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Report Highlights:

In market year (MY) 2024/2025, FAS (Post) forecasts Venezuela's corn production to reach 1.36 million metric tons (MMT), 5 percent higher year-on-year due to favorable weather conditions. Production increases are likely to increase despite low international prices and limited financing that will likely discourage expanded planting area. Rice production in MY 2024/2025 is projected to grow significantly, boosted by higher international prices and improved weather conditions. Post forecasts a moderate two percent growth in Venezuelan wheat imports to 1.32 MMT in the out-year due to the private sector favoring larger volumes of grain imports over finished wheat products. Although inflation is expected to decrease in 2024, continued low consumer purchasing power will constrain grain consumption growth. From late 2023, the United States regained its price and quality competitiveness in paddy rice, and significant market share growth is expected in the out-year.

Commodities:

Corn

Table 1. Corn: Production, Supply, and Distribution

Corn	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Venezuela	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	250	250	250	350	0	350
Beginning Stocks (1000 MT)	77	77	77	77	0	70
Production (1000 MT)	1000	1000	950	1300	0	1360
MY Imports (1000 MT)	1000	900	1000	700	0	700
TY Imports (1000 MT)	1000	900	1000	700	0	700
Total Supply (1000 MT)	2077	1977	2027	2077	0	2130
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	907	0	950
FSI Consumption (1000 MT)	1100	1000	1000	1100	0	1100
Total Consumption (1000 MT)	2000	1900	1900	2007	0	2050
Ending Stocks (1000 MT)	77	77	127	70	0	80
Total Distribution (1000 MT)	2077	1977	2027	2077	0	2130
Yield (MT/HA)	4.0	4.0	3.8	3.7	0	3.9

Data source: FAS historical data series. Post estimates for MY 2024/2025.

Post forecasts MY (October-September) 2024/2025 Venezuelan corn production to increase 5 percent to 1.36 MMT on improved yields due to favorable climatic conditions (Table 1). However, no changes are expected in harvested area compared to MY 2023/2024. Low international prices compared to the domestic crop have discouraged farmers to increase planting area. Venezuela's agricultural input supply remains mostly sufficient, with farmers able to access seeds, fertilizers, and agrochemicals. Similarly, the availability of technical services for modern agriculture (e.g., crop software, drones, improved irrigation) has improved. Constraints impacting corn production continue to be scarce financing, which prevents investments in improved agricultural machinery, while acute diesel fuel shortages have severely limited planting and harvesting operations, in addition to impacting transportation and product distribution.

Production estimates for MY 2023/2024 are revised upward to 1.3 MMT on a harvested area of 350,000 hectares (ha); figures which are based on Post agricultural industry sources and market realities. In 2023,¹ 64 percent of corn production consisted of white corn, and 36 percent in yellow corn (Table 2). When corn production in 2020 dropped due to input scarcity and poor economic conditions, improved prices, access to inputs, and favorable weather have since allowed for some recovery in both harvested area and yields.

¹ Unless otherwise noted, all years are calendar year basis (January-December).

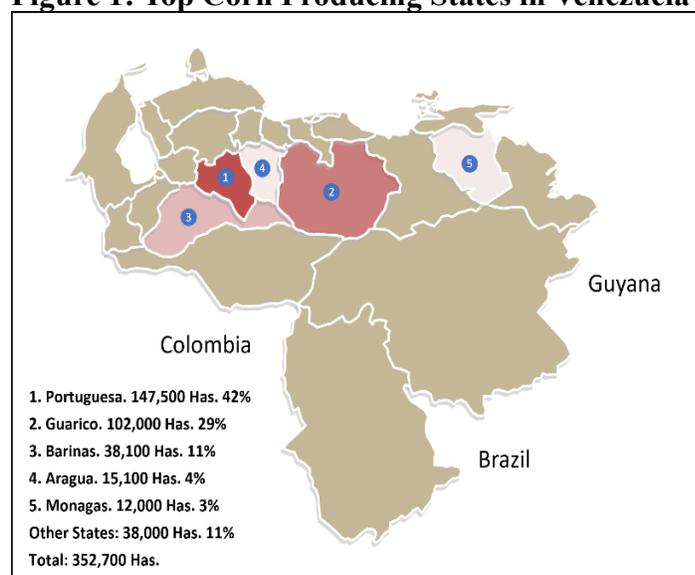
Table 2. Venezuela: Yellow and White Corn Production and Yields (MY, MT)

	2020/2021	2021/2022	2022/2023	2023/2024	% CHG ²
White Corn	314,000	524,000	729,500	820,000	177.7
Yellow Corn	210,390	276,000	359,600	480,000	130.5
Total Corn	524,390	800,000	1,089,100	1,300,000	158.8
Yield (MT/ha)	3.0	3.5	4.1	3.8	26.7

Data source: Venezuelan Agricultural Industry.

Corn is Venezuela’s largest crop by area with an estimated 352,000 ha planted in 2022. The leading corn-producing states are Portuguesa, Guárico, Barinas, Cojedes, and Yaracuy (Figure 1). Venezuelan corn production has one harvest per year, with a planting season from May to July and a harvesting season from September to November.

Figure 1: Top Corn Producing States in Venezuela with 2023 Estimated Planted Area



Data source: Post analysis using Venezuelan Agricultural Industry data.

Most Venezuelan corn production is non-irrigated, and most of the national production comes from certified white and yellow corn hybrid seeds. About 80 percent of hybrid corn seed is imported, with Mexico and Brazil as leading suppliers.

