



# 2020 Annual Report

Colombia Poultry Export Quota Inc.



Colombia Poultry Export Quota, Inc. c/o DTB Associates, LLP  
1101 15th Street, NW, Suite 202  
Washington, D.C. 20005  
Tel: 202-684-2512 - Fax: 202-384-2234  
[www.colom-peq.org](http://www.colom-peq.org)



# 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.

## TABLE OF CONTENTS

1.	Chairman’s Letter .....	3
2.	Directors and Officers .....	4
3.	Open-Tender Process and Results .....	5
4.	Reporting and Outreach .....	7
5.	Disposition of Proceeds .....	7
6.	Audited Financial Statements .....	10



August 2021 COLOM-PEQ Annual Board Meeting in Miami, Florida

# 1. Chairman's Letter

In 2020, COLOM-PEQ held three open-tender auctions for the export of chicken leg quarters (CLQs) from the United States to Colombia under a duty-free tariff rate quota (TRQ). The TRQ of 37,006 metric tons (MT), established in the United States - Colombia Trade Promotion Agreement (CTPA) for COLOM-PEQ's ninth year of operations, was auctioned off in a first tranche of 12,336 MT, a second tranche of 12,335 MT, and a third tranche of 15,533.63 MT (rollover TRQ of 3,198 MT). Auction receipts reached \$1,815,867, a slight decrease of 2.25% from 2019. The TRQ allocated increased by 5.7% and 94% of the annual quota was assigned.

Under the terms of the Export Trade Certificate of Review (ETCR) granted by the United States Department of Commerce, COLOM-PEQ distributes proceeds from the tender process to fund market development, educational, scientific, and technical projects, as well as capacity building and competitiveness projects, for the benefit of its poultry association members in Colombia (FENAVI) and the United States (USAPEEC). There were no disbursements for projects in 2020. However, FENAVI used remaining funds of \$42,286 from 2019 project "Chicken Program" to cover 1) the organization of a schedule for the 2020 mass media campaign called "Festival del Pollo" (Chicken Festival); 2) a market study on the impact and transformation of the food service in response to Covid-19 and the evolution of meat proteins; and 3) Results on the impact of the "Pollo Colombiano" (Colombian Chicken) brand.

Pursuant to its bylaws, COLOM-PEQ's chairmanship rotates among members on an annual basis. During COLOM-PEQ's annual and board meetings in July 2020, the Board appointed Mr. Fernando Amorim from USAPEEC as Chairman, and Mr. Fernando Avila from FENAVI as Vice Chairman. Mr. Mateo Paz-Soldan and Ms. Violeta Gutierrez were confirmed as Secretary and Treasurer, respectively. As further stipulated in the bylaws, the member associations appointed six directors, three for each association, for the period 2020-2021.

Under my term as Chairman for the current period 2021 - 2022, I look forward to working in collaboration with my fellow board members for the benefit of both poultry industry members, FENAVI and USAPEEC.

Sincerely,



Fernando Avila  
COLOM-PEQ Chairman 2021-2022

Colombia Poultry Export Quota, Inc. c/o DTB Associates, LLP  
1101 15th St., N.W. - Suite 202 Washington, D.C. 20005  
Tel: 202-684-2512 Fax: 202-684-2234  
[www.colom-peq.org](http://www.colom-peq.org)

## 2. Directors and Officers

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

### Directors for 2020

**Fernando Amorim**



2020 Chairman  
USAPEEC - United States

**Fernando Avila**



Vice-Chairman  
FENAVI - Colombia

**Gonzalo Moreno**



Director  
FENAVI - Colombia

**Luis Alvarez**



Director  
FENAVI - Colombia

**James Sumner**



Director  
USAPEEC - United States

**Eduardo Gonzales**



Director  
USAPEEC - United States

## Officers for 2020

In addition to Mr. Amorim, who served as Chairman, and Mr. Avila, who served as Vice-Chairman, Mateo Paz-Soldan, currently from MPStrategies LLC, and Violeta Gutierrez from DTB Associates LLP, the firm acting as PAN-PEQ's Administrator, served as Secretary and Treasurer, respectively.

**Mateo Paz-Soldan**



Secretary

**Violeta Gutierrez**



Treasurer

### 3. Open Tender Process and Results

Under the terms of the ETCR and the CTPA, COLOM-PEQ is tasked with managing the TRQ for CLQs established for Colombia on a yearly basis.<sup>1</sup> COLOM-PEQ, through an independent Administrator, manages this TRQ through an open tender process, or auction, in which certificates for duty-free shipments of CLQs are awarded to the highest bidders, pursuant to ETCR requirements. Notice of each open tender process is published in advance both in the United States and Colombia. Bid specifications and contents are included in the notice and are also published on COLOM-PEQ's website. Once the open tender period closes, results are audited, and bidders are notified of the disposition of their bids. The complete results are sent to the governments and consolidated results are made available to the member poultry associations and to the public on the COLOM-PEQ website. Open tender proceeds are then maintained in an interest-bearing bank account until funding requests by the participating member associations are approved by the COLOM-PEQ Board (see Section 4). In the case of FENAVI, its projects must also be approved by the Ministry of Agriculture and Rural Development of Colombia.

