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Argentina

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Annual Report

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Report Highlights:

In 2008, Argentine imports of consumer oriented food and beverages are forecast at \$650 million. A continued growing economy, a stronger peso, higher prices of domestic products, and a stronger purchasing power, are projected to encourage imports of foods and beverages.

Includes PSD Changes: No
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Buenos Aires [AR1]
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SECTION I. MARKET OVERVIEW

Business Climate

After five years of economic recovery and a stable exchange rate, imports of consumer oriented food and beverages (F&B) in 2007 are projected to increase to about \$550 million. As a result of the severe devaluation in 2002, imports of F&B dropped considerably from \$900 million to \$250 million that year. Imports began to recover in 2003 and are expected to continue to do so in the future.

Most local economists project for 2007 an inflation rate between 12-13 percent and the exchange rate to remain stable at around 3.15 pesos to a dollar. Therefore, the real value of the peso will most likely strengthen, making imported products more accessible. However, post anticipates that the market will continue to be oriented almost exclusively to the higher income section of the population and limited to specific products, not the market of the 1990's that carried a wide selection of imported F&B at very competitive prices.

Best prospects are in premium products of well-known brands and commodity-type products which are not produced domestically (e.g. palm hearts, tuna fish, bananas, coffee, cocoa, pepper, etc.). In addition, post foresees increased opportunities in the food ingredient sector as most local companies, after the devaluation, have become very competitive in world markets. Likewise, many lines of products, which had been discontinued in Argentina and whose production had begun in neighboring countries, have been brought back and are now manufactured locally. This development of new products for the domestic market provides good opportunities for new food ingredients.

Nowadays, most imported F&B products are ultimately sold in large supermarkets and, to some extent, in upscale specialty stores. Retailers source their products from a few local importers/agents and, in many cases, through direct imports. Convenience stores are gradually incorporating imported products.

Almost all F&B are domestically produced. There are some exceptions of specific alcoholic beverages and table-top products, which are generally of very well-known brands. However, with the economic growth that Argentina is experiencing, imported F&B are returning to the market. Argentines had available a wide range of imported F&B for a decade and got used to them, until the economic collapse of 2001/02 made their importation unfeasible. With the slow recovery of the purchasing power, they are gradually incorporating more sophisticated and expensive products into their diets.

Trends for 2008 in the Argentine F&B market are as follows:

- Supermarkets are rebuilding their lines of imported F&B products to attract customers with strong purchasing power.
- Apart from carrying the most popular F&B, retailers are incorporating a wide range of new products from large U.S. food manufacturers.
- During the crisis, consumers shifted from value-added products to more basic foods. However, premium brands are back, and they are expected to continue expanding in 2008.
- As a result of the devaluation in 2002, the price in pesos of all products increased markedly. While imported products are now roughly 3 times more expensive than during the 1990's, prices of locally-manufactured F&B increased by over 200 percent.
- During 2003-2006, food consumption in the interior of the country increased by 45 percent compared to Buenos Aires city and suburbs, where it increased by 31

- percent. This was due to a reactivation of regional economies, and a tourism boom.
- Import duties of high-value foods have dropped considerably since 2002 (from an average of 35 percent to 19 percent).
 - In general, Argentina has a relatively open trading system with moderate tariffs (most F&B fall between 15.5 and 21.5 percent), no quotas or restrictions, and reasonably transparent labeling and sanitary requirements. Most FDA-approved processed F&B products are importable.
 - In general, Argentina is an import-friendly country with regulations which are usually applied consistently. However, unexpected changes in current regulations may require additional efforts to ensure that export operations are successful. (Eg: Mandatory use of enriched/fortified flour in all products destined for domestic production, both locally-manufactured and imported.)
 - After the crisis, Argentines went shopping in several stores as they mostly searched for the best price and value. Nowadays, consumers shop in a smaller number of stores, valuing proximity, and because they believe that prices are lower in smaller supermarkets and grocery stores in their neighborhood than in larger supermarkets and superstores. More affordable consumers usually shop in large supermarket chains and superstores where they find a wider variety of F&B.
 - Since 2002, wholesalers, smaller Asian supermarkets, and grocery and warehouse stores (locally called *hard-discount* stores) increased their market share compared to supermarkets. However, as of 2006, supermarket chains and superstores have slowly begun to recover part of their loss in sales, as a result of the economic crisis. Their market share is expected to continue growing in 2008.
 - Investment in the retail food sector in the 1990's was significant. However, during 2000-2003, as a consequence of the strong recession and the economic crisis, it declined strongly. During the past couple of years, investment has been significant and is expected to become stronger in most distribution channels, especially among larger supermarket chains which are expected to open several new stores throughout the country in the next few years.

