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BLENDING TECHNOLOGY AND TRADITION
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State of Argentine Farm Policy and market conditions post-election

Buenos Aires Grains Exchange
Argentina

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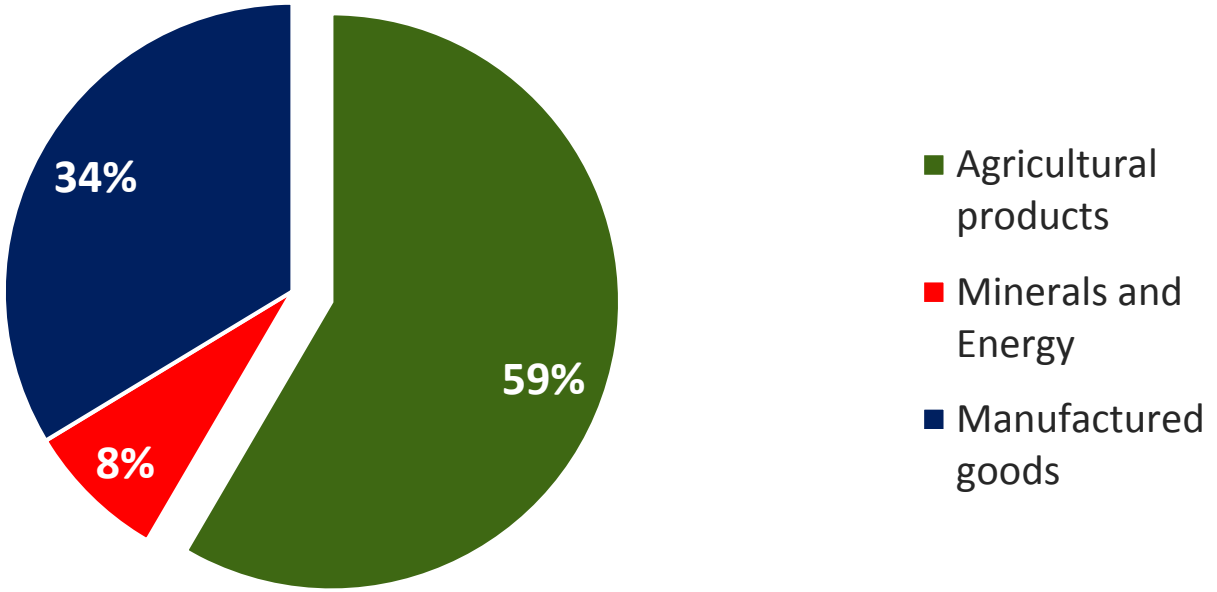
ARGENTINE AGRICULTURE IN CONTEXT

Share of the agro-industrial sector in the total value of exported goods



Source: The National Institute of Statistics and Census. Argentina

ARGENTINE AGRICULTURE IN CONTEXT

Soybean oil (48,5% share) and soybean meal (47,9% share)

