



# ANNUAL REPORT 2023



## COLOMBIA POULTRY EXPORT QUOTA, INC.

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# MISSION STATEMENT

The Colombia Poultry Export Quota, Inc. (COLOM-PEQ) is a not-for-profit corporation established to manage, on an open tender basis, the tariff-rate quotas (TRQs) for chicken leg quarters (CLQs) granted by the Republic of Colombia to the United States under the terms of the United States-Colombia Trade Promotion Agreement (CTPA). COLOM-PEQ then distributes the proceeds of the tender process to fund: (1) market access, market promotion, educational, scientific and technical projects to benefit the United States poultry industry, and (2) market access, market promotion, educational, capacity building, competitiveness, scientific and technical projects to benefit the poultry industry of Colombia. In this manner, COLOM-PEQ fosters the cooperation and integration of the poultry industries of both Colombia and the United States.

\*COLOM-PEQ's Mission was established under the terms of an Export Trade Certificate of Review issued by the U.S. Department of Commerce on August 14, 2012, and published in the Federal Register on September 4, 2012/VOL. 77, No. 171/Notices, PP 53865-53867.

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July 2024 - COLOM-PEQ Annual Board Meeting in Pereira, Colombia

# 1. CHAIRMAN'S LETTER

In its twelfth year of operations, COLOM-PEQ conducted three open-tender auctions for the export of chicken leg quarters (CLQs) from the United States to Colombia under the duty-free tariff rate quota (TRQ) established by the United States - Colombia Trade Promotion Agreement (CTPA). A total of 30,481 metric tons (MT) out of an annual TRQ of 41,627 MT was auctioned in three tranches: 15,407 MT in the first, 10,407 MT in the second, and 10,407 MT in the third, with 4,667 MT awarded in the latter. The auctions generated receipts totaling \$2,516,309.

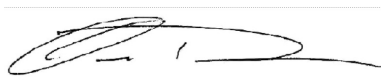
However, the fourth auction was cancelled due to avian influenza-related restrictions on poultry imports, which were in effect from August 8, 2023, to February 26, 2024. To preserve the integrity of the auction process and maintain trust among stakeholders, the COLOM-PEQ Board agreed to reimburse \$1,476,585 from auction proceeds to quota holders who were unable to utilize their 2023 quota as a result of the import restrictions. After these reimbursements were made, the remaining auction receipts totaled \$1,039,724, reflecting a ninefold decline compared to 2022. The total utilized TRQ decreased by 62%, with only 11,834 MT used, marking a sharp drop from the previous year.

Under the terms of the Export Trade Certificate of Review (ETCR) granted by the United States Department of Commerce, COLOM-PEQ distributes proceeds from the tender process to fund market development, educational, scientific, and technical projects, as well as capacity building and competitiveness projects, for the benefit of its poultry association members in Colombia (FENAVI) and the United States (USAPEEC). Disbursements for projects in 2023 amounted to \$2,556,500. FENAVI requested \$2,456,500 to support mass media and marketing campaigns, market studies, and international trade advice. USAPEEC requested \$100,000 to support an inspection mission to the United States from Colombia.

Pursuant to its bylaws, COLOM-PEQ's chairmanship rotates among members on an annual basis. At the annual and board meetings held in August 2023, the Board appointed Mr. Luis Alvarez from FENAVI as Chairman, and Mr. Omar Diaz from USAPEEC as Vice Chairman. Mr. Mateo Paz-Soldan and Ms. Violeta Gutierrez from the COLOM-PEQ Administrator were confirmed as Secretary and Treasurer, respectively. As further stipulated in the bylaws, the member associations appointed six directors, three for each member association, for the 2023-2024 term.

During my term as Chairman for the 2024-2025 period, I look forward to collaborating with my fellow board members to advance the interests of both poultry industry members, FENAVI and USAPEEC.

