

ANNUAL REPORT 2024

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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August 2025 - COLOM-PEQ Annual Board Meeting in Seattle, WA

1. Chairman’s Letter

In its thirteenth year of operations, COLOM-PEQ held three open-tender auctions for the export of U.S. chicken leg quarters (CLQs) to Colombia under the duty-free tariff rate quota (TRQ) established by the United States–Colombia Trade Promotion Agreement (CTPA). Due to avian influenza–related import restrictions affecting U.S. poultry shipments between August 8, 2023, and February 26, 2024, auctions began in March rather than the customary December timeframe.

These three auctions resulted in the allocation of 31,768.30 metric tons (MT), out of 43,292 MT distributed as follows: 26,646 MT in the first auction (March 2024), 4,246.30 MT in the second auction (June 2024), and 876 MT in the third auction (September 2024). A total quota of 18,057.37 MT was utilized.

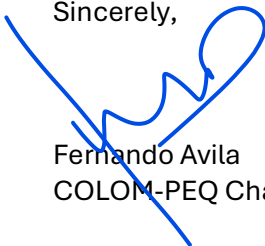
Total auction receipts reached \$1,939,461.33, representing an 86.6 percent increase over 2023 revenues of \$1,039,724. It is important to note that gross auction revenues for 2023 totaled \$2,516,309; however, the COLOM-PEQ Board approved reimbursements of \$1,476,585 to quota holders who were unable to utilize their allocations due to import restrictions.

Pursuant to the Export Trade Certificate of Review (ETCR) issued by the U.S. Department of Commerce, COLOM-PEQ allocates auction proceeds to support market development, educational, scientific, technical, capacity-building, and competitiveness initiatives that benefit its member associations in Colombia and the United States—FENAVI and USAPEEC, respectively. Total project disbursements in 2024 amounted to \$2,964,300. Of this total, FENAVI requested \$1,464,300 to support mass media and marketing campaigns, market research, and international trade advisory services. USAPEEC requested \$1,500,000 to support the expansion of technical service programs, communications and social media initiatives, and international marketing activities.

In accordance with COLOM-PEQ’s bylaws, the chairmanship rotates annually among its member associations. At the annual and Board meetings held in July 2024, the Board appointed Mr. Omar Díaz of USAPEEC as Chairman, and Mr. Fernando Ávila of FENAVI as Vice Chairman. Mr. Mateo Paz-Soldán and Ms. Violeta Gutierrez-McCormick of the COLOM-PEQ Administration were confirmed as Secretary and Treasurer, respectively. In addition, the member associations appointed six directors—three from each organization—to serve during the 2024–2025 term.

As Chairman for the 2025–2026 period, I look forward to working closely with my fellow Board members to further advance the shared interests of our poultry industries and to strengthen the collaborative partnership between FENAVI and USAPEEC.

Sincerely,



Fernando Avila
COLOM-PEQ Chairman 2025 – 2026

2. Directors and Officers

Pursuant to COLOM-PEQ’s bylaws and the Export Trade Certificate of Review (ETCR) issued by the U.S. Department of Commerce, membership in COLOM-PEQ consists of 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). COLOM-PEQ is governed by a six-member Board of Directors appointed by the member associations, with each association designating three directors to serve on the Board.

Directors for 2024

Omar Diaz



Chairman
USAPEEC- United States

Fernando Avila



Vice Chairman
FENAVI - Colombia

Gonzalo Moreno



Director
FENAVI - Colombia

Luis Alvarez



Director
FENAVI - Colombia

Greg Tyler



Director
USAPEEC - United States

Magno Quenca



Director
USAPEEC - United States

Officers for 2024

In addition to Mr. Diaz, who served as Chairman, and Mr. Avila, 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



Secretary

Violeta Gutierrez-McCormick



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.¹ 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.