Sorghum

Soybeans

Corn

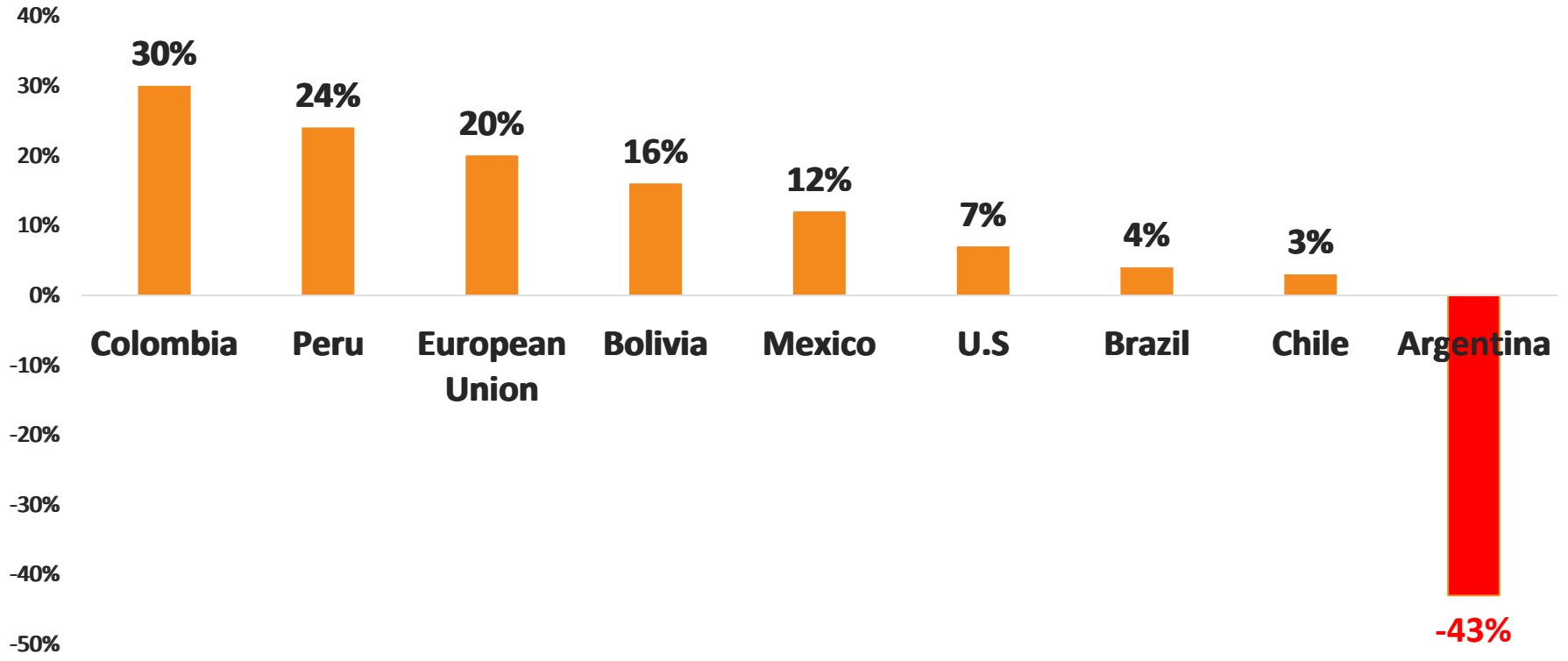
Sunflower and Sunflower meal

Barley

Argentina: global exports ranking

Source: USDA Production, Supply and Distribution Online (02-16-2016), **2015/16 Feb**

Producer Support Estimate (PSE)



Source: IADB OECD 2013

Main agricultural policies: 2002-2015

Tax
- Exports Duties

Date	may-15
Soybean FOB Arg.	360,7 USD/tn
Export Tax	126,2 USD/tn
FOB - Export Duty	234,5 USD/tn

NTB
- Quantitative restrictions
- Other non-tariff barriers on export

Controls
- Maximum prices for live cattle
- Maximum prices for retail sales

Infrastructure

- ✓ 80% of soybean production: less than 300 miles away from ports
- ✓ 85% transport by: truck
- ✓ 2/3 of the national and state roads: not paved.

