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# **Report Name:** Grain and Feed Annual

**Country:** Ecuador

**Post:** Quito

**Report Category:** Grain and Feed

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**Report Highlights:**

Wheat production in marketing year (MY) 2025/26 (July-June) is projected at just over 10,000 metric tons (MT), a decline from the previous year. With only about 5,000 hectares (HA) dedicated to cultivation, Ecuador's wheat production is insufficient to meet domestic demand and thus dependent on imports. Corn production for MY 2025/26 (May-April) is expected to reach 1.30 million metric tons (MMT), a 16 percent decrease from the MY 2024/25 estimate due to a reduction of 120,000 harvested hectares. Rice production in MY 2025/26 is forecasted at 1.5 million metric tons (MMT), sustaining the same planted area of 280,000 hectares as in MY 2024.

## Chart 1. Wheat Production, Supply, and Distribution

| Wheat | 2023/2024 | | 2024/2025 | | 2025/2026 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jul 2023 | | Jul 2024 | | Jul 2025 | |
| Ecuador | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 4 | 7 | 5 | 7 | 0 | 5 |
| **Beginning Stocks** (1000 MT) | 298 | 298 | 247 | 152 | 0 | 223 |
| **Production** (1000 MT) | 4 | 14 | 8 | 14 | 0 | 10 |
| **MY Imports** (1000 MT) | 1388 | 1388 | 1450 | 1669 | 0 | 1780 |
| **TY Imports** (1000 MT) | 1388 | 1388 | 1450 | 1669 | 0 | 1780 |
| **TY Imp. from U.S.** (1000 MT) | 147 | 293 | 0 | 340 | 0 | 450 |
| **Total Supply** (1000 MT) | 1690 | 1700 | 1705 | 1835 | 0 | 2013 |
| **MY Exports** (1000 MT) | 3 | 0 | 5 | 0 | 0 | 0 |
| **TY Exports** (1000 MT) | 3 | 0 | 5 | 0 | 0 | 0 |
| **Feed and Residual** (1000 MT) | 720 | 779 | 720 | 838 | 0 | 1000 |
| **FSI Consumption** (1000 MT) | 720 | 769 | 720 | 774 | 0 | 787 |
| **Total Consumption** (1000 MT) | 1440 | 1548 | 1440 | 1612 | 0 | 1787 |
| **Ending Stocks** (1000 MT) | 247 | 152 | 260 | 223 | 0 | 226 |
| **Total Distribution** (1000 MT) | 1690 | 1700 | 1705 | 1835 | 0 | 2013 |
| **Yield** (MT/HA) | 1 | 2 | 1.6 | 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 2025/2026 = July 2025 - June 2026

The Government of Ecuador (GOE) continues its commitment to supporting small farmers by distributing local seed varieties in coordination with the milling industry with the primary goal of increasing agricultural yields. Since 2010, the Ecuadorian milling industry is actively engaged in a wheat production program consistently planting an average of 5,000 to 7,000 hectares (ha) each year. This program is designed to purchase 100 percent of local production sourced across 500 small farmers, each cultivating less than two hectares. As a result of this support, small farmers experienced significant improvements in their yields, increasing from an average of 0.7 MT/ha to 2.20 MT/ha in recent years with an overall average now standing at 2 MT/ha.

**Figure 1:**
**Wheat harvested in Chimborazo province**

Source: ASEMOL

In calendar year (CY) 2024, wheat production was ranked 20th in terms of planted acreage among the 30 principal crops produced in Ecuador, a notable improvement compared to its 29th place ranking in CY 2023. This upward trend reflects both the success of government initiatives to boost production and the dedication of small farmers to enhancing their productive capabilities.

**Consumption:**
Wheat is becoming an increasingly vital component of the animal feed sector, growing 55 percent over the past decade. However, in the previous year, the consumption of shrimp feed saw only a modest increase of two percent due to contractions in the international market. In contrast, animal feed for poultry, pork, and other species surged by 28 percent, primarily driven by the substitution of wheat for corn in feed formulations. Notably, the pork industry alone experienced significant expansion, growing by an impressive 59 percent last year. This shift towards using more wheat in animal feed not only highlights changing dietary strategies within the sector but also underscores the growing interdependence between crop production and livestock feeding practices.

Wheat consumption in MY 2025/26 is forecast at 1.78 million metric tons (MMT), representing an eight percent increase or 175,000 MT above the previous year. The shrimp industry in Ecuador anticipates a growth rate of two percent for calendar year 2025, which aligns with last year's growth but marks a significant decline from the recent average annual growth rates that hovered around 20 percent, the main reasons for the slowdown in exports are the economic slowdown in China, the fall in international prices, and competition from other producing countries such as India and Thailand.

Historically, wheat consumption in Ecuador is evenly divided between human consumption and animal feed. However, due to the recent increase in animal feed production and use of wheat in feed formulations, the current breakdown shows that human consumption now represents 48 percent, while animal feed accounts for 52 percent of total consumption for CY 2024/2025.

For the wheat allocated for human consumption, 28 percent is utilized for pasta production, while the majority, 72 percent, is devoted to bread and bakery products, as reported by ASEMOL (Ecuadorian Flour Millers Association). Wheat is primarily used as feed in the shrimp, pork, dairy, pet food, and poultry industries, emphasizing its crucial role in supporting various sectors of Ecuador's agricultural economy.

