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Apples are not produced in the Dominican Republic in commercial quantities because of climatic conditions. Limited local production, less than ten tons, is mainly grown in the Constanza area and is consumed domestically. Apple imports have grown at an average of fifteen percent a year for the last ten years to 3,600 MT in CY 1995 (A record high was obtained in 1994 when the market was first liberalized).

Apples, and to a lesser extent grapes and pears, are traditionally imported for the Christmas holiday season. Import statistics, supported by discussions with local distributors, indicate a slight shift in this pattern. The overall market is growing for fresh fruit and demanding increasing quantities during non-holiday periods, although about 85 percent are still purchased during the last quarter of the year. Practically all apple and pear imports originate in the United States, with the exception an occasional container load from Chile. Statistical data on U.S. apple import by quarter and annual apple, grape and

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pear imports by the Dominican Republic are presented below:

U.S. APPLE IMPORTS BY QUARTER 1991-1995 a/

QUARTER	QUANTITY (MT)			
	1991	1992	1994	1995
First	35	66	199	15
Second	30	93	241	254
Third	6	35	234	151
Fourth	1,150	1,712	3,155	3,163
Total	1,221	1,906	3,829	3,583

a/ Quarterly information is not available for 1993.
Source: US Dept of Commerce.

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1989 - 1996 1/

YEAR	A P P L E S		P E A R S		G R A P E S	
	MT	(US\$000)	MT	(US\$000)	MT	(US\$000)
1987	1,205	820	78	48	417	443
1988	848	474	50	28	351	304
1989	1,585	769	73	42	593	545
1990	669	504	56	32	230	226
1991	1,241	849	46	44	354	377
1992	2,006	1,399	53	34	675	753
1993	3,016	1,918	89	74	958	1,074
1994	3,829	2,745	174	105	1,047	1,580
1995	3,583	2,604	126	104	985	1,527
1996 1/	487	275	4	3	26	40

1/Jan-July only.
Source: USDC data.

Fruit and grocery importers generally contract their purchases before the season to guarantee delivery, although several importers were ordering produce as late as early December, 1996. Some of the importers wholesale to smaller outlets or to the seasonal merchants who retail directly to the public through small grocery stores (colmados) tiny outlets and mobile carts on street corners throughout the towns and countryside. Other importers sell through wholesale distributors to smaller supermarkets and shops. Larger, vertically integrated companies sell directly to the public through their own supermarkets.

The preferred types of apples (over 95 percent) are Red Delicious, Washington Extra Fancy #2 and US #1. Some Extra

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Fancy #1 and a small amount of Golden Delicious and Macintosh are also imported. The most popular and preferred size is 113. Local wholesale price ranges between RD\$525 and RD\$600/box (US\$38 and US\$43.50/box). Retail prices vary from RD\$5 to RD\$7 per unit (US\$0.36 to US\$0.51).

The major apple importers are H. Mejia & Co., C x A, Centro Cuesta Nacional, ALPA IMPORT, S. A., and GENESA, S. A.. Many other traders/distributors are involved in fruit imports and still others are willing to serve as agents for U.S. exporters. A full list is available from the Agricultural Affairs Office in Santo Domingo or Ag Export Services Division of the Foreign Agricultural Service in Washington.

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While a few of the large importer/supermarkets have produce managers with basic training in storage and handling requirements for perishable commodities, most importers and retailers have little knowledge of the proper handling and transport procedures for fruits. Apples are often received and sold in a damaged or over-ripened condition as a result of poorly organized deliveries, improper storage temperatures and frequent rotations in and out of refrigerated areas.

There is an excellent opportunity in the Dominican Republic for increased fruit sales during the non-holiday season. However, discussions with distributors during a recent visit by the regional U.S. Fruits/Washington apples representative highlighted the need for technical instruction on the handling and storage of fruits. Imports of apples and other U.S. fruits would be much more likely to increase if importers and retailers maintained the produce in better conditions. The Agricultural Affairs Office will be working with the cooperator to develop a technical seminar under the Section 108(f) program for early 1997. Use of in-store promotions, menu presentations and other marketing tools are also under consideration. In addition, apples and other U.S. fruits will continue to be promoted in a semi-annual U.S. wine, cheese and fruits food festival in Santo Domingo.

In August 1993, the Dominican Republic established a new tariff schedule which included a Basic Tariff of 35 percent CIF value and a Value Added Tax of 8 percent CIF. The official exchange rate at the custom office is RD\$12.87 per U.S. Dollar (used for tax/duty calculation), compared to a floating exchange rate which is presently RD\$13.80 per USD.

The Dominican Republic tends to follow U.S. standards on grading, labels and chemical residues, but does not actively monitor residues on imported fruit. Imports have no seasonal restrictions but require phytosanitary certificates from the country of origin and proof of a two week quarantine period. Prior to the import, permits and authorization letters are required from the Secretary of Agriculture's Plant Health

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Division and Agricultural and Livestock Promotion Department.
The requirement for permits (excluding phytosanitary certification) should be removed as the GODR complies with its WTO commitment to remove non-tariff trade barriers in the agriculture sector.

END OF REPORT

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