For 2024, the TRQ for CLQs agreed upon by both governments totaled 43,292 metric tons (MT).² In October 2023, the Board approved the scheduling of four open tenders for shipments to Colombia in 2024, contingent upon the lifting of avian influenza-related restrictions on poultry imports. These restrictions remained in effect from August 8, 2023,

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).

through February 26, 2024. As a result, only three auctions were held during the year, with a total awarded quota of 31,768.30 MT. Actual quota utilization amounted to 18,057.37 MT, representing 41.71% of the annual TRQ, or 56.84% of the quota awarded, and a 52.58% increase compared to the 11,834.32 MT utilized in 2023.

Total auction proceeds in 2024 reached \$1,939,461.33, an 86.6% increase over 2023 revenues of \$1,039,724 (2023 revenues after unallocated quota proceeds were reimbursed). The average successful bid price was \$61.05 per MT, with the lowest successful bid recorded at \$44.08 per MT. Additional details are provided in Table 1.

Table 1
COLOM-PEQ Open Tender Results for 2024

Category	First Tranche Mar 7, 2024	Second Tranche June 6, 2024	Third Tranche Sept 5, 2024	Total
Available TRQ for Auction (MT)	26,646.00	10,823.00	12,399.70	49,868.70
TRQ Awarded (MT)	26,646.00	4,246.30	876.00	31,768.30
Average Successful Bid (\$/MT)	63.51	48.89	45.01	61.05
Lowest Successful Bid (\$/MT)	44.32	44.08	44.08	44.08
Auction Receipts (\$)	1,692,415.58	207,615.95	39,429.80	1,939,461.33

Notes:

- 1) Original tranche quantities: First tranche: 26,646 MT; second tranche: 10,823 MT; and third tranche 5,823 MT. Available TRQ for auction includes rollover tonnage of unallocated quota in the second and third tranches.
- 2) Data compiled from COLOM-PEQ's audited financial statements and published online at www.colom-peq.org

The list of winners in the open tenders held for 2024 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
- Arch Distributors LLC - San Antonio, TX
- Bassett & Walker Inc. – Wilmington, DE
- Boston Agrex, LLC – Norwell, MA
- Canam Meats Inc - Niagara Falls, NY
- Cargill Americas, Inc - Coral Gables, FL
- Gerber Agri International LLC – Atlanta, GA
- Globex International – New York, NY
- Interra International LLC - Atlanta, GA
- MG Trading International – Miami, FL
- Kalypac International Inc – Miami, FL
- KIT International Inc - Hackensack, NJ
- Lamex Foods Inc – Bloomington, MN
- Intervision Foods – Atlanta, GA
- Sure Good Foods USA Inc – Atlanta, GA
- Toennies USA Inc – Oak Brook, IL
- Tomex Foods Inc – Lombard, IL

4. Reporting and Outreach

An important component of the corporation’s responsibilities is maintaining regular communication with the governments of the United States and Colombia regarding open-tender results, scheduled tender dates, and other significant matters affecting COLOM-PEQ’s operations. In addition, COLOM-PEQ is required to comply with annual reporting obligations to the U.S. Department of Commerce and the U.S. Internal Revenue Service, as well as to respond to information requests from government authorities in both countries.

The COLOM-PEQ Administration also engages periodically with trade authorities from the governments of Colombia and the United States to provide updates on TRQ administration and to receive feedback related to its management.

During 2024, the Administrator conducted outreach with key trade authorities. This included in-person meetings with Colombian Customs (DIAN) and the U.S. Embassy in Colombia in July. The Administrator also maintained regular communication with these institutions, as well as the Office of the United States Trade Representative (USTR), to monitor the status of avian influenza-related 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.³ 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 "2024 Investment Project of FENAVI's Poultry Program," COLOM-PEQ funds in the amount of \$1,464,300 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. The following is a summary of the main components funded under the 2024 project:

Market Development

- **National Television Advertising:** National television commercials (10–45 seconds) to continue to stimulate chicken consumption, reinforcing its position as the country's preferred protein. The campaign called "Colombian Chicken, your perfect match" aimed

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

to reach 46,293,698 adults aged 18 and over, including 12,649,468 consumers aged 25–35, who are primary household decision-makers.

