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## Argentina

## Potatoes

## Voluntary

## 2008

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**Report Highlights:**

Argentine potato production is expected to increase to 2.5 million metric tons (MT) as exports of processed (frozen French fries) potatoes are pulling total production up. Domestic consumption of fresh potatoes has been stable for the last ten years at 2,000,000 MT. Exports are expected to increase to 150,000 MT. Negligible imports are expected for 2008.

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

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## Section I. Situation and Outlook

## Production areas



## Production

Total area planted to potatoes in 2008 is estimated at 83,000 hectares. Argentine production of fresh potatoes in 2008 is expected to increase to 2.5 million MT returning to normal production volume after a severe drop in 2007 production due to unfavorable climatic circumstances.

The area planted to potatoes between 1930 and 1960 was 200,000 hectares. However, in the 1990's, this area shrank to 100,000 hectares. This drop came along with strong increases in yields due to the introduction of new varieties and better technology. Production since the 1990's has been around 2 – 2.5 million MT per year.

Potato production of varieties for fresh domestic consumption has been stable and totals 2,000,000 MT. On the other hand, potato production for the processing sector has grown steadily since mid 1990's. Annually, between 300,000 and 500,000 MT of potatoes are sent to processors. This sector has largely influenced the varieties planted in Argentina.

Nowadays, those varieties with high dry matter content such as Russet Burbank, Ranger Russet, Innovator, Asterix, Frital INTA and, Shepody are planted only for the processing sector. In an indirect way, the introduction of these varieties gave farmers the option to export. Also, the Kennebec variety, which was already planted in Argentina, still has a significant share among those varieties that are suitable for the export market.

In the years to come, it is expected that this crop will expand due to better yields. This growth will be driven by the export market and the processing sector, especially for frozen French fries.

## Potato Production for Domestic Consumption and Processing Sector 2006/2007

Season (1)	Province	Region	Area (Ha)	Yield (tn/ha)	Produc (tn)
Semi Late	Buenos Aires	Belgrano	2.200	33	72.600
Semi Late	Buenos Aires	Sudeste	25.000	30	700.000
Semi Late	Córdoba	Secano	1.100	17	18.700
Semi Late / Fall	Mendoza	Mendoza	6.500	20	130.000
Late	Córdoba	Cint. Verde y Secano	10.200	21	214.200
Late	Córdoba	Villa Dolores	6.500	23	149.500
Late	Santa Fé	Rosario	1.500	18	27.000
Early / Fall	Tucumán	Tucumán	7.000	20	140.000
Semi Early	Córdoba	Cint. Verde y Secano	5.500	20	110.000
Semi Early	Córdoba	Villa Dolores	4.200	22	92.400
Semi Early	Santa Fé	Rosario	2.000	18	36.00
Others	Others	Others	5.000	19	95.000
<b>Total</b>			<b>77.500</b>	<b>23</b>	<b>1.785.400</b>

## Potato Production for Domestic Consumption and Processing Sector 2005/2006

Season (1)	Province	Region	Area (Ha)	Yield (tn/ha)	Produc (tn)
Semi Late	Buenos Aires	Belgrano	2.100	42	88.200
Semi Late	Buenos Aires	Sudeste	20.500	45	922.500
Semi Late	Córdoba	Secano	1.200	15	18.000
Semi Late / falll	Mendoza	Mendoza	7.500	20	150.000
Late	Córdoba	Cint. Verde y Secano	14.000	21	294.000
Late	Córdoba	Villa Dolores	7.000	22	154.000
Late	Santa Fé	Rosario	1.200	20	24.000
Early / fall	Tucumán	Tucumán	9.500	26	247.000
Semi Early	Córdoba	Cint. Verde y Secano	7.000	18	126.000
Semi Early	Córdoba	Villa Dolores	4.000	18	72.000
Semi Early	Santa Fé	Rosario	900	20	18.000
Others	Others	Others	6.000	20	120.000
<b>Total</b>			<b>80.900</b>	<b>26</b>	<b>2.233.700</b>

(1) **Early**: Jun – July; **Semi Early**: July – August; **Semi Late**: September – November; **Late**: February – March

### Processing Sector

Planted area to potatoes with varieties for the processing sector is estimates at 13,000 hectares for 2008, which will result in a total fresh potato production of 520,000 MT. Area planted to these varieties in 2007 was 11,500 hectares with a total production of 350,000 MT. Diverse unfavorable climatic events (drought, heavy rains and frosts) resulted in very low yields throughout the country in 2007.

Frozen potatoes production for 2008 is estimated at 220,000. In 2007 frozen potatoes production was 160,000 MT.

Three companies are the major competitors for the potato processing sector in Argentina. However, one of them leads with more than 88 percent of the processed production. That company is located in Southeastern Buenos Aires province. It has two production lines for frozen French fries with a total capacity of 200,000 MT per year. Additionally this company has started to produce Noisettes and Smiles (another kind of pre-fried potato) with a total production capacity of 9,000 MT per year. The second two largest companies have a total production capacity of 30,000 MT each.

