



Keys to Success for Prospective Agricultural Exporters

Tommy Eshleman
International Trade Specialist

Shida R. Henneberry
Assistant Professor, Agricultural Marketing Policy

David M. Henneberry
Assistant Professor, International Trade

The U.S. consumer enjoys the most abundant, varied, and inexpensive choices of food items to be found in the world. Such is the good fortune of being the most advanced agricultural country in terms of technology, natural resources, and entrepreneurship. As personal incomes rise overseas, many foreign countries desire the food products Americans take for granted. Therein lies vast opportunities for U.S. producers and agribusinesses to expand sales of agricultural products by tapping global markets.

While most large companies and multinational firms are skilled at international marketing, many small to medium size companies lack the knowledge and human resources needed to effectively deal with the many and sometimes complicated aspects of exporting. This fact sheet, the first of a two part series on exporting, provides sources of information and services to help prospective exporters enter the international marketplace.

Before entering the export market, one should be willing to make a long-term commitment to exporting. Foreign buyers need dependable sources who can supply a steady flow of products. Exporters looking for a market outlet only for periods of oversupply or periodic slumps in the domestic market will not likely find success in international trade. Exporting should be incorporated as a regular, permanent part of your business.

Sources of Information and Services

Oklahoma State University Center for International Trade Development (CITD) (1)

CITD was created to develop the international trade of Oklahoma as a vital component of long-term state economic development. To aid prospective agricultural product exporters, CITD works with OSU's Division of Agricultural Sciences and Natural Resources to provide university programs, people, and resources to support and complement state, regional, and national agencies involved in export promotion.

Many government agencies, as well as private groups can provide valuable information and services for a producer or agribusiness firm seeking to enter or expand their markets

Oklahoma Cooperative Extension Fact Sheets
are also available on our website at:
<http://osufacts.okstate.edu>

in foreign countries. A description of these sources of export information are provided, with addresses and phone numbers appended in the Directory of Information Sources at the end of this fact sheet.

Foreign Agricultural Service (FAS), USDA (2)

The Foreign Agricultural Service of the U.S. Department of Agriculture offers a broad range of services, programs, and information for the agricultural exporter. FAS maintains a global system for gathering and assessing information on world agriculture and trade. FAS is responsible for the development, expansion, and maintenance of export markets for U.S. agricultural commodities. The main FAS programs for prospective exporters are detailed below.

Agricultural Information and Marketing Services (AIMS) (3)

Formerly called the Trade Opportunity Referral Service (TORS), this system was expanded by the **High Value Products Division of FAS (4)** to better serve agricultural exporters. Exporters may contact the division to receive a packet of information on AIMS services. AIMS provides agricultural data, trade information, and marketing services to assist U.S. companies in introducing and expanding products in overseas markets.

Trade leads are maintained through FAS representatives overseas, and foreign buyer requests are forwarded to FAS in Washington, D.C. and made available to AIMS subscribers through a high-speed computer network. A weekly bulletin called "Export Briefs" lists all product inquiries compiled in one week, and provides news of upcoming trade shows and overseas events.

AIMS provides U.S. exporters with names, addresses, and telex numbers of foreign importers, which are maintained on computerized data files. One can request lists for importers interested in a particular commodity, or for all importers in a particular country.

AIMS publishes "Contacts," a monthly newsletter sent to potential foreign buyers containing information on new U.S. food and agricultural products and services. Prospective U.S. exporters submit a 100 word description of their product and company, which FAS distributes overseas in "Contacts" through their agricultural officers abroad. This service is offered free on a first come, first serve basis with new products and firms given priority.

In addition to "Contacts," AIMS announces products available for export through the "Buyer Alert Program." Announcements are transferred electronically every Wednesday to interested importers in the leading value-added export markets, giving information on U.S. products and indicator prices.

AIMS also provides a marketing research service called International Marketing Profiles, of which there are two types. Product Marketing Profiles provide information on one of 30 groups of agricultural products, with analysis and statistical tables on leading foreign markets, fastest growing markets, best selling similar products, and principal competitors. Country Marketing Profiles outline trade for selected foreign countries by analyzing agricultural trade activity, marketing possibilities and constraints, import preferences, and foreign competition for the selected country.

