Required Report - public distribution

Date: 8/3/2011
GAIN Report Number:

Argentina

Food Processing Ingredients

2010

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Report Highlights:
In CY 2010, Argentina's imports of natural food ingredients were valued at $700 million. The main ingredients imported were those which are not manufactured locally or their production is not sufficient to supply the local industry. There is a significant market for some U.S. food ingredients among local producers of ingredients, who use them to manufacture high-value, tailor-made food products.

Post:
Buenos Aires

Author Defined:
INTRODUCTION
The Food and Beverage (F&B) industry is one of the main activities contributing to the Argentine economy, accounting for 33 percent of Argentina's total exports.
As a major grain and oilseed producer, Argentina plays a key role in the international trade scenario. Many of the food products manufactured in the country come from commodity production, and undergo further processing using basic raw materials, such as milk, and also other inputs with additional technological significance, such as edible oils. The F&B industry includes both national and multinational companies, and associations of representatives from various entities as well, which contribute to the production and distribution of high-quality foods in the domestic and foreign market.
The following are the primary trends which are currently being followed by the local F&B industry:

- F&B companies are continuously launching new products through their Research and Development (R&D) departments.
- There are important investments in technology updates.
- Local production capacity is being used fully, which requires additional investments to supply the growing food demand.
- "Health and Nutrition" is a very strong concept in F&B supply and demand.
- Greater interaction between the local industry and universities is being carried out, fostering innovations.

SECTION I. MARKET SUMMARY

Food ingredients of animal and vegetable origin used for the manufacturing of F&B may have a wide complexity, and their percentage in the product formulation may vary according to their functionality. The most simple ingredients used are corn starches, milk powder, egg albumin, soy protein, cocoa, and natural sweeteners substituting sucrose, such as fructose. Wheat and potato starches are not widely used. Consumption of herbs and herb extracts has increased significantly as a result of the beverage industry expansion. Spices have more specific applications, and their use has also grown following a gourmet trend in the preparation of home-made meals, and in restaurant menus and industry formulations as well.

The largest volume of food ingredients of natural origin is used for the manufacturing of confectionery and bakery products, sauces and condiments, sweet and salty premixes, dairy by-products, and beverages. In addition, pet food producers also use these types of ingredients.

Following an international trend, the F&B industry is constantly searching for new functional ingredients, which provide an additional benefit in terms of health and nutrition, such as phytosterols, Omega-3 fatty acids, fibers, and antioxidant compounds.

In Calendar Year (CY) 2010, Argentina's imports of natural food ingredients were valued at approximately $700 million. The main ingredients imported were those which are not produced locally or their production is not sufficient to supply the local industry, such as cocoa, pectins, protein concentrates and isolates, some spices, some food supplements, ginseng, tomato and tropical fruit concentrates, and modified starches, among others. There is local supply of milk powder, fructose, egg albumin, wheat starch, gelatin, lecithins, casein, fruit pulps, glucose, citrus essential oils, etc.

The following data show interesting facts to better understand Argentina's F&B industry:

1. According to private consultant *OJF & Asociados*, Argentina's GDP in CY 2010, which was estimated through the General Index of Activity (IGA, in Spanish), increased by 6.4 percent compared to the previous year.
2. The Index of Industrial Production for January 2011 increased by 10.3 percent, compared to January 2010. Moreover, F&B production grew by 16.7 percent (food) and 6.3 percent (beverages).
3. The following is a list of products manufactured by the local F&B industry by volume:

Type of Activity	**CY 2010**
Sugar production (MT) (2)	1,900,000
Wine production (HL) (2)	16,250,000
Grape juice concentrate production (HL) (2)	3,500,000
Soybean oil production (MT) (2)	7,000,075
Sunflower oil production (MT) (2)	1,127,698
Bovine slaughter (HD) (1)	9.076.262
Pork slaughter (HD) (1)	3,226,525
Poultry slaughter (HD) (1)	610,032,000
Ovine slaughter (HD) (1)	1,310,985
Caprine slaughter (HD) (1)	212,921
Beer (HL) (2)	17,200,000
Milk (HL) (2)	7,000,000,000
Seafood products (2009) (MT) (2)	850,000

Sources: (1) Oncca (*) (2) Private estimate
(*) Oficina Nacional de Control Comercial Agropecuario (National Office of Agricultural Commercial Control)

4. In December 2010, the use of industry installed capacity reached a record level of 85 percent, which makes it necessary to carry out investments to meet the growing demand of F&B.

