

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Venezuela

**Post:** Caracas

### **Temporary occupation of the food chain FRIOSSA extended**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

The Bolivarian Government extended the occupation of food distributor FRIOSSA for an additional 90 days.

## **General Information:**

### **Temporary occupation of the food chain FRIOSIA**

On May 19, the Bolivarian Government ordered a 90-day temporary occupation against the private food chain Frigoríficos Ordaz S.A. (FRIOSA). On August 20, the occupation was extended for 90 additional days.

FRIOSA is the largest food distributor in the south east region of Venezuela and one of Venezuela's most important wholesale importers of refrigerated products such as fruits, fish, seafood, poultry, and beef. In addition to these activities, FRIOSA provides food preparation and distribution services to cafeterias of the main industries, both public and private, located in Guyana City, Bolivar State. As a result of the occupation, the company reportedly has a much reduced inventory and many debts. The report of the government entity Indepabis used to justify the intervention stated some food stamps debts with workers, inadequate overtime payments and some other minor differences in distribution guides of vegetables coming from Merida.

The company has about 2,000 employees. As a wholesaler, it serves about 5,000 small and medium businesses, from restaurants, supermarkets to small mom-and-pops in the poor neighborhoods. Beside this, it is the supplier and important operator of the industrial dining rooms of Guyana City companies where about 40,000 to 50,000 workers have lunch or dinner every day.

FRIOSA's debt to suppliers amounts to a reported 31 million bolivars and many suppliers are reluctant to continue delivering goods. Agricultural producers from the Andean region suspended the deliveries. There is no sugar, flour or eggs at the bakery section. The cold storage is currently empty, and imports have been suspended.

Source: Media Reports