SUSTA

Southern United States Trade Association

Arkansas Department of Agriculture Seminar

Thursday, May 2, 2019

SUSTA works closely with the Departments of Agriculture in these Southern states to provide the Market Access Program (MAP) and Agriculture Trade Promotion (ATP) to companies in the South.

Alabama	Georgia	Maryland	Puerto Rico	Texas
Arkansas	Kentucky	Mississippi	South Carolina	Virginia
Florida	Louisiana	North Carolina	Tennessee	West Virginia

Funded By

- USDA, Foreign Agriculture Services (FAS)
- SUSTA has been participants in the Market Access Program (MAP) since 1973 and new this year Agriculture Trade Promotion (ATP).
- FAS are federal partners providing funding and support to assist us in the global markets.
- Important to our strategies are the Agriculture Trade Offices (ATO) located around the world.
- This year we received $7.8 million in MAP.
- Awarded $12.5 in ATP funds to cover up to three years. 1/3 of it to support activities this year.

Agricultural Trade Matters

Global trade is the economic engine of U.S. agriculture and rural America. Trade helps create markets for U.S. farm and food products, supports U.S. jobs, encourages investment and fosters economic growth.

Value of U.S. Food and Farm Products Exported in 2016 **$135 Billion**

95%
of the World's Consumers Live Outside of the United States

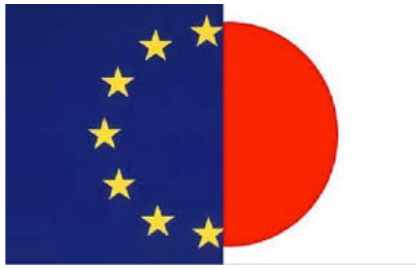
$1.27
Every $1 in Ag Exports Generates an Additional $1.27 in Economic Activity

1,000,000+ Jobs
Every $1 Billion in Farm Exports Supports 8,000 jobs

USDA

Increased Competition & Diminishing Market Shares

CPTPP – *effective December 30, 2018*, … all the TPP countries except U.S. SUSTA exporters now at a tariff disadvantage in Japan to exporters from Canada, Mexico, Chile, Australia, and New Zealand.



EU-Japan Economic Policy Agreement – *effective February 1, 2019*, … SUSTA exporters now at a tariff disadvantage in Japan to exporters from EU.

China's trade agreements – SUSTA exporters at a disadvantage to exporters from Chile (*since* 20016), Australia (*since 2015*), Korea (*since* 2015), Peru (*since* 2010), New Zealand (*since 2008*)

SUSTA

Programs

- Two Core Programs (strategies) under MAP and ATP
- Brand (50% CostShare) – Individual companies provide in-kind contribution and matching funds to conduct marketing and promotional activities overseas. SUSTA reimburses companies 50% of eligible marketing and promotional expenses.
- Generic (Global Events) – SUSTA in collaboration with our State Departments of Agriculture create opportunities for exporters in the global markets.

MAP	ATP
Traditional funding where we share the costs of overseas marketing and promotional activities to help build export markets for U.S. agricultural products and commodities.	Helps U.S. agricultural exporters develop **new** markets to help mitigate the adverse effects of other countries' tariff and non-tariff barriers.

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Who Can We Work With?

- Farmers and Ranchers, Cooperatives, Manufacturers of Food Products, Export Management Companies, and Wholesalers

Examples of Products

- Beverages
- Condiments
- Horticulture
- Nuts
- Pet Food
- Poultry*
- Processed Products
- Produce
- Rice*
- Sauces, Seasoning, and Mixes
- Seafood
- Snacks
- Southern Spirits and Wines

*Another Cooperator supporting industry with MAP & ATP funds.

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Company Eligibility Requirements

- Headquartered in SUSTA region
- Small by SBA standards
- Example:
- Manufacturer < 500 employees (MAP)
- Manufacturer < 3 X 500 employees (ATP)
- Adequate resources and product supply
- Annual sales minimum (~$50,000)

Product Eligibility Requirements

- Products have a brand name on them
- Product at least 50% U.S. agriculture content
- U.S. origin statement on product (can sticker)

✓ **Product of** USA, America or Arkansas (name of state spelled out)

✓ **Grown in** USA, America, or Arkansas (name of state spelled out)

✓ **Made in** USA, America, Arkansas (name of state spelled out)

