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Dominican Republic

Agricultural Situation

Hurricane Georges' Affect on Agriculture - Preliminary Assessment 1998

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Report Highlights:

Over \$255 million in damages to the agricultural sector estimated as a result of hurricane Georges.

American Embassy requests lifting of all tariff and non-tariff trade barriers in Dominican Republic in order to meet food needs.

Includes PSD changes: No
Includes Trade Matrix: No

Unscheduled Report
Santo Domingo [DR1], DR

Hurricane Georges has had a devastating affect on agriculture in the Dominican Republic both in real and psychological terms. Cutting a swath through the southeast corner of the island to the northwest it destroyed up to 95 percent of crops in some areas. The official report from the Ministry of Agriculture estimates damages to the agricultural sector in excess of \$255 million as result of the hurricane. Hardest hit was the plantain crop, a staple food in the Dominican Republic.

In order to satisfy the food needs of the Dominican Republic, the American Embassy has requested that the government eliminate all tariff and non-tariff trade barriers for the import of food during the next three months. We have not received an official response.

SUGAR

There is extensive damage to all agriculture in the eastern part of the country, where 70% of the sugar is produced. Although there is no communication with La Romana and San Pedro de Macoris, where the hurricane entered, informal sources indicate there is considerable damage to the cane fields in Boca Chica, San Pedro de Macoris, Consuelo, Hato Mayor and La Romana.

The two mayor private producers suffered light to moderate damage to their sugar mills. It appears that over 90,000 MT of raw sugar were stored awaiting the new quota to be in effect on October 1, 1998. We have learned that at least 30,000 MT suffered some water damage. It is being classified and moved to another location to determine the extent of the damage. The remainder appears to be safe and ready to ship under the new quota. Estimates for next harvest which will begin in late December-January is too early to anticipate, although cane losses may be about 30 percent.

Some producers have indicated that it would take at least two weeks before the cane fields would be properly evaluated. In another ten days, a visual evaluation could indicate the degree of wind damage the plantations received.

(See semi-annual report for additional details)

COCOA

Cocoa plantations in the eastern and central part of the country suffered damage from the high winds that accompanied Hurricane George. Estimates of damage in the plantations suggest as much as 20% destruction - the rest could be recovered. Production for 1998-1999 was expected to be down from a record high in 1997-1998, prior to the event. In addition to the wind damage, flooding affected the shading trees in the plantations in about 30-35% of the areas planted. As a result, production is expected to be down by 20-30% next year from the estimated 53,000 MT.

COFFEE

Estimates of damage to the plantations initially suggest that almost 40% was heavily affected. Some producers have indicated that the major problem confronting the coming harvest is road access to the production fields in the mountains and transporting the coffee beans to the processing sites. Preliminary numbers indicate that production for 1997-98 was approximately 600,000 60 Kg bags. Industry sources indicate that the 1998-1999 crop is going to be considerably lower as the fruits for the coming main harvest (Oct.-Dec.) were already in the trees. The hurricane affected about 35% of the plantations and production for 1998-1999 is expected to be down by 25% or about 450,000, 60 Kg bags, leaving less than 200,000 60 Kg bags for the export market, less than half of what was exported in MY 1998.

TOBACCO

There is no damage of importance to the tobacco producers except for some floods in isolated areas. Last year's oversupply should be enough to cover their year's needs for cigar production and tobacco exports.

LIVESTOCK

Cattle production was marginally affected by the hurricane. Except for flooding, no mayor issues to report.

Swine producers - Swine production is concentrated in the north central part of the country and no major damage has been reported., except for major damage due to high winds in the Cotui-Bonao area. In general, minor damage has been reported.

Poultry producers - Considerable damage to poultry farms were found in the Eastern and South Central parts of the country. Some reports indicate that more than forty percent (5 million birds) of the live birds were lost during the storm. Layers also suffered in the same regions and about 70 percent of the farms were affected. Shortage of poultry and eggs are expected in the next sixty to ninety days, and as a result imports will be required. With the short life cycle of poultry (45 days), shortage should continue through January.

CITRUS

The three largest commercial citrus farms located in the eastern and central part of the country were devastated. The high winds knocked down over 90 percent of the fruit and affected about forty percent of the plantations including minor damage to infrastructure. Local production as a whole is anticipated to be below fifty percent. Juice concentrate imports will be required.

CORN & SOYBEAN MEAL IMPORTS

U.S. exports of soybean meal and corn are expected to decline temporarily during CY 98 as a result of the hurricane. Poultry, the major consumer, is expected to decrease consumption by at least 10-15% in order to begin a new production cycle.

RICE

About a third of the rice factories (almost 70) suffered considerable damage in the central and southwestern part of the country because of high winds and flooding. The upcoming harvest is expected to have suffered considerable losses due to the winds, particularly in the north eastern, central and south western part of the country in the growing crop.

Rice production is down, imports in CY 97 surpassed 68,000 MT, all U.S. origin, representing about 23% of the total demand. Preliminary data for the first half of CY 98 already indicates 70,000 MT imports. According to the Secretary of Agriculture there is a "strategic rice reserve of 77,000 MT (1.7 million quintals) and perhaps no additional imports may be required before the end of the year. Nonetheless, since the coming harvest will not be ready before April 1999, another 70,000 MT would be needed in January- April 1999.

PLANTAINS AND BANANAS

These are two crops of great importance in the Dominican diet. The first as a staple food along with cassava and dasheen, and the second one as a snack food for the general population. A major characteristic of these two crops is its fragility to winds. As a result of the hurricane, crops in the eastern, central, south western regions were totally devastated. Preliminary estimates indicate that production should be down by at least 50% (some private reports indicate as high as 80%). It will take quite some time to restore current production. Consumption will shift to other staple foods and the demand for bread and pasta will increase.