States continues to have strong, record high exports to the PRC of corn, wheat, beef, and poultry. The Phase One Agreement addressed a number of non-tariff measures affecting U.S. agricultural exports. However, we still face a number of barriers in that market, and the U.S. government is engaging the PRC on next steps. While it is incredibly difficult 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.

Canada and Mexico are two of the top three largest export markets for U.S. agricultural exports, accounting for a combined \$51 billion in 2021, up \$10 billion from 2020. While our closest neighbors are among our largest trading partners and benefit nearly every segment of American agriculture, these relationships are not without challenges. USDA is working diligently with our Mexican counterparts to ensure expanded market access for U.S. fresh potatoes. USDA, in close coordination with USTR and industry, is pressing Mexico at every level to ensure they live up to commitments made by their regulator to USDA and this longstanding issue is soon resolved. We are also monitoring Mexico's treatment of biotechnology products very closely and pressing Mexico to maintain a transparent, science- and risk-based regulatory approval process. With respect to our northern neighbor, the recent decision by the USMCA dispute settlement panel on Canada's allocation of dairy tariff rate quotas is an important step for the U.S. dairy sector to realize the full benefits of the USMCA. We will continue to press for the full, fair, and timely access for U.S. dairy exports to Canada that the United States secured in the USMCA negotiations and hold Canada accountable to the commitments made in the USMCA.

In addition to mature and traditional markets, USDA is also paying attention to opportunities in the Indo-Pacific region. President Biden announced in October 2021 that the U.S. is developing an Indo-Pacific Economic Framework with regional allies to deepen economic relationships in the region and coordinate approaches on addressing global economic challenges such as ensuring fair and resilient trade, insufficient or deteriorating infrastructure, and supporting clean energy. Although it's not a traditional trade agreement, the Framework is the beginning of a process that could bring increased opportunities for U.S. agriculture. We have been interested in this region for some time so we welcome the opportunities an enhanced focus on this region could bring for U.S. agriculture and market diversification efforts. In 2021, 16 of the 25 largest U.S. agricultural export markets were in the Asia-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 on what agricultural trade barriers, other than tariffs, we could seek to address in the Framework and how we can advance U.S. exports to this important region.

Africa remains a continent of untapped potential for U.S. agricultural exports. In 2021, only one African country (Egypt) was in the United States' top 25 agricultural export markets, and only two additional countries (Nigeria and Morocco) 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 Africa totaled close to \$5.6 billion in 2021, with soybeans, wheat, and poultry meat and products as the top three products. A key development for trade across Africa 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 over the next couple of years and the AfCFTA is fully implemented. USDA shares many of AfCFTA's objectives, including lowering barriers and diversifying trade. In these ways, the AfCFTA presents a long-term positive opportunity for U.S. exporters seeking to gain market access in Africa.

## **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 a cross-section 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. FAS also supports U.S. agricultural exporters through export credit guarantee programs and other types of assistance. 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 the Emerging Markets Program (EMP). These programs, in conjunction with participation at USDA-sponsored international trade shows and Agribusiness Trade Missions, not only assist U.S. agricultural producers market commodities overseas, but bolster their overseas in-country presence, helping make sales and build demand for U.S. products. Applicants to the FAS market development programs submit their applications through the Unified Export Strategy database system (UES). The UES allows applicants to submit and manage holistic marketing plans that outline their proposed foreign market development strategies and request funding under each of the FAS market development programs, facilitating input of strategic and tactical planning and financial information into a single, coordinated system.

### **Market Access Program (MAP)**

The largest market development program operated by FAS is the Market Access Program (MAP). 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, and trade show participation. The 2018 Farm Bill maintained the available \$200 million of Commodity Credit Corporation (CCC) funds annually for MAP. Funding levels for MAP have not increased in over a decade. That amount is more than matched with industry contributions to aid in the creation, expansion, and maintenance of foreign markets for hundreds of U.S. agricultural products. A range of U.S. commodities, from California prunes and almonds to South Dakota beef and soybeans, to Georgia poultry and cotton, dairy and timber from the Northeast, and apples and pears from the Pacific Northwest, all benefit from MAP. In FY 2022 MAP provided funding to 73 U.S. agricultural trade associations, State Regional Trade Groups, state agencies, and agricultural cooperatives. For perspective, the EU Central Fund, Common Market Organization investment, and individual investments of the governments of Italy, France, Germany, and Spain, combined are estimated to be more than double the combined funding of MAP and FMD. A 2017 competitor study, led by the Wine Institute and MAP funding, determined the EU increased its investment in agricultural export promotion to \$443 million and forecasted its investment would increase to \$555 million in 2019. This study is currently being updated by the USA Poultry and Egg Export Council using MAP funds and is expected to be completed later in 2022.

