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## **Report Name:** Grain and Feed Annual

**Country:** Venezuela

**Post:** Caracas

**Report Category:** Grain and Feed

**Prepared By:** FAS Caracas Staff

**Approved By:** Abigail Mackey

### **Report Highlights:**

In Marketing Year (MY) 2023/24, Post forecasts increases in corn and rice production due to improved access to high-quality agricultural inputs and seeds in Venezuela. However, access to financing continues to be the primary constraint to a significant expansion of harvested area. Post forecasts slight increases in consumption of corn, rice, and wheat in MY 2023/24. Higher growth in consumption in grains in Venezuela is constrained by the economic slowdown. Since the last quarter of 2022, inflation has accelerated resulting in a decline in consumption, which is expected to recover in the second half of 2023. While the United States maintains its position as the largest exporter of corn to Venezuela, Argentina and Brazil have gained market share. In MY 2022/23, the United States lost the paddy rice market due to less competitive prices. Post forecasts a four percent growth in Venezuelan wheat imports to 1.35 million MT in MY 2023/24, which are likely to favor imports of wheat grains over finished products.

**Commodity:**  
Corn

**Production**

In MY 2023/24, Post forecasts a 38 percent increase in Venezuelan corn production to 1.2 million MT compared to USDA's official estimates for MY 2022/23. This growth is based on a 30 percent increase in planted area to 285,000 hectares and improved yields from 4.0 MT/HA in MY 2022/23 to 4.3 MT/HA in MY 2023/24. Better access to inputs, implementation of improved agricultural practices, and higher local prices that are more in line with international prices are encouraging Venezuelan producers to increase planted area and crop yields. The supply of agricultural inputs has improved in terms of variety, volume, and quality, including seeds, fertilizers, and agrochemicals. Similarly, the availability of technical services for modern agriculture (software, drones, irrigation) has also improved, though high prices and minimal financing for machinery and equipment remain barriers to further growth.

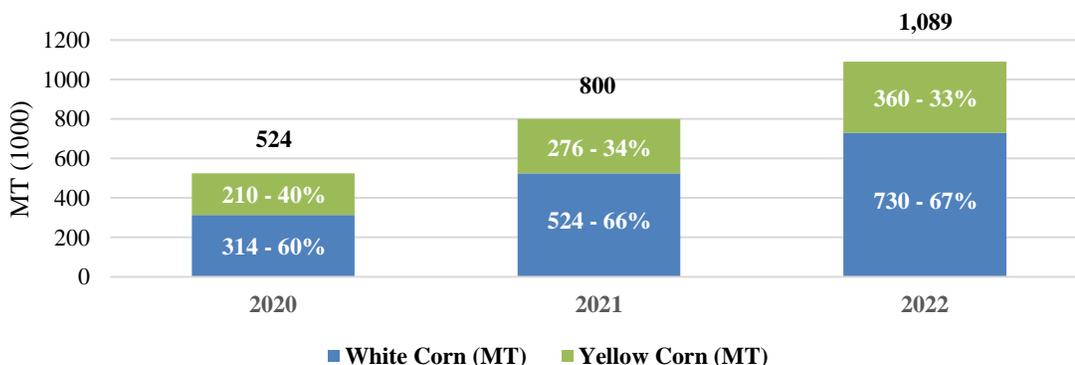
Production estimates for MY 2022/23 remain unchanged at 1.0 million MT, a 12 percent increase compared with USDA's official estimate of 890,000 MT. Improved market conditions, better prices and access to inputs, and favorable weather supported production growth. In CY 2022, 67 percent of production was white corn and 33 percent was yellow corn.

**Table 1: Corn Production by Type in Venezuela, CY 2020 – 2022 (MT)**

Type of Corn	2020	2021	2022	% CHG 2020 - 2022
<b>White Corn (MT)</b>	314,000	524,000	729,500	132.3%
<b>Yellow Corn (MT)</b>	210,390	276,000	359,600	70.9%
<b>Total Corn (MT)</b>	524,390	800,000	1,089,100	107.7%
<b>Yield (MT/HA)</b>	3.00	3.47	4.05	35.0%

Source: Venezuelan Agricultural Industry

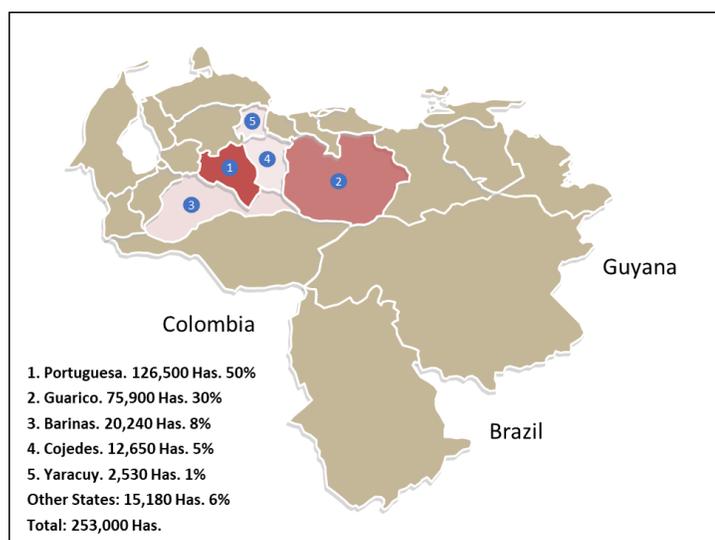
**Figure 1: Venezuelan Corn Production, CY 2020 – 2022 (thousand MT)**



Source: Venezuelan Agricultural Industry

According to figures from Venezuelan industry, corn is the largest crop by area planted in Venezuela, with an estimated 253,000 hectares in CY 2022. The leading corn-producing states are Portuguesa, Guarico, Barinas, Cojedes, and Yaracuy, all of which are located in the Venezuelan plains and central-western region. Venezuelan corn production has one harvest per year, with a planting season from May to July and a harvesting season from September to November. Although detailed data is unavailable, it is estimated that most corn production comes from medium and large industrial farms applying modern production methods.

**Figure 2: Top Corn Producing States in Venezuela and Estimated Planted Area in 2022**



Source: Venezuelan Agricultural Industry

Corn production in Venezuela is done without irrigation, and most of the national production comes from certified hybrid seeds, both in the case of white and yellow corn. Seeds required for the next planting season starting next May are widely available. In 2022, between 80 and 85 percent of the hybrid corn seed available was imported, with Mexico and Brazil being the main suppliers. The remaining 15 to 20 percent of the hybrid seeds were locally produced. In 2022, the cost of production of one hectare of corn (including white corn and yellow corn) was about \$1,400, varying according to the farm's geographical location and technological level. Considering a typical yield of 4 MT per hectare, the cost of production of one metric ton of corn is estimated at about \$350.

In the last harvest season in 2022, producer corn prices were \$397/MT for white corn and \$376/MT for yellow corn, although price expectations among industry were between \$400 to \$450/MT. Since the beginning of the economic liberalization policies in 2019 (i.e., price liberalization, dollarization, and lower inflation), local corn prices have been influenced by the international price and generally the local price is equivalent to 80 to 90 percent of the Alternate Import Value (CIF price of corn in Venezuelan port), depending on its quality.