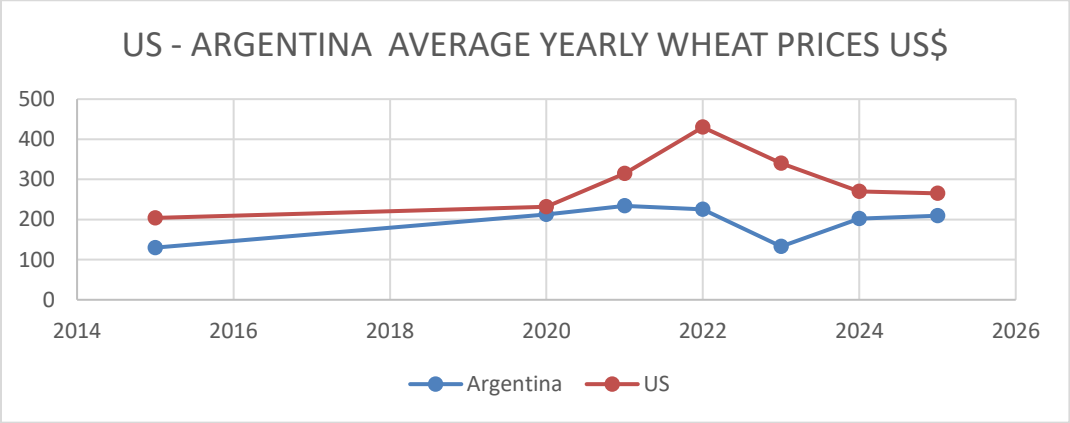
In MY 2025/26, Ecuadorian per capita wheat consumption for human consumption is projected to remain at 43 kilograms (kg) per year. The official price for wheat during this period is expected to stabilize at $24 for a 45 kg sack. Wheat stocks allocated for the bakery and pasta sectors are primarily determined by local production levels, with their availability heavily reliant on the quality and quantity of the annual harvest. Currently, wheat stocks in Ecuador are estimated to be higher than previous years, as millers are maintaining inventories that represent nearly one month’s worth of consumption. This strategic stock management not only helps mitigate supply shortages but also reflects market confidence in the capabilities of local production and the anticipated demand for wheat-based products.

**Trade:**
Wheat imports in MY 2025/26 are projected to reach 1.78 MMT, marking an increase of 111,000 MT compared to the previous year. Until 2015, Ecuador predominantly utilized imported wheat for bread and pasta manufacturing. However, there was a notable shift towards integrating more wheat into

animal feeds, primarily driven by the growing shrimp industry and, more recently, pork production. Approximately 50 percent of the imported wheat intended for feed is directed toward the shrimp industry, with the remainder allocated to various other animal feed sectors. This forecast assumes a continued growth in demand from the country's animal feed industry, highlighting the evolving dynamics of Ecuador's wheat consumption patterns as it adapts to changing agricultural needs. Over the past several years, Ecuador successfully diversified wheat suppliers, sourcing more products from various origins. Canada continues to be the principal supplier, with a commanding 50 percent market share, reflecting a slight increase from 49 percent in CY 2024. Following Canada, the United States holds a notable 25 percent market share, while Argentina ranks third with 16 percent. Additionally, Brazil has emerged as a newer supplier, joining other key contributors such as Uruguay and Chile in enhancing the variety of wheat sources available to Ecuador.

U.S. wheat exports to Ecuador increased 16 percent in MY 2024, reaching 424,000 MT. Overall average imported wheat prices decreased during CY 2024, ending at just over $276/MT.

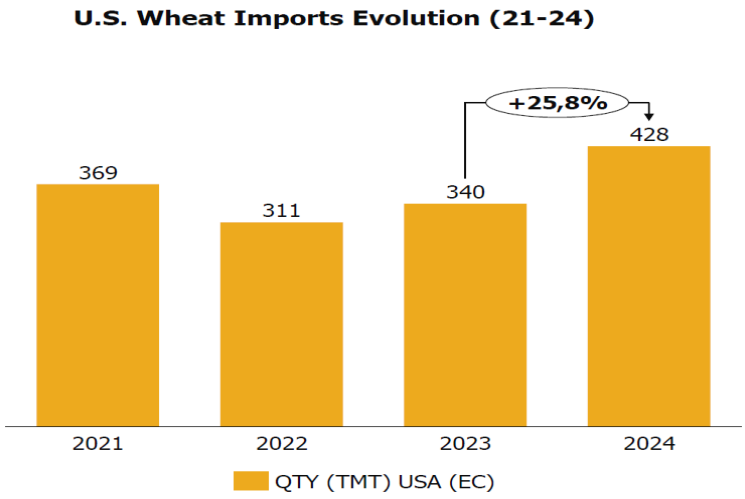
**Figure 2:**




Source: USDA FAS QUITO

Canadian wheat continues to lead the market, largely due to better logistics options and competitive pricing. Meanwhile, Argentina has surpassed Brazil as a key supplier by offering higher quality wheat at lower prices. This has allowed Argentina to establish itself as a provider of organic wheat, which is increasingly utilized in the shrimp industry. In contrast, Brazilian wheat has faced quality issues stemming from grain germination, which has affected its competitiveness. To optimize costs, pasta and bakery companies often blend wheat from various sources and qualities, a practice supported by insights from ASEMOL and local millers. This blending strategy helps to mitigate the impact of price fluctuations while ensuring that the final products meet quality standards.

