

Voluntary Report – Voluntary - Public Distribution

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Report Name: Impact of COVID-19 Pandemic on Bilateral Agricultural Trade Between the United States and the Dominican Republic

Country: Dominican Republic

Post: Santo Domingo

Report Category: Agricultural Situation

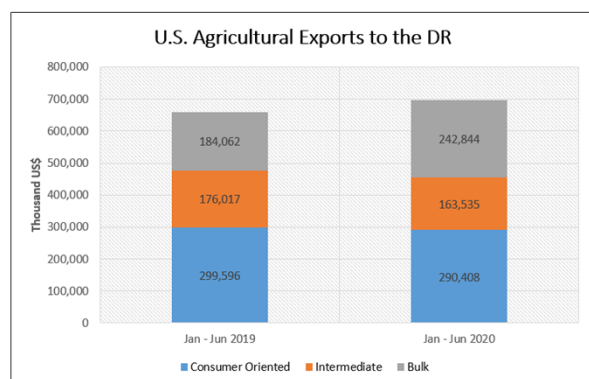
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Report Highlights:

Bilateral trade of agricultural products between the United States and the Dominican Republic has increased during the first six months of Calendar Year 2020 (CY 2020), despite the COVID-19 pandemic. Exports of U.S. agricultural products to the Dominican market have increased by 6 percent during this time period, while Dominican agricultural exports to the U.S. increased by 1 percent.

U.S. Agricultural Exports to the DR



Source: Built by Post with data from GATS/USDA.

Bilateral trade of agricultural products between the United States and the Dominican Republic has increased during the first six months of Calendar Year 2020 (CY 2020), despite the COVID-19 pandemic.

Exports of U.S. agricultural products to the Dominican market have increased by 6 percent during the first six months of CY 2020 compared to the same period of CY 2019, from US\$659.7 million to US\$696.8 million. This growth came as a result of increased exports of bulk products, which increased by 32 percent, from

US\$184.0 to US\$242.8 million. Exports of both consumer-oriented and intermediate products declined by 3 and 7 percent respectively, but are expected to rebound during the last quarter of CY 2020.

In terms of individual products, below is a list of the U.S. agricultural products exported to the DR during the first six months of CY 2020 that showed the highest growth and the highest decrease:

Highest Growth (Thousand US\$)					Highest Decrease (Thousand US\$)				
Product	Jan-Jun 2019	Jan-Jun 2020	Increase		Product	Jan-Jun 2019	Jan-Jun 2020	Decrease	
			Value	%				Value	%
Corn	56,278	81,519	25,241	45%	Beef	36,094	20,606	-15,488	-43%
Tobacco	60,932	82,658	21,726	36%	Soybean meal	84,763	70,844	-13,919	-16%
Pulses	11,491	20,452	8,961	78%	Snack foods	11,956	8,483	-3,473	-29%
Rice	11,139	19,206	8,067	72%	Prepared food	28,501	25,043	-3,458	-12%
Dairy	49,861	57,212	7,351	15%	Wheat	34,938	31,623	-3,315	-9%

*Built by Post with data from GATS/USDA.

Consumption of corn in the DR decreased during the first six months of CY 2020 due to reduced local production of poultry in response to reduced demand from the tourism industry that has been severely affected by the COVID-19 pandemic. However, U.S. market share in the Dominican increased due to better prices compared to corn sourced from Brazil. Local importers reported price differentials as big as US\$10/MT between both countries.

In the case of pulses, reduced availability and higher prices of pinto beans in the U.S. market has driven increased local demand of U.S. black beans and lentils.

U.S. exports of rice showed an important increase during the first six months of CY 2020 (72 percent). This increase is due to domestic production shortages during the last quarter of CY 2019, caused by the effects of a drought in local production zones.

Within dairy products, U.S. exports of Non-Fat Dry Milk (NFDM) to the DR experienced an increase of 40 percent, from US\$10.3 million in the first six months of CY 2019 to US\$14.4 million in the same period of CY 2020. The reduction in the demand of local dairy products caused by the COVID-19

pandemic also drove high quality milk producers to reduce their production. This situation pushed local processors to source higher quantities of NFDM from the U.S. and the EU.

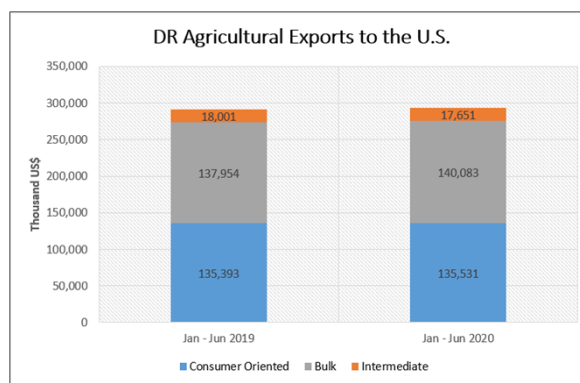
Decreased U.S. exports of beef, soybean meal, snack foods, prepared foods and wheat during the first six months of CY 2020 can be directly attributed to the COVID-19 impact on the local market. In the case of beef and wheat, U.S. exports of those products declined by 43 and 9 percent respectively during the period analyzed. Reduced demand from the Hotel, Restaurant, and Institutional (HRI) sector was the main reason for this decline. The reduced demand from the HRI sector also negatively affected U.S. exports of snack foods and prepared foods.

The reduction in U.S. exports of soybean meal for the DR market (16 percent) is explained by reduced local production of poultry, swine and livestock in response to reduced demand from the HRI sector.

DR Agricultural Exports to the U.S.

In general terms, Dominican agricultural exports to the U.S. increased by 1 percent during the first six months of CY 2020 compared to the same period of CY 2019, from US\$291.3 million to US\$293.3 million. This growth came as a result of increased exports of bulk products, which increased by 2 percent, from US\$137.9 to US\$140.0 million. Dominican agricultural exports in the consumer-oriented categories remained flat.

However, and despite the logistical challenges posted by the COVID-19 pandemic, Dominican exports of fresh fruit to the U.S. market experienced an increase of 19 percent during the period analyzed, from \$36.1 million in CY 2019 to \$43.0 million in CY 2020. This growth was led by avocados, mangoes and pineapples.



Attachments:

No Attachments.