



# **International Market Development Committee Update**

**NRA Annual Convention – October 18-  
21, 2011, Tucson, AZ**

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**Vice President, International Programs  
National Renderers Association**



**NATIONAL RENDERERS ASSOCIATION**



***International Market  
Development Committee***



# Overview

- **Introduction**
- **North American Market**
- **Global Markets**
- **Demand Drivers**
- **Outlook/Initiatives**





## ***International Market Development Committee***

- Approximately 16 members
- Promotes the exports of rendered products
- \$ 2 million budget
- Offices in Hong Kong and Mexico City
- Consultants in Brussels, China, Vietnam, Indonesia, Chile and Egypt



# NRA International Committee Strategic Plan

- **Vision**

To create a better world for the next generation by providing environmentally sustainable, socially responsible and economically viable renewable materials to the global animal nutrition, energy, and oleo-chemical markets.

- **Mission**

Our mission is to create and maintain global market access into the animal nutrition, energy and oleo-chemical markets for renewable materials that are environmentally sustainable, socially responsible and economically viable.



# Domestic Production/Markets



# US Production of Processed Animal Proteins 2010 (1,000 Metric Tons)

Feather Meal

603.5

15%

Poultry By-  
products Meal

1,178.6

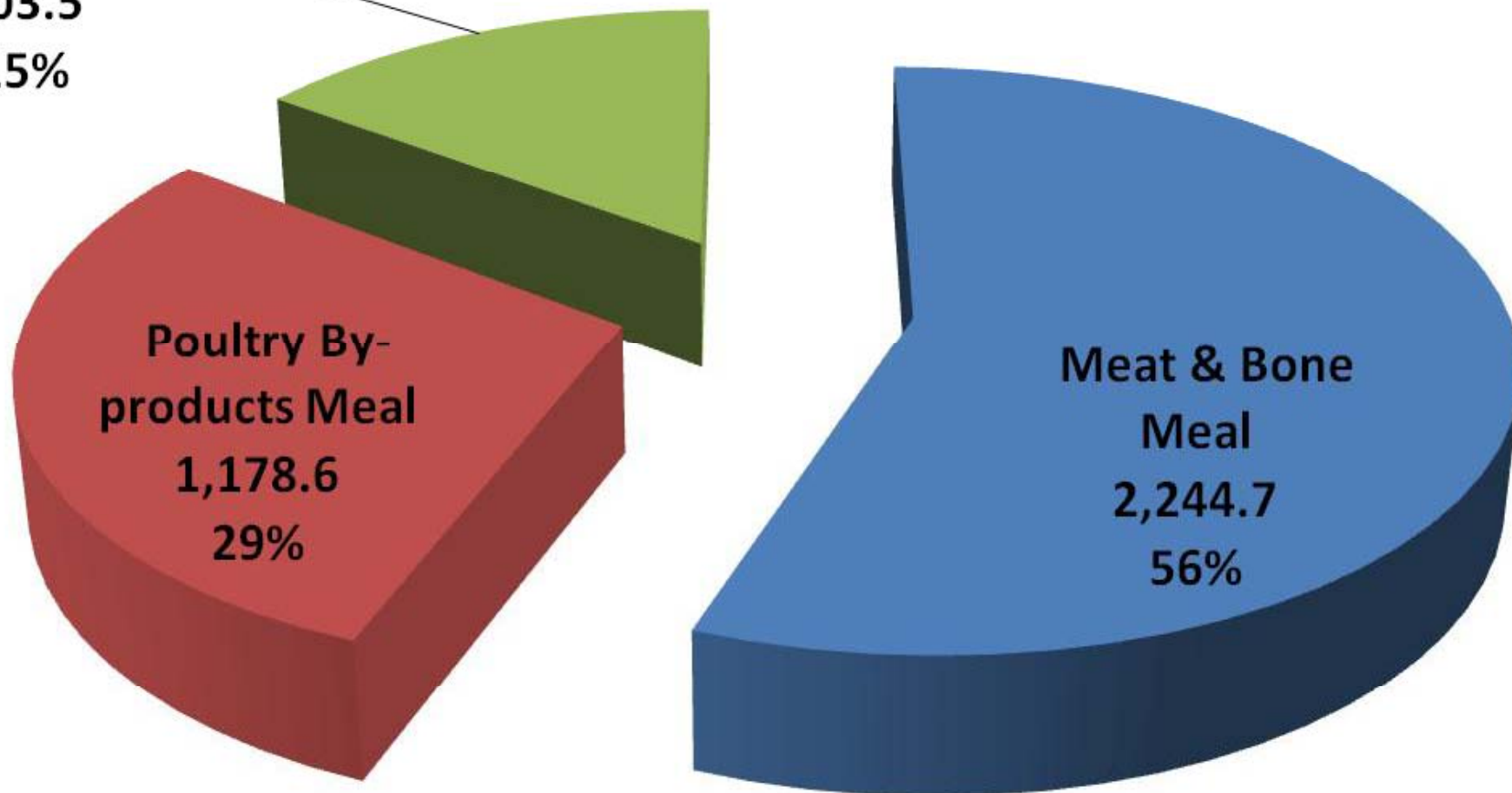
29%

Meat & Bone  
Meal

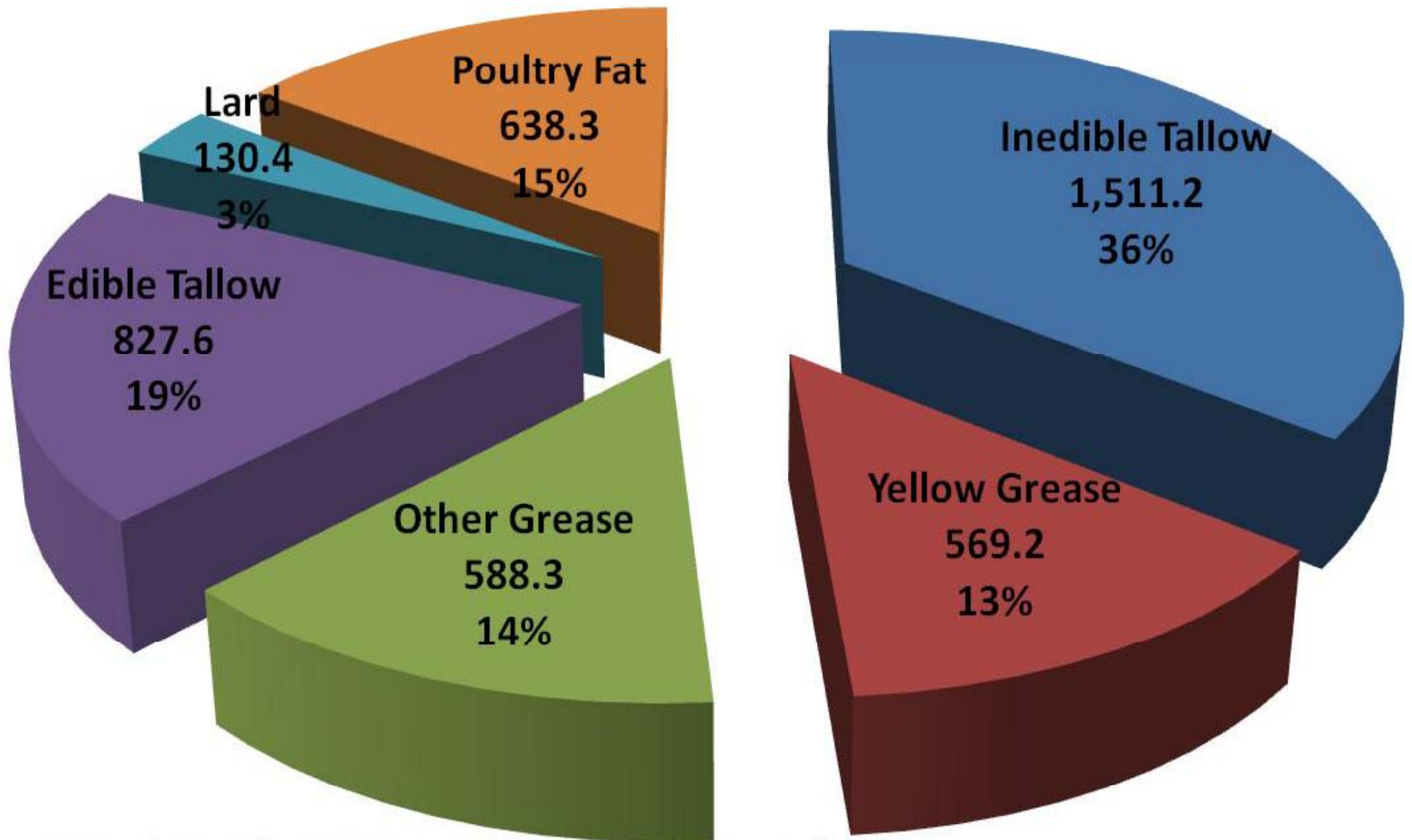
2,244.7

56%

Total Production: 4,026.8 MT

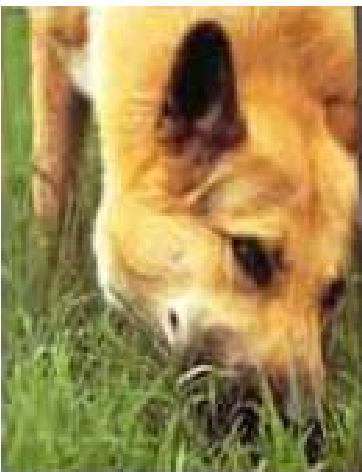
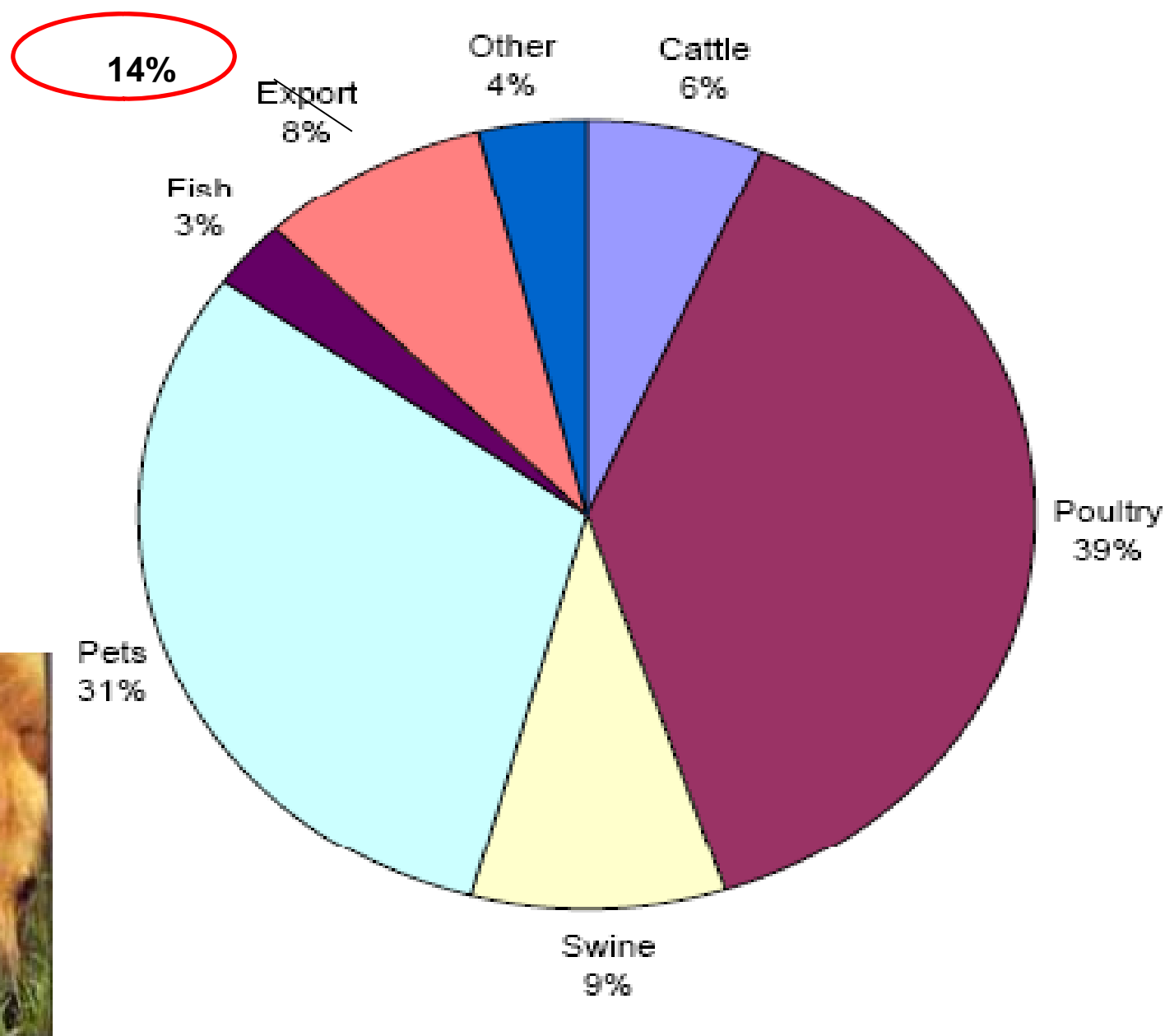


# US Production of Rendered Fat and Grease, 2010 (1,000 Metric Tons)



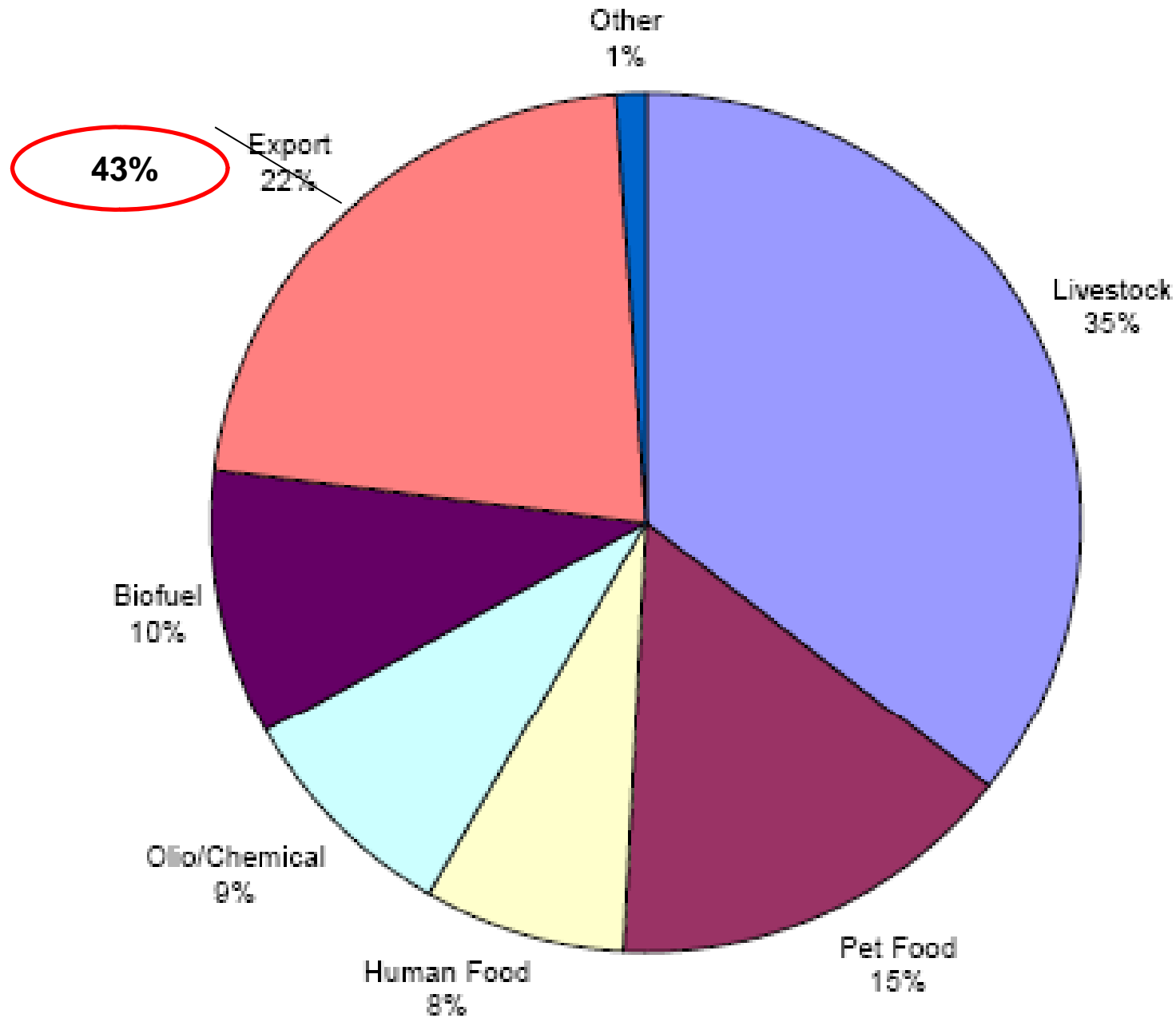
**Total Production: 4,264.5 thousand MT**

**Chart 12: Estimated Volume Share of Rendered Protein Sales to Main Markets**



Source: Informa Economics, A Profile of the North American Rendering Industry, March 2011

