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Report Name: Grain and Feed Annual

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Report Highlights:

Wheat consumption in the Dominican Republic (DR) during marketing year (MY) 2024/25 (July 2024/June 2025) is forecast at 490,000 metric tons (MT), unchanged from the previous MY. Dominican wheat imports are forecast to rise to 670,000 MT due to manufacturers' international expansion plans and growth in the hotel, restaurant, and institutional (HRI) sector. Corn imports for MY 2024/25 (October 2024/September 2025) are expected to reach 1.57 million MT due to continued strong demand from the poultry sector. The projection for milled rice production in MY 2024/25 (July 2024/June 2025) stands at 680,000 MT, driven by reservoirs at full capacity and the adoption of mechanization in select production areas. Meanwhile, rice imports are anticipated to see a slight uptick, fueled by higher consumption and the expiration of tariff rate quotas.

1. WHEAT

1.1. Statistics for Production, Supply, and Distribution Table

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	189	189	270	270	0	280
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	711	711	600	660	0	670
TY Imports (1000 MT)	711	711	600	660	0	670
TY Imp. from U.S. (1000 MT)	314	314	0	0	0	0
Total Supply (1000 MT)	900	900	870	930	0	950
MY Exports (1000 MT)	150	150	150	160	0	165
TY Exports (1000 MT)	150	150	150	160	0	165
Feed and Residual (1000 MT)	0	0	0	0	0	0
FSI Consumption (1000 MT)	480	480	480	490	0	490
Total Consumption (1000 MT)	480	480	480	490	0	490
Ending Stocks (1000 MT)	270	270	240	280	0	295
Total Distribution (1000 MT)	900	900	870	930	0	950
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

1.2. Production

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

1.3. Consumption

The Dominican Republic maintains one of the highest per capita consumption rates for wheat and wheat products in the Latin American and Caribbean region. For marketing year (MY) 2024/25 (July 2024/June 2025), Post forecasts consumption up at 490,000 MT due to strong international tourism and growth in the gross domestic product (GDP).

In CY 2023, foreign tourism in the DR reached a record level of 10 million visitors. For CY 2024, the Ministry of Tourism has forecast another record-breaking year by announcing an increase in tourism of 10 percent over the previous year. With ongoing strong private sector investment in tourism, the Ministry anticipates that international visitors will continue breaking records in the coming years. Meanwhile, the Central Bank of the Dominican Republic has projected average GDP growth at 4.8 percent for 2024, notably higher compared to 2023.

DR continues to benefit from a large milling industry and imports most wheat from the United States and Canada. Post’s sources have confirmed their intention to gradually increase milling by approximately five percent by 2025. Currently, the DR boasts a daily milling capacity of approximately 3,320 MT, with a current average utilization rate of 65-70 percent, divided amongst six different mills:

MILLS CURRENTLY OPERATING IN THE DOMINICAN REPUBLIC	
Molinos Modernos*	Molinos del Cibao-Grupo Bocol
Grupo J. Rafael Núñez	COOPROHARINA
Molinos del Higuamo	César Iglesias

* Also owns Molinos del Caribe.

The local government owns half of Molinos Modernos, the largest mill in the country. Together, both Molinos Modernos and Molinos Valle del Cibao process nearly 80 percent of all wheat imports. The main product is wheat flour, although several companies, such as Grupo Bocol, also produce crackers, cookies, and pasta. Additionally, wheat flour imports feed into a large domestic baked goods industry.

According to Euromonitor International, the total retail value of baked goods sold in the DR in CY 2023 is estimated at US\$401 million, a six percent increase over CY 2022. The largest share of baked goods continues to be unpackaged, leavened bread. This category includes staple breads called “*pan de agua*” and “*pan sobao*,” which are consumed regularly by a broad spectrum of the population. Industrial bakers, along with small and medium-sized bakeries produce staple breads and subsequently distribute them to a variety of supermarkets, “mom-and-pop” stores (*colmados*), or other bakeries.

The Government of the Dominican Republic’s supplemental nutritional feeding programs, particularly the school meals program, distribute many of these baked goods. Meals, which are provided to more than 1.5 million public-school students throughout the country, include bread, cookies, and muffins. In

2023, the DR's school meals program reported that it delivered more than 954.6 million food rations in 6,937 schools. For breakfast and snacks within these schools, the program distributed 322 million units of bread and cookies.