5. Foreign Trade

In CY 2010, Argentina's exports totaled $22.6 billion (1.3 percent increase compared to the previous year), of which the F&B industry accounted for 33 percent.

Imports destined for the F&B industry during CY 2010 reached approximately $1.4 billion, up 36 percent from CY 2009, as a result of an increase in imports of products which are not manufactured locally, such as coffee, cocoa, tropical fruit, and other more sophisticated products. Moreover, the local demand also increased, especially among consumers of higher purchasing power.

The food categories which accounted for the largest food ingredient import share were as follows:

Product	**Thousand $**	**%**
Beef	4,721	0.3
Pork meat	127,278	9.2
Poultry	18,927	1.4
Other meats	2,969	0.2
Fish, crustaceous and mollusks	38,801	2.9
Dairy pcts., eggs and honey	28,775	2.0
Vegetable pcts. and legumes	17,864	1.2
Edible fruits	181,984	13.3
Coffee, tea, *yerba mate*	88,413	6.0
Spices	17,919	1.3
Rice	5,133	0.3
Milling	13,000	0.9
Fats and oils	71,523	5.3
Meat and fish preparations	97,905	7.1
Sugar and confectionery pcts.	59,221	4.3
Chocolate	37,714	2.7
Cocoa, cocoa butter and powder	150,083	11.1
Bakery pcts., crackers, cookies, and pasta	35,174	2.5
Fruit and vegetable preparations	104,376	7.6
Various edible preparations	134,130	9.7
Beverages	88,142	6.3
Pellets and animal feed	60,753	4.4
Food imports TOTAL	**1,379,805**	100

Source: Boletín Económico Nº 9 Enero 2011 – COPAL (Economic Bulletin No. 9 January 2011 – COPAL)

Imports by Country of Origin

Food ingredient imports come primarily from Mercosur countries, as reported by a publication of the Center of International Economy in April 2010.

MERCOSUR	**33%**

EU	17%
NAFTA	16%
CHINA	12%
REST of ALADI	1%
ASIA	3%
Other	18%

Source: Report by Centro de Economia Internacional – CEI (Center of International Economy) – CEI Magazine No. 17 – April 2010

6. F&B Industry Facts
   - Significant technological level in food processing facilities, both for commodities and more sophisticated products.
   - Implementation of updated quality and safety systems, even in smaller operations.
   - Important infrastructure for storage, distribution, and logistics.
   - Strong share of exports in total sales.
   - High technical level both in the R&D, and Quality Control Areas.
   - Need for expanding foreign markets with differentiated products.

7. Strengths and Opportunities versus Weaknesses and Threats

The following are the main strengths/opportunities as opposed to weaknesses/threats for U.S. food ingredients in Argentina:

Strengths	Weaknesses
Wide variety of high-value food ingredients and specific use for each food application.	High production costs in formulated foods.
More competitive ingredients than European pcts. due to the relative high value of the euro against the dollar.	Competition from Brazil, with lower-cost pcts.
Local expansion of higher-value food exports (bakery, confectionery pcts.) will demand higher volumes of imported food ingredients.	New local food developments following market trends.
Wide variety of concentrated juices and herb extracts for drinks (the market for these types of pcts. continues to expand in Argentina.)	Local competition, and competition from Brazil and other markets which produce tropical ingredients.
Wide supply of functional ingredients, and good technical service from U.S. suppliers	Argentina produces basic food ingredients, with lower costs than those for imported pcts.
Updated and dynamic food legislation contributes to the use of food ingredients (health claims).	

