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Venezuela

Fresh Deciduous Fruit

Grape Growers Seek Protection as Crop is Harvested 2001

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Report Highlights:

As this year's grapes are being harvested, local producers are pressuring the Government to restrict imports. Newspapers accounts indicate restrictions could occur in December, but no official statement has been made by the Government and the trade so far is proceeding normally. Table grape imports come from Chile and the United States, as both countries have alternate seasons.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Caracas [VE1], VE

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Production

Local production of table grapes is located in Zulia and Lara states (western and central Venezuela). The Zulia state accounts for 70 percent of total table grape production. Total table grape production in 2001 accounts for nearly 10,000 MT. Table grape production reached its peak back in 1999 when 11,700 MT were harvested. At that time, area planted was seriously affected by floods and up to now it has been difficult to recuperate that area to table grape plantings. Production increases are not expected for the short term.

The varieties grown in Venezuela are *Palieri* and *Italia* (black and white, respectively.) Local characteristics of those varieties are known to be small, with a hard skin, spotted and of a sour flavor. The *Red Globe* variety has been recently introduced to the growers, who have planted approximately up to 4 hectares. This year is the second harvest.

Although domestic production of table grapes is relatively small, there is a large amount of planted area of grapes which are cultivated to produce wine. Wineryards are owned by the Polar group (biggest processed-food manufacturer in country.)

Consumption

Venezuela's consumers are well familiar with imported table grapes, mostly "Red Globe" variety, which is available year around from both Chile and the United States. Consumer awareness has being developed mostly by the California Table Grape Commission through its local representative.

Local consumers often complain about the domestic production because it is not uniform in size and people dislike its flavor. Local growers produce black and white table grapes. Venezuelans have table grapes all year around, but it is during the Christmas season when consumption peaks, in a country where New Year's Eve is celebrated by having twelve grapes as a symbol of good luck for the year to come.

Prices

Between November 1999 and November 2001 table grape retail prices have remained surprisingly stable in local currency terms. The retail prices have not shown significant variations with the exception of prices for the domestic produce which was 66 percent lower than the price of imported table grapes (see Table No. 1.) Prices presented are mostly for imported *Red Globe* variety.

Table No. 1
Retail Prices for Table Grapes
(Red Globe variety)

Quote Date	Month	Regular Price in Bs. (US \$)	Sale Price in Bs. (US\$)	Regular Price in US \$
11-25 to 12-15-99	November	2,429	1,890	3.78
04-13 to 04-26-00	March	2,480	1,590	3.73
04-27 to 05-10-00	April	2,200	1,590	3.28
06-15 to 06-28-00	June	1,950	1,590	2.87
06-22 to 07-05-00	June	2,250	1,600	3.31
07-06 to 07-19-00	July	2,350	1,850	3.43
08-03- to 08-16-00	August	2,350	1,800	3.42
09-08 to 09-30-00	September	2,450	1,800	3.56
10-12 to 10-25-00	October	2,400	1,900	3.47
11-02 to 11-15-00	November	2,400	1,950	3.46
11-14 to 11-29-00	November	2,540	2,190	3.66
11-25 to 12-08-00	December	2,400	1,790	3.44
11-25 to 12-15-00	December	2,429	1,890	3.48
03-22 to 04-04-01	March	2,270	1,850	3.22
04-05 to 04-25-01	April	1,950	1,450	2.75
04-26 to 05-13-01	May	1,950	1,450	2.73
06-28 to 07-11-01 **	July	990	760	1.37
07-03 to 07-16-01**	July	1,200	990	1.66
07-12 to 07-25-01	July	2,400	1,950	3.33
09-27 to 10-01-01	September	2,890	2,290	3.90
10-11 to 11-24-01	October	2,490	2,150	3.36
10-25 to 11-15-01	November	2,490	2,150	3.35

** Only prices for black domestic grapes (*Palieri variety*) were available during this period

Source: Local newspapers

Trade

Venezuelan table grape importers are few, but consistently strong when it comes to purchasing table grapes. Major table grape suppliers are Chile and the United States, with a market share that depends on the season (usually alternate seasons for both countries of origin). Importers have a good knowledge of the characteristics of both Chilean and U.S. fresh produce as result of several trips to the countries's growing areas. Usually, fruit importers distribute to major supermarkets, but a few years ago, more supermarket chains began to import directly.

Imported table grapes come all year round, mostly from Chile and the United States. The presence of U.S. table grapes is seen from August through January, while Chilean grapes are imported between January and July. The following tables provide a better understanding of the seasonality of the table grape imports from 2000 and the first five months of 2001.

