

SOUTHERN UNITED STATES TRADE ASSOCIATION



REPORT *to the* COMMUNITY • SUMMER 2010



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SUSTA's Board of Directors is composed of the commissioners and secretaries of agriculture from each of its 15 member states and the Commonwealth of Puerto Rico.



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SUSTA member states

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

A MESSAGE FROM OUR EXECUTIVE DIRECTOR

Facing challenges, celebrating successes



There is no doubt that the global economic slump has been challenging to SUSTA, our member states and the companies we serve. However, companies that have forged ahead during this difficult economy by promoting their brands overseas are seeing direct benefits to their bottom lines.

In 2009, companies working with SUSTA made more than \$100 million

in export sales as a direct result of our trade shows, trade missions and other events – amounting to a strong return on investment of \$38 for every \$1 we spent on export promotion. For many of these companies, participation in our programs led to their first international sales.

In 2010 we're offering more low-cost opportunities for them to join the global marketplace. In the first six months of this year, we have sponsored more than 30 activities connecting small businesses with buyers in markets such as Canada, Russia, Saudi Arabia and Singapore. We continue to advise firms preparing for their first venture overseas, offering hands-on training to help them develop an international business plan. And companies in our Branded program are taking advantage of opportunities to fund their own efforts at promoting their U.S. food, horticulture or other agricultural brands abroad.

We have been working harder than ever to demonstrate to Congress and the administration that the Market Access Program (MAP) is a highly effective public-private partnership that helps thousands of small businesses become successful exporters. We're constantly cataloging

new success stories from companies that have enjoyed clear and tangible benefits from MAP. Our growing cache of such stories from across our region underscores that our programs benefit companies in nearly every congressional district, both rural and urban.

Meanwhile, SUSTA is being managed well by our talented and dedicated team members, and we are on sound financial footing. Both our annual independent audit and USDA Foreign Agricultural Service (FAS) compliance review audit once again found us fully compliant and our books accurate. We finished 2009 with a budget surplus and healthy reserve fund balance, further underscoring our commitment to sound program and fiscal management.

The support and assistance from our member states and FAS are essential and deeply appreciated. Our partners with the state agriculture departments do a superb job recruiting for and managing these overseas events, and FAS works hand-in-hand with us to assure the integrity of our export development programs. All of us here at SUSTA are grateful that they have helped us make it another great year for our organization.

To learn more about how companies can first take advantage of SUSTA services and continue with programs that help them build their export businesses, please see the timeline on pages 2 and 3. And turn to page 4 to read about how a hard-working family business has taken foreign markets by storm – another classic example of how a relationship with SUSTA produces remarkable results.


Jerry Hingle
Executive Director

SUSTA'S PATH TO COMPANY SUCCESS

SUSTA's services are tailored to the needs of individual companies seeking success in foreign markets. This roadmap shows the cycle many companies follow to get involved and grow their business with us.

1. MAKING THE CONNECTION

Client companies first access SUSTA through a mix of methods, including recruitment outreach by our staff, recommendations from member-state agriculture departments, and peer referrals from past and current SUSTA client companies. Our Web site, www.susta.org, also is an increasingly important portal for companies to learn about our services and access our programs.



2. GETTING READY

SUSTA consultants meet with new clients in person and provide training customized for the specific needs of each company and target market. By covering the basics of exporting and by building confidence and familiarity, this training ensures that companies get the most from the programs and that SUSTA delivers the maximum benefit for its investment.



3. MEETING THE MARKETPLACE THROUGH GENERIC

Generic Industry Promotions provide an ideal introduction to foreign markets, allowing companies to participate in SUSTA trade show pavilions, group trade missions and SUSTA-sponsored product demonstrations at a fraction of the cost of going it alone. It's an affordable, accessible way to explore a new market and test demand, and it comes with extensive, hands-on support from expert staff at each step of the way.



4. MOVING AHEAD WITH MAP BRANDED

After gaining foreign market experience through Generic Industry Promotions, many companies determine they can grow further with greater individual exposure. Through the Market Access Program (MAP) Branded, these companies can be reimbursed up to 50 percent for eligible expenses, which may range from overseas travel and exhibit fees for their own trade show booths to product labeling and advertising.



5. BRANCHING OUT, COMING FULL CIRCLE

Companies can use MAP Branded funds in a particular foreign market for up to five years, after which time many choose to begin the cycle again in a different country. In this way, companies can expand to multiple markets with SUSTA support. Meanwhile, some companies choose to continue participating in Generic Industry Promotions to introduce their brands to new markets. Whichever path fits their needs best, the results are companies building on their own momentum, leveraging SUSTA for success and referring their peers to access our programs.



Examples of products represented by SUSTA

- FRUITS
- VEGETABLES
- SEAFOOD
- NUTS
- SNACK FOODS
- BEVERAGES
- SAUCES AND CONDIMENTS
- SPICES AND SEASONINGS
- PREPARED FOODS
- WINE AND SPIRITS
- PET FOOD
- ANIMAL FEED
- HORTICULTURE/ NURSERY PRODUCTS
- HIDES AND SKINS
- CERTAIN WOOD PRODUCTS

MAP Branded Helps Take Barbecue Sauce Maker from the Tailgate to the World



The story of how Ford's Gourmet Foods, the maker of Bone Suckin' brand sauces, got started in its home state of North Carolina is a classic example of American success. A hard-working family developed an original food product, promoted it one store at a time, and soon built a popular brand.

The story of how this same company has taken foreign markets by storm is another classic example, this time showing how small companies can build relationships with the Southern United States Trade Association and leverage its programs to expand their exports.

"Since we started working with SUSTA, our international business has grown tremendously," said Patrick Ford, Vice President of International Marketing for Ford's Gourmet Foods. "It was once just a small piece of our sales, but now foreign markets make up 30 percent of our business."