Retail Food Sales

- Total F&B sales in superstores and supermarkets in 2007 are estimated at \$9 billion. With sustained economic growth projected for 2008, they are expected to total US\$ 10 billion.
- F&B imports are expected to increase in 2008 as the country continues to grow, and overall economic conditions improve.
- The U.S. share of imported consumer-ready F&B averaged 6 percent in 1998-2000. In 2006, it decreased to 3.5 percent primarily as a result of recession and the severe peso devaluation of 2002 (EU's market share dropped from 15 percent to 7.5 percent). In 2007, it is expected to account for 8 percent. As the economy recovers, the supply of U.S. F&B is expected to increase due to: 1) the increasing influence of U.S. culture, 2) advantages in sanitary standards in comparison with European products, and 3) improved competitiveness given the appreciation of the Euro vis-à-vis the dollar.
- After the devaluation, the share of imported F&B from the region increased, as prices and costs of regional goods are significantly lower. In 2007, imports from Brazil, Ecuador, Chile, and Bolivia accounted for 58 percent.

Income Distribution

- Argentina's population in 2007 is estimated at 39 million, of which less than 10 percent lives in rural areas. One third of the country's total population lives in Buenos Aires city and suburbs, and accounts for approximately 50 percent of the country's total consumption.
- Other large cities with more than 1 million people are Cordoba, Rosario and Mendoza. These three cities together account for approximately 15 percent of total F&B sales.
- According to income patterns, the upper economic segment accounts for 10 percent of the total population in the country; the middle economic segment, 50 percent; and the lower economic segment, 40 percent.
- As a result of the economic crisis, the number of Argentine consumers in the upper income segment decreased. However, as the economy recovers, wealthier consumers are growing in number. Salaries are adjusting upwards.
- Sales in supermarkets vary enormously depending on the neighborhood. Premium brands continue to be strong in upscale areas, while sales of basic foods are larger in lower-income areas.

Outlook for U.S. Exports of Food & Beverage Products

Below are the strengths and weaknesses of U.S. F&B in the Argentine market:

ADVANTAGES	CHALLENGES
Argentine consumers think of U.S. products as high quality and reliable.	Mercosur preferential tariffs encourage inter-regional trade. Brazilian competition is strong for many products.
Many Argentines have traveled and studied in the U.S., and know American culture and products. Exposure is also expanding through cable TV and the Internet.	Initial purchases by importers are usually small, which discourage U.S. suppliers and increase unit costs.
Most local retail chains want to carry a good variety of imported F&B on their shelves.	There is a large local supply of many F&B products.
Imported food from the U.S. and the E.U. is mostly considered gourmet.	Large foreign investment in the domestic food industry during the 1990's improved efficiency, quality, and competition.
U.S. F&B products are known for their efficiency, value and variety.	Higher distribution costs are incurred to reach interior of the country and smaller cities.
Significant investment by large retail chains focused on new store openings, especially in the interior of the country, permits good country coverage.	Local importers perceive a lack of flexibility and response from most U.S. exporters.
Large retail chains have more opportunities to deal with foreign suppliers.	There is a larger number of U.S. companies which consolidate mixed containers.
There are good local cold chain facilities in	High value of the dollar (vis-à-vis the peso),

Argentina.	makes imported products more expensive.
Local retailers have gained exposure to U.S. exporters and consolidators through FAS activities.	The economic condition, and large unemployment limit sale, although the overall economic situation is improving.
Improved U.S. labeling and packaging increase local acceptance.	Advertisement and marketing of locally manufactured products is very effective.
A growing local F&B industry opens new opportunities to imported food ingredients.	

