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Report Highlights:

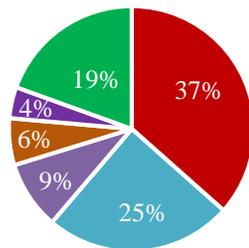
This report outlines Venezuela's food and beverage market conditions, which highlights growing opportunities for U.S. food and agricultural exporters to enter and expand in the market. The exemption of imported food products from tariffs since 2018, dollarization of the economy, and trade liberalization has created a more enabling environment for exporters and offers renewed opportunities for a range of U.S. agricultural products. The regrowth of Venezuela's modern retail sector has diminished the role of smaller independent stores (bodegones) that emerged during the economic crisis which exclusively offered imported goods. In 2022, the United States exported USD \$741 million in agricultural and related products to Venezuela, a 17 percent increase year-on-year. Still, affordability and fluctuating food price inflation remain critical factors impacting consumer demand and food security. Venezuela's economic downturn in 2023 may limit certain agricultural imports in the near-term.

Market Fact Sheet: Venezuela

Executive Summary: Venezuela is the fifth largest South American destination for U.S. agricultural and related product exports. In 2022, U.S. agricultural exports to Venezuela reached \$741 million, a 17 percent increase year-on-year. Due to the economic crisis, the share of U.S. agricultural trade to Venezuela has yet to fully recover to its pre-2015 levels.

Imports of Consumer-Oriented Products: In 2022, Venezuelan imports of U.S. consumer-oriented products increased 19 percent to reach \$114 million, compared to \$96 million in 2021.

Calendar Year 2022 - Percentage by Country of Total Agricultural Exports to Venezuela (by Value)



■ Brazil ■ United States ■ Turkey ■ Colombia ■ Canada ■ Other

Top Ten U.S. Consumer-Oriented Products Exported to Venezuela

- Food Preparations
- Distilled Spirits
- Processed Vegetables
- Dairy Products
- Bakery Goods, Cereals, and Pasta
- Chocolate and Cacao Products
- Confectionary Products
- Non-alcoholic Beverages
- Pet Food
- Fresh Fruit

Food Processing Industry: Major suppliers of food ingredients and raw materials to Venezuela include the United States, Brazil, Turkey, and Colombia. The food processing sector in Venezuela is composed of approximately 810 food and beverage manufacturers and processors, of which 50 percent represent small-scale enterprises which mostly utilize poultry, swine, and dairy products.

Food Retail Industry: The retail sector has grown rapidly in recent years, which includes various types of chains. The sector consists of over 3,500 supermarkets and 65,000 traditional *abastos*, or corner stores in Venezuela. *Bodegone* stores, which specifically sell imported food items (especially U.S. and European consumer goods) were once popular during the height of the economic crisis. Presently, the number of bodegones have declined by 20 percent due to growing price competition from supermarket chains.

Quick Facts

2022 Population (Millions): 26.9

2022 GDP (Billions USD): \$93.11

2022 GDP Per capita (USD): \$3,459

2022 Imports of Consumer-Oriented Products: \$966 million (Includes \$114 million from the United States)

Major Sectors and Value Chains: Corn, Rice, Sugar, Wheat, Poultry, Cattle, Dairy, Fish.

Origin of Venezuelan Agricultural Imports by Volume (Thousand Metric Tons) CY 2021-2022

Country	2021	2022	Annual Change %	% Mkt Share by Volume
United States	1,416.1	1,384.3	(2.2)	33.1
Brazil	1,182.3	1,355.6	14.7	32.4
Turkey	355.4	379.0	6.7	9.1
Argentina	104.7	291.3	178.1	7.0
Canada	292.6	247.6	(15.4)	5.9
All Others	792.3	525.6	(33.7)	12.6
Total	4,143.7	4,183.8	1.0	-

SWOT ANALYSIS

Strengths	Weaknesses
Large consumer base with slowly growing incomes, including middle class.	Challenges with travel to Venezuela with U.S. entities/citizens.
Economy is increasingly dollarized.	Lack of awareness about the range and value of U.S. agricultural products.
Opportunities	Challenges
Highly motivated and growing retail sector in Venezuela.	Expected economic downturn this year with reduced GDP growth in Venezuela.
Supermarkets well stocked and recovered.	Heavy competition from MERCOSUR countries, esp. Brazil and Argentina.
American brand awareness and acceptance have increased.	Lack of access to credit which impedes ability for businesses to import.
Aquaculture and poultry industries growing and demanding more feed inputs.	

