

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 10/24/2018

GAIN Report Number:

Nicaragua

Oilseeds and Products Annual

Palm Oil Production Continues to Grow While Peanut Production Remains Stable

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Report Highlights:

In MY 2017/2018, palm oil production increased 23 percent due to new-planted areas starting to bear fruit. For MY 2018/2019 the palm oil industry anticipates over 82,000 MT of palm oil production, a slight increase compared to the current year. Peanut production reached 205,000 MT in MY 2017/2018, a four percent increase compared to MY 2016/2017. Peanut oil production remained stable with over 18,000 MT. For MY 2018/2019, the peanut industry does not anticipate any significant increase in peanut production.

Executive Summary:

African palm is the major source of edible oil in Nicaragua. For MY 2018/2019, the palm industry anticipates over 82,000 MT of palm oil production, a slight increase from MY 2017/2018. In MY 2017/2018, palm oil production increased 23 percent compared to the previous year, reaching approximately 80,000 MT. These increases are attributed to new-planted areas that were at the developmental stage and have started to bear fruit. According to industry, African palm areas could reach up to 44,800 hectares in the mid-term.

A second source of oil is from peanuts. This oil is a premium product and primarily destined for the export market. Peanut and peanut oil production is expected to remain stable in MY 2018/2019. In MY 2017/2018, peanut production reached over 205,000 MT and peanut oil was about 18,000 MT. The peanut industry does not foresee any substantial increase in production in the mid-term due to competition from land with sugar cane.

Even though palm oil production is increasing, Nicaragua still needs to import palm and soybean oil to meet domestic demand. In MY 2017/2018, palm and soybean oil imports reached approximately 53,000 MT and 15,300 MT, respectively. Nicaragua imports soybean oil principally from the United States, and it brings in palm oil from Honduras and Costa Rica. There are five oil processing plants in the country that combined process over 120,000 MT of edible oil every year

Commodities:

Oil, Palm

Oil, Palm Kernel

Oilseed, Peanut

Oil, Peanut

Production:

African Palm

African palm production is concentrated in the Southern and Atlantic Caribbean Region of Nicaragua. There are more than 32,000 hectares planted with African palm in the Caribbean Coast due to the suitable soil and precipitation, which reaches between 2,500 mm to 3,500 mm annually.

The palm oil industry continues to grow with African palm industry members estimating that palm oil production could increase 30 percent in the next five years. African palm average yields are close to 15 MT per hectare. Most of the oil is produced out of the fruit and only 1.5 percent of the oil production comes from palm oil kernel.

The palm oil industry anticipates exports of 48,000 MT in MY 2018/2019, which accounts for more than two percent of the Agricultural Gross Domestic Product. Over the last few years, the palm oil industry has invested more than \$400 million to improve processing plants and increase planted area. The increase in palm oil plantations will reduce Nicaragua's dependency on vegetable oil imports as well as increase Nicaragua's exports to the region.

Peanuts

Nicaragua's peanut production is concentrated mainly in the northwestern side of the country - in Leon and Chinandega - where more than 90 percent of the peanuts are cultivated. The planting forecast for MY 2018/2019 is roughly 44,000 hectares. The peanut industry anticipates production of 205,000 MT for MY 2018/2019, which is unchanged from MY 2017/2018. The peanut industry does not foresee any substantial increase in the planted area in the mid-term due to the competition for land with sugar cane. Peanut production is almost exclusively destined for the export market

Consumption:

Palm Oil

Palm oil is very popular in Nicaragua, representing about 90 percent of all oil used in Nicaragua. Total domestic demand is close to 88,000 MT with per capita consumption close to 13.5 liters.

Peanuts

Less than one percent of the total peanut production stays in the domestic market. Nicaraguans do not consume a significant quantity of peanuts and peanut oil.

Trade:

Palm Oil

The main palm oil export market is Mexico. In MY 2017/2018, Nicaragua exported close to 45,000 MT of palm oil. Nicaragua imports soybean and palm oil for local consumption. The main supplier of soybean oil is the United States, and palm oil is imported from Honduras and Costa Rica. , In FY 2017/2018, Nicaraguan palm and soybean imports reached approximately over 53,000 metric tons and 15,293 MT respectively.

