

**REQUEST FOR PROPOSAL
SUBMISSION DEADLINE
5:00 PM CST, 4/07/2021**

RFP TITLE: MARKET OPPORTUNITY ANALYSIS FOR SOYBEAN CRUSHING IN COLOMBIA

RFP CONTACT:

Name: Ms. Lizette Vargas, Regional Projects Team Leader

Phone #: + 52 (1-33) 1057 9900

Email: americasRFP@ussec.org

PROPOSAL DEADLINE: 05:00 PM CST, April 7, 2021

INTRODUCTION:

USSEC is a non-profit organization that promotes sustainable U.S. soybeans and soybean products to customers through knowledge transfer, on-site trainings, seminars, workshops, conferences, industry tours and demonstrations. The specific goal of the USSEC Americas is to promote the use of United States soy products in animal nutrition as well as human nutrition. A key program objective is to see a growing, long-term, high-quality, feed and food-based U.S. soybean industry in the Americas Region and globally.

Through a global network of international offices and strong support in the U.S., USSEC helps build a preference for U.S. soybeans and soybean products, advocate for the use of soy in feed, aquaculture and human consumption, promote the benefits of soy use through education and connect industry leaders through a robust membership program.

PURPOSE OF RFP:

USSEC seeks a contractor to analyze the market potential for developing a viable soybean crushing industry in Colombia. Depending on the results of the analysis, the contractor may also work with USSEC to present opportunities to potential investors.

BACKGROUND & PURPOSE OF PROJECT:

The Colombian market is currently importing close to 1.4 million metric tons of soybean meal and close to 350,000 metric tons of soybean oil. The current U.S. market share of soybean meal is close to 80%, but less than 35% for soybean oil. As Colombia's demand for soybean oil grows, there may be opportunities to further develop the country's soybean crushing capacity. At present, Colombia's crushing industry is small – consisting of two plants that crush approximately 6,000 mt per month – and focused on production of texturized protein for human consumption. Developing a soybean crushing industry in Colombia would allow a shift to import of whole soybeans, a market where U.S. soybeans have clear advantages. Through this RFP, USSEC seeks

to better understand the potential for developing the soybean crushing industry in Colombia as a means of increasing demand for whole U.S. soybeans.

TARGET AUDIENCE:

The initial direct audience of the study is the USSEC team. Depending on the findings, USSEC may work with the contractor to share results with additional audiences including investors, oil refiners, feed producers and agribusinesses.

SCOPE (SERVICES) OF WORK:

Develop a narrative study and presentation analyzing the market opportunity for developing a soybean crushing industry in Colombia. The analysis will look at viability for the sector at whole rather than at an individual plant level. However, as further described below, the report will include some general analysis of optimal locations and size/capacity of plants. The report and presentation will be in English and, at a minimum, will include the following:

- Executive summary
- Regulatory environment:
 - Identify possible regulations that may threaten the feasibility
 - Impact of policies on plant crush viability, both domestic and foreign. Keeping in mind that oil demand is the weakest link. This must be placed against the background of government policies to support the palm sector.
 - Understanding the tariff structure under different price band scenarios (U.S. origin vs South American origins for bean, meal, and oil).
- Market dynamics:
 - Past data on local prices and the operations of the price stabilization fund (FEP) in determining the price band will be an important aspect of this part of the analysis.
 - Oil demand risk – how much oil can the market take/displace.
 - Aggregate vegetable oil demand will need to be split between biodiesel and different food uses, notably liquid vs. hard fats and the implications of larger domestic soybean oil supplies on the overall structure of vegetable oil prices and likely government policy responses in the country.
 - “Theoretical” and historical in-country crush margin analyses for the past 5 years. Relationship between beans, meal, and oil in one set location, such as the port of Santa Marta. This can be used to determine how the margins would have been affected by a higher, or lower, level of vegetable oil prices in the world market.
- Considerations for plant location and size:
 - Justification for appropriate location of plant, based off internal logistics and external logistics, e.g., location of ports. Demonstrate to investor(s) why said location is, relatively, the best choice (Keeping in mind that the soybean oil to be produced will be crude degummed soybean oil.). This needs to include location of hog and poultry production as an indication of meal demand and consideration