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Market Access Program

Marketing Strategies

- Asia (China, Hong Kong, Indonesia, Japan, Korea, Singapore, Taiwan, Vietnam)
- Australia
- Caribbean
- Europe (Germany, France, Italy, Belgium, Netherlands)
- India
- Latin America (Brazil, Chile, Colombia)
- Middle East (UAE)
- North America (Canada and Mexico)
- South Africa
- **50% CostShare companies (Any Global Market)**

Agriculture Trade Promotion

Marketing Strategies

- **New Markets**
- Central America (Costa Rica, El Salvador, Panama, Guatemala)
- Malaysia
- Philippines
- Scandinavia (Denmark, Sweden)
- Eastern Europe
- New Companies – 3 Times SBA Size Standard
- Focus on diversifying strategies back to successful markets that companies have graduated from.
- **50% CostShare companies (Any Global Market)**

SUSTA

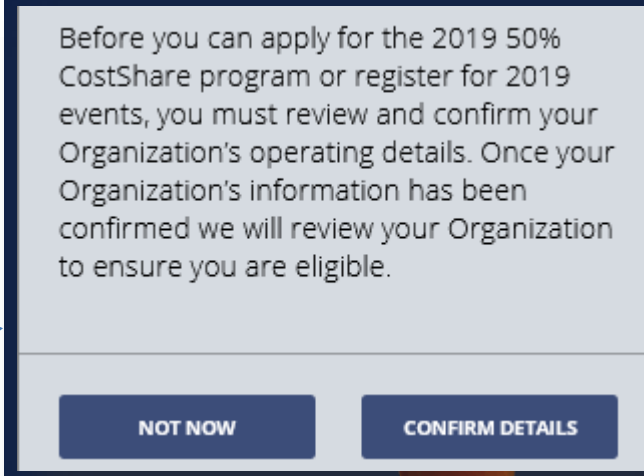
Getting Started

1) Create a MySUSTA account at www.susta.org

When creating account, let SUSTA know which program(s), you are interested in.

2) 50% CostShare and Global Events conduct separate reviews for company eligibility. Once eligible for Global Events, you can register for events online. Once eligible for CostShare, you will be given access to the CostShare application.

3) Return the next year, re-certify that your account information is correct or make any changes to account; SUSTA will re-review account each year. If applying for Cost Share, must complete application annually.



Market Access Program and Agricultural Trade Promotion

Global Events

Discover opportunities to meet foreign buyers for your products at home and abroad.

50% CostShare

Half reimbursement of eligible marketing expenses to promote your products in foreign markets.

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Funding provided by Foreign Agricultural Service USDA

Global Events

susta.org/events

Inbound Trade Missions

Meet one-on-one with foreign buyers without leaving the U.S.

Outbound Trade Missions

Get a firsthand glimpse of a foreign market & connect with buyers one-on-one.