Each single product or country profile costs \$50, and custom profiles tailored to your specific needs can be produced for \$150. In addition to analyzing trade statistics, each profile includes a summary of trade trends, a schedule of relevant FAS reports, a listing of FAS services for exporters, and a listing of FAS contacts and their duties within the agency.

U.S. Agricultural Trade Offices (5)

Fifteen U.S. Agricultural Trade Offices throughout the world serve as centers for export sales promotions and contact points for foreign importers in an effort to develop, maintain, and expand international markets for U.S. agricultural products. These offices serve as home base for agricultural traders, state agriculture department officials, commodity trade group officials, and export organizations.

The agricultural trade officers for each overseas office provide one-stop service to foreign buyers and U.S. exporters. Desks, telephones, and secretarial support are available to U.S. exporters seeking customers in the trade office area, and the agricultural trade officers can arrange product demonstrations and displays to potential customers.

In addition, agricultural attaches, counselors, and other FAS officials gather global trade information from some 64 U.S. embassies and consulates around the world. FAS commodity experts and economists in Washington D.C. analyze this material and make reports that are available to interested exporters.

FAS Cooperator Market Development Program (6)

FAS conducts foreign market development projects in cooperation with non-profit commodity trade associations to teach potential foreign customers how to utilize U.S. agricultural products to their benefit, thus creating or increasing demand for U.S. agricultural exports. Cooperators working out of 67 offices in the U.S. and 26 offices overseas conduct market development activities in nearly every country in the world.

FAS also cooperates with private U.S. firms in promoting branded products overseas through the Export Incentive Program (EIP) by reimbursing a portion of their export promotion expenses. Program approval is based upon potential for increasing consumption of U.S. products, contribution to U.S. agricultural exports and balance of payments, and relative competition in the export market.

The U.S. Agricultural Export Development Council (7) serves as a liaison between the FAS and producer/agribusiness cooperator organizations and EIP participants.

FAS Export Publications

"Foreign Agriculture" (8) is an FAS monthly magazine for U.S. agricultural exporters, providing information on enter-

ing foreign markets, identifying foreign markets with growth potential for various commodities, and describing export assistance available from the USDA.

"Foreign Agricultural Circulars" (9) are periodic commodity reports giving analysis and statistics on foreign buyer needs, changing consumer preferences, and supply-demand situations in global markets.

"Weekly Roundup of World Production and Trade" (10) reports current news and statistics on various commodities and summarizes developments in world production and trade.

State Department of Agriculture (11)

State Departments of Agriculture provide export information and assistance to private traders, producers, and other businesses in developing food and agricultural exports. Most, including the Oklahoma Department of Agriculture, Food, and Forestry, have marketing divisions and international trade specialists available to assist local groups interested in exporting agricultural products.

The **National Association of State Departments of Agriculture (NASDA) (12)** is a non-profit, non-partisan organization of the 50 state departments of agriculture and four territories (American Samoa, Puerto Rico, Guam, and Virgin Islands). Members are commissioners, directors, or other department heads of their respective state organizations. Approximately every two years, NASDA and FAS co-sponsor the National Food and Agriculture Exposition, a large international trade show held in the U.S., to attract foreign buyers.

The National Association of Marketing Officials (NAMO) is an affiliate of NASDA established to develop a broad program of services to improve marketing of agricultural products. Membership is composed of heads of state agriculture departments responsible for marketing in domestic and international trade.

There are four regional organizations of state agriculture departments, formed to promote food and agricultural exports from their member states. Oklahoma belongs to the **Southern United States Trade Association (SUSTA) (13)** along with Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Other Government Sources of Information and Services

Label Clearance Program USDA (14)

Through screening of product labels and ingredients, this program determines if a product would be admitted to a particular foreign country or if changes would be necessary to gain approval.

Animal and Plant Health Inspection Service, USDA (15)

This agency is responsible for the inspection and certification of animals, plants, and agricultural products to meet health and sanitation requirements for export. Agency veterinarians throughout the nation inspect animals, poultry, and animal products as prescribed by U.S. requirements, while plant inspectors certify plants and plant foods at the request of the exporter.

Food Safety and Inspection Service, USDA (16)

USDA veterinarians throughout the nation administer inspection of meat and poultry products assuring export of

sound, properly labeled, U.S. inspected products that meet any special requirements of the importing country.

