

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Venezuela

**Post:** Caracas

### **Situation of Food Sector Has Been Unfavorable During 2010**

**Report Categories:**

Agriculture in the Economy

Sugar

Tomatoes and Products

Retail Food Sector

Dairy and Products

Oilseeds and Products

Poultry and Products

Livestock and Products

Grain and Feed

**Approved By:**

Randall Hager

**Prepared By:**

Luis Mulet

**Report Highlights:**

FAS Caracas reports on a Venezuelan Food Industry Chamber (CAVIDEA) economic study that reveals an unfavorable situation during 2010. Exchange and price controls, lack of raw materials, excess required permits, low demand, and electric power outages all affected the food sector's performance.

**General Information:**  
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According to CAVIDEA, via an economic report which monitors sales of 19 products, between August 2009 and August 2010, demand for five of the products that comprise the basic food basket declined from 2.5 percent to 7.3 percent. These products are: powdered and pasteurized milk, eggs, sausages, vegetable oil, and tomato sauce. The report notes that in the same period, sales of sugar rose by 33.2 percent, oats by 12.4 percent, wheat flour by 10.1 percent, rice by nine percent, and precooked corn flour by 8.3 percent.

This report prepared by CAVIDEA with affiliated members revealed that 70 percent of food companies consider that the situation in the food sector during the second quarter of this year was unfavorable. Although high, the figure is better than that recorded in the first quarter, when the figure was 89 percent. Exchange and price controls, lack of raw materials, excess of permits, low demand and electric power outages affected the sector's performance in the second quarter.

In the first six months of the year, production was affected by several factors such as shortages in the supply of containers and packaging, port delays, and lack of international supplier credits causing delays in the purchase of raw materials.

Source: Venezuelan Food Industry Chamber (CAVIDEA) <http://www.cavidea.org/>