**Figure 3:**

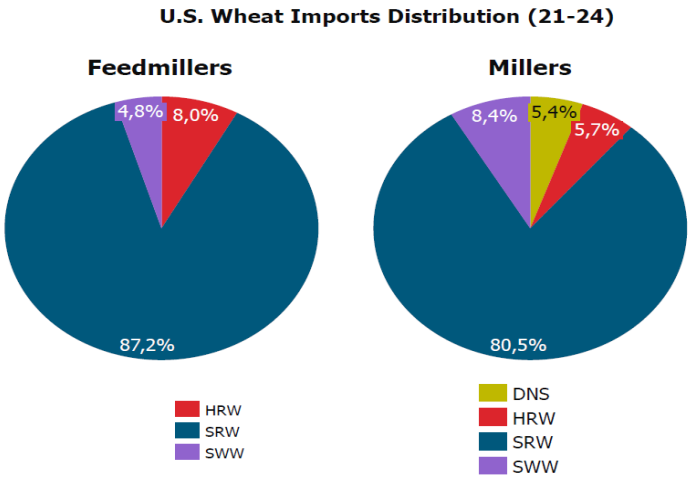



Source: Moderna Alimentos

In CY 2024, four classes of U.S. wheat were exported to Ecuador, with Soft Red Winter (SRW) wheat accounting for 78 percent of total U.S. wheat sales, followed by Soft White (SW) at 10.8 percent, Hard Red Winter (HRW) at 6.8 percent, and Hard Red Spring (HRS) at 4.3 percent. Canada has maintained its position as the largest supplier in Ecuador for the past decade, largely due to the Canadian Wheat Board (CWB) that operates as a quasi-statal export monopoly providing favorable terms and preferential services to Ecuadorian buyers for many years. This strategic advantage allowed Canada to capture a significant share of the market.

The Ecuadorian government continues to grant wheat import licenses in response to industry demand, allowing for a steady flow of imports to meet the needs of various sectors. Contacts within the feed industry have indicated that imported wheat is increasingly being used as a substitute for corn, primarily due to the absence of political concerns associated with wheat imports.

**Figure 4:**




Source: Moderna Alimentos

In Ecuador, the pasta, bread, and feed industries fully utilize local wheat, which accounts for less than 4 percent of the country's overall demand. This reliance on imports underscores the significance of a stable wheat supply to support these key sectors of the economy and the importance of continued government support and strategic partnerships with global suppliers.

**Figure 5:**
**Principal Suppliers of Wheat to Ecuador in 2024**

| | Peso (t) | FOB (USD miles) | CIF (USD miles) |
|---|---|---|---|
| Canadá | 783,162.5 | 230,638.6 | 252,416.0 |
| Estados Unidos | 430,090.2 | 101,959.1 | 119,133.9 |
| Argentina | 263,394.7 | 63,927.9 | 74,395.7 |
| Brasil | 190,767.2 | 43,494.6 | 48,568.5 |
| República Dominicana | 1,575.0 | 494.5 | 538.4 |
| Chile | 397.5 | 284.3 | 304.1 |

Source: Ecuador Ministry of Agriculture

**Policy:**
Ecuador actively promotes a policy of wheat self-sufficiency; however, domestic production is unable to meet overall consumer demand. On July 9th, 2021, the Ecuadorian Foreign Trade Committee issued Resolution No. 009 – 2021, which lowered tariffs on 667 products, including 43 agricultural goods. The principal U.S. products benefiting from this tariff reduction are soybean meal (Harmonized System (HS) code 2304.00.00.00) and wheat (HS 1001.19.00.00). This resolution permanently establishes zero tariffs, previously provided through rolling six-month exemptions, and abolishes the Andean Price Band System (APBS) duty for these two products, marking a significant shift in trade policy. This policy shift significantly enhances market access for U.S. wheat exporters, fostering an environment conducive to increasing import volumes. For further details on this policy, please refer to the FAS Quito GAIN Report EC2021-0010.

Ecuador has established Free Trade Agreements (FTAs) with several countries, including Peru and Chile, and the European Union (EU), along with regional trade agreements such as the Andean Community (CAN) and the Latin American Integration Association (ALADI). In 2004, Ecuador signed a tariff liberalization agreement with the Southern Common Market (MERCOSUR), and implementation of this agreement began in April 2005. Within the MERCOSUR framework, wheat trade benefits from special treatment as Ecuador offers tariff preferences that apply to the total duty, which includes both the ad valorem (basic) duty and the variable levy from the Andean Price Band System (APBS).

Ecuador's trade agreement with the EU came into effect on January 2, 2017, setting a course for the gradual elimination of tariffs under the APBS in six equal stages. These agreements not only facilitate trade but also enhance Ecuador's access to various markets, positioning the country strategically in the international wheat supply chain.

**Stocks:**
Wheat stocks in Ecuador are primarily determined by local production levels and are significantly influenced by the quality and quantity of the annual harvest. However, some millers encounter challenges in absorbing the entirety of local harvest due to fluctuating demand and quality concerns. As a response to these issues, many millers opt to increase imports to meet market demand. This shift in sourcing not only affects stock levels but also reflects the ongoing adjustments within the wheat supply chain as Ecuador navigates its reliance on both domestic and foreign wheat supplies to satisfy its consumption needs.

