

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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ARGENTINA

Information Supplied in Respect of
FRUIT AND VEGETABLES

Apples - Pears - Dessert Grapes

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APPLES - PEARS - DESSERT GRAPESA. PRODUCTION: PRODUCTION MEASURES AND POLICIESA.1. Statistical data on total volume of production

(tons)

<u>Year</u>	<u>Apples</u>	<u>Pears</u>	<u>Dessert grapes</u>
1964/65	544,100	86,600	261,127
1965/66	414,000	82,000	295,775
1966/67	515,500	118,600	335,531

A.2. Trends in production and estimates for 1970Trends

Apples: annual increase estimated at about 5 per cent

Pears: stationary

Dessert grapes: annual increase estimated at about 6 per cent.

Production forecasts for 1970 (approximate)Tons: Apples: 626,560; Pears: 120,000; Dessert grapes: 423,545.A.3. Statistical data on carry-over stocksStatistics of non-exportable surpluses (tons)

<u>Year</u>	<u>Apples</u>	<u>Pears</u>	<u>Dessert grapes</u>
1965	3,048	7	-
1966	3,476	74	-
1967	9,339	280	-

These figures comprise stocks in cold storage at the beginning of the fruit-cropping season, consisting of fruit for export, fruit for the home market and unclassified fruit. They are marketed with the new crops.

A.4. Factors which affect production

The factors affecting production are mainly due to bad weather and are unpredictable. The organization of our fruit production has a solid scientific foundation, for we have highly-specialized fruit-growing regions such as the Valle de Río Negro and Mendoza. There are virtually no serious production problems in this sector. Our problems come from an inadequate marketing system. Improvement of production and technological advance are an important part of our production systems. The most modern production techniques are very effectively employed in our specialized fruit-growing regions, which thus contribute to world technological progress. We cannot say that there are any production problems in our fruit-growing industry. On a broad view, we only have marketing problems.

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

The State and the semi-official organizations encourage the development of fruit growing in economically and ecologically suitable regions. There are no legal restrictions on the fruit-grower's freedom to decide how, what and where he shall plant. Certain legislation on plant health, however, requires the maintenance of healthy conditions in the fruit-growing uplands and the local use of appropriate anti-pest sprayings.

Although the law does not restrict fruit growing, the Government has recently made a series of orders regulating the production particularly of grapes, gluts of which have given rise in recent years to problems of distribution and marketing.

B. PROTECTION AND SUPPORT MEASURES AND POLICIES

B.I. Internal support measures and policies

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

In Argentina there are no official price support measures or minimum prices to ensure fruit growers a due return. There is perfect market competition with free interplay of supply and demand and no restriction on the right of individuals and bodies corporate to market their output of fruit.

The national fruit-growing industry has been developed directly by the producers themselves, without any subsidies to production or consumption either from the State or from semi-official or private organizations.

The only governmental policy of protection of the producer is the agricultural credit developed under the supervision of the Central Bank of the Republic through the official banking system, whereby production costs and other costs are partially financed by grants with or without collateral land security. This system of agricultural credit is not confined to fruit growing but covers all agricultural activities.

Just as there are neither minimum prices for fruit marketing nor subsidies for individual producers, so there is no limitation of production affecting volume of output, choice of species and varieties, or zones of cultivation. Grapes are the exception to this rule, as was explained above.

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

This point has been dealt with above. There are no guaranteed prices nor support prices for fruit growing.

B.I.3. Amount of producer subsidies

Not applicable.

B.I.4. Average returns to producers

Pears and apples are generally marketed in Argentina as follows: by mutual agreement, usually oral, the producer delivers the fruit to the packer or exporter and is paid when the fruit has been marketed.

This system of marketing has its drawbacks, since it generally does not give the producer a guaranteed minimum price. The packer or exporter bears all the costs of selection, packing, classification, crating, etc., and the corresponding labour costs up to the stage of wholesaling, when, after deduction of these costs and services, the balance is paid to the producer.

The return to the producer is frequently no more and sometimes less than the cost of production.

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

For the reasons stated under the preceding point, it is impossible in practice to assess the returns to the producer reliably. The operative factors in the formation of local or home market prices are cost of production of the fruit, as calculated approximately by the producer and consequently varying widely between individuals; cost of containers and packaging; transport and services; marketing costs and seasonal conditions of supply and demand on the market; and competition of other seasonal fruits and volume of their output, which can have appreciable effects on demand.

