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**Report Highlights:**

In 2022, the Government of Ecuador continued to support floor prices for local production of corn, rice, and wheat as well as began subsidizing the price of fertilizers for small producers. Corn consumption and wheat imports are both forecast to increase based on growth in the pork, poultry, and aquaculture sectors. Rice production is forecast to fall slightly due to decreases in planted area and yields. All three crops have seen decreases in local yields thanks to increasing costs and, at times, limited availability of fertilizers and pesticides.

**Table 1.**  
**Wheat Production, Supply, and Distribution**

Wheat Market Year Begins Ecuador	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5	5	7	7	0	7
Beginning Stocks (1000 MT)	265	265	178	43	0	52
Production (1000 MT)	7	7	14	15	0	14
MY Imports (1000 MT)	1200	1153	1400	1589	0	1700
TY Imports (1000 MT)	1200	1200	1400	1589	0	1700
TY Imp. from U.S. (1000 MT)	0	500	0	440	0	293
Total Supply (1000 MT)	1472	1425	1592	1647	0	1766
MY Exports (1000 MT)	4	0	5	0	0	0
TY Exports (1000 MT)	4	0	5	0	0	0
Feed and Residual (1000 MT)	640	702	660	795	0	878
FSI Consumption (1000 MT)	650	680	670	800	0	825
Total Consumption (1000 MT)	1290	1382	1330	1595	0	1703
Ending Stocks (1000 MT)	178	43	257	52	0	63
Total Distribution (1000 MT)	1472	1425	1592	1647	0	1766
Yield (MT/HA)	1.4	1.4	2	2.1429	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 2023/2024 = July 2023 - June 2024

**Production:**

Wheat production in marketing year (MY) 2023/24 (July-June) is forecast to remain slightly over 14,000 metric tons (MT), just shy of the previous year’s harvest. Wheat production in Ecuador is insignificant, with less than 7,000 hectares in production. The milling industry in Ecuador is entirely dependent on imports.

The Government of Ecuador (GOE) has recently reduced work on developing and distributing local varieties of wheat among small farmers but has increased support for other grains like barley for the local the beer industry. The Ecuadorian milling industry continues to support a wheat program, with an average of 4,600 to 5,000 hectares (ha) planted under the project per year. This program buys approximately 41 percent of local production from nearly 400 small farmers. With help from government and industry projects, some small farmers have increased their yields from 0.7 MT/ha up to 2.20 MT/ha. in recent years, with a slight reduction during the last year due to higher costs of fertilizers. In 2022, the price of urea in Ecuador doubled, going from \$27 in 2019 to \$55 per 100-pound bag.

In calendar year (CY) 2022, wheat production ranked 28<sup>th</sup> in planted acreage out of the 40 principal crops produced in Ecuador. In 2021, it ranked 21<sup>st</sup>.

## Consumption:

Wheat is increasingly used by the animal feed sector, largely in shrimp feed, where it is used as a binding agent. Consumption has also recently ticked higher due to increased consumption of pasta and bakery products.

Wheat consumption in MY 2023/24 is forecast at 1.7 million metric tons (MMT), a seven percent increase in demand over the previous year. Ecuador's shrimp industry has forecast its growth rate for CY 2023 at 10 percent. Although still strong, this is down from recent average annual growth rates hovering around 20 percent. Wheat consumption in Ecuador is almost equally divided between feed (49 percent) and human consumption (51 percent). For wheat destined for human consumption, 43 percent is for pasta production and 57 percent for bread and bakery. Wheat as feed is principally used for the shrimp, pork, and poultry industries.

Ecuadorian per capita wheat human consumption in MY 2023/24 is estimated at 46 kilograms/year. In MY 2023/24, the pasta and bakery industries expect consumption to continue increasing thanks to strong advertising campaigns.

## Figure 1: Wheat field in Chimborazo, Ecuador



Chimborazo province wheat field. Source: AgroEcuador/Francesca Aguilar

## Trade:

Wheat imports in MY 2023/24 are forecast at a record of nearly 1.7 MMT, up 111,000 MT from the previous year. Until 2015, Ecuador utilized imported wheat primarily in bread and pasta manufacturing. Ecuador has incorporated more wheat into animal feeds, which is fueled primarily by shrimp production; 69 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.

During CY 2022, Ecuador diversified the supply of wheat, bringing product from nontraditional origins. Canada remains as the principal supplier with 46 percent of the market share, a reduction of 20 percent

compared with the previous year, followed by Argentina with 22 percent, and in third place, the United States with 21 percent.