Sincerely,



Omar Diaz

COLOM-PEQ Chairman 2024 - 2025

## 2. DIRECTORS AND OFFICERS

Pursuant to COLOM-PEQ's bylaws and the Export Trade Certificate of Review (ETCR) approved by the U.S. Department of Commerce, the members of COLOM-PEQ are the national trade associations representing the poultry industries of the United States, USA Poultry and Egg Export Council (USAPEEC), and the Republic of Colombia, Federacion Nacional de Avicultores de Colombia (FENAVI). A six-member Board of Directors appointed by these associations governs COLOM-PEQ.

### Directors for 2023

**Luis Alvarez**



Chairman  
FENAVI - Colombia

**Omar Diaz**



Vice Chairman  
FENAVI - Colombia

**Gonzalo Moreno**



Director  
FENAVI - Colombia

**Fernando Avila**



Director  
FENAVI - Colombia

**Greg Tyler**



Director  
USAPEEC - United States

**Eduardo Gonzales**



Director  
USAPEEC - United States

## Officers for 2023

In addition to Mr. Alvarez, who served as Chairman, and Mr. Diaz, who served as Vice Chairman, Mateo Paz-Soldan and Violeta Gutierrez-McCormick from the COLOM-PEQ's Administrator, DTB Associates, served as Secretary and Treasurer, respectively.

**Mateo Paz-Soldan**

**Violeta Gutierrez-McCormick**



**Secretary**

**Treasurer**

### 3. OPEN TENDER PROCESS AND RESULTS

Under the terms of the ETCR and the CTPA, COLOM-PEQ is tasked with managing the TRQ for CLQs established for Colombia on a yearly basis.<sup>1</sup> COLOM-PEQ, through an independent Administrator, manages this TRQ through an open tender process, or auction, in which certificates for duty-free shipments of CLQs are awarded to the highest bidders, pursuant to ETCR requirements. Notice of each open tender process is published in advance both in the United States and Colombia. Bid specifications and contents are included in the notice and are also published on COLOM-PEQ's website. Once the open tender period closes, results are audited, and bidders are notified of the disposition of their bids. The complete results are sent to the governments, and consolidated results are made available to the member poultry associations and to the public on the COLOM-PEQ website. Open tender proceeds are then maintained in an interest-bearing bank account until funding requests by the participating member associations are approved by the COLOM-PEQ Board (see Section 5). In the case of FENAVI, its projects must also be approved by the Ministry of Agriculture and Rural Development of Colombia.

The TRQ for CLQs agreed to by both governments for 2023 was 41,627 MT.<sup>2</sup> The Board agreed in October 2022 to hold four open tenders for shipment of CLQs TRQ to Colombia in 2023.

The fourth auction was cancelled due to avian influenza-related restrictions on poultry imports, which were in effect from August 8, 2023, to February 26, 2024. As a result, only 36,221 MT of the annual TRQ of 41,627 MT was offered, and 30,481.32 MT was awarded. This led to the utilization of only 11,834.32 MT, or 28.43% of the annual TRQ. In addition, to maintain integrity and long-term trust in the auction process, the COLOM-PEQ Board decided to reimburse \$1,476,585 from the total auction proceeds of \$2,516,309.86, to quota holders who were unable to use their quota.

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1 See General Notes and Appendix 1 - Chicken Leg Quarters (Bone-in), Annex 2.3-COLOMBIA-Appendix I-4 of the text of the US-Colombia Trade Promotion Agreement.

2 See U.S.-Colombia Trade Promotion Agreement, Annex 2.3-COLOMBIA-Appendix I-4, Paragraph 6(a).



Compared to 2022, the remaining auction proceeds of \$1,039,724.34, represented a ninefold. The total utilized TRQ, at 11,834.32 MT, dropped by 62%. The average successful bid was \$82.55 per MT, with the lowest successful bid recorded at \$44.08 per MT. See Table 1 for further details.

