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Dominican Republic

Grain and Feed Annual 2019

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Report Highlights:
Wheat consumption in the Dominican Republic (DR) during Marketing Year (MY) 2019/2020 (July 2019/ June 2020) is forecast at 422,000 metric tons (MT), with imports remaining strong at 535,000 MT. Canada continues to be a strong competitor for the United States in the local wheat market. Post forecasts imports of **Corn** to increase to 1,500,000 MT during MY 2019/20 (October 2019/ September 2020) due to expected strong demand from the poultry sector, despite currently being affected by an outbreak of low pathogenic avian influenza. During MY 2017/18, the U.S. corn market share decreased to 52 percent of total imports, with strong competition from Brazil in the local market. **Rice** continues to be one of the most important agricultural products grown in the DR. Production of milled rice for MY 2019/20 (July 2019/ June 2020) is forecast at 560,000 MT. This decrease is due to a severe drought in the major production areas and reduced availability of irrigation water.

Commodities:
Wheat,
Corn
Rice, Milled

1. WHEAT

1.1. Production

The Dominican Republic (DR) does not produce wheat; the country is completely dependent on imports to supply the domestic market.

1.2. Consumption

The DR continues to have one of the highest per capita wheat and wheat products consumption rates in the Latin America and Caribbean Region, at approximately 95 pounds per person per year. Nonetheless, substantial fluctuations in the amount of wheat processed for the domestic market is a strong indicator that large volumes of unrecorded exports continue to flow across the border into Haiti, in addition to officially-registered exports.

For MY 2019/20, Post forecasts consumption of wheat and wheat products at 422,000 MT. This forecast takes into account the forecasted increase in population and informal exports, explained in the trade section below.

The country is home to a large milling industry and imports almost all of its wheat from the United States and Canada. Currently, the DR boasts a daily milling capacity of around 3,320 MT, with a current average utilization of 60-65 percent, divided among six different processors:

MILLS CURRENTLY OPERATING IN THE DOMINICAN REPUBLIC

Molinos Modernos*	Grupo Bocel
Grupo J. Rafael Núñez	COOPROHARINA
Molinos del Higuamo	César Iglesias

** Also owns Molinos del Caribe.*

Molinos Modernos and Grupo Bocel process nearly 80 percent of all wheat imports. The main product elaborated by the millers is wheat flour, although some of the companies, such as Grupo Bocel, also produce crackers, cookies and pasta. Subsequently, wheat flour becomes the spearhead to a large baked goods industry.

The retail value of baked goods sold in the DR in Calendar Year (CY) 2018 is estimated at approximately US$264 million. The largest share of baked goods sold in the DR is unpackaged leavened bread, which includes the local staple breads called *"pan de agua"* and *"pan sobao"*.These items are consumed regularly by a broad spectrum of the population, but is more heavily consumed in urban areas. The products are typically produced by industrial bakers, along with small and medium-sized bakeries, and subsequently distributed to a variety of supermarkets, "mom-and-pop" stores, markets and/or other bakeries.

In addition, many of these baked goods are distributed in the Government's Public Schools Feeding Program, as well as other feeding programs. Bread, cookies and muffins are included in the meals that reach more than 1.5 million school children in public schools throughout the country.

It is also worth noting that the demand for wheat flour has increased in recent years due to growth in the HRI sector and tourism. Hotels consume large amounts of flour to make breads, cakes, pastries and other wheat-based products for approximately six million visitors to the DR annually.

While the majority of flour production is destined for the domestic market, the DR also exports considerable quantities of wheat flour and other finished products (e.g., crackers, pasta) to neighboring Haiti. To a lesser extent, the DR has increased its exports of wheat products to Puerto Rico, the U.S. mainland and other markets throughout the region.

1.3. Stocks

The wheat milling industry in the Dominican Republic is mostly a "just in time" operation. Wheat shipments from the United States generally arrive on a reliable schedule, with shipping times of around five days, reducing the need to assume significant storage costs. Shipments from Canada also arrive on reliable schedules, although with shipping times of approximately 10 days. Stocks are held by the private millers.