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

There are various ways to introduce food ingredients into the local market depending on the profile of the company and the food ingredient involved. The following are a few recommendations to consider:

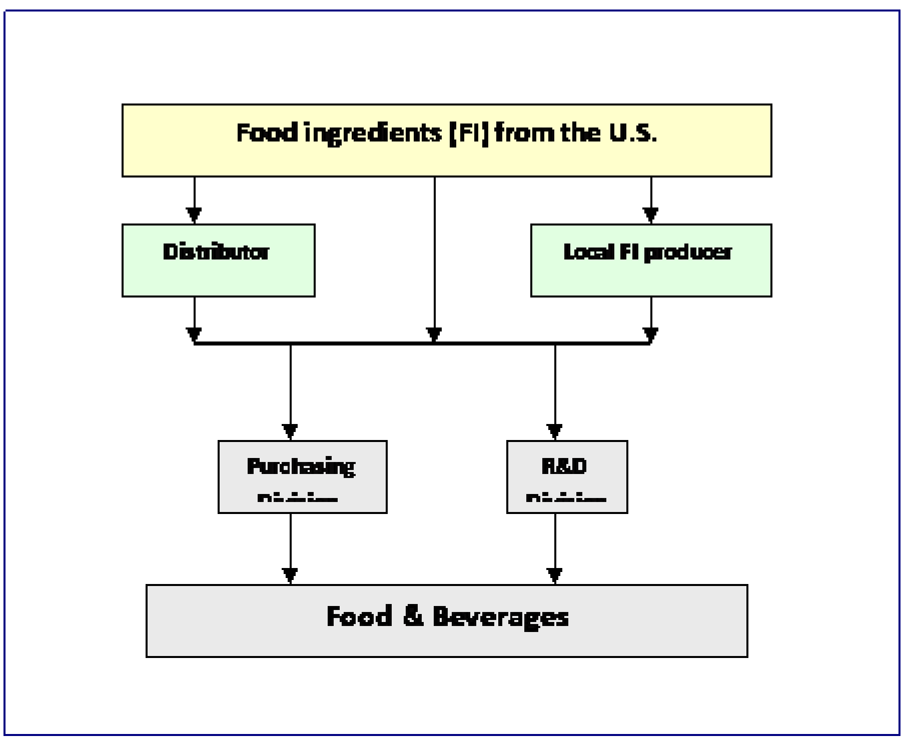
- The presentation of the product to the food processing company may be done directly or through a distributor and/or representative. There are a few local and/or regional distributors who are very well known in the F&B industry. Another option is through a joint-venture.

- It is necessary to identify the sector/s of the company where it is more convenient to present the food ingredient offered. This is extremely important for the product to be evaluated by the appropriate professionals. Larger companies usually have a R&D Division, which interacts actively with the Marketing Division, especially if the ingredient is a novelty product. Other smaller companies receive proposals of new ingredients through their Purchasing Division.

- Besides presenting the product to the industry, it can be simultaneously promoted in specialized magazines (focused on food, nutrition and health), at technical events (seminars, conferences, etc.), and/or trade shows. Professionals with a high technical expertise usually attend these events.

B. Market Structure

The flow chart below shows the various steps that a U.S. food ingredient follows until it is incorporated into a food product:



There is a significant market for some U.S. food ingredients among local producers of ingredients, who use them to manufacture high-value, tailor-made food products through mixes and combinations of various inputs. This system is very useful for both large and medium/small-sized companies.