While most of the flour production is destined for the domestic market, the DR also exports significant quantities of wheat flour and other finished products (e.g., crackers, pasta) to neighboring Haiti and the United States. Additionally, the DR has expanded its exports of wheat products to a lesser extent to Central America, Puerto Rico, and other Caribbean markets.

1.4. Stocks

For MY 2024/25, Post forecasts ending stocks to reach 295,000 MT, higher than past levels. This increase can be attributed to the impact of international wheat prices and ongoing expansion plans by millers. Consequently, ending stocks for MY2023/2024 have also been revised upward to 280,000 MT. In the Dominican Republic, the wheat milling industry relies on short and dependable shipment times from the United States and Canada.

Currently, millers' storage capacity is limited, varying considerably by processor. Among the six mills operating in the country, collective storage capacity is estimated at 160,000-200,000 MT. According to Post sources, this capacity will change in the short term, as some millers have taken measures to increase both storage and processing capacity to meet growing wheat demand. Some companies will operate at a higher milling capacity and expand storage by the last quarter in CY 2024.

1.5. Trade

Imports

For MY 2024/25, Post forecasts imports of wheat and wheat products in the DR at 670,000 MT, higher than the previous marketing year estimate due to manufacturers' international expansion plans, which will demand higher volumes of raw material to produce wheat products. In addition, the forecast is in line with expected population and HRI sector growth.

Figure 1.

DOMINICAN REPUBLIC WHEAT IMPORTS BY PARTNER
MY 2018-2023 (MT)*

Country	Years				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
United States	288,805	302,990	331,921	276,823	313,875
Canada	217,346	341,279	256,868	249,561	291,279
European Union	9,524	11,382	9,856	9,377	4,574
Others	37,010	9,088	28,464	11,924	24,665
Total**	552,685	664,739	627,108	547,685	634,393

*In WGE

Source: Tabulation from GATS/USDA and Trade Data Monitor (TDM)

As shown in figure 1, for MY 2022/23, the United States maintained its market share in wheat exports to the DR with 49 percent (\$121.38 million), while 46 percent came from Canada (\$108.71 million). Additionally, 2 percent each originated from Turkey (\$6.49 million) and Guatemala (\$7.93 million), while European Union (EU) exports to the DR represented only 1 percent (\$5.56 million) of all wheat exports to the DR. Even though sources described U.S. wheat quality as superior, prices continue to be the fundamental deal breaker for the industry. From July 2023 to January 2024, the DR has imported approximately 52 percent of its wheat from the United States (\$57.06 million), 40 percent from Canada (\$44.6 million) and 3 percent from the European Union (\$3.7 million).

Currently, the majority of Dominican wheat imports are comprised of Hard Red Winter (HRW), Soft Red Winter (SRW) and Hard Red Spring (HRS).

Exports

For MY 2024/2025, Post forecasts total exports of wheat and wheat products from the DR to increase to 165,000 MT, driven by manufacturer international expansion strategies.

Trade of wheat and wheat products with Haiti has experienced a significant decline in recent months. Escalating unrest has led specific manufacturers to discontinue the production of wheat-based products exclusively for the Haitian market, thus slowing formal bilateral trade. It is anticipated that informal exports to Haiti will persist in the short term. Prevailing instability in Haiti has resulted in the closure of mills within the country.

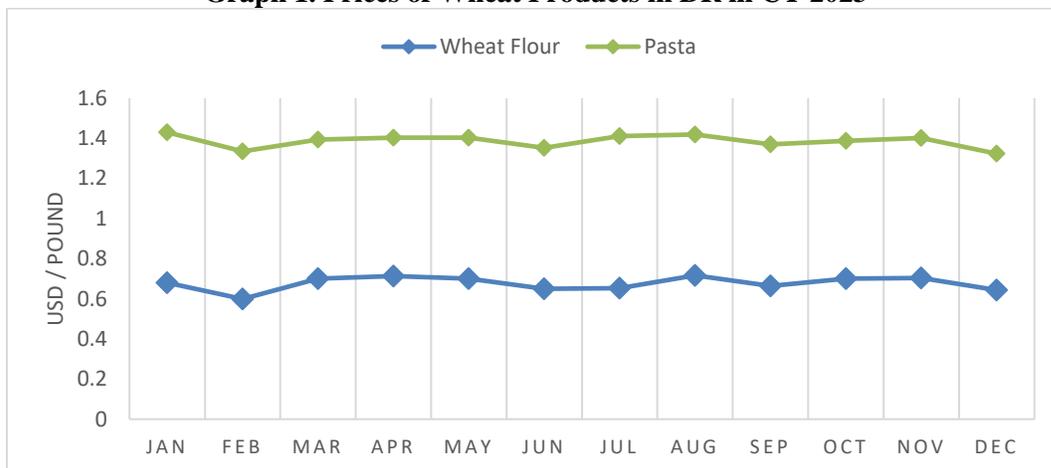
Regarding formal exports, the ongoing political and civil unrest in Haiti has shifted the Dominican Republic's future export priority. As a result, even though Haiti continues as the primary export market for Dominican wheat products, producers are seeking other export markets as part of their expansion plans. According to Dominican Customs, official exports of Dominican wheat products during MY

