

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Trade Preferences and Promotions Boost U.S. Beef Sales in Colombia

Report Categories:

Export Accomplishments - Other

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Report Highlights:

Export sales in U.S. boneless fresh/chilled beef are reaching record levels because of the U.S.-Colombia Trade Promotion Agreement (CTPA). In the first ten months of 2013, total export values of U.S. boneless fresh/chilled beef are up 465 percent compared to the entire 2012 calendar year to US\$421 thousand.

Executive Summary:

Exports of U.S. boneless fresh and/or chilled beef have greatly benefitted from trade preferences under the CTPA. Collaborative promotional events and activities between FAS/Bogotá, the U.S. Meat Export Federation (USMEF) and distributors of U.S. meat products have been a catalyst for educating Colombian restaurants, retail stores and consumers about high quality U.S. meats. These timely efforts have directly contributed to the immense growth in sales upon implementation of the CTPA.

General Information:

Export values of U.S. consumer-oriented products are US\$385 million in the first 11 months of 2013, up 22 percent compared to the entire 2012 calendar year. U.S. boneless fresh/chilled beef are a part of that success with export values up 465 percent through October 2013 to US\$421 thousand. Prime and choice U.S. beef cuts are free of duties with standard quality beef subject to a tariff-rate-quota.

Colombians are gradually moving out of poverty and into the middle class, a reflection of greater peace and stability and annual GDP growth rates in recent years exceeding four percent. Population income shifts have led to irrevocable changes in food tastes and preferences and are reflected in dietary patterns and expanding animal protein consumption. Over the past four years, per capita consumption of poultry, pork and beef have increased 4, 43, and 14 percent, respectively. Moreover, growing urbanization and greater participation of women in the labor force have increased the frequency of families dining outside the home with an increasing number of restaurants offering U.S. agricultural products, including high quality U.S. beef cuts.

U.S. import market share for boneless fresh/chilled beef has jumped from 4 to 21 percent in 2013. In fact, U.S. boneless fresh/chilled market share is comparable to Uruguay and catching up to Argentina. Timely promotional events after CTPA implementation by USMEF have improved consumer awareness of high quality U.S. meat cuts and Angus beef. In 2013, USMEF led an educational event to train importers, chefs and restaurant owners about U.S. beef, effectively demonstrating the key differences in preparation methods for the various U.S. Choice, Premium, and Standard beef cuts.