The United States' wheat exports to Ecuador increased 55 percent in CY 2022, reaching \$112.4 million. Overall average imported wheat prices increased during CY 2022 to just over \$430 per MT.

**Figure 2: Wheat Prices**



In recent years, U.S. wheat was the second option after Canadian wheat, mostly due to logistical issues and higher prices. However, more competitive prices and availability of Argentine wheat drove more of its use by Ecuadorian importers and mills. Other wheat suppliers included Russia, Chile, and Brazil.

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 Millers Association.

During 2022, the Ecuadorian government continued granting requests for import licenses based on industry demand. Industry contacts also recently indicated that imported wheat has been used to substitute for higher-priced local corn. The pasta, bread, and feed industries absorb 100 percent of the local production, which represent less than 4 percent of Ecuador demand.

**Figure 3: Wheat Sources**

**Ecuador's principal suppliers of wheat in 2022 (U.S. Dollars)  
January – November 2022 (Metric Ton, 1000 USD)**

No,	País	Peso (t)	Valor (USD miles)
1	Canadá	552.610	272.839,34
2	Argentina	291.114	112.790,65
3	Estados Unidos	213.902	106.569,27
4	Null	105.085	54.209,28
5	Brasil	98.830	37.212,96
6	Perú	25.687	27.781,69
7	Colombia	8.679	21.123,71
8	Rusia	30.334	11.810,69
9	Italia	998	3.571,30
10	Chile	1.941	1.909,95
11	España	348	1.715,67
12	Turquía	17.498	1.475,88
13	México	1.853	1.366,83

Source: Ecuador Ministry of Agriculture

**Policy:**

Ecuador promotes a policy of wheat self-sufficiency, but production levels have not 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 products. 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). Until now, these products benefitted from COMEX Resolution 029-2019 and COMEX Resolution 030-2019 which granted a tariff zero percent ad valorem exemption and suspended the application of the Andean Price Band (variable levy) for soybean meal and wheat until December 31, 2024. With this new resolution, the zero percent tariff will be permanent, and the Andean Price Band will be abolished for these two products. For more information on this policy, please see [FAS Quito GAIN Report EC2021-0010](#).

Ecuador maintains bilateral trade agreements with Peru and Chile, as well as regional trade agreements with the Latin American Integration Association (ALADI), and the European Union (EU). 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 Andean Price Band System's variable levy. In 2014, Ecuador concluded trade liberalization negotiations with the EU. The agreement entered into force on January 2, 2017. Ecuador will gradually eliminate tariffs under the Andean Price Band System in six equal stages, beginning on the date the agreement entered into force.

## Stocks:

Wheat stocks are generally based on local production and depend on the quality and quantity of the harvest. Stocks continue being estimated and forecasted lower than previous estimates due to the increased use of available supplies in the market by the growing animal feed sector.

**Table 1.**  
**Corn Production, Supply, and Distribution**

Corn Market Year Begins Ecuador	2021/2022		2022/2023		2023/2024	
	May 2021		May 2022		May 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	335	270	340	340	0	400
Beginning Stocks (1000 MT)	28	28	65	15	0	42
Production (1000 MT)	1375	1512	1410	1462	0	1568
MY Imports (1000 MT)	197	63	125	250	0	188
TY Imports (1000 MT)	199	63	125	250	0	188
TY Imp. from U.S. (1000 MT)	20	15	0	100	0	27
Total Supply (1000 MT)	1600	1603	1600	1727	0	1798
MY Exports (1000 MT)	5	0	0	0	0	2
TY Exports (1000 MT)	0	0	0	0	0	2
Feed and Residual (1000 MT)	1450	1523	1450	1610	0	1700
FSI Consumption (1000 MT)	80	65	80	75	0	82
Total Consumption (1000 MT)	1530	1588	1530	1685	0	1782
Ending Stocks (1000 MT)	65	15	70	42	0	14
Total Distribution (1000 MT)	1600	1603	1600	1727	0	1798
Yield (MT/HA)	4.1045	5.6	4.1471	4.3	0	3.92
(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 2023/2024 = October 2023 - September 2024						

Corn production in MY 2023/24 (May-April) is forecast at slightly under 1.6 MMT, seven percent higher than the MY 2022/23 estimate of 1.46 MMT. This forecast is based on an additional 60,000 planted hectares, but a reduction in yield to 3.92 MT per hectare. This 8 percent drop in yields is due to reduced use of fertilizers, mainly urea, because of continued price increases. In some farms, mechanization and the use of advanced technology has been implemented, but corn is still produced mostly by small and subsistence farmers. Overall, planted area has increased based on higher prices obtained during CY 2022. However, the trend of small corn growers switching to other crops and products such as cacao or cattle production continues. Corn production in Ecuador is steadily moving from small towards medium and even large producers, caused by increases in production costs. The previous Minister of Agriculture, who resigned in February 2023, had supported programs focused on crop improvement and fertilizer subsidies to lessen the impacts of higher production costs on small farmers.

