

**GAO**

United States General Accounting Office

Report to the Chairman, Subcommittee on  
Government Information, Justice, and  
Agriculture, Committee on Government  
Operations, House of Representatives

March 1992

**U.S. DEPARTMENT OF  
AGRICULTURE**

**Better Trade Show  
Management Can  
Increase Benefits to  
Exporters**



146288



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# Executive Summary

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## Purpose

In recognition of the benefits of trade shows as a way to increase exports, many countries, including the United States, use trade shows to promote exports of their consumer-oriented agricultural products. These are basically end or finished products that require little or no additional processing for consumption, such as fruits, nuts, milk, and chocolate. During the 1980s, world exports of these products increased from \$92 billion to \$149 billion, or almost 53 percent of all world agricultural exports by 1989.

The Chairman of the Subcommittee on Government Information, Justice, and Agriculture, House Committee on Government Operations, asked GAO to assess the U.S. Department of Agriculture's trade show program. Specifically, GAO examined the following aspects of the program, which is managed by the Foreign Agricultural Service: (1) the trade show program's role in promoting U.S. agricultural exports, (2) Agriculture's program management, (3) Agriculture's subsidizing of trade show exhibitors, and (4) Agriculture's program evaluation efforts.

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## Background

The Department of Agriculture promotes consumer-oriented exports in many ways, including sponsorship of or participation (sponsoring a U.S. pavilion) in worldwide food and beverage trade shows. In 1991, Agriculture, through its trade show program, participated in four international shows and sponsored one U.S. solo show (for U.S. products only) and four agent shows for overseas agents for U.S. companies. Agriculture spent \$1.9 million to participate in these shows.

Agriculture also supports other trade shows—agricultural and livestock shows—and participation by its overseas posts and private companies in various international food and beverage shows. In addition, Agriculture supports a trade show sponsored by the National Association of State Departments of Agriculture and held in the United States to promote consumer-oriented agricultural exports. Although Agriculture collectively allocates about \$19 million for trade shows, this figure represents a small portion of its total annual market development funds of \$5.5 billion on export credit guarantees, over \$230 million on foreign market development, and at least \$500 million on export subsidies.



United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

B-247470

March 10, 1992

The Honorable Bob Wise  
Chairman, Subcommittee on Government  
Information, Justice, and Agriculture  
Committee on Government Operations  
House of Representatives

Dear Mr. Chairman:

As you requested, we examined the U.S. Department of Agriculture's trade show program. Our examination centered on the role of the program in the Department's overall export promotion strategy, on the effectiveness of program management and operations, and on the nature and extent of program evaluation efforts.

We plan no further distribution of this report until 30 days from its issue date unless you publicly announce its contents earlier. At that time we will send copies of this report to the Secretary of Agriculture and other interested parties. Copies will also be made available to others on request.

Please contact me on (202) 275-4812 if you or your staff have any questions concerning this report. The major contributors to this report are listed in appendix III.

Sincerely yours,

Allan I. Mendelowitz, Director  
International Trade and Finance Issues

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## Results in Brief

The Department of Agriculture has not yet completed its long-term agricultural trade strategy mandated by the Food, Agriculture, Conservation, and Trade Act of 1990, nor has it determined how the trade show program will contribute to this strategy. Although the Department sponsors or participates in a number of trade shows each year, the optimum number of shows cannot be determined until the Department develops a trade strategy to identify the trade show program's role in promoting exports.

The Agriculture Department does not centrally manage the trade show program, in contrast to the practice of other major exporting countries of consumer-oriented products. Instead, it divides program management between its Washington staff and its overseas staff. Moreover, the small number of Washington staff devoted to the trade show program restricts efforts to recruit and prepare exhibitors for trade show participation and to participate in more trade shows, if appropriate.

In contrast to the Department of Commerce and to some European countries, Agriculture routinely subsidizes the participation cost for exhibitors. Many of these shows are in established markets for U.S. products. The subsidy is available equally to frequent trade show participants and large companies and to new-to-export or smaller companies. The subsidy provided the National Association of State Departments of Agriculture for its show has not been particularly effective in raising interest in the show.

Although U.S. exhibitors receive evaluation questionnaires when they participate in individual shows, many do not complete them. Furthermore, Agriculture does only limited analysis to determine if program changes are needed.

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## Principal Findings

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### Program Role Is Not Clearly Defined

Agriculture has not completed its mandated long-range market development strategy for promoting U.S. exports nor has it developed specific objectives for its trade show program to permit it to be integrated into any long-range market development strategy. Accordingly, Agriculture has not targeted exhibitors to participate in trade shows according to the type of firm it wishes to assist, nor has it developed an adequate mailing list to seek new exhibitors. Moreover, Agriculture has not determined which

type of trade show would best showcase consumer-oriented agricultural products. In 1991 the Department participated in four international trade shows, one U.S. solo show, and four agent shows. Other countries' agricultural marketing organizations sponsor or participate in substantially more shows than Agriculture does (at least 19 a year); however, because the Department promotes consumer-oriented agricultural products in several other ways, the small number of trade shows does not necessarily indicate that Agriculture is participating in too few shows.

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**Program Management Is Diffused**

The Foreign Agricultural Service's High Value Products Services Division administers the trade show program. However, in direct contrast to the U.S.' major European competitors, Agriculture does not manage its trade show program from its headquarters office. Its overseas staff in each area carry out most actual show tasks. These tasks include managing pavilion design and booth and pavilion construction, and suggesting the level and nature of Department participation. The High Value Products Services Division's Washington staff assigned to the trade show program consist of only three full-time trade show coordinators. They consolidate exhibitor sample shipments, design recruitment brochures, and recruit and service U.S. exhibitors. With its current Washington staff, the trade show program does not have adequate resources to comprehensively recruit and prepare U.S. exhibitors for trade show participation, which is viewed as essential to having a successful trade show.

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**Current Trade Show Subsidies Are High**

Agriculture provides 55-60 percent of the costs of sponsoring a U.S. trade show pavilion. The Department recovers the balance by charging exhibitors; however, the charges generally do not take into consideration a company's size, export expertise, or frequency of participation in trade shows. Recent experience suggests lowering the subsidy does not deter experienced exhibitors but does discourage exhibitors that are new to exporting. On the other hand, the Department of Commerce does not provide any subsidies for participants in its trade show program. The European countries that GAO obtained information about vary subsidies to exhibitors but generally obtain their funds from industry assessments—not from the government.

Agriculture's support for the National Association of State Departments of Agriculture's trade show is questionable in light of the results of show evaluations. The evaluations note that the show attracts few returning visitors or exhibitors, in comparison to successful trade shows.

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Recognizing this problem, the association decided to combine its show with an annual food industry show.

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**Program Evaluation Is Limited**

The current methodology for evaluating the trade show program lacks adequate definitions of terms and sufficient and accurate data. These weaknesses impose limitations on how data can and should be interpreted and weakens the ability of Agriculture to perform a comprehensive program evaluation. The lack of a comprehensive evaluation prevents Agriculture from determining why, for instance, 87 percent of exhibitors said they would participate again in a particular trade show but only 38 percent actually did return. Most successful shows are able to attract about 80 percent of their former exhibitors.

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**Recommendations**

Because trade shows are significant to U.S. exporters in showcasing consumer-oriented agricultural products, GAO recommends that the Secretary of Agriculture direct the Administrator of the Foreign Agricultural Service to develop measurable objectives for the trade show program based on the role assigned the program in the strategic plan. Other recommendations for improving the trade show program are contained in chapters 3, 4, and 5.

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**Agency Comments**

As requested, GAO did not obtain agency comments on a draft of this report. However, GAO discussed its contents with agency program officials and included their comments where appropriate.

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**Abbreviations**

|       |   |
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| FAS   | Foreign Agricultural Service            |
| GAO   | General Accounting Office               |
| HVPSD | High Value Products Services Division   |
| IFE   | International Food and Drink Exhibition |

# Introduction

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In 1990 Congress enacted the Food, Agriculture, Conservation, and Trade Act of 1990 (Farm Bill) and mandated that the Secretary of Agriculture devise a multiyear agricultural trade strategy to help carry out its federal agricultural market promotion programs. The act required the Secretary to designate priority growth markets for exports and include development plans for each market by October 1991. The act also required the Secretary to give equitable treatment to high-value and value-added (consumer-oriented) agricultural commodities.<sup>1</sup> Within the Agriculture Department, the Foreign Agricultural Service (FAS) is responsible for promoting consumer-oriented high-value products, such as fruits, nuts, milk, and chocolate, and other U.S. agricultural exports in foreign markets. One promotional vehicle FAS uses is its involvement in trade shows.

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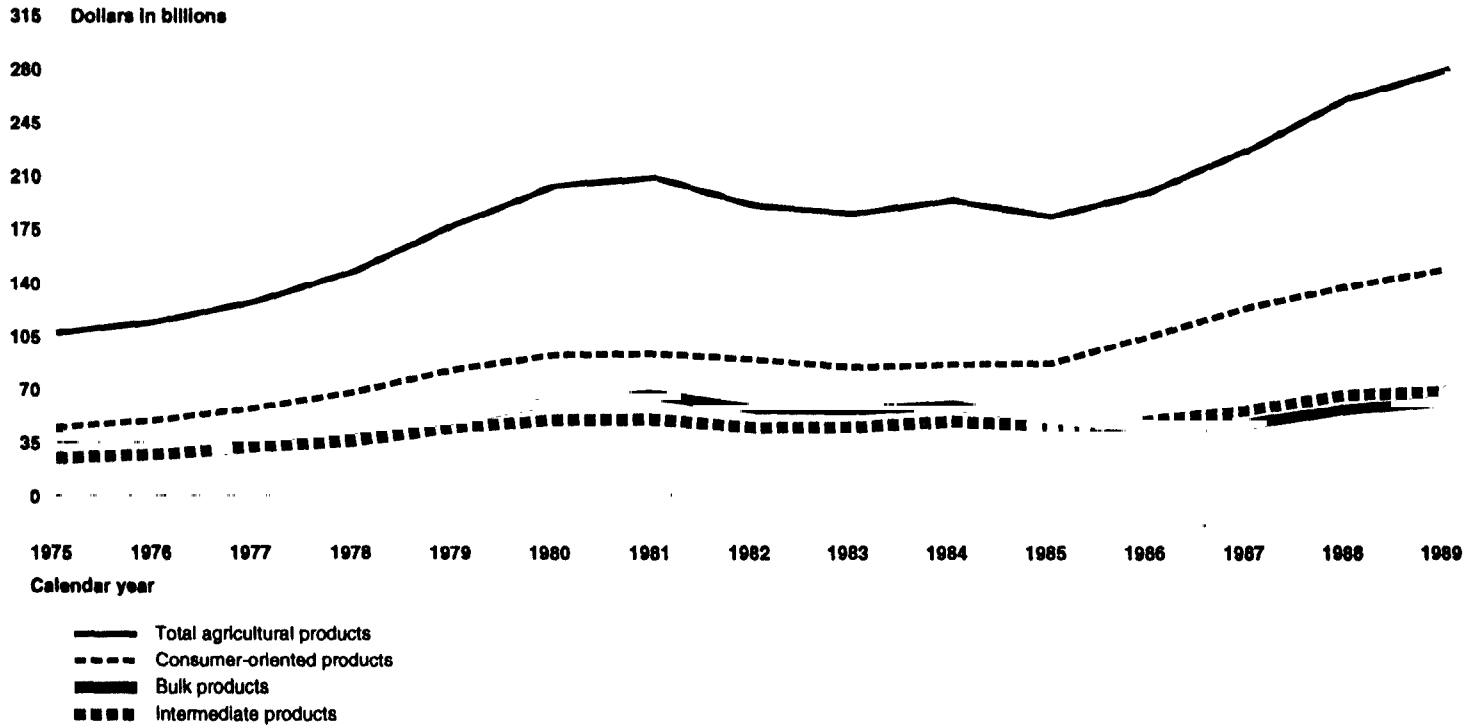
## High-Value Products Are Important to World Agricultural Trade