In 2023, estimated production costs for one hectare of corn (including white and yellow corn) ranged between USD \$1,200-\$1,400 based on a farm’s geographical location and technological level.³ During the 2023 harvest season, farmgate corn prices reached \$380/MT for white corn, and \$335/MT for yellow corn, although price expectations among industry ranged between \$400-450/MT (Table 3).

² Percent change from MY 2023/2024 against MY 2020/2021.

³ Considering a typical yield of 4 metric tons (MT)/ha, production cost of producing 1 MT of corn is approximately \$300-\$350.

Table 3. Farmgate Corn Prices for Yellow and White Corn (USD/MT)

Calendar Year	2019	2020	2021	2022	2023
Yellow Corn	260	273	307	345	335
White Corn	260	307	338	379	380

Data source: Venezuelan Agricultural Industry.

Since the beginning of Venezuela’s economic liberalization policies in 2019, international prices have influenced local corn prices. Generally, the local price is equivalent to 80-90 percent of the Alternate Import Value (CIF price of corn in Venezuelan ports), depending on quality.

Typical fertilizer application for Venezuela’s corn production includes 300-400 kilograms (kg) per ha of nitrogen-phosphorus-potassium (NPK)-mixed fertilizer and 200-250 kg of urea. Both types of fertilizers are currently widely available. Venezuela imports all its NPK fertilizers while urea is domestically produced. Colombia, Türkiye, and Russia are the leading suppliers of imported fertilizers. There are immediate phytosanitary (disease, pests) threats for corn, and quality agrochemicals, mostly imported, are available for crop prevention and treatment and can be applied by heavy farm machinery on larger fields (Figure 2).

Figure 2. Venezuela: Aerial View of Corn Fields in State of Portuguesa, 2023



Data source: Venezuelan Agricultural Industry.

Although corn production has been growing steadily since 2020, the lack of consistent financing remains the major constraint for Venezuela farmers to increase yields. Some corn processing and input supply companies offer in-kind funding (i.e., bartering practices, inputs for harvested corn), but this method has limited the farmer’s ability to select the type or quality of inputs. In addition, producers continue to face challenges resulting from Venezuela’s 2018 economic collapse, such as fuel supply instability (especially diesel fuel), routine electrical service failures, deteriorating rural roads, declining public services, and persistent, high inflation.

Consumption

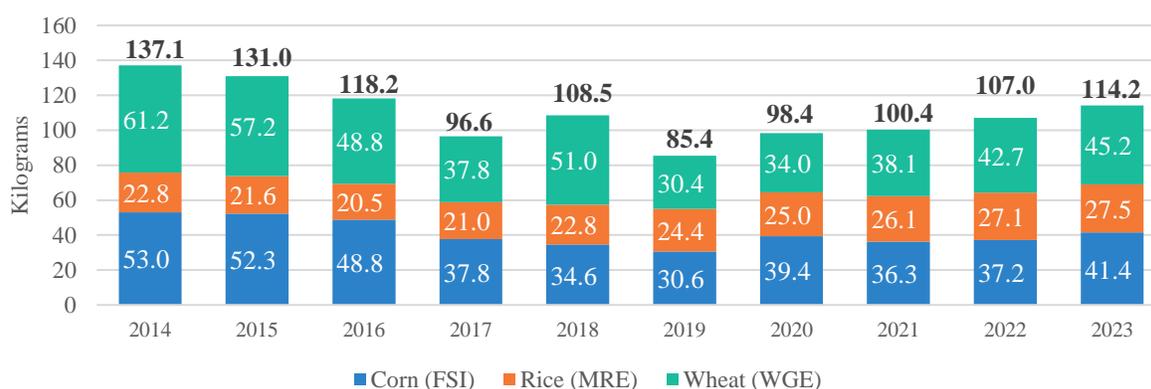
In market year 2024/2025, corn consumption is forecast to grow 2 percent year-on-year to 2.1 MMT based on a slight growth in domestic poultry production. Outyear feed consumption is projected 5 percent higher to 950,000 MT, supported by an expected recovery in 2024 for chicken and egg demand. Food, Seed, and Industrial (FSI) consumption remains unchanged at

1.1 MMT, with an estimated 41 kg/per capita in human consumption. Historically, corn flour consumption has remained stable, with an estimated monthly consumption of 81,500 MT, equivalent to 34.8 kg/per capita of precooked corn flour. Corn flour typically competes with rice, pasta, and wheat products.

Market year 2023/2024 corn consumption remains in line with MY 2022/2023 estimates. Current MY feed consumption is revised to 907,000 MT due to the economic slowdown experienced in the first half of 2023. Accelerating inflation and the corresponding drop in purchasing power have caused chicken meat and egg consumption to decline.

Venezuela’s primary corn markets include white corn for human consumption and the yellow corn market, primarily used for animal feed. Most white corn is milled to produce precooked corn flour to prepare arepas (a thick corn tortilla), one of Venezuela’s staple high-caloric foods. Yellow corn is used for animal feed, with the poultry industry as its primary consumer. In 2023, corn was the second most consumed cereal, with 41 kg/per capita (36 percent share) after wheat, with 45 kg/per capita, which accounts for 40 percent of consumption (Figure 3). Compared to the price of 1 kg of corn flour, in March 2024, 1 kg of pasta was 54 percent more expensive, and 1 kg of corn flour was comparable to 0.65 kg of pasta. Similarly, 1 kg of rice was 45 percent more expensive, and 1 kg of corn flour was equivalent to 0.69 kg of rice (Table 4).

