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## Colombia

### Product Brief

### Pet Food

### 2003

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**Report Highlights:**

The Colombian pet food market has excellent potential for growth. Under a recent trade agreement, up to 7,000 tons of pet food imports (imports are currently approximately 5,500 tons) will be excluded from the surcharges applied under the Andean Price Band System. Negotiations of a bilateral free trade agreement will further open the market for U.S. exporters.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Bogota [CO1]  
[CO]

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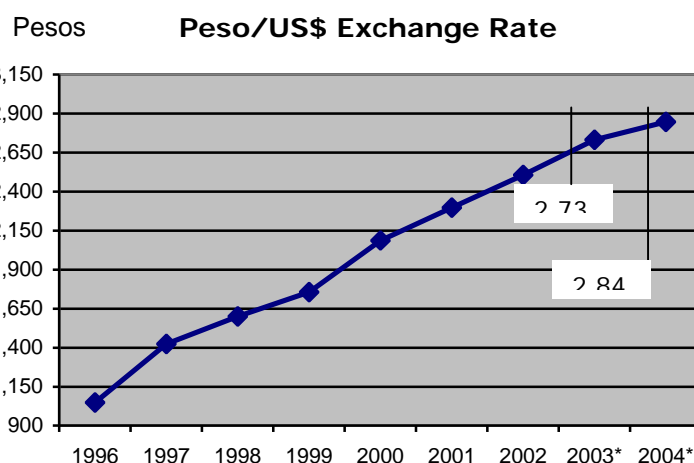
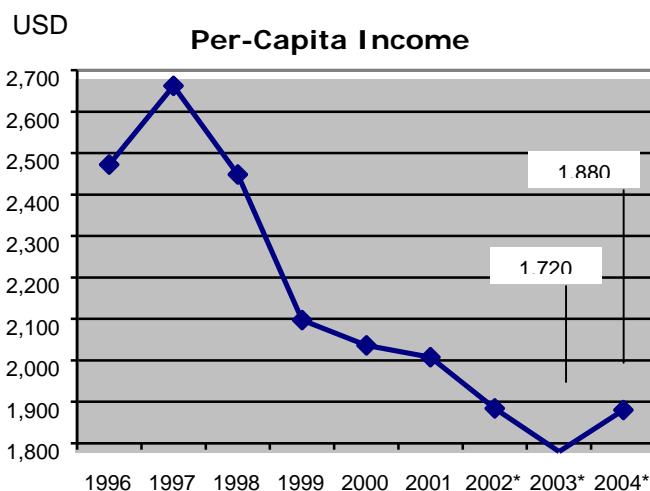
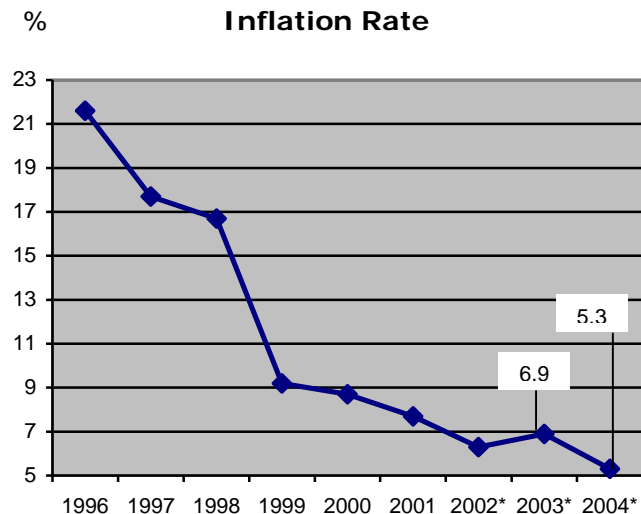
## I. EXECUTIVE SUMMARY

The animal feed industry in Colombia is an 800 million to a 1 billion US dollar per year business, of which the pet food market is valued at US\$60 to 80 million. Total processed pet food imports accounted for US\$3.3 million, with the US holding a 76 percent share. The pet food industry, the same as the industry in general, felt the impact of the previous slowdown of the Colombian economy. The Colombian economy is, however, starting to grow again. It is expected to grow 3.0 percent in 2003 and 3.5 percent in 2004, improving the outlook for most sectors. Pet food imports in 2003 are expected to increase by 8 to 12 percent and to continue rising in 2004.

The Colombian Government recently agreed to exempt on an annual basis up to 7,000 tons of dry pet food imports (current imports are around 5,500 tons) from the variable tariff surcharge applied under the Andean Community Price Band System (wet pet food is not subject to the price band system). The surcharge is in addition to the 20 percent basic duty (which will continue to be applied) and has at times substantially increased the tariff applied to dry pet food imports (the surcharge is currently zero). The regulations implementing this change have not yet been published, but exporters can contact the Office of Agricultural Affairs at the U.S. Embassy in Bogota for additional information. The United States and Colombia will start negotiations for a bilateral free trade agreement in the second quarter of 2004, with the goal of eliminating all tariff restrictions for pet food.

Dogs and cats are the prime consumers of the pet food market in Colombia. Although precise data are not available, it is estimated that the potential pet food market in Colombia is equal to 120 to 140 thousand tons annually. At present 75 to 80 thousand tons are being supplied by the market. Pet ownership is on the rise. Hence the pet industry must grow to accommodate the expanding demand for healthy reasonably priced and economy products. Economic realities and current consumer trends indicate that buying decisions are increasingly based on quality and price. People are becoming more concerned about their companion animal's health and nutritional requirements. There are more than 72 foreign and national companies that together offer 600 different pet products to the Colombian market. Following the general pattern, concentration and consolidation have become dominant forces in the Colombian pet food market. Production and sales are concentrated in six major companies: Agribrands-Purina, Solla, Finca, Italcol, Contegral and Nutrion. Nestle, Agribrands-Purina, Hills Pet Nutrion, Diamond Feeds, Kal Kan Foods, Friskies Pet Care Company and Mars Incorporated products are major suppliers of imported products. However, imports barely accounted for 7 percent of total animal feed sales in 2002. Producers and distributors continue seeking strategic alliances in a frantic effort to capture market share, supply channels have become more efficient and direct imports have increased. Pet food is a changing market with bright potential for U.S. exporters.

## II. ECONOMIC OUTLOOK



\*Projections

- ✓ Colombia is regaining economic growth and stability. GDP growth was 1.6 % in 2002 as compared to 1.4 in 2001. The target for 2003 is a 3.0% growth rate and 3.5% for 2004.
- ✓ Sectorial economic future looks brighter particularly in the pet food industry.
- ✓ The Colombian peso has stabilized after an accelerated depreciation of 25.0% in 2002. A 9 % and 4.5% devaluation is expected in 2003 and 2004 respectively.
- ✓ The 2003 one-digit inflation target has been set at 6.9%, higher than the 6.3% in 2002, but expected to be 5% for 2004.
- ✓ The 15% unemployment rate continues to hinder faster economic recovery.
- ✓ Security remains a major concern for investors and businessmen.