The world market price is affected not only by those factors which enter into the formation of the local price but also by costs of loading and transport to the countries of destination, commissions, service costs, and current market conditions of supply and demand. The competition of fruit coming from different countries exercises much influence on world prices, and massive importations for a limited demand give rise to speculative operations.

B.II. Measures at the frontier. Imports

Pears, apples and dessert grapes are not subject in Argentina to import limitations such as quotas, quantitative restrictions, minimum or reference prices, seasonal restrictions or any other type of import regulation. Argentina is not, however, an importer of these products, being itself a heavy producer with large exportable surpluses.

C. CONSUMPTION AND INTERNAL PRICES

C.1. Statistical data on consumption

ANNUAL APPARENT CONSUMPTION PER CAPITA OF FRESH FRUIT
(Consumption during the 1951-55, 1956-60 and 1961-65 quinquennia)
(kg.)

<u>Species</u>	<u>1951-55</u>	<u>1956-60</u>	<u>1961-65</u>
Apples	11,564	12,705	11,336
Pears	3,997	3,217	2,659
Dessert grapes	7,804	9,478	11,179

C.2. Trends in consumption and estimates for 1970

ESTIMATED APPARENT CONSUMPTION PER CAPITA IN 1970
(kg.)

<u>Total fruit</u>	87,186
Apples	11,860
Pears	3,291
Dessert grapes	13,244

The future trend of consumption or demand depends on a series of unpredictable factors. It is strongly influenced by heavy outputs of competing fruits, the effect of which on supply and demand and consequently on prices can have an important bearing on computed trends.

C.3. Wholesale and retail prices on the home market

Wholesale and retail prices vary with the variety of the fruit. Some varieties, like "Granny Smith" apples, for which there are good prices on the export market may not sell well at home. Domestic retail prices vary very widely from place to place. They are always higher in well-to-do than in lower-income areas. In general, seasonal variations in wholesale prices arise, not out of conditions of supply and demand, but out of the heavier costs of cold storage spread over the whole year, because outputs, though seasonal, are put in cold store and consumed all the year round.

The following wholesale prices illustrate this pattern:

<u>Species</u>	<u>Year</u>	<u>Pesos</u>		<u>US\$/ton</u>	
		<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
Apples ¹	1965	600	1,200	178.50	357.00
Pears ¹	"	800	1,300	238.00	386.75
Grapes ²	"	20	30	119.00	178.50
Apples ¹	1966	700	1,300	167.30	310.70
Pears ¹	"	800	1,300	191.20	310.70
Grapes ²	"	20	30	95.60	143.40
Apples ¹	1967	800	1,300	121.60	197.60
Pears ¹	"	900	1,500	136.80	228.00
Grapes ²	"	20	30	60.80	91.20

¹Per 20 kg. box, according to varieties and gradings.

²Per kg.

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

The factors which condition the evolution of internal consumption include, in the first place, differences in the purchasing power of the population, depending on variations in the prices of other products. The volume of the various outputs are another factor. Heavy crops lead to a pressure of supplies; thin crops limit the supply, which may sometimes be insufficient to satisfy normal demand.

The internal consumption of a particular fruit may vary widely because of the competition of other species of fruit cropped in the same season; for example, local peaches and apples or imported bananas and pine-apples, the prices and quantities of which, related to the consumer's purchasing power, determine his choice.

C.5. Policies and measures affecting consumption

There are no official measures restricting the consumption of fruit.

D. INTERNATIONAL TRADE AND PRICES

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

See the tabulations in Annexes 1-9.

D.2. Levels of export prices prevailing in various markets; levels of import prices

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D.3. Export aid measures and policies

(a) Specific data on export payments, subsidies and other aids.

Although the authorities act to promote Argentinian exports in order to secure foreign currency needed for economic development, their action is not particularly vigorous because they lack suitable machinery.

The State does not subsidize exports. On the contrary, its fiscal system includes a tax on exports which, in the particular case of fruit, has amounted in some years to 20 per cent of their f.o.b. value as determined from index values fixed by the Customs Department. Payment for exports is generally made by a letter of credit which becomes negotiable when the exporter's bank has received all the shipping documents.

(b) Stock management policies as they relate to exports

The State does not concern itself with surpluses or stocks of fruit that remain unmarketed at the close of the cropping season. This produce does not deteriorate quickly in cold store but remains in good condition for some time, so that it can be supplied to domestic and export markets regularly and at a rate of demand that does not reduce its value below a reasonable level.

