

104TH CONGRESS  
1ST SESSION

# S. 1375

To preserve and strengthen the foreign market development cooperator program of the Department of Agriculture, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 1995

Mr. BURNS (for himself, Mr. CRAIG, Mr. GORTON, Mr. GRASSLEY, Mr. McCONNELL, Mr. DASCHLE, Mr. HARKIN, Mr. KERREY, and Mr. KEMPTHORNE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To preserve and strengthen the foreign market development cooperator program of the Department of Agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Cooperator Program  
5 Act of 1995”.

6 **SEC. 2. FINDINGS, POLICY, AND PURPOSES.**

7 (a) FINDINGS.—Congress finds that—

8 (1) the future prosperity of United States agri-  
9 culture increasingly will be determined by access to

1 foreign markets and, as agricultural producers of the  
2 United States move into the world market, the pro-  
3 ducers are becoming more dependent on agricultural  
4 exports;

5 (2) despite gains made in the recently con-  
6 cluded Uruguay Round of trade negotiations as well  
7 as pre-existing rules under the General Agreement  
8 on Tariffs and Trade, world agricultural trade is  
9 neither free nor fair and United States agriculture  
10 will continue to face unfair trade practices in the  
11 international marketplace;

12 (3) 11 of the major agricultural trade competi-  
13 tors of the United States spend a total of  
14 \$500,000,000 annually on foreign market develop-  
15 ment programs for the benefit of their producers;

16 (4) the foreign market development cooperator  
17 program of the Foreign Agricultural Service and the  
18 activities of individual foreign market cooperator or-  
19 ganizations—

20 (A) have been among the most successful  
21 and cost-effective means of expanding United  
22 States agricultural exports; and

23 (B) provide ongoing, long-term market de-  
24 velopment services to advance the economic in-  
25 terests of the United States;

1           (5) the program and the activities of the co-  
2 operator organizations should be supported;

3           (6) the Secretary of Agriculture and the private  
4 sector should work together to ensure that the pro-  
5 gram, and the activities of the cooperator organiza-  
6 tions, are expanded in the future; and

7           (7) as agricultural producers move into the  
8 world market, it is timely and appropriate to take  
9 steps to preserve and strengthen the foreign market  
10 development cooperator program of the Department  
11 of Agriculture and the activities of the cooperator  
12 organizations.

13       (b) POLICY.—It is the policy of the United States  
14 that it is essential and in the public interest to preserve  
15 and strengthen the foreign market development cooperator  
16 program of the Department of Agriculture under which  
17 eligible trade organizations funded primarily by agricul-  
18 tural producers cooperate with the Department in an ef-  
19 fective, continuous, and coordinated effort to maintain and  
20 develop foreign markets for United States agricultural  
21 commodities and products.

22       (c) PURPOSES.—It is the purpose of this Act to pro-  
23 vide specific authorization for the foreign market develop-  
24 ment cooperator program of the Department of Agri-  
25 culture, and establish terms governing the program, to en-

1 sure the continued effective and efficient operation of the  
2 program.

3 **SEC. 3. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
4 **PROGRAM.**

5 The Agricultural Trade Act of 1978 (7 U.S.C. 5601  
6 et seq.) is amended by adding at the end the following:

7 **“TITLE VII—FOREIGN MARKET**  
8 **DEVELOPMENT COOPERATOR**  
9 **PROGRAM**

10 **“SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZA-**  
11 **TION.**

12 “In this title, the term ‘eligible trade organization’  
13 means a United States trade organization that—

14 “(1) promotes the export of 1 or more United  
15 States agricultural commodities or products; and

16 “(2) does not have a business interest in or re-  
17 ceive remuneration from specific sales of agricultural  
18 commodities or products.

19 **“SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
20 **PROGRAM.**

21 “(a) IN GENERAL.—The Secretary shall establish  
22 and, in cooperation with eligible trade organizations, carry  
23 out a foreign market development cooperator program to  
24 maintain and develop foreign markets for United States  
25 agricultural commodities and products.