During the 1970s and 1980s high-value agricultural products, including consumer-oriented products, emerged as the fastest-growing component of international agricultural trade (see fig. 1.1). Exports of high-value agricultural products are associated with increased employment levels, economic output, and government tax revenues because they frequently involve selling both the agricultural product and value-added accessories and services, such as special packaging and shipping. In contrast, bulk commodities (such as wheat, corn, and soybeans) are shipped to buyers in large quantities and require no special packaging or handling; accordingly, little value is added.

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<sup>1</sup>High-value agricultural products include intermediate or semiprocessed products (such as wheat flour and vegetable oil); unprocessed consumer-oriented products (such as fresh fruits and nuts); and highly processed, consumer-oriented products (such as milk and chocolate).

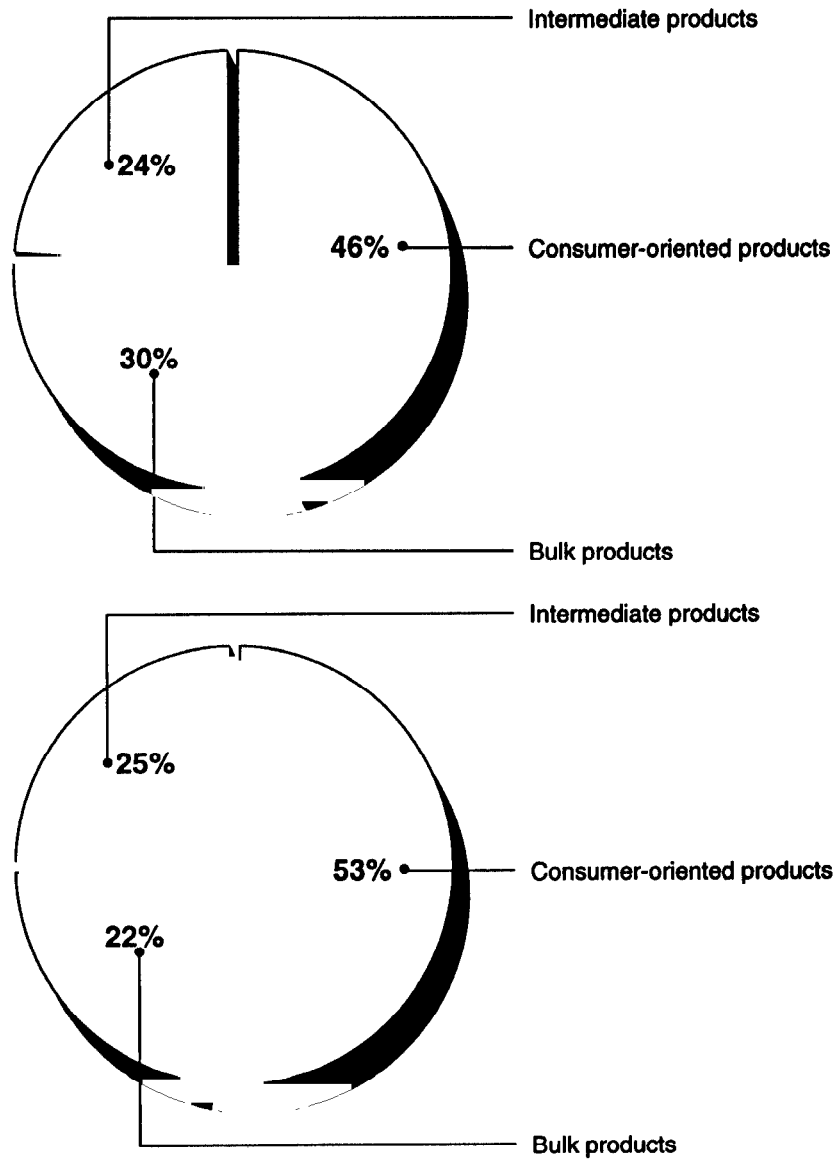
Figure 1.1: Amount of World Trade for Total, Consumer-Oriented, Bulk, and Intermediate Agricultural Products, 1975-89



Source: GAO analysis of United Nations Food and Agriculture Organization data for the leading 100 exporting countries for each category.

In addition, between 1980 and 1989 the world market share of total agricultural exports represented by consumer-oriented products increased by 7 percentage points, from 46 percent to 53 percent of total agricultural exports. During that same period the share represented by bulk agricultural products fell by 8 percentage points, from 30 percent to 22 percent of total agricultural exports. The world market share for intermediate products remained essentially the same (see fig. 1.2).

**Figure 1.2: World Market Shares by Processing Stage for Total Agricultural Exports, 1980 and 1989**



Source: GAO analysis of United Nations Food and Agriculture Organization data.

A recently completed study by Oklahoma State University researchers noted the success of trade shows in promoting high-value agricultural product exports.<sup>2</sup> The study reported that for firms seriously interested in foreign market development, trade shows can play a pivotal role in achieving their long-term marketing objectives. The study also reported that trade shows can be a cost-effective means for U.S. agricultural exporters to promote their products to foreign buyers and agents because of the large numbers of potential customers that attend trade shows and the relatively modest amounts spent to exhibit at a trade show.

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## FAS Oversees the Trade Show Program

FAS has primary responsibility for the U.S. Department of Agriculture's overseas market information, market access, and market development programs or activities. Within FAS, the High Value Products Services Division (HVPSD) administers the international trade show program in which U.S. exporters display their products in FAS-sponsored pavilions or shows.<sup>3</sup> These shows feature U.S. foods and beverages and consist of three types.

- International food and beverage shows, which are held in foreign markets. FAS organizes a U.S. pavilion at these shows, which attract exhibitors and buyers from other foreign countries.
- U.S. solo shows, which are organized by FAS, held overseas, and limited to U.S. products.

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<sup>2</sup>Barbara Charlet and David Henneberry, *International Trade Shows*, Department of Agricultural Economics, Oklahoma State University, (Stillwater: 1991).

<sup>3</sup>HVPSD has three branches—the Marketing Programs Branch, which administers part of the Market Promotion Program (five associations of state departments of agriculture and three trade associations); the Trade Show Branch, which administers the trade show program; and the Ag Export Connections Branch, which helps put U.S. exporters in touch with foreign buyers and administers market development funds to FAS overseas posts. As of June 1991 HVPSD had a total staff of 20.

- Agent food shows, which are managed by FAS overseas staff in cooperation with agents for U.S. companies.<sup>4</sup>

In addition to the above show types, FAS participates in agricultural and livestock shows throughout the world. Exhibits at such shows normally feature breeding stock, livestock genetics, and, in some cases, seeds. These shows are directly managed by FAS overseas staff. FAS posts overseas also participate in food and beverage trade shows without HVPSD involvement. Such shows can include an information booth staffed by FAS overseas staff.<sup>5</sup>

FAS also supports a domestic trade show sponsored by the National Association of State Departments of Agriculture.<sup>6</sup> The association sponsors a biennial show primarily for small and medium-sized companies interested in selling overseas. FAS also supports individual companies and regional state associations in their participation in foreign trade shows. As is the case with the association show, FAS provides funds for these trade show activities under the Market Promotion and Cooperator Programs.<sup>7</sup>

The HVPSD's sponsored shows represented only a portion of FAS expenditures, or \$1.9 million in fiscal year 1991. Posts received an additional \$0.3 million to participate in agricultural and livestock shows and food and beverage shows, while the association received about \$1 million over 2 years for its 1991 show. Including the funds for the association's show, FAS spends an estimated 5 percent of Market Promotion Program funds (\$14.25 million) and 6 percent of Cooperator Program funds (\$1.65 million) for an estimated total of almost \$16 million to support trade shows, according to FAS officials. Accordingly, total FAS expenditures for trade shows amount to about \$19 million.

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<sup>4</sup>In this report FAS "overseas staff" or "post" refers to all FAS overseas staff such as agricultural attaches, agricultural trade office directors, counselors, and officers.

<sup>5</sup>FAS operates agricultural trade offices worldwide to promote U.S. agricultural exports. A recently issued GAO report discusses the Department's agricultural trade offices: International Trade: Agricultural Trade Offices' Role in Promoting U.S. Exports Is Unclear (GAO/NSIAD-92-65, Jan. 16, 1992).

<sup>6</sup>The association, formed in 1916, is a nonprofit organization of the 50 state and 4 territorial departments of agriculture.

<sup>7</sup>Cooperators are nonprofit commodity groups representing producers, farmers, and farm-related interests or trade associations.

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## The Department of Agriculture Has Other Export Promotion Programs

FAS administers a variety of other programs designed to maintain or increase U.S. agricultural exports, including high-value products. Export programs have been used to dispose of agricultural surpluses, increase foreign demand for U.S. agricultural products, and support humanitarian efforts. Through its Foreign Market Development Program (Cooperator Program) and Market Promotion Program, FAS acquaints foreign buyers with U.S. products and helps U.S. businesses counter unfair foreign trade practices.<sup>8</sup> The FAS' Export Enhancement Program helps U.S. exporters compete with subsidized foreign goods, and its Export Credit Guarantee Program reduces the financial risk of exporting by providing credit guarantees. (App. I describes Agriculture's export promotion programs in further detail.)