Figure 3. Per Capita Corn, Rice, Wheat, Consumption 2014-2023 (kg)



Data source: FAS historical data and estimates, and population data from International Monetary Fund. FSI: Food, Seed and Industrial. MRE: Milled Rice Equivalent. WGE: Wheat Grain Equivalent.

Table 4: Average Price of Rice, Pasta, and Corn Flour in Venezuela, March 2024 (USD/kg)

Product	Average Price (kg)	Price Difference Compared to 1 kg of Corn Flour (%)	Equivalence Price of 1 kg of Corn in Pasta and Rice Volume
Corn Flour	\$1.04	-	-
Pasta	\$1.60	54	1 kg Corn Flour: 0.65 kg Pasta
Rice	\$1.51	45	1 kg Corn Flour: 0.69 kg Rice

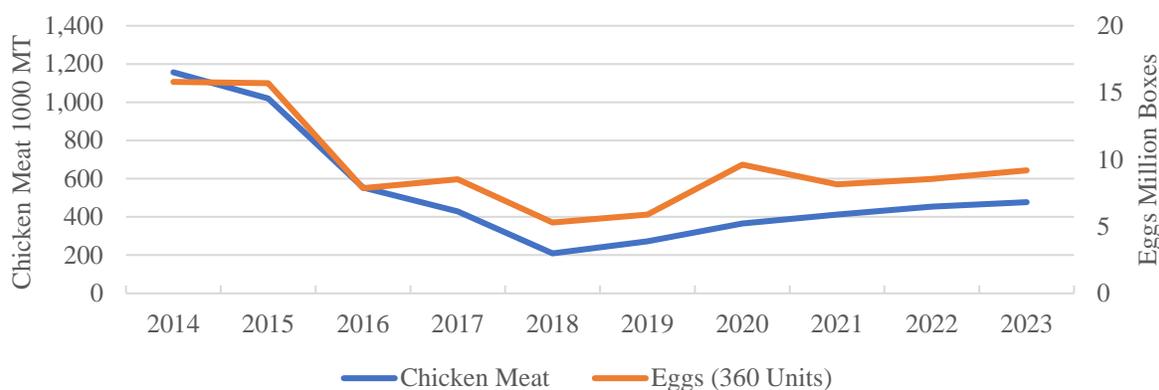
Data source: Post historical data series.

Chicken meat and egg production account for about 85 percent of animal feed consumption in Venezuela. In 2023, chicken meat production grew 5 percent to 478,000 MT, and egg production

7 percent higher to 9.2 million egg boxes (Figure 4). For MY 2024/2025, a growth of about 5 percent is expected for both products.

Post estimates that in calendar year 2023, the Venezuelan poultry industry required 1.018 MMT of yellow corn and 476,000 MT of soybean meal. For 2024, the estimated requirement remains mostly unchanged at 1.07 MMT of yellow corn and 500,000 MT of soybean meal.

Figure 4. Venezuela Chicken Meat and Egg Production, 2012–2023



Data Source: Venezuelan Poultry Industry and FAS historical data and estimates.

Trade

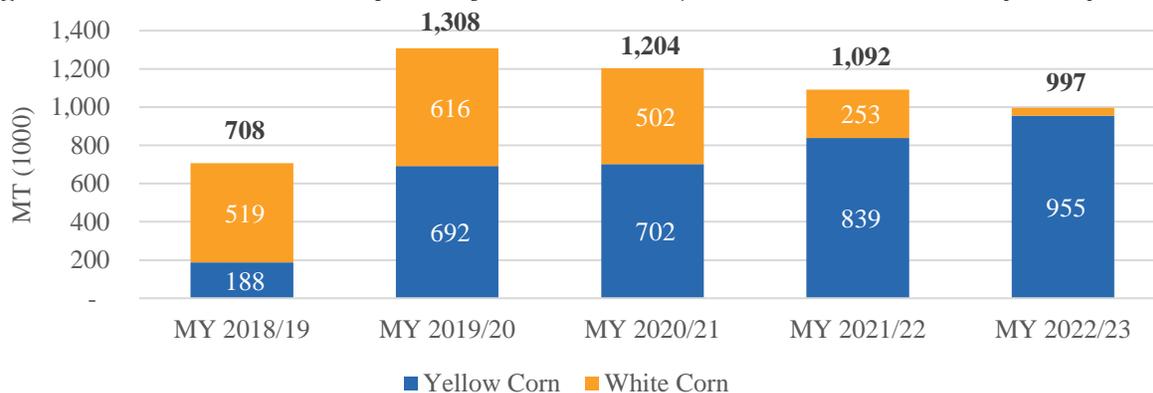
In MY 2024/2025, Post forecasts corn imports at 700,000 MT, unchanged from MY 2023/2024 figures, with U.S. corn to account for approximately 40 percent of imports. Import stagnation is based primarily on domestic corn production growth, including steady food corn consumption and modest demand growth from the poultry and pork industries. In MY 2023/2024, U.S. corn imports are forecast downward, driven principally by the growth of domestic production, a softening demand from the poultry industry, and the rise in imports from Brazil and Argentina due to competitive prices.

Import estimates for MY 2023/2024 are revised 13 percent lower to 700,000 MT due to increased domestic production and stagnating consumption.

