



**Trip Report  
Dominican Republic and Costa Rica  
November 27 – Dec. 1, 2012**

Submitted to USDA FAS by the U.S. Dry Bean Council

Participants: Randy Duckworth, George Jibilian, Cindy Brown, Bob Brown

Report prepared by: Randy Duckworth and George Jibilian

## **Dominican Republic - General Information**

### *Economic Overview*

The Dominican Republic has long been viewed primarily as an exporter of sugar, coffee, and tobacco, but in recent years the service sector has overtaken agriculture as the economy's largest employer, due to growth in telecommunications, tourism, and free trade zones (by way of example - the canner Productos de Tropic is in a free trade zone). The economy remains highly dependent upon the US. Remittances from the US amount to about a 10th of GDP. The country suffers from marked income inequality; the poorest half of the population receives less than one-fifth of GDP, while the richest 10% enjoys nearly 40% of GDP. High unemployment and underemployment remains an important long-term challenge.

### *DR Bean Imports*

For most importers in the Dominican Republic their purchases from North America are typically concentrated in two time periods. The first period is during and shortly after the U.S. harvest from September to November. Then for the next few months DR companies focus on purchasing domestically produced beans. Starting around April or May they will start looking to North America again.

DR companies do not purchase domestically produced beans because they are cheaper – the domestic production is generally more expensive. They purchase domestic production because the government has usually unofficially tied their ability to import products to the purchase of domestically produced goods. For example, if a company wants to import garlic from China it has to show that it is purchasing domestically produced garlic. Officially this tit-for-tat doesn't exist legally but unofficially it is required.

## D.R. COMPANIES VISITED WITH COMMENTS

Baltimore Dominicana, C. por A. (Baldom)

Contact: Jose Leonardo Guzman

Email: leonardo.guzman@baldom.net

Tel: 809-530-5347 ext. 429 y 430

Address: Av. Isabel Aguiar #51, Zona Industrial de Herrera, Santo Domingo Oeste

GPS Location: Lat: 18.452393 Long: -69.97834



Comments: *Baltimore Dominicana, C. por A. (Baldom)* is primarily known as major producer of sauces, condiments and spices in the D.R. They are not currently canning beans themselves but instead contract with another DR canner to provide them private label beans. They are interested in working with a U.S. canner to produce private label canned beans. They work with black, navy, LRKB, Garbanzo, WGP, and pigeon peas. Canned beans have not been very profitable for their company but as one of the major canned food companies they feel they must carry a line of beans.

Grupo Perfesa (The buying company Agrocomercial S.A. is part of Grupo Perfesa)

Contact: German Corcino

Email: [gcorcino@grupoperfesa.com](mailto:gcorcino@grupoperfesa.com)

Tel: 1-809-379-2423 x. 22

Mobile: 1-809-604-9827

Address: PROLONGACION 27 DE FEBRERO #1515, ALAMEDA, STO. OESTE

GPS Location: Lat: 18.489708 Long: -69.9996



Comments: Grupo Perfesa is the #1 importer of beans in the Dominican Republic. Annually they purchase pinto beans (200,000 cwt), black beans, navy beans (4,000 cwt), cranberry, as well as some domestic dark speckled kidney beans. About 80% of their business is retail and remainder is wholesale. Their company has established good relationships with U.S. suppliers and has not purchased Canadian product for past few years.

There have been some very significant developments with the company over the past few months. The President of the company, José Ramón Peralta, was appointed to the very important position of Administrative Minister (Ministro Administrativo) to the President of Dominican Republic, Danilo Medina.



**COMERCIAL AGRICOLA SANZ**

Contact: Juan Jose Sanz (President)

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Tel: 809-539-6990

Mobile: 809-224-0937

Address: C/ 2da No. 10 Urb. Costa Azul, Km 12 Aut. 30 de Mayo Sto. Dgo.DN

Geo Location: Lat: 18.473768 Long: -69.88644

Comments: They purchase pinto beans, navy beans, garbanzo - domestic speckled red kidney beans, as well as black beans from China and navy beans from Turkey. Buyer commented that since the government changed the import permit structure that cost for permits has risen to approximately 450 to 500 pesos per cwt (approx. \$13).



