Required Report - public distribution

Date: 11/2/2015
GAIN Report Number:

Argentina

Fresh Deciduous Fruit Annual

Fresh Apples, Pears and Table Grapes

Approved By:
David Mergen

Prepared By:
Maria Julia Balbi

Report Highlights:
For CY 2016, Post forecasts production to rebound to 720,000 MT for apples and 650,000 MT for pears from CY 2015 due to favorable weather conditions. Table grape production is expected to fall 10 percent to 100,000 MT as a result of decreased planted area. Apple and pear exports are forecast to increase to 130,000 MT and 310,000 MT, respectively, following production trend, and table grape exports are estimated to decrease slightly to 20,000 MT. For apples and pears, an increase in domestic consumption is expected as a result of production increase. Table grape consumption is projected to decrease as a result of lower production.

Executive Summary:

CY 2016 fresh apple and pear production is forecast to increase to 720,000 MT and 650,000 MT, respectively, as a result of favorable weather conditions. However, it will be down from normal levels around 900,000 MT for apples and 850,000 MT for pears due to decreased planted area as a result of the economic crisis that Argentine producers have been facing during the past 7-8 years. Table grape production is estimated to decrease to 100,000 MT due to decreased planted area.

Exports are forecast to increase slightly to 130,000 MT for apples and 310,000 MT for pears due to production increases and less fruit supplies in the Northern Hemisphere. Table grape exports are expected to go down to 20,000 MT due to lower production.

Domestic consumption for apples is projected to increase significantly to 280,000 MT, while increase moderately for pears to 120,000 MT. Greater supplies of both fruits will be directed to the domestic markets instead of exports. Table grape domestic consumption is estimated at 80,000 MT due to smaller production.

Commodities:

Apples, Fresh
Pears, Fresh
Grapes, Table, Fresh

Production:

Apples and Pears

Calendar Year (CY) 2016 fresh apple and pear production is forecast to increase to 720,000 MT (for apples) and 650,000 MT (for pears) as a result of favorable weather conditions although fruit quality is expected to suffer slightly due to the current cold spring season. However, production of both types of fruits will be down from normal levels of 900,000 MT for apples and 850,000 MT for pears as a result of a gradual decrease of planted area. Larger volumes of both apples and pears directed to processing are expected, compared to CY 2015, as a result of larger production and relatively small exports.

CY 2015 apple production is estimated to remain unchanged at 640,000 MT from USDA official estimates, and pear production is revised downward from 610,000 MT to 580,000 MT. The decrease in pear production is primarily due to larger than expected fruit volumes which were unharvested as a result of the severe economic and financial crisis affecting the local fruit sector. In addition, there are currently about 200,000 MT of apples and pears in cold storage which will be lost if economic conditions do not improve for producers to regain competitiveness. Total losses of both fruits are estimated at 400,000 MT, of which 140,000 MT were lost to hail storms that occurred in October 2014 and the beginning of 2015, and the remainder due to unharvested fruit left on the trees.

CY 2014 production estimates remained unchanged from official estimates for both apples at 630,000 MT, and pears at 690,000 MT.

The cost of production of a kilogram of apples or pears is about $0.30-0.35. It is composed as follows: labor is responsible for 60 percent (40 percent, packing, and 20 percent, production), and the other capital/input/service costs are responsible for 40 percent (energy, fertilization, transportation, packaging, Customs fees, phytosanitary and quality certifications, etc.)

Planted Area

For CY 2016, area planted for apples and pears is expected to decrease to 22,500 hectares and 24,500 hectares, respectively, following a trend which has begun in the past few years. Area planted for apples for CY 2015 is estimated to decrease to 24,000 hectares, down 1,500 hectares from USDA official estimates, and area planted for pears is projected to decrease to 26,500 hectares, down 1,000 hectares. Area planted in CY 2014 remained stable from official estimates at 27,000 hectares for apples, and 28,500 hectares for pears.

Table Grapes

CY 2016 table grape production is projected to decrease slightly to 100,000 MT, compared to CY 2015, as a result of decreased area planted.

