The wheat industry has been a strong partner in U.S. food aid for over 50 years, and American farmers take great pride in being able to share their bounty with populations that need it the most. Well-timed monetization deliveries can even help food availability throughout the year, alleviating local market price volatility. Monetizing U.S. wheat helps stimulate local milling industries – providing an economic engine and valuable employer.

Monetizing commodities to fund projects achieves beneficial results. It:

- Can **add value** by addressing market constraints in a country and creating business opportunities.
- Can **increase** food availability.
- Can provide small and medium-sized buyers **access** to commodities at a landed price that is comparable to prices a large buyer would take advantage of for full-sized shipments of products

“The United States continues to be the world leader for international food assistance, and these programs give us farmers a reason to be proud. I visited monetization projects in Tanzania, where I saw that the long-term value of monetizing a commodity goes beyond the important development work it funds. Wheat monetization is a win-win for millers, customers and NGOs and contributes to economic growth in Sub-Saharan Africa.”

– Ron Suppes, Kansas wheat farmer and past USW Chairman

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MILLING INDUSTRY DEVELOPMENT

Thanks to monetization through Title II funding, Mozambique grew from 2 mid-sized mills in the 1990s to more than 7 in 2015. This is because, more than commercial or cash interactions, monetization transactions have less restrictive payment terms, allowing millers time to build capital with longer payment periods. The mills were able to conduct transactions in their local currency when access to foreign currency was limited. The monetization programs allowed the mills to produce better quality wheat flour because higher quality U.S. wheat was readily available to them, and because USW followed up on those wheat purchases with technical support to millers and bakers in the country. These benefits are all on top of the developmental gains to the country from the original NGO project the sale funded.

A miller in Malawi pleaded for a wheat monetization project through the FY 2016 Food for Progress application cycle, saying, “with the dire need for food support due to a bad maize crop, and with bread being considered a ‘staple food’ the supply of wheat into Malawi will benefit the population extensively.” The country is anticipating a slowdown in the availability of foreign currency as the tobacco season ends. Monetizing wheat would provide high quality supplies of a staple commodity that they may not be able to access otherwise.