



VENEZUELA

Agricultural Mechanization, a Key to Food Security.

SUMMARY

- Venezuelan economic collapse, political turmoil, a decline in the oil industry, and hyperinflation pushed the country into a severe hunger crisis.
- In 2021, Venezuela imported 60 percent of its food supply.
- The different policies initiated by the government to reduce food insecurity have had little effect on the population, as food price is still out of reach for Venezuelans.
- The government must invest in mechanization to increase local production, which will reduce food imports and, in the long run, increase access and availability.

Situation Analysis

According to the United States Department of Agriculture, 60 percent of food consumed in Venezuela in 2021 was imported, and only about 4 percent of the country's gross domestic profit comes from agriculture.¹ For example, rice production in 2020 was about 430 000 tonnes compared to 3,425,000 tonnes in Columbia, a neighboring country.² The country's over-reliance on imports was put to the test when the price of crude oil dropped, and it was no longer possible to import enough food for its population; the sanctions have also shown the need to be self-sufficient. Furthermore, the social programs put in place to mitigate the effects of the economic crisis were still reliant on imports. All of this has contributed to the country's food insecurity situation, with citizens unable to afford food and queueing for hours to receive government-subsidized food.

Addressing this hunger crisis will necessitate a long-term solution that increases local production. Mechanization in agriculture and the food system is a viable solution that will increase local production, create jobs, increase farmer income, and reduce hunger. This policy brief discusses the benefit of mechanization in boosting food security, creating jobs, and increasing incomes for rural farmers.

Agricultural setting in Venezuela

According to the Food and Agriculture Organization, Venezuela has approximately 21 million hectares of agricultural land, with 3.3 million hectares of cropland, including corn, soybeans, and beans.³ These crops are grown in various farming systems, from the Amazon to the coast. The primary farming system and livelihoods in the Amazon are based on forest resources. Subsistence agriculture, with occasional commercial plantations and extensive cattle ranching, is practiced, particularly in marginal areas.³

The country's center's dominant system is primarily wooded savanna with more intensive (and commercially important) crops. In the northeast's mixed altitude system, cash crops are farmed in the most advantageous areas (valleys with more infrastructure), and subsistence agriculture (maize and pigs) in altitude. Large plantations, typically export-oriented, and mixed subsistence agriculture can be found along the coast.³ Overall, Venezuelan agriculture remains primarily subsistence, particularly for staple crops, and requires investments in mechanization to increase food production and move the country closer to self-sufficiency.

What is the government doing about this problem?

The government launched the Agrovenezuela policy to transform the agriculture sector. Mission Agrovenezuela was initiated to strengthen national food production through scientific, technological, technical, financial, logistics, and organization support to local producers and all actors and sectors of the agrifood value chain.⁴ However, this policy has made little progress as production levels remain low and hunger continues to increase across the nation.⁵

