

TRANSFORMING SMALL
U.S. COMPANIES INTO

GLOBAL BRANDS.



2011 **ANNUAL REPORT**



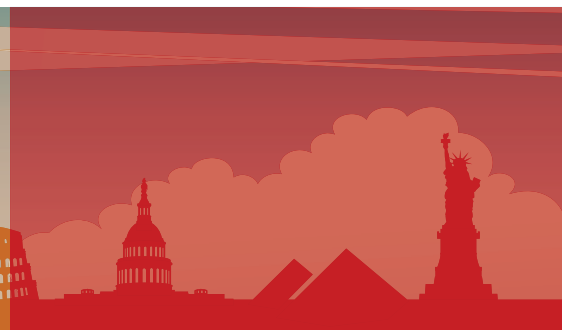
**EXPORTER
EDUCATION**



**MARKET
ENTRY**



**MARKET
PROMOTION**





BILL NORTHEY



TIM HAMILTON

Food Export Association of the Midwest USA (Food Export-Midwest) is a non-profit organization that promotes the export of food and agricultural products from the Midwest region of the United States. The organization has been helping exporters of Midwestern food and agricultural products sell their products overseas since 1969, when it was created as a cooperative effort between 12 Midwestern State Agricultural Promotions Agencies and the Foreign Agricultural Service (FAS) of the United States Department of Agriculture.

Food Export-Midwest, in conjunction with its member states, provides a wide range of services to facilitate the trade between local food suppliers and importers around the world.

The Midwest is one of the world's leading food-producing areas. Midwestern farmers harvest grain, as well as oilseeds, beans, livestock, dairy products, fruits and vegetables and many others. Consequently, the Midwest is home to thousands of companies who provide consumers around the globe with high quality value-added, processed food and agricultural products.

Dear Reader,

In 2011, Food Export Association of the Midwest USA continued to drive small and medium-sized companies to explore the benefits of exporting, generated interest for their products, guided them to enter new markets and become global brands.

In conjunction with our 12 member State Agricultural Promotion Agencies, through various programs, services and activities, we engage companies throughout our 12 state Midwest region, linking U.S. suppliers with international buyers every day.

Within this report you will find an overview of current programs and services as well as examples of how small U.S. companies are using these programs to grow their brands, expand their markets, increase production, create new jobs and increase demand for U.S. products overseas. Across the urban and rural landscapes, food exporting remains a bright spot in today's economy.

Much of our success can be credited to the Market Access Program (MAP). The funds that Food Export-Midwest receive through the Market Access Program each year are critical to continuing our mission of supporting small and medium-sized companies. Through Outreach and Education, Market Entry Programs and Market Promotion, we help them maintain their presence and find export success in international markets. Funding through the Market Access Program also helps Food Export support the National Export Initiative, and its goal of doubling U.S. exports in five years. MAP protects American jobs and increases farm income. MAP helps counter foreign competition and MAP illustrates a successful public-private partnership.

On behalf of the members and staff, we welcome you to learn more about the evolving programs we offer and the successes we share with our participating companies.

Sincerely,

BILL NORTHEY
PRESIDENT,
FOOD EXPORT-MIDWEST

TIM HAMILTON
EXECUTIVE DIRECTOR,
FOOD EXPORT-MIDWEST

SECRETARY,
IOWA DEPARTMENT OF AGRICULTURE
AND LAND STEWARDSHIP



OUTREACH AND EXPORTER EDUCATION

Each day we strive to identify companies, assess their export readiness and alert them to the opportunities available, engaging them as exporters. Food Export–Midwest provides access to the specialized training necessary for food and agricultural producers to improve their export readiness and successfully enter new markets.

DAELIA'S BISCUITS FOR CHEESE Cincinnati, OH



Daelia's Biscuits for Cheese, from Cincinnati, OH, produces all natural, twice baked biscuits in small batches to enhance the experience of enjoying fine cheeses. For the last 50 years, Americans have relied on imported crackers and breads to accompany their cheeses. Maria Walley, President of Daelia's, believed Americans could create bold new pairings that paid homage to European traditions but were made in America. They source almonds and figs directly from the growers and use choice flour from the Midwest.

