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## **Colombia**

## **Livestock**

## **Annual Report**

## **1998**

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### **Report Highlights:**

**Colombia's beef production is growing at only one percent annually. Colombia projects that by 1999 it will have 7 million head of cattle free from foot-and-mouth disease. Soap manufacturers are shifting from tallow imported from the United States to domestically produced stearin. Colombia is forecast to import in 1998 from the United States 700 head of purebred cattle and 3,200 tons of beef offals.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## SUMMARY

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Colombia's rural areas are severely harassed by guerrilla groups and cattlemen continue to relocate closer to urban areas where security is better. Colombian **beef** production is growing at only one percent annually as ranch management has deteriorated at the same time that per capita consumption of red meat has been declining. The Ministry of Agriculture projects that by 1999 the local industry will have a cattle population of 7 million head free of **foot-and-mouth** disease which may create new opportunities for Colombian cattle/beef exports. Soap manufacturers are shifting from **tallow** to stearin use. This resulted in lower tallow imports in 1997. Virtually all tallow imports are sourced from the United States. Colombia is forecast to import about 700 **purebred cattle** from the United States during 1998, representing about 50 percent of purebred cattle imports. Approximately 75 percent will be dairy animals and the remainder will consist of beef breeds. Live animal imports are projected to grow at approximately 10 percent annually during the remainder of the 1990's. Beef **offal** imports in 1997 are estimated at 3,000 tons (valued at \$2 million), with approximately 80 percent being supplied by the United States. Import growth for this product over the next two to three years will be at about 5 percent annually. Per capita beef offal consumption is increasing as Colombian consumers turn to it as a lower cost meat alternative. **Beef imports**, supplied primarily from Central America, are rising about 5 percent annually. Many importers comment that U.S. meat, although higher in quality, is significantly more expensive and, therefore, less attractive. U.S. sale efforts should be focused on the high end market consisting of speciality meat stores, restaurants, and hotels. U.S. sales of this product are expected to rise sharply in the next 2-3 years from current minimal levels.

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## PRODUCTION

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### 1. Production Factors

As of January 1998, Colombia's **cattle herd** is estimated at 18.6 million head, 1 percent above a year earlier. FEDEGAN, the National Cattle Growers Federation, is now involved in a vaccination program for control of foot-and-mouth disease. As a result, FEDEGAN has developed more accurate cattle figures. This resulted in upward revisions of our PS&D cattle population numbers.

Colombia's rural areas continue to be threatened by guerrilla groups and cattlemen are relocating closer to urban areas where security is better. Beef cattle ranches that are not close to urban areas are discontinuing their operations. Ranchers are converting their beef operations into dairy farms and feed lots close to urban centers.

**Table - Colombia: Animal Numbers, Cattle**

Production, Supply &amp; Demand Table

PSD Table							
Country:	Colombia						
Commodity:	Animal Numbers, Cattle						
	1,997		1,998		1,999		UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin							(MONTH/YE AR)
Total Cattle Beg. Stks	16,856	18,455	16,941	18,631	0	18,807	(1000 HEAD)
Dairy Cows Beg. Stocks	2,400	2,400	2,470	2,470	0	2,540	(1000 HEAD)
Beef Cows Beg. Stocks	7,090	7,090	7,160	7,160	0	7,230	(1000 HEAD)
Production (Calf Crop)	4,417	4,642	4,490	4,705	0	4,800	(1000 HEAD)
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)
Other Imports	39	30	40	25	0	25	(1000 HEAD)
TOTAL Imports	39	30	40	25	0	25	(1000 HEAD)
TOTAL SUPPLY	21,312	23,127	21,471	23,361	0	23,632	(1000 HEAD)
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)
Other Exports	8	9	8	9	0	8	(1000 HEAD)
TOTAL Exports	8	9	8	9	0	8	(1000 HEAD)
Cow Slaughter	1,408	1,480	1,458	1,500	0	1,500	(1000 HEAD)
Calf Slaughter	0	0	0	0	0	0	(1000 HEAD)
Other Slaughter	2,165	2,217	2,166	2,250	0	2,350	(1000 HEAD)
Total Slaughter	3,573	3,697	3,624	3,750	0	3,850	(1000 HEAD)
Loss	790	790	787	795	0	800	(1000 HEAD)
Ending Inventories	16,941	18,631	17,052	18,807	0	18,974	(1000 HEAD)
TOTAL DISTRIBUTION	21,312	23,127	21,471	23,361	0	23,632	(1000 HEAD)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

Estimate: 1998.

