

Market Fact Sheet

S. Central America
Nicaragua, Costa Rica and Panama

Updated: January 2020

General Information

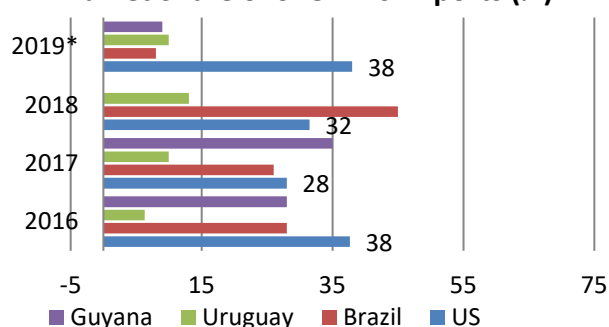
Population: Nicaragua: 6 million; Costa Rica: 5 million;
Panama: 4 million

Population Growth Rate: Nicaragua: 1%; Costa Rica: 1.2%;
Panama: 1.3% per annum

Per Capita Rice Consumption: Nicaragua: 132 lbs.; Costa Rica: 125 lbs.;
Panama: 143 lbs.



Market Share of S. CAM's Imports (%)



| | 2019* | 2018 | 2017 | 2016 |
|---|---------|---------|---------|---------|
| U.S. Exports <i>Trade Data Monitor</i> | 135,580 | 106,300 | 116,300 | 147,800 |
| Total Imports <i>Trade Data Monitor</i> | 270,000 | 431,500 | 314,300 | 416,500 |

*Jan - Aug

U.S Rice Imports (2019): Type and Form
95% LG paddy, 5% LG milled

| USA Rice Budget | 2018-2019* | 2017-2018* | 2016-2017* | 2015-2016* |
|---------------------------------|----------------|----------------|----------------|----------------|
| FAS Funds: MAP | 140,000 | 130,000 | 135,000 | 125,000 |
| FAS Funds: FMD | 90,000 | 85,000 | 80,000 | 80,000 |
| FAS Funds: ATP | 200,000 | - | - | - |
| Industry Funds | 4,000 | 4,000 | 4,000 | 4,000 |
| Total Budget Expenditure | 434,000 | 219,000 | 219,000 | 209,000 |

*Budget data includes all of Central America

Market Conditions

- Under CAFTA-DR, countries must use local production before receiving import licenses; therefore, annual exports fluctuate based on local production. CAM rice production has increased in the past several years.
- Nicaragua has drastically increased its rice purchases in 2019 and imported more than the TRQ level – this hasn't happened since 2010; in the first half of 2019, the U.S. had 98% market share in Nicaragua.
- U.S.-Panama Trade Promotion Agreement implemented in 2012 - have exported above the TRQ each year.
- Rough rice exports to Panama have been strong in 2019 – nearly three times larger than 2018.
- U.S. has logistics and freight advantage – quality relative to amylose content and grain length have hurt exports.

Goals in this Market: Rebuild and strengthen relationships with FECARROZ buyers. Engage the trade in joint promotions

Marketing Related Issues

1. Constraints

- a. Quality concerns (grain length, amylose content and milling yields) since 2010.
- b. No identification of origin; no interest in identifying origin.

2. Primary Target Group: FECARROZ, millers, ANINSA, INDARROZ, PROARROZ, ANAR, wholesalers, importers.

3. Strategy

Regular communication with importers/millers; align consumer preferences with appropriate rice varieties.

4. Activities

Trade servicing, understand millers' quality standards and share with the U.S. industry. Meetings with FECARROZ, rice quality mission to Nicaragua, reverse trade mission to Louisiana and Arkansas, social media campaign with local health professionals..

Major change(s) from last year going into this year's UES

ATP funds will be used to continue promotions in new markets in Nicaragua and Costa Rica. Joint promotions with the trade in digital media and at points of sale.