

National Renderers Association

Latin America

German Davalos
Annual Convention
Tucson, Oct. 2011

Mexico – Animal Protein Meals

In 2010 (Jan-Dec) Mexico imported 89,375 MT
(\$53.7 million)

From Jan to Aug 2010 63,421 MT
(\$38.3 million)

From Jan to Aug 2011: 56,429 MT
(\$33.7 million)

Mexico – Animal Protein Meals

Bachoco, the largest poultry producer, is the main importer of U.S. animal proteins with a minimum import volume of 5,000 MT per month (60 TMT/yr)

Plus 4,000 MT per month of animal protein mixes (48 TMT/yr) that enter Mexico with a different HS code

Bachoco's total consumption of U.S. Animal proteins:
108 TMT/yr

Mexico - Petfood

Petfood: Dog and Cat (TMT)

Year	Domestic Production	Imports	Exports	Domestic Consumption
2009	668	54.2	16.8	705.4
2010	724 +8.4%	34.2	15.7	742.4
2011	785 +8.4%	20.0	18.5	786.5

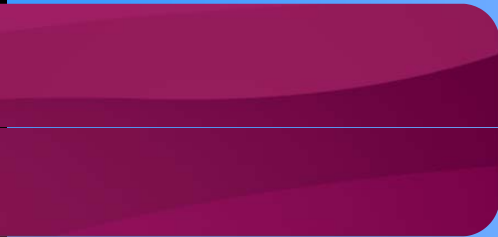


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**pero está
desnutrido**

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Tu crees que así hace
**pero está
mal alimentado**



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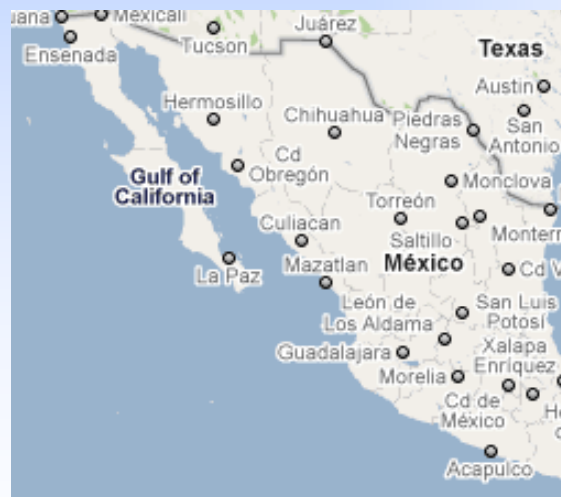
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Mexico - Aquaculture

Disease problems continue to affect shrimp production in the State of Sonora where production levels for 2011 were reduced by 50% to reach 40 TMT.

Mexico's total production for 2011 may reach 90 TMT down 40 TMT from a normal year.



Mexico – ruminant MBM?

Reasons the Mexican market is not open for ruminant MBM:

1. FTA Canada-U.S.-Mexico: an agreement has to be reached between the three countries. - the U.S. does not accept Canadian MBM and Canada does not accept U.S. MBM
2. Mexico has the same OIE risk classification as the U.S. and Canada and wants to have it changed to negligible risk

Mexico Meat Exports - Beef

2010 exports in MT: up 110%

Russia	5,000
Japan	17,000
Korea	2,000
Others	17,000
<u>U.S.</u>	<u>44,000 (up 59%)</u>

TOTAL 86,106 MT (high value \$287 mil)

2010 imports: 200,000 MT (commodity)

Chile - Aquaculture

Chile is the second largest salmon producer in the world with 600 TMT produced in 2007 under normal conditions

In mid 2007 the Infections Salmon Anemia (ISA) virus began to spread reducing production levels by 50% to reach 300 TMT in 2009 and 2010

In 2011 production is estimated to reach 550 TMT

Chile's potential for salmon production is 1MMT/yr surpassing the world's leader, Norway, which has a maximum capacity of 900 TMT/yr

Chile – Aquaculture

In 2003 the NRA started to look at opportunities for U.S. exports of protein meals to the salmon sector but the first case of BSE was found in the U.S. in December and the market was closed

By 2004, the foundations for renewed exports of non-ruminant meals were established

Exports from the U.S. were difficult due to competition from Argentina and Brazil

In 2007 Chile imported 540 MT of feather meal from the U.S. for the first time, but imports stopped once the problems intensified due to the ISA virus.