In Venezuela's corn cultivation, the typical fertilizer application includes 300 to 400 kg per hectare of NPK fertilizer and 200 to 250 kg per hectare of urea. Currently, both types of fertilizers are widely available. NPK fertilizers are 100 percent imported, while 100 percent of urea is produced domestically. The leading suppliers of imported fertilizer are Colombia, Turkey, and Russia. There are currently no serious phytosanitary threats for corn and quality agrochemicals, mostly imported, are available for their prevention and treatment.

**Photo 1: Hybrid White Corn Seed Production Lot in Venezuela, 2023**



*Source: Venezuelan Agricultural Industry*

The major obstacle for farmers in Venezuela to increase production is the lack of financing. Due to Venezuela's economic collapse, the banking system has shrunk in size and cannot meet the sector's needs. Some corn processing companies and input supply companies offer financing for corn production in the form of seeds, fertilizers, and agrochemicals in what is basically a barter operation of inputs for harvested corn. However, this way of financing can be unfavorable to producers by limiting their choice of type or quality of inputs. Without bank financing, some agricultural producer associations are exploring new trading options, such as agricultural contracts. These contracts are price agreements with the processing industry based on pre-agreed planting and harvesting date, quality terms, payment methods, and production financing. In addition, producers continue to face challenges resulting from the economic collapse, such as fuel supply instability, electrical service failures, deterioration of rural roads, declining public services, and high inflation.

**Consumption**

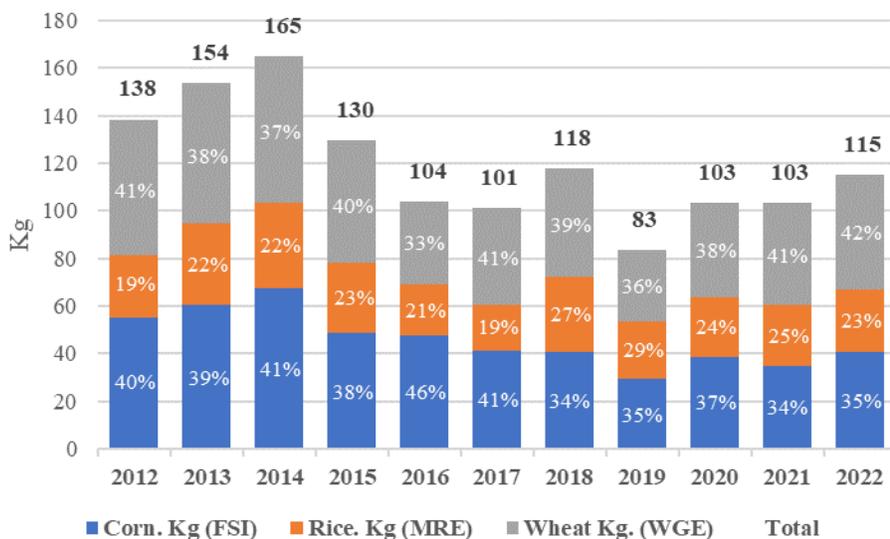
In MY 2023/24, corn consumption is forecast to grow 3 percent to 2.1 million MT based on a slight growth of poultry production. Post forecasts a 6 percent increase in feed consumption to 950,000 MT in MY 2023/24, supported by an expected recovery in chicken and egg demand from the second half of

2023. Food, Seed and Industrial (FSI) consumption remains unchanged at 1,100 MT, with an estimated per capita human consumption of 40 kg. Corn flour consumption has been stable historically and its main competitors are rice, pasta, and wheat products.

In MY 2022/23 corn consumption is estimated at 2 million MT, in line with USDA's official estimates. Feed consumption is revised to 900,000 MT as a result of the economic slowdown evidenced in the first half of 2023. Accelerating inflation and the corresponding drop in purchasing power has caused a decline in chicken meat and egg consumption, pushing finished product stocks to critical levels.

The two markets for corn in Venezuela are the white corn market for human consumption and the yellow corn market, primarily for animal feed. Most of the white corn is milled to produce precooked corn flour to prepare arepa (i.e., thick corn tortilla), one of Venezuela's main high-calorie foods. Yellow corn is destined mainly for animal feed, with the poultry industry as its primary consumer. In 2022, corn was the second most consumed cereal, with 40 kg per capita, representing 35 percent, after wheat, with 48 kg per capita, accounting for 42 percent of consumption. Compared to the price of 1 kg of corn flour, between August 2022 and February 2023, 1 kg of pasta was 34 percent more expensive, and 1 kg of corn flour was comparable to 0.75 kg of pasta. Similarly, the price of 1 kg of rice was 17 percent cheaper, and 1 kg of corn flour was equivalent to 1.22 kg of rice.

**Figure 3: Estimated Per Capita Consumption of Corn, Rice, and Wheat from 2012 to 2022 (kg)**



Source: FAS Caracas estimations based on USDA PSD and population data from International Monetary Fund

**Table 2: Average Price of Corn Flour, Pasta, and Rice in Venezuela, August 2022 to February 2023 (USD per kg)**

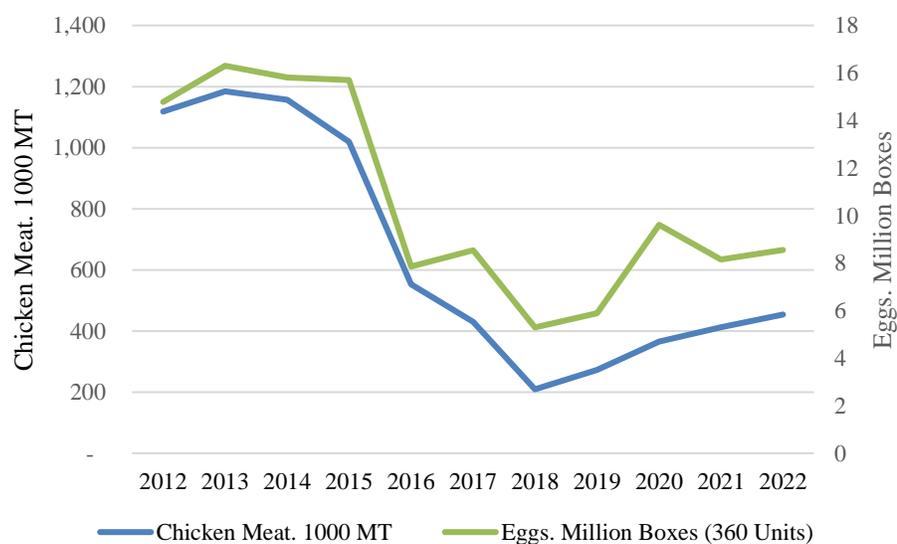
Product	Average Price per kg	Price Difference compared to 1 kg of Corn Flour	Equivalence of the price of 1 kg of corn in volume of pasta and rice
<b>Corn Flour</b>	\$1.29	-	-
<b>Pasta</b>	\$1.73	34%	1 Corn Flour : 0.75 Kg Pasta
<b>Rice</b>	\$1.06	(17.0)%	1 Corn Flour : 1.22 Kg Rice

Source: FAS Caracas

Chicken meat and egg production account for about 85 percent of animal feed consumption in Venezuela. After bottoming historic lows in 2018, chicken and egg production has recovered significantly, growing by 117 percent and 62 percent, respectively, through 2022. However, more moderate growth is expected in MY 2023/24, with chicken production increasing by a maximum of 5 percent and egg production increasing by 5 to 10 percent.

