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Planting Seeds

Annual

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Approved by:

David Mergen

U.S. Embassy

Prepared by:

Francisco Pirovano

Report Highlights:

Argentina imports of planting seeds are expected to fall as a result of the current threefold higher rate of exchange compared with that of January 2002. Imports of forage planting seeds are expected to be more affected. Nearly 90 % of the beef produced in Argentina goes to the domestic market and beef prices continue to be below world prices. Imported inputs as fertilizer and pesticides are now more expensive in local currency, while export taxes of 20% on major crops have meant that prices have fallen in dollar terms.

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

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Executive Summary

In January 2001 the government of Argentina devalued its currency, the peso, which had been pegged to the dollar at 1:1 since 1990. Peso liberalization has seen the rate of exchange fall to around 1:3 creating a totally new economic environment

which discourages imports and favors exports.

In this new economic environment, agricultural production has been affected directly through the imposition of export taxes of 20% on major grain and oilseed crops. While returns measured in local currency have increased, very tight credit and economic uncertainty make it likely producers will be forced to lower the use of inputs and work at a minimum cost. In the current circumstances, average per hectare yields are expected to fall.

Section I: Situation and Outlook

Production

Doble cropping wheat / soybean will allow total area of field crops to increase slightly in CY 2002. Planting area for soybeans is expected to increase by 6 percent due to the relatively low cash outlays necessary and good returns. Sunflower area is also expected to increase. Wheat area is expected to remain the same or decrease, with farmers likely to plant more seed saved from this year's crop. Corn, on the other hand, requires a more expensive technological package resulting in a higher dependence on external inputs. The area under corn is expected to shrink by 18 percent and farmers are expected to opt for planting lower priced seed varieties. Planted area for the rest of the crops is expected to decrease, continuing a trend away from the minor crops.

Table 1 : Planted Area Comparison

	Planted Area 1999/2000	Planted Area 2000/2001	Planted Area 2001/2002
Soybeans	8,790,000	10,613,000	11,500,000
Wheat	6,300,000	6,497,000	7,108,000
Corn	3,680,000	3,345,000	3,000,000
Sunflower	3,587,000	1,976,000	2,027,000
Oat	1,664,000	1,711,000	1,507,000
Sorghum	827,000	698,000	584,000
Rye	365,000	373,000	339,000
Cottonseed	408,000	345,000	172,000
Beans	275,000	293,000	273,000
Peanuts	219,000	251,000	225,000
Barley	182,000	246,000	264,000
Rice	201,000	154,000	131,000
TOTAL	26,498,001	26,502,001	26,937,001

Source: SAGPyA

Government Regulations

Plant Health Regulations

No changes in plant health regulation that could affect imports of planting seeds have been recorded since last report.

Seed Certification

Resolution #42/2000 dated June 4th, 2000 is still in force.

Intellectual Property Rights and Variety Approval

Plant Variety Protection / Patents

By common resolution # 810/2001 and 99/2001 the Secretariat of Agriculture, Livestock, Fisheries and Food (SAGPyA) and the Secretariat of Industry (SI) entitled the National Institute for the Industrial Property (INPI) to create a working group on industrial property in order to develop the "Guidelines for Patenting". These guidelines will include a chapter on patentability of live matter and natural substances including planting seeds. Members of the mentioned group are: SI, INPI, Food Safety and Quality Inspection Service (SENASA), National Institute for Agronomical Research (INTA), and the National Unit for Agrifood Markets of the SAGPyA. These guidelines will help patenting officers and applicants be aware of the steps of the patenting process.

As a member of the UPOV which conforms to the 1978 convention, Argentina is currently reviewing its position in order to adopt the 1991 convention.

Biotech seeds

The latest biotech seed variety approved by the Argentine government was the Novartis Agrosem S.A. corn Bt 11 on July 27th 2001, since then, no new varieties has been added to the list. Below is the list of biotech seeds approved and marketed in Argentina.

