Investment Notes for Agri-food Investments Attraction in Ecuador

Hand-in-Hand Initiative – 2026

Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative

GOBIERNO DEL ECUADOR

Ministerio de Agricultura, Ganadería y Pesca

Ministerio de Producción, Comercio Exterior e Inversiones

For Ecuador, the Hand-in-Hand initiative has been a great tool since its implementation

It has helped guide the design of policies, programs and projects

It has served as a tool in international negotiations and for the positioning of the country

It was incorporated into the MAGP geoportal as a publicly accessible resource

Potentially, it will be included in the provinces´ Land Use and Development Plans

Since 2022, it has mobilized more than 300 million dollars for the execution of investment projects

Currently, over 100 million dollars are under negotiation

Sources: MAGP

Why invest in Ecuador?

Ecuador: A strategic destination for sustainable investment and inclusive development

Ecuador: the hub of great opportunitities

Competitive advantages of Ecuador

DEVELOPED LOGISTICS INFRASTRUCTURE
5 ports, 13 airports, and >10.000 km of roads.

GLOBAL TRADE OPENNESS POLICY
Trade agreements, double taxation treaties, free trade zones.

DOLLARIZED ECONOMY AND LOW INFLATION
Economic stability, solid financial system, financial integration, reduces transaction costs.

Direct access to the Pacific Ocean
and only 700 miles from the Panama Canal

At the center of the world and the Andean market
Strategic connection between North America, Europe, Asia and South America

Competitive advantages of Ecuador

CLEAR REGULATORY FRAMEWORK
Ecuador is part of the International Center for Settlement of Investment Disputes (ICSID). Legal certainty

INVESTMENT INCENTIVES
Tax benefits for strategic investments, streamlining of procedures.

QUALIFIED HUMAN TALENT
Qualified and experienced personnel

A global perspective through its key indicators

Demographics

- **Population:** 16,938,986
- **Rural Population :** 6,251,835 (37%)

Source: *INEC*, VIII Censo de Población y VII de Vivienda, 2022

Economy

- **Annual Nominal GDP (2025 prelim.):** USD 130.32 million
- **Nominal GDP Per Capita (2025 prelim.):** USD 7,198

Source: BCE, 2025.

Social

- **Income poverty rate (2025):** 21.4%; **urban:** 13.8% **rural:** 37.6%
- **Gini coefficient (2025):** 0.470
- **Unemployment rate (2026):** 3.06%

Sources: INEC–ENEMDU, 2025; BCE, 2025

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General Overview

Agrifood Sector of Ecuador

The agricultural sector in Ecuador has a social face, drives rural employment, and guarantees livelihoods

Agricultural Employment

1/3

One in three persons works in the agricultural sector.

Source: INEC–ENEMDU (annual), 2025

	Rural area	Urban area
Adequate employment	21.9%	45.3%
Unemployment	1.9%	4.5%

Source: INEC–ENEMDU (annual), 2025

19% — **Agricultural land area** (4.84 million ha) AAgroproductive potential and megadiverse natural endowment

60% — Production of **foods consumed in the country comes from Family Farming**

75% — Agricutural Production Units are **Family Farms**

17% — Of **agricultural exports with embedded technology**

Source: *MAGP-SIPA, 2025*

The agricultural and agro-industrial sector drives the economic and social development of Ecuador

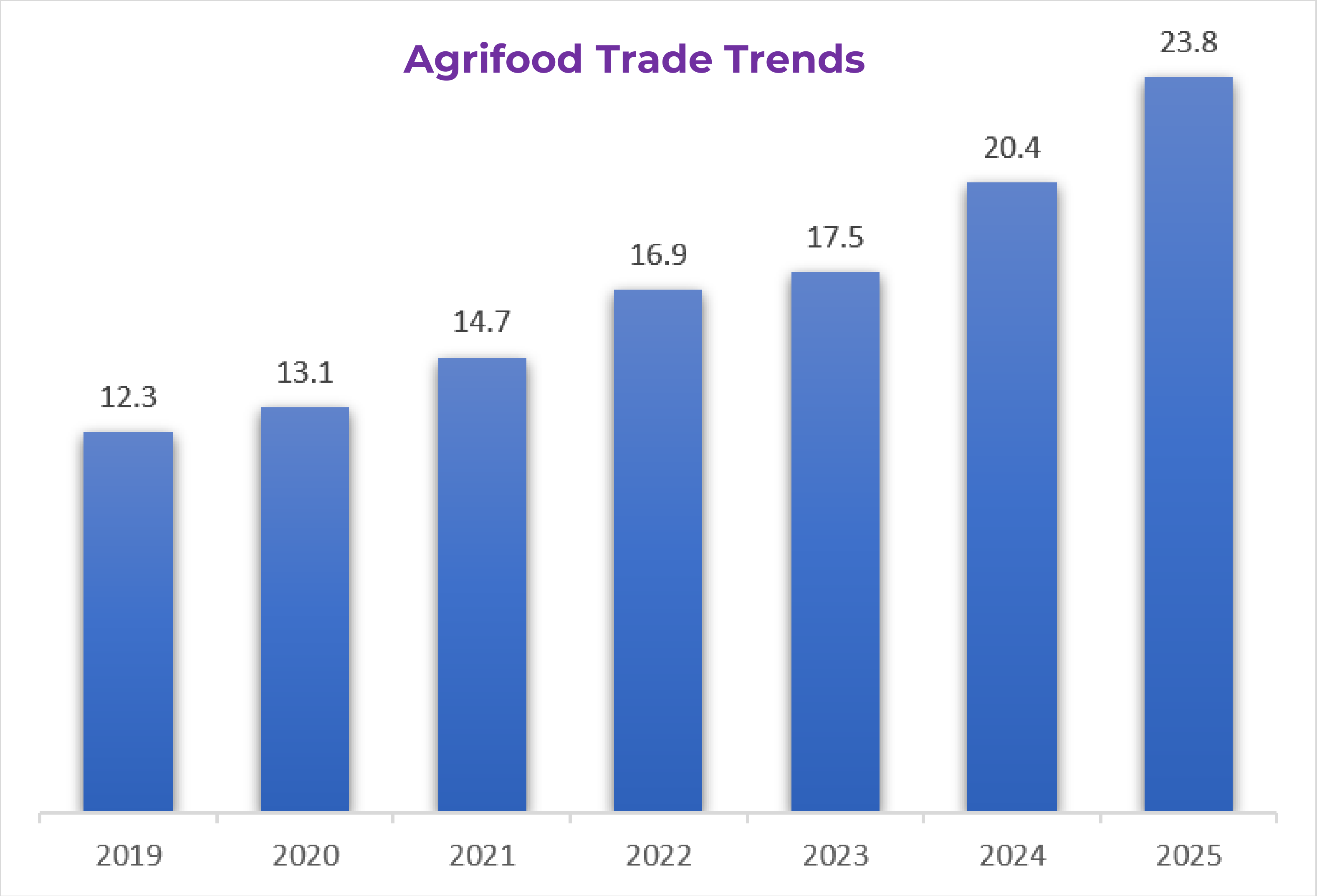
15.4% — Agrifood system contribution to national GDP

