

Colombian Trade Team to Kansas Will Celebrate New Free Trade Pact

Four executives of Colombia's major flour, cookie and pasta groups, representing 50 percent of Colombia wheat imports, will visit the United States July 8 to 15 to tour the U.S. wheat supply chain from farm to port. U.S. Wheat Associates (USW) is sponsoring the team with assistance from the Kansas Wheat Commission, Montana Wheat & Barley Committee and the Oregon Wheat Commission.

"The United States traditionally supplies half of Colombian wheat imports, but competition from Canada and Argentina is strong," said Osvaldo Seco, USW assistant regional director based in Santiago, Chile, who is traveling with the team. "Seeing the U.S. grain system from the farm to export facilities helps reinforce the quality, reliability and value of U.S. wheat."

The visit includes a dinner in Kansas recognizing the hard work by the Colombian milling and U.S. wheat industries to push for duty free access for U.S. wheat into Colombia. The United States traditionally supplies half of all Colombian wheat imports, but sales in 2011/12 were down by nearly 50 percent due primarily to the Canada-Colombia free trade agreement, which was entered into in 2011; and duty free imports from Argentina.

The U.S-Colombia free trade agreement was entered into force on May 15. The agreement eliminates all tariffs on U.S. wheat imports into Colombia so Colombian millers can purchase the high quality U.S. wheat they prefer at more competitive market prices. That is important because wheat imports and consumption are steadily rising in Colombia. Total wheat consumption was 1.40 million metric tons in 2011. The majority of wheat is used to produce bread and pastry flour (76 percent) with additional wheat milled to make flour for cookies, crackers, noodles and pasta. Overall, Colombia still has lower per capita bread, pasta and cookie consumption compared to its South American neighbors, signifying room for market growth.

USW representatives in its regional office in Santiago, Chile, provide Colombian millers and buyers with information on the marketing and blending possibilities of U.S. wheat. Additionally, USW provides technical assistance on milling HRW or blends of HRW and soft wheats, creating lower cost options for millers and bakers than competing wheats from Canada and Argentina.

Now that U.S. wheat competes on a level playing field with wheat from Canada, Argentina and other countries, activities like this trade team help USW reintroduce the quality, reliability and value of U.S. wheat. In addition to meeting with government and grain industry representatives in Kansas, team members will tour Federal Grain Inspection Service and other USDA quality labs and visit the grain export facilities.

USW is the industry's market development organization working in more than 100 countries. Its mission is to "develop, maintain, and expand international markets to enhance the profitability of U.S. wheat producers." The activities of USW are made possible by producer checkoff dollars managed by 19 state wheat commissions and through cost-share funding provided by USDA's Foreign Agricultural Service. For more information, visit www.uswheat.org or contact your state wheat commission.