Food Quality Acceptance Service, USDA (17)

This service is provided by the Agricultural Marketing Service, and is available to foreign buyers on a user fee basis. To assure U.S. products for export meet contract specifications, AMS works with buyers in determining a contract or specification for a food product that can be certified and this can be made a part of the purchase contract.

Economic Research Service (ERS), USDA (18)

The International Economics Division (IED) of ERS conducts research and analysis of international agricultural and economic conditions. The IED has six regional branches focusing on a particular geographic area, and three functional branches concerning agricultural development, trade policy, and world analysis.

Agricultural Research Service (ARS), USDA (19)

ARS works to improve farm production, processing, and marketing. ARS provides exporters with information on transportation, packaging, storage, refrigeration, diseases and disorders, insect control, and pesticide residues for domestic and foreign marketing. ARS also publishes studies on product selection, packing, and shipping for export.

Office of Transportation (OT), USDA (20)

The OT is the center for domestic and international transportation matters, setting policy and programs representing the interests of agriculture and rural communities. The OT supplies technical information and assistance, identifies barriers, and analyzes transport systems and their impact on agriculture.

The International Transportation Services Branch (ITSB) (21) of the OT assists in developing foreign marketing programs to help agricultural exporters receive competitive rates and efficient delivery of products to foreign markets. ITSB publishes the monthly "World Agricultural Transportation Report" with current information on foreign agricultural trade, world port development, and current trends in the transportation industry.

Cooperative Extension Service, USDA (22)

This agency works with State Extension Services at Land Grant Universities such as Oklahoma State University, to develop research and extension programs in agricultural areas, including foreign trade. Extension personnel provide information on exports and analysis of opportunities for entering the export market. This information is disseminated to interested individuals and groups throughout the state through extension seminars, meetings, and publications.

U.S. Department of Commerce (23)

The U.S. and Foreign Commercial Service (US&FCS) (24) of the U.S. Department of Commerce promotes and assists U.S. trade and investment overseas through trade missions, exhibits, overseas trade reports, trade lists, trade opportunities, listings in foreign markets, and reports on individual traders overseas. This office and the **Oklahoma Department of Commerce (25)** have established a joint program called **Oklahoma International Export Services (OIES) (26)** to serve the Oklahoma international business community. The combined resources of both agencies offer new exporters an efficient means to open up international markets for Oklahoma products. OES Trade Specialists are trained to assist firms with trade matters, be it general information or specific problems. OIES offers international market research, contacts, and promotion activities.

Another service of value to exporters is the biweekly journal "**Business America**" (27) published by the International Trade Administration of the U.S. Department of Commerce, which features worldwide business opportunities and U.S. promotions abroad.

Private Sources of Information and Services

Export Management Companies (EMC) and Export Trading Corporations (ETC)

EMC's and ETC's are private firms who provide valuable service to producers and businesses who wish to export products overseas. These firms act as the export department for prospective exporters, providing services such as market research; overseas buyer and distributor contacts; product promotion at overseas trade shows; and handling financing, shipping, and documentation. These companies can act as agents working on a commission, but increasingly they take title to the goods, thus assuming the accompanying risks.

Most EMC's and ETC's specialize in one or several related product areas, and many concentrate their trade in a few geographic regions. Contracts between these firms and producer/manufacturer firms are generally for 3 to 5 years, and usually carry a 60 to 90 day termination clause. EMC's generally restrict their activities to exporting, while ETC's tend to engage in imports as well, and when fully developed can also be directly involved in production, transportation, distribution, financing, and resource development.

The National Association of Export Companies (NEXCO) (28) can help prospective exporters find a suitable EMC for their needs. Also, the International Trade Administration of the U.S. Department of Commerce publishes the "**U.S. Export Management Companies Directory**" (29) and has an Office of Export Marketing Assistance to help as well. Additional assistance may be obtained from State commerce and agriculture departments, commodity trade organizations, and regional export organizations mentioned earlier.