**Table 1**  
**COLOM-PEQ Open Tender Results for 2023**

Category	First Tranche Dec 8, 2022	Second Tranche Mar 9, 2023	Third Tranche July 6, 2023	Total
Available TRQ for Auction (MT)	15,407.00	10,407.00	10,407.00	36,221.00
TRQ Awarded (MT)	15,407.00	10,007.00	4,667.32	30,481.32
Total used TRQ (MT)				11,834.32
Average Successful Bid (\$/MT)	101.44	67.69	53.32	82.55
Lowest Successful Bid (\$/MT)	50.50	53.00	44.08	44.08
Auction Receipts (\$)	1,562,960.06	704,496.79	248,853.01	2,516,309.86
Auction Receipts after reimbursement (\$)				1,039,724.34

\* Data compiled from COLOM-PEQ’s audited financial statements and published online at [www.colom-peq.org](http://www.colom-peq.org)

The list of winners in the open tenders held for 2023 can be found on the COLOM-PEQ website. These winners were:

- Agrisar USA Inc - Broadway, VA
- AJC International Inc. - Atlanta, GA
- Andes Global International - Miami, FL
- Bassett & Walker Inc. - Wilmington, DE
- Boston Agrex, LLC - Norwell, MA
- Gerber Agri International LLC - Atlanta, GA
- Globex International - New York, NY
- MG Trading International - Miami, FL
- Intervision Foods - Atlanta, GA
- Kalypac International Inc - Miami, FL
- Lamex Foods Inc - Bloomington, MN
- Salpeca Corp - Doral, FL
- Sure Good Foods USA Inc - Atlanta, GA
- Toennies USA Inc - Oak Brook, IL
- Tomex Foods Inc - Lombard, IL

## 4. REPORTING AND OUTREACH

An important part of the corporation's responsibilities includes informing the governments of the United States and Colombia of open-tender results, the dates selected for open tenders, and other key issues impacting the corporation. COLOM-PEQ must also comply with annual reporting requirements before the U.S. Department of Commerce and the U.S. Internal Revenue Service, and with requests for information by government authorities of the United States and Colombia.

In addition, the Administration meets trade authorities from the governments of Colombia and the United States periodically to provide updates and receive feedback with regards to TRQ management. In 2023, the Administrator communicated with the Colombian Customs, DIAN; the US Embassy in Colombia; the Export Trade Certificate of Review Office (ETCR); and the United States Representative Office (USTR) to check on the status of avian influenza restrictions affecting poultry imports into Colombia.

## 5. DISPOSITION OF PROCEEDS

COLOM-PEQ's ETCR requires that the proceeds of the open tender process are applied and distributed to the poultry industries of the United States and Colombia on a fifty percent (50%) basis each, to fund (1) market access, market promotion, educational, scientific and technical projects to benefit the United States poultry industry, and (2) market access, market promotion, educational, capacity building, competitiveness, scientific and technical projects to benefit the poultry industry of Colombia.<sup>3</sup> The Administrator distributes these proceeds to fund projects in the aforementioned categories, after paying operating expenses at the end of each year. These distributions are made after funding requests by member associations are evaluated and approved by the Board based on compliance with ETCR requirements.

### FENAVI

Under the project entitled "2023 Investment Project of FENAVI's Poultry Program," COLOM-PEQ funds in the amount of \$1,657,300 supported several marketing campaigns, the continuation of a market study on foodservice, a quantitative study related to the "Pollo Colombiano" (Colombian Chicken) brand, and international trade support.

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<sup>3</sup> See: Federal Register of September 4, 2012/ Vol. 77, No. 171, pp. 53866.

The following is a summary of the main components funded under the 2023 project:

## Market Development

- National TV Advertisements: A series of 10-30 second ads targeted consumers aged 25-35 (household managers) to reinforce chicken meat as the country's preferred protein. These ads were designed to maintain and stimulate continued chicken consumption.
- The Colombian Chicken Festival: This initiative aimed to highlight chicken meat's versatility through a strategic partnership with digital delivery platforms (e.g., Rappi, Domicilios.com) to boost sales of chicken-based dishes in restaurants.
- Christmas Campaign: This below-the-line (BTL) activity, including online sweepstakes, complemented the above-the-line (ATL) media campaign by FONAV (Chicken National Fund) to promote chicken consumption during the Christmas season.
- Latin American Chicken Day Activity: A social media post to support farmer donations for FENAVI's "Pollo Shares" initiative, which provides chicken-based lunches to 2,000 vulnerable children annually. This effort aimed to position the "Pollo Colombiano" brand as socially responsible.
- "Pollo S-Cool" Activity with Culinary Institutes: This initiative aimed to introduce innovation, business development, and new chicken-based recipes into academic programs at Culinary Institutes in Colombia to foster a new generation of culinary talent.