Overall, millers' storage capacity is limited and varies considerably by processor. Among the six mills operating in the country, collective storage capacity is estimated to be 155,400 MT.

For MY 2019/20, Post forecasts ending stocks at 41,000 MT, similar to the levels estimated for MY 2018/19, due to expected strong exports and increasing local demand.

1.4. Trade

Imports

For MY 2019/20, Post forecasts imports of wheat and wheat products to the DR at 535,000 MT, slightly above the 530,000 MT estimated to be imported during MY 2018/19. The slight increase is explained by a strong local demand for wheat and wheat products, in order to supply the general population and HRI sector.

Imports of wheat grain

The DR imported 515,221 MT of wheat grain during MY 2017/18, a slight decrease from the 517,354 MT imported during MY 2016/17. The decrease in imports is explained by the lack of demand for wheat flour and wheat products from Venezuela.

DOMINICAN REPUBLIC WHEAT GRAIN IMPORTS BY PARTNER, MY 2014-2018 (MT)*

Country	Years				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
United States	494,754	456,723	309,718	414,090	322,944
Canada	0	100,368	191,785	103,264	192,275
Russia	0	0	25,000	0	0
Germany	0	0	0	0	2
Total	494,754	557,091	526,503	517,354	515,221

**HS heading 1001*
Source: Built by Post with reports from GTA, GATS/USDA

During MY 2017/18 the DR imported approximately 63 percent of its wheat from the United States (322,944 MT) and 37 percent from Canada (192,275 MT). Good quality and lower prices steered local costumers to source more wheat from Canada, and is expected to continue to do so if the prices remain competitive.

On average, from MY 2014 to 2018, the DR imported approximately 77 percent of its wheat grain (HS 1001) from the United States. Smaller amounts were supplied by Canada (an average of 23 percent during the same time period) and Russia.

Currently, the majority of Dominican wheat imports are comprised of Hard Red Winter (HRW), Soft Red Winter (SRW) and Hard Red Spring (HRS). During MY 2017/18, the DR imported 38 percent HRW, mainly for bread production; 32 percent SRW, primarily used for cakes and pastry; and 30 percent HRS.

Imports of wheat products

In addition to wheat grain, during MY 2017/18 the DR imported 20,000 MT of wheat products, including wheat flour (11,063 MT[1]), uncooked pasta (8,174 MT[1]), prepared pasta (581 MT[1]) and couscous (3 MT[1]).

Exports

For MY 2019/20, Post forecasts total exports of wheat and wheat products from the DR to increase slightly to 130,000 MT. Anecdotal reports from industry sources and comparative analysis of local consumption versus imports and mill throughput all indicate informal trade with Haiti of 40-45,000 MT per year in wheat and wheat products.

Haiti continues to be the most important export market for Dominican wheat products, especially wheat flour (see chart below), accounting for 98 percent of total official exports during MY 2017/18. Other markets for Dominican exports include the United States and some Caribbean Islands. Venezuela used to be an important export market for wheat products such as pasta and

crackers from the DR. However, during the last two years, Dominican exports to that country have almost disappeared.

[1] *Using a conversion factor of 1.368.*

DOMINICAN REPUBLIC FORMAL CHANNEL WHEAT EXPORTS
MY 2017/18

HS Code	Quantity (MT)	Grain Quantity (MT)*
1001	**343**	**343**
Haiti	269	269
Others	74	74
1101	**52,175**	**71,375**
Haiti	52,091	71,260
Others	84	115
190219	**4,671**	**6,390**
Haiti	3,968	5,428
Others	703	962
190230	**47**	**64**
Haiti	23	31
Others	24	33

Source: Customs General Directory of the DR (DGA).
**Using a conversion factor of 1.368 for wheat flour (1101), pasta and couscous (190219 and 190230).*

For MY 2019/20, Post forecasts exports of wheat and wheat products from the DR to Haiti through formal trade channels to remain strong at around 80,000 MT. In May 2015, Haiti imposed import restrictions on Dominican wheat flour due to: 1) alleged content of potassium bromate in the flour composition and 2) the need to establish a more formal transportation channel for the flour, requiring Dominican shipments to be delivered by sea and/or containers. Although the DR has raised this issue with Haiti in several occasions and forums, in the near term Post does not expect Haiti to lift these restrictions.