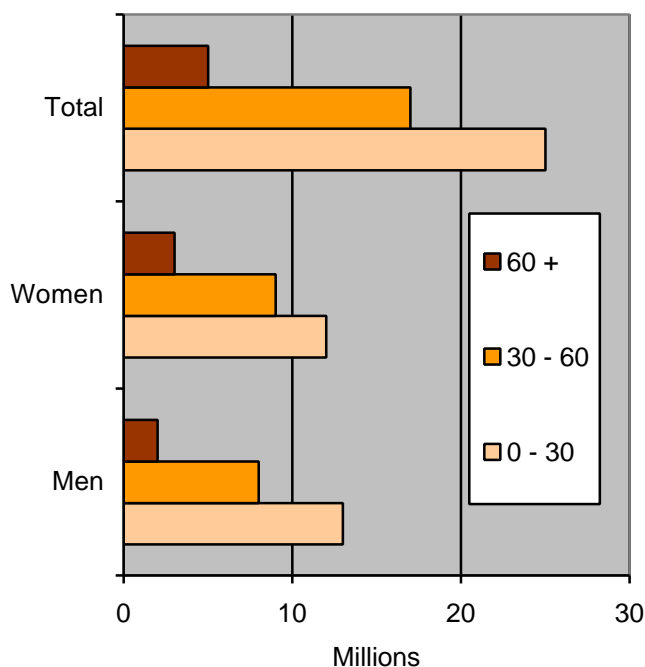
### III. Market Overview

#### Income Distribution

	Income	%	Population	%
High		47	10	
Medium		40	40	
Low		13	50	

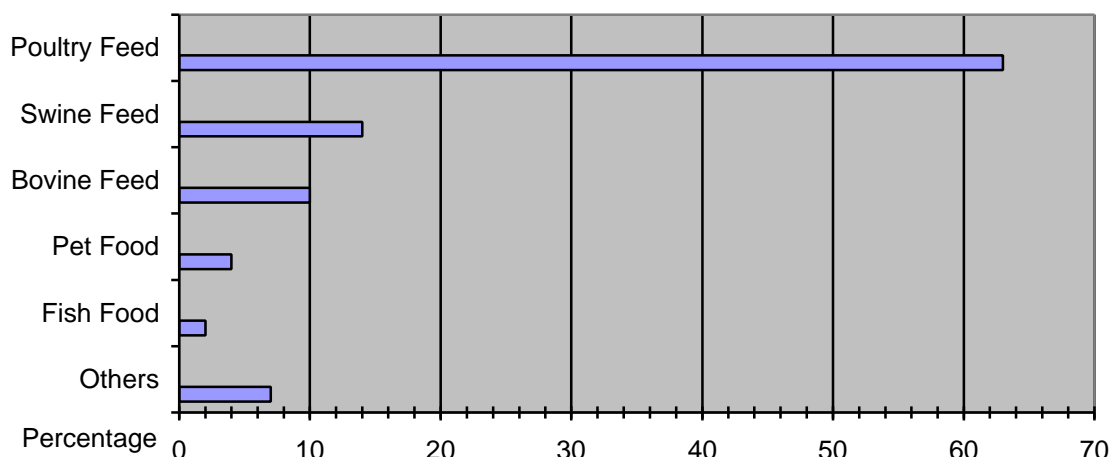
- ✓ Colombia is a growing market of 44 million people.
- ✓ Monthly food expenditures by income group are:
  - High US\$300 - 600
  - Middle US\$140 - 300
  - Low less than US\$120
- ✓ High-income groups are key consumers of imported pet food.
- ✓ The middle and low-income groups are driving demand for mid-priced and economy pet food.
- ✓ Pet owners purchase a monthly average of 9 kilograms of pet food per pet.

#### Population by Age



- ✓ The rise in female participation in the labor force (38%) will continue to stimulate demand for processed pet food products.
- ✓ Leading animal feed producers and distributors are implementing ambitious promotional campaigns to increase the pet population among Colombian families by giving away free kittens and puppies.
- ✓ The new pet culture has stimulated growth in pet food consumption.
- ✓ Rough indicators show that there are 4-5 million pet dogs and 800 to 900 million cats in Colombia. There is one pet per 8 people in the low-income bracket; one pet per 10 inhabitants in the middle-income bracket and one per 14 people in the high-income bracket.

## Colombian Animal Feed Production

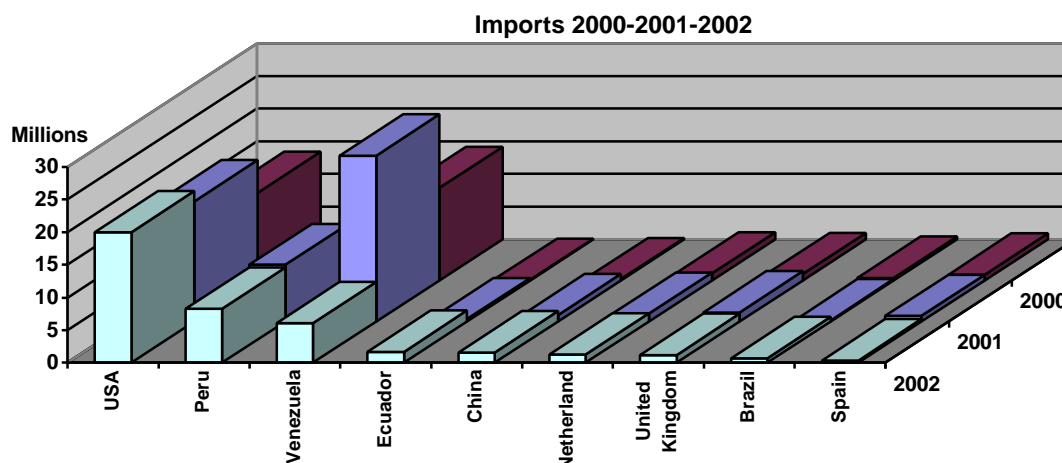


- ✓ Year 2000 total animal feed production was valued close to US\$ 713 million equivalent to 2.7% of total industrial production.
- ✓ Feed industry output has grown steadily in the last 10 years, rising 5.5% in comparison to a total industry growth of 4.1 %.
- ✓ Colombia is a major producer of poultry feed, representing 63% of total animal feed production
- ✓ Although the pet food industry suffered from the economic downturn in late 90's, with growth rates declining from 16 to 6 percent, it had always posted positive growth rates.
- ✓ Pet food represents 4% of total feed production.
- ✓ Pet Food output is expected to rise by 6% in 2003 and 8% in 2004.
- ✓ Foreign pet food processing affiliates like Purina and Nestle account for a large portion of pet food production.
- ✓ Animal feed production is a capital intensive industry concentrated in a few large companies such as Solla, Itacol, Finca, Contegral, Purina, Concentrados S.A., Cresta Roja and Nestle.
- ✓ The pet food-processing sector depends heavily on import of ingredients like yellow corn, fish- meal, soybean meal and by-product meals. High average variable import duties force the upward trend in prices of feed products.

## Animal Feed Production and Sales- 2000

Product	Producción		Sales	
	Kg 000	US\$000	Kg 000	US\$000
Bovine feed	342,070	71,568	337,071	70,096
Swine feed	369,809	97,737	365,664	97,990
Equine feed	25,112	6,333	23,360	5,915
Poultry feed	1 667,521	448,838	1,397,370	382,540
Dog and Cat food	82,466	29,425	79,022	28,091
Special animal food preparations	44,072	10,091	34,244	7,838
Special food preparations for fish	50,612	17,674	48,568	17,885
Food preparation for rabbit raising and feeding	13 109	3,903	12,909	3,831
Bone meal	2,496	410	2,530	460
Fish meal	4,474	1,096	4,471	1,221
Mineral salt	49,645	10,825	48,994	10,664
Basic animal mixed feed	11,480	8,398	11,565	8,638
Tuna meal	261	86	261	86
Meat meal	15,811	4,066	15,790	3,997
Flour, others	8,651	2,896	8,633	2,935
TOTAL	2,687,597	713,363	2,390,458	642,187

## Colombian Animal Feed Preparation Imports



- ✓ In 2002, the U.S. was the largest exporter of food and agricultural products to Colombia.
- ✓ Colombia imported \$50.6 million in processed and partially processed animal feed preparations in 2002, equivalent to 35% of total food- waste animal feed imports.
- ✓ U.S. is the leading supplier of animal feed preparations. Imports from U.S. in 2002 totalled US\$20.3 accounting for 40.1% of total imports.
- ✓ Dogs and cats are the prime consumers of pet food in Colombia. The market for imported pet food for animals other than dogs and cats is very limited.
- ✓ Dog and cat food imports were worth \$3.3 million in 2002 of which 76% were from the U.S.
- ✓ Pet food imports have been fluctuating over the years due to high variable import duties and economic downturn. However dog and cat food imports recorded a 36% growth in 2001 over 2000, but dropped to a minus 17 % in 2002.
- ✓ Total 2002 dog and cat food imports barely represented 7 percent of total market.
- ✓ Pet food import growth is forecast at 8% to 12% in 2003.
- ✓ The key factor limiting pet food imports has been the linkage of pet food products to yellow corn prices under the Andean Pact "Price Band " system.

