

Voluntary Report – Voluntary - Public Distribution

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Report Name: Nicaragua Expands Duty Free Chicken Meat Import Quotas

Country: Nicaragua

Post: Managua

Report Category: Agricultural Situation, Policy and Program Announcements, Poultry and Products, SP1 - Expand International Marketing Opportunities, Country/Regional FTA's

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Report Highlights:

The Government of Nicaragua will open an additional 1,533 metric tons of duty-free access for imported chicken meat to alleviate price pressures in the domestic market. Imported chicken meat typically represents less than five percent of annual Nicaraguan chicken meat consumption. Under terms of the Dominican Republic - Central American Free Trade Agreement, U.S. chicken meat will enter Nicaragua duty-free, quota-free from January 1, 2023.

The Nicaraguan Ministry of Promotion, Industry and Trade (MIFIC) announced a 1,533 metric ton (MT) duty-free tariff rate quota (TRQ) for chicken meat in 2022 in addition to the 4,111 MT TRQ under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). According to the official gazette announcement, the additional chicken meat imports should ensure affordable chicken meat prices for Nicaraguan consumers. It is not clear how soon the additional 1,533 MT could reach Nicaragua, but U.S. suppliers are expected to provide nearly 100 percent of the additional volume.

In each of the last ten years, Nicaragua has opened up to 2,000 MT of additional duty-free chicken meat quotas to supplement local production. CAFTA chicken meat quota volumes are administered by the Central America Poultry Export Quota, Inc. ([CA-PEQ](#)), which has already allocated 2,877 of the 4,111 MT of the Nicaragua chicken meat quota volume for 2022. The third and final CA-PEQ allocation auction for Nicaragua will run from August 1-5, 2022 (2022 CA-PEQ auction schedule attached). Imports of chicken meat under CAFTA-DR are scheduled to fully liberalize on January 1, 2023.

The effects of political instability and the pandemic, both weighing down the Nicaraguan economy, have been compounded by increasing feed and fuel costs, reportedly leading Nicaraguan chicken producers to scale back production. If Nicaraguan chicken meat prices remain high through 2022, MIFIC could issue additional duty-free quota volumes later in the year. These conditions support additional opportunities for imported chicken volumes to meet Nicaraguan demand under liberalized trade conditions from 2023 onward. Nicaraguan chicken meat production in 2021 was estimated at close to 137,000 MT.

Attachments:

[2022 CA-PEQ Auction Dates.pdf](#)