SECTION I: MARKET OVERVIEW

In 2022, the Venezuelan economy expanded for the first time since 2015, experiencing an 8 percent growth, in part due to tacit economic liberalization, informal dollarization, and reduced inflation. Venezuela’s agricultural imports reached \$3 billion in 2022, a 19 percent year-on-year grown. Brazil was the largest exporter of agricultural and related product exports to Venezuela in 2022 (\$1.1 billion), followed by the United States, Turkey, Colombia, and the European Union. In 2022, U.S. agricultural and related product exports to Venezuela reached \$741 million, a 17 percent increase from 2021. Venezuela is currently the fifth largest destination for U.S. agricultural and related product exports in South America.

Agricultural export opportunities are growing in Venezuela, and U.S. companies can benefit from the strong consumer preference for U.S.-origin products, supported by a de facto dollarization of the Venezuelan economy. At present, more than 60 percent of food availability is derived from imports. Additionally, the United States’s geographic proximity to Venezuela provides shorter shipping times (three to five days) as compared to other suppliers.

Imports of Consumer Oriented Products

In 2022, Venezuela’s total imports of U.S. consumer-oriented products grew 19 percent to \$114 million, a 15 percent share of total U.S. agricultural exports to the country (Table 1). Top product exports to Venezuela included bakery goods, cereals and pasta, confectionary products, condiments and sauces, tree nuts, pork and pork products, fresh and processed fruits, and various nursery products (Table 1).

Table 1. Origin of Venezuelan Agricultural Imports by Volume (Thousand Metric Tons) CY 2021-2022

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All Others	792.3	525.6	(33.7)	12.6
Total	4,143.7	4,183.8	1.0	-

Data source: Trade Data Monitor.

Table 2: Venezuela, CY 2022 Primary Agricultural and Related Product Imports by Origin

Exporting Country	Total Value (Millions USD)	Top Exported Products
Brazil	\$1,097	Sugar, soybean oil, condiments, sweet cookies, pasta
United States	\$741	Soybeans, corn, wheat, pet food (for retail), cotton, distilled spirits, cranberries, and peaches (preserved), mixed nuts, dry beans, cheeses, sparkling wines, cigarettes, processed cereals, beans, select livestock (sheep, horses, and swine)
Turkey	\$270	Pasta, processed cereals, wheat flour, sweet cookies
Colombia	\$186	Vegetable oils, soybean oil, baking inputs, animal feeds, sauces and mixed condiments, breads, pastries, cakes, biscuits, cereals, powdered milk, wheat flour
European Union (27)	\$131	Sparkling wines, food preparations, potatoes (preserved), fresh and processed tomatoes, pasta, cheese, olive oil, malts
Canada	\$123	Mustard seeds, pet food, durum wheat, pulses (lentils)
Argentina	\$95	Wine, wheat flour, baking inputs, processed cereals

Data Source: Trade Data Monitor.

The reestablishment of U.S. food product exports in Venezuela is linked to the recent growth of modern retail. Prominent supermarket chains include Forum, with three years of operation with 15 outlets, as well as Aikos (established in 2019, 18 outlets) and Rio Supermarket, (established in 2019, 14 outlets). The recent growth of the retail sector has in turn diminished the role of *bodegones*, independent stores that emerged during the economic crisis which exclusively offered imported products, often at high prices. These vendors filled the demand of middle to high-income consumers for products they could not find on the local market. However, the number of bodegones have declined by 20 percent over the past year, totaling approximately 400 establishments.¹

Public Sector Market Participation

The supermarket chains in Venezuela are private businesses which provide food supplies to middle class consumers. At the same time, the Venezuelan regime looks to bridge gaps in food supply and availability for lower income consumers through a combination of salary bonuses. Its primary food aid program includes a monthly box of food staples delivered by the communal councils of each neighborhood to qualifying households, known as the CLAP distribution program.² The CLAP boxes typically include various staple food products such as pasta, rice, and beans and are currently priced at USD \$1.00, and are intended to last one month to feed a typical family of five members. The box includes a combination of domestically produced and imported agricultural goods, while deliberately excluding any U.S.-origin products.

