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Haiti

Grain and Feed Annual

2019

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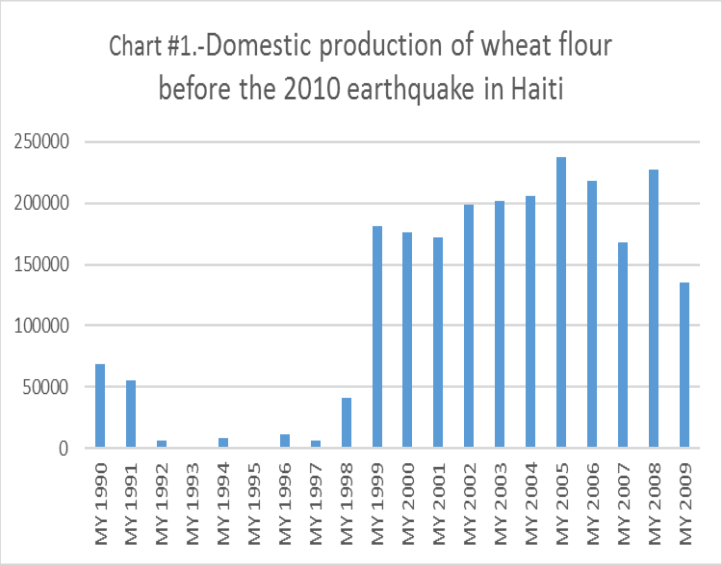
Report Highlights:
Wheat consumption in Haiti during Marketing Year (MY) 2019/2020 (July 2019/ June 2020) is forecast at 415,000 metric tons (MT). During MY 2018/19, Haiti is expected to import 410,000 metric tons (MT) of wheat and wheat products. **Rice** continues to be a staple food for Haitians. Production of milled rice for MY 2019/20 (July 2019/ June 2020) is forecast at 75,000 MT, with imports increasing to 480,000 MT. More than 90 percent of imported rice comes from the United States. **Corn** remains one of the agricultural products in which Haiti is generally self-sufficient. Production of corn in MY 2019/2020 is forecast at 320,000 MT, with imports decreasing to 20,000 metric tons (MT).

1. WHEAT

1.1. Production

Haiti does not produce wheat. It imports Hard Red Winter (HRW), Hard Red Spring (HRS) and durum wheat to produce wheat products.



Haiti's capacity to produce wheat products has increased gradually over time. Three periods are observed from 1990 to the present in the wheat products market. Before 1997, La Minoterie d'Haiti was the only (government-owned) miller in Haiti. It had a production capacity of 239,400 MT of wheat products per year. However, it produced on average only 21,415 MT per year. For marketing year (MY) 1990/91 and MY 1991/92, production reached 68,896 MT and 55,002 MT respectively, which represented 36 percent and 25 percent of the total wheat products on the Haitian market. In 1991, after the ejection of the elected president, Haiti faced a political crisis that affected domestic production of wheat products, which dropped significantly. By MY 1995/96, production of wheat products was estimated at 70 MT.

In 1997, the Government of Haiti (GOH) decided to privatize La Minoterie d'Haiti, which re-launched operations in 1998 under the name Les Moulins d'Haiti. With foreign and domestic investments, Les Moulins d'Haiti upgraded its production capacity to 1,436 MT per day. From 1997 to 2010, Les Moulins d'Haiti produced on average 167,041 MT of wheat products per year. Domestic production of wheat products filled more than 70 percent of the total market.

The 2010 earthquake marked a new period in the Haitian domestic wheat products market. Les Moulins d'Haiti facilities were devastated, and new millers emerged. Imports (both formal and informal) of Dominican wheat flour filled the gap when the Haitian mill was devastated by the earthquake. That trade continued after the mill was restored and the new mills were built, and the market is currently supplied primarily by domestic flour (65 percent), Dominican wheat flour (19 percent) and Turkish wheat flour (16 percent). Currently, the total production capacity of wheat flour and semolina is estimated at 740,153 MT per year. However, the millers are still running under capacity.

