

Ecuador: A DDGS Market In Waiting



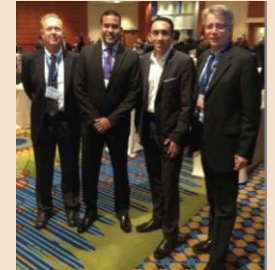
DDGS Imports:

As a result of two years of technical seminars in Ecuador by the USGC, at the end of November 2012, the Ecuadorian Feed industry signed an agreement to purchase 3,000 MT of DDGS worth approximately \$1.1 million. This purchase will be used for initial trials of DDGS with AFABA members in Ecuador in early 2013.

To succeed in this market a number of concerns about quality, storability and utilization need to be addressed before DDGS will be readily accepted by Feed Millers and Farmers.



The Ecuadorian feed sector could consume an estimated 250 tmt of DDGS per year with an approximate value of \$95 Million per year.



USGC seminars in Ecuador



Livestock Industry in Ecuador

Poultry Sector:

- The poultry industry produces 200,000 MT of meat, and approximately 75,000 MT of eggs per year. Growing at a rate of 8-10%/year.

Dairy sector:

- Out of a total cattle herd of 4.3 million head, 800,000 are dairy cows.
- 3,500 farmers with an average herd size of 20 head.

Swine Sector:

- Population of 53,500 sows nationally.
- 1.8 million Pigs per year.

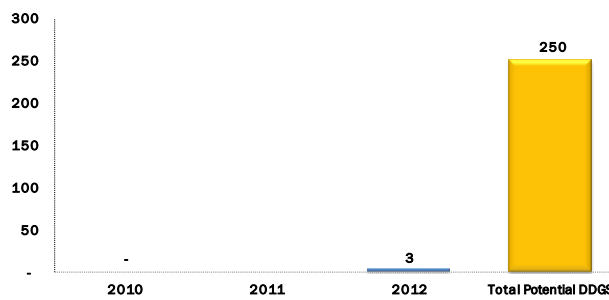
DDGS in Ecuador

Ecuador is one of several countries in South America just beginning to import US DDGS in commercial quantities. In previous years a small quantity of DDGS was imported and used by just two small importers. This is due to a lack of familiarity with the product among end-users and importers.

DDGS Potential in Ecuador (TMT)

SECTOR	# Animals in Commerical Farms	DDGS Potential
Poultry	221 Million chickens/yr	180
	220 TMT slaughter wt	
	2.3 billion eggs/yr	
Swine	1.8 million pigs per year	50
	53,500 sows	
Dairy	4.3 million head cattle herd, 800,000 are dairy cows	20
Total DDGS Potential		250

DDGS in Ecuador in and Potential Demand (TMT)



Ecuador Overview

- Total corn demand: 1.35 mmt, 30% must be imported. Argentina is the primary supplier.
- Insignificant amounts of sorghum produced.
- Feed sector utilizes 1.3 mmt of corn.
- Domestic corn production growing over the past 4 years

Market Overview

- Population: 15.22 million
- GDP Growth: 7.8%
- GDP per capita: \$ 8,600
- Ecuador utilizes Andean Price Ban system to determine import duties. Currently 5% for corn & sorghum

Market Growth Potential

- Feed demand growing 6% annually, driven primarily by the poultry sector which has grown 8% annually since 2002.
- Poultry sector is dominant importer and user of corn (70%) followed by the swine sector (20%), aquaculture (10%).

An Overlooked Market Opportunity Worth \$95 Million per Year!