

ibNEWS

international business news from the heartland

Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, North & South Dakota

Event & Information Web sites

- Nebraska events and news:
www.mitaonline.org
- Iowa events & news:
www.iowatraders.com
- Kansas City events & news
www.itckc.org
- Minnesota events & news
www.mgta.org
- South Dakota events & news
www.sd-exports.org
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www.exportnd.com

Inside this issue:

Heartland Imports Soar. Exports Continue Growth	1
The Branded Program - MIATCO's International Lifeline	1
"The Branded Program" Continued from page 1	2
WTO—Adjusting Agricultural Subsidies, Lower Industrial Tariffs	2
YTD Exports Continue to Charge Ahead	2
"The Branded Program" Continued from page 2	3
Reaching International Companies Through <i>ib News</i> .	4

Heartland Imports Soar. Exports Continue Growth

According to the monthly survey imports.” of Supply Management managers, July Imports shattered the old record high by hitting the 60.0 reading, up from 59.2 in June.

Exports dipped slightly in July but held their ground with continued solid growth at 54.5, down from June's blistering 58.4.

Professor Ernie Goss who compiles the index for the Heartland International Business Alliance (HIBA) and **ibNews**, said, "The weaker U.S. dollar versus the Euro and Yen, were the primary reason exports have held up so well. A stronger world economy, and need for increased products here in the Heartland propelled

The index is a real-time indicator of monthly changes in both new exports orders and imports for the nine-state region, and is produced for the ITC (International Trade Club) and other regional international trade associations.

Import Index

June—59.2

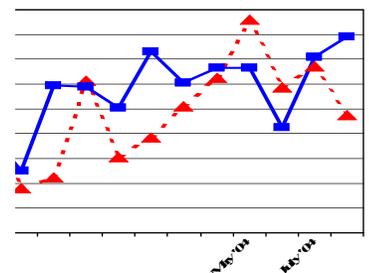
July—60.8

Export Index

June—58.4

July—54.5

Heartland Index



Red=Exports
Blue=Imports



The Branded Program—MIATCO's International Lifeline

Getting agricultural exports into the international market is not for big business only. Thanks to the Branded or Market Access Program, funded through the US Department of Agriculture, companies deemed "small" by the US Small Business Administration are eligible for reimbursement funds for their

international business ventures. Upon acceptance into the program, companies entering international markets can receive federal funds, up to 50% reimbursement, through this cost sharing program, for pre-approved marketing, promotion, trade-shows and even travel!

"The Branded Program really solves a need," according to Mike Harris, Chairman, President and CEO of Faribault Mills in Minnesota. Harris' company, founded in 1865, produces blankets and throws and has recently entered the export market. Their new (The Branded Program pg. 2)



S&M uses the Branded Program to mount trade fairs around the world. At a recent pet fair in Australia, a puppy enjoys the company's signature product—a Greenie's.

“The Branded Program” (continued from page 1)

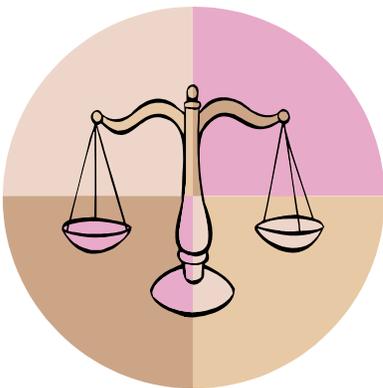
product is a fabric made from ground corn (ingeo), and their goal is to replace petroleum based fleece blankets. The Branded Program, through Jeff Phillips in the Minnesota Trade Office, provided reimbursement funds for travel to and from Germany and Brussels, MI&E costs and translating product information.

As Faribault Mills expands, they are eligible to use other available funds regarding marketing expenses to

include; advertising, product demonstrations, in-store promotions, literature and trade show fee. Trade show costs, freight for shipping sample products, packaging and label modifications to meet foreign importing requirements of their products in other countries, can also be reimbursed up to 50%, with pre-approval.

With the Branded Program, promotional expenses incurred by overseas importers and distributors on behalf of a program participant, may also qualify for up to 50% return.

