

Voluntary Report – Voluntary - Public Distribution

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Report Name: Venezuelan Agricultural Imports Grew 85 percent since 2019

Country: Venezuela

Post: Caracas

Report Category: Agricultural Situation

Prepared By: FAS Staff

Approved By: Abigail Mackey

Report Highlights:

Venezuelan agricultural imports grew by 33.1 percent in 2021 due to a stabilization of the economy and a recovery in consumer demand. Nevertheless, agricultural imports fell by 5.1 percent in volume due to significant commodity prices increases. Agricultural imports from the United States totaled \$634 million last year, up 44.8 percent compared to 2020. The market has grown by more than 85 percent since 2019, and the products with the greatest growth potential for U.S. exporters include consumer-oriented products, corn, rice, wheat, soybean meal, soybean oil, and sugar.

Agricultural Trade Situation

Venezuelan was once a huge agricultural importer which peaked at \$9.3 billion in 2013. Since the economic crisis began in 2015, imports have declined significantly. Since 2012, the Venezuelan economy has lost more than 80 percent of its GDP.

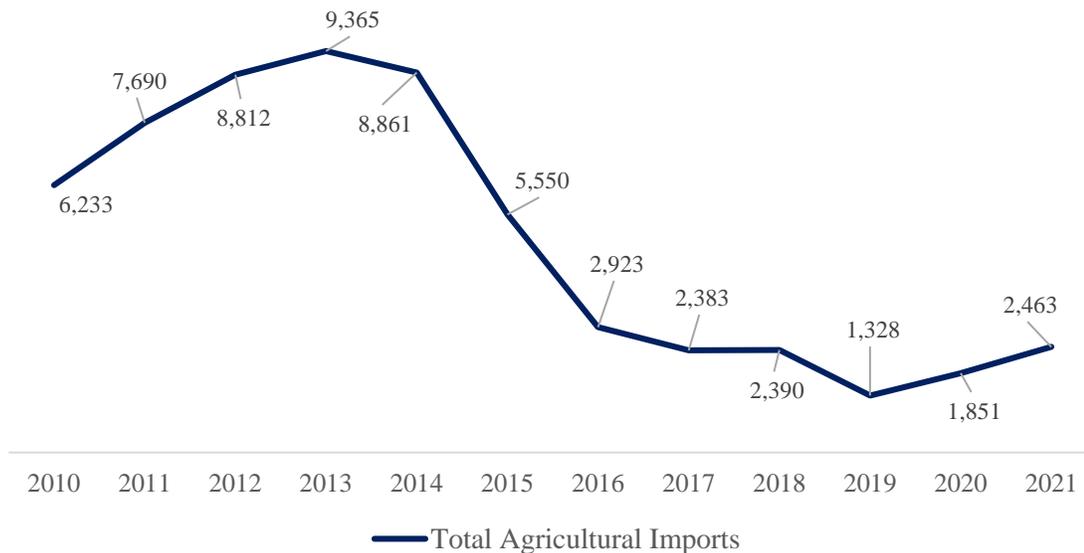
During 2021 the Venezuelan economy stabilized as the result of tacit economic liberalization, informal dollarization, and lower inflation. In turn, the steep fall in consumption levels has started to stabilize, with consumption even growing in some categories.

Agricultural imports began to recover in 2020 after reaching an all-time low of \$1.3 billion in 2019. They grew 39.4 percent in 2020 and 33.1 percent in 2021. However, even with this recovery, imports have only reached 26 percent of the 2013 import peak.

A better economic outlook for 2022 gives the private sector hope for modest growth in both local production and imports. Although the economic environment looks positive this year, economic growth will continue to be constrained by low overall purchasing power, shortages of fuel and electricity, infrastructure decay, and a lack of financing.

Currently, at least 60 percent of Venezuela's food availability is imported in the form of raw materials and finished products, making the country particularly vulnerable to external shocks, such as a jumps in international agricultural commodity prices.