Forecast: 1999.

Source: DANE (National Statistics Bureau) and FEDEGAN (National Cattle Growers Federation).

Beef production is expected to grow one percent in 1998 to 690,000 tons. Colombian beef output is subject to production cycles which last from 4 to 8 years. Beef output has increased at an annual rate of 0.6 percent during the past decade which is less than the human population growth rate (1.8 percent). Industry anticipates that 1999 will be a high peak year in the production cycle. Beef output suffers from a deterioration in ranch management and a declining demand for beef. Increases in Colombia's beef production in the near-term are likely to be marginal.

## Table - Colombia: Meat, Beef and Veal

### Production, Supply & Demand Table

PSD Table							
Country:	Colombia			1,000	<-Conversion factor for CWE		
Commodity:	Cattle						
	1,997		1,998		1,999		UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin	01/1997		01/1998		01/1999		(MONTH/YEAR)
Slaughter (Reference)	3,573	3,697	3,624	3,750	0	3,850	(1000 HEAD)
Beginning Stocks	20	20	24	23	0	29	(1000 MT CWE)
Production	659	680	668	690	0	702	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Other Imports	3	3	4	4	0	5	(1000 MT CWE)
TOTAL Imports	3	3	4	4	0	5	(1000 MT CWE)
TOTAL SUPPLY	682	703	696	717	0	736	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Other Exports	2	2	2	2	0	2	(1000 MT CWE)
TOTAL Exports	2	2	2	2	0	2	(1000 MT CWE)
Human Dom. Consumption	656	678	663	686	0	703	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	656	678	663	686	0	703	(1000 MT CWE)
Ending Stocks	24	23	31	29	0	31	(1000 MT CWE)
TOTAL DISTRIBUTION	682	703	696	717	0	736	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

Estimate: 1998.

Forecast: 1999.

Source: DANE (National Statistics Bureau).

Production of *hides & skins* in 1998 is calculated at 3.75 million pieces, up one percent from a year earlier. Annual increases in hides & skin output during the remainder of the 1990's is likely to be less than one percent.

**Table - Colombia: Hides & Skins, Bovine**

Production, Supply &amp; Demand Table

PSD Table							
Country:	Colombia				<MT piece conversion		
Commodity:	Hides & Skins, Bovine						
	1997		1998		1999		UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin	01/1997		01/1998		01/1999		(MONTH/ YEAR)
Beginning Stocks	5	0	8	0	0	0	(1000 MT)
Production In MT	89	0	91	0	0	0	(1000 MT)
Production In Pieces	3573	0	3624	0	0	0	(1000 PCS)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	10	0	10	0	0	0	(1000 MT)
TOTAL Imports	10	0	10	0	0	0	(1000 MT)
TOTAL SUPPLY	104	0	109	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	4	0	3	0	0	0	(1000 MT)
TOTAL Exports	4	0	3	0	0	0	(1000 MT)
Domestic Consumption	92	0	93	0	0	0	(1000 MT)
Ending Stocks	8	0	13	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	104	0	109	0	0	0	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Estimate: 1998.

Forecast: 1999.

Source: DANE (National Statistics Bureau).

Output of **tallow** in 1998 is estimated at 31,000 tons, the same as in the previous year. A three percent reduction is forecast for 1999. Yearly variations in the production of tallow and hides & skins are due to changes in Colombian slaughter rates.

**Table - Colombia: By-products, Tallow & Grease**

Production, Supply &amp; Demand Table

PSD Table							
Country:	Colombia						
Commodity:	By-Products, Tallow & Grease						
	1997		1998		1999		UOM
	Old	New	Old	New	Old	New	
Calendar Year Begin	01/1997		01/1998		01/1999		(MONTH/ YEAR)
Beginning Stocks	25	0	20	0	0	0	(1000 MT)
Production	29	0	30	0	0	0	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	32	0	30	0	0	0	(1000 MT)
TOTAL Imports	32	0	30	0	0	0	(1000 MT)
TOTAL SUPPLY	86	0	80	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Domestic Consumption	66	0	64	0	0	0	(1000 MT)
Ending Stocks	20	0	16	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	86	0	80	0	0	0	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Estimate: 1998.

