

Eighty-five and Sunny — Venezuela's Hot For U.S. Foods and Beverages

By Rod McSherry

Here's a place just a few hours south of Miami with 25 million consumers with a penchant for U.S. baseball, where familiar quick-service restaurants abound, and it's always a good day for a barbecue?

Take a look on the northern rim of South America. There, on the southern shores of the Caribbean, you'll discover hidden opportunities that may have escaped the attention of other food and beverage exporters.

The Lay of the Land

Like the rain forests and Grand Savanna for which Venezuela is famous, the food and beverage market here can be rugged and sometimes unpredictable. However, for those who learn to navigate the straits—generally with the help of a trustworthy local guide—there are tremendous opportunities just on the other side.

However, unpredictability is still all too common in the areas of permits, inspection procedures and health and safety standards. But customs and tax authorities are being disciplined, and opportunities still abound for those who are willing to put in the effort.



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And the local trade is adapting to the new business climate, continuing to expand food imports heading to this already \$1.5-billion-a-year market.

Market Boosters

Unlike its neighbors, Venezuela has an economic engine virtually guaranteed to fuel its economy: oil. Since the 1970s, the flow of petroleum dollars into the relatively sparsely populated country has allowed the local consumer to be an international buyer, accustomed to ready access to the latest trends—from fashion and culture to foods and beverages.

Despite the ups and downs of the tumultuous 1990s, Venezuelans continue to be avid consumers of imported products, especially of U.S. foods and beverages. Growth in U.S. consumer-ready food exports to this market has been remarkable over the past three years—even as the country underwent dramatic political and economic change.

Domestic production capacity for consumer-ready products remains underdevel-

oped, and the resulting export opportunities for U.S. retail and food service products should continue to be significant for the foreseeable future.

Opportunities for U.S. exporters come in many shapes and flavors. Some possibilities may surprise even the most seasoned exporter. For example, although Venezuela is a major meat producer, the nation is among the fastest-growing meat importers in the region. Sales of U.S. beef are moving at an impressive clip, and opportunities for other meats, including poultry, are beginning to build momentum.

Another unexpectedly promising market niche is seafood. With sushi and other



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HIDDEN OPPORTUNITIES ABOUND IN THIS NEARBY MARKET.



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cuisines exploding onto the scene, importers are clamoring for reliable sources of high-quality fish, rice and seasonings. U.S. dairy products like sour cream, cheese, spreads and yogurt-based foods are also hot, attracting customers because of their quality and variety.

Fresh fruits have been notably successful in this market, generating tremendous demand for U.S. grapes, apples, pears, plums and other items. In contrast, one area that has not yet been scratched is fresh vegetables.

Essential Links

The main challenge for accessing this market is finding a solid representative or client in Venezuela. But fortunately, this is not difficult to do. The FAS office in Caracas, Venezuela knows this market inside-out, and is your direct link to establishing those crucial contacts you will need with major market players, from key importers to end users.

Opportunities to make such contacts are routinely organized by the FAS office through its major food and beverage promotion, the Great American Barbecue, held each year in June in Caracas. The office also organizes some of the region's largest buying missions to such important international shows as America's Food and Beverage Show, the Fancy Food Show, the Food Market-

Changing the Way Venezuelans Shop –And Eat

Venezuela is a surprisingly dynamic and diverse country that boasts the second largest number of U.S.-based food franchises south of the U.S. border.

Well-known U.S. franchises such as McDonald's, Wendy's, TGI Friday's, Chili's, Papa John's and Tony Roma's, as well as Burger King, are growing beyond expectations and heating up demand for imported ingredients.

The long-awaited breakthrough of the hypermarket has finally come to Venezuela with the opening of a store partially owned by the Casino group from France and the Exito group from Colombia. Although representatives from U.S.-based mega-stores have

visited Venezuela on exploratory missions, they have not begun constructing any outlets.

Venezuela has undergone a continuous metamorphosis—from a country of small food stores known as “bakeries” that sell a wide but inconsistent array of food and deli items to a country with state-of-the-art supermarkets that carry a phenomenal assortment of local and international brands.

This may well be the time to establish fundamental business relationships with these new points of sale and their suppliers. The FAS office in Caracas knows these market players and would be an ideal starting point for discovering your export potential.

ing Institute Show, the National Restaurant Association Show and the Produce Marketing Association Show. In the past few years, more than 200 new-to-market products have debuted at FAS-sponsored activities in Caracas, generating millions of dollars in new sales for U.S. suppliers.

The market is highly concentrated among the major importers and distributors, making it relatively easy to get to know the right people. These importers, together

with FAS staff in Venezuela, can help you successfully negotiate government import requirements and paperwork.

So, whether you're a seasoned exporter looking to expand your overseas markets or a newcomer just beginning your export efforts, Venezuela could be your next step in the right direction. It's a growing and dynamic market, but it's also a manageable size and relatively close. It could be well worth your while to get to know more about this neighbor with “American” tastes. ■



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The author was the agricultural counselor at the U.S. Embassy, Caracas, Venezuela, from 1998-2001. For more information on the Venezuelan market, contact that office at: Tél.: (011-58-212) 975-8861; Fax: (011-58-212) 975-7615; E-mail: agcaracas@fas.usda.gov

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