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GAIN Report

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Venezuela

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Venezuelan coffee imports have increased in 2010

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Coffee

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Report Highlights:

The Venezuelan government has expanded its coffee imports to meet domestic demand. Imports from Nicaragua has shown an increase during the period October 2009-July 2010.

General Information:

Venezuela coffee imports have increased in 2010

The government of Venezuela has increased foreign coffee purchases to meet the raw material requirements of the domestic coffee processing industry, and to ensure that coffee plants remain operational so that coffee stays on the shelves.

Although the Ministry of Agriculture says that coffee production has been sufficient to meet domestic consumption, figures from the National Statistics Institute (INE) show that coffee imports increased 76 percent in the first half of this year as compared the same period in 2009. According to INE, 3,105,708 kilograms of coffee were imported in the first half of 2010 compared to 1,761,032 kilograms imported in the same period in 2009.

Industry sources have said that two of the major roasters in the country, "Café Fama de América" and "Café Madrid", industries that are now under state administration, operate with imported raw material. As indicated in previous GAIN reports, the government expropriated both plants in 2008. However, national coffee production has been insufficient to meet the requirements of the industry.

According to the Venezuelan Producers Federation, Fedeaagro, coffee production fell 20 percent in the 2008-2009 harvest, from 1.5 million quintals to 1.2 million quintals. Official figures from the International Coffee Organization show that the coffee production in Venezuela was only 850,000 quintals.

Fedeaagro claims that Venezuela, traditionally an exporting country, has moved to an importer of more than half of consumption. Consumption is estimated at 1.8 million quintals. An estimated 650,000 coffee bags entered into Venezuela between October 2009 and July 2010, from Brazil, Nicaragua and El Salvador.

Coffee Imports from Nicaragua

Venezuela is among the major buyers of coffee from Nicaragua as reported by the Nicaraguan Center for Export Procedures (CETREX), which states in its latest report that coffee exports to Venezuela between October 2009 and July 2010 demonstrate an increase of 37.6 percent. Venezuela purchased 157,245 quintals for US \$ 25.1 million during that period. Venezuela has become a major market for Nicaraguan coffee only surpassed by the United States.