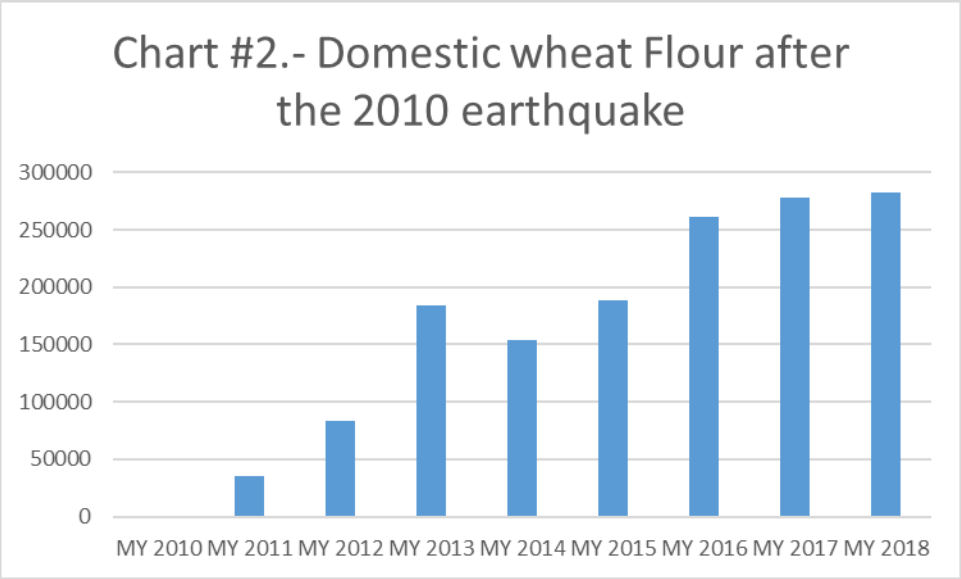
Three milling companies are currently operating in Haiti. The largest milling company, Les Moulins d'Haiti, increased its capacity to 1,642 MT of wheat flour per day. The Caribbean Milling is the second largest milling company and has the only semolina mill in Haiti. It has a capacity to produce 547 MT of wheat products per day. It produces mainly semolina for their pasta plant and wheat bran for animals.

The third milling company, Les Cereales d'Haiti, has a capacity to produce 274 MT of wheat flour per day and has plans to double its capacity. It also produces wheat bran for animal feed. In addition to these three mills, other companies import wheat flour.

MILLS CURRENTLY OPERATING IN HAITI

Les Moulins d'Haiti S.A.	Haiti Agro Processor
Les Cereales d'Haiti S.A.	Khawly Group
The Caribbean Milling S.A.	HM Group

Wheat flour production for MY 2018/19 is expected to increase to 280,000 MT, compared to a revised estimate of 277,000 MT for MY2017/18. This situation is due particularly to the application of the new tariff on wheat flour imports since March 1st, 2019, which is expected to have a negative impact on imports and increase demand for domestic wheat flour. For MY2019/20, Post forecasts an increase in wheat flour production to 300,000 MT due to an anticipated increase in demand and the continuing effects of the new tariff on wheat flour imports.



**HS classification codes included: 1101, converted to wheat equivalent using a conversion factor of 1.368 for wheat flour.*

1.2. Consumption

For MY 2018/19, consumption and residual of wheat and wheat products is expected to remain stable, compared to 405,000 MT for MY 2017/18. This situation is due to the decrease of the consumption per capita, which is estimated at 36 kilograms per year. Although the consumption per capita has declined, Haitian preferences regarding wheat and wheat products have not changed. The political crisis is the major factor that affects the economic activities. Additionally, for several months, fighting between rival gangs in Martissant and Boulevard La Saline has been disturbing the transport of goods to the departments of South, Southeast, Grand'Anse and Nippes.

Wheat and wheat products have been part of the Haitian diet for years. In the past, the most common wheat product was wheat flour. It was used for bread-making, dumplings and patties. It was in competition with cassava flour, which was used for cassava bread and dumplings. Thereafter, wheat flour was used in pastries, cakes and pasta. The presence of gluten in the wheat flour gives it an advantage over other sources of flour. Moreover, wheat flour products are well appreciated by Haitian people for its taste.