- **Christmas Advertising Campaign:** A second national TV campaign launched during the Christmas season to reinforce chicken as a staple on Colombian family tables—a time when it is often replaced by turkey or pork. Titled “At Christmas, if there is chicken, there is a party!” the campaign aimed to boost chicken consumption from mid-November through the end of December.
- **Colombian Chicken Festival:** This marketing initiative was designed to showcase chicken as a versatile and essential culinary ingredient. The activity consisted of a strategic alliance with the food service sector to increase sales of chicken-based dishes in restaurants, resulting in 367,081 chicken burger sales, or approximately \$2 million in sales, and a total of \$5 million in total chicken sales, as well as a growth of 54.63% from 2023.
- **Nutrition Workshops:** This initiative targeted diverse audiences, particularly healthcare and medical professionals, providing evidence-based information on chicken as a healthy food choice. The workshops highlighted its nutritional value, including essential vitamins and minerals, promoting eating poultry in a balanced diet.

Market Access

- **Market Access Activities:** Under FENAVI’s leadership, a specialized consultancy firm provided support in foreign trade matters, including the implementation of international trade agreements and the expansion of market access for priority products. Activities included support for trade agreement implementation, travel related to the opening of new markets, legal and regulatory assistance, advocacy on trade and public policy issues, preparation of studies and briefing documents, and mentorship for poultry companies seeking exports.

See Figure A for FENAVI’s market development activities held in 2024.

Market Development Activities in 2024 for FENAVI

National TV Campaign “Colombian Chicken, your perfect match”



Christmas TV Campaign: “At Christmas, if there is chicken, there is a party!”



Colombian Chicken Festival – “Burger Fest”



National TV Advertisement: “Adventures with Flavor, Pia, Kik and Navi”



Sources: FENAVI, Festival del Pollo and Pollo Colombiano Youtube Channels.

USAPEEC

In 2024, USAPEEC requested funds in the amount of \$1,500,000 to organize an inspection mission to the US from Colombia. The following is a summary of these activities:

Market Access

- **Expansion of Technical Service Programs:** in order to identify and address technical barriers to trade affecting U.S. poultry and egg exports. This included conducting scientific research to support sound, science-based solutions; engaging with U.S. and foreign government officials; and educating foreign authorities on USDA inspection systems, U.S. production practices, and industry food safety efforts.

Market Development

- **Communications Program:** continued support with a strong focus on expanding web-based platforms to improve information access for the trade. The program also aimed to increase the use of social media channels to educate global audiences on the safety, reliability, and versatility of U.S. poultry and egg products, while strengthening engagement with international media to proactively address trade-related issues.
- **Marketing Programs:** that maintained, expanded, and opened markets worldwide through targeted trade development efforts. Activities included building relationships with importers, wholesalers, processors, retailers, and the HRI sector; conducting market research to identify growth opportunities; and implementing strategic marketing plans.
- **Accounting and Systems Upgrades:** USAPEEC continued to upgrade its accounting systems to improve efficiency, reduce paperwork, and strengthen management of its global marketing, education, and technical support programs. Enhanced accounting software aimed to improve oversight and stewardship of organizational resources.

Figure A
Market Development Activities in 2024 for USAPEEC

Avian Influenza Seminar in Bogota, October 21 - 24, 2024



Trade Show and Poultry Sampling Event in Peru, November 2024



Source: USAPEEC Export Report.

