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Argentina

Fresh Deciduous Fruit Annual

Apples, Pears, and Table Grapes

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Report Highlights:

For CY 2017, fresh apple and pear production is forecast to increase slightly while table grape production is estimated to decrease significantly from 60,000 MT to 40,000 MT, compared to CY 2016. Production of all three types of fruit will remain below historical levels as a result of a late frost in September 2016, a continued decrease in planted area, and unfavorable economic conditions. Apple and pear exports are projected to remain relatively stable from CY 2016, and table grape exports are projected to continue to decrease. For all products, it will all remain below normal levels primarily due to lack of competitiveness of local exporters.

Executive Summary:

Apple and pear production for CY 2017 is projected to increase to 650,000 MT and 590,000 MT, respectively. Table grape production is expected to decrease to 40,000 MT. Production for the three fruits will be down from normal levels due to unfavorable weather conditions, a decrease in planted area, and lack of profitability for local producers.

Apple and pear exports will remain relatively stable at 100,000 MT (for apples), and 320,000 MT (for pears), while table grape exports will decrease to 8,000 MT. Exports will remain below historical levels for the three fruits due to lack of competitiveness of Argentine exporters in international markets.

CY 2017 apple and pear domestic consumption is expected to increase to 255,000 MT and 100,000 MT, respectively, as a result of an increase in production. Table grape consumption is estimated to go down to 32,500 MT, due to a production decrease.

Commodities:

Apples, Fresh

Pears, Fresh

Grapes, Table, Fresh

Production:

Apples and Pears

Calendar Year (CY) 2017 fresh apple and pear production is estimated to increase slightly to 650,000 MT (for apples) and 590,000 MT (for pears) due to greater domestic consumption and slightly higher exports. Production for both fruits will remain low from historical levels due to a late frost in September 2016, which is expected to reduce fruit volumes and quality, and as a result of the decrease in planted area that has been affecting the main apple and pear growing region in the past few years.

CY 2016 fresh apple and pear production is forecast to remain unchanged from USDA official estimates at 640,000 MT and 580,000 MT, respectively. Production of both fruit is also down from normal levels of 1.5 MMT due to various hail storms throughout the summer and the decrease of planted area. In addition, volumes decreased in CY 2015 as a result of blooming problems, which delayed the harvest 10-15 days. Smaller volumes of apples devoted for processing are expected, compared to official USDA estimates, as a result of low prices paid by the juice industry. Pears for processing are projected to increase slightly due to lower exports.

CY 2015 production remains unchanged at 650,000 MT for apples and 590,000 MT for pears. The decrease from historical levels in apple and pear production was primarily due to large fruit volumes that were not harvested as a result of the severe economic crisis affecting the local fruit sector. Total losses of both fruits were 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.

The cost of production for a kilogram of apples or pears is about \$0.30-0.35. It is composed as follows: labor at 60 percent (40 percent, packing, and 20 percent, production), and a combination of capital, inputs, and service costs at 40 percent (energy, fertilization, transportation, packaging, customs fees, phytosanitary and quality certifications, etc.).

About 95 percent of total apple and pear production is concentrated in the Provinces of Rio Negro (80 percent) and Neuquen (10-15 percent), and the remaining 5-10 percent is produced primarily in Valle de Uco, Province of Mendoza. There are approximately 2,000 producers and 60,000 direct-hire employees in the fruit sector of Rio Negro and Neuquen Provinces. In contrast, fifteen years ago, fruit producers totaled approximately 9,000.

Apples and Pears Planted Area

For CY 2017, planted area is expected to decrease from the previous year to 21,500 hectares for apples, and to 23,000 for pears. For CY 2016, area planted to both fruits is projected to decrease to 22,000 hectares for apples and to 23,300 for pears. Planted area has been following a downward trend during the past few years due to plant abandonment as a result of lack of financial resources to devote for pruning, fumigation, etc., and also due to urbanization (it is estimated that about 30-40 percent of total plantations have not been pruned in CY 2016, especially apple trees. The estimated cost of pruning is USD750/hectare). Area planted to apples and pears for CY 2015 remains unchanged from official USDA estimates.

