

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Venezuela

Livestock and Products Annual

Annual Report

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Report Highlights:

The Venezuelan cattle herd is estimated at 12.1 million head in 2012, down 4.7 percent from 2011, and it could well contract further in 2013. During the last two years, the slaughter rate has increased as ranchers move out of the business due to lower livestock, milk, and meat prices, inflation, insecurity on the farm, and large imports of live animals for slaughter, mostly from Brazil. Brazil had been Venezuela's major trading partner for cattle and beef for the past two years. The Government prefers to import live animals so that processors and packers can add value in-country.

Executive Summary:

Venezuelan livestock numbers have been declining in recent years as fixed price policies applied to the agriculture and livestock sectors and other factors generated an imbalance between domestic supply and demand. The difference needs to be covered by imports.

According to the National Cattle Rancher Federation, Fedenaga, during the last thirteen years livestock production has been decreasing. One of the main constraints to sustaining production in the livestock sector is personal and legal insecurity as well as the difficult economic conditions such as high input costs and inflation. Venezuela is currently highly dependent on cattle and beef imports and imports of live animals continue to increase. Imports of live animals and bovine meat mostly come from Brazil and Nicaragua. Other suppliers of bovine meat are Argentina, Uruguay, Paraguay and Chile, and most recently, Colombia. Cattle ranchers are concerned that more than 50 percent of the beef consumed in Venezuela is imported (includes live animal imports for slaughtering) as local production continues to decline.

Commodities:

Select

Production:

Dual purpose cattle dominate the Venezuelan livestock industry. Only 20 percent of operations are specialized for either dairy or beef production. Most cattle in Venezuela are grass fed.

According to Fedenaga (the National Cattle Rancher Association), livestock production has dropped nine percent since 1999 (from 13.5 million head.) The domestic cattle herd inventory is currently estimated at around 12.1 million head.

One of the main constraints to sustaining production in the livestock sector is personal and legal insecurity as well as the difficult economic conditions such as high input costs and inflation. In addition, low, controlled meat prices slow investment, restricting potential growth and recovery in the industry. Cattle ranchers also complain about large Government imports of live cattle and meat that threaten the local industry.

The Venezuelan Meat Council (Convecar) says that overall domestic bovine meat production has trended downward since 1998. Venezuela stopped being self-sufficient in beef production in 2003 and is now dependent on imports. Beef production fluctuates widely, going from 420,000 tons in 1998 to a low of 290,000 tons in 2009. Production in 2011 was reported at 335,000 tons and the same amount is

expected to be produced in 2012. However, if government policies toward the sector change, production could potentially increase to 340,000 tons in 2013.

Total slaughter in 2011 was about 1,570,000 head and it is estimated at 1,575,000 for 2012. Domestic slaughter is estimated to increase four percent during 2012 but the inability of the local herds to meet market demand means that imported meat will still be needed.

Consumption:

Total human meat consumption for 2011 was 535,000 tons, of which 200,000 tons were of imported. Consumption is expected to remain steady at 535,000 tons in 2012. Official Government sources such as the National Statistic Institute (INE) has reported that per capita beef consumption last year was 17.7 kg but the Ministry of Food and Agriculture and Lands (MAT) put it higher at 25 kg per person. Unofficial sources estimate beef consumption at about 19 kg per capita/ per year.

Trade:

Colombia was Venezuela's major trading partner for live cattle and carcass meat until a diplomatic crisis ended most trade in 2009. After the 2009 crisis, countries like Argentina, Uruguay, Brazil and Nicaragua displaced Colombia as a supplier. These countries benefitted from an exemption from tariffs and value-added tax by the Venezuelan Government and were granted preferential foreign exchange and other benefits. In 2012, trade with Colombia began to resume because of a more positive diplomatic environment. Imports of live cattle from January to May were reported at 24,669 tons and imports of frozen bovine meat reached 47,789 tons. Brazil continues to be the main supplier of live cattle and meat to Venezuela.

During 2011, about 200,000 tons were imported (including carcass, frozen and boneless meat). In 2012, beef imports are estimated at 220,000 tons. Production and imports for 2013 are difficult to predict at this point since Venezuela will have Presidential elections in October 2012. Depending on the results of the elections, new policies may be introduced. Nevertheless, domestic production will not meet demand in 2013, and imports of meat will be needed.

Marketing:

There has always been an enormous interest in the trade of live cattle for breed and bovine meat between the US and Venezuela (from both US exporters and Venezuelan importers,) but it continues to be banned by Venezuelan sanitary authorities despite the scientific classification of the United States as "controlled risk status" for Bovine Spongiform Encephalopathy (BSE).

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle Venezuela	2011		2012		2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks	12,750	12,750	12,145	12,169		11,601
Dairy Cows Beg. Stocks	0	0	0	0		0
Beef Cows Beg. Stocks	0	0	0	0		0
Production (Calf Crop)	1,000	950	950	948		948
Total Imports	320	339	500	359		360
Total Supply	14,070	14,039	13,595	13,476		12,909
Total Exports	0	0	0	0		0
Cow Slaughter	0	0	0	0		0
Calf Slaughter	0	0	0	0		0
Other Slaughter	1,525	1,570	1,300	1,575		1,575
Total Slaughter	1,525	1,570	1,300	1,575		1,575
Loss	400	300	375	300		300
Ending Inventories	12,145	12,169	11,920	11,601		11,034
Total Distribution	14,070	14,039	13,595	13,476		12,909
1000 HEAD, PERCENT						

Meat, Beef and Veal Venezuela	2011		2012		2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	1,525	1,570	1,300	1,575		1,575
Beginning Stocks	25	25	5	5		5
Production	335	335	285	335		340
Total Imports	200	200	325	220		220
Total Supply	560	560	615	560		565
Total Exports	0	0	0	0		0
Human Dom. Consumption	530	530	590	535		540
Other Use, Losses	25	25	25	20		20
Total Dom. Consumption	555	555	615	555		560
Ending Stocks	5	5	0	5		5
Total Distribution	560	560	615	560		565
1000 HEAD, 1000 MT CWE, PERCENT, PEOPLE, KG						