For MY 2019/20, consumption of wheat and wheat products is forecast to increase slightly to 415,000 MT. This assumes a return to normal per capita consumption as the political situation stabilizes.

1.3. Stocks

The storage capacity of the milling companies is very limited. They generally order wheat for two to three months. However, for wheat flour, they produce just enough to satisfy daily needs, and can store flour for three days max.

1.4. Trade

Imports

The local market depends heavily on imports of wheat. Traditionally, importers have purchased HRW and HRS from the United States, accounting for more than 40 percent of wheat market share. Wheat from Russia, Poland and Canada is competing with the U.S. wheat in the Haitian market. For MY 2018/19, wheat grain imports are expected to increase to 275,000 MT. As previously mentioned, the political crisis has been impacting imports since July 2018. For MY 2019/20, Post forecasts an increase in wheat grain imports to 290,000 MT as the political situation in Haiti stabilizes.

Haiti also imports wheat flour from Turkey, the Dominican Republic and occasionally France. Imports of wheat flour for MY2018/19 are expected to decline to 110,000 MT, which represents a decrease of 16 percent compared to the revised estimate of 131,508 MT for MY2017/18. This situation is due to the decrease in imports of Turkish wheat flour to Haiti. For the first semester of MY 2018/19 – from July to December 2018 – imported Turkish wheat flour reached 19,000 MT, which represents a decrease of 37 percent compared to the same period in MY 2017/18. Additionally, the application of the new tariff on imported wheat flour on March 1st, 2019 is expected to continue this downward trend. However, imports of Dominican wheat flour for MY 2018/19 and MY 2019/2020 are expected to remain stable.

Table #1 - Haiti Imports of wheat and wheat products in MY 2017/18

Products	Quantity (MT)	Quantity wheat equivalent (MT)*
Wheat		
United states	108,352	108,352
Canada	79,399	79,399
Russia	52,255	52,255
Others	30,659	30,659

Wheat products		
Dominican Republic	56,082	71,719
Turkey	51,997	71,132
Peru	4,109	5,621
Others	2,595	3,550

Source: Built by Post with data from GTA, GATS/USDA and Dominican sources
**Using a conversion factor of 1.368 for wheat products*

Overall, imports of wheat and wheat products are expected to remain relatively stable at 410,000 MT for MY 2018/19. This situation is due to two factors. First is the political instability that Haiti has faced since July 2018. This was characterized by strikes, unpredictable unrest, diversion of trucks, and disruption of traffic, which created uncertainty for businesses. Second was the scarcity of U.S. dollars to pay for imports. This situation is critical for economic activities, as Haiti depends heavily on the imports. Unfortunately, this situation persisted until March 2019. However, Post expects an increase in imports to 430,000 MT for MY 2019/20, as the Haitian government has taken steps to stabilize the political situation and improve the economic situation.

Tariffs

Table #2 - Tariff for wheat products in Haiti

HS Code	**Product**	**Previous tariff**	**New tariff (as of March 1, 2019)**
1101	Wheat flour	0	15
1902	Pasta	40	40

On March 1, 2019, the Government of Haiti increased the applied tariff on wheat flour to 15 percent in order to promote domestic products.

1.5 Statistics

Wheat	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul 2017		Jul 2018		Jul 2019	
Haiti	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	8	0	13
Production	0	0	0	0	0	0
MY Imports	475	413	475	410	0	430
TY Imports	475	413	475	410	0	430
TY Imp. from U.S.	109	109	0	0	0	0
Total Supply	475	413	475	418	0	443
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	0	0	0	0	0	0
FSI Consumption	475	405	475	405	0	415
Total Consumption	475	405	475	405	0	415
Ending Stocks	0	8	0	13	0	28
Total Distribution	475	413	475	418	0	443
Yield	0	0	0	0	0	0
(1000 HA) ,(1000 MT) ,(MT/HA)						

2. RICE

2.1. Production

Haiti's rice production is estimated at 65,000 MT (milled equivalent) for MY 2018/2019, three percent lower than MY 2017/18 as a result of the drought affecting the country. For MY 2019/20, Post forecasts an increase in rice production to 75,000 MT (milled equivalent). This assumes a return to typical yields of 2.06 MT per hectare and a stabilization of the area harvested at 66,000 hectares.