Forecast: 1999.

Source: DANE (National Statistics Bureau).

**2. USDA-ICA Foot-and-Mouth Disease (FMD) Control Program**

In 1973, the United States and Colombia signed an agreement to control and eradicate FMD in northwest Colombia near the Colombian-Panamanian border. The program is administered by the Colombian Agriculture Institute (ICA) on the Colombian side and by USDA's Animal Plant Health Inspection Service (APHIS) on the U.S. side. The Uraba area, with about 700,000 head, was certified in mid-1997 to be free of FMD by the Office of International Epizootics in Paris.

The Ministry of Agriculture projects that Colombia's Atlantic coast will be free of clinical FMD cases by the end of 1999, encompassing a herd of about seven million head. Colombia expects to expand this free zone to the entire country by 2005. Colombia signed agreements with Ecuador and Venezuela in 1997 to control FMD in the 3 countries in a coordinated way.

Colombia hopes that the acceptance of FMD free zones by the United States will spur exports of both beef and live animals. These increased sales will be directed to both the U.S. market and other countries which are likely to adopt U.S. import standards. Any increase in exports, however, is contingent upon an improvement in rural security which is essential to allow growth in production.

## CONSUMPTION (please see tables above)

Consumption of *beef* in 1998 is expected to amount to 686,000 tons, up only one percent over 1997. Consumption is being constrained by the limited growth in local output and a tendency for consumers to prefer lower-cost imported poultry meat. In recent years, Colombia's meat consumption trends have shifted away from beef due to lower poultry prices and a growing perception that red meat is less healthy than other meat alternatives.

Both *cattle and beef price* levels increased above the general rate of inflation (20.7 percent) during the last 12 months. The limited growth in Colombia's beef production is supporting cattle and beef prices. In July 1998, live weight cattle prices stood at 1,797 pesos per kilo (\$0.58/lb), up 26 percent from a year ago. Also in July, the retail price for an average cut of beef (loin roast) stood at 8,500 pesos per kilo (\$2.78/lb), 32 percent above a year earlier.

### Table - Colombia: Cattle Prices \*

(Colombian pesos per kilo) \*\*

Average Monthly Prices for an Indicative Market: Medellín

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	1,254	1,252	1,282	1,322	1,400	1,419	1,431	1,389	1,383	1,378	1,385	1,406
1998	1,424	1,491	1,558	1,679	1,740	1,688	1,797					
%												
CNG	14	19	22	27	24	19	26					

Source: Banco Ganadero.

\* Prices for live cattle for slaughter, grade 1a.

\*\* Exchange rate (Colombian pesos/US \$): 1,380 (7/24/98).



## Table - Colombia: Meat, Beef and Veal Prices \*

(Colombian pesos per kilo) \*\*

Average Monthly Prices for an Indicative Market: Bogotá

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	6,200	6,500	6,820	6,625	6,430	6,450	6,500	6,530	6,560	6,600	6,630	6,670
1998	6,700	7,060	7,420	7,800	8,140	8,500	8,500					
%												
CNG	8	9	9	18	27	32	32					

Source: Banco Ganadero.

\* Prices for loin cut ("chatas or milanesa").

\*\* Exchange rate (Colombian pesos/US \$): 1,380 (7/24/98).

Consumption of *hides and skins* in 1998 is estimated at 94,000 tons, up one percent over 1997. Demand for these products remains depressed because of reduced sales by the leather and shoe industries resulting from increased competition from Asian countries.

Approximately 80 percent of all *tallow* consumed in Colombia is used in the manufacture of soap. The remainder is evenly divided between animal feed and human consumption. During the last 5 years, tallow has faced an increasing displacement by stearin in the local soap industry due to the competitive prices of the latter. All the stearin used by soap manufacturers is produced domestically from palm oil. The local industry comments that stearin is just as good as tallow for soap manufacturing. Because stearin is readily available in the local market, soap manufacturers are able to minimize their inventory levels and, therefore, reduce production costs. Soap producers typically hold no more than 2 weeks usage of stearin while they carry a 3 to 4 month supply of tallow. In 1997 and 1998, tallow consumption rose to 67,000 tons each year thanks to a temporary reduction in import duty rates.