**Table 2. Corn Production, Supply, and Distribution**

| Corn | 2023/2024 | | 2024/2025 | | 2025/2026 | |
|---|---|---|---|---|---|---|
| Market Year Begins | May 2023 | | May 2024 | | May 2025 | |
| Ecuador | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 321 | 380 | 340 | 300 | 0 | 219 |
| **Beginning Stocks** (1000 MT) | 88 | 88 | 34 | 39 | 0 | 27 |
| **Production** (1000 MT) | 1413 | 1568 | 1500 | 1500 | 0 | 1300 |
| **MY Imports** (1000 MT) | 118 | 170 | 175 | 170 | 0 | 160 |
| **TY Imports** (1000 MT) | 116 | 170 | 175 | 170 | 0 | 160 |
| **TY Imp. from U.S.** (1000 MT) | 0 | 27 | 0 | 5 | 0 | 0 |
| **Total Supply** (1000 MT) | 1619 | 1826 | 1709 | 1709 | 0 | 1487 |
| **MY Exports** (1000 MT) | 0 | 2 | 0 | 2 | 0 | 0 |
| **TY Exports** (1000 MT) | 0 | 2 | 0 | 2 | 0 | 0 |
| **Feed and Residual** (1000 MT) | 1500 | 1700 | 1550 | 1600 | 0 | 1300 |
| **FSI Consumption** (1000 MT) | 85 | 85 | 85 | 80 | 0 | 80 |
| **Total Consumption** (1000 MT) | 1585 | 1785 | 1635 | 1680 | 0 | 1380 |
| **Ending Stocks** (1000 MT) | 34 | 39 | 74 | 27 | 0 | 107 |
| **Total Distribution** (1000 MT) | 1619 | 1826 | 1709 | 1709 | 0 | 1487 |
| **Yield** (MT/HA) | 4.4019 | 4.1263 | 4.4118 | 5 | 0 | 5.9361 |
| | | | | | | |

(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 2025/2026 = October 2025 - September 2026

Corn production in MY 2025/26 (May-April) is projected to reach 1.30 MMT, which represents a 16 percent decrease compared to the MY 2024/25 estimates. This forecast is primarily attributed to a reduction of 81,000 harvested hectares, although it is offset by an increase in yields expected to reach 5.93 MT per hectare. This average yield increases of 16 percent is observed nationwide, caused by new production areas and provinces, such as Loja and the rainforest regions, achieving yields exceeding nine metric tons per hectare. Significant changes in land tenure are contributing to these improved yields as smaller, less efficient producers exit corn production, allowing medium and large producers to expand, using cutting-edge technology, with access to agricultural inputs such as fertilizers and pesticides, and having economic resources that result in better yields per hectare.

During calendar years 2023 and 2024, the number of medium and large corn producers has surged, further enhancing production capacity. Additionally, an increasing number of farms are adopting mechanization and advanced agricultural technologies, including hybrid seeds, which are now utilized by 80 percent of farmers. This shift towards modernization and efficiency is pivotal in enhancing corn production in Ecuador.

Furthermore, there is a growing trend among small corn growers in Ecuador, particularly in the historically significant corn-producing province of Los Rios, to switch to alternative crops such as cacao or oil palm. This shift is driven by various factors, including market demand and the potential for higher profitability with these alternative crops.

**Figure 6:**
**National Corn yield and provincial yields**


Source: Ministry of Agriculture

Compounding these challenges, the Ministry of Agriculture and Livestock (MAG) is currently facing budget constraints leading to the suspension of specific programs aimed at crop improvement. Additionally, MAG is not implementing fertilizer subsidies as it had done in previous years, limiting the support available to corn producers. As a result, the dual challenges of crop diversification and reduced governmental support may further impact corn production levels in the coming years. Ecuadorian consumers continue to face significantly higher prices for corn products. As of February 2025, the official minimum corn price was set at $16.50 per hundredweight (CWT) equivalent to approximately $363.77 per MT, reflecting a one percent increase compared to the previous year. Currently, the average price paid to corn producers exceeds $17.33 CWT ($382 per MT). However, intermediaries and hoarders are selling corn at prices that surpass $20.00 CWT ($440.90 per MT). This pricing disparity has compelled many in the agro-industrial sector to seek alternatives, primarily turning to wheat as a substitute for corn in various applications. The rising costs and availability challenges associated with corn have further influenced market dynamics, prompting shifts towards more economically viable crop options.

**Figure 7: Feed Corn Hybrids Released by Ecuadorian Agricultural Research Institute (INIAP) and Private Enterprises**

Source: Ecuadorian Agricultural Research Institute (INIAP)

**Consumption:**

Corn consumption in Ecuador is projected to decline to1.38 MMT in MY 2025/26, reflecting a slight downward trend. This reduction is largely attributed to slow growth within the livestock sector, alongside a slower growth in the shrimp industry, which is expected to grow by only 2 percent in calendar year (CY) 2025, a significant drop from the 15-20 percent annual growth rates experienced prior to CY 2024. The livestock sector, which includes pork, poultry, and cattle, registered only a 2 percent growth during CY 2024. As Ecuador's agro-industrial sector evolves, there has been a marked shift in consumption habits with an increasing reliance on corn substitutes such as dried distillers' grains with solubles (DDGS). The lower wheat prices during MY 2024/25 coupled with the Ministry of Agriculture's facilitation of import licenses, have further encouraged this substitution trend.