Argentina's economic problems in the past few years have led to reduced profitability in the sector, resulting in planted area gradually falling 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 now being devoted to wine grapes and other more profitable crops.

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 financial resources to implement phytosanitary treatments, they are purchased for real estate projects. Although the fruit sector had become increasingly concentrated among fewer and larger producers, some of them have also been affected by the economic crisis which has forced them to reduce their operations.

Table Grapes

CY 2017 fresh table grape production is estimated to fall by 33 percent to 40,000 MT, down 20,000 MT from CY 2016. Production will be down from historical levels of 120,000 MT as a result of a late frost in September 2016, and increasingly unfavorable economic conditions which have been forcing producers to leave the activity.

CY 2016 table grape production is expected to remain unchanged at 60,000 MT from USDA official estimates. Production is forecast to be down by half from the previous year as a significant portion of table grape area was converted to raisin production through the season, and also as a result of the loss of export competitiveness due to strong competition from other grape producing countries, and phytosanitary restrictions established by Brazil.

For CY 2015, the table grape production estimate remained unchanged at 120,000 MT from official estimates. Production experienced a significant rebound, a 70 percent increase over CY 2014, due to favorable weather conditions.

Table Grapes Planted Area

About 90 percent of the total area planted for table grapes is concentrated in the Province of San Juan, Argentina. For CY 2017, planted area is forecast to remain stable from the previous calendar year. For CY 2016, area planted is revised down from 9,500 hectares to 9,000 hectares. Area has been going down gradually due to the lack of economic resources for some producers to carry out maintenance activities in their vines, such as pruning.

Table grape area is increasingly being devoted to raisin production, especially the Flame Seedless variety, and wine grape production. This conversion is particularly prevalent in the 2016 season as producers realized, after they planted table grapes, that it was more profitable to harvest them as grapes for raisins or devote them for wine production. It is estimated that about 3,000 hectares are dedicated to Flame Seedless grapes in San Juan Province, of which over 95 percent is devoted for raisin production, which is in stark contrast to its historical use for table grapes.

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 varieties, especially for apples.

Main apple varieties grown: Red Delicious Clones (40 percent of total apple planted area), Red Delicious Standard (22 percent), Granny Smith (15 percent), and Gala and Clones (14 percent).

Main pear varieties grown: William's, Packham's Triumph and Beurre D'Anjou (81 percent of total pear planted area). Some varieties have increased share in the past few years, such as Abate Fetel, Red Bartlett, Beurre Bosc, and Beurre Giffard.

Source: *Rio Negro – Fruticultura, Secretaria de Fruticultura, Gobierno de Rio Negro*

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

-- 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. This economic situation got worse year after year as costs continued to increase and incomes declined. In addition, the fruit sector's labor force has decreased significantly in the past few years as a result of this crisis. Smaller producers have been 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. However, during the past couple of years, some of the larger companies have also been affected by the crisis and they are currently reducing their infrastructure.

-- High inflation rates between 20-38 percent during the past few years (estimated at 38-40 percent for CY 2016), a relatively 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. However, as of December 2015, local apple and pear producers became more competitive in international markets as a result of the new economic measures taken by the new Macri administration - a five percent export tax elimination, devaluation of the Argentine peso, and a seven percent export rebate for fruit shipped from Patagonian ports. During the past few months, most of this competitiveness was lost to high inflation rates, and a significant cost increase primarily on account of labor, inputs, and energy.

--Besides the lack of profitability affecting all fruit producers in the country, smaller table grape producers are facing an additional challenge: water availability. Producers who do not have the economic resources to incorporate technology, such as drip irrigation, will be forced to leave the activity.

--For the fresh deciduous fruit sector to become more professional in the next few years, the following challenges will have to be faced:

- financial assistance from the national government to invest in technological improvements;
- regaining competitiveness in export markets, becoming more efficient, increasing production (less area with higher yields), and obtaining higher volumes of fruit for packing purposes per hectare; and
- improvement/construction of public infrastructure, such as roads, communications, energy, social housing, among others.

