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Nicaragua

Agricultural Situation

Import Duty Decrease for Agricultural Products 2008

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Report Highlights:

In March, the GON, seeking a solution to mitigate increasing staple food prices, eliminated import duties on oat-barley based cereals, certain noodles and pastas, and certain soy based foods. The GON also established a tariff rate quota (TRQ) for 10,000 MT of wheat flour or wheat-rye flour, and a TRQ for 35,000 MT of paddy rice. The tariff cuts and TRQs are effective through December 31, 2008.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Managua [NU1]
[NU]

In 2007 the inflation rate reached 16.8 percent in Nicaragua, the highest in Central America. The main contributing factor to the high inflation rate was the increasing international price of oil. Other factors included heavy rains that damaged agricultural production during the last quarter of 2007, causing prices of some staples of the Nicaraguan diet to spike. The increase in the price of basic commodities has had the greatest impact on poor Nicaraguans. To mitigate increasing staple food prices, the GON has eliminated import duties on oat-barley based cereals, certain noodles and pastas, and soy based foods.

Effective March 28, 2008 through December 31, 2008 the following products can be imported at zero duty.

Tariff Line	Description
1901.90.90.99	Others (oat-barley based cereals)
1902.1	Raw pastas
1902.11.00.00	With egg content
1902.19.00.00	All others
2106.90.90.90	All others (soy based foods)

On March 28, 2008, the GON also established a TRQ of 10,000 MT for wheat flour or wheat-rye flour mix at zero percent import duty to be filled during the same period listed above. The wheat flour or wheat-rye flour mix TRQ will be made available to importers on a first come-first served basis.

In addition to the CAFTA-DR rice TRQ, on March 14, 2008, the GON established another TRQ for 35,000 MT of paddy rice at zero percent import duty. Its import period is valid between March 14 and December 31, 2008. The rice TRQ will be made available to importers based on their average annual sales in the local market from the last three years.

In 2007, Nicaragua imported \$58 million worth of rice and \$6 million worth of wheat flour.