Venezuelan corn imports totaled 997,000 MT in MY 2022/2023, with yellow corn accounting for 96 percent of imports (955,000 MT) and white corn at 4 percent (42,000 MT) (Figure 5). Leading corn suppliers were Brazil (532,000 MT, 53 percent market share), the United States (243,000 MT, 24 percent share), and Argentina (222,000 MT, 22 percent share) (Figure 6). U.S. yellow corn imports accounted for 21 percent (201,000 MT) of the total, and all white corn imports were U.S. origin (42,000 MT). The private sector is responsible for all corn imports.⁴

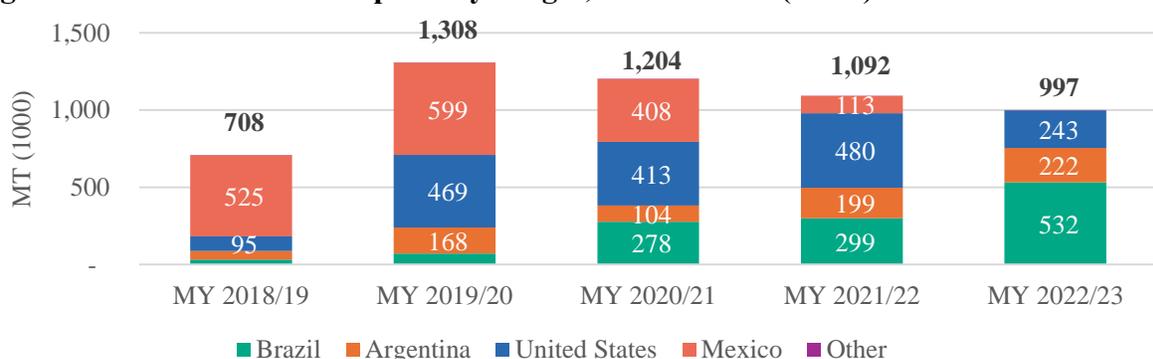
⁴ Previously, the Venezuelan national authorities maintained strict control on trade, but due to certain economic reforms beginning in 2019, the private sector has dislodged state actors in import purchasing and processing.

Figure 5. Venezuela: Corn Imports by Market Year (Thousand Metric Tons [TMT])



Data Source: Trade Data Monitor.

Figure 6. Venezuela: Corn Imports by Origin, Market Year (TMT)



Data Source: Trade Data Monitor.

Since 2018, Brazil and Argentina have gained significant market share and are the main competitors to U.S. yellow corn in Venezuela. Corn imports from these countries benefit from a 100 percent tariff exemption, allowing them to enter the Venezuelan market at competitive prices.

Stocks

In MY 2024/2025, Post forecasts ending stocks 14 percent higher to 80,000 MT, based on higher corn production. There are no Venezuelan policies regulating domestic grain inventories.

Policy

Importers pay tariffs and a value-added tax (VAT) for yellow corn, white corn, and corn flour (Table 5). To receive an import license, they must first purchase the domestic crop and import the deficit, if any, to supply domestic demand. Importers may benefit from a total or partial exemption of tariffs and VAT should they meet certain conditions. Applications for exemption are reviewed on a case-by-case basis by the Ministry of Economy.

Table 5. Venezuela: Yellow Corn, White Corn, and Corn Flour, Tariffs and VAT

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

Data source: Extraordinary Official Gazette No. 42832.

Venezuela remains suspended from the Southern Common Market (Mercosur), but has preferential trade agreements 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. However, Venezuela permits the importation of biotechnology-derived corn.⁵

Commodity:

Rice

Table 6. Rice: Production, Supply, and Distribution

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Apr 2022		Apr 2023		Apr 2024	
Venezuela	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	84	84	95	95	0	117
Beginning Stocks (1000 MT)	217	217	164	164	0	163
Milled Production (1000 MT)	257	257	292	309	0	381
Rough Production (1000 MT)	379	379	430	455	0	561
Milling Rate (.9999)	6786	6786	6786	6786	0	6786
MY Imports (1000 MT)	420	420	420	420	0	360
TY Imports (1000 MT)	425	475	475	475	0	410
Total Supply (1000 MT)	894	894	876	893	0	904
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)	730	730	730	730	0	740
Ending Stocks (1000 MT)	164	164	146	163	0	164
Total Distribution (1000 MT)	894	894	876	893	0	904
Yield (Rough) (MT/HA)	4.5	4.5	4.5	4.8	0	4.8

Data source: FAS historical data series. Post estimates for MY 2024/2025.

⁵ See USDA GAIN: Venezuela Annual Agricultural Biotechnology report [VE2023-0020](#) for additional details.

Production

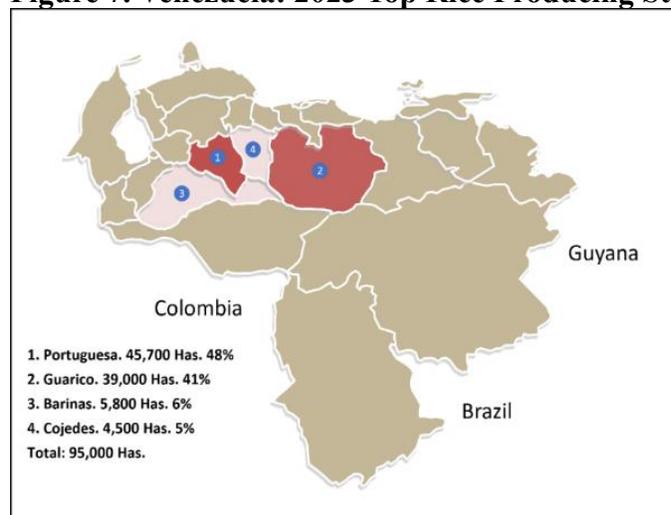
For MY 2024/2025 (April-March), Post forecasts Venezuelan milled rice production to increase 23 percent to 381,000 MY year-on-year. This increase is attributed to a 23 percent increase in harvested area, but with no yield changes. Higher producer prices, influenced by the increase in international rice prices, are encouraging an expansion of planting area. However, limited producer financing, which impacts access to inputs such as better-quality seeds, fertilizers, and agrochemicals, will continue to constrain yield improvements.