Two years ago, Daelia's Food Company was just starting out and had zero export sales. In 2010 they were introduced to Food Export-Midwest's programs and services. The company took advantage of our three-prong approach to exporting—**exporter education, market entry, and market promotion**—to expand their export business. Today, they are successfully exporting to Japan and Canada.



The company first participated in Food Export-Midwest's Food Export Helpline™, where they received one-on-one assistance from our export counselor. A customized top market report and marketing research package were prepared to educate the company on potential markets and product regulations. Shortly after, Daelia's was in touch with freight forwarders to obtain quotes.

OUTREACH AND EXPORT EDUCATION PARTICIPATION

2010

- Food Export Marketing Forum™
- Food Export Helpline™
- Seminars and Webinars

2011

- Seminars and Webinars
- Food Export Helpline™

Getting started with Exporter Education.



FOODEXPORT HELPLINE™ ONE-TO-ONE ANSWERS

This no-cost, specialized, one-on-one assistance helps both the novice and experienced exporter by answering questions, providing insights needed to succeed, offering custom advice and helps in identifying the top export markets for their product(s).



EXPORTESSENTIALS ONLINE ON-DEMAND KNOW HOW

This Food Export–Midwest service is an educational introduction to the fundamentals and logistics of exporting. Each section tackles an important subject and provides detailed information to assist in answering questions about exporting.



GLOBALFOOD MARKETER™ NEWSLETTER ■ E-NEWS

Our print newsletter and e-bulletin contains new and useful information about upcoming activities, export basics, industry news, and exporting opportunities abroad.



SEMINARS+ WEBINARS INDUSTRY KNOWLEDGE BANK

Through our network of industry thought leaders, these seminars and webinars are designed to help companies new-to-exporting as well as experienced exporters learn about the export process and the resources available to assist with expanding their food and agricultural business.



MARKET ENTRY



Our Market Entry programs and services are designed to help exporters gain access to and establish distribution in appropriate overseas markets. Many provide customized research and help small suppliers meet qualified international buyers, something they couldn't do on their own.

DAELIA'S BISCUITS FOR CHEESE Cincinnati, OH



MARKET ENTRY

Ready to move to the next step in exporting, Daelia's began to actively participate in Food Export-Midwest's Buyers

Missions, Food Show PLUS!™ and Market Builder.

The company exhibited at SIAL Montreal where, "based on contacts made at the tradeshow through one-on-one meetings we attended as part of our participation in Food Show PLUS!™, within six

months we selected our Canadian trade partner and began shipping to the region. Now we have multiple distributors across the country and are in many key retail accounts," Maria Walley, President of Daelia's explained.

Energized by success, the company attended Food Export-Midwest's Dairy and Bakery Buyers Mission in June 2011, where they participated in one-on-one meetings with pre-qualified buyers. They had a successful meeting with a buyer and, recently, shipped their first export sale to Japan totaling two pallets.

MARKET ENTRY PARTICIPATION

2010

- Market Builder
- Buyers Missions

2011

- U.S. Foodlink™ Featured Product
- Buyers Missions
- Online Product Catalog
- Food Show PLUS!™



MARKETBUILDER

INDUSTRY INSIGHTS ■ MARKET INTELLIGENCE

This Food Export-Midwest service provides customized, in-market research to enable exporters to assess their product's export potential, leading to meeting with potential customers or distributors arranged by our In-Market Representative.



BUYERSMISSIONS

INTERNATIONAL BUYERS ■ HERE AT HOME

Every year, often in conjunction with a U.S. trade show, we bring delegations of international buyers to the U.S. to have one-on-one meetings with suppliers of U.S. products. The missions also provide an economical way for U.S. suppliers to build overseas relationships and get live feedback about their products' export potential without the time and expense of international travel.



FOODSHOW PLUS!

INTERNATIONAL TRADESHOW SUCCESS

Food Export-Midwest's trade show enhancement service prepares companies and maximizes their international trade show experience. Customized services may include pre-show research

on competitive products, targeted appointments with qualified buyers, translation of exhibitor material, interpreters, market tours, seminars and follow-up assistance after the show.



FOCUSED TRADEMISSIONS

TOTAL MARKET IMMERSION

Our Focused Trade Missions bring U.S. suppliers to a country to meet with foreign buyers and learn about the market. The missions can include a market analysis of products prior to a visit, an in-market briefing, tours of supermarkets and food service providers, buyer meetings, product showcases, assistance with lead follow-up, and a networking reception.



