

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 6/15/2017

Angola

Post: Luanda

Expanded milling opens the door for U.S. wheat exports

Report Categories:

Promotion Opportunities

Approved By:

Suzanne Heinen

Prepared By:

Ricardo Dias and Abigail Nguema

Report Highlights:

Angola's wheat milling capacity is expected to grow over the next several years, with the opening of two new mills and increased production at two existing mills. This creates an opportunity for U.S. wheat exports to the country. Angola does not produce its own wheat, and is just beginning a transition from its reliance on imported wheat flour to local milling of imported wheat as part of a broader economic diversification effort.

Background

Current and planned investments in the Angolan milling sector present a market opportunity for U.S. wheat exports. With the recent decline and instability in the price of petroleum—Angola’s primary source of revenue—the government of Angola has been pushing for economic diversification, including support for agro-processing development. The country’s wheat milling capacity is expected to grow over the next several years, with the opening of two new mills and increased production at two existing mills. Angola does not produce its own wheat and has just started to import wheat. According to importers, the main sources of imported wheat are France, Belgium, and Australia.

New wheat mill opened in Luanda

May 26, 2017 marked the inauguration of a new wheat mill in Luanda, Angola, called the Grandes Moagens de Angola (GMA). Work on the privately-owned mill was initiated in 2015 with support from the Ministry of Industry and partial financing by the Angola Development Bank. The mill’s capacity is approximately 1,200 tons of processed wheat per day, including 930 tons of flour and 260 tons of bran. Located in the Port of Luanda near the city center, the new mill will provide 150 new jobs.



New Grandes Moagens de Angola (GMA) wheat mill in Luanda (right) and 40,000-ton storage facility (left).

Plans to expand Angola’s wheat milling capacity

In addition to the new mill in Luanda, several new projects are on the horizon for Angola’s milling sector:

- The owners of the new GMA mill in Luanda plan to build an identical wheat mill in the port of Lobito, on Angola’s southern coast, within the next two years.

- The Kikolo wheat mill on the outskirts of Luanda is set to open this year, beginning with a capacity of 500 tons per day and reaching 1000 tons per day in 2018.
- The Cerangola wheat mill in Lobito, with an estimated current capacity of 130 tons per day, plans to increase production to 650 tons per day in 2018.

Angola's current and projected demand for wheat flour

Current wheat flour imports are listed in Table 1 below. The Angola National Shippers Council estimates that in 2020 the country's annual demand for wheat flour will reach 730,000 tons.

Importers in Luanda have reported a glut of inexpensive wheat flour on the Angolan market—due in part to Turkish wheat flour subsidies of USD 60/ton—as one challenge facing wheat exports to Angola. However, the government of Angola is expected to release an updated tariff schedule within the coming months and potential wheat importers are lobbying for protective tariffs against wheat flour and in favor of wheat grain.

Table 1: Angola Wheat Flour Imports

Country	2014 (tons)	% of total	2015 (tons)	% of total	2016 (tons)	% of total
Turkey	122,629	25	156,603	32	139,921	29
France	187,443	38	109,967	22	102,869	21
Portugal	32,513	7	49,336	10	71,005	15
Belgium	70,385	14	103,129	21	67,650	14
Germany	25,480	5	575	0	35,659	7
Latvia	20,767	4	31,292	6	21,919	5
Ukraine	46	0	7,718	2	21,321	4
Georgia	240	0	7,944	2	6,692	1
Morocco	24,900	5	22,235	5	6,647	1
Netherlands	23	0	904	0	4,260	1
Spain	5,357	1	0	0	715	0
Serbia	3,646	1	0	0	0	0
Total	493,429	100	489,703	100	478,658	100

Source: GTA



One of the GMA wheat storage units in the Port of Luanda, with a capacity of 20,000 tons.