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Argentina

Fresh Deciduous Fruit Semi-annual

Apples, Pears, and Table Grapes

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Report Highlights:
For CY 2017, production of fresh apples and pears is revised down to 530,000 MT and 500,000 MT, respectively, and table grape production will remain unchanged at 40,000 MT. Production of all three types of fresh deciduous fruit is forecast to be below normal levels as a result of unfavorable weather conditions. Apple and pear exports are forecast to decrease to 90,000 (for apples) and 300,000 MT (for pears), and remain stable for table grapes at 8,000 MT. Domestic consumption for apples and pears will go down, following the decrease in production, and table grape consumption will remain unchanged.

Executive Summary:

Apple and pear production for CY 2017 is projected to decrease to 530,000 MT and 500,000 MT, respectively, and table grape production is expected to remain unchanged at 40,000 MT. Production for the three fruits will be down from normal levels due to late frosts and hail storms and lack of profitability for local producers, many of whom are leaving the sector.

Apple and pear exports are estimated to decrease to 90,000 MT and 300,000 MT, respectively, and table grape exports will remain unchanged at 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 will decrease to 212,000 MT for apples and 85,200 MT for pears, as a result of a decrease in production. Table grape consumption is estimated to remain stable at 32,600 MT.

Commodities:

Apples, Fresh

Pears, Fresh

Grapes, Table, Fresh

Production:

Apples and Pears

For Calendar Year (CY) 2017, Post's estimates for fresh apple and pear production are revised down from 650,000 MT to 530,000 MT (for apples) and from 590,000 MT to 500,000 MT (for pears), lower than USDA official estimates. The decrease in production for both types of fruit is due to bad weather conditions, such as hail storms and late frosts. An estimate of 5,000 hectares of fruit was affected by summer hail, and 14,000 hectares were affected by frosts during the spring of 2016. As a result, volumes and quality diminished. Smaller volumes of apples and pears devoted for processing are expected, compared to official estimates, as a result of lower production, low prices paid by the juice industry and low international prices for concentrated juice.

For CY 2016, Post decreased fresh apple production to 600,000 MT (40,000 MT below official estimates), and fresh pear production remained unchanged at 580,000 MT. Production of both fruits is down from historical levels of 1.5 MMT (for both fruits) due to various hail storms throughout the summer and the decline in planted area from the previous calendar year.

The cost of production for a kilogram of apples or pears is between USD0.30-0.35. It is composed of: 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.). The producer is paid about USD0.25/kg while the retail price for a kilogram of fruit is about USD4.

About 90 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 220 packing houses and 260 cold-storage facilities in the Upper Valley of Rio Negro and Neuquen, and approximately 2,400 producers and 60,000 direct-hire employees. In contrast, fifteen years ago, fruit producers totaled approximately 9,000.

Apples and Pears Planted Area

For CY 2017, Post revised planted area down to 18,000 hectares for apples, and up to 24,000 hectares for pears. For CY 2016, area planted for apples was reduced from 22,000 hectares to 20,000 hectares, and area planted for pears was increased from 23,300 to 23,500 hectares. Overall, planted area for both fruits 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 were not pruned in CY 2016, especially apple trees. The estimated cost of pruning is USD750/hectare.

Argentina's economic problems in the past decade have led to reduced profitability in the sector, resulting in area gradually falling in the main fresh deciduous fruit growing regions 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 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, 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 and, in some cases, leave the activity.

Table Grapes

CY 2017 fresh table grape production remained at 40,000 MT, in line with USDA official estimates and down 20,000 MT from CY 2016. Production will be down from historical levels of 100,000 MT as a result of a late frost in September 2016, a hail storm in late November 2016, and increasingly unfavorable economic conditions which have been forcing producers to either devote part of their production to raisin or grape juice (must) production, or leave the activity.

CY 2016 table grape production remained unchanged at 60,000 MT from USDA official estimates. Production was 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.

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 revised down from 9,000 hectares to 8,500 hectares. Area has been

going down gradually due to the lack of economic resources for many 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 or grape juice production. This conversion became 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 or grape juice 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 Barttlet, 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. Smaller producers have been seriously affected by the overall 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 to lower costs.

-- High inflation rates between 20-38 percent during the past few years (estimated at 22-24 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 (no longer in effect). During the past few months, this competitiveness was lost to high inflation rates, and a significant cost increase primarily in labor, inputs, and energy.

