



COUNTRY FACT SHEET ON FOOD AND AGRICULTURE POLICY TRENDS

Socio-economic context and role of agriculture

Argentina is an upper middle income country with a wealth of natural resources, being the second largest country in South America and eighth largest in the world. As of 2016, it had a gross domestic product (GDP) of more than US\$550 billion, making it one of the largest economies in the region.¹

Argentina is a major producer of agricultural goods, agriculture being a key sector both for its production scale and for its exports and GDP. The country is a leading

food producer, with large-scale agricultural and livestock industries that have greatly benefitted from the commodity price boom of the past decade. The country has a solid comparative advantage in agriculture due to its exceptionally fertile lands, especially for cereal and livestock production. It is one of the world's leading producers of sunflower seed oil, soybeans, honey, lemons and beef.²

The prevalence of undernourishment in the country was below 5 percent between 1990/92 and 2015, achieving

Selected indicators		2007	2011	2015	
SOCIO-ECONOMIC	GDP (current billion US\$) *	288.8	533.2	583.2	
	GDP per capita (current US\$) *	7 226	12 800	13 431	
	Agricultural value added (% of GDP) *	8.8	8.3	6	
	Agricultural value added (annual % growth) *	(average 2007-2015)	2.85		
		(2015)	6.5		
	Total population (million)	39.9	41.6	43.4	
	Rural population (% of total)	9.4	8.6	8	
	Agricultural labour force (% of total labour force)	0.9	3.1	0.5 (2014)	
	Human Development Index**	(2015)	0.836 (ranking 40 out of 188)		
AGRICULTURAL PRODUCTION & TRADE	Per capita cultivated land (ha)	0.93	0.96 (2012)	0.92 (2014)	
	Area equipped for irrigation (ha)	2 360 000 (2014)			
	Value of total agriculture (current million US\$)	27 009	40 866	42 644 (2013)	
	Value of cereals production (current million US\$)	5 977	9 650	10 223 (2013)	
	Yield for cereals (hg/ha)	42 747	46 117	48 232 (2014)	
	Cereal import dependency ratio (%)	(2006-2008)	-227.8		
		(2013-2015)	NA		
	Top 3 commodities	Production quantity (2013)	Soyabeans; maize; sugar can		
		Production value	Soyabeans; meat indigenous, cattle; milk, whole fresh cow		
		Import value (2013)	Bananas; crude materials; food prep nes		
Export value (2013)		Cake, soyabean; maize; soyabeans			
Top 3 commodities available for consumption (2013)	Soyabeans; sugar cane; milk				
FOOD SECURITY & NUTRITION	People undernourished (million)	(2008-2010)	NA		
		(2011-2013)	NA		
	Prevalence of undernourishment (%)	(2008-2010)	<5		
		(2014-2016)	<5		
	Prevalence of underweight children under 5 years of age (%)	2.3 (2005)	NA	NA	
	Prevalence of stunting among children under 5 years of age (%)	8.2 (2005)	NA	NA	
	Prevalence of wasting among children under 5 years of age (%)	1.2 (2005)	NA	NA	
	Global Hunger Index ^	(2016)	<5 (Low)		
	Access to improved water sources (% of population)*	98	98	99	

Source: FAOSTAT; *Source: WB; **Source: UNDP; ^ Source: IFPRI (accessed on 17 March 2017)

1 World Bank. 2016. *Argentina country overview* (available at <http://www.worldbank.org/en/country/argentina/overview>).

2 Ibid.

Millennium Development Goal (MDG) target 1. Nevertheless, poverty rates are high: in 2016, a household survey conducted by the National Institute of Statistics (INDEC) showed that 32.2 percent of the economically active population in the country live below the poverty line, with 6.3 percent living in extreme poverty.³

The country is confronted with the burden of obesity, which affected 29.7 percent of the adult population in 2008.⁴ This is

a growing health concern in the country as well as one of the leading causes of preventable deaths in the country.⁵

From a macroeconomic point of view, the country is facing serious challenges: the fiscal deficit has been growing since 2009, due to high social spending, growing unemployment and inflation. Addressing this has been identified among the priorities of the new government elected in late 2015.

1. Government objectives in agriculture and food and nutrition security

From 2003 to 2015, the Government of Argentina pursued a growth-with-social-inclusion development strategy, introducing several measures in support of consumers through social protection, price controls and protectionist/restrictive trade policies. Agricultural policies were, until recently, an important part of the strategy of import substitution prioritized by the government. The new President elected in late 2015 reaffirmed the commitment to eliminating poverty in the country. However, the elections led to a shift in economic policy, moving towards greater sustainability through reduction of inflation, improvement of competitiveness, modernization of import/export regimes and deficit reduction.⁶ In 2016, the **National Policy of Development and Territorial Ordering** was approved by the government, aimed at (i) guiding long-term actions with territorial impact towards balanced, integrated and sustainable development of national territory; and (ii) building a more systemic intervention capable of taking advantage of development opportunities within the new national and international context.

In 2010, the government launched the **Participative and Federal Strategic Plan for Agrifood Sector and Agro-industry 2010-2020**,⁷ whose long-term vision is to boost the agrifood and agro-industrial sector, increasing value added and strengthening Argentina's role in global value chains. At the same time, the plan seeks to promote development with equity, all within a framework of environmental and territorial sustainability. It recognizes the importance of supporting family farming – a sector responsible for a significant part of the supply of the domestic market – in order

to improve access to food, and also aims to eradicate extreme poverty and hunger.