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs: Keys to Success in Argentina

- Appoint a representative, agent or importer.
- Spanish language in printed materials preferred, although most importers speak English.
- Display samples.
- Have a long-term outlook.
- Use a personalized approach.
- Contact top decision-makers.
- Provide consistent attention in service and delivery.
- Do not take “no” for an answer – engage in frequent visits and follow-ups.
- Get a contract in writing.
- Be willing to accept credit terms. From the time the importer places an order to an exporter, to the time he collects payment from retailers, a minimum of 3-4 months can go by.
- Be flexible with volumes.
- Get ready to receive requests from importers for exclusivity agreements to market your products locally.
- Protect and register your trademarks.

The Consumer

Consumers in Argentina are going through a transition period. During the economic crisis their behavior was modified. Many of these changes will take time to go back to normal, while others are already the same as prior to the crisis. High and middle-high consumers can afford buying imported F&B and represent a market of about 8-10 million people. This segment accounts for more than 65 percent of the income and almost 40 percent of F&B purchases. The less affluent buyers seldom buy imported foods and currently represent two thirds of the population.

Upper and Mid-Upper End Consumers

- Based on an article published by *Mercado*, a leading business magazine, Argentine consumers are rational, practical, refined and demanding. Therefore, they want things quicker, easier, healthier, and cheaper.
- More affluent customers of which account for about 10 percent of the total

- population, buy premium brands, are health conscious and pay little attention to prices.
- The following 20 percent buy well-known brands and focus on value. Recovering purchasing power is encouraging people to buy imported products and also to make impulse purchases.
 - Traditionally, Argentines have been very conservative and influenced primarily by Europe.
 - Younger generations (35/45 years old or less) are more open and oriented towards U.S. culture.
 - There is a clear increasing concern about fats and cholesterol in the diet. As a result, diet, light, skimmed or fat-free food products, and functional foods continue to increase in popularity.
 - The majority of Argentines still adhere to a diet dominated by beef, French fries, salad, and pasta.
 - Hot and/or spicy foods are not widely popular.
 - Eight out of ten retail decision makers are women, and three quarters are +36 years old.
 - Children play an important role in the family's food purchases.
 - Dining out is mainly left for social events during weekends or for business purposes during weekdays.
 - Food delivery is popular (most typically pizza and ice-cream, but also some restaurants provide delivery service).
 - Over 80 percent of the middle and upper class families has microwave ovens and freezers.
 - Although not extremely popular, a number of ethnic restaurants (Mexican, Thai, Japanese, Korean, Hungarian, Persian, Indian, Jewish, Russian, among others) can be found in Buenos Aires.

Food Standards and Regulations

- The Argentine Food Code (Codigo Alimentario Argentino - CAA) regulates local food production and marketing. However, the CAA resolutions are being gradually replaced by Mercosur standards, which are based on the norms of: 1) the European Union; 2) the Codex; and 3) the FDA.
- There are three official entities in Argentina which regulate F&B imports, as follows:
 - * *National Service of Agricultural and Food Safety and Quality* – **SENASA** (in Spanish) - handles fresh, chilled and frozen products and by-products of animal, plant and seafood origin. It also handles canned products of over 60 percent animal origin, and food preparations of over 80 percent animal origin.
 - * *National Food Institute* - **INAL** (in Spanish) - regulates processed food products which are prepared for direct human consumption, health supplements, and both alcoholic and non-alcoholic beverages, with the exception of wine.
 - * *National Wine Institute* - **INV** (in Spanish) - exerts control over wine products.
- Each entity requires specific documentation to register imported products. Very few U.S. F&B products have been unable to access this market. However, there are a few products, such as some stone and citrus fruits, sweetbreads and other beef products, poultry, and pork which still cannot be imported due to sanitary requirements. Also, flour contained in food products must be enriched/fortified.
- The local importer/agent has to go through the registration process.

For additional information on this section, please refer to our *Food and Agricultural Import Regulations and Standards report (FAIRS) (AGR# AR7019)*, which you can find in: <http://www.fas.usda.gov/gainfiles/200708/146292009.pdf>

General Import and Inspection Procedures

- Products imported through **SENASA** - An approved local importer requests from SENASA an import permit, which will then be submitted to Customs to have the product released.
- Products imported through **INAL** - Once the importer has obtained the "register number of food product" (RNPA, in Spanish), and the shipment is in the port, the importer needs to apply at INAL for a "Certificate of Free Circulation" which will be submitted to Customs to have the merchandise released for sale.
- Products imported through **INV** - Once the product arrives at the local warehouse, the importer must request an analysis and shipment control by the INV, which will then issue a "Certificate of Free Circulation". After that, the product is ready to be marketed.