**Victorina S.A. / Grupo Corripio**

Contact: José Alfredo Corripio

Contact: Ana Luisa Aquino

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Email: [jcorripio@corripio.com.do](mailto:jcorripio@corripio.com.do)

Address: Av. Núñez de Cáceres no.2, Edificio Corripio 2da planta , San Gerónimo, Santo Domingo

Geo Location: Lat: 18.477846 Long: -69.9628

Tel: 809-227-3000 x. 6127



From Left: José Luis Corripio, José Alfredo Corripio y Manuel Corripio

Comments: We were scheduled to meet with the buyer for Victorina, S.A. (Ana Luisa Aquino) but instead were provided a rare opportunity to meet with the President, José Alfredo Corripio. Jose Alfredo has taken over management of Grupo Corripio of companies from his father who remains as Chairman. Grupo Corripio is a private holding company that widely known throughout the Dominican Republic. Grupo Corripio owns the newspapers Hoy, and El Nacional

y El Día, as well as the television channels Tele Antillas and Telesistema. In addition to its media holdings the Corripio Group holdings include construction supply companies, food production companies, import companies, and auto dealerships (Toyota).

Unfortunately, we did not have long with Mr. Corripio as he had to shortly leave to go to lunch with the Spanish Ambassador. But for a man that oversees more than 25 separate companies Jose Alfredo Corripio impressed us with his recall of his companies' dealings in beans. He explained that Victorina is produced by Productos del Tropicó canning plant in San Crystobal. Approximately 50 percent of their purchases are pink beans, 25 percent are pinto beans, a little less than 25 percent are light red kidney beans and they use very small quantities of navy beans, black beans and chickpeas. They produce a number of different private labels for the Puerto Rican market. Their proprietary label "Criada" is too expensive for the domestic market there, so 100 percent of this brand gets shipped to Puerto Rico.



*A grocery store visit*

## **COINPRA**

Contact: Jose Arturo Mota

Contact 2: Orlando Tejada

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Cel: 809-258-3215

Work: 809-688-4028

Address: Calle Imbert # 21, San Carlos, Santo Domingo

Geo Location: Lat: 18.474848 Long: 69.89237

Comments: We met with Orlando. Orlando told us that COINPRA is currently the third largest importer of beans in the country. During past year they imported 60,000 cwt of pinto beans from Colorado, Nebraska, North Dakota and Manitoba. They purchased 90 containers of pinto beans from Canada this year. They also imported US navy beans and 30,000 cwt of Chinese black beans. Orlando stated that Dominican consumers eat pinto beans throughout the year and that the demand is not affected much by changes in price. He said that for other varieties this is not the case. However, the availability of imported beans at any given time may be affected by government policies designed to protect domestic producers.



## **GRUPO RAMOS**

Juan Díaz Bujosa (Buying Mgr.)

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Tel. (809) 472-4444 ext. 6591/2477

Cel. (809) 501-5755

Address: Avenida Winston Churchill esq. Angel Severo Cabral, Santo Domingo

Geo Location: Lat: Long:

Comments: Grupo Ramos has 22 La Sirena supermarkets, 5 Super Pola supermarkets and 7 aprezio supermarkets. All together they hold 38% of the supermarket category. There are 3 million visits to their stores per month. Mr. Díaz told us that 80% of DR market consumers live on less than US\$200 per month. Grupo Ramos expects to receive an allocation for beans under the next

DR-CAFTA allocations. They would like to use their allocations for their own brand, which they have not done to this point.