2022/23 to Haiti accounted for 99 percent of that total. Other markets for Dominican wheat products include Cuba, and other Caribbean islands.

1.6. Prices

Through subsidies, locally produced wheat products in the domestic market have managed to sustain their price margins. According to the Ministry of Commerce, these subsidies have amounted to US\$33 million during CY 2021 – 2023.

Graph 1. Prices of Wheat Products in DR in CY 2023



Source: Tabulation from PROCONSUMIDOR

1.7. Policy

Within the Dominican Republic – Central America Free Trade Agreement (CAFTA-DR), U.S. wheat to the Dominican market enjoys duty-free access. Additionally, as of January 1, 2020, the DR applies no duties on wheat flour, pasta products, or couscous. These products, however, are subject to a value-added tax (VAT¹) of 18 percent.

Companies in the baking industry generate more than 20,000 formal direct jobs and more than 30,000 indirect jobs. The local government reported spending over DOP1.9 billion (US\$33 million) on subsidies to wheat processors, for CY 2021, 2022 and 2023. Within the national budget for CY 2024, an allocation of DOP1.2 billion (US \$20 million) has been assigned for flour subsidies.

¹ The DR's value-added tax, or VAT, is referred to locally as the ITBIS.

2. CORN

2.1. Statistics for Production, Supply and Distribution Table

Corn	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	33	33	33	35	0	35
Beginning Stocks (1000 MT)	91	91	82	82	0	110
Production (1000 MT)	55	55	60	65	0	65
MY Imports (1000 MT)	1386	1386	1500	1520	0	1570
TY Imports (1000 MT)	1386	1386	1500	1520	0	1570
TY Imp. from U.S. (1000 MT)	336	336	0	0	0	0
Total Supply (1000 MT)	1532	1532	1642	1667	0	1745
MY Exports (1000 MT)	0	0	5	7	0	5
TY Exports (1000 MT)	0	0	5	7	0	5
Feed and Residual (1000 MT)	1350	1350	1450	1450	0	1525
FSI Consumption (1000 MT)	100	100	100	100	0	100
Total Consumption (1000 MT)	1450	1450	1550	1550	0	1625
Ending Stocks (1000 MT)	82	82	87	110	0	115
Total Distribution (1000 MT)	1532	1532	1642	1667	0	1745
Yield (MT/HA)	1.6667	1.6667	1.8182	1.8571	0	1.8571

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

2.2. Production

Corn production in the Dominican Republic accounts for less than 5 percent of total corn consumption. For MY 2024/25 (October 2024/September 2025), Post forecasts production to be sustained at 65,000 MT.

On average, annual production totals 45,000-65,000 MT, mostly produced in the southwest region of the country from around 8,000 small farmers.

Post sources indicate that farmers continue using higher-yield corn seeds, although land extension remains a challenge. In San Juan and Azua, drought is the primary factor affecting the sector's production. Production costs have increased due to constraints in labor availability and the procurement of seeds for planting and fertilizers, which are necessary for land preparation.

2.3. Consumption

For MY 2024/25, Post forecasts total corn consumption to reach 1.625 million MT, marking an increase from the previous period. The poultry industry experienced significant growth in CY 2023 due to the expanding HRI sector. Despite a 6 percent decrease in local production of eggs in CY 2023, the broiler chicken industry grew to 238 million units (7 percent) on an annual basis and is expected to continue expanding over the next two years.

