



# U.S. WHEAT ASSOCIATES

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## NEWS RELEASE

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### **Nigerian Wheat Imports Reflect Public-Private Investment Benefits**

#### **Millers Visit United States to Tell Their Story**

ARLINGTON, VA -- Flour milling executives from Nigeria are traveling to the United States this week to tell the story of how a partnership between the U.S. government and wheat producers has helped them build the second largest industry in the West African nation. U.S. Wheat Associates (USW) is sponsoring the trade visit, which includes stops in Washington, DC, Kansas, and Texas.

Nigeria buys more U.S. hard red winter wheat every year than any other country and will likely be the largest U.S. wheat buyer in the world in 2009/10 (June-May). As much as 90 percent of the wheat milled in Nigeria is imported from the United States, including hard red spring, hard white, durum, and soft red winter wheat. Since 2001 when USW opened a technical service office in Lagos, average annual wheat sales to Nigeria have doubled from about 1.5 million metric tons (55 million bushels) to almost 3 million metric tons (110 million bushels), returning billions of dollars back to the U.S. economy.

“Our industry relies on U.S. wheat because it is a very good value and we can source every type of wheat we need all year long,” said Mr. Debo Agbonyin, Executive Director, Corporate Services, for BUA International Flour Mills.

“U.S. wheat has also become a basic ingredient for greater economic opportunity in Nigeria,” said USW President Alan Tracy. “Doing business in Nigeria can be difficult, but their milling industry supports thousands of jobs and is still expanding its capacity. We have supported that growth by helping these millers introduce new products like pasta, instant noodles, and cookies into this growing market.”

Because it receives producer checkoff dollars managed by 19 state wheat commissions, USW qualifies for additional funding from the Market Access Program, Foreign Market Development program, and other programs managed by USDA's Foreign Agricultural Service. These programs support trade and technical service and allow USW to bring trade teams to the United States to help buyers, technicians, and government officials understand how to get the most value possible from U.S. wheat.

This Nigerian trade team is unique in that the millers will spend two days in Washington, DC, meeting with U.S. officials who have jurisdiction over federal export market development programs. They want to inform those officials that these programs are a valuable investment.

“Whatever we have achieved, the foundation has been laid by U.S. Wheat Associates,” said Mr. Tunde Odunayo, Chairman of Honeywell Flour Mills, Lagos, Nigeria. “We know that USW is funded by farmers and USDA. It is money well-spent.”

From Washington, the Team will travel to Kansas City, MO, to meet with U.S. exporters. Stops in Manhattan, KS, and Dallas, TX, managed by the Kansas Wheat Commission and Texas Wheat Producers Board, will put the team in touch with wheat producers and give them a chance to get an early look at the 2010/11 hard red winter wheat crop.

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### **Promoting Wheat Exports Builds Opportunity at Home**

The story of success in the Nigerian flour milling industry is one example of how the public-private investment in export promotion supports local capacity-building and helps stimulate economic opportunity here in the United States. A new economic analysis recently released by U.S. Wheat Associates (USW) indicates the far-reaching benefits of wheat export promotion.

The study concluded that U.S. wheat producers received \$23 back in increased net revenue for every \$1 they invested to promote their products overseas between 2000 and 2007. The return on the total investment by producers and USDA Foreign Agricultural Service programs was even greater. The study estimated that the overall average gross revenue benefit to the entire wheat industry from the combined producer and federal investment was about \$115 for each dollar spent.

USW commissioned the study with funding from the USDA Foreign Agricultural Service Market Access Program. Dr. Harry M. Kaiser, the Gellert Family Professor of Applied Economics and Management at Cornell and director of the Cornell Commodity Promotion Research Program (CCPRP), designed and conducted the research using established methods he and the CCPRP team developed.

“The study showed that U.S. wheat export promotion had a large and beneficial impact for producers and the economy that far exceeded its cost,” Dr. Kaiser said. For more information on this study, visit the USW Web site at [www.uswheat.org](http://www.uswheat.org).

In addition, new data from a multi-year analysis of export promotion costs and benefits by Global Insight shows federal support for producer investments provide a basis for coordinated market development efforts that would otherwise be fragmented, under-funded or non-existent. This study showed that since 2006, increased market promotion and development spending is estimated to have increased total U.S. agricultural export market share from 18.6 percent to 19.9 percent and the value of trade from \$90.5 billion to \$96.1 billion. The study also indicated that during the period 2002 to 2009, U.S. share of foreign imports grew 1.3 percentage points and U.S. agricultural exports will be \$6.1 billion higher as a result of the increased investment by government and industry.

- 30 -

USW is the industry’s market development organization working in more than 100 countries on behalf of America's wheat producers. The activities of USW are made possible by producer

checkoff dollars managed by 19 state wheat commissions and through cost-share funding provided by USDA's Foreign Agricultural Service. For more information, visit [www.uswheat.org](http://www.uswheat.org) or contact your state wheat commission.

For additional information, click here:

<http://www.uswheat.org/newsEvents/newsRelease/doc/110167C555C4F21F8525770A005C3961?OpenDocument#>.

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