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Report Highlights:

In 2023, the Government of Ecuador continued to support floor prices for local production of corn, rice, and wheat, but has reduced subsidies for fertilizers, pesticides, and minor equipment for small producers. Corn consumption and wheat imports will remain similar to last market year, based on reduced growth in the livestock and aquaculture sectors. Rice production is forecast to fall slightly on reduced planted area due to the El Nino weather pattern. The decision from the Ministry of Agriculture to authorize rice imports to control price speculation and cover a production deficit was positive for consumers and processors, but negatively affected intermediaries. Corn, rice, and wheat all showed increases in yields. Imports of the three crops show new suppliers like Brazil and Uruguay, with higher quality and affordable prices.

Table 1. Wheat Production, Supply, and Distribution

Wheat Market Year Begins Ecuador	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4	7	5	7	0	7
Beginning Stocks (1000 MT)	182	182	285	52	0	63
Production (1000 MT)	7	15	9	14	0	14
MY Imports (1000 MT)	1448	1450	1400	1700	0	1650
TY Imports (1000 MT)	1448	150	1400	1700	0	1650
TY Imp. from U.S. (1000 MT)	365	405	0	293	0	340
Total Supply (1000 MT)	1637	1647	1694	1766	0	1727
MY Exports (1000 MT)	2	0	5	0	0	0
TY Exports (1000 MT)	2	0	5	0	0	0
Feed and Residual (1000 MT)	650	795	720	878	0	865
FSI Consumption (1000 MT)	700	800	720	825	0	786
Total Consumption (1000 MT)	1350	1595	1440	1703	0	1651
Ending Stocks (1000 MT)	285	52	249	63	0	76
Total Distribution (1000 MT)	1637	1647	1694	1766	0	1727
Yield (MT/HA)	1.75	2.1429	1.8	2	0	2

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

Wheat production in marketing year (MY) 2024/25 (July-June) is forecast to remain slightly over 14,000 metric tons (MT), the same as the previous year’s harvest. Wheat production in Ecuador is insufficient to meet local demand, with less than 7,000 hectares (HA) in production. The milling industry in Ecuador is entirely dependent on imports.

Figure 1: Wheat Field Planting in Tungurahua Province.



Source: Ecuador Ministry of Agriculture

The Government of Ecuador (GOE) supports small farmers by distributing wheat seeds in coordination with the milling industry, the main purpose of which is to increase yields. Since 2010, the Ecuadorian milling industry has supported a wheat production program, with an average of 4,600 to 5,000 HA planted under the project. This program buys approximately 70 percent of local production from nearly 700 small farmers. With this assistance, small farmers have increased their yields from 0.7 MT/HA up to 2.20 MT/HA in recent years, with an average of 2.00 MT/HA. In calendar year (CY) 2023, wheat production ranked 29th in planted acreage out of the 40 principal crops produced in Ecuador.

Consumption:

Wheat is increasingly used by the animal feed sector, which has increased 55 percent over the past ten years. In CY 2023, shrimp feed consumption increased 23 percent while other animal feed consumption (poultry, pork, beef, and dairy) increased two percent.

Wheat consumption in MY 2024/25 is forecast at 1.65 million metric tons (MMT), a three percent decrease from the previous year. Ecuador's shrimp industry has forecasted its growth rate for CY 2024 at 10 percent, the same as last year. Although still strong, this is down from recent annual growth rates hovering around 20 percent. Wheat consumption in Ecuador is almost equally divided between feed (51 percent) and human consumption (49 percent). According to the Ecuadorian Flour Millers Association (ASEMOL), 28 percent of wheat destined for human consumption is for pasta production and 72 percent for bread and bakery. Wheat as feed is mostly used for the shrimp, pork, and poultry industries.