Figure 1. Venezuelan Agricultural Imports (USD Million) 2010 - 2021

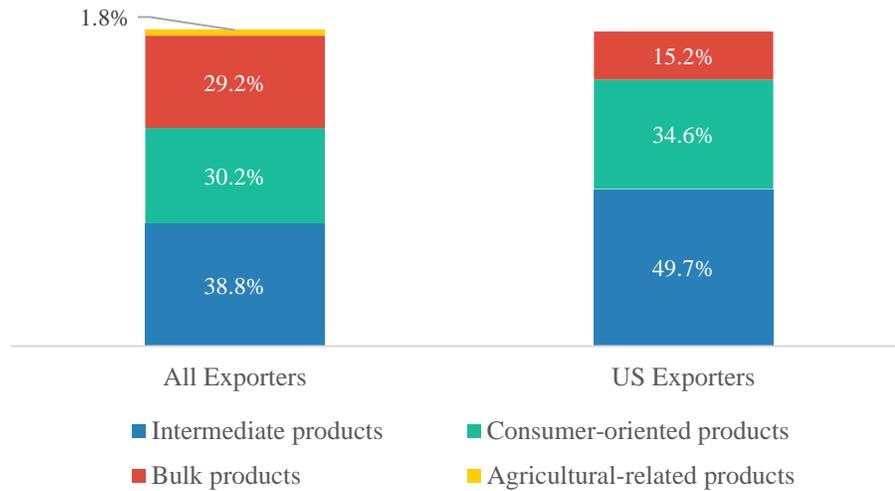


Source: Trade Data Monitor.

Venezuelan Agricultural Imports in 2021

In 2021, Venezuelan agricultural imports totaled \$2.5 billion, up 33.1 percent compared to 2020. The product category that grew the most was consumer-oriented products, reaching \$743.9 million in 2021 (a 58.2 percent increase). Intermediate products still make up the largest category of imports.

Figure 2. Venezuelan Agricultural Imports in 2021 by Value and Category, World versus the United States



Source: Trade Data Monitor

The most imported products during 2021 were soybean oil, bakery goods and pasta, corn, wheat, sugars, rice, soybean meal, milled grains, dairy products, and soup/food preparations. These ten products accounted for 74.6 percent of Venezuelan agricultural imports in 2021.

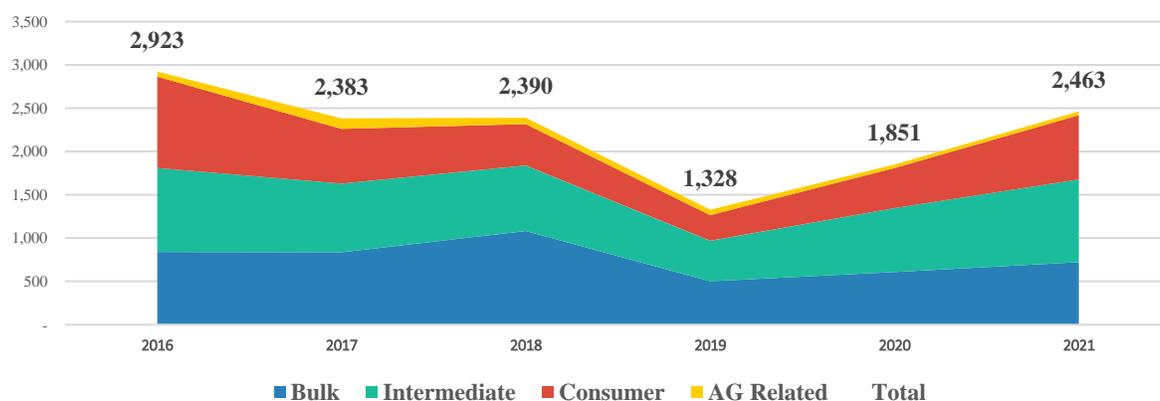
The major suppliers by value were Brazil (37.9 percent market share), the United States (25.7 percent market share), and Turkey (9.1 percent market share). When comparing market share by volume, the United States was the largest supplier of agricultural and food products with 35.3 percent, followed by Brazil with 29.4 percent.

In 2021, Venezuelan agricultural imports fell by 5.1 percent in volume terms due to a significant price increase across commodities. Venezuela paid 38 percent more for the same volume of products compared to the previous year.