--Besides the lack of profitability affecting most 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, are being forced to leave the activity.

--Our contacts report that, for the fresh deciduous fruit sector to become more efficient and profitable in the next few years, the following challenges will have to be addressed:

- overall, the sector needs to undergo a structural change, led by investment in mechanization to improve yields, and the development of new varieties
- only efficient players will survive this crisis, i.e. vertically integrated companies which will produce high-quality fruit for demanding markets that pay higher prices. Those companies that are environmentally sustainable and make the best use of water, land and other natural resources will be in a better position to succeed.
- financial assistance is needed 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 10 percent of the total production of fresh apples and pears in Alto Valle of Rio Negro and Neuquen Provinces is certified as organic, and about 15 percent is exported as organic. This region concentrates 65 percent of the total organic fruit harvested area in the country. In CY 2016, organic apple production destined for export markets increased by 2 percent, and organic pear production, decreased by 11 percent (exports totaled 18,000 MT for apples and 27,000 MT for pears). Organic production and exports are expected to grow in the next few years fostered by prices paid for organic fruit, which can be 40-50 percent higher than for conventional fruit. The main destination for both organic apples and pears was the United States. Higher organic production costs are primarily due to the manual pruning of fruit, biological weed control, and certification fees. More successful organic apple producers are those who grow varieties such as Cripps Pink (Pink Lady), Granny Smith, and Gala. 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

Post lowered CY 2017 fresh apple and pear domestic consumption down by 17 percent and 15 percent, respectively, from USDA estimates, totaling 212,000 MT for apples and 85,200 MT for pears. The consumption decrease for both fruits is due to smaller production. CY 2016 apple and pear domestic consumption increased to 282,200 MT (up 32,200 MT from USDA official estimates) and pear consumption increased to 100,600 MT (up 4,200 MT). The increase was due to lower exports and less fruit devoted for processing (for apples) and smaller exports (for pears).

Table Grapes

CY 2017 table grape domestic consumption is estimated to remain stable at 32,600 MT, compared to official estimates. Consumption will decrease by 35 percent from the CY 2016 estimate of 49,550 MT, as a result of a decrease in production.

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. 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 decrease to 90,000 MT and 300,000 MT, respectively, compared to official estimates as a result of lower production. In addition, diminished competitiveness in export markets will continue to negatively affect exports.

Exports in CY 2016 were lower than initially expected and totaled 90,900 MT for apples and 310,000 MT for pears, from the official USDA estimates of 98,000 MT and 320,000 MT, respectively. 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.

Fresh Apple Exports – Main Destinations

Partner Country	2014		2015		2016	
	USD	MT	USD	MT	USD	MT
World	137,331,634	144,241	85,728,506	106,326	73,728,574	90,909
Brazil	52,010,170	49,600	22,498,634	24,058	20,769,058	21,928
EU	37,750,289	34,909	14,976,630	14,453	15,287,934	14,718
Paraguay	1,663,792	5,817	3,639,471	11,960	4,302,383	13,850
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	73,806,692	9,731

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

Fresh Pear Exports – Main Destinations

Partner Country	2014	2015	2016

	USD	**MT**	**USD**	**MT**	**USD**	**MT**
World	379,341,922	408,743	283,076,504	333,090	270,040,941	310,011
Brazil	134,614,447	137,306	106,045,472	119,284	88,839,559	99,467
Russia	77,985,526	93,629	50,400,484	68,661	48,270,683	64,831
EU	81,827,420	90,565	48,732,386	59,262	55,475,021	63,983
U.S.	41,542,120	43,611	44,276,791	47,093	41,220,029	42,366

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

Total fresh apple and pear exports during CY 2016 decreased by 15 percent and 7 percent, respectively, compared to CY 2015, due to lower production , especially for apples, but also to the ongoing loss of competitiveness by local companies.

Argentina exports apples and pears to about 60 export markets. In CY 2016, Brazil remained the most significant fruit export market for apples and pears (by volume), followed by the EU and Paraguay (for apples), and Russia and the EU (for pears). 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. 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 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. CY 2016, apple and pear exports to Brazil decreased by 9 percent and 17 percent, respectively, compared to the previous calendar year.