Per capita human consumption of wheat in Ecuador for MY 2024/25 is estimated at 43 kilograms (kg)/year. In MY 2024/25, the pasta and bakery industries expect a decrease in consumption as the official price for wheat is expected to increase eight percent, from \$22 to \$24 for a 45 kg bag.

Figure 2: Small Farmer Harvest and Processing



Source: Moderna Alimentos

Trade:

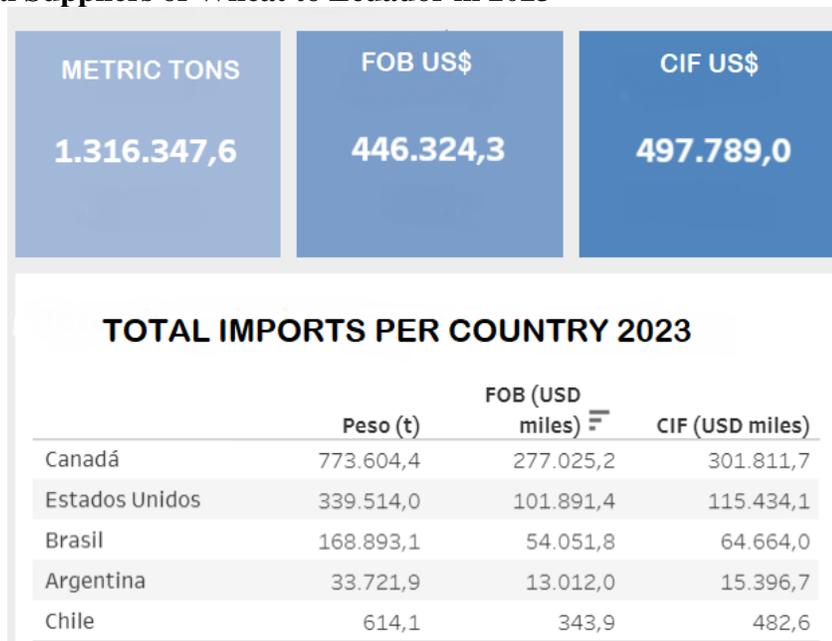
Wheat imports in MY 2024/25 are forecast at 1.65 MMT, down 50,000 MT from the previous year. Until 2015, Ecuador utilized imported wheat primarily in bread and pasta manufacturing. Ecuador has increasingly incorporated more wheat into animal feeds, fueled primarily by shrimp production. Approximately 70 percent of imported wheat for feed goes to the shrimp industry. This estimate assumes that demand by the country's animal feed industry will continue to increase.

Over the past several years, Ecuador has diversified wheat suppliers, bringing more product from different origins. Canada remains as the principal supplier with 58 percent of the market share, increasing from 49 percent market share in CY 2022. This is followed by the United States with 25 percent, and Brazil in third place with 14 percent. Brazil is a newer supplier, like Uruguay and Chile. U.S. wheat exports to Ecuador increased 19 percent in CY 2023, reaching 350 TMT. Overall average imported wheat prices decreased during CY 2023, ending at just over \$316/MT. Canadian wheat

continued to lead, based on better logistics options and lower prices. Brazil has become an important quality supplier, displacing Argentina. Wheat from different sources and qualities are often blended to reduce the average final price for pasta and bakery companies, according to ASEMOL.

The Ecuadorian government continues granting requests for wheat import licenses based on industry demand. Feed industry contacts have also indicated that imported wheat has been used to substitute for corn. The pasta, bread, and feed industries absorb 100 percent of the local production, which account for less than 4 percent of Ecuador’s demand.

Figure 3: Principal Suppliers of Wheat to Ecuador in 2023



Source: Ecuador Ministry of Agriculture

Policy:

Ecuador promotes a policy of wheat self-sufficiency, but production cannot come close to meeting demand. On July 9th, 2021, Ecuador’s Foreign Trade Committee issued Resolution No. 009 – 2021, lowering tariffs on 667 products, including 43 agricultural goods. The two principal U.S. products benefitting from this tariff reduction are soybean meal (Harmonized System (HS) code 2304.00.00.00) and wheat (HS 1001.19.00.00). With this resolution, the zero tariff previously granted in rolling 6-month exemptions is permanent, and the Andean Price Band System (APBS) duty is abolished for these two products. For more information on this policy, please see [FAS Quito GAIN Report EC2021-0010](#).

