

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 1/13/2011

**GAIN Report Number:** VE1106

## Venezuela

**Post:** Caracas

### Imports May Increase to Hold Down Food Prices

**Report Categories:**

Agriculture in the Economy

Dairy and Products

Grain and Feed

Oilseeds and Products

Sugar

**Approved By:**

Randall Hager

**Prepared By:**

Jonathan Martinez

**Report Highlights:**

The government may increase imports of food and raw materials for food processing in an attempt to hold down price inflation after the recent currency devaluation.

**General Information:**  
**CAVIDEA Statements**

Venezuela's food processing chamber (CAVIDEA) has asked the government to review controlled price products to meet expected higher costs of production brought about by exchange rate unification. The industry is asking for this action to support food production and supply to the domestic market.

CAVIDEA says that the recent unification of the exchange rate to 4.3 bolivars per dollar will raise the costs of food manufacturing by as much as 65 percent. The impact will depend on the product, but the most affected items include pastas, bread, vegetable oils, tomato paste, oats, milk, sugar, tuna, and white corn.

**President's Response**

The president announced that he is ready to increase the volume of imported foods and other goods to stop domestic price increases. He also mentioned that the government is getting ready to raise domestic production, especially for cereals such as corn, rice and sorghum, in addition to other products like pulses, meat, and milk.

Sources: Official Statements, El Universal, Globovision, and El Nacional