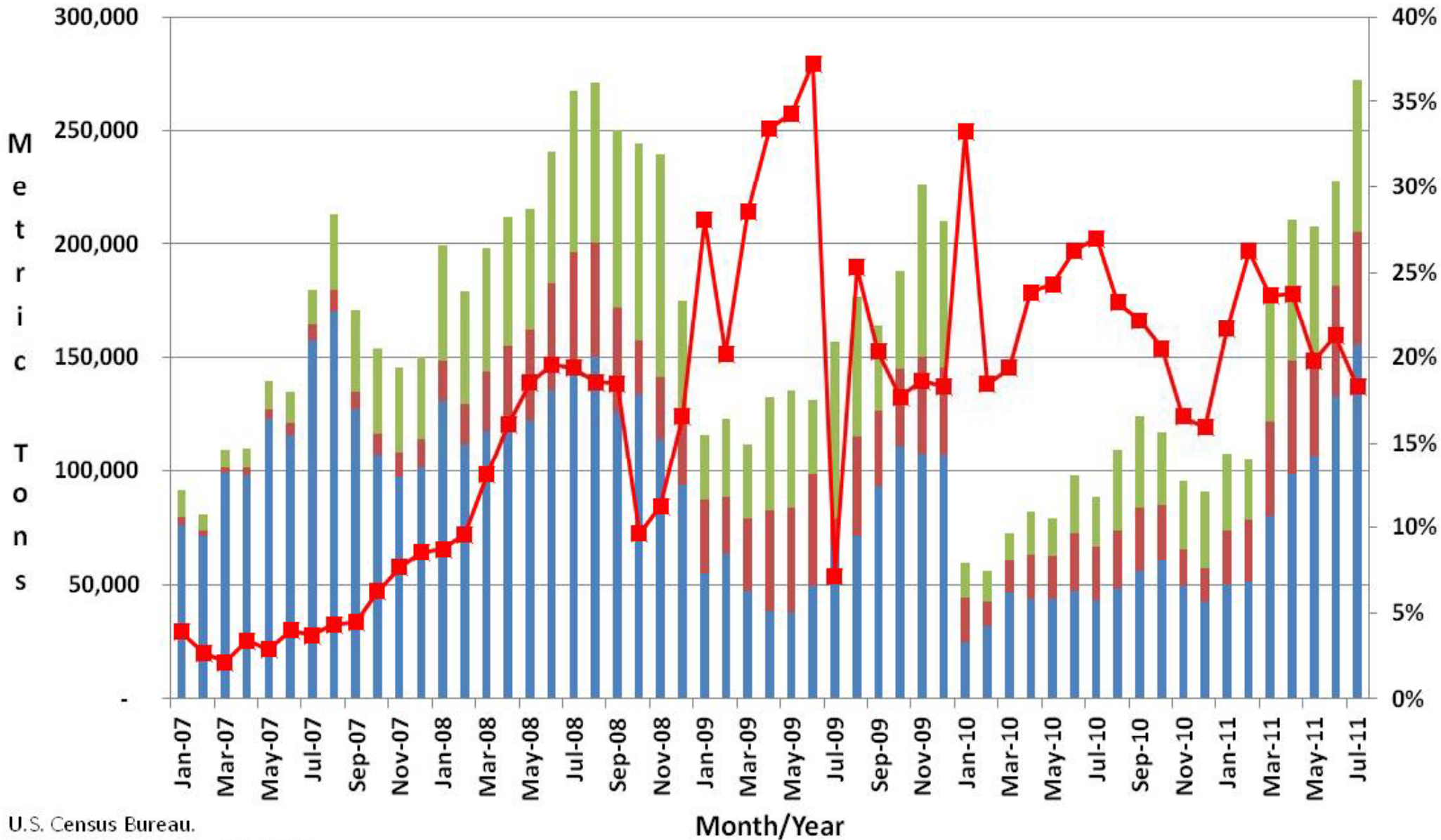
**Chart 24: Volume Share of Rendered Animal Fat Sales to Main Markets**



Source: Informa Economics, A Profile of the North American Rendering Industry, March 2011

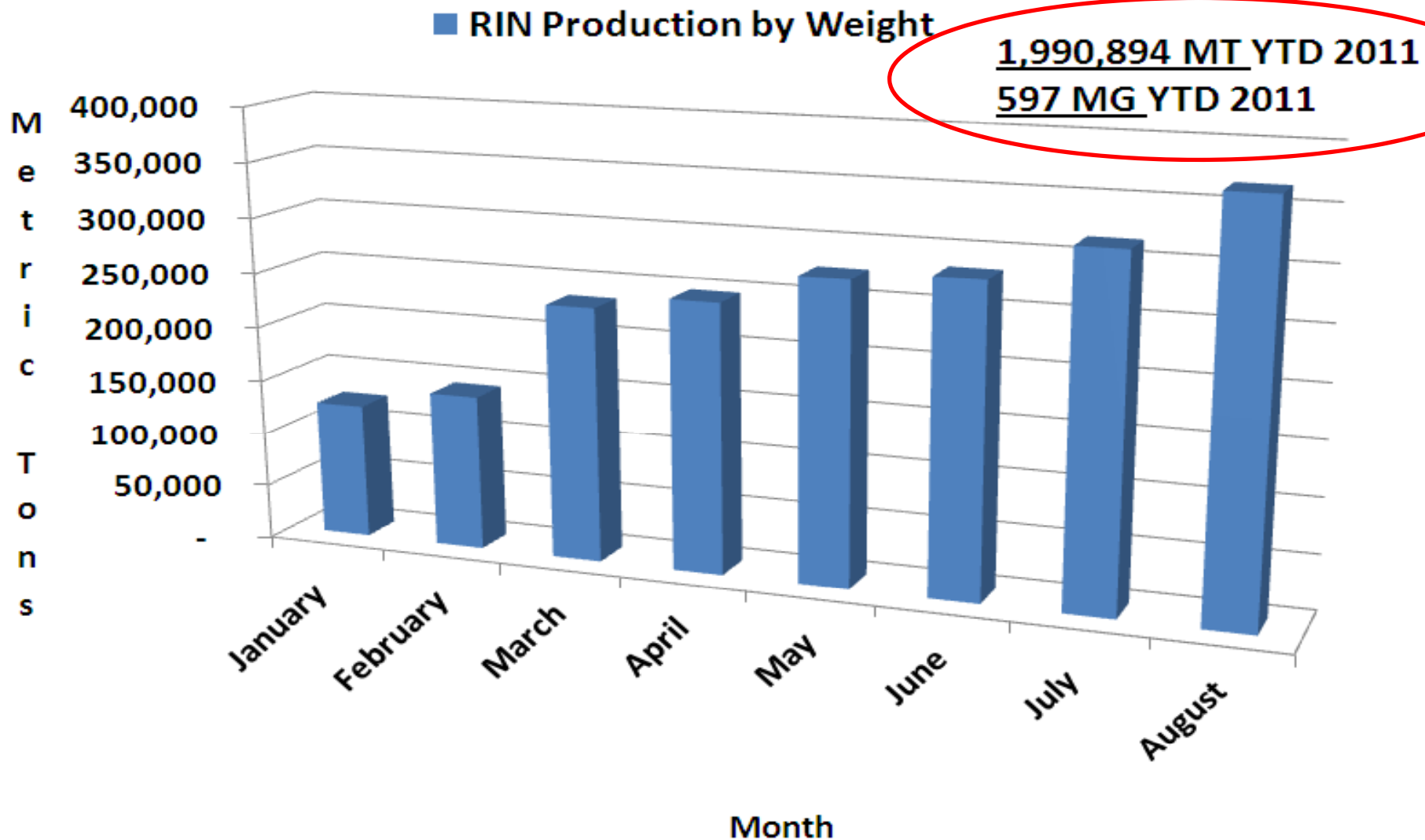
# Monthly U.S. Raw Material Useage for U.S. Biodiesel Production (Jan 2007- Jul 2011)

■ Soybean Oil 
 ■ Rendered Fats/Grease 
 ■ Other 
 ■ Percent Animal Fats and Grease



U.S. Census Bureau.  
Other category Derived by NRA

# 2011 Volume of US Biodiesel Produced Using EPA RIN Data



Source: EPA EMTS Data

	2008	2009	2010
<b>United States</b>	<b>2,302,016</b>	<b>1,815,628</b>	<b>1,049,399</b>



