

# Raising the bar in agriculture

**INTERVIEW WITH ANGEL ESTÉVEZ BOURDIÉRD**

MINISTER OF AGRICULTURE, DOMINICAN REPUBLIC



**ANGEL ESTÉVEZ** graduated with a BSc in Agricultural Sciences from UASD. He began his career in 1985 at DOMEX, an Israeli company producing and exporting melons and vegetables, before joining Anglo-American as a seller of agrochemicals. He subsequently moved to CALOSA in 1993, becoming general manager of the company in 1996. A member of the PLD since 1982, he joined the party's Central Committee in August 2012 and was appointed Minister of Agriculture on 24 April 2014.

**The agricultural sector in the Dominican Republic has expanded significantly in recent years. What have been the main factors driving this growth, and how do you see the outlook in the medium term?**

Over the past four years, total agricultural production in the Dominican Republic increased in volume by 5.6 per cent, from 5.7 million metric tonnes in 2012 to 6 million tonnes in 2015. Among the factors driving this growth were the increased planting of rice, which posted a record increase of 17 per cent in the first half of 2015, despite the severe drought. As part of this drive, the *Bioarroz* project was launched in Juma, Bonaó, renovating three centres producing high-quality rice seeds and thus improving rice varieties.

More generally, growth in agriculture has resulted from the additional availability of credit, with US\$1.2 billion disbursed over the period. Productivity gains have been obtained as well: levelling of agricultural lands enabled a 300 per cent increase in corn [maize] production in the province of San Juan alone.

Risk management has also been an important factor in enabling this growth. By virtue of the new Law on Agricultural Risks, enacted in 2013, some 27,000 subsidised insurance policies have been issued, a cumulative growth of 74 per cent, covering an area of 16,719 hectares, for about US\$5.4 million.

Agriculture should continue to grow 15 per cent by volume in the medium term, to 7 million tonnes. This we expect to achieve by incorporating new planting areas – from 325,000 to 362,500 hectares, a 10 per cent increase; through a 48 per cent growth in greenhouse production – reaching some 14 million square metres; by distributing 1.6 million seedlings, covering at least 10,625 hectares of fruit production; and by better pest control practices through precision application of pesticides.

Investment in infrastructure, a mainstay of Dominican agriculture, should continue as well, through the construction and rehabilitation of 5,000 km of roads between farms, reducing transport costs for inputs to farms and of farms' output to destination markets.

Water scarcity will continue to be addressed by accelerating the introduction of efficient irrigation systems on top of our network of water canals. Priority will be given to the irrigation of bananas and plantains, which represent 38 per cent of planted areas.

Agricultural credit is set to increase as well, by 70 per cent, from US\$1.2 to 2.0 billion. And so is

the expansion of agricultural insurance, by 108 per cent, from 96,471 to 200,522 hectares. In terms of employment, we expect to create 112,526 additional direct jobs, for qualified and non-qualified personnel.

**The DR has been extremely successful in adding value to its tobacco and cocoa exports, in particular. Which other agricultural products do you see as offering significant potential in this regard, and what steps is the government and private sector taking to move the country further up the value chain?**

There are several crops with high export potential, which have experienced dramatic growth recently. Among these, pineapple exports grew by 34 per cent, mango exports by 7 per cent, passion fruit exports by 291 per cent and eggplant [aubergines] by 174 per cent, from US\$2.3 to 6.3 million.

In the livestock sector, the export of fish and shellfish grew 38 per cent, from US\$9.5 to 13.1 million; beef exports grew 93 per cent; honey and derivatives grew 38 per cent and milk and dairy products grew 6 per cent, from US\$8.3 to 8.8 million.

The government tries to encourage investment in these products while focusing on creating and maintaining the right sanitary conditions to reduce risks in demanding destination markets in Europe and North America.

**Much of the DR's agricultural produce still comes from smallholdings. What support is the government providing to help improve these farmers' productivity and expand their operations?**

In order to develop the agricultural sector, priority is given to supporting small and medium-sized producers. Whilst all projects and initiatives are aimed at benefitting all producers, special priority is given to those smallholders with less than 2 hectares which, left unsupervised, would have to survive through basic subsistence farming.