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## Objectives, Scope, and Methodology

The Chairman of the Subcommittee on Government Information, Justice, and Agriculture, House Committee on Government Operations, asked us to examine the FAS' trade show program. We focused our review on (1) the trade show program's role in promoting U.S. agricultural exports, (2) FAS' management of the program, (3) the subsidy provided to exhibitors by FAS, and (4) FAS' evaluation of the trade show program.

This report focuses primarily on international food and beverage shows and U.S. solo food and beverage shows with significant HVPSD support. We also examined data for agent shows included in HVPSD summary statistics. In addition, we examined FAS support for the National Association of State Departments of Agriculture's trade show and related evaluations.

To determine the trade show program's role in the Department of Agriculture's overall export promotion strategy, we interviewed FAS officials responsible for managing the trade show program as well the FAS official responsible for developing the strategic plan.

To examine FAS program management, we interviewed FAS officials and reviewed FAS documents. We also talked to a trade show evaluation group, trade show exhibitors, and trade show officials from other countries (Canada, France, Germany, the Netherlands, and the United Kingdom).

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<sup>8</sup>Unfair trade practices include any act, policy, or practice of a foreign government that violates an international agreement or is unjustifiable, unreasonable, or discriminatory and burdens or restricts U.S. commerce.

We visited one trade show in which FAS participated—the International Food and Drink Exhibition (IFE) in London during late April and early May 1991. During our visit to London we also met with the U.S. agricultural trade office Director and the Minister-Counselor for Agricultural Affairs. In conjunction with other GAO work, we discussed the trade show program with the agricultural trade office Director in Tokyo. We also talked with agents for U.S. companies in the United Kingdom and with officials of British trade associations.

To examine the National Association of State Departments of Agriculture's trade show, we met with association officials and FAS officials to discuss the show, including the nature and extent of FAS support. We reviewed correspondence from FAS overseas posts relating to the show. We also examined contractor evaluations for the two most recent shows—the 1989 show held in Boston, Massachusetts, and the 1991 show held in Las Vegas, Nevada.

To assess how FAS establishes exhibitor participation fees, we talked to HVPSD officials. We also interviewed Department of Commerce officials and representatives from other countries' trade promotion organizations to compare their participation fee practices with those of FAS.

We also discussed with HVPSD personnel the way in which FAS recruits exhibitors for trade shows. To assess the completeness of the FAS' trade show mailing list, we compared (1) a sample of names from an export register maintained at the U.S. Department of Commerce and (2) samples of names contained on exhibitor lists from the 1989 and 1991 shows sponsored by the National Association of State Departments of Agriculture with the names on the FAS' trade show exhibitor mailing list.

To determine the nature and extent of FAS evaluations, we discussed with FAS officials the current evaluation methods used. We also examined the results of FAS evaluations, including summaries of exhibitor questionnaires. In addition, we obtained questionnaires from nine selected FAS trade shows and analyzed the results. We also analyzed exhibitor listings from 28 trade shows FAS sponsored or participated in from 1987 to 1991 to determine the frequency of participation by exhibitors. For three 1991 trade shows, we added questions to the FAS exhibitor questionnaire in order to obtain further information on the FAS trade show program. Appendix II describes the methodology for these as well as other analyses we performed.



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We conducted our work from November 1990 to November 1991 in accordance with generally accepted government auditing standards.

As requested, we did not obtain agency comments on a draft of this report, but we discussed its contents with agency program officials. Their comments have been incorporated where appropriate.

# Trade Show Program's Role Is Not Clearly Defined

The Agriculture Department's Foreign Agricultural Service has not clearly defined what role its trade show program should play in promoting U.S. exports, nor has it determined how the program will contribute to its overall strategic planning process. Without a well-defined role, the program lacks focus and, consequently, FAS cannot determine which policies or practices will help increase exports—the program's primary objective. For example, the program lacks measurable objectives for recruiting exhibitors, for deciding what types of products to promote, and for selecting which international shows to participate in or where to sponsor a U.S. solo show. This lack of definition also makes it difficult to judge whether or not the United States is participating in or sponsoring enough shows. The export promotion agencies of other countries sponsor or participate in many more trade shows than does FAS; however, FAS promotes consumer-oriented agricultural products in a variety of other ways. Therefore, its low participation in trade shows does not necessarily indicate that it is participating in too few shows.

## Long-Range Agricultural Trade Strategy Not Yet Completed

The 1990 Farm Bill mandated that the Secretary of Agriculture develop by October 1991 a long-term agricultural trade strategy, including trade goals for the export of high-value products. As of December 1991, Agriculture was still developing its strategy. The strategy is intended to guide the Secretary in implementing federal programs to promote U.S. agricultural exports. The stated goals of the strategy are to ensure

- the growth of exports of U.S. agricultural commodities;
- the efficient, coordinated use of federal programs for promoting the export of U.S. agricultural commodities;
- the provision of food assistance and an improvement in the commercial potential of markets for U.S. agricultural commodities in developing countries; and
- the maintenance of traditional markets for U.S. agricultural commodities.

The Farm Bill also mandated that Agriculture designate priority growth markets and include individual market development plans for each priority market beginning October 1991.

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We recently issued a report that noted that Agriculture needs to better define the role of the agricultural trade offices and that developing a trade strategy will help to determine that role.<sup>1</sup> We also believe that developing a strategy will help Agriculture to determine the role of its trade show program in promoting the export of consumer-oriented agricultural products.

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## **Trade Show Program Lacks Measurable Objectives**

Although FAS has established various general goals for its trade show program, it has not set specific, measurable program objectives. This lack of clearly defined program objectives makes a comprehensive program assessment difficult.

Trade show program documents state that the primary purpose for FAS participation in international food shows is to promote U.S. exports of high-value products. The program guidelines further set out four general trade show objectives: (1) to create optimal conditions for U.S. exhibitors to meet and discuss sales with serious trade contacts, (2) to support the broader market development and trade policy goals of the Department, (3) to promote a favorable image of U.S. products, and (4) to encourage exhibitors to use shows to test-market products and “discover” the competition. These objectives, however, represent general goals rather than measurable standards on which to operate and assess the program.

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## **FAS Trade Show Recruitment Is Not Specifically Targeted**

FAS program objectives and guidelines do not specify what types of firms the trade show program proposes to assist. Accordingly, FAS has not instituted targeted exhibitor recruiting procedures nor has it been able to assess its success in recruitment. Industry representatives and FAS officials alike emphasized the importance of trade shows to exporting and developing overseas markets for small and medium-sized companies. An industry representative pointed out that larger companies or companies that have significant export experience do not necessarily need a trade show to sell products overseas. Trade show program officials from other countries also noted that new-to-export and new-to-market firms benefit

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<sup>1</sup>International Trade: Agricultural Trade Offices' Role in Promoting U.S. Exports Is Unclear.

from the exposure a trade show provides them—exposure they may not have without a show.<sup>2</sup> While HVPSD officials responsible for the trade show program indicated that they informally attempt to recruit small and medium-sized firms for their shows, no formal objectives or operational policies exist toward achieving this end. Our analysis of exhibitors at nine trade shows disclosed that 12 percent were new-to-export while 10 percent were new-to-market.

The Department of Commerce has initiated plans to target its export programs and services to particular exporters. In May 1991 testimony before the U.S. Senate Committee on Commerce, Science, and Transportation's Subcommittee on Foreign Commerce and Tourism, we cited a conclusion from Commerce's review of its U.S. and Foreign Commercial Service operations.<sup>3</sup> Commerce concluded that a strategy focused on the "infrequent exporter" is more useful than a strategy focused on the exporting company's size. An infrequent exporter is a company that has some export experience but still needs assistance to increase the size of its export market or to expand into new markets. The two distinct characteristics of firms identified as infrequent exporters are their export interest and their export capability.

FAS program objectives and guidelines do not include guidance for recruiting firms based on export experience. An agricultural trade office director told us that Agriculture's HVPSD has not done a good job in recruiting new-to-market companies to participate in trade shows. Although HVPSD collects export history data for exhibitors through its preshow questionnaires, no requirement exists for this information to be used to qualify or select firms to exhibit in specific markets. Rather, HVPSD tabulates the results of preshow questionnaires for each show and forwards these results to the overseas post as exhibitor profile information.

Furthermore, FAS has not defined objectives for recruiting firms with the best products for exhibition at its trade shows. Industry and FAS officials emphasize that at most trade shows, foreign importers are looking for new

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<sup>2</sup>The Department of Commerce defines new-to-export firms as companies with no previous sustained exporting experience in any foreign country. New-to-market firms are companies that have not sold on a sustained basis in a particular foreign country or that are introducing a new product line. In this report, we also use the terms "small" and "medium-sized" companies interchangeably with new-to-export and new-to-market firms.

<sup>3</sup>U.S. Government Export Promotion Programs Could Be Improved (GAO/T-NSIAD-91-39, May 23, 1991).

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products. As part of its preshow questionnaire, FAS asks exhibitors if they plan to introduce new-to-market products at the show. The intent of these questions, however, is to eliminate applicants whose products might be inappropriate to a market rather than to selectively recruit firms whose products would be most successful under given market conditions.

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## **Mailing List Is Crucial**

The size of the FAS' exhibitor mailing list does not lend itself to such a targeted approach to recruiting. As it is currently designed, the trade show program's mailing list is not comprehensive because it excludes the names of many U.S. companies that need, and can benefit the most from, a trade show—small and medium-sized companies; often these companies have indicated an interest in exporting.

During our review we found that the FAS' computer system software had been limited in both storage and functional capabilities. For example, HVPSD officials stated that the system capacity was 3,500 company names and addresses. Furthermore, trade show staff could not sort the mailing list to obtain names of particular groups of companies, such as exporters of specific products that should be represented at a show. An HVPSD official acknowledged that a more comprehensive mailing list of potential exhibitors would be desirable. Toward this end, FAS purchased and installed new software designed to provide increased capacity and capability. The new data base has storage capacity for approximately 10,000 exhibitor entries and the capability to organize exhibitors by commodity categories. The system was installed and the mailing list converted in November 1991.