44% — of foreign exchange earnings from non-oil export

81% — of the country's agricultural and agro-industrial supply is covered by trade agreements

81% — Contribution of agrifood exports to non-oil exports

Source: BCE, 2025



Source: BCE, 2025

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Priority Investment in Ecuador's Agrifood Sector

Investment Case 1
Cocoa

Investment Case 2
Livestock

Investment Case 3
Tuna

Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative

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Investment Case 1
COCOA

Context Analysis of the Cocoa Sector

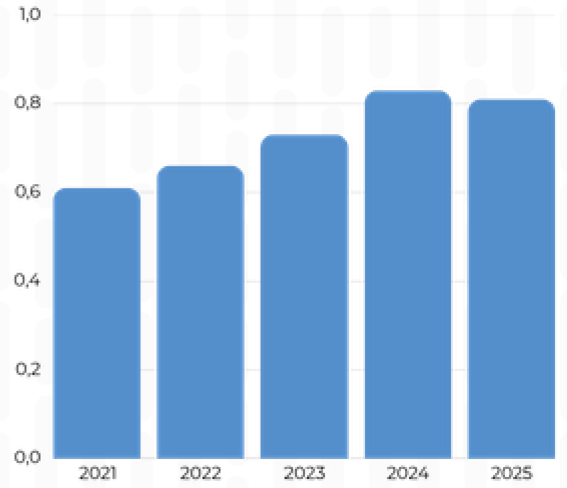
and its contribution to Ecuador's economy

9.8 %
GDP Contribution to Agricultural GVA

Source: MAGP-SIPA, 2023

501,244 MT
5 **% Fine Aroma Cocoa**
95 % conventional
2025

Source: INEC-ESPAC, 2025

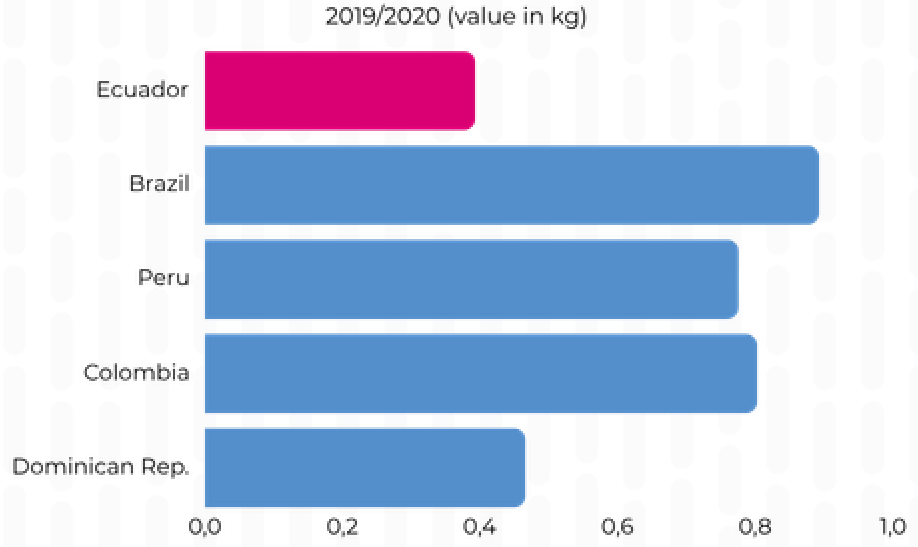


Yield
2021-2025

Source: MAGP-SIPA,2021- 2025

300 - 400 g
monthly per capita consumption
2025

9% **Domestic Consumption**



Per capita cocoa consumption in Latin America

Source: Barómetro del Cacao, 2022

456,617
Total workforce

25 % **women**

75 % **men**

57 years **Average age**

Source: INEC-ESPAC, 2025

232,200 production units

88.1% (<5 ha)	**9.7%** (5-10 ha)	**2.2%** (>10 ha)
8 % Producers Associations		
56.1% of production	**28.0%** of production	**15.9%** of production

