

Voluntary Report – Voluntary - Public Distribution

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Report Name: Early Actions Point to Increased Trade Openness

Country: Costa Rica

Post: San Jose

Report Category: Agricultural Situation, Policy and Program Announcements, Agriculture in the News, Avocado, Grain and Feed

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Report Highlights:

The new Costa Rican government has announced a resumption of Hass avocado imports and proposed abolishing minimum prices for milled rice, following through on campaign promises to respect international law and address rising consumer prices.

Costa Rican President Rodrigo Chaves announced several executive decrees on his first day in office (May 8), including a consultation on government price controls for milled rice. After being nominated to serve as Minister for Agriculture and Livestock, Laura Bonilla Coto publicly stated the Government of Costa Rica would respect World Trade Organization (WTO) findings and restore Costa Rica's international trade reputation by resuming importation of Hass avocados from Mexico, the United States, and seven other exporters. Both of these policy announcements represented a sharp contrast to the Partido Acción Ciudadana (PAC) governments of Carlos Alvarado (2018-2022) and Luis Guillermo Solís (2014-2018), which erected and maintained non-tariff barriers to agricultural imports.

President Chaves fulfilled Minister Bonilla's promise to resume Hass avocado imports only ten days into his term, making the announcement at a May 18 press conference prior to departing for the World Economic Forum in Davos, Switzerland. President Chaves underscored the importance of abiding by international law and implementing the [WTO dispute settlement panel ruling](#) against Costa Rica to avoid economically damaging Mexican retaliation. The National Phytosanitary Service Director issued a [formal statement](#) later on May 18, confirming withdrawal of the nearly seven year-long measure and reaffirming Costa Rica's commitment to protecting domestic producers from plant health risks.

On May 18, the Ministry of Economy, Industry, and Commerce (MEIC) published a draft executive decree to revise government rice price setting mechanisms. The draft measure would eliminate the minimum price for milled rice and adjust maximum rice prices in an effort to lower consumer prices through increased competition at the retail level. The draft did not include elimination of the import tariff for milled rice, but the measure would move Costa Rica toward a more dynamic, price-responsive rice market. The measure is open for public consultation through June 1, 2022.

Attachments:

[2022_05_18 Text of SEFITO Statement on Hass Avocado Importation.docx](#)

[2022_05_18 Draft Resolution Abolishing Minimum Milled Rice Price.pdf](#)