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VENEZUELA

Food shortages follow Chávez price controls

Meat and sugar were scarce in Venezuelan stores this week as merchants resisted price controls.

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Associated Press

CARACAS - Meat cuts vanished from Venezuelan supermarkets this week, leaving only unsavory bits like chicken feet, while costly artificial sweeteners have increasingly replaced sugar, and many staples sell far above government-fixed prices.

President Hugo Chávez's administration blames the food supply problems on speculators, but industry officials say government price controls that strangle profits are responsible.

Such shortages have sporadically appeared with items from milk to coffee since early 2003, when Chávez began regulating prices for 400 basic products as a way to counter inflation and protect the poor.

Yet inflation has soared to an accumulated 78 percent in the last four years in an economy awash in petrodollars, and food prices have increased particularly swiftly, creating a widening discrepancy between official prices and the true cost of getting goods to market in Venezuela.

"Shortages have increased significantly as well as violations of price controls," Central Bank director Domingo Maza Zavala told Unión Radio on Thursday. "The difference between real market prices and controlled prices is very high."

Authorities on Wednesday raided a warehouse in Caracas and seized seven tons of sugar hoarded by vendors unwilling to market the inventory at the official price.

Major private supermarkets suspended sales of beef earlier this week after one chain was shut down for 48 hours for pricing meat above government-set levels, but an agreement reached with the government on Wednesday night promises to return meat to empty refrigerator shelves.

Most items can still be found, but only by paying a hefty markup at grocery stores or on the black market. The state runs a nationwide network of subsidized food stores, but in recent months some items have become increasingly hard to find.

After a meeting with government officials Wednesday, supermarkets association head Luis Rodríguez told the TV channel Globovisión that beef and chicken will be available at regulated prices within two to three days. He did not say whether the government would be subsidizing sales or if negotiations on price controls would continue.

The government has urged Venezuelans to refrain from panic buying and is looking to imports to help.