Ecuadorian corn consumers continue to pay significantly higher prices for domestically produced corn. As of February 2023, the Ministry of Agriculture and Livestock (MAG) had set the official corn price for 2023 at \$15.57 per hundred weight (\$343.18 per MT), which represents an increase of eight percent compared with last year. This has forced many in the agro-industrial sector to turn to substitutes, mainly wheat.

**Figure 4: Corn Production by Province**

**Ecuador corn producers' provinces 2022**

Provincia	Area Ha	Participación Provinc..
Grand Total	496,511	100.00%
LOS RIOS	139,081	28.01%
MANABI	124,735	25.12%
GUAYAS	69,298	13.96%
LOJA	65,767	13.25%
IMBABURA	17,873	3.60%
COTOPAXI	15,946	3.21%
CHIMBORAZO	11,362	2.29%
SANTA ELENA	11,325	2.28%
PICHINCHA	11,016	2.22%
ESMERALDAS	5,452	1.10%
TUNGURAHUA	4,271	0.86%
BOLIVAR	3,986	0.80%
ORELLANA	3,721	0.75%
CARCHI	3,586	0.72%

Source: Ecuador Ministry of Agriculture

**Consumption:**

Corn consumption in Ecuador is forecast at just under 1.8 MMT in MY 2023/24, slightly higher than the MY 2022/23 estimate. This is primarily driven by the rebound of the poultry and pork industries as well as the continued growth of the shrimp industry. The pork sector increased its production by 50 percent during CY 2022. Ecuador's agro-industrial sector continues to change its consumption habits and increase the use of corn substitutes. However, some of the increased corn consumption during MY 2022/23 could be attributed to higher prices of substitute grains such as wheat.

Ecuador's Feed Producers Association (APROBAL) have indicated that in addition to wheat, animal feed producers are increasingly experimenting with and using corn alternatives such as rice byproducts that are available domestically and imported distillers' dried grains with soluble (DDGS). As of February 2023, DDGS can be imported without the value added tax (VAT) of 12 percent. This product is already used in Ecuador's shrimp industry and with this VAT reduction, it will become more economical to use in the pork and poultry sectors.

FAS Quito sources estimate that 80-85 percent of local feed production is utilized by the national poultry industry and 15-20 percent 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 2023, despite recent outbreaks of highly pathogenic avian influenza which have so far, remained limited in commercial flocks. Per capita consumption of poultry meat remains at 28 kilograms (kg) and 212 eggs per year. Statistics from Ecuador's national poultry association (CONAVE) show that in 2022, the poultry flock reached 265 million birds, an increase of one percent from the previous year. Meanwhile, the national

pork producers association (ASPE), announced that the per capita consumption of pork meat for CY 2022 was 11 kg.

### **Figure 5: Local Corn**



Corn from Guayas province

### **Trade:**

Ecuador's corn imports in MY 2023/24 are forecast to reach 188,000 MT, which is the yearly deficit defined by MAG. Recently, MAG has changed its strategy to reduce grain holding and waiting for local prices to increase and is now allowing wheat imports to serve as a substitute to corn. Traditionally, wheat has less political sensitivities and the total local production covers just 2-4 percent of the country's demand.

Ecuador imported 63,000 MT of corn in CY 2022. Argentina became the leading supplier, representing 86 percent of the market share, followed by the United States, which accounted for 14 percent.

Ecuador's associations with MERCOSUR and the Andean Community of Nations (CAN) include the elimination of tariffs on intra-regional trade on corn. Those alliances give advantages to Argentina and Colombia for the export of corn 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 stocks being held by intermediaries. Additionally, the Ministry of Agriculture's decision to allow the import of 190,000 MT of corn so far in 2023 to cover the feed industry deficit and regulate internal prices has helped bolster stocks. However, the government still prioritizes the use and consumption of local production as much as possible.