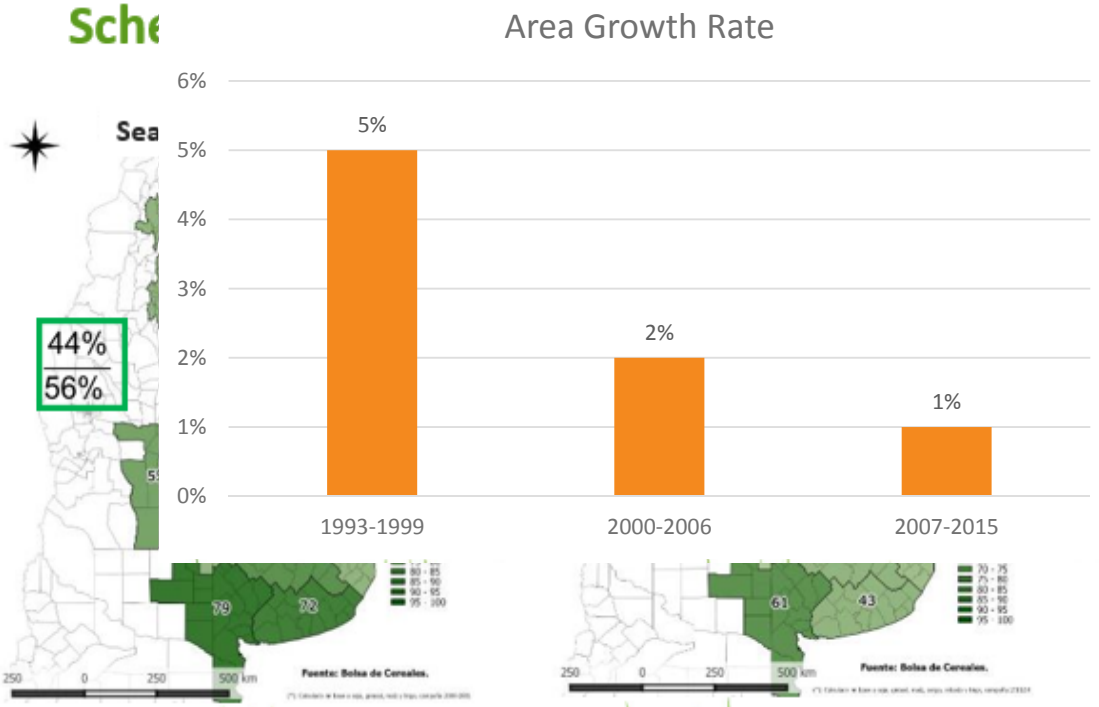
Results: Intervention Policies

✓ High tax burden: ordinary taxes + export taxes.

✓ Lower crop prices: export taxes + export quotas + other regulations.

Negative impact on incentives for production:

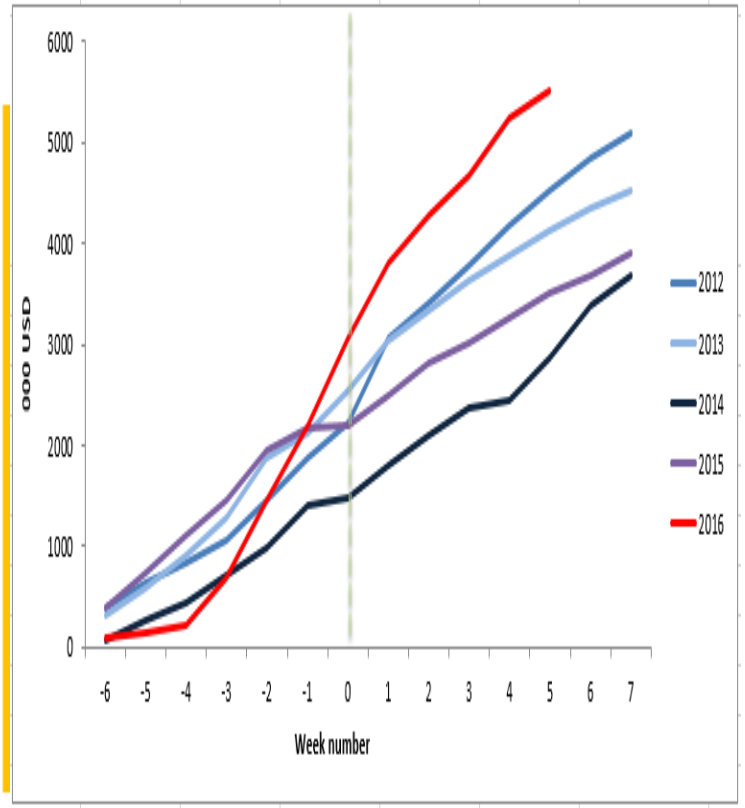
- **Investments: technology**
- **Area growth-rate**
- **Agricultural practices**



New Administration: Significant Ag. Policy Changes

Timeline

- Election: November 22nd
- Presidential inauguration: December 10th
- Removal of:
  - ✓ Currency controls: December 17th
  - ✓ Export taxes: December 17th
  - ✓ Export permit system: December 29th