Ecuador maintains Free Trade Agreements (FTAs) with Peru, Chile and the European Union (EU), as well as regional trade agreements with the Latin American Integration Association (ALADI). In 2004, Ecuador reached a tariff liberalization agreement with the Southern Common Market (MERCOSUR) and started implementing the agreement in April 2005. Wheat benefits from special treatment within MERCOSUR. Ecuador grants tariff preferences on the total duty, which is comprised of the *ad valorem* (basic) duty plus the APBS’s variable levy. Ecuador’s FTA with the EU entered into effect on January 2, 2017. Under this FTA, Ecuador will gradually eliminate tariffs under the APBS in six equal stages.

Stocks

Wheat stocks are generally based on local production and depend on the quality and quantity of the harvest. Some millers have faced issues absorbing the local harvest and have increased imports to cover the demand, affecting stock numbers.

Table 2. Corn Production, Supply, and Distribution

Corn Market Year Begins Ecuador	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	362	340	350	400	0	300
Beginning Stocks (1000 MT)	44	44	88	42	0	14
Production (1000 MT)	1641	1495	1500	1568	0	1550
MY Imports (1000 MT)	188	188	175	188	0	170
TY Imports (1000 MT)	190	190	175	188	0	170
TY Imp. from U.S. (1000 MT)	0	0	0	27	0	5
Total Supply (1000 MT)	1873	1727	1763	1798	0	1734
MY Exports (1000 MT)	0	0	0	2	0	3
TY Exports (1000 MT)	0	0	0	2	0	3
Feed and Residual (1000 MT)	1700	1610	1600	1700	0	1600
FSI Consumption (1000 MT)	85	75	85	82	0	80
Total Consumption (1000 MT)	1785	1685	1685	1782	0	1680
Ending Stocks (1000 MT)	88	42	78	14	0	51
Total Distribution (1000 MT)	1873	1727	1763	1798	0	1734
Yield (MT/HA)	4.5331	4.4176	4.2857	3.92	0	5.1667

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

Corn production in MY 2024/25 (May-April) is forecast at 1.55 MMT, two percent lower than the MY 2023/24 estimate. This forecast is based on a reduction of 100,000 harvested hectares, buoyed by an increase in yields to 5.16 MT per hectare. While stark, this 22 percent increase in yields is a return to more normal yields prior to El Nino conditions and fertilizer shortages present since 2022. Increasing changes in land tenure are also driving increased yields as smaller, inefficient producers exit corn production. During CY 2022 and 2023, the number of medium and large producers increased significantly. In addition, more farms are employing mechanization and the use of technology, such as hybrid seeds. Despite these advances, uncertain weather conditions due to the El Niño phenomenon are expected to reduce planted area, although current forecasts hold that El Niño will dissipate across the Pacific sometime between April and June 2024 (83 percent probability).

Additionally, a trend of small corn growers switching to other crops such as cacao or cattle production continues. Due to budget issues, the Ministry of Agriculture and Livestock (MAG) is not currently supporting any specific program focused on crop improvement nor are they implementing fertilizer subsidies as they had done in prior years.