C. Company Profiles

The following are some of the main F&B companies in Argentina:

Company (Product Types)	Sales Thousand $	End-Use Channels	Processing Plant Location/No. of plants (in Argentina)	Procurement Channels
Aceitera General Deheza (edible oils, mayonnaise, soy milk, peanuts)	2,000,000	Retail and HRI	San Luis (1) Córdoba (3)	Direct Importers
Molinos Río de la Plata (edible oils, rice, pasta, premixes, margarine, frozen foods, meats)	2,008,823	Retail and HRI	Buenos Aires (7) San Luis (1) Santa Fe (2) Chaco (1)	Direct Importers
SanCor Cooperativa Ltda. (Milk, yoghurt, butter, cheese)	750,000	Retail and HRI	Cordoba Buenos Aires Santa Fe (18)	Direct Importers
Mastellone (Milk, butter, yoghurt, cheese)	841,291	Retail and HRI	Buenos Aires (4) San Luis (1) Córdoba (1)	Direct Importers
Arcor (confectionery pcts., bakery pcts., canned vegetables, jams, chocolate bars, premixes)	2,200,000	Retail and HRI	Cordoba Tucuman Mendoza Buenos Aires Entre Rios San Juan Catamarca San Luis Santa Fe (27)	Direct Importers
Molinos Morixe (wheat flour, premixes)	19,610	Retail and HRI	Buenos Aires (2)	Direct Importers
Quickfood (chilled/frozen/ cooked	388,000	Retail and	Bs. As (3)	Direct

beef, beef patties)		HRI	Santa Fe (1) San Luis (1)	Importers
Molinos Fénix (wheat flour)	25,172	Retail and HRI	Cordoba (3)	Direct Importers
Molinos Semino (wheat flour, gluten, starch)	29,172	Retail and HRI	Santa Fe (2)	Direct Importers
Compañia de Alimentos Fargo (cookies, crakers, bread)	3,750	Retail and HRI	Buenos Aires (2)	Direct Importers
Alvarez Hnos. (spices, seasonings, dehydrated vegetables)	6,250	Retail and HRI	Buenos Aires (1)	Direct Importers
Calsa - Grupo AB Mauri (margarine, vegetables, animal fats, bakery pcts.)	65,000	Retail and HRI	Buenos Aires (2) Tucuman (1)	Direct Importers
Orieta (solid jams, preserves)	10,000	Retail and HRI	Cordoba (1) Buenos Aires (1)	Direct Importers
Compañía Industrial Cervecera (beer)	240,000	Retail and HRI	Santa Fe (1) Buenos Aires (1) Salta (1)	Direct Importers
Cepas Argentinas (non-alcoholic and alcoholic beverages, grape juice concentrate, herbal extracts)	17,500	Retail and HRI	Buenos Aires (2) Mendoza (1)	Direct Importers

Source: Comisión Nacional de Valores (National Securities Commission and data from private companies)

D. Main Argentine F&B Companies by Product-Type

DAIRY PRODUCTS

COMPANY	Main Activity	Location in Provinces
SanCor Cooperativa Ltda.	Butter, milk, powder milk, cheese, cream, yoghurt	Santa Fe, Córdoba, Buenos Aires
Mastellone Hnos. (Grupo Danone)	Butter, milk, powder milk, cheese, cream, yoghurt, desserts	Buenos Aires, San Luis
Nestlé Argentina S.A.	Powder milk, concentrated milk, baby milk, fortified milk, ice cream	Córdoba, Santa Fe, Buenos Aires
Molfino	Milk, cheese, cream	Córdoba, Santa Fe

La Salamandra	Craft dairy products	Buenos Aires
Williner	Milk, cheese, butter, yoghurt	Santa Fe
Kasdorf	Baby food, nutritional specialties	Buenos Aires
Lacteos Conosur	Milk, cheese, butter, yoghurt, powder milk	Buenos Aires
Milkaut	Milk, butter, cheese, yoghurt, whey protein, milk protein	Santa Fe, Buenos Aires, San Luis, La Rioja

SNACK FOODS (FLAVORED AND SWEET SNACKS AND NUTS)