6. Audited Financial Statements

Statement of Financial Position December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 14,615,704	\$ 15,218,485
Accounts receivable	-	23,105
Prepaid expenses	<u>5,015</u>	<u>6,367</u>
Total Current Assets	<u>14,620,719</u>	<u>15,247,957</u>
TOTAL ASSETS	<u>\$ 14,620,719</u>	<u>\$ 15,247,957</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 8,881	\$ 7,659
Deferred auction revenue	<u>166,243</u>	<u>-</u>
Total Current Liabilities	<u>175,124</u>	<u>7,659</u>
Net Assets Without Restrictions	<u>14,445,595</u>	<u>15,240,298</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,620,719</u>	<u>\$ 15,247,957</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, 2024

	Net Assets Without Restrictions			
	General Operating Fund	Board Designated Funds		Total
		Colombia	United States	
Revenues				
Auction revenues	\$ 1,939,461	\$ -	\$ -	\$ 1,939,461
Membership fees	-	2,124	22,876	25,000
Interest income	16,218	98,923	270,885	386,026
Total Revenues	<u>1,955,679</u>	<u>101,047</u>	<u>293,761</u>	<u>2,350,487</u>
Expenses				
Accounting and auditing	12,959	-	-	12,959
Auction advertising	5,900	-	-	5,900
Bank fees	2,072	-	-	2,072
Consulting and management fees	106,415	-	-	106,415
Dues and subscriptions	567	-	-	567
Insurance	7,314	-	-	7,314
Legal fees	11,823	-	-	11,823
Licenses and filing fees	381	-	-	381
Office expense	1,812	-	-	1,812
Postage and delivery	9,641	-	-	9,641
Project costs	-	1,464,300	1,500,000	2,964,300
Travel	14,187	-	-	14,187
Website expenses	7,819	-	-	7,819
Total Expenses	<u>180,890</u>	<u>1,464,300</u>	<u>1,500,000</u>	<u>3,145,190</u>
Change in Net Assets Without Restrictions	1,774,789	(1,363,253)	(1,206,239)	(794,703)
Transfer from general fund to board designated funds	(1,774,789)	887,395	887,395	-
Net Change After Transfer	-	(475,859)	(318,845)	(794,703)
Net Assets Without Restrictions, Beginning of Year	-	4,645,882	10,594,416	15,240,298
Net Assets Without Restrictions, End of Year	<u>\$ -</u>	<u>\$ 4,170,024</u>	<u>\$ 10,275,572</u>	<u>\$ 14,445,595</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			
	General Operating Fund	Board Designated Funds		Total
		Colombia	United States	
Revenues				
Auction revenues	\$ 1,039,725	\$ -	\$ -	\$ 1,039,725
Membership fees	-	1,895	23,105	25,000
Interest income	-	149,305	287,860	437,165
Total Revenues	<u>1,039,725</u>	<u>151,200</u>	<u>310,965</u>	<u>1,501,890</u>
Expenses				
Accounting and auditing	8,974	-	-	8,974
Auction advertising	4,426	-	-	4,426
Bank fees	1,226	-	-	1,226
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	641	-	-	641
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
Total Expenses	<u>176,919</u>	<u>2,456,500</u>	<u>100,000</u>	<u>2,733,419</u>
Change in Net Assets Without Restrictions	<u>862,806</u>	<u>(2,305,300)</u>	<u>210,965</u>	<u>(1,231,529)</u>
Transfer from general fund to board designated funds	(862,806)	431,403	431,403	-
Net Change After Transfer	-	(1,873,897)	642,368	(1,231,529)
Net Assets Without Restrictions, Beginning of Year	-	6,519,779	9,952,049	16,471,828
Net Assets Without Restrictions, End of Year	<u>\$ -</u>	<u>\$ 4,645,882</u>	<u>\$ 10,594,416</u>	<u>\$ 15,240,298</u>

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

Statement of Cash Flows

For the Years ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	\$ (794,703)	\$ (1,231,529)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	23,105	63
Prepaid expenses	1,352	(110)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,220	6,150
Deferred auction revenue	166,245	(1,562,959)
Net Cash Provided (Used) by Operating Activities	(602,781)	(2,788,385)
Cash and Cash Equivalents at Beginning of Year	15,218,485	18,006,870
Cash and Cash Equivalents at End of Year	\$ 14,615,704	\$ 15,218,485

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