Corn, particularly yellow corn, is an important ingredient for animal feed used in the Dominican poultry, egg, and pork industries. According to data from the Ministry of Agriculture, consumption of corn was estimated at almost 1.7 million MT for CY 2023, of which only 4 percent were produced in the DR. High-protein rations of corn and soybean feed more than 20 million chickens, 14 million laying hens, 1 million pigs, and 2 million heads of cattle. Trade sources state that nearly 70 percent of the corn supply is consumed by broilers and layers, while the swine industry consumes approximately 15 percent; the food processing industry utilizes around 11 percent. Cattle, mostly from the dairy sector, consumes the remaining 5 percent.

Every year, the government and local producers set informal production quotas for chicken and egg production, setting minimum prices throughout the distribution chain. On a per capita basis, the DR consumes 83 pounds of chicken meat per year and approximately 30 pounds of pork.

After the temporary border closure with Haiti on September 14, 2023, egg producers successfully established connections with international markets, such as Cuba, Aruba, Guyana, Martinique, and Saint Martin. The Ministry of Agriculture and the Institute for Price Stabilization (INESPRE) purchased 9.6 million eggs from producers impacted by the closure, which were later destined for government-funded food programs.

Local sources have indicated that trade between the two countries has not been seriously affected. Production projections for the poultry sector will remain at slightly higher levels compared to those sustained during 2023.

2.4. Stocks

For MY 2024/25, Post forecasts stocks to increase to 115,000 MT. Storage facilities are limited and vary considerably among feed producers. The collective storage capacity is estimated at 120,000 MT, while utilization of storage capacity is estimated at 80-85 percent. Some producers have plans to expand silos for MY 2024/25.

2.5. Trade

For MY 2024/25, Post forecasts imports at 1.57 million MT. Local demand for poultry remains strong, driven by robust demand from the HRI sector and price relative to other animal proteins. Additionally, the fear resulting from the spread of African Swine Fever (ASF) across the country has further boosted demand for poultry as the alternative protein to pork. As a result, the demand for poultry is expected to continue to rise.

A small number of companies and producer groups purchase corn. The largest are the following: JUPROPE, Consejo, ASODEP, APROAMOLI, and Pollo Cibao. These groups buy nearly 80 percent of all imported corn.

The United States lost its dominance in the local corn market in MY 2008/09, due to persistent complaints from local consumers concerning dust levels, grain cracking, mycotoxins, lack of yellow color, and milling yields. At the same time, South American suppliers, mainly from Brazil and Argentina, offered a more visibly attractive product with a more consistent quality.

In MY 2022/23, U.S. market share slid 32 percent year-over-year. The medium-term trend suggests a continued decline in market share, driven by local customers increasingly purchasing substantial quantities of mid- and end-of-year corn futures from Brazil. The shift is due to price differentials compared to U.S.-sourced corn.

Brazil continues as the strongest U.S. competitor for corn in the Dominican market. During MY 2022/23, Brazil supplied 71 percent of total Dominican imports. Over the same period, Argentine market share of corn declined 9 percent, holding only four percent of market share. From October 2023 to January 2024, Brazil continues to dominate the market, supplying over 90 percent of total Dominican imports.

Figure 2.

DOMINICAN REPUBLIC CORN GRAIN IMPORTS BY PARTNER
MY 2018-2023 (MT)*

Country	MY 18/19	MY 19/20	MY 20/21	MY 21/22	MY 22/23
Reporting Total	1,520,196	1,353,917	1,492,581	1,355,770	1,387,830
Brazil	722,151	762,948	716,880	796,358	989,733
United States	623,872	487,537	467,655	493,242	337,718
Argentina	152,046	103,376	307,775	66,165	60,375
Others	22,127	56	271	5	4

*HS 1005

Source: Tabulation from GATS/USDA and Trade Data Monitor (TDM)

Official exports of corn from the Dominican Republic are limited. According to Dominican Customs (DGA), approximately 7,368 MT of corn were exported during MY 2023/2024 with 94 percent destined for Puerto Rico and the remainder to Haiti. Post sources indicate that informal exports of cornmeal and grits to Haiti experienced a slight decline. Nevertheless, strong demand for the product still exists, despite logistical challenges.

Unused imported yellow corn destined for animal feed production is utilized to produce cornmeal and corn grits for both domestic consumption and exports. Some Dominican companies export these products to Haiti (through both formal and informal channels) and other markets throughout the region. Similarly, small amounts of corn-based animal feed products are exported to Cuba and other islands in the Caribbean.

