



Voluntary Report - public distribution

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Argentina

Organic Products

Apples, Pears and Cherries

2000

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Report Highlights:

Argentina's organic fruit production reached approximately 8,000 metric tons in 1999 and is expected to increase similarly in 2000 due to a growing demand for organic apples and pears from the United States and the European Union. Overall consumption of organic products in Argentina is growing slowly since only more affluent consumers can afford to pay higher prices for these products.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Buenos Aires [AR1], AR

Production

Argentina is one of the world's largest producers of certified organic apples and pears with 380 and 234 hectares planted in 1999, respectively, in comparison with 188 hectares planted to apples and 156 to pears in 1998. Although to date there is no data available on the area planted in 2000, it is expected that the total area planted to organic fruits will continue its aggressive growth.

Total production of certified organic apples and pears in Argentina in 1999 reached approximately 8,000 metric tons and 6,000 metric tons in 1998, and it is expected to continue growing at a similar pace, driven by rapidly growing demand from international markets with strong economies, such as the United States and the European Union, where consumption of organic products has been increasing significantly in the last few years. This added to the fact that, in several countries, the growing demand is higher than current supply.

Río Negro was the main organic fruit producing province in Argentina in 1999, concentrating 36 percent of the total organic fruit harvested area. Other provinces where organic fruits were produced are as follows: Mendoza (23 percent), Entre Ríos (12 percent), and Buenos Aires (12 percent).

Argentine organic producers complain about the lack of bank loans, government incentives such as export rebates, and promotional campaigns to support their agricultural activity, especially during the three-year conversion period until the land gets full organic status.

Domestic Market

Domestic Consumption of Organic Apples and Pears - 1999 (in metric tons)

Product	Volume (MT)	% of Total
Apples	55	31
Pears	83	46
Other	43	23
TOTAL	181	100

Source: National Service of Agricultural and Food Health and Quality (SENASA), based on information provided by certifying companies

The domestic market is remarkably price-driven, thus organic products are usually consumed by more affluent consumers who are concerned about their health and can afford higher prices. However, consumption of organic fruits and vegetables is expected to expand gradually in the next few years simultaneously with educational and promotional campaigns carried out by supermarkets.

Exports

Argentine exports of organic fruits increased 33 percent in 1999, compared to 1998. Among the leading organic products exported to the European Union, organic fruits accounted for 6,100 metric tons in 1999 (i.e. 28 percent of the total organic exports to the EU), after grains and oilseeds. Apples accounted for 48 percent of the total organic fruits exported to that destination, followed by pears with 40 percent.

Exports of certified organic fruits to the United States in 1999 reached 1,850 metric tons, i.e. 68 percent of the total organic exports, of which pears accounted for 1,450 metric tons (78 percent share) and apples, the balance.

Argentine Exports of Organic Apples, Pears, and Cherries by Destination
(in metric tons)

Product	United States		European Union	
	1998	1999	1998	1999
Apples	315	400	2,100	2,920
Pears	1,120	1,450	1,750	2,460
Cherries	0	0	0	1
Other	0	0	650	719
TOTAL	1,435	1,850	4,500	6,100

Source: SENASA, based on information provided by certifying companies

Additional comments

Argentina's total area dedicated to certified organic production in 1999 was 1,010,962 hectares, compared to 291,605 hectares in 1998. Of the total area, 987,254 hectares were used for products of animal origin. The remaining hectares were 23,708 for products of vegetable origin, of which only 1,105 hectares (4.6 percent) were planted to organic fruits.

Area Dedicated to Organic Production in Argentina
(in hectares)

Organic Activity	1998	1999
Livestock (1)	269,866	987,254
Agriculture	21,739	23,708
TOTAL	291,605	1,010,962

Source: SENASA, based on information provided by certifying companies

(1) Does not include the area dedicated to organic honey production.

For additional information on the Argentine organic food and agricultural sector, please refer to our "Organic Food Report 2000 (AGR# AR0005)", which you can find in the agricultural country report section of the FAS Homepage: www.fas.usda.gov.