At the close of a cropping season when fresh supplies become available, there is generally a moderate surplus in cold store which is marketed with the new crop. In practice there are no annual unmarketable surpluses of apples, pears or grapes. Large stocks due to heavy production are supplied in the last resort to industry.

(c) Types and influence of non-commercial transactions and policies, including export credits

Information on this question is lacking.

D.4. Description of bilateral agreements affecting imports or exports

As a general rule there are no bilateral agreements in Argentina for imports or exports of fruit. Some importing countries regulate the importation of fruit from Argentina or from other countries to preclude interference in the normal marketing and profitability of their own production.

For this produce there is freedom of international trade, with free interplay of supply and demand except for seasonal limitations of acceptance or entry in some overseas markets.

In conformity with the Treaty of Montevideo (governing the Latin-American Free Trade Association), there is no restriction of any kind on the import or export trade in fresh fruit with the neighbouring countries.

EXPORTS - 1964 - ANNEX 1

APPLES

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Germany, Fed. Rep. of	77,740	357,915,125
Belgium	138	3,688,080
Bolivia	743	15,758,144
Brazil	40,958	861,915,500
Chile	46	843,382
Denmark	22	400,000
United States	160	3,143,890
Finland	12,151	221,184,047
France	6,913	130,770,938
Ireland	2,639	52,729,181
Norway	9,338	176,430,328
Netherlands	35,140	466,059,212
Paraguay	644	12,534,119
Peru	543	11,042,782
United Kingdom	1,068	19,618,113
Sweden	14,354	257,792,517
Switzerland	46	822,510
Trinidad-Tobago	23	412,000
Venezuela	1,542	32,202,840
Neth. American Poss.	226	4,107,200
TOTAL	134,424	2,629,367,908
Total in US\$'000		18,748

EXPORTS - 1964 - ANNEX 2

FEARS

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Albania	66	1,200,000
Germany, Fed. Rep. of	8,189	150,463,260
Belgium	209	3,755,000
Brazil	10,129	191,030,757
Canada	44	1,066,064
United States	5,201	95,250,938
Finland	143	2,570,000
France	2,684	48,718,163
Ireland	524	9,367,426
Italy	121	2,200,000
Norway	1,004	18,119,571
Netherlands	6,630	121,022,475
Paraguay	111	2,172,452
Peru	22	578,528
United Kingdom	1,238	22,892,752
Sweden	4,555	82,653,379
Venezuela	1,986	38,812,233
Neth. American Poss.	20	380,746
TOTAL	42,876	792,253,774
Total in US\$'000		5,649

EXPORTS - 1964 - ANNEX 3

GRAPES

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Germany, Fed. Rep. of	1,103,060	36,485,468
Brazil	417,153	14,545,895
Denmark	148,710	4,989,072
United States	300,080	10,092,309
Finland	559,710	19,013,405
Italy	20,000	834,498
Norway	489,870	16,469,850
Netherlands	42,760	1,416,070
Paraguay	30,060	1,495,180
United Kingdom	10,100	334,531
Sweden	1,783,500	59,613,714
Venezuela	1,331,663	48,453,689
Neth. American Poss.	7,635	319,083
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TOTAL	6,244,301	214,062,764
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Total in US\$'000		1,526
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EXPORTS - 1965 - ANNEX 4

APPLES

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Germany, Fed. Rep. of	45,689	862,192,041
Belgium	1,216	22,359,554
Bolivia	1,672	32,986,574
Brazil	57,011	1,079,712,218
Czechoslovakia	54	995,382
Denmark	189	3,449,604
United States	482	11,680,998
Finland	12,571	234,138,752
France	30,640	568,601,994
Ireland	3,170	59,322,844
Italy	400	3,108,986
Norway	9,626	188,030,695
Netherlands	59,973	1,114,905,062
Panama	99	1,826,865
Paraguay	1,012	19,442,156
Peru	583	10,672,803
Puerto Rico	56	1,010,119
United Kingdom	2,999	55,492,208
Sweden	20,372	380,037,496
Switzerland	33	728,494
Venezuela	4,602	99,171,558
Brit. American Poss.	11	316,609
Neth. American Poss.	244	4,470,654
TOTAL	252,703	4,754,653,666
Total in US\$'000		28,302

