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Ecuador

Grain and Feed Annual

Production, Consumption, Imports, Exports of Wheat, Corn and Rice and Policy Related Issues in Ecuador during 2010

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Report Highlights:
More stable domestic and international macroeconomic conditions affecting the price of agricultural commodities have resulted in a slight increase of grains consumption in Ecuador. Domestic wheat production, traditionally a very small amount of total consumption, is expected to increase modestly. Wheat imports are expected to increase to 5,000 MT in Market Year 2010. Domestic corn production is expected to increase by 11 percent while rice production only by 1,5 percent in Market Year 2010. Corn imports will increase to 375,000 MT in Market Year 2010. the United States will continue to be the main source of these imports.

Executive Summary:

Wheat production in Ecuador is expected to increase to 9,000 MT again this year, as farmers are motivated by an Ecuadorian government program to substitute imports of wheat. This will depend on how successfully the GOE"s efforts to encourage domestic production develop. In any event, domestic production levels will still be insignificant in comparison to current demand. In Market Year (MY) 2010 (July 2009-June 2010), Imports are estimated to increase to 500,000 MT because of more stable macroeconomic conditions in Ecuador. Ukraine debuted as a new source of Ecuadorian imports with 50,000 MT in Trade Year (TY) 2009. The market share for sourcing countries remains unpredictable and will depend mainly on Ecuador's foreign and trade policy exchange rates. Ecuador uses the U.S. dollar as its currency.

Corn production is expected to increase by 11 percent in MY 2010 (October 2009-September 2010) due to Ecuadorian government's agricultural incentive programs. It will be difficult for the government to continue price setting policies that support high domestic prices for the 2010 harvest and instead major users are negotiating contract with producers in an effort to hedge themselves against fluctuating world prices. In response to expected better macroeconomic conditions domestically in the remaining of MY 2009 and throughout MY 2010, annual consumption is expected to reach 1.28 million MT due to increased demand by the feed meal compound industry and related industries: poultry, eggs, and pork. Post projects that corn imports will increase to 375,000 MT in MY 2010, up from 343,000 MT in MY 2009. The U.S. will continue to be the primary source of these imports.

Rice production will increase only slightly, 1.5 percent to 900,000 MT in MY 2010 (January-December 2010). Although Ecuador has steadily being increasing rice production, uncertainty surrounding government price supports and trade relations with Colombia persist, discouraging an increase in area planted.

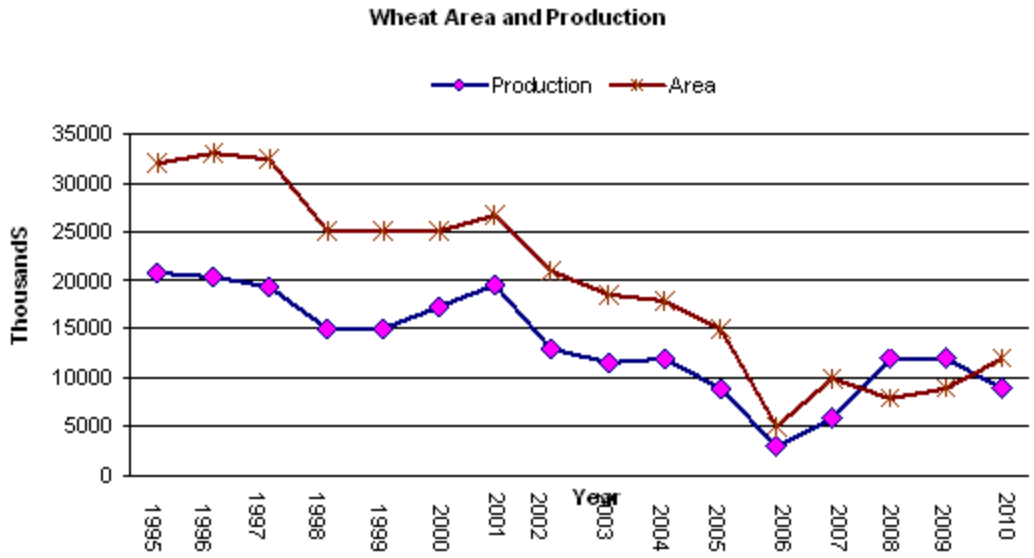
Commodities:

Wheat

Production:

Since the 1970s, wheat production in Ecuador has declined steeply. In 1990, Ecuador produced 30,000 MT in 37,000 harvested hectares. Since then, low yields, poor quality of soils and the lack of high quality seed, combined with low prices paid for local wheat, have contributed to a reduction of production. Local production was about 7,900 MT in MY 2009, experiencing a decline of 500 MT from the previous year. To fulfill increasing local demand, Ecuador imports large amounts of wheat.