# Rendered Fat used in Biodiesel Production

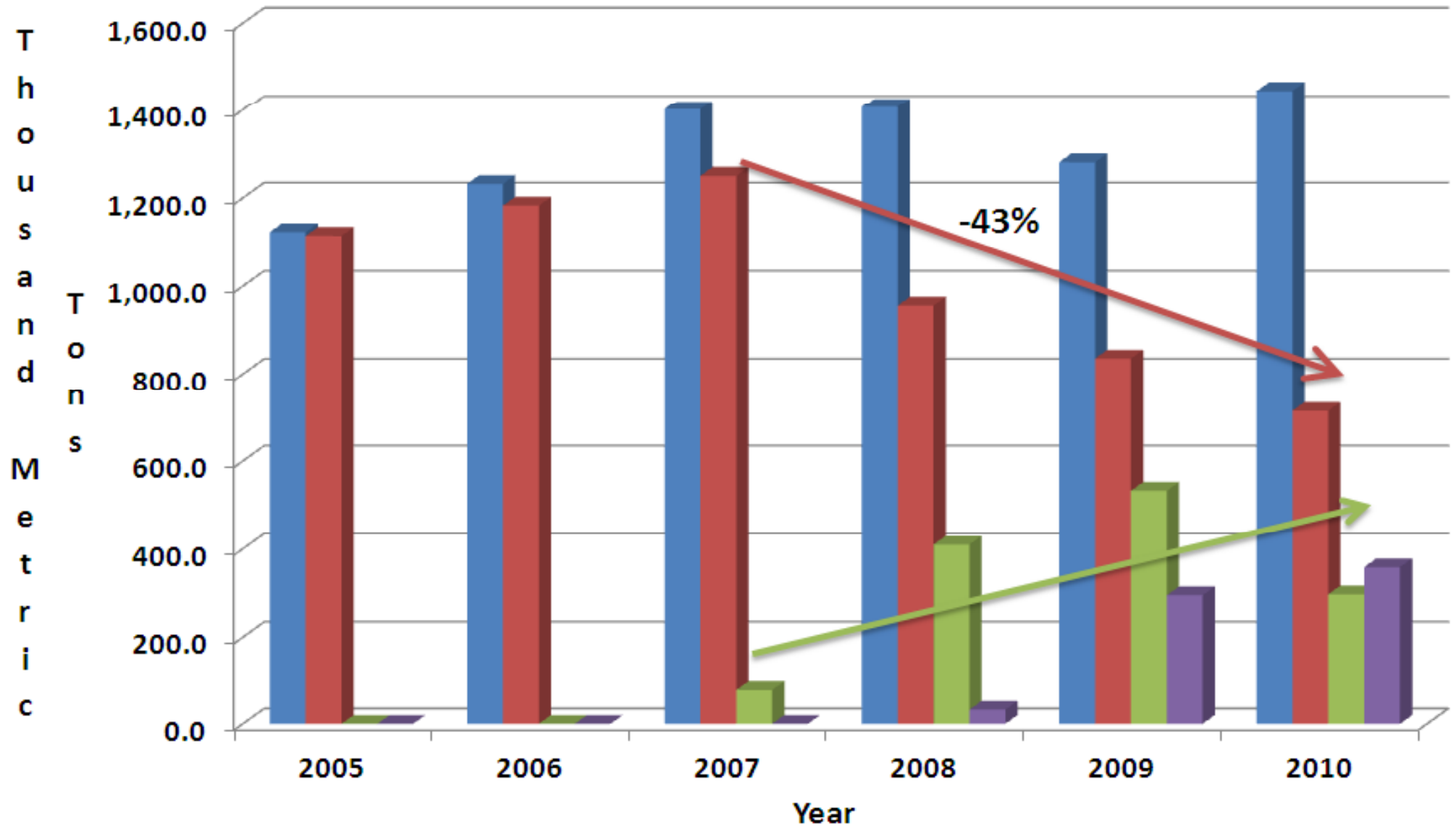
- 2008 - 409 tmt rendered fat used
- 2009 - 432 tmt rendered fat used
- 2010 - 240 tmt rendered fat used
- 2011 - YTD Jan-July 282 tmt rendered fat used

Source: U.S. Census Bureau



# U.S. Animal Fat and Grease Consumption; 2005-2010

■ exports ■ Feed ■ Methyl Esther ■ Fatty Acids



Source: US Census Bureau



# Global Markets



## Global Exporters of Processed Animal Protein Meals 2005-2010 (metric tons)

	2005	2006	2007	2008	2009	2010
EU27	150,166	266,386	230,262	340,523	521,130	663,866
United States	256,753	285,136	359,682	385,792	457,557	511,745
Australia	205,695	238,209	273,894	259,903	249,856	261,152
New Zealand	135,431	152,072	146,266	152,119	132,326	138,568
Uruguay	58,617	55,573	57,107	52,081	61,746	50,575
Canada	57,811	66,510	42,449	25,709	25,964	44,455
Brazil	40,296	67,624	71,056	62,903	19,499	30,865
Paraguay	8,251	10,223	9,017	17,755	18,951	27,743
Argentina	76,420	49,909	73,366	73,605	98,392	26,752
<b>TOTAL</b>	<b>1,048,664</b>	<b>1,250,499</b>	<b>1,327,017</b>	<b>1,432,513</b>	<b>1,653,149</b>	<b>1,834,434</b>

Source: Global Trade Atlas

Less Intra EU Trade

## Global Importers of Processed Animal Protein Meals 2005-2010 (metric tons)

	2005	2006	2007	2008	2009	2010	5 Year Change
Indonesia	269,390	329,968	399,816	398,499	460,600	481,088	79%
Thailand	35,152	87,135	124,982	149,406	168,083	214,692	511%
Vietnam	60,718	80,564	58,339	114,379	217,622	187,126	208%
China	44,204	82,468	66,128	60,081	83,333	122,355	177%
Bangladesh	36,856	50,245	38,632	29,948	63,723	94,114	155%
Mexico	113,388	125,668	112,132	107,164	115,715	89,289	-21%
Philippines	8,096	25,870	25,133	50,070	72,894	77,218	854%
Russia	33,104	23,944	17,055	36,459	57,319	67,809	105%
United States	76,628	80,915	85,884	88,932	77,509	62,996	-18%
Taiwan	41,695	50,689	48,134	40,362	40,491	53,081	27%
Egypt	110,154	65,337	89,388	62,370	17,777	1,583	-99%
<b>TOTAL</b>	<b>1,048,664</b>	<b>1,250,499</b>	<b>1,327,017</b>	<b>1,432,513</b>	<b>1,653,149</b>	<b>1,834,434</b>	<b>75%</b>

Source: Global Trade Atlas

Less Intra EU Trade

## Global Exporters of Tallow 2005-2010 (metric tons)

	2005	2006	2007	2008	2009	2010
United States	792,372	857,755	1,000,837	945,042	805,734	879,251
Australia	375,782	364,205	361,856	372,532	344,350	352,347
Canada	230,654	237,723	207,847	183,765	170,280	181,889
New Zealand	143,629	156,422	134,744	148,405	135,285	142,747
Uruguay	56,724	75,270	66,387	62,877	69,726	61,035
Paraguay	3,308	4,819	1,556	6,036	6,010	12,363
Argentina	37,794	35,798	23,149	24,649	45,124	6,196
Brazil	44,491	12,445	18,516	633	3,399	5,380
<b>TOTAL</b>	<b>1,756,819</b>	<b>1,790,768</b>	<b>1,878,633</b>	<b>1,783,436</b>	<b>1,639,554</b>	<b>1,677,959</b>

Source: Global Trade Atlas

Less Intra EU Trade

## Global Importers of Tallow 2005-2010 (metric tons)

	2005	2006	2007	2008	2009	2010
Mexico	437,710	399,763	477,649	443,448	439,307	429,058
China	306,959	308,773	337,673	365,348	341,596	322,495
Turkey	134,834	150,000	150,000	12,521	114,218	137,120
Central America	86,351	103,000	103,000	102,723	82,305	105,715
South Korea	79,794	134,000	134,000	104,353	102,071	98,014
Nigeria	104,702	115,000	115,000	14,727	94,938	83,051
Pakistan	91,670	77,000	77,000	54,653	65,625	66,311
Japan	64,714	75,000	75,000	57,931	41,220	54,328
Brazil	5,634	5,097	2,318	20,914	28,621	28,152
Peru	19,277	18,342	21,587	20,607	17,291	22,632
Morocco	-	11,081	18,849	9,454	13,841	15,425
<b>TOTAL</b>	<b>1,756,819</b>	<b>1,790,768</b>	<b>1,878,633</b>	<b>1,783,436</b>	<b>1,639,554</b>	<b>1,677,959</b>