**Figure 6: Corn Suppliers to Ecuador**

**Ecuador's principal suppliers of corn in 2022 (US Dollars)  
January – November 2022 (weight MT Value US\$ x 1,000)**

IMPORTACION PAIS DE PROCEDENCIA ENE de 2022 - NOV de 2022			
No.	País	Peso (t)	Valor (USD miles)
1	Argentina	154.691	52.774,37
2	Estados Unidos	25.973	11.010,52
3	Colombia	6.694	5.627,69
4	China	3.903	3.612,22
5	Turquia	1.281	1.204,31
6	Null	1.036	922,19
7	Chile	720	467,09
8	Rusia	333	274,37
9	Perú	233	264,94
10	México	336	261,00
11	Brasil	240	246,85
12	Bélgica	180	200,93
13	Ucrania	144	113,57

Source: Ecuador Ministry of Agriculture

**Policy:**

White and yellow corn imports are assessed a 15 percent ad valorem duty (based on the CIF value), plus the Andean Price Band System 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, foreign corn can face import duties of up to 45 percent. Upon accession to the World Trade Organization (WTO), Ecuador bound its tariffs (including the additional Andean Price Band System 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 rate. This TRQ, which would normally fill whenever international corn prices drop, was last announced in 2021. The amount of imported corn is determined by the yearly deficit stated by the Ministry of Agriculture, which is managed through the granting of import permits and can depend on the purchases of local production by the importing company.

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

Rice, Milled Market Year Begins Ecuador	2021/2022		2022/2023		2023/2024	
	Apr 2021		Apr 2022		Apr 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	300	295	315	315	0	313
Beginning Stocks (1000 MT)	132	132	84	145	0	150
Milled Production (1000 MT)	863	1017	873	992	0	930
Rough Production (1000 MT)	1370	1614	1386	1575	0	1476
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	0	6300
MY Imports (1000 MT)	50	1	100	1	0	1
TY Imports (1000 MT)	50	1	100	1	0	1
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1045	1150	1057	1138	0	1081
MY Exports (1000 MT)	21	45	50	25	0	43
TY Exports (1000 MT)	45	45	50	25	0	43
Consumption and Residual (1000 MT)	940	960	940	963	0	900
Ending Stocks (1000 MT)	84	145	67	150	0	138
Total Distribution (1000 MT)	1045	1150	1057	1138	0	1081
Yield (Rough) (MT/HA)	4.5667	5.4712	4.4	5	0	4.7157
(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 2023/2024 = January 2024 - December 2024						

### Production:

Rough rice production in MY 2023/24 is forecast at nearly 1.5 MMT, based on slightly reduced planted area and yields. Following adverse weather conditions for production caused by irregular rains and the decrease in yields caused by reduced fertilizer use, FAS Quito foresees milled rice production approximately eight percent less than MY 2022/2023.

Phytosanitary problems and irregular weather conditions continue to make rice production challenging and a high-cost agricultural activity. Additionally, the higher cost of fertilizers and pesticides have increased production costs and made the situation more difficult and uncertain for farmers. To support production, the government continues to set minimum prices for rice and limit imports. However, actual production costs can surpass \$2,500 per hectare, with profits of less than 6 percent before financial costs. This has resulted in several small producers switching to corn production.

Producers continue using improved rice varieties that have increased productivity and better disease and pest resistance, but the increase in fertilizer prices have decreased yields. Ecuador's farmers can crop more than two harvests per year in irrigated fields and farmers are 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 are forecasted to fall in MY 2023/2024 to 4.72 MT per hectare, a reduction of six percent compared to the previous year. Rice production is concentrated in Ecuador's coastal lowlands. This area floods during the November-April rainy season and remains moist throughout the rest of the year. Production varies with rainfall, with the larger harvest occurring towards the end of the

rainy season (i.e., May-June). Only a third of the acreage is planted during the summer months and is limited only by access to irrigation. While large-scale farmers can afford expensive irrigation and equipment, 75 percent of Ecuador's rice growers are subsistence farmers (owning five hectares or less) who cannot afford these costs. Information received from rice producers indicates that there are 850 rice mills, but just 450 of them are currently operating.

### **Figure 7: Local Rice Harvest**



Rice producers: Palestina County, Guayas province

### **Consumption:**

Rice is a staple in Ecuador. Almost all local production is consumed domestically. Total consumption in MY 2023/24 is forecast at 900 thousand metric tons, slightly less than the previous year's estimate. Per capita consumption is estimated at 50 kg per year, with an industry goal of reaching 51 kg per person. Rice is the most consumed carbohydrate in the entire coastal region and is commonly eaten three times a day. In the highlands, rice is consumed at least once per day. This estimate takes into consideration losses due to spoilage of old stocks and an increase in the consumption of rice and rice byproducts in the production of animal feed.