FAS Caracas estimated that in 2022 the Venezuelan poultry industry required 962,000 MT of yellow corn and 450,000 MT of soybean meal. For 2023, the estimated requirement is 994,000 MT of yellow corn and 465,000 MT of soybean meal.

**Figure 4: Venezuelan Chicken Meat and Egg Production, 2012 – 2022 (1000 MT)**



Source: Venezuelan Poultry Industry

## Trade

In MY 2023/24, Post forecasts a 27 percent decline in Venezuelan corn imports to 800,000 MT, with U.S. corn accounting for 50 percent of imports (400,000 MT). This decline is based primarily on the

growth of domestic production, in addition to steady food corn consumption and slower growth in the demand from the poultry industry. In MY 2023/24, U.S. corn imports are forecast down driven principally by the growth of domestic production, a softening demand from the poultry industry, and the rise in imports from Brazil and Argentina at competitive prices.

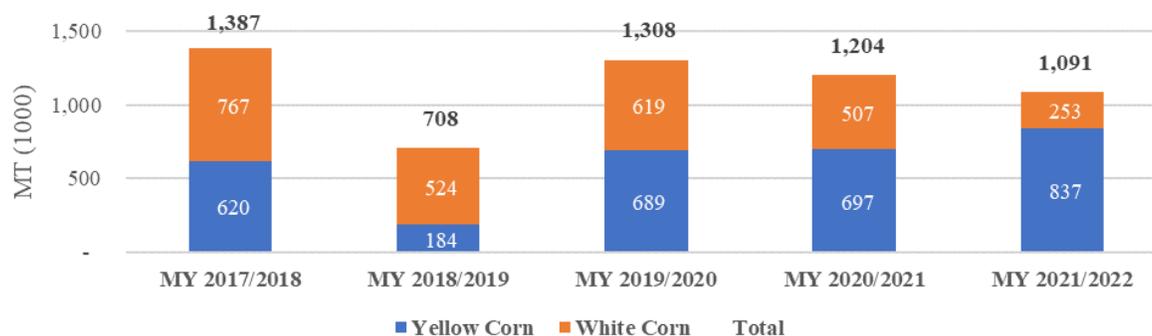
Import estimates for the MY2022/23 remain unchanged at 1 million MT due to increased domestic production and stagnating consumption.

Venezuelan corn imports totaled 1.1 million MT in MY 2021/22, with yellow corn accounting for 77 percent (837,000 MT) of imports and white corn accounting for 23 percent (253,000 MT). The major suppliers of corn were the United States (480,000 MT and 44 percent market share), Brazil (299,000 MT and 27 percent market share), Argentina (199,000 MT and 18 percent market share), and Mexico (113,000 MT and 10 percent market share). Imports of yellow corn from the United States accounted for 41 percent (340,000 MT) of the total, and imports of U.S. white corn accounted for 55 percent (140,000 MT). The private sector currently makes all corn imports.

Since 2018, Brazil and Argentina have gained market share and are currently the main competitors to U.S. yellow corn. Corn imports from these countries benefit from 100 percent tariff exemption, without the need to apply for it, allowing them to enter the Venezuelan market at competitive prices.

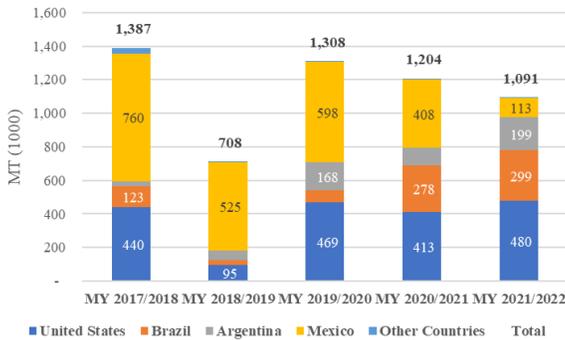
Despite production growth and relatively stable demand, Venezuela still has a deficit of about 47 percent of corn to cover its local demand. In the case of white corn, this deficit is 16 percent and 70 percent in the case of yellow corn.

**Figure 5: Venezuelan Corn Imports by Type (thousands MT)**



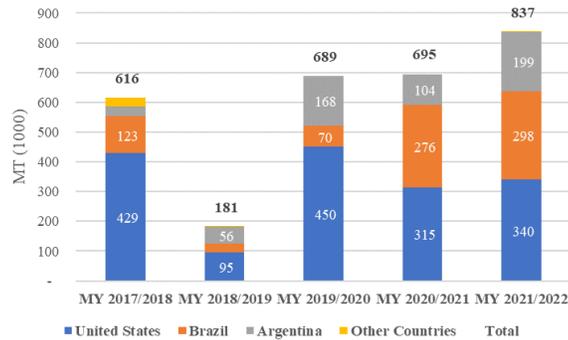
Source: Trade Data Monitor

**Figure 6: Venezuelan Corn Imports by Country (thousands MT)**



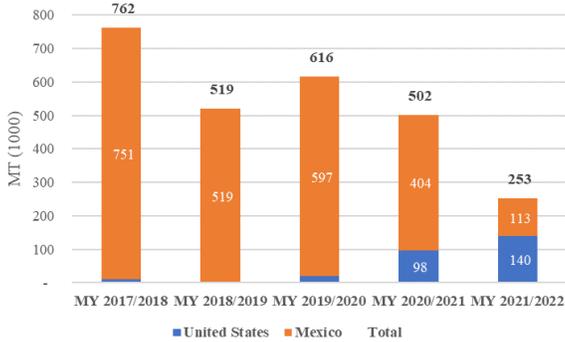
Source: Trade Data Monitor

**Figure 7: Venezuelan Yellow Corn Imports by Country (thousands MT)**



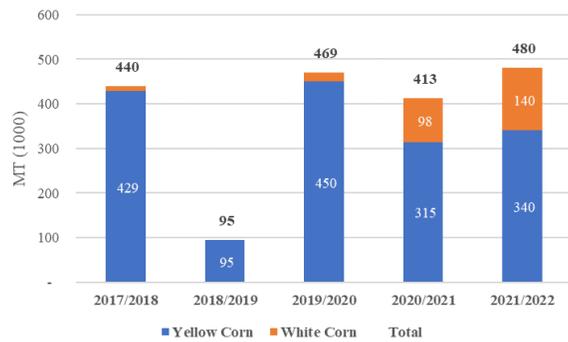
Source: Trade Data Monitor

**Figure 8: Venezuelan White Corn Imports by Country (thousands MT)**



Source: Trade Data Monitor

**Figure 9: Venezuelan Corn Imports from the United States (thousands MT)**



Source: Trade Data Monitor

## Stocks

In MY 2023/24 Post forecasts a 32 percent decline in ending stocks to 52,000 MT, given lower imports and slight consumption growth in MY 2023/24. There are no government policies to regulate grain inventories in Venezuela.

