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Argentina

Fresh Deciduous Fruit

Semi-Annual

2001

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Report Highlights:

Argentine production of deciduous fruit in 2001 is estimated at 1.94 million metric tons, down slightly (4 percent) from our previous estimate, but up dramatically (46 percent) from 1999-2000. This increase was due to favorable conditions recorded during the entire season.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Buenos Aires [AR1], AR

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EXECUTIVE SUMMARY

Private data indicate that production of apples and pears has been slightly smaller than our original estimates. For a clearer picture, see the revised figures in the PS&D for the last two years.

Exports of deciduous fruit in 2000 totaled 374,885 metric tons for a total export value of 225.9 US\$ million. Exports of apples and pears in CY 2001 are projected at 488,000 metric tons, up 30 percent from 2000 due to a larger crop.

PRODUCTION OF APPLES AND PEARS - GENERAL

Revised apple and pear production by zone for 2001 are as follows in metric tons:

2001

ZONE	APPLES	PEARS
Rio Negro	929,500	462,200
Neuquen	207,300	75,735
Mendoza	184,000	69,175
Others	10,000	3,000
TOTAL	1,330,800	610,110

Although it is too early to forecast total 2002 fresh apple and pear harvest, because September through November is the most critical period for damage of frosts, etc., if no adverse weather conditions occur between now and the end of harvest time, apple and pear crops in 2002 are expected to be slightly lower than 2001. The reasons for this expected decrease include: a) the nearly record crop this season, b) apple and pear producers have not yet received the amount of money promised as financial aid. This situation and problems with access to credit affect producers who do not have the capital necessary for cultural practices, such as fertilizing, pruning, etc. Hence, the quality and quantity of the fruit produced in the next year could be adversely affected. Moreover, there was a delay of approximately 10-15 days in the flowering stage due a very cold and prolonged 2001 winter with 6-7 degrees celcius below zero for several weeks, in the southern producing areas. Old orchards were removed and were replaced by Gala and improved delicious clones, due to lack of better varieties.

Production of concentrated apple juice (CAJ) CY 2000 was estimated at 42,328 metric tons, and output for 2001 is forecast at 83,543 metric tons. Please note that the PS&D for CAJ for the last three years have been revised, upward or downward according to information provided by private sector.

TRADE

Argentina's heaviest apple export period is from March through May.

Exports of deciduous fruit in 2000 totaled 374,885 metric tons for a total export value of 225.9 US\$ million. Exports of apples and pears in CY 2001 are projected at 488,000 metric tons, up 30 percent from 2000 due to a larger crop.

During the first six months of 2001, apple exports totaled 146,771 metric tons versus 78,995 metric tons during the same period a year earlier. During this period, 88 percent of total shipments went to: Belgium 22 percent, Netherlands 21 percent, Russia 19 percent, Brazil 11 percent, Norway and the U.K. 6 percent each, and Spain 3 percent.

Reportedly, exports to Brazil are experiencing problems, since many trucks were rejected entry due to Carpocapsa problems. It is rumored that the Ministry of Foreign Affairs is having meetings with its Brazilian counterpart to solve this problem.

Some shipments to Taiwan have also experienced problems, since under the sanitary agreement the boxes had to be sealed, thus producing flattening of the fruit during shipment. This affected the quality of the fruit and the goods had to be sold at a lower price.

During CY 2000, 37,574 metric tons of CAJ were exported for an export value of US\$ 46.1 million, while imports during the same period totaled 4,638 metric tons valued at 4.5 US\$ million. Nearly 97 percent of the total export volume was shipped to the United States, and the rest to Brazil, Uruguay, Trinidad Tobago, Paraguay and Nigeria. Of the total amount of CAJ imported, 93 percent came from Brazil and the rest from Chile, Uruguay, China, Paraguay and the United States.

CONSUMPTION

Domestic consumption of fresh apples in 2000 is estimated at 324,805 metric tons and is calculated to reach 358,000 metric tons in 2001. Per capita consumption in 2001 is forecast at 9.5 kgs. against 8.8 kgs. in 2000.

Argentine consumption of fresh pears in CY 2000 is estimated at 120,227 metric tons and is projected to increase by 14 percent in 2001 due to an expected larger fresh output. Per capita consumption in 2001 is forecast at 3.7 kgs. versus an estimated 3.2 kgs. in 2000.