Ecuador's Ministry of Agriculture and Livestock sets farm gate prices for rice using a national price band system. In 2022, the rice price was set at \$32.50 per 200-pound (90.76-kilogram) sack of short grain paddy rice (\$358 per MT) and \$34.50 per 200-pound (90.76-kilogram) sack of long grain paddy rice (\$380 per MT). However, these prices are very difficult to enforce due to informal trade from neighboring countries, mainly Peru, which could be as much as 40 percent cheaper and of better quality. The milled rice average price ranges between \$525 to \$580 per MT.

**Figure 8: Local Rice Trader**



Small rice trader in Milagro town, Guayas province

## **Trade:**

Ecuador's Ministry of Agriculture has announced, since 2019, the intention to export large amounts of rice to other Latin American countries. In CY 2021, Ecuador exported 18,072 MT to Colombia, its largest market. Exports to Colombia during CY 2022 increased to 38,917 MT thanks to an agreement between the Ministries of Agriculture from both countries to export 104,000 MT of Ecuadorian rice to Colombia in 2022. However, bilateral trade disputes continue. The ban imposed on imports of Colombian cattle and dairy products due to foot and mouth disease outbreaks and the difficulties for Colombia to export onions and potatoes to Ecuador affect Ecuadorian rice exports.

Colombia represents 97 percent of Ecuador's rice exports, followed by Peru, and then by Holland with whom Ecuador has a Free Trade Agreement. Rice exports to Central American and European countries have increased considerably, based on positive trade negotiations and bilateral trade agreements. For MY 2023/2024, Post forecasts 43,000 MT in rice exports, assuming that exports to Colombia will increase. Ecuador rice industry data showed that in less than a year, rice prices rose almost 12 percent, which makes it the most expensive in the region and difficult to place in international markets.

Registered imports are insignificant, but the Ecuadorian Central Bank and the Ministry of Agriculture reported imports of 851 MT in 2022. Peru was the largest supplier with 360 MT and the United States the second largest with 243 MT. Other countries with lesser rice exports to Ecuador include Italy, Spain, and Chile, and are based on the preferences granted by the free trade agreements with the EU and separately with MERCOSUR. Rice from the United States is a high-quality product for sushi, as well U.S. wild rice that is mainly used in restaurants.

Post continues to estimate informal imports from Peru of around 40,000 MT per year. These shipments pass through unofficial paths and dry rivers along the border with Peru.

## Figure 9: Rice Suppliers

### Ecuador's principal suppliers of rice in 2022 January – November 2022 (weight MT Value US\$ x 1,000)

#### Total - Importaciones por País Procedencia

	Peso (t)	FOB (USD miles)	CIF (USD miles)
Estados Unidos	243.0	358.9	411.4
Italia	133.8	253.3	310.4
Perú	360.0	121.1	126.0
Chile	88.0	84.0	94.0
España	26.0	72.6	86.9
India	10.5	5.6	11.9

Source: Ecuador Ministry of Agriculture

## Stocks:

FAS Quito revised ending stocks upward for MY 2022/23 to reflect information received related to lower-than-expected rice exports to Colombia. Rice stocks have been forecasted lower for MY 2023/2024. The rice industry corporation, CORPCOM, forecasts stocks of 130 TMT due to exports to Colombia and 55,000 MT held at the Ministry of Agriculture National Storage Unit.

## Figure 10: National Storage Unit



Ministry of Agriculture National Storage Unit

**Policy:**

Rice imports are politically sensitive. The government has promoted rice self-sufficiency by setting farm gate prices at levels significantly higher than prices in the world market and in neighboring countries, maintaining the Andean Price Band System, and further trying to limit imports using presidential decrees. The Andean Price Band System is recalculated at the beginning and middle of each month. Andean Community members (Colombia, Ecuador, Peru, and Bolivia) are assessed a zero-tariff and are not subject to the Andean Price Band System. A ministerial decree is nonetheless necessary before an import permit is issued. Other Latin American countries have been granted ad valorem tariff preferences under the Latin America Integration Association - ALADI, but they are still assessed the Andean Price Band System variable levy. In the case of U.S. rice exports, Ecuador has established a consolidated tariff of 67.5% to protect the local production. Ecuador establishes domestic minimum support prices that rice mills must pay to farmers.

**Attachments:**

No Attachments