When the shipment arrives at Customs, the products are inspected (labels, shelf-life, temperature, etc.) to confirm that the information in their files matches the actual shipment. If everything is correct, the load is released.

For additional information on this section, please refer to our *Food and Agricultural Import Regulations and Standards report (FAIRS) (AGR# AR7019)*, which you can find in: <http://www.fas.usda.gov/gainfiles/200708/146292009.pdf>

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Since early 2004, market opportunities for the three food market sectors in Argentina: retail; hotel, restaurant, and institutional (HRI); and food processing, have been gradually improving, after the severe economic crisis of 2001-2002. The food ingredient and retail sectors show the best prospects for the marketing of U.S. F&B in the near future.

Retail Food Sector

- Although large hypermarkets and supermarkets (including warehouse stores, which are owned by large retail chains) still concentrate a significant portion of the retail F&B market (approximately 42 percent), smaller supermarkets and traditional stores have gained market share (approximately 50 percent) due to: 1. lower prices rapidly approaching promotional prices offered by larger supermarkets, and 2. proximity. Smaller supermarkets and traditional stores have been regaining market share lost during the past few years to large and more efficient retail stores. This is due to the fact that some less affluent consumers resort to the traditional store in their neighborhood for small purchases, since the owner usually provides credit.
- Over 70 percent of all imported F&B products are sold through hypermarkets and supermarkets.
- During the past few years, large retail chains expanded to the interior of the country after the City of Buenos Aires and its suburbs became saturated. Strong investment in new supermarket openings is taking place in larger cities in the interior of Argentina, taking advantage of the gradual recovery of the purchasing power, the

- reactivation of regional agricultural economies, and an increasing number of tourists traveling throughout the country.
- Several international retail companies operate in Argentina (Carrefour, Casino, Wal-Mart, Jumbo).
 - Although volumes of imported F&B decreased significantly after the economic crisis, there are good opportunities for some U.S. consumer-ready food products due to their high quality and image. Supermarket chains continue rebuilding their lines of imported F&B, focusing on those products of well-known brands, which consumers with a high purchasing power will buy and pay a premium for.
 - During the past couple of years, consumption of premium F&B reached over 10-12 percent of total F&B sales, compared to over 9 percent before the devaluation.
 - The retail sector is currently showing the following trends: increased investment in the retail food market, especially in the interior of the country; recovery of some imported product lines; fewer brands; F&B import substitution with domestically-manufactured products; and a re-emergence of more expensive first brands. Ethnic, kosher, organic, and functional foods are gradually gaining more shelf space. Consumers spend a higher percentage of the salary in the purchase of non-basic foods.

HRI Sector

- In 2007, the HRI sector is estimated to account for approximately 42 percent (around \$7.5 billion) of Argentina's total F&B sales. Although the business shrank as a result of the severe economic crisis of 2001/2002, it began recovering gradually in 2003 and it is expected to continue to do so in 2008.
- HRI operators prefer fresh products to those precooked, preserved, frozen or canned. In the past few years, they have been gradually incorporating consumer-ready food products because of their high quality and easier preparation but after the crisis, they went back to preparing most of their meals in-house.
- Most top hotels demand premium F&B -- which they usually source from importers -- to keep the traditional quality standard in the food service they provide. They also use imported specialty foods which are not present in the local market and are demanded by foreign tourists. Foreign tourists account for around 80-90 percent of the total customers of five-star hotels.
- The quality of raw materials used by restaurants declined in 2002, but is currently becoming a priority again, especially in highly-rated restaurants whose customers are primarily foreign tourists and affluent Argentines.

