

Voluntary Report – Voluntary - Public Distribution

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Report Name: Agricultural Trade Between United States and Ecuador
Reaches Record Despite COVID-19 Situation

Country: Ecuador

Post: Quito

Report Category: Agricultural Situation

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Report Highlights:

Despite the economic constraints of the COVID-19 situation, U.S. - Ecuador bilateral agricultural trade in 2020 rose to \$2.9 billion. In addition, U.S. agricultural exports reached a record \$527 million. This demonstrates continued opportunities in Ecuador and underscores the value of the growth potential within the market, although many issues remain to be faced by several product categories.

Agricultural Trade Situation

Despite the COVID-19 pandemic, U.S. – Ecuador bilateral agricultural trade in 2020 totaled \$2.9 billion, with increases in sales for both countries. This reflects the growing positive trade and business relations between Ecuador and the United States. However, the agricultural trade balance remains significantly beneficial for Ecuador, increasing by 22 percent to a trade deficit of \$1.8 billion for the United States in 2020. Exports of U.S. food and agricultural products to Ecuador in 2020 totaled a record \$527 million, up \$46 million or 9 percent compared to 2019. This growth was driven mainly by Ecuadorian demand for U.S. bulk and intermediate products (wheat and soybean meal). However, total imports of bulk products decreased 4 percent by value, which was principally the result of a reduction in imports of cotton. Imports of U.S. intermediate products grew 19.4 percent and imports of consumer-oriented products were down 3 percent in 2020, mainly due to the COVID-19 situation.

Leading Product Categories

Even while facing a difficult economic situation, some U.S. products had record performances in the Ecuadorian market in 2020. To start, U.S. wheat reached a historical export value of \$94.8 million, a 5.2 percent increase compared to 2019. Other record export values were had by distillers' dried grains, which reached \$12.8 million (10.8 percent increase), \$4.5 million for live animals and animal genetics (9.7 percent increase), beef and beef products at \$3.8 million (38.2 percent increase), and snack foods with \$7.7 million (30.1 percent increase).

Other categories also realized important growth in 2020 despite not reaching record export values. Soybean meal continued to be the leading U.S. agricultural export to Ecuador, rising by 32 percent year-over-year to \$244.7 million; its highest total since 2012. Others included pulses (66.4 percent increase), vegetable oils (79.1 percent increase), sweeteners (16.8 percent increase), egg products (137.5 percent increase), tree nuts (41.7 percent increase), breakfast cereals (39.7 percent increase), and fish products (30.4 percent increase). FAS Quito believes these product categories will continue to offer good potential into 2021.

The Most Impacted

As expected, the pandemic and other economic issues resulted in value decreases for some product categories in 2020. The most affected products were cotton, feeds and fodders, poultry meats, and distilled spirits. For U.S. distilled spirits, constraints continue to exist in the Ecuadorian market due to tariff reductions for European products as part of the Ecuador – European Union free trade agreement.

Other products affected by this agreement include U.S. fruits, which also experienced decreases in exports to Ecuador in 2020. As an example, U.S. apples faced significant competition this year from French apples, which for the first time ever were sold heavily throughout the Ecuadorian market at competitive prices.

Looking ahead

Going into 2021, FAS Quito sees growing opportunities in Ecuador across all product categories that saw success in 2020, as well as others that were primarily impacted by COVID-19. 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 2020 Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#).

Attachments:

No Attachments.