1       “(b) COST SHARING ASSISTANCE.—The program es-  
2     tablished under subsection (a) shall be carried out through  
3     multiyear contracts or agreements between the Secretary  
4     and eligible trade organizations under which cost sharing  
5     assistance shall be provided by the Secretary to the organi-  
6     zations as cooperators for the conduct of foreign market  
7     development activities, and to third party cooperators,  
8     under annual marketing plans established under section  
9     705.

10    **“SEC. 703. ELIGIBILITY.**

11       “(a) ELIGIBLE TRADE ORGANIZATIONS.—To be eli-  
12     gible to enter into a contract or agreement with the Sec-  
13     retary for the conduct of foreign market development ac-  
14     tivities as a cooperator under this title, an eligible trade  
15     organization shall—

16           “(1) demonstrate to the Secretary that the or-  
17     ganization is funded primarily by United States  
18     members of the industry that the organization rep-  
19     resents;

20           “(2) prepare and submit to the Secretary annu-  
21     ally a marketing plan under section 705; and

22           “(3) meet other requirements established by the  
23     Secretary for participation in the program estab-  
24     lished under this title.

1       “(b) CRITERIA FOR APPROVAL OF CONTRACTS AND  
2 AGREEMENTS.—The Secretary may enter into a contract  
3 or agreement with an eligible trade organization for the  
4 conduct of foreign market development activities under  
5 this title only if the Secretary determines that the activi-  
6 ties under the marketing plan of the organization—

7           “(1) have a strong likelihood of achieving suc-  
8 cess in maintaining or increasing foreign consump-  
9 tion and imports of 1 or more United States agricul-  
10 tural commodities or products;

11          “(2) will make long-range contributions to  
12 United States agricultural exports;

13          “(3) focus on a commodity or commodities, or  
14 a product or products, the export of which is impor-  
15 tant to agriculture and the foreign balance of pay-  
16 ments of the United States;

17          “(4) include the provision by the eligible trade  
18 organization of a competent United States-based  
19 staff and other resources to ensure adequate devel-  
20 opment, supervision, and execution of project activi-  
21 ties;

22          “(5) are combined with a commitment by pri-  
23 vate organizations to support promotional activities  
24 with aggressive selling and the quantity and quality

1 of the commodity or product involved that is desired  
2 by foreign buyers; and

3 “(6) are focused on markets for which the Unit-  
4 ed States is in competition with other exporting  
5 countries.

6 **“SEC. 704. COOPERATOR RESPONSIBILITIES.**

7 “(a) TRADE SERVICING, TECHNICAL ASSISTANCE,  
8 AND CONSUMER EDUCATION.—

9 “(1) IN GENERAL.—An eligible trade organiza-  
10 tion participating in the foreign market development  
11 cooperator program under this title shall provide  
12 market development and customer support services  
13 outside the United States directed at foreign pur-  
14 chasers, potential purchasers, and users of United  
15 States agricultural commodities and products,  
16 through trade servicing, technical assistance, and  
17 consumer education.

18 “(2) SPECIFIC GOALS.—Trade servicing, tech-  
19 nical assistance, and consumer education by each eli-  
20 gible trade organization provided under paragraph  
21 (1) shall be designed to—

22 “(A) increase foreign consumer and com-  
23 mercial use of the United States commodity  
24 and product involved, develop long-term foreign  
25 demand for the commodity or product, and help

1 overcome constraints to United States exports  
2 of the commodity or product;

3 “(B) establish a long-term presence in for-  
4 eign markets for the commodity or product;

5 “(C) enable foreign users of the commodity  
6 or product to enhance the competitiveness of  
7 the users, analyze markets, improve end use  
8 quality, and respond to consumption trends;

9 “(D) make maximum use of new tech-  
10 nologies, including satellite transmissions, to  
11 disseminate trade information, and enhance in-  
12 dustry technologies, that will expand demand  
13 for the commodity or product;

14 “(E) increase technical contact between  
15 the United States production industry for the  
16 commodity or product and foreign customers  
17 and users so as to achieve better and more ac-  
18 curate market analyses and trade intelligence  
19 collected in the public and private sector;

20 “(F) identify third parties that will con-  
21 tribute to the implementation of activities con-  
22 ducted under the annual marketing plan of the  
23 organization through cash or in-kind contribu-  
24 tions; and

1           “(G) achieve other goals specified by the  
2           Secretary.