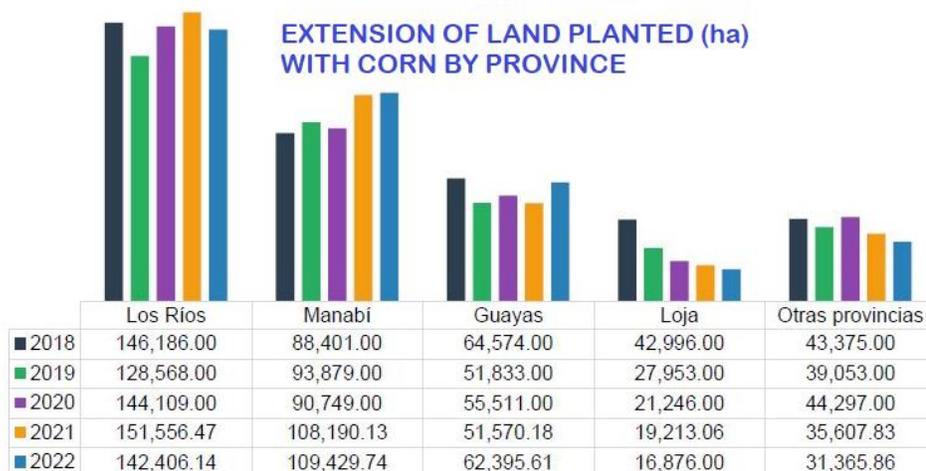
Ecuadorian consumers continue to pay significantly higher prices for corn products. As of February 2024, the official minimum corn price was \$16.33 per hundredweight (CWT) (\$360 per MT), an increase of five percent compared to last year. The average price paid to corn producers is currently \$17.33 CWT (\$382 per MT). This has forced many in the agro-industrial sector to turn to substitutes, mainly wheat.

Figure 4: Feed Corn Hybrids Released by Ecuadorian Agricultural Research Institute (INIAP) and Private Enterprises

Nombre	Tipo de híbrido	Institución	Rendimiento (t.ha ⁻¹)
INIAP H-248	Simple	INIAP	8.160
INIAP H-551	Triple	INIAP	6.345
INIAP H-553	Simple	INIAP	7.785
INIAP H-601	Simple	INIAP	5.472
INIAP H-602	Simple	INIAP	8.595
INIAP H-603	Simple	INIAP	7.300
ADV-9313	Simple	Privada	9.900
2B-688	Triple	Privada	9,000
COPA	Simple	Privada	6.800
BATALLA	Simple	Privada	6.300
DK-7508	Simple	Privada	7.400
EMBLEMA	Simple	Privada	6.800
TROPI-101	Simple	Privada	7.500
CENTELLA	Simple	Privada	6.800

Source: Ecuadorian Agricultural Research Institute (INIAP)

Figure 5: Corn Area by Province, 2018 – 2022, in Hectares



Source: Ecuador Ministry of Agriculture

Consumption:

Corn consumption in Ecuador is forecast slightly lower at 1.68 MMT in MY 2024/25, continuing a slightly downward trend. This is primarily caused by low growth in the livestock sector, as well as deacceleration of the shrimp industry, which is projected to grow nine percent in CY 2024 following several years of 15-20 percent annual growth. The livestock sector (pork, poultry, cattle) grew just 2 percent during CY 2023. Ecuador’s agro-industrial sector continues to change its consumption habits and increased its use of corn substitutes, such as distillers’ dried grains with solubles (DDGS). In

addition, lower wheat prices in MY 2023/24 contributed to further substitution. Ecuador's Feed Producers Association (APROBAL) has indicated that in addition to wheat, animal feed producers continue experimenting with and using corn alternatives such as domestic rice byproducts and the increased use of U.S.-sourced DDGS. Since February 2023, DDGS can be imported without paying the 12 percent value added tax that had previously been a barrier. DDGS are now used in Ecuador's shrimp, pork, and poultry industries. The United States exported 55,000 MT of DDGS to Ecuador in MY 2022/23, an increase of 99 percent compared to MY 2021/22.

Figure 6: Local Corn Arriving to Warehouse.



