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**Report Highlights:**

Since 2013, total meat consumption in Venezuela has declined 69.1 percent. However, a relatively better economic climate since 2019 has helped stabilize beef production and led to a significant recovery in chicken production. In 2021, beef production is forecast to remain stable at 266,150 MT, driven mainly by price stabilization. In 2021, chicken meat production is forecast to grow about 10 percent to 400,000 MT, driven by a more competitive price. Nevertheless, per capita meat consumption is still far from recovering and continues to be near historic lows.

## **Executive Summary**

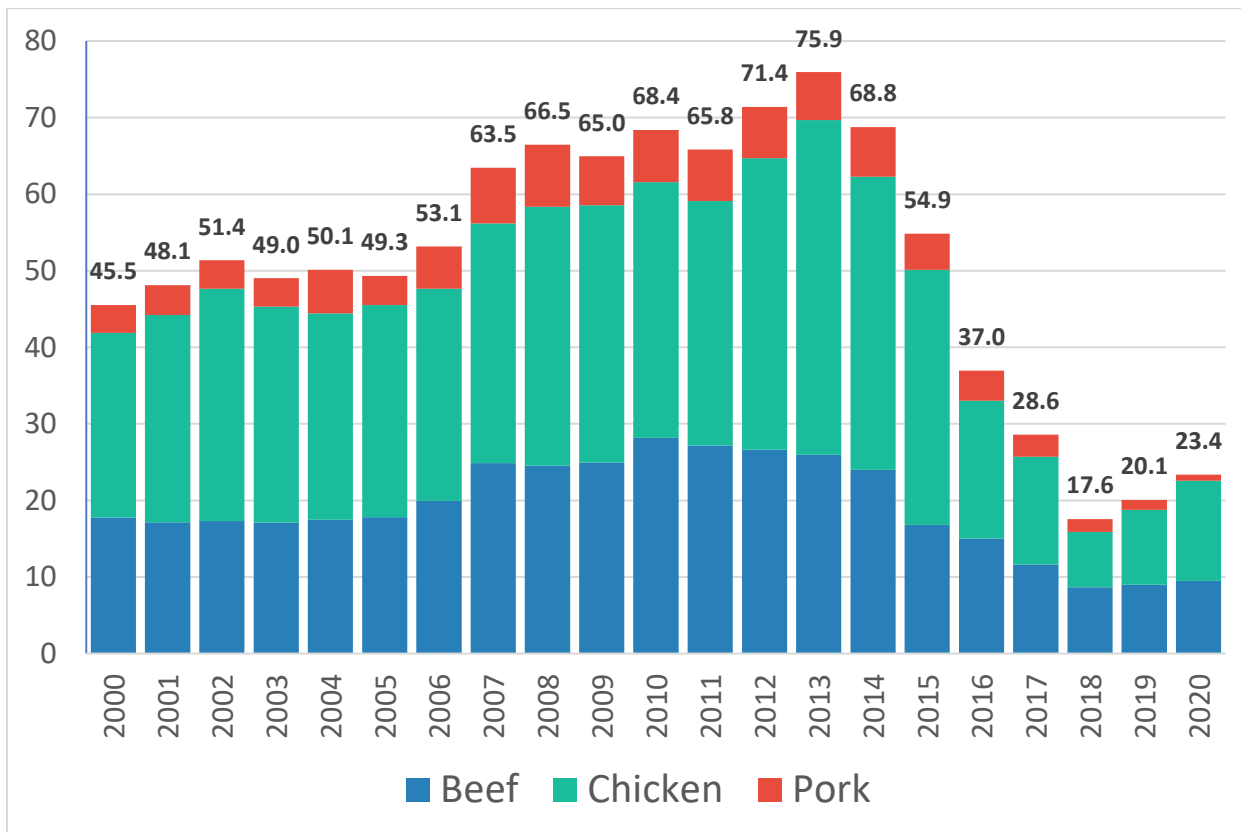
Venezuela's economic collapse, evidenced by a loss of more than 80 percent of its GDP since 2013, has caused an unprecedented decline in local food production, a severe reduction in agricultural imports and, consequently, a significant drop in consumption. Although this decrease has been widespread, meats have been the most affected category. From 2013 to 2020, the total consumption of meats in Venezuela decreased by 69.1 percent. When compared to typical or historical standards, per capita consumption of beef, poultry, and pork in 2020 only covers 33 percent of requirements.