¹ Source: National Association of Supermarkets and Autoservices of Venezuela (ANSA); June 2023 data.

² Established in 2016, the “Local Committees for Supply and Production” (Comité Local de Abastecimiento y Producción, or CLAP) program is intended to support communities with severe food shortages.

Table 3: Advantages and Challenges for U.S. Exporters

Advantages	Challenges
<ul style="list-style-type: none"> • Venezuelan economy is increasingly dollarized; the U.S. dollar circulates as the preferred currency. • Private sector actively participates in the importation of food products; government is no longer the primary actor in importing agricultural and products. • Venezuelan consumers consider U.S. products to be of high quality. • Local retailers see U.S. suppliers as a trusted source in terms of ensuring trade volumes, standards, and product quality. • The Venezuelan media is highly influenced by the American culture and consumers are familiar with U.S. brands and products. • Despite the economic crisis, some traditional U.S.-origin franchises³ continue to operate in Venezuela and remain popular. 	<ul style="list-style-type: none"> • Imported products are expensive for most consumers, who remain very price sensitive. • Some countries, especially in South and Central America and the Caribbean, have trade agreements with Venezuela that establish preferential import tariffs for certain products. Turkey receives tariff preferences under a trade agreement to export pasta and wheat products. • Inflation and devaluation have affected consumer ability to purchase goods, and consumption remains severely constrained. • Complex import permitting and registration processes for certain agricultural or food products. • The regime sometimes limits the issuance of permits and product registrations based on the country of origin or other conditions, including certain political policies.

SECTION II: EXPORTER BUSINESS TIPS

When products are readily available, Venezuela’s supermarket chains are the primary means to provide goods to middle to high-income consumers. Utilizing key local suppliers (wholesalers/distributors), U.S. exporters can potentially sell through gas marts, grocery stores, and convenience stores. Depending on product brand and volumes, major food importers/wholesalers supply certain supermarket chains, including provincial retailers. Currently, the largest chain of supermarkets imports direct as most have opened offices in Panama or Miami to ease operations and guarantee access supplies. Distributors are used by the largest supermarket chains to import specific products and often import for smaller niche markets. Some supermarket chains also supply products to certain markets and shops. Additionally, local importers are advised by international auditors for obtaining quality certificates for certain products offered by the exporter.

Tips to Consider When Exporting to Venezuela

- Exporters can contact importers, wholesalers/distributors, or supermarkets through the Venezuelan Association of Supermarkets (ANSA), the Venezuelan Chamber of the Food Industry (CAVIDEA) or the Venezuelan American Chamber of Commerce (VENAMCHAM). When selecting a partner (an agent or representative), consider running a background check on the prospective partner through local chambers of food and/or commerce before signing any contractual agreements. Consider consulting the

³ For example, franchises include Burger King, McDonald’s, Subway, Wendy’s, KFC, Domino’s.

[Specially Designated Nationals and Blocked Persons \(SDN\)](#) List to search for subject sanctions prohibitions (full-block and sectoral sanctions) on specific entities.

- Supermarket chains are effective negotiators and may request exclusivity, especially if they can maintain high volumes of the product offered. If the price of the product set by the exporter is outside the local market standards, importers can choose to approach local distributors who could offer a better price or the same price with reduced logistic charges.
- Building relationships with importers and wholesalers/distributors is critical. Personal visits/meetings are preferred by Venezuelan food importers, who may be willing to travel to meet in person. Consult the [U.S. State Department Travel Advisory and Guidance](#) page before considering any travel to Venezuela.
- Consider developing additional market intelligence to identify relevant buyer and consumer needs. Local companies (including Venezuelan polling firms) and food associations can provide relevant information/data to identify niche markets, consumer trends, market development opportunities, and recommended business practices.
- Consider consolidation when shipping smaller consignments with reduced volumes.
- Attend trade events like the National Restaurant Association Show, or the Americas Food and Beverage Show, which provide opportunities to meet and educate Venezuelan importers. Local trade shows in Venezuela are currently not taking place.
- Many retailers are willing to display point-of-purchase marketing materials for U.S. brands and products if marketing/communication materials are in Spanish.
- Work closely with local importers to comply with food import regulations to facilitate import registration and minimize port of entry risks. This includes ensuring packages and containers comply with Venezuelan labeling regulations.