The earthquake that struck Haiti in January 2010 had a direct impact on the export growth for wheat and wheat products from the DR. The only mill in Haiti at that time, *Les Moulins d'Haiti* (LMH), was destroyed, and Dominican mills immediately increased output to supply the neighboring market. Haiti's annual wheat imports prior to the earthquake totaled approximately 200,000 MT, with the United States enjoying around 80 percent market share. The Dominican milling industry augmented its output between 40-50 percent (approximately 200,000 MT) in 2010 as a direct consequence of unmet demand in Haiti.

There are currently three milling companies operating in Haiti. However, Dominican contacts claim that none of the Haitian mills are working at full capacity. Further, those contacts claim that Haitian mills continue to deal with logistical challenges in distributing wheat products outside of Port au Prince. Recent political unrest may worsen those challenges in the short term. Therefore, the DR will continue to supply the Haitian market with substantial amounts of wheat

flour and products. For MY 2019/20, Post forecasts DR informal exports of wheat and wheat products to Haiti to remain stable at 45,000 MT.

1.5. Policy

Within the CAFTA-DR, the DR applies no tariffs on the importation of wheat, but there are duties in place on wheat flour (0.93 percent) and pasta products classified under 1902.19 and 1902.30 (1.33 percent), along with a value-added tax (VAT[2]) of 18 percent on pasta products. These products will become tariff rate free in 2020. In the case of couscous (1902.40), the DR currently applies no tariff, but the product is subject to a VAT of 18 percent.

1.6. Statistics

Wheat	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul 2017		Jul 2018		Jul 2019	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	77	77	67	72	0	58
Production	0	0	0	0	0	0
MY Imports	535	535	550	530	0	535
TY Imports	535	535	550	530	0	535
TY Imp. from U.S.	327	327	0	0	0	0
Total Supply	612	612	617	602	0	593
MY Exports	130	125	135	125	0	130
TY Exports	130	125	135	125	0	130
Feed and Residual	0	0	0	0	0	0
FSI Consumption	415	415	415	419	0	422
Total Consumption	415	415	415	419	0	422
Ending Stocks	67	72	67	58	0	41
Total Distribution	612	612	617	602	0	593
Yield	0	0	0	0	0	0
(1000 HA) ,(1000 MT) ,(MT/HA)						

2. CORN

2.1. Production

[2] *The DR's value-added tax, or VAT, is referred to locally as the ITBIS.*

Corn production in the DR continues to be limited. During MY 2017/18, local production reached 44,680 MT, and it is not expected to increase in the near future. On average, annual production totals 40-45,000 MT, mostly produced in the southwest region of the country. Generally, domestic production represents between 1-3 percent of total consumption. The DR's imports of coarse grains are essentially comprised of yellow corn #2 or its equivalent.

2.2. Consumption

Corn is an important ingredient in the animal feed used in the DR's poultry, egg and pork industries. Livestock producers import significant volumes of yellow corn for animal feed, typically around 1.3 million MT on an annual basis. According to trade sources, close to 70 percent of the corn supply is consumed in broiler and layer production, while swine consume about 15 percent, and the food processing industry consumes around 11 percent. The remaining five percent is consumed by cattle, mostly from the dairy sector.

Every year, the government and local producers set informal production quotas of chicken and egg production, setting minimum prices through the distribution chain. The country produces nearly 1.2 billion eggs[3] and 200 million chickens annually. On a per capita basis, the DR consumes a staggering 70 pounds per year of chicken meat, coupled with approximately 16 pounds per year of pork.

According to Post sources, the DR continues to increase its production of chickens. During the past year, the country increased its production by 8 million units, from 205 million chickens during CY 2017 to 213 million during CY 2018. This output was necessary to meet increased demand from the local population, a growing tourist sector, the expansion of fast casual restaurants franchises and the Government's Public Schools Feeding Program. This Program serves almost 2 million students that receive their education in public schools under the extended schedule class's methodology.

