

FOREIGN AGRICULTURAL SERVICE EXPORT FINANCE PROGRAMS TO EXPAND SALE OF AGRICULTURAL PRODUCTS

The **United States Department of Agriculture (USDA)** provides various export finance programs through the Commodity Credit Corporation (CCC) that administers the Foreign Agricultural Services (FAS) Program. These programs encourage foreign businesses to purchase U.S. agriculture products by providing export finance programs.

Under the Supplier Credit Guarantee Program, the CCC does not provide financing but guarantees payment due from the importer. Currently, the rate is 65%. The SGCP targets specific U.S. agricultural products, with an emphasis on high-value products with high market potential. Further, CCC must qualify exporters for participation before accepting applications for guarantee.

With the GSM 102 and 103 programs, like the Supplier Credit Guarantee Program, the CCC does not provide financing, but guarantees payments due from foreign banks. Typically, 98% of principal and a portion of interest at an adjustable rate are covered.

These two programs underwrite credit extended by the private banking sector in the U.S. to approved foreign banks using dollar-denominated irrevocable LCs to pay for agricultural products sold to foreign buyers. As payment is guaranteed, financial institutions in the U.S. can offer competitive credit terms to the foreign banks.

- The GSM-120 covers short-term credit for up to three years.
- The GSM-103 covers intermediate credit term up to 10 years.

Both programs are very popular.

For further information visit www.fas.usda.gov. You may contact Martha Keplinger at 202/720-3277 or info@fas.usda.gov.

Mid-America International Agri-Trade Council (MIATCO) offers a variety of programs and services to help exporters of midwestern food and agricultural products begin or expand their international sales. MIATCO's Branded Program is a cost-share funding program that supports the promotion of branded and private label food and agricultural products in foreign markets. Participant companies receive 50% cost reimbursement for a wide variety of pre-approved eligible international marketing and promotional activities, which include advertising and public relations, trade and consumer product demonstrations, in-store and food service promotions, eligible expenses at overseas trade shows (exhibiting fees, rental and set-up costs, freight, etc.), product literature and point-of-sale materials, exhibiting fees at approved domestic trade shows (first-time exhibitors only), package and label redevelopment (if the change was necessary to meet foreign importing requirements), and freight costs for samples. Companies must pre-qualify with MIATCO to participate in the Branded Program.

For further information visit www.miatco.org. You may call 312/944-3030 or e-mail info@miatco.org.

You also may contact Alice Bernard-Jones, International Finance Manager, (City/State Partner for the Ex-Im Bank for the State of Missouri) at: 573/526-4967, Fax: 573/526-1567 or *alice.bernard-jones.mdfb@ded.mo.gov*.