According to Ecuador's Feed Producers Association (APROBAL), animal feed producers are not only incorporating more wheat into their formulations but are also experimenting with various corn grain alternatives, including U.S.-sourced DDGS. Notably, since February 2023, the economic import incentives of DDGS are enhanced with the removal of a 12 percent value-added tax that previously posed a significant market barrier. This change is likely to further accelerate the shift away from traditional corn usage in feed formulations.

DDGS have become a valuable component in Ecuador's shrimp, pork, and poultry industries. During MY 2023/24, Ecuador imported a total of 63,662 MT, of DDGS, with the United States being the dominant supplier, capturing a remarkable 98 percent market share. U.S. exports of DDGS reached 62,353 MT, marking an increase of twelve percent compared to MY 2022/23. This surge in imports reflects the growing acceptance and utilization of DDGS as an effective feed alternative, further underscoring the shifts in Ecuador's agro-industrial sector as it seeks to optimize feed formulations and enhance production efficiency across various livestock and aquaculture industries.

**Figure 8:**
**Ecuador imports of DDGs during 2024 by weight (MT) and Value (FOB, CIB)**


Source: Ecuador Ministry of Agriculture

In addition to its significant imports of DDGS, Ecuador also imports an average of 10,000 MT of soft white corn and popcorn annually, primarily sourced from Argentina, which holds about 80 percent of the market share. While the United States does supply these types of corn, the volume is relatively modest, averaging around 250 MT per year. This highlights the strong preference for Argentine corn in Ecuador, which can be attributed to factors such as geographic proximity, established trade relationships, and competitive pricing. Industry sources indicate that 65-75 percent of local feed production in Ecuador is utilized by the national poultry industry, while 25-35 percent is allocated to other livestock production, primarily swine. The consumption of yellow corn in Ecuador is significantly influenced by the demand within the animal feed sector and the availability of lower-priced corn substitutes.

Despite facing outbreaks of highly pathogenic avian influenza, which have thus far remained limited to commercial flocks, the poultry sector is expected to maintain stability in 2025. However, per capita consumption of poultry meat has decreased by seven percent, now standing at 28 kilograms per year, while egg per capita consumption has shown a positive trend, increasing by three percent to 207 eggs, per year.

Statistics from Ecuador's national poultry association (CONAVE) reveal that the poultry flock reached 279 million birds in CY 2024, representing a four percent decline from CY 2023. Concurrently, the national pork producers' association (ASPE) announced that per capita consumption of pork for CY 2024 was 11.2 kilograms. The pork industry produced approximately 2.8 million pigs, which in turn consumed about 350,000 metric tons (MT) of corn and 500,000 MT of feed, underscoring the significant demand for feed inputs in the livestock sector.

**Figure 9: Local Corn drying at Warehouse**

Source: Local Industry Contacts

**Trade:**

Ecuador's corn imports in MY 2025/26 are projected to reach 160,000 MT, reflecting a production deficit identified by the feed industry. To address this deficit, MAG permitted wheat imports to be used as a substitute for corn. Ecuador imported a total of 102,076 MT of corn in CY 2024 with Argentina emerging as the sole supplier, accounting for 100 percent of the imports. During last calendar year, Argentina positioned itself as Ecuador's main supplier of corn due to its 16 percent lower price in average compared with US corn; additionally, its transportation logistics are cheaper and pays only the variable levy of 15% accordingly with the Andean Price Band System (APBS) than those from the US.

**Figure 10:**
**Comparation of final price per Metric Ton after tariffs between US and Argentinian corn (1Q March 2025 referential prices)**

| ANDEAN PRICE BAND SYSTEM CALCULATION | CEILING PRICE $/MT | FLOOR PRICE $/MT | REFERENCIAL PRICE $/MT |
|---|---|---|---|
| | 343 | 283 | 247 |
| COSTS | U.S. CORN | ARGENTINA CORN | ANDEAN COUNTRY CORN |
| FOB Price $/MT | 175 | 156 | 330 |
| Freight $/MT 20 | 195 | 176 | 350 |
| insurance = ( % cost + freight) 0.50% | 0.975 | 0.88 | 1.75 |
| CIF Price/MT | 195.975 | 176.88 | 351.75 |
| Ad Valorem Tariff | 15% | 0 | 0% |
| Variable Tariff | 15% | 15% | 0% |
| TOTAL VALUE IN COUNTRY PER MT | $254.76 | $ 203.41 | $ 351.75 |