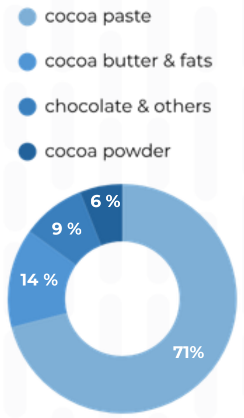
Source: INEC-ESPAC, 2025

91 %
Exports
(13.5 % of non-oil exports)

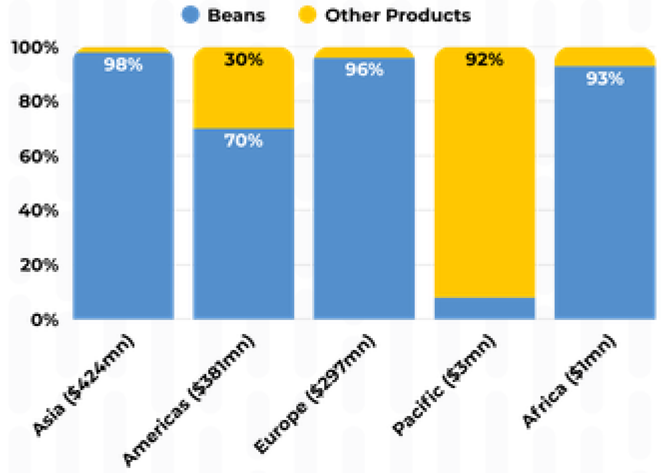
USD 4.183 million FOB

90 % cocoa beans
10 % derived products

Source: BCE, 2025



Ecuadorian Cocoa Exports
by region and product type



38 % Asia
35 % Americas
27 % Europe

Source: ITC Trade Map, 2024

Investment Case 1
COCOA

Investment Note

Ecuadorian Cocoa for Premium Markets

Strategic Pillars

Cross-cutting Themes

Investment Opportunities

1

Structured access to premium markets and country positioning

USD 3,380,300

1. Market Intelligence and Competitiveness Center PUB.
1. Strategy for National and International Market Positioning and Trade Promotion (country branding, sensory map, export supply catalogue, conscious consumption campaign, trade events, and direct market linkages) PUB.

2

Resilient agroforestry production and differenciated genetic material

USD 10,278,432

1. Transition of 20,347 ha towards agroforestry systems PR.
1. A network of certified territorial nurseries and clonal gardens. PR.

3

Quality, Innovation, and Differenciation

USD 7,806,000

1. Center of Excellence in Cocoa Innovation and Quality. PUB. PR.
1. Strengthening of 7 territorial laboratories for cocoa quality. PUB.

4

Modernization of collection, post-harvest, and processing infrastructure

USD 3,210,000

1. Comprehensive modernization and accreditation of 7 post-harvest and collection centers. PUB.
1. Two modular semi-processed cocoa plants for premium markets. PR.

5

Specialized extension, services, innovation, and knowledge management

USD 4,741,100

1. Specialized National Cocoa Extension Service (3,647 producers in prioritized territories) PUB.

6

Digital traceability and information management for competitiveness

USD 400,000

1. An integrated digital traceability and monitoring platform. PUB.

7

Tailored Climate Finance and Market Incentives

USD 53,406,600

1. A differenciated credit line for Ecuadorian Cocoa for Premium Markets. PUB.
1. Results-based payment model for agroforestry systems (85,348 ha with potential for RBP) PUB.

Bottlenecks

Limited commercial intelligence and access to premium markets.	Low productivity and limited access to certified planting material.	Weak coordination among research, innovation, and quality.	Insufficient infrastructure for post-harvest and processing.	Heterogeneous technical, sensory, organizational, and commercial capacities	Lack of an interoperable platform integrating different features (georeferencing, traceability, quality)	Financing poorly adapted to the production cycle and limited access to credit.	Scarcity of incentives for sustainability and ecosystem services.

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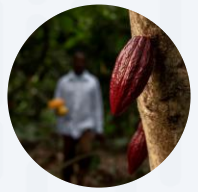
Investment Case 1
COCOA

Investment Note

Ecuadorian Cocoa for Premium Markets

Potential Outcomes of the Investment Proposal


Sustainable, resilient, and differentiated production base


Consistent quality and higher value addition


Traceability and transparency


Market diversification and improved positioning


Inclusive economic benefits

Risks	Mitigation Measures
Low adoption by producers	Incentives, pilot projects, and technical assistance
Weak institutional coordination	Governance and public-private partnerships
Limited access to premium markets	Market intelligence and targeted promotion
Insufficient financial sustainability	Business models and tailored financing
Weak traceability and monitoring	Digital systems and standard setting