**USDA FAS – Santo Domingo**

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Email: [Hector.Li@fas.usda.gov](mailto:Hector.Li@fas.usda.gov)

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Pedro Henriquez Urena #133, Edificio Empresarial, 4th floor  
Santo Domingo

**Productos del Tropico**

Contact: Cynthia Baez

Email: [cynthia.baez@corripio.com.do](mailto:cynthia.baez@corripio.com.do)

Address: Carr. Sánchez Km. 28, San Cristobal

Tel: 809-227-0099 x.102



We had a time conflict with meetings so Cindy and Bob Brown met with Productos del Tropic while George Jibillian and I met with the USDA FAS Agricultural Attache (Margie Bauer) in Santo Domingo.

Comments: A trade lead was already sent to industry with following information. Cynthia Baez requested offers for the following canning quality products:

- Pink beans - ID or WA origin - 100 FCL ASAP
- Black beans - 20 FCL Shipment starting in Mar
- Navy Beans - 10 FCL Shipment starting in Mar
- Chick Peas - 13 FCL - 8mm shipment starting in Feb
- Light red kidney beans - 50 FCL 4/month Shipment starting in Jan

FCL = 1 container - 450 to 500 - 100 lb. bags per container  
Wants the product quoted CIF Rio Haina, Dominican Republic or FOB  
Wants 2 lb. samples. All product should rehydrate after 3 - 4 hours of soaking.

# **COSTA RICA**

## **Costa Rica General Economic Information**

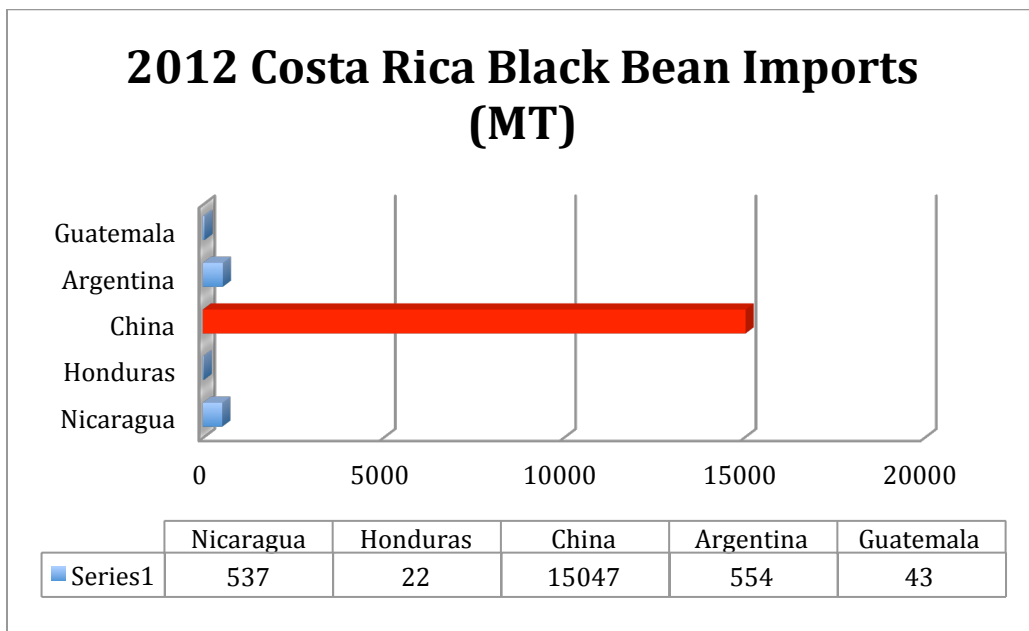
### *Currency Regulation*

Bloomberg news reported recently that Costa Rica’s central bank is “very likely” to impose more currency controls to stem the flow of capital from developed markets that has driven the colon higher. President Laura Chinchilla has called capital inflows from developed markets seeking higher yields “weapons of mass destruction” against the nation’s economy. Her government submitted a bill to Congress that would raise taxes to 38 percent from 8 percent on foreign investors who transfer out of the country profits from capital inflows. The colon has gained 1.4 percent against the dollar this year through yesterday, the most among Latin American currencies tracked by Bloomberg after the Chilean peso.

