

06/22/2012

0622WHEAT

Camille Phillips

Kansas wheat farmers may be tied to the land, but their crop isn't. About half of the wheat grown in the United States each year is exported. To help sustain these markets, the wheat industry invites these overseas customers to come to the U.S. to see how the wheat they buy gets from the farm to the port. Harvest Public Media's Camille Phillips joined a group from Nigeria for a portion of one such tour—a visit to the Kansas City Board of Trade.

0622WHEAT

TRT: 4:07

SOC

[AMBI – long opening bell]

It's 9:30 a.m. and the wheat market at the Kansas City Board of Trade opens with little fanfare. Seven Nigerian men look down from the balcony into the pit, watching traders swap papers and peer onto laptops. Deborah Bollman, the board's assistant vice president of marketing, describes the activity below.

Bollman1

TRT: 0:10

OC: electronically

*"But you see there's a few people that are standing here in the pit. You have the gentleman that's in the black jacket that's a broker."*

It's likely that the wheat price being decided on in the pit right now will impact the bottom line for the flour mills the Nigerian men represent. Nigeria is one of the top three importers of American wheat.

On the surface, a flour mill in Nigeria doesn't make much sense. After all, the climate is not conducive to growing wheat. But Nigerian flour mills are successful, Muyiwa Talabi says, because Nigerians love bread. Talabi works for the U.S. wheat industry in Lagos, Nigeria.

Talabi1

TRT: 0:13

OC: eating bread

*“The British colonized Nigeria and bread was one of the staples for the British. And Nigerians picked up that attitude of eating bread.”*

Talabi says that there are 22 commercial milling companies in Nigeria. According to the U.S. Department of Agriculture, Nigeria imported more than 3.7 million tons of wheat from the United States last year. Only Japan and Mexico bought more.

U.S. Wheat Associates is the industry organization that sponsors the Nigerian tour and about nine others each year. It represents the international trade interests of 19 state wheat commissions.

Trade visits such as this are a vital part of keeping the wheat export business successful, says Aaron Harries, director of marketing for the Kansas Wheat Commission.

Harries1

TRT: 0:15

OC: Nigerian’s don’t do that

*“It’s reassuring to them to come and see where the product is coming from, seeing individuals face to face. And relationships are very important to them. Some buyers of wheat are what we call price buyers, where they ultimately buy the cheapest wheat available. Nigerians don’t do that.”*

This particular tour through three states will last 10 days and take the Nigerians to research labs, shipping yards and grain elevators. Before arriving at the Kansas City Board of Trade, the Nigerians had already visited farmers in Nebraska and Kansas.

That was a highlight for Tunde Adebayo, human resource manager at Honeywell Flour Plc.

Adebayo1

TRT: 0:15

OC: the right quality

*“ I had the opportunity to see the wheat farmers, to see the wheat being harvested, and also look at the quality checks that goes on to insure that the quality of the wheat that gets to us even in Nigeria is the right quality.”*

Babatunde Idowu, division head for Flour Mills of Nigeria, says the technology and skills he witnessed on this trip encourages him to dream of a future where his own country has a stronger agricultural presence.

Idowu1

TRT: 0:16

OC: be like U.S.

*“So I appreciate what they do. I wish we could do the same thing back home. (Wish you could do the same thing back home?) Back home, yes. That is, produce at least where we have advantage, like rice, maize...So that we can also be like U.S.”*

That doesn't mean the U.S. wheat industry needs to worry.

Idowu2

TRT: 0:05

OC: No doubt about that

*“(But will you continue to buy U.S. wheat?) Yes, of course we would. No doubt about that.”*

The Kansas Wheat Commission is hosting a Colombian team in July in honor of the new Colombia / U.S. free trade agreement. If the trade agreement had not been reached, U.S. Wheat Associates estimates up to \$100 million annually in wheat sales could have been lost.

I'm Camille Phillips for Harvest Public Media.