## TRADE

### 1. Exports

Depending on the *cattle* price differential between Venezuela and Colombia, cows and calves flow from one to the other for fattening and later in the year they are returned to the original country. It is estimated that in 1998 some 9,000 head will be shipped from Colombia to Venezuela for fattening.

Because food-and-mouth disease is present in Colombia, only those countries which also have this disease are willing to accept Colombian beef and live animals. In the past, Colombia was a net exporter of *beef*. In recent years, however, beef exports have dropped precipitously from a record 23,770 tons in 1991 to only 1,946 tons (\$4.6 million) in 1996. Beef exports in both in 1997 and 1998 are estimated at 2,000 tons.

Most beef exports are destined for the Dutch Antilles and Aruba. These two countries represent 60 percent of all export sales. Venezuela and Peru also are important buyers of Colombian beef, but sales to these countries vary sharply. Beef exports are not projected to grow significantly over the remainder of the decade as Colombian prices for both live animals and beef usually are not competitive in world markets.

Colombia transitioned from being a net *hide* exporter to a net importer in 1992. Colombia exported about 3,389 tons (\$27.5 million) of hides and skins in 1996, 22 percent lower than in the previous year. Exports in 1998 and 1999 are projected at a similar level. Italy is Colombia's most important outlet for these products, accounting for approximately one-third of total export value in 1996. Although a slight increase in export volumes is anticipated in 1998, this is not expected to be maintained in future years.

The GOC provides an export *subsidy* for hides and skins equivalent to 2.5 percent of the FOB export value. A subsidy of 5 percent is available for tallow exports, but the local industry continues to market all of its product through the domestic market. Beef and cattle exports do not receive an export subsidy.

## 2. Imports

Colombia imported 25,294 head of *cattle* in 1997. More than 90 percent of these animals came from Venezuela. Total cattle imports fell from 39,000 head in 1996 because of the reduction in purchases from Venezuela. Cattle imported from Venezuela and Ecuador enter Colombia for both slaughter and fattening. Cattle from other sources, including the United States, are exclusively for breeding purposes.

**Table - Colombia: Cattle Trade, 1996**

(Head)

<b>Exports to:</b>		<b>Imports from:</b>	
<b>United States</b>	<b>0</b>	<b>United States</b>	<b>1,043</b>
Venezuela	7,569	Venezuela	36,359
		Brazil	606
		Ecuador	590
		Canada	214
		Spain	189
<b>Total of Others</b>	<b>7,569</b>	<b>Total of Others</b>	<b>37,958</b>
Others not listed		Others not listed	
<b>GRAND TOTAL</b>	<b>7,569</b>	<b>GRAND TOTAL</b>	<b>39,001</b>

Source: DANE (National Statistics Bureau).

In recent years, imports of U.S. cattle (all purebred) into Colombia have consisted of Brahman (55 percent), Holstein (35 percent), and Jersey, Brown Swiss and Simmental (10 percent). Brazil and Canada usually are the United States' major competitors for Colombia's purebred cattle market. In 1997, 501 head of cattle were purchased from the United States and 700 head are estimated to be imported in 1998. Imports of U.S. cattle, accounting for 46 percent of the purebred animals imported during 1997, are forecast to grow at about ten percent annually over the next 3-5 years.

Because of a liberalized import policy implemented in 1991, a market for imported *beef offals* has developed. Colombian beef offal imports grew from 852 tons in 1991 to 5,048 tons (\$3.0 million) in 1996. However, beef offal imports fell in 1997 to 2,600 tons as prices in the United States and Canada increased at the same time that the Colombian peso suffered a 30 percent devaluation. Initially, all offal imports were supplied by the United States, but Canadian product now accounts for about 20 percent of total imports. With a decline in the rate of devaluation for the peso, U.S. beef offal exports to Colombia are forecast to grow at an annual rate of 3 percent in the near-term.

