

EXPORT WITH CONFIDENCE

Tools and Opportunities
for the Agriculture Industry



A GROWING INDUSTRY

The U.S. is the largest exporter of food in the world. In 2021 alone, [American farmers sold \\$177 billion in farm & food products globally](#)—growth of 18% compared to 2020, and the highest year on record.

While big names in the agriculture industry are responsible for a large percentage of these sales, smaller farmers play a vital role in production and global trade too. Top buyers in 2021 included:

<i>Importers of Agriculture Products</i>	<i>Total Sales</i>
China	\$32.9 billion
Mexico	\$25.5 billion
Canada	\$25.0 billion
Japan	\$14.2 billion
European Union	\$10.9 billion
South Korea	\$9.3 billion
Taiwan	\$3.8 billion
Philippines	\$3.5 billion
Vietnam	\$3.4 billion
Colombia	\$3.4 billion

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

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

2021 Top Exports at a Glance:



\$27.4B
in soybean sales



\$18.7B
in corn sales



\$18.6B
in beef & pork sales



\$8.8B
in tree nut sales



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 foreign buyer? Insuring your foreign receivables through EXIM's Export Credit Insurance is a great place to start.

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

Export Credit Insurance mitigates your nonpayment risk while empowering 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 foreign 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 foreign receivables from nonpayment
- ✔ Expands your borrowing base for improved liquidity

“Since we began our relationship with EXIM, the company doubled in size, from a top line revenue and employee standpoint. I really have to attribute that growth to EXIM providing the security we needed to establish those relationships internationally.”

Ron Faubion, CFO of the Keith Smith Company

BENEFITS INCLUDE:

Increased Sales

Every business wants to be more competitive. Providing open account credit terms is very appealing to foreign buyers and can be the difference between winning and losing a deal. When given more time to pay, existing customers have the financial flexibility to increase the size of their orders. Even the delivery speed of goods can be positively affected by open account credit terms since the delay associated with a letter of credit or cash in advance is avoided.

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 foreign 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 foreign 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:

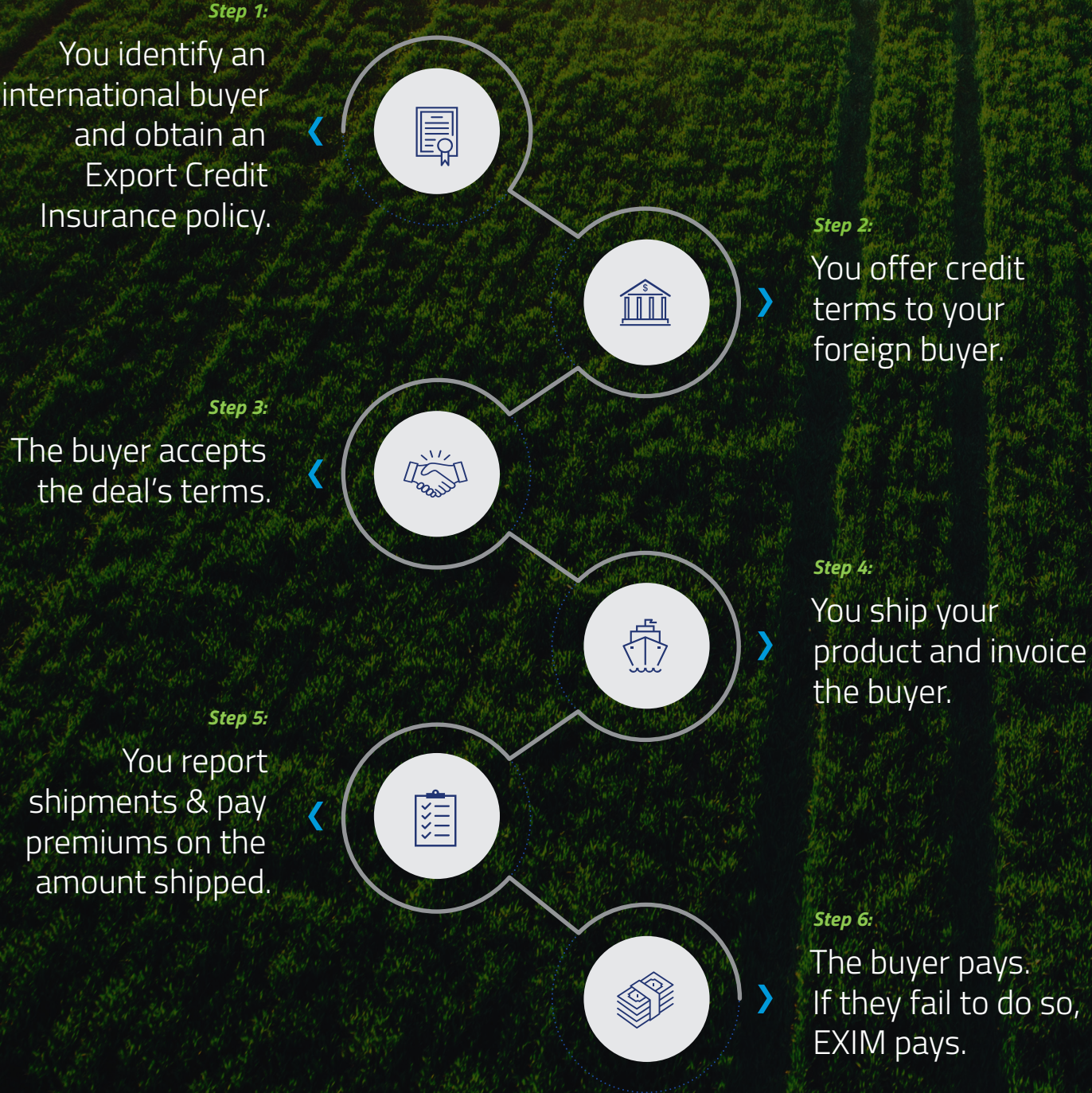
- ✓ Insolvency
- ✓ Bankruptcy
- ✓ Protracted Default

Political Risks:

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



HOW DOES EXPORT CREDIT INSURANCE WORK?



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: For unprocessed bulk agricultural commodities, coverage up to 98% can be considered for all policy types.

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.



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



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



Learn Exporting Basics

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

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



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