- Quantitative Study to Measure Top of Mind (TOM) Awareness of “Pollo Colombiano” Brand: This study aimed at tracking the progress of TOM awareness for the “Pollo Colombiano” brand under the 2030 vision, helping to identify opportunities and consolidate brand attributes.
- Continuation of Out-of-Home Market Study - Food Service: This ongoing study, initiated in 2019, measured chicken consumption in food service across six major cities, which account for nearly 60% of food service sales. The study complemented the household consumption study and helped identify trends in consumer behavior, restaurant preferences, purchasing power, and other external factors.
- Quantitative Study of Poultry Market Sales by Consumption Segments: This study analyzed the distribution of poultry market sales, identifying driving factors, and assessing market potential and segment poultry sales by category and sub-channel.

## Market Access

- Market Access Activities: A consultancy firm, under FENAVI’s leadership, provided ongoing support in foreign trade matters, including the implementation of international trade agreements and market access for poultry products. Activities included: facilitating the implementation of trade agreements, organizing market access travel, providing legal support, advocating for public policy and trade issues, preparing relevant studies and briefs, conducting a technical mission to Chile, and mentoring poultry companies seeking to export.

See Figure A for FENAVI’s market development activities held in 2023.

# Figure A

## Market Development Activities in 2023 for FENAVI

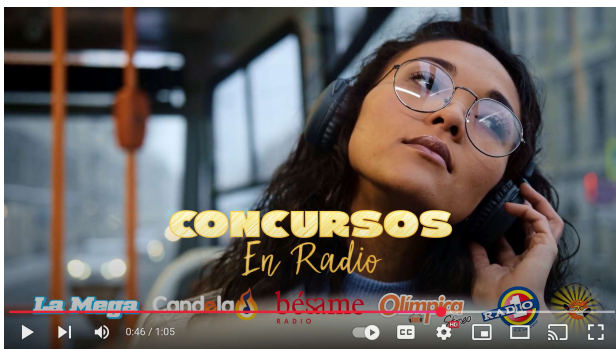
### Awareness for Pollo Shares during the Latin American Chicken Day



### Colombian Chicken Festival Marketing Activity



### Christmas Campaign



Source: FENAVI, Youtube Channel.

# USAPEEC

In 2023, USAPEEC requested funds in the amount of \$100,000 to organize an inspection mission to the US from Colombia.

The following is a summary of this activity.

## Market Access

Inspection mission to the US from Colombia: Colombian agricultural officials visited USDA counterparts to perform an audit of the US inspection system to ensure the regionalization agreement, established with the free trade agreement in 2013, was still current.

## 6. AUDITED FINANCIAL STATEMENTS

### Statement of Financial Position December 31, 2022 and 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 15,218,485	\$ 18,006,870
Accounts receivable	23,105	23,168
Prepaid expenses	<u>6,367</u>	<u>6,257</u>
<b>Total Current Assets</b>	<u>15,247,957</u>	<u>18,036,295</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,247,957</u>	<u>\$ 18,036,295</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 7,659	\$ 1,507
Deferred auction revenue	<u>-</u>	<u>1,562,961</u>
<b>Total Current Liabilities</b>	<u>7,659</u>	<u>1,564,468</u>
<b>Net Assets Without Restrictions</b>	<u>15,240,298</u>	<u>16,471,827</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 15,247,957</u>	<u>\$ 18,036,295</u>

\*The information on this annual report is compiled from audited financial statements.



