

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 5/26/2010

**GAIN Report Number:** VE1051

## Venezuela

**Post:** Caracas

### **Business Chamber Against Food Seizures**

**Report Categories:**

Agriculture in the Economy

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**Report Highlights:**

Venezuela's main Business Chamber voices dismay at seizures of food, land expropriations, exchange controls, nationalization of production, and downsizing of the private economy.

## **General Information:**

The Venezuelan Federation of Trade and Industry Chambers, FEDECAMARAS, reiterated its firm rejection of the growing wave of expropriations executed by the government. Lope Mendoza, President of FEDECAMARAS, said that measures such as the expropriation of food processing plant MONACA further deteriorated food sovereignty in Venezuela. He added that legal uncertainty discourages domestic and foreign investments necessary for urgent reindustrialization of Venezuela, especially in a context of high inflation, and declining GDP and consumption. Mendoza also warned that the Venezuelan government intends to eliminate private property, the right to employment, and to expand dependence on imports.

Mr. Juvenal Arvelaez, the president of the Venezuelan Chamber of Food Processing Industries (Cavidea), expressed "dismay" at Venezuelan authorities' accusations of hoarding against some companies belonging to the association. Arvelaez said that the companies belonging to Cavidea have maximized their production levels, with quality food products that meet Venezuelan consumer's standards. Figures show that food production has increased by two percent compared to last year. He stressed that Cavidea is open to talks with the government to regain trust and resume regular distribution of food.

Mr. Víctor Maldonado, Executive Director of the Caracas Chamber of Commerce, Industry and Services, said that expropriations have had negative effects. In recent times the government had made every possible effort to buy assets belonging to the private sector rather than to produce. Now, the government thrives on the success of others; they take productive assets without reimbursement.

According to constitutional experts, the Venezuelan government has created a legal framework with the single goal of minimizing the scope of private property. The National Assembly not only approved an unexpected amendment to the Law on Lands in a first reading, but it has also gradually passed other related regulations. José Vicente Haro, a professor of Constitutional Law with the Andrés Bello Catholic University, said that the legal instruments posing a serious threat to private property in Venezuela are the laws on Agricultural Development, Food Security and Sovereignty, the Defense of People in the Access to Goods and Services (Indepabis), the Law on the Federal Council of Government, the Central Planning Commission and the Community Councils.

With these regulations, the Venezuelan government is expanding its powers to expropriate even by using mechanisms different to those provided under the Constitution. It is assumed that expropriations can be used as a means to punish owners. The regulations mentioned above establish agencies with powers to build a socialist model, putting property at the disposal of the State.

Meanwhile, Constitutional lawyer Antonio Canova said that no one will not profit from an amendment to the Law on Lands, rather they will be harmed. Canova explained that the intended changes grants the right to continued occupancy, rather than title deeds of the lands worked.

Source: Major News Papers