Freight Forwarders

The Freight Forwarder is a private company or individual that expedites an export shipment to its overseas destination, arranging transportation and handling all necessary documentation, insurance, and overseas communication. Forwarders generally work on a fee basis and must be licensed to handle ocean or air freight going overseas. Large forwarders often consolidate the export goods with those of other exporters in the same vessel, thus taking responsibility of all of the goods under one bill of lading. The forwarder then becomes the customer's broker on the importing side. Customs brokers are forwarders who also act on behalf of importers, clearing goods through customs, and delivering to the importer's warehouse.

Freight charges are a large part of "through transport costs" and can be based upon commodity type, value per ton, weight, volume, a percentage of total value, or per unit prices for unusual loads. Goods can be transported most cost effectively if they are shipped with goods moving through the same routes. Thus a good freight forwarding service can save an exporter much expense, time, and effort.

Freight forwarders and shipping services can be located through major ports, shipping publications, and federal state government agencies mentioned above (30).

Directory of Information Sources USDA,

Foreign Agricultural Service

1. **Center for International Trade Development**
Oklahoma State University
109 Cordell North
Stillwater, Oklahoma 74078-0390
(405) 624-7693
or
International Trade Specialist Department of Agricultural Economics
528 Agricultural Hall
Stillwater, OK 74078-0505
(405) 624-6084
2. **Foreign Agricultural Service**
U.S. Department of Agriculture
Room 5071, South Building
Washington, DC 20250,
(202) 4474761
3. **FAS/AIMS**
U.S. Department of Agriculture
Room 4649, South Building
Washington, DC 20250,
(202) 447-7103
4. **High-Value Products Division, Foreign Agricultural Service**
U.S. Department of Agriculture
Room 4649, South Building
Washington, DC 20250,
(202) 447-6343
5. **Foreign Agricultural Affairs, Foreign Agricultural Service**
U.S. Department of Agriculture
Room 5092-S,
Washington, DC 20250,
(202) 447-3253 or 6138
6. **Commodity and Marketing Programs**
Marketing Program Staff Foreign Agricultural Service U.S.
Department of Agriculture
Room 4932-S,
Washington, DC 20250,
(202) 447-4327 or 4761
7. **U.S. Agricultural Export Development**
Council Helen Miller, Executive Coordinator,
600 Maryland Avenue, S.W.,
Suite 510,
Washington, DC 20024,
(202) 554-9538
8. **Foreign Agriculture**
Subscription \$16 domestic, \$20 foreign,
Order from Superintendent of Documents Government
Printing Office,
Washington, DC 20402,
(202) 783-3238
9. **Foreign Agricultural Circulars**
For price list and subscription order blanks, write to:
Foreign Agricultural Service Information Division,
Room 5074-S, U.S. Department of Agriculture
Washington, DC 20250,
(202) 447-7115

10. **Weekly Roundup of World Production and Trade**
No charge, order from Foreign Agricultural Service In-
formation Division,
Room 5918-S, U.S. Department of Agriculture
Washington, DC 20250,
(202) 382-9330

State Agricultural Agencies and Organizations

11. **Oklahoma Department of Agriculture Market Development Division International Marketing Specialist,**
2800 N. Lincoln Boulevard
Oklahoma City, OK 73105-4298,
(405) 521-3864
12. **National Association of State Departments of Agriculture** 1616 H Street, N.W., Room 710,
Washington, DC 20006,
(202) 628-1566
13. **Southern United States Trade Association International Trade Mart,** Suite 338, 2 Canal Street
New Orleans, LA 70130,
(504) 568-5986

Other Government and Private Sources

14. **Label Clearance Program High Value Products Division Foreign Agricultural Service,**
U.S. Department of Agriculture
Room 4649, South Building
Washington, DC 20250,
(202) 475-3408
15. **Animal and Plant Health Inspection Service U.S. Department of Agriculture,**
P.O. Box 96464
Washington, DC 20090-6464,
(202) 447-3668
16. **Food Safety and Inspection Service Export Coordination Division International Programs,**
Room 0036, South Building
U.S. Department of Agriculture,
Washington, DC 20250-3700,
(202) 447-9051
For Oklahoma Food Safety and Inspection Service
Southwestern Region,
1100 Commerce Street, Room 5-F41
Dallas, TX 75242,
(214) 767-9116
17. **Food Quality Acceptance Service Agricultural Marketing Service Market Research and Development Food Quality Assurance Branch,**
Room 0610-S, P.O. Box 96456,
U.S. Department of Agriculture
Washington, DC 20090-6456,
(202) 4754939
18. **Economic Research Service International Economics Division,**
1301 New York Avenue, NW,
U.S. Department of Agriculture,
Washington, DC 20250-3800,
(202) 786-1494

