

Voluntary Report – Voluntary - Public Distribution

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Report Name: The Dominican Republic Moves Ahead with Measures to Protect Its Rice Industry from US Competition under CAFTA-DR

Country: Dominican Republic

Post: Santo Domingo

Report Category: Agricultural Situation, Grain and Feed, Country/Regional FTA's, Trade Policy Monitoring

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Report Highlights:

On December 17, 2024, the Dominican Republic issued Decree 693-24, to limit rice imports into the country. The Decree establishes a quota of 23,300 metric tons (MT) for U.S. rice, subject to a 0 percent ad valorem tariff. Imports of U.S. rice exceeding that quota may use the WTO quota of 17,810 MT subject to a 20% ad valorem tariff. Outside of these two quotas, U.S. rice will face a 99 percent tariff. These restrictions appear inconsistent with the duty-free and unlimited access U.S. rice was set to enjoy in the Dominican Republic beginning January 1, 2025, under the Dominican Republic-Central American Free Trade Agreement (CAFTA-DR). The Decree is grounded in Law 75-24, which grants the Dominican Government's National Council for Food Sovereignty and Nutritional Security (CONASSAN) authority to regulate imports of "sensitive products" for national security purposes.

The Decree

On December 17, 2024, the Dominican Republic's Government (GoDR) issued [Decree 693-24](#)¹, which establishes measures to limit the volume of rice imports into the country. In a [statement](#), Minister of Industry, Commerce and SME's of the DR, Victor Bisonó, described the Decree as a “key measure to safeguard the national rice production and to guarantee the food security of our country”. The Decree is publicly available on the Dominican Republic Presidency's [webpage](#) and was published in the Official Gazette on December 31, 2024.

The Decree includes the following provisions:

1. Applies the tariff treatment outlined in [List XXIII](#) of the Dominican Republic's commitments before the World Trade Organization (WTO) to rice products (HS codes 1006.10.00, 1006.20.00, 1006.30.00, and 1006.40.00). This treatment stipulates a 20 percent ad valorem tariff within the quota and a 99 percent ad valorem tariff for rice imports exceeding the quota.
2. Establishes a preferential quota of 23,300 metric tons (MT) with a 0 percent ad valorem tariff for U.S. rice. Any imports exceeding this quota will be subject to the Most Favored Nation (MFN) ad valorem tariff of 99 percent.
3. Applies the MFN tariff of 99 percent to rice imports from Nicaragua.

According to the Decree, these measures will remain in effect until the CONASSAN recommends otherwise, based on the guidance of its technical secretariat.

Legal Basis for the Decree

The Decree 693-24 was issued under the authority of the recently approved [Law 75-24](#), which amended several articles of Law [589-16](#). The latter created the National System for Food and Nutritional Sovereignty and Security (SINASSAN) and established the CONASSAN as its governing body. Law 75-24 grants CONASSAN the authority to investigate the impact of imports of “sensitive products²” on national security. Following such investigation, the Commission can recommend presidential actions to adjust import levels, apply tariffs, or implement internal support mechanisms.

Impact on U.S. Rice Industry

The restrictions introduced by Decree 693-24 appear inconsistent with the duty-free access U.S. rice was set to enjoy in the Dominican Republic starting January 1, 2025, under the CAFTA-DR. The Decree's preferential quota of 23,300 MT for U.S. rice represents less than 4% of the Dominican Republic's estimated annual rice consumption of 650,000 MT, valued at approximately \$450–500 million. While the Decree leaves an open window for additional imports of U.S. rice under the WTO quota, it effectively eliminates the possibility of out-of-quota U.S. rice imports at preferential tariff rates

¹ A courtesy translation of Decree 693-24 is provided in [Annex I](#).