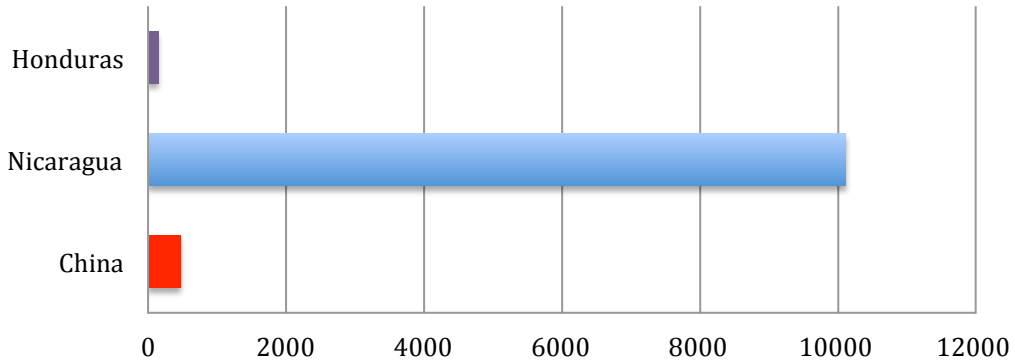
### *Economic Growth*

The World Bank recently released its annual report of Global Economic Prospects, which forecasts that Costa Rica will see the third-best economic performance in Central America, surpassed by Panama, whose economy is expected to grow 7.5 percent, and Nicaragua, expected to register 4.2 percent growth. Costa Rica’s economy is expected to grow 4 percent in 2013, a lower figure than the 4.6 achieved last year and the 4.8 expected for 2013 by the Central Bank.

## **Costa Rica Bean Imports**



## 2012 Small Red Bean Imports 2012 (MT)



	China	Nicaragua	Honduras
Series1	469	10143	149

### **COSTA RICA COMPANIES VISITED WITH COMMENTS**

#### **KANI MIL NOVICIENTOS**

Contacts: Isidro Valverde, Esteban Bonilla

Email: ivalverde@kani.cr

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Tel: (506) 2537-0102

Geo Location: Lat: 9.901814 Long: -83.94181





Comments:

Kani purchases about 65% blacks and 35% small red beans. The black beans are purchased primarily from China. They have not purchased black beans from the U.S. for several years. Small red beans are purchased primarily from Nicaragua and also domestically from producers in Costa Rica. Recently they have received some offers for black beans from Guatemala because Guatemala had a very good year.

They generally import during two time periods per year. Oct-Jan and May-Aug. They visit China to see the black bean crop and to identify potential suppliers. They have 3 or 4 regular suppliers in China that they use. The quality has improved a lot since they hired a Costa Rican that is living in China to inspect product before it leaves China. When asked what it would take to purchase U.S. black beans instead of Chinese black beans they responded that they would probably be willing to pay \$50 per metric ton difference.

Kani is looking for a canner that could produce two types of refried beans (frijoles volteados) under their Don Pedro brand. Refried black beans and also refried red beans. The refried red beans would have to be made using Central American type small reds. Their company has a growing export market in U.S. Currently they export their own brand of packaged beans and also package for a U.S. company.



## **Florida Bebidas**

Contact: Sergio Vindas Cordero

Contact: Alejandra Hernández Rodríguez

Contact: Tanya Vargas

Email: sergio.vindas@florida.co.cr

Email: alejandra.hernandez@fifco.com

Email: tanya.vargas.fifco.com

Tel: (506) 2437-6785

Address: Llorente de Flores, de la cervecería Costa Rica 500 mts al sur.

Edificio Corporativo de Florida Bebidas.