Currently, the country is in the middle of a low pathogenic avian influenza outbreak that is already affecting commercial poultry operations. However, the Government has decided to implement a vaccination program that will reduce the impact of the outbreak and control the levels of mortality. The outbreak is not expected to negatively influence the demand for corn in the market since the Government and local producers are determined to supply the market with locally produced poultry products.

Corn is purchased by a small number of companies and buying groups composed of producer associations. The most important ones are: JUPROPE, Consejo, ASODEP, APROAMOLI, and Pollo Cibao. Nearly 80 percent of all corn is imported by these groups.
In much smaller quantities, corn is also purchased by the food industry to process into corn meal, corn grits and other products. However, corn purchased by the food industry is sourced completely from South America, mainly Brazil and Argentina, due to its intense yellow color.

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[3] *It should be noted that while official statistics are not available, it is estimated that approximately one-quarter (25 percent) of egg production continues to be exported to Haiti informally, in spite of formal restrictions on imports of Dominican poultry and eggs by the Haitian Government.*

For 2019/20, Post forecasts total consumption of corn at 1,550,000 MT, slightly more than the 1,500,000 MT forecast for 2018/19, due to expected increased demand from the poultry and egg production sectors to supply a growing population and HRI sector.

2.3. Stocks

Storage facilities are limited and vary considerably among feed producers. The collective storage capacity is estimated to be around 140-150,000 MT, while utilization of storage capacity is normally estimated at around 65-70 percent.

2.4. Trade

For MY 2019/20, Post forecasts imports of 1,500,000 MT, slightly up from the 1,450,000 MT forecasted for MY 2018/19. As mentioned above, the Government's Public Schools Feeding Program will continue to increase its demand for chicken meat and is currently also demanding eggs.

The United States lost its dominance in the local corn market in MY 2008/09, due to persistent complaints from local buyers concerning dust levels, grain cracking, mycotoxins, lack of yellow color and milling yields. At the same time, South American suppliers, mainly Brazil and Argentina, offered a more visibly attractive product, increased their availability and made important improvements in logistics. Currently, local costumers are willing to pay a $5-10/MT premium for South American corn.

During MY 2017/18, the U.S. market share declined to 52 percent, down from 60 percent in MY 2016/17. For MY 2018/19, local consumers are already buying significant quantities of end of MY futures for corn from Argentina and Brazil.

DOMINICAN REPUBLIC CORN IMPORTS BY PARTNER, MY 2014-2018 (MT)

Country	MY 13/14	MY 14/15	MY 15/16	MY 16/17	MY 17/18
Reporting Total	1,010,288	1,201,537	1,349,793	1,293,900	1,328,860
Brazil	328,551	457,803	662,073	406,546	566,591
United States	600,145	575,969	291,187	768,713	687,267
Argentina	66,500	135,896	310,687	118,600	74,895
Others	15,092	31,869	85,846	41	107

** HS heading 1005.*
** Source: GTA, GATS, USDA*

Brazil continues to be the strongest competitor for corn to the DR market. During MY 2017/18, Brazil supplied 43 percent of total Dominican imports. Meanwhile, Argentine exports to the DR declined to 74,895 MT, from 118,600 MT in MY 2016/17.

Dominican exports of corn have not been significant. According to the National Directorate of Customs (DGA), the DR exported approximately 748 MT of corn during MY 2017/18; 93 percent of that total was destined for Haiti.

Imported yellow corn that is not used in the production of animal feed is milled to produce corn meal and corn grits for both domestic consumption and export. Some Dominican companies export these products to Haiti (through both formal and informal channels) and other markets throughout the region. Similarly, **there are small amounts** of corn-based animal feed products being exported to Cuba and other islands in the Caribbean.

2.4. Policy

As corn (along with soybean meal) constitutes one of the primary inputs in feed formulations, it is exempt from import duties in order to reduce costs for producers. Additionally, corn imports are not subject to the VAT.