EXPORTS - 1965 - ANNEX 5

FEARS

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pcos)</u>
Germany, Fed. Rep. of	9,213	171,412,988
Belgium	414	7,520,000
Brazil	6,622	123,927,652
Chile	44	800,000
Denmark	92	1,680,000
United States	2,077	38,664,630
Finland	385	7,000,000
France	7,852	147,667,005
Ireland	515	10,004,448
Italy	152	2,760,000
Norway	1,332	25,259,577
Netherlands	9,327	173,769,722
Panama	11	202,985
Paraguay	101	1,835,039
Peru	33	600,000
United Kingdom	660	12,147,091
Sweden	3,742	69,643,599
Switzerland	6	100,000
Venezuela	1,860	36,936,602
Neth. American Poss.	34	625,600
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TOTAL	44,472	832,556,938
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Total in US\$'000		4,956
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EXPORTS - 1965 - ANNEX 6

FRESH GRAPES

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Germany, Fed. Rep. of	1,349,020	51,019,983
Bolivia	60	6,600
Brazil	766,545	31,600,442
Denmark	15,000	529,560
United States	116,212	5,113,900
Finland	794,460	28,143,847
Italy	41,790	1,570,400
Norway	690,350	25,011,190
Netherlands	41,590	1,547,148
Paraguay	22,750	771,653
United Kingdom	12,000	597,013
Sweden	1,530,410	55,935,612
Venezuela	1,361,021	57,432,735
Neth. American Poss.	9,950	498,404
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TOTAL	6,751,158	259,778,487
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Total in US\$'000		1,546
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EXPORTS - 1966 - ANNEX 7

APPLES

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Germany, Fed. Rep. of	35,897,525	1,138,246,604
Belgium	1,049,396	32,711,341
Bolivia	1,170,463	36,445,874
Brazil	54,643,726	1,656,718,238
Denmark	179,828	5,249,618
United States	71,236	2,142,033
Finland	11,994,708	367,295,703
France	16,534,461	480,892,554
Greece	22,000	734,324
Ireland	1,595,902	50,358,056
Italy	2,992	98,500
Norway	9,514,771	303,752,016
Netherlands	40,758,578	1,276,187,896
Paraguay	602,586	18,695,210
Peru	412,456	15,847,325
United Kingdom	418,224	14,102,762
Sweden	16,618,893	500,996,552
Switzerland	8,008	262,429
Venezuela	689,326	21,303,554
Brit. American Poss.	26,400	1,285,865
Neth. American Poss.	170,704	5,110,060
TOTAL	192,382,183	5,928,436,064
Total in US\$'000		28,366

EXPORTS - 1966 - ANNEX 8

PEARS

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pesos)</u>
Germany, Fed. Rep. of	6,714,034	219,834,428
Belgium	108,400	3,744,308
Bolivia	2,000	72,000
Brazil	9,769,379	301,119,840
Denmark	55,000	1,758,887
United States	1,846,362	63,349,159
Finland	110,000	3,600,185
France	4,085,542	136,011,903
Ireland	665,346	21,586,813
Italy	46,684	1,537,333
Mexico	285,494	12,411,895
Norway	851,590	27,109,544
Netherlands	6,362,965	207,423,708
Paraguay	149,318	4,783,893
United Kingdom	609,246	17,930,061
Sweden	2,727,068	86,615,513
Switzerland	41,360	1,316,883
Venezuela	1,139,520	38,911,804
Yugoslavia	22,000	678,023
Neth. American Poss.	17,968	590,744
TOTAL	35,609,276	1,150,395,924
Total in US\$'000		5,504

EXPORTS - 1966 - ANNEX 9GRAPES

<u>Country of destination</u>	<u>Volume (tons)</u>	<u>Value (pcso)</u>
Germany, Fed. Rep. of	1,181,684	56,597,084
Brazil	1,229,776	61,013,560
Denmark	17,990	847,326
United States	60,130	2,833,897
Finland	562,000	27,084,702
France	9,990	469,705
Italy	46,663	2,346,154
Norway	436,870	23,843,214
Netherlands	50,000	2,354,174
Paraguay	21,670	1,109,042
Sweden	1,534,180	75,521,956
Venezuela	585,150	32,885,261
Neth. American Poss.	3,000	144,781
TOTAL	5,789,153	287,050,856
Total in US\$'000		1,372