3           “(b) COORDINATION, ASSISTANCE, AND CONSULTA-  
4           TION.—

5           “(1) COORDINATION AND ASSISTANCE.—

6           “(A) ELIGIBLE TRADE ORGANIZATION.—

7           An eligible trade organization participating in  
8           the foreign market development cooperator pro-  
9           gram established under this title shall coordi-  
10          nate the activities of the organization with the  
11          activities of the Foreign Agricultural Service.

12          “(B) FOREIGN AGRICULTURAL SERVICE.—

13          The Foreign Agricultural Service shall assist el-  
14          igible trade organizations in the development  
15          and operation of trade promotion programs that  
16          use product exhibits, trade teams, market infor-  
17          mation services, and trade referral services to  
18          expand international markets for United States  
19          agricultural commodities and products.

20          “(2) CONSULTATION.—An eligible trade organi-  
21          zation shall consult with the Foreign Agricultural  
22          Service to ensure that the annual marketing plan of  
23          the organization under this title is consistent with  
24          and complements the foreign market development  
25          activities of the Service.

1 **“SEC. 705. ANNUAL MARKETING PLANS.**

2 “(a) IN GENERAL.—An eligible trade organization  
3 participating in and receiving assistance for any year  
4 under the foreign market development cooperator program  
5 established under this title shall develop and submit to the  
6 Secretary a marketing plan to carry out trade servicing,  
7 technical assistance, and consumer education, as provided  
8 for in section 704(a), for the year.

9 “(b) REQUIREMENT FOR PLANS.—An annual mar-  
10 keting plan submitted by an eligible trade organization  
11 under subsection (a) shall specifically describe the manner  
12 in which assistance received by the organization, in con-  
13 junction with funds and services provided by or through  
14 the organization, will be expended in carrying out the plan.

15 “(c) AMENDMENTS.—An annual marketing plan may  
16 be amended at any time by the eligible trade organization  
17 with the approval of the Secretary.

18 **“SEC. 706. OVERSIGHT.**

19 “(a) MONITORING.—The Secretary shall monitor the  
20 expenditure of funds received by each trade organization  
21 under this title.

22 “(b) REPORTS, BOOKS, AND RECORDS.—An eligible  
23 trade organization receiving assistance under this title  
24 shall—

25 “(1) keep financial accounts of, and submit reg-  
26 ular reports providing information on, activities con-

1 ducted and funds expended under the annual mar-  
2 keting plan of the organization; and

3 “(2) make available to the Secretary for inspec-  
4 tion, at any reasonable time and place, the books  
5 and records of the business and financial trans-  
6 actions of the organization.

7 “(c) AUDITS.—An eligible trade organization receiv-  
8 ing assistance under the foreign market development co-  
9 operator program established under this title shall have  
10 an audit or financial review conducted of the activities of  
11 the organization under the program. The audit or review  
12 shall accurately account for funds and services received  
13 and expended under this title.

14 “(d) EVALUATION.—

15 “(1) IN GENERAL.—The Secretary shall peri-  
16 odically evaluate the foreign market development ac-  
17 tivities of each eligible trade organization to deter-  
18 mine—

19 “(A) whether the organization is in compli-  
20 ance with the annual marketing plan of the or-  
21 ganization; and

22 “(B) the effectiveness of the activities of  
23 the organization under the plan in maintaining  
24 and developing markets for United States agri-  
25 cultural commodities and products, taking into

1 account the difficulty of precisely quantifying  
2 the effects of long-term trade servicing and  
3 technical assistance.