### Domestic Consumption

Domestic consumption of fresh potatoes is 50-60 Kg/person/year (2 million MT a year). The Spunta variety is the most popular among those used for the domestic market. In 2007, domestic consumption of processing potatoes was 40,000 MT. It is estimated that domestic consumption of frozen French fries will grow in 2008 to 50,000 MT.

## Trade

CY 2008 exports of processed potatoes are expected to grow to 150,000 MT as a result of better yields in those fields planted with varieties that are rich in dry matter content.

Total potato exports in CY 2007 are estimated at 128,000 MT of which 120,000 are processed potatoes (see table below), a slightly down from the previous year as a consequence of a poorer crop due to severe freezing conditions.

Potato Exports 2004 - 2006							
Argentina							
HS code 200410, Potatoes Prepared Or Preserved Other Than By Vinegar Or Acetic Acid, Frozen							
Partner Country	Unit	2004		2005		2006	
		Values USD	Quantity MT	Value USD	Quantity MT	Values USD	Quantity MT
World	MT	54008854	94868	55551483	94931	78751903	131803
Brazil	MT	43195339	74676	43397027	72960	56928606	92011
South Africa	MT	1538970	3666	2962035	6137	7420506	15127
Chile	MT	4312479	7752	4762339	8320	6042855	9991
Venezuela	MT	0	0	331518	655	3112167	6065
Uruguay	MT	1861810	3055	2321009	3738	2841693	4352
Colombia	MT	284986	562	538830	1035	793257	1560
Paraguay	MT	510221	761	564108	824	703503	1002
Bolivia	MT	371371	682	487090	895	533689	940
Peru	MT	215035	438	186342	366	329228	669
Ecuador	MT	3	0	0	0	44006	83
Senegal	MT	0	0	0	0	2258	4
United States	MT	24	0	0	0	135	0
Spain	MT	0	0	1170	1	0	0
Taiwan	MT	0	0	3	0	0	0
Ukraine	MT	269778	527	0	0	0	0
Germany	MT	3	0	0	0	0	0
Netherlands	MT	68773	119	0	0	0	0
Russia	MT	1380062	2631	0	0	0	0

Potato Exports January - October 2005 - 2007							
Argentina							
HS code 200410, Potatoes Prepared Or Preserved Other Than By Vinegar Or Acetic Acid, Frozen							
Partner Country	Unit	2005		2006		2007	
		Value USD	Quantity MT	Value USD	Quantity MT	Value USD	Quantity MT
World	MT	45021215	76831	64268352	109076	79900189	118408
Brazil	MT	35562229	59894	45392830	74192	59277230	85654
South Africa	MT	2009059	4088	6922752	14246	7257212	12061
Chile	MT	3823974	6709	4969701	8282	6456386	10330
Uruguay	MT	1954644	3156	2284722	3519	3132110	4238
Venezuela	MT	197894	391	2745953	5368	1294832	2362
Colombia	MT	461055	881	702919	1388	747962	1145

Paraguay	MT	457033	670	564917	808	721062	929
Bolivia	MT	403055	738	443891	781	615217	923
Peru	MT	151087	304	238274	490	385668	740
Ecuador	MT	0	0	0	0	12466	24
Canada	MT	12	0	0	0	21	0
Australia	MT	0	0	0	0	15	0

Imports of fresh potatoes (HS code 070190) increased in 2007 as a result of a shortage during the winter due to severe freezing conditions. While in 2006, imports were only 130 MT at a value of US\$22,000, in 2007 imports increased to 13,000 MT valued at US\$3 million. This exceptional circumstance is not likely to happen again in 2008 unless an extreme climatic event occurs once more. Imports of processed potatoes (HS code 200410) have been stable around 1,500 MT valued at one million dollars in 2004 and 2005. In 2006 and 2007 dropped 800 MT worth US\$500,000. The main sources of processed potatoes to Argentina in the last few years were the Netherlands and Belgium.

<b>POTATOES Import &amp; Export Fees 2008</b>	
<b>HS code 200410, Potatoes Prepared or Preserved Other Than By Vinegar Or Acetic Acid, Frozen</b>	
<b>Import Tariff (%)</b>	14.00
<b>Statistical Tax (%)</b>	0.50
<b>Export tax (%)</b>	5.00
<b>Rebate (%)</b> Cases containing more than 2.5 Kg. Cases containing 2.5 Kg. or less	4.05 6.00
<b>HS code 070190, Potatoes, Fresh or Chilled</b>	
<b>Import tariff (%)</b>	10.00
<b>Statistical Tax (%)</b>	0.50
<b>Export tax (%)</b>	5.00
<b>Rebate (%)</b> Cases containing between 2.5 and 20 kg. Cases containing 2.5 kg. or less	4.05 6.00