For CY 2015, the table grape production forecast is revised downward from official estimates, from 130,000 MT to 110,000 MT. Nevertheless, CY 2015 production is still forecast as a significant rebound, a 60 percent increase over CY 2014 due to favorable weather conditions. Fresh table grape production for CY 2014 remained unchanged at 70,000 MT.

Planted Area

About 90 percent of the total area planted for table grapes is concentrated in the Province of San Juan, Argentina. For CY 2015 and CY 2016, area planted for table grapes is forecast to go down gradually to 10,000 hectares and 9,500 hectares, respectively, due to the lack of economic resources for some producers to carry out maintenance activities in their vines, such as pruning.

In addition, table grape area is increasingly being devoted to raisin production, especially the Flame Seedless variety. It is estimated that about 3,000 hectares are planted to that variety in San Juan Province, of which over 95 percent is devoted for raisin production, which is in stark contrast to its historical primary use for table grapes.

Economic Situation

Argentina's economic problems have led to decreased profitability in the sector, resulting in planted area gradually decreasing in the main fresh deciduous fruit growing region of Argentina, i.e. Alto Valle and Valle Medio in the Province of Rio Negro, and in the Provinces of Neuquen and San Juan. In addition, land that was traditionally used for apple production in the Province of Mendoza is increasingly being devoted to wine grape production and other more profitable crops. In San Juan, land used for table grape production is now being devoted to raisin production.

Smaller fruit producers from Rio Negro and Neuquen, who can no longer face the financial difficulties of the past few years, continue to sell their plantations to larger producers and/or packers/exporters. However, when plantations are in a poor phytosanitary condition or their yields are not good due to lack of economic and financial resources to implement phytosanitary programs, they are being purchased for real estate projects. Thus, the fruit sector is becoming increasingly concentrated among fewer but larger producers. In addition, the hydrocarbon industry has been lately advancing on fruit farms, decreasing area planted to fruits.

About 85 percent of total apple and pear production is produced in Rio Negro and Neuquen Provinces, and the remainder is produced primarily in Valle de Uco, Province of Mendoza. Traditionally, about 35-40 percent of the total production was exported, and 75 percent of non-Mercosur overseas exports are dominated by only five companies. However, in CY 2014, exports accounted for only 23 percent of total production as a result of lack of competitiveness of local producers and exporters. There are approximately 2,600 producers and 60,000 direct-hire employees in the fruit sector of Rio Negro and Neuquen Provinces (fifteen years ago, fruit producers totaled approximately 9,000).

Organics

According to private sources, 10-12 percent of the total production of organic fresh apples and pears produced in Alto Valle of Rio Negro and Neuquen Provinces is certified as organic. This region concentrates 65 percent of the total organic harvested area in the country. In CY 2014, organic apple production destined for niche export markets increased by 10 percent, despite 20-30 percent higher production costs compared to conventional fruit production. Organic pear production destined for the export market decreased by 6 percent. In CY 2014, organic exports totaled 18,700 MT for apples and 28,400 MT for pears. The main destinations for organic apples was the EU and, for organic pears, the United States. Higher production costs are primarily due to the manual pruning of fruit, biological weed control, and certification fees. Producers who have been more successful in the organic business are those who grow varieties such as Cripps Pink (Pink Lady), Granny Smith, and Gala apples. For organic pears, all varieties are demanded by export markets. An increasing amount of organic fruit is being destined for the manufacturing of organic juices and specialty food products, such as cereal bars. Exports of organic table grapes are negligible.