Organics

According to private sources, about 15 percent of the total production of fresh apples and pears in Alto Valle of Rio Negro and Neuquen Provinces is certified as organic, and 15 percent is exported as organic. This region concentrates 60 percent of the total organic fruit harvested area in the country. In CY 2015, organic apple production destined for export markets decreased by 6 percent, and organic pear production, increased by 7 percent. Organic production and exports are expected to continue to grow in the next few years. In CY 2015, organic fruit exports totaled 17,600 MT for apples and 30,500 MT for pears. The main destination for organic apples is the EU, and for organic pears, the United States. Higher organic 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 volume of organic fruit is utilized for the manufacturing of organic juices and specialty food products, such as cereal bars. Exports of organic table grapes are negligible.

Consumption:

Apples and Pears

CY 2017 domestic consumption is forecast to increase slightly to 255,000 MT for apples and 100,000 MT for pears due to an increase in production. CY 2016 apple domestic consumption is expected to increase to 250,000 MT (up 15,000 MT from USDA official estimates) and pear consumption is estimated at 96,000 MT (up 6,000 MT), primarily due to lower exports.

For CY 2015, apple consumption was revised down from 244,290 MT to 244,000 MT from USDA estimates, and pear consumption remained unchanged at 105,000 MT. Average annual per capita consumption is estimated at 6-7 kg for apples and 2-3 kg for pears.

Table Grapes

CY 2017 table grape domestic consumption is estimated to decrease to 32,500 MT, from 49,240 MT in CY 2016, as a result of a decrease in production. CY 2016 consumption is forecast to remain stable at 49,240 MT from official estimates. For CY 2015, consumption was revised down to 101,050 MT due to increased imports.

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.

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

For CY 2017 fresh apple and pear exports are forecast to remain stable at 100,000 MT and 320,000 MY, respectively, compared to CY 2016. Lack of competitiveness in export markets is estimated to continue to negatively affect exports.

Apple exports in CY 2016 are revised down to 98,000 MT from the official USDA estimate of 105,000 MT. Pear exports are decreased to 320,000 MT, down 10,000 MT from USDA estimates. Besides lack of competitiveness, exports for both fruit types are projected to remain lower than historical levels as a result of economic difficulties in major export markets, such as Brazil and Russia. In addition, Brazil has been restricting imports due to phytosanitary issues.

CY 2015 apple and pear exports remained relatively unchanged at 106,300 MT for apples and 333,000 MT for pears, due to lack of competitiveness of local exporters and economic problems in export markets.

Fresh Apple Exports – Main Destinations						
Partner Country	2014		2015		Jan-Aug 2016	
	USD	MT	USD	MT	USD	MT
World	137,331,634	144,241	85,728,506	106,326	63,609,810	76,499
Brazil	52,010,170	49,600	22,498,634	24,058	14,578,763	15,993

EU	37,750,289	34,909	14,976,630	14,453	15,182,212	14,633
U.S.	9,510,522	9,216	13,598,583	13,856	11,923,921	10,738
Russia	10,927,441	12,935	12,821,074	16,172	7,380,692	9,731
Paraguay	1,663,792	5,817	3,639,471	11,960	2,601,650	9,017

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

Fresh Pear Exports – Main Destinations						
Partner Country	2014		2015		Jan-Aug 2016	
	USD	MT	USD	MT	USD	MT
World	379,341,922	408,743	283,076,504	333,090	237,963,309	272,761
Brazil	134,614,447	137,306	106,045,472	119,284	68,936,318	75,911
EU	81,827,420	90,565	48,732,386	59,262	55,465,002	63,983
Russia	77,985,526	93,629	50,400,484	68,661	45,464,226	61,359
U.S.	41,542,120	43,611	44,276,791	47,093	41,716,243	42,366

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

Total fresh apple and pear exports during January-August 2016 decreased by 10 percent and 7 percent, respectively, compared to the same period of CY 2015, due to the devaluation of local currencies in the main export markets, which decreased local demand for both fruits, and the on-going loss of competitiveness by local companies.