## Colombian Pet Food Imports by Value

	2003* US\$000	Market Share %	Change %	2002 US\$000	Market Share %	Change %	2001 US\$000	2000 US\$000
<b>Total</b>	<b>3,578</b>	<b>100.0</b>	<b>8.0</b>	<b>3,313</b>	<b>100.0</b>	<b>-16.7</b>	<b>3,979</b>	<b>2,921</b>
U.S.A.	2,720	76.1	8.6	2,504	75.6	-6.2	2,669	2,068
Others	858	23.9	6.0	809	24.4	-38.2	1,310	853

Source: DANE-DIAN \* FAS projection

**Colombia Pet Food Imports-Total\* Kilograms**

Year	US	Brazil	Venezuela	Others	Total
1997	5,127,827	-	467,911	672,029	6,267,767
1998	4,248,519	-	1,626,738	1,301,533	7,176,790
1999	3,774,032	204,234	1,784,742	749,349	6,512,357
2000	2,711,760	304,286	1,004,595	85,840	4,106,481
2001	3,628,624	294,049	1,712,027	42,504	5,677,204
2002	3,411,051	824,224	189,907	271,942	4,697,123
<b>Average 1997-2002</b>	<b>3,807,053</b>	<b>406,698</b>	<b>1,172,818</b>	<b>884,198</b>	<b>5,744,261</b>
2003 Jan-Sep	2,582,387	879,596	173,479	257,295	3,892,757

\*Includes wet pet food

Source: DIAN (Revenue and Customs Agency)

**Colombia Pet Food Imports –Market Share**

Year	US	Brazil	Venezuela	Others
1997	80.8%	0.0%	0.0%	19.2%
1998	59.0%	0.0%	0.0%	41.0%
1999	58.0%	3.1%	27.4%	11.5%
2000	66.0%	7.4%	24.5%	2.1%
2001	63.9%	5.2%	30.2%	0.7%
2002	72.6%	17.5%	4.0%	5.8%
<b>Average 1997-2002</b>	<b>66.3%</b>	<b>7.1%</b>	<b>20.4%</b>	<b>15.4%</b>
2003 Jan-Sep	66.3%	22.6%	4.5%	6.6%

\*Includes wet pet food

Source: DIAN (Revenue and Customs Agency).

- ✓ Dog and cat food sales by volume have been fluctuating over the past years.
- ✓ The yearly average volume during the period 1998- 2002 has been 5,600 tons.
- ✓ The U.S. is also the leading supplier of pet food by volume, with a 66% market share.
- ✓ There are two main categories for dog and cat food: dry and wet.
- ✓ Dry food products account for nearly 92 % of total pet food imports.
- ✓ Imports from the U.S. account for almost 71% of total dry pet food.

**Pet Food Imports from U.S.A. by product. 2002-2001-2000**

PRODUCT	2002 US\$ (000)	Market Share %	2001 US\$ (000)	2000 US\$ (000)
2309100000 Dog & Cat food for retail	-		3,979	2,921
U.S.A.	-		2,669	2,068
Others	-		1,310	853
2309101000 Dog & Cat food in airtight containers	389	91.8	-	-
U.S.A	357		-	-
Others	32		-	-
2309109000 Other Dog & Cat food	2,924		-	-
U.S.A	2,147	73.4	-	-
Others	777		-	-
<b>TOTAL</b>	<b>3,313</b>		<b>3,979</b>	<b>2,921</b>

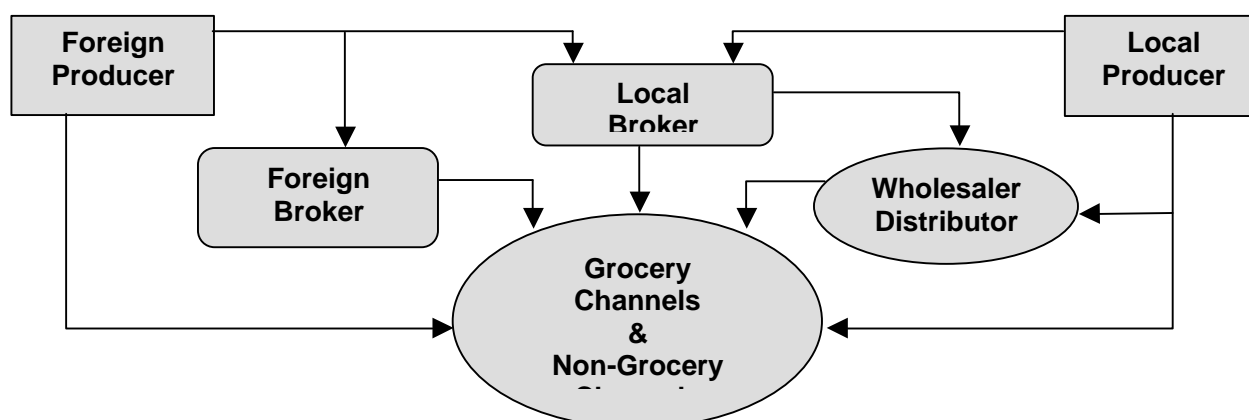
Source: DIAN (Revenue and Customs Agency).



## Market Entry Strategy

General suggestions to access the Colombian pet food market, to raise competitive sales position and to introduce new products:

- ✓ Base competitive position on the equation of high quality, reasonable price and efficient service to counteract strong competition.
- ✓ Be aggressive and innovative in marketing strategies. Social marketing is a new strategy under which sales generate funding for social programs.
- ✓ Develop marketing strategies to meet the specific needs of the Colombian market.
- ✓ Remember Category managers are key people. They are in a position of being able to offer a service that is unlikely to be matched in-house.
- ✓ Provide sales promotion discounts over time and maintain some influence over how these discounts are communicated to customers.
- ✓ Hyper/Supermarkets condition shelf space acceptance to discounts, promotions and/or additional cost.
- ✓ Enter a full range of products at different price levels, targeted at pets of different ages and different health conditions.
- ✓ Offer after-sales service and customer support. They are a decisive purchasing factor in Colombia.
- ✓ Intensify advertising, sampling and promotional campaigns to compete with the 600 pet food brands available in the market. Take advantage of concession contracts offered by department stores and supermarkets to individuals and companies for the promotion and sale of products, either new or known labels.
- ✓ Develop Personal business relationships with top executives including marketing directors and purchasing managers.
- ✓ Take advantage of domestic food fairs and exhibitions, and expose your customers to U.S. business practices.
- ✓ Prepare promotional material in Spanish or dual language. Product literature should highlight products and services available. Communication media have a great impact on Colombian consumers.



**Advantages for U.S. Companies and Products**

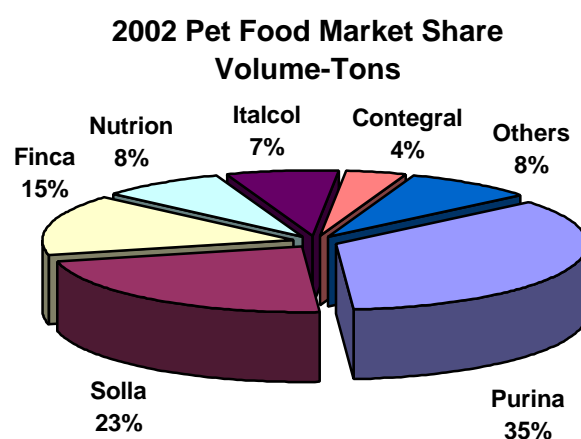
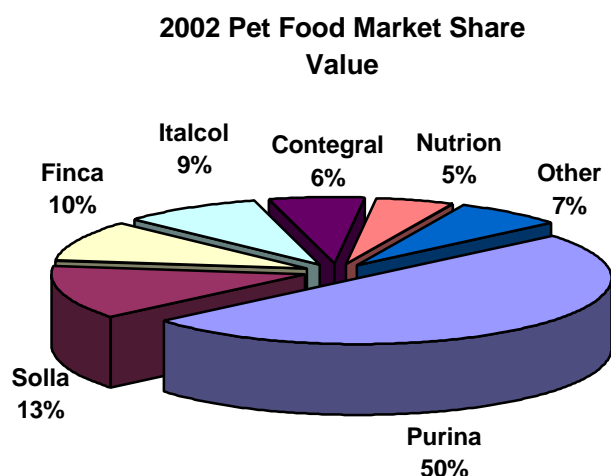
Colombian pet population is on the rise. Pet ownership is popular across a wide range of socio- economic groups.
Colombia has high ambitions for the animal feed sector, including poultry and pet food in particular.
The pet food industry must grow to accommodate the expanding demand for healthy mid-priced and economy pet-food products.
U.S. is the leading trading partner of Colombia.
U.S. pet-food products are generally highly successful in the Colombian market. Colombians know that American manufacturers are very health conscious regarding their pets.
Locally established multinational firms are taking advantage of their brand names to position new imported products.
Some retailers claim that pet food suppliers have enjoyed relative immunity from the Colombian economic downturn in late 90s. The pet-food industry has recorded good returns.
The pet food industry is also profiting from changing attitudes toward the importance of pet care and nutrition. Pets are now considered a family member.
Changing lifestyles and the rise in female participation in the labor force (38%) will continue to stimulate demand for pet food products.
There are new government regulations that favor and protect pet ownership.
Companies have been increasing advertising investment remarkably. Puppies and kittens are being given away to capture new consumers.
U.S. food shows are excellent opportunities to introduce new products and set up personal relationships, meet customers and personally address their technical needs and requirements.
The Colombian business community's knowledge of and confidence in U.S. business practices and geographical proximity help reduce costs of training, equipment, transportation, and at the same time boost commercial relationships.
Supply channels have been streamlined. End-users are increasingly establishing direct contact for sourcing new products and services abroad.
Colombia's strategic geographical position makes it a gateway to many other Latin American markets.
The agreement to exempt 7,000 tons of pet food imports from the Andean Price Band System opens additional opportunities for exports to Colombia.