In response to the high international prices for wheat in 2008, and in an effort to guarantee self-supply of wheat, the Government of Ecuador (GOE) has continued to influence groups of Ecuadorian farmers in the northern and central highlands through incentives to shift towards planting wheat for local consumption, especially by the animal feed industry. These incentives have included releases of improved wheat varieties by Ecuadorian national research institutes and universities, fertilizers subsidies, government backed loans and outreach activities. In addition, in late 2009 the GOE started more serious efforts aimed at increasing local production of wheat in conjunction with Ecuador's National Agriculture Research Institute – INIAP and the Ecuadorian Association of Millers through a price support mechanism. The support mechanism includes a price setting of $18.00 for 100 pounds of wheat, with 13 percent humidity, 2 percent dirt and a hectoliter weight of 74 points. Quantifiable results are not yet evident. The perception is that the GOE's efforts will not be sustainable as bakers will continue to prefer imported higher-quality wheat.



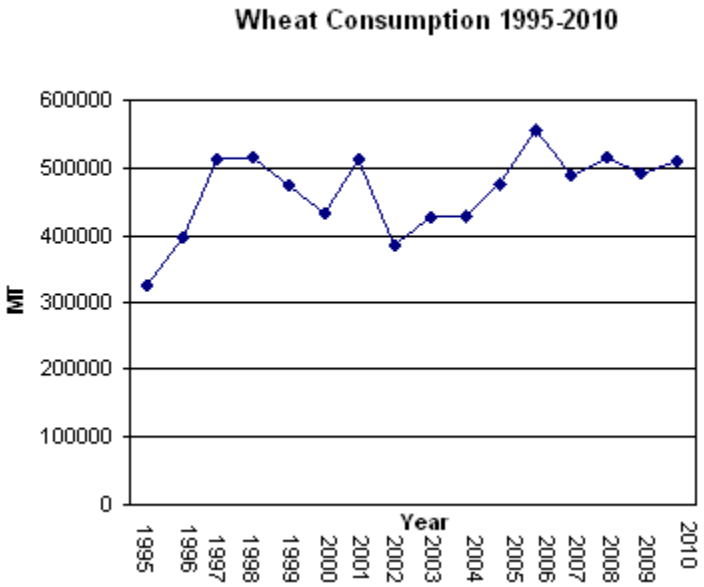
Consumption:

More stable international prices and stable bread prices in Ecuador started having an effect at returning consumption to pre-2008 levels in MY 2009. In 2006, for example consumption was above 560,000 MT. In the period 2002-2007, the demand for wheat increased at an average of 10 percent due mainly to:

(a) Diet and consumption. People eat bread twice a day and increasingly consider pasta as a staple. Ecuadorian consumers like the convenience of being able to find bakeries that sell freshly baked bread rolls within walking distance to their homes. The price of non-specialty bread is set by the Government of Ecuador (GOE). Bread rolls known as popular bread sell for $ 0, 10 a piece.

(b) Government's efforts to broaden school feeding programs for over one million children.

For MY 2010, demand of imported wheat for feed is expected to recover slightly from record low levels in MY 2009. Ecuadorian aquaculture production and exports continued to slow down starting in the last quarter of year 2008 trough 2009. Moreover, feed producers have progressively switched to replace imported feed ingredients with locally produced ones. In MY 2009, approximately 14,000 MT of wheat are being directed to feeding purposes. In MY 2010, these levels are expected to increase to 23,000 MT. Shrimp and tilapia farms are main users of wheat for feed.



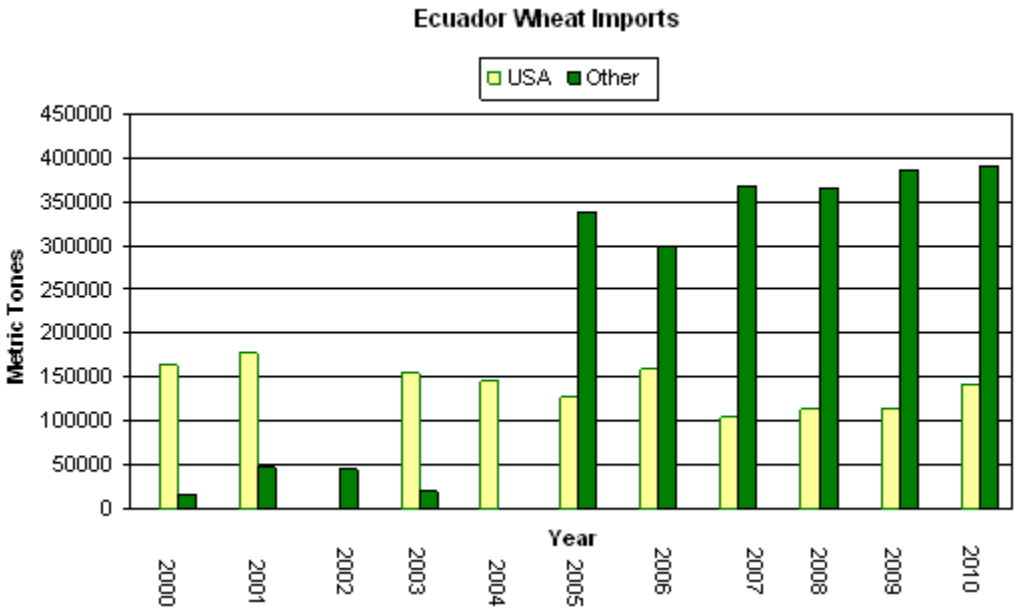
Trade:

Imports for TY 2009 increased as forecasted by Post, although by a smaller percentage: 4percent.Total imports in Trade Year (TY) 2009 (January-December, 2009) experienced an increase of about 12,000 MT with respect to the previous year. The increase in imports is explained by a trend to return to stable trade levels prior to 2008. Post considers that GOE's efforts to increase domestic production of wheat will not be successful. The main reason for this is the lack of large and flat land extensions for the production of wheat that allow producers gain economies of scale and efficiency through mechanization of agricultural practices. Since Ecuador basically uses wheat for bread and pasta, imports of hard wheat are, on average, higher than those of soft wheat by a 3 to 1 ratio (in TY 2009). Due to climate conditions domestic production, in the best case scenario, could only substitute imports of soft wheat. For MY 2010, a 10 percent increase in imports is likely, as international prices of wheat are expected to remain stable. This increase could be slightly lower in the case that local production increases in response to GOE's stimulus.

The United States market share slightly decreased in Ecuador from 23.5 percent in TY 2008 to 22.8 percent in TY 2009. On average, U.S. wheat exports to Ecuador had been exceeded by imports from Canada in the last decade. Canada exported 315,831 MT in 2009, up 93,646 MT from 222,185 MT of wheat exported to Ecuador in 2008 (almost 66 percent of total Ecuadorian imports). The increase in Canada's market participation is largely explained by lower prices of Canadian wheat and lower transportation costs, mainly dockage, due to more direct routes from the Vancouver Port to Ecuadorian ports. According to buyers, hard Canadian wheat is still considered more reliable for milling but they also seem wiling to switch to U.S. wheat if the price is right. Canada is regarded by its reputation to ship wheat with higher protein and gluten, thereby explaining Ecuador's overall preference for Canadian wheat.

Ecuador's wheat imports are expected to remain stable with a slight increase from our new estimation of 454,000 MT in MY 2009 to 500,000 MT in MY 2010. Increased imports are explained by less volatile international prices combined with a more stable local demand due to improvements in Ecuador's macroeconomic conditions through 2010.

Argentina registered a very significant decrease in exports to Ecuador (9,306 MT in TY 2009 vs. 222,185 MT in TY 2008), which significantly reduced its market share. A newcomer in TY 2009 was Ukraine which exported about 50,000 MT of wheat to Ecuador. Small newcomers appear and disappear on an alleatory fashion and Ukraine is not expected, at the moment, to become a main source of wheat imported into Ecuador.



Policy:

In order to address a balance of payment problem, the GOE has engaged in a process to substitute imports of wheat with local production while at the same time addressing rural development issues in Ecuador's highlands. In October, 2009 a major summit gathering producers, government authorities, and millers, an agreement was reached to guarantee a minimum price for one pound of wheat equivalent to $0.18. The policy aims at encouraging small farmers in the provinces of Bolivar, Chimborazo, Carchi, Imbabura and Pichincha to start growing wheat. Ecuador currently spends $145 million on imports of wheat. Each year in November, a consultative committee is expected to gather to determine changes to the minimum price of wheat. Millers will be required to buy domestic production in amounts related to their individual levels of imports on a similar fashion as soybean meal imports are managed. The GOE intends to increase the harvested area to 50,000 ha in 5 years. INIAP and other research institutions have stated their interest in expanding wheat production to the warmer and flatter lands of the Ecuadorian Coast. Pilot research projects including seed development and best agricultural practices are currently underway.

Wheat is a marker product under the Andean Price Band System (APBS), with basic duty of 10 percent plus an additional variable levy, depending on international reference prices. In July of 2001, the Government of Ecuador phased–out wheat from the price band system as part of its WTO commitments. However, Ecuador and other Andean countries included wheat in the price band in August of 2003 arguing an obligation to do so by Andean Community commitments. For the last year, the variable levy remained zero because of high world prices, thus average final APBS tariffs on wheat were 0 percent for 2009.