All smallholders are potential agricultural entrepreneurs. To realise their potential, the ministry is promoting associations and cooperatives, in order to increase productivity by allowing the production of greater volumes of standardised products meeting the demands for quality of domestic and international clients. Success in exporting Fairtrade bananas and cocoa

would have been impossible without this approach.

A massive land title programme is also well under way, so that small holders are eligible for credit in formal markets. Additional support is provided through public services such as training, extension, and land levelling, as well as through the provision of high-quality planting materials, and our long-term commitment to the improvement of infrastructure.

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**At the other end of the scale, where do you see the greatest investment opportunities for the expansion of larger-scale agribusiness in the DR?**

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I think there is a great opportunity in sub-sectors such as fruit and vegetables, and livestock. The DR has the necessary conditions to produce almost all kinds of food. In addition to which, our strategic location allows our producers to reach quickly and reliably our main destination markets in the US and Europe. The private sector has already identified these opportunities, and it is only a matter of time before the take-off of Dominican agro-industry is achieved.

There is great investment potential in harnessing the added value of agricultural commodities such as coconut, cocoa, and corn [maize], as well as in greenhouse production, aquaculture, honey and derivatives, among others. In this fashion, we are ready to take the next step, moving from our status as a provider of high-quality commodities. Branded cosmetics and pharmaceuticals are being produced already with Dominican inputs. The next step would be to add value to our commodities in our own territory, taking advantage of our favourable tax regime for industrial exports, as well as of our optimal location, logistics and free trade agreements with the US and Europe.

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**Last year's outbreak of Mediterranean fruit fly was a wake-up call for Dominican producers who had grown used to relying on the United States as the main destination for the country's exports. How successful has the DR been in diversifying its export markets, and what steps are being taken to prepare for the expiration of preferential tariffs in 2020?**

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In recent years, the country has diversified both its exports and its target markets. In this regard, our main export markets are the US, Haiti, the EU, Russia, Japan, China, and other Asian and African countries. Regarding livestock, we managed to reopen markets in Hong Kong, El Salvador, Cuba and Haiti. So, we are making good progress in diversifying our destination markets. And with the joint efforts of institutions that promote the quality of our products around the world, such as the Ministry of External Relations and CEI-RD, we hope to continue succeeding in the future.

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**Demand for quality foodstuffs continues to rise in many parts of the world. To what extent is the DR able to ramp up its production to meet this demand?**

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The DR has the potential to increase its export volume to address the growing demand in existing markets as well as the needs of new markets. Our agricultural exports grew 15 per cent during 2012-15, from US\$1.8 billion to 2.0 billion. Over the next four years we expect an increase of 56 per cent, or US\$1.1 billion, from US\$2.0 to 3.1 billion. This is underpinned by the expected growth in total agricultural production of 15 per cent mentioned earlier.

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**The DR's hosting of the 3rd World Cocoa Conference in May this year is a testament to the quality and efficiency of the country's farming and processing methods. In which other agricultural sub-sectors do you see the DR leading the world in future?**

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The DR has the capacity to lead the world in productivity and quality of a number of products, including organic bananas, organic and non-organic avocados, red peppers, plantains and coconuts.

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**The most serious challenge to the sector has been the drought that has affected the country over the past three years. What lessons have been learned from this experience, and are you confident that the government is getting to grips with the situation?**

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Climate change is a growing reality that threatens world agricultural production, including, of course, the DR. Some of the corrective measures taken I mentioned earlier – such as land levelling and precision irrigation. Other measures include the promotion of silage for the livestock sector, and the storage of water in wells and reservoirs, as well as the construction and repairing of dams. And, of course, the introduction of high-yielding varieties requiring less irrigation.

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**The DR's agricultural sector has benefitted greatly from the volume of air traffic generated by the country's tourism sector. As increasing numbers of visitors come to the DR from countries such as Russia, do you see the country's export footprint changing significantly?**

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I believe that these conditions represent an opportunity to reach markets in which our country still has no presence, but above all, to increase our exports to existing markets such as the US, Europe and Asia, from which 85 per cent of visitors to the DR originate. Besides that, we are also focused on increasing domestic exports, interlacing our small producers with the growing tourism infrastructure of the country. It is a sizeable market; after all, 5.6 million tourists visited the Dominican Republic in 2015. E

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