**Challenges to U.S. Companies and Products**

Per capita pet food consumption is very low: 9 kilograms/month versus a minimum recommended feeding diet of 15 kilograms/month. Prepared food accounts only for approximately 60% of the dog's and 65% of the cat's regular caloric intake.
Imports of dog and cat food barely represent 7 % of the animal feed market.
Importers demand competitive prices, good quality and consistent supply availability. Category management practices by stores, including charging slotting fees for products, are overhead costs to be expected.
Competition in the pet-food market is already quite strong. Seventy-two companies are duly registered in Colombia including those internationally recognized.
There is a whole variety of different types of products to choose from, including diets designed for specific stages of life and foods which deliver additional health benefits. There are 600 products already registered in Colombia.
Through the years some domestic companies as well as foreign subsidiaries have improved their blends to provide new and quality products with proper nutrition for pets. A few domestically produced dog and cat food products are in an even stronger position vis-a-vis the imported ones, as is the case of some Purina and Solla products.
Upscale income pet owners increasingly demand food with high nutritional value.
Innovation and new concepts for a low-cost product portfolio is a must to gain market participation. Cheap, convenient and preserved pet food products may be favorable attributes for low-income pet owners.
New products should be aggressively marketed to appeal to pet owners.
Suppliers report there is a bottleneck in the distribution chain. Retailers are not properly marketing products at the point-of-sale level.
U.S. suppliers should encourage buyers to tour suppliers/producers facilities and have business representatives tour their plants.
Colombia as a member of the Andean Community applies the "Price Band" system. Pet food products are directly related to yellow corn, which falls under the "Price Band" System. Due to this restrictive measure, U.S. pet food imports above 7,000 tons will be less competitive.
Due to a number of integration agreements with various countries, a complex system of customs duties is applied.
The import process still has many layers. However, the GOC has introduced key modifications to simplify the paperwork significantly. Import/export procedures and customs clearances have become almost virtual. Documents are to be presented through electronic or magnetic media.

#### IV. MARKET STRUCTURE

The pet food market in Colombia has been very dynamic.



- ✓ Over the years, animal feed and pet food sales have consistently increased, although it is difficult to obtain exact data.
- ✓ According to various estimates the market size for dog and cat pet food varies from US\$60 to 80 million annually and, from 75,000 to 85,000 tons per year.
- ✓ It is also estimated that market potential is worth US\$100 to 140 million per year.
- ✓ In terms of volume, the market should supply from 120 to 150 thousand tons annually.
- ✓ The upward trend of the market is accounted for by increase in the pet population, a growing use of pet food, greater variety of diets available, and the benefits and value for money that pet foods offer.
- ✓ Although there is no precise data, it is estimated that the Colombian pet population is 4 to 5 million dogs and 800 to 900 thousand cats.
- ✓ The way Colombians feed their pets varies from household to household in timing, size and content of the meal. Most dogs are fed one or two meals each day, one meal a day being most common. Cats are fed more often; at least two and probably many more separate meals each day.
- ✓ VAT (Value-added-Tax) levied on pet food products has affected sales.

## Pet Food Sales By Company

Company	Total Sales US\$ Million	Pet Food Sales US\$ Million
Purina	55.3	30.9
Solla	132.1	8.0
Finca	62.6	6.2
Nutrion	3.2	3.1
Italcol	154.4	3.7
Contegral (Medellin, Bogota, Cartago)	115.9	4.3
Others	262.5	5.1
<b>Total</b>	<b>785.0</b>	<b>61.8</b>

- ✓ Animal feed sales increased by 8.7 % in 2002 and by 12.1 % in 2001, in terms of Colombian pesos.
- ✓ Pet food sales have grown between 17% and 15% in the last three years, reaching US\$ 61.8 million in 2002.
- ✓ Dry dog food dominates sales, accounting for 95-97% of total sales.
- ✓ Dog food sales by volume also represent the bulk of dry pet food sales.
- ✓ With more middle and low-income consumers entering the market, the average priced and economy products have shown the best growth rate, with a 20% increase over 2001.
- ✓ In 2003, major market players are observing that premium and super premium products are lagging behind other categories, despite positive growth rates.

## Leading Dog Food Brands in Supermarkets by volume (Tons)

Company-Brand	2003*	2002*	2001*
<b>PURINA</b>	<b>7,466</b>	<b>8,751</b>	<b>8,472</b>
-Ladrina	2,360	2,619	2,483
-Puppy Chow	1,574	1,927	2,170
-Kanina	1,867	2,174	1,909
-Dog Chow	1,610	1,948	1,840
-Others (Proplan, Gourment)	81	84	7-
<b>TECNOQUIMICAS</b>	<b>1,572</b>	<b>4</b>	<b>0</b>
- Nutriss	1,572	4	0
<b>SOLLA</b>	<b>1,381</b>	<b>1,091</b>	<b>1,211</b>
-Nutre Can	1,066	802	880
-Lucky Bite	315	289	331
<b>MARS</b>	<b>930</b>	<b>650</b>	<b>452</b>
-Pedigree	903	650	450
-Others (Champ, Waltham)	28	0	2
<b>FINCA</b>	<b>878</b>	<b>1,229</b>	<b>1,455</b>
-Ringo	782	1,203	1,455
-Super Gua	92	26	-
-Filpo	4	0	0

<b>NESTLE</b>	<b>81</b>	<b>753</b>	<b>551</b>
-Friskies	81	753	551
<b>-OTHER BRANDS</b>	<b>1,180</b>	<b>527</b>	<b>425</b>
<b>OTHER PRODUCERS</b>	<b>1,006</b>	<b>466</b>	<b>427</b>
-Nutrion	256	199	193
-Wruff	25	11	31
<b>TOTAL</b>	<b>13,769</b>	<b>13,214</b>	<b>12,789</b>

Source: Nielsen-Colombia \* Year from April to May 2003-2002-2001.

### Total Animal feed Sales by Company

US\$ Million							
Company	2002	2001	2000	Company	2002	2001	2000
SOLLA	132.12	160.95	154.81	BIOVET GANADERIA LTDA	4.39	6.74	5.64
ITALCOL	111.09	112.65	90.17	COLEC INVESTMENT	4.86	4.28	2.35
FINCA	62.59	69.07	60.75	AGROPECUARIA SAN FERNANDO	4.36	4.95	3.91
PURINA	55.33	81.20	100.99	INDAGRO	2.70	2.96	2.60
CONTEGRAL MEDELLIN	48.50	57.16	53.67	PETCO	2.38	3.20	2.34
ITALCOL DE OCCIDENTE	43.26	45.31	38.04	ALIMENTOS NUTRION	3.12	2.57	2.28
CONTEGRAL BOGOTA	40.13	45.22	39.19	MERCADEO	1.99	2.35	2.13
CONTEGRAL CARTAGO	27.36	30.63	27.06	NUTRIFARM	1.89	2.05	1.85
CONCENTRADOS	26.88	29.88	29.14	PROTEICOL	1.51	1.65	1.43
CRESTA ROJA	25.61	29.73	25.97	ALBATEQ	1.47	1.60	1.34
CIPA	22.54	33.65	33.14	AGROINSUVET	1.40	1.58	1.00
NESTLE PURINA PET CARE	22.52	27.04	26.22	JULIO FERNANDEZ Y CIA	1.24	1.50	1.40
ACODENSA	19.83	21.12	17.99	CONCENTRADOS EL RANCHO	1.22	1.29	1.07
BADELCA	18.73	13.40	9.70	SEMEX COLOMBIA	1.12	1.05	0.85
MEJIA & CIA	14.51	22.16	18.07	LISCAM	0.96	1.49	0.99
PREMEX	10.81	12.11	9.07	C.I..INDUSTRIA NIDALIA	0.96	1.24	1.45
CONCENTRADOS DEL NORTE	10.78	12.10	12.86	INAGRO	0.84	1.61	1.01
SOMEX	10.64	9.20	7.89	VELEZ MONTOYA LUIS	0.77	0.81	0.70
PROCEAL	9.58	10.88	6.42	BIOVET GANADERIA LTDA	0.76	0.77	0.63
NUTRILISTO	9.40	9.00	7.70	PROTEINA DEL TOLIMA	0.68	0.71	0.69
RAZA	8.26	8.70	9.37	INPEC	0.59	0.60	0.67
ALIMENTOS EL GALPON	7.93	7.69	5.15	ANGEL HERMANOS	0.22	1.30	1.84
CONCENTRADOS NUTRIMAX	6.96	7.42	6.50	TOTAL	785.00	902.99	827.91