2.6. Prices

Although there is no official information available for CY 2023, according to wholesale price reports from the Ministry of Agriculture, corn prices in the first two months of CY 2024 spiked by thirteen percent compared to CY 2022 on account of strong demand from the poultry industry and international commodity futures (over 95 percent of total corn in DR comes from imports).

2.7. Policy

As corn (along with soybean meal) constitutes one of the primary inputs in feed formulations, it is exempt from import duties to reduce costs to producers. Additionally, corn imports are not subject to the 18 percent VAT.

As part of the DR's commitments under 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, 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 an out of bound tariff-rate of 40 percent, the tariff is not applied.

As per Decree 553-22, corn is in the Automatic License System for the adjudication of the quota, streamlining the import process for importers.

In August 2023, the Government of the DR signed a Memorandum of Understanding (MOU) with the Government of Guyana. Under this agreement, the GoDR will lease land in Guyana to cultivate corn and soybeans. The primary aim is to enhance corn production for animal consumption, which would reduce costs for livestock and poultry producers. It is anticipated that the agreement will lead to an 18-percent increase in the planted area for corn, although a specific start date has not yet been provided.

At present, Dominican law requires every corn importer to purchase locally produced sorghum. Specifically, the National Corn and Sorghum Commission (CNMS) 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 5-percent figure applies regardless of the amount of corn imported.

Additionally, 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 has a requirement that the phytosanitary certificate accompanying the shipment state that such product “does not contain GMO material.”²

² For more information on Biotechnology products in the Dominican Republic, please review our latest [Biotechnology Annual Report](#).

3. RICE

3.1. Statistics for Production, Supply and Distribution Table

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Dominican Republic	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	202	202	200	202	0	200
Beginning Stocks (1000 MT)	289	289	336	336	0	349
Milled Production (1000 MT)	686	686	680	670	0	680
Rough Production (1000 MT)	1024	1024	1015	1000	0	1015
Milling Rate (.9999) (1000 MT)	6700	6700	6700	6700	0	6700
MY Imports (1000 MT)	31	31	25	33	0	35
TY Imports (1000 MT)	38	38	25	25	0	35
TY Imp. from U.S. (1000 MT)	37	37	0	0	0	0
Total Supply (1000 MT)	1006	1006	1041	1039	0	1064
MY Exports (1000 MT)	10	10	5	10	0	10
TY Exports (1000 MT)	10	10	0	10	0	10
Consumption and Residual (1000 MT)	660	660	675	680	0	685
Ending Stocks (1000 MT)	336	336	361	349	0	369
Total Distribution (1000 MT)	1006	1006	1041	1039	0	1064
Yield (Rough) (MT/HA)	5.0693	5.0693	5.075	4.9505	0	5.075

