ARGENTINA

Subsecretaría de Mercados Agropecuarios
Secretaría de Mercados Agroindustriales

Ministerio de Agroindustria
Presidencia de la Nación

LAND OF AGRICULTURAL OPPORTUNITIES

THE COUNTRY

MAIN FACTS

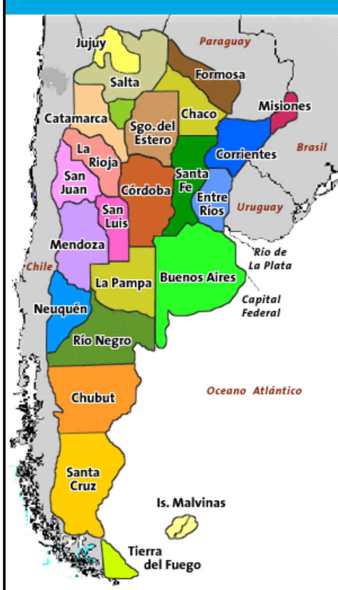
- Large territory: seventh in the world (2.800.000 km2)
- Low population: 42 million (10,4% rural) with a density of 13,3 inhabitants/Km2
- Different kind of weather and geography.
- Natural resources: fertile land and water.
- Human resources: well educated, without racial and religion conflicts.

THE AGRICULTURAL PRODUCTION

MAIN FIGURES

- 31 million seeding hectares (tenth in the world) with capacity to extend it, mainly in the north.
- 110 million tons of grains and oilseeds production.
- 52 million heads of bovine stock.
- More than 4.700 kilometres of maritime coast.
- Ports facilities to export.
- Rail and road capacity for transportation.

CONTRIBUTION OF THE AGROINDUSTRY



- 18% participation in the national GDP
- 15 % of labor.
- 60% of total exports in 2015 were from agro-industry.
- Exports going to 180 markets
- 276.581 Farmers (80% Small and Medium)
- 17.800 processing industries

AGRICULTURAL MAIN EXPORTS

- 1st producer & exporter of lemons.
- 1st exporter of soy-meal & soy-oil, kidney beans
- 2nd producer & exporter of honey
- 2nd producer of peaches
- 2nd exporter of: white beans, grape must, sorghum, pears and mate
- 3rd exporter of corn, milk powder and garlic
- 5th exporter of tea and peanuts
- 6th exporter of chickpeas and barley
- 8th exporter of green peas
- 14th exporter of beef (we have been the third)

THE ECONOMY HERITAGE

MAIN PROBLEMS RECEIVED FROM THE FORMER GOVERNMENT

- 30% of poverty rate.
- Fiscal deficit of 5,5%
- Trade deficit equivalent to 5% of the exports, with a decrease of 25% in exports and 20% in imports during the last two years.
- Inflation rate of more than 30% in 2015 (second country in the world).
- Official dollar overvaluation, with controlled rate of exchange of the“peso”, and restrictions for free trade.
- Decline in the economic activity in general and 3,4% in the industrial sector in the last two years, with consecuences in the employment..
- External debt in default under litigation with “holdouts” lenders.
- Worldwide isolation, etc….

THE BEGINNING OF THE CHANGES

NEW ECONOMICAL RULES

- Free rate of exchange.
- Removal of export taxes (except in soya complex which were reduced 5% and in certain kind of leathers and wools reduced 10%).
- Release of export quotas (wheat, corn, beef, milk powder, etc…)
- Payment to “holdouts” and exit of default.
- Permissions to import and remittance of benefits abroad.
- Open mind and actions to contact and trade with all countries of the world.
- Cooperation between private and public sector.

INITIAL EFFECTS OF THE NEW POLICY

MAIN SIGNALS

- Heavy increase of wheat and corn exports within first quarter of the year (133% and 91% respectively).
- Great expectation for new crop seeding, with projected increase of 23% wheat area, 30% sunflowerseed area and 15% in corn area (of course this will depend of soybeans prices).
- More aquisitions of fertilizers.
- These will represent a better rotation of soils and quality improvement in future: higher protein in wheat and soybeans.
- 5% increase of tractor sales in the first quarter.

WHEAT FIGURES

Wheat

Supply and demand
Date 31/05/16

Crop	2016/17*	2015/16
(million metric tons)		
Initial Stock	1,11	4,21
Production	15,37	11,30
Seeding area (million hectares)	5,30	4,37
Yield (tons/ha)	2,90	2,59
Supply	16,48	15,51
Local consumption	6,40	6,40
Seeding	0,80	0,80
Milling	5,60	5,60
Exports	9,00	8,00
Demand	14,40	14,40
Carry over	1,10	1,11
DJVE	0	7,318
Purchases by exporters.	0	4,957
Already exported	0	5,115
Purchases by millers	0	2,175

* Proyection

CORN FIGURES

Corn

Supply and demand
Date 31/05/16

Crop	2015/16*	2014/15
(million tons)		
Initial Stock	4,30	4,30
Production	37,90	33,80
Seeding area (million hectares)	5,99	6,00
Yield (tons/ha)	8,04	7,30
Supply	42,20	38,10
Local consumption	14,80	14,70
Milling (**)	2,80	2,50
Animal feeding (***)	12,00	12,20
Exports	24,00	19,10
Demand	38,80	33,80
Carry over	3,40	4,30
DJVE	16,94	19,578
Purchase by exporters.	11,47	21,198
Already exported	5,38	19,100

* Proyection.
** Include dry and wet milling and bioethanol production.
*** Corn feeding as grain.
Production expected for 2016/17: 41 million tons

SOYBEANS FIGURES

Soybeans

Supply and demand

Date 31/05/16

Crop	2015/16*	2014/15
(million metric tons)		
Initial Stock	8,00	5,60
Production	57,60	61,40
Seeding area (million hectares)	20,65	19,79
Yield (tons/ha)	2,79	3,10
Supply	65,60	67,00
Local consumption	48,00	47,50
Seeding and others	2,50	2,40
Crushing	45,50	45,10
Exports	11,00	11,50
Demand	59,00	59,00
Carry over	6,60	8,00
DJVE	7,00	11,81
Purchases by exporters.	8,73	15,55
Already exported	0,98	11,50
Purchases by millers	15,71	40,96

* Proyection

LONG TERMS PROJECTIONS

MAIN OBJECTIVES FOR 2020

- + 50% grains and oilseeds production.
- + 15% beef
- + 20% dairy products
- + 80% in forest
- + Consumption of vegetable and fruits (300 grams per inhabitant/day).
- + 8% processed food production.
- Improvement of rail and roads net, mainly from marginal areas through the “Plan Belgrano”.

LAST WORDS

COME TO ARGENTINA

- To purchase raw materials and processed food.
- To invest in land, production, proccesing, transport and logistics.
- To see the new oportunities that we could offer.

You will be always welcome.

Jesús M. Silveyra
Under Secretary of Agricultural Markets

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