## Policy

Importers pay tariffs and VAT for yellow corn, white corn, and corn flour. To receive an import license, they must purchase the domestic crop first and import the deficit, if any, to supply domestic demand. Importers may benefit from a total or partial exemption of tariffs and VAT if they meet certain conditions. Applications for exemption are reviewed on a case-by-case basis by the Ministry of Economy.

**Table 3: Tariffs and VAT for Yellow Corn, White Corn, and Corn Flour**

Description	HS Code	Ad valorem (%)	VAT (%)	Custom Service (%)
<b>Yellow Corn</b>	1005.90.10.11	15	16	1
<b>White Corn</b>	1005.90.10.19	15	16	1
<b>Corn Flour</b>	1102.20.00.00	20	16	1

Source: Extraordinary Official Gazette No. 6698

Venezuela is suspended from Mercosur, however, it has a preferential trade agreement with Argentina, Brazil and Uruguay under the Economic Complementation Agreement No. 59 of ALADI (Latin American Association for Integration). Corn and rice from these countries are subject to a 100 percent import tariff exemption.

Venezuela’s Seed Law of December 2015 prohibits the importation of genetically-engineered seeds, including corn seeds. However, Venezuela permits the importation of biotechnology-derived corn. See the [Agricultural Biotechnology Annual | VE2022-0031](#) report for more details.

**Corn: Production, Supply and Distribution**

Corn Market Year Begins Venezuela	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	200	200	220	250	0	285
Beginning Stocks (1000 MT)	67	67	77	77	0	77
Production (1000 MT)	810	810	890	1000	0	1225
MY Imports (1000 MT)	1200	1100	1100	1000	0	800
TY Imports (1000 MT)	1200	1100	1100	1000	0	800
TY Imp. from U.S. (1000 MT)	480	495	0	475	0	400
Total Supply (1000 MT)	2077	1977	2067	2077	0	2102
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	900	900	900	900	0	950
FSI Consumption (1000 MT)	1100	1000	1100	1100	0	1100
Total Consumption (1000 MT)	2000	1900	2000	2000	0	2050
Ending Stocks (1000 MT)	77	77	67	77	0	52
Total Distribution (1000 MT)	2077	1977	2067	2077	0	2102
Yield (MT/HA)	4.05	4.05	4.0455	4	0	4.2982

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

**Commodity:**

Rice

**Production**

In MY 2023/24, Post forecasts a 90 percent increase in Venezuelan rice production to 285,000 MT milled rice equivalent (MRE) compared to USDA's official estimates for MY 2022/23. The harvested area remains unchanged in MY 2023/24 at 84,000 ha, with yields increasing to 5 MT/ha. Improved input

availability and the use of more disease-resistant rice varieties, which drove yield improvement from 4 MT/ha in MY 2021/22 to 4.5 MT/ha in MY 2022/23, are expected to continue in MY 2023/24.

In MY 2022/23 revised production estimates are up 71 percent to 257,000 MT compared with USDA's official estimate of 150,000 MT. This jump in production is based on a 40 percent increase in harvested area to 84,000 ha and an improvement in yield to 4.5 MT/ha. The increased availability of inputs at a better quality and price, better access to fuel, and higher producer prices were key factors in the increase in planted area and yield improvement. As in the case of the corn crop, rainfall in 2022 was abundant and well-distributed, favoring rice production.

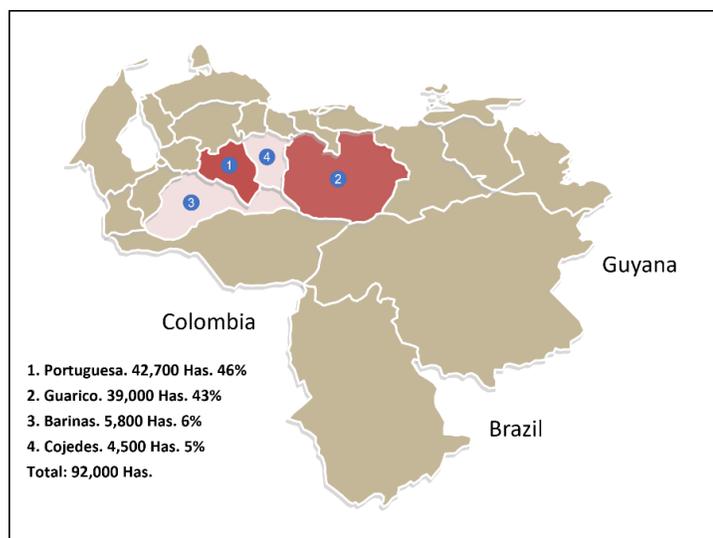
**Table 4: Rough Rice Production in Venezuela, CY 2020 – 2022 (MT)**

	2020	2021	2022	% CHG 2020 - 2022
<b>Rough Rice (MT)</b>	224,120	240,000	424,970	89.6%

Source: Venezuelan Agricultural Industry

Rice is the second largest crop by area planted in Venezuela, with an estimated 92,000 ha in CY 2022. Rice production is largely based in the states of Portuguesa, Guarico, Cojedes, and Barinas, all in the Venezuelan plains region. It is predominantly done using flood irrigation, exploiting surface water sources and wells, and includes the use of improved varieties, high mechanization, and widespread use of fertilizers and agrochemicals. In the states of Cojedes and Barinas, most production occurs under rainfed conditions, representing between 10 and 12 percent of the national total.

**Figure 10: Top Rice Producing States in Venezuela and Estimated Planted Area in 2022**



Source: Venezuelan Agricultural Industry

Venezuela produces rice all year round and has two planting and harvesting seasons, from October to May (main/summer), and another from April to November (secondary/winter). Total production is almost equally distributed between the two seasons, but there are considerable differences between states and producing areas, especially in zones with rain-fed conditions.

**Table 5: Top Rice Producing States in Venezuela and Estimated Planted Area, CY 2022 (ha)**

State	Winter Season	Summer Season	Total HA	%
<b>Portuguesa (ha)</b>	22,000	20,700	42,700	<b>46</b>
<b>Guarico (ha)</b>	15,000	24,000	39,000	<b>43</b>
<b>Cojedes (ha)</b>	4,000	1,800	5,800	<b>6</b>
<b>Barinas (ha)</b>	4,000	500	4,500	<b>5</b>
<b>Total (ha)</b>	<b>45,000</b>	<b>47,000</b>	<b>92,000</b>	<b>-</b>

Source: Venezuela Agricultural Industry

Rice seed is 100 percent domestically produced. In 2022, 40 percent of rice seed was certified and the remaining 60 percent was farm-produced. The farm-produced seed generally comes from a previous crop planted with certified seed. As of 2018, the use of certified seed represented 70 percent of production, but the use of farm-produced seed has expanded as a way to reduce costs. The most important rice seed suppliers are ASOPORTUGUESA and APROSCELLO, all in the Portuguesa state.