(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

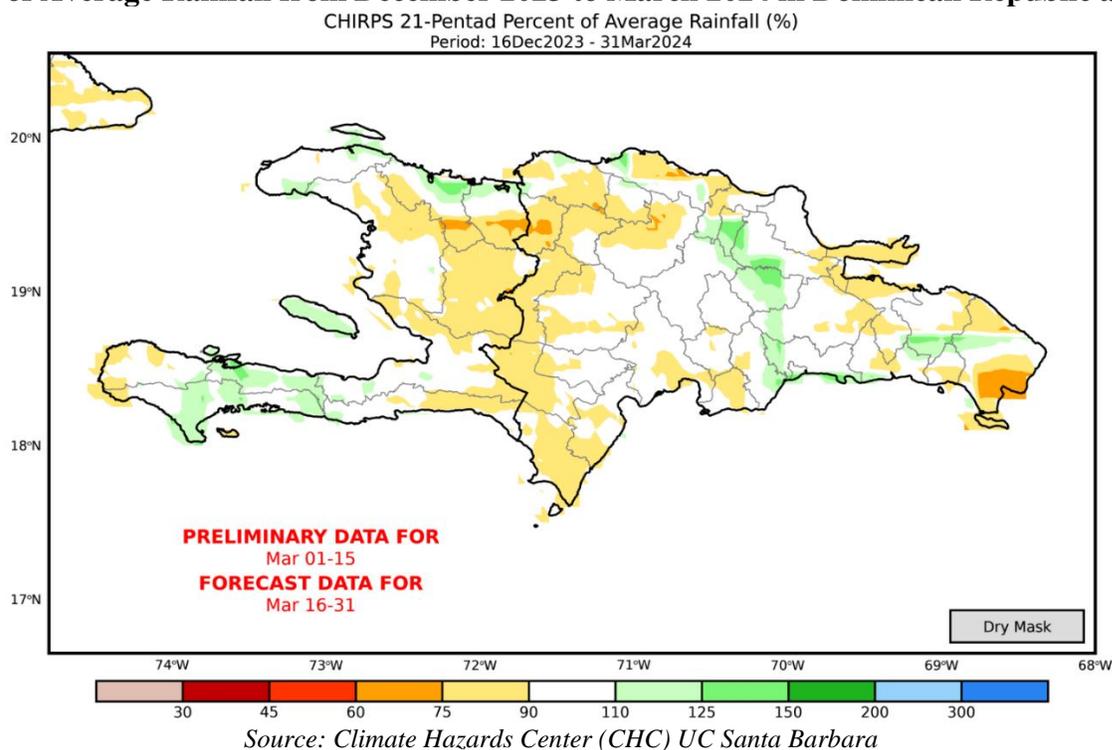
3.2. Production

For MY 2024/25, Post forecasts “rough” rice production to reach 1.015 million MT and milled production to reach 680,000 MT. This is attributed to the adoption of mechanization in certain production regions. The forecast for MY 2023/24 has been adjusted upward to 670,000 MT to reflect expectations of improved rice production. This stems from better-than-expected weather conditions in major production areas (see Figure 1 below) and is further supported by weather forecasts and preliminary data from the Climate Hazard Center (CHC). Additionally, all necessary reservoirs are at full capacity, which may mitigate adverse or unforeseen climate conditions during the spring planting season.

The harvested area for rice is expected to remain stable at approximately 200,000 HA in MY 2024/25 (July 2024/ June 2025), similar to the previous MY. The Dominican government currently has no plans to promote the expansion of rice production areas due to limited availability of suitable land. However, the GoDR has initiated a pilot program to implement mechanization in La Cruz de Manzanillo (Montecristi). Rice is normally produced in two cycles during the year: 1) spring (April-May); and 2) winter (October-November).

Figure 3.

Percent of Average Rainfall from December 2023 to March 2024 in Dominican Republic and Haiti



Rice represents one of the most important agricultural products in the DR due to its political, economic, and social impact on Dominican society. It is also a key component of the typical Dominican diet. Based on national estimates, the country has approximately 30,000 rice producers, with approximately 250,000

individuals engaged in the production, processing, and marketing. The sector contributes approximately 5 percent annually to the Agricultural Gross Domestic Product.



Figure 4. Rice Crop in La Vega Province, DR

Most rice in the country is produced under irrigation. According to Post sources, irrigated rice accounts for 99 percent of the total area.

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.

3.3. Consumption

For MY 2024/25, Post forecasts local rice consumption to reach 685,000 MT, boosted by strong demand in the HRI sector, alongside expected population growth. The HRI sector has displayed a surge of tourists over the past year, marked by a record level of 10 million visitors in CY 2023. The Ministry of Tourism has projected a 10-percent increase in international visitors for CY 2024. There are no indications that foreign tourism will slow over the next two years.

3.4. Stocks

Post forecasts stock levels to reach 369,000 MT during MY 2024/25 in an effort to replenish stocks due to informal exports to Haiti and favorable local rice prices. Although heavy rainfall affected rice-producing areas in the Duarte province in November 2023, Post sources indicated that most rice had already been harvested. Currently, only broken rice is permitted for exports, and Post sources have stated additional rice imports have been authorized to boost stocks.

Private processors (mills) and the GoDR own storage facilities, leading to generally elevated stock levels due to the GoDR *Pignoración* Program, a financial assistance program for members of the agricultural sector. According to Post sources, 80 percent of stocks are managed under this program.

3.5. Trade

For MY 2024/25, Post forecasts imports to reach 35,000 MT, up over the last MY due to the elimination of TRQs under CAFTA-DR.