Varieties

Two of the primary challenges of the fruit sector are (1) to improve quality to meet the requirements of demanding export markets, and (2) to develop new apple and pear varieties. Among the bicolor apples, only some Gala and Braeburn clones have succeeded in Argentina. Others, like Fuji, Jonagold and Elstar, did not adapt well to local conditions. Among yellow apples, Golden Delicious is the classic variety. Although it adapted well to Argentina's production conditions, this variety has lost popularity due to marketing problems. Among the red varieties, Red Delicious is the most widespread variety. Since it is sterile, it must be crossed with other varieties such as Gala, Fuji, Elstar, Golden Delicious, Granny Smith, Jonathan and Ozarkgold. In Argentina, many Red Delicious clones, such as Starkrimson, Red Chief, Hi Early, Top Red Delicious, Oregon Spur, or Red King Oregon and Cooper 8, have been adopted. The second most important apple variety is Granny Smith. During the past few years, a shift towards the Royal Gala variety (bicolor) has occurred as international markets are demanding fewer red varieties.

Among the most popular pear varieties, William's accounts for about 45 percent of the Argentine total pear production, followed by Packham's Triumph with a 30 percent share. Other varieties are Beurre D'Anjou, Red Bartlett, Abate Fetel, Beurre Bosc, Beurre Giffard, Clapps Favourite, and Red Beurre D'Anjou.

The most popular table grape varieties are Superior Seedless and Red Globe (mostly exported), while the varieties Cherry and Moscatel are devoted for the domestic market.

Factors Affecting the Fruit Sector

-- Trade union conflicts over salary increases with Alto Valle fruit harvesters and packing plant operators, including strikes, road blockades and blockage of Customs facilities, continue to affect the Argentine apple and pear sector. Producers also protest about the continuous loss of competitiveness, and request financial support from the government. Both the Government of Rio Negro Province and the Argentine fruit sector estimate that without government assistance, national apple and pear production will significantly plummet (See Policy Section – Government Support to Producers).

-- As reported by private sources, conventional CY 2014 fruit production costs increased by about 30 percent for apples and pears and 40 percent for table grapes in dollar values, as a result of increases in labor, energy, and input costs (labor costs account for about 60 percent of total production costs for apples and pears, and 70 percent for table grapes). During the past few years, table grape producers in the Province of San Juan have been increasingly devoting more fruit to raisin, grape juice (wine must), and wine production due to higher production costs and lack of export financing.

-- Since 2007 the fruit sector has been losing competitiveness in international markets because of increased costs, lower profitability, and a decrease in the labor force. The economic and financial situation got worse year after year with costs that continued to increase and lower income. A recent report by the Ministry of Agriculture of the Province of Rio Negro states that, during the period 2009-2015, the Argentine fruit sector lost US$700 million, of which CY 2015 accounted for US$200 million. In addition, the labor force of the fruit sector decreased significantly in the past few years as a result of the crisis affecting the sector. Smaller producers are seriously affected by the overall bad economic situation since large companies tend to produce and market their own fruit, minimizing the volumes of fruit purchased from smaller producers. This is leading to increased concentration in the sector, with smaller producers selling their plantations for real estate projects or shifting to other more profitable crops, such as alfalfa, corn, and sunflower.

-- High inflation rates between 20-38 percent during the past few years, an uncompetitive peso, and increasing production costs, have drastically reduced the competitiveness of the domestic fruit sector in international markets and discouraged domestic and foreign investment. (Although there was a devaluation of the peso of about 20 percent in early 2014, its effect was neutralized by increasing inflation rates). The official exchange rate is 9.52 pesos to the U.S. dollar. However, the unofficial exchange market rate is hovering around 16.03 pesos to the U.S. dollar (current as of 10/21/2015).

Consumption:

Apples and Pears

CY 2016 apple domestic consumption is forecast to increase to 280,000 MT, up by 17 percent from CY 2015 official estimates, with pear consumption expected to increase to 120,000 MT, up 10,000 MT from the previous year. In addition, higher volumes of apples and pears will be destined for domestic consumption instead of exports due to the high inflation in dollar terms in Argentina.

For CY 2015, apple consumption is forecast to decrease to 240,200 MT, down by 14 percent from official estimates, due to more fruit devoted for processing. Pear consumption is expected to remain unchanged at 110,000 MT, in line with USDA estimates. For apples, consumption in CY 2014 remained unchanged from official estimates at 235,700 MT. For pears, consumption was revised downwards to 95,110 MT due to lower supply. Annual per capita consumption is estimated at 7-8 kg for apples and between 2-3 kg for pears.