Pepsico Elaboradora Argentina de Cereales SRL	Flavored snacks, oat/potato/carrot flakes, cereal bars, paté de fois	Buenos Aires
Georgalos Hnos.	Confectionery peanuts and almonds, cereal bars, nougats	Buenos Aires, Córdoba
Golden Peanut Argentina S.A.	Peanuts, confectionery peanuts	Córdoba
Olega S.A.C.I.I.A. y F.	Peanuts	Córdoba
Cotagro Coop. Agropecuaria Ltda.	Peanuts, peanut by-products, seeds	Córdoba
Gastaldi Hnos.	Peanuts, wheat flour and by-products	Córdoba
Nutrasun	Sunflower seed	Buenos Aires
La Delicia Felipe Fort S.A	Chocolate bars, cereal/fruit bars	Buenos Aires
Laso S.A.	Cereal and granola bars, corn flakes, frosted flakes, extruded wheat bran/oat/chocolate/ fruit, puffed cereals/cookies, potato chips, fried sweet potatoes	Buenos Aires, Chubut
Snack Crops S.A. (Sunny Crops)	Popcorn, Confectionary sunflower	Buenos Aires

FRUIT AND VEGETABLE PREPARATIONS, OTHER OILSEED PRODUCTS (SAUCES, OILS), AND OTHER FROZEN, CANNED AND DRIED PRODUCTS

Farm Frites	Frozen French fries	Buenos Aires
McCain Argentina S.A.	Frozen French fries	Buenos Aires
Molinos Río de la Plata	Frozen vegetables	Buenos Aires
Benvenuto S.A.C.I. (Grupo Arcor)	Jams, preserved fruits and vegetables, legumes, fruit pulp concentrate, tomato paste, sauces, preserved fish	Mendoza, Buenos Aires, Río Negro
Molto	Dehydrated vegetables, fruit pulp concentrate, canned fruits/vegetables	Mendoza, San Juan
Canaille – Redcap	Canned fruits/tomatoes/vegetables, jams, marmalades	Mendoza, Buenos Aires

Industrias Alimenticias Mendocinas(ALCO)	Canned fruits/vegetables	Mendoza, Buenos Aires, Catamarca
Orieta Goy Widmer y Cía. S.A.	Jams, solid jams, confectionery pcts.	Córdoba
Dánica S.A.	Margarine, mayonnaise, sauces, bakery pcts.	Buenos Aires, San Luis
Bestfoods (Unilever)	Ketchup, mayonnaises, golf sauce, mustard	Buenos Aires, La Rioja
Arcor	Canned fruits/vegetables, mayonnaise, sauces	Mendoza, San Luis, La Rioja

CONFECTIONERY PRODUCTS

Arcor	Candy, chocolate bars, *alfajores*	Buenos Aires, Córdoba
Cadbury Stani (Adams)	Candy, chewing gum, chocolate bars, *alfajores*, cereal bars	Buenos Aires
Nestlé	Candy, *alfajores*, chocolates	Buenos Aires
Bombonería Elite S.A	Chocolate bars, candy	Buenos Aires
Kraft Foods Argentina S.A	Chocolate bars, *alfajores* , candy,	Buenos Aires
La Delicia Felipe Fort S.A	Candy, cereal bars, chocolate bars	Buenos Aires
Lheritier Argentina S.A	Candy, nougats, cereals bars	Buenos Aires
Productos Lipo S.A	Candy	Buenos Aires
Fortunato Arrufat	Candy, chocolate bars, nougats, *alfajores*	Buenos Aires

BAKERY PRODUCTS

Arcor/Bagley	Crackers, cookies	Buenos Aires, Córdoba
Kraft Foods Argentina S.A.	Crackers, biscuits	Buenos Aires
La Salteña	Bread, fresh dough	Buenos Aires
Bimbo Argentina	Bread, puddings, cakes	Buenos Aires
Fargo	Bread, cakes	Buenos Aires
Granix	Cookies, crackers, breaders, cereal bars	Buenos Aires