Source: Local Industry Contacts

FAS Quito sources maintain their estimate that 80-85 percent of local feed production is utilized by the national poultry industry and 15-20 percent is taken up by other livestock production, primarily swine. Ecuador's yellow corn consumption is dependent on the demand of the animal feed sector and the availability of lower-priced corn substitutes. The poultry sector is forecast to remain stable in 2024, despite outbreaks of highly pathogenic avian influenza which have so far, remained limited in commercial flocks. Per capita consumption of poultry meat has increased seven percent to 30 kg/year while egg consumption has fell 7 percent to 200 eggs/year. Statistics from Ecuador's national poultry association (CONAVE) show that in CY 2023, the poultry flock reached 290 million birds, an increase of one percent from CY 2022. Meanwhile, the national pork producers' association (ASPE), announced that the per capita consumption of pork meat for CY 2023 was 11.2 kg.

Trade:

Ecuador's corn imports in MY 2024/25 are forecast to reach 170,000 MT, which is the production deficit determined by the feed industry. For now, MAG has allowed wheat imports to serve as a corn substitute. Ecuador imported 184,000 MT of corn in CY 2023. Brazil became the leading supplier, representing 56 percent of the market share, followed by Argentina which accounted for 40 percent. Ecuador is an associate state to MERCOSUR and member of the Andean Community of Nations (CAN), which includes the elimination of tariffs on intra-regional trade. Those alliances give advantages to regional neighbors for corn exports to Ecuador.

Stocks

Corn stocks are based on local production and depend on the quality and quantity of the harvest. Stocks have been forecasted higher than last year due to local production being held by intermediaries and an industry strategy to keep grains and ingredients in stock for up to two months of demand. Additionally,

MAG’s decision to allow 91,566 MT of corn imports so far in 2024 to cover the feed industry deficit could bolster stocks. However, the government is still evaluating the impact of the El Niño phenomenon.

Figure 7: Principal Corn Suppliers to Ecuador in 2023

PRINCIPAL SUPPLIERS OF CORN			
	WEIGHT MT	FOB \$ X 1000	CIF \$ X 1000
Brasil	97.829,1	28.870,1	33.500,6
Argentina	69.298,0	20.533,1	23.855,3
Estados Unidos	5.289,1	1.555,5	1.808,7

Source: Ecuador Ministry of Agriculture

Policy:

White and yellow corn imports are assessed a 15 percent *ad valorem duty* (based on CIF value), plus the APBS variable levy. The Andean Community floor and ceiling prices for yellow corn are currently set at \$255/MT and \$270/MT, respectively. The variable levy for corn remains at seven percent. At times, corn imports can face duties of up to 45 percent. Upon accession to the World Trade Organization (WTO), Ecuador bound its tariffs (including the APBS levy) for corn at 45 percent. Ecuador also maintains a worldwide corn tariff-rate quota (TRQ) of 19,600 MT at a 25 percent tariff. This TRQ, which normally fills when international corn prices drop, was last announced in 2021. The amount of imported corn is determined by the yearly deficit stated by MAG, which is managed through non-automatic import permits and can depend on local production purchases by the importing company.

Table 3. Rice, Milled, Production, Supply, and Distribution

Rice, Milled Market Year Begins	2022/2023		2023/2024		2024/2025	
	Apr 2022		Apr 2023		Apr 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Ecuador						
Area Harvested (1000 HA)	338	315	310	313	0	280
Beginning Stocks (1000 MT)	122	122	171	150	0	138
Milled Production (1000 MT)	984	992	865	930	0	882
Rough Production (1000 MT)	1562	1575	1373	1476	0	1400
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	0	6300
MY Imports (1000 MT)	50	1	50	1	0	15
TY Imports (1000 MT)	50	1	50	17	0	12
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1156	1115	1086	1081	0	1035
MY Exports (1000 MT)	45	45	25	43	0	6
TY Exports (1000 MT)	25	45	25	43	0	6
Consumption and Residual (1000 MT)	940	920	940	900	0	915
Ending Stocks (1000 MT)	171	150	121	138	0	114
Total Distribution (1000 MT)	1156	1115	1086	1081	0	1035
Yield (Rough) (MT/HA)	4.6213	5	4.429	4.7157	0	5