A climate of economic liberalization since 2019 influenced a stabilization of beef production and consumption and a significant recovery in the case of chicken meat, albeit at still low levels compared to historical highs. Although it has had to adapt to small market size and face major and continuing challenges, overall, the industry shows significant resilience and responsiveness, especially in the poultry sector. The recovery of meat consumption to historical or typical levels will depend on substantial economic growth, imports, additional food subsidies, and substantial increases in consumer purchasing power. None of these scenarios are foreseeable in the near term.

## Overview of meat production and consumption in Venezuela.

Before the economic collapse that began in 2015, Venezuela had a meat production industry with an adequate technological level that met domestic consumption through local production and imports. According to private industry figures, the average per capita meat consumption in Venezuela from 2000 to 2009 was 54.14 kg per year. The categories of this consumption were represented by chicken meat (29.08 Kg / 53.7 percent), beef (19.90 Kg / 36.8 percent), and pork (5.17 Kg / 9.5 percent). In 2013, the per capita consumption of meats reached a historical high of 76 Kg because of increased imports and improved purchasing power. These figures began to decline rapidly due to the economic collapse of 2015, where imports and domestic production dropped, and steady loss of purchasing power due to hyperinflation. By 2018, meat consumption decreased to a minimum of 17.6 Kg, a decline of 77 percent compared to 2013. In 2019, the fall in animal protein consumption halted, estimated at 20.1 Kg, and grew to 23.4 Kg in 2020. Therefore, analyzing historical data and the traditional composition of the Venezuelan diet, the annual per capita consumption of meats should be around 71 Kg, confirming the continued severe food crisis in Venezuela.

**Figure 1. Per Capita Meat Consumption. Venezuela. 2000 – 2020 (Kg)**



Source: Venezuelan Agricultural Industry and NGO's. Not Official USDA Data

From 2013 to 2020, the total consumption of meat in Venezuela decreased by 69.1 percent. Chicken meat consumption has fallen the most of animal proteins tracked, considering the decrease in quantity.

**Table 1. Meat Consumption Per Capita. Venezuela. 2013 vs. 2020. Kg.**

Year	Beef	Chicken	Pork	Total
2013	25.96	43.70	6.30	75.96
2020	9.49	13.21	0.78	23.48
Change	-16.47	-30.49	-5.52	-52.48
Percent Change	-63.4 %	-69.8 %	-87.6 %	-69.1 %

Source: Venezuelan Agricultural Industry and NGO's. Not Official USDA Data

Even under current conditions, Venezuelan industry shows considerable resilience, especially in the poultry sector, although it has had to adapt to a reduced market size and a challenging economic and social climate.

## **Beef**

### **Production**

Private sources estimate the unofficial herd size between 9 and 11 million heads, and a recent livestock industry report estimates the Venezuelan herd at 10,842,000 head of cattle. Principal livestock production systems include non-specialized beef operations, dual-purpose operations (milk/cheese and beef), and a small, specialized milk production sector. All systems supply livestock to the beef and beef product industry to varying degrees.

Between 2011 and 2019, Venezuelan local livestock production decreased 56 percent from 566,835 MT to 249,705 MT. Until 2015, the decline was mainly due to subsidized imports of live cattle and beef. After the economic collapse of 2015 made imports unviable, local production decreased due to scarcity of essential inputs, blackouts, fuel shortages, and purchasing power decimated by hyperinflation.

As of 2019, domestic production stabilized at around 250,000 MT per year. This stabilization corresponds to a tacit economic liberalization since 2018, allowing a slight recovery in prices and purchasing power. It is also influenced by the halt in subsidized beef imports and by a significant fall, until 2020, in domestic production of other meats such as chicken.

In 2020, local livestock production was estimated at 265,128 MT, halting years of sharp decline since 2011. In the first half of 2021, the average monthly beef production reported by the industry remains relatively stable compared to 2020, averaging 22,094 MT per month in 2020 and 22,179 MT per month in 2021. Beef production in 2021 is forecast at 266,150 MT, driven mainly by price stabilization.