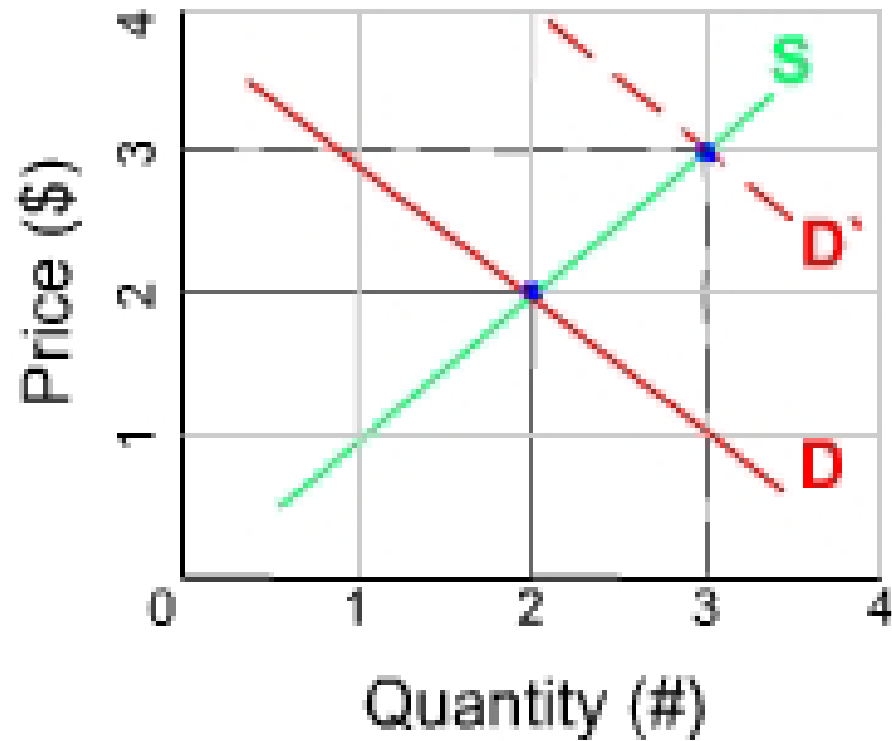
Source: Global Trade Atlas

Less Intra EU Trade



# Demand Drivers

## Demand Increases

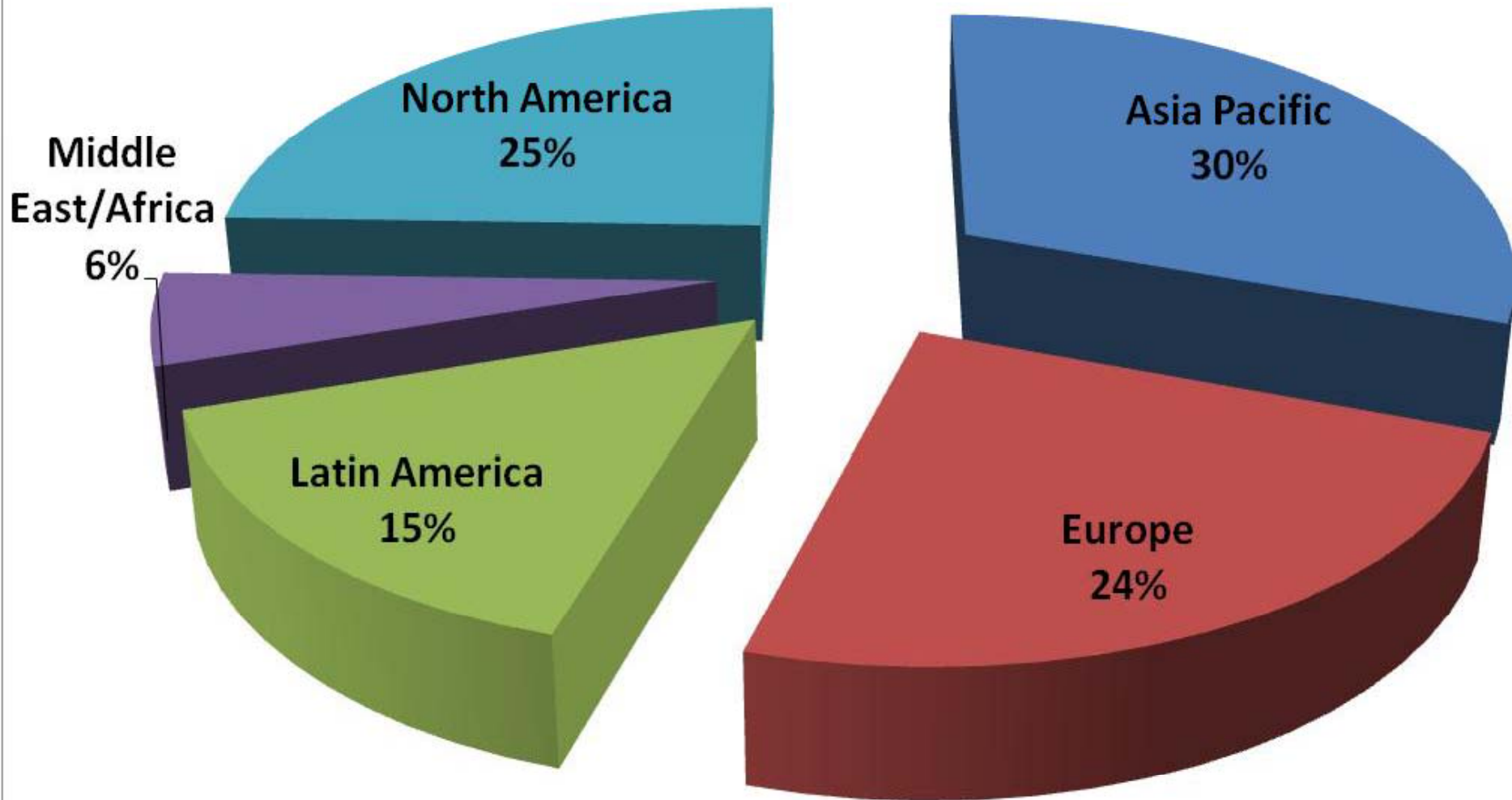


## Feed Production in Major Producing Countries/Regions, 2000-2010 (1,000 metric tons)

	2005	2006	2007	2008	2009	2010	5 year change
EU-27	141,936	142,117	151,194	153,390	147,574	146,125	3%
China	77,610	81,169	93,189	105,900	106,960	108,940	40%
USA	150,000	152,000	152,700	154,500	148,800	155,275	4%
Brazil	47,200	48,400	53,600	59,000	58,400	60,400	28%
Mexico	24,300	25,000	25,566	26,200	27,000	27,300	12%
Japan	23,553	23,863	24,048	24,138	23,906	23,855	1%

Source: Feed International, January/February 2011

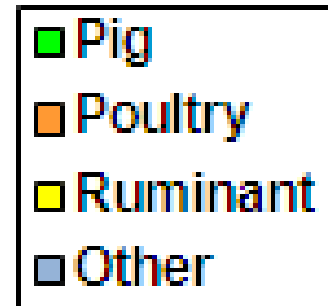
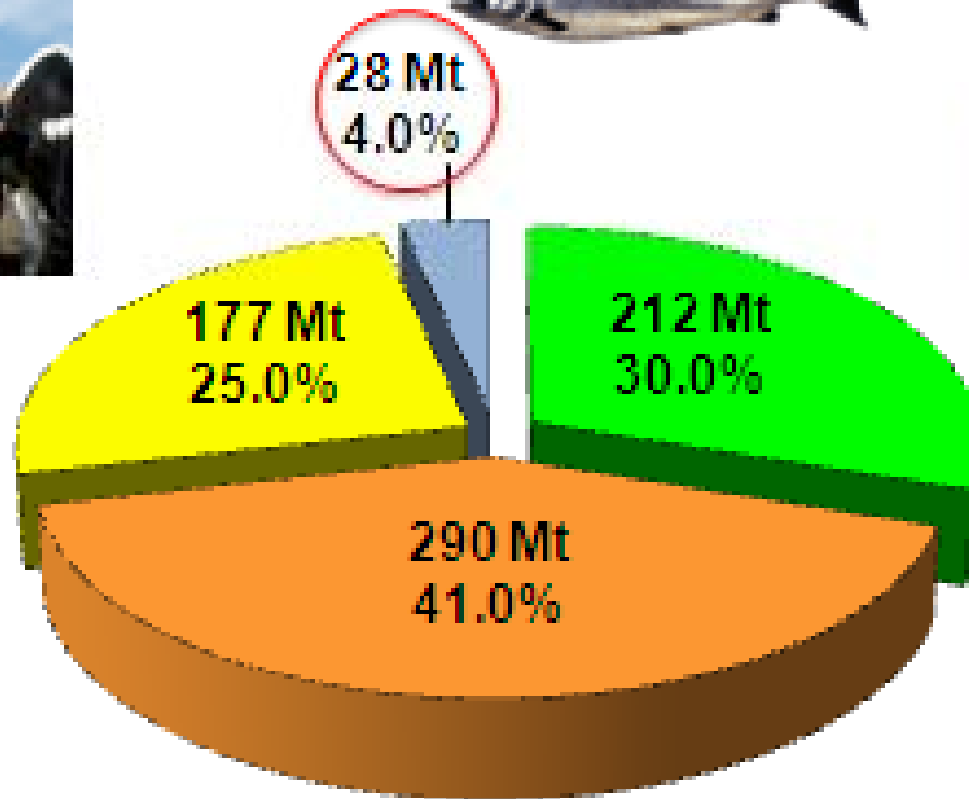
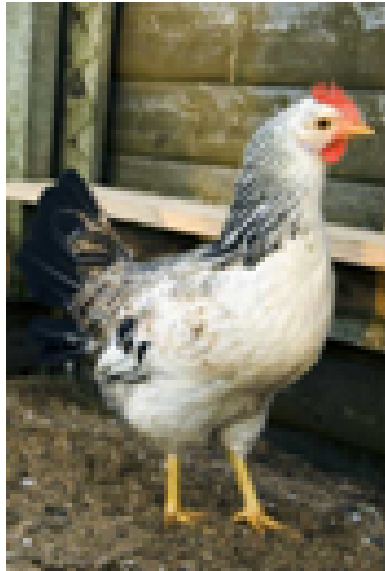
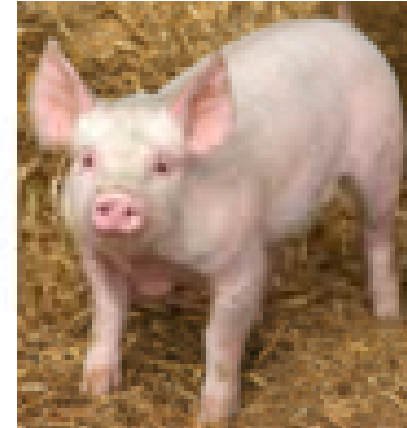
# Regional Shares of World Feed Production