Food Processing Sector

- In the past decade, many large local F&B companies were purchased by foreign multinationals or financial funds. This, plus the fact that there have been mergers and acquisitions internationally, resulted in strong local concentration.
- Due to the recession, most F&B companies have also had to produce less expensive options, such as second and third brands, and retailers' private brands. Currently, new product launchings are being carried out.
- Production is primarily focused on the domestic market. However, after the devaluation in 2002, most companies have expanded exports.
- Due to the economic recession, demand of food ingredients dropped by approximately 30 percent, reflecting the decline in the local F&B market. The revival in domestic consumption started in 2004.
- Most food ingredients continue in the market. However, local processors try to

- substitute foreign products with more inexpensive products manufactured locally or in other Mercosur countries. In some cases, this is not feasible, since many ingredients are only produced outside the region.
- There are very good opportunities for U.S. ingredients for the manufacturing of functional foods and beverages. This is a new trend, which is increasingly affecting eating habits in Argentina. Other U.S. food ingredients with significant potential in the Argentine food market are: flavors, sweeteners, carbohydrates, proteins, natural antioxidants, among others.
 - Demand for 2008 is projected to continue to grow as a result of the continuation of a strong economic recovery, and larger F&B exports. Several companies and some of their lines of products, which during the past few years had left Argentina, have come back due to the gain in competitiveness after devaluation.
 - Despite the good reputation of U.S. F&B in Argentina and the high value of the euro compared to the dollar, food ingredients still face strong competition by European products, primarily from Italy, France, England, and Germany; from Mercosur countries, primarily Brazil and Chile; and from China, where several U.S. companies have established branches.

Market Entry

The best method to import a product will depend upon the product itself, the importer, and retailers. Successful trade depends upon the commitment of the exporter to devote the time and resources necessary for building a market for his/her product(s). In general, imported F&B come into Argentina through the following ways:

- Direct imports by supermarkets. Import or purchasing managers of large retail companies identify products in international food shows, buying missions, etc. They establish a direct contact with the foreign supplier or local agent and import the products directly. Due to small initial volumes, it is common for them to use large wholesalers or consolidators in the U.S.
- Local agents, who work closely with large retail chains. Imports are done on behalf of supermarkets and agents charge a commission. They stay on top of the product to supervise its marketing and brand development.
- Local F&B importers, who import products and then market them in supermarkets and/or HRI establishments. There are a few of these who have been in the market for several years and have well-established brands. They mainly specialize in gourmet foods.
- Local processors (mainly subsidiaries of multinational companies) such as Nestle, Kraft, Pillsbury, Cadbury, Heinz, Mars, Danone, Unilever, etc., which import and distribute products usually manufactured by their sister companies. Imports through this channel dropped significantly during the economic crisis, but are projected to increase again.
- In the case of food ingredients, they are either imported directly by food processing companies, or through an importer/representative.

Trends in Promotional/Marketing Strategies and Tactics

As a result of the economic difficulties, promotional activities carried out by the different countries and private sector diminished considerably but, during the past few months, with the launching of new F&B, promotional campaigns are being implemented, and foreign countries are again promoting their products through their embassies in Buenos Aires. As a consequence of devaluation, promotional costs in dollar terms have decreased significantly. A lot can be done with little.

Up until the devaluation, market promotion activities by foreign countries consisted mainly of trade missions, supermarket in-store promotions, menu promotions, and trade shows. European countries were very active through government programs, and neighboring countries were also very active but through private companies.