- of existing infrastructure at ports, including the draft and existing bulk handling capacity.
 - Ideal size and capacity of plant. The study is not designed to be an engineering cost analysis for different scales of plant but will rely instead on an assessment of a realistic market for a new plant in replacing current imports of soybean meal and oil.
- Analysis of Market Opportunity/Sector Viability
 - Business Viability.
 - Financial Analysis: The first part of the analysis will focus on the commercial viability of a crushing plant in Colombia, evaluating the opportunity vs. import of meal and oil. The financial analysis should include an Excel model to do a sensitivity analysis on the different parameters.
 - Effect on the local soybean oil and soybean meal markets, sales channels and marketing considerations.

ADDITIONAL CONSIDERATIONS:

Applicants are asked to submit a budget proposal covering the production of the market opportunity study as described above.

Depending on the results of the study, USSEC may ask the contractor to assist in presenting the study to investors in July or August 2021 – either in Colombia or virtually (depending on COVID-19 considerations). USSEC will determine the necessity and scope of this assistance after reviewing the study. In their proposals, applicants are asked to provide a daily rate for this potential follow-on assignment and to confirm their availability for the July/August 2021 timeframe.

DELIVERABLES:

| <i>Completion Date</i> | <i>Description of Deliverables</i> |
|---|--|
| Monthly: April – July 2021 | Meet with the USSEC Colombia Country Representative to present current findings. |
| Within 5 business days of contract signing | Submit content outline of market opportunity study to USSEC for approval |
| June 1, 2021 | Submit draft narrative market opportunity study and presentation to USSEC for review |
| June 30, 2021 | Submit final narrative market opportunity study and presentation, with USSEC comments addressed |
| July – August 2021 (If requested) | Work with USSEC to present the study to potential investors. The event will be held in a main city in the country or virtually depending on Covid-19 restrictions in Colombia. |

| | |
|--|---|
| No later than September 30th, 2021 (or 30 days after completion of work) | Provide USSEC project manager with: <ol style="list-style-type: none"> 1. Invoice 2. Electronic materials of deliverables. 3. Post-travel report including summary and receipts of all expenses (if applicable). 4. Brief English narrative report of the project results, notifying issues, challenges, next steps and recommendations. This report is separate from the market opportunity study. |
|--|---|

RFP TIMELINE:

- RFP distribution: March 17,2021
- Last day to submit questions: March 24,2021 by 05:00 PM CST
- Project proposals due April 07 ,2021 by 05:00 PM CST - email to americasrfp@ussec.org
- Selections made by April, 12, 2021
- Prospective contractors notified by: April 14,2021

INSTRUCTIONS:

Proposals must contain at a minimum the specific criteria listed below:

1. *Please email the proposal to americasrfp@ussec.org by 5:00PM CST on April 07, 2021.*
2. A description of Prospective Contractor's capabilities, resources and experience. Emphasis should be placed on experience related to this RFP.
3. A thorough proposal outlining Prospective Contractors planned work, deliverables and timeline to complete the work.
4. Resumes for each of the Prospective Contractor's personnel assigned to work directly on the implementation of the contract.
5. Provide a minimum of two names and contact information for other similarly sized clients for reference purposes.
6. Detailed Budget: all bids for services must provide a breakout of how the fee was derived including but not limited to a breakdown of hourly rate and the amount of effort they anticipate doing the work.
7. Proposals should be no longer than **10 pages** (8 ½" x 11").

NOTES:

- Prospective Contractors are hereby notified that proposals will be duplicated for internal review only. Every effort will be made to maintain confidentiality of all information presented. The appropriate representatives from staff and legal counsel will review proposals. Proposals will not be returned.