Source: Feed International, January/February 2011

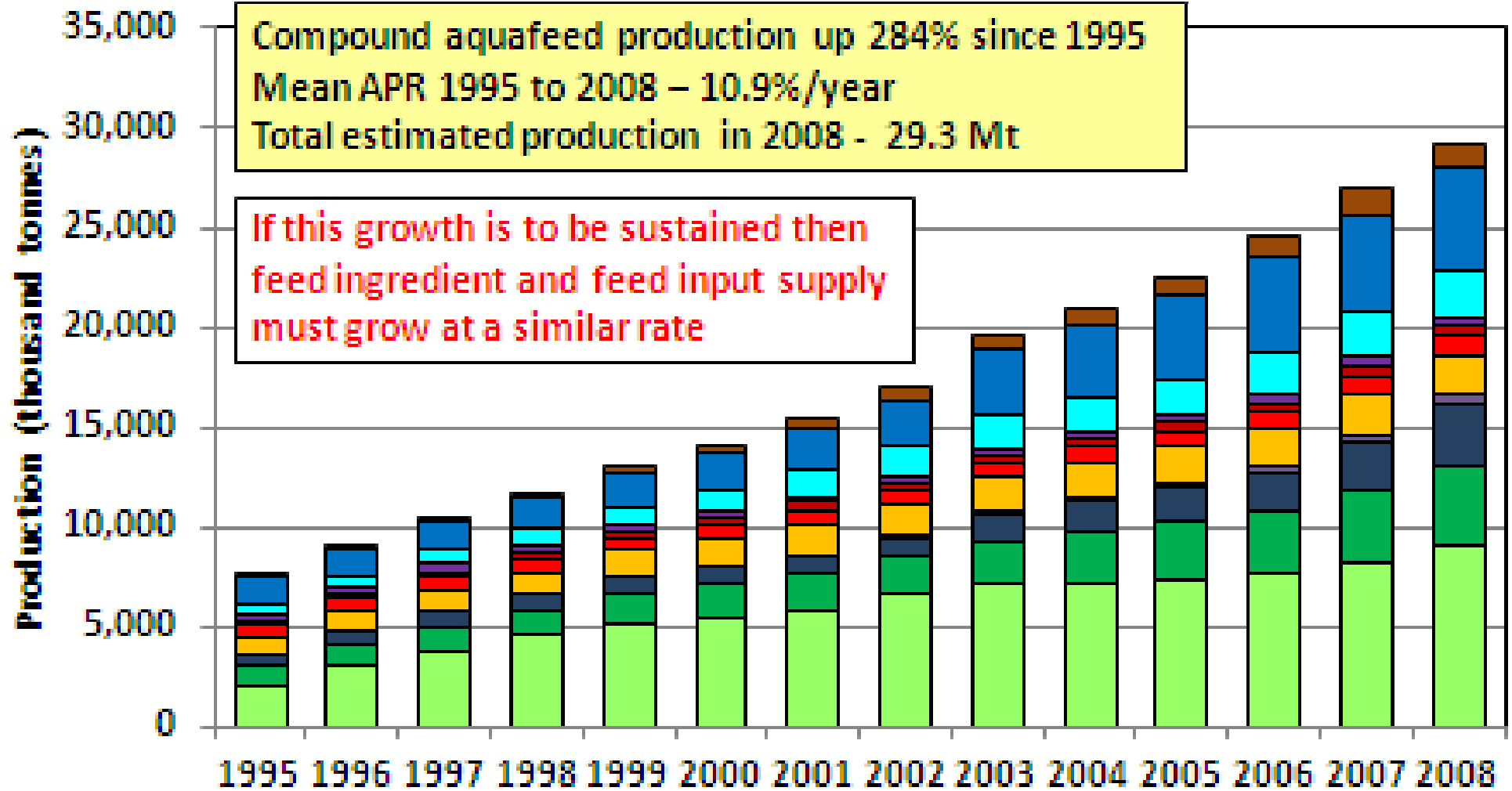
# Total global compound feed production – 2009

(Million tonnes: Peter Best – pers com. March 2010)



**Total compound animal feed production in 2009 was 708 million tonnes with production up 20% since 1995 & growing with an average APR of 1.3%/year**

# Estimated production of compound aquafeeds 1995-2008



- Fed carp
- Tilapia
- Catfishes
- Misc Freshwater fishes
- Salmon
- Trout
- Milkfish
- Eels
- Marine fish
- Shrimp
- Freshwater crustaceans

Source: Tacon (2010)

## Global Biodiesel Production Quantity (Metric Tons)

<u>Country/Region</u>	2008	2009	2010	2011 e	2012 f
<b>EU27</b>	7,990,426	8,346,827	9,398,430	10,256,433	10,498,434
<b>Brazil</b>	1,021,237	1,407,046	2,097,613	2,380,000	2,493,750
<b>Argentina</b>	752,500	1,172,500	1,837,500	2,240,000	2,625,000
<b>United States</b>	2,302,016	1,815,628	1,049,399	2,605,741	3,156,567
<b>Thailand</b>	394,241	536,802	580,802	598,402	712,802
<b>Colombia</b>	70,400	290,401	369,601	472,562	479,602
<b>Indonesia</b>	96,800	312,401	400,401	572,002	616,002
<b>South Korea</b>	158,400	264,001	352,001	NA	NA
<b>Malaysia</b>	195,000	222,000	80,000	13,000	15,000
<b>Canada</b>	88,000	110,000	123,200	139,040	418,001
<b>Philippines</b>	63,360	114,400	122,320	126,720	128,480
<b>Australia</b>	47,520	86,240	70,400	70,400	79,200
<b>Paraguay</b>	8,800	7,040	5,280	880	10,560
<b>Uruguay</b>	2,640	4,400	7,000	16,238	22,823
<b>Turkey</b>	24,992	6,952	6,952	9,944	29,584
<b>Japan</b>	5,715	7,540	17,600	17,600	17,600
<b>Peru</b>	10,000	10,000	32,000	32,000	50,000
<b>China</b>	NA	300,081	300,081	300,081	300,081
<b>TOTAL*</b>	<b>13,841,775</b>	<b>15,031,704</b>	<b>17,347,507</b>	<b>20,631,249</b>	<b>22,583,280</b>

