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Venezuela

Agricultural Situation

Potato Update

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Report Highlights:

Potatoes are an important crop in Venezuela, but attempts to expand production are hampered by high production costs and delays in importing seed potatoes. SPS restrictions also limit importers to working with only a few suppliers.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Caracas [VE1]
[VE]

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Executive Summary

Potatoes are a widely accepted and consumed product in Venezuela, with rapidly growing fast food use adding to traditional fresh consumption. Although initiatives are underway to increase output, potato farmers have high costs, and limited access to a wider variety of planting potatoes due to delayed import permits and SPS restrictions.

Potato Production

According to data from the potato production sector, area planted to potatoes is broken down as follows:

Table 1. Venezuela's Potato Planted Area, Selected States

State	Area Planted, in hectares
Aragua State	800
Carabobo State	1,500
Lara	3,500
Mérida	6,500
Táchira	3,200
Trujillo	4,800

Source: Press reports

Planting starts in the central states of Aragua and Carabobo between the months of November and December, while in Lara and Trujillo states planting begins between February and April. In the Andean states of Mérida and Táchira potatoes are planted year-around.

The main types of potato grown in Venezuela, by type, are:

- white potatoes:
 - Kennebec, Atlanti, Granola, Sebago, and Andinita
- yellow potatoes:
 - Granola, R12, Caribay, and Baraka

In Venezuela, potatoes are used mostly for fresh consumption. However with the rapid expansion of fast food chains, more potatoes are being diverted to chips and potato sticks, increasing overall market demand.

According to the Venezuelan Producers Association, FEDEAGRO, Venezuela produces between 400,000 and 450,000 tons of potatoes per year. In 2005, domestic production was 443,000 tons and in 2006 it reached 454,000 tons of potatoes, which was considered by the industry to be a good harvest.

Production costs per hectare in Venezuela are considered to be very high, from 15,000 to 18,496 bolivars (2.15 Bs.F= 1USD) per hectare. Key production costs include soil analysis, plowing, seeds, fertilizers, insecticides, fuel, labor hand, harvest, transportation and other expenses.

Consumption

According to some industry sources, consumption in comparison with other countries is low due to the high final price, and also because there are other substitutes like plantains, yucca and rice, all popular products among domestic consumers. According to FEDEAGRO, annual

per capita consumption of potatoes is between 18 and 20 kilograms. Almost 100 percent of the fresh potatoes consumed in Venezuela are domestically produced.

Imports

Venezuela imports about 30,000 tons of potatoes per year, of which 7,000 tons are seed potatoes and the rest are processed potatoes for industrial use. Domestic production is stable but depends on the quantity of seed imports coming mainly from Canada, Colombia and, to a lesser extent, Europe.

Domestic producers suffer from delays in seed import permit issuance, which retards actual planting past the optimal date, and the high cost of production. Often the rainy season has finished before the seeds arrive, forcing some producers to wait until the next planting cycle.

Trade Policy-Related Issues

Venezuela's restrictions on potatoes and seed potatoes date from 1998. Potato imports are controlled by duties and SPS permit issuance.

The Government, through the Agricultural Research Institute (INIA), conducts and supervises three stages of seed potato trials: preliminary, regional and semi-commercial trials. Only the last stage (semi-commercial trials) is pending. The following varieties were used to conduct the trials: Atlantic, Cal-White, Florisant, Kennebec, Latona, Marcy, Pike, Reba, Shasta and Valisa. INIA is currently working on a minor research program for developing two potato varieties for the Andean region states.

Current Trade Situation with the United States

No imports of potato or seed potatoes of US origin are allowed into Venezuela.