Geo Location: Lat: 9.982736 Long: 84.15429

Comments: Florida Bebidas struggled when they first took over Alimentos Kerns because they were basically a brewery and beverage distributor but suddenly found themselves with a refried bean manufacturing plant. They struggled in first couple years but seem to have found their footing. They've invested heavily in new equipment at the Guatemala facility. They've added new product lines as well as retort packaging. The retort packaging is particularly important move because the Central American consumers have shown a strong preference for this type of packaging both from convenience and cost standpoint. They have drastically expanded their product line with more whole beans and many more flavors of refried beans including: with onions and garlic, with cheese, with chorizo, with jalapeno pepper, and Costa Rican style. Approximately 50% of their finished product goes to the United States and the other 50% is sold in Central America.

In 2006 they purchased 4,000 MT of splits. In 2012 they expected to purchase 6,000 MT. They purchased 85% blacks with remainder being small reds. They are purchasing splits from China, United States, Ethiopia, Argentina, and other Central American countries. Right now approximately 25% of their imports are U.S. splits. The other 75% is from China and Argentina. They would like to purchase more but the price differential with Chinese splits has been too high – even though Chinese splits have a 22% duty. We asked what it would take for U.S. to get more business and the answer was “better price”. They said they were unlikely to pay more for U.S. dry bean splits because the quality of Chinese splits has been good. They said they have not had a problem with quality of Chinese splits recently because their Chinese suppliers understand that shipment will be rejected if the quality requirements are not met. Additionally, they installed \$800,000 worth of cleaning equipment to ensure that they don't have any problems.



### Grupo Empagro

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Tel: (506) 2439-0008, 8827-8755

San Rafael de Alajuela, Costa Rica



### Comments:

Empagro is among the top three bean sellers in Costa Rica. Number one is Walmart (HortiFruti) which has others package for it. Number two is Kani followed closely by Empagro at number 3. Empagro has processings plants in both Costa Rica and Nicaragua. They confirmed that Nicaragua reportedly

purchased 10,000 MT of black beans from China to ship to Venezuela. The beans are reportedly being rebagged as being from Nicaragua. Its all an elaborate ruse to make it appear that the food for oil deals under ALBA are working. In this case, Nicaragua agreed to supply black beans to Venezuela in exchange for cheap oil. Nicaraguan farmers did not produce enough black beans to meet terms of the agreement so Nicaragua reportedly purchased black beans from China. Nicaraguan producers did not produce enough black beans because the government offers same price for black beans as for small red beans. All else being equal farmers prefer to produce small red beans because that is what they themselves consume.

They told us that Guatemala had a very good black bean crop and that they were getting offers for black beans out of Guatemala for \$40 FOB. There is no duty on black beans coming into Costa Rica from Guatemala. At the time of our visit Chinese black beans (2012 crop) were reportedly being offered at \$875 delivered price. The first 10,000 MT of Chinese bean imports are duty free each year making it difficult for other countries to compete.

### **COINGRABA**

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Alajuela, Costa Rica

Comments: Jorge commented that Costa Rica is very difficult market for U.S. to gain entrance to right now because Chinese product is coming in duty free at very low prices. Additionally, duty on U.S. product is 30% putting U.S. at extreme disadvantage. Their company purchases approximately 1300 MT of black beans, 500 MT of small red beans and 20-40 MT of white beans annually. Jorge said he appreciates visits of the US Dry Bean Council and looks forward to situation changing where he could buy more U.S. beans as he did in the past. He also appreciates exchanging information with USDDBC representatives about what is happening in other international markets (Mexico, Brazil, China, etc.)

### **OTHER DEVELOPMENTS**

It seems that Costa Rican consumers are developing an increased taste for frijoles volteados (refried beans). Gallo pinto (beans and rice) has always been a mainstay of consumers in Costa Rica but each time I visit canned and retort pack (mostly) frijoles volteados appear to be gaining more space on the shelves. Additionally, the amount of fresh, refrigerated refried beans being sold seems to be increasing as well.

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*Fresh, refrigerated refried beans in the local Wal-Mart store.*



*It's increasingly common to see message marketing on the packages of beans in Costa Rica. The packages below include one promoting a children's hospital, a package promoting its use of "national production" and third that claims to use renewable energy in processing of the product.*