

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 10/23/2012

GAIN Report Number: EC12013

Ecuador

Post: Quito

Ecuador Imports Record Levels of U.S. Soybean Meal

Report Categories:

Oilseeds and Products

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Report Highlights:

Ecuador is importing higher amounts of soybean meal to feed its burgeoning animal and aquaculture industries. U.S. origin meal is capturing more of the market share and riding the rising tide of growth in the feed industry.

Ecuador Imports Record Levels of U.S. Soybean Meal

According to FAS BICO reports Ecuador's feed manufacturers have imported record levels of U.S. soybean meal from January through August of 2012. Soybean meal valued at US\$ 111,789 million from the United States has been imported into Ecuador between January and August 2012, the highest recorded level of imports for an eight-month period. In dollar value, imports of U.S. soybean meal are up 112 percent compared to last year's imports of US\$ 52.8 million during the same period in 2011. The increase is due in part to a shift to U.S. origin soymeal as importers have preferred U.S. over other exporting country origins. There is also evidence of an increase in domestic demand for soybean meal.

Ecuador's imports of soybean meal from all origins have increased substantially in the last years. Ecuador's Central Bank registers the following levels of imports:

Year	2005	2006	2007	2008	2009	2010	2011
MT	414,997	384,779	523,784	470,208	469,788	523,000	607,221

Between 2010 and 2011 imports increased by more than 84,000 MT. In monetary values, according to the same source, imports increased from US\$ 176.9 million to US\$ 230.5 million. The preference for a certain origin of soymeal is based on two main elements. First is the question of the ratio between protein content and price. The second is the matter of shipping costs. With respect to Argentine origin, the Ecuadorian market would pay up to US\$ 8 more per MT for soymeal of U.S. origin due to its higher protein content (1 to 2 points). Although feed manufacturers would prefer to import higher-protein soybean meal from the United States, in previous years the protein content/price relationship has favored product from Argentina despite higher shipping costs from the South American producer. U.S. origin had been regarded as a high-price product. In the last year, however, a convenient protein content/price relationship for U.S. soybean meal has shifted market shares, as shown in the next chart:

Ecuadorian Imports of Soybean Meal – Metric Tons (Thousands)

Origin	2010	%	2011	%	Jan–Aug 2012	%
United States	120.74	23	252.82	42	256.81	65
Argentina	373.58	71	213.03	35	36.95	9
Others	28.68	6	141.37	23	103.30	26
Total	523.00	100	607.22	100	397.06	100

Ecuador's imports of soybeans have increased as a response of the feed manufacturing sector's need to supply approximately 2.2 million MT of animal feed per year. Of this 76 percent goes to poultry, 12 percent to aquaculture, 8 percent to swine, 3 percent to livestock, and 1 percent to other animals. Domestic production and imports of soybean meal are mainly destined to the production of poultry (72 percent), aquaculture (15 percent) and swine production (8 percent). The per-capita consumption of poultry and swine meat is currently increasing at about 4-5 percent a year. Shrimp production has experienced a new boom in Ecuador reaching 182,000 MT between January and August 2012. Soybean meal makes up about 30 percent of the content of feed for poultry and swine and about 40 percent of the feed used in aquaculture.