As part of the DR's commitments at the World Trade Organization (WTO), the country included corn among the agricultural products comprising the Technical Rectification (TR). Specifically, as part of its WTO commitments under the TR following the Uruguay Round, the Government of the DR established an initial tariff-rate quota (TRQ) of 703,000 MT for corn that increased gradually to 1,091,000 MT by 2004. Although the DR has a bound out-of-quota tariff rate of 40 percent, this tariff is not applied. According to Decree 569-12, the Government will not apply the out-of-quota rate on corn imports.

Decree 569-12 also included corn in the Automatic License System for the adjudication of the quota, which means that the import process is expedited for importers.

At the present time, the DR has legislation in place which requires every corn importer to purchase locally produced sorghum. Specifically, the National Corn and Sorghum Commission (CNMS is the Spanish acronym) requires the purchase of five percent of national sorghum production in exchange for the importation of corn. According to officials at the Ministry of Agriculture, the five percent figure applies regardless of the amount of corn imported.

Finally, it is worth noting that the DR does not currently restrict imports of genetically engineered commodities. For imports of corn used as propagation material, the DR does have a rule in place that requires that the phytosanitary certificate accompanying the shipment state that said product "does not contain GMO material[4]".

2.5. Statistics

Corn	2017/2018		2018/2019		2019/2020	
Market Begin Year	Oct 2017		Oct 2018		Oct 2019	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	26	26	26	26	0	26
Beginning Stocks	177	177	150	149	0	143
Production	44	44	45	45	0	45
MY Imports	1329	1329	1500	1450	0	1500
TY Imports	1329	1329	1500	1450	0	1500
TY Imp. from U.S.	688	688	0	0	0	0

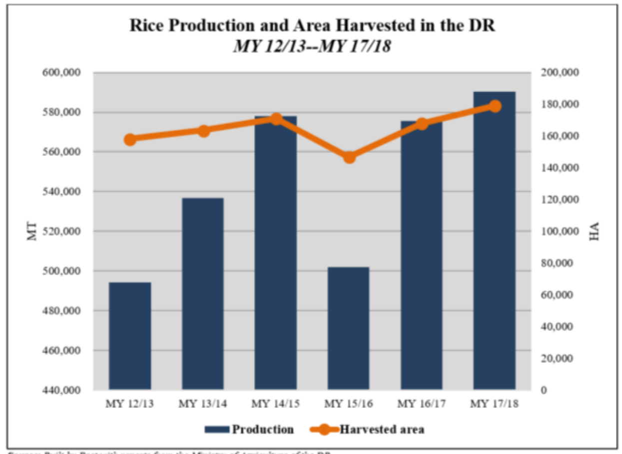
[4] *For more information on Biotechnology products in the Dominican Republic, please review our latest Biotechnology Annual Report at:*
https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Agricultural%20Biotechnology%20Annual_Santo%20Domingo_Dominican%20Republic_10-26-2018.pdf

Total Supply	1550	1550	1695	1644	0	1688
MY Exports	0	1	0	1	0	1
TY Exports	0	1	0	1	0	1
Feed and Residual	1300	1300	1450	1400	0	1450
FSI Consumption	100	100	100	100	0	100
Total Consumption	1400	1400	1550	1500	0	1550
Ending Stocks	150	149	145	143	0	137
Total Distribution	1550	1550	1695	1644	0	1688
Yield	1.6923	1.6923	1.7308	1.7308	0	1.7308
(1000 HA) ,(1000 MT) ,(MT/HA)						

3. RICE

3.1. Production

Rice continues to be one of the most important agricultural products in the DR due to its political, economic and social impact on Dominican society. According to national estimates, the country has approximately 30,500 rice producers; nearly 250,000 people are involved in the production, processing and marketing of rice, and the sector contributes approximately five percent annually to the Agricultural Gross Domestic Product.



Source: Built by Post with reports from the Ministry of Agriculture of the DR.

Post forecasts a harvested area for rice of approximately 160,000 HA during MY 2019/20, slightly less than the 165,000 HA projected for MY 2018/19. This forecast represents a significant decrease from MY 2017/18, since the country is in the midst of a large drought that is affecting the major production zones. Additionally, in August 2018, due to the low levels of irrigation water available in the country, the Ministry of Agriculture issued a resolution to prohibit a third rice cycle, a practice that a limited number of producers have implemented in the last year. The Resolution will continue in upcoming marketing years. Most rice in the country is produced under irrigation. According to Post sources, irrigated rice accounts for 99 percent of the total area.