Peanuts

In CY 2017, Nicaraguan peanut exports totaled 90,300 MT, a 17 percent increase compared to the previous year due to a larger crop in MY 2016/2017 and higher international prices. The main export destinations in 2017 were United Kingdom, Mexico and El Salvador.

Stocks:

The palm oil and the peanut industry do not keep large quantities of stocks in between different crop cycles. Their goal is to sell all the production within the same year.

Policy:

The Nicaraguan Government does not provide any subsidies to the African palm and/or peanut producers. Some large agricultural operations may get some tax incentives and/or exonerations. The Nicaraguan Government actively seeks to attract foreign investment as one of its primary tools to generate economic growth and increase employment.

Production, Supply and Demand Data Statistics:

PSD: Palm Oil

Oil, Palm Market Begin Year Nicaragua	2016/2017		2017/2018		2018/2019	
	May 2017		May 2018		May 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	29	0	32	0	34
Area Harvested	0	22	0	28	0	30
Trees	0	4147	0	4576	0	4862
Beginning Stocks	0	0	0	18	0	18
Production	0	65	0	80	0	82
MY Imports	0	65	0	53	0	53
Total Supply	0	130	0	151	0	153
MY Exports	0	42	0	45	0	48
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	70	0	88	0	90
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	0	70	0	88	0	90
Ending Stocks	0	18	0	18	0	15
Total Distribution	0	130	0	151	0	153
Yield	0	2.9545	0	2.8571	0	2.7333
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						

Palm Oil Kernel

Oil, Palm Kernel Market Begin Year Nicaragua	2016/2017		2017/2018		2018/2019	
	May 2017		May 2018		May 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	0	14	0	19	0	21
Extr. Rate, 999,9999	0	0.4286	0	0.4211	0	0.4286
Beginning Stocks	0	0	0	0	0	0
Production	0	6	0	8	0	9
MY Imports	0	0	0	0	0	0
Total Supply	0	6	0	8	0	9
MY Exports	0	6	0	8	0	9
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	0	0	0	0	0	0
Ending Stocks	0	0	0	0	0	0
Total Distribution	0	6	0	8	0	9

(1000 MT) ,(PERCENT)

PSD: Peanut Oilseed

Oilseed, Peanut Market Begin Year Nicaragua	2016/2017		2017/2018		2018/2019	
	Aug 2016		Aug 2017		Aug 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	45	42	41	44	0	44
Area Harvested	45	42	41	44	0	44
Beginning Stocks	30	30	33	6	0	6
Production	200	197	182	205	0	206
MY Imports	1	0	1	0	0	0
Total Supply	231	227	216	211	0	212
MY Exports	112	168	110	152	0	152
Crush	75	53	75	53	0	53
Food Use Dom. Cons.	6	0	6	0	0	0
Feed Waste Dom. Cons.	5	0	5	0	0	0
Total Dom. Cons.	86	53	86	53	0	53
Ending Stocks	33	6	20	6	0	7
Total Distribution	231	227	216	211	0	212
Yield	4.4444	4.6905	4.439	4.6591	0	4.6818

(1000 HA) ,(1000 MT) ,(MT/HA)

PSD: Peanut Oil

Oil, Peanut	2016/2017	2017/2018	2018/2019
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Market Begin Year	May 2017		May 2018		May 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Nicaragua						
Crush	75	53	75	53	0	53
Extr. Rate, 999.9999	0.3333	0.3396	0.3333	0.3396	0	0.3396
Beginning Stocks	1	1	1	0	0	0
Production	25	18	25	18	0	18
MY Imports	0	0	0	0	0	0
Total Supply	26	19	26	18	0	18
MY Exports	19	18	19	18	0	18
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	6	0	6	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	6	0	6	0	0	0
Ending Stocks	1	0	1	0	0	0
Total Distribution	26	18	26	18	0	18