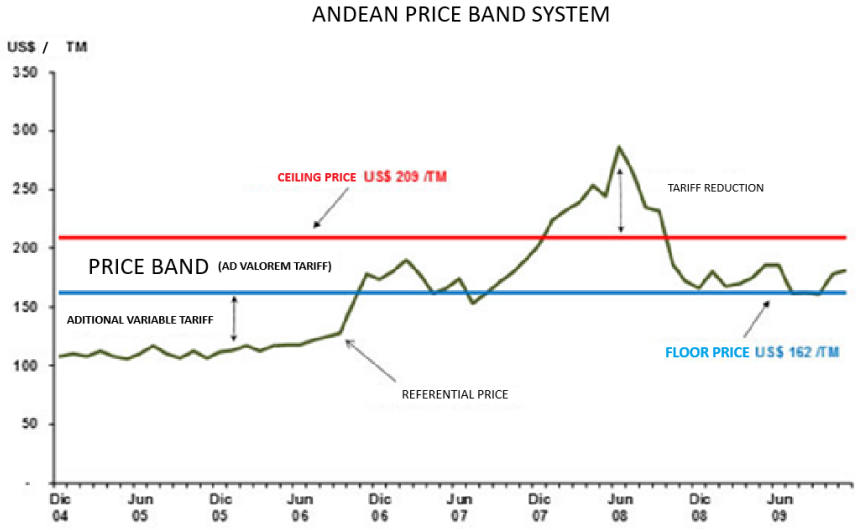
Source: FAS Quito

Ecuador considers corn as a sensitive product and therefore pays ad valorem and variable tariffs on all origins as stated in the APBS, except for product from countries Ecuador has a trade agreement with and members of the CAN (Peru, Ecuador, Bolivia, and Colombia). Ecuador's status as an associate member of MERCOSUR and member of the CAN facilitates the elimination of tariffs on intra-regional trade. Those regional alliances provide competitive advantages for neighboring countries enabling them to export corn more price competitively to Ecuador, further influencing the dynamics of the corn market in the country.

**Stocks:**
Corn stocks in Ecuador are contingent upon local production and are influenced by the quality and quantity of the annual harvest. Current forecasts indicate that corn stocks may be higher than the previous year, driven by the strategic behaviors of intermediaries who are holding onto local production. This approach is part of an industry strategy to maintain sufficient inventories of grains and ingredients to meet up to two months of demand. Moreover, MAG made the decision to allow imports of 95,000 MT of corn in 2025 to address the feed industry deficit. These additional imports could further bolster corn stocks, helping to stabilize supply levels in the face of ongoing market dynamics and demand challenges. This proactive approach may enhance the resilience of the feed industry in Ecuador, ensuring that it can maintain production levels despite fluctuations in local corn yields.

**Policy:**
Ecuador imposes a 15 percent ad valorem duty on imports of both white and yellow corn, calculated based on the Cost, Insurance, and Freight (CIF) value, in addition to the variable APBS levy. As of the first week of March 2025, the Andean Community established floor and ceiling prices for yellow corn at $283 per MT and $343 per MT, respectively. The variable levy currently set for corn is 17 percent; however, under certain circumstances, corn imports can face total duties as high as 45 percent.

**Figure 11:**




Source: Ministry of Agriculture

Upon its accession to the World Trade Organization (WTO), Ecuador bound its tariffs, including the APBS levy, for corn at the maximum rate of 45 percent. Furthermore, Ecuador maintains a worldwide corn tariff-rate quota (TRQ) of 19,600 MT with a reduced tariff of 25 percent. This TRQ is typically utilized when international corn prices are low with the most recent TRQ announced in 2021.

The volume of TRQ imported corn is determined by a production deficit MAG calculation managed through non-automatic import permits. This system is also influenced by local production purchases made by importers in a dynamic process subject to both domestic and international market conditions.

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

| Rice, Milled | 2023/2024 | | 2024/2025 | | 2025/2026 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Apr 2023 | | Apr 2024 | | Apr 2025 | |
| Ecuador | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 343 | 313 | 320 | 280 | 0 | 280 |
| **Beginning Stocks** (1000 MT) | 175 | 175 | 254 | 215 | 0 | 194 |
| **Milled Production** (1000 MT) | 1030 | 930 | 900 | 882 | 0 | 878 |
| **Rough Production** (1000 MT) | 1635 | 1476 | 1429 | 1400 | 0 | 1596 |
| **Milling Rate (.9999)** (1000 MT) | 6300 | 6300 | 6300 | 6300 | 0 | 5500 |
| **MY Imports** (1000 MT) | 17 | 17 | 30 | 7 | 0 | 0 |
| **TY Imports** (1000 MT) | 6 | 6 | 30 | 7 | 0 | 0 |
| **TY Imp. from U.S.** (1000 MT) | 5 | 0 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 1222 | 1122 | 1184 | 1104 | 0 | 1072 |
| **MY Exports** (1000 MT) | 8 | 7 | 70 | 60 | 0 | 90 |
| **TY Exports** (1000 MT) | 64 | 7 | 70 | 60 | 0 | 90 |
| **Consumption and Residual** (1000 MT) | 960 | 900 | 960 | 850 | 0 | 788 |
| **Ending Stocks** (1000 MT) | 254 | 215 | 154 | 194 | 0 | 194 |
| **Total Distribution** (1000 MT) | 1222 | 1122 | 1184 | 1104 | 0 | 1072 |
| **Yield (Rough)** (MT/HA) | 4.7668 | 4.7157 | 4.4656 | 5 | 0 | 5.7 |
| | | | | | | |

(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 2025/2026 = January 2026 - December 2026

## Production:

Rough rice production in MY 2025/26 is forecast at 1.5 MMT, maintaining the same planted area of 280,000 ha in MY 2024. The establishment of the "Rice Cluster" during MY 2024 has led to an increase in the adoption of improved agricultural practices and technologies, including laser leveling and the strategic management of water levels in planting areas. These improvements facilitated better resource utilization, resulting in purchase savings of pesticides and fertilizers, and increased yields. However, rice production in Ecuador remains challenging due to adverse weather patterns, particularly flooding associated with El Niño, which continues to contribute to high production costs in this agricultural sector. To support local rice production, the government has implemented measures such as setting minimum price thresholds for rice and limiting imports, even though Ecuador is largely self-sufficient in rice production.

