

COUNTRY SNAPSHOT: ECUADOR



Ecuador ranked 35th among U.S. food and agricultural export markets in 2020, with \$527.4 million in exports.

Through 2021, exports increased over 16%, driven by Ecuadorian demand for U.S. bulk and intermediate products (e.g., wheat, soybean meal, and feed and fodder). The country is the 61st largest economy in the world, and the 7th largest in Latin America. U.S. soybean meal exports have increased as the industry has taken advantage of price differentials versus South American origins and realizing soybean meal value based on amino acids and nutritional advantage.

U.S. Soy has collaborated in Ecuador since the 1990s.

COUNTRY STATS

POPULATION (2021):

17.89 million

(Urbanization – 64.2%)

POPULATION (2050):

~23.32 million

GDP (2021):

\$ 98.81 billion

AVG. ECONOMIC GROWTH

(2016-2020): -1.06%

PER CAPITA INCOME (2021):

USD 5,530

MARKET STATS

Soy usage market size by Volume, 2021 (Est. growth by 2035/40)

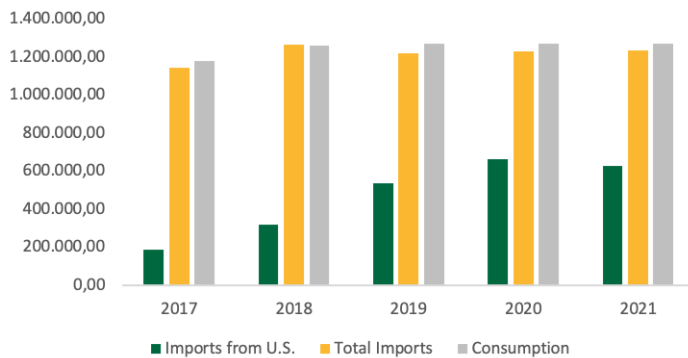
Animal Protein (total)	1,270,000	Aquaculture, Cattle, other species	319,800
Poultry	799,500	Pork	110,700

Soy market size by volume, U.S. Soy volume (MY2020/21)

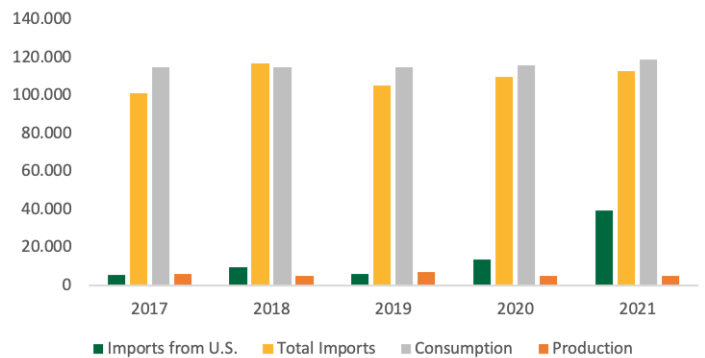
- Soy complex (whole soybean, meal, oil) 1.35 MMT.
- Whole bean 51,100 MT. U.S. Soy 24,100 MT.
- Soybean meal 1.23 MMT. U.S. Soy 661.65 TMT.
- Soybean oil 115 TMT. U.S. Soy 13.9 TMT.



Ecuador: Soybean Meal



Ecuador: Soybean Oil



Sources: U.S. Census Bureau Trade Data, FAS USDA GATS, Industry estimations

STRENGTHS

- Competitive advantages of U.S. Soy quality and intrinsic values; amino acid profile, along with consistent supply and availability, creates preference amongst key industries and firms
- Customers/ importers would benefit from Free on Board (FOB) purchasing and looking at alternate export positions in the U.S., such as the Pacific Northwest.
- Poultry and eggs are positioned as the preferred and most affordable animal protein. More firms continue to integrate both horizontally and vertically.
- Technical assistance with poultry and swine producers on enhanced formulation - based on amino acids, differentiation of U.S. Soy, and extrinsic and intrinsic values. These industries and aquaculture will benefit from SEC Programs.
- Sustainability in feed for aquaculture and protein; producers understand and value sustainability; two Sustainable U.S. Soy logo licenses are in place.
- Zero tariff on U.S. soybean meal imports enforced in 2020 leveled the ground vs. other origins. A reduction in tariffs on soybean oil imports implemented late in 2021 helps level the ground for U.S. imports into Ecuador.

OPPORTUNITIES

- Scaling efforts to differentiate of soybean meal vs. other origins using data and technical resources targeting animal protein producers and feed operations.
- Ecuador is the main aquaculture market for U.S. Soy in Latin America, namely shrimp related, and the industry has continued growing. Increasing interest in In-Pond Raceway System (IPRS) technology, along with more refined production practices.
- Trade and technical support from USSEC is welcomed and sought after by industry, leveraging differentiation and creating preference for U.S. Soy.
- Potential new reductions in tariffs on soybean oil imports could lead to actual U.S. exports, which compete against domestic palm oil and from other origins. Could expect opportunities with bottlers and refiners, and potential for hotels, restaurants and institutions.

CHALLENGES

- Livestock markets stable with growth but tied to population growth; swine exposed to sanitary challenges; industries consolidated now with foreign investors, with large domestic players in turn investing abroad.
- Some animal protein (poultry, pork) imports are growing. Largest growth observed in aquaculture with foreign investors increasing presence in feed for aquaculture.
- Growing competition due to more availability and enhanced quality of South American origins like Brazil and Bolivia
- Oil has not represented a significant market for U.S. exports. Directly exposed to dominant players from other origins (South American) and oils from throughout the region.
- Ecuador lacks crushing capacity; no room to expect significant exports. Domestic production represents about or less than 5% of needs. Industry confirms non-competitive (cost, quality) processing.

Sources:

- Banco Mundial
- Macrotrends
- Population Pyramid
- USDA FAS
- World in Figures
- Industry estimates