**Table 2. Beef Production, Imports, and Per Capita Availability. Venezuela 2000 – 2020 (M.T. CWE)**

Year	National Production	Percent National	Imports				Total Availability	Per capita Availability
			Live Cattle	Beef	Total imports	Percent Imports		
2010	527,506	65.60	136,611	140,000	276,611	34.40	804,117	28.19
2011	566,835	72.05	83,885	136,000	219,885	27.95	786,720	27.18
2012	525,034	67.15	137,468	119,404	256,872	32.85	781,906	26.62
2013	500,523	64.73	136,392	136,369	272,761	35.27	773,284	25.96
2014	445,424	61.48	113,540	65,532	179,072	38.52	724,496	23.98
2015	370,313	71.98	30,436	13,700	144,136	28.02	514,449	16.80
2016	369,189	80.04	5,405	86,664	92,069	19.96	461,258	15.02
2017	337,824	95.59	3,600	12,000	15,600	4.41	353,424	11.61
2018	249,815	100.00	0	3,869	3,869	0	249,815	8.64
2019	249,705	100.00	0	138	138	0	249,705	8.98
2020	265,128	100.00	0	125	125	0	265,128	9.49

Source: Venezuelan Livestock and Meat Industry, Trade Data Monitor. Not Official USDA Data

**Table 3. Slaughter of National and Imported Live Cattle. 2005 – 2020 (Heads)**

Year	Classified Slaughter	Non-Classified Slaughter	Total National Slaughter	Percent Total National Slaughter	Imported Live Animals	Percent Imported Live Animals	Total National + Imported
2010	1,853,501	370,700	2,224,201	76.86	669,471	23.14	2,893,672
2011	1,976,412	395,282	2,371,694	87.16	349,520	12.84	2,721,214
2012	1,878,173	375,635	2,253,808	81.92	497,518	18.08	2,751,326
2013	1,803,669	360,734	2,164,403	79.21	568,207	20.79	2,732,610
2014	1,635,378	327,076	1,962,454	80.39	478,704	19.61	2,441,158
2015	1,288,840	257,768	1,546,608	92.42	126,819	7.58	1,673,427
2016	1,334,276	266,855	1,601,131	98.75	20,237	1.25	1,621,368
2017	1,178,759	235,752	1,414,511	99.29	10,080	0.71	1,424,591
2018	837,619	293,167	1,130,786	100.00	0	0	1,130,786
2019	837,937	293,278	1,131,215	100.00	0	0	1,131,215
2020	891,794	313,333	1,205,127	100.00	0	0	1,205,127

Source: Venezuelan Livestock and Meat Industry. Not Official USDA Data

## **Prices**

Since the second half of 2019, a de facto dollarization of the economy has led to most live cattle and retail sales being in dollars or the equivalent in local currency.

From January to March 2020, live cattle and carcass meat prices grew by 47 percent, stabilizing at around \$1 per kilogram for live cattle and \$2 per kilogram for carcass beef. A loosening of the

government price controls, a deep devaluation of the local currency in the first quarter of the year, and a widespread price increase for other competing meats, despite the market depressed by the low purchasing power, influenced the price increase.

### **Consumption**

Per capita beef consumption had its historical peak in 2010 when it reached 28.2 kg. Since then it consumption has decreased by 69.4 percent to a historical low of 8.3 kg in 2018, although in 2019, there was a slight growth or stabilization to 9 kg. In 2020, per capita meat consumption grew marginally to 9.5 Kg, still far from its historical peak. The accelerated loss of purchasing power has been the main factor in the drastic reduction in beef and other animal proteins consumption.

### **Trade**

Until 2014, subsidized foreign exchange stimulated significant trade in frozen beef and beef products, and live animals for slaughter in government and private slaughterhouses. The origin of these products during that period was Brazil, Argentina, and Nicaragua. When oil revenues fell severely in 2014, causing a decline in imports, domestic production failed to compensate for the shortfall. Venezuela almost completely stopped importing beef in 2019 and is not expected to resume imports in the short term. Venezuela banned all U.S. beef and beef products since 2003 due to regulatory concerns with bovine spongiform encephalopathy (BSE). The ban continues even though the World Organization for Animal Health (OIE) now classifies the United States as a negligible risk for BSE.

#### *Venezuela Cattle Exports*

In September 2020, the Venezuelan private sector began exporting live cattle to Iraq, supported by both governments through export licenses and sanitary permits. The price paid to private producers has been between 0.8 and 1.3 dollars per kilogram, not far from the average local price of one dollar. In April 2021, monthly cattle exports reached 15,000 head. Venezuela will export about 180,000 heads by the end of 2021 if export levels remain the same. These exports account for 14.9 percent of the domestic slaughter in 2020. The domestic supply of beef has not been affected by exports as supermarkets and butcher shops are well supplied. Cattle exports are also influencing a stabilization in the local price of beef, as the export price begins to function as a market indicator.



