




Agrievolution 2010

CAVEDREPA

Country: Venezuela

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ECONOMIC INDICATORS 2009



- Gross National Product:
- Public without oil: > 8.4%
- Construction: > 4.3%
- Telecommunications: > 11.4 %
- Unemployment Rate: 8.1%
- Consumer Price Increase: 1.9%
- Balance of Trade: > US\$ 2.364 Million
- International Reserve: US\$ 33.330 Million

Legal Schemes for investing in Venezuela



- Decision 291 of the Commission of the Cartagena Agreement, which establishes the following: “Foreign investors would have the same rights and obligations as national investors”
- No authorization is required to make an investment in our country. The only requirement is to register the investment with the (SIEX), after its inscription in the Mercantil Registry.

Legal Schemes for investing in Venezuela



- No authorization is required to remit abroad all or part of the benefits, gains or profit that foreign investors may have obtained for their contributions. Likewise, an unlimited repatriation of capitals is allowed.
- No authorization is required to execute contracts of technical assistance and of trademark and patent licenses. (Only have to be registered in the National Authority (SIEX))

Legal Schemes for investing in Venezuela



- There is no regulation concerning execution and registration of internal or external loan agreements.
- No authorization is required for the acquisition of shares by foreign investors in national, mixed or foreign companies.

Agriculture Machinery Statistics



YEAR	PRODUCT	CUSTOM DECLARATION	TOTAL AMOUNT US\$
2007	BACKHOE	8429590000	336.348.137,82
2008			272.033.889,80
2009			131.909.892,64
2007	PLOUGHS AND DICS	8432210000	10.357.232,44
2008			23.824.565,46
2009			38.112.949,16
2007	CULTIVATOR AND ROTANATOR	8432292000	1.670.041.72
2008			2.334.220,08
2009			2.918.327,82

Source: I.N.E

Agriculture Machinery Statistics



YEAR	PRODUCT	CUSTOM DECLARATION	TOTAL AMOUNT US\$
2007	SEEDER , PLANTER , TRANSPLANTER	8432300000	30.126.980,70
2008			18.514.848,12
2009			39.081.127,64
2007	SPRAYER	8432400000	4.295.623,78
2008			2.911.558,96
2009			7.621.056,96
2007	EGGS MACHINERY FOR DEANINN AND CLASSIFICATION	8433601000	691.510,06
2008			2.015.467,48
2009			1.585.653,82

Source: I.N.E

Agriculture Machinery Statistics



YEAR	PRODUCT	CUSTOM DECLARATION	TOTAL AMOUNT US\$
2007	MILK MACHINERY	8434100000	2.757.272,60
2008			3.264.081,00
2009			16.246.897,38
2007	WALKING TRACTOR	8701100000	17.568.517,28
2008			16.241.777,34
2009			26.922,84
2007	TRACK TRACTORS	8701300000	21.4444.136,56
2008			8.062.936,44
2009			1.694.626,38
2007	TRACTORS	8701900000	241.739.394,50
2008			125.194.131,06
2009			147.822.507,22

Source: I.N.E

Agriculture Machinery Statistics



YEAR	PRODUCT	CUSTOM DECLARATION	TOTAL AMOUNT US\$
2007	MACHINERY AND EQUIPMENT TO PREPARED FOOD FOR THE ANIMALS	8436100000	17.441.466,96
2008			34.379.497,14
2009			17.800.638,92
2007	COMBINE HARVESTER	8433591000	23.663.332,70
2008			49.378.425,90
2009			32.834.382,20

Source: I.N.E

Agriculture Machinery Statistics



YEAR	PRODUCT	CUSTOM DECLARATION	TOTAL AMOUNT US\$
2007	LAWN MOWER	8467810000	18.239.642,00
2008			16.475.147,00
2009			3.731.115,00
2007	BRUSH CUTTER	8467899000	21.841.467,00
2008			22.866.887,00
2009			9.308.193,00

Source: I.N.E.

Note: The statistics of the year 2009 are only until the month of may.

Goals of the Development of Agroproductive Programs



Description	Vegetable	Cattle	Fishery and ACUÍCOLA	Forest
To generate politics and programs to back up the financial procedures:	231.470 Unit of production Vegetable	163.545 Unit of Production animals	2.150 Fisher and 2.209 Unit of Production Acuícola	878 Unit of forest production
	76.985 Agriculture Family space			
Production Surface:	2.703.006 Ha	---	625 Ha DE PISCICULTURA	7.560 Ha of Plantation
Food Production :	22.490.424 TM	4.386.271 TM	5.700 TM	---
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Source: M.A.T.

FINANCING REQUIREMENT FOR THE AGROPRODUCTIVE PROGRAMS 2009-2010



SECTORS	FINANCING (USD)
VEGETABLE	56,780,590
CATTLE	53,198,785
FISHERY	1,369,440
FOREST	628,715
TOTAL	111,977,530

Source: M.A.T.

