

Colombia: A DDGS Captive Market



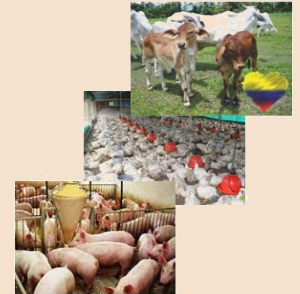
Contegral and Antio Trading Executives visiting DDGS plants



DDGS Imports:

In 2011, Colombia imported 85 tmt of DDGS. Through Council programming, most of the Colombia's livestock industries and their nutritionist are becoming familiar with the product. At this time, the primary constraint to increasing imports is building end user awareness of the benefits of using this product and improving inclusion rates in feeds. Colombia has the potential to import 550 tmt of DDGS if an effective market education program is implemented. The Council's initial analysis of DDGS competitiveness in the Colombian swine sector shows that the industry could save between \$3-6 per pig, for an industry with 2 million slaughter pigs per year this represents \$6-12 million savings annually.

DDGS is used only by a handful of companies with the top end-users being Solla, Contegral, Finca, Antiotrading, Italco and Colanta.



Colombia Overview

- Total corn demand: 4.3 mmt, 75% (3,2 mmt) must be imported. Argentina is the primary supplier.
- Sorghum production has declined in the last four years.
- Feed sector produces 5.5 mmt of feed per year.
- Government program in place to refurbish local agriculture – high plains project.

Livestock Industry in Colombia

Poultry Sector:

- The National poultry industry (FENAVI) has 53 million broilers/month and 2.1 million hens which are born each month in Colombia.
- Meat production has the highest growth with an estimated 34 Kg broiler meat/year for 2012.
- Egg production is 9,600 million eggs/year, consumption is 217 eggs/per capita.
- FENAVI has 7 regional offices in Colombia.
- FENAVI invests 3 million USD / year through campaigns to promote meat and egg consumption directed towards housewives, children and doctors (healthy products); consumption is increasing.



The Colombian feed sector could consume an estimated 550 tmt of DDGS per year with an approximate value of \$209 Million per year.

DDGS Potential in Colombia (TMT)

DDGS Potential demand (TMT):	
Colanta	52
Italco	120
Solla	160
Contegral	160
Rest	58
Total	550

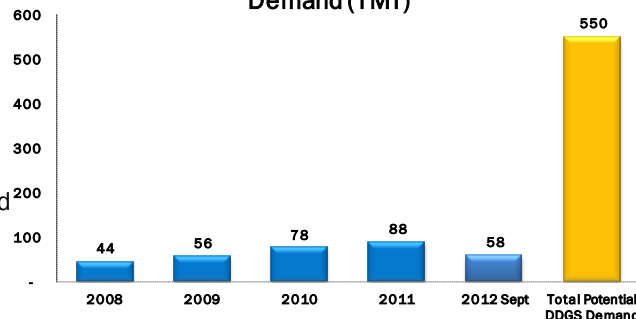
Dairy sector:

- Colanta dairy cooperative is Colombia's largest organization in milk production, with a daily milk collection near 2.5 million liters. Covanta's total feed production ranges between 12,000 to 15,000 MT per month.

Swine Sector:

- Colombian swine production has a great dependence on feed mills. The sector is benefited by having an existing check-off program
- Colombia's swine sector is small but growing.

DDGS Imports in Colombia and Potential Demand (TMT)



Market Overview

- Population: 45.24 million
- GDP Growth: 5.9%
- GDP per capita: \$ 10,200
- Free Trade Agreement implemented since May 2012.

Market Growth Potential

- With a 40 percent increase in imports of corn over the past five years, Colombia is the fastest growing import market on the continent, if not the world.
- Colombia has been able to maintain a positive economic growth rate of over three percent per year for more than five years.

A \$209 Million per Year DDGS market waiting to be developed!