Better weather conditions are expected in MY 2024/2025, based on the onset of the La Niña phenomenon, which would favor rice production. The anticipated increase in rainfall would allow for less reliance on mechanical irrigation and fuel use. Additionally, the two most important dams in Guárico State have optimal water levels and will favor production in that area.

Production estimates for the current MY 2023/2024 are revised downward to 309,000 MT, with no changes in harvested area, based mostly on decreased yields. Mid-year weather conditions, with high nighttime temperatures and reduced solar radiation contributed to lower-than-expected yields, dropping from 5 MT/ha to 4.8 MT/ha. The improved availability of higher-quality and affordable inputs, diesel fuel, and higher producer prices were among key factors in harvested area increases, as were favorable weather conditions and certain industry financing programs.⁶

Rice is the second largest crop by area planted in Venezuela, with an estimated 456,000 MT of rough produced on 95,000 ha in 2023 (Tables 7, 8). Rice production is based in the states located in the Venezuelan plain's region, including Portuguesa, Guárico, Cojedes, and Barinas (Figure 7). Rice is predominantly cultivated using flood irrigation, exploiting surface water sources and wells, and often grown using improved rice varieties, high mechanization, and widespread use of fertilizers and agrochemicals.

Figure 7. Venezuela: 2023 Top Rice Producing States and Estimated Planted Area



Data source: Post analysis using Venezuelan Agricultural Industry data.

⁶ Various, larger agricultural producer associations can access certain bank financing as they have better cash flow and asset backing compared to smaller companies. In turn, both private sector entities and producer associations offer crop-backed financing programs to producers.

Table 7. Venezuela Rough Rice Production 2020–2023 (MT)

Calendar Year	2020	2021	2022	2023	% CHG 2020-2023
Rough Rice	224,120	240,000	424,970	456,000	103.4

Data source: Venezuelan Agricultural Industry.

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

Table 8. Venezuela: Top Rice Producing States and Estimated Planted Area, CY 2023 (ha)

State	Winter Season	Summer Season	Total HA	%
Portuguesa	25,000	20,700	45,700	48
Guárico	15,000	24,000	39,000	41
Cojedes	4,000	1,800	5,800	6
Barinas	4,000	500	4,500	5
Total (ha)	48,000	47,000	95,000	-

Data source: Venezuelan Agricultural Industry.

All rice seeds are domestically produced. In 2023, 40 percent of Venezuela’s rice seed was certified, with the remaining 60 percent farm-produced, which generally comes from a previous crop planted with certified seed.

In 2023, the producer price for paddy rice was \$450/MT, which increased from \$430/MT in 2022 (Table 9).

Table 9. Venezuela: Producer Paddy Rice Prices 2019-2023 (USD/MT)

2019	2020	2021	2022	2023
341	294	346	430	450

Data source: Venezuelan Agricultural Industry

In 2023, production costs for 1 ha of rice ranged from \$1,800-2,000, varying according to the geographical location, the technological level of the farm, and irrigation techniques. Considering a yield of 4.8 MT per hectare, the cost of producing 1 MT of paddy rice is estimated between \$375-417.

Venezuela’s typical fertilizer application for rice includes 250 kg of NPK fertilizer per hectare and 150 kg of urea per hectare. Like Venezuelan corn production, both types of fertilizers are widely available. There are currently no serious phytosanitary threats for rice, and quality agrochemicals, typically imported, are available for prevention and treatment.

Figure 8. Venezuela: Rice Fields in Cojedes State, May 2023



Data Source: Venezuelan Agricultural Industry.

Like corn and other agricultural systems in Venezuela, the biggest obstacle to increasing rice production is the widespread lack of financing. Most rice processing companies and some producer associations offer financing programs through inputs, which are repaid in-kind with the rice harvest. However, no financing options exist in Venezuela for major on-farm investments, such as irrigation systems and farm machinery.

Consumption

In MY 2024/2025, Post forecasts Venezuelan rice consumption to 740,000 MT MRE, 1 percent higher year-on-year. The economy recovered slightly in the second half of 2023, driven by the easing of U.S. sanctions on the oil industry, which favored lower inflation and slightly stable exchange rates. In addition, rising consumer incomes, including bonuses to public sector workers and cash transfers slightly improved purchasing power.

Market year 2023/2024 consumption rose 3 percent to 730,000 MT MRE, due to competitive pricing and market realities. Rice is one of the most essential foods in the Venezuelan diet, and typically consumed as a side dish with animal protein or vegetables. In 2023, rice was the third most consumed cereal, with 27.5 kg/per capita, representing 24 percent of cereal consumption, following wheat and corn.

Compared to rice (1 kg), in March 2024, 1 kg of pasta was 6 percent more expensive, and 1 kg of rice was comparable to 0.94 kg of pasta by price. Similarly, 1 kg of corn flour was 31 percent cheaper, with 1 kg of rice equivalent to 1.45 kg of corn flour (Table 10).