Total Investment Amount: USD 83,222,433

20.6%
IRR

USD 37,797,944
NPV

1.38
B/C

Expected Impacts

351,960
Direct Beneficiaries

1,150,732
Indirect Beneficiaries

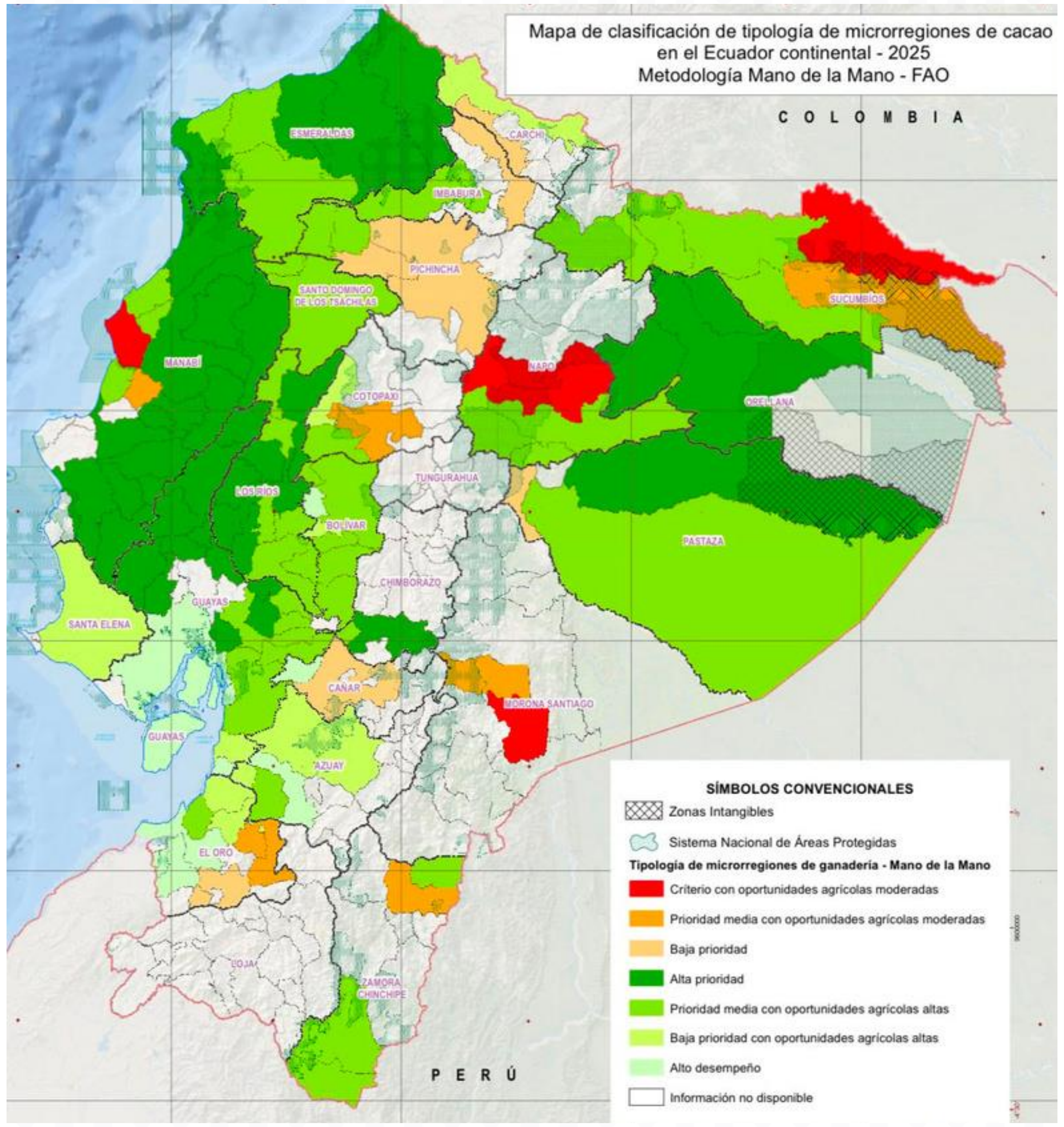
Increase in producer Income (annual/ha):
from USD 2,060 to USD 2,855

229,736 **tonnes of CO2 equivalent avoided annually**
EX-ACT calculation

Prioritized Territories

High-Priority HIH Cantons in the provinces of:

Esmeraldas, Guayas, Los Ríos, Manabí, Chimborazo, Pastaza and Orellana



Source: INEC-ESPAC, 2025; MAE-SNAP, 2025; MAE-Zonas Intangibles, 2022

Note: National System of Protected Areas (SNAP) and intangible zone areas are included as territorial reference; any economic or productive activity in these areas must comply with applicable legal regulations

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Investment Case 2
LIVESTOCK

Context Analysis of the Livestock Sector

and the contribution of the Beef and Dairy Value Chains to Ecuador's economy

Contribution to National GDP

0.38%
Beef Cattle
2024p

1.90%
Raw Milk and Dairy Products
2024p

Source: BCE, 2025

10.35%
Livestock Sector Contribution to Agricultural GVA
2024 prel

Source: MAGP-SIPA, 2026

4.7 million
cattle heads
12% beef
15% dairy
73% dual-purpose

Source: Agrocalidad-SIFAE, 2025

USD 466 million
Beef production
2024p

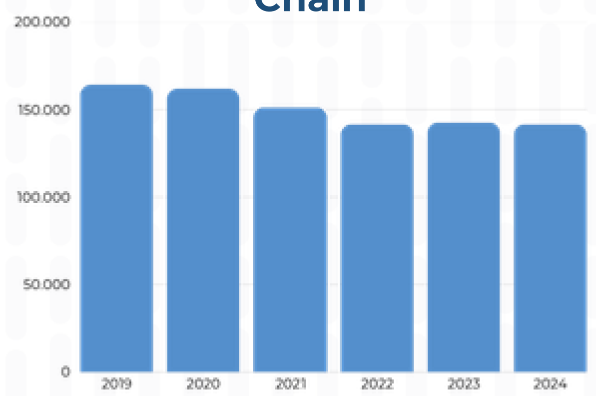
5.15 million
L / day
Raw milk production
7.1
L / cow / day
yield

Source: INEC-ESPAC, 2025

USD 2.356 million
Production of raw milk, processed milk, derivatives
2024p

Source: BCE, 2025

Meat Value Chain



Net Beef Production (thousand metric tons)
100% is intended for domestic consumption