Table Grapes

CY 2016 fresh table grape domestic consumption is estimated at 80,000 MT, down 8,000 MT from the previous year, due to lower production.

For CY 2015, fresh table grape consumption is forecast to decrease to 88,000 MT from the official estimate of 108,000 MT, as a result of a smaller supply. For CY 2014, consumption remained stable at 52,500 MT, in line with USDA official estimates.

Note: Table grape domestic consumption includes grapes reallocated to raisin, grape juice, and wine production. In the PSD table, all three volumes are included under the "Domestic Consumption" category, increasing it above the normal consumption level.

Only low quality table grapes are destined for the domestic market and, until the industry dedicates extra efforts to develop higher quality varieties domestically, no significant increase is expected.

Distribution Channels

The Argentine domestic fruit market is highly concentrated in Buenos Aires City and its suburbs, where over one third of the country's total population lives, although the GOA has been trying to decentralize it through the creation of a few fruit distribution markets in the interior of the country. There are three channels for the distribution of fresh fruit: (1) Large exporters from Alto Valle use the domestic market as a secondary outlet for their products, since their main focus is export markets. They usually sell by volume rather than quality. Their main customers are hyper and supermarkets. (2) Medium-sized firms handle smaller volumes and focus on quality, and their brands are usually well-known both in the domestic and export markets. They have consolidated on niche markets, and they regulate their supply to maintain high prices. The domestic market is key to their business. (3) Small companies handle small volumes that are distributed to pre-established points of sale in larger cities. They usually serve those stores where large exporters and medium-sized firms do not have a presence. In general, the markets they access have a high per capita fruit consumption rate.

Trade:

Apples and Pears

Fresh apple and pear exports in CY 2016 are estimated to increase slightly to 130,000 MT and 310,000 MT, respectively, compared to the previous year, as a result of production increases and less fruit supplies in Northern Hemisphere countries. However, exports will remain lower than normal levels as a result of the lack of competitiveness of local producers in world markets.

CY 2015 apple exports were revised down to 120,000 MT, from the official estimate of 140,000 MT. Pear exports were decreased from 340,000 MT to 300,000 MT. Exports for both types of fruit are being negatively

affected by the loss of competitiveness of Argentine companies in export markets**.** CY 2014 exports of both fruits remained unchanged at 144,300 MT for apples, and 408,800 MT for pears from USDA estimates.

Table Grapes

For CY 2016, fresh table grape exports are projected at 20,000 MT, down 2,000 MT from CY 2015, due to smaller production and because producers are increasingly less competitive in international markets.

Table grape exports in CY 2015 are forecast to remain unchanged at 22,000 MT, in line with official estimates. Exporters expected that Russia's import limitations, especially from the EU and the U.S., would present a good opportunity for Argentine table grapes. However, the devaluation of the ruble has decreased Argentina's competitiveness in this export market during the CY 2015 marketing season. For CY 2014, table grapes exports remained unchanged at 17,600 MT from USDA official estimates.

In 2013, Brazil began requiring methyl bromide (MB) treatment for grapes (a treatment that Argentina does not use because it damages the fruit quality), which resulted in a 35 percent decrease in Argentine exports to Brazil. This treatment continues to be required, and negatively affects the quality of grapes. Table grape exports are facing difficulties in some export markets, which have become more demanding in quality terms, due to competition with growing fruit supplies from Peru, Chile, and South Africa.

Exporters of all three types of fresh deciduous fruit continue to lose competitiveness in international markets as a result of the local economic along with financial crisis and devaluation of domestic currencies in major export destinations, such as Brazil and Russia.