Table 10: Venezuela: Rice, Pasta, and Corn Flour Average Prices, March 2024 (USD/kg)

Product	Average Price (kg)	Price Difference Against 1 kg Rice %	Price Equivalence of 1 kg Rice in Volume of Pasta and Corn
Rice	\$1.51	-	-
Pasta	\$1.60	6	1 kg Rice: 0.94 kg Pasta
Corn Flour	\$1.04	(31)	1 kg Rice: 1.45 kg Corn Flour

Data source: Post historical data series.

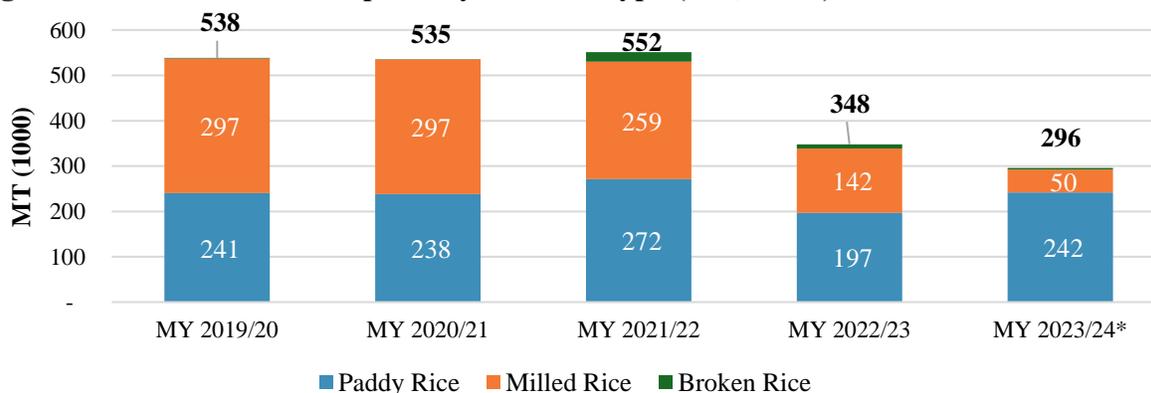
Trade

Post forecasts MY 2024/2025 Venezuelan rice imports 14 percent lower to 360,000 metric tons. This decline is primarily attributed to expanded domestic production. Rice imports for MY 2023/2024 remain unchanged from MY 2022/2023 at 420,000 metric tons.

Venezuelan rice imports totaled 475,000 MT in MY 2022/2023, with paddy rice accounting for 56 percent share, milled rice 41 percent, and broken rice at 3 percent (Figure 9). Major rice suppliers in the last two MYs have included Brazil, Guyana, and Uruguay (Figure 10). In MY 2022/2023, the United States lost its sizeable paddy rice market share in Venezuela due to competitive pricing against South American origins. The private sector is responsible for all rice imports. Trade flows of Colombian milled rice to Venezuela will decrease 50,000 MT in MY 2024/2025, as Colombian production will be prioritized to supply its own domestic demand.

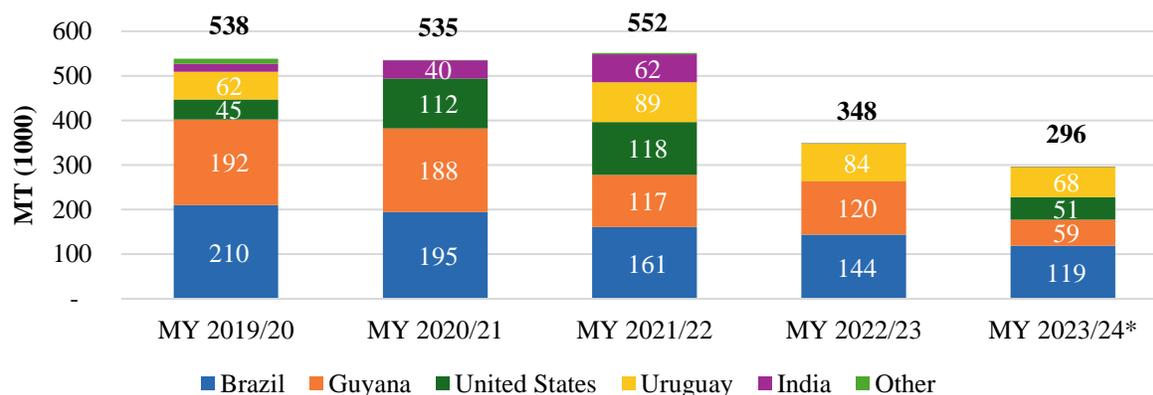
Beginning in late 2023, the United States regained its paddy rice price and quality competitiveness in Venezuela. Due to limited exportable supplies from Brazil and Uruguay, Venezuelan rice companies have established purchase agreements with U.S. exporters that guarantee competitive volumes, prices, and quality. According to Post sources, Venezuela imported 128,000 MT of U.S. rice between January-March 2024 and is the primary supplier to Venezuela in the year thus far. This trend is expected to continue, as price is the primary factor determining trade and demand.

Figure 9. Venezuela: Rice Imports by Product Type (MY, TMT)



Data source: Trade Data Monitor. *MY 2023/2024 includes trade data from April-December 2023.

Figure 10. Venezuela Rice Imports by Country of Origin, (MY [April-March], TMT)



Data source: Trade Data Monitor

*MY 23/24 Includes trade data from April 2023 to December 2023

Stocks

Post estimates MY 2023/2024 ending stocks 3 percent lower to 163,000 MT, given lower imports and a slight uptick in consumption. Venezuela does not maintain any policies regulating grain inventories.