ONLINEPRODUCT CATALOG

24-7 ONLINE EXPOSURE

This online tool provides U.S. exporters with a valuable opportunity to visually showcase their products to buyers around the world. It allows buyers to easily find Midwest suppliers and products that will meet their needs. By including products in this virtual directory, suppliers can be found when buyers search by product, company name, or other criteria.



MARKET PROMOTION



Food Export–Midwest offers a variety of programs and services designed to help exporters meet foreign buyer contacts and gain access to and establish distribution in overseas markets.

DAELIA'S BISCUITS FOR CHEESE Cincinnati, OH



MARKET PROMOTION

Daelia's began participating in the 50 percent cost-share Branded Program, made possible by the Market Access Program (MAP).

The company used Branded Program funds to modify their packaging to meet Canadian labeling requirements, to advertise in specialty and gourmet food publications, to offer retail promotions, to ship samples to potential distributors, and attend international and eligible domestic trade shows.

Through the Food Export-Midwest Branded Program, the company exhibited at SIAL Montreal. "We were happy to find there was a lot of interest in our products, giving us the confidence to develop our bilingual packaging, also with support through the Branded Program," Maria Walley, President of Daelia's, explained. "We could not afford to exhibit at international tradeshows or promote our products overseas to this extent without the Branded Program. Thanks to Food Export-Midwest's support, taking a small business global is easier than you think it is, and we've been able to increase our export sales by 15 percent in the last year alone."

MARKET PROMOTION PARTICIPATION

2010

- Canada

2011

- Canada, Japan



BRANDED PROGRAM

50% MORE INTERNATIONAL MARKETING

Each year, Food Export–Midwest administers the Branded Program which provides U.S. companies the opportunity to stretch their international marketing dollars. The program offers 50% cost-share reimbursement for a wide variety of international marketing activities including:

- Package and label modifications
- Advertising
- In-store promotions and product demonstrations
- Fees for exhibiting at overseas trade shows and selected trade shows held in the U.S.
- Public relations
- Marketing and point-of-sale materials
- Freight cost for samples

(Only small companies, as defined by the U.S. Small Business Administration, and agricultural producer cooperatives are eligible to participate.)



IN-STORE PROMOTIONS

MAINTAIN MARKET PRESENCE AND DEMAND

Food Export–Midwest sponsors activities to help suppliers promote their products overseas and expand the distribution of existing products in foreign markets. These activities include promotional displays and product demonstrations in international supermarkets, restaurants, and hotels that feature U.S.-made, processed foods and agricultural products.

"We could not afford to exhibit at international tradeshows or promote our products overseas without the Branded Program. Taking a small business global is easier than you think. We've been able to increase our export sales by 15 percent in the last year alone."

MARIA WALLEY, PRESIDENT
DAELIA'S BISCUITS FOR CHEESE, CINCINNATI, OH

Food Export Association of the Midwest USA

STATEMENT OF ACTIVITIES Period Ended December 31, 2011

REVENUE AND SUPPORT

	OPERATING FUND	PROGRAM FUND	TOTAL
Federal Program Reimbursements	\$ 0	\$ 11,010,821	\$11,010,821
Industry Fees	\$ 763,782	\$ 813,788	\$ 1,577,570
State Membership Dues	\$ 120,000	\$ 0	\$ 120,000
Interest Income	\$ 4,128	\$ 0	\$ 4,128
Other Income	\$ 2,362	\$ 0	\$ 2,362
Total Revenue	\$ 890,272	\$ 11,824,609	\$ 12,714,881

EXPENSES

	OPERATING FUND	PROGRAM FUND	TOTAL
Reimbursable Program Expense	\$ 0	\$ 11,010,821	\$ 11,010,821
Personnel	\$ 397,777	\$ 750,000	\$ 1,147,777
Travel and Meetings	\$ 96,190	\$ 0	\$ 96,190
Professional Fees	\$ 50,950	\$ 0	\$ 50,950
Other General and Administrative	\$ 286,353	\$ 63,788	\$ 350,141
Total Expenses	\$ 831,270	\$ 11,824,609	\$ 12,655,879
Increase in Net Assets	\$ 59,002	\$ 0	\$ 59,002
Fund Balances, Beginning of Year	\$ 1,815,865	\$ 0	\$ 1,815,865
Fund Balances, End of Year	\$ 1,874,867	\$ 0	\$ 1,874,867