According to the Ecuadorian Rice Millers Corporation (CORPCOM), actual production costs for rice range between $1,500 and $2,000 per hectare, varying according to the technological advancements employed by producers. Despite these efforts, there is a prevailing trend among several small producers

in regions like the Los Rios province to shift their focus to more profitable crops such as oil palm, cacao, and corn, with some also transitioning to sugar cane in Guayas province. This diversification reflects the economic pressures and changing market dynamics faced by rice producers in Ecuador. Ecuadorian rice producers continue to adopt improved rice varieties such as FERON, a high-yielding and high-quality Peruvian variety. Despite the release of new varieties by the National Institute for Agricultural Research (INIAP) during MY 2024, there is pressure from producers for INIAP to amend the "phytosanitary lock law" that currently restricts imports of seeds from other countries, such as Peru, Uruguay, and Colombia. Typically, Ecuadorian farmers have two harvests per year in irrigated fields. For the current year, industry sources anticipate a winter planting of approximately 130,000 ha and a summer planting of about 150,000 ha. However, as of early March 2025, CORPCOM projects that the winter harvest will commence one month later due to adverse weather conditions during the planting period.

Additionally, farmers show a reluctance to leave fields fallow, resulting in a common practice of maintaining rice fields at various stages of growth throughout the year in Ecuador's lowlands without implementing crop rotation. This continual cropping strategy can contribute to soil degradation and may affect long-term sustainability, but farmers often prioritize maximizing production in response to market demands.

Average rough rice yields in MY 2025/2026 are forecasted to reach 5.7 MT/HA, representing a notable increase of thirteen percent. This anticipated rise in yields is attributed to the exit of smaller, inefficient farmers from rice production, as well as improved weather forecasts expected toward the end of calendar year (CY) 2025 or early 2026. Rice production in Ecuador is predominantly concentrated in the coastal regions, with Guayas province leading the charge, accounting for 63 percent of the planted area. Following Guayas are Los Rios province and a smaller production area in Loja province, which spans approximately 6,000 hectares and borders Peru. The coastal area typically experiences flooding during the November-April rainy season, and it maintains moisture throughout the year. Rice production is highly variable, heavily influenced by rainfall patterns, with the largest harvests typically occurring at the end of the rainy season, between May and June. This reliance on seasonal rainfall can significantly impact overall production levels and risk management strategies for farmers in the region.

**Figure 12: Rice Nursery, Balzar County, Guayas Province**

Source: Ministry of Agriculture

In Ecuador, approximately 50 percent of the planted rice area is sown during the summer months, with irrigation access being a key limiting factor for farmers. Historically, irrigation and the necessary equipment have been prohibitively expensive, making it difficult for smaller farms to engage in large-scale production. Previously, about 70 percent of Ecuador's rice growers were subsistence farmers, typically producing on five hectares or less with financial constraints in affording costly inputs. However, recent estimates from FAS/Quito suggest a significant shift in the sector's composition: it is now roughly divided equally between small growers (50 percent) and medium to large growers (50 percent). This change indicates a gradual transition in the Ecuadorian rice industry, where medium and large-scale farms are becoming more predominant, likely due to their better access to financial and other resources, technology, and irrigation systems. This shift has important implications for production efficiency, yield potential, and the overall competitiveness of Ecuador's rice sector in both domestic and international markets.

**Consumption:**
Rice serves as a staple food in Ecuador, with almost all local production being consumed domestically. For MY 2025/26, total rice consumption is forecasted to reach 788,000 MT, reflecting a slight decrease over the previous year's estimate, primarily driven by population growth adjustments made by the National Institute for Statistics and Census. The estimated per capita consumption of rice in Ecuador stands at 43 kilograms per year, with an industry goal of increasing this figure to 51 kg per year. Rice is the most widely consumed carbohydrate in the coastal region and is typically eaten three times a day. In the highland areas, rice consumption occurs at least once per day. Several factors influence per capita rice consumption, including spoilage of older stock and a rising trend in the use of rice and rice byproducts as animal feed. This dual role of rice—as both a staple food for human consumption and as an input in animal feed—underscores its importance in the Ecuadorian diet and economy, reflecting ongoing shifts in agricultural practices and consumption patterns.

**Figure 13: Rice Mill, Los Rios province**

Source: CORPCOM

The Ministry of Agriculture establishes farm gate prices for rice using a national price band system. Since 2022, the official price for short grain paddy rice was set at $34.00 per 200-pound (91 kg) sack, equivalent to approximately $374.50 per MT. For long grain paddy rice, the official price is $36.00 per

200-pound sack, or around $396.50 per MT. However, as reported by CORPCOM, market prices for paddy rice exceed official prices with average prices reaching about $40 per 200-pound sack. The volume of informal trade from neighboring countries, particularly Peru, saw a decline in CY 2024, attributed to adverse regional weather conditions and increasing production costs. In terms of processed products, the average price for milled rice fluctuates between $650 and $700 per MT. Currently, there are 300 operational rice mills in Ecuador, down from 450 established mills just a few years ago. Industry contacts suggest that this number is likely to continue decreasing in the coming years, indicating consolidation within the rice milling industry as market conditions evolve.