Table 2: Biotech Planting seeds

Species	Introduced feature	Transformation event	Company	Date of approval
soybean	Gifosato tolerant	"40-3-2"	Nidera S.A.	03/25/96
Corn	Worm resistant	"176"	Ciba-Geigy	01/16/96
Corn	Amonium Glufosinate tolerant	"T25"	AgrEvo S.A.	06/23/98
Corn	Worm resistant	"MON 810"	Monsanto Argentina S.A.	07/16/98
Cotton	Worm resistant	"MON 531"	Monsanto Argentina S.A.	07/16/98

Cotton	Glifosato tolerant	"MON 1445"	Monsanto Argentina S.A.	04/25/99
Corn	Worm tolerant	"Bt 11"	Novartis Agrosem S.A.	07/27/01

Argentina Possition, Outlook

Argentina possition towards the usage of GMOs is still positive. It is forecast that 98% of the 11.5 million hectares planted for soybeans in 2001/2002 season will GM seeds.

The Approval of biotech seed varieties involves three steps, with the first two steps involving assessment of the variety for safety relative to the environment and human / animal health. The final step is an economic assessment of the potential impact of approval on Argentine exports of the product, (i.e. is the product approved in major Argentine export markets).

Trade

Prices

Table 3: Comparison of Retail Seed Prices

Field crop seed	2002 (US\$/kg.)	2001 (US\$/kg.)
Certified Soybean	0.25	0.28
Certified Wheat	0.18	0.20
Hybrid Corn	2.0*	2.45*
Hybrid Sunflower	2.5*	2.5*
Hybrid Sorghum	2.35	2.20
Certified Flaxseed	0.34	0.39
Hybrid Rapeseed	5.08	6.00

* 18 Kg./ bag

Data in U\$\$ per Kilogram

Forage Seed	2002	2001
Crested Wheatgrass	0.68	0.77
Alfalfa Valley Imp.	4.50	4.50
Oats Selected and cert	0.18	0.20
Fescue Certified	1.02	1.60

Lotus Corni certi	1.66	2.00
Phalaris Imported Cert	4.00	3.80
Italian Grass imported	1.17	1.40
Red Clover Imported	2.44	3.20

Data in U\$S per Kilogram

Exports

Argentine exports of major planting seed in CY 2001 totaled 31,400 tonnes at a FOB value of US\$ 17,250,000. The United States accounts for 67% of the total volume exported and 47% of their FOB value. Main Argentine planting seed exports were as follows.

Table 4: Planting seeds exports

Planting Seeds Exports 2001	Worldwide		United States	
	volume (mtt)	FOB Value (US\$)	Volume (mtt)	FOB Value (US\$)
Sunflower	1,589	5,040,000	58	177,000
Soybeans	13,474	4,784,000	12,488	4,380,000
Corn	13,985	21,513,600	8,611	12,362,500
Sorghum	720	897,000	0	0
Cotton	1,275	1,696,400	0	0
Clover	193	457,800	0	0
Alfalfa	19	72,000	0	0
Italian Grass	37	34,200	0	0
Fescue	20	37,800	0	0
Vegetable Planting	108	2,132,400	12	330,600
Total	31,420	36,665,200	21,169	17,250,100

Table 5: Sunflower Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Bolivia	494	1,591,000
China	420	1,125,000
Uruguay	304	1,030,000
Brazil	135	540,000
Thailand	91	244,000
United States	58	177,000
Paraguay	59	217,000
Others	28	116,000
Total	1,589	5,040,000

Table 6: Soybeans Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
United States	12,488	4,380,000
Uruguay	866	323,000
Paraguay	92	63,000
Others	28	18,000
Total	13,474	4,784,000

Table 7: Corn Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
United States	8,611	12,362,500
Brazil	2,260	4,336,300
Uruguay	1,335	2,027,700
Netherlands	743	1,086,000
Bolivia	572	807,100

Peru	204	385,400
Colombia	122	186,800
Japan	65	167,200
Others	73	154,600
Total	13,985	21,513,600

Table 8: Sorghum Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Uruguay	302	443,000
Bolivia	198	270,000
Brasil	129	66,000
Paraguay	91	118,000
Total	720	897,000

Table 9: Cotton Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Paraguay	1,050	1,441,000
Spain	210	235,000
Brazil	14	19,000
Others	1	1,400
Total	1,275	1,696,400

Table 10: Clover Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Uruguay	173	400,000
Chile	18	51,000
Bolivia	2	6,800

Total	193	457,800
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Table 11: Alfalfa Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Uruguay	13	48,000
Bolivia	3	12,000
Paraguay	2	7,000
Ecuador	1	5,000
Total	19	72,000

Table 12: Italian Grass Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Uruguay	36	33,000
Others	1	1,200
Total	37	34,200

Table 13: Fescue Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Australia	20	37,800
Total	20	37,800