STATEMENT OF FINANCIAL POSITION Period Ended December 31, 2011

ASSETS

	OPERATING FUND	PROGRAM FUND	TOTAL
Cash and Cash Equivalents	\$ 243,847	\$ 433,766	\$ 677,613
Investments, at Fair Value	\$ 983,912	\$ 0	\$ 983,912
Interfund Accounts	\$ 601,517	\$ (601,517)	\$ 0
Receivables	\$ 118,660	\$ 455,334	\$ 573,994
Furniture and Equipment (Net of Depreciation)	\$ 91,011	\$ 0	\$ 91,011
Other Assets	\$ 232,857	\$ 0	\$ 232,857
Total Assets	\$ 2,271,804	\$ 287,583	\$ 2,559,387

LIABILITIES AND FUND BALANCES

	OPERATING FUND	PROGRAM FUND	TOTAL
Accounts Payable and Accrued Expenses	\$ 224,691	\$ 0	\$ 224,691
Program Advances	\$ 0	\$ 287,583	\$ 287,583
Deferred Revenue	\$ 172,246	\$ 0	\$ 172,246
Total Liabilities	\$ 396,937	\$ 287,583	\$ 684,520

NET ASSETS

	OPERATING FUND	PROGRAM FUND	TOTAL
Unrestricted Fund Balance	\$ 1,874,867	\$ 0	\$ 1,874,867

2011 Program Results

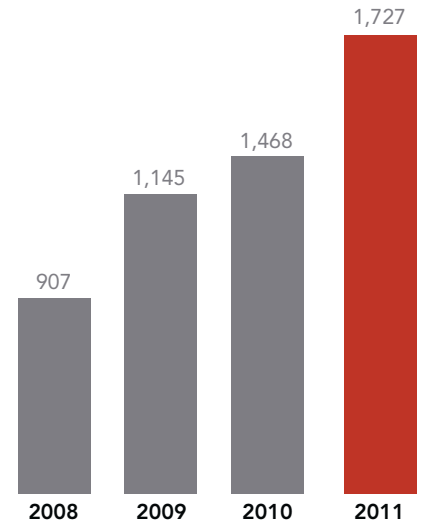
Actual Export Sales

US \$410,807,335

Projected Export Sales

US \$568,274,326

PROGRAM PARTICIPANTS
2008-2011



Number of Participants Registered in Programs

1727

Number of New Participants Registered in Programs

237

Number of Companies Reporting 20% Sales Increase

224

Number of Companies with First-time Export Sale in a Market

316

Food Export-Midwest provides a broad range of programs and services through Market Access Program (MAP) funding designed to promote Midwestern food and agricultural products. Our dedication to developing agricultural product expansion into international markets is highlighted here.

As U.S. companies continue to look for ways to expand their businesses, many are turning to Food Export-Midwest to become successful exporters. In these challenging economic times, companies are seeing the benefits and growth opportunities that are possible through exporting.

Number of New Distributor Relationships Established

923

Number of Contacts with New Buyers

9,870

FOOD EXPORT-MIDWEST STAFF

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Executive Director

Michelle Rogowski
Deputy Director

John Belmont
Communications Manager

Robert Lowe, CPA
Financial Manager

Teresa Miller
International Marketing Program Manager

Joe Yotti
Branded Program Manager

Laura Buske
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Outreach and Customer Service Coordinator

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Jasmine D. Scott
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International Marketing Program Coordinator

Nina Smith
Accounting/Human Resources Coordinator

Veronica Wade
Branded Program Coordinator

Mike Weiland
IT Administrator

Paul Weiss
Outreach and Customer Service Coordinator

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Christiane Schmenk, Director
Ohio Department of Development



STATE REGIONAL TRADE GROUPS (SRTGs)

Food Export–Midwest is one of four non-profit State Regional Trade Groups (SRTGs) that promote the export of food and agricultural products from their respective regions of the United States. The SRTGs were first created as a cooperative effort between the State Agricultural Promotion Agencies and the United States Department of Agriculture's Foreign Agricultural Service. The SRTGs work in conjunction with their member states to provide a wide range of services to facilitate trade between local food companies and importers around the world.

OTHER STATE REGIONAL TRADE GROUPS

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