Rice is normally produced in two cycles during the year: 1) spring (April-May); and 2) winter (October-November).

During MY 2019/20, Post forecasts “rough” rice production to be 836,000 MT and milled production at 560,000 MT. Production is expected to decline due to the drought conditions and reduced availability of irrigation water.

The average yield has varied between 4-5 MT/HA over the last ten years. Post sources expect yields to remain in this range in the coming years, due to lack of access to new varieties and production technologies.

3.2. Consumption

Post forecasts a small increase in consumption during MY 2019/20 and MY 2018/19, in line with expected population growth. For MY 2019/20, consumption is forecast at 573,000 MT. Dominicans consumed 115 pounds of rice per capita in MY 2017/2018.

3.3. Stocks

Post forecasts stock levels to increase to 316,000 MT during MY 2019/20. This forecast is similar to the annual market year average of approximately 50-60 percent of annual consumption. Storage facilities are owned by both private processors (mills) and the Government.

Stock levels tend to be high as a result of the GoDR Pignoracion Program; according to Post sources, 80 percent of stocks are maintained under that program, which is further explained in section 3.5 (below).

3.4. Trade

Both imports and exports by the DR are limited. The country has been self-sufficient in rice in the last several years, and most rice imports come from the United States (99 percent of the MY 2017/18 total) thanks to a TRQ established under the CAFTA-DR agreement. Since rice is included in Basket V of the DR-CAFTA agreement (explained in section 3.5 below), out-of-quota rice imports currently pay a duty of 67.3 percent, effectively pricing them out of the market.

The established TRQ for CY 2019 includes 20,592 MT of milled rice and 3,960 of paddy rice. Historically, the Government of the DR has allowed TRQ recipients of paddy rice to import milled rice instead, due to the alleged presence of *tilletia* on paddy rice imports.

For MY 2019/20, Post forecasts imports of 30,000 MT, similar to the projection for MY 2018/19.

Dominican rice is exported on rare occasions, mainly to Haiti in the form of broken rice. For MY 2019/20, Post forecasts exports to remain stable at 10,000 MT.

3.5. Policy

Under CAFTA-DR, the DR negotiated that rice be placed in Basket V, which concedes a longer-term tariff reduction period -- 20 years -- as well as establishing a 99 percent out-of-quota tariff rate. This out-of-quota tariff rate remained unchanged during the first 10 years of the Agreement, until 2015. From 2016 to 2020 the out-of-quota tariff rate is reduced by 8 percent annually, and from years 2021 to 2025 by 12 percent annually. Currently, the out-of-quota tariff rate for rice is 67.3 percent. Additionally, the DR negotiated a special safeguard with an additional tariff rate. This special safeguard can be applied until the end of the tariff reduction period. In January 2025, U.S. rice will enter duty-and quota-free under CAFTA-DR.