Fresh Apple Exports – Main Destinations						
Partner Country	2013		2014		Jan-Aug 2015	
	USD	MT	USD	MT	USD	MT
World	155,857,759	162,107	137,331,634	144,241	71,775,374	84,033
Brazil	48,875,278	46,012	52,010,170	49,600	12,815,258	12,612
EU	49,620,364	47,205	37,750,289	34,909	14,843,288	14,334
Russia	19,110,017	21,926	10,927,441	12,935	12,821,074	16,172
U.S.	7,802,092	7,783	9,510,522	9,216	13,580,579	13,835

Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Fresh Pear Exports – Main Destinations						
Partner Country	2013		2014		Jan-Aug 2015	
	USD	MT	USD	MT	USD	MT
World	416,474,223	438,675	379,341,922	408,743	250,028,130	293,512
Brazil	148,006,573	147,374	134,614,447	137,306	82,582,972	91,324
Russia	91,867,896	103,190	77,985,526	93,629	48,985,268	66,666
EU	98,965,797	109,033	81,827,420	90,565	48,506,449	58,959
U.S.	38,626,779	40,684	41,542,120	43,611	44,250,387	47,076

Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Fresh Table Grape Exports – Main Destinations			
Partner Country	2013	2014	Jan-Aug 2015

	USD	**MT**	**USD**	**MT**	**USD**	**MT**
World	36,311,239	23,254	28,992,966	17,571	18,874,734	12,223
EU	11,560,926	7,366	16,324,848	9,421	6,811,915	3,983
Russia	12,294,311	8,294	5,885,184	3,963	5,523,391	3,763
Brazil	10,428,879	5,732	4,876,197	2,775	5,548,868	3,514

Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Currently, Argentina exports apples and pears to about 60 export markets. In CY 2014, Brazil remained the most significant fruit export market for pears (by volume), followed by the EU and Russia. Brazil is a traditional market for Argentine pears, especially in the second semester of the year, as it is not a pear producing country. On March 24, 2015, the Government of Brazil closed the market to Argentine apples and pears due to the detection of Cydia pomonella (Carpocapsa) in Villa Regina, Province of Rio Negro. Findings were detected in fifteen shipments to Brazil. There was an audit carried out by Brazilian phytosanitary inspectors in the main apple and pear growing region of the country and, on June 17, 2015, the Brazilian market was reopened to Argentine apples and pears. However, there are still negotiations between the Argentine and Brazilian phytosanitary authorities on the protocol that will remain in place for future shipments to Brazil. Private sources estimate that this conflict resulted in losses by the fruit sector of about $50 million.

Total fresh apple and pear exports during January-August 2015 decreased by 30 percent and 20 percent, respectively, compared to the same period of CY 2014, due to the devaluation of local currencies in the main export markets, which decreased local demand for both apples and pears, and the on-going loss of competitiveness by local companies. Over the past couple of years, Russia had been losing interest in Argentine apples and growing its appetite for European apples, especially from Poland, Moldova, Latvia, but also from Germany and Italy, as they arrive to Russia faster and at more competitive prices. However, after the import ban that Russia imposed over EU fruit in August 2014, Russia has been looking for other sources of supply. Argentina was unable to take advantage of the opportunity to increase exports to the Russian market due to the lack of competitiveness of local producers and the devaluation of the ruble followed by recession of the Russian economy. Amidst volatile export markets, the U.S. remains a reliable market for Argentine apples and pears.

During CY 2014, apple and pear exports to Russia decreased by 41 percent and 9 percent, respectively, compared to the previous year, and exports to the EU fell by 26 percent for apples and 17 percent for pears, due to lower production, more fruit availability in the Northern Hemisphere, and low competitiveness. Exports of table grapes to Russia and Brazil in CY 2014 decreased by 55 percent for both destinations due to lack of competitiveness and the effects on fruit by MB treatment (for Brazil).

During the first part of the year, most apple and pear exports are destined for overseas markets (mainly Europe and the U.S.) and, during the last part of the year, exports are oriented to Mercosur countries. Traditionally, Brazil has been more flexible than other markets, such as the EU and the U.S., regarding the quality of the fruit they import. However, they are becoming increasingly demanding as an export market, paying higher prices.

