

State Efforts at Increasing Ag Trade

Session Summary

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Funding from the US Farm Bill Market Access program amounts to \$200 million for 90 agencies. A comparable program for the European Union is funded at \$2 billion. These appropriations need to be protected.

Small companies (defined by the SBA as those with 500 or fewer employees) need assistance to develop export markets. Three out of five US citizens do not have passports. That figure includes business owners. But 95% of the world's population (read export markets) lives outside the US.

Almost all companies new to export need 3-5 years to set up for it. But trade staff in WUSATA states is down by two-thirds. Companies need staff in state agriculture departments who understand agricultural products. WUSATA provides services and education across the entire agriculture spectrum. Companies must 'put some skin in the game' by paying for these services. WUSATA refers leads to state ag departments as they are the closest entities to the growers. State trade-related agencies should try to target products to specific buyers. The USDA Foreign Agricultural Service vets the reliability of buyers.

Exports support not only commodities but ag infrastructure as well. Every dollar spent on exports returns \$35. Processed and value-added products are usually preferable to raw commodities. They also support local infrastructure.

Jim Reese, Secretary, Oklahoma Department of Agriculture

You have to travel. Small companies interested in exporting must personally meet potential customers.

Oklahoma agriculture is worth \$36 billion. Core natural resources – crops and livestock - are worth \$7 billion. The 40 food manufacturers in Oklahoma export 85% of their products.

Q: What is the biggest hurdle for small businesses?

A: Getting educated, especially in regard to getting paid, not losing track of the company's products and labeling. Language can also be a barrier. Employing indigenous people as translators and designers for company labels, logos, business cards, banners, etc. is a good investment.

There is a great deal of international trust in the quality and safety of US products, even though they may cost more. Producers must maintain this confidence by honoring levels of confidentiality that work within thin profit margins. One bad product can tarnish trade prospects for many other companies.

The first choice for people with extra income is improving the quality and quantity of their access to food. That bodes well for the future of agricultural products.