POLICY (APPLES, PEARS, CONCENTRATED APPLE JUICE (CAJ))

By Resolution 27/01, dated April 6, 2001, the GOA established a 25 percent import tax on all apples and pears, except on product coming from Mercosur Countries which pay zero percent. In addition, all countries pay a 0.5 percent statistical tax.

By Resolution 221/01 dated June 18, 2001, the GOA announced a reduction in the export rebates for apples and pears of 7 points to 3 percent, (previous rebates were 12 percent) and Resolution 222/01 dated June 18, 2001 unified the rebates for all apples varieties.

By Resolution 221/01 dated June 18, 2001 the GOA established a 28 percent import tax on concentrated apple juice (CAJ) and by Resolution 220/01 dated June 18, 2001 reduced the export rebate for CAJ by 7 points to 3 percent. Table below shows new rebates and (previous rebates in parentheses):

Apples, Pears & CAJ	Boxes (net weight)	Rebates
Apple: All varieties	in boxes containing 2.5 kilos or less	5 percent (12)
Idem	in boxes containing above 2.5 kilos and less or equal to 20 kilos	3 percent (8.1)
Pears	in boxes containing 2.5 kilos or less	6 percent (12)
Pears	in boxes containing above 2.5 kilos and less or equal to 20 kilos	3 (8.1)
Concentrated apple juice	in packages of 1 liter or less	5 percent (12)
All others		3 percent

The reduction in the export rebate was partially offset by the introduction of what is called locally a "convergence factor". The convergence factor is a variable export payment based on the difference between the US dollar and the Euro. When introduced in June the payment was 7 percent of the value of the exported product. With recent strength in the Euro, the payment has fallen to between 3 and 4 percent. The government has recently announced plans to once again revise this system and may restore export rebates to the previous level (12 parenthesis in table), with the payments under the convergence factor deducted from the export rebate (e.g. the total export payment for apples from both programs would be 12 percent).

The government has made no changes in the special payments for exports of apples and pears from Patagonia ports (see previous Annual Report for details).

With respect to all of these payments, and the most recent changes, private sector contacts report (i.e. complain) that the Argentine Government has often been unable to make the promised payments due to budgetary problems.

STATISTICAL TABLES

Table 1: PSD Fresh Apples

PSD Table						
Country	Argentina					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	54	54	54	54	54	54
Area Harvested	53	53	53	53	53	53
Bearing Trees	27100	27100	27100	27100	27100	27100
Non-Bearing Trees	4000	4000	4000	4000	4000	4000
Total Trees	31100	31100	31100	31100	31100	31100
Commercial Production	1316035	1316035	786800	847084	1398800	1330800
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	1316035	1316035	786800	847084	1398800	1330800
TOTAL Imports	11858	11858	10000	13280	8000	8000
TOTAL SUPPLY	1327893	1327893	796800	860364	1406800	1338800
Domestic Fresh Consump	330172	330172	246000	324670	360000	358000
Exports, Fresh Only	179723	179723	104000	95895	190000	198000
For Processing	817998	817998	446800	439799	856800	782800
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	1327893	1327893	796800	860364	1406800	1338800

Table 2: Export Trade Matrix Fresh Apples

Export Trade Matrix			
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Country	Argentina		
Commodity	Fresh Apples		
Time period	CY	Units:	
Exports for:	2000		2001
U.S.	1825	U.S.	
Others		Others	
Brazil	28365		
Belgium	17929		
Netherlands	10626		
Russia	9756		
Portugal	3271		
Spain	2909		
Germany	1593		
Poland	1355		
Bolivia	1193		
Sweden	3703		
Total for Others	80700		0
Others not Listed	242145		
Grand Total	324670		0

Table 3: Import Trade Matrix Fresh Apples

Import Trade Matrix			
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Country	Argentina		
Commodity	Fresh Apples		
Time period	CY	Units:	
Imports for:	2000		2001
U.S.	223	U.S.	
Others		Others	
Chile	10645		
France	1021		
Brazil	558		
Italy	418		
Spain	393		
Ecuador	22		
Total for Others	13057		0
Others not Listed	0		
Grand Total	13280		0

Table 4: Prices Fresh Apples

Prices Table			
Country	Argentina		

Commodity	Fresh Apples		
Prices in	USD	per uom	kilo
Year	2000	2001	% Change
Jan	0.88	0.78	-11.36%
Feb	0.66	0.61	-7.58%
Mar	0.51	0.46	-9.80%
Apr	0.56	0.39	-30.36%
May	0.57	0.4	-29.82%
Jun	0.57	0.38	-33.33%
Jul	0.6	0.39	-35.00%
Aug	0.61		-100.00%
Sep	0.69		-100.00%
Oct	0.74		-100.00%
Nov	0.75		-100.00%
Dec	0.77		-100.00%
Exchange Rate		Local currency/US \$	