The FAS mailing list is crucial to trade show recruitment because the recruitment process consists of mailing recruitment kits to all firms on the list in advance of each trade show. The kits include an informational brochure, an application, an exhibitor questionnaire, and a return envelope. In addition to sending kits to firms on its mailing list, FAS provides recruitment kits to its overseas posts, to state departments of agriculture, to regional export organizations,<sup>4</sup> and to state trade commissions. FAS also advertises trade shows through its trade show calendar.

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<sup>4</sup>These four organizations are the Eastern U.S. Agricultural and Food Export Council; the Mid-America International Trade Council; the Southern United States Trade Association; and the Western U.S. Agricultural Trade Association.

To assess the completeness of the FAS mailing list,<sup>5</sup> we compared the FAS list of 2,500 companies with (1) an export directory from the Department of Commerce that lists U.S. food product companies and (2) exhibitor lists from the 1989 and 1991 National Association of State Departments of Agriculture trade shows—shows that received substantial funding from FAS. Based on our randomly selected sample, we estimated that about 18 percent of the firms from the Commerce exporter listing were included on the FAS mailing list. Our comparison of the FAS list with exhibitor listings from the 1989 and 1991 association's shows indicated that less than half of the association's trade show exhibitors were included on the FAS list. Based on randomly selected samples, we estimated that 49 and 43 percent of the firms in the 1989 and 1991 shows, respectively, were included on the FAS mailing list. Because the association solicits as exhibitors small and medium-sized firms with an interest in exporting, these firms could be potential candidates for FAS trade exhibitions.

Since the majority of exhibitors learn about FAS trade shows through an FAS mailer, FAS efforts to reach a sizable population are important. The following two examples illustrate the successes of two FAS trade show exhibitors that heard about the show through word of mouth—in other words, essentially by accident:

- One new-to-export company reported introducing two new products to the Japanese market, and estimated sales would increase \$25,000 during the 12 months following participation in a trade show. The exhibitor also reported receiving over 45 trade inquiries during the show.
- Another new-to-export company reported introducing one new product to the Japanese market, and estimated sales would increase \$100,000 during the 12 months following participation in a show.

## Market Selection Is Not Systematic

A representative of a trade show evaluation company suggested that government agencies, like FAS, should perform research to match sellers with foreign buyers. The recent Oklahoma State University study on

<sup>5</sup>FAS recently added an additional 1,000 names to the mailing list. These names came from listings of exhibitors at shows that had not been on the list, a domestic food show held in California, and companies that contacted FAS regarding the trade show program.

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international trade shows reported that federal and state governments play a key role in encouraging international trade show participation.<sup>6</sup> Recent research summarizing the export market activities of several Oklahoma food processors reported that those firms active in international trade shows had participated under the umbrella of either a state or federally funded booth.

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### FAS Trade Shows Emphasize Developed Markets

The process FAS uses to select shows for U.S. participation is based primarily on the proposals of FAS overseas staff. Agricultural trade office directors or attaches submit proposed trade show budgets and other market development activities for HVPSD approval through their annual marketing plans.<sup>7</sup> According to a trade show coordinator, HVPSD generally approves post proposals. Nevertheless, according to one agricultural trade office director, HVPSD does not provide its overseas posts with guidance from FAS headquarters concerning the direction of marketing activities in his country, and accordingly, he is essentially free to create his own market development strategy.

Although the FAS' method of selecting trade shows for U.S. participation covers established consumer-oriented product markets, it does not ensure that potentially profitable new markets are explored.

FAS consistently sponsors trade shows in developed countries. Of the four international shows FAS scheduled for fiscal year 1991, for example, two were in Western Europe, one in Japan, and one in Australia. During the past 4 years, FAS has consistently participated in the ANUGA (Germany), SIAL (France) and IFE (United Kingdom) shows. According to an agricultural trade office director, FAS officials are attracted to large international trade shows, such as the FOODEX show in Japan, because these shows are highly visible. They allow U.S. businesses to meet many importers and to publicize U.S. agricultural products. The Department of Commerce relies in part on private companies to sponsor trade shows in developed markets. Commerce, on the other hand, generally sponsors pavilions at trade shows in developing countries, according to a Commerce Department official.

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<sup>6</sup>International Trade Shows.

<sup>7</sup>The annual marketing plan describes the foreign market and the activities planned for the following budget year.

Through the questions we added to the FAS postshow questionnaire we found that exhibitors who recently participated in FAS shows were interested in attending trade shows in newly industrialized countries as well. We asked exhibitors at Japan's FOODEX 1991 and at the 1991 solo U.S. show in Seoul, South Korea, to list markets of interest for an FAS trade show. Based on our analysis of 61 respondents, exhibitors selected Taiwan most frequently (14 times), followed by Hong Kong (13 times), and Singapore (11 times). FAS trade shows in these markets during fiscal year 1991 to 1993 are limited to a planned solo show in Hong Kong in 1992 and participation in an international show for the hotel industry in Singapore, also in 1992.

An FAS analysis has indicated that FAS may not be targeting some countries considered to have the greatest potential for U.S. agricultural exports.<sup>8</sup> Although this analysis did not distinguish between bulk or high-value products, it did identify 16 countries that represent the best potential markets for U.S. agricultural exports. FAS, however, has scheduled trade shows for only 6 of these 16 countries between fiscal years 1991 and 1993.<sup>9</sup>

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### FAS Has Not Identified the Most Effective Trade Show Type

Although FAS can select from a number of trade show types to promote U.S. exports, it has not set guidelines for doing so. The show types include (1) international shows, which FAS participates in most frequently, and (2) solo U.S. shows, which have a lower HVPSD sponsorship.

HVPSD has concentrated its trade show program on participation in international food and beverage shows. FAS participates in very few international specialty trade shows—generally international shows that concentrate on particular types of food or beverages (such as health foods or wine). This show type can be very effective for small firms because such shows bring numerous buyers of particular products together, a state trade association official implied. An HVPSD official stated that a developing trend in the trade show industry is for more commodity-specific shows. The international SIAL show in Paris, for example, will be split into two separate shows starting next year—one for the food trade and the other for

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<sup>8</sup>"Star Gazing: Markets With the Brightest Potential for U.S. Exporters," *AgExporter*, U.S. Department of Agriculture, Foreign Agricultural Service, Vol. III, No. 1 (Washington, D.C.: 1991), p.4.

<sup>9</sup>The six countries are Hong Kong, Japan, Saudi Arabia, Singapore, South Korea, and Spain.



the beverage trade. FAS plans to participate in the food show but not the beverage show.

An HVPSD official stated that there is little interest among U.S. companies for specialty shows. Another HVPSD official attributed this apparent lack of interest to a lack of staff resources to recruit enough companies specific to a particular industry. HVPSD officials can more easily recruit companies for shows that include a wide range of commodities.

FAS officials told us that small companies prefer solo shows because (1) the buyers at solo shows are only interested in U.S. products and (2) the participation fees are less than at international shows. The number of FAS solo U.S. shows has fluctuated over the past 5 years, with one solo show in 1987, four in 1988, three in 1989, and one in both 1990 and 1991.

We reviewed information from one solo show held in Japan in 1988—U.S. Food Shop—which FAS officials considered a successful show. This show attracted 17 new-to-export and 13 new-to-market firms. In the eight other shows we reviewed (two solo shows and six international shows), the number of new-to-export firms ranged from zero to eight, while the number of new-to-market firms ranged from one to six. Yet, despite the success of Food Shop 1988, FAS will not hold another solo show in Japan until 1992, almost 4 years after the last show.

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## FAS Places Less Emphasis on Trade Show Participation Than Chief Competitor Countries

While most foreign competitors spend less on high-value product market development than the United States currently does, they use their funds in a highly targeted manner as part of an integrated marketing strategy, as we concluded in our January 1990 report.<sup>10</sup> These competitors—European Community nations in particular<sup>11</sup>—have developed significant expertise in identifying markets and promoting products to serve those markets. One example of this integrated strategy is the strong commitment these countries have to trade show participation. Some countries consider the long-term effect of trade show participation; others view participation as a matter of national pride.

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<sup>10</sup>International Trade: Foreign Market Development for High Value Agricultural Products (GAO/NSIAD-90-47, Jan. 17, 1990).

<sup>11</sup>The European Community includes Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain, the Netherlands, and the United Kingdom.

Compared to these countries, the United States places a relatively low priority on participation in trade shows as a way to promote high-value agricultural product exports. For example, HVPSD coordinated participation in four international shows and one U.S. solo food and beverage show in fiscal year 1991. In contrast, France planned participation in 32 international food and beverage shows during the first 10 months of calendar year 1991. The Netherlands planned participation in 31 international food and beverage trade shows in 1991. And Germany and the United Kingdom planned to participate in 26 and 19 shows, respectively, during 1991.

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## Conclusions

The promotion of consumer-oriented agricultural products through a trade show program is important to increasing U.S. exports. However, FAS has not determined how the trade show program will contribute to its overall agricultural trade strategy. Agriculture is still in the process of developing its mandated long-term strategy. FAS also has not defined measurable trade show program objectives. It has not developed procedures to recruit exhibitors who would most benefit from appearing in its trade shows. Instead, it relies mostly on a limited but improved mailing list to inform prospective exhibitors of upcoming shows. Furthermore, FAS concentrates its efforts on existing markets, rather than reaching out to set up trade shows in potential markets. The primary competitors of the United States—European Community countries—participate in many trade shows to showcase their products or foster national awareness.

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## Recommendation

To enhance FAS procedures for developing export markets, we recommend that the Secretary of Agriculture direct the FAS Administrator to develop measurable objectives for the trade show program based on the role assigned to the program in the strategic plan.

# Trade Show Program Management Is Diffused

FAS does not have a consolidated approach to managing its trade show program. FAS overseas staff essentially plan and manage trade shows, while HVPSD supports them in this role for certain shows. This approach to trade show management contrasts sharply with the approach used by the major European countries, which centralize trade show management within their HVPSD counterparts. The centralized approach promotes uniformity in pavilion design and the type of presence maintained at trade shows. FAS overseas staff essentially determine the nature and extent of FAS trade show participation, the degree of FAS representation at shows, and the booth assignments for exhibitors. However, HVPSD has not developed uniform policies for FAS posts regarding pavilion design and construction and FAS promotion of its services at trade shows. Also, because of its lack of resources, HVPSD does not adequately prepare exhibitors to participate effectively in trade shows.

## FAS Overseas Posts Have a Large Role in Program Management

FAS overseas posts manage a significant portion of trade-show-related activities. But because these overseas positions are temporary tours of duty, there is a lack of experienced staff, according to an HVPSD official.

