



U.S. WHEAT: A VITAL FOOD AID TOOL

CONTRIBUTING TO GLOBAL FOOD SECURITY

Wheat is the source of 20 percent of the world's caloric intake and a dietary staple around the world. It is an excellent source of energy-providing complex carbohydrates, fiber, B vitamins and iron. The U.S. wheat industry is committed to global food assistance and encourages a program that includes the full range of options to help countries attain lasting and sustainable food security. Specifically, we hold to the following principles:

- Promote wheat as a nutritious component of international food aid.
- Support full funding of P.L. 480 Title II food assistance programs.
- Support a strong, flexible U.S. food aid program that contains both in-kind donations and monetization.
- Support funding and implementation of local and regional procurement programs through the Foreign Disaster Assistance Act and USAID.
- Support USDA administration of Food for Progress.
- Support the U.S. government's agricultural development initiatives as a supplement to existing emergency and non-emergency humanitarian assistance programs such as P.L. 480 Title II programs.

AN EFFECTIVE FOOD AID STRATEGY SHOULD INCLUDE IN-KIND DONATIONS

The 2014 Farm Bill provides ample flexibility for U.S. food aid programs. Food for Peace cash and voucher programs, as well as local and regional purchasing, are important for emergencies, when delays in the arrival of in-kind food would result in humanitarian crises, and are reasonable alternatives for countries less able to share their in-kind bounty. But while they are an important food aid tool, a further shift in funding toward these programs moves resources away from in-kind commodities and diminishes returns. This removes U.S. agriculture from the equation, endangering its strong, cooperative relationship with aid programs that is essential for Congressional support. In other areas of the world, such as the European Union, similar shifts have had a negative impact, leading to a decrease in total food aid contributions. The U.S. wheat industry opposes all attempts to require that food aid be given as "cash only" instead of allowing donor nations to provide food directly as emergency and development assistance.



DID YOU KNOW?



Although worldwide in-kind food aid has been consistently declining since 1999, THE UNITED STATES CONTINUES TO BE A WORLD LEADER OF IN-KIND FOOD AID DONATIONS AND TOTAL DEVELOPMENT ASSISTANCE.



IF FOOD AID REPRESENTED AN EXPORT MARKET, total wheat donations from the United States between 2009 – 2017 would have ranked in our top 10 export markets in 3 of those years.



WHEAT IS CONSISTENTLY THE TOP U.S. FOOD AID COMMODITY, making up roughly 40% of all in-kind food aid from the United States each year AND IS THE SINGLE MOST MONETIZED COMMODITY.



HARD RED WINTER (HRW) WHEAT DONATIONS would make the top 10 U.S. HRW wheat export list in 7 of the past 9 years. SOFT WHITE (SW) WHEAT DONATIONS would make the U.S. SW list 5 of the past 9 years.

USING ALL OF THE TOOLS IN THE TOOLBOX: MONETIZATION

Monetization is a food aid tool that provides necessary commodities to food-insecure areas and benefits market development programs by generating funding from the sale of donated U.S. commodities. The long-term value of monetizing a commodity goes beyond the immediate return of the initial sale. Monetizing U.S. wheat stimulates local milling industries and fosters relationships with future trade partners.

MONETIZATION IN ETHIOPIA: A STORY OF SUCCESS

In 2014, USDA's Food for Progress program monetized 40,000 metric tons (MT) of hard red wheat. ACIDI/VOCA, an NGO working on agricultural development, used the resulting funds

to finance its Feed for Enhancement for Ethiopian Development project (FEED II). Ethiopia traditionally is a price-driven market that buys low-cost milling wheat primarily from the Black Sea region and India. However, by purchasing 35,000 metric tons of the monetized wheat, which accounted for 70 percent of the FEED II funding, Ethiopia's Lemlem Food Complex introduced Ethiopian wheat [flour] customers to the superior quality of U.S. wheat. The wheat continued to offer benefits because the FEED II project's beneficiaries used the bran removed during the milling process as an important ingredient in their livestock feed concentrates. Encouraged by his positive experience buying monetized U.S. wheat, the owner of Lemlem Food Complex plans to build a new pasta factory in Addis Ababa and is considering buying more U.S. wheat in the future.

FOR MORE THAN 60 YEARS, U.S. WHEAT FARMERS HAVE TAKEN PRIDE IN PROVIDING IN-KIND WHEAT FOOD AID AS A SAFE AND RELIABLE SOURCE OF NUTRITION TO FOOD-INSECURE PARTS OF THE WORLD AND SUPPORT USING U.S. COMMODITIES TO ENHANCE DEVELOPMENT PROGRAMS.



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U.S. Wheat Associates (USW) is the industry's market development organization working in more than 100 countries. Its activities are made possible by producer checkoff dollars managed by 17 state wheat commissions and through cost-share funding provided by USDA's Foreign Agricultural Service.

National Association of Wheat Growers (NAWG) is a federation of 21 state wheat grower associations that works to represent the needs and interests of wheat producers before Congress and federal agencies. Based in Washington, D.C., NAWG is grower-governed and grower-funded, and works in areas as diverse as federal farm policy, trade, environmental regulation, agricultural research and sustainability.



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