

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Nicaragua

Post: Managua

BEAN TRADE POLICY

Report Categories:

Trade Policy Monitoring

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Report Highlights:

Nicaragua bans the export of beans

General Information:

Nicaragua Bean Export Situation

Nicaragua has recently imposed a ban on bean exports. According to the Government of Nicaragua, this measure is designed to maintain a positive image of Nicaraguan beans by preventing the export of beans which do not meet the quality standards in international markets. Government officials have also stated that the supply of beans is not enough to satisfy both domestic consumption and the export market.

Private sector exporters have apparently suffered as a result of this ban. It has been reported that several trucks loaded with beans for export to Honduras and El Salvador have been detained. Some sources speculate that the government imposed this export ban to avoid an increase in domestic bean prices, especially in a presidential election year. Bean exporters are concerned that the export ban will cut their market share affecting their long-term business profitability.

Bean production and exports represent an important agricultural activity in Nicaragua. In the year 2010, Nicaraguan bean exports reached 55,032.4 metric tons with a total FOB value of U\$ 59,365,750.07 (CEI, 2011). This represents 3.7% of Nicaraguan total exports in value in 2010 (1.58 U\$ billion). Over the years, Nicaragua has become an important bean supplier for the Central American and U.S markets. During the last four years, export values increased 60% from U\$ 36,938,717.96 in 2006 to U\$ 59,365,728.57 in 2010. On the other hand, quantities increase only 1.8% from 54044 MT in 2006 to 55032 MT in 2010. This shows that the increase in exported values is mainly due to the increase in the international prices. Nicaragua also imports beans but in a smaller scale compared to exports, especially during the years in which the weather may affect the bean production. The imports of beans in 2010 reached over 974 MT with a total value of \$ 1,101,525.13.