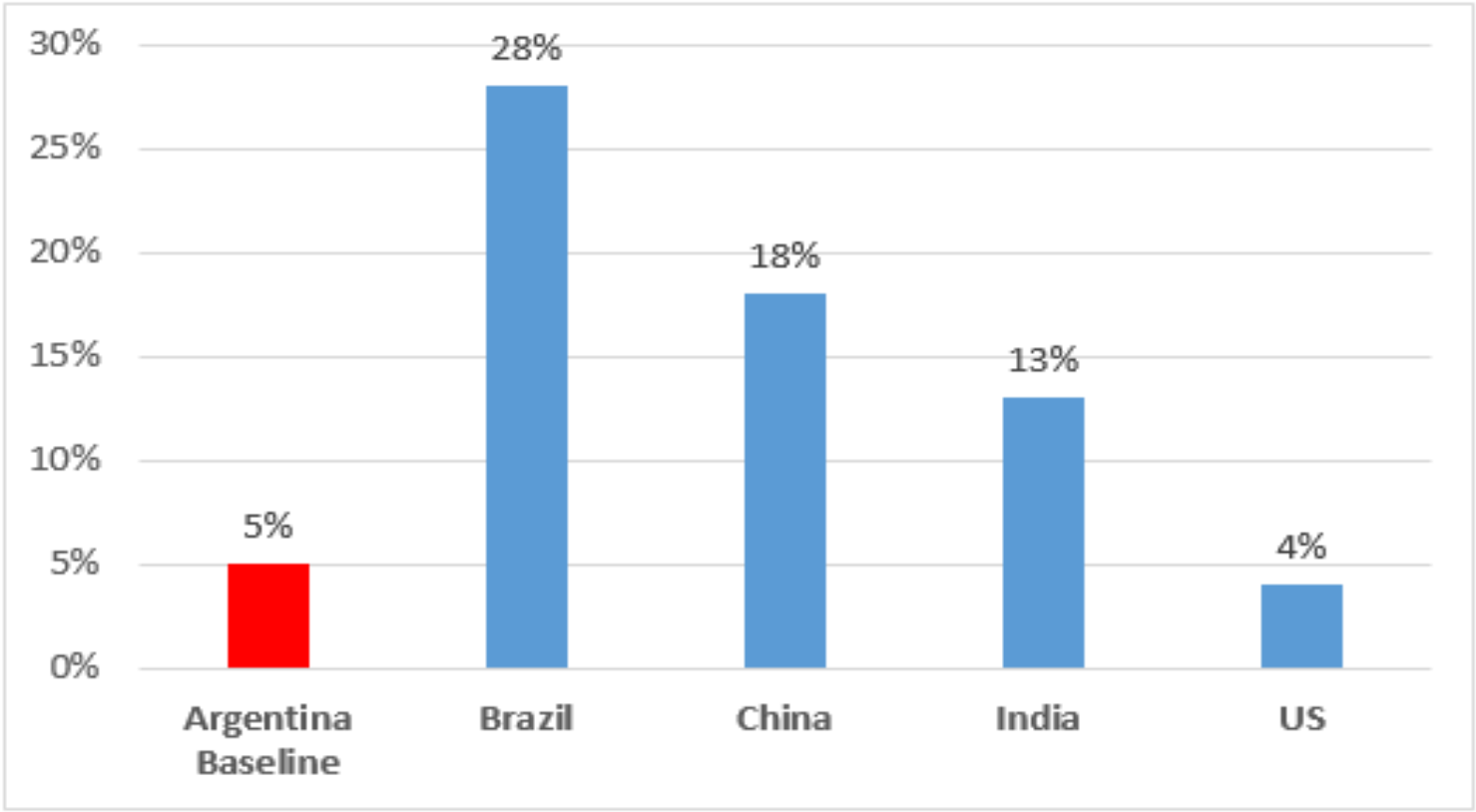
ARGENTINA TOWARDS 2024/25

World and Argentine Agribusiness Reference Scenario to 2024-25

INAI FOUNDATION

Production Estimates: baseline scenario

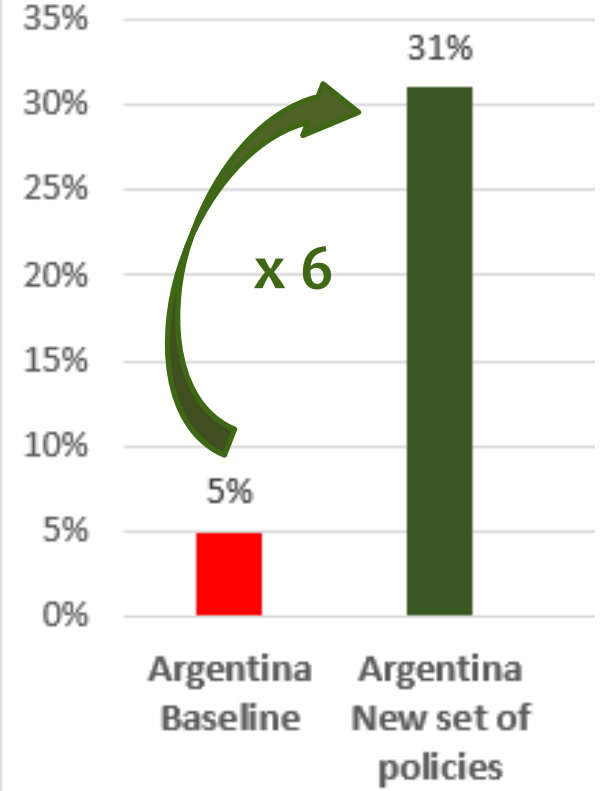
2014/15 to 2024/25



Source: INAI Foundation & USDA Baseline