Ecuador has bilateral trade agreements with Peru and Chile, and regional trade agreements with ALADI (Latin American Association of Integration). In 2004, Ecuador reached a tariff liberalization agreement with

MERCOSUR (Argentina, Brazil, Paraguay and Uruguay). Implementation of these agreements in Ecuador started in April 2005. Wheat has special treatment under the agreements with MERCOSUR, thus tariff preferences are granted over the total duty, which is comprised of the ad-valorem (basic) duty plus the Andean Price Band variable levy. In 2007, trade partners agreed to the following tariff reductions:

HTS	*Product*	**Paraguay**/4	**Uruguay**/2	**Argentina**/3	**Brasil**/3	**Mexico**/1	**U.S. and Canada**
10011090	Wheat, durum	42%	99%	15%	15%	8%	0%
10019020	Wheat, other	42%	99%	15%	15%	8%	0%

/1 under ALADI

/2 Uruguay will have reached zero tariffs on wheat by January 1, 2009

/3 Argentina and Brazil will have reached zero tariffs on wheat by January 1, 2018

/4 Paraguay will have reached zero tariffs on wheat by January 1, 2015

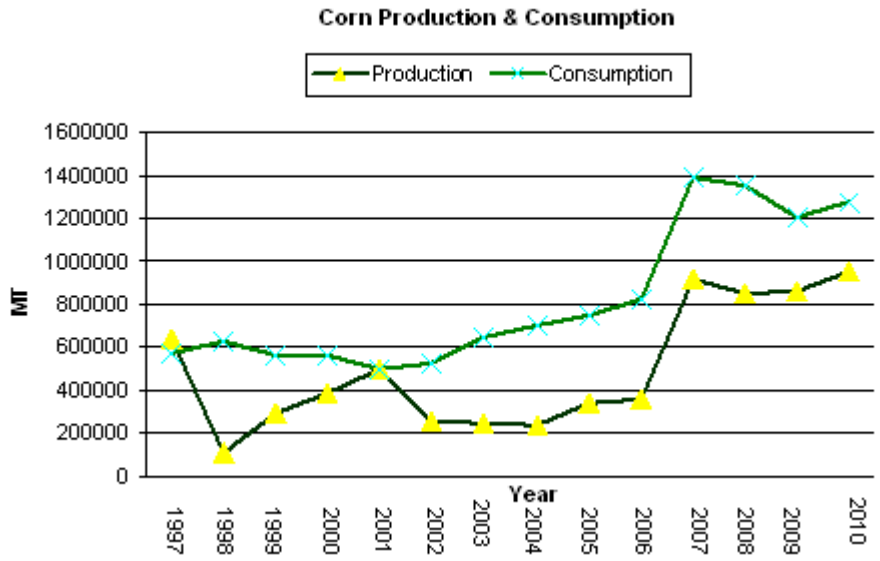
Production, Supply and Demand Data Statistics:

Wheat Ecuador	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			Market Year Begin: Jul 2010		
	USDA	Post	New Post	USDA	Post	New Post	USDA	Post	Jan
	Official Data	Data	Data	Official Data	Data	Data	Official Data	Data	Data
Area Harvested	12	12	12	11	11	11		12	12
Beginning Stocks	50	57	50	85	38	31		1	0
Production	8	8	8	9	8	8		9	9
MY Imports	527	488	488	500	454	454		500	500
TY Imports	527	480	480	500	500	500		530	530
TY Imp. from U.S.	170	113	113	0	114	114		140	140
Total Supply	585	553	546	594	500	493		510	509
MY Exports	0	1	1	0	1	1		1	1
TY Exports	0	1	1	0	1	1		1	1
Feed and Residual	40	45	45	40	20	14		24	23
FSI Consumption	460	469	469	470	478	478		485	485
Total Consumption	500	514	514	510	498	492		509	508
Ending Stocks	85	38	31	84	1	0		0	0
Total Distribution	585	553	546	594	500	493		510	509
Yield	1.	1.	0.6667	1.	1.	0.7273		1.	0.75
TS=TD			0			0			0

Commodities:
Corn

Production:
Since 1995, corn production has been very unstable with a record high of 913,000 MT in 2007 followed by lower production levels, and a record high production forecasted for 2010 (950,000 MT). On one hand, high international prices have encouraged farmers to increase production, while on the other hand GOE's price controls and export bands are perceived by farmers as detrimental to their finances. These different signals create confusion in the market, therefore uncertainty prevents from a stable expansion or reduction in the area planted. Post estimates that corn production will increase by 11 percent to 950,000 MT in MY 2010. The increase is explained by producer's expectation of higher prices due to GOE's intervention in the market through minimum price setting. In addition, Ecuador's largest producer of poultry and pork has engaged in a technical assistance program to provide small producers with better tools to increase their production. The program includes the provision of seeds, fertilizers, plant protection products, training, credit, and purchase of the producers' harvest at a guaranteed price. A number of other initiatives by the poultry industry are supporting similar efforts to improve yields by providing certified seeds, extension services and inputs to a growing number of farmers in return for the purchase of their production at market prices. In addition, the GOE will likely continue its efforts to motivate production of corn and other commodities by subsidizing production inputs. Practices such as requiring purchase of local production before imports are allowed and a guaranteed purchase price at least equal to the corn CIF import cost are likely to continue to be enforced by the current GOE.