Source: Superintendency of Corporations

There are 72 companies competing in the dog and cat food market in Colombia of which 21 companies have a complete range of imported products. All these companies are duly registered with Ministry of Agriculture's Colombian Agricultural Institute (ICA).

### Dog and Cat Food Competitor Companies

AGRIBRANDS PURINA COLOMBIA S.A.	MANUFACTURAS CEREALES CORO LTDA.
ALIMENTOS BALANCEADOS ALBAL "ALBACAN LTDA"	MARS INCORPORATED
ALIMENTOS CONCENTRADOS RAZA S.A.	MEJIA Y COMPAÑIA S.A.
ALIMENTOS E INSUMOS AGROP. "ALINAGRO LTDA"	NESTLE DE VENEZUELA S.A.
ALIMENTOS EXTRUDIZADOS LA SABANA "ALESA S	NESTLÉ PURINA DE VENEZUELA S.A.
ALIMENTOS NUTRION S.A.	NESTLÉ PURINA PET CARE COMPANY
ALIMENT S.A. DIETAS Y ALIMENTOS S.A.	NESTLÉ PURINA PET CARE DE COLOMBIA S.A.

ALLIED FOODS INC	NUTRIBAL S.A.
ALMACENES ÉXITO S.A.	NUTRICION DEL CAUCA S.A.
ARANGO HERMANOS S.A.	NUTRIMENTOS SUPER LTDA
CAJA COLOMBIANA DE SUBSIDIO FAMILIAR COLSUBSIDIO	PET PRODUCTS PLUS INC.
CARBONE RODRIGUEZ & CIA S.C.A. ITALCOL S.C.A	PROCTER & GAMBLE INTERAMERICAS LLC
CARGILL INC	PRODUCTORA COLOMBIANA DE ALIMENTOS NUTRICIONALES "NUTRISS CO S.A."
CIA.IND.DE PRODUCTOS AGROP "CIPA S.A."	PRODUCTOS ALIMENTICIOS EL GALPON LTDA
COMERCIALIZADORA AGROANDINA S.A. COMANDINA S.A.	PRODUCTOS QUAKER S.A.
CONCENTRADOS CRESTA ROJA S.A.	RALSTON PURINA DO BRASIL
CONCENTRADOS DEL NORTE S.A.	RALSTON PURINA DO BRASIL LTDA.
CONCENTRADOS EL HATO LTDA	RALSTON PURINA COLOMBIANA S.A.
CONCENTRADOS S.A.	RALSTON PURINA COMPANY
CONTEGRAL S.A.	RALSTON PURINA INTERNATIONAL
COOP.LECHERA DE ANTIOQUIA "COLANTA LTDA"	RINTI S.A.
DIAMOND FEEDS INC	ROLF C. HAGEN USA CORPORATION
DIAMOND PET FOODS	ROYAL CANINA S.A.
EAGLE PET PRODUCTS, INC.	SHELL & KAMPETER
EFFEM PRODUCTOS ALIMENTICIOS INC & CIA.	SERVICONCENTRADOS RENDIDOR LTDA
EL ROSARIO S.A.	SIMMONS FOODS INC.
EVSCO PHARMACEUTICALS	SOLLA S.A.
FINCA S.A.	SOUTHEAST ASIAN PACKAGING AND CANNING LTD
FRISKIES PET CARE COMPANY INC.	STAR KIST FOODS
GANAVI AGROPECUARIA LTDA	TECNICAS VETERINARIAS TECNOVET LTDA.
HEINZ PET PRODUCTS (SYNTHESIS)	TECNINSUMOS LTDA
HILLS PET NUTRITION INC.	THE IAMS COMPANY
IND.EL REBANO LTDA	THE IAMS COMPANY
ITALCOL DE OCCIDENTE LTDA	TOMLYN PRODUCTS
KAL KAN FOODS INC.	TOTAL ALIMENTOS S.A.
LITTLE BONES	VARGAS URIBE MARIA CRISTINA
LUIS BERNARDO VELEZ MONTOYA	

- ✓ Major pet food companies in the Colombian market are subsidiaries of major multinationals: Nestle-Purina Pet Care (Alpo, Fancy Feast, Friskies, Mighty Dog) and, Ralston- Purina (Dog Chow and ProPlan), Colgate Palmolive/Hills Pet Nutrition Inc. (Science Diet pet Food, feline/canine dry/wet canned) and, Mars Incorporated (Pedigree, Mealttime, Walthams, Wiskas).
- ✓ These three companies represent 61.5 % of dog and cat food volume sold at supermarkets.
- ✓ Other foreign companies are Procter and Gamble Interamericas/Novartis (Eukanuba). Kal Kan Foods (Kal Kan Optimun, Pedigree, Waltham) and, Heinz Pet Products- Synthesis (Kibbles-n-bites, Award meaty meal, Award center cuts) among others.

## V. COST AND PRICES

### Tariff Rates

The weighted average of Colombian tariffs fluctuates between 11 and 13.5 percent. However, the Andean Community variable levy system creates exorbitant duties in over 140 product areas.

For Pet food and animal feed products imported from non-Andean Community countries duties are 5, 10, 15, and 20 percent of their CIF value (ad valorem), depending on the degree of processing of the product and domestic need. These rates are in line with the Andean Community regulations:

- ✓ Five percent is assessed on lacto substitutes
- ✓ Ten percent is assessed on feed mixes.
- ✓ Twenty percent is assessed on ready-to-consume pet food products, and
- ✓ Fifteen percent on all other animal feed preparations.
- ✓ Pet food variable import duty under the **Andean Community "Price Band" System** has been fluctuating between 90 and 20 percent and is levied on those animal feed products and one finished product (pet food) with a preparation directly related to yellow corn. The derivatives list includes food for pet animals and livestock, poultry meat, sorghum, bran, starches, and glucosa syrup. Information on the current duty is available at the web page of the Andean Community ([www.Comunidadandina.org/politicas/franja\\_circular.htm](http://www.Comunidadandina.org/politicas/franja_circular.htm)).
- ✓ At present both the regular import duty and the variable import duty for pet food are the same, 20 percent.
- ✓ Decision 520 of June 7, 2002, issued by the Andean Community, removed wet pet food from the "Price Band" System.
- ✓ Under a recent agreement, the Colombian Government will exempt up to 7,000 tons of dry pet food imports from the "Price Band" System. The publication of the regulation to implement this change is still pending.