The area harvested in MY 2018/19 fell slightly to 60,000 ha. Rice is grown in seven departments of Haiti during two seasons: the spring season from May to October and the winter season from December to April. A severe drought has hit Haiti since June 2018, disturbing the spring campaign. The department of Artibonite, previously extended its planted area to 32,000 ha, but only harvested 26,000 ha because of the loss of crops. Additionally, planting for the winter season was delayed in the departments of Northeast, Northwest, Nippes, South, and Center. However, the improvement in rainfall

conditions in October and November 2018 allowed the producers to return to planting. For MY 2019/20, Post assumes a return to normal climatic conditions.

The yield for MY 2018/19 is estimated to be stable at 1.97 MT/ha, as producers continue to have limited access to irrigation water for the rice paddies. Additionally, the usage of fertilizers was limited. The distribution of 7,770 MT of fertilizer was insufficient to fill the gap left by the area affected by hydric stress. The targeted area – twelve rice paddies, totaling 6,000 ha – represents 19 percent of the area planted in the department of Artibonite in the spring season. However, for MY2019/20, Post forecasts a slight increase in yield to 2.1 MT per hectare. The Ministry of Agriculture Natural Resources and Rural Development (MARNDR) has taken several measures to improve the efficiency of agricultural activities for MY 2019/20. First, MARNDR has decided to invest HT Gourdes 200 million in rice production in the department of Artibonite, including reinforcing irrigation canals with concrete to limit the loss of water by infiltration and diminish their maintenance cost. Second, new management staff has been installed at the Development Organization of Artibonite Valley (ODVA in French), which is in charge of coordinating the governmental support for rice. Third, the cooperation of the GOH with the Taiwanese government has been extended for the next three years through an agreement of US $22 million. This program includes both technical assistance and financial assistance. Taiwanese technical assistance consists of management of the quality control laboratory, the acquisition of agricultural equipment, the construction of seed storage facilities and the production of high quality rice seed. Taiwanese financial assistance consists of providing funds for rice seed production facilities. Currently, three rice seed storage facilities are being built in the departments of Artibonite, South and Northeast.

Farmers are cultivating several varieties of rice based on the potential of their region and the availability of the seeds. The TCS-10 variety is very popular in the department of Artibonite because of its high yield and its resistance to fungus threat, including sheath rot disease. It is a short grain variety that can be white or yellow in color. Other varieties cultivated in the department of Artibonite include Shella, Shelda, and La Crete. These are long-grain varieties and can be white or yellow. Haitians strongly prefer these long-grain varieties, because their organoleptic properties are similar to U.S. rice. However, the TSC-10 variety is also well appreciated for its organoleptic property. In the North part of Haiti, particularly along the Haiti-DR cross border area, Dominican rice varieties are commonly cultivated. The variety Jaragua FL is cultivated for its high yield, its tolerance to threats of fungus disease and its potential to give secondary and third ratoons. However, farmers rarely try for a third ratoon, because the yield is significantly lower than the previous ratoons. Jaragua FL is currently planted on approximately 3,000 hectares.

Haitian rice producers are facing financial, technical and management constraints. Funds are often lacking for research in agriculture. The results of the few research projects on yield and adaptability of rice varieties were inaccessible to farmers due to a lack of funds for dissemination of the information. In addition, producers' access to credit for agricultural production is very limited. Most farmers cannot afford to buy agricultural equipment, or invest in innovative technologies or agricultural infrastructure. Therefore, governmental and non-governmental organizations have worked to fill this gap by providing equipment and technical support. The Government of Haiti recently provided 60 agricultural tractors, 2 harvest machines, and 40 low-scale milling machines to agricultural cooperatives. Non-governmental organizations have also built four milling units in the Northeast, North and the South. A privately owned company has constructed a larger mill in Artibonite. The USAID projects WINNER and Feed

the Future have tested several varieties and disseminated the Intensification Rice System to improve the yield. However, farmers are unable to apply those techniques due to financial constraints.