Both imports and exports by the DR are limited. The country has been self-sufficient in rice over the last several years, and most rice imports come from the United States (98 percent in MY 2022/23) due to a tariff-rate quota (TRQ) established under CAFTA-DR. Since rice is included in Basket V of the Free

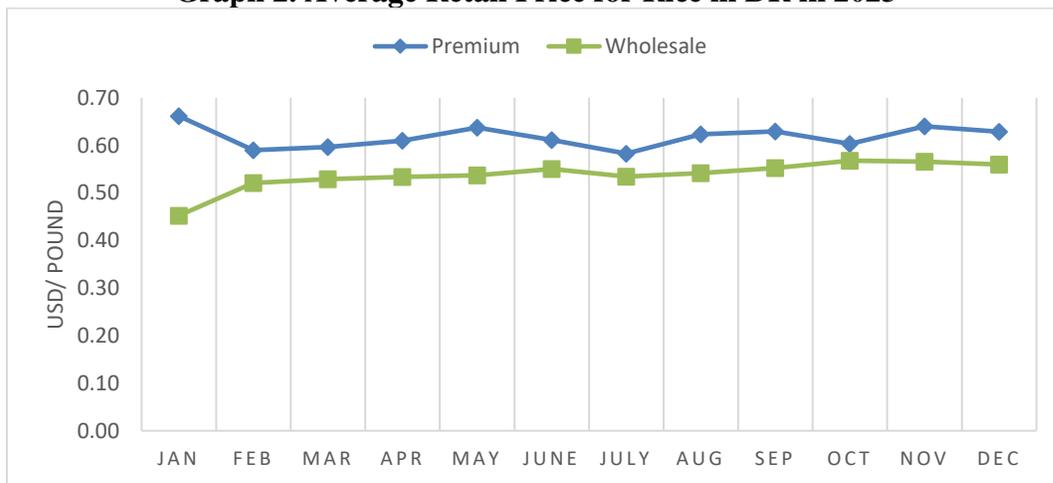
Trade Agreement (FTA), out-of-quota rice imports currently incur a duty of 11.8 percent, effectively making rice imports from the United States competitive within the DR market.

Dominican rice is primarily exported in limited quantities, mainly to Haiti in the form of broken rice. For MY 2023/24, Post sources indicate that informal exports to Haiti are estimated to reach 70,000 MT, as the food security crisis worsens, which has further boosted the growth of informal rice trade with Haiti.

3.6. Prices

According to retail reports from PROCONSUMIDOR, a governmental consumer advocacy agency, the price of rice (i.e., premium) has remained stable in the local market during CY 2023, at an average of US\$0.62/pound.

Graph 2. Average Retail Price for Rice in DR in 2023



Source: Built with data from monthly retail price reports from PROCONSUMIDOR, consulted on 03/15/24. Prices reported in RD\$. Exchange rate used 1US\$=58.39 RD\$.

3.7. Policy

Under CAFTA-DR, Dominican authorities negotiated to place rice in Basket V, which provides a longer-term tariff reduction period of 20 years and establishes an initial 99 percent out-of-quota tariff rate. In addition, the Dominican Republic negotiated TRQs for U.S. rice with an in-quota tariff rate of 0 percent. The agreement set TRQs for both milled and brown rice, which began at 8,560 MT and 2,140 MT, respectively in year 1 (2006) and have incrementally increased to 18,640 MT and 4,660 MT, respectively as of 2024.

In February 2024, President Luis Abinader publicly declared, as part of his televised address to Congress, that the Dominican Republic (GoDR) would confront the imminent threat of duty-free access for U.S. rice, which is set to take effect in January 2025. He underscored the significance of

safeguarding national rice production, citing its foundational role in the Dominican economy. President Abinader formed a commission composed of members from government, producer groups, and industry to collaboratively defend the country's food sovereignty regarding rice. The rice industry has expressed strong concerns that zero-tariff rice imports could potentially erode their market share.

The *Pignoración* Program³ establishes price controls, which operate eight months out of the year. The National Rice Commission (CONA) establishes a yearly price band for paddy rice freight on board (FOB). CONA is composed of the Ministry of Agriculture officials, producers, processors, retailers, and other public institutions. Price bands are established both annually and for each of the two harvest periods, 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 *Pignoración* Program.

In general terms, *Pignoración* is a financial services program designed to assist rice producers and processors. Under the program, processors (e.g., factories, cooperatives, etc.) or producers buy or produce rice, which is then milled. Subsequently, they may choose to either market or store the rice. If stored, rice can be pledged as collateral to secure loans from commercial or public lending institutions. The Ministry of Agriculture covers the expenses associated with storage, interest, and insurance for participants in the program.

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

Attachments:

No Attachments

³ For more information on the *Pignoración* Program, please review our 2014 Report: [“Dominican Republic Governmental Support for the Rice Sector”](#).