S & M Nutec, established in 1996, manufactures dog treats that clean teeth while freshening breath, and are proud participants in the Branded Program. This program allows the small company to enter and grow in the international arena. NuTec used funding from the Branded Program for trade shows, overseas exhibits and translation of their literature into six languages. Reimbursements for freight, labeling, mailings and (Continued to pg.3)



WTO—Adjusting Agricultural Subsidies, Lower Industrial Tariffs

The recent WTO meeting in Geneva led to an agreement to discuss a draft world trade pact that reduces global agricultural subsidies while cutting tariffs on industrial and manufactured goods.

The long contested global trade pact has been at an impasse since the Doha round in 2001 but was reinvigorated by an agreement by the US and EU.

The world's leading importers and exporters agreed to cut by 20%, agricultural subsidies that hurt poorer countries. In return, export opportunities will be guaranteed, and a new tariff cutting formula will ease or remove barriers in manufacturing and industrial trade.

U.S. Trade Representative Robert Zoellick noted that any

cut in support for US farmers would have to be matched by an equal drop in barriers to US farm exports. “We have a framework for cuts, but the numbers are going to depend on what we get in market access,” Zoellick said at a news briefing in Geneva.

US manufacturers, with exports of nearly \$670 billion in

(continued on page 3)



YTD Exports Continue to Charge Ahead

With the continuing climb of exports in the Heartland International Business Index, it is apparent that a deeper look into the state individual numbers will be of interest.

Exports in the Heartland continue to scream off to foreign lands. Figures from the Massachusetts Institute for Social and Economic Research

(MISER) shows that exports for all but 2 of the Heartland coverage states have shown marginal to significant increases in exports compared with this time last year.

Missouri alone posted an increase of almost \$1 billion from YTD figures in April of '03. Missouri's exports rose to nearly \$3 billion by April of '04,

up from \$2.1 billion in April of '03. Minnesota follows close behind with an increase of a half a billion in the same period.

Other heartland states from Arkansas to Iowa posted increases in their exports from \$24 million to \$400 million respectively, over the 4 month comparison period. Only (Continued on Page 3)

“WTO—Subsidies, Tariffs” (continued from page 2)

industrial goods per year, were optimistic about the decisions in the draft agreement. The largest cuts in industrial tariffs would be directed at the highest tariffs, according to the terms of the WTO deal. Tariffs would also be cut along sectoral lines with elimination the ultimate goal in specific industries. In addition, procedures for imports and exports would be expedited, eliminating some of the burdens that hinder a developing world economy.

Glenn Person, President of Agri-

Associates, Kansas City, Missouri, speculates that initially, people will back away from a proposal like this. Agri-business is traditionally resistant to change, especially when regulatory issues are involved. Mr. Person concluded, “Education is the key. Before the industry can make a rational decision on this pact, the members must thoroughly understand the details.”

Glenn Person can be reached at (816) 531-7980



The Branded Program

(continued from page 2)

material for veterinarians are also realized by the dog treat connoisseurs.

Recent Congressional hearings on funding for the Branded Program have been successful in securing the program. With only 73 dissenting votes in the House, Senate confirmation seems imminent. Workers in agri-departments of all participating states continue to lobby support for the program among the House dissenters, pointing out the extreme benefits the Branded Program provides for US companies preparing for expansion, not to mention the jobs created right here in the USA.

MIATCO (Mid-America International Agri-Trade Council) administers the program in the mid-west through state agri-departments. Located in Chicago, MIATCO is an invaluable organization to those companies that already do international business, and a lifeline to those companies making the leap to exports. Contact MIATCO (Michelle) at

(312) 334-9218 for questions or begin by completing the “FY 2004-2005 Branded Program Pre-Qualification Worksheet” located at www.brandedprogram.org

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YTD Exports cont.

(continued from page 2)

Kansas and Nebraska presented a figure that was off last years YTD mark. A decline of \$67 million is seen in Nebraska while a more modest drop of \$9 million was realized in Kansas.

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Each month, we'll bring you the latest trend in new export orders and imports for the Heartland. Our exclusive index is the only real-time, leading economic indicator of changes in exports and imports.

*We'll also keep you updated with news, trends and regulations that affect your business. If you have suggestions to make **ibNEWS** more informative, please send your suggestions to info@intermark3.com.*

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