² Sensitive product is defined in Law 75-24 as “a product that due to circumstances motivated by aspects, such as productive, commercial, economic, social or international labor, constitutes an essential food in the daily diet of the Dominican population and with clear food self-sufficiency”

established under the CAFTA-DR agreement during the phase-out protection period. For example, during 2024, out-of-quota imports of U.S. rice were subject to a preferential tariff rate of 11.9 percent until those imports reached 30,290 MT, at which point the GoDR could activate an additional safeguard tariff rate of 55.4 percent. With the Decree, U.S. rice access will be limited to the 23,300 MT able to be imported at 0 percent tariff rate and limited quantities of additional imports under the WTO quota at a 20 percent tariff rate.

Historically, the Dominican Republic has claimed to be self-sufficient in rice production, producing between 550,000 and 600,000 MT per year. This “self-sufficiency,” however, has been achieved through robust domestic support policies and a protectionist trade framework, and in practice, the Dominican Republic has often needed to import small quantities of rice to meet domestic demand. In recent years, rice imports have been restricted to the amount allowed under the U.S. Tariff Rate Quota (TRQ) negotiated in the CAFTA-DR, which accounts for only 2-3 percent of local consumption. Any additional imports have been limited to address production shortfalls through discretionary import licenses issued by the Ministry of Agriculture. For more information about the Dominican rice industry, see our latest Grain & Feed Report³.

As of October 2024, due to increased demand from neighboring Haiti and lower local production estimates, the Dominican Republic has imported 113,596 MT of rice—almost double the volume imported in 2023. Of these imports, 46% (52,414 MT) came from the United States, 34% (38,561 MT) from Brazil, and 12% (13,805 MT) from Uruguay. Additionally, rice from Thailand, Pakistan, and Uruguay also entered the Dominican market in 2024.

³<https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Annual%20Santo%20Domingo%20Dominican%20Republic%20DR2024-0002.pdf>

ANNEX 1
DECREE 693-24

Number: 693-24

CONSIDERING: That the Constitution of the Dominican Republic, in its article 54, establishes food security as part of the fundamental economic and social rights, stating that "the State shall promote research and the transfer of technology for the production of food and raw materials of agricultural origin, with the aim of increasing productivity and ensuring food security."

CONSIDERING: That, in line with the aforementioned constitutional provision, Law No. 589-16, dated July 5, 2016, amended by Law No. 75-24, dated December 2, 2024, which created the National System for Food Sovereignty and Security (SINASSAN) in the Dominican Republic, establishes as a principle food sovereignty and the protection and incentive of the domestic market and national production, as well as the State's duty to protect this fundamental right.

CONSIDERING: That in article 12, Law No. 589-16 creates the National Council for Food and Nutrition Sovereignty and Security (CONASSAN), which is attached to the Ministry of the Presidency, and serves as the governing and coordinating body of SINASSAN, responsible for the National Plan for Food Sovereignty and Security.

CONSIDERING: That, in accordance with article 8, sections 1 and 7, of Law No. 589-16, among the functions of SINASSAN is to coordinate the country's initiatives and channel them into the formulation and implementation of policies aimed at establishing the food sovereignty and security of the population; as well as to monitor, follow up, and systematically evaluate the state of food sovereignty and security, adopting or recommending the necessary measures.

CONSIDERING: That, according to article 21, paragraph, of Law No. 589-16, as amended by Law No. 75-24, CONASSAN is authorized to recommend to the President of the Republic, in matters of sensitive products, the adoption of special measures to guarantee the food sovereignty and security of the country, aimed at preserving the essential interests of the State in terms of security, based on studies and reports from the Technical Secretariat for Food Sovereignty and Security.

CONSIDERING: That, in accordance with article 17.2 of Law No. 589-16, as amended by Law No. 75-24, for the recommendation of special measures regarding sensitive products, the following circumstances must be verified: 1) That the product is or may be adversely affected in its productive, commercial, economic, labor, social, or international aspects; 2) That it affects or may affect the country's food and nutritional security or impacts or may impact the country's food sovereignty; 3) That it affects or may affect the economic security and the essential interests of the State in matters of security.

CONSIDERING: That, among the special measures that CONASSAN may recommend to the President of the Republic, according to article 17.3 of Law No. 589-16, amended by Law No. 75-24, is the application of the MFN (Most Favored Nation) tariff toward the consolidated in the World Trade Organization (WTO).