After Russia imposed an import ban 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 a recession in the Russian economy. During CY 2016, apple exports to Russia decreased by 40 percent and pear exports decreased by 6 percent, compared to the previous year, and exports to the EU increased slightly by 2 percent for apples and 7 percent for pears, due less fruit availability in the Northern Hemisphere. Paraguay was the third largest market for Argentine apples as it is less stringent than traditional markets such as the U.S. and the EU in its quality demands.

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 calendar year, most apple and pear exports are destined for overseas markets (mainly Europe and the U.S.) and, during the last semester, 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.

India opened the market to Argentine apples and pears in CY 2016 but exports have been negligible. 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, in line with USDA estimates, and down 2,900 MT from the previous calendar year, as a result of smaller production. Morevover, exports are projected to remain lower than historical levels since producers are becoming increasingly less competitive in international markets. For CY 2016, table grape exports remained unchanged at 10,900 MT from official estimates.

During the 2016-2017 marketing season, table grape exports to traditional markets, such as the EU and Russia, decreased by 50 percent and 30 percent, respectively, and they increased to Brazil and other Latin American markets.

Fresh Table Grape Exports – Main Destinations						
Partner Country	2014		Oct 2014-Sep 2015 (*)		Oct 2015-Sep 2016 (*)	
	USD	MT	USD	MT	USD	MT
World	28,992,966	17,571	31,484,584	19,803	14,462,563	10,874
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	4,631,069	3,380
Russia	5,885,184	3,963	7,915,392	5,328	2,897,456	2,165

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

(*) Marketing year was changed from January-December to October-September.

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

lobbied for additional financial assistance from the national government to implement an updated phytosanitary program and 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.

On May 1, 2017, an Agricultural Emergency Law targeting the apple and pear sector in the Provinces of Rio Negro and Neuquen was implemented for a one-year period to help producers face the on-going crisis. Among other measures, it provides for an extension of tax and social security payments. Although this measure will assist the sector financially, a significant structural change is urgently needed to make the activity profitable.

Import and Export Regulations

In December 2015, the new government lifted export taxes on all fruits and other commodities. In addition, one year later, export rebates were increased for several products, including apples, pears, and table grapes, and they depend on the size of the container. The goal is to provide support to regional rural economies. Initially, the removal of export taxes had a significant impact in international markets as it made Argentine agricultural commodities more competitive. However, that benefit has largely been offset by high inflation rates and production cost increases. In addition, the government had established a seven percent export rebate for fruit shipped from Patagonian ports which was recently removed.

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)	6.90
Export Rebate (%) Bulk (pears)	6.20
Export Rebate (%) Cases containing between 2.5 Kg. and 20 Kg.	8.50
Cases containing 2.5 Kg. or less	9.50
Within the Mercosur area	
Import tariff (%)	0.00
Export tax (%)	0.00
Export Rebate (%) Bulk (apples)	6.90
Export Rebate (%) Bulk (pears)	6.20
Export Rebate (%) Cases containing between 2.5 and 20 kg.	8.50
Cases containing 2.5 kg. or less	9.50

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	3.50
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	3.50
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. Since 2015, with the new government administration, imports have been gradually returning to previous levels, but continue to be restricted.

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 implemented the corresponding phytosanitary measures including cold treatment (in transit or at destination) to all shipments originating in the regulated area.

Marketing:

Prices

For all three types of fresh deciduous fruits, overall prices in 2016 were relatively stable compared to 2015 and still not 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**	**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	667
Oct	897	604	721

Nov	913	678	752
Dec	941	623	671
Average	**937**	**759**	**767**

Source: FAS Buenos Aires, based on data from the Global Trade Atlas
Note: Exchange rate: Argentine Pesos 15.60/USD1
Date of Quote: 05/04/2017

FOB Prices (USD/MT) Fresh Pears			
Month	**2014**	**2015**	**2016**
Jan	967	921	794
Feb	897	858	866
Mar	900	840	850
Apr	897	849	880
May	920	850	893
Jun	989	824	927
Jul	992	863	914
Aug	965	881	874
Sep	948	878	834
Oct	998	792	841
Nov	1,081	835	892
Dec	1,126	836	883
Average	**973**	**852**	**871**

Source: FAS Buenos Aires, based on data from the Global Trade Atlas
Note: Exchange rate: Argentine Pesos 15.60/USD1
Date of Quote: 05/04/2017

