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## Venezuela

**Post:** Caracas

### **Priority Food Products and Import Certification**

**Report Categories:**

Agriculture in the Economy

Grain and Feed

Livestock and Products

Sugar

Dairy and Products

Oilseeds and Products

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**Report Highlights:**

Venezuelan officials have published a list of products that will receive either the recently announced adjusted, or new, foreign exchange rates. Further, additional details on import certification requirements have been announced. Post provides a summary of this information, and will provide a full listing of products in subsequent GAIN reports.

## **Executive Summary:**

### **General Information:**

#### **CADIVI will assign US dollars at Bs 4.30 for 59 percent of imported items**

CADIVI, Venezuela's foreign exchange authority, has determined that out of a total of 6,394 items that may be imported, 59 percent will receive dollars at Bs 4.30 and the remaining 41 percent at Bs. 2.60. Among the products to be imported under the 2.60 rate are foods, medicines, personal care items, raw materials, and machinery. The products to be imported under the 4.30 exchange rate include non-basic foods like yogurt, jam, peach, asparagus, apples and pears. The devaluation will increase the price of imported products, and food inflation projections by some economists are between 35 and 40 percent for 2010.

#### **Priority Foods will require new Certificates**

The classification of products that will be imported under the Bs 2.60 or Bs 4.30 rate of exchange brings a new requirement that companies had not foreseen. From now on, basic foods such as rice, sugar, milk, chicken, turkey, tuna, sardines, butter, agricultural commodities and oils, that is, products that will be imported at Bs 2.60 per US dollar, will require Certificates of Non-Production or Insufficient Production. Even fruits that can be imported with foreign currency at Bs 4,30 will require these permissions, too. In the past, these products were considered as "first need" and therefore did not require non-production certificates, and licenses were obtained through the Ministry of Food.

Source: Media Reports and the Official Gazette