Import tariffs levied on pet food under the "Price Band" System

Bi weekly	2000		2001		2002		2003	
	Pet Food		Pet Food		Pet Food		Pet Food	
	23.09.10.90.00		23.09.10.90.00		23.09.10.90.00		23.09.10.90.00	
	USA/BRAS	Average Acum.	USA/BRAS	Average Acum.	USA/BRAS	Average /Acum-	USA/BRAS	Average Acum.
1 TO 15 JAN	80%		65%		45%		20%	
16 TO 28 FEB	57%		60%		40%		20%	
1 TO 15 MAR	58%		59%		42%		20%	
16 TO 31 MAR	58%		59%		43%		20%	
1 TO 15 APR	59%		59%		31%		20%	
16 TO 30 APR	55%		43%		29%		20%	
1 TO 15 MAY	55%		43%		32%		20%	
16 TO 31 MAY	55%		49%		32%		20%	
1 TO 15 JUN	56%		54%		31%		20%	
16 TO 30 JUN	58%		50%		27%			
1 TO 15 JUL	68%		52%		28%			
16 TO 31 JUL	79%	62.21%	56%	53.64%	25%	35.14%		20.00%
1 TO 15 AUG	90%		42%		25%			
16 TO 31 AUG	90%		40%		21%			



1 TO 15 SEPT	95%		40%		20%			
16 TO 30 SEPT	89%		45%		20%			
1 TO 15 OCT	87%		55%		20%			
16 TO 31 OCT	81%		50%		20%			
1 TO 15 NOV	74%		53%		20%			
16 TO 30 NOV	74%	85.00%	53%	47.25%	20%	20.75%		
1 TO 15 DEC	68%		46%		20%			
16 TO 31 DEC	65%	66.50%	43%	44.50%	20%	20.00%		
ANNUAL AVERAGE	70%		51%		29%		20%	

Source: Effem Productos Alimenticios Inc.

- ✓ Colombia, as a member of the Andean Community (Venezuela, Ecuador, Bolivia), grants preferential duties to animal feed products imported from those countries including pet food and also eliminates duties for products manufactured and traded within the region.
- ✓ The Community has a third country tariff rate schedule known as the Common External Tariff.
- ✓ Colombia has preferential bilateral trade agreements with Chile and Mexico and has signed Multilateral Trade Agreements with the G-3 (Colombia-Mexico-Venezuela), Latin American Integration Association (LAIA) Argentina, Brazil, Mexico, Chile, Paraguay, Uruguay, El Salvador, Costa Rica, Guatemala, Nicaragua, Honduras and Cuba.

Specific import duties on pet food are:

					ALADI %					
CAN %					G3 MEX	Bilateral Agreements		PAR		
TST	% Duty	% IVA	BO,EC VE*	PE		CHILE	OTHERS	AR. BR	PA	UR, CU
2309.10.00.00	20	7	0	0	17.6	2.50	18 Br	17.6	13.2	16
2309.10.10.00	20	7	0	0	17.6	2.50	18 Br	17.6	13.2	16

Source: Colombian Tariff Schedule

\*Bo: Bolivia; EC: Ecuador; VE: Venezuela; PE: Peru; AR: Argentina; PA: Paraguay; BR: Brazil, CU: Cuba.

**Value-added Tax (VAT)**

- ✓ Most imports are subject to the VAT (value-added-tax).
- ✓ VAT is assessed on the CIF value, plus import duties.
- ✓ In December 2002, the GOC extended the VAT to imports of several agricultural products, including some feed ingredients, such as soybean meal and soybean oil.
- ✓ Pet food products have been included under the new list of products subject to VAT.
- ✓ Pet food was previously exempt from the VAT.
- ✓ The VAT stands at 7 percent of CIF import value.

**Pricing Products**

- ✓ Import duties are quoted ad-valorem on the CIF value of shipments. Retail prices of pet food imported products are generally 60 to 120 percent above FOB prices.
- ✓ Freight and insurance costs are 10 to 15 percent.
- ✓ CIF import duty is 20 twenty percent plus the variable import duty under the "Price Band" System. At present it stands at 20 percent.
- ✓ VAT is 7 percent, assessed on the CIF + duty value of imports.
- ✓ Other factors affecting import and retail prices are peso devaluation, inflation, and financing.
- ✓ Local manufacturers usually work with a markup varying from 15 to 30 percent and wholesalers from 15 to 25 percent.
- ✓ Profit margins for pet food products may reach from 20 up to 40 percent.

## VI. MARKET ACCESS

### Sanitary and Phytosanitary Measures

- ✓ Products requiring sanitary permit from the Ministry of Agriculture's Colombian Agricultural Institute (ICA) are:
    - Pet food products
    - Animal products and by-products
    - Wheat, poultry meat, malting barley, corn, rice, sorghum, wheat flour, oilseeds and their products (soybeans, soybean meal and soybean oil).
- This permit details the sanitary import requirements for these products.
- ✓ The first step prior to importation is to obtain the import permit from ICA.
  - ✓ Second step is obtaining the import license from Ministry of Foreign Trade.
  - ✓ The Colombian importer provides the U.S. exporter with the ICA import permit for submission to the FSIS/APHIS. FSIS/APHIS will issue a sanitary certificate referencing the requirements in ICA's import permit.

### Registration Requirements

Regulations concerning the registration of pet food products and companies engaged in production and marketing of pet food are published in ICA's Resolution 1056 of 1996. Both the company/importer and the product must be registered

### Importer/Company Registration

- ✓ Private importers must present a request to ICA with following information:
  - Name and address of the company or storage facilities.
  - Certificate from the Chamber of Commerce recognizing existence and legal representation.
  - Certificate or health patent of the production plant issued by a public health authority.
  - Specific type of product to be imported.
- ✓ ICA conducts inspection visits to plants or warehouses for verification of information.

**Product Registration**

- ✓ Agricultural and animal products to be marketed in Colombia require a registration with ICA. To obtain registry, the interested party must present the following information:
  - Name of applicant, name and address of the company, production plant or storage facilities
  - Name to be used in marketing
  - Complete guaranteed composition (complete description of main components) using the metric system, specific purpose of the product and dosage
  - Complete description of the packaging, seal and net content
  - Complete description of the method of elaboration of the product. For products produced abroad, a certificate of free sale in the country of origin issued by the competent official authority, must be attached.

NOTE: Only finished products, i.e. those that are fully or completely processed, may be commercialized for direct use by the customer.

- ✓ ICA conducts inspection visits to plants or warehouses and takes samples of products for analysis and verification of labeling information.
- ✓ ICA registration, once obtained, has an indefinite validity.

**Labeling and Marking Requirements:**

Regulated by Resolution #1056, 1999 of the Instituto Colombiano Agropecuario, ICA (Colombian Agricultural Institute of the Ministry of Agriculture and Rural Development).

- ✓ Regulations on labeling on pet food are virtually the same as in the U.S.
- ✓ Requirements are similar for domestic and imported products.
- ✓ Labels on processed pet food products must indicate:
  1. The specific name or brand of the product.
  2. Guaranteed composition indicating generic name of active ingredients in order of
  3. Importance.
  4. Net content in metric units.
  5. Number of production lot in either numerical or alpha numeric system.
  6. Expiration date.
  7. Number of ICA registration.
  8. Producer's name and address.
  9. Exporter's name and address.
  10. Importer's name and address.
  11. Country of origin.
  12. When produced by third parties, the name of producing company or laboratory must appear as follows: Produced by (name of the producing company) for (name of the holder of registration of the product).
  13. Information regarding nutritional value: balanced, supplementary diet, etc.
  14. Special warnings if necessary.
- ✓ The label must be printed on each side of the package, with a minimum size of 10 by 20 cm.
- ✓ Label can include a different language but must have a transcription in Spanish.

## Import Documentation

Importers must follow seven basic steps to carry out an ordinary import into Colombia:

- 1) Obtain sanitary permit for products from the Ministry of Agriculture's Colombian Agricultural Institute (ICA). Sanitary registration is required for both locally manufactured and imported products
- 2) Buy and fill out the Import Registration form. File the Import Registration form with the Colombian Ministry of Foreign Trade, Industry and Tourism.
- 3) Obtain approval from the Ministry of Foreign Trade for the Import Registration Form.
- 4) Make arrangements with a financial entity for payment of the importation fees.
- 5) Ask the exporter to ship goods to a Colombian port along with the packing list and certificate of origin when required.
- 6) Request the Cargo Manifest from the transportation firm.
- 7) Make arrangements with the SIAs or Customs Intermediary Entities to receive the merchandise. All merchandise must be transferred either to a bonded warehouse or free trade zones. Transfers must be done within two days after airport arrival or five days after sea port arrival. Products are allowed a maximum of two months from the arrival date while undergoing customs clearance. A two months extension is possible. If extension period expires, products are declared abandoned by Customs.