Source: MAGP-SIPA, 2026

Dairy Value Chain

98%
Local Market
USD 1,157 million

2.2 k / tonne
exports
USD 5.47 million
114% higher than 2024

Source: BCE, 2025

Meat Value Chain

+ 150 k
jobs

30 k
Beef Farms
54 k
dairy farms
177 k
dual-purpose farms

Source: Agrocalidad-SIFAE, 2025

Dairy Value Chain

+ 500 k
jobs

17,404
Raw milk production companies

3,746
processing companies

6,846
Distribution companies

Source: SRI-SAIKU, 2026

Producers

261 k
primary producers

Meat Value Chain

24 % women
76 % men

58 years
old average age

Dairy Value Chain

31 % women
69 % men

56 years
old average age

Source: Agrocalidad-SIFAE, 2025; INEC-ESPAC, 2025

EXTENSIVE LIVESTOCK FARMING
34 %
National Production
livestock farming families
(<20 ha)

Annual Per Capita Consumption
(2024)

8 kg
Meat

26 kg
annual per capita recommendation
WCRF

Source: Clúster Cárnico Bovino

108 L
Dairy Products

160 L
per capita WHO recommendation

Source: Clúster Lácteo

CO_2

the livestock sector represents
12 % of **anthropogenic emissions**
which are inversely proportional to productivity levels

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Investment Case 2
LIVESTOCK

Investment Note

Regenerative Transformation of Ecuadorian Livestock

Strategic Pillars

Cross-cutting Themes

Investment Opportunities

1 Regenerative Livestock

USD 638,000

1. A National Strategy and Roadmap for Regenerative Livestock PUB.

2 Structured market access and regenerative commercial positioning

USD 3,287,600

1. Market Intelligence, Sanitary Access, and Competitiveness Center PUB. PR.

3 New production systems for climate transition

USD 5,020,354

1. An Innovation Center for livestock transformation PUB.

4 Traceability for differentiation

USD 16,517,231

1. Strengthening 3 anchor companies to develop products sourced from regenerative livestock (milk and meat) PR.
1. Modernization of 15 slaughterhouses and 10 milk collection centers PUB.
1. Herd identification and traceability for regenerative differentiation (1.6 million head of cattle) PUB.

5 Information Management for Competitiveness

USD 400,000

1. An integrated platform for livestock information, traceability, and competitiveness PUB.

6 Regenerative Financial Ecosystem

USD 45,275,422

1. Differentiated credit line for Regenerative Livestock producers PUB.
1. Results-based payment model for regenerative livestock producers (67,279 potential ha) PUB.

Bottlenecks

Absence of standards and criteria for regenerative livestock.	Limited differentiation and recognition of regenerative products.	Limited knowledge and adoption of regenerative practices.	Insufficient infrastructure and heterogeneous quality standards.	Weak traceability and integration of information systems.	Financing poorly adapted to regenerative and climate transition.

Investment Case 2
LIVESTOCK

Investment Note

Regenerative Transformation of Ecuadorian Livestock

Potential Outcomes of the Investment Proposal

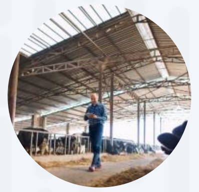

Increased productivity and sustainability


Soil health and climate resilience


Reduced deforestation and emissions


Value-added meat and dairy products


Improved market access


Information for decision-making

Risks	Mitigation Measures
Weak institutional coordination and fragmentation of efforts	Clear governance, interoperability, and a common roadmap
Resistance to transition and low producer participation	Incentives, extension services, and demonstration farms
High transition costs and limited access to financing	Dedicated credit lines, climate finance, and green guarantees
Low differentiation and demand for regenerative products	Certification, traceability, and market positioning
Limited access to genetics, technologies, and specialized services	Genetic improvement and strengthening of technological services
Challenges in traceability, monitoring, and verification	Interoperable digital systems and robust MRV