SECTION III: IMPORT FOOD STANDARDS AND REGULATIONS/IMPORT PROCEDURES

The Venezuelan regime implemented the United Nations Automated System for Customs Data (ASYCUDA) in most Venezuelan ports of entry.⁴ Through ASYCUDA, clearing customs takes approximately five to eight business days. However, importers have previously reported delays in this clearance process. By law, only nationals and private customs agencies with Venezuelan local staff are entitled to clear shipments. A customs agent assesses customs, port charges, and taxes as well as completes paperwork. The custom agent's fee is one percent of the CIF value, plus any other charges accrued during offloading.

All imported goods presented at the ports of entry must be officially declared to the National Integrated Tax Administration Service (SENIAT) authorities within five days of arrival. Fines may be levied and applied to any shipment when the customs entry is made later than five days after the arrival date.

When an importer either delays or refuses to claim a product arriving at Venezuelan ports, SENIAT will impound any unclaimed goods, and if fines and storage fees are not promptly paid, it will sell the goods at auctions. All shipments must be made on a direct consignment basis.

⁴The Automated System for Customs Data (SIDUNEA, in Spanish) is implemented by the Customs and Tax Administration for the registration, exchange, and processing of information, as well as for the control of the arrival, storage, introduction, permanence, and extraction of merchandise.

Customs regulations stipulate that the consignee is the owner of the shipment and is responsible for all customs payments. Importers must register all their products with the Ministry of Health Food Comptroller Division prior to placing the product on the Venezuelan market.

The following customs documents are required to export primary goods to Venezuela:

- Certificate of Origin: This document accredits the place of origin of the goods, which determines the tariff or commercial treatment given to them at the time of their entry into a certain customs territory,
- Certificate of non-local production (CNP),
- Phytosanitary and sanitary certificates as relevant, and
- Licenses pertinent to the competent public agency.

If shipping samples, products intended for consumption are treated as private imports and are assessed duties and a value-added tax (VAT). Exemptions apply only to samples for the purposes of registration, testing, studies, verifications, or analysis of the goods, when the quantity, nature and value do not demonstrate commercial purpose. However, there is a door-to-door import practice in Venezuela that was exempted from duties and VAT in 2022. As of July 15, 2023, certain imports are exempted unless the product exceeds (USD) a \$2,000 customs duty. This only applies for air cargo and land transportation, as maritime transportation is not included. When the load's value is below \$2,000 CIF, the consignment is assessed a 38 percent tariff rate. The latter could be used as a mechanism to bring samples of consumer products by air for promotion.

Further information on import procedures, duties, and custom fees, refer to the Venezuelan Food and Agricultural Importer Regulations (FAIRS) report (See, [GAIN: VE2023-0004](#)). The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) administers economic sanctions related to Venezuela. These sanctions exempt transactions related to the export of agricultural and food products, and do not prevent the issuance of export certificates by the USDA.⁵

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

In 2022, the value of Venezuelan agricultural imports rebounded and increased 17 percent from 2021. Despite a general food price increase of more than 25 percent, the volume of Venezuelan agricultural imports fell marginally, owing to an improved economic environment. Venezuela's imports of intermediate products grew 58 percent, and consumer-oriented products rose 19 percent year-on-year. Although per capita consumption remains low in Venezuela, food consumption grew from 13 kilograms (kg) in 2018, to 28 kg by 2022, supporting food and beverage sectoral growth. Most consumers' food purchases remain food staples, including pastas, rice, corn flour, coffee, and cooking oils (Table 4). Nevertheless, limited purchasing power remains as the main factor affecting food security.

