



**Caribbean Project  
July 24- August 4, 2006  
Report One**

## Colombia



Colombia has a population of 44 million in an extension of 439,619 squared miles. Their monetary unit is the Colombian peso with a value of 2,474 pesos to one USD. Their Gross Domestic Product (GDP) per capita (USD) is 7,900 (2005). Their inflation rate is 4.9%. Their main Agriculture products are bananas, sugar, rice, coffee, yucca and potatoes. Its main cities are Bogotá, Cali, Medellin, Barranquilla and Bucamaranga.

According to Mr. Leonardo Pinzon agriculture specialist of the U.S. Embassy in Bogotá, Colombia has a cattle population of 23 million animals between dairy and beef. They are trying to be free of Foot and Mouth Disease with a very strong sanitary program. For 2005 Colombia produced 6 million liters of milk. It was mentioned that Colombia imports 90% of the ingredients they use in feed manufacturing. They import 2,200 millions of metric tons of corn with 20% going to animal use and 500,000 metric tons of Soybean meal per year.

### **ITALCOL**

**Juan Carlos Carbone R.**

**Jefe de Departamento**

This company was established in 1970 as a company dedicated for manufacturing, distribution and concentrates sales for animals. Their feed plants are located in Bogotá, Cali, Bucamaranga, Barranquilla and Medellin. Originally they imported soybean meal from the U.S., Argentina and Paraguay, fish meal from Ecuador and Peru, vitamins and additives from Europe, the U.S. and China. They would come to Colombia through the sea ports of Buenaventura and Barranquilla. Their capacity for feed manufacturing production at a national level is more than 50,000 metric tons, monthly. Their annual total sales according to Mr. Carbone are up to 900 thousand metric tons, including concentrates and ingredients. Currently they are importing close to 650,000 metric tons of corn, milo, whole

soybean, soybean meal, cottonseed meal from South America and Sunflower meal. They have three ships that arrive monthly and one that arrives every 20 days that bring in the imports through the sea ports mentioned. The last ship has a capacity of 35,000 metric tons. They could also bring a ship to Panama since they have a feed plant their also

According to Mr. Carbone they would bring imports from the New Orleans sea ports. U.S. cottonseed meal would bring a 15 % tariff rate compared to a cottonseed meal from Paraguay at 9% tariff rate and 10.35% from Argentina. A free trade agreement with the U.S. would come into effect at the beginning of 2007 or 2008 and according to Mr. Carbone would reduce gradually and eliminate it the tariff rate with the U.S in five or eight years. Currently they are buying national cottonseed meal at their plant at 278 U.S. Dollars and Soybean Meal at 300 U.S. Dollars according to Mr. Carbone. Their protein content is estimated to be between 35-40% protein.

### **Solla**

**Andres Felipe Isaza**

Director

**Cesar Augusto Arias Lopez**

Gerente Regional

This corporation is made out of four feed plants in Medellin, Buga, Mosquera and Bucamaranga and is considered to be the largest feed manufacturing company in Colombia according to Mr. Pinzon, agricultural specialist in Colombia. The person previous in charge was Catalina Correa but was in maternity leave at that moment. Its main offices are in Medellin, Colombia. The persons visited were Dr. Cesar Augusto Arias in Bogotá and a conference call with Andres Felipe Isaza in Medellin. According to Dr. Arias, they produce 120,000 metric tons per month or 1,440,000 metric tons per year of feed as a group (Solla) were 65-70% is for poultry purposes. This was the corporation that had already imported U.S. cottonseed meal in January 2005 with 1,477 metric tons (NCPA Statistics). At the moment they are paying 250 U.S. Dollars per metric ton for cottonseed meal from Paraguay. Cottonseed meal imports to Colombia would come during the month interval of January – April unless market conditions dictate otherwise. According to Mr. Arias they would like a direct contact with the producers of U.S. cottonseed meal for possible imports in the near future. The Paraguayan cottonseed meal according to Mr. Arias is 40%. They are bringing 10,000 metric tons of soybean meal per month along with corn and corn gluten. At the moment they are not bringing DDG's because of price. The tariff rate on DDG's is 20%. Cookie meal from the U.S. was another product they were importing at the moment.

**Agrinal**  
**Purina**  
**Lelio Mogliati Carignano**  
Jefe de Importaciones y Exportaciones

This company compared to the two previous ones does not have vessel capacity to bring in U.S. cottonseed meal and would depend on a dealer to bring into Colombia. They produce 20,000 metric tons per month of which 3,500 goes for milk and meat. They were consuming cottonseed meal at the moment and reported a protein content of 36.3% with a fat content of 2.4 and a fiber of 15%.

