2-21-1992

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Nicaragua: Growers Request Government Assistance To Prevent Collapse Of Coffee Industry

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Category/Department: General

Published: Friday, February 21, 1992

On Feb. 18, the National Farmer and Livestock Grower Union (Union Nacional de Agricultores y Ganaderos-UNAG) and the Nicaraguan Coffeegrower Union (Union de Cafetaleros Nicaraguense-UNCAFENIC) requested emergency assistance from the government to prevent the industry's collapse. UNCAFENIC is affiliated with the Superior Council of Private Enterprise (COSEP).

According to UNCAFENIC, sectoral financial losses for the current production cycle are estimated at US$16 million. This year's coffee harvest is estimated 800,000 quintals, compared to 400,000 quintals last year. (One quintal equals 46 kg.) UNCAFENIC leader Rosendo Diaz said producers expect to lose an average US$18 losses per quintal. Coffee is Nicaragua's top export product. At present, Nicaraguan coffee is selling for US$70 per quintal. Among other measures, the two organizations propose a US$20 per quintal compensatory bond to pay their debts, lower bank interest rates, and elimination of a US$5 per quintal tax. Because of low prices, 96% of Nicaraguan coffee producers this season will be unable to avoid loan repayment arrears. (Basic data from Agencia Centroamericana de Noticias-Spanish news service EFE, Agence France-Presse, 02/18/92)

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