A few MAP examples I would like to highlight for you today include the California Table Grape Commission, which has used MAP to support in-store sampling, point-of-purchase materials, themed promotions, mascots, and retail promotional displays in Mexico that drew in customers and helped California table grape exports reach a record \$116.5 million in Mexico in 2020. In addition, the California Walnut Commission used MAP funds to support an online consumer campaign in Germany demonstrating how walnuts are the ideal ingredient in home bread-making, and we saw a nearly 70,000 MT of exports to Germany (valued at nearly \$224 million) in September 2019 through August 2020, up 46 percent from the previous year.

### **Foreign Market Development Cooperator Program (FMD)**

The Foreign Market Development Cooperator Program (FMD) 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 the agricultural commodity or product. In FY 2022 FMD provided funding to 25 U.S. agricultural trade associations.

As a particular example, thanks to FMD funding, U.S. Wheat Associates can maintain experienced technical staff to serve customers in Indonesia and around the world. Technical assistance and trade servicing are critical to U.S. Wheat's marketing strategy, demonstrating how customers can meet their product needs economically by blending various U.S. wheat varieties. This technical support also helps to resolve potential market disruptions like mitigating a potential trade disruption in Indonesia due to fungal spores. Technical support provided the mill with confidence to manage the situation and prevented disruption in U.S. wheat exports that reach over 1 MMT annually.

### **Technical Assistance for Specialty Crops (TASC) Program**

U.S. exports of specialty crops reached \$22.5 billion in fiscal year (FY) 2020, accounting for 15 percent of total U.S. agricultural exports. Tree nuts represented more than one-third of FY 2020 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 discourage some U.S. specialty crop producers from shipping products overseas.

Utilizing the Technical Assistance for Specialty Crops (TASC) 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, FAS administers the current TASC program 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 TASC grant for the Almond Alliance of California (AAC) is helping establish new export markets for whole almond hulls in Asia, including China and Korea. Almond hulls are a commercially established feed ingredient in California, with growing supply and hold potential for feed use in Asia's dairy sector, increasing feedstuff options and reducing feeding costs. In another project, TASC funding helped the California Table Grape Commission monitor and report on non-precleared product shipments to Australia. Without this funding, California table grape shippers would have had to gather information on an individual basis which would have been difficult for small to mid-size shippers. 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 conduct technical assistance to enhance the effectiveness of such systems. For this program, emerging markets are 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 2021, the EMP program supported 26 agricultural export promotion projects with funding totaling \$3.74 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 these 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 increases 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 2021, the GSM-102 program supported \$2.1 billion in U.S. agricultural commodity exports, including exports of corn, soybeans, soybean meal, wheat, rice, cotton, and other commodities. Significant export markets included Mexico, Colombia, Honduras, Guatemala, South Korea, and Egypt.

Accomplishments for 2021 include bringing Bangladesh in as a new entrant to the program, which resulted in the export of more than \$6 million in sales of U.S. cotton and \$22 million in sales of U.S. soybeans to that market. USDA now has five Bangladeshi banks participating in the GSM-102 program.

### **DATA AND ANALYSIS**

FAS's 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, and 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 2021, we published over 3,000 reports that were viewed 2.6 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 the Russian invasion of Ukraine.



## **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 improve their agricultural systems and build their trade capacity to receive our exports or send us products the U.S. needs to meet consumer demand. From selecting countries and priorities to reviewing proposals, monitoring agreements, evaluating project performance, and reporting progress, USDA's food assistance staff coordinate with colleagues across the Department and the U.S. Government, particularly USAID, as well as with donors, stakeholders, and recipients to enhance global food security. Collaboration with our interagency partners does not occur just in Washington -- 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 authorized by the 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). USDA also manages the Bill Emerson Humanitarian Trust (BEHT), which serves as a backstop reserve of funds for the USAID-administered Food for Peace Title II program 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. These programs support international assistance and development activities that alleviate hunger and improve nutrition, education, and agriculture in some of the world's poorest countries. FAS's non-emergency food assistance programs help meet recipients' nutritional needs and support agricultural development and education.