BEVERAGES (INCLUDING ALCOHOLIC BEVERAGES)

Cepas Argentinas	Herb beverages, liqueurs	San Luis, Buenos Aires
Wineries (Various)	Wine, including sparkling wine	Mendoza, San Juan, Salta, Catamarca, La Rioja, Río Negro
Quilmes, Budweiser, Heineken	Beer	Buenos Aires, Santa Fe, Córdoba
Coca Cola	Carbonated drinks, flavored	Buenos Aires

	beverages	
Pepsi Cola	Carbonated drinks, flavored beverages	
Grupo Danone	Mineral water, flavored waters	Buenos Aires, Mendoza

DRY FOODS AND CONDIMENTS (CANNED SOUPS, DRY MIXES, DRY PASTA, SEASONINGS, PET FOOD)

Kraft Foods Argentina	Dry cake/jelly/pudding mixes, dry pasta	Buenos Aires
Bestfoods (Unilever)	Dry soup mixes, boullion cubes, powder seasonings	Buenos Aires
Molinos Río de la Plata	Dry pasta, dry cake/jelly/pudding mixes, ice cream, cheese bread, soy patties	Buenos Aires, San Luis
Nestlé	Pet food	Buenos Aires
Masterfoods Argentina Ltda.	Pet food	Buenos Aires
La Virginia (Alicante)	Spices, seasonings, dry sauces, dry soup mixes, herbs	Buenos Aires, Santa Fe
Sagemuller	Pet food	Entre Rios, San Luis

CONSUMER-READY FOODS (MIXED "READY-TO-EAT" AND "READY-TO-HEAT" RETAIL AND FOOD SERVICE PRODUCTS)

Industrias Alimenticias Argentinas	Pizza	Buenos Aires
Molinos Río de la Plata	Frozen meals	Buenos Aires
Bestfoods (Unilever)	Soups	Buenos Aires
Compañía de Alimentos Fargo	Frozen precooked bakery pcts.	Buenos Aires
McCain	Frozen pizzas, frozen mashed potatoes, pre-fried potato chips, frozen vegetables/sweet potatoes	Buenos Aires, San Luis

SEAFOOD PRODUCTS

Moscuzza	Shrimp, hubbsi hake, squid, mackerel, king clip, sea salmon	Buenos Aires
Cabo Vírgenes	Shrimp	Chubut
El Marisco	Shrimp, hubbsi hake, squid, mackerel, king clip, sea salmon	Buenos Aires
Puerto Mellino	Canned seafood	Buenos Aires
Frio Sur	Seafood, salmon, hake, king clip	Buenos Aires

SPECIALTY FOOD INGREDIENTS (ADDITIVES, PRESERVATIVES, THICKENERS, SWEETENERS)

The following are local food ingredient companies which concentrate the largest demand for imported food ingredients:

Saporiti Hnos.	Thickeners, sweeteners, flavors, stabilizers, emulsifiers, colors, preservatives, cacao, functional ingredients, vitamins, omega-3	www.saporiti.com.ar www.gruposaporiti.com
Gelfix	Thickeners, sweeteners, flavors, stabilizers, emulsifiers, colors, vitamins, preservatives, cocoa, dried fruits	www.gelfix.com
Granotec Alimentos	Emulsifiers, antioxidants, stabilizers, hydrocolloids, preservatives, sweeteners, proteins, enzymes, functional ingredients	www.granotec.com
Farmesa	Stabilizers, emulsifiers, flavors, salts for meat pcts., soy protein, natural colors	www.farmesa.com.ar
El Bahiense	Stabilizers, emulsifiers, preservatives, cocoa, starches, wheat gluten, dextrins	www.elbahiense.com
O.V. Especias	Functional ingredients, emulsifiers, condiments, seasonings, spices	www.ovespecias.com.ar
Adama Food Ingredients	Lactic acid, enzymes, lactates, milk/whey/soy proteins, powder fats	www.adamasa.com
Cordis	Functional ingredients, preservatives, emulsifiers, proteins, cocoa, modified starches, stabilizers, soy isolates	www.cordis.com.ar
Alvarez Hnos.	Spices, tailor-made seasonings, functional ingredients, soy protein concentrate	Alcala_general@ciudad.com.ar
Siviar	Vegetable concentrates for beverages and soft drink emulsions	www.siviar.com.ar
Taxonera S.C.A.	Food ingredients for bakery pcts., ice cream and pastries	www.taxonera.com
Nutralia	Ingredients for food fortification, vitamins, Omega-3, prebiotics	www.nutralia.net
Biotec	Stabilizers, emulsifiers, and tailor-made food ingredients	www.biotecsa.com.ar
Tradecos	Fruit juices	www.tradecos.com.ar
FNA S.R.L.	Sweeteners, emulsifiers, thickeners	www.fnaquimicos.com.ar
PM Productos de Maíz	Prebiotic fibers, beta glucans, isoflavonas, modified starches	www.pdm.com.ar
Coimpex	Powder cheese, whipping agents, dairy proteins, nutritional ingredients	www.coimpex.com.ar
Espro s.a	Powder meat, powder butter, whipping agents, whey, powder vegetable fats	www.esprosa.com.ar
Indunovo S. A.	Oleoresins from tomato/onion/pepper/rosemary	www.indunovo.com.ar

Soriano S. A.	Seaweed, seaweed flour, agar-agar	www.soriano-sa.com.ar
Pampa Trade S.A.	Special dehydrated food , honey, yoghurt, cream, cheese	www.pampatrade-sa.com

E. Sector Trends

Argentina is a primary food producing country. Its vast extension, various climates, and diverse geography with large maritime and fluvial areas, allow it to produce a wide variety of food products, of which many are exported throughout the world.

Basic Foods

Argentina produces the following foods with little or no processing:

- Of vegetable origin: grains and oilseeds in large volumes (large oil processing capacity), and fruits, vegetables, aromatic herbs, dried fruits, spices, and olives, among others.
- Of animal origin: primarily, bovine meat, and poultry. Also, lamb, and pork and goat meat. In addition, some specialty products among which there is an increasing international demand for gourmet markets, such as snail, frog, iguana, and llama meat; and also sea products, such as hake, squid, tuna fish, and spider crab.

These two groups of food products follow the trends listed below:

- Specialized products (name of origin)
- Safe products, produced under traceability standards
- Organic foods (olive oil, herbs, wine, tea, *yerba mate*, etc.)
- Regional products (Andean potatoes, amaranth, chia, quinoa, etc.)

Processed Foods

The following trends have been observed in the processed food sector:

- Functional products
- Sugar-free products, or with a low content of sugar (sacarose)
- Low-fat/calorie foods
- Convenience foods
- Frozen foods
- Fortified foods, with added minerals and vitamins.

Overall Trends in the Argentine F&B Industry

With a population of 41 million people, Argentina's primary food production is significant and profitability is closely related to large volumes. The expansion of the local F&B industry has focused on increasing exports and competitiveness in foreign markets, and in the development of novelty products. The following are the main trends observed under this scenario:

- Consolidation of smaller companies, especially in the interior of the country, which manufacture smaller volumes of regional specialty foods with a higher value-added, such as preserves, marmalades, dried fruit, olive oil, and pickles. Many of these operations have created the Wine Road, the *Yerba Mate* Road, the Olive Road, and trade shows such as Expolivo.