Production Estimates: new scenario

2014/15 to 2024/25

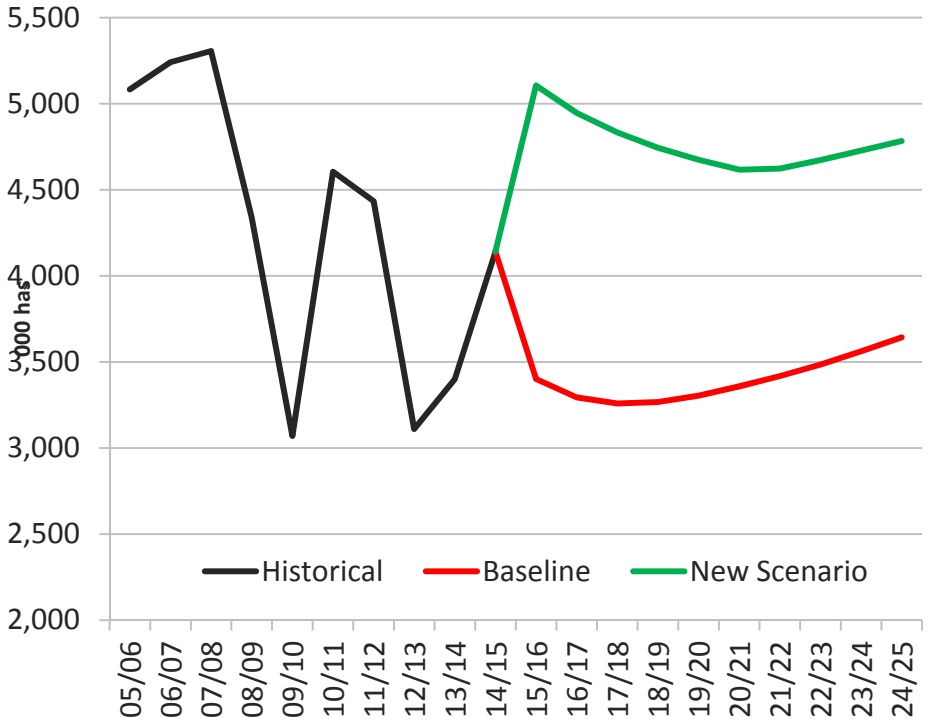


	Baseline	New Scenario
TOTAL	**4,5%**	**31,3%**
Cereals	**7,9%**	**55,8%**
Wheat	0,6%	43,6%
Corn	0,9%	63,1%
Sorghum	55,2%	76,0%
Oilseeds	**2,2%**	**13,8%**
Soybean	1,5%	12,5%
Sunflower	6,4%	34,2%