Historically, Colombia's *beef* imports reached only minimal levels and were sporadic. Additionally, imports were destined almost exclusively for the Colombian island of San Andres, a free port located about 500 miles offshore in the Caribbean Sea. High domestic prices for beef and trade liberalization policies initiated in 1991 opened the

door for beef imports. Beef imports began in mid-1995 with 1,968 tons (\$1.8 million) and rose to 3,063 tons (\$6.3 million) in 1997. Costa Rica and Panama, each accounts for approximately 40 percent of all imports. Argentina supplies and additional 15 percent..

Despite the high quality of U.S. beef, sales to Colombia are constrained by the relatively high price of the U.S. product. In 1997, Colombia imported only 38 tons of high-value beef cuts from the United States for use by high-end restaurants; this was a significant increase over the 16 tons imported in 1996. With Post targeting its market development activities at this product sector, we anticipate an annual sales growth rate of 50 percent over the next several years.

**Table - Colombia: Meat, Beef and Veal Trade, 1996**

(Metric Tons)

<b>Exports to:</b>		<b>Imports from:</b>	
<b>United States</b>	<b>0</b>	<b>United States</b>	<b>16</b>
Venezuela	940	Costa Rica	1,222
Dutch Antilles	896	Panama	1,184
Aruba	110	Venezuela	265
<b>Total of Others</b>	<b>1,946</b>	<b>Total of Others</b>	<b>2,671</b>
Others not listed		Others not listed	
<b>GRAND TOTAL</b>	<b>1,946</b>	<b>GRAND TOTAL</b>	<b>2,706</b>

Source: DANE (National Statistics Bureau).

Cattle growers have asked the GOC to establish variable import duties for beef, under the Andean Price Band system, as a means of limiting imports. The GOC is reluctant to take this action since it would likely result in increased consumer price levels for a sensitive food item.

About 30 percent of the country's beef is marketed in urban supermarkets. The bulk of the remainder is sold through specialized butcher shops. Only one percent of all red meat sold in Colombia is marketed through restaurants.

Virtually all imported beef is used in the manufacture of sausages. Imported red meat usually is purchased by specialized brokers on behalf of local meat processors. These brokers earn a commission for their services.

Following the GOC's import liberalization program, imports of *hides and skins* surged in 1992 and 1993 to 11,169 tons and 17,927 tons, respectively. Strong competition in Colombia's domestic and export markets from leather products supplied by Asian competitors, has resulted in a marked decline in leather article output and, consequently, hides & skin imports have fallen. Colombia imported only 4,151 tons (\$17 million) in 1997. Venezuela and Brazil were the principal suppliers, accounting for 38 and 36 percent, respectively, of all imports.

**Table - Colombia: Hides and Skins, Bovine Trade, 1996**

(Head)

Exports to:		Imports from:	
United States	162	United States	224
Italy	1,030	Venezuela	3,427
Taiwan	940	Brazil	1,665
Belgium	353	Canada	465
Hong Kong	282	Chile	144
Singapore	132	Indonesia	116
Mexico	120	Argentina	67
Venezuela	116	Italy	45
Peru	100	Mexico	35
Ecuador	81		
Spain	62		
Singapore	132		
<b>Total of Others</b>	<b>3,216</b>	<b>Total of Others</b>	<b>5,964</b>
Others not listed	11	Others not listed	116
<b>GRAND TOTAL</b>	<b>3,389</b>	<b>GRAND TOTAL</b>	<b>6,304</b>

Source: DANE (National Statistics Bureau).

Colombia ranked as the fourth largest export market for U.S. *tallow* until 1993. Traditionally, all tallow imports

were purchased from the United States, but Colombia has attempted to diversify its supply sources in recent years. Colombian soap manufacturers are substituting locally produced stearin for tallow imports in their production formulas. This resulted in a drop in tallow imports from 57,748 tons in 1992 to 32,703 tons in 1995.

**Table - Colombia: By-products, Tallow and Grease Trade**  
**1996**  
(Metric Tons)

<b>Exports to:</b>		<b>Imports from:</b>	
<b>United States</b>	<b>0</b>	<b>United States</b>	<b>40,981</b>
		United Kingdom	3,577
		Italy	997
<b>Total of Others</b>	<b>0</b>	<b>Total of Others</b>	<b>4,574</b>
Others not listed		Others not listed	
<b>GRAND TOTAL</b>	<b>0</b>	<b>GRAND TOTAL</b>	<b>45,555</b>

Source: DANE (National Statistics Bureau).