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled, begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

Production:

Rough rice production in MY 2024/25 is forecast at 1.4 MMT, on a slightly reduced planted area. Phytosanitary problems and adverse weather conditions, namely El Niño related flooding, continue to make rice production challenging and a high-cost agricultural activity. Higher fertilizer and pesticide prices have increased production costs and made the situation more difficult and uncertain for farmers, despite some increases in yields. To support production, the government continues to set minimum prices for rice and limits imports. However, actual production costs can surpass \$2,200/HA, with net profit around \$360/HA. This has resulted in several small producers switching to oil palm, cacao, and corn production in Los Rios province and to sugar cane in Guayas province.

Producers continue using improved rice varieties like FERON, a Peruvian variety with high yields and good quality. INIAP also plans to release new varieties during MY 2024. Ecuador's farmers commonly have two harvests per year in irrigated fields. This year industry sources expect a winter planting of 130,000 hectares and a summer planting of 150,000 hectares. As of early March 2024, 30,000 hectares have not yet been planted due to weather concerns. In addition, 3,000 hectares have been lost so far in 2024 due to weather conditions, according to information from the Ecuadorian Rice Millers Corporation (CORPCOM). Farmers are also reluctant to leave fields fallow. It is common to see rice fields at different stages of development year-round in Ecuador's lowlands, without crop rotation.

Average rough rice yields in MY 2024/2025 are forecasted at 5 MT/HA, an increase of six percent, and reflecting smaller, inefficient farmers leaving rice production and better expected weather by end of CY 2024 or early 2025. Rice production is concentrated in Ecuador's coastal regions. Guayas province leads production with 63 percent of planted area, followed by Los Rios province, and a small production area in Loja province (bordering Peru) of around 6,000 hectares. The coastal area floods during the November-April rainy season and remains moist throughout the year. Production varies with rainfall, with the larger harvest occurring towards the end of the rainy season, typically May to June.

Figure 8: Rice Plant Nursery, Palestina County, Guayas Province



Source: FAS Quito

Roughly 50 percent of planted area is sown during the summer months and is limited only by access to irrigation. Typically, only large-scale farms can afford expensive irrigation and equipment. Historically, 70 percent of Ecuador's rice growers were subsistence farmers (owning five hectares or less) who couldn't afford these costs. As of now, FAS/Quito estimates that the sector is made up of 50 percent small growers and 50 percent medium to large growers.

Consumption:

Rice is a staple in Ecuador. Almost all local production is consumed domestically. Total consumption in MY 2024/25 is forecast at 915,000 MT, slightly higher than the previous year's estimate. Per capita consumption is estimated at 50 kg/year, with an industry goal of reaching 51 kg. Rice is the most consumed carbohydrate in the coastal region and is commonly eaten three times a day. In the highlands, rice is consumed at least once per day. Spoilage of old stocks and an increase in the consumption of rice and rice byproducts as animal feed are also important factors affecting per capita consumption.

Ecuador's MAG sets farm gate rice prices using a national price band system. Since 2022, the rice price has been set at \$32.50 per 200-pound (91 kg) sack of short grain paddy rice (\$358/MT) and \$34.50 per 200-pound sack of long grain paddy rice (\$380/MT). According to CORPCOM, the market prices for paddy rice have surpassed the official price and maintain an average of \$46 per 200-pound sack. Informal trade from neighboring countries, mainly Peru, decreased in CY 2023 due to regional weather impacts and rising production costs. The average price for milled rice ranges between \$730 to \$750/MT. Producers have indicated there are 300 rice mills currently operating, out of 450 established. Industry contacts believe that the number of rice mills will continue to decrease over the next several years.