Total Investment Amount: USD 71,138,608

20.4%
IRR

USD 20,845,592
NPV

1.34
B/C

Expected Impacts

115,138
Direct Beneficiaries

384,485
Indirect Beneficiaries

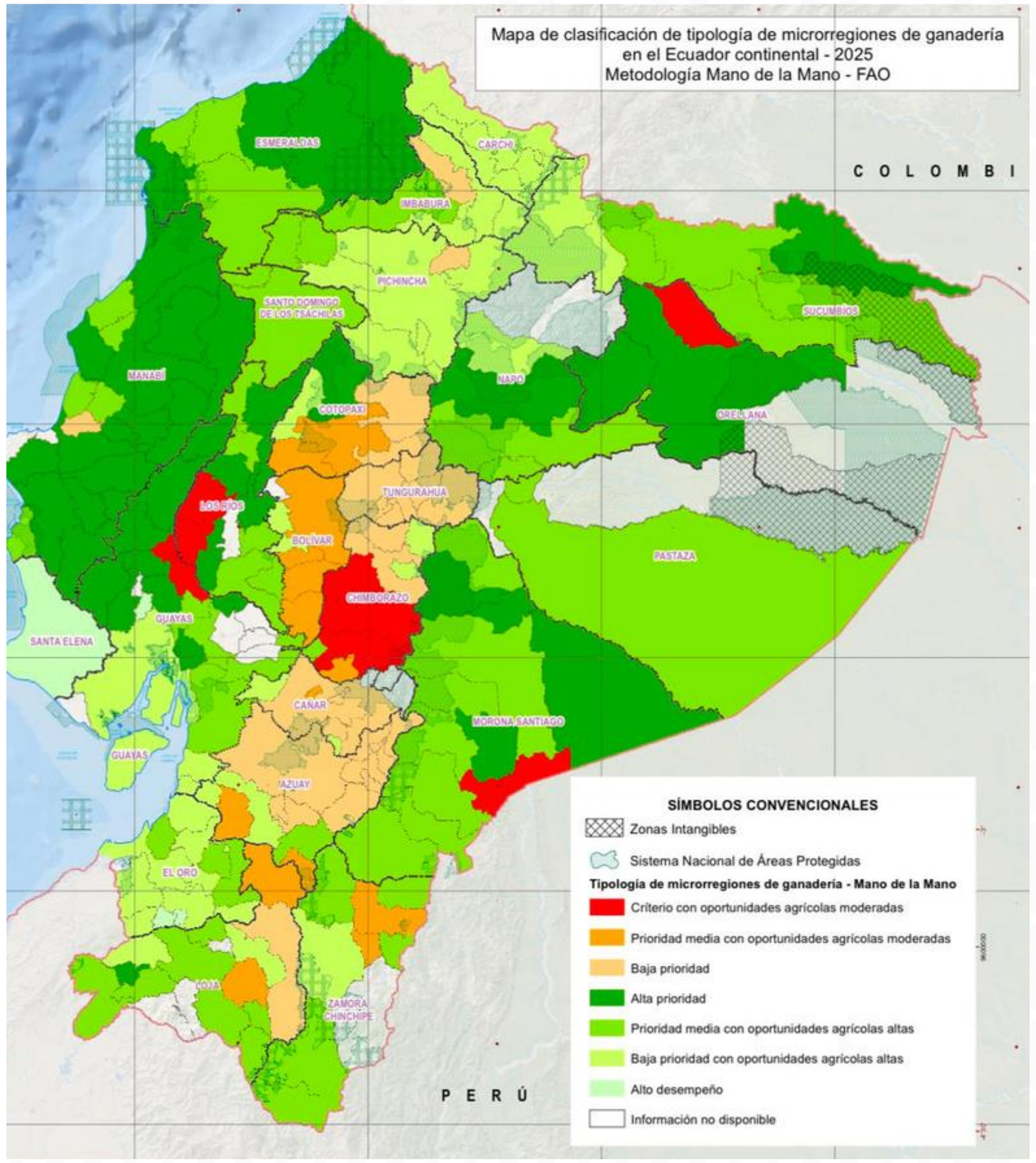
Increase in net producer Income per cow/year:
USD 362

761,550 **tonnes of CO2 equivalent avoided annually**
EX-ACT calculation

Prioritized Territories

High-Priority HIH Cantons in the provinces of:

Cotopaxi, Esmeraldas, Guayas, Loja, Los Ríos, Manabí, Morona Santiago, Napo, Sucumbíos y Orellana



Source: INEC-ESPAC, 2025; MAE-SNAP, 2025; MAE-Zonas Intangibles, 2022
Note: National System of Protected Areas (SNAP) and intangible zone areas are included as territorial reference; any economic or productive activity in these areas must comply with applicable legal regulations

Investment Case 3
TUNA

Context Analysis of the Tuna Sector

and the Contribution of the Tuna Processing Industry to Ecuador's Economy

1.15%
National Fisheries GDP

3%
Manabí Fisheries GDP

21.48%
Trade Balance Contribution

Source: *BCE, 2025*

Number of workers in tuna processing companies

(Workforce of 8 companies)

