

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Venezuela

Post: Caracas

Government toughens production of regulated products

Report Categories:

Agricultural Situation

Grain and Feed

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Report Highlights:

The Venezuelan government has established new minimum percentage of production levels for several price regulated products, and established new procedures that toughen their production and commercialization. Companies that want to produce or sell new commercial food presentations must request authorization from the Ministry of Popular Power for Trade after approval by the Inter-Ministerial Technical Committee, which also can suggest the maximum sale price.

General Information:

Official Gazette N° 39.333, published on December 23, 2009, established a new regulation that toughens production and commercialization of regulated food products, and adjusted minimum production levels.

New Minimum Production Requirements

The Government, through a joint resolution from the Ministries of Trade, Food, and Agriculture and Lands, now requires a minimum of 80 percent of pasta production be of the price regulated type. This represents a ten percent increase with respect to the former measure established in January 2009.

It also provides for a decrease of 25 percent in the minimum percentage required for the production of cheeses whose prices are regulated. Previously, 95 percent of cheese production was required to be price-regulated; that requirement has moved down to 70 percent.

The resolution ratifies the percentages established previously for the remainder of the products: edible oils (corn, sunflower and mixes) at 95 percent, white rice at 80 percent, sugar at 95 percent, coffee beans, roasted and ground at 95 percent, precooked corn flour at 90 percent, dry and fluid milk at 90 percent, margarine and mayonnaise at 90 percent, and tomato sauce at 90 percent.

The industry may develop varieties or presentations excluded from price regulation in a proportion equal to the remainder of each product.

Table 1. Products Covered Under the New Regulations

PRODUCTS	Minimum required percentage of regulated products
Corn Oil	95 %
Sunflower Oil	95 %
Oil Mixes	95 %
White table rice	80 %
Sugar for domestic consumers	95 %
Coffee, beans, roasted and ground	95 %
Precooked Corn Flour	90 %
Fluid milk (whole)	90 %
Dry Milk (whole)	90 %
Margarine	90 %
Mayonnaise	90 %
Pastas	80 %
Cheese	70 %
Tomato sauce	95 %

New Commercialization Rules

Companies that want to produce or sell new commercial food presentations of the regulated products noted above must request authorization from the Ministry of Popular Power for Trade after approval by the Inter-ministerial Technical Committee, which also suggests the maximum sale prices.

The main objective of these Committees shall be to evaluate and recommend to the Minister of Commerce on the applications for new presentations. The Committee will consist of a representative from Ministry of Trade, as well as officers from the Ministries of Health, Agriculture, the Institute for the Defense of People in the Access to Goods and Services (INDEPABIS), the Autonomous Service for Normalization, Quality, Metrology and Technical Rules (SENCAMER), and the Intendancy of Silos, Storage, and Agricultural Warehouses (SADA).

According to the government, this decision addresses the strategy of certain businessmen that tried to avoid price regulation of basic food products through the development of other presentations, such as products containing an additive, and whose prices are well above those established by the Official Gazette. It will also prioritize the production of those products needed by Venezuelans.

Source: Official Gazette