Chile – Feather Meal

The salmon industry recovers in 2011 and competition from Argentina and Brazil declines due to higher domestic demand in Brazil and exports to Vietnam from Argentina

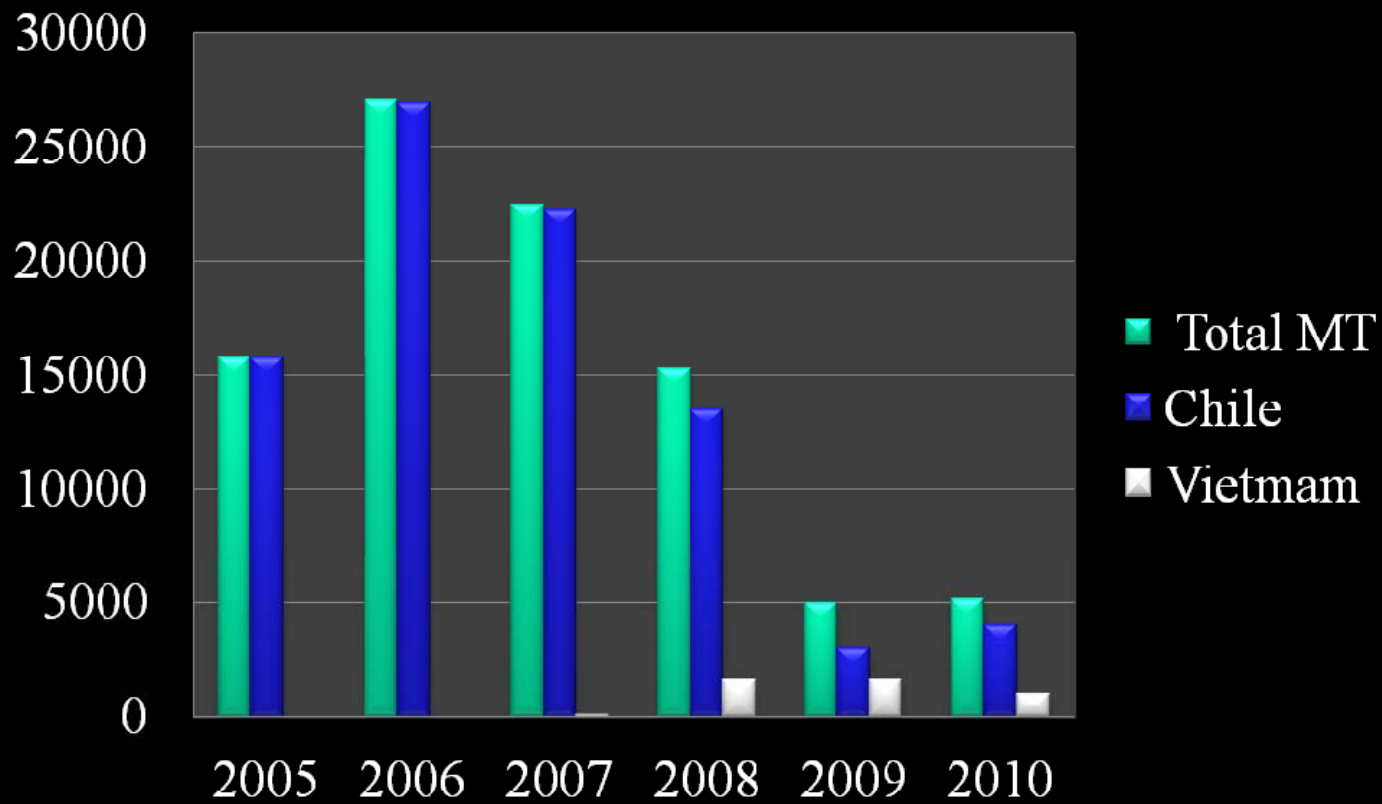
From January to August 2011 Chile imports **11,829 MT** of U.S. feather meal becoming the second largest market in the world after Indonesia (25,304 MT),

During the first half of 2011 Chile imports:

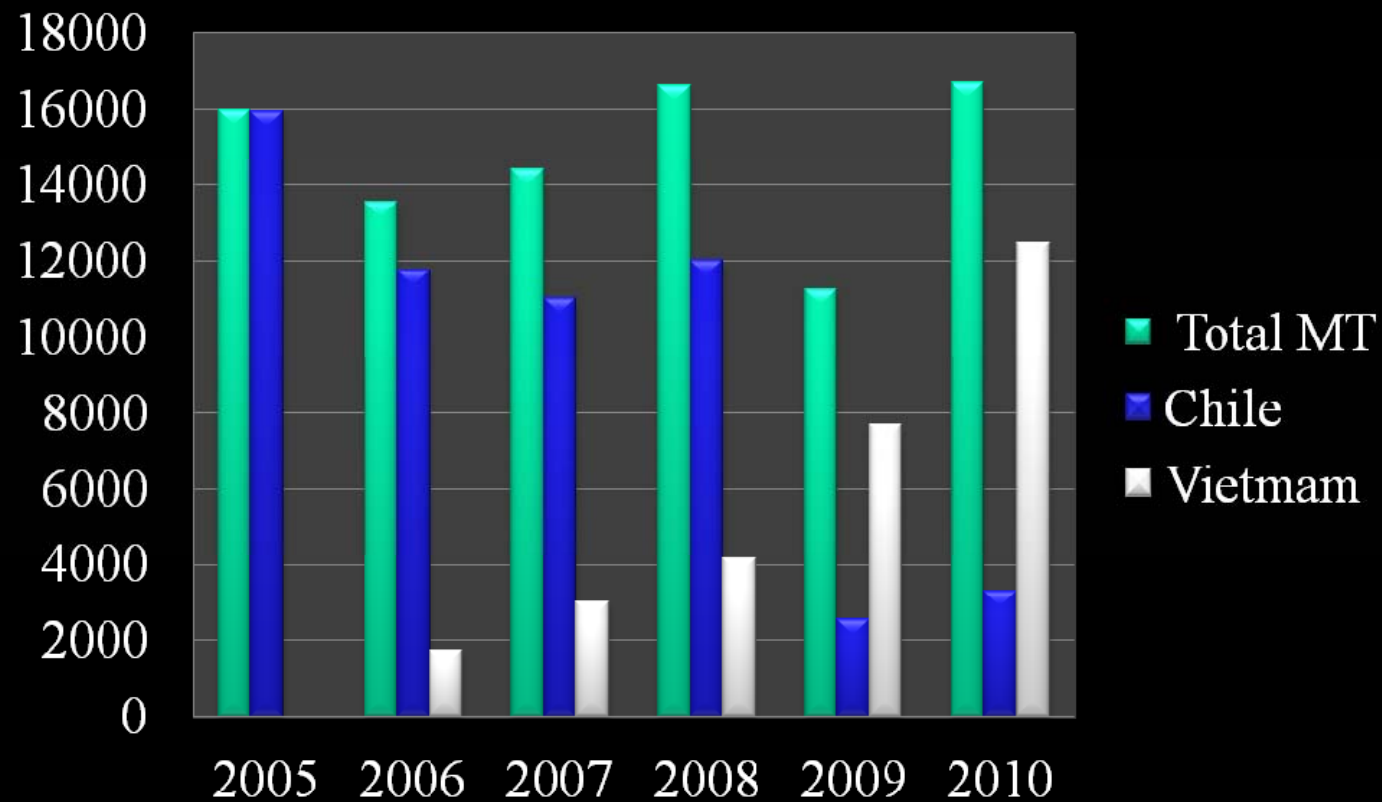
1,300 MT from Argentina

1,246 MT from Brazil

Brazil's Feather Meal Exports



Argentina's Feather Meal Exports



Colombia - U.S. FTA

The Recent approval of the FTA between the U.S. and Colombia offer great potential for exports of U.S. rendered products

For example, U.S. poultry byproduct meal had a 15% import tax, while product from South American countries enter free of duties

Colombia's Market Potential

2010 imports of high protein content meals for animal feed (MT):

Fish meal	16,000
Corn gluten meal	80,600
Plasma	7,200
Blood meal	6,200
MBM	2,100
TOTAL	112,500

Animal Protein Meals Total: 15,500

During the first half of 2011 it imported 293 MT of U.S. PBM

Ecuador update

In 2010 Ecuador imported 10,000 of animal protein meals and mixes that do not show up under the regular HS code for animal proteins.

Demand continues to grow and supplies from U.S. exporters are limited

Aniprotein, an importer of U.S. product is looking at the option of establishing a company in the U.S. so they can purchase product FOB at the rendering plant from those producers who do not export directly and handle the export logistics by themselves.

Thank you

Biodiesel

Look for opportunities for exports of U.S. fats in South America

Argentina: 100% from soy oil & 100% for export

Export Taxes:

Soy beans	35%
Ground soy beans	32%
Soy oil	32%
Biodiesel	20%

Biodiesel

Brazil:

- 100% for domestic use
- Importing tallow from neighbouring countries for biodiesel

Uruguay:

- Government mandates 2% blend
- Mandate will increase to 5% blend in 2011
- Government is more interested in using soy oil in order to promote rural development by producing soybeans

Biodiesel

Chile:

Imports 93% of its energy needs

Does not produce Vegetable oils

Since Chile is not an important producer of any raw material used for biodiesel the Gov. provides soft loans for projects with strategic national interest.

They are interested in using YG from the USA

In June, the NRA will bring a team to visit suppliers of fats and greases.

Thank you