DR COMMITMMENTS WITH THE U.S. WITHIN THE CAFTA-DR

Year	Rice Brown				Rice Milled				Rough & Broken Rice		
	TRQ (MT)	Out of quota tariff rate (%)	Safeguard triggers (MT)	Safeguard tariff rate (%)	TRQ (MT)	Out of quota tariff rate (%)	Safeguard triggers (MT)	Safeguard tariff rate (%)	Tariff rate (%)	Safeguard triggers (MT)	Safeguard tariff rate (%)
2006	2,140	99.0	2,782	99.0	8,560	99.0	11,128	99.0	99.0	770	99.0
2007	2,280	99.0	2,964	99.0	9,120	99.0	11,856	99.0	99.0	840	99.0
2008	2,420	99.0	3,146	99.0	9,680	99.0	12,584	99.0	99.0	910	99.0
2009	2,560	99.0	3,328	99.0	10,240	99.0	13,312	99.0	99.0	980	99.0
2010	2,700	99.0	3,510	99.0	10,800	99.0	14,040	99.0	99.0	1,050	99.0
2011	2,840	99.0	3,692	99.0	11,360	99.0	14,768	99.0	99.0	1,120	99.0
2012	2,980	99.0	3,874	99.0	11,920	99.0	15,496	99.0	99.0	1,190	99.0
2013	3,120	99.0	4,056	99.0	12,480	99.0	16,224	99.0	99.0	1,260	99.0
2014	3,260	99.0	4,238	99.0	13,040	99.0	16,952	99.0	99.0	1,330	99.0
2015	3,400	99.0	4,420	99.0	13,600	99.0	17,680	99.0	99.0	1,400	99.0
2016	3,540	91.1	4,602	99.0	14,160	91.1	18,408	99.0	91.1	1,470	99.0
2017	3,680	83.2	4,784	99.0	14,720	83.2	19,136	99.0	83.2	1,540	99.0
2018	3,820	75.2	4,966	99.0	15,280	75.2	19,864	99.0	75.2	1,610	99.0
2019	3,960	67.3	5,148	99.0	15,840	67.3	20,592	99.0	67.3	1,680	99.0
2020	4,100	59.4	5,330	89.1	16,400	59.4	21,320	89.1	59.4	1,750	89.1
2021	4,240	47.5	5,512	86.1	16,960	47.5	22,048	86.1	47.5	1,820	86.1
2022	4,380	35.6	5,694	83.2	17,520	35.6	22,776	83.2	35.6	1,890	83.2
2023	4,520	23.8	5,876	61.4	18,080	23.8	23,504	61.4	23.8	1,960	61.4
2024	4,660	11.9	6,058	55.4	18,640	11.9	24,232	55.4	11.9	2,030	55.4
2025	Unlimited	0.0	N/A	n/a	Unlimited	0.0	N/A	N/A	0.0	N/A	N/A

Source: Build by FAS/Santo Domingo with CAFTA-DR documents.

Price controls are established via the Pignoracion Program, which operates during eight months of the year. The National Rice Commission (CONA) establishes a yearly price band (for paddy rice, FOB mill). The CONA is composed of the Ministry of Agriculture, producers, processors, retailers and other public institutions. Price bands are established both annually and for each of the two harvest periods (May and September), based on historic prices, varietals and production estimates. For millers, purchasing according to CONA price bands is not obligatory, but it is a requirement for participation in the Pignoracion Program.

In general terms, the Pignoracion Program is a financial services program benefiting rice producers and processors. Under the program, processors (factories, cooperatives, etc.) or producers buy or produce rice, then mill and either market the rice or hold it in storage. If held in storage, this rice can be pledged as collateral for loans from commercial or public lending institutions. For participants in the Pignoracion Program, the cost of storage, interest and insurance costs are covered by the Government (MoA).

As rice constitutes one of the primary food sources for the population, it is exempt from the VAT.

For more information on the Pignoracion Program, please review our 2014 Report: "Dominican Republic Governmental Support for the Rice Sector" available at http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dominican%20Republic%20Governmental%20Support%20for%20the%20Rice%20Sector%20_Santo%20Domingo_Dominican%20Republic_4-2-2015.pdf

3.6. Statistics

Rice, Milled	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul 2017		Jul 2018		Jul 2019	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	179	179	165	165	0	160
Beginning Stocks	255	255	288	288	0	309
Milled Production	590	590	570	570	0	560
Rough Production	881	881	851	851	0	836
Milling Rate (.9999)	6700	6700	6700	6700	0	6700
MY Imports	18	18	30	30	0	30
TY Imports	20	20	30	30	0	30
TY Imp. from U.S.	0	20	0	0	0	0
Total Supply	863	863	888	888	0	899
MY Exports	10	10	10	10	0	10
TY Exports	10	10	10	10	0	10
Consumption and Residual	565	565	565	569	0	573
Ending Stocks	288	288	313	309	0	316
Total Distribution	863	863	888	888	0	899
Yield (Rough)	4.9218	4.9218	5.1576	5.1576	0	5.225
(1000 HA) ,(1000 MT) ,(MT/HA)						