

are in **Spanish** and include: product name and type, weight or volume in metric system, country of origin, name and address of manufacturer and local importer, grade of product, list of ingredients, durable life, instructions to use (if necessary) and lot number.

#### **3.4.4. SUPPLIER/IMPORTER RELATIONSHIP.**

Venezuelan food goods importers contact suppliers well in advance, in order to have the required products on time, due to the local bureaucratic difficulties involved, which can affect shipments.

Most local importers operate as wholesalers or distributors on a nationwide basis. Some importers may ask for exclusive importing rights, but that of course is negotiable. Efficient handling of transport procedures is vital to success in this very competitive market. A term of delivery not respected will usually mean the cancelation of an order.

Generally, importers have a basic knowledge of the overseas trade network for food goods, but in some cases will need particular assistance. Many of them depend on Florida (Miami) based traders and brokers that supply them a large selection of goods.

#### **3.4.5. PAYMENT METHODS.**

Importers terms can vary but usually, offers should be made F.O.B., although C.I.F. offers may be requested. Form of payment is generally through letter of credit (supported by a bank involved with international trade) after the product has landed in Venezuela and been inspected and approved by local authorities.

Importers and retailers margins are between 20.0% to 25.0% each. Consumer prices at retail stores goes about 80.0% above C.I.F. price, due to operational costs.

#### **3.4.6. DISTRIBUTION.**

##### **3.4.6.1. BY CHANNELS.**

The Venezuelan distribution organization for food goods is quite simple. There are 55,701 outlets nationwide; 85 food wholesalers, 212 large supermarket chains, 2,938 independent supermarkets, 9,515 medium groceries and 42,961