First Venezuelan Live Cattle Exports to Iraq from Puerto Cabello in September 2020.

Source: Venezuelan Media

## Chicken Meat

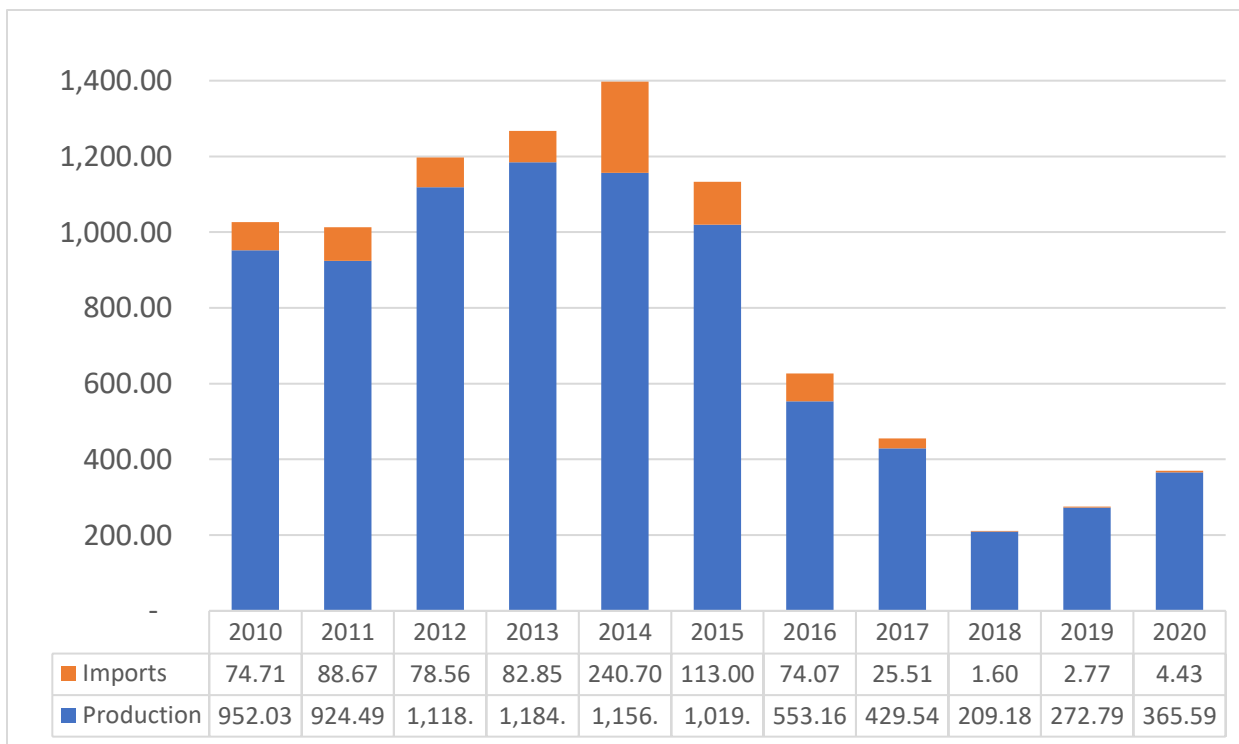
### Production

The Venezuelan poultry industry comprises about 30 medium to large-scale private companies producing chicken meat and eggs. Most poultry operations are vertically integrated and control all phases of the production and distribution chain. The industry maintains productivity standards comparable to the rest of South America and has followed the latest trends in management and production.

According to the latest available data from the Venezuelan poultry industry, chicken meat production in 2020 reached 365,585 MT, growing 34 percent compared to 2019 at 272,787 MT. When comparing the 2020 results with the historic low reached in 2018, production recovered by 74.7 percent but is still very distant from the all-time high of 1,201,810 MT in 2013.

The average monthly chicken meat production was 33,896 MT, 10 percent above the 2020 average between January and June 2021. Forecasting a total output of around 400,000 MT for 2021 if there are no significant changes in market conditions. Although the industry has contracted dramatically in recent years, it still maintains a relatively quick recovery capacity, given the production growth from 2018 to 2020.