### **McGovern-Dole**

This year the McGovern-Dole Program will celebrate its 20<sup>th</sup> 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 its two great champions of U.S. agriculture and international food assistance -- the late 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 more than 48 countries. Over the past 20 years, the McGovern-Dole Program has grown in size and scope to support quality school meals 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, USDA had been supporting school feeding in Kenya through McGovern-Dole since 2004, and, in June 2018, the remaining balance of

McGovern-Dole commodities was completely handed over to the Government of Kenya's National School Meals Program, thus formalizing the graduation of school feeding activities entirely to the Government of Kenya. In November 2021, despite the challenges of the COVID-19 pandemic, USDA celebrated the handover of school feeding activities in 915 primary schools in Laos that had been supported by McGovern-Dole since 2008 to the Government of Laos' National School Meals Program.

McGovern-Dole uses commodities grown by American farmers to enhance food security; improve literacy (especially for girls); and strengthen the nutrition, health, and dietary practices of school-aged children, mothers, and families. McGovern-Dole awards to fund projects are made annually to implementing partners - private voluntary organizations (PVOs) and international organizations like the World Food Programme. 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 meals 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. Frequent contributions include internal transportation of commodities, provision of land for project infrastructure, construction materials, in-kind labor, food accompaniments, and more.

In FY 2021, USDA funded ten McGovern-Dole proposals for new projects valued at \$248 million in Benin, Burkina Faso, Guatemala, Kyrgyzstan, Laos, Liberia, Madagascar, Republic of Congo, Senegal, and Sierra Leone. A total of 46,770 metric tons (MT) of donated U.S. commodities will be provided over the term of these four- to five-year projects. In addition, USDA awarded \$20 million in prior year McGovern-Dole funding to strengthen and expand three active agreements in Guatemala and Honduras in alignment with Administration priorities on addressing the root causes of out-migration in Central America. Including the ten new projects funded in FY 2021, McGovern-Dole now has a total of 55 active projects in 31 countries valued at close to \$1 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;
- fed nutritious school meals to over 2.1 million food-insecure children;
- distributed take home rations to over 2.1 million children and community members during the global COVID-19 pandemic;
- trained over 11,200 Parent Teacher Associations in how to champion education in their communities;
- educated over 10,800 teachers, helping them to work to improve instruction and literacy;

- rehabilitated or constructed more than 5,100 facilities, including latrines, kitchens, handwashing stations, storerooms, and classrooms; and
- worked in over 14,400 schools to enhance the quality of education that children receive.

The 2018 Farm Bill provided that USDA shall use not more than 10 percent of the funds made available for McGovern-Dole for the procurement of local and regional agricultural commodities. The FY 2021 agricultural appropriations act provided that not less than \$23,000,000 will remain available until expended for the local and regional procurement of agricultural commodities under McGovern-Dole. For FY 2021, each of the ten 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 provide high-quality commodities in support of sustainable school meal programs.

### **Food for Progress**

The Food for Progress Program (FFPr) was authorized by the U.S. Congress in the Food Security Act of 1985. FFPr has two principal objectives: to improve agricultural productivity in developing countries and emerging democracies and to expand trade in agricultural products. It may receive funding through either Food for Peace Title I appropriations or CCC financing. The FFPr statute provides that no more than \$40 million of CCC funds may be used annually for non-commodity costs such as freight costs, which limits the amount of shipped commodities, particularly in years with high shipping costs. Donated U.S. agricultural commodities are shipped to recipient countries and sold on the local market in a process referred to as monetization. USDA enters into cooperative agreements with eligible organizations to use the proceeds to implement field-based projects generally to support agricultural, economic, or infrastructure development projects and programs can also be targeted at hunger and malnutrition. FFPr projects 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. FFPr project implementers have included PVOs, foreign governments, universities, and intergovernmental organizations.

In FY 2021, a total of 22 sales of donated U.S. commodities, organized into 19 shipments, were made by project implementers to buyers in 18 countries. The commodities included crude degummed soybean oil, milled rice, soybean meal, yellow soybeans, hard red winter wheat, and dark northern spring wheat. A total of 440,890 MT of U.S. commodities with a commercial value of nearly \$210.52 million was donated in FY 2021, representing the highest totals for tonnage and value in more than a decade.