**Photo 1: Rice Seed Production Lot in Venezuela, 2023**



Source: Venezuelan Agricultural Industry

In 2022, producer prices per ton of paddy rice ranged from \$320 to \$350 in the summer season (February-May) and from \$370 to \$400 in the winter season (September-November). In 2022, the cost of production of one hectare of rice was about \$1,800 to \$2,000, varying according to the geographical location, the technological level of the farm, and the irrigation technique. Considering a yield of 5 MT

per hectare, the cost of production of one metric ton of paddy rice is estimated to range from \$360 to \$400.

The typical fertilizer application for rice in Venezuela includes 250 kg of NPK fertilizer per hectare and 150 kg of urea per hectare. Currently, both types of fertilizers are widely available. There are currently no serious phytosanitary threats for rice and quality agrochemicals, most of them imported, are available for their prevention and treatment.

As in the case of corn and most other agricultural production in Venezuela, the biggest challenge to supporting or increasing rice production is the lack of financing. Most rice processing companies and some producer associations offer financing programs through inputs, which are paid for with the harvest. However, no financing is available for major on-farm investments, such as irrigation systems and farm machinery.

### Consumption

In MY 2023/24, Post forecasts a slight increase in Venezuelan rice consumption to 710,000 MT MRE compared to USDA's official estimates of 700,000 MT. In the last quarter of 2022 and the first quarter of 2023, the Venezuelan economy has decelerated and inflation has spiked. The loss of purchasing power has caused a 20 percent decrease in consumption in all food categories in January and February 2023 compared to the same period in 2022. Because rice is currently the most price-competitive cereal and is widely available, its consumption is increasing at the expense of pasta and even precooked corn flour. However, a recovery of the economy is expected in the second semester of 2023, when oil revenues will increase. This is expected to help food consumption recover.

Rice consumption in MY 2022/23 remains unchanged at 700,000 MT MRE, despite the general decline in food consumption due to its competitive price. Usually consumed as a side dish with animal protein or vegetables, rice is one of the most important foods in the Venezuelan diet. In 2022, it was the third most consumed cereal, with 26 kg per capita, representing 23 percent, after wheat and corn. Compared to the price of 1 kg of rice, between August 2022 and February 2023, 1 kg of pasta was 63 percent more expensive, and 1 kg of rice was comparable to 0.61 kg of pasta. Similarly, the price of 1 kg of corn flour was 22 percent more expensive, and 1 kg of rice was equivalent to 0.82 kg of rice.

**Table 6: Average price of Rice, Pasta, and Corn Flour in Venezuela, August 2022 to February 2023 (USD\$ per kg)**

Product	Average Price per kg	Price Difference compared to 1 kg of Rice	Equivalence of the price of 1 kg of rice in volume of pasta and corn
<b>Rice</b>	\$1.06	-	-
<b>Pasta</b>	\$1.73	63%	1 Kg Rice : 0.61 Kg Pasta
<b>Corn Flour</b>	\$1.29	22%	1 Kg Rice : 0.82 Kg Corn Flour

Source: FAS Caracas

## Trade

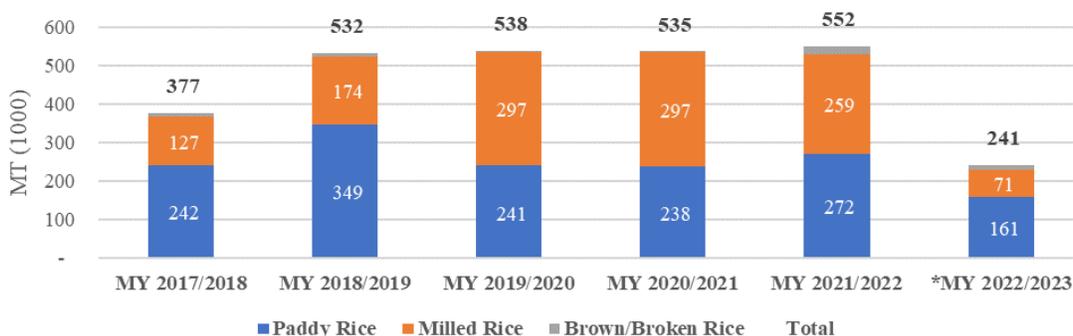
In MY 2023/24, Post forecasts a 7 percent decline in Venezuelan rice imports to 420,000 MT. This decline is based primarily on the growth of domestic production.

In MY 2022/23, rice imports remain unchanged at 450,000 MT, in line with USDA's official estimate. This estimate is based on TDM data through December 2022 and inbound cargo data to Venezuelan ports from January through March 2023.

Venezuelan rice imports totaled 551,000 MT in MY 2021/22, with paddy rice accounting for 49 percent (272,000 MT), milled rice accounting for 47 percent (259,000 MT), and broken rice accounting for 4 percent (21,000 MT). The major suppliers of rice were Brazil (161,000 MT and 29 percent market share), the United States (118,000 MT and 21 percent market share), and Guyana (117,000 MT and 21 percent market share). The private sector currently makes all rice imports. Post expects this trend to continue for Brazil and Uruguay as these countries benefit from bilateral trade agreements and pay zero tariffs. In MY 2022/23, the United States lost the paddy rice market in Venezuela due to less competitive prices.

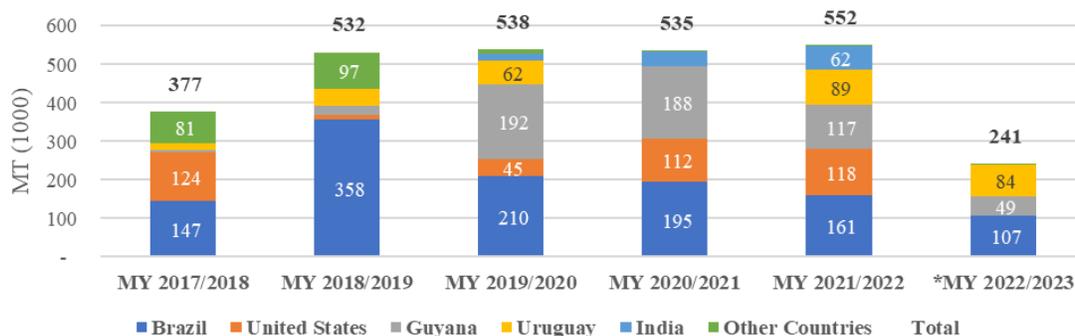
Trade flows of milled rice to Venezuela from Colombia will remain at 65,000 MT for MY 2023/24, as Colombian production will be prioritized to supply domestic demand. Colombian rice is typically consumed in the border states and is less available in the central and capital regions. Since September 26, 2022, Colombia reopened its border with Venezuela and reestablished diplomatic relations. However, no major impact has been seen in terms of bilateral trade.