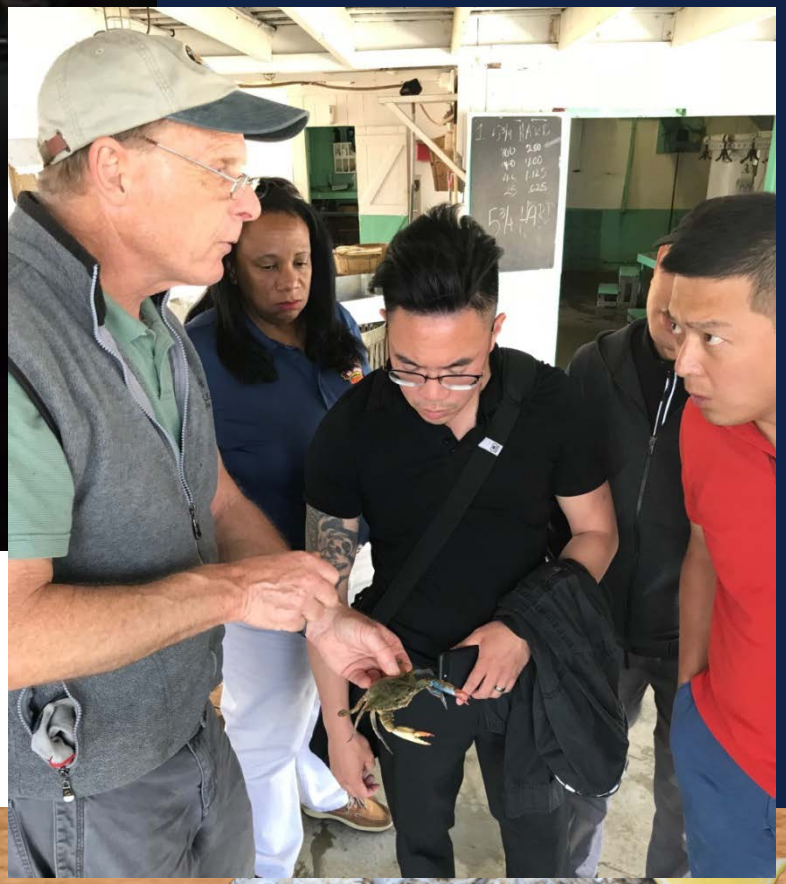
International Trade Shows

Showcase your products at premiere trade events with SUSTA's support

Inbound Trade Missions

SUSTA brings qualified foreign buyers to the U.S. to meet one-on-one with southern companies.

Nearly all of SUSTA's inbound trade missions are as low as $25.



Outbound Trade Missions

U.S. companies travel to a foreign country to meet one-one with qualified foreign buyers. In addition, SUSTA organizes tours of various grocery stores and retail outlets as well as in-depth market presentations.

Most of SUSTA's Outbound Missions are as low as $400 and include either lodging for one person or one roundtrip international flight.

Pavilions at International Trade Shows

SUSTA offers companies an opportunity to exhibit at roughly 20 trade shows each year all over the world. The goal is to provide a turn key option with all the support needed so that southern companies can focus on promoting their products.

Upcoming Global Events:

Sponsor?	Event Date	Event Name	Event Location	Register
SUSTA Sponsored	Jun 20 - 22, 2019	**Canada Inbound Trade Mission to Summer Fancy Food & Louisiana**	Baton Rouge, Louisiana & New York, New York	Register Now
SUSTA Sponsored	Jun 19 - 22, 2019	**Europe Inbound Trade Mission to Texas & Summer Fancy Food**	New York, New York	Register Now
SUSTA Sponsored	Jun 11 - 13, 2019	**Caribbean and Central America Inbound Trade Mission 2019**	Miami, Florida	Register Now
SUSTA Sponsored	May 2, 2019	**Exploring the Philippines**	Webinar	Register Now
SUSTA Sponsored	Jul 24 - 27, 2019	**Food and Hotel Indonesia 2019**	Jakarta, Indonesia	Register Now
SUSTA Sponsored	Aug 11 - 16, 2019	**China Outbound Trade Mission 2019**	Shanghai, Chengdu & Guangzhou, China	Register Now
SUSTA Sponsored	Aug 12 - 15, 2019	**Canada Inbound Produce Mission to Maryland and North Carolina**	Maryland & North Carolina	Register Now
SUSTA Sponsored	May 23, 2019	**Exploring Scandinavia and Brexit Update**	Webinar	Register Now
SUSTA Sponsored	Sep 2 - 6, 2019	**Mexico Inbound Trade Mission to Texas & Georgia 2019**	Texas & Georgia	Register Now

SUSTA
Southern United States Trade Association
50% CostShare

50% CostShare

Focuses on helping southern companies with their own International Marketing Strategies to promote their brands overseas.

Things to know ***about*** CostShare

Works with SUSTA Global Events.

Can be totally separate from SUSTA's Global Events.

Six months before program year start to apply and create international marketing strategy.

New Program Year Opens August 1st

Both MAP & ATP run on a calendar year.

50% CostShare
Marketing & Promotional Activities

- Advertising
- Website development
- Packaging/label changes
- In store displays
- In store demonstrations and food service promotions
- Exhibition at international trade shows & approved U.S. trade shows
- Travel expenses (when exhibiting at international trade show or outbound trade mission)
- International trade seminars sponsored by company
- Part-time contractors for trade seminars, in-store demos and trade shows
- Freight (samples, marketing materials)
- Promotional give away items (up to $2/item)
- Printed sales materials
- Direct mailing to foreign buyers
- Public relations - Press kits

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Travel when exhibiting at international trade shows

In-Store Promotions

AND MORE…

Expenses to Exhibit at International Trade Show

International Advertising

50% CostShare

First step: Company develops international marketing strategy.

Second Step: Apply annually

- $250 CostShare application fee
- 6% administrative fee on reimbursement request. These fees are non-refundable.

