

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Costa Rica

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### Costa Rica approves coffee trust fund

**Report Categories:**

Coffee

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**Report Highlights:**

The government of Costa Rica approved a trust fund of roughly \$38 million to assist small and medium size farmers affected by the coffee rust since 2012. The trust fund will provide resources to help distressed coffee producers improve and renovate their plantations.

**General Information:****Government of Costa Rica approves coffee trust fund**

The Costa Rican Comptroller's Office approved last week a 20,000 million colones (\$38 million) trust fund for coffee producers who were affected by the coffee rust (*Hemileia vastatrix*), known locally as "roya". The funds had been offered by the GOCR since 2012 when the coffee rust started to cause serious damage to coffee production in different production areas. However, the funds had to be approved by the Legislative Assembly first. This part of the process resulted in Law 9153 of July 2013, which created the trust fund. The procedures to implement the assistance had to be approved by the Comptroller's Office, and this process concluded in February 2014.

The law that created the trust fund mandates that the funds will be used for the following purposes: to provide seed capital to producers; to finance social programs addressed to coffee producers affected by the coffee rust; to provide assistance to newly planted coffee plantations; to provide funding for renewal of plantations with varieties resistant to the coffee rust; and to provide credit at favorable interest rates for the purchase of agricultural inputs, paying for pruning or other cultural practices, or for the renovation of coffee plantations.

The Minister of Agriculture, Gloria Abraham, indicated that the regulations are ready and that the resources will be disbursed by the Ministry of Finance to begin providing assistance to the producers. According to Minister Abraham, one quarter of the funds will be managed by the Social Assistance Institute (IMAS), for the social aspects of the program, while three quarters will be managed by the Bank of Costa Rica for the production related part of the program.

Some producer groups were critical of the time it took the government to approve and issue the funds for this program, given the serious damage caused by the coffee rust during the last two years. A total of 48,000 small and medium size producers are expected to benefit from the program.