48%
women
24.7% increase compared to 2023

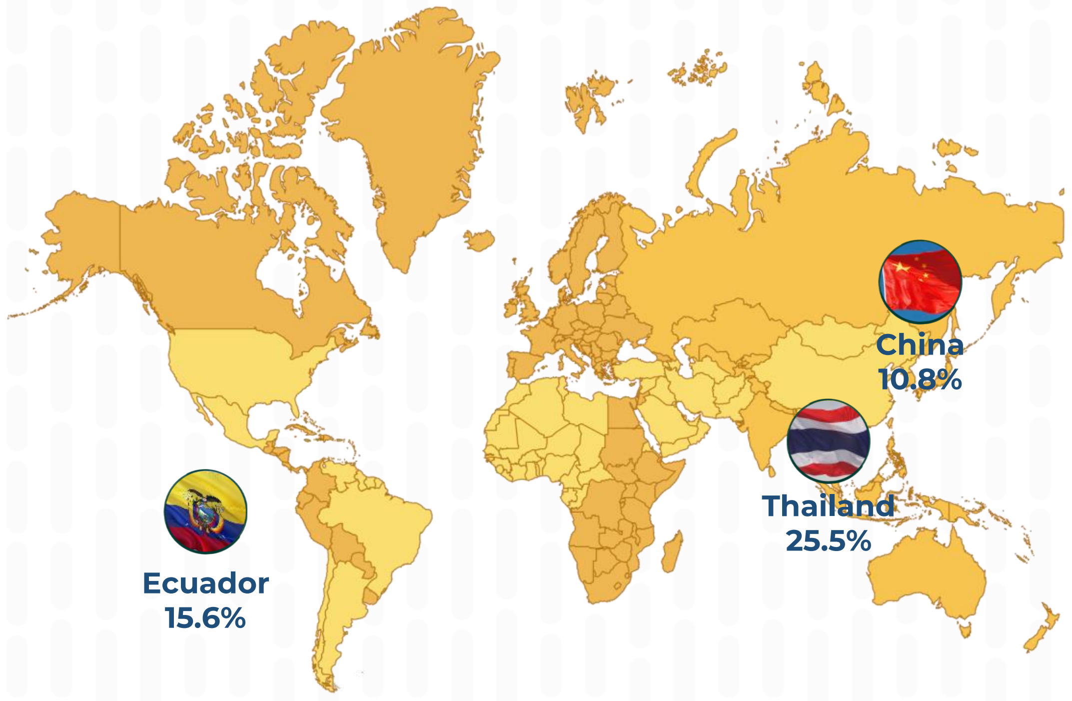
52%
men
41.1% increase compared to 2023

Source: CEIPA, 2024

TUNA PROCESSING COMPANIES

Source: BCE/ Prefectura Manabí, 2024

Ecuador is one of the World's leading Tuna exporters

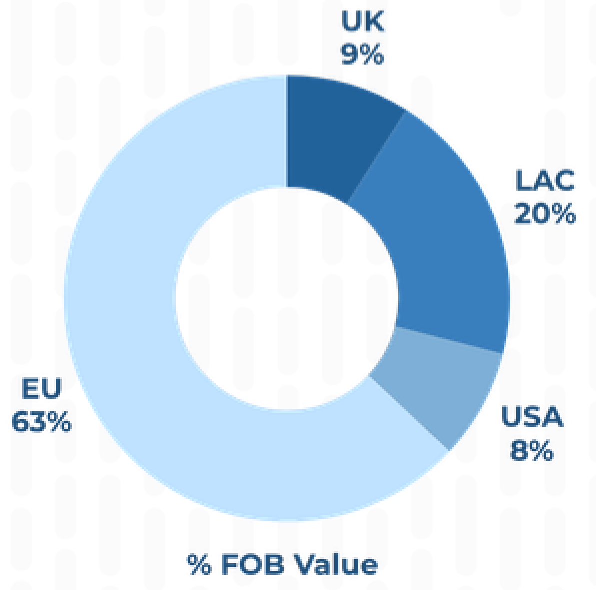


Source: ITC Trade Map, 2024

CANNED TUNA **81%**

TUNA LOINS **14%**

OTHERS **5%**



Source: *BCE, 2025*

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Investment Case 3
TUNA

Investment Note

Upgrading the Tuna Value Chain for Blue Transformation

Investment Opportunities

Strategic Pillars

1 INNOVATION AND BLUE BIOECONOMY

USD 4,000,000

1. Innovation and biotechnology center for the valorization of fisheries by-products. PR. PUB.
1. Modernization of the National Fisheries and Aquaculture Information System. PUB.

2 INFRASTRUCTURE AND INDUSTRIAL MODERNIZATION

USD 3,000,000

1. Renewable energy and energy efficiency systems for tuna industry. PR.
1. Modernization of fishing infrastructure and port capacities. PR.
1. Strengthening shipyard capacities in Manta. PR. PUB.
1. Technological fleet renewal for traceability and sustainability. PUB. PR.

3 MARKET ACCESS

USD 1,200,000

1. Market Intelligence Center. PUB. PR.
1. Ecuador Tuna Observatory. PUB. PR.

4 CAPACITIES AND TERRITORIAL DEVELOPMENT

USD 3,100,000

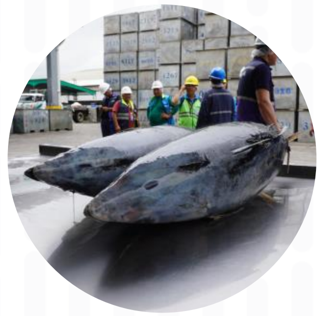
1. Strengthening technical and institutional capacities for fisheries sustainability. PUB. PR.
1. Training and extension programs for good fishing practices. PUB. PR.
1. Promotion of marine ecosystem restoration and responsible consumption. PUB. PR.

Cross-cutting Themes

5 GOVERNANCE AND REFORMS

USD 800,000

1. Public policy for blue transformation and sustainable fishing. PUB.
1. Inter-institutional coordination for fisheries governance. PUB.
1. Regulation for traceability in international markets. PUB.



6 FINANCIAL ECOSYSTEM

USD 470,000

1. Financial instruments for blue transformation (differentiated credit line). PR.
1. Blended finance mechanisms for investment mobilization. PR. PUB.

Bottlenecks

Weak fisheries governance and control impacting markets	High reliance on conventional energy.	Low utilization of fisheries by-products and weak circular economy.	Fragmented fisheries information and limited evidence for decision-making	Insufficient port security and logistics.	Outdated fishing and port infrastructure.	Limited access to financing for sustainable innovation

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Investment Case 3
TUNA

Investment Note

Upgrading the Tuna Value Chain for Blue Transformation

Potential Outcomes of the Investment Proposal


Increased competitiveness and export diversification


Food security and value addition


Circular economy and environmental impact reduction


Quality employment and coastal development


Strengthening governance and combating IUU fishing


Climate resilience and ocean sustainability

Risks	Mitigation Measures
Weak institutional coordination.	Formal mandate and permanent coordination mechanism.
Low technology adoption.	Prototyping and early solution validation.
Limited operational sustainability.	Regulatory framework ensuring institutional use.
Low initial profitability.	Public-private model with pre-feasibility studies.
High financial risk perception.	Co-design of the instrument with the financial and industrial sectors.
Staff turnover.	Continuous training and knowledge transfer.