- Minimum annual request in reimbursement: $2,500
- Maximum annual request in reimbursement: $300,000 for MAP and $300,000 for ATP

Must apply before incurring expenses!

Things to know ***before*** applying for CostShare funding:

What foreign markets do we want to promote our products in?

What eligible promotions do we want to do in each foreign market?

How much $ needed for each of the promotions in each market?

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Third Step: Conduct Approved Marketing Promotions

Fourth Step: Collect Receipts, Invoices & Proof of Activity

Fifth Step: Submit Expense Claim to SUSTA

Sixth Step: Receive reimbursement

50% CostShare:

What happens after Your application is approved and funds are allocated?

Next steps!

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Success

Companies Success

Success Stories

Company: Wharton Agri-Products, Inc. Congressional District: TX-27
Activity: SIAL China **Location:** Shanghai, China

Texas Company Makes Sale with Incredible Future Potential at SIAL China
In May 2016, representatives from a Texas agri-business traveled to Shanghai to exhibit at the annual SIAL China trade show, in the pavilion sponsored by the Southern United States Trade Association's Market Access Program Generic. During the event, the Southeast Texas-based company introduced three new products to 100 buyers, which resulted in 15 quality leads. While the trade show took place in China, the company made connections with Vietnam, in addition to its Chinese sales. In total, the company made sales of $750,000. They anticipate another $1,000,000 in sales in the coming months. This success is due to the Foreign Agricultural Service's Market Access Program.

Company: San Saba Pecan Congressional District: TX-11
Activity: Seoul Food and Hotel **Location:** Tokyo, Japan

South Korea Proves Good Investment for Pecans
In May 2016, representatives from San Saba Pecan traveled to Seoul to exhibit at the Seoul Food and Hotel trade show, in the pavilion sponsored by the Southern United States Trade Association's Market Access Program Generic. During the event, the San Saba, Texas-based company made three quality leads and established one new distributorship. As a result, the company made sales of $500,000 and estimate another $275,000 in sales in the near future. "SUSTA makes the process of marketing in a foreign country as easy as possible. They also do a wonderful job of organizing valuable 1 on1 meetings with potential customers." This success is due to the Foreign Agricultural Service's Market Access Program.

Company: LTA International Congressional District: FL-14
Activity: ANTAD **Location:** Guadalajara, Mexico

Florida Company makes Strides in Mexican Market at ANTAD
In March 2016, representatives from LTA International traveled to Guadalajara to participate in the annual trade show ANTAD, sponsored by the Southern United States Trade Association's Market Access Program Generic. During the event, the St. Petersburg, Florida-based company introduced 30 new products to 25 buyers, which resulted in 5 quality leads. Interest from Mexico resulted in $2 million in sales, and they anticipate another $1 million in sales in the coming months. This success is due to the Foreign Agricultural Service's Market Access Program. "LTA has great success meeting new buyers and making connections. The meetings set up by SUSTA provided us with a wonderful contact and we plan to attend next year," said Sandra Baumstark, International Marketing Director.

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New Tools 2019 – 2020

- **Cooperator Training– June 20, 2019**
- **Export Readiness Training**
- **Export Help Line**

Why Export?

- **Profitability** as 95% of the world's consumers live outside the U.S.
- **Competitive Advantage** using the U.S. reputation for high quality goods and services.
- **Risk Mitigation** helping you ride out fluctuations in the U.S. economy.
- **Innovation** from international markets makes you more competitive.

Why SUSTA?

- SUSTA has offered export assistance to Southern companies since 1973.
- Over the last several years, SUSTA companies, on average, realized a return of $65 in export sales for every $1 invested in SUSTA's programs.
- SUSTA works with the USDA's Agriculture Trade Offices all over the world to get you the most up-to-date information on the market.
- Most foreign countries have similar programs

Are You Eligible?

- Do your products' packaging and/or labels identify a brand?
- Do your products contain at least 50% U.S. agriculture content/ingredients?
- Do your products' packaging and/or labels identify an eligible U.S. origin statement? Examples: *"Made in USA"* or *"Product of USA"*
- Are you headquartered in the SUSTA region?

How to Get Started:

- Create your company's MySUSTA account at **susta.org**
- In your account, check off the programs of interest (Global Events and/or CostShare)
- If approved for Global Events, you can sign up for events online at **susta.org/event**
- If approved for CostShare, you will be given access to the CostShare application

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