**Figure 11: Venezuelan Rice Imports by Type (thousands MT - MRE)**



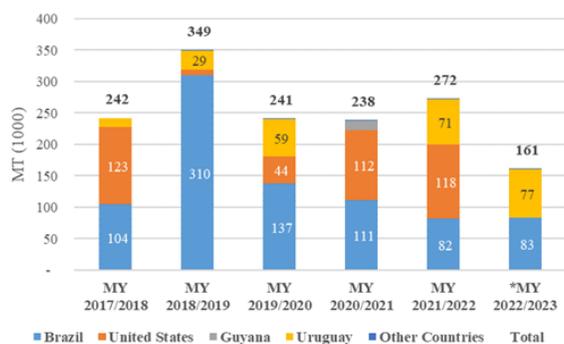
Source: Trade Data Monitor \*MY 22/23 Includes trade data from April 2022 to December 2022

**Figure 12: Venezuelan Rice Imports by Country (thousands MT - MRE)**



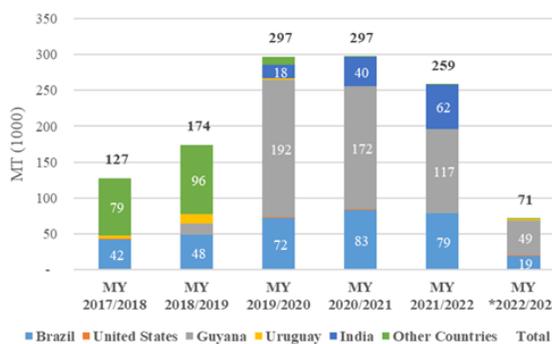
Source: Trade Data Monitor \*MY 22/23 Includes trade data from April 2022 to December 2022

**Figure 13: Venezuelan Imports of Paddy Rice by Country (thousands MT - MRE)**



Source: Trade Data Monitor \*MY 22/23 Includes trade data from April 2022 to December 2022

**Figure 14: Venezuelan Imports of Milled Rice by Country (thousands MT - MRE)**



Source: Trade Data Monitor LLC \*MY 22/23 Includes trade data from April 2022 to December 2022

## Stocks

In MY 2023/24 Post forecasts a slight 3 percent decline in ending stocks to 187,000 MT, given lower imports and a slight growth of consumption in MY 2023/24. There are no government policies to regulate grain inventories in Venezuela.

## Policy

Importers pay tariffs and VAT for paddy rice and milled rice. However, they may qualify for a total or partial exemption of tariffs and VAT if they meet certain conditions related to the availability of domestic production. Applications for exemption are reviewed on a case-by-case basis by the Ministry of Economy.

**Table 7: Tariffs and VAT for Paddy Rice and Milled Rice**

Description	HS Code	Ad valorem (%)	VAT (%)	Custom Service (%)
<b>Paddy Rice</b>	100610	20	16	1
<b>Milled Rice</b>	100630	20	16	1

Source: Extraordinary Official Gazette No. 6698

While Venezuela is suspended from Mercosur, it has a preferential trade agreement with Argentina, Brazil and Uruguay under the Economic Complementation Agreement No. 59 of ALADI (Latin American Association for Integration). Corn and rice from these countries are subject to a 100 percent import tariff exemption.

### Rice: Production, Supply and Distribution

Rice, Milled Market Year Begins Venezuela	2021/2022		2022/2023		2023/2024	
	Apr 2021		Apr 2022		Apr 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	60	60	60	84	0	84
Beginning Stocks (1000 MT)	174	174	185	185	0	192
Milled Production (1000 MT)	163	163	150	257	0	285
Rough Production (1000 MT)	240	240	221	379	0	420
Milling Rate (.9999) (1000 MT)	6786	6786	6786	6786	0	6786
MY Imports (1000 MT)	548	548	450	450	0	420
TY Imports (1000 MT)	450	450	525	525	0	459
TY Imp. from U.S. (1000 MT)	1	118	0	0	0	0
Total Supply (1000 MT)	885	885	785	892	0	897
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Consumption and Residual (1000 MT)	700	700	700	700	0	710
Ending Stocks (1000 MT)	185	185	85	192	0	187
Total Distribution (1000 MT)	885	885	785	892	0	897
Yield (Rough) (MT/HA)	4	4	3.6833	4.5119	0	5

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

### Commodity:

Wheat

### Production

There is no production of wheat in Venezuela. The market is entirely dependent on imports.

### Consumption

In MY 2023/24, Post forecasts an 8 percent increase in Venezuelan wheat consumption to 1.35 million MT wheat grain equivalent (WGE) compared to USDA's official estimates of 1.25 million MT for MY 2022/23. This rise in consumption is based on the expected increase in purchasing power in the second

half of CY 2023, driven by the expected economic growth of at least 5 percent of GDP by 2023. Furthermore, the milling industry has reduced local pasta and wheat flour prices to compete with imported finished products and encourage demand. Improved purchasing power and competitive local prices for wheat products will translate into higher demand for wheat grain from the milling industry.

Wheat consumption is estimated to remain unchanged at 1.3 million MT WGE for MY 2022/23. Despite the economic slowdown in the last quarter of 2022 and a reduction in consumption in the first months of 2023, wheat products continue to maintain a high level of consumption compared to rice and corn flour.

Venezuela's wheat industry is made up of 14 wheat mills, 19 pasta industries, 17 crackers industries, and about 10,000 bakeries. The installed capacity of the milling industry is 2.5 million MT per year and is currently operating at an average of 26 percent of capacity. It currently supplies 68 percent of domestic consumption, and its wheat grain needs to supply the market and maintain reasonable inventory levels are about 1.56 million MT per year.

**Table 8: Installed Capacity of the Venezuelan Milling Industry, 2022 (MT/year)**

Product	Wheat for bread	Durum Wheat for Pasta	Wheat for Mix	Wheat for Crackers	Total
<b>Milling Capacity (MT/Year)</b>	1,323,912	693,960	306,000	216,000	2,539,800

*Source: Venezuela Milling Industry*

In MY 2021/22, total wheat flour consumption is estimated at 709,000 MT WGE. Of this consumption, local production accounted for 58 percent at 410,000 MT WGE, and imported wheat flour accounted for 42 percent at 299,000 MT. Turkey was the leading supplier of imported wheat flour, with an 81 percent market share.

In MY 2021/22, total pasta consumption is estimated at 504,000 MT WGE. Of this consumption, local production accounted for 52 percent at 263,000 MT WGE, and imported pasta accounted for 48 percent at 241,000 MT. Turkey was the leading supplier of imported pasta, with a 95 percent market share.