Policy

Importers pay tariffs and VAT for both paddy and milled rice (Table 11). 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 11. Venezuela: Paddy and Milled Rice Tariffs and VAT

Description	HS Code	Ad Valorem (%)	VAT (%)	Customs Service (%)
Paddy Rice	100610	15	16	1.0
Milled Rice	100630	20	16	1.0

Data source: Extraordinary Official Gazette No. 6784.

While Venezuela remains suspended from Mercosur, it retains a preferential trade agreement with Argentina, Brazil, and Uruguay (Economic Complementation Agreement No. 59 of ALADI). Rice originating from these countries is subject to a 100 percent import tariff exemption.

Commodity:
Wheat

Table 12. Wheat: Production, Supply and Distribution

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
Venezuela	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)	316	316	311	311	0	361
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1195	1195	1300	1300	0	1320
TY Imports (1000 MT)	1195	1195	1300	1300	0	1320
Total Supply (1000 MT)	1511	1511	1611	1611	0	1681
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)	1200	1200	1250	1250	0	1300
Total Consumption (1000 MT)	1200	1200	1250	1250	0	1300
Ending Stocks (1000 MT)	311	311	361	361	0	381
Total Distribution (1000 MT)	1511	1511	1611	1611	0	1681
Yield (MT/HA)	0	0	0	0	0	0

Data Source: FAS historical data series. Post estimates for MY 2024/2025.

Production

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

Consumption

Post forecasts MY (July-June) 2024/2025 wheat consumption 4 percent higher to 1.3 MMT wheat grain equivalent (WGE) year-on-year. This consumption increase is based on moderately improved purchasing power in the second half of 2023. The wheat milling industry has reduced its domestic pasta and wheat flour prices to compete with an increase in imported finished products to encourage demand of Venezuelan-produced pastas. Improved purchasing power and competitive wheat product prices should lead to higher wheat demand from the milling industry.

Wheat consumption in the current MY will remain unchanged at 1.25 MMT wheat grain equivalent. Despite reduced consumption in the latter half of 2022/2023, wheat products (pasta, crackers) remain in high demand and are heavily consumed like rice and corn flour.

Venezuela's wheat industry includes 15 wheat mills, 19 pasta manufacturers, 17 cookie/cracker industries, and approximately 10,000 bakeries. The milling industry maintains 2.6 MMT of installed capacity per year, but operations are currently at less than 27 percent capacity (Table 13). The sector supplies 69 percent of domestic wheat consumption, and its wheat grain requirements to supply the market and maintain reasonable inventory levels averaging 1.56 MMT per year.

Table 13. Venezuelan Milling Industry Installed Capacity (2023, MT/Year)

Product	Wheat for bread	Durum Wheat for Pasta	Mixed Wheat Flour	Wheat for Crackers	Total
Milling Capacity	1,383,912	693,960	306,000	216,000	2,599,872

Data Source: Venezuela Milling Industry

Total wheat flour consumption in the outyear is estimated at 552,000 MT wheat grain equivalent. Of this consumption, local production accounted for 61 percent at 336,720 MT WGE, and imported wheat flour accounted for 39 percent (215,280 MT). In the current MY 2023/2024, Türkiye is the leading supplier of imported wheat flour, with 81 percent market share.

Post estimates MY 2023/2024 pasta consumption at 372,000 MT wheat grain equivalent. Of this amount, local production accounts for 54 percent at 200,880 MT WGE, and imported pasta products at 46 percent with 171,120 metric tons. Türkiye is the leading supplier of imported pasta in the current MY, with a 42 percent market share.

Wheat products are one of the primary caloric sources in the Venezuelan diet and are consumed mostly in the form of pasta, bread, and crackers. In 2023, it was the most consumed cereal, with 45 kg/per capita (WGE), accounting for 40 percent share, compared with corn at 36 percent and rice at 24 percent (Figure 2).

For March 2024, in comparing 1 kg of pasta, 1 kg of rice was 6 percent less expensive, and 1 kg of pasta was comparable to 1.06 kg of rice. Similarly, 1 kg of corn flour was 54 percent cheaper, and 1 kg of pasta was equivalent to 1.54 kg of corn flour (Table 14).

Table 14. Venezuela: March 2024 Pasta, Rice, and Corn Flour Average Prices (USD/kg)

Product	Average Price	Price Difference vs. 1 kg Pasta (%)	Equivalence Price of Pasta in Volume of Rice and Corn Flour
Pasta	\$1.60	-	-
Rice	\$1.51	(6)	1 kg Pasta: 1.06 kg Rice
Corn Flour	\$1.04	(34)	1 kg Pasta: 1.54 kg Corn Flour

Data Source: Post historical data series.

Stocks

In MY 2024/2025, Post forecasts ending stocks 6 percent higher to 381,000 MT year-on-year. Higher ending inventories are attributable to increased wheat grain imports and competition against imported finished products. The Venezuelan authorities do not maintain grain inventory regulations.