Following are the major steps:

- Fill out the "Import Declaration" (Declaracion de Importacion), when the importation value is more than US \$ 1,000.
- Fill out the Andean Customs Value Declaration (Declaracion Andina de Valor en Aduana), when the importation value is more than US \$5,000.
- Fill out the Import Declaration (Declaracion de Importacion).
- Go to an authorized financial entity and pay the import duties, VAT, surcharges and other fees.
- Present all documents to Customs
- Customs will review the merchandise when they consider it necessary and authorize withdrawal of goods.

The importer must keep import documents for a period of not less than five (5) years. Documents must be in Spanish.

## Import Declaration

- ✓ Import Declaration must be presented to the National Customs and Taxes Directorate containing the same information as the import registration.
- ✓ Must be submitted within the 15 days prior to the arrival of the merchandise in the Colombian port or up to 2 months after the arrival of the merchandise.
- ✓ Delivery of merchandise requires the import declaration approval and import duty payment.
- ✓ After-clearance random inspection by customs officials is performed to avoid fraud and tax evasion.

## Certificate of Origin

- ✓ Certificate of origin is required for imports from countries with trade agreements to be entitled to preferential duty rates.
- ✓ Trade preferences include countries of the Andean Community, Latin American Integration Association, G3, and the Bilateral Chile-Colombia trade Agreement members.

## Samples

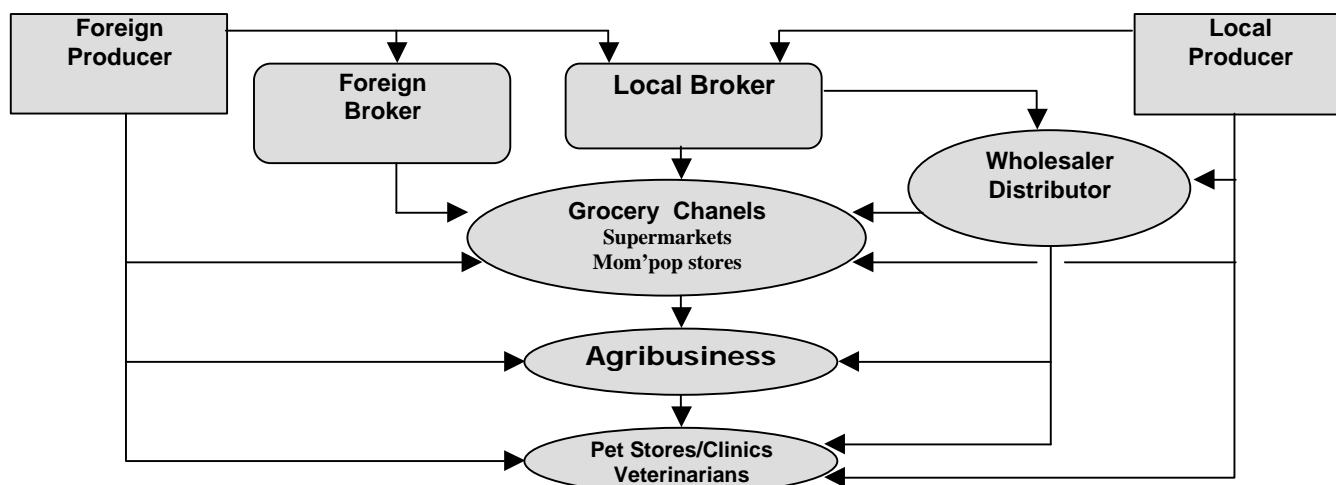
- ✓ As a general rule samples require the same documents as commercial imports.
- ✓ Samples are exempt from import license, registration form or import duty payment when they are consigned to a designated free trade zone, bonded warehouse or imported on a temporary in-bond basis.

## Courier and Express Shipment

- ✓ Courier or express shipments not exceeding US\$ 1,000 in value and 20 Kilograms in weight are freely imported into Colombia.
- ✓ They are subject to the 16 percent Value Added Tax assessed on the CIF value plus the 10% import duty.
- ✓ Air or surface shipment of products is allowed.

## Distribution and Sales Channels

- ✓ Colombian pet food sales channels range from state-of-the-art pet food processing companies such as Purina and Italcil with their own distribution infrastructure, to all types of retail outlets, including sophisticated hypermarkets, supermarkets, chain stores, veterinarian's offices and specialty stores.
- ✓ Supermarkets represent 15-20% of sales. The leading retail chains include Exito, Carulla-Vivero, Olimpica, Carrefour and Makro with branches nation-wide.
- ✓ There are nearly 250 pet food stores and 1,000 pet clinics and veterinarian doctor's offices in Colombia. These represent around 15% of sales.
- ✓ Agribusiness stores (more than 1,100) and Mom & Pop stores scattered throughout neighborhoods (around 35,000) hold 60% of total sales.
- ✓ Radio and TV advertising has been very aggressive. Advertising budget increased by 25 percent in 2002 compared with 2001.
- ✓ Direct marketing through credit card promotions, flyers, polls, and sales calls to either home or office sites are also popular.
- ✓ Chain stores and large distributors have their own catalogs for phone, mail orders and internet purchases, which can be paid for by cash, check, or credit cards.
- ✓ However, importers and producers point out that there is still a sales bottleneck at the supermarkets sales point.



### Agents/Sales Representatives

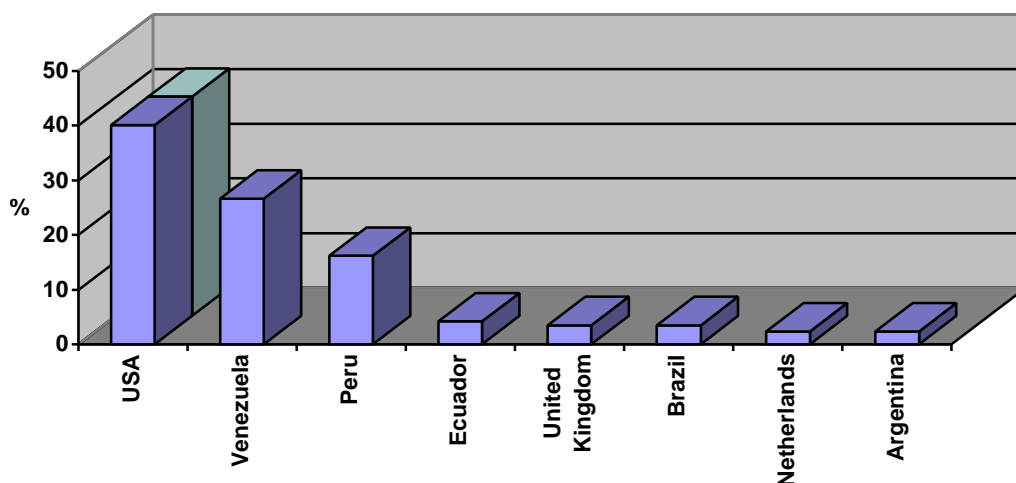
- ✓ As a general rule, it is advisable to appoint a local agent or sales representative to help with import procedures, sales promotion and after-sales service.
- ✓ Agents are the link with government authorities and buyers in order to maintain smooth operations in the country
- ✓ Colombians prefer to deal directly with manufacturers or through their export divisions, rather than through outside representatives.

### Importers and Distributors

- ✓ The United States traditionally has been Colombia's main trading partner. Colombia is considered a natural market for U.S. products and technology because of its proximity.
- ✓ The bulk of purchases from the U.S. are made through well-established local importers and distributors.
- ✓ Importers offer a full line of products to meet and create market needs.
- ✓ Choosing a qualified and competitive distributor is one of the most important ways to do business successfully in Colombia. A serious investigation should be conducted to assure the reliability and trustworthiness of a potential candidate.
- ✓ At present importers with strong negotiating and purchasing power are few in number. Large numbers of end-users are purchasing directly from suppliers and/or manufacturers abroad, avoiding local representatives.
- ✓ Major Colombian distributors and wholesalers are opening purchasing offices and warehouses in Florida.
- ✓ Colombian businesses increasingly are establishing direct contacts abroad to find new products and services.