2.2. Consumption

Rice has become a significant part of the Haitian diet. Until the 1990s, the Haitian diet was based on cornmeal, sorghum and other starches. The consumption of rice was concentrated in the rice production areas and the cities. Access to rice by low income people was limited, although it was well appreciated for its organoleptic taste. Rice was often served on weekends and for special occasions. In 1995, the tariff rate for rice imports was reduced from 50 percent to 3 percent, which had an important impact on the access to rice. Consequently, rice gained an advantage over other basic goods.

For MY 2018/19, consumption is anticipated to decrease to 535,000 MT. This situation is due to the political crisis affecting Haiti. Economic activities were completely dysfunctional for days due to roadblocks and protests against government corruption. Additionally, fighting between rival gangs in Martissant and Boulevard La Saline have disturbed transport to the departments of South, Southeast, Grand'Anse and Nippes for several months. However, Post forecasts a slight increase in consumption for MY 2019/20 to 540,000 MT of rice (milled equivalent), assuming an improvement in the political situation.

Table #3 - Price of common brands of rice in three markets (in gourdes)

Brand	**source**	**Unit**	**Price**		
			Coix-des-bouquets	**Salomond**	**Lestere**
Tchako	USA	Kg	58	64	60
Bongu	USA	Kg	57	60	60
Bull	USA	Kg	57		
Mega	USA	Kg	56	60	60
Loulouse	USA	Kg	55.2		55
Anacaona	Surinam-Guyana	Kg	55.2		54
Madan Lolo	Surinam-Guyana	Kg	56		
La Crete White	Local	Kg	101.9	120.4	79.6
La Crete Yelow	Local	Kg		120.4	79.6
TCS-10 White	Local	Kg	103.7	111.1	74.1
TCS-10 Yelow	Local	Kg	74.1	111.1	74.1
Ti Soley	Local	Kg	74.1		
M8	Local	Kg	101.9		
Shella White	Local	Kg	118.5	148.1	101.9
Shella Yelow	Local	Kg		148.1	101.9
Shelda white	Local	Kg	118.5	129.6	101.9

Shelda Yelow	Local	Kg		129.6	101.9

* Source MARNDR

2.3. Stocks

The stocks of rice in Haiti are limited. The GOH does not set any policy to rule stock levels for rice. Farmers typically store their crops for three to four months. Farmers keep some rice for family consumption, and the rest is sold over time at the local markets, which only operate 2 to 3 days per week.

In Haiti, there are six private companies importing rice. Their storage capacity is also limited. Private companies that are not directly involved in rice importation own most of the storage facilities. The importers have limited financial means and cannot afford to hold a large amount of rice for a long period of time due to the high price charged by the storage companies. Importers purchase limited quantities to satisfy domestic demands for one or two months and have a fast turn-over.

2.4. Trade

Imports

The local market depends heavily on imports. For MY 2018/19, rice imports are expected to decrease to 460,000 MT. This situation is due to the political crisis that affected economic activity since 2018 and to the scarcity of U.S. dollars for imports. For the first semester (July to December) of MY2018/19, rice imports dropped to 243,693 MT, which represents a decrease of 16 percent compared to the same period of the MY 2017/18. For MY 2019/20, Post forecasts a return to normal import levels, to 480,000 MT, as the political situation stabilizes.

Traditionally, U.S. rice is very competitive in the Haitian market because of two major factors. The first one is the proximity of the United States and Haiti, allowing for better accessibility of American products to the Haitian market. In addition, most consumers prefer the long-grain rice with organoleptic properties closer to the domestic rice. Currently, U.S. rice represents more than 90 percent of total imported rice. However, some other countries like Taiwan, Guyana, Surinam, India, Vietnam and Pakistan occasionally export rice to Haiti.