The United Kingdom and the United States are traditional markets for Argentine organic apples and pears**.** The British market is projected to remain stable and the U.S. market to continue to grow. In the U.K. there is a broader distribution of organic fruit, while in the U.S. organic fruit is sold in specialty retail stores. In destinations such as the EU, where the organic fruit market is usually oversupplied, organic apples and pears are sometimes sold as conventional fruit.

India has recently opened the market to Argentine apples and pears but, to date, exports have not been significant. In addition**,** a technical inspection visit from China was carried out in the apple and pear growing region and it is expected that it will conclude with the opening of the Chinese market.

Argentina is a net fruit producing and exporting country. Thus, fresh deciduous fruit imports have traditionally been negligible.

Policy:

Government Support to Producers

The Governments of the Provinces of Rio Negro and Neuquen have traditionally provided financial assistance to the local fruit sector through compensation funds for hail damage, fruit pruning and harvest, fruit for processing which could not be sold and did not have insurance coverage, employers' social security contributions, fuel and agrochemical costs, among other expenses. However, the funding granted has not been significant.

For the current season, due to the economic and financial crisis that has been affecting the local fruit sector over the past few years, the national government contributed US$ 7 million, and the governments of Rio Negro and Neuquen Provinces contributed US$ 6 million each to help producers harvest the fruit which remained unharvested (during CY 2015, the provincial government's contribution totaled over US$20 million). However, this assistance was still insufficient to meet production costs. The sector is currently protesting for additional financial assistance at US$20 million from the national government to implement an updated phytosanitary program and to cover costs of fruit pruning.

Import and Export Regulations

Export taxes on fruits and vegetables are relatively low. Currently export taxes for fresh deciduous and stone fruit are five percent and, for citrus and vegetables, 2.5 percent. Part of Argentina's five percent export tax on apples, pears, and table grapes is rebated to the exporter depending on the size of the container. The fruit industry, through the provincial government, is currently requesting the GOA to suspend or reduce fruit export taxes to overcome the economic crisis affecting them. Moreover, industry continues to request that the GOA pay rebates on a timely basis but, to date, no progress has been made on these issues.

Below are tables on current tariffs, taxes, and rebates for apples, pears, and table grapes:

Fresh Apples (0808.10) & Pears (0808.30)	
Outside the Mercosur area	
Import Tariff (%)	10.00
Statistical Tax (%)	0.50
Export tax (%)	5.00
Export Rebate (%) Bulk (apples)	3.40
Export Rebate (%) Bulk (pears)	2.70
Export Rebate (%) Cases containing between 2.5 Kg. and 20 Kg.	5.00
Cases containing 2.5 Kg. or less	6.00
Within the Mercosur area	
Import tariff (%)	0.00
Export tax (%)	5.00
Export Rebate (%) Bulk (apples)	3.40
Export Rebate (%) Bulk (pears)	2.70
Export Rebate (%) Cases containing between 2.5 and 20 kg.	5.00
Cases containing 2.5 kg. or less	6.00

Source: FAS Buenos Aires based on data from Tarifar

Fresh Table Grapes (0806.10)	
Outside the Mercosur area	
Import Tariff (%)	10.00
Statistical Tax (%)	0.50
Export tax (%)	5.00
Export Rebate (%) Bulk	2.70
Export Rebate (%) Cases containing between 2.5 Kg. and 20 Kg.	4.05
Cases containing 2.5 Kg. or less	6.00
Within the Mercosur Area	
Import tariff (%)	0.00
Export tax (%)	5.00
Export Rebate (%) Bulk	2.70
Export Rebate (%) Cases containing between 2.5 and 20 kg.	4.05
Cases containing 2.5 kg. or less	6.00

Source: FAS Buenos Aires based on data from Tarifar

Export and Import Restrictions

In 2010, the GOA began implementing an import substitution policy which focused on reducing imports and supporting domestic production of goods. Under this policy, it has been difficult for producers to obtain imported inputs, such as agrochemicals, and agricultural machinery and equipment, which necessitated the purchase of locally manufactured products (when available), often at higher costs.