Yields will remain low with an average of 3.5 MT per hectare. This is because the winter planting and harvest season (80 percent of the annual production) is highly dependent on rainfalls during November through January. At the beginning of the planting season in MY 2009, production areas in the coastal region where affected by droughts while at the beginning of February 2010 heavy rainfall has affected the same areas. If rainfalls are too scarce or too abundant, large cultivated areas are lost to droughts or floods in the lower altitude production areas. Another factor is the lack of irrigation systems and very limited access to credit.



Consumption:

Corn consumption depends on local demand for animal feed, basically by poultry growers and on the availability of lower-price corn substitutes. Despite the strong annual average growth in the consumption of poultry products (12 percent per year), the year 2009 experienced a decrease in demand due to high poultry prices.

Ecuador's corn consumption decreased by about 11 percent in 2009, but it is expected to recover in MY 2010 by about 81,000 MT. The higher demand is explained by more stable macroeconomic conditions in Ecuador that should trigger an increase in the annual growth in the poultry and egg industry and a per capita consumption of poultry and pork meat in Ecuador (20-22 Kg/year). Overall, feed meal production has had an important growth in the past 14 years, from 576,000 MT in 1995 to 2.1 million MT in 2009.

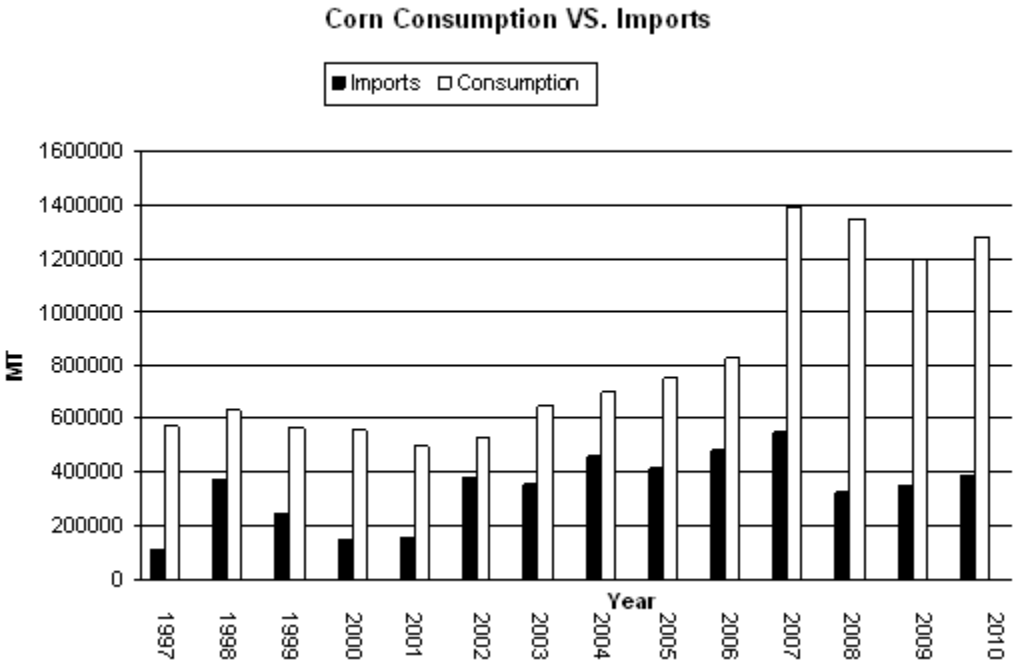
The poultry industry, with a total population of 130 million birds per year, and an annual sales growth rate ranging from 5-10 percent, consumes 75-80 percent of the feed corn every year. This industry produces 220,000 MT of poultry meat, and approximately 80,000 MT of eggs per year. Another sector showing interesting growth is pork, with a population of 1.8 million pigs per year, and which now consumes 115,000 MT/year of corn.