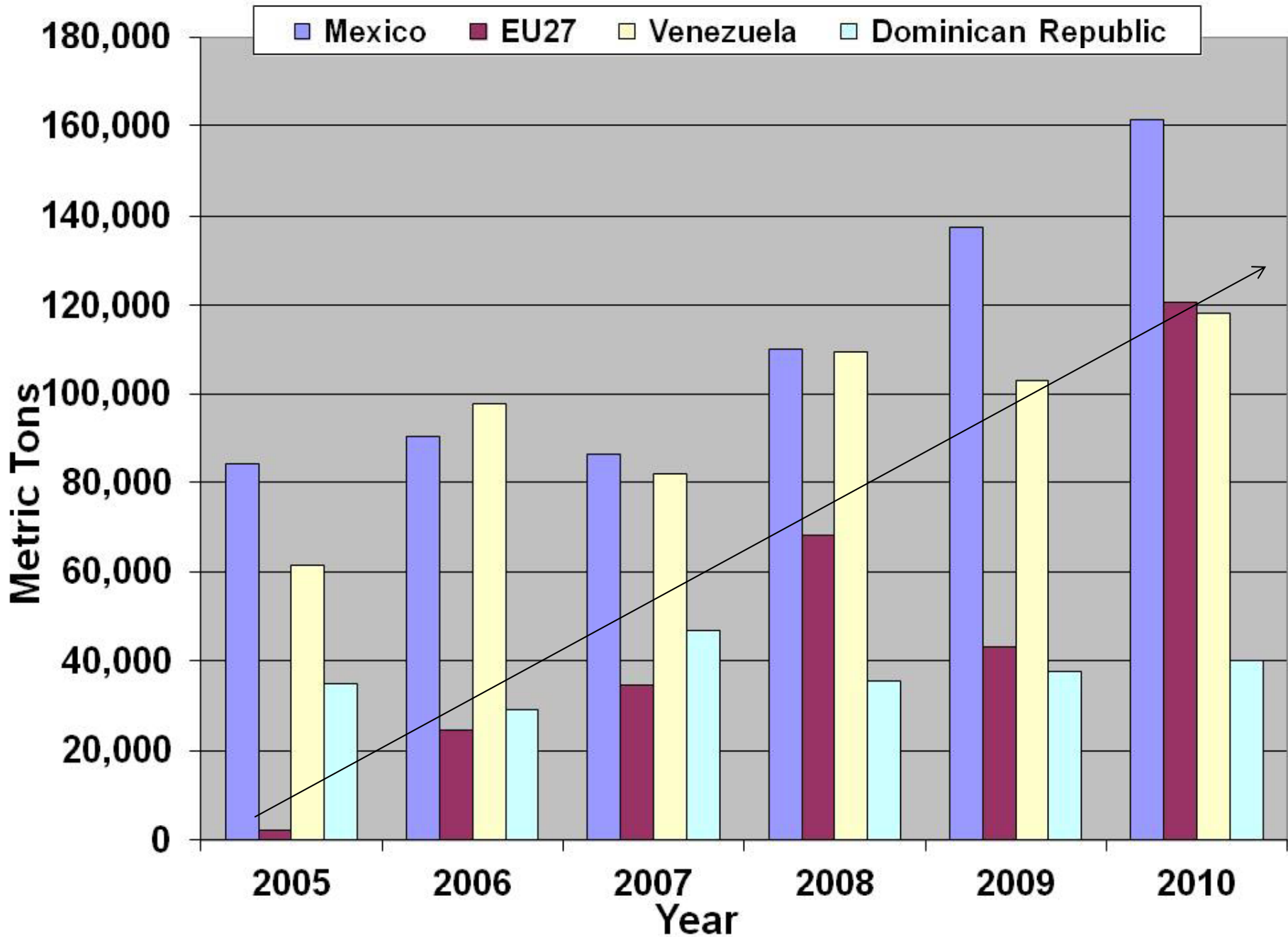
e=estimate; f= forecast

Source: USDA/FAS GAIN Reports, U.S. Biodiesel Board, European Biodiesel Board  
Food and Agriculture Policy Research Institute (FAPRI)

\*OECD-FAO Agricultural Outlook 2011-2020



# U.S. Exports of Yellow Grease/UCO 2002-2010





# Singapore Imports of Tallow Jan-Jul 2011

■ Singapore Tallow Imports

Total: 62,203 metric tons  
of tallow imported,  
Jan-Jul, 2011



# NESTE OIL

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25,000

20,000

15,000

10,000

5,000

Jan

Feb

Mar

Apr

May

Jun

Jul

Month

Source: Global Trade Atlas



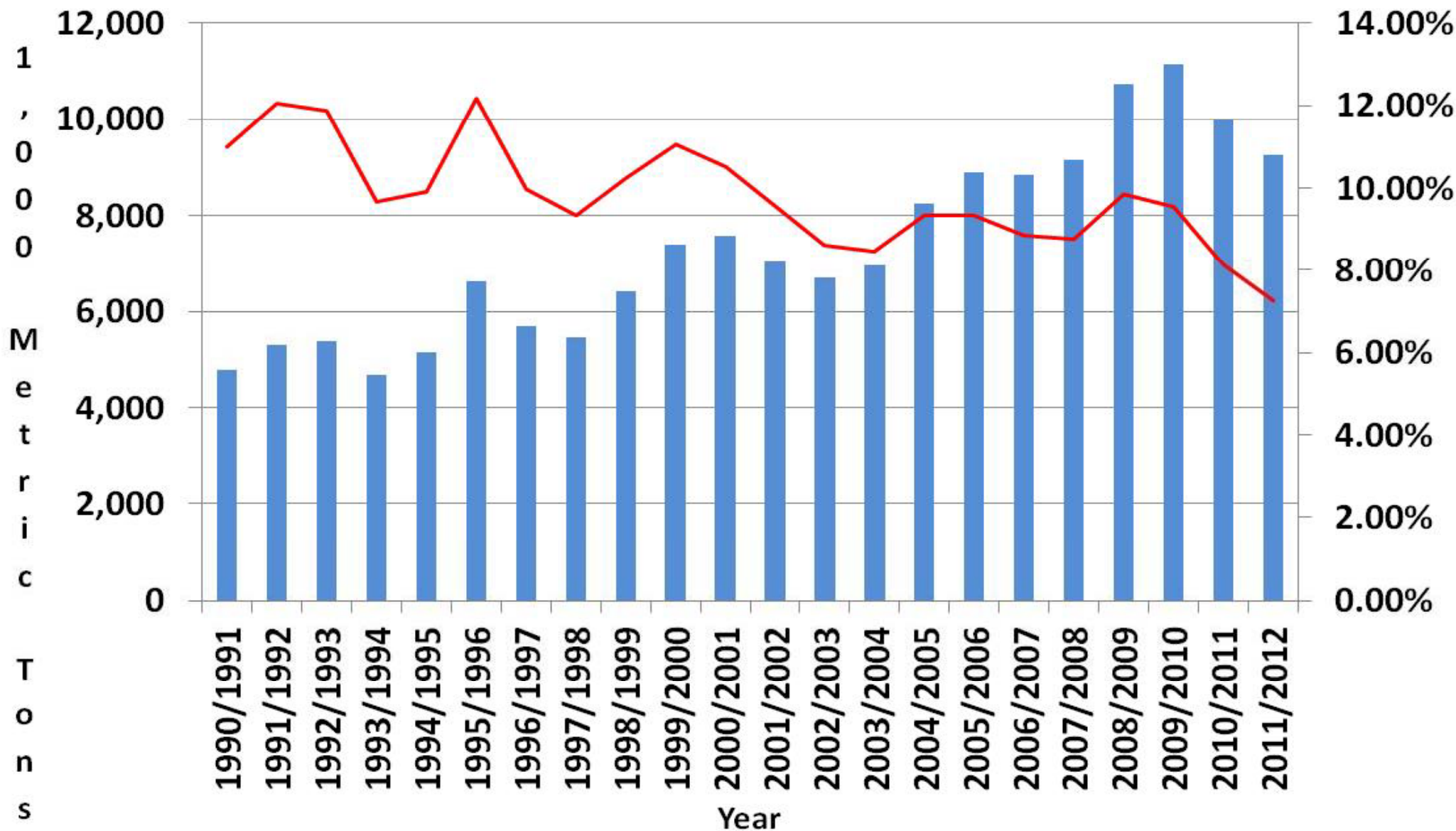
# New Renewable Fuel Capacity

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- Darling – Valero – 450,000 MT (135 Mgy)
- Neste Rotterdam – 800,000 MT (240 Mgy)

# World Stocks of 4 Major Vegetable Oils (90/91-11/12)

Ending Stocks      Stocks/Use Ratio



Source: USDA , Oilseeds, World Markets and Trade, October 2011



# Outlook





# Global Middle Class Continues to Grow

- World Bank estimates that the global middle class will grow from 400 million in 2005 to 1.2 billion in 2030 with the largest growth being in Asia
- 2011 – China’s estimated GDP growth – 9.3%
- 2010 – India’s GDP growth 8.3%
- 2010 – Indonesia GDP growth 6%