**Trade:**
Since 2019, MAG expressed intentions to export substantial quantities of rice to other Latin American countries. In CY 2023, Ecuador exported 3,662 MT of rice to Colombia and 3,100 MT to Peru, accordingly with Ecuador's Ministry of Agriculture. Notably, exports to Colombia surged in CY 2024 to a historic high of 63,000 MT, driven by regular local production. Colombia remains Ecuador's primary rice export destination, receiving 99 percent of total rice exports during that year. Peru ranked second, accounting for 458 MT of rice exports. Ecuador's rice exports to Central America and the Caribbean have fluctuated over the years, peaking in CY 2021 but tapering off since then. For MY 2025/26, projections estimate rice exports at 90,000 MT, assuming that exports to Colombia will remain consistent with the volume observed in MY 2024/25. However, data from the Ecuadorian rice industry indicates that local rice prices have risen over the past year, creating challenges in maintaining competitiveness in international markets. This price increase may complicate efforts to expand market access and establish a stronger presence in regional rice export markets, as higher domestic prices make it more difficult to compete effectively abroad.

In CY 2024, informal rice imports from Peru are estimated at approximately 30,000 MT, according to information from the local industry. These shipments typically traverse unofficial routes and dry riverbeds along the Ecuador-Peru border. Additionally, the industry reports that there are informal exports of Ecuadorian rice to Colombia, also estimated at around 30,000 MT for the same period.

Historically, registered rice imports in Ecuador have been minimal. However, a noticeable decrease was reported in CY 2024, with total imports reaching 563 MT, as informed by MAG. The primary supplier was the United States, which accounted for 249 MT of these imports. In addition to the U.S., other countries, including Italy, Spain, Uruguay, and Argentina, have participated in nominal rice exports to Ecuador. These imports are often influenced by preferential terms granted under trade agreements, specifically the European Union Free Trade Agreement (EU FTA) and the MERCOSUR agreement.

The presence of these trade agreements allows Ecuador to source rice from a variety of international suppliers, although the overall volume of imports remains low compared to domestic production. As the local rice industry continues to navigate market dynamics and price fluctuations, the role of imports may evolve, particularly if domestic supply constraints or pricing issues arise.

**Figure 14: Principal Rice Suppliers to Ecuador in 2024**

| WEIGHT | USD FOB | USD CIF |
|---|---|---|
| 562.6 | 733.9 | 812.8 |
| MT X 1,000 | $ IN THOUSANDS | $ IN THOUSANDS |

**TOTAL IMPORTS FROM ORIGIN**

| | Peso (t) | FOB (USD miles) | CIF (USD miles) |
|---|---|---|---|
| ITALY | 144.4 | 254.9 | 270.7 |
| UNITED STATES | 249.2 | 229.4 | 270.0 |
| ARGENTINA | 95.3 | 111.0 | 124.5 |
| URUGUAY | 60.8 | 73.0 | 78.8 |
| SPAIN | 12.9 | 65.6 | 68.9 |

Source: Ecuador Ministry of Agriculture

**Stocks:**
For marketing year (MY) 2025/26, rice stocks in Ecuador are forecast similar to previous estimates. This amount is based on the expectation that the industry and rice mills will aim to maintain stocks equivalent to at least three months of consumption (65,000 MT/month), as well as to accommodate potential additional exports. CORPCOM projects that stocks will reach approximately194,000 MT, held within rice mills and intermediary warehouses. It's important to note that the MAG National Storage Unit (UNA) has been fully dismantled, which indicates a shift in how rice stocks are managed in the country. The absence of a centralized storage unit may add emphasis on private sector stock management and could influence market stability, pricing, and availability of rice throughout the forecast period. This situation may create both opportunities and challenges as stakeholders adapt to the changing landscape of rice production, storage, and trade in Ecuador.

**Policy:**
Rice imports in Ecuador is a politically sensitive issue, reflecting the government's strong commitment to promoting rice self-sufficiency. To support local production, the government has implemented strategies such as setting farm gate prices significantly higher than regional averages, maintaining an APBS, and seeking to limit imports through presidential decrees.

The APBS is recalculated bi-monthly, at the beginning and middle of each month, to adjust tariffs in response to market conditions. CAN member countries—which includes Colombia, Ecuador, Peru, and Bolivia—are exempt from the APBS and are assessed a zero tariff. However, even for these countries, a ministerial decree is required before an import permit can be issued.

Other Latin American nations benefit from ad valorem tariff preferences under ALADI, but they are still subject to the APBS variable levy. In the case of rice imports from the United States and other countries, Ecuador imposes a consolidated tariff of 67.5 percent to safeguard domestic rice production, as stablished in the COMEX Resolution No.020-2017, that reformed in full the Ecuadorian tariffs for all products imported to Ecuador.

Furthermore, Ecuador has established domestic minimum support prices that rice mills are obligated to pay farmers. These measures are designed to stabilize the local rice market, ensure that farmers receive a fair price for their product, and promote the overall health of the agricultural sector in Ecuador. Collectively, these policies significantly shape the landscape of rice imports and exports in the country.

**Attachments:**

No Attachments