Table 1. Venezuelan Agricultural Imports by Category (USD Million) 2020 vs. 2021

Category	2020	2021	Change (CHG) \$	CHG %	Mkt Share by Value in 2021
Bulk	608.9	720.4	111.5	18.3	29.2
Intermediate	738.3	955.8	217.5	29.5	38.8
Consumer	470.3	743.9	273.6	58.2	30.2
AG Related	33.6	43.3	9.6	28.6	1.8
Total	1,851.1	2,463.4	612.2	33.1	100

Figure 3. Venezuelan Agricultural Imports by Category. 2016 –2021 (USD Million)



Source: Trade Data Monitor

Table 2. Origin of Venezuelan Agricultural Imports by Value (USD Million) 2020 vs. 2021

Country	2020	2021	Chg %	% Mkt Share by Value in 2021
Brazil	684.7	934.4	36.5	37.9
USA	438.0	634.1	44.8	25.7
Turkey	197.9	223.1	12.8	9.1
Mexico	182.8	122.3	-33.1	5.0
Canada	44.4	122.5	175.7	5.0
Other Co.	303.3	426.9	40.7	17.3
Total	1,851.1	2,463.4	33.1	-

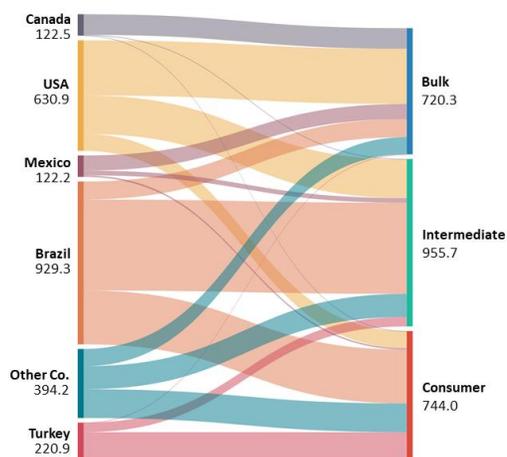
Source: Trade Data Monitor.

Table 3. Origin of Venezuelan Agricultural Imports by Volume (Thousand MT)* 2020 vs. 2021

Country	2020	2021	Chg %	% Mkt Share by Volume in 2021
USA	1,323.7	1,416.2	7.0	35.3
Brazil	1,185.5	1,182.3	-0.3	29.4
Turkey	394.7	355.9	-9.8	8.9
Canada	153.1	292.6	91.2	7.3
Mexico	713.0	275.8	-61.3	6.9
Other Co.	462.2	494.5	7.0	12.3
Total	4,232.1	4,017.4	-5.1	-

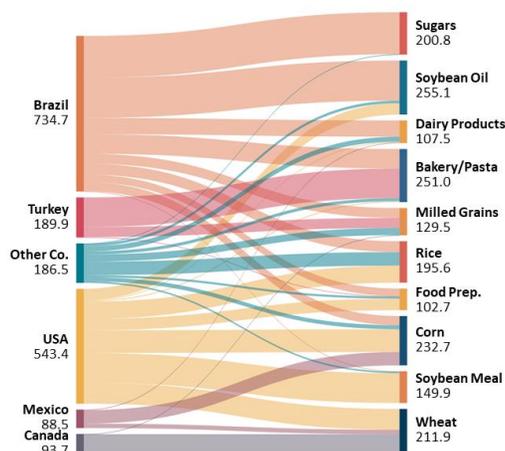
Source: Trade Data Monitor. * Only products traded in M.T.

Figure 4. Origin of Venezuelan Agricultural Imports in 2021 by Category (USD Million)



Source: Trade Data Monitor

Figure 5. Top 10 Imported Products in 2021 by Country (USD Million)



