

Working together is key in high-risk markets

NUSCIENCE

Belgium-based animal feed ingredients producer Nuscience is an innovative company using scientific research to develop feed that supports the ever-changing challenges of raising well-nourished livestock. The company is also ambitious – looking to expand into new markets in the Middle East and Africa. Its long-standing partnership with Credendo has been invaluable in aiding the company’s growth into high-risk regions that other insurers may be more reluctant to cover.

Nuscience is based in Belgium and produces functional feed ingredients, premixes and concentrates for pigs, poultry, and cattle. It is part of the well-known Dutch cooperative Royal Agrifirm Group. The Belgian branch was established in 1989 and has a current turnover of around EUR 161 million per year.

Based on scientific research and a deep understanding of the challenges farmers are facing, Nuscience’s products aim to support animals’ nutritional and health needs from the moment they are born.

The company has pioneered new approaches towards livestock feed and how farmers look after their animals. For instance, it has developed feed products for pigs, which aim to improve gut health and form part of a broader strategy to encourage pig farmers to reduce and eventually eliminate their reliance on antibiotics and zinc oxide.

Nuscience is present across the globe and has ambitious plans to expand into the Middle East and Africa, and it is in supporting this expansion that its partnership with Credendo – Short-Term Non-EU Risks’ team has proven invaluable. “Customer intimacy is key for us. Therefore, we make sure we meet at the premises of Nuscience twice a year to fine-tune our solution to their needs,” says Isabelle Van Durme, Sales Operations Manager at Credendo for Nuscience.



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Controller and Finance Lead
at Nuscience

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For example, Nuscience had a customer in a particularly tricky market to convince trade credit insurers to cover. “We have a large customer in Iraq, which is not an easy country to insure, and it is hard to provide financials and payment history on this customer. Credendo is now covering 50% of our risk on this customer. That really helps both us and our customer to develop our partnership,” says Lieselotte Kempinck, Controller and Finance Lead at Nuscience.

Kempinck also recognises Credendo’s flexibility in being able to provide short-term increases on its credit limits to support temporary and seasonal increases in clients’ outstanding debt.

What Kempinck appreciates in Credendo’s approach to doing business in these riskier markets, is its ability to take into account ‘soft information’ when making a credit decision. It considers details such as the strength of the relationship between Nuscience and its customer, and payment history rather than only relying on ‘hard data’ such as balance sheets.

“Credendo considers each risk on a case-by-case basis, gathering the information to assess its own risk – and working together with us to find a solution for the customer,” she explains.

This approach will support Nuscience as it expands into Africa, with the company in the process of setting up a



sales office in Kenya and hoping to secure credit limits with Credendo for new customers in the country. Credendo is already examining the quality of the prospects in Kenya – a region with many small farms where obtaining detailed financial records might prove hard.

Credendo’s support has also been vital in helping Nuscience face some of the wider challenges in its industry.

Global inflation has pushed up the cost of raw materials in the past year, increasing the cost of Nuscience’s products and leading to higher outstanding amounts owed by its customers. This required sufficient flexibility from Credendo’s side to increase credit limits on some buyers as needed.

Other challenges include foreign-exchange regulations. In Egypt, for instance, the central bank introduced limitations on how much local currency can be exchanged for euros or US dollars, which has resulted in some customers paying their bills late.

Credendo has again proven to be a flexible partner when there is a delay in payments. A heavy-handed approach and bringing in debt collectors immediately would potentially have pushed the late payer into insolvency. So instead, Credendo has worked together with Nuscience to ensure the relationship with the customer is maintained.

“We had two cases where we saw that a customer had a delay in its payments, but was still paying us,” Kempinck explains. Nuscience filed the claim with Credendo, as required under its policy, but Credendo supported Nuscience by granting the company some time to set up a payment plan with the buyer.

Furthermore, once payments were up to date, the credit limits on that customer were not automatically removed

and therefore the relationship with the buyer was preserved.

“Effective communication between Nuscience and Credendo has been vital in dealing with these challenges,” Kempinck notes. She praises Credendo’s use of online tools as well as the fact that there are individual team members she can approach with questions.

“We have the advantage of doing business with a large company, but we still have the personal approach of a dedicated team. The online tool is very practical – but if we have another question, we can still send an e-mail and for each question we know who we need to contact,” she says.

A 2022 outbreak of swine fever in Southeast Asia has negatively impacted Nuscience’s business. With the deadly virus wiping out livestock, farmers are reluctant to buy large numbers of new pigs for fear of further outbreaks, which is reducing demand for feed ingredients.

Despite these challenges, Kempinck sees huge opportunities ahead for both Nuscience and Credendo as they work together to break into new markets.

“Our Middle East and Africa businesses are growth businesses, and we expect that we will have larger and more customer accounts in those markets and that total sales and revenue will increase,” she says.

In 2022, Nuscience further strengthened its relationship with Credendo after deciding to transfer its European business from a competing provider to Credendo. This means that Credendo now covers both Nuscience’s riskier non-EU trade risks – such as customers in Iraq and Egypt – and the typically ‘safer’ European business.