Overseas staff manage most trade show activities—from initiation through implementation—a process that can start almost 2 years before a show is held. Although the amount of time the posts spend on trade shows has decreased somewhat due to contracting for various activities, the two agricultural trade office directors we talked to agreed that trade shows use up large amounts of staff time—a limited commodity in their countries.

Agricultural trade office directors and attaches propose trade shows, other market promotion activities, and budgets to HVPSD through annual marketing plans. These requests lay out the nature and extent of FAS involvement in trade shows, including proposals for FAS participation in international, solo, or agent shows; recommendations concerning the number of exhibitor booths; and the type of U.S. representation at both HVPSD and non-HVPSD sponsored shows, e.g., a booth with brochures or a visit to the show by overseas staff. Once HVPSD approves these marketing plans, posts are responsible for arranging almost all trade show details in the foreign country, including providing logistical and managerial support. Posts arrange for space; contract for pavilion design and construction; manage public relations, Customs clearance, product sample storage, and delivery after arrival in the country; and handle a host of other tasks.

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## HVPSD Role in Trade Show Management Is Limited

Although HVPSD trade show program staff frequently function as the closest link to U.S. exporters by providing them with the majority of preshow assistance and handling some logistical arrangements, their role in overall trade show management is limited. For example, HVPSD officials do not control pavilion design, booth assignments, and other logistical arrangements. Not only are exhibitor booths assigned by the post, but floor plans are not usually available until HVPSD has already recruited the exhibitors. As a result, exhibitors sign up for a show without any knowledge of details or arrangements. This practice contrasts with that of many private industry shows, where trade show organizers generally provide potential exhibitors with floor plans, and exhibitors can “buy” the booth of their choice.

Beyond approving proposed shows, HVPSD officials are primarily responsible for establishing exhibitor participation fees and FAS cost recovery targets,<sup>1</sup> recruiting participants (for international and solo shows), producing recruiting literature, and managing the product-shipping process. Trade show coordinators also provide exhibitors with some preshow preparation assistance.

HVPSD guidelines state that pavilion design can have a significant impact on the overall success of a show. Each post individually contracts for the design and construction of show pavilions in the specific trade show countries. Thus the posts pay for a new design for each trade show pavilion—a practice that can translate into higher exhibitor booth costs. FAS officials agreed that they may be able to reduce costs by designing standard, reusable pavilions and booths.

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## Other Countries Centrally Manage Trade Show Programs

We found that major European countries’ trade show programs use a centralized approach to managing their programs; this approach provides a greater degree of uniformity in pavilion design and in the type of presence maintained at trade shows. These countries rely either on their HVPSD counterpart or else contract out for their pavilion design and construction; they rely very little on their local in-country representatives (typically embassy officials or staff from their marketing organization) to perform these duties. The foreign field offices are minimally involved in trade show preparation. For instance, the Food From Britain headquarters group recruits trade show participants and handles catalog preparation for

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<sup>1</sup>A cost recovery target is the percentage of the trade show cost HVPSD expects to collect from the participation fees charged exhibitors.

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the show.<sup>2</sup> Food From Britain headquarters in London also manages pavilion construction through a contractor. Germany's marketing organization handles most trade show preparation activities at its headquarters, with little assistance from the field offices. The German agency hires a company to handle shows and uses the same pavilion design for each show; the contractor negotiates space from the show organizer and constructs the pavilion. The German marketing organization's headquarters staff recruit trade show exhibitors and handle publicity; again, their staff in the country has limited involvement.

In Canada, the marketing organization selects a contractor that does everything from recruiting exhibitors to overseeing pavilion design and construction. Contracting for these tasks leaves post staff free from trade show logistics except during the 2 weeks immediately before the show. In contrast, the former Director for the U.S. agricultural trade office in Japan told us that she spent an average of 40 hours a week for 2-3 months to prepare for the FOODEX 1988 show and an equal amount of time for the solo U.S. show, Food Shop, held in the same year. The Canadians also use a standard pavilion design for their participation in France's SIAL, Germany's ANUGA, and the United Kingdom's IFE shows.

The Dutch use the Netherlands Center for Trade (a government-affiliated agency) to manage large shows. The center recruits exhibitors, handles publicity, and manages pavilion construction. For smaller shows, the trade show group performs these tasks, with little involvement by its embassy. The construction of a Dutch pavilion is made easier because the Dutch use one design in all shows. The French use a construction company for actual construction. The construction company follows a design the French use for a 2-year period. The French marketing organization office in Paris manages pavilion design and recruitment of exhibitors; the local marketing organization offices do very little.

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<sup>2</sup>Food From Britain is a government- and industry-supported marketing organization which supports the United Kingdom's international food marketing efforts.

## FAS Does Not Have Uniform Representation at Trade Shows

An important decision left to the overseas post is whether or not to have an FAS information booth at international trade shows with U.S. pavilions. Although an FAS official told us that an information booth is a valuable tool for educating importers about the services available from FAS, FAS has no standard policy requiring these booths. Prospective buyers may receive information about U.S. products or companies at some shows but not at others. For example, FAS officials reported that FAS overseas staff maintained and staffed FAS information booths at shows in Japan and South Korea in 1991, but we found that FAS had two unstaffed counters in the U.S. pavilion at IFE 1991 in London. FAS officials reported that there was no FAS booth in the U.S. pavilion at the SIAL show in Paris in 1990, and there were no booths at the IFE shows in 1987 and 1989.

Two trade show coordinators told us that FAS may not have its own information booth at shows where good booth space is at a premium. In such cases, FAS staff prepare counters in the pavilion with literature available to visitors or utilize a booth in an undesirable location that may not have been assigned. For example, at the 1991 American Food Fair show in South Korea, FAS used "wasted" space (the booth had a pillar in its center). FAS did not, however, use any of four vacant booths for an FAS booth in the U.S. pavilion at IFE 1991 in London nor did it provide any literature to trade show visitors at the two counters except for the show catalog.

FAS overseas staff also determine whether or not to have an FAS information booth at trade shows without U.S. pavilions. As we have already noted, FAS overseas staff participate in other trade shows and in some cases maintain an FAS booth. However, there is no guidance or assistance from HVPSD to help overseas staff determine which shows in which countries merit such participation. For instance, there are many other food shows in the United Kingdom during the course of a year. Although IFE in London is the largest, other shows include the International Fresh Produce Fair and HELFEX, a health food show. HVPSD has sponsored a U.S. pavilion at the HELFEX show in past years. However, FAS did not maintain a booth or any other form of representation during fiscal year 1991 where information could be made available to importers visiting these shows.

The Minister-Counselor for Agricultural Affairs at the U.S. embassy in London acknowledged that such representation should be considered and suggested that FAS could probably receive the space as a courtesy, since he believes its presence would add prestige to the show. This approach has proven successful for the Commerce Department, both in the United

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Kingdom and elsewhere. For instance, Commercial Section staff at the embassy participate in some shows throughout the United Kingdom during the course of a year by having a booth at these shows. The Department of Commerce's Assistant Commercial Attache advised us that these shows are used, in part, to register British firms with the Commercial Section. On average, the Commercial Section adds between 50 and 100 companies to its listing of British companies during the course of a trade show. This listing is, in turn, made available to U.S. companies looking for British customers.

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**Information Available at U.S. Pavilions Varies Significantly by Show**

We also found marked differences in the quantity and type of publications distributed at FAS shows. Although FAS publishes a variety of brochures and other information that would assist foreign buyers interested in importing U.S. products, it does not necessarily make this information available to buyers at trade shows. Moreover, HVPSD guidelines do not provide direction to the posts concerning the type of information that should be disseminated to trade visitors at its shows, other than the show catalog.

We observed and compared FAS services at the IFE London 1991 show with services and publications of chief U.S. competitors for consumer-oriented products (France, Germany, the Netherlands, and the United Kingdom). We found that other countries' marketing organizations took greater advantage of the show in meeting and serving trade show visitors by having a booth staffed at all times. At IFE 1991, there were an estimated 40,000 visitors—mostly trade visitors—who attended the show over the 5-day period. The French and British booths provided trade show visitors with listings of exporters, while the French and Germans provided information on their services for importers or prospective importers. In contrast, we found that the only information available to visitors at the FAS counters was the U.S. pavilion catalog of exhibitors. Similarly, FAS overseas staff in Germany reported that the only information they distributed during ANUGA 1989 was the U.S. pavilion catalog.

Agricultural trade office staff in Japan reported that they distributed the following items (printed in Japanese) to potential trade customers at the FOODEX 1991 show, in addition to the catalog of exhibitors:

- a brochure describing the agricultural trade office in Tokyo;
- a Trade Leads application form (an importer indicates an interest in importing a product and FAS advises U.S. companies accordingly);

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- a National Association of State Departments of Agriculture information brochure; and
  - miscellaneous company, product, and Cooperator literature.

During our visit to the IFE 1991 show in London, we also found a variety of informational publications in quantity at the agricultural trade office in London that were not available at the IFE show. These publications included the following:

- U.S. Farmers' Export Arm. This pamphlet describes FAS programs, including the Trade Leads program in which foreign buyers can advise the Attache or trade office Director about products they would like. The Attache or Director then notifies FAS Washington, which disseminates the information to U.S. companies.
- Sales Aids for Food Exporters. This pamphlet describes various publications available through FAS, including U.S. supplier listings that help foreign buyers identify a source for particular products.

In addition, we found publications from state departments of agriculture and others that were readily available at the agricultural trade office, but not at the IFE 1991 show, including the following:

- a National Association of State Departments of Agriculture company profile publication—a show catalog that features exhibiting companies' names, addresses, and product descriptions;
- a State of Pennsylvania publication listing Pennsylvania companies interested in exporting; and
- listings of U.S. companies that are interested in exporting. These publications are valuable tools for foreign buyers or agents looking for new products to import or companies to represent.

Our contacts with British trade association officials and an agent for U.S. companies indicate that FAS information and services are valuable but frequently unknown. For instance, the Secretary-General for a British trade association mistakenly lamented the fact that there is no single U.S. agency that promotes agricultural trade; rather, each state seems to have its own group. Likewise, these officials agreed that FAS should maintain a booth at a trade show to assist foreign companies that are interested in importing U.S. products.



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## FAS Efforts to Prepare U.S. Exhibitors Are Limited

HVPSD and post efforts to help prepare exhibitors for participation in a trade show are limited. HVPSD staff send out a variety of newspaper and magazine articles, such as market information or tips on effective trade show participation, to exhibitors. Along with overseas staff they meet exhibitors shortly before each show to discuss the market for various high-value products and the expectations that exhibitors have about the show. However, neither HVPSD nor the posts have been effective in educating would-be exhibitors in effective trade show participation.