Argentina exports apples and pears to about 60 export markets. In CY 2015, Brazil remained the most significant fruit export market for apples and pears (by volume), followed by Russia and the EU. 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. After audits were carried out by Brazilian phytosanitary inspectors in the main apple and pear growing region of the country, on June 17, 2015, the Brazilian market was reopened to Argentine apples and pears. However, the local fruit sector considers the protocol negotiated by the Argentine and Brazilian phytosanitary authorities to be too stringent, which hinders export flows. That has forced that many local fruit companies to restrict themselves from exporting to Brazil. Private sources estimate that this issue resulted in losses for the fruit sector of about USD50 million in CY 2015. In January-August 2016, apple exports to Brazil increased by 27 percent, compared to the same period of 2015. However, they still remain 50 percent below historical levels, compared to 2014.

After the import ban that Russia imposed on EU fruit in August 2014, which was recently extended to the end of 2017, Russia sought other sources of supply. However, Argentina was unable to take advantage of the opportunity to increase exports to the Russian market, especially for pears, due to the lack of competitiveness of local producers (e.g. unfavorable exchange rate) and the devaluation of the ruble followed by recession of the Russian economy. During CY 2015, apple exports to Russia increased by 23 percent and pear exports decreased by 27 percent, compared to the previous year, and exports to the EU fell by almost 60 percent for apples and 35 percent for pears, due to lower production, more fruit availability in the Northern Hemisphere, and low competitiveness.

Amidst volatile export markets, the United States remains a reliable and stable market for Argentine apples and pears, especially for organic fruit, whose demand continues to grow steadily.

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.

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 primarily 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 exports have not been significant. In addition, the Chinese market was opened in 2014 although shipments have not been significant so far due to stringent import requirements.

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

Table Grapes

CY 2017 fresh table grape exports are estimated at 8,000 MT, down 2,900 MT from the previous calendar year, as a result of lack of competitiveness of Argentine exporters in foreign markets.

For CY 2016, table grape exports are revised down slightly to 10,900 MT from official estimates, due to larger domestic consumption. Exports are projected to remain lower than historical levels since producers are becoming increasingly less competitive in international markets.

Table grape exports in CY 2015 remained unchanged at 19,800 MT from official estimates. Exporters expected that Russia's import restrictions on the EU and the United States would present a good opportunity for Argentine table grapes. However, the devaluation of the ruble decreased Argentina's competitiveness in this export market during the CY 2015 marketing season.

Fresh Table Grape Exports – Main Destinations						
Partner Country	2014		2015 (*)		2016 (*)	
	USD	MT	USD	MT	USD	MT
World	28,992,966	17,571	31,484,584	19,803	14,534,952	10,829
Brazil	4,876,197	2,775	6,066,177	3,801	5,472,135	3,763
EU	16,324,848	9,421	15,953,979	9,154	4,724,732	3,380
Russia	5,885,184	3,963	7,915,392	5,328	2,898,754	2,165

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

(*) Marketing year was changed from January-December to October-September.
September 2016 data N/A.

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 also facing difficulties in some export markets, which have become more demanding in quality terms, due to competition from rising fruit supplies from Peru, Chile, and South Africa.

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 a variety of things including hail damage, fruit pruning, and harvest, unsold processing fruit, insurance coverage, employers' social security contributions, fuel and agrochemical costs, among other expenses.

During the past season, the national government contributed USD7 million, and the governments of Rio Negro and Neuquen Provinces contributed USD6 million each to help producers harvest the fruit which remained unharvested (during CY 2015, the provincial government's contribution totaled over USD20 million). The sector protested for additional financial assistance from the national government to implement an updated phytosanitary program and to cover costs of fruit pruning.