However, in 1996 and 1997 tallow imports surged to 56,381 and 45,555 tons, respectively. The increase was due to lower duty levels resulting from the application of the Andean Community's price band and reference price. Currently, the import duty for tallow stands at 5 percent. Tallow imports in 1998 and 1999 are forecast at 32,000 tons and 34,000 tons, respectively.

The GSM-102 credit guarantee program was used for a number of years to purchase U.S. tallow, but since 1997 it that was discontinued. This was because soap manufacturers are obtaining credit easily from local banks.

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## POLICY

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### 1. Non-tariff Barriers

Colombia requires certification of each foreign meat processing plant that seeks to export to Colombia. Canada and the United States are exceptions to this rule. For these two countries, Ministry of Agriculture officials visit only a sample of plants which authorizes all plants operating under the host countries inspection system eligible to export to Colombia (ICA resolution 2235/95). In the case of the United States, export approval is valid for two years. Current eligibility period expires October 5, 1999.

No other significant non-tariff barriers are applicable to the importation of U.S. livestock and its products.

### 2. Tariffs

With the exceptions described below, purebred dairy and beef cattle are assessed an import duty of 5 percent. Cattle imported for bullfights and slaughter are assessed an import duty of 10 percent. In general, all red meat is assessed an import duty of 20 percent. Imports of hides and skins are assessed a 5 percent import duty when raw and 10 percent when tanned.

Tallow is subject to a variable import duty (Andean Community price band system). Under this system, the basic tariff rate for tallow is 15 percent. The actual duty paid by local importers, however, is calculated on the current reference value for palm oil, not the sales price for tallow. For the second half of July 1998, the reference price for palm oil has been set at \$735 per ton (floor and ceiling prices at \$542 and \$642, respectively). The current import duty for tallow stands at \$36.75 per ton, 5 percent of the reference value.

All of the above products, when traded between Andean Community countries (Colombia, Venezuela, Ecuador, Peru and Bolivia) are exempt from import duties. Colombian tallow imports from ALADI countries (South America and Mexico) are assessed a 7.5 percent import duty.

Under an export promotion scheme (Plan Vallejo), imported hides and skins destined for use in the manufacture of leather goods which will be exported, excluding Andean Community countries, are eligible for entry into Colombia free of duties and taxes.

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## MARKETING

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Despite vexing problems in Colombia's livestock sector, there is a demand for imported purebred Holstein and Brahman, and to a lesser extent for Jersey, Brown Swiss, and Simmental.

In April 1998, this office and the U.S. Meat Export Federation organized visits and escorted a team of American meat exporters to promote U.S. meats in Colombia. Significant meat sales are expected to result from this visit and follow-up market development activities.

The Office of the Agricultural Attaché has actively promoted Angus cattle in Colombia. Twenty-two young Angus bulls were imported in 1997 and exhibited by our Office at the National Agricultural Fair in Palmira. Weight gain of these animals has been tracked and in August 1998 they will be sold to cattlemen and coffee producers with the support of our Office. The Angus breed is not well known in Colombia but offers good sales potential for U.S. exporters.

## IMPORT REQUIREMENTS

### 1. Import Requirements for Meat - Not Transformed (fresh, chilled or frozen)

A transformed product is defined by the GOC as having been subjected to processing that resulted in a change in its internal structure.