During FY 2021, activities conducted by active projects reached more than 370,000 direct participants. As a result of FFPr project activities, more than 199,000 individuals applied improved agricultural management practices or technologies to over 569,000 hectares of land. Access to working capital and credit are other significant components in expanding participation in agricultural sectors in emerging markets, and last year FFPr project activities resulted in access to more than \$84 million of financing for farmers and cooperatives.

For example, the Food for Progress Malawi project completed in 2021, implemented by Land O'Lakes Venture<sup>37</sup> and valued at \$15 million, assisted over 39,000 farmers. Under this project, smallholder producers received assistance in organizing cooperative farmer-based organizations to assist them in selling their produce. The project's interventions have helped horticultural producers and processors be more competitive in both local and regional markets, leading to over \$18.4 million in sales and trade of over 63,000 metric tons of horticultural produce. Additionally, during the life of the project, 10,377 loans valued at \$699,879 were disbursed.

#### **Local and Regional Food Aid Procurement Program (USDA LRP)**

First authorized as a permanent program in the 2014 Farm Bill, USDA LRP was designed to provide a complementary mechanism for delivering international food assistance. In accordance with Congressional intent, preference for funding under USDA LRP has been given to entities implementing active projects under McGovern-Dole. As part of the 2018 Farm Bill, Congress authorized a new local and regional procurement component within McGovern-Dole. Thus, USDA LRP has not received appropriated funds since FY19 and local and regional procurement is now conducted directly through McGovern-Dole authority. The objectives of local and regional procurement include strengthening the ability of local and regional farmers, community farmer groups, farmer cooperatives and associations, processors, and agribusinesses to provide high-quality commodities. Local and regional procurement can enhance organizations' abilities to procure such commodities in support of school feeding programs, provide technical and management expertise, and, in coordination with USAID, help expedite provision of safe and quality foods to populations affected by food crises and disasters. Last funded in FY 2019 before the local and regional procurement component was folded into McGovern-Dole, the USDA LRP Program funded three projects to support McGovern-Dole activities in Burkina-Faso, Cambodia, and Nicaragua. USDA LRP was used to purchase local commodities such as fruits and vegetables, increase the acceptability and palatability of nutritious meals, strengthen supply chains, and boost local support for sustainability, as well as strengthen the ability of local host governments to take ownership of McGovern-Dole projects. During FY 2021, USDA had seven continuing USDA LRP agreements with project implementers in seven countries, including two agreements in which all project activities were concluded.

The total number of beneficiaries reached by all seven active USDA LRP projects in FY 2021 was 139,431.

### **Fellowship Programs and Capacity Building**

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. 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 and strategic 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, 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 920 Borlaug Fellows from 69 countries. Cochran operates in middle-income and emerging market countries, providing training opportunities in the U.S. 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 19,000 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 agribusinesses, 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 program and an additional \$1 million in FY21 and FY22. FAS awarded FY20 funds to Texas A&M University and Catholic Relief Services for programming in Ghana and Uganda, respectively. Due to the ongoing global pandemic, selected fellows were restricted from traveling, thus their fellowships were delayed. However, in early fall 2021, nine fellows arrived in Ghana and have been busy in their host communities providing technical advice on improving agricultural production, increasing knowledge of the importance of robust agricultural extension programs, and sharing their experiences with youth-based agricultural organizations, such as 4-H. Later this spring, an additional nine fellows are expected to arrive in Uganda to begin their fellowships.

## CONCLUSION

As Administrator of USDA's Foreign Agricultural Service, I am proud of our efforts to improve foreign market access for U.S. products, build new markets, improve the competitive position of U.S. agriculture in the global marketplace, and provide food aid and technical assistance to foreign countries. 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 vaster range of markets for the benefit of U.S. farmers, ranchers, and other stakeholders.

As the situation continues to unfold in Eastern Europe, it is clear that maintaining trading relationships globally will help benefit all nations at a time that food security is in question for many. Trading means sharing. And sharing will help all countries and all regions of the globe get through these difficult times successfully. We stand with the people of Ukraine during this tragic moment for the world. For our part, USDA stands ready to step up and assist and to help facilitate the global relationships and the partnerships that will be absolutely vital going forward.

This concludes my statement. I look forward to answering any questions you may have and working with you to reauthorize Farm Bill 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.