PUBLIC FINANCING REQUIREMENT FOR THE AGROPRODUCTIVE PROGRAMS 2009-2010



SECTORS	FONDAS (Govt Agency)		BANCO AGRÍCOLA DE VENEZUELA		SURFACE AREA (HA) PUBLIC TOTAL	FINANCING (1000's of Bs. F) PUBLIC TOTAL
	SURFACE AREA (HA)	FINANCING (1000's of Bs. F)	SURFACE AREA (HA)	FINANCING (1000's of Bs. F)		
VEGETAL	251,873	972,448	165,572	554,253	417,445	1,526,701
PECUARIO	-	540,000	-	1,260,000	-	1,800,000
PESCA Y ACUÍCOLA	385	197,259	240	76,629	625	273,888
FORESTAL	7,560	125,743	-	-	7,560	125,743
SEMILLA	2,332	11,287	2,080	13,164	4,412	24,451
TOTAL	262,150	1,846,736	167,892	1,904,046	430,042	3,750,783

Source: M.A.T.

National Requirement for Some Agriculture Machinery



Agriculture Machinery and Equipment	Demand estimation year 2009
Tractors	13.100
Until 80 HP	3.933
Between 80 and 120 HP	6.550
> 120 HP	2.617
Foraging Coach	3.000
Walking Tractors	1.500

Source:
M.A.T.(Agrosoporte
Fisico y Servicios)

Changes influencing Agricultural market



- Climate change: Does have a very strong effect because 94.3% of the cultivation area for the production is under natural climate situation. Only 5.7% is done using irrigation procedures. In the last years Venezuela has experienced a reduction in the rainfall seasons and increase in the temperature and on the other side increase in water and reduction of temperature .

Changes influencing agricultural market



- In Venezuela “Direct Planting” is the new way to produce vegetables and tubers using the natural vegetable cover of the soil so the soil conserves its natural fertilizer and compost.
- Mechanization of the fields is another important change in the agricultural market, because every day it is more difficult to find man power.

Changes influencing agricultural market



- New technologies are another important trend in the agricultural market. One example of that is portable laboratories and collecting platforms for sugar cane and napier planted. Also the harvesting platform for corn and sorghum. The useful life of Tractors has been reduced from 15 to 12 years because new units have been purchased by official government programs.

Current state of agricultural equipment industry



- Since December of 2007 the government has indicated by a Decree the incentive to assembling Tractors in the Venezuelan Market . Six companies are waiting for the approval of projects (John Deere, Massey Ferguson, New Holland-Case, Valtra, Mahindra and Yanmar). The investment for each company is almost US\$ 4 Million.

Current influences on agricultural industry



- A preferential interest rate for the Agricultural operations has been in effect since the year 2000.
- An exemption of the sales tax for the commercialization of machinery, equipment and spare parts for the agricultural sector has been effective since the year 1999.
- The import duties are between the range of 5 and 15% Ad valoren of the CIF value.

Current influences on agricultural industry



- To introduce or promote Agricultural Machinery or Equipment in any Venezuelan tradeshow you don't have to pay customs duties until you sell the Machinery.
- Since October of 2009, when you buy agricultural machinery to be used in any public or private project, you can apply for exoneration of the import duties .

Current influences on agricultural industry



- Exoneration of private income tax is possible when any person or company invests in activities related with the production of agricultural, forest, fishery, cattle, aviculture and pisciculture sectors. Companies or natural persons can invest in capital goods (Machinery or Equipment) in order to qualify for the exoneration of the Private Income Tax.

Major challenges or concerns



- The number of small farms is growing between 250 and 500 ha as the government is disputing large landowner, especially when land is not used properly for production manners such as the soil lawn, indicating that each owner has to register their land in I.N.T.I (National Lands Institute)



Major Challenges or concerns

- The units of production are producing different foods for optimization of the soil.
- Every day the use of GPS is more frequent. Since 2008, Venezuela has implemented a satellite that can be used Agriculture.
- The laser ray technique for leveling the ground every day is more frequently implemented, especially for rice and maize production

Future trends in Agricultural Equipment Industry.



- Incentives for assembling Agricultural Equipment will be the new trend for the next 5 years because Venezuela needs to save its National Currency Reserve, and also has to be prepared when finally Venezuela will be accepted as a member of the MERCOSUR agreement. Venezuela also has good possibilities of exporting machinery to the countries that are members of the ALBA alliance

Future trends in Agricultural Equipment Industry



- The mechanization of the fields is another important trend. The government is encouraging that situation. The legal framework of the Venezuelan constitution (Articles 305, 306 and 307) are doing that.
- Electric fences use on the fields with solar panels and the equipment of multiple uses will also be the trends for the next years to come.

Projects to positively impact the future



- PDVSA Agrícola (The Venezuelan oil company) has been working on one big project related with the derivation of sugar cane. 5000 ha in the Central Venezuelan state of Portuguesa have been used to accomplish part of this project.

“END OF THE PRESENTATION”