Trends in Tourism and Internet Sales

- According to an article published by *Mercado* magazine, over \$3 billion were invested in the Argentine hotel sector during 1991-2001, especially by international chains such as Best Western, Sofitel, Sheraton, Accor, Radisson, Four Seasons, Days Inn, NH, among others. Currently, sustained hotel investment is estimated at \$800 million on an annual basis. This sector, especially five-star hotels, has benefited from the devaluation, which made Argentina more competitive for international tourism. According to a survey carried out by the National Institute of Statistics and the Census, around 20 percent of foreign tourists are from the Europe, 20 percent from Brazil, 15 percent from the U.S., 15 percent from Chile, and 15 percent from other countries of the Americas. New five and four-star hotels continue to be inaugurated throughout the country. Currently, there are over 10 five-star hotels in Buenos Aires City, and other additional 6 are being planned for the next couple of years. Strong investment in the hotel sector is expected to continue growing in 2008, both in Buenos Aires City and the interior of the country, especially Salta, Ushuaia, Bariloche, El Calafate, Mendoza, and Rosario.
- Devaluation and recession have made more affluent Argentines spend their vacations in-country instead of traveling abroad. However, during the past year, an increasing number of Argentines are choosing foreign tourist destinations.
- As reported by a survey carried out by the Argentine Secretariat of Tourism, during the cruise season 2005-2006, almost 110,000 tourists arrived in Argentine ports, up 66 percent compared to the previous season. Eighty-three percent of passengers were foreign tourists: 24 percent from the United States, 12 percent from Brazil, and 12 percent from the United Kingdom. The cruise business is expected to continue to expand in 2008.
- Another significant indicator, which had a negative impact on tourism, was the fact that several international airline companies (American Airlines, Lan Chile, Mexicana, Air Canada, British Airways, Lufthansa, Qantas Airways, United Airlines, among others) stopped operating, or reduced flight frequency, in 2002. As of December 2003, this changed since most of the above firms showed renewed interest in the Argentine tourism market and have incorporated new destinations to their routes. The reasons for this change in strategy are the attractive exchange rate for international tourists, and economic growth.
- The GOA considers tourism as one of the key industries to develop and is making efforts to enhance Argentina's image abroad. Five years ago, the GOA assigned professionals to several Argentine embassies in the world to promote international

- tourism.
- A few retail chains provide Internet and phone sales service. However, sales of foods through the web are not very popular, accounting for less than 1 percent of total supermarket sales. (The main disadvantage for consumers is that they usually have to wait several hours for the order to be delivered to their homes and, in many cases, orders are incomplete due to products being out-of-stock.)
 - The number of Internet users increased by 30 percent in 2006, compared to the previous year. Currently, over 30 percent of the total population, i.e. around 13 million people, has contracted Internet services).

For additional information on this section, please refer to our Retail Food Sector report (AGR# AR5037): <http://www.fas.usda.gov/gainfiles/200512/146131745.pdf>

SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

Under the current economic situation, which combines a strong dollar (vis-à-vis the peso) and diminished purchasing power, best prospects are for high-value F&B, commodity-type products, and food ingredients. All these are products that are not produced locally or their production is not sufficient to supply the entire domestic demand.

I) Imported F&B considered "commodities" (products whose domestic production is not sufficient to satisfy local demand. These basically compete based on price):

- | | |
|--------------------|----------------|
| * Palm hearts | * Pepper |
| * Canned preserves | * Coffee |
| * Canned tuna | * Bananas |
| * Dried lentils | * Fruit juices |

II) Food Ingredients

- | | |
|---|--|
| * Pork, frozen | * Cocoa paste/butter/powder |
| * Coffee-based preparations | * Natural colors, essences, and fragrances |
| * Soup preparations | * Beverage preparations |
| * Food additives | * Flavors |
| * Ingredients for the dairy and meat industries | * Starches |
| * Raw nuts | * Health supplements |
| * Ingredients for functional foods | * Sweeteners |
| * Natural Antioxidants | * Proteins |
| * Nutraceuticals | * Vitamins |

- * Soy proteins
- * Natural extracts
- * Fat substitutes
- * Nutritional ingredients
- * Fibers

III) There are also some high-value food products for which there is a significant demand, especially products of very well-known international brands:

- * Chewing gum
- * Candy
- * Bonbons
- * Snacks
- * Snack bars
- * Cookies
- * Prepared nuts
- * Meal replacements
- * Baby foods
- * Sauces
- * Energy drinks
- * Alcoholic beverages
- * Pet food
- * Soups
- * Cheese
- * Frozen products
- * Ready meals
- * Spreads

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

Government Regulatory Agencies

Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA)

Avda. Paseo Colón 367, piso 5
 1063 Buenos Aires, Argentina
 Tel: (54-11) 4121-5000
 Fax: (54-11) 4121/5000
 Website: www.senasa.gov.ar

Instituto Nacional de Alimentos (INAL)

Estados Unidos 25
 1101 Buenos Aires, Argentina
 Tel: (54-11) 4342-5674; 4340-0800 (ext. 3538)
 Fax: (54-11) 4340-0800 (ext. 3514)
 Website: www.anmat.gov.ar

Instituto Nacional de Vitivinicultura (INV)

San Martín 430
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APPENDIX I. STATISTICS

KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports from All Countries (\$Mil) / U.S. Market Share (%) 2006	\$1,121/8.6
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%) 2006	\$435/7.0
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) 2006	\$74/0
Total Population (Millions)/Annual Growth Rate (%) 2006	39.3/1
Urban Population (Millions)/Annual Growth Rate (%)	33/ NA
Number of Major Metropolitan Areas	4
Size of the Middle Class (Millions)/Growth Rate (%)	20 / NA
Per Capita Gross Domestic Product (U.S. Dollars) 2007	\$6,370
Unemployment Rate (%) 2007	9.5
Per Capita Food Expenditures (U.S. Dollars) 2007	\$500
Percent of Female Population Employed 2007	38%
Exchange Rate (US\$1 = 1 Argentine Peso)	US\$1 = 3.15 Arg. Peso

CONSUMER FOOD PRODUCT IMPORTS

Consumer Food Imports - Argentina

Description	United States Dollars		
	2004	2005	2006
Group 32 (2007)	350,288,956	387,910,838	433,759,679
Bananas And Plantains, Fresh Or Dried	53,657,352	54,804,497	59,314,705
Food Preparations Nesoi	31,975,589	39,513,404	52,182,957
Meat Of Swine, Nesoi, Frozen	44,144,528	34,069,321	35,550,342
Enzymes And Prepared Enzymes, Nesoi	18,477,351	21,702,831	26,235,419
Dextrins And Other Modified Starches	8,105,592	11,309,116	11,944,970
Caseinates & Other Casein Derivatives; Casein Glue	7,965,717	8,647,116	10,990,843
Chocolate & Othr Cocoa Preps, Not Bulk, Not Filled	4,117,889	7,063,516	9,808,291
Palm Hearts, Prepared Or Preserved Nesoi	8,273,521	9,985,099	9,773,169
Sugar Confection (Incl Wh Choc), No Cocoa, Nesoi	7,032,888	8,101,799	8,988,698
Coffee Extracts/Essences/Concentrates \$ Prep	6,812,074	7,021,945	8,965,908
Cocoa Preparations, Not In Bulk Form, Nesoi	5,420,525	7,113,439	8,680,057
Coffee Extracts, Essences Etc. & Prep Therefrom	4,292,868	5,896,308	8,095,219
Chewing Gum, Whether Or Not Sugar Coated	7,047,685	8,555,700	7,350,016
Tomato Paste Etc, Not Prepared With Vinegar Etc.	3,680,979	4,283,069	6,852,872
Pineapples, Prepared Or Preserved Nesoi	5,306,519	3,982,527	5,473,828
Yeasts, Active	4,242,638	4,639,674	4,944,088
Prep Food, Swelling/Roasting Cereal/Cereal Product	3,789,583	3,941,524	4,825,793
Food Preparations For Infants, Retail Sale Nesoi	3,982,927	3,596,800	4,106,604
Almonds, Fresh Or Dried, Shelled	4,696,006	4,060,622	4,078,115
Nuts (Exc Peanuts) And Seeds, Prepared Etc. Nesoi	2,411,327	3,607,891	3,968,360
Bread, Pastry, Cakes, Etc Nesoi & Puddings	2,626,169	2,582,891	3,933,580
Cheese, Processed, Not Grated Or Powdered	2,276,466	2,744,970	3,696,920
Chicken Cuts And Edible Offal (Inc Livers), Frozen	1,189,445	3,003,616	3,653,369
Mushrooms Prep/Pres Ex By Vinegar/Acetic Acid	2,002,293	2,184,428	3,618,291
Meat, Bovine Cuts With Bone In, Fresh Or Chilled	2,422,153	2,519,596	3,612,829
Kiwi Fruit (Chinese Gooseberries) Fresh	2,917,820	3,243,773	3,607,694
Other	101,421,052	119,735,366	119,506,742