⁵ In addition, OFAC administers general licenses that authorize certain transactions involving certain blocked persons related to the exportation or re-exportation of agricultural commodities, including food products. [See link](#) for more OFAC guidance for Venezuela.

Table 4: Consumer Priorities and Best-Selling Imported Products in Venezuelan Supermarkets⁶

Product	Monthly Expense Per Consumer	Approximate Volume per Month
Corn Flour	\$9.12	8 kg
Powdered Milk	\$9.57	900 grams
Rice	\$7.56	6 kg
Edible Oil	\$6.48	2kg
Sugar	\$5.24	4 kg
Pasta	\$6.44	4 kg
Mayonnaise	\$3.00	600 grams
Coffee	\$21.06	2 kg
Margarine	\$10.16	2 kg
Wheat Flour	\$2.40	2.5 kg
Tomato Sauce	\$1.60	600 grams

Data Source: ANSA monthly food basket for a traditional four-person family in Venezuela, 2022.

Retail Sector Trends

Starting in July 2020, Venezuela’s retail sector reopened and adapted a new business model, to where 165 supermarkets nationwide presently exist. These supermarkets offer stability and accessibility of food products not seen in over a decade (Table 5).⁷ The fastest growing supermarket chains include Forum, (with 15 stores), Aikos-Plus, (18 stores), and Rio Supermarket (14 stores).

Table 5. Venezuela: List of Formal and Informal Retailers

Top Traditional Retailers	Top Non-Traditional Retailers
Dia a Dia Practimercados	Forum Supermarket
Central Madeirense	Rio Supermarket
Gamma	Rio Vida
Lider Hipermercado	Que Papaya Hypermarket
Plazas Supermercado	New retail markets: Luxor, Garzón, AIKOS

Data Sources: Iloal Agricultural Trade System, Trade Data Monitor, ANSA.

⁶ The table reflects what the consumer spends each month with the first USD \$50 when buying from a traditional supermarket (only food products), as well as the approximate quantity of that product that the consumer purchases.

⁷ From January-June 2023, unit sales in 113 non-perishable product categories grew by 7 percent compared to the corresponding period last year. Source: National Association of Supermarkets (ANSA).

At present, online deliveries (delivery/pick up) represent 5 percent of total supermarket sales. Prior to the COVID-19 pandemic, online sales were approximately 2 percent of total sales.⁸ This trend remains positive as a growing customer base has become accustomed to receiving delivered products. By value, Venezuela's e-commerce channel (supermarkets and drugstores) reached a 1.7 market share in March 2023, compared to 1.2 percent in 2022, a 42 percent growth in value. Primary manufacturers engaged in e-commerce in Venezuela include PepsiCo, Nestlé, Alimentos Polar, Proctor and Gamble, and Colgate Palmolive.

Other Consumer and Retail Trends

- The restaurant and institutional sector had a growth trend in the last quarter of 2022, with over one-hundred new restaurant openings in the Caracas metropolitan area. This growth has since slowed down, with fewer store openings and some closures.
- Canned products are in high demand due to long-lasting shelf life, especially green peas, corn, and mushrooms.
- The frozen food market is a growing market in Venezuela, which grew 20 percent year-on-year in 2022. While French fries are the primary frozen product preferred by consumers, a growing trend for healthy products has spurred demand for frozen cassava, plantains, vegetable arepas, sweet potatoes, and others. Products that are easy to cook with an adequate price-value ratio have market potential, with due care of the cold chain.
- The pet food market and its accessories has been one of the fastest growing categories since the pandemic. Like Colombia, there are many pet-friendly restaurants, malls, and stores, offering opportunities for increased pet food consumption.
- The use of payment platforms like Zelle and Pípol Pay declined from 60 to 30 percent last year due to the March 2022 implementation of the three percent tax on U.S. dollar transactions. Consumers can avoid this tax if paying in bolivars with cash or debit cards.
- Proximity stores (i.e., local stores in neighborhoods) have grown in popularity for consumers especially during times of gasoline shortages.
- Stores have been focusing on improving supply, quality, and convenience to strengthen consumer loyalty. This has included investing in store illumination and improved customer service, better assortment of products, and rebranding. Additionally, retailers have continued developing their own in-house brands.
- Packaging styles have changed in terms of smaller size and reduced manufacturing materials.⁹
- For some more affluent Venezuelan consumers, trends are more important than price. Certain consumers remain highly influenced by food trends in other countries, especially customer service.

