

Voluntary Report – Voluntary - Public Distribution

Date: February 25, 2022

Report Number: EC2022-0001

Report Name: Agricultural Trade Between United States and Ecuador
Reaches Historical Record

Country: Ecuador

Post: Quito

Report Category: Agricultural Situation

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Report Highlights:

Despite economic constraints and the continued COVID-19 pandemic, U.S. - Ecuador bilateral agricultural trade in 2021 rose to \$3.8 billion. In addition, U.S. agricultural exports reached a record \$587 million. This demonstrates continued opportunities in Ecuador and underscores the value of the growth potential within the market, although many tariff and policy issues remain for several product categories.

Agricultural Trade Situation

Bilateral agricultural and related product trade between the United States and Ecuador rose to \$3.8 billion in 2021, with increases in sales for both countries. This reflects the increasingly positive trade and business relationship between Ecuador and the United States. However, the agricultural trade balance remains significantly beneficial for Ecuador, increasing by 39 percent to a trade deficit of \$2.6 billion for the United States. Exports of U.S. food and agricultural products to Ecuador in 2021 totaled a record of \$587 million, up \$60 million or 11 percent compared to 2020, which was also a record year. This growth was driven primarily by Ecuadorian demand for U.S. intermediate and consumer-oriented products (mainly soybean meal). However, total imports of bulk products decreased four percent by value, which was principally the result of a reduction in imports of wheat. Imports of U.S. intermediate products grew 19 percent and imports of consumer-oriented products were up 15 percent.

Leading Product Categories

Even while facing a difficult economic situation, some U.S. products had record performances in the Ecuadorian market in 2021. To start, U.S. soybean meal reached a historical export value of \$279 million, an 18 percent increase compared to 2020. This increase has a direct relation to the growing shrimp production industry in Ecuador. Other record export values were achieved by categories such as other feeds, meals, and fodders reaching \$63 million (46 percent increase), other intermediate products, which reached \$6 million (71 percent increase), beef and beef products at \$5 million (39 percent increase), dairy products at \$7 million (51 percent increase), bakery goods, cereals, and pasta at \$7 million (33 percent increase), condiments and sauces with \$10 million (34 percent increase), and distilled spirits at \$6 million (111 percent increase). Distilled spirits are especially of note due to constraints they continue to face in the Ecuadorian market as a result of tariff reductions for European products as part of the Ecuador – European Union free trade agreement.

Other categories also realized important growth in 2021 despite not reaching record export values. Corn exports reached \$6.5 million, up 103 percent, and cotton exports grew by 137 percent year over year, reaching \$25 million. Others increases included vegetable oils (16 percent increase), sweeteners (62 percent increase), pork and pork products (20 percent increase), poultry meat and products (32 percent increase), processed fruit (62 percent increase), fresh vegetables (23 percent increase), processed vegetables (30 percent increase), tree nuts (9 percent increase), chocolate and cocoa products (30 percent increase), non-alcoholic beverages (25 percent increase), beer (12,759 percent increase), and pet foods (44 percent increase). FAS Quito believes these product categories will continue to offer good potential into 2022.

The Most Impacted

As expected, the pandemic and other economic and political issues, as well as logistics complications, resulted in value decreases for some product categories in 2021. The most affected products were wheat, pulses, live animals, distillers' grains, essential oils, egg products, fresh fruits, confectionary products, wine, forest products, and seafood products.

Looking ahead

Going into 2022, FAS Quito sees growing opportunities in Ecuador across all product categories that saw success in 2021, as well as others that were primarily impacted by COVID-19 in past year. However, several restrictive regulatory measures and import tariffs continue to significantly limit exports of some product categories, namely animal products. For more information on these measures, please see FAS Quito's 2021 [Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#).

Attachments:

No Attachments.