

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Venezuela

Post: Caracas

Fresh Fruits Imports Discontinued

Report Categories:

Fresh Fruit

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Report Highlights:

Post provides an informal summary of market perspectives for fresh fruits, per media reports and conversations with industry experts. No import permits are being granted for fresh fruits from any origin. Fresh fruit prices rose more than 20 percent during the first half of 2010. The market for imported fruits is worth about USD 250 million per year.

Executive Summary:

Venezuela's domestic apple and pear output is very small and insufficient to satisfy the local market, and thus the country is an important importer of these fruits. Traditionally, Venezuela imports apples and pears from the United States between October and January, while imports for the rest of the year come from Chile. Since 2003, fresh fruit imports have been controlled by import permits and foreign exchange restrictions. The Ministry of Food suspended fruit import permits in December 2009.

General Information:**Fresh Fruits Import Permits Discontinued**

For nearly one year, import permits for fresh fruits have been discontinued. The market has been supplied since then in part with product that was already stored here. Since October 2009, the Ministry of Food blocked the codes to request imports of apples and pears, and subsequently the system for these products was disabled at the Foreign Exchange Administration Commission (Cadivi).

According to the Venezuelan Fruit Association, the supply of imported fruits such as apples, pears, grapes, plums, kiwis, peaches, among others, which are imported mainly from Chile and the United States, has declined by more than 80 percent. Casual observation of retail outlets confirms greatly reduced supply and much lower quality.

According to the Ministry of Food, the government would not grant preferential dollars to import fruit because foreign currency is not available. The Venezuelan Fruit Association believes that if imports of fruits do not resume in the short term there will be no fresh fruit in the domestic market.

Fruits Prices Rose 22.9 Percent During the First Semester

During the first half of 2010, fresh fruit prices increased 22.9 percent on average, according to the Center for Documentation and Analysis for Workers (Cenda). Between January and June 2010, the price of bananas went up on average 32.5 percent, going from Bs. 5.02 to Bs 6.65 per kilogram. Similarly, a kilogram of guayava increased from Bs. 7.90 to Bs 11.24, a variation of 42.3 percent in the same period. Melon and papaya increased by 14.7 percent and 23.6 percent respectively, or Bs 7.81 Bs and 8.54 per kilogram.

Other fruits that have seen prices increases are pineapple, which rose from Bs. 10.39 to Bs. 12.44, an increase of 19.4 percent, and passion fruit, with an average increase of 15 percent. The only item that did not show greater variation in price was oranges which cost on average Bs. 6.81 per dozen.

One factor that has driven prices of these fruits is the decreased supply of varieties imported, as is the case of pears, apples, plums and peaches, which have not been imported regularly since last December. This is compounded by a decline in domestic fruit production this year, in some cases derived from the effect of drought.

President Chavez has insisted on prioritizing the consumption of domestic native fruits above those which are imported. Fruits play an important role in the family budget. The comparison basket of fruit and vegetables increased 36 percent between January and June this year.

Markets run out of apples or pears

Supermarket chains and municipal markets are reporting failures in the supply of imported fruits such as pears and apples. Starting about two months ago wholesalers did not buy these products because they did not have the ability to acquire dollars to pay international suppliers and exporters from Chile and the United States.

Venezuela's Executive Vice President, Elias Jaua, had said that these fruits are not a priority because the country had enough tropical varieties like mango, passion fruit, bananas, pineapple, oranges, among others. "However, we recognize the right to eat pears and apples, and we'll see what happens," he promised. He added that these items are not on the list of products that receive dollars at preferential rate of Bs. 2.60

SOURCE: Local Media and Industry Experts' comments