⁸ Throughout the pandemic, the value of online sales/deliveries spiked to approximately 25 percent of total sales, according to Post sources.

⁹ Some canned food can now be found in solid plastic containers or cardboard packaging; liquid food such as liquid milk is bagged.

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Primary U.S. bulk commodities exported to Venezuela include corn, wheat, rice, soybeans, and cotton. For intermediate products, the United States remains the top exporter of soybean products (meal and oil). According to the National Poultry Federation of Venezuela, imports are expected to grow in 2023 as Venezuela’s feed industry increases its production supply growing poultry demand. Currently, consumer-oriented products make up only 15 percent of total U.S. agricultural exports to Venezuela, but this trend is growing (Table 6).

Table 6. Top U.S. Exports of Consumer-Oriented Products to Venezuela 2021-2022 (USD Thousands)

Product Category	2021	2022	% Change
Consumer Oriented Total	96,267	114,421	19
Soups and Food Preparations	54,003	53,906	0
Tobacco	8,509	10,331	21
Distilled Spirits	4,145	7,729	86
Processed Vegetables	2,702	7,466	176
Dairy Products	3,655	7,125	95
Bakery, Cereals, and Pasta	4,644	6,219	34
Chocolate and Cocoa Products	2,576	3,645	41
Chewing Gum and Candy	471	3,021	541
Non-Alcoholic Beverages	1,280	2,087	63
Pet Food	2,001	2,068	3
Other Products	14,281	12,890	(-10)

Data Source: Trade Data Monitor.

Top U.S. Consumer -Oriented Product Exports to Venezuela

Pork and Pork products

Charcuterie (processed pork products) is a thriving business in Venezuela due to the high demand for processed and ready-to-eat foods. The charcuterie industry is dedicated to the production of sausages, cold cuts including hams, mortadella, pates, and other animal origin products, and according to industry sources, has experienced an annual sustained growth of 10-15 percent. The most popular pork products in Venezuela are sausages and cold cuts, typically made with U.S pork. In 2022, U.S. pork and pork product exports to Venezuela totaled \$853 thousand, a 619 percent growth year-on-year. Venezuela is the seventh largest market for U.S. pork in South America.

Confectionary Products

The snack market (“Impulsive Buys”) is full of opportunities for U.S. exporters and according to Post sources, has grown approximately 15 percent each year. The most consumed snack products include chocolates, sweet cookies, candies, chewing gum, lollipops, and processed potato or corn chips. Venezuela is the third largest market for U.S. exports of confectionary in South America, which grew by 448 percent in 2022.

Nursery Products and Cut Flowers

U.S. exports of nursery products, including orchids, live trees, and cut flowers increased 352 percent in 2022 to reach \$42 million. This represents a new market opportunity for U.S. exporters, as gardening and related activities are gaining importance in Venezuela.

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Venezuelan Affairs Unit (VAU)

Office of Agricultural Affairs (OAA)

U.S. Embassy, Bogotá, Colombia

Telephone: (57-1) 275-4622

E-mail: AgBogota@usda.gov

USDA/Foreign Agricultural Services (FAS)

<http://www.fas.usda.gov>

Venezuelan Supermarkets Association (ANSA)

<http://www.ansa.org.ve>

Venezuelan Food Industry Chamber (CAVIDEA)

<https://www.cavidea.org>

Venezuelan American Chamber of Commerce (VENAMCHAM)

<https://www.venamcham.org>

Venezuelan Agricultural Producers Association (FEDEAGRO)

<https://fedegro.org>

DATANALISIS

<https://datanalisis.com>

TRADEX (Export, import, logistics and other services for trade and customs in Venezuela)

www.tradex.com.ve

Attachments:

No Attachments.