RESTRICTED
COM.AG/W/35/Add.2
15 June 1968
Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Agriculture Committee

Original: Spanish

ARGENTINA

Information Supplied in Respect of GRAINS

A. Production: production measures and policies

A.1. Statistical data on total volume of production: total acreage and average yield

Area and Production in the Past Three Years

Year	Area		Yield per hectare		Production
	Sown	Harvested	Sown	Harvested	
	Hectares		Kilogrammes		Tons
			Wheat		
1965/66	5,723,800	4,601,200	1,062	1,321	6,079,000
1966/67	6,291,200	5,213,600	993	1,198	6,247,000
1967/68	6,624,200	5,856,100	1,117	1,264	7,400,000
			Maize		
1965/66	3,921,300	3,274,500	1,795	2,150	7,040,000
1966/67	4,156,500	3,450,500	2,010	2,466	8,510,000
1967/68	4,472,900	3,443,100	1,476	1,917	6,600,000
			Oats		
1965/66	1,117,000	416,250	430	1,153	480,000
1966/67	1,143,400	412,400	472	1,309	540,000
1967/68	1,155,300	443,500	511	1,330	590,000

Area and Production in the Past Three Years (cont'd)

Year	Area		Yield per hectare		Production
	Sown	Harvested	Sown	Harvested	
	Hectares		Kilogrammes		Tons
			Barley		
1965/66	908,600	404,300	445	999	404,000
1966/67	918,600	410,700	477	1,066	438,000
1967/68	934,100	543,800	749	1,287	700,000
			Rye		
1965/66	2,135,800	363,500	115	674	245,000
1966/67	2,285,400	420,300	118	642	270,000
1967/68	2,285,500	564,500	154	624	352,000
			Sorghum		
1965/66	1,345,500	835,750	1,583	2,549	2,130,000
1966/67	1,453,700	764,450	949	1,805	1,380,000
1967/68	1,826,700	1,106,300	1,021	1,686	1,865,000

A.2. Trends in production and estimates for 1970

Wheat: Production is expected to reach a minimum level of some 8 million tons by 1970, with an exportable surplus of 4 million tons. On the basis of results over the period 1962/63-1964/65, based on optimum weather conditions, production might even reach 10 million tons with an exportable surplus of 6 million tons.

Maize: The natural production trend up to 1970 is expected to be a return to pre-war levels, i.e. in the region of 7.8 million tons with no change in the present percentages as regards domestic consumption and supplies available for export; it is expected that there will be sufficient to meet demand from both.

Feed grains: Forecasts show a figure of 5.4 million by 1970, i.e. an increase based on the assumption of favourable expansion in domestic consumption, although as regards livestock, the policy is based on the premise of a substantial increase in the number of cattle in coming years. At the same time, there are already indications of expansion in the mixed-feed industry. In any event, and having regard to prospects in external markets, substantial amounts are expected to be available for export.

A.3. Statistical data on carry-over stocks

Carry-Over Stocks in the Past Three Years

(tons)

	1965	1966	1967
At 1 December			
Wheat	3,340,411	175,109	245,265
Oats	45,853	11,338	28,536
Barley	28,551	3,877	13,778
Rye	36,685	7,891	4,795
At 1 April	1964	1965	1966
Maize	23,816	25,253	14,400
Sorghum	8,910	12,814	13,294

A.4. Factors which affect production

Variations occur in Argentina's production, in particular as a result of weather conditions; in the long term, however, yield is being favourably influenced by Government action to promote certain cultivation techniques and the use of improved seeds developed through continuing technological research.

A.5. Policies and measures of governments or other bodies likely to influence production, other than those listed under B

With a view to encouraging mechanization in rural areas, income tax reductions are granted in respect of investments made in agricultural equipment and installations.

B. Production and support measures and policies

B.I. Internal support measures and policies

B.I.1. Inventory of the instruments of support

Production price policy

As from the 1966/67 crop year the Government has introduced substantial changes in the system previously in force in order to afford broader possibilities for intervention by the private sector in grain trade, to ensure a fluid marketing process and enable the producer to obtain the best possible market prices.

To this end, a two-fold system of values has been set up, comprising compulsory minimum prices on the one hand and support prices on the other.

The minimum prices constitute a basic guarantee for producers. They apply only in transactions between producers and the various private sectors intervening in grain trade, so that primary sales at lower levels are not allowed.

On the other hand these values do not set any limit on price levels in secondary transactions, that is to say, those between the various commercial sectors.