Recommendations

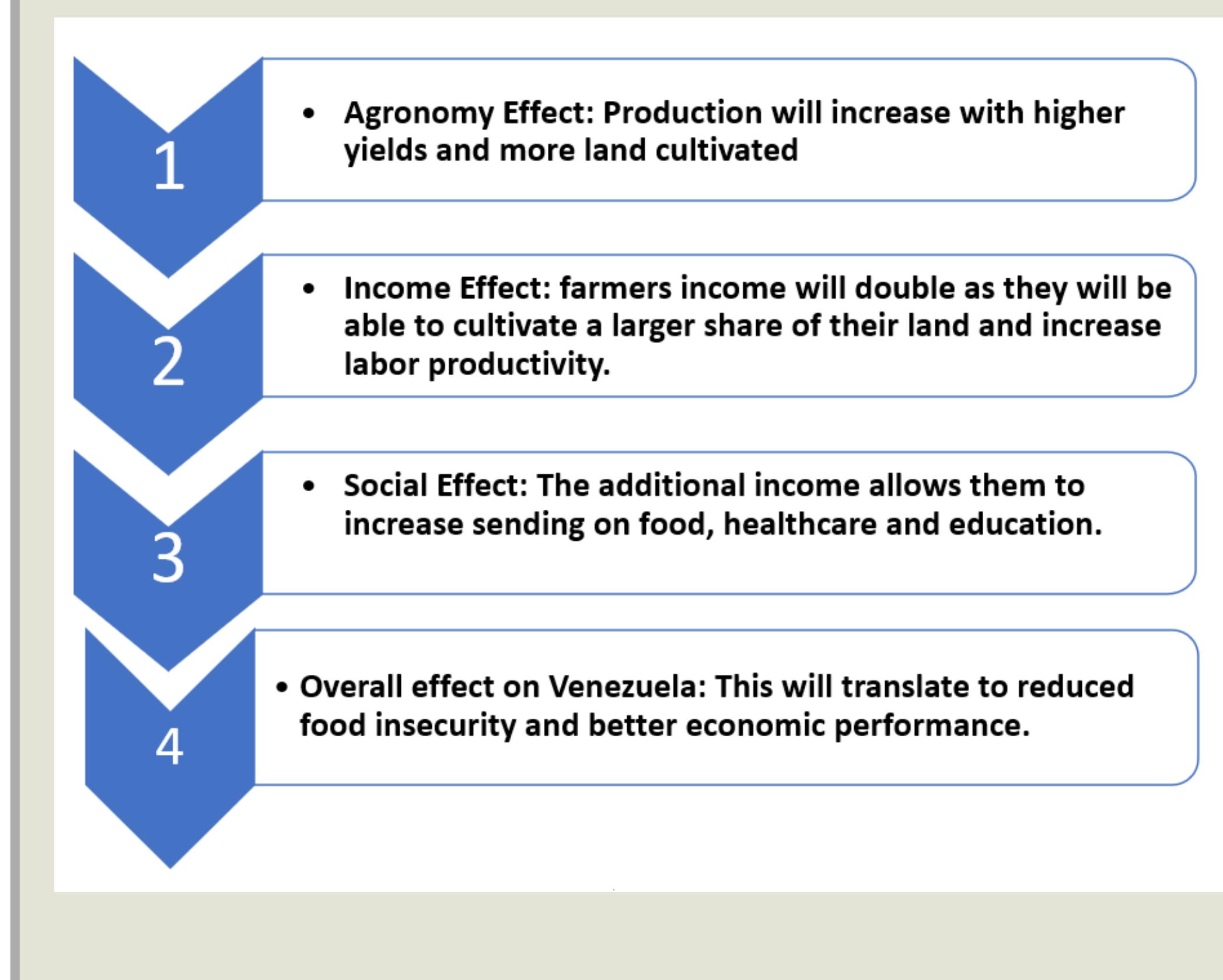
Below are potential ways for the government to promote mechanized agriculture; this will address the main challenges that are holding back mechanization in Venezuela:

- Create public-private partnerships to facilitate the importation, distribution, and maintenance of high-potential technologies.
- Incentivize the local production of smaller-scale technologies, such as two-wheeled tractors, that are designed to fit the local context and are gender appropriate to address the high costs of medium and heavy machinery
- Develop targeted schemes for smallholders to increase access to credit to purchase or lease farm equipment, e.g., Micro-credit.
- Enable collective ownership by existing farmer collectives and put in place supporting institutions to train operators and technicians.
- Incentivize alternative tenure models, such as private sector-led equipment leasing schemes.

Why is this important to Venezuela?

Improving access to mechanization services is critical for Venezuela's development. With an average monthly income of \$118.4, covering only 25.7 percent of the cost of the basic food basket, access and availability remain a significant concern.¹ Farmers must boost local production through mechanization in order to increase food supply while saving foreign exchange that would otherwise be spent on imports. Food prices will fall; as a result, farmer incomes will rise, more jobs will be created, and food security will improve.

What happens when farmers have access to mechanization?



Conclusion

Venezuela, with its arable land and favorable climate conditions, has the potential to be self-sufficient in food production. Although, the government needs to diversify the economy and invest in agriculture by enacting policies that encourage, and support mechanized agricultural production. These policies will increase local food production. As a result, Venezuela will reduce food insecurity, boost farmers' income, create jobs, and overall improve the economy.