Trade:

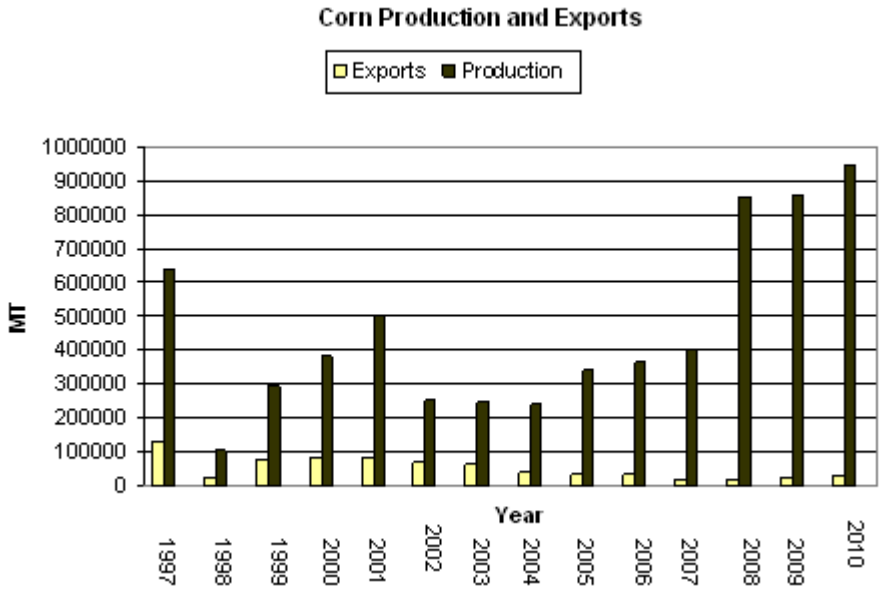
In TY 2009, total corn imports were 352,000 MT up from 329,000 MT in 2008. Ecuador exports corn to Colombia for human consumption. Nevertheless, corn imports continued to outnumber corn exports. U.S. market share remained strong at 84 percent. Lower corn prices in the U.S are likely to have influenced the increase in the market share of the previous year to the disadvantage of Argentine corn producers .Brazil and Argentina combined are the second largest sources of imported corn with almost a 15 percent market share.

Ecuador's feed industry prefers U.S. corn to others because of its lower foreign material content, faster delivery to Ecuadorian ports and lower transportation costs. Imports for MY 2010 are expected to reach 375,000 MT. Although consumption continues to grow, the greater demand is likely to be met by increased local production.

Corn imports represent a high percentage of Ecuador's total consumption. From 2000-2009, Ecuador imported, on average, more than 50 percent of its corn of at least 150,000 MT and at most of 552,500 MT. Ecuador imports large quantities of this product for two reasons: the local product is more expensive than its imported substitute and Ecuador's production does not meet demand.



Ecuador exports corn to Colombia in order to satisfy that country's southern border demand of corn: yellow, white and other local varieties for human consumption and increasingly for animal consumption. Most exports are made by land, in trucks, and at high prices usually paid to farmers in cash. In the past ten years, exports have fluctuated largely and have taken place during the peak of the winter harvest season (May-June). Ecuadorian corn is used in Colombia to make "arepas" due to Colombian consumer's preferences for a particular type of corn native to the Andean region. Ecuador exported 26,200 MT of corn to Colombia in TY 2009. Exports to other markets are largely targeted to Ecuadorian migrants living in Spain, Italy and the United States.



Policy:

Corn imports are assessed 15 percent ad-valorem duty (over CIF), plus a variable levy applied under the Andean Price Band System (APBS). Under this system, the ad-valorem tariffs are adjusted (increased or reduced) depending on the correlation between international reference prices at the time of import, and set floor and ceiling prices. The Andean Community set floor and ceiling prices of corn is set at $146 and $169 per MT. The variable levy for corn has remained at -15 percent, thus import duties for corn have been zero during the last year. Upon accession to the WTO, Ecuador bound its tariffs (including the additional APBS levy) for corn at 45 percent. In addition, Ecuador maintains a worldwide TRQ of 19,600 MT of corn at a set tariff of 25 percent. This TRQ is filled when international corn prices drop and the APBS increases corn duties beyond 25 percent (15 percent ad-valorem + a variable levy over 10 percent).

The Government of Ecuador does not provide any formal subsidy or economic assistance program to promote yellow corn production. However, the Ministry of Agriculture aggressively encourages corn production by implementing mandatory buying of all domestic production by corn importers and banning imports during the domestic corn harvest season. GOE also sets a minimum price in accordance with feed producers and animal processing plants. These GOE's interventions seek to guarantee the complete purchase of local production at higher prices

Under the CAN-MERCOSUR trade talks, Ecuador has negotiated bilateral tariff reductions with Argentina, Brazil, Paraguay and Uruguay. These tariff reductions apply only to the ad-valorem duties as the Andean Price Band System is maintained for corn. The Ecuador–MERCOSUR agreement entered into effect in Ecuador on April 1, 2005 and has liberalization schedules of 14 years for most cereals, including corn, as follows:

Country of Origin	First Liberalization	Full Liberalization
Argentina	3 year grace period 2005-2008, 10% reduction starting in January 2008.	In 2018, 100% liberalization
Brazil	In 2008: 10% reduction. 15% in 2009.	5% yearly reduction from 2009 to 100% in 2018.
Paraguay	In 2007, 40% reduction until 2012.	In 2018, 100% liberalization
Uruguay	In 2007, 50% reduction until 2013.	100% reduction in 2018.

