

A Roundup of SCGP Successes for Dairy, Meats and Poultry

By Lewis Stockard

Here's a roundup of successes and comments on the Supplier Credit Guarantee Program (SCGP) from the dairy, meat and poultry sectors.

PM Global Foods, L.L.C. uses the SCGP not only for horticultural products, but also to export beef, beef offals, processed foods and cheeses primarily to Mexico, Indonesia and Malaysia.

The 65-percent coverage has enabled the company to significantly expand its exports to new customers. "The SCGP has also provided tremendous peace of mind in dealing with new customers," said Michael Hampel, PM Global's logistics manager.

Tyson Foods, Inc. uses the SCGP primarily for poultry, but recently has used it for beef as well since it acquired IBP. Tyson uses the SCGP only to export to one Guatemalan customer at this time. "We wouldn't do that business without the SCGP, due to the high risk," said Matt Ellis, Tyson's international group controller. The firm is also considering using the SCGP to enter African markets.

"Mirasco, Inc. considers the SCGP to be a definite success in expanding our shipments of beef offals to Egypt," said Ibrahim Fahmy, the company's controller. The importer with which Mirasco does business is Egypt's largest distributor and supplies wholesale, retail and other trade sectors.

Conagra Poultry has used the SCGP for sales to South Africa, and is considering



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using it for Mexico. "However, we believe the 65-percent coverage to be too low," said Chaz Wilson, managing director of international sales. "We prefer GSM-102 because of its 98-percent coverage." But the company is considering using the SCGP because it's the best USDA currently offers for the term coverage.

AJC International has used the SCGP three times for poultry meat sales to former Soviet republics Azerbaijan and Georgia. "The experience went well and the program is easy to use," said Tina Sorrel, a company executive. The coverage also helped the company to expand its credit lines with its U.S. banks and thus finance more exports. However, the high level of risk and poor-to-nonexistent collectability when an importer defaults remain serious concerns.

Simmons Food, Inc. has used the SCGP to export chicken leg quarters to Kazakhstan and might use either the SCGP or GSM-102 to export poultry meal feed to Indonesia and the Philippines. The company has no preference between the SCGP and GSM-102. "Both programs are very positive, and we wouldn't do as much business otherwise, if at all, without the coverage," said Todd Simmons, president, sales and marketing for poultry. ■



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