The Haitian government has been concerned about the political crisis, the decrease in domestic rice production, the depreciation of the local currency, and the increase in the inflation rate that affected the price of staple commodities. As a result, it decided to take several measures to relieve these issues. First, the GoH received in January 2019 a rice shipment of 6,000 MT from its agreement with Japan signed in January 2018. This donation was expected to help stabilize the price of rice on the local market. Second, the GoH, Food for the Poor and the Government of Taiwan signed an agreement for a donation of 6,100 MT of rice. Finally, in February 2019, the GoH decided to exempt 60,000 MT of imported rice from a 10 percent revenue tax.

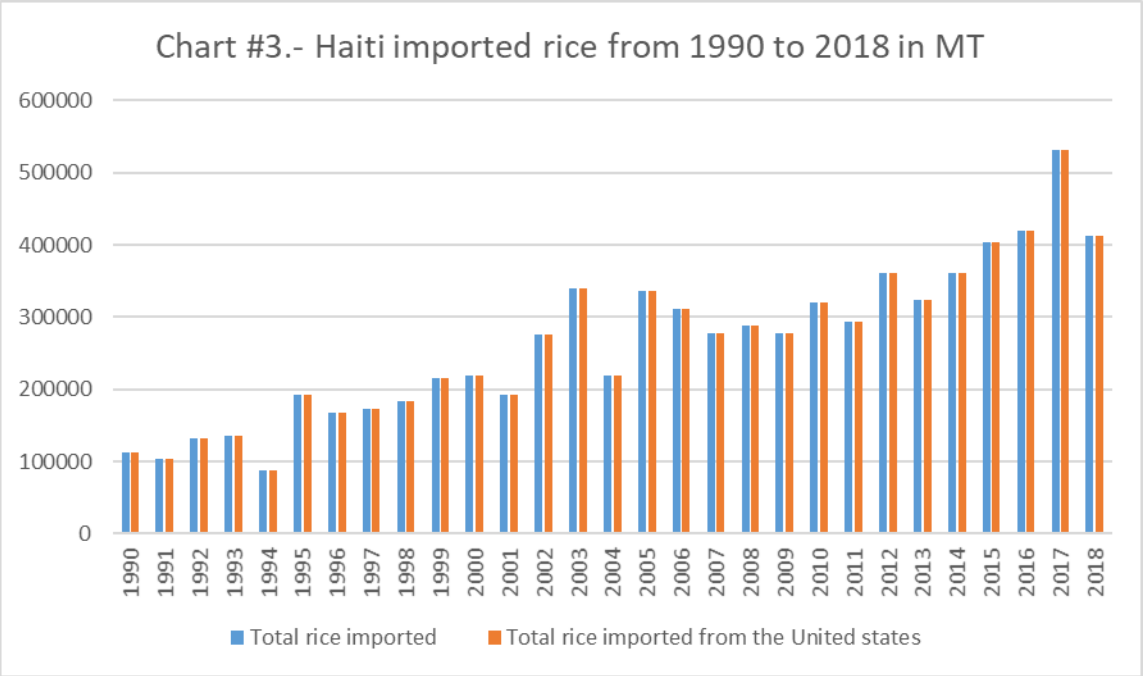


Chart #3.- Haiti imported rice from 1990 to 2018 in MT
600000
500000
400000
300000
200000
100000
0
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
Total rice imported
Total rice imported from the United states

2.5 Statistics

Rice, Milled	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul 2017		Jul 2018		Jul 2019	
Haiti	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	56	62	56	60	0	66
Beginning Stocks	75	75	75	43	0	33
Milled Production	76	67	77	65	0	75
Rough Production	138	122	140	118	0	136
Milling Rate (.9999)	5500	5500	5500	5500	0	5500
MY Imports	494	476	480	460	0	480
TY Imports	428	428	480	440	0	510
TY Imp. from U.S.	412	412	0	0	0	0
Total Supply	645	618	632	568	0	588
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	570	575	570	535	0	540
Ending Stocks	75	43	62	33	0	48
Total Distribution	645	618	632	568	0	588
Yield (Rough)	2.4643	1.9677	2.5	1.9667	0	2.0606
(1000 HA) ,(1000 MT) ,(MT/HA)						