Production, Supply and Demand Data Statistics:

Corn Ecuador	2008 2008/2009 Market Year Begin: Oct 2008			2009 2009/2010 Market Year Begin: Oct 2009			2010 2010/2011 Market Year Begin: Oct 2010		
	USDA Official Data	Post Data	New Post Data	USDA Official Data	Post Data	New Post Data	USDA Official Data	Post Data	Jan Data
Area Harvested	128	294	294	130	287	287		300	300
Beginning Stocks	68	68	68	56	31	31		1	1
Production	400	855	855	410	856	856		950	950
MY Imports	316	485	485	400	343	343		375	375
TY Imports	316	329	329	400	352	352		390	390
TY Imp. from U.S.	217	233	233	0	297	297		325	325

Total Supply	784	1,408	1,408	866	1,230	1,230		1,326	1,326
MY Exports	28	28	28	15	30	30		30	30
TY Exports	28	18	18	15	26	26		30	30
Feed and Residual	625	1,295	1,295	725	1,151	1,151		1,225	1,225
FSI Consumption	75	54	54	75	48	48		55	55
Total Consumption	700	1,349	1,349	800	1,199	1,199		1,280	1,280
Ending Stocks	56	31	31	51	1	1		16	16
Total Distribution	784	1,408	1,408	866	1,230	1,230		1,326	1,326
Yield	3.	3.	2.9082	3.	3.	2.9826		3.	3.1667
TS=TD			0			0			0

Commodities:

Rice, Milled

Production:

Rice production will increase slightly by 1.5 percent to 900,000 MT in MY 2010 (Jan-Dec). The availability of new rice varieties that allow for 2.5 to 3 harvests per year in areas under irrigation, high international prices, government subsidited inputs and sustained demand for Ecuadorian rice by the GOE, have triggered growth in production. As of February 2010, new plantings have started and recent floods in 2010 have not affected the rice growing areas. Low prices of urea have also provided an incentive to producers to plant in 2010. The planting season started normally this year and Ecuador is expected to have a first harvest in late April.

Rice production takes place in the lowlands of the coastal region, on areas that flood during the rainy season (November through April) and remain humid during the summer (May-September). Therefore, lack of or excessive rainfall is a determining factor for the volume of production. The largest harvest registers at the end of the rainy season (May through June). During the summer only a third of the available area is planted because irrigation is expensive and limited to large farms and specific areas. The majority (75 percent) of rice producers in Ecuador are poor, small farmers that own and plant less than 5 hectares with yields below 3.5 MT per hectare.

Consumption:

Rice is a staple food for Ecuadorians and the majority of Ecuador's production is consumed locally. Monthly consumption is estimated at 74,250 MT, roughly 891,000 MT in MY 2009. For TY 2009 calculated per capita consumption was at 5.3 kg per month and is likely to increase if rice prices decrease in response to a good harvest season and excess supply due to a curtail of rice exports to Colombia. Precisely, the large increase in consumption during TY 2009 responds to a large extent to lower prices of rice due to a good harvest and the fact that Ecuador was not able to export rice to Colombia. Post estimates that about 25,000 to 35,000 MT of rice might have been or are about to be lost to waste in GOE's silage facilities.

Rice sales are traditionally marketed through wholesalers in one hundred pound sacks (45 kg) or through small stores by the pound. Prices vary depending on the marketing channel. For example, the official wholesale price of the 100-pound sack is $28, while sales by the pound can make the price grow to $36 per sack. Approximately 80 percent of rice sales are made in sacks or by the pound. In addition, as a result of supermarket expansion in the main cities of Ecuador, purchasing habits have shifted towards buying branded bags of 2 or 5 kg. It is estimated that 15 to 20 percent of total rice sales are now made through supermarkets under these presentations. Locally produced parboiled rice was available in supermarkets in 2009 reflecting a shift in consumer preference toward ready-to-eat food products. Ecuador is also experiencing an increase in the range of rice varieties available for purchasing. They include basmati rice, wild rice, risotto, and sushi rice. Imported amounts are still very limited.

Trade:

Ecuador has imported minimal quantities of paddy rice in the last ten years, with the exception of 1998 when weather-related losses caused imports to grow to 140,000 MT. If Ecuador's production capacity were to continue at its current pace, it is unlikely that Ecuador would need to import rice in the future. However, there remains a small niche market that is likely to increase in the long-run for specialty rice varieties such as basmati, sushi-type rice, risotto, wild rice, parboiled rice and others.