For information on ERS publications

- Economic Research Service Information Staff,**
U.S. Department of Agriculture,
1301 New York Avenue, NW, Room 208
U.S. Department of Agriculture,
Washington, DC 20005-4789,
(202) 786-1512
19. **Agricultural Research Service,**
Room 302-A, Administration Building,
Washington, DC 20250,
(202) 447-3656
- Southern Region Deputy Administrator,**
ARS, P.O. Box 56189
New Orleans, LA 70153,
(504) 587-6753
20. **Office of Transportation,**
U.S. Department of Agriculture Room 1405,
Auditors Building
Washington, DC 20250-4500,
(202) 653-6305
21. **International Transportation Services Branch Office
of Transportation,**
U.S. Department of Agriculture, Room 1405,
Auditors Building,
Washington, DC 20250-4500,
(202) 653-6275
22. **Oklahoma Cooperative Extension Service,**
Oklahoma State University,
139 Agricultural Hall,
Stillwater, OK 74078,
(405) 624-5400
23. **U.S. Department of Commerce Export Administration
Exporter Assistance Staff,**
Room 2705,
Washington, DC 20230,
(202) 3774811
24. **U.S. and Foreign Commercial Service Export Coun-
seling,**
Room 1066,
Washington, DC 20230,
(202) 377-3181
25. **Oklahoma District Office U.S. and Foreign Commercial
Service**
6601 Broadway Extension
Oklahoma City, OK 73116
(405) 231-5302
- or
- Tulsa Post-of-Duty**
U.S. and Foreign Commercial Service
440 South Houston Ave., Suite 505
Tulsa, OK 74127
(918) 581-2806
26. **Oklahoma International Export Services**
5 Broadway Park
6601 Broadway Extension, Suite 200
Oklahoma City, OK 73116
(405) 521-2401

or

- Oklahoma International Export Services**
440 South Houston Ave., Suite 505
Tulsa, OK 74127
(918) 581-2806
27. **“Business America”**
subscription \$57, order from:
Superintendent of Documents
Government Printing Office
Washington, DC 20402
(202) 783-3238
28. **National Association of Export Companies**
17 Battery Place
Suite 1425
New York, NY 10004
(212) 809-8023
29. For the “U.S. Export Management Companies Directory”
write to:
**Superintendent of Documents Government Printing
Office**
Washington, DC 20402
(202) 783-3238
30. A. **Port of New Orleans Marketing Division**
2600 International Trade Mart Two Canal Street
P.O. Box 60046
New Orleans, LA 70160
(504) 528-3258
- B. **Port of Catoosa Marketing Division**
5350 Cimarron Road
Catoosa, OK 74015
(918) 266-2291
- C. **The Journal of Commerce**
99 Wall Street
New York, NY 10005
(212) 425-1616

For more information on exporting, write for the “Food and
Agricultural Export Directory,” which is available from:

Export Programs Division Foreign Agricultural Service
U.S. Department of Agriculture Room 4944-S
Washington, DC 20250
(202) 447-6343
and for the “Export Handbook for U.S. Agricultural
Products” write to:
Office of Transportation
U.S. Department of Agriculture Room 1405
Auditors Building
Washington, DC 20250
(202) 447-3963

The Oklahoma Cooperative Extension Service Bringing the University to You!

The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective, and research-based information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.

Oklahoma State University, in compliance with Title VI and VII of the Civil Rights Act of 1964, Executive Order 11246 as amended, Title IX of the Education Amendments of 1972, Americans with Disabilities Act of 1990, and other federal laws and regulations, does not discriminate on the basis of race, color, national origin, gender, age, religion, disability, or status as a veteran in any of its policies, practices, or procedures. This includes but is not limited to admissions, employment, financial aid, and educational services.

Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Robert E. Whitson, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Vice President, Dean, and Director of the Division of Agricultural Sciences and Natural Resources and has been prepared and distributed at a cost of 42 cents per copy. 0803