3. CORN

3.1. Production

Haiti's corn production for MY 2018/19 is expected to decrease to 315,000 MT, compared to 321,000 MT in MY 2017/18. This situation is due particularly to a decline in the area harvested and the yield. However, for MY 2019/20, Post forecasts a slight increase to 320,000 MT, assuming a return to normal climate conditions.

The area harvested for MY 2018/19 was 385,000 ha, which represents a decrease of 2 percent compared to 393,000 ha in MY 2017/18. Corn is grown in ten departments of Haiti during three seasons: the spring season from March to May (the primary growing season), the autumn season from August to October and the winter season from December to February. The departments of Northeast, Northwest, Nippes, South, and Center were affected by a drought - from June to September 2018 and from December to February 2019 - which shrunk the area harvested. For MY 2019/20, Post forecasts a return

to 390,000 hectares with a return to normal production in the departments of Northeast, Northwest, Nippes, South, and Center.

Yield for MY 2018/19 is relatively stable at 0.82 MT per hectare. The production of corn is one of the crops that is neglected for fertilization. Therefore, the yield depends exclusively on the potential of the soil and the residue from previous crops. Post does not expect a change in yield in MY 2019/20.

Producers are cultivating a number of varieties of corn in Haiti. The most popular varieties are Chicken corn, Comayagua, Hybride HP and Hugo Plus. The Hugo Plus is a variety developed by The International Maize and Wheat Improvement Center (CYMMIT) in Mexico.

3.2. Consumption

The consumption of corn is relatively stable in Haiti. It is used mainly for human consumption, but a small quantity is used to feed fowls. For the last decade, the Haitian population tends to eat grilled sweet corn. Although limited data is available, grilled sweet corn is sold almost everywhere on the street. Additionally, cornmeal - specifically fine and medium size - is consumed on a daily basis as a substitute for rice or bulgur wheat. Most standard restaurants do not offer cornmeal on their menus, but substandard restaurants spread all along the street offer cornmeal on their menus. For MY 2018/19, consumption is expected to reach 300,000 MT due to an increase in per capita consumption as a result of Haiti's decreased access to wheat and rice. However, for MY 2019/20, Post anticipates a slight increase in consumption to 305,000 MT, due to an increase in the Haitian population.

3.3. Stocks

Corn stocks in Haiti are limited. The GOH does not set any stock levels. However, a few Haitian farmers store a small quantity to serve as seed for the next campaign.

3.4. Trade

Imports

Haiti imports corn mostly from the United Sates and Argentina, but it is reported that small amounts of Dominican corn flour and cornmeal also cross into Haiti informally. Imports of corn for MY 2018/19 are expected to reach 30,000 MT, compared to 14,207 MT for MY 2017/18. This represents an increase of 111 percent. This increase in imports is expected to fill the gaps left by the decrease in annual production. However, Post forecasts a return to more typical import levels, to 20,000 MT, for MY2019/20, as production returns to normal conditions.

3.5 - Statistics

Corn	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul 2017		Jul 2018		Jul 2019	
Haiti	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	393	393	395	385	0	390
Beginning Stocks	0	0	0	2	0	2
Production	321	321	335	315	0	320
MY Imports	14	14	40	30	0	20
TY Imports	16	17	40	30	0	20
TY Imp. from U.S.	16	0	0	0	0	0
Total Supply	335	335	375	347	0	342
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	50	50	70	45	0	36
FSI Consumption	285	283	305	300	0	305
Total Consumption	335	333	375	345	0	341
Ending Stocks	0	2	0	2	0	1
Total Distribution	335	335	375	347	0	342
Yield	0.8168	0.8168	0.8481	0.8182	0	0.8205
(1000 HA) ,(1000 MT) ,(MT/HA)						