CONSIDERING: That the Technical Secretariat for Food Sovereignty and Nutritional Security (SINASSAN) prepared a Monitoring Report on the Protection of Sensitive Products, which addresses certain productive, labor, social, economic, and international factors that affect the rice supply chain in the Dominican Republic.

CONSIDERING: That rice is a fundamental food in the diet of Dominican families, constituting a sensitive product, and its stable and uninterrupted production at the national level is key to ensuring food and nutritional sovereignty and security for the population. In this regard, the Dominican Republic must preserve its internal productive capacity in order to ensure a constant and secure food supply for its population.

CONSIDERING: That the impact on national rice production affects the essential interests of the Dominican State, given the importance of this product to the social and economic stability of the country, particularly in the twenty-one provinces dedicated to this crop.

CONSIDERING: That, based on the aforementioned technical report, CONASSAN adopted Resolution No. 07-2024, dated December 6, 2024, through which it recommends to the President of the Republic the adoption of special measures in favor of the country's food and nutritional sovereignty, regarding rice as a sensitive product.

SEEN: The Constitution of the Dominican Republic, proclaimed on October 27, 2024.

SEEN: Law No. 589-16, dated July 5, 2016, which creates the National System for Food Sovereignty and Nutritional Security in the Dominican Republic, as amended by Law No. 75-24, dated December 2, 2024.

SEEN: Resolution No. 2-95 of the National Congress, dated January 20, 1995, which approves the Agreements incorporating the results of the Uruguay Round of Multilateral Trade Negotiations, signed on April 15, 1994, in Marrakech, by the Contracting Parties of the GATT, which created the World Trade Organization (WTO).

SEEN: Resolution No. 357-05 of the National Congress, dated September 9, 2005, which approves the Free Trade Agreement signed between the Dominican Republic, Central America, and the United States of America (DR-CAFTA).

SEEN: Resolution No. 696-16 of the National Congress, dated December 16, 2016, which approves the Protocol of Amendment to the Marrakech Agreement, establishing the World Trade Organization (WTO).

SEEN: Resolution No. 07-2024, issued by the National Council for Food Sovereignty and Nutritional Security in the Dominican Republic (CONASSAN), dated December 6, 2024.

In the exercise of the powers granted to me by article 128 of the Constitution of the Republic, I issue the following:

DECREE:

ARTICLE 1. It is hereby ordered to apply to rice products (HS 1006.10.00, 1006.20.00, 1006.30.00, and 1006.40.00) the tariff treatment established in List XXIII of the Dominican Republic before the World Trade Organization (WTO), which stipulates a 20% ad valorem tariff within the quota and a 99% ad valorem tariff outside the quota.

ARTICLE 2. A preferential quota of 23,300 Metric Tons (MT) with a 0% ad valorem tariff is established for rice products (HS 1006.10.00, 1006.20.00, 1006.30.00, and 1006.40.00) originating from the United States of America, and outside of this quota, the Most Favored Nation (MFN) tariff will apply, equivalent to a 99% ad valorem tariff.

ARTICLE 3. The MFN tariff treatment of 99% ad valorem will apply to rice products (HS 1006.10.00, 1006.20.00, 1006.30.00, and 1006.40.00) originating from the Republic of Nicaragua.

ARTICLE 4. The measures adopted in this Decree shall remain in effect until the National Council for Food Sovereignty and Nutritional Security (CONASSAN) recommends otherwise, based on the considerations presented in a new report from the Technical Secretariat for Food Sovereignty and Nutritional Security.

ARTICLE 5. This Decree shall enter into force upon its publication in the Official Gazette.

ARTICLE 6. It shall be sent to the relevant institutions for their knowledge and implementation.

GIVEN in Santo Domingo de Guzmán, National District, capital of the Dominican Republic, on the seventeenth (17) day of December of the year two thousand twenty-four (2024); in the year 181 of Independence and 162 of the Restoration.

LUIS ABINADER

Attachments:

No Attachments.