## VII. COMPETITION AND BEST PROSPECTS

2002 PET FOOD IMPORTS BY COUNTRY



- ✓ Colombia is a strong competitor in the production of poultry feed and pet food.
- ✓ Colombia currently imports over four-fifths of its requirements for poultry and animal feed inputs.
- ✓ Fifty percent of total feed sales are concentrated in five companies: Solla (16.8 percent), Italcol (14.2 percent), Finca (8 percent), Contegral with its 3 branches: Medellin, Cartago and Bogota (14.8 percent), Purina (7.0 percent) and, Italcol (5.5 percent).
- ✓ Nestle-Purina Pet Care entered the Pet market in 2001, when Agribrands-Purina was sold to Cargill.
- ✓ U.S. products are relatively expensive compared to domestic products.
- ✓ Competition has intensified. Pet food products from several countries are found on the shelves of Colombian stores, and Colombian companies and foreign affiliates are introducing new products.
- ✓ Private labels are influencing the market. Supermarkets such as Éxito, Colsubsidio and Makro have their own pet food brands.
- ✓ Smaller companies are entering the market with economically priced products.
- ✓ Profit margins are being squeezed by the current price war, by realities such as the few importing companies with strong negotiating and purchasing power and by the reduction in the intermediary supply chain.



**Pet Food Imports 2002**

Country	Other mixed feeds	Milk replacements for heifer feed	Premixed feeds	Other dog/cat food for retail sale	Other dog/cat food in airtight containers
<b>Value US\$000</b>					
U.S.A.	4,452	157	13,198	2,147	357
Venezuela	41		5,733	121	
Ecuador	111		1,641	30	
Peru	6,939		1,565		
Spain		198	267		
China			1,544		
United Kingdom			1,184		
Brazil	14		134	579	13
France			640		
Netherlands	32	1,248	39		
Argentina			1,161		
Germany			1,052		
Others	5	29	6,942	47	19
<b>TOTAL</b>	<b>11,594</b>	<b>1,632</b>	<b>34,047</b>	<b>2,923</b>	<b>389</b>

Source: DIAN

**Top Colombian Importers of Animal Feed Preparations 2002**

Company	Value US\$ (000)	Company	Value US\$ (000)
SOMEX S.A	11,296	MENDOZA DUARTE LUZ STELLA	452
INCUBADORA SANTANDER S.A.	11,104	UPJOHN INTERAMERICAN CO.	427
PREMEZCLAS ENERGETICAS DEL CARIBE (PREME	6,075	GABRICA LTDA	418
ELI LILLY INTERAMERICA INC	4,856	AQUACULTIVOS	381
MONOMEROS COLOMBO VENEZOLANOS S.A (E.M.A	4,764	BASF QUIMICA COLOMBIA	284
RALSTON PURINA COLOMBIANA S.A.	4,015	C I DISAN S A	263
PROVEEDORA DE INSUMOS S.A. PROINSA	3,709	RETAR INGENIEROS LTDA	255
CARTAGENERA DE ACUACULTURA S A	3,287	CONTEGRAL MEDELLIN S.A.	246
C.I OCEANOS S.A	2,911	IMPULSORES INTERNACIONALES LTDA	192
EFFEM COLOMBIA LIMITADA	2,501	FINCA S.A	162
SOLLA S.A.	2,334	NOVARTIS DE COLOMBIA	162
INTERNACIONAL DE COMERCIO MEGA LTDA	1,995	PRODUCTORES ACUICOLAS LTDA	151
COMERCIALIZADORA INDUSTRIAL Y AGRICOLA L	1,618	CONTEGRAL CARTAGO LTDA	141
JARAMILLO LEMA JUAN ANDRES	1,377	LUCIANO MARTINEZ	137
INSUMOS AGROPECUARIOS DE	1,335	NOVUS DE COLOMBIA	103

IMPORTACIONES S			
SEMILLAS MIGUEL SAENZ Y CIA LTDA	1,129	CALIER DE COLOMBIA	100
AGROSOLEDAD S A	1,092	ITALCOL DE OCCIDENTE LIMITADA	100
PREMEX S.A.	1,073	CONTEGRAL BOGOTA S A	99
ROCHE VITAMINAS COLOMBIA	1,072	AGRIBRANDS PURINA COLOMBIA S A	96
ALLTECH DE COLOMBIA	864	TRANSMERQUIN DE COLOMBIA	87
ADM NOVA S A	856	PROTEINAS DEL SUR LIMITADA "PROSUR LTDA.	86
C.I. VALLE TRADE S.A.	809	PRODUCTOS ALIMENTICIOS EL GALPON	65
COOPERATIVA COLANTA LTDA	715	BIOINDUSTRIAL MALPOLO	65
NESTLE DE COLOMBIA S.A.	534	AMERICAN VETERINARIA	59
INTERVET COLOMBIA LTDA	496	COMERCIALIZADORA Y DISTRIBUIDORA NACIONAL	49
BALANCEADOS DEL CAUCA	484	PETWORLD	49
CARBONE RODRIGUEZ Y CIA S C A	481	THERHIS BUSINESS DE COLOMBIA	45
ITALCOL IT			

Source: Ministry of Foreign Trade

- ✓ Colombia's pet food imports have been particularly good in the first half of 2003, perhaps in response to the drop in the variable import duty.
- ✓ From January-June, 2003 total pet food import registrations (not actual arrivals) stood at US\$ 5.4 million. If this trend continues, the import market for pet food could reach over US\$ 4 million, a 20% increase from the previous year (US\$ 3.3 million).
- ✓ The U.S. is expected to maintain its lead as a number one supplier of the pet food market.

#### Pet Food Importers by Product. First Semester 2003

Company	Dog & Cat in airtight containers 2309101000	Other dog & cat food 2309109000	Total
	US\$ 000		
EFFEM COLOMBIA LIMITADA	623	3,269	3,893
RALSTON PURINA COLOMBIANA S.A.	154	586	740
JARAMILLO LEMA JUAN ANDRES	3	368	371
GABRICA LTDA	31	261	291
NOVARTIS DE COLOMBIA S.A.		126	126
C. I. BUSINESS ASSOCIATION S.A.		25	25
PETWORLD LTDA		22	25
TOTAL	811	4,657	5,468

**Pet Food Imports by Country. First Semester 2003.**

Company	Dog & Cat in airtight containers 2309101000	Other Dog & Cat food 2309109000	Total
	US\$ 000		
UNITED STATES	705	2,988	3,693
BRAZIL	90	1,311	1,402
VENEZUELA		274	274
URUGUAY		54	54
CANADA		22	22
THAILAND	16		16
PANAMA		7	7
TOTAL	811	4,657	5,468

**Best Product Prospects**

- ✓ Colombia is a growing market for pet food products.
- ✓ Surveyed retailers and producers feel there is significant potential for new products to entice middle and low-income families in particular.
- ✓ Although growth of premium and super premium categories has become somewhat stagnant, upper income families continue to be major consumers of these products.
- ✓ Advertising expenditures are consistently increasing to attract new pet owners. TV commercials, giving pets away, and contests to win free food and health services are part of a frantic effort to win markets.
- ✓ Social marketing is being used as a strong tool to penetrate the market with excellent results.

**Business Customs**

- ✓ Colombia has a very sophisticated and highly developed private sector.
- ✓ Colombian businessmen have good knowledge of business practices abroad. A large number of them have been educated overseas, especially in the United States.
- ✓ They share similar business practice and ethics with U.S. entrepreneurs.
- ✓ Colombians tend to be friendly, straightforward and direct in doing business.
- ✓ Consequently, despite Colombia's political and social problems, knowledgeable U.S. companies have been doing business successfully in Colombia for years.

**Travel Warning and Visas**

- ✓ Business visas are valid for up to three years, can be renewed, and can be used for multiple entries into Colombia for stays of up to six months per visit.
- ✓ Although business travelers may enter Colombia on a tourist visa, businessmen traveling under a tourist visa should not sign contracts, because they may be considered invalid and/or non-binding.
- ✓ U.S. business travelers can obtain copies of the travel warning and other up-to-date travel information and publications such as tips for Travelers to Central and South America, via the Internet at <http://www.access.gpo.gov/su/docs>; or via the Bureau of Consular Affairs Home Page at <http://www.travel.state.gov>

**VIII. Related Reports**

## Other Related Reports

<b>Report No.</b>	<b>Report Name</b>	<b>Date</b>
CO3002	Grain and Feed Annual Report	03-10-03
CO3009	Fairs	08-04-03
CO2007	Grain and Feed Annual Report	03-12-02
CO2016	Wet Pet Food removed from the ACPB	06-26-02
CO2019	Grain and Feed Update	09-04-02
CO3018	Exporters Guide	12-04-03
CO3009	Food and Agricultural Import Regulations and Standards	08-01-03

For further information, visit the FAS home page at <http://www.fas.usda.gov>.

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