---

<sup>1</sup> 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.

The TRQ for CLQs agreed to by both governments for 2020 was 37,006 MT.<sup>2</sup> The Board agreed in October 2019 to hold three open tenders for shipment of CLQs TRQ to Colombia in 2020 generating a total of \$1,815,866.82 in auction receipts. The TRQ awarded to winning bidders reached just over 94%, or 34,829.26 MT, of the full TRQ amount. The highest average successful bid was \$54.12/MT and the lowest successful bid \$44.08/MT. See Table 1.

**Table 1**  
**COLOM-PEQ Open Tender Results for 2020**

Category	First Tranche December 5, 2019	Second Tranche April 2, 2020	Third Tranche August 6, 2020	Total
<b>Available TRQ for Auction (MT)</b>	12,336.00	12,335.00	15,533.63	40,204.63
<b>TRQ Awarded (MT)</b>	12,336.00	9,136.37	13,356.89	34,829.26
<b>Average Successful Bid (\$/MT)</b>	\$54.12	\$48.89	\$52.53	\$52.14
<b>Lowest Successful Bid (\$/MT)</b>	\$48.00	\$44.08	\$44.08	\$44.08
<b>Auction Receipts (\$)</b>	\$667,568.33	\$446,695.03	\$701,603.46	\$1,815,866.82

Note: 2020 TRQ volume amounted to 37,006 MT. A rollover quota of 3,198 MT from the second tranche was offered in the third tranche.

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

The list of winners in the open tenders held for 2020 are published on the COLOM-PEQ website. These winners were:

- AJC International Inc. - Atlanta, GA
- Bassett & Walker Inc. - Wilmington, DE
- Boston Agrex, LLC - Norwell, MA
- Canam Meats Inc - Atlanta, GA
- Gerber Agri International LLC - Atlanta, GA
- Globex International - New York, NY
- Hakan Foods - Broadway, VA
- Interra International - Atlanta, GA
- Intervision Foods - Atlanta, GA
- Kalypac International Inc - Miami, FL
- KIT International Inc - Jersey City, NJ
- RRGGM LLC - Allentown, PA
- Salpeca Corp - Doral, FL
- Sure Good Foods USA Inc - Atlanta, GA
- Tomex Foods Aps - Lombard, IL

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



## 4. Reporting and Outreach

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

## 5. Disposition of Proceeds

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

There were no funding requests from FENAVI or USAPEEC in 2020. However, FENAVI used remaining funds from 2019 to continue producing market studies and a schedule for the 2020 mass media campaign under its project "Chicken Program."

---

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

## FENAVI

Under the project “Chicken Program”, remaining COLOM-PEQ funds from 2019 supported the development of two market studies and a schedule for a mass media campaign in the amount of \$42,286. The “Chicken Program” aimed to explore market trends in purchases and consumption behavior of customers of meats.

The following is a summary of the three components funded under the 2019 project in 2020:

### Market Development

1. **The organization of a schedule** for the 2020 mass media campaign called “Festival del Pollo” (Chicken Festival).
2. **A market study on the impact and transformation of food service in response to Covid-19** and the evolution of meat proteins in this sector, available to FENAVI members online.
3. **Results on the impact of the “Pollo Colombiano” (Colombian Chicken) brand** and its value proposal.

See Figure A for FENAVI’s market development activities held in 2020.

## Figure A Market Development Activities in 2020

### Market Study Food Service response to COVID 19



### Impact of the "Pollo Colombiano" Brand



### Mass Media Schedule for the "Festival del Pollo" 2020 Campaign



Source: FENAVI

## 6. Audited Financial Statements

### Statements of Financial Position December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 8,187,562	\$ 6,468,745
Prepaid expenses	<u>4,287</u>	<u>3,792</u>
<b>Total Current Assets</b>	<u>8,191,849</u>	<u>6,472,537</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,191,849</u>	<u>\$ 6,472,537</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 3,789	\$ 2,405
Deferred auction revenue	<u>593,798</u>	<u>667,568</u>
<b>Total Current Liabilities</b>	<u>597,587</u>	<u>669,973</u>
<b>Net Assets Without Restrictions</b>	<u>7,594,262</u>	<u>5,802,564</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,191,849</u>	<u>\$ 6,472,537</u>