Putting Markets and Programs to the Test

The company accessed SUSTA's services gradually, gauging both the potential of new markets and the value of the organization's assistance programs at the same time. As Ford's Gourmet Foods expanded its reach overseas, it found SUSTA ready to help at every turn. Ford estimates the company's exports have grown by as much as 500 percent since beginning its relationship with SUSTA in 2003, and just five years after first participating in SUSTA programs, Ford's Gourmet Foods was honored as Exporter of the Year by the North Carolina Department of Agriculture and Consumer Services.

"We're a small company, so for us to compete like this overseas really says a lot about SUSTA's partnership. This is an organization that helps put American companies on the map," Ford said.

Bringing Southern Sauce Overseas

Based in Raleigh, Ford's Gourmet Foods is a fourth-generation family business that traces its roots back to a produce company started in 1946. The company began selling its Bone Suckin' Sauces in 1992. Developed from an old family recipe, it is a western North Carolina-style, tomato-based sauce with honey, molasses and spices. It was an instant hit, and the company's product line has grown to include a variety of Bone Suckin' sauces, seasonings and rubs, and other snacks and condiments.

Ford's Gourmet Foods had made some early inroads in foreign markets on its own. While it had successes, Ford says the company also learned firsthand about the costs and complexities of building a brand overseas.

"When you're a small business, you just don't have the resources to research different markets, and you don't have the budget to travel much

Branded Program Results

(for 12 Months Ended December 31, 2009)

SALES MADE BY BRANDED PARTICIPANTS	\$100,070,241
NUMBER OF MARKETS TARGETED BY PARTICIPANTS	33
COMPANIES PARTICIPATING	64
FIRST-TIME PARTICIPANTS	11
NEW DISTRIBUTOR RELATIONSHIPS FORMED	66
NUMBER OF FIRST-TIME EXPORT SALES	8

Markets yielding the most sales for Branded participants: United Arab Emirates, Ghana, Russia, Saudi Arabia, Canada, Mexico, Kazakhstan, Dominican Republic, China, Syria

Generic Program Results

(for 12 Months Ended December 31, 2009)

NUMBER OF ACTIVITIES	72
Trade shows	31
Trade missions	17
Reverse trade missions	13
Chef seminars/demonstrations	5
In-store promotions	6
SALES FROM ACTIVITIES	\$43,629,500
PROJECTED SALES FROM ACTIVITIES	\$75,646,004
BUYER-SELLER INTRODUCTIONS	2,731
U.S. COMPANIES PARTICIPATING	417
NEW EXPORTERS	24
FIRST-TIME PARTICIPANTS	52
NEW PRODUCTS INTRODUCED	2,148
DISTRIBUTORSHIPS ESTABLISHED	660

and pay trade show fees," Ford said. "We didn't know there was someone out there who could help with this."

Fortunately, SUSTA came calling. Through marketing and outreach efforts, SUSTA staff showed Ford how his company could participate in group trade show pavilions with Generic Industry Promotions, an avenue that has introduced many new SUSTA clients to foreign markets.

"The difference SUSTA made was just incredible," Ford said. "SUSTA made it so easy to participate and meet buyers from these other markets, and that let us focus on selling our product. You just can't put a dollar figure on the confidence you get by working with them."

A New Exporter Expands



Ford's Gourmet Foods has since unlocked many other facets of SUSTA assistance through the Market Access Program (MAP) Branded. This has included reimbursement for overseas travel expenses, trade show fees and shipping costs, as well as support with foreign labeling regulations, printing and advertising.

Since 2003, Ford's Gourmet Foods has attended some 50 trade shows around the world, most with the assistance of SUSTA programs. Company reps have made it as far as Tokyo and Australia and traveled extensively in England, where the Bone Suckin' brand is catching on big. The influential trade magazine *Restaurant UK* named Bone Suckin' the top sauce in the market.

The company also has participated in SUSTA's Culinary Training Program, which shows foreign chefs the delicious possibilities of southern cuisine using the products of SUSTA partner companies and suppliers. In this way, Bone Suckin' Sauce and other Ford's Gourmet Foods products have gained new exposure in countries as varied as Denmark, South Africa and Japan.



"From where I sit in Raleigh, how could I ever get a group of Japanese chefs together in Tokyo to cook with our products without SUSTA? But they make it happen," Ford said. "They have the contacts and the expertise. They really do the research, and the SUSTA people work with you one-on-one. We've grown really close with the people we work with from SUSTA. It's like an extension of the business now."



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SUSTA prohibits discrimination in employment and services. Persons who require alternate means for communication of program information or those wanting our full non-discrimination policy should contact SUSTA.

A profile of the Southern United States Trade Association

The Southern United States Trade Association (SUSTA) is a non-profit export development association representing the 15 southern U.S. states and Puerto Rico on behalf of the United States Department of Agriculture. Services are provided free or for a nominal charge. SUSTA is one of four State Regional Trade Groups that conduct promotions in international markets.

OUR MISSION

To promote southern U.S. food and agriculture in international markets

To introduce international buyers to U.S. suppliers of food and agricultural products

To help small to medium-sized southern U.S. companies and cooperatives export successfully

To enhance the economic well-being of the southern U.S. region

HOW WE ACCOMPLISH OUR MISSION

Investigating worldwide opportunities for southern U.S. food and agricultural products

Distributing information regarding these opportunities

Promoting southern U.S. food and agricultural industries in international markets
by working with buyers

Reimbursing qualifying companies for a portion of their international marketing expenses

OUR FUNDING

SUSTA is funded by the United States Department of Agriculture's Foreign Agricultural Service,
its member states and private companies

Other State Regional Trade Groups

Food Export Association of the Midwest USA

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