Total Investment Amount: USD 12,570,000

14.4% IRR

USD 1,629,805 NPV

1.10 B/C

Expected Impacts

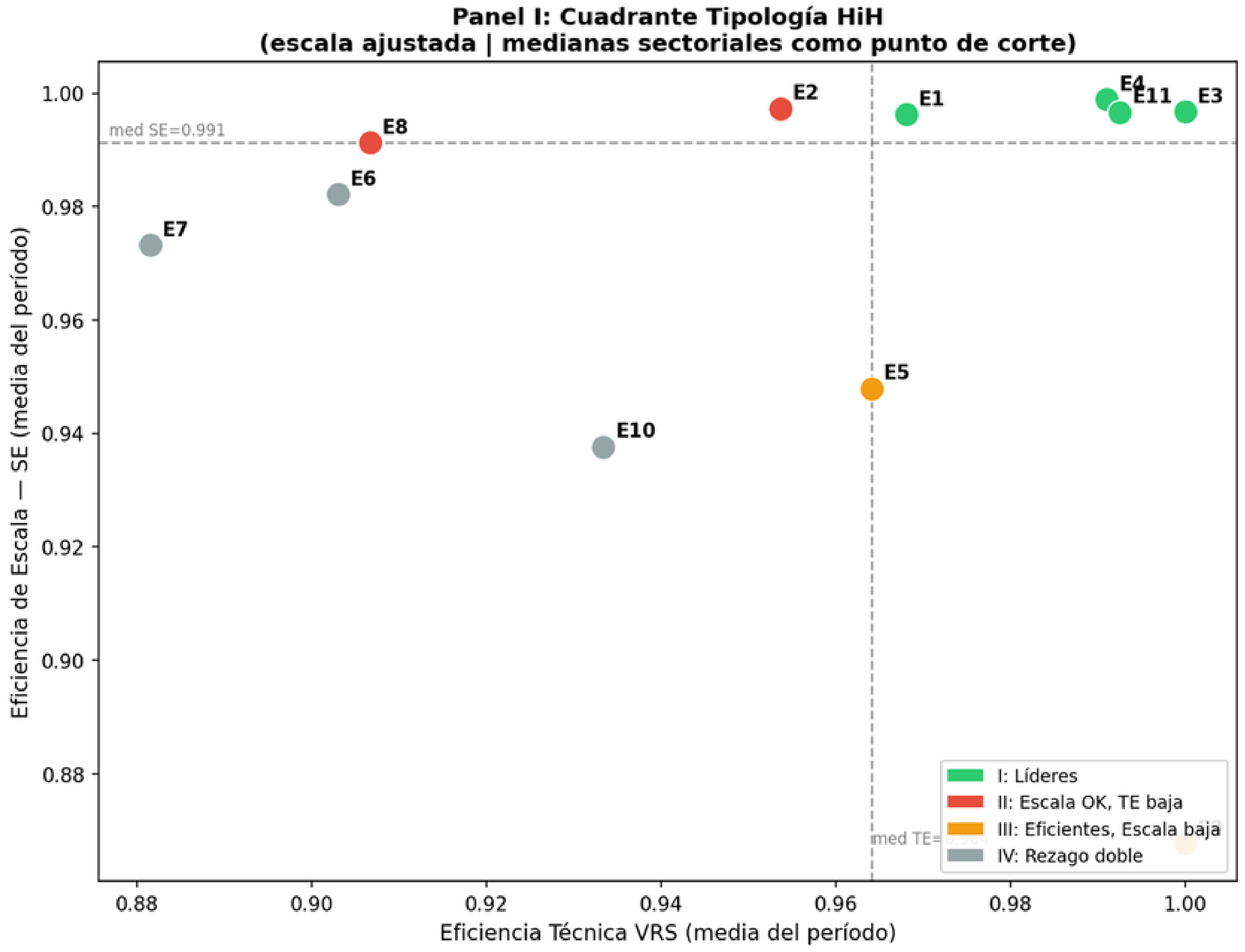
20,000 Direct Beneficiaries

80,000 Indirect Beneficiaries

Annual ROA increase: +5.4pp

75,051 **tonnes of CO_2 equivalent avoided annually**
EX-ACT calculation

HIH typologies for 11 tuna processing companies



Source: Supercias, 2025

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Summary: Ecuador HIH Investment Plan 2026

SUMMARY

USD 166,931,041
Total required investment

18.5%
Overall average IRR

USD 60,273,341
Overall NPV

1.27
Overall average B/C

2,102,315
Total direct and indirect beneficiaries

1,066,337
Total tCO2e avoided/year

Ecuadorian Cocoa for Premium Markets

Total Investment Amount (USD)

USD 83,222,433

IRR (%)	20.6
NPV	37,797,944
B / C	1.38

Sustainability benefits

Direct beneficiaries: 351,960
Indirect beneficiaries: 1,150,732
Increase in producer income: from USD 2,060 to 2,855 per ha
Tonnes of CO2 equivalent avoided/year: 229,736

Regenerative Transformation of Ecuadorian Livestock

Total Investment Amount (USD)

USD 71,138,608

IRR (%)	20.4
NPV	20,845,592
B / C	1.34

Sustainability benefits

Direct beneficiaries: 115,138
Indirect beneficiaries: 384,485
Increase in producer income: USD 362 net/cow/year
Tonnes of CO2 equivalent avoided/year: 761,550

Upgrading the Tuna Value Chain for Blue Transformation

Total Investment Amount (USD)

USD 12,570,000

IRR (%)	14.4
NPV	1,629,805
B / C	1.10

Sustainability benefits

Direct beneficiaries: 20,000
Indirect beneficiaries: 80,000
Annual ROA increase: +5.4pp
Tonnes of CO2 equivalent avoided/year: 75,051