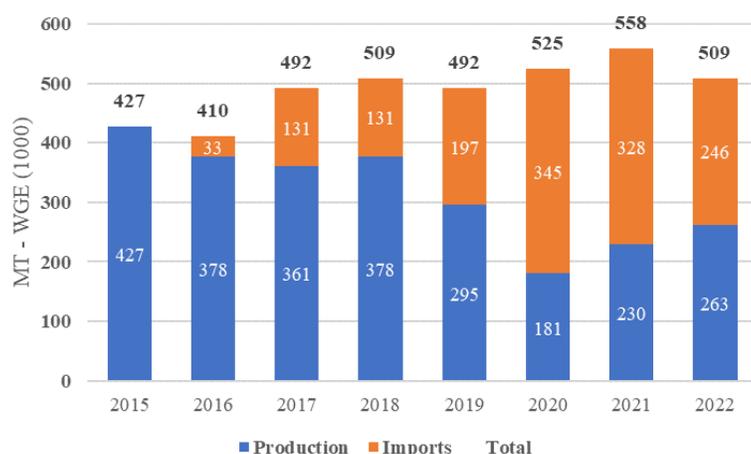
Wheat products are one of the main sources of calories in the Venezuelan diet and are consumed mostly in the form of pasta, bread, and crackers. In CY 2022, it was the most consumed cereal, with 48 kg WGE per capita, representing 42 percent, compared with corn at 35 percent and rice at 23 percent. Compared to the price of 1 kg of pasta, between August 2022 and February 2023, 1 kg of rice was 39 percent cheaper, and 1 kg of pasta was comparable to 1.63 kg of rice. Similarly, the price of 1 kg of corn flour was 25 percent cheaper, and 1 kg of pasta was equivalent to 1.63 kg of corn flour.

**Table 9: Average Price of Pasta, Rice, and Corn Flour in Venezuela, August 2022 to February 2023 (USD per kg)**

Product	Average Price per kg	Price Difference compared to 1 kg of pasta	Equivalence of the price of 1 kg of pasta in volume of rice and corn
<b>Pasta</b>	\$1.73	-	-
<b>Rice</b>	\$1.06	(39) %	1 Kg Pasta : 1.63 Kg Rice
<b>Corn Flour</b>	\$1.29	(25) %	1 Kg Pasta : 1.63 Kg Corn Flour

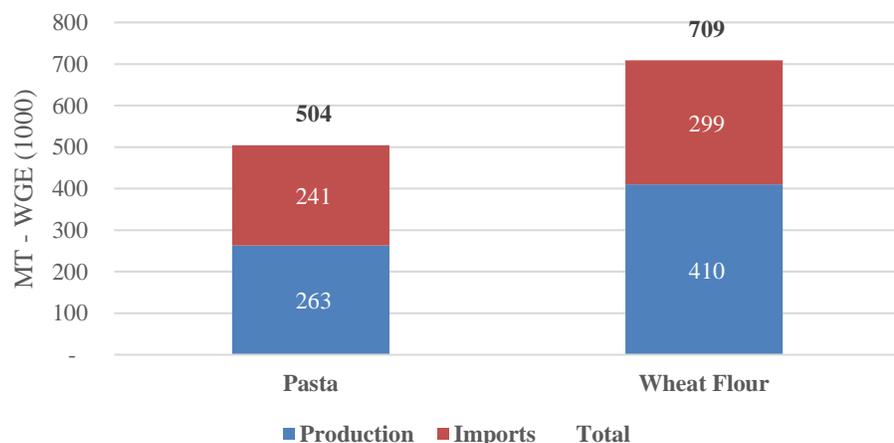
Source: FAS Caracas

**Figure 15: Pasta Production and Imports in Venezuela, CY 2015 – 2022 (thousands MT -WGE)**



Source: Venezuelan Wheat Industry, Trade Data Monitor LLC

**Figure 16: Production and Imports of Pasta and Wheat Flour in Venezuela in MY 2021/22 (thousands MT -WGE)**



Source: Venezuelan Wheat Industry, Trade Data Monitor LLC

## Trade

In MY 2023/24, Post forecasts a 4 percent growth in Venezuelan wheat imports to 1.35 million MT, compared to Post estimates of 1.3 million MT for MY 2022/23. This slight increase in imports is based primarily on the rise in consumption from the second half of 2023, resulting from an expected economic growth of at least 5 percent of GDP by 2023.

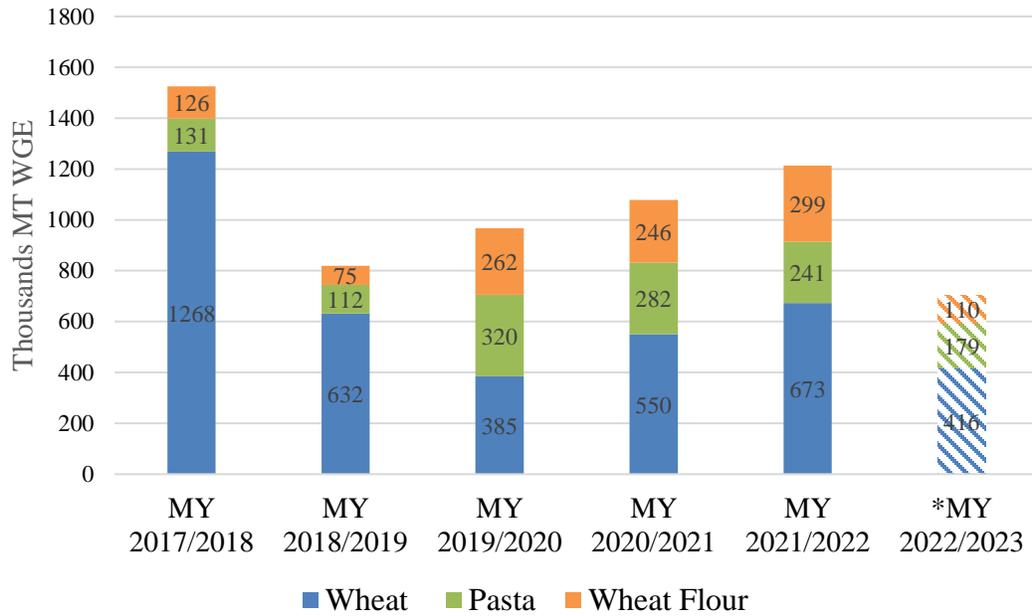
Wheat imports in MY 2022/23 remain unchanged at 1.3 million MT. Wheat flour and finished product imports are expected to decline as wheat grain imports are expected to increase to favor local production of finished wheat products.

Wheat and wheat product imports grew by 13 percent to 1.21 million MT in MY 2021/22 compared to MY 2020/21. Venezuelan wheat imports comprised 55 percent wheat grain, 20 percent pasta, and 25 percent wheat flour. The major suppliers were Turkey (470,000 MT and 39 percent market share), the United States (347,000 MT and 29 percent market share), and Canada (269,000 MT and 22 percent market share). Currently, locally produced wheat flour accounts for 60 percent of the market and imported wheat flour for 40 percent.