As of January 2014, the EU raised import tariffs on Argentine apples and pears from around four percent for apples and five percent for pears, depending on the time of the year that they are exported, to a fixed 7.2 percent rate. This is due to a revision of the Generalized System of Preferences that the EU maintains with several countries and economic blocks, such as Mercosur. As reported by private sources, this measure represents about $0.12/kg that the producer loses to the import tariff increase, which has a more serious impact on his/her competitiveness if compared with the zero tariff paid to export to the EU by all other competing countries.

Phytosanitary Issues

By SENASA Resolution No. 98/2015, dated March 17, 2015, the President of SENASA declared Phytosanitary Emergency due to reiterated Fruit Fly (Ceratitis capitata Wied.) findings in Villa Regina, Province of Rio Negro. SENASA has already implemented the corresponding phytosanitary measures, per SENASA Resolution No. 152/2006, including cold treatment (in transit or at destination) to all shipments originating in the regulated area.

Marketing:

Prices

All three types of fresh deciduous fruit FOB prices were lower during January-August 2015 than FOB prices during the same period of CY 2014. Thus, prices paid were not sufficient to cover costs, which resulted in increased financial difficulties for the local fruit sector, exacerbating Argentine exporters' competitiveness in export markets.

The following tables show average export prices for CY 2013, 2014, and January-August 2015:

FOB Prices (USD/MT) Fresh Apples

Month	2013	2014	Jan-Aug 2015
Jan	1,094	906	756
Feb	950	909	799
Mar	929	929	845
Apr	1,010	972	909
May	1,009	1,016	885
Jun	975	1,022	876
Jul	932	932	831
Aug	896	929	698
Sep	907	878	n/a
Oct	883	897	n/a
Nov	896	913	n/a
Dec	936	941	n/a
Average	**951**	**937**	n/a

Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Note: Exchange rate: Argentine Pesos 9.52/USD 1
Date of Quote: 10/21/2015

Date of Quote: 10/21/2015 **FOB Prices (USD/MT) Fresh Pears**			
Month	**2013**	**2014**	**Jan-Aug 2015**
Jan	1,010	967	921
Feb	906	897	859
Mar	923	900	841
Apr	911	897	849
May	939	920	850
Jun	962	989	824
Jul	1,040	992	863
Aug	1,024	965	882
Sep	1,033	948	n/a
Oct	1,059	998	n/a
Nov	1,114	1,081	n/a
Dec	1,105	1,126	n/a
Average	**1,002**	**973**	n/a

Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Note: Exchange rate: Argentine Pesos 9.52/USD 1
Date of Quote: 10/21/2015

FOB Prices (USD/MT) Fresh Table Grapes			
Month	**2013**	**2014**	**Jan-Aug 2014**
Jan	1,525	1,676	1,569
Feb	1,583	1,583	1,474
Mar	1,719	1,582	1,525

Apr	1,544	1,567	1,460
May	1,360	1,357	0
Jun	953	0	0
Jul	0	0	0
Aug	0	0	0
Sep	0	0	n/a
Oct	0	0	n/a
Nov	0	1,341	n/a
Dec	1,729	1,667	n/a
Average	**1,487**	**1,539**	n/a

Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Note: Exchange rate: Argentine Pesos 9.52/USD 1
Date of Quote: 10/21/2015

Retail prices are as follows:

Retail Prices (USD/kg) – August 2015		
	Variety	Price (US$/kg)
Pears	Beurre Bosc	1.78
	Williams	1.57
	Packham's Triumph	1.89
Apples	Red Delicious (Premium)	4.20
	Red Delicious (Standard)	3.14
	Granny Smith (Premium)	4.20
	Granny Smith (Standard)	2.57
	Pink Lady	2.09
	Rome Beauty	2.72
Table Grapes	n/a	

Source: FAS Buenos Aires, based on data from local supermarkets and grocery stores

For fresh organic apples and pears, retail prices may vary between 5-20 percent higher than prices of conventional fruit, depending on the fruit variety. However, some stores sell organic fruit at the same price of premium conventional fruit.

