Sanitary and Phytosanitary Issues in the Agricultural Sector of the Dominican Republic

Prepared by: Virgilio Mayol, Agricultural Specialist, USDA/FAS Santo Domingo

Approved by: Elizabeth Autry, Agricultural Counselor, USDA/FAS Santo Domingo

Introduction

The purpose of this document is to provide a brief summary of the Sanitary and Phytosanitary (SPS) issues that affect the agricultural sector of the Dominican Republic (DR) to potential bidders of the USDA's FY 2020 Notice of Funding Opportunity (NOFO) of the Food for Progress Program (FFP). The document will also provide general information on USDA's current and past interventions to address SPS issues, as well as interventions from other local and international stakeholders.

Background information

The agricultural sector is a very important part of the DR's economy. In 2019, the agricultural sector accounted for 5.2 percent of the country's GDP, for a total value of approximately US$4.5 billion. Overall, the sector employs around 14 percent of the population. The agricultural sector was poised to grow by around four percent during 2020; however, the COVID-19 pandemic is expected to cause a significant decline in the sector, mainly a result of decreased demand from the tourism sector and also due to limited and high cost logistics that has impacted exports.

Phytosanitary problems are one of the main causes of low productivity in the Dominican agricultural sector. According to the Ministry of Agriculture (MoA), in 2018, the country had an average incidence of pests and diseases of 26 percent in the country's main crops. The incidence of those problems have been felt harshly. For example, between 2011 and 2015, coffee rust decreased local production by 65 percent. In 2015, USDA/APHIS banned imports of fresh vegetables from the DR due to the presence of Mediterranean Fruit Fly, resulting in estimated losses of US$38 million. Persistent appearances of Thrips detected in vegetables exported to the United States and Europe have resulted in losses of millions of dollars in incinerated products, fumigation and re-exporting costs. The EU has threatened to close their market for vegetables from the DR due to this issue on several occasions in the last few years. In fact, in the last five years, the DR has had the fourth-highest number of notifications and containers rejected by the United States and the EU.

On the animal production side, the country continues to be affected by several animal diseases, such as brucellosis and tuberculosis. According to MoA, those zoonoses lead to average annual losses of 30 percent in meat production and 12.5 percent in dairy production. Other diseases include classical swine fever, Newcastle disease and low pathenogicity avian influenza, which have been regularly detected.

The above-mentioned problems are also affecting food safety and therefore the public health of consumers. According to the Ministry of Public Health of the DR, in the past two years the

country reported an average of 26,000 cases of foodborne diseases; 14 percent of those cases were related to biological and chemical contaminants in food.

In addition to work aimed at addressing the above issues, the DR has taken some steps towards preparedness and emergency response planning for potential future SPS issues, such as African Swine Fever (ASF), *Tuta absoluta*, frosty pod, and TR4 (fusarium).

In terms of the international trade context, the country is party to the World Trade Organization (WTO) SPS Agreement and the WTO Trade Facilitation Agreement.

Some of the key causes of these issues are:

- Systemic weaknesses and lack of coordination within public, private and established mechanisms that intervene in local SPS policy. These weaknesses are reflected in: the weak functioning and capabilities of directorates in charge of the plant health, animal health and food safety issues; an outdated legal and institutional framework; a lack of sustainable and broad application of Good Agricultural Practices (GAPs), Good Manufacturing Practices (GMPs) and/or international trade partners food regulation laws such as the Food Safety Modernization Act (FSMA); a lack of integration of systems that manage SPS agricultural trade components; limited capacity to develop and disseminate new SPS technologies; and others.

- Lack of technical capacity in risk management systems within the local public and private sector. This includes a lack of risk-based systems and mechanisms that could facilitate international trade; the implementation of phytosanitary and epidemiological surveillance programs that are not based on updated risk-analysis methodologies; and others.