1. The Colombian importer must register his company with INCOMEX. This grants Government of Colombia authorization to the company to import any and all agricultural products.
2. The importer purchases an import license form at INCOMEX (cost 24,000 pesos or \$17).
3. The importer presents to ICA his completed import license form and is issued a health permit (cost 16,000 pesos or \$11.50). This process normally takes about 48 hours.
4. The importer presents the completed import license form and the ICA health permit to INCOMEX. INCOMEX will now issue an import license approval. This process normally takes 48 hours.
5. Selected products are subject to inspection prior to shipment for product and price validation. This inspection is carried out by private companies contracted by the GOC.
6. The imported meat product is inspected by an ICA veterinarian upon arrival in Colombia. The ICA official ensures that the product comes from U.S. inspected production facilities, is free of disease, has been inspected by USDA prior to its shipment and is accompanied by a USDA health certificate.
7. If the meat is sold in retail packages, it must be labeled. Labels must be in Spanish and contain the product name, name and address of importer, name and address of producer, net contents in metric units, list of ingredients, Ministry of Health registration number, recommended method of storage, and product expiration date. This information may be provided by the application of a sticker to the package.
8. All meats are assessed a 20 percent import duty. Poultry meat and pork are also subject to a variable surcharge under the price band system. Currently, total import taxes stand at 94 percent for poultry meat while pork enters duty-free.
9. Note: Registration of product with the Ministry of Health (INVIMA) is not required for non-transformed food products.

### 2. Meat - Transformed (fresh, chilled or frozen)

1. The Colombian importer must register his company with INCOMEX. This grants Government of Colombia authorization to the company to import all agricultural products.
2. The product must be registered with INVIMA, the National Institute for the Surveyance of Food and Medicines. This registration can be done by either the exporter or the importer. INVIMA registration requires: (a) A written document from the manufacturer stating that they manufacture the listed products. (b) A certificate of free sale stating that the products are approved for human consumption in the United States. This certificate needs to be issued by a U.S. Government (state, local or federal) health authority. Although not required, INVIMA registration is facilitated if a description of the manufacturing process



and a list of the ingredients, including any additives, preservatives, and colorings. All documents need to be notarized by the Colombian embassy in the United States or a consulate and by the Ministry of Foreign Affairs in Bogota. These documents also need to be translated into Spanish by an official translator approved by the Ministry of Foreign Affairs. A sample label may also be submitted. An INVIMA registration fee must be paid. This fee includes analysis of the product. Product does not need to be analyzed before registration approval is given. Cost depends on the item, but it is about \$700. After all the required documentation is submitted, product registration by INVIMA takes about three working days.

INVIMA registration is valid only for the applicant (exporter or importer) and the manufacturer specified in it. Whenever the U.S. exporter wants to change its Colombian importer, there are two cases:

(a) In case the U.S. exporter is the applicant for INVIMA registration, he must submit an application for modification to INVIMA (cost 45,000 pesos or \$32).

(b) In case the Colombian importer is the applicant, the U.S. exporter must initiate a new registration process, specifying his new importer(s). Afterwards, he may change his importer(s) whenever he deems it advisable. The U.S. exporter must apply through his legal representative in Colombia or a lawyer.

3. The importer purchases an import license form at INCOMEX (cost 24,000 pesos or \$17).
4. The importer presents INCOMEX completed form to INVIMA for clearance. This process normally takes about 48 hours.
5. The importer presents the completed INCOMEX form and INVIMA clearance to ICA (cost 16,000 pesos or \$11.50). ICA issues a health permit. This process normally takes about 48 hours.
6. The importer presents the completed INCOMEX form, INVIMA clearance and ICA health permit to INCOMEX. INCOMEX will now issue an import license approval. This process normally takes about 48 hours.
7. Selected products are subject to inspection prior to shipment for product and price validation. This inspection is carried out by private companies contracted by the GOC.
8. If the meat is sold in retail packages, it must be labeled. Labels must be in Spanish and contain the product name, name and address of importer, name and address of producer, net contents in metric units, list of ingredients, Ministry of Health registration number, recommended method of storage, and product expiration date. This information may be provided by the application of a sticker to the package.
9. High value food products are assessed a 20 percent import duty.
10. Note: the Ministry of Agriculture must approve chicken, or other poultry, part imports. Whenever this Ministry determines that domestic supplies are available to meet local demand and/or that imports of this product would economically damage local poultry industry, imports are not approved. Imports of chicken parts which undergo minimal processing, such as those sprinkled with paprika, are not allowed.

### **3. Import Requirements for Cattle**

1. The Colombian importer must register his company with INCOMEX. This grants Government of Colombia's authorization to the company to import any and all agricultural products.
2. The importer purchases an import license form at INCOMEX (cost 24,000 pesos or \$17).
3. The importer presents to ICA his completed import license form and is issued a health permit (cost 16,000 pesos or \$11.50). This process normally takes about 48 hours.