FAS overseas staff and HVPSD personnel acknowledge that many exhibitors are unprepared to participate effectively in trade shows. Moreover, an overseas representative for six U.S. companies suggested that exhibitors at the U.S. pavilion at IFE 1991 were, in many ways, unprepared to successfully take advantage of this show. An agricultural trade office director agreed that FAS must do more to help exhibitors in ensuring valid preshow contacts and in providing information on Customs fees and duties placed on various products. At the IFE 1991 show, for instance, some exhibitors were promoting dairy products; however, the duty on such products makes it virtually impossible to sell these products competitively in the United Kingdom.

Furthermore, a representative for the company that organized IFE 1991 told us that he only promises exhibitors that he will bring them into contact with prospective buyers; the rest is the exhibitors' responsibility. He added that preshow planning should cover writing press releases, developing and distributing directories of foreign buyers, and inviting foreign buyers to visit the pavilion. The representative stated that U.S. firms do not offer the same pre- and postshow preparation and follow-up services as do French and German companies.

Moreover, the 1991 Oklahoma State University study on international trade shows noted that "the importance of preparing price quotes in advance of the trade show cannot be overemphasized. Buyers have little patience nor time to educate the exhibitors; they expect them to be able to provide on-the-spot, accurate pricing information."<sup>3</sup>

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<sup>3</sup>International Trade Shows.

## Possible Approaches to Exhibitor Preparation

An HVPSD official acknowledged the need to improve exhibitor preparation for shows but cited two reasons for not undertaking greater efforts for exhibitors: (1) the cost associated with meeting with exhibitors and (2) the staff resource limitations. Nonetheless, exhibitor or exporter preparation is the primary factor in achieving trade show success, according to an FAS trade show coordinator. Although some FAS overseas staff brief exhibitors before the show, it is difficult to reach exhibitors before their arrival at the show. Exhibitors come to shows from all over the United States.

In his IFE 1991 closing show report, the agricultural trade office Director in London recommended that "How to Export" seminars be given at least 3 months prior to the exhibit, especially since many inexperienced exhibitors attended that show. As an alternative, he suggested developing a "How to Export to the United Kingdom" guide to be sent to exhibitors upon receipt of their participation agreement.

Another possible approach to preparing exhibitors is the use of video conferencing. Several commercial telephone companies offer this service for both private companies and the general public. One long-distance company provides video conferencing facilities to the public in 47 cities throughout the United States where as many as six of these locations can communicate audiovisually at any one time. Department of Agriculture officials told us that they plan to install three video conferencing facilities of their own through the federal telecommunications system before the end of 1991. Other federal agencies have installed or are in the process of installing video conferencing facilities throughout the United States. For example, the Environmental Protection Agency plans to equip 21 locations throughout the United States with video conferencing capabilities during fiscal year 1991. However, an agency representative told us that the video conferencing capability would not be available to other federal agencies during the 6-month pilot program. In order to increase the number of locations available through the Department's system, FAS may be able to coordinate with these other federal agencies.

An HVPSD official also stated that the trade show program's limited resources make it difficult to provide the kinds of services needed by some U.S. exporters. The trade show program currently has only three trade show coordinators that handle trade show recruitment, shipping, and other activities, and a director who coordinates evaluation efforts. The 1991 trade coordinator staff has increased by one member since 1987, when FAS first had two full-time trade show coordinators.

As the program currently operates, only one FAS trade show coordinator is assigned to each FAS show. With this practice each coordinator essentially becomes the focal point for all exhibitor recruitment activities, exhibitor and post inquiries, and shipping activities for that particular show. A trade show coordinator called this practice "inefficient" for U.S. exhibitors and potential exhibitors. During the coordinator's absence there frequently is no other staff member knowledgeable enough about a show's details to handle exhibitors' questions.

## Conclusions

The FAS' trade show program is not centrally managed; instead, responsibility is diffused among HVPSD and the overseas posts. Consequently, trade shows are not being optimally used to promote U.S. agricultural exports. Because the overseas posts handle the bulk of trade show activities, details must be decided separately for every show. Therefore, HVPSD officials cannot take advantage of cost benefits received from reusing design approaches and construction items. Other countries have a centralized approach that allows some costs to be spread out among many shows. In addition, FAS management of its trade show program has resulted in uneven representation at trade shows. Sometimes FAS has a booth that offers extensive information on government export promotion services; at other times FAS provides only an unstaffed counter with little information. Also, FAS does little to prepare its exhibitors to participate in trade shows, often due to its lack of funds for seminars or staff.

We believe that HVPSD can play a greater role in trade show management; however, this goal cannot be achieved with the present resources. The current staffing does not permit HVPSD to manage the bulk of trade show tasks and to prepare exhibitors properly for participation in shows.

## Recommendations

We recommend that the Secretary of Agriculture direct the Administrator of FAS to

- reprogram funds in order to permit HVPSD to increase its role in program management and, if appropriate, its presence at international food and beverage trade shows;
- give the High Value Products Services Division management responsibility for certain technical aspects of the trade show program including the development of (1) a standard pavilion design, (2) guidance to posts requiring an information booth at each trade show it sponsors or

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participates in, and (3) a standard set of publications and directories for trade show visitors at the information booths; and

- require trade show coordinators to better prepare exhibitors for trade show participation, including using video conferencing, if appropriate.

# Trade Show Program Subsidies Are High

Compared to some European countries' trade show programs, the United States subsidizes its exhibitors more heavily. Regardless of the amount of subsidies to exhibitors, these countries' trade show program subsidies are frequently obtained through industry assessments, not government revenues.

Charging a higher exhibitor participation fee for FAS trade shows does not appear to have a negative effect on more experienced exporters. However, raising the fee does discourage new-to-export exhibitors. In 1991 HVPSD recovered between 40 and 45 percent of its direct program costs through exhibitor participation fees. Providing between a 55- and 60-percent subsidy—\$1.8 million in total—prevents HVPSD funds from being used to sponsor more trade shows or to offer greater encouragement to new-to-export or new-to-market exhibitors to participate in HVPSD shows.

## Subsidies Are Not Critical for All Exhibitors

An HVPSD official noted that increases in FAS trade show participation fees have not had a negative effect on trade show exhibitor participation. Likewise, our examination of trade show fees and participants did not necessarily show a relationship between an increase in the participation fee and an increase or decrease in the number of exhibitors that participate. For instance, for the most recent 12 international and solo shows that have been repeated, FAS increased the fee in 11 cases. In six cases the number of participants increased, while in four cases the number of participants decreased; in one case there was no change in the number of participants.

## Other Countries and the Department of Commerce Provide Various Subsidies

Other countries use various fee methods to charge exhibitors. Nevertheless, whatever the method used, most of these countries obtain at least a portion of their funding from industry through a system of assessments.

- The United Kingdom subsidizes 50 percent of participation fees for firms exhibiting in their first three Food From Britain-sponsored shows. Exceptions are made for shows in France, Germany, and Japan, where the United Kingdom always provides a subsidy because of the high exhibitor fees. The British agency that sponsors trade shows receives about 80 percent of its funding from British industry.
- Germany subsidizes 75 percent of the participation fees for exhibitors. However, the German agency that sponsors trade shows receives its funding entirely from industry through assessments.

- The Netherlands provides subsidies of from 30 to 70 percent for some shows. At large international shows, such as ANUGA and SIAL, subsidies are not considered necessary to encourage participation and, accordingly, subsidies are not provided.
- France does not subsidize trade show exhibitors. The French agency that sponsors trade shows generally receives about 60 percent of its funds from industry, including the fees charged trade show exhibitors.

In addition, the U.S. Department of Commerce's International Trade Administration does not subsidize its trade show participants.

## Lower Participation Fees Attract New-to-Export Companies

For the most part, HVPSD charges all exhibitors equally to participate in a trade show. Recent experience suggests, however, that lower participation fees appear to attract new-to-export exhibitors, while higher fees do not deter experienced exhibitors.

In 1988, HVPSD charged exhibitors an unusually low fee at a U.S. solo show in Japan. This show attracted the highest number of new-to-export firms in the nine selected shows we analyzed (see app. II). HVPSD charged companies \$1,000 to participate in Food Shop 1988, while it charged companies \$4,000 to participate in the FOODEX show the same year. We found that 17 of the exhibitors, or over 19 percent of the total that responded to the FAS questionnaire for Food Shop 1988, were new-to-export, compared to 8, or 13 percent, at FOODEX 1988.

Moreover, as an incentive to attract new-to-export companies, HVPSD initiated a two-tier fee structure at the FOODEX 1991 show in Japan. It charged exhibitors with prior export experience \$7,500 to participate and new-to-export exhibitors \$6,000. Our analysis of the 1991 show indicated that 11 percent of exhibitors (or 6 of the 53 respondents) were new-to-export. Although this appears to be a small number, it represents an increase over the previous FOODEX show, which attracted only 2 new-to-export companies out of 52 (4 percent) that responded to the questionnaire.

## Cost Recovery Targets Will Be Based on Trade Show Objectives

In March 1991 HVPSD developed plans to base its cost recovery targets on specific trade show objectives as a means of establishing a balance between HVPSD funding and the participation fee charged exhibitors. Exhibitors now pay about 40-45 percent of the direct cost of sponsoring a U.S. pavilion through participation fees, and HVPSD contributes the rest, or about \$1.8 million in fiscal year 1991. In the future exhibitors will pay a higher proportion of costs for shows designed to achieve strictly commercial objectives, such as making sales and obtaining trade contacts. Conversely, HVPSD will pay a higher proportion of the cost for shows designed to achieve other objectives, such as developing a quality image for U.S. products, opening new markets (trade policy), or introducing new firms to exporting.

HVPSD intends to increase its cost recovery rate for overseas agent shows. In fiscal year 1991, HVPSD sponsored four agent shows, recovering about 8.4 percent of the cost. Before 1988 HVPSD did not attempt to recover any costs from agent shows. In 1988 it began charging agents that participated in its agent shows a minimum amount (generally less than \$1,000). HVPSD recovered between an estimated 7 and 15 percent of costs for these shows. During fiscal year 1992, HVPSD officials intend to start recovering 20 to 25 percent of costs, they told us. Although agent shows receive the highest subsidies in percentage terms, such shows are not intended to help new-to-market or new-to-export companies; in fact such companies are essentially prohibited from attending these shows since most likely they would not have an agent in the country.