Figure 9: Imported Rice from Uruguay, September 2023



Source: CORPCOM

Trade:

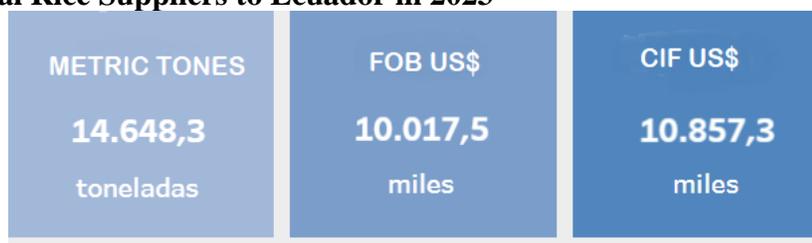
MAG has announced, since 2019, the intention to export large amounts of rice to other Latin American countries. In CY 2022, Ecuador exported 39,000 MT to Colombia. Exports to Colombia in CY 2023 decreased to 3,700 MT, caused by the drop in local production. Colombia still led as Ecuador's top rice export destination, receiving 53 percent of exports in CY 2023. Surprisingly, however, Peru was a close second, accounting for 45 percent of exports. Rice exports to Central America and the Caribbean have varied over the years, peaking in CY 2021 but since tapering off. For MY 2024/25, Post forecasts 6,000 MT in rice exports, assuming that exports to Colombia will remain the same as MY 2023/24. Ecuador

rice industry data has shown that within the past year, local rice prices have increased over 20 percent. This makes it the most expensive in the region and difficult to place in international markets.

Registered imports are historically insignificant, but the Ecuadorian Central Bank and MAG reported imports of 17,000 MT in CY 2023, authorized by MAG to cover the production deficit. Uruguay was the largest supplier with 14,374 MT and the United States was the second largest with 146 MT. Initially, MAG proposed to authorize 50,000 MT of U.S. rice to cover the deficit, but pressure from local producers reduced the amount and sourcing issues redirected it to Uruguay. Other countries with nominal rice exports to Ecuador include Italy, Spain, Chile, and Argentina, and are based on the preferences granted by the EU FTA and the MERCOSUR agreement.

Post estimates informal imports from Peru of around 10,000 MT in CY 2023, based on information from local industry. These shipments pass through unofficial paths and dry rivers along the border with Peru.

Figure 10: Principal Rice Suppliers to Ecuador in 2023



TOTAL IMPORTS PER COUNTRY

	Peso (t)	FOB (USD miles)	CIF (USD miles)
Uruguay	14.374,2	9.569,9	10.359,9
Estados Unidos	146,7	245,2	269,5
Italia	51,9	122,5	134,6
Chile	73,0	74,2	86,9
España	2,5	5,7	6,4

Source: Ecuador Ministry of Agriculture

Stocks

Rice stocks have been forecasted lower for MY 2024/25 than previous estimates, considering possible losses caused by floods during the winter season. CORPCOM forecasts stocks of 114,00 MT on potential exports to Colombia and product held at rice mills and intermediary warehouses. MAG’s National Storage Unit has been fully dismantled.

Policy:

Rice imports are politically sensitive. The government has promoted rice self-sufficiency by setting farm gate prices at levels significantly higher than regional prices, maintaining the APBS, and trying to limit imports using presidential decrees. The APBS is recalculated twice a month: at the beginning and middle. CAN members (Colombia, Ecuador, Peru, and Bolivia) are assessed a zero tariff and are not subject to the APBS. A ministerial decree is nonetheless necessary before an import permit is issued. Other Latin American countries have been granted *ad valorem* tariff preferences under ALADI, but they

are still assessed the APBS variable levy. In the case of U.S. rice exports, Ecuador has established a consolidated tariff of 67.5 percent to protect the local production. Ecuador also establishes domestic minimum support prices that rice mills must pay to farmers.

Attachments:

No Attachments