**Figure 3: Venezuelan Chicken Meat Production and Imports, 2005-2020 (Thousand M.T. RTC)**



Source: Venezuelan Poultry Industry, Trade Data Monitor. Not Official USDA Data

## Prices

Chicken meat has improved its price competitiveness against beef in the last two years, its main alternative in the animal protein category. Until 2018, the shortage of chicken meat created an atypical market scenario where the price of chicken was higher than beef. A climate of implicit economic liberalization and fewer distortions influenced the increase in the price of beef and stabilized the price of chicken. Chicken meat is currently the cheapest animal protein available.

**Table 9. Average Retail Prices of Meats in Caracas. June 2021.**

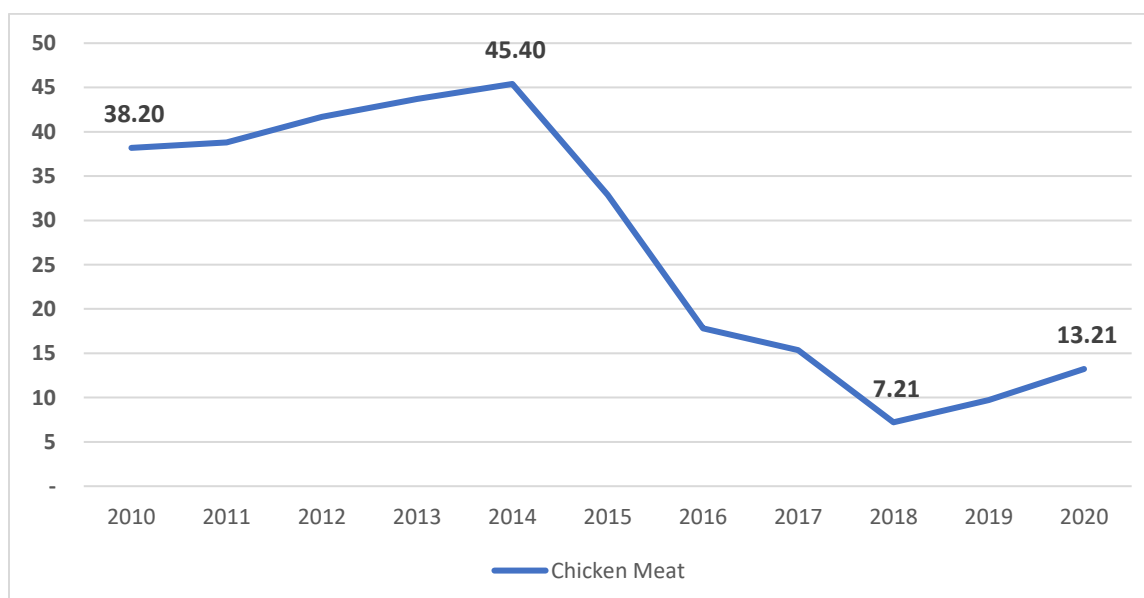
Product	Chicken (Whole)	Chicken (Breast)	Beef (High Quality)	Beef (Ground)	Pork (Chops)	Pork (Leg)
Price per Kg. USD	2.15	2.80	4.45	3.08	3.89	3.79

Source: Venezuelan Livestock and Meat Industry, FAS Research. Not Official USDA Data

## Consumption

Chicken meat consumption more than doubled from 1998 to 2014, increasing from 21 kilograms per person to a peak of 45 kilograms per capita annually. Since then, however, consumption plummeted as hyperinflation eroded purchasing power, and the industry was unable to maintain production levels due to a lack of inputs. Consumption bottomed in 2018 at 7.2 Kg; however, it has since recovered to 13.2 Kg in 2020. The recovery in consumption is attributable primarily to the increase in domestic supply levels.

**Figure 4: Chicken Meat Consumption per Capita, 2010 – 2020. Kg**



Source: Venezuelan Poultry Industry. Not Official USDA Data

## Trade



Venezuela was self-sufficient in chicken meat until 2005, when the oil boom and an improvement in purchasing power led to import volumes annually exceeding 100,000 MT. Imports peaked in 2014 at 240,697 and represented 17.2 percent of total available chicken, displacing domestic production. After the economic collapse of 2015, chicken imports fell sharply and since 2018 have been negligible.

**Attachments:**

No Attachments