USDA Trade Finance Programs

Did you know USDA’s Foreign Agricultural Service (FAS) provides trade finance solutions for exporters of U.S. agricultural products to developing markets? International sales can pose financing challenges into these markets as U.S. banks may be reluctant to assume the associated credit risk. FAS administers two programs to help overcome some of these challenges and encourage expansion of U.S. agricultural exports.

The GSM-102 program provides credit guarantees to encourage commercial financing of exports of U.S. agricultural products. Under this program, FAS guarantees payments due from foreign banks under letters of credit (LCs). Because payment is guaranteed, U.S. banks or exporters can offer competitive credit terms to the foreign bank that issue the LC for the importers of U.S. agricultural products. The U.S. exporter must apply for the guarantee and pay a risk-based fee. FAS covers up to 98 percent of the loan principal and a portion of interest for terms up to 18 months. The U.S. exporter can be paid at export by assigning the guarantee to an approved U.S. bank. Most agricultural products are eligible for coverage, including bulk commodities, intermediate goods and consumer-oriented products.

The Facility Guarantee Program (FGP) provides guarantees to finance commercial exports of manufactured goods and U.S. services that will be used to establish or improve agriculture-related facilities in emerging countries. Inadequate storage, processing or handling capacity can limit trade potential. FGP provides a way to finance these goods and services if FAS determines there is a downstream benefit to U.S. agricultural exports. Some examples of potential FGP-eligible projects include: construction of a soybean crushing facility for U.S. soybeans; construction of a corn silo for imported U.S. corn; cold storage for U.S. seafood products.

Every fiscal year, USDA makes $5.5 billion in guarantees available for over 130 destinations. To find out more about GSM-102 or FGP, including eligibility requirements, visit https://www.fas.usda.gov/topics/export-financing, call 202-720-5711, or email gsm.registrations@usda.gov.