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## Angola

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### FAS Marketing Grant Opens Angolan Market to U.S. Wheat

**Report Categories:**

Export Promotion Programs

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**Report Highlights:**

A USD \$146,000 Quality Samples Program (QSP) grant to the U.S. Wheat Associates facilitated the reopening of the Cerangola flour mill in Lobito, Angola, paving the way for an estimated USD \$25 million in annual U.S. wheat exports to Angola. The December 2016 arrival of five containers of QSP-funded U.S. hard red winter wheat permitted the reopening of the first flour mill to operate in Angola in over ten years. In addition to the shipment of U.S. wheat, the QSP grant also provided five containers of U.S. flour to a local pasta factory in Luanda and a bakery in Lobito. U.S. Wheat Associates also provided technical assistance and training to the mill, pasta company, and bakery with funding from the USDA Market Access Program and Foreign Market Development Program. FAS/Luanda organized a promotional ceremony presided over by U.S. Ambassador Helen LaLime to publicize the QSP shipments and highlight the unique qualities of U.S. wheat and wheat flour.

## **FAS Quality Samples Program Shipments of Wheat and Wheat Flour to Angola**

Faced with lost oil revenue, the government of Angola is encouraging the development of wheat milling to replace relatively costly flour imports as part of its overall economic diversification plan. Angola currently imports about 500,000 tons of wheat flour per year from Turkey and the European Union, at a value of USD \$177 million in 2015. By replacing flour imports with wheat imports, Angola can reduce its need for foreign exchange as well as boost value-added local production. Angolan public and private sector plans to bolster the milling industry make the country a promising market for U.S. wheat exports. The U.S. Wheat Associates estimates that the US could export up to USD \$25 million annually to Angola.

In light of this opportunity, FAS awarded the U.S. Wheat Associates a USD \$146,000 Quality Samples Program (QSP) grant to provide marketing samples of U.S. wheat and wheat flour to Angolan companies for product testing. The project included three shipments: five containers of wheat to a Lobito mill, three containers of flour to a Luanda pasta factory, and two containers of flour to a Lobito bakery. In addition to the sample product, the receiving companies will receive ongoing technical training for their staff in milling and baking techniques funded through the USDA Market Access Program and Foreign Market Development Program.

The objective of the QSP shipments was to showcase U.S. hard red winter (HRW) wheat and wheat flour and their advantages for making good quality pasta, bread, and rolls. The long term goal is to stimulate demand for U.S. HRW wheat in the Angolan market, replacing expensive non-U.S. origin flour exports with U.S. wheat imports for local milling.

### **Arrival of QSP Wheat and Wheat Flour in Angola and Next Steps**

In December 2016, five containers of QSP-funded U.S. HRW wheat arrived at the Cerangola flour mill in Lobito, Benguela Province. The shipment was marked by a January 31 reopening ceremony at the mill. As the first wheat mill in Angola to operate in years, this reopening drew high level attention and heavy media coverage; the Minister of Industry spoke at the event and the provincial Vice Governor also attended. FAS/Luanda Agricultural Specialist Ricardo Dias represented U.S. Embassy Luanda at the event.



The newly reopened Cerangola flour mill in Lobito, Angola.

Cerangola invested \$250,000 to reopen the mill with a capacity to produce 100 MT per day of wheat flour and 30 MT per day of wheat bran. To meet their need for 20,000 MT of wheat in 2017, Cerangola has already requested a commercial quotation from U.S. suppliers. Additional renovations to the mill are planned for 2018, at a cost of USD \$6 million, and aim to increase production to 500 MT per day of wheat flour and 150 MT per day of wheat bran.



Spectators and media representatives await the Cerangola mill reopening ceremony.

February 2017 saw the arrival of three containers of QSP-funded U.S. wheat flour to the Elumni pasta factory in Luanda and two containers of flour to the Pão D'ouro Bakery in Lobito. FAS Agricultural Attaché Abigail Nguema and Agricultural Specialist Ricardo Dias organized a ceremony at the pasta factory to promote U.S. wheat and wheat flour. U.S. Ambassador Helen LaLime welcomed government and business leaders and members of the media to the event and gave remarks emphasizing the benefits to Angola of importing wheat for local milling. Attendees at the promotional ceremony had the opportunity to witness the pasta-making process and taste macaroni made from U.S. wheat flour.

Elumni entered the pasta business two years ago and the factory is now using 90 MT per month of imported flour from Turkey and the European Union. Although FAS's end goal is to increase exports of U.S. wheat to Angola, FAS worked with the U.S. Wheat Associates and the North American Millers Association to provide samples of U.S. flour as an intermediary step, aimed at familiarizing Angolan bakers and pasta companies with the unique qualities of flour made from U.S. HRW wheat as opposed to flour made from Turkish and European wheat. Since Angolan flour mills will need a year or two to develop the infrastructure and capacity necessary to fill the demand for flour in Angola, it is a good first step to provide U.S. flour samples and technical assistance aimed at increasing the Angolan demand for U.S. wheat-based flour.



Left: (from left) U.S. Wheat Associates representative Jose Missula, U.S. Ambassador Helen LaLime and FAS/Pretoria Agricultural Attaché Abigail Nguema meet with Elumni Director Jean Vasconcelos in front of the QSP-funded shipment of U.S. wheat flour

Right: Ambassador LaLime discusses the macaroni-making process with Elumni Director Vasconcelos.



Ambassador LaLime with employees of the Elumni pasta factory.