



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 5/19/2008

**GAIN Report Number:** CS8009

## Costa Rica

### Agricultural Situation

### Costa Rica's National Food Plan

### 2008

**Approved by:**

Katherine C. Nishiura, Agricultural Attaché  
U.S. Embassy

**Prepared by:**

Victor Gonzalez, Agricultural Specialist

---

**Report Highlights:**

The Costa Rican Government recently announced a National Food Plan that intends to increase local grain production and to provide a safety net to the poorest sectors of the population.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
San Jose [CS1]  
[CS]

## Costa Rican Government Announces National Food Plan

### Agricultural Component:

On Thursday, May 7<sup>th</sup>, The GOCR presented a National Food Plan that has as its main goal ensuring the availability of basic staples to the population and supporting the Costa Rican farm sector. The plan also includes actions directed at the reduction of social vulnerability. There are different estimates of the total value to be allocated by the government to the Food Plan, depending on the source, ranging from \$60 to \$88 million. The GOCR will reallocate existing government resources (mostly from a budget surplus) and also plans to send an "extraordinary" budget to the Legislative Assembly to obtain funding for the plan.

The government's strategy establishes short, medium and long term actions. The general goal is to secure the availability of basic foods such as corn, beans and rice. Regarding rice, for instance, the goal is to plant a total of 73,627 hectares by 2010, in order to cover 80% of the local rice consumption. For white corn and beans, the proposal aims to cover 70% of the local consumption by increasing production by 34,372 and 19,700 metric tons, respectively.

To increase local grains production, the National Food Plan calls for an increase in crop insurance coverage, by allocating an additional \$8 million to this item through the National Insurance Institute (INS).

In addition, the GOCR will instruct the National Banking System to increase credit allocations to small and medium size producers for agricultural equipment and machinery. The resources available through these programs will be approximately \$16 million.

The plan also incorporates, among other aspects, support to producers for joint seed and fertilizer purchases at lower prices.

The GOCR plans to assist very small farmers called "parceleros", who received land in the past from the Agricultural Development Institute (IDA). The first part of this particular assistance program, will benefit approximately 5,000 families of "parceleros", who hold about 2,500 ha. of land in different parts of the country. The parceleros will receive free seeds and tools for production and the idea of the first stage is to promote self-consumption. A second stage, expected to start in September 2008, will work as a loan program at a low interest rate. The government's expectation is to increase grain area planted by parceleros to 19,000 ha. by 2010 (9,000 ha. rice, and 5,000 ha. each of corn and beans).

Producers have reacted with skepticism to the Government's plan, primarily because they believe there is not enough seed and equipment in the country to increase grain production. Others have pointed out that former producers of white corn and beans shifted production to other (more profitable) crops in the past and it will be difficult to lure them back to grain production. Rice producers, on the other hand, are waiting for the government to announce an increase in the producer price of rice. The price of rice is fixed by the government and it is currently at a level that is not considered to be attractive by producers. Without a clear price incentive, rice producers are not likely to increase area planted significantly.

### Support to the Poorest:

According to the GOCR's press release, the government's main concern is to provide a safeguard to the poorest segments of the population. The plan intends to increase the number of beneficiaries of scholarships by 42,292, through the FONABE (National Scholarship Fund). Six million dollars will be made available for this program through a budget modification.

The Food Plan will also allocate direct cash transfers of \$100 per month to 16,000 families in extreme poverty for a total of \$9.6 million. Those resources will help families with children less than 12 years old in which women are the head of the family.

The Plan will also reinforce the “Let’s Advance” program with an additional \$10.4 million. This program is directed at youngsters age 13 to 21 from poor families and has the goal of helping the participants remain in secondary school.

An additional \$10 million will be allocated to the CEN-CINAI Program (Centers for Children’s Education and Nutrition), which also helps the poorest segment of the population.