In the same period, wheat grain imports grew by 22 percent to 673,000 MT, and its leading suppliers were the United States (346,000 MT and 51 percent market share) and Canada (269,000 MT and 40 percent market share). According to industry contacts, higher wheat grain imports compared to finished products will continue for the rest of MY 2022/23 and MY 2023/24. Pasta imports decreased by 15 percent in MY 2021/22 to 241,000 MT, and its top supplier was Turkey, with a 95 percent market share. Wheat flour imports increased by 22 percent to 299,000 MT, and its leading supplier was also Turkey, with an 81 percent market share. From July 2022 to December 2023, the U.S. wheat market share decreased to 18 percent due to the rise in wheat imports from Mexico. The private sector currently makes all wheat imports.

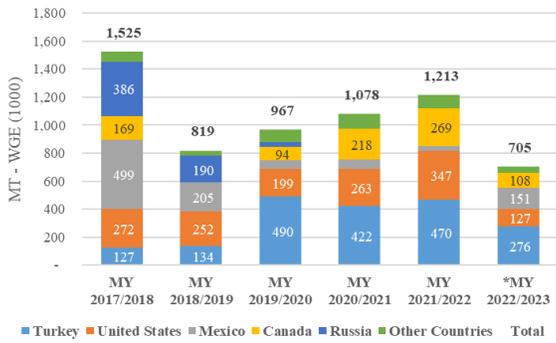
Turkey's high market share of Venezuelan pasta and wheat flour imports since 2018 is a result of a bilateral trade agreement signed in 2018 that exempts up to 100 percent of tariffs on Turkish pasta and wheat flour. However, the overall decline in finished product wheat imports is expected to hurt Turkish exports to Venezuela.

**Figure 17: Venezuelan Wheat Imports by Type (thousands MT - WGE)**



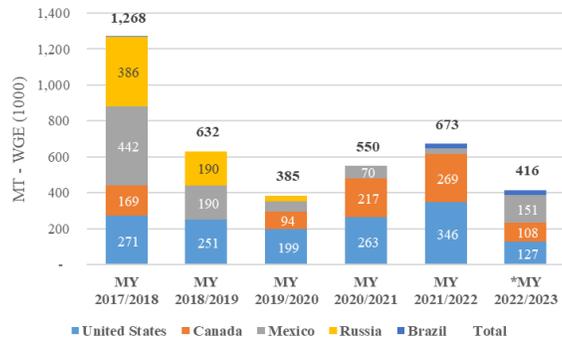
Trade Data Monitor LLC. \*MY 22/23 Includes trade data from July 2022 to December 2022

**Figure 18: Venezuelan Wheat Imports by Country (thousands MT - WGE)**



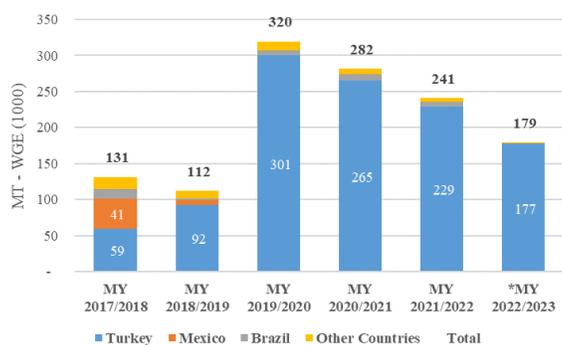
Trade Data Monitor LLC. \*MY 22/23 Includes trade data from July 2022 to December 2022

**Figure 19: Venezuelan Wheat Grain Imports by Country (thousands MT - WGE)**



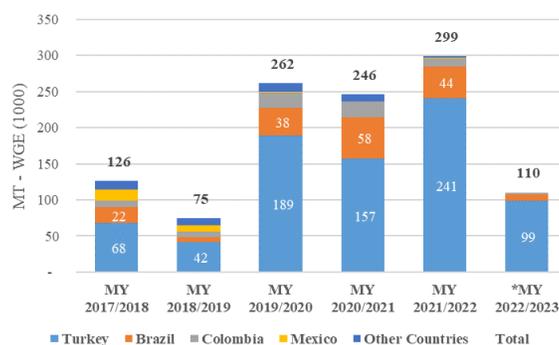
Trade Data Monitor LLC. \*MY 22/23 Includes trade data from July 2022 to December 2022

**Figure 20: Venezuelan Pasta Imports by Country (thousands MT - WGE)**



Trade Data Monitor LLC. \*MY 22/23 Includes trade data from July 2022 to December 2022

**Figure 21: Venezuelan Wheat Flour Imports by Country (thousands MT - WGE)**



Trade Data Monitor LLC. \*MY 22/23 Includes trade data from July 2022 to December 2022

## Stocks

In MY 2023/24, Post forecasts a 19 percent growth in ending stocks to 316,000 MT, compared to USDA's official estimates of 266,000 MT for MY 2022/23 due to the increase in imports compared to MY 2022/23. There are no government policies to regulate grain inventories in Venezuela.

## Policy

From December 29, 2022, to June 30, 2023, importers must pay a 20 percent tariff and a VAT of 16 percent for pasta and wheat flour. However, they may qualify for a total or partial exemption of tariffs and VAT if they meet certain conditions. Applications for exemption are reviewed on a case-by-case basis by the Ministry of Economy. In the same period, imports of wheat grain (wheat durum, wheat for crackers, and wheat for bread) will have a 90 percent exemption on tariffs and VAT. Until the last adjustment of the tariff rates in December 2022, wheat had always enjoyed a total exemption from tariffs and VAT, since there is no domestic production. A customs service tax of 1 percent applies to all products, including wheat grain.

Imports of pasta and wheat flour from Turkey benefit from a total exemption of tariffs and VAT based on the 2018 bilateral trade agreement. Turkish pasta and wheat flour supply the government's CLAP program and are imported by private companies.

**Table 10: Tariffs and VAT for Wheat, Pasta, and Wheat Flour**

Description	HS Code	Ad Valorem (%)		VAT (%)		Custom Service (%)
		Previous	Current	Previous	Current	
<b>Wheat Durum</b>	1001.19	0	0.2	0	1.6	1
<b>Wheat for Crackers</b>	1001.99	0	0.2	0	1.6	1
<b>Wheat for Bread</b>	1001.99	0	0.2	0	1.6	1
<b>Pasta</b>	1902.19	0	20	0	16	1
<b>Wheat Flour</b>	1101.00	0	20	0	16	1

Source: Official Gazette No. 6727

## Wheat: Production, Supply and Distribution

Wheat Market Year Begins Venezuela	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	231	231	316	316	0	316
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1235	1235	1200	1300	0	1350
TY Imports (1000 MT)	1235	1235	1200	1300	0	1350
TY Imp. from U.S. (1000 MT)	347	347	0	0	0	0
Total Supply (1000 MT)	1466	1466	1516	1616	0	1666
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	0	0	0	0	0	0
FSI Consumption (1000 MT)	1150	1150	1250	1300	0	1350
Total Consumption (1000 MT)	1150	1150	1250	1300	0	1350
Ending Stocks (1000 MT)	316	316	266	316	0	316
Total Distribution (1000 MT)	1466	1466	1516	1616	0	1666
Yield (MT/HA)	0	0	0	0	0	0
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024						

### Attachments:

No Attachments