As for the current season, the national government has provided assistance at USD10 million with the Province of Rio Negro (GRN) providing USD3.5 million. The GRN is also providing subsidies to smaller producers whose farms have been seriously affected by hail storms, of USD320/hectare to producers with 50-100 hectares, and USD290/hectare to producers with 0-50 hectares. In addition, they are implementing a program which is focused towards the eradication of 3,000 hectares of abandoned fruit orchards or plantations with phytosanitary problems that pose a risk to the region. The plant clearance program will be carried out at no charge to producer. To finance the program, the provincial government will contribute with USD1 million.

Import and Export Regulations

In December 2015, the new government lifted export taxes on all fruits and other commodities. Export rebates remained the same for apples, pears, and table grapes, and they depend on the size of the container. This policy change has had a significant impact in international markets as it has made Argentine agricultural commodities more competitive. In addition, the government established a seven percent export rebate for fruit shipped from Patagonian ports.

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 (%)	0.00
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 (%)	0.00
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 (%)	0.00
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 (%)	0.00
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. With the new government administration, imports have been gradually returning to previous levels.

Phytosanitary Issues

Under 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. In addition, by SENASA Resolution No. 170/2016, dated April 6, 2016, the President of SENASA declared a Phytosanitary Emergency due to reiterated Fruit Fly findings in Neuquen Province. SENASA has already implemented the corresponding phytosanitary measures including cold treatment (in transit or at destination) to all shipments originating in the regulated area.

Marketing:

Prices

For apples and pears, overall prices in January-August 2016 were higher than the same period of 2015 but still not sufficient to cover costs. In CY 2015, FOB prices were lower for apples (by 10 percent) and pears (by 12.5 percent), compared to CY 2014 prices. In turn, in CY 2014, they were lower than prices during the previous calendar year. Thus, prices paid have been declining and are not generally sufficient to cover costs, resulting in increased financial difficulties for the local fruit sector and damaging Argentine exporters' competitiveness in export markets. The following tables show average export prices for apples, pears, and table grapes:

FOB Prices (USD/MT) Fresh Apples			
Month	2014	2015	Jan-Aug 2016
Jan	906	756	696
Feb	909	791	705
Mar	929	839	805
Apr	972	909	862
May	1,016	885	904

Jun	1,022	876	891
Jul	932	831	874
Aug	929	696	655
Sep	878	615	n/a
Oct	897	604	n/a
Nov	913	678	n/a
Dec	941	623	n/a
Average	937	759	n/a

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

Note: Exchange rate: Argentine Pesos 15.38/USD1

Date of Quote: 10/26/2016

FOB Prices (USD/MT) Fresh Pears			
Month	2014	2015	Jan-Aug 2016
Jan	967	921	794
Feb	897	858	865
Mar	900	840	850
Apr	897	849	880
May	920	850	893
Jun	989	824	928
Jul	992	863	914
Aug	965	881	874
Sep	948	878	n/a
Oct	998	792	n/a
Nov	1,081	835	n/a
Dec	1,126	836	n/a
Average	973	852	n/a

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

Note: Exchange rate: Argentine Pesos 15.38/USD1

Date of Quote: 10/26/2016

FOB Prices (USD/MT) Fresh Table Grapes			
Month	2014 (*)	2015 (*)	Oct 2015-Sep 2016 (*)
Jan	1,676	1,569	1,320
Feb	1,583	1,473	1,370
Mar	1,582	1,523	1,401
Apr	1,567	1,460	1,273
May	1,357	0	1,047
Jun	0	0	2,188
Jul	0	0	0
Aug	0	0	0
Sep	0	0	0
Oct	0	0	0
Nov	1,341	0	0
Dec	1,667	1,172	1,172

Average	1,539	1,439	1,396
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Source: FAS Buenos Aires, based on data from the Global Trade Atlas

Note (a): Exchange rate: Argentine Pesos 15.38/USD1

Date of Quote: 10/26/2016

(*) Note (b): 2014 and 2015 prices were calendar year prices.

Prices for October 2015-September 2016 reflect marketing year prices.

Retail prices are as follows:

Retail Prices (USD/kg) – October 2016		
	Variety	Price (US\$/kg)
Pears	Packham Triumph (Premium)	1.94
	Williams (Premium)	1.94
	Abate Fetel	1.84
Apples	Red Delicious (Premium)	2.59
	Red Delicious (Standard)	2.14
	Granny Smith (Premium)	2.27
	Granny Smith (Standard)	1.95
Table Grapes	Superior Seedless	6.43
	Red Globe`	6.43

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.

