



## V E N E Z U E L A



### VENEZUELA FACTS

**Name** Republic of Venezuela

**Location** Northern South America, bordering the Caribbean Sea and the North Atlantic Ocean, as well as Brazil, Colombia and Guyana.

**Area** 912,050 square kilometers, slightly more than twice the size of California

**Capital** Caracas

**Language** Spanish (official), numerous indigenous dialects

**Monetary Unit** Bolivar (VEB)

**Population** 25,730,435

**Terrain** Mountains to the east and north, lowlands and grasslands in the east, while the southern areas are highlands.

**Climate** Mostly tropical; more temperate in the mountainous regions.

**Agricultural Exports** Corn, sugarcane, rice, bananas, coffee, beef, pork, milk, eggs.



CHANCES ARE, unless you've been to Venezuela, you've never had Venezuelan coffee. That's because this origin country consumes nearly 100 percent of its coffee in the country. With almost every grocery store selling freshly roasted beans, street vendors selling coffee by the cupful and an ever-increasing number of roasters and coffee shops, Venezuela's coffee rarely has a chance to leave the country.

However, with the recent changes in the country's government and a heavy recession taking its toll, that might all change. Soon, coffee may once again rival oil as the country's leading export—but only if the country can increase its quantity and quality and develop a fair system for moving green coffee along the supply chain.

### A Rife Political History

Coffee has been in Venezuela since the 1730s, when it was brought to the delta of the Caroni River by Spanish Missionaries. As early as 1784, the first coffee plantations were created near the town of Caracas. After that, coffee continued to spread throughout the area and began to replace cocoa as the country's main export.

By 1919, the yearly coffee production in Venezuela surpassed 82,000 tons. However, this high was short-lived. Factors such as the World Wars, over-production in Brazil, the discovery of oil in Venezuela and uncertain agricultural policies in the country slowed coffee production a great deal.

Through it all, Venezuela's population continued to consume nearly all of its coffee in-country. This was true even back in the 1950s, when Venezuela ranked close to Colombia in its coffee production, and later, during the petroleum boom, which made Venezuela rich, but put coffee on the back burner.

Today, Venezuela produces less than one percent of the world's coffee. Despite the drop in production, there is a chance that more coffee will be available for export;

recent studies show that during the current recession, the per-capita consumption of coffee has been rapidly declining.

Thus, exporting coffee is not something the country has had much experience with. Up until the early '90s, the Fondo Nacional de Café (Foncafé) had a monopoly on exports. Growers received a fixed price from Foncafé for their parchment and then Foncafé sold it either in the local industry or to export markets. Due to the fixed price, coffee growers had little incentive to increase the quality of the crop and, as a result, the coffee flavors began to deteriorate. "In the early 1990s, the government realized that Fondo de Café was not working," says Nancy Coupal, co-owner of Arabica Coffee Company in Caracas. "Consequently they eliminated it, and opened up the coffee growers' right to sell to anyone."

Now, the coffee trade is in private hands. The local industry, which continues to consume the majority of the crop, buys coffee either from the *paccas* (mills) or from the co-ops, often through intermediaries. Some paccas and co-operatives export the coffee, but only when the local market is oversupplied or international prices are very high.

While many in the coffee industry feel the privatization is working better, it is not without flaws. In December of last year, weeks of farmer protests led the government to increase the price of raw coffee beans approximately two-fold. But the government didn't increase the corresponding retail value, leaving coffee processors with two choices: sell at a loss or withhold the coffee in protest. Shortly thereafter, the National Guards began confiscating stashes in private coffee warehouses and the president considered nationalizing the coffee industry.

Still, all this back and forth between the government and the coffee industry is nothing new, says Alejandro Chumaceiro d'Empaire, director of Café Imperial, a roastery in Maracaibo, Venezuela. "For a very long time, the coffee has been



subject to price controls, limitations in exporting and importing coffee and very low possibilities on updating technology," he says. "Political controls have always been present in the sector, and this also limits any possibility of developing a strong sector with worldwide risk diversified."

In addition, much of the money that might go to small farmers ends up in the hands of the intermediaries instead. "Most of the coffee is sold to intermediaries who buy the coffee from small farmers and then sell it to the roasting industry," says Chumaceiro d'Empaire. "There is very low support to the small farmers. Many of them live in very poor conditions and are very limited in terms of communication access and technical support."

### Cultivation

The most desired Venezuelan coffee is grown in the western-central part of the country, near the Colombian border. Commonly called Maracaibos, after the port through which they are shipped, they display a variety of flavors. The most common coffees are Mérida, which typically



displays medium body and sweet, rich flavor, and Táchira and Cúcuta, both of which resemble Colombians, with high acidity, medium body and a hint of fruit.

Coffee called Caracas is also grown along the eastern coastal mountain, while Caripe comes from a mountain range near the Caribbean and displays the traditional soft profile of a Caribbean coffee.

"The climate and terrain conditions affect the flavor in either a positive or negative way," says Chumaceiro d'Empaire. "For example, in Mérida, the coffee has a little bit of sour taste. But when you determine these conditions and you have a quality control laboratory, you have the possibility of selecting the best beans available in the coffee regions and can mix them to get the perfect cup."

The majority of coffee farms in Venezuela are very small, with low productivity levels, averaging six Quintales per hectare. "The main problem is that coffee production in Venezuela is very small, so most of our local production covers the internal consumption of coffee which is around 900,000 Quintales (46 Kilos) plus strategic reserve," says Chumaceiro d'Empaire. "That should be the first task, increasing production so we can be able to export and penetrate the foreign markets."

### Future

Increasing production is only the first step towards improving Venezuela's coffee situation. There is still much work to be done in the areas of technical support, communications, coffee quality and packaging options. "We have been able to improve our technology recently and made organizational changes to be better prepared for the future," says Chumaceiro d'Empaire. "Venezuelan coffee is one of the best in our opinion but only Venezuelans know that, so our greatest task now is to break the local barriers and penetrate other markets."



### VENEZUELA COFFEE AT A GLANCE

**Coffee** 100 percent Arabica, mostly Typica, Bourbon, Mundo Novo and Caturra.

**Flavor** Good coffees display balanced acidity, slight richness, and sweet flavors.

**Main Growing Regions** The main region is the Lara and Portuguesa State in the West-Central part of Venezuela, with 65 percent of the production. The Andean states of T Trujillo, Tachira and Merida also produce coffee.

**Elevation** 1,000–1,200 meters

**Farms** Mostly small, with low production (6 QQ per hectare)

**Flowering** Jan.–May

**Harvest** Sept.–March

**Shipping** Oct.–May

**Processing** Mostly wet-processed and sun-dried

**Main Buyers** U.S., Germany, Belgium