

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 11/23/2015

GAIN Report Number:

Argentina

Post: Buenos Aires

Incoming Government Proposes Significant Ag. Policy Changes

Report Categories:

Agricultural Situation
Trade Policy Monitoring
Agriculture in the News

Approved By:

David Mergen

Prepared By:

Lazaro Sandoval and Ken Joseph

Report Highlights:

The incoming government under the leadership of President-elect Mauricio Macri has proposed a series of agricultural policy changes that could have a significant impact domestically and in international markets. The election took place on November 22nd and the new president will take office December 10th. The president-elect in his first press conference after the election on November 23rd stated that these policy changes will be implemented immediately.

Macri Administration Agricultural Policy Proposals

The most significant proposed policy changes will affect Argentina's current export taxes, export licenses (ROEs) and other taxes. An adjustment of any of these factors could spur exports - specifically for soybeans, wheat, and corn – and lead to a significant increase in sales of Argentine agricultural commodities on the world market in the short term as producers move forward with sales that have been held up in anticipation of possible policy changes.

According to the President-elect's agricultural advisory team and other reports¹, the new administration proposes the following:

1. The opening of exports and elimination of export licenses (ROEs)

- All export license schemes first developed in 2006 would be eliminated – most significant for corn, wheat, beef and dairy products.

2. Transparency in domestic market

- Elimination of reference prices and maximum prices.

3. Reduction and elimination of export taxes

- Gradual reduction of export taxes for soybeans and its byproducts by 5 percent ever year.
- Elimination of export taxes for all other agricultural products.

4. Streamline all local taxes

- Government intends to streamline all taxes, including revisions to the value-added tax.

Current Export Tax Rates for Select Commodities

Beef 15%

Corn 20%

Wheat 23%

Soybeans 35%

Soybean Oil 32%

Soybean Meal 32%

Sunflowerseed 32%

Sunflowerseed Oil 30%

Sunflowerseed Meal 30%

Peanuts 23.5%

Peanut Oil 5%

Barley 20%

Rice 5-10%

Apples/Pear/Table Grapes 5%

Citrus 2.5%

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¹ <http://fundacionpensar.org/DDPP/13propuestasAgro.pdf>, <http://supercampo.perfil.com/2015/11/los-planes-de-macri-para-el-campo/>