4 “(2) HIGH-VOLUME AGRICULTURAL COMMOD-  
5 ITIES AND PRODUCTS.—In the case of activities di-  
6 rected toward maintenance and development of mar-  
7 kets for high-volume agricultural commodities and  
8 products, in performing the evaluations, the Sec-  
9 retary shall consider—

10 “(A) the long-term benefits of a United  
11 States presence in foreign markets for the com-  
12 modity or product given the benefit to the Unit-  
13 ed States economy as a whole or to a strong  
14 high-volume commodity and product export sec-  
15 tor; and

16 “(B) the intensity of the competition by  
17 other exporting countries in the international  
18 markets for the commodities and products.

19 **“SEC. 707. COOPERATOR ORGANIZATIONS.**

20 “(a) COMMODITIES FOR COOPERATOR ORGANIZA-  
21 TIONS.—The Secretary may make available to cooperator  
22 organizations agricultural commodities owned by the Com-  
23 modity Credit Corporation, for use by the cooperators in  
24 projects designed to expand markets for United States ag-  
25 ricultural commodities and products.

1       “(b) RELATIONSHIP TO FUNDS.—Commodities made  
2 available to cooperator organizations under this section  
3 shall be in addition to, and not in lieu of, funds made  
4 available for market development activities of the coopera-  
5 tor organizations.

6       “(c) CONFLICTS OF INTEREST.—The Secretary shall  
7 take appropriate action to prevent conflicts of interest  
8 among cooperator organizations participating in the for-  
9 eign market development cooperator program established  
10 under this title.

11 **“SEC. 708. AUTHORIZATION OF APPROPRIATIONS.**

12       “There are authorized to be appropriated to carry out  
13 this title \$40,000,000 for each of fiscal years 1996  
14 through 2002.”.

15 **SEC. 4. CONFORMING AMENDMENTS.**

16       (a) COLLECTION OF INFORMATION ON FOREIGN  
17 MARKETS.—Section 601 of the Act of August 28, 1954  
18 (commonly known as the “Agricultural Act of 1954”) (68  
19 Stat. 908, chapter 104; 7 U.S.C. 1761) is amended—

20               (1) by striking “SEC. 601. For” and inserting  
21       the following:

22 **“SEC. 601. COLLECTION OF INFORMATION ON FOREIGN**  
23 **MARKETS.**

24       “(a) IN GENERAL.—For”; and

25               (2) by adding at the end the following:

1       “(b) COORDINATION WITH FOREIGN MARKET DE-  
2 VELOPMENT COOPERATOR PROGRAM.—The Secretary of  
3 Agriculture shall coordinate activities conducted under  
4 subsection (a) with the foreign market development co-  
5 operator program established under title VII of the Agri-  
6 cultural Trade Act of 1978.”.

7       (b) COOPERATOR ORGANIZATIONS.—Section 4214 of  
8 the Agricultural Competitiveness and Trade Act of 1988  
9 (7 U.S.C. 5234) is repealed.

10 **SEC. 5. IMPLEMENTATION AND TRANSITIONAL PROVI-**  
11 **SIONS.**

12       (a) IMPLEMENTATION.—The Secretary of Agri-  
13 culture shall establish the foreign market development co-  
14 operator program under title VII of the Agricultural  
15 Trade Act of 1978 (as added by section 3) (referred to  
16 in this section as “the program”) not later than 90 days  
17 after the date of enactment of this Act.

18       (b) TRANSITION.—In establishing the program, the  
19 Secretary shall ensure that ongoing foreign market devel-  
20 opment operator projects and activities are continued  
21 and appropriately incorporated into the program.

22       (c) TRANSFER OF FUNDS.—Funding made available  
23 for obligation for the ongoing projects and activities shall  
24 be transferred for use in carrying out the program. The  
25 amount made available to the Department of Agriculture

- 1 for the ongoing projects and activities for fiscal year 1996
- 2 shall be adjusted to reflect the funds transferred under
- 3 this subsection.