## Statement of Activities and Changes in Net Assets For the Year ended December 31, 2023

	Net Assets Without Restrictions			Total
	General Operating Fund	Board Designated Funds		
		Colombia	United States	
<b>Revenues</b>				
Auction revenues	\$ 1,039,725	\$ -	\$ -	\$ 1,039,725
Membership fees	-	1,895	23,105	25,000
Interest income	-	149,305	287,860	437,165
<b>Total Revenues</b>	<u>1,039,725</u>	<u>151,200</u>	<u>310,965</u>	<u>1,501,890</u>
<b>Expenses</b>				
Accounting and auditing	8,975	-	-	8,975
Auction advertising	4,426	-	-	4,426
Bank fees	1,227	-	-	1,227
Consulting and management fees	102,708	-	-	102,708
Dues and subscriptions	165	-	-	165
Insurance	7,477	-	-	7,477
Legal fees	24,697	-	-	24,697
Licenses and filing fees	288	-	-	288
Office expense	640	-	-	640
Postage and delivery	7,843	-	-	7,843
Project costs	-	2,456,500	100,000	2,556,500
Travel	13,079	-	-	13,079
Website expenses	5,395	-	-	5,395
<b>Total Expenses</b>	<u>176,919</u>	<u>2,456,500</u>	<u>100,000</u>	<u>2,733,419</u>
<b>Change in Net Assets Without Restrictions</b>	862,806	(2,305,300)	210,965	(1,231,529)
Transfer from general fund to board designated funds	<u>(862,806)</u>	431,403	431,403	-
<b>Net Change After Transfer</b>	-	(1,873,897)	642,368	(1,231,529)
<b>Net Assets Without Restrictions, Beginning of Year</b>	-	<u>6,519,779</u>	<u>9,952,049</u>	<u>16,471,827</u>
<b>Net Assets Without Restrictions, End of Year</b>	<u>\$ -</u>	<u>\$ 4,645,882</u>	<u>\$ 10,594,417</u>	<u>\$ 15,240,298</u>

\*The information on this annual report is compiled from audited financial statements.

## Statement of Activities and Changes in Net Assets For the Year ended December 31, 2022

	Net Assets Without Restrictions			Total
	General Operating Fund	Board Designated Funds		
		Colombia	United States	
<b>Revenues</b>				
Auction revenues	\$ 9,544,325	\$ -	\$ -	\$ 9,544,325
Membership fees	-	1,832	23,168	25,000
Interest income	-	72,137	110,471	182,608
<b>Total Revenues</b>	<u>9,544,325</u>	<u>73,969</u>	<u>133,639</u>	<u>9,751,933</u>
<b>Expenses</b>				
Accounting and auditing	8,379	-	-	8,379
Auction advertising	5,900	-	-	5,900
Bank fees	1,684	-	-	1,684
Consulting and management fees	89,141	-	-	89,141
Dues and subscriptions	0	-	-	-
Insurance	6,421	-	-	6,421
Licenses and filing fees	356	-	-	356
Office expense	730	-	-	730
Postage and delivery	24,261	-	-	24,261
Project costs	-	1,657,300	-	1,657,300
Travel	40,893	-	-	40,893
Website expenses	6,617	-	-	6,617
<b>Total Expenses</b>	<u>184,382</u>	<u>1,657,300</u>	<u>-</u>	<u>1,841,682</u>
<b>Change in Net Assets Without Restrictions</b>	9,359,943	(1,583,331)	133,639	7,910,251
Transfer from general fund to board designated funds	(9,359,943)	4,679,972	4,679,972	-
<b>Net Change After Transfer</b>	-	3,096,641	4,813,611	7,910,251
<b>Net Assets Without Restrictions, Beginning of Year</b>	-	3,423,138	5,138,438	8,561,576
<b>Net Assets Without Restrictions, End of Year</b>	<u>\$ -</u>	<u>\$ 6,519,779</u>	<u>\$ 9,952,049</u>	<u>\$ 16,471,827</u>

\*The information on this annual report is compiled from audited financial statements.

## Statement of Cash Flows

### For the Years ended December 31, 2023 and 2022

	2023	2022
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (1,231,529)	\$ 7,910,251
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	63	(23,168)
Prepaid expenses	(110)	(1,035)
Increase (decrease) in:		
Accounts payable and accrued expenses	6,150	(2,605)
Deferred auction revenue	<u>(1,562,959)</u>	<u>(891,465)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(2,788,385)</b>	<b>6,991,978</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>18,006,870</u>	<u>11,014,892</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><b>\$ 15,218,485</b></u>	<u><b>\$ 18,006,870</b></u>

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