A costly and problem-plagued show supported by FAS is the domestic show sponsored by the National Association of State Departments of Agriculture. This show is held every 2 years and is intended to increase exports of consumer-oriented agricultural products. The show is held in the United States and is heavily supported by FAS in terms of both direct and indirect assistance. The association spent about \$1 million in Market Promotion Program and Cooperator Program funds to help defray the costs of the 1991 show. In addition, the show receives a good deal of promotional assistance from FAS overseas posts and from FAS Washington. Trade officers and attaches contact foreign buyers and others to encourage them to visit the show. In some cases, post staff even accompany groups to the show. Further, staff from FAS headquarters are present during the show to help exhibitors with questions on labeling, pricing, and shipping.

The association's show was first held in 1983 and has been held every 2 years since. The most recent two shows were held in 1989 in Boston, Massachusetts, and in 1991 in Las Vegas, Nevada. The association has contracted for evaluations of each of its five shows. Although the evaluation of the 1991 show indicated improvement, serious shortcomings were noted. The evaluation results from the 1989 show led the association to incorporate its show into the larger Food Marketing Institute show, which is held annually in Chicago. The association will have a pavilion at the 1993 institute show and plans to have a pavilion at the institute show every year thereafter.

Attendance at the association's 1991 show was about 1,000 visitors; since the most recent FAS subsidy was about \$1 million, the cost per visitor was \$1,000. The number of exhibitors for the 1991 show was 299. The cost per exhibitor for the 1991 show was about \$3,333.

The evaluations that the association has commissioned have reported some serious weaknesses in its show. The evaluation report from the most recent show noted a significant rise in the exhibitor ratings for the show but said that there is much room for improvement. Among some of the items noted in the report were the following:

- The attrition rate among exhibitors improved from 82 percent in 1989 to 70 percent in 1991; most successful shows have an attrition rate of 20 percent.
- The percentage of repeat visitors is likewise low but improving. The percentage of repeat visitors to the 1989 show was 5 percent, while the 1991 show had a repeat visitor percentage of 11 percent; typically, 41 percent of trade show visitors to a U.S. trade show have also attended the previous show.
- Exhibitors were much more satisfied with their expected sales figures from the 1991 show than from the 1989 show. On a scale of 1 to 5 (1 = "Not valuable" while 5 = "Very valuable") exhibitors gave the 1991 show a 3.1 rating versus a 2.0 rating for the 1989 show.
- Exhibitors and visitors were unhappy with their opposite numbers. Forty-six percent of the exhibitors were not satisfied with the small number of visitors, while 24 percent of the visitors thought there were too few exhibitors.

The evaluation also involved FAS overseas staff. With respect to this group, the report noted that for the posts that responded, they "have a somewhat negative perception of the 1991" association show. However, the study



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also reported that the posts seem encouraged by the combined association/institute show format.

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## Conclusions

Subsidies for exhibitors at U.S. trade shows are not currently based on the size of a company that participates nor on whether the company is new-to-market and, generally, new-to-export. When FAS raised its participation fees, the raise did not generally reduce the number of participants. Other countries apply various fees to exhibitors for participation in trade shows. We found that lower fees for U.S. trade show participation attract new-to-export exhibitors. A varying fee structure can also be used to target trade policy objectives, such as fostering commercial or promotional goals.

Continued FAS funding of the National Association of State Departments of Agriculture's trade show may not be valuable unless the association's move to combine with the Food Marketing Institute's show increases the value of the association show.

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## Recommendations

To decrease the high U.S. subsidy rate for participation in trade program shows, we recommend that the Secretary of Agriculture direct the Administrator of FAS to

- provide a reduced fee for a participant's first few shows, otherwise recoup all direct costs; and
- reevaluate FAS support for the National Association of State Departments of Agriculture's trade show after analyzing the results of the 1993 show.

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# FAS Evaluations Have Limitations

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FAS has recently expanded its evaluation process to assess program effectiveness and trends over time rather than only examining individual show effectiveness. FAS focuses its evaluation efforts substantially on whether or not exhibitors achieve their participation objectives. However, weaknesses in the question design and questionnaire collection procedures affect data quality and reliability. These weaknesses limit how data can and should be interpreted and also skew evaluation results.

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## FAS Has Expanded Its Evaluation Efforts

HVPSD expanded its evaluation program in 1991 to go beyond examination of individual shows. An HVPSD official consolidated postshow questionnaire responses for 15 shows and summarized a number of areas, including the degree of success exhibitors had in achieving their show participation goals. FAS also gathers information from (1) trip reports filed by HVPSD show coordinators after the shows and (2) show evaluation reports submitted by FAS field staff after the shows.

Trade show coordinators submit trip reports for each trade show attended. These reports outline the itinerary, as well as provide coordinator comments and recommendations concerning recruitment, shipping, pavilion design and construction, trade reception, and cost. Field staff submit closing show reports within 3 working days after the close of the show. These reports summarize show accomplishments and alert HVPSD to problems that provoked complaints from unhappy exhibitors. Field staff also submit final show evaluation reports within 45 days from the end of the show. The final reports statistically summarize a variety of information including visitor profile, U.S. pavilion profile, breakout of show expenses, exhibitor objectives, the degree of success with which exhibitors met their goals for show participation, and suggestions for improvements.

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## Collection Procedures Affect Data Validity

The HVPSD's current procedures do not ensure that sufficient valid, company-specific information is collected from pre- and postshow questionnaire respondents to effectively evaluate its trade show program. Although HVPSD requires exhibitors to submit pre- and postshow questionnaires as part of a participation agreement, we found that FAS does not necessarily receive responses that correlate to companies that exhibited at the show.

We reviewed questionnaires for nine HVPSD-sponsored trade shows. In combining questionnaires to analyze certain data, we were only able to match exhibitor pre- and postshow questionnaires for six of these shows

(HVPSD did not distribute preshow questionnaires for two of the shows and could not locate the postshow questionnaires for one show). We found that only 45 percent of the exhibitors at these six shows returned both pre- and postshow questionnaires. Also, more exhibitors returned postshow questionnaires than preshow questionnaires. For example, for the 1989 IFE show in London, the U.S. pavilion had 35 booths with 82 exhibitors; however, HVPSD collected only 21 preshow and 43 postshow questionnaires.

Preshow questionnaire problems primarily occur because respondents who fill out questionnaires do not necessarily represent the exhibiting companies. Trade promotion groups, such as regional Cooperators and state departments of agriculture, often pay for trade show booths, then later recruit individual companies to exhibit in their booths. But the HVPSD participation agreement requires the ones renting the booth to fill out a preshow questionnaire at the time of application. Therefore, trade groups or associations generally provide information about their own organizations since they may not yet know the companies that will exhibit in their booth, according to our research. After the groups have successfully recruited companies to exhibit, they often do not ask exhibitors to complete individual preshow questionnaires. HVPSD thus receives data in these cases from trade promotion groups, but not the valuable exhibitor data needed for program evaluation.

With respect to postshow questionnaires, not all exhibitors prepare and submit them. Even when participants do return postshow questionnaires, occasionally two or three individual exhibitors that shared a booth will submit one postshow questionnaire jointly. This practice renders the information confusing and useless. Under such circumstances, we could not determine if the responses applied equally to one, two, or all three of the exhibitors, especially when calculating participation costs, figuring on-site and projected sales, and reporting customer satisfaction. Therefore, we eliminated certain data elements from our analyses when we could not identify an individual exhibitor's response.

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## **Question Design Impedes Data Quality and Reliability**

Our review of a recent HVPSD analysis of questionnaire responses for 15 shows indicated that weaknesses in question design contributed to weaknesses in data quality and reliability. For example, we found that exhibitors did not respond to certain questions related to on-site and projected sales estimates in a consistent manner. Furthermore, in our review of postshow questionnaires, we could not find a definition of what

constituted an “on-site sale.” According to an FAS official, FAS staff do not furnish written instructions to exhibitors for calculating sales.

The absence of guidance or instructions for calculating on-site sales and projected sales estimates leaves more room for individual interpretation by respondents and, consequently, greater inconsistencies among data. We found that respondents used different means to express sales estimates. For example, some exhibitors estimated projected sales as a percentage increase, while other exhibitors estimated sales in dollars.

Furthermore, we found that FAS did not always correctly interpret exhibitor responses to these questions for its own analysis. One respondent, for example, projected future sales of “\$60M” for the company over the next 12 months. The company’s Vice President—who completed the questionnaire at the show—told us that the figure he reported meant \$60 thousand, not \$60 million. In its analysis, FAS reported this figure as \$60 million in projected sales, thus overstating total projected sales for the show by over \$59 million. It is difficult to determine the accuracy of a sales’ estimate without follow-up at a later point in time.

Our analysis of HVPSD data also indicated that respondents may skip or incompletely answer postshow questions concerning on-site sales and projected increases in sales over the next year. A trade show program official told us that some exhibitors do not answer the questions because of privacy concerns. For the 15 trade shows that FAS considered in its analysis, only 18 percent of the companies provided a dollar estimate for “on-site sales”; less than 50 percent of the companies provided sales projections for the next 12 months. For the 1990 solo show in Hong Kong, for example, only 5 of 34 respondents, or 15 percent, gave an estimate of on-site sales, and less than 50 percent projected future sales; only two companies gave figures for both categories.

Moreover, throughout the years FAS has altered its questionnaires, thus making any data analysis over time difficult. For some earlier shows, FAS staff had not used a preshow questionnaire. FAS officials told us that they developed standard pre- and postshow questionnaires for all shows in March 1991. Although using standardized questionnaires will help in comparing questionnaires over time, unless question design weaknesses are addressed, the quality and reliability of data collected will continue to impede evaluation.

## Questionnaires Have Further Shortcomings

Generally, a healthy trade show can attract at least 80 percent of former exhibitors each year, according to Exhibit Surveys Inc., a trade show evaluation firm. Our analysis of exhibitor data from 28 trade shows revealed that 63 percent of the exhibitors were one-time participants in FAS trade shows held between 1987 and 1991. A recent analysis by HVPSD staff of 15 shows came up with similar results. An HVPSD official told us that about 66 percent of those firms that exhibited at an FAS trade show in the past 3 years participated in a single show. These percentages indicate that exhibitors for one reason or another are not finding that FAS trade shows warrant a return visit.