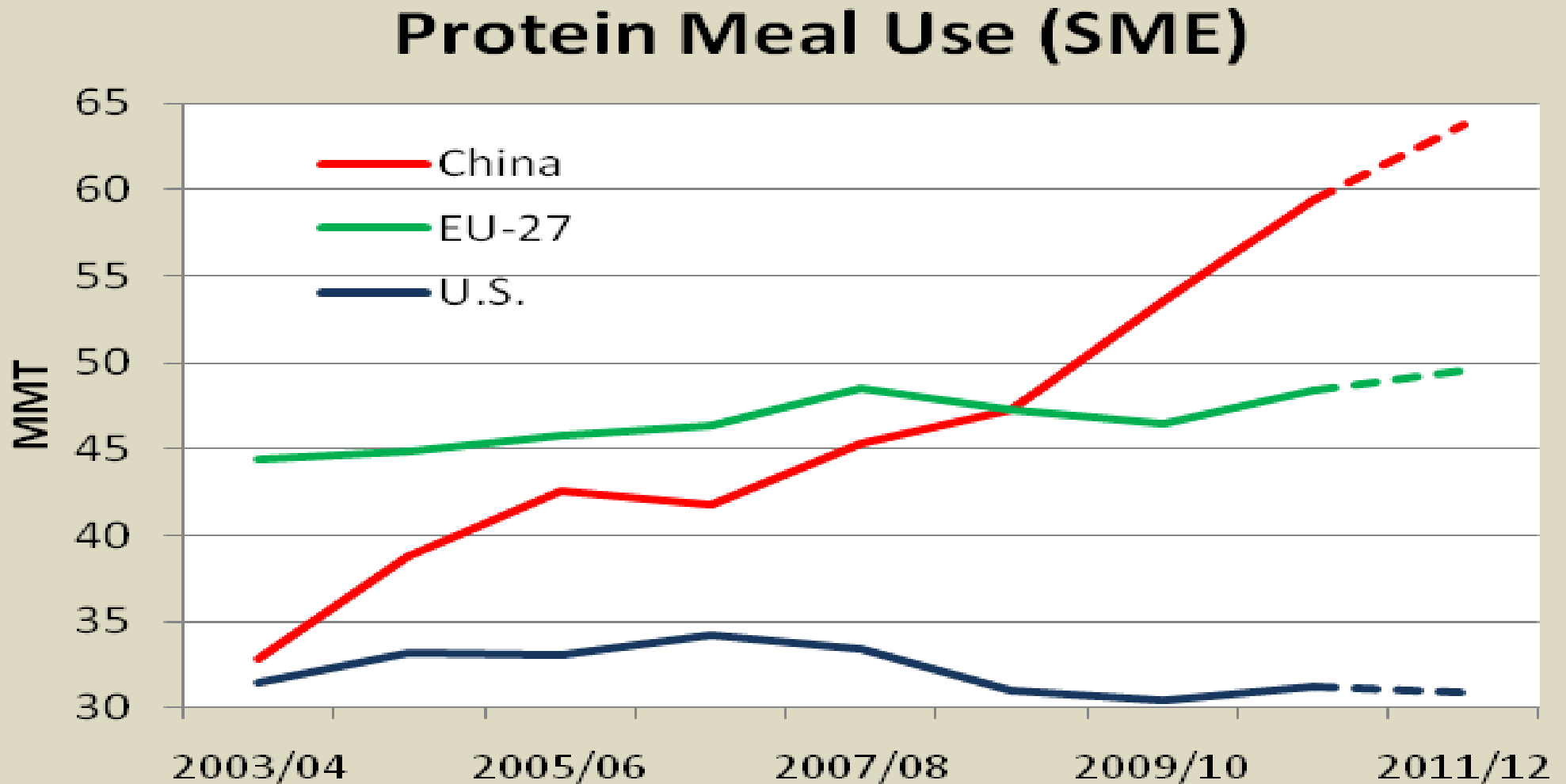
# Europe Needs Feed Proteins

- 72 Percent of Europe's demand for protein feed crops is imported (2008 – 42 million tons of feed ingredients imported)
- Mostly soybeans from the Argentina, Brazil, and the US
- This is compounded by the PAP's feed ban which takes approximately 3 million tons of animal protein meals out of the chain



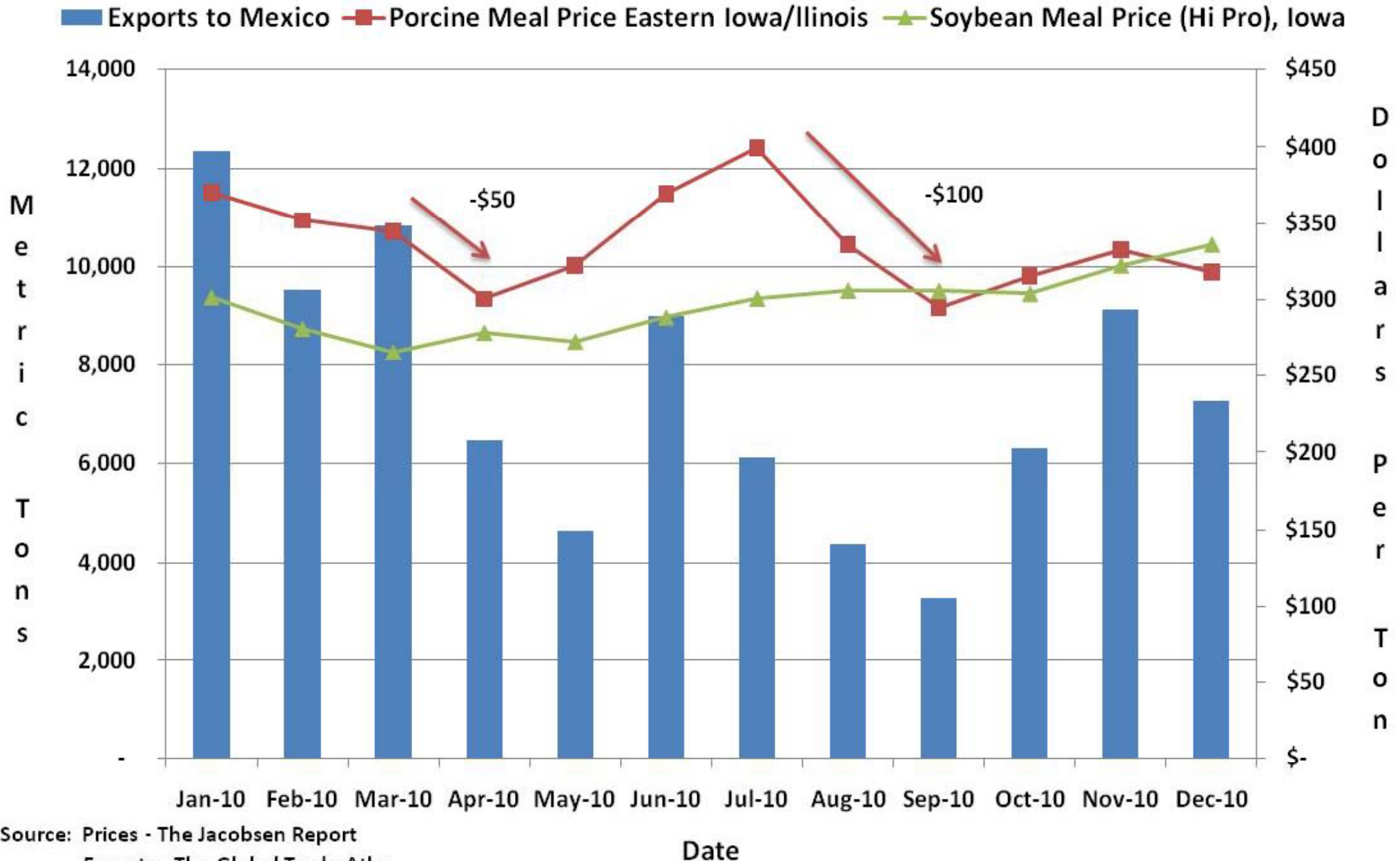


# China's Protein Meal Use in SME (2003-2011)



Source: USDA Oilseeds: World Markets and Trade, September 2011

# Monthly U.S. Exports and Price of Porcine Meal to Mexico, 2010





# Constraints

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- Loss of raw material
- Sanitary/phytosanitary
- Economic downturn
- Regulatory – government involvement
- EU influence and PAPS feed ban
- Educating local and global influencers
- Food vs. fuel



# NRA Tallow Initiatives

- Egypt (100k mt+)
- China (100k mt+)
- EU27 (100k mt+)



Figure 3. China: Special Economic Zones





# NRA Processed Animal Protein Initiatives

- Philippines – Ruminant MBM – Open
- Mexico – Ruminant MBM – ongoing
- Egypt – Poultry and Ruminant MBM – ongoing
- Vietnam – Ruminant MBM – ongoing
- Indonesia Processed Animal Proteins – Market Maintenance
- Colombia, Peru, Chile – Open to non ruminant proteins
- On going promotion to global poultry, pet food, and aquaculture industries



**Thank you.....**



***International Market  
Development Committee***