TOP SUPPLIERS OF CONSUMER FOOD PRODUCTS

Argentina Import Statistics			
Consumer Oriented Agricultural Products			
Calendar Year: 2004 - 2006			
Partner Country	United States Dollars		
	2004	2005	2006
World	350,288,956	387,910,838	433,759,679
Brazil	139,691,125	144,999,320	150,163,700
Ecuador	44,548,844	44,386,799	52,212,262
Chile	30,566,373	37,563,067	39,539,933
United States	20,248,866	22,616,573	30,055,126
Belgium	5,959,325	9,904,285	16,113,472
Manaos (Uruguay)	10,923,709	13,404,166	15,871,735
Bolivia	8,704,179	11,122,318	14,446,136
Germany	10,482,454	10,618,220	14,000,003
Uruguay	15,945,767	14,611,998	12,333,812
Netherlands	7,496,346	7,671,721	11,236,284
Italy	6,428,152	8,517,777	9,963,438
China	2,469,560	3,642,875	6,931,180
Spain	4,966,879	4,889,331	6,159,291
France	4,711,774	5,174,277	6,129,053
Mexico	4,287,317	4,210,738	5,972,015
Denmark	6,210,659	9,960,696	5,189,109
Singapore	3,613,938	3,288,179	5,185,290
Paraguay	2,859,742	2,977,737	3,391,743
Indonesia	1,233,331	1,988,011	2,847,353
Colonia (Uruguay)	1,251,427	1,765,758	2,449,052
Colombia	793,367	873,700	2,040,126
United Kingdom	1,203,965	1,494,169	1,803,626
Korea South	1,292,106	1,409,583	1,692,421
Canada	509,355	871,751	1,651,007
Japan	1,665,615	1,574,539	1,641,061
Others	12,224,781	18,373,250	14,741,451

TOP FOOD IMPORTS FROM THE U.S.

Argentine Consumer Food Imports From the U.S.			
Description	United States Dollars		
	2004	2005	2006
Group 32 (2007)	20,248,866	22,616,573	30,055,126
Food Preparations Nesoi	5,889,718	7,241,933	11,946,003
Enzymes And Prepared Enzymes, Nesoi	2,218,801	2,562,037	3,412,228
Dextrins And Other Modified Starches	1,947,225	2,823,600	3,026,142
Nonalcoholic Beverages, Nesoi	1,989,986	1,871,095	2,196,609
Cocoa Preparations, Not In Bulk Form, Nesoi	265,177	526,127	1,219,891
Almonds, Fresh Or Dried, Shelled	0	9	1,089,464
Potatoes, Prepared Etc. No Vinegar Etc, Not Frozen	257,378	458,262	864,409
Dog And Cat Food, Put Up For Retail Sale	1,289,639	635,774	634,127
Vegetables, Nesoi, Fresh Or Chilled	354,436	493,929	596,123
Rennet And Concentrates Thereof	291,073	311,723	415,716
Whey & Modfd Whey Whet/Nt Cncntrd Cntg Add Sweet	305,985	416,095	378,769
Lactose & Lactose Syrup Cont 99% More Lactse By Wt	205,619	208,314	299,580
Sauces Etc. Mixed Condiments And Seasonings Nesoi	157,271	268,138	261,570
Sugar Confection (Incl Wh Choc), No Cocoa, Nesoi	38,301	100,489	217,846
Bread, Pastry, Cakes, Etc Nesoi & Puddings	88,472	71,991	211,180
Almonds, Fresh Or Dried, In Shell	102,056	234,589	207,380
Vegetable Waxes (Other Than Triglycerides)	1,295,159	1,234,840	169,815
Edible Fruit Or Nut Trees, Shrubs And Bushes	345,908	246,937	164,941
Vegetables Nesoi, Prep Etc., No Vinegar Etc, Frozn	330	512	149,219
Tomato Ketchup And Other Tomato Sauces	92,336	60,377	145,927
Milk Albumin,Inc Concen Of 2 Or More Whey Proteins	568	52,209	133,068
Prepared Or Preserved Bovine Meat Etc. Nesoi	151,314	176,886	129,789
Prep Food, Swelling/Roasting Cereal/Cereal Produc	164,274	310,394	128,630
Live Plants, Cuttings & Slips,Nesoi;Mushroom Spawn	146,531	129,978	124,559
Flakes, Granules And Pellets Of Potatoes	58	60,810	121,712
Onions, Dried (Powder Etc). Not Further Prepared	134,727	99,584	105,752
Walnuts, Fresh Or Dried, In Shell	0	91,247	101,622
Other	2,516,524	1,928,694	1,603,055