

## Colombia Poultry Industry Looks to Buy from Arkansas

In July of 2012, the Arkansas Corn and Grain Sorghum Board and Arkansas Farm Bureau hosted a trade delegation from the Colombian poultry company Escala. Historically, the majority of



of Colombia's grain imports have come from the U.S. as we have a significant transportation advantage into their Atlantic port. However in 2009, Brazil and Argentina implement a free trade agreement with Colombia, which caused U.S. market share to erode significantly. In 2008, the U.S. exported \$850 million of corn and soybeans to Colombia, by 2011 U.S. exports to Colombia had fallen to just over \$250 million. Over the same time period the volume of Colombian imports increased more than 20%. The goal of this mission is was to reestablish

trade relations with the Colombian poultry industry by helping companies improve their poultry production efficiencies as well as highlight U.S. grain quality and strict inspection standards.

With the recently passage of the U.S.-Colombia Free Trade Agreement, U.S. and Arkansas farmers are anxious to get back in the Colombian Market. With the help of the U.S. Grains Council, the Arkansas Corn and Grain Sorghum Board and Arkansas Farm Bureau were able to bring members of Escala, one of Colombia's largest poultry companies, to Arkansas to learn about poultry and grain production. Escala accounts for about 25% of the total Colombian poultry industry. The delegation included 8 members from the company's broiler and layer operations including Jaime Rueda, who purchases all of the feed ingredients for the Escala. Since the passage of the MURCOSUR FTA with Colombia, Escala has sourced the over 80 percent of their feed ingredients from Brazil and Argentina. Jaime estimates Escala will source close to 50% of their grain from the U.S. in 2012. As feed prices stabilize in the future and the U.S. becomes more competitive Jaime expects they will buy even more U.S. goods as the 4 day travel time from the Gulf to Colombia's Caribbean Port is a huge advantage.



While the Escala delegation was in Arkansas they attended a poultry short course at the



University of Arkansas where they learned about U.S. poultry production practices and were able to contrast that with their own company. The groups spent one day in the classroom and other was spent at a hatchery, commercial broiler house, and a feed mill where they learned more efficient ways of handling their product. Additionally, the group visited the Tyson's Discovery Center, where they toured the facility and saw how Tyson develops new products for its customers.

The delegation also had the opportunity to visit a couple of Arkansas grain farms. First, they visited the Young Farm in Tuckerman, AR where the group had the opportunity to visit with all three generations that are still working some 7,000 acres of land in Jackson County. The delegation was able to inspect an excellent crop of corn and soybeans that were grown under a center pivot as well as explore the equipment used to grow and harvest the crop. The delegation had a number of questions about the quality of this year's crop, we explained that southern corn



producers utilize irrigation to mitigate risk and ensure a high yielding, high quality crop every year. The next day the group visited the research station in Marianna, where Jason Kelley talked about the corn and grain sorghum research being done on the station. Additionally, the group was able to visit the Foley Farm in Marianna, AR, where corn was being harvested. The irrigated corn in this area looked phenomenal, and the delegation was very impressed with quality of grain being harvested. There were a number of questions to their buyer as to why their corn was not as clean as what was being taken out of the field.

In addition to touring the farms, the delegation met with major grain exporters in the state: Bunge, Riceland, and Consolidated Barge and Grain Company. The trade mission ended in



Memphis, where the group met with the Federal Grain Inspection Service (FGIS) and learned how grain is graded in the United States. FGIS walked them through a sample of corn and soybeans. The delegation was very impressed with the quality of grain delivered to the river by Arkansas farmers.

**Hosted By:**