Table 14: Vegetable Planting Seed Exports

Country	2001 Volume (mtt)	2001 FOB Value (US\$)
Chile	68	984,400
Japan	17	573,700
United States	12	330,600
Uruguay	10	189,700

Others	1	54,000
Total	108	2,132,400

Imports

From January to December 2001 Argentina imports of major Planting seeds totaled 15,700 metrics tons valued at US\$ 40,600,000. The United States accounted for 38% of total volume imported of seeds and 60% of their value. Main seed imports are:

Table 15: Planting seeds imports

Planting Seed Imports 2001	Worldwide		United States	
	Volume (mtt)	CIF Value (US\$)	Volume (mtt)	CIF Value (US\$)
Sunflower	1,454	2,222,054	27	100,000
Soybeans	671	1,414,500	665	1,400,000
Corn	988	4,885,000	617	4,381,500
Sorghum	63	91,200	51	69,500
Cotton	33	63,700	17	45,200
Oat	516	115,300	0	0
Peanuts	20	25,000	20	25,000
Rice	14	7,700	0	0
Alfalfa	6,720	21,266,000	3,914	14,400,000
Clover	1,109	1,984,000	243	494,500
Italian	3,692	2,227,900	373	405,200
Fescue	156	221,450	45	63,200
Vegetables	304	6,132,100	62	2,471,800
Total	15,740	40,655,904	6,034	23,855,900

Table 16: Sunflower Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
Chile	1386	1,970,000

United States	27	100,000
Spain	24	128,000
South Africa	15	11,700
Others	2	12,354
Total	1454	2,222,054

Table 17: Soybeans Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	665	1,400,000
Others	6	14,500
Total	671	1,414,500

Table 18: Corn Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	617	4,381,500
South Africa	209	210,600
Brazil	123	171,900
Italy	20	18,000
Germany	9	34,200
Others	10	68,800
Total	988	4,885,000

Table 19: Sorghum Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	51	69,500
Uruguay	11	13,000
Others	1	8,700

Total	63	91,200
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Table 20: Cotton Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	17	45,200
Australia	16	18,500
Total	33	63,700

Table 21: Oat Planting Seed Imports

Country	2001 Volume (mtt)	2001CIF (US\$)
Brazil	320	71,000
Paraguay	171	32,500
Chile	25	11,800
Total	516	115,300

Table 22: Peanuts Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	20	25,000
Total	20	25,000

Table 23: Rice Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
Uruguay	8	2,800
Brazil	5	1,300
Others	1	3,600
Total	14	7,700

Table 24: Alfalfa Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	3,914	14,400,000
Australia	1,028	2,570,000
Singapur	147	356,000
Canada	453	1,163,000
South Africa	204	547,000
Italy	445	812,000
France	350	1,060,000
Hungary	40	72,000
Netherlands	40	68,000
New Zealand	21	53,000
Belgium	20	32,000
Jamaica	40	106,000
Brazil	18	27,000
Total	6,720	21,266,000

Table 25: Clover Planting Seed Imports

Contry	2001 Volume (mtt)	2001 CIF Value (US\$)
Australia	308	546,000
United States	243	494,500
Chile	160	350,500
Canada	75	85,000
New Zealand	63	100,600
Uruguay	62	108,600
Belgium	60	88,000
Netherlands	60	89,500
Denmark	37	54,100

Others	41	68,184
Total	1109	1,984,000

Table 26: Italian Grass Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
Uruguay	1493	502,500
Germany	509	289,000
New Zealand	471	433,000
United States	373	405,200
Denmark	316	255,000
Belgium	280	156,200
Netherlands	201	150,000
Others	49	37,000
Total	3692	2,227,900

Table 27: Fescue Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	45	63,200
Netherlands	33	40,500
Australia	24	32,600
Belgica	20	29,200
Germany	12	20,000
Canada	8	15,100
Denmark	7	10,200
Great Britain	6	8,600
Others	1	2,050
Total	156	221,450

Table 28: Vegetable Planting Seed Imports

Country	2001 Volume (mtt)	2001 CIF Value (US\$)
United States	62	2,471,800
Netherlands	52	1,106,000
Italy	50	307,000
Denmark	41	260,000
Chile	22	440,000
France	22	537,000
Germany	27	166,500
South Africa	9	44,600
Japan	7	227,700
Others	12	571,500
Total	304	6,132,100