FOB Prices (USD/MT) Fresh Table Grapes				
Month	**2014 (*)**	**2015 (*)**	**Oct 2015-Sep 2016 (*)**	
Jan	1,676	1,569	Oct	0
Feb	1,583	1,473	Nov	0
Mar	1,582	1,523	Dec	1,172
Apr	1,567	1,460	Jan	1,320
May	1,357	0	Feb	1,370
Jun	0	0	Mar	1,401
Jul	0	0	Apr	1,273
Aug	0	0	May	1,047
Sep	0	0	Jun	2,188
Oct	0	0	Jul	0
Nov	1,341	0	Aug	0
Dec	1,667	1,172	Sep	0
Average	**1,539**	**1,439**		**1,396**

Source: FAS Buenos Aires, based on data from the Global Trade Atlas
Note (a): Exchange rate: Argentine Pesos 15.60/USD1
Date of Quote: 05/04/2017

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	1.92
	Williams	1.95
	Abate Fetel Red Bartlett Beurre Bosc	1.92 1.92 1.69
Apples	Red Delicious (Premium)	3.44
	Red Delicious (Standard)	2.85
	Granny Smith	2.53
	Rome	3.01
Table Grapes	Superior Seedless	4.48
	Red Globe	3.52
	Cherry	2.88

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			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	1.22	0.61	3.22
November	1.48	0.97	1.94	1.11	0.60	0	1.40	0.65	4.46
December	1.62	1.00	1.61	1.22	0.65	1.48	1.50	0.72	3.08
Annual Average	**1.14**	**0.91**	**2.41**	**0.92**	**0.58**	**1.50**	**1.13**	**0.63**	**2.15**

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	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jan 2015		Jan 2016		Jan 2017	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	24000	24000	22000	20000	21500	18000
Area Harvested	22500	22500	20500	18600	20000	16700
Bearing Trees	21700	21700	20000	16900	19500	16400
Non-Bearing Trees	3800	3800	3400	2900	3300	2800
Total Trees	25500	25500	23400	19800	22800	19200
Commercial Production	650000	650000	640000	600000	650000	530000
Non-Comm. Production	0	0	0	0	0	0
Production	650000	650000	640000	600000	650000	530000
Imports	300	300	1100	3100	800	2000
Total Supply	650300	650300	641100	603100	650800	532000
Fresh Dom. Consumption	244000	244000	250000	282200	255000	212000
Exports	106300	106300	98000	90900	100000	90000
For Processing	300000	300000	293100	230000	295800	230000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	650300	650300	641100	603100	650800	532000
(HA) ,(1000 TREES) ,(MT)						

Pears, Fresh	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jan 2015		Jan 2016		Jan 2017	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	26500	26500	23300	23500	23000	24000
Area Harvested	25500	25500	22000	22200	21800	22700
Bearing Trees	19200	19200	18000	18200	17800	18600
Non-Bearing Trees	3700	3700	3400	3500	3300	3400
Total Trees	22900	22900	21400	21700	21100	22000
Commercial Production	590000	590000	580000	580000	590000	500000
Non-Comm. Production	0	0	0	0	0	0
Production	590000	590000	580000	580000	590000	500000
Imports	850	850	500	600	100	200
Total Supply	590850	590850	580500	580600	590100	500200
Fresh Dom. Consumption	104900	104900	96400	100600	100050	85200
Exports	333100	333100	320000	310000	320000	300000
For Processing	152850	152850	164100	170000	170050	115000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	590850	590850	580500	580600	590100	500200
(HA) ,(1000 TREES) ,(MT)						

Grapes, Fresh	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	10000	10000	9000	9000	9000	8500
Area Harvested	9700	9700	8700	8700	8700	8200
Commercial Production	120000	120000	60000	60000	40000	40000
Non-Comm. Production	0	0	0	0	0	0
Production	120000	120000	60000	60000	40000	40000
Imports	850	850	600	450	500	600
Total Supply	120850	120850	60600	60450	40500	40600
Fresh Dom. Consumption	101050	101050	49700	49550	32500	32600
Exports	19800	19800	10900	10900	8000	8000

Withdrawal From Market	0	0	0	0	0	0
Total Distribution	120850	120850	60600	60450	40500	40600
(HA) ,(MT)						