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

**Statements of Activities and Changes in Net Assets  
(Including Operating Expenses)  
Year Ended December 31, 2020**

	Net Assets Without Restrictions			
	General Operating Fund	Board Designated Funds		Total
		Colombia	United States	
<b>Revenues</b>				
Auction revenues	\$ 1,815,867	\$ -	\$ -	\$ 1,815,867
Membership fees	-	683	8,396	9,079
Interest income	-	37,776	68,160	105,936
<b>Total Revenues</b>	<u>1,815,867</u>	<u>38,459</u>	<u>76,556</u>	<u>1,930,882</u>
<b>Expenses</b>				
Accounting and auditing	10,767	-	-	10,767
Auction advertising	4,425	-	-	4,425
Bank fees	1,911	-	-	1,911
Consulting and management fees	84,000	-	-	84,000
Insurance	4,600	-	-	4,600
Licenses and filing fees	344	-	-	344
Office expense	1,329	-	-	1,329
Postage and delivery	25,338	-	-	25,338
Telephone	294	-	-	294
Website expenses	6,176	-	-	6,176
<b>Total Expenses</b>	<u>139,184</u>	<u>-</u>	<u>-</u>	<u>139,184</u>
<b>Change in Net Assets Without Restrictions</b>	1,676,683	38,459	76,556	1,791,698
Transfer from general fund to board designated funds	(1,676,683)	838,342	838,342	-
<b>Net Change After Transfer</b>	-	876,801	914,898	1,791,698
<b>Net Assets Without Restrictions, Beginning of Year</b>	-	2,073,495	3,729,069	5,802,564
<b>Net Assets Without Restrictions, End of Year</b>	<u>\$ -</u>	<u>\$ 2,950,296</u>	<u>\$ 4,643,967</u>	<u>\$ 7,594,262</u>

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

## Statements of Activities and Changes in Net Assets (Including Operating Expenses) Year Ended December 31, 2019

	Net Assets Without Restrictions			
	General Operating Fund	Board Designated Funds		
		Colombia	United States	Total
<b>Revenues</b>				
Auction revenues	\$ 1,857,590	\$ -	\$ -	\$ 1,857,590
Membership fees	-	701	8,587	9,288
Interest income	-	22,340	57,123	79,463
<b>Total Revenues</b>	<u>1,857,590</u>	<u>23,041</u>	<u>65,710</u>	<u>1,946,341</u>
<b>Expenses</b>				
Accounting and auditing	11,350	-	-	11,350
Auction advertising	5,900	-	-	5,900
Bank fees	2,031	-	-	2,031
Consulting and management fees	82,750	-	-	82,750
Insurance	5,285	-	-	5,285
Licenses and filing fees	255	-	-	255
Office expense	1,984	-	-	1,984
Postage and delivery	20,512	-	-	20,512
Project costs	-	838,500	15,000	853,500
Travel	10,569	-	-	10,569
Website expenses	5,616	-	-	5,616
<b>Total Expenses</b>	<u>146,300</u>	<u>838,500</u>	<u>15,000</u>	<u>999,800</u>
<b>Change in Net Assets Without Restrictions</b>	<u>1,711,290</u>	<u>(815,459)</u>	<u>50,710</u>	<u>946,541</u>
Transfer from general fund to board designated funds	(1,711,290)	855,645	855,645	-
<b>Net Change After Transfer</b>	-	40,186	906,355	946,541
<b>Net Assets Without Restrictions, Beginning of Year</b>	-	2,033,309	2,822,714	4,856,023
<b>Net Assets Without Restrictions, End of Year</b>	<u>\$ -</u>	<u>\$ 2,073,495</u>	<u>\$ 3,729,069</u>	<u>\$ 5,802,564</u>

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

## Statements of Cash Flows

### Years Ended December 31, 2020 and 2019

	2020	2019
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 1,791,698	\$ 946,541
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Prepaid expenses	(495)	783
Increase (decrease) in:		
Accounts payable and accrued expenses	1,384	(1,040)
Deferred auction revenue	<u>(73,770)</u>	<u>202,731</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	1,718,817	1,149,015
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>6,468,745</u>	<u>5,319,730</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 8,187,562</u>	<u>\$ 6,468,745</u>

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

**Colombia Poultry Export Quota, Inc. c/o DTB Associates, LLP**  
**1101 15th St., N.W. - Suite 202 Washington, D.C. 20005**  
**Tel: 202-684-2512 Fax: 202-684-2234**  
**[www.colom-peq.org](http://www.colom-peq.org)**