**Summary:**

The main two companies that should be focus because of size, consumption and vessel capacity through the port of New Orleans are the group SOLLA and the group ITALCO. The first and second largest feed manufacturers of Colombia. Recently an inquiry has been received by the group SOLLA for 1500 Metric Tons of U.S. cottonseed meal in the port of New Orleans to be bring by their vessels to Colombia. The Colombian feed manufacturing market has a potential over 20,000 metric tons per year with a market of over 4 million dollars.

**Contacts:**

**Solla**  
**Andres Felipe Isaza**  
**Director**  
Planta Bello  
Autopista Norte Kilometro 6- Bello (Antioquia)  
Tel: (571) 4-454-80-00  
Fax: (571) 4-461-33-60  
Email: [afisaza@solla.com](mailto:afisaza@solla.com)

**Solla**  
**Cesar Augusto Arias Lopez**  
**Gerente Regional**  
Kilometro 15 Via Occidente  
Mosquera- Cundinamarca  
Tel (571) 1- 422-24-22  
Fax (571) 1-422-24-33  
Mobile: (315) 374-49-55  
Email: [caarias@solla.com](mailto:caarias@solla.com)

**ITALCOL**

**Alimentos Concentrados**

**Juan Carlos Carbone R.**

**Jefe de Departamento**

Calle 94 A No.11 A-53 Pisos 4 y 5

Bogota D.C. Colombia

Telefax (571) 623-5957, 623-6782

Email: [juancarbone@italcol.com](mailto:juancarbone@italcol.com)

**Agrinal**

**Purina**

**Lelio Mogliati Carignano**

**Jefe de Importaciones y Exportaciones**

Funza-Cundimarca-Colombia

Tel: (571) 822-3900

Fax: (571) 822-3900 Ext: 249/ 299

Email: [leliom@agrinal.com.co](mailto:leliom@agrinal.com.co)

### **Summary of the Caribbean Project First Phase Countries and a Commonwealth**

The Caribbean project including the commonwealth of Puerto Rico has a potential market of 55,000 metric tons with U.S. Dollar estimated market value of 11 million dollars (Table 1) due to the size of the companies, the demand of their local market for feed products, the vessel capacity of all the companies recommended and the logistics of being within the area of the Caribbean region were the U.S. seaport that could be the exporting port is New Orleans. It can also be noted the participation of the countries involved in the first part of this project in Latin America's feed production (Table 2) and real market value of Soybean meal imports to the countries involved used as a reference point.

**Table 1 Potential Market (Met tons) of U.S. Cottonseed Meal and Estimated Market Value**

	<b>Potential Market Mt Tons U.S. Cottonseed Meal</b>	<b>Estimated Market Value U.S. Dollars</b>
<b>Puerto Rico</b>	15,000	3,000,000
<b>Dominican Republic</b>	10,000	2,000,000
<b>Panama</b>	10,000	2,000,000
<b>Colombia</b>	20,000	4,000,000
<b>Total</b>	<b>55,000</b>	<b>11,000,000</b>

**Table 2 Production of Animal Feed in Latin America (Thousands of Tons) 2005**

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	<b>Production</b>	<b>% of the Market</b>	
<b>Mexico</b>	24,620	25.2	*
<b>Central America</b>	3,200	3.3	*
<b>Colombia</b>	4,010	4.1	*
<b>Ecuador</b>	1,560	1.6	
<b>Peru</b>	1,700	1.7	
<b>Bolivia</b>	380	.4	
<b>Chile</b>	3,710	3.8	
<b>Argentina</b>	5,770	5.9	
<b>Uruguay</b>	270	.3	
<b>Paraguay</b>	160	.2	
<b>Brazil</b>	47,210	48.2	
<b>Venezuela</b>	3,650	3.7	
<b>Caribbean</b>	1,600	1.6	*

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\* Areas covered by the project compared to Mexico. Data from Sindiracoos, Brazilian Feed Industry Association

**Table 3 U.S Exports of Soybean Meal 2001-2005 (In Thousands of U.S.Dollars)**

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	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Dominican Republic</b>	70,783	69,782	73,218	41,878	61,568
<b>Colombia</b>	9,770	11,395	11,278	43,743	56,980
<b>Panama</b>	23,436	25,127	31,076	17,952	28,637

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Data : From FAS. USDA GOV BICO Search Results