As part of its postshow questionnaire, FAS asked exhibitors if they wanted to attend the show again. For exhibitors at four of the shows that were repeated within the period covered by our work and had a postshow questionnaire available from the previous show, we found that 87 percent of all exhibitors replied that they would return, although only 38 percent returned to the next show. However, for new-to-market companies, 92 percent replied that they would return, but only 25 percent did. For new-to-export companies, 69 percent said they would return, but only 36 percent actually did.

The failure of some companies to return is particularly difficult to understand in light of their reported success.

- One company reported making \$270,000 in on-site sales and expected to make an additional \$500,000 in sales during the 12 months following the show. It also reported meeting all six of its objectives for attending the show. In addition, the company said it had gained 31 new clients.
- A second company reported making \$250,000 in sales and expected to make an additional \$500,000 over the next 12 months. All six objectives for attending the show were realized. The official that completed the questionnaire was highly complimentary of FAS, saying the show was worth an "A."
- A third company reported sales of \$280,000 at the show and projected sales during the next 12 months of \$2 million, with all but one of six objectives achieved. The official rated the show "excellent," the highest rating possible on the questionnaire.

Although these three companies reported that they expected to return to the next show, they did not. Their failure to return may have been due to a variety of reasons; however, FAS does not know and, accordingly, is not in a

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position to judge whether changes may be needed in its program to accommodate such companies.

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## Conclusions

The pre- and postshow questionnaires that FAS gives to its exhibitors do not allow effective interpretation of the results because of collection procedures and question design issues. Questionnaires are not always completed by the companies that exhibit at the show. In addition, terms on the questionnaires are indefinite, often leading to inaccurate interpretation. Most seriously, FAS does not explore the reasons why companies say they will participate in future trade shows but frequently do not do so.

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## Recommendations

To provide better information on exhibitors' reactions to the trade show program, we recommend that the Secretary of Agriculture direct the Administrator of FAS to

- develop a system that ensures effective distribution and collection of pre- and postshow questionnaires,
- design questionnaires to ensure clear responses to questions, and
- sample exhibitors for follow-up evaluations after a designated period.



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# U.S. Department of Agriculture Export Programs

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The federal government first assisted agricultural exports in the late 1920s in response to rising agricultural surpluses. It has continued to support agricultural exports since that time. The United States maintains a number of different export programs to promote agricultural products. For example, market development programs help U.S. exporters develop and maintain markets overseas for food and agricultural products, ranging from bulk commodities to brand-name grocery items; export subsidy programs help make certain U.S. commodities more price competitive in the world market; export credit guarantee programs assist some importing countries with inadequate hard currency to purchase U.S. commodities for cash; and foreign food aid programs provide humanitarian assistance and contribute to the development of future foreign commercial markets. Congress reauthorized and revised both trade and aid programs within the context of the Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624).

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## Trade Servicing

The Foreign Agricultural Service provides assistance to overseas buyers and U.S. firms through agricultural attache staff stationed at about 60 U.S. embassies and consulates overseas. The Agricultural Trade Development and Assistance Act of 1954 authorized Agriculture to assign attaches overseas to expand foreign markets through commodity reporting, trade policy work and representation, and market development. In 1978 Congress directed Agriculture to establish a network of agricultural trade offices throughout the world to place more emphasis on market development overseas.

FAS also issues a variety of publications to assist agricultural exporters and foreign buyers. These publications include trade leads, foreign buyer lists, U.S. supplier lists, country market profiles, and product reviews.

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## Market Development Programs

FAS currently administers two major market development programs, the Cooperator Program and the Market Promotion Program, formerly called the Targeted Export Assistance program. The Cooperator Program coordinates the market promotion programs of more than 50 U.S. nonprofit commodity trade associations. Cooperator projects acquaint potential foreign buyers with U.S. agricultural products to help create or stimulate demand for U.S. products. FAS budgeted about \$38 million in fiscal year 1991 for this program.



The Market Promotion Program promotes U.S. agricultural exports. FAS signs agreements with organizations to promote farm products (often high-value products) in a number of export markets. Activities within this program involve consumer promotion, such as advertising products in specific countries and providing samples of U.S. products. In fiscal year 1991 Congress authorized \$200 million for this program.

## Export Subsidy Programs

The Export Enhancement Program is a major U.S. agricultural export subsidy program that enables U.S. exporters to meet competitor prices for targeted commodities and destinations. The program's primary goal is to challenge unfair trade practices by helping products produced by U.S. farmers meet competition from subsidizing countries, especially the European Community. A secondary goal is to expand U.S. agricultural exports. Through this program FAS awards bonuses to U.S. exporters in cash. Before November 6, 1991, exporters were paid in generic certificates of a specified value that they could then redeem from Department of Agriculture Commodity Credit Corporation inventories. The 1990 Farm Bill requires Agriculture to allocate at least \$500 million in funds or commodities each fiscal year through 1995 to carry out the program.

## Export Credit Guarantee Programs

Since 1979 the United States has extended government-guaranteed credit to foreign buyers to expand commercial agricultural exports. FAS operates two programs on behalf of the Commodity Credit Corporation that are designed to increase the willingness of the private U.S. banking system to extend credit for U.S. agricultural exports. The major active programs are the Export Credit Guarantee Program, which guarantees repayment of short-term debts (6 to 36 months), and the Intermediate Export Credit Guarantee Program, which guarantees repayment of longer-term debts (3 to 10 years). Under these two programs, the U.S. government provides a backup guarantee for the U.S. exporter and the private U.S. financial institution in case of nonpayment by foreign banks for U.S. exports.

The 1985 Farm Bill established a minimum of \$5 billion for all short-term export credit guarantees in any given year, and a maximum of \$1 billion annually for intermediate export credit guarantees in fiscal years 1989 and 1990. The fiscal year 1989 Appropriations Act limited availability of short-term guarantees to \$5 billion and set intermediate-term guarantees at \$500 million for the year. The 1990 Farm Bill continues these programs and guarantee levels through fiscal years 1991-1995.

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## **Foreign Food Aid**

The Department of Agriculture's foreign food aid programs, under the Public Law-480 Food for Peace program and section 416 of the Agricultural Act of 1949, involve humanitarian assistance and market development activities for U.S. agricultural products overseas. Low interest credit sales under the larger Food for Peace program allow developing countries to buy U.S. agricultural products, with repayments stretched out over 20 years at interest rates much lower than commercial financing. For countries unable to go directly to 20-year dollar credit sales, financing is available for credit sales with 40-year terms and with grace periods of up to 10 years. The smaller section 416 Food Assistance Program under the Public Law-480 program authorizes the Department of Agriculture to give developing countries direct donations to help meet emergency food needs.

The fiscal year 1991 Appropriations Act sets total Public Law-480 funding at \$1.576 billion. The 1990 act extends the Public Law-480 program through fiscal year 1995 and also directs new funds and commodities to emerging democracies such as the countries of Eastern Europe.

# GAO's Methodology for Analyzing Questionnaires and Exhibitor Lists

Our information about exhibitor responses on pre- and postshow questionnaires comes from the questionnaires filled out by exhibitors and returned to FAS. FAS officials provided us with seven sets of preshow questionnaires and eight sets of postshow questionnaires for nine trade shows that they sponsored or participated in between 1988 and 1991 in Japan, South Korea, and the United Kingdom, as shown in table II.1.

**Table II.1: Questionnaire Responses Received for Nine Trade Shows**

| Trade show               | Number of exhibitors | Exhibitors that returned preshow questionnaire | Exhibitors that returned postshow questionnaire | Exhibitors that returned both |
|--------------------------|----------------------|--|---|-------------------------------|
| Japan                    |                      |  |   |                               |
| Food Shop 1988           | 91                   | <sup>a</sup>                                   | 88  | -0-                           |
| FOODEX 1988              | 70                   | <sup>a</sup>                                   | 61  | -0-                           |
| FOODEX 1989 <sup>b</sup> | 103                  | 57   | <sup>c</sup>                                    | -0-                           |
| FOODEX 1990              | 74                   | 52   | 72  | 37                            |
| FOODEX 1991 <sup>b</sup> | 74                   | 53   | 58  | 43                            |
| South Korea              |                      |  |   |                               |
| Solo 1989                | 61                   | 47   | 54  | 30                            |
| Solo 1991 <sup>b</sup>   | 52                   | 39   | 52  | 29                            |
| United Kingdom           |                      |  |   |                               |
| IFE 1989                 | 82                   | 21   | 43  | 16                            |
| IFE 1991 <sup>b</sup>    | 43                   | 21   | 40  | 18                            |
| <b>Total</b>             | <b>650</b>           | <b>290</b>                                     | <b>468</b>                                      | <b>173</b>                    |

<sup>a</sup>Preshow questionnaires were not distributed at these shows.

<sup>b</sup>Shows repeated during the course of our review and had a postshow questionnaire from the previous show.

<sup>c</sup>HVPSD officials could not locate postshow questionnaires.

Source: GAO analyses of exhibitors' responses to FAS trade show questionnaires.

To analyze exhibitor responses to the questionnaires across shows and simultaneously use information contained on both pre- and postshow questionnaires, we used a computer statistical analysis software package. We assigned unique identification numbers to all questionnaires to identify them by show and year, and then we put into computer-readable form responses to selected questions. We noted nonresponses as well and eliminated obscure or unreadable information. This procedure enabled us to combine responses from preshow questionnaires, such as company history (i.e., whether new-to-export or new-to-market), with responses from postshow questionnaires, such as whether the company would

participate in the show again. Thus we could determine the number of new-to-export exhibitors who said that they would return to the show.

We analyzed 468 postshow questionnaires to determine the total numbers of on-site and projected sales that exhibitors made at these shows. We found that the data were not useful, as 188 (over 40 percent) of the exhibitors did not respond to the question about on-site sales, and 170 (over 36 percent) exhibitors provided obscure information or did not respond to the question about projected sales for the coming year.

For the 1991 shows in South Korea and Japan, we suggested that FAS ask exhibitors in what additional countries they would like FAS to sponsor trade shows. The 61 exhibitors who responded provided multiple responses, which we tabulated by suggested country.

Information about the exhibitors that participated in 28 trade shows between 1987 and 1991 was derived from individual trade show exhibitor lists provided to us by FAS officials in paper copy and computer-readable format. We then merged both sets of data and generated a computerized data base containing the names of all exhibitors and the shows they attended. This process enabled us to determine the number of trade shows in which each exhibitor participated.

To determine if exhibitors that said they would return to the show again actually returned to the next show, we identified each company by name for four of the nine selected shows included in our analysis that were repeated (see table II.1). We then compared this list with the master exhibitor list. We also analyzed this characteristic by new-to-export and new-to-market companies.

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