Table 5: PSD Table Concentrated Apple Juice

PSD Table						
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Country	Argentina					
Commodity	Concentrated Apple Juice				(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Deliv. To Processors	817998	817998	446800	439799	856800	782800
Beginning Stocks	883	883	3154	3154	1529	4046
Production	91396	91396	49275	42328	92600	83543
Imports	1494	1494	3100	4638	1000	1250
TOTAL SUPPLY	93773	93773	55529	50120	95129	88839
Exports	82119	82119	45500	37574	83000	78500
Domestic Consumption	8500	8500	8500	8500	8500	8000
Ending Stocks	3154	3154	1529	4046	3629	2339
TOTAL DISTRIBUTION	93773	93773	55529	50120	95129	88839

Table 6: Export trade Matrix Concentrated Apple Juice

Export Trade Matrix			
Country	Argentina		
Commodity	Concentrated Apple Juice		
Time period	CY	Units:	Metric tons
Exports for:	2000		2001
U.S.	36314	U.S.	
Others		Others	
Brazil	714		
Uruguay	315		
Trinidad Tobago	147		
Paraguay	53		
Nigeria	22		
Chile	6		
China	2		
Total for Others	1259		0
Others not Listed	1		
Grand Total	37574		0

Table 7: Import Trade Matrix Concentrated Apple Juice

Import Trade Matrix			
Country	Argentina		
Commodity	Concentrated Apple Juice		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.	4	U.S.	
Others		Others	
Brazil	4295		
Chile	23		
Uruguay	280		
China	20		
Paraguay	16		
Total for Others	4634		0
Others not Listed	0		
Grand Total	4638		0

Table 8: PSD Table Fresh Pears

PSD Table						
Country	Argentina					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	18	18	18	18	18	18
Area Harvested	18	18	18	18	18	18
Bearing Trees	9036	9036	9036	9036	9036	9036
Non-Bearing Trees	1200	1200	1200	1200	1200	1200
Total Trees	10236	10236	10236	10236	10236	10236
Commercial Production	582960	582960	502650	478078	640000	610110
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	582960	582960	502650	478078	640000	610110
TOTAL Imports	312	312	750	809	700	700
TOTAL SUPPLY	583272	583272	503400	478887	640700	610810
Domestic Fresh Consump	128956	128956	95000	120227	135000	137400
Exports, Fresh Only	286397	286397	270000	279125	300000	290000
For Processing	167919	167919	138400	79535	205700	183410
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	583272	583272	503400	478887	640700	610810

Table 9: Export Trade Matrix Fresh Pears

Export Trade Matrix			
Country	Argentina		
Commodity	Fresh Pears		
Time period	CY	Units:	
Exports for:	2000		2001
U.S.	45772	U.S.	
Others		Others	
Brazil	85866		
Italy	46817		
Netherlands	28769		
Belgium	26672		
Russia	14711		
Canada	7419		
France	6230		
Portugal	4368		
Germany	3956		
Sweden	3170		
Total for Others	227978		0
Others not Listed	5375		
Grand Total	279125		0

Table 10: Import Trade Matrix Fresh Pears

Import Trade Matrix			
Country	Argentina		
Commodity	Fresh Pears		
Time period	CY	Units:	
Imports for:	2000		2001
U.S.	0	U.S.	
Others		Others	
Brazil	544		
Chile	159		
Spain	106		
Total for Others	809		0
Others not Listed	0		
Grand Total	809		0

Table 11: Prices Fresh Pears

Prices Table			
Country	Argentina		
Commodity	Fresh Pears		
Prices in	USD	per uom	kilo
Year	2000	2001	% Change
Jan	0.52	0.34	-34.62%
Feb	0.46	0.37	-19.57%
Mar	0.52	0.38	-26.92%
Apr	0.53	0.41	-22.64%
May	0.52	0.41	-21.15%
Jun	0.49	0.44	-10.20%
Jul	0.47	0.45	-4.26%
Aug	0.5		-100.00%
Sep	0.58		-100.00%
Oct	0.69		-100.00%
Nov	0.43		-100.00%
Dec	0.38		-100.00%
Exchange Rate	1 peso=Prices Fresh Pe:F24	Local currency/US \$	