- Production of organic products in response to an increased demand from foreign markets with a high purchasing power.
- Expansion of functional foods, such as milk containing imported ingredients such as fiber, Omega 3, and phytochemicals.
- Larger demand of sodium chloride substitutes to provide a more agreeable taste to foods, without causing health problems.
- Foods enriched with calcium.
- Beverage diversification through the incorporation to the market of flavored drinks, such as flavored waters and waters with herb extracts, which have gained market share in detriment of traditional carbonated drinks.
- Wider supply of craft beers, and increased consumption of traditional beers.
- High-quality wines and sparkling wines have a strong presence and prestige in foreign markets, primarily the Malbec, Syrah, and Merlot varieties, as well as the Torrontes variety.
- The local dairy industry is continuously launching novelty by-products, such as cheeses and yoghurts, both for the domestic and international market.
- Herb teas have expanded as a healthy drink option. Raw materials for herb teas are both local and imported.
- There is an increasing demand of commodities, such as oils, grains, meats, dairy products, which are used in the manufacturing of foods for the export market.
- The F&B industry focuses on the production of basic foods in order to obtain higher margins, which urges them to continuously demand ingredients that they do not currently produce and will not produce in the near future due to a relatively small scale of production (eg.: non-nutritional sweeteners, special thickeners and stabilizers, and nutritional ingredients).
- A few companies have expanded in other countries, especially in South America, through the installation of industrial plants.
- Bakery products, dry pasta, rice, and canned foods have expanded significantly and novelty products are being launched on a regular basis.

SECTION III. COMPETITION

- Basic ingredients used in the F&B industry are primarily produced locally while more sophisticated ingredients demanded for tailor-made food products are imported.
- Primary imported food ingredients are: modified starches, thickeners, stabilizers, sweeteners, cocoa, and fibers. The main suppliers are: the U.S., the EU, and Brazil.
- Large multinational food ingredient companies have established in Brazil to supply the South American market.
- Ingredients imported from the EU are less competitive due to the relatively high value of the euro against the dollar.

SECTION IV. BEST PRODUCT PROSPECTS

The best opportunities for suppliers of food ingredients are among those F&B manufacturing companies that offer high-value and novelty products to the consumer. The industry sub-sectors with a higher demand for these types of products are as follows:

- Bakery products
- Confectionery products
- Condiments, seasonings, and spices
- Dairy products
- Non-alcoholic beverage products
- Snack foods
- Dry products
- Consumer-ready meals
- Sauces, like mayonnaise (salad dressings are not consumed locally).

SECTION V. USEFUL WEBSITES

www.cipa.org.ar Cámara de Industriales de Productos Alimenticios - Food Producer Association.

www.copal.com.ar Coordinadora de las Industrias de Productos Alimenticios - Private Coordinating Agency of Food Producers.

www.caicha.org.ar Cámara Argentina de la Industria de Chacinados - Pork Industry Association.

www.cil.org.ar Centro de la Industria Lechera Argentina - Dairy Industry Center.

www.cafagda.com.ar Cámara de Fructosa, Almidones, Glucosas, Derivados y Afines - Association of Fructose, Starch, Glucose, and By-Products.

www.cnv.gov.ar Comisión Nacional de Valores - National Securities Commission.

www.minagri.gob.ar Ministerio de Agricultura, Ganadería y Pesca – Ministry ofAgriculture, Livestock, and Fisheries.

www.alimentosargentinos.gob.ar Ministerio de Agricultura, Ganadería, Pesca y Alimentos, Dirección de Alimentos – Ministry of Agriculture, Livestock, and Fisheries, Food Division.

www.oncca.gob.ar Oficina Nacional de Control Comercial Agropecuario - National Office of Agricultural Commercial Control.

www.ipcva.com.ar Instituto de Promoción de la Carne Vacuna – Beef Promotion Institute.

www.indec.gov.ar Instituto Nacional de Estadísticas y Censo – National Institute of Statistics and Census.

www.cei.gov.ar Ministerio de Relaciones Exteriores, Centro de Estudios Internacionales – Ministry of Foreign Relations, Center of International Studies.

www.ojf.com Consultora Orlando J. Ferreres & Asociados S.A., Centro de Estudios Económicos – Consulting Company Orlando J. Ferreres & Asociados S.A., Center of Economic Studies.

SECTION VI. POST CONTACT INFORMATION

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