The support prices are higher than the minimum prices and represent a Government guarantee to the producer in the event that remunerative prices cannot be obtained through private channels. For this purpose the National Grains Board - the official marketing agency - guarantees the support prices for all goods offered to it by producers for sale, provided such goods meet the specifications of the Board's purchasing regulations.

B.I.2. Levels of guaranteed prices or support prices

For the 1967/68 crop year, values per quintal in bulk, on rail, port of Buenos Aires are as follows:

	Minimum price		Support price	
	Pesos/100 kgs.	US$/ton	Pesos/100 kgs.	US$/ton
Durum wheat, grade I	1,300	37.14	1,500	42.86
Durum maize, yellow and/or coloured	1,100	31.43	1,250	35.71
Yellow oats, grade 2	800	22.86	900	25.71
Malting barley, grade 2	1,000	28.57	1,100	31.43
Rye, grade 2	860	24.57	1,000	28.57
Grain sorghum	830	23.71	930	26.57

B.I.3. Amount of producer subsidies

There are no producer subsidies.

B.I.4. Average returns to producers

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B.I.5. Method of determining returns to producers

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B.II. Measures at the frontier

Import policy: The rules of the Brussels Tariff Nomenclature became effective on 1 December 1965 and as a result the import charges were abolished and were replaced by surcharges which since March 1967 have been at the level of 50 per cent of the c.i.f. import value of grains.

C. Consumption and internal prices

C.1. Statistical data on consumption

Apparent Domestic Consumption in the Past Three Years

(tons)

	1964/65	1965/66	1966/67
Wheat	3,728,877	3,705,573	4,108,278
Oats	485,974	395,433	365,715
Barley	529,978	312,812	373,144
Rye	575,973	262,086	273,096
Maize	1,949,901	2,450,779	3,028,611
Sorghum	629,096	725,607	1,044,416

C.2. Trends in consumption and estimates for 1970

As stated in paragraph A.2. the forecast up to 1970 is that consumption will remain stable in the domestic market for wheat and maize, and that consumption of feed grains will increase.

C.3. Retail and wholesale prices

Average quotations in the domestic market for the past three years in pesos per quintal, on rail port of Buenos Aires:

(US$/ton)

	1965	1966	1967
Durum wheat	867 (51.59)	1,093 (52.25)	1,587 (48.24)
Durum maize	881 (52.42)	953 (45.55)	1,316 (40.01)
Yellow oats	684 (40.70)	887 (42.40)	955 (29.03)
Malting barley	753 (44.80)	1,018 (48.66)	1,136 (34.53)
Rye	607 (36.12)	786 (37.57)	1,120 (34.05)
Sorghum	689 (41.00)	775 (37.05)	1,146 (34.84)

C.4. Factors which condition the evolution of internal consumption

The domestic consumption ratio as between the various grains is fairly stable, and substantial changes occur only in the event of drought when additional fodder supplies are needed for livestock.

C.5. Policies and measures affecting consumption

Consumer subsidies:

There are no subsidies on domestic trade or consumption.

D. International trade and prices

D.1. Statistical data on the volume and value of imports and exports

tons)

	1965	1966	1967
Exports in the past three years			
Wheat	6,660,584	5,054,666	2,059,732
Maize	2,802,219	3,751,533	4,317,988
Oats	350,433	113,136	198,116
Barley	299,816	114,525	65,116
Rye	96,388	4,555	161,140
Sorghum	166,903	946,081	507,681
Imports			
In 1967, 133,486 tons of wheat were imported			

D.2. Levels of export and import prices

Average Price of Exports in the Past Three Years

(in US$/ton f.o.b. Argentina ports)

	1965	1966	1967
Wheat	55.95	55.32	59.26
Maize	54.82	53.50	51.77
Oats	43.00	48.24	43.84
Barley	50.03	56.47	62.16
Rye	41.93	42.95	47.02
Sorghum	40.46	38.79	44.14

D.3. Export aid measures and policies

All Argentine's exports are of a commercial character and there are no concessional sales.

No subsidies or refunds are granted to exporters; on the contrary, foreign shipments are liable to charges of a general character (export duties) at present at the rate of 18 per cent on the f.o.b. value, and specific charges (for the construction of elevators, technological research, operations of the National Grains Board, totalling 3.5 per cent on the f.o.b. value).

In addition to these specific charges, certain grains are subject to minor fees which, in the case of wheat, oats, barley and rye, are of the order of 5.3 per cent on the f.o.b. value.

D.4. Bilateral agreements affecting imports or exports.

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