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 (USD/kg)									
	2014			2015			Jan-Sep 2016		
	Apples	Pears	Grapes	Apples	Pears	Grapes	Apples	Pears	Grapes
January	0.94	0.81	0	0.98	0.70	0.71	1.26	0.58	1.18
February	0.91	0.83	0	0.93	0.67	0.68	1.07	0.76	0.92
March	0.83	0.98	0	0.72	0.65	0.71	0.98	0.83	0.86
April	0.83	0.80	0	0.74	0.63	0.76	0.91	0.64	0.70
May	0.98	0.88	0	0.72	0.52	1.10	0.86	0.55	0.96
June	1.01	0.96	0	0.83	0.53	1.63	0.90	0.51	1.25
July	1.21	0.93	0	0.85	0.47	1.99	1.03	0.55	2.78
August	1.21	0.94	0	0.93	0.50	2.34	1.12	0.54	3.68
September	1.24	0.90	3.68	0.96	0.49	2.42	1.26	0.56	2.76
October	1.36	0.92	0	1.07	0.50	2.69	n/a	n/a	n/a
November	1.48	0.97	1.94	1.11	0.60	0	n/a	n/a	n/a

December	1.62	1.00	1.61	1.22	0.65	1.48	n/a	n/a	n/a
Annual Average	1.14	0.91	2.41	0.92	0.58	1.50	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 Market Begin Year Argentina	2014/2015		2015/2016		2016/2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	24000	24000	22500	22000	0	21500
Area Harvested	22500	22500	21000	20500	0	20000
Bearing Trees	21700	21700	20400	20000	0	19500
Non-Bearing Trees	3800	3800	3500	3400	0	3300
Total Trees	25500	25500	23900	23400	0	22800
Commercial Production	650000	650000	640000	640000	0	650000
Non-Comm. Production	0	0	0	0	0	0
Production	650000	650000	640000	640000	0	650000
Imports	300	300	200	1100	0	800
Total Supply	650300	650300	640200	641100	0	650800
Fresh Dom. Consumption	244000	244000	235000	250000	0	255000
Exports	106300	106300	105000	98000	0	100000
For Processing	300000	300000	300200	293100	0	295800
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	650300	650300	640200	641100	0	650800

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

Pears, Fresh Market Begin Year Argentina	2014/2015		2015/2016		2016/2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	26500	26500	23500	23300	0	23000
Area Harvested	25500	25500	22300	22000	0	21800
Bearing Trees	19200	19200	18200	18000	0	17800
Non-Bearing Trees	3700	3700	3500	3400	0	3300
Total Trees	22900	22900	21700	21400	0	21100
Commercial Production	590000	590000	580000	580000	0	590000
Non-Comm. Production	0	0	0	0	0	0
Production	590000	590000	580000	580000	0	590000
Imports	850	850	500	100	0	50
Total Supply	590850	590850	580500	580100	0	590050
Fresh Dom. Consumption	105000	105000	90000	96000	0	100000
Exports	333000	333000	330000	320000	0	320000
For Processing	152850	152850	160500	164100	0	170050
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	590850	590850	580500	580100	0	590050

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

Grapes, Fresh Market Begin Year Argentina	2014/2015		2015/2016		2016/2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	10000	10000	9500	9000	0	9000
Area Harvested	9700	9700	12200	8700	0	8700
Commercial Production	120000	120000	60000	60000	0	40000
Non-Comm. Production	0	0	0	0	0	0
Production	120000	120000	60000	60000	0	40000
Imports	850	850	0	140	0	500

Total Supply	120850	120850	60000	60140	0	40500
Fresh Dom. Consumption	101050	101050	49000	49240	0	32500
Exports	19800	19800	11000	10900	0	8000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	120850	120850	60000	60140	0	40500
(HA) ,(MT)						