- USSEC reserves the right to retain all proposals submitted. Submission of a proposal indicates acceptance by the submitter of the conditions contained in the request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between USSEC and the contractor selected.
- Confidentiality - Without USSEC's prior written consent, Prospective Contractors and its officers, employees, agents, representatives, affiliates, and subcontractors shall not disclose to any third party any documents, materials or information that the Prospective Contractors learns from or is provided in relation to the RFP request.
- During the evaluation process, USSEC reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors and omissions.
- USSEC reserves the right to reject any proposal that is in any way inconsistent or irregular. USSEC also reserves the right to waive proposal defects or deficiencies, to request additional information, and/or to negotiate with the Prospective Contractor regarding the proposal.
- Prospective Contractor agrees that Fees are in lieu of any and all other benefits, including, but not limited to, repayment of any and all taxes related to contractor service fees, health and life insurance, administrative costs and vacation.
- Prospective Contractor agrees that any income taxes, value added taxes or any other form of direct or indirect taxes on compensation paid under the contract shall be paid by Contractor and not by USSEC or Funding Sources.
 - Prior to any payment to a Contractor, a contractor must provide a W-9, W-8, or W-8BEN upon agreement signature
- Non-Competition. Contractor shall not act as agent or representative for any product or service directly or indirectly competitive with U.S. soybeans or soybean products for the length of the contract.
- USSEC and Prospective Contractor agrees to comply with the provisions of Equal Employment Opportunity (EEO). USSEC provides EEO to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity or expression, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws.

SUPPLEMENTAL INFORMATION AND BACKGROUND

BUILDING A PREFERENCE FOR U.S. SOY

USSEC's strategy can be found here: <http://ussec.org/about-ussec/vision-mission/>
USB's Long Range Strategic Plan can be found here: <http://unitedsoybean.org/about-usb/strategic-planning/>

We are a dynamic partnership of key stakeholders representing soybean producers, commodity shippers, merchandisers, allied agribusiness and agricultural organizations.

Through a global network of international offices and strong support in the U.S., we help build a preference for U.S. soybeans and soybean products, advocate for the use of soy in feed, aquaculture and human consumption, promote the benefits of soy use through education and connect industry leaders through a robust membership program.

Our 15-member board of directors is comprised of four members from the American Soybean Association (ASA), four members from the United Soybean Board (USB), and seven members representing trade, allied industry, and state organizations.

New board members are seated annually. We are receiving funding from a variety of sources including soy producer checkoff dollars invested by the USB and various state soybean councils; cooperating industry; and the American Soybean Association's investment of cost-share funding provided by the United States Department of Agriculture's (USDA) Foreign Agriculture Service. The United Soybean Board, created by the 1990 Farm Bill to manage and direct the National Soybean Checkoff, is dedicated to marketing and research for the soybean industry. USB is comprised of 73 volunteer soybean farmers representing the interests of fellow growers nationwide. Each board member is nominated by Qualified State Soybean Boards (QSSBs) and appointed by the U.S. Secretary of Agriculture.

Because of the limitations on administrative and salary costs established in the Act, USB outsources the majority of its program management responsibilities to USB's three primary contractors:

- SmithBucklin-St. Louis for domestic marketing, new uses, production research and Board initiative activities;
- Osborn & Barr Communications for communications/public relations activities and;
- U.S. Soybean Export Council (USSEC), Inc. for international marketing and global opportunities activities.

As one of these three primary contractors USSEC may also undertake initiative activities on behalf of USB. USB considers primary contractor staff (approximately 60 people) as core USB staff. These three primary contractors use a number of subcontractors and, together, these entities carry out approximately 450 projects each year for USB. USB also manages approximately 10 subcontractors.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 {voice and TTY} or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Civil Rights Clause

Contractor agrees that during the performance of this Agreement it will not discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, age, disability, political beliefs, sexual orientation, marital or family status, parental status or protected genetic information. Contractor further agrees that it will fully comply with any and all applicable Federal, State and local equal employment opportunity statutes, ordinances and regulations, including, without limitation, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, and the Equal Pay Act of 1963. Nothing in this section shall require Contractor to comply with or become liable under any law, ordinance, regulation or rule that does not otherwise apply to Contractor.