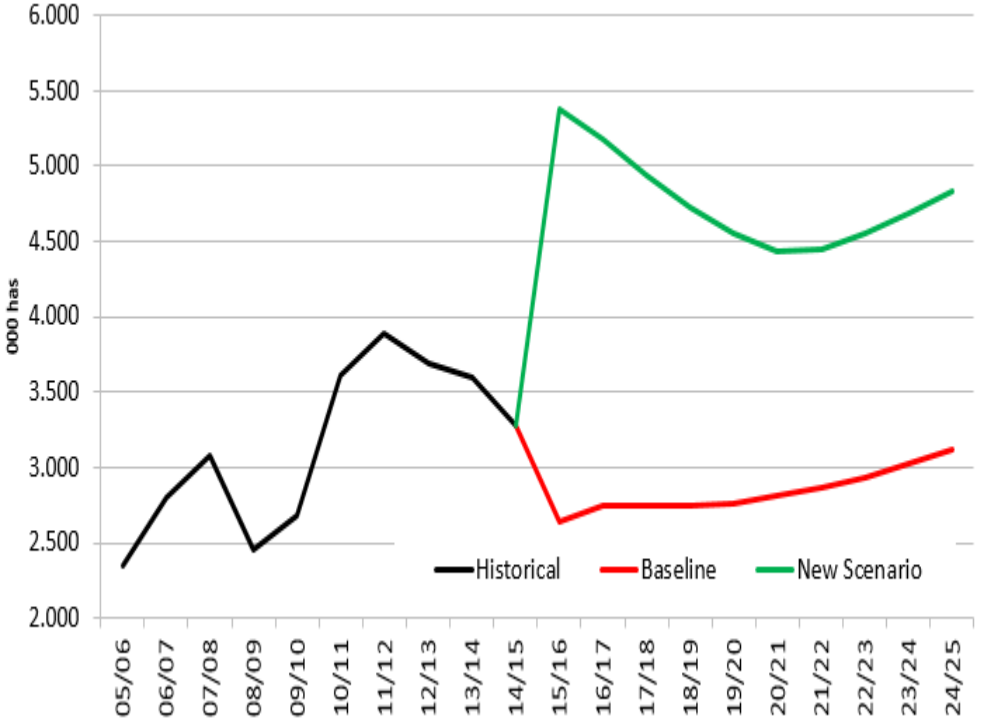
Source: INAI Foundation & USDA Baseline

New Scenario: short-run changes

Wheat



Corn



Source: INAI Foundation

Exports: Argentine market share

	2014	2024 baseline	2024 new scenario
Total	7,4%	6,7%	9,5%
Cereals	5,2%	4,5%	8,0%
Wheat	2,7%	2,3%	4,9%
Corn	11,6%	8,8%	17,9%
Soybean	9,1%	7,6%	9,1%
Soybean Oil	49,4%	41,1%	48,5%

Source: INAI Foundation

Final Remarks

Argentine new ag policy framework

- ✓ A new normal:
  - ✓ On the track of growth
  - ✓ New opportunities: investments in agribusiness
- ✓ There is a new agenda:
  - ✓ Smart integration to world markets
  - ✓ Work on productivity

Thank you!

Ramiro Costa

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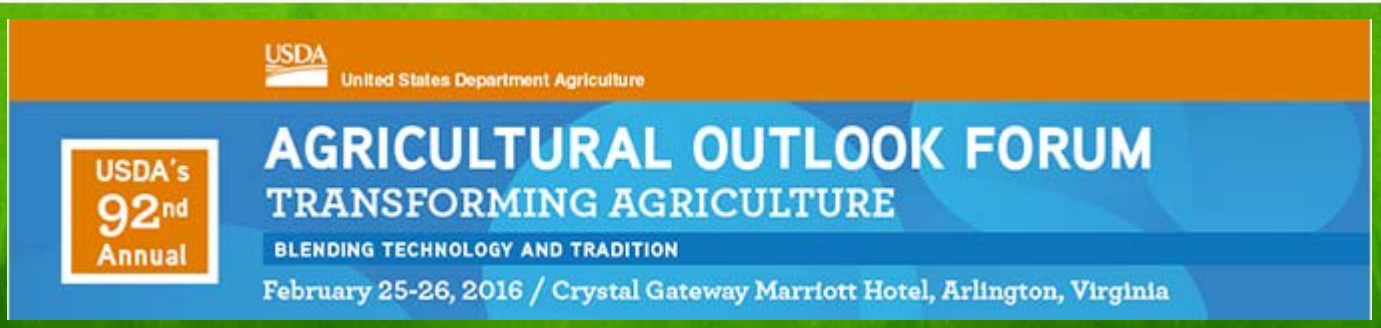
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