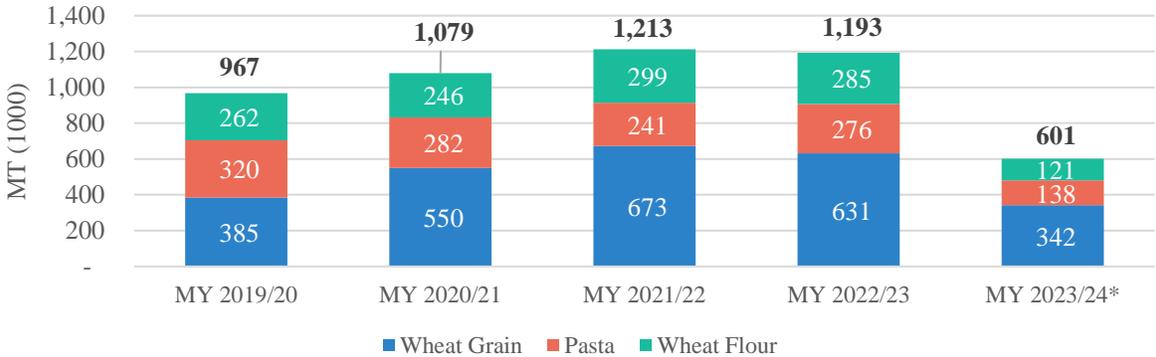
Trade

In MY 2024/2025, wheat imports are forecasted at 1.32 MMT, a 2 percent growth from the previous market year. This slight increase in imports is based on the Maduro authorities restricting finished wheat products in late 2023 such as pasta and wheat flour to spur higher domestic production. In addition, increased consumption of inexpensive wheat products will likely spur wheat imports in the latter half of 2024. Wheat imports in MY 2023/2024 remain

unchanged at 1.3 MMT, and imports of wheat flour and finished products are expected to decrease in favor of increased purchases of wheat grain to support local millers.

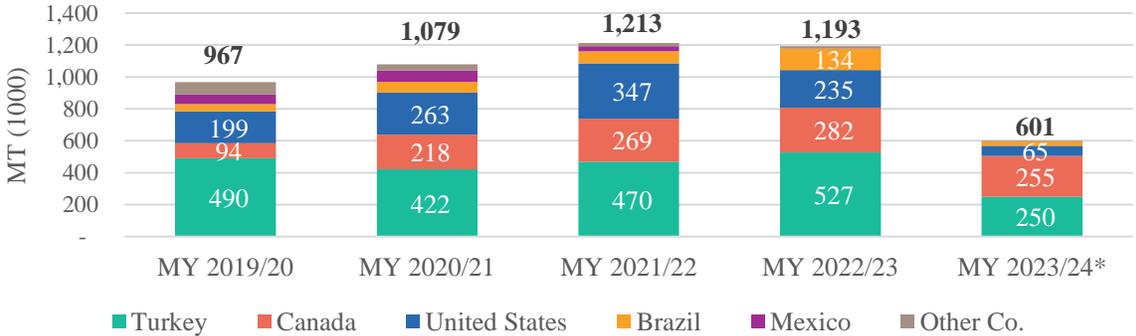
Venezuelan wheat imports totaled 1.2 MMT WGE in MY 2022/2023, with wheat grain accounting for 53 percent (631,000 MT) of imports, wheat flour at 24 percent share (285,000 MT), and pasta accounting for 23 percent (276,000 MT) (Figure 11). Major wheat and product suppliers included Türkiye⁷ (527,000 MT, 44 percent market share), Canada (282,000 MT, 24 percent share), the United States (235,000 MT, 20 percent market share), and Brazil (134,000 MT, 11 percent share) (Figure 12). Like corn and rice trade, the private sector assumes all responsibility for wheat and wheat product imports.

Figure 11. Venezuela: Wheat Imports by Product Type (TMT, WGE)



Data source: Trade Data Monitor. *MY 23/24 Includes trade data from July 2023 to December 2023

Figure 12. Venezuela: Wheat Imports by Country of Origin (TMT, WGE)



Data source: Trade Data Monitor. *MY 2023/2024 includes trade data from July-December 2023.

Policy

Beginning June 30, 2024, through December 9, 2024, importers must pay a 20 percent tariff and a 16 percent VAT for pasta and wheat flour (Table 15). However, they may qualify for a total or partial exemption of tariffs and VAT if they meet certain conditions. Applications for exemption

⁷ Since 2018, Türkiye’s high market share of Venezuelan pasta and wheat flour imports stems from a bilateral trade agreement exempting all tariffs on Turkish pasta and wheat flour.

are reviewed on a case-by-case basis by the Ministry of Economy. In the same period, wheat grain imports (durum, wheat for crackers, wheat for bread) will have a 90 percent exemption on both VAT and tariffs. An additional 1 percent customs service tax remains applied on all products, including wheat grain.

Turkish pasta and wheat flour imports benefit from a total exemption of tariffs and VAT based on the Venezuela-Türkiye 2018 bilateral trade agreement. Private companies also import Turkish pasta and wheat flour to supply the Maduro authority’s primary domestic food aid program.⁸ Imported pasta must follow Venezuelan standard (COVENIN) N° 283:1994 and be registered with the Ministry of Health’s Sanitary Control Service.

On March 5, 2024, the Venezuelan COVENIN trade standard for wheat for industrial use went into effect (available in the Official Gazette No. 42.832). This regulation aligns with the quality standards of the most important wheat exporters to Venezuela.

Table 15. Venezuela: Wheat, Pasta, and Wheat Flour VAT, Tariffs (June-December 2024)

Description	HS Code	Ad Valorem (%)		VAT (%)		Custom Service (%)
		Previous	Current	Previous	Current	
Wheat Durum	1001.19	0	0.1	0	1.6	1
Wheat for Crackers	1001.99	0	0.1	0	1.6	1
Wheat for Bread	1001.99	0	0.1	0	1.6	1
Pasta	1902.19	0	20	0	16	1
Wheat Flour	1101.00	0	20	0	16	1

Data Source: Official Gazette No. 6727

Attachments:

No Attachments

⁸ Known as the “Local Committees for Supply and Production,” (Spanish acronym: CLAP) the Maduro authority supplies staple food products to food insecure households on a routine basis.