Ecuador has typically exported rice production surpluses to neighboring Colombia. Milled rice exports to Colombia experienced a sharp decline in 2008 and 2009 from 100,072 MT in 2007 to 5,419 MT and to 5,031 MT in 2009. This low level of exports is explained by ban on agricultural exports due to high commodity prices in 2008 followed by severely damaged diplomatic relations between the GOE and the Government of Colombia since the first half of 2008. The GOE is desperately trying to open trade with Colombia. The GOE's warehouses are filled to capacity. Due to quality issues and high production levels in Peru, Ecuador has been unable to find a suitable buyer for its rice surpluses. The Ministry of Agriculture has reported that only 46,000 MT of paddy rice (about 32,200 MT of milled rice equivalent) were exported to Venezuela in 2009. These exports are not reported

by the Government of Ecuador's Central Bank. Post has been informed that payment was received directly by Ecuador's Agricultural Development Bank from the Government of Venezuela.

Policy:

Rice imports are a very sensitive issue in Ecuador. The GOE is pushing a self-sufficiency program for rice by continuing to implement the Andean Price Band System (APBS) and by controlling imports and exports. APBS set floor and ceiling prices of rice at the time of writing are set at $304 and $346 per MT. Imports of rice are levied a 20-67.5 percent ad-valorem tariff. The GOE through Ecuador's Ministry of Agriculture, Livestock, Aquaculture and fisheries is the only authorized issuer of export permits. It also acts as authorized exporter of existing reserves.

The GOE's position from a food security perspective is to have a permanent emergency stock of 80,000 MT. Post has been informed that there is at least 80,000 MT in stock. Trade with Colombia is expected to reopen in the third trimester of 2010 depending on the outcome of Ecuador and Colombia's efforts to re-establish diplomatic relations.

Ecuador's new Food Sovereignty Law has been approved by Ecuador's Congress. The Law stops on any exports of food products unless there are surpluses. In the best harvesting scenario, Ecuador could end up with a 150,000 MT surplus available for exporting in any given year.

In addition, the Ministry of Agriculture's Consultative Committee on rice which consists of producers, millers and government officials, decides on the timing and quantity of rice imports. The ad-valorem duty for paddy rice is set at 20 percent and is up to 67.5 percent for all other types of rice. Members of the Andean Community are assessed zero tariffs and are not assessed the Andean Price Band. Other Latin American countries have been granted ad-valorem tariff preferences under Latin American Integration Association, but they still are assessed the Andean Price Band, as follows:

HTS	Description	U.S. & World	CAN	Peru	Chile	ALADI *				
						Paraguay	Uruguay	Argentina	Brasil	Mexico
10061090	Rice, Paddy	20%	Zero	Zero	15%	15%	7.5%	15%	15%	15%
10062000	Rice, Brown	67.5%	Zero	Zero	20%	20%	10%	20%	20%	20%
10063000	Rice, Milled	67.5%	Zero	Zero	20%	12%	10%	20%	20%	20%
10064000	Rice, Broken	25%	Zero	Zero	20%	20%	10%	20%	20%	20%

* ALADI stands for Latin American Integration Association.

Note: Although Peru is part of CAN, Ecuador has a bilateral agreement with that nation, which includes preferences on rice. Chile has also negotiated a bilateral trade agreement with Ecuador.

Production, Supply and Demand Data Statistics:

Rice, Milled Ecuador	2008 2008/2009 Market Year Begin: Jan 2008			2009 2009/2010 Market Year Begin: Jan 2009			2010 2010/2011 Market Year Begin: Jan 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Jan
			Data			Data			Data
Area Harvested	355	355	355	340	374	374		380	380
Beginning Stocks	151	151	151	174	80	80		71	39
Milled Production	908	762	762	788	887	887		900	900
Rough Production	1,441	1,210	1,210	1,251	1,408	1,408		1,429	1,429
Milling Rate (.9999)	6,300	6,300	6,300	6,300	6,300	6,300		6,300	6,300
MY Imports	20	0	0	2	0	0		2	0
TY Imports	2	0	0	10	0	0		2	0
TY Imp. From U.S.	0	0	0	0	0	0		0	0
Total Supply	1,079	913	913	964	967	967		973	939
MY Exports	5	5	5	10	5	37		50	50
TY Exports	10	5	5	10	51	37		60	50
Consumption and Residual	900	828	828	820	891	891		895	882
Ending Stocks	174	80	80	134	71	39		28	7
Total Distribution	1,079	913	913	964	967	967		973	939
Yield (Rough)	4.	3.	3.4085	4.	4.	3.7647		4.	3.7605
TS=TD			0			0			0