**Export Promotion**

**Market Access Program and Foreign Market Development Program**

**Background**

The Hardwood industry is heavily reliant on global export markets.  In 2017, the U.S. currently enjoyed a trade surplus of $1.475 billion in hardwood lumber, up from $1.1 billion in 2015.  Approximately 40% of all hardwood lumber production and nearly 60% of the highest value-added grades of hardwood are now exported, totaling $4.04 billion in 2017.  It is vital that markets remain open for these businesses and the men and women they employ.

The American Hardwood Export Council (AHEC) operates a worldwide program for U.S. hardwood companies to promote the full range of American hardwood products, including lumber, veneer, plywood, flooring, molding, and dimension materials, in over 50 export markets. AHEC also provides the global hardwood industry – importers, specifiers and end-users – with promotional assistance, technical information and sources of supply for American hardwoods. A significant percentage of AHEC’s program budget comes from the federally funded Market Access Program (MAP) and Foreign Market Development Program. Reduced or eliminated funding for these programs would severely limit AHEC’s ability to provide vital services to the hardwood industry and reduce access to foreign markets.

**Issue**

The Market Access Program (MAP) uses funds from the U.S. Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) to help U.S. producers, exporters, private companies, and other trade organizations finance promotional activities for U.S. agricultural products. MAP encourages the development, maintenance, and expansion of commercial export markets for agricultural commodities, including those made of hardwood. Activities financed include consumer promotions, market research, technical assistance, and trade servicing. Closely related to MAP and vital to the wood products industry overseas is the Foreign Market Development Program (FMD), administered by the Foreign Agricultural Service (FAS) of USDA. The goal of the FMD program is to develop, maintain, and expand long-term export markets for U.S. agricultural products. Both programs continue to demonstrate significant return on the federal dollars invested; for every dollar spent, a net return of $28.30 has been realized.

Both the House and Senate-passed versions of the 2018 Farm Bill fund and reauthorize MAP and FMD. Both versions also restructure the programs to protect them from funding baseline elimination.   The bills now head to a House-Senate conference committee to reconcile differences. We are optimistic for a favorable outcome on this policy priority.

**Hardwood Federation Position**

The Hardwood Federation supports inclusion of MAP and FMD funding in the 2018 Farm Bill and will continue to advocate during conference committee negotiations for continued and increased funding for both programs.