



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 8/5/2008

GAIN Report Number: VE8061

Venezuela

Agricultural Situation

Official Control of Agriculture

2008

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Report Highlights:

Via new decrees announced by the President effective 1 August, Venezuela's agriculture and food sector, already heavily regulated, will be subject to further government control. Post reports on the most significant of the five new decrees affecting agriculture, the Law on Food Security and Sovereignty.

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

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Executive Summary

On 1 August, the Bolivarian Republic of Venezuela issued 26 new decrees, five of which have a direct impact on agricultural production and trade. According to statements by the vice Minister of Agriculture, the government's role in the agricultural sector will increase. As part of what will become a series of occasional reports, Post reports on the most significant of these decrees, via data from press reports, on control of agricultural product distribution.

Vice Minister Canan's Statement

According to the vice Minister of Agriculture, the distribution and trade of agricultural products will be controlled by the government using its regulatory institutions via the newly promulgated *Law of Food Security and Sovereignty*. Among the items that will be controlled are food products and productive inputs. The goal of this expanded regulation, according to Canan, will be to fight against speculation, unfair competition, hoarding, monopolization, and contraband. Fines applied to any of these will be significant, from 30-3,000 tributary units (one tributary unit = Bs.F 46, or 21.39 USD).

The new law will replace the Agricultural Marketing Law, which had been in force since 1970, and will, according to Canan, guarantee and improve everything related to the production and distribution chain for foods, thus ensuring that all have access to foods and productive inputs.

The law will formalize an institution called the National Balance Center, to be comprised of government and distinct associations, for analyzing food consumption, production, and the need to import staple food products. The law also calls for the state to keep reserves of key food products and guarantee that 90 days-worth of food consumption is held domestically. This reserve will be held by state organizations.

Finally, the law calls for the elimination of national advisory boards, transfers their advisory function to farm workers, and will regulate the use of GMO products and agrochemicals to promote ecological practices.

Food Industry Chamber's Opinion

According to Mr. Pablo Baraybar, president of the Venezuelan Food Industry Chamber, CAVIDEA, the laws enacted by the Executive on July 31 were not discussed with agricultural producers and/or food industry sectors, and they were surprised that 26 laws were not submitted for any discussion with the economic sectors.

Mr. Baraybar pointed out that on July 11 industry representatives from all sectors were called by President Chavez for supporting the "Productive Re-Impulse" initiative which would give a major stimulus to the national production, since the food problems in the world and in this country are very serious. But they were never informed about this group of laws affecting diverse productive sectors or their content, actions which they consider unconstitutional.

According to Mr. Baraybar, CAVIDEA has sent proposals to the Executive to develop the food industry sector, but none of the projects sent by the Chamber have been taken in account or have been incorporated into public policies.

Source: Local Journals/ Tal Cual and Noticiero Agropecuario