Table No. 2
Imports of Table Grapes by Country for 2000
(1,000 U.S \$)

2000	Chile	Argentina	Peru	USA	China	Mexico	France	Spain
Jan	303	0	32	364	0	0	0	0
Feb	1,152	0	32	0	0	0	0	0
Mar	1,681	0	21	0	0	0	0	0
Apr	1,496	54	45	0	0	0	0	0
May	1,753	0	0	0	0	0	0	0
Jun	1,085	0	0	9	17	0	0	0
Jul	1,496	0	0	33	0	17	0	0
Aug	766	0	0	591	0	0	0	0
Sep	23	0	0	916	0	0	0	0
Oct	85	0	0	930	0	0	12	21
Nov	0	0	0	2,115	0	0	0	20
Dec	0	0	56	2,007	0	0	0	35
Total	9,840	54	186	6,964	17	17	17	75

Source: National Statistics Institute-INE
Government of Venezuela

Table No. 3
Imports of Table Grapes by Country for 2000
(Metric Tons)

2000	Chile	Argentina	Peru	USA	China	Mexico	France	Spain
Jan	129	0	18	311	0	0	0	0
Feb	780	0	18	0	0	0	0	0
Mar	1,877	0	21	0	0	0	0	0
Apr	1,530	40	41	0	0	0	0	0
May	1,509	0	0	0	0	0	0	0
Jun	1,162	0	0	12	20	0	0	0
Jul	1,813	0	0	26	0	15	0	0
Aug	772	0	0	503	0	0	0	0
Sep	24	0	0	1,026	0	0	0	0
Oct	127	0	0	1,086	0	0	27	22
Nov	0	0	0	2,417	0	0	0	23
Dec	0	0	36	2,149	0	0	0	49
Total	9,724	40	134	7,531	10	15	27	94

*Source: National Statistics Institute-INE
Government of Venezuela*

Table No. 4
Imports of Table Grapes by Country for 2001
(1,000 U.S \$)

2001	Chile	France	Peru	USA
Jan	128	61	123	43
Feb	1,557	0	83	31
Mar	1,828	0	124	78
Apr	1,590	0	0	9
May	1,771	0	0	6
Total	6,874	61	330	168

Source: National Statistics Institute-INE
Government of Venezuela

Table No. 5
Imports of Table Grapes by Country for 2001
(Metric Tons)

2001	Chile	France	Peru	USA
Jan	128	61	123	43
Feb	1,557	0	83	31
Mar	1,828	0	124	78
Apr	1,590	0	0	9
May	1,771	0	0	6
Total	6,874	61	330	168

Source: National Statistics Institute-INE
Government of Venezuela

Trade Policy

Imports of table grapes are subject to an import permit issued by the government's plant & health regulatory agency, called SASA (Servicio Autonomo de Sanidad Agropecuaria) which must be requested by an importer. The importer must submit an official form request, detailing name & address of table grape suppliers, quantity and ports of entry as well as a phytosanitary certificate issued by the country of origin. Approximately two weeks after submitting the import request, SASA issues an import permit which is valid for a maximum of three months. During this period of time, importers begin to bring in the table grapes until the full amount listed on the permit is allocated. The paperwork usually takes between two to three weeks.

During October 2001, local fruit importers have asked for import permits, which have been issued without delay. At the same time, importers have been called by the government to participate in official consultations with local growers. Local growers have insisted on restricting the issuance of import permits for table grapes unless the domestic crop is bought by importers. However, importers have attended all meetings and have insisted and agreed on purchasing the domestic crop only if it complies with similar quality standards of the imported fruit.

Local growers published an "Open Letter" addressed to the President of Venezuela in one of the major newspapers of the country (*El Nacional*, 11-08 and 11-09-01). In that letter, domestic growers call for:

- reducing imports of table grapes up to 2,500 MT for the remaining months of 2001
- establishing an import ceiling of 10,000 MT per year
- beginning a progressive import reduction, starting on 2002, equivalent to 20% of total imports (2,000 MT), which will be covered by domestic production
- Promoting & developing 500 hectares of new area planted for table grapes

Despite local growers requests, no official statement has been issued by the Government of Venezuela, nor from the regulatory agencies such as SASA, about limiting imports. The majority of fruit importers already have their import permits approved and signed through December, which entitles them to bring in imported table grapes. However, AgCaracas has begun to hear concerns about delays or denials of import permits beginning in January 2002.