- A broken cold chain system for agricultural and food products that affects food safety and quality of those products. This includes deficient private and public infrastructure to ensure cold chain; lack of cold chain technical capacity of inspectors, processors, transporters, intermediaries, farmers and other actors of local value chains; limited financing opportunities for the development of cold chain facilities; and others.

The current administration of MoA has selected strengthening SPS capabilities as one of its four work pillars, but continues to work with limited resources to do so. As a change of administration approaches (in August 2020), the strengthening of local SPS capabilities will remain a significant need. In fact, within the government plans of both parties with the best chance of winning the next presidential elections (PLD and PRM), SPS issues are prominently mentioned in their sections dedicated to agriculture.

USDA interventions

USDA has supported and continues to support the improvement of SPS capabilities in the DR. Below are some of the most recent interventions:

- 2009-2019. FFP Program to implement Trade Capacity Building (TCB) activities to facilitate the Dominican Republic's ability to compete in the world market for

agricultural products. The Program was implemented by the Ministry of Economy, Planning and Development (MEPyD) with a donation of $11.5 million. The Program funded several projects on topics such as: increase laboratory capacities, pesticide residue control, meat inspection systems, strengthening of clusters, animal health, FSMA, GAP, and others.

- 2011-2015. FFP Program to strengthen international quarantine operations in Haiti and the Dominican Republic. The Program was implemented by IICA with a donation of $4.6 million. Main program activities included: 1) modernize public sector legal frameworks and policies for national quarantine protection services; 2) modernize quarantine systems and operations at target ports and airports; and 3) strengthen communication and technical outreach.

- 2014-2016. Program to support increased productivity and competitiveness of the agricultural sector in the Dominican Republic. The program was implemented by MoA, international organizations and local NGO's with remaining funds from a 1998 FFP Program managed by MEPyD. Total budget for the program was $4.3 million. Main program activities included: 1) strengthen animal health and traceability systems; 2) increase laboratory capacities; and 3) develop and strengthen agribusiness activities.

- 2015-2020. FFP Program to increase agriculture productivity and trade in targeted high-value horticulture and vegetables value chains of the Dominican Republic (Exporta Calidad). The program is implemented by the International Executive Service Corps (IESC) with an approximate donation of $14.4 million. Main program activities include: 1) capacity building for producer groups/cooperatives and trade associations of greenhouse and oriental vegetables, avocado, cocoa and pineapple; 2) cold chain improvement; 3) in-kind grants for equipment; and 4) disperse improved market information.

- 2015-2020. FFP Program to increase productivity and trade in the livestock (beef and dairy) value chain of the Dominican Republic (PROGANA). The program is implemented by the National Cooperative Business Association (NCBA CLUSA) with an approximate donation of $14.2 million. Main program activities include: 1) training to improve agricultural production techniques and farm management; 2) facilitate agro dealers and other input suppliers; 3) improve infrastructure; 4) provide technical assistance; 5) promote improved policy and regulatory framework; 6) improve quality standards; and 7) facilitate private and public partnerships.

- USDA/APHIS plans, funds, facilitates and manages many projects and capacity building initiatives on several SPS issues in the Caribbean. Some examples in the DR over the past few years include safeguarding and capacity building projects on: ASF, Classical Swine Fever (CSF), Avian Influenza, Medfly, *Tuta absoluta*, Giant African Snail, Thrips pest species, and TR4 (fusarium).

Other stakeholder interventions

Several cooperation agencies support agricultural health in the DR, such as the United Nations Food and Agriculture Organization (FAO), the Inter-American Institute for Cooperation on Agriculture (IICA) and the Regional International Organization for Agricultural Health (OIRSA). Those organizations provide training and technical assistance related to agricultural health. The International Development Bank (IDB) has financed development projects to improve SPS conditions, innovation and technology in the Dominican agricultural sector. Pending approval from the Dominican Congress, in 2020, the IDB will start implementing an SPS program focused on developing public capabilities.