The following table illustrates average wholesale prices for all varieties of fresh apples, pears, and table grapes:

Apples, Pears, and Table Grapes, Fresh Domestic Wholesale Prices for all Varieties (US$/kg.)									
	2012			**2013**			**Jan-Aug 2015**		
	Apples	**Pears**	**Grapes**	**Apples**	**Pears**	**Grapes**	**Apples**	**Pears**	**Grapes**
January	1.08	0.89	1.35	0.94	0.81	0	1.5	1.07	1.09
February	0.92	0.87	1.16	0.91	0.83	0	1.43	1.03	1.05
March	0.95	0.75	1.03	0.83	0.98	0	1.10	1.00	1.09

April	0.92	0.72	1.05	0.83	0.80	0	1.13	0.97	1.17
May	1.01	0.83	1.15	0.98	0.88	0	1.10	0.81	1.69
June	1.05	0.69	1.19	1.01	0.96	0	1.27	0.81	2.5
July	1.05	0.74	1.58	1.21	0.93	0	1.30	0.72	3.07
August	1.05	0.90	2.38	1.21	0.94	0	1.43	0.76	3.60
September	1.11	0.97	0	1.24	0.90	3.68	1.48	0.76	3.72
October	1.01	0.87	0	1.36	0.92	0	n/a	n/a	n/a
November	1.07	0.97	0	1.48	0.97	1.94	n/a	n/a	n/a
December	1.09	1.03	0	1.62	1.00	1.61	n/a	n/a	n/a
Annual Average	**1.03**	**0.85**	**1.36**	**1.14**	**0.91**	**2.41**	n/a	n/a	n/a

Source: FAS Buenos Aires, based on data provided by the Buenos Aires Central Market

Note: "0" means "not in season/no fruit sold."

Production, Supply and Demand Data Statistics:

Apples, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2015	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	27000	27000	25500	24000	0	22500
Area Harvested	25500	25500	24000	22500	0	21000
Bearing Trees	24500	24500	23100	21700	0	20400
Non-Bearing Trees	4200	4200	4000	3800	0	3500
Total Trees	28700	28700	27100	25500	0	23900
Commercial Production	630000	630000	640000	640000	0	720000
Non-Comm. Production	0	0	0	0	0	0
Production	630000	630000	640000	640000	0	720000
Imports	0	0	0	200	0	0
Total Supply	630000	630000	640000	640200	0	720000
Fresh Dom. Consumption	235700	235700	280000	240200	0	280000
Exports	144300	144300	140000	120000	0	130000
For Processing	250000	250000	220000	280000	0	310000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	630000	630000	640000	640200	0	720000
(HA) ,(1000 TREES) ,(MT)						

Pears, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2015	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	28500	28500	27500	26500	0	24500
Area Harvested	27000	27000	26000	25500	0	23200
Bearing Trees	20000	20000	19300	19200	0	19000
Non-Bearing Trees	4000	4000	3800	3700	0	3650
Total Trees	24000	24000	23100	22900	0	22650
Commercial Production	690000	690000	610000	580000	0	650000
Non-Comm. Production	0	0	0	0	0	0
Production	690000	690000	610000	580000	0	650000
Imports	500	110	600	180	0	0
Total Supply	690500	690110	610600	580180	0	650000
Fresh Dom. Consumption	95400	95110	110600	110000	0	120000
Exports	408800	408800	340000	300000	0	310000
For Processing	186300	186200	160000	170180	0	220000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	690500	690110	610600	580180	0	650000

(HA) ,(1000 TREES) ,(MT)

Grapes, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2015	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	10500	10500	10500	10000	0	9500
Area Harvested	10200	10200	10200	9700	0	9200
Commercial Production	70000	70000	130000	110000	0	100000
Non-Comm. Production	0	0	0	0	0	0
Production	70000	70000	130000	110000	0	100000
Imports	100	100	0	0	0	0
Total Supply	70100	70100	130000	110000	0	100000
Fresh Dom. Consumption	52500	52500	108000	88000	0	80000
Exports	17600	17600	22000	22000	0	20000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	70100	70100	130000	110000	0	100000

(HA) ,(MT)