4. The importer presents the completed import license form and the ICA health permit to INCOMEX. INCOMEX will now issue an import license approval. This process normally takes 48 hours.
5. The exporter in the United States must obtain a USDA health certificate, which states the following:
  - a. The United States is free of foot-and-mouth disease, contagious bovine pleuropneumonia, and rinderpest.
  - b. Cattle originated from premises where no clinical diagnosis of bovine leukosis, campylobacteriosis, trichomoniasis, infectious bovine rhinotracheitis (IBR), parainfluenza (PI3), bovine virus diarrhea (BVD), paratuberculosis, brucellosis, coital exanthema, malignant catarrhal fever, Aujeszky's disease, bluetongue, and Q fever has been made in the 12 months prior to this exportation.
  - c. Cattle were treated twice during the 30 days prior to exportation for the removal of internal and external parasites.
  - d. Cattle were isolated from all other animals not tested for export from the first day of testing until embarkation.
  - e. Cattle will be transported from the isolation premises to the port of embarkation in cleaned and disinfected vehicles.
  - f. None of the cattle originates from premises under any type of State or Federal quarantine for animal diseases.
6. Animals must test negative for the following diseases within 30 days of embarkation, except tuberculosis, whose negative test is valid for 60 days:
 

Tuberculosis: intradermal caudal fold test using bovine PPD tuberculin.

Brucellosis: Nonvaccinated animals over 6 months of age shall be negative to the standard plate or the standard tube agglutination test at 1:25 dilution (less than 30 IU/ml). Vaccinated animals under 20 months of age and nonvaccinated animals under 6 months of age are not required to be tested. Vaccinated females over 20 months of age shall be negative to the standard plate or standard agglutination test at the 1:50 dilution.

Bovine leukosis: negative to agar gel immunodiffusion (AGID) test.

Leptospirosis: negative to the microtiter agglutination test at 1:100 dilution for *L. icterohaemorrhagiae*, *L. pomona*, *L. canicola*, *L. grippotyphosa*, and hardjo.

Paratuberculosis: negative at 1:8 dilution by the complement fixation test or to the intradermal johnin test.

Campylobacteriosis and trichomoniasis: negative to a direct microscopic exam or culture test. No test is required for virgin bulls and heifers, or artificially bred heifers.

Infectious bovine rhinotracheitis (IBR/IPV): negative at a 1:2 dilution by the serum neutralization test.

Bovine virus diarrhea (BVD): negative to a serum neutralization test at a 1:2 dilution.

All laboratory tests must be done by official laboratories. Special tests recommended by the Yearbook of Animal Health of FAO/OIE or any other international animal health organization may be required.
7. Cattle entering Colombia from the United States must have been vaccinated as follows:
 

Females with reduced dose Brucellosis Strain 19 vaccine according to the nationally accepted U.S. usage standards.

Leptospirosis bacterin or treated with dihydrostreptomycin at a dosage of 25 mg/kg. Vaccination can be substituted for the test requirement. This vaccination must be administered at least 20 days prior to embarkation.

Killed/modified live vaccine for IBR/PI3/BVD. Vaccination can be substituted for the test requirement. A modified live virus nasal vaccine or killed virus vaccine must be administered at least 20 days before embarkation.

Anthrax, within a time lapse of 1 to 6 month prior to embarkation, if this disease exists in the area of

origin.

Animals over 3 months of age, must be vaccinated against blackleg and malignant edema, between 1 and 6 months prior to shipment.

7. Upon arrival in Colombia ICA (Colombian Agricultural Institute) may require that any or all tests conducted in the United States be repeated.
8. Upon arrival in Colombia cattle must be inspected by ICA animal health officials.
9. Purebred dairy and beef cattle are assessed an import duty of 5 percent. Cattle imported for bullfights and slaughter are assessed an import duty of 10 percent.
10. Upon arrival in Colombia cattle must remain in quarantine for 30 days. The importer can arrange to quarantine his cattle on ICA or private premises. The expenses, including the laboratory tests required by ICA, are charged to the importer.

## POTENTIAL IMPORTERS

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