



Foreign Agricultural Service

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Ecuador

Oilseeds and Products

Report

2001

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Report Highlights:

Ecuador is ready to import 182,000 MT of soy products. Ecuador temporarily eliminated import duties for soy products . This program is effective from November 2001 through August 31, 2002

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Lima [PE1], EC

The government of Ecuador's National Board for International Trade and Investments (COMEXI) on September 18 granted the local soybean industry permission to import soybeans and soybean meal with zero tariff rates, conditioned that local soybean crushers and the feed meal compounder industry buy the local production, subject to presidential approval. Two months later, on November 14, this resolution was finally approved by the president of Ecuador, Dr. Gustavo Noboa.

The Consultative Committee to the Minister of Agriculture for agro-industries, which in this case include corn/soybeans producers, feed meal processors, and poultry producers, has developed a strategic plan for improving the competitiveness for this industry. The decree includes the following provisions:

- To temporarily reduce tariffs for soybeans and soybean meal to zero, conditioned on the purchase of local production.
- The Ministry of Agriculture will be in charge of administering this program.
- This program will become effective on November 14, 2001 through August 31, 2002. The last day for delivery will be August 15, 2002. The volume of the program will not exceed 182,000 MT of soybean meal or its equivalent, i.e., maximum 128,000 MT of soybean meal and 70,000 MT of beans, equivalent to 54,000 MT of soybean meal.
- Andean Community member countries will have preference as points of origin for these imports.

Comment:

The change in policy is a consequence of the low local production of soybeans in 2001 (October to December), which had been forecasted at 115,000 MT, but now is not expected to exceed 50,000 MT (preliminary information). Local consumption by the feed industry is about 18,000 to 20,000 MT of soybean meal per month.

The intention of this government program is to protect prices for local soybeans producers and, to a certain extent, to preclude normal supply of the product for local feed meal compounder producers.

The government is compensating the feed meal industry for the artificial high prices for local soybeans, which currently run around \$286.60/MT (12 % humidity and 1% impurities). Current local price for soybean meal varies between \$324.00/MT for the first week of November to \$313.00/MT (44% protein content) for the second week of November. By comparison, Bolivian soybean meal is running at \$275.00 C&F per metric ton, 46% protein content, and is exempt from paying tariff rates.

C&F prices of soybean meal coming from the United States including an ad valorem tariff rates and additional variable levy are about US\$300.00/MT, 47% to 48% protein content.

The elimination of tariffs both for soybeans and soybean meal may result in an increased importation of soybean meal from the United States because of the reduction of ad valorem tariff (15%) and the additional variable levy between 25% to 30%, depending on international prices. Both soybeans and soybean meal are normally regulated under Ecuador's price band system.

Post will provide revised PS&D tables for Ecuador next week.

Companies that are probably included in the absorption program and may import soybeans and soybean meal are PRONACA, AFABA, Unicol, Mochasa, Pofasa/Anhalzer, Ecuital. As of today, the share in importing soybeans and soybean meal with zero tariff rate is not clear. Contact information for the companies is provided below.

Company: PRONACA / Comnaca / Procesadora Nacional

Contact: Mr. Juan Ribadeneira

Phone: 593-2-226-365(ext 117)

Phone: 593-2-246-3670

Fax: 593-2-2441-588

E-mail: asalgero@pronaca.com.

Address: Calle Los Naranjos # 4415 y Av. Los Granados- Edf. Inverna
Quito-Ecuador

Company:AFABA

(National Asso. of Feed Meal Compounders).

Contact: Mr. Wilson Hidalgo

Phone: 593-2-255-4509

Phone: 593-2-256-6662

Fax: 593-2-256-6663

E.mail: afaba@uio.satnet

Address: Reina Victoria 1539 and
Av. Colon Edf. Banco de Guayaquil. Piso 8 Ofc. 803
Quito Ecuador

Company:CONAVE

Contact: Mr. Jose Orellana

Phone: 593-2-246-4281

Phone: 593-2-226-7002

Fax: 593-2-246-4282

E mail: jorellan@access.net.ec

Address: Gaspar deVillaroel 1179 y Paris piso 5
Quito-Ecuador

Company: UNICOL

Contact: Mr. Andres Cabezas

Phone: 593-4-225-4100

Phone: 593-4-225-6300

Fax: 593-4-225-4037

Email: acabezl5@ec.telconet.net
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Company: POFASA
Contact: Mr. Jorge Villamizar
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Fax: 593-2-241-8054
E.mail: jorgeav@hotmail.com
Address: De las Uvas e 1270 y Av. Eloy Alfaro(bodegas Supermaxi)
Quito-Ecuador

Company: MOLINOS CHAMPION
Contact: Mr. Jacinto Alvear
Phone 593-4-225-1730
Phone 593-4-225-2606
Fax: 593-4-225-1251
Email mochasa@mochasa.com.ec
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Company: ECUITAL
Contact: Mr. Javier Buxassa and
Mr. Jaime Guevara
Phone: 593-2-276-3168
Phone: 593-2-2741104
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