



# THE WINE INDUSTRY

Tools & Opportunities  
for U.S. Exporters



# A GROWING INDUSTRY

Wine enthusiasts may know there are several possible health benefits from drinking moderate amounts of wine, but did you know that U.S.-based wineries also promote a healthy economy through exporting? While the big names in wineries may be most recognizable, smaller wineries also play a vital role in selling American wines worldwide.

Top international markets in 2023 included:

<i>Importers of U.S.A. Wines</i>	<i>Total Sales</i>
Canada	\$442.9 million
European Union	\$153.2 million
United Kingdom	\$144.1 million
Japan	\$89.6 million
South Korea	\$67.7 million
China	\$63.8 million
Hong Kong	\$38.7 million
Mexico	\$26.0 million
Dominican Republic	\$24.6 million
Singapore	\$17.3 million

However, despite these opportunities wineries are often faced with the same exporting challenges: offering open account credit terms to international buyers and making sure they get paid on the receivables generated from these transactions.

With the help of Export Credit Insurance for small businesses, many wineries have the support they need to compete globally.

## 2023 Wine Industry Facts at a Glance



**\$1.23B**  
total export value



**218M**  
liters of wine exported



**1.1M**  
jobs created by the  
wine industry



**80%**  
of U.S. wine is  
produced in California

[fas.usda.gov/data/commodities/  
wine-related-products](https://fas.usda.gov/data/commodities/wine-related-products)

[wineinstitute.org/our-industry/statistics/](https://wineinstitute.org/our-industry/statistics/)





# WHAT'S STOPPING YOU FROM EXPORTING?

Imagine this: your U.S. business has identified an international buyer for its product, you have agreed on pricing, and your buyer wants open account credit terms. How will your company manage the risk of nonpayment by your international buyer? Insuring the receivables generated by international sales with EXIM's Export Credit Insurance is a great place to start.

Export Credit Insurance is an insurance policy that covers international receivables.

Export Credit Insurance mitigates the risk of nonpayment and empowers you to meet, or beat, your competitors by offering attractive credit terms. Your business can use open account credit terms to win new customers and increase sales to existing buyers.

Another benefit to insuring receivables is that lenders will often accept them as collateral, expanding your borrowing base and improving cash flow.

#### *Export Credit Insurance:*

- ✔ Increases your ability to compete in international markets
- ✔ Protects your international receivables from nonpayment
- ✔ Expands your borrowing base for improved liquidity

"EXIM is an indispensable partner that empowers us to confidently expand our exports with terms that resonate with our customers. Their comprehensive online portal and in-depth credit risk analysis streamline the process, ensuring a fast, secure, and efficient export experience. With EXIM's support, we can export goods seamlessly and with peace of mind. Simply put, they are a vital resource for any business seeking to grow their global reach and export with confidence."

**William Atwood**, Controller of Paul Hobbs Winery



# BENEFITS INCLUDE:

## Increased Sales

Every business wants to be more competitive. Providing open account credit terms can be the difference between winning and losing a deal. With more time to pay, customers have the financial flexibility to increase the size of their orders. Open account credit terms speed up the delivery of goods by avoiding delays associated with a letter of credit or cash in advance.

## Risk Prevention

The challenge for exporters, particularly small businesses, is clear. Selling to international buyers on open account credit terms can be risky. If the buyers don't pay, there is very little recourse for the U.S.-based company and the financial hit can be significant. Export credit insurance mitigates the risk of nonpayment by insuring international receivables.

## Cash Management

When your business needs cash to fulfill orders or pay for operations you often look to your local lender. These lenders are more likely to include global receivables and inventory in your borrowing base when those receivables are insured, giving you access to additional financing and improving cash flow.

## What does Export Credit Insurance Cover?

### *Commercial Risks:*

- ✓ Insolvency
- ✓ Bankruptcy
- ✓ Protracted Default

### *Political Risks:*

- ✓ War, Revolution, Insurrection
- ✓ Currency Transfer Risk
- ✓ Cancellation of an Import or Export License



# HOW DOES EXPORT CREDIT INSURANCE WORK?

## Step 1:

You identify an international buyer and obtain an Export Credit Insurance policy.



## Step 2:

You offer credit terms to your global buyer.



## Step 3:

The buyer accepts the deal's terms.



## Step 4:

You ship your product and invoice the buyer.



## Step 5:

You report shipments & pay premiums on the amount shipped.



## Step 6:

The buyer pays. If they fail to do so, EXIM pays.





# WHAT POLICY OPTIONS ARE OFFERED?

## Express Insurance

Most attractive to small businesses with limited or no prior export experience.

### Features Include:

- ✓ 95% coverage
- ✓ No deductible
- ✓ Pay-as-you-go premiums
- ✓ Streamlined application

## Multi-Buyer Insurance

Options to cover all or part of your export portfolio.

### Features Include:

- ✓ 95% coverage
- ✓ No deductible
- ✓ Pay-as-you-go premiums

## Single-Buyer Insurance

Covers one buyer for a predetermined period of time and dollar amount.

### Features Include:

- ✓ 90% coverage
- ✓ No deductible
- ✓ Individual policies for each deal
- ✓ Policies to cover all the deals from a single buyer

**TIP:** With Single-Buyer Insurance, you can have multiple policies for the same buyer covering different deals.





# WHAT'S NEXT?

EXIM is here to support you on your exporting journey. We offer a wide range of financing tools for your company's unique needs, as well as free consultations, educational material, exporter resources, and more.

You can:



## Get Started

Request a free consultation with an EXIM specialist in your area to determine your eligibility.

[grow.exim.gov/consultationrequest](https://grow.exim.gov/consultationrequest)



## Get Helpful Advice

Do you have questions about account terms and financing for exporters? Our experts are here to help:

[grow.exim.gov/export-financing-faqs](https://grow.exim.gov/export-financing-faqs)



## Learn Exporting Basics

Learn the basic fundamentals of trade finance and turn export opportunities into sales.

[grow.exim.gov/export-guide](https://grow.exim.gov/export-guide)



## Guide to Working Capital Loan Guarantee

Find out how EXIM can unlock your cash flow by working with your lender.

[grow.exim.gov/wclg-guide](https://grow.exim.gov/wclg-guide)



This is a descriptive summary to be used only as a general introductory reference tool. The complete terms and conditions of the policy are set forth in the policy text, applications, and endorsements.