Source: Trade Data Monitor

Venezuelan Agricultural Imports from the United States in 2021

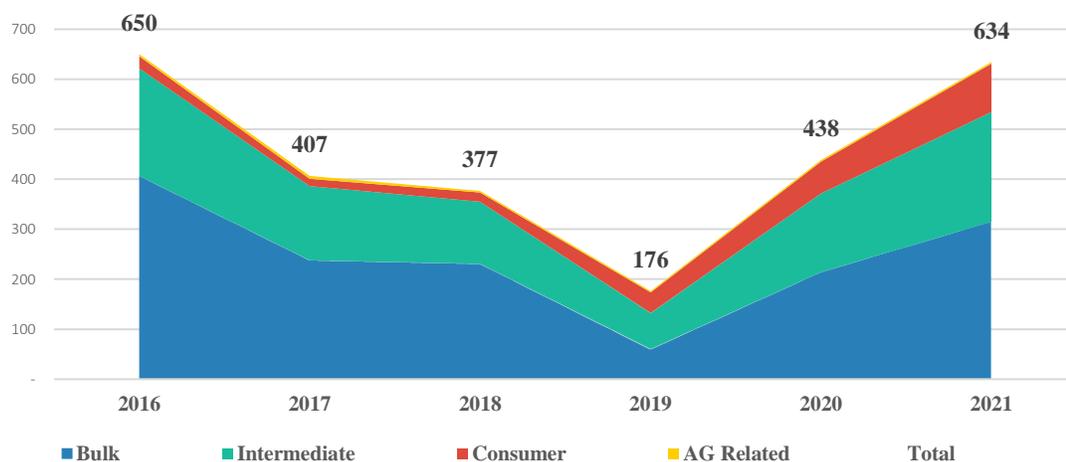
The United States has always been one of the most important suppliers of agricultural products to Venezuela, reaching \$1.7 billion in 2012. In 2019, U.S. agricultural exports reached their lowest point in decades but have recovered significantly despite the economic situation.

In 2021, agricultural imports from the United States totaled \$634 million, up 44.8 percent compared to 2020. In terms of volume, imports grew 7 percent from 1,323,611 MT in 2020 to 1,416,177 MT in 2021. Increases in imports of bulk (46.8 percent) and intermediate products (39.7 percent) drove this growth.

As seen in Figure 2, U.S. imports by product category were 49.7 percent bulk products, 34.6 percent intermediate products, and 15.2 percent consumer products. Currently, 84.3 percent of Venezuela's imports are bulk and intermediate products, supporting the value-added processes of the domestic food production sector.

In 2021, the United States was the second-largest supplier of agricultural and food products to Venezuela in terms of value, with a market share of 25.7 percent, and the largest supplier in terms of volume, with a 35.3 percent market share. Currently, the products with the greatest growth potential for U.S. exporters are consumer-oriented products, corn, rice, wheat, soybean flour, soybean oil, and sugar.

Figure 6. Venezuelan Agricultural and Related Imports from the United States 2016 – 2021 (USD Million)



Source: Trade Data Monitor

Table 4. Venezuelan Agricultural Imports from the United States 2020 vs. 2021 (USD Million)

Category	2020	2021	Chg %
Bulk	214.5	315.0	46.8
Intermediate	157.3	219.6	39.7
Consumer	63.6	96.3	51.5
AG Related	2.7	3.2	19.0
Total	438.0	634.1	44.8

Source: Trade Data Monitor

Table 5. Top Five U.S. Products Imported into Venezuela in 2021 (USD Million)

Product	2020	2021	Chg %
Soybean Meal	89.4	140.9	57.7
Corn	100.8	107.2	6.4
Rice	30.9	80.5	160.2
Wheat	66.9	98.4	47.1
Soybean Oil	54.0	53.1	-1.7

Source: Trade Data Monitor

Short-Term Outlook

By 2022, the Venezuelan economy will have overcome hyperinflation and is forecast by experts to grow between four and five percent, combined with an expected growth in private consumption of 10 percent. In general, U.S. products have competitive advantages to further improve market share.

Relevant Facts of the Venezuelan Market for U.S. exporters.

Strengths

- U.S. food products have an excellent reputation for quality.

Weakness

- Imports of consumer products are still low in volume, with some local distributors

- U.S. suppliers have a high standing as dependable sources in terms of volume, standards, and value.
- Close access to U.S. ports on the Gulf Coast offers an additional competitive advantage.

Opportunities

- Exposure of U.S. products is growing in supermarkets and high-end convenience stores and delis.
- Low tariffs and minimal technical barriers make it possible to approach the market with competitive prices.
- Several USDA cooperators are still working and active in the Venezuelan market.

making relatively small purchases in the United States.

- There are no large distributors of American products.
- The ratio of buyers with high purchasing power, although stable, is relatively small.

Challenges

- In the past, the government has imposed price controls on food and agricultural products.
- The economy is still unstable, with high inflation and stagnant consumption.
- The process of importing and registering products can be complex.

For more information on how to export to Venezuela, please see [FAS Caracas's 2021 Food and Agricultural Import Regulations and Standards \(FAIRS\) Country Report](#).

Attachments:

No Attachments.