The government has dedicated particular attention to family farming in the country since the early 2000s, promoting common support programmes with its Southern Common Market (MERCOSUR) partners. In 2008, the national **Support Plan for Small and Medium Producers** was formulated to help family farmers overcome the inequalities they face so they may achieve autonomous and sustainable development, paying attention to the most vulnerable groups. The actions contemplated by the plan include, among others, the definition and identification of family farming, support for access to land, sustainable management of natural resources, and food security and sovereignty. In 2015, the government approved Law 27.118 declaring family farming to be in the public interest for its contribution to the nation's food security and food sovereignty.⁸

The **National Food Security Plan (PNSA)** was developed in 2003 to grant the entire population, in particular the most vulnerable groups, access to a sufficient and varied diet. This plan includes nutritional education activities that boost awareness and knowledge on healthy eating habits; a "Families and nutrition" component that educates families on nutrition and food; a community approach that fosters the development of community-based organizations that provide food services; and the Pro-Huerta programme (a component of the PNSA), which promotes access to healthy food by encouraging own production of fresh food for personal, family and community consumption.

3 See http://www.indec.gov.ar/uploads/informesdeprensa/eph_pobreza_01_16.pdf. Comparisons cannot be made with previous years because, according to an official statement of the INDEC itself, statistical series after January 2007 and until December 2015 should be considered with reservations. The INDEC established the necessary investigations to establish the regularity of procedures for data collection, processing, elaboration and dissemination of indicators for the period mentioned. See also http://www.indec.gov.ar/nivel4_default.asp?id_tema_1=4&id_tema_2=27&id_tema_3=64

4 WHO. 2014. *Noncommunicable Diseases (NCD) Country Profiles – Argentina* (available at http://www.who.int/nmh/countries/arg_en.pdf).

5 To address this threat, in 2008 the government approved a national obesity law (Law No. 26.396) that established a national policy for the prevention of obesity. This law mandates the creation of specific health assistance systems within health institutions to target obesity; limits the advertising of foods that contain excess fat; guarantees nutrition information on labels; and ensures the right to healthy food in schools. See <http://servicios.infoleg.gob.ar/infolegInternet/anexos/140000-144999/144033/norma.htm>

6 Ibid.

7 http://www.minagri.gob.ar/site/areas/PEA2/14=Publicaciones/_archivos/000001-Libro%20PEA%20Argentina%20Lider%20Agroalimentario.zip

8 The law seeks to support rural families and youth so that they may live harmoniously and permanently on the land, in conditions that are comparable to those of urban areas in terms of habitat, income and quality of life. See <http://extwprlegs1.fao.org/docs/pdf/arg140755.pdf>

2. Trends in key policy decisions (2007 to 2017)

2.1 Producer-oriented policy decisions

Until 2015, strong market interventions and agricultural product regulations had been part of the import substitution strategy implemented by the government since 2003.⁹ The new government elected in late 2015 reversed these interventions in order to reduce market distortions and the high fiscal deficit. At the same time, importance was given to improving access to agricultural insurance and credit for small- and medium-scale farmers throughout the review period.

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Argentina is a major livestock producer. In the last ten years, special credit lines were created for small and medium farmers in the livestock, dairy and wheat sector, with a focus on family farmers.

Improving agricultural insurance for small- and medium-scale farmers

Small-scale farmers have little flexibility regarding risk-sharing strategies due to their small farm size. This, coupled with the restrictions on access to credit markets, means that these farmers are often forced to cope with agricultural shocks on their own. For this reason, in 2009 the government created (with Law No. 26.509) the National System for the Prevention and Mitigation of Emergencies and Agricultural Disasters. That same year, it also established the National Fund for Mitigation of Emergencies and Disasters in Agriculture, with an annual budget of 500 million Argentine pesos (approximately US\$140 million), to be used after an emergency for the reconstruction of productive assets, and also to fund technical and financial assistance such as subsidized credit

lines and delayed payment of income taxes.¹⁰ In addition, in June 2016 the government developed an online “Precision Emergency Monitoring System” platform that contains real-time information on potential agricultural threats and on emergency management.¹¹

Reforming government market interventions and price support

Since 2007 the Argentine Government has implemented compensation schemes for a variety of agricultural producers, paying them the difference between international and domestic fixed prices for products such as milk, chicken, pork, oil, wheat, and maize and wheat flour. These measures partially offset the negative effects on producers’ income resulting from maximum sales prices to the domestic market set by the government, as well as the application of tariff and non-tariff barriers on the exports of these products. The compensation schemes have incurred very high costs, with fiscal transfers of about US\$1.8 billion between 2007 and 2010.¹² In 2016 the new administration discontinued the majority of these interventions, maintaining only compensation schemes for dairy producers for the period of February–March 2016 (via Resolution of the Ministry of Agro-industry No. 162/2016).

Expanding agricultural credit

Credit to agriculture was expanded during the period 2007-2017, particularly focusing on small- and medium-scale farmers. In 2008 the government introduced a new credit line for small- and medium-scale fishers with a total budget of US\$80 million, including support for exports and new subsidized interest rates to offset unfavourable international contingencies that had contracted demand. Similar credit lines were then created for small- and medium-scale farmers in the livestock, dairy and wheat sector during the review period, with a focus on family farmers (in line with MERCOSUR policy). More recently, in November 2015 the Ministry of Agriculture jointly with the National Bank launched a new credit line dedicated to helping micro- and small- and medium-scale farmers that are members of agricultural cooperatives, for a total budget of US\$62 million over the next ten years. The credit line is given to cooperatives, which in turn extend it to their members at the same conditions – thus allowing producers who previously could not access credit individually to do so collectively. The new administration is sustaining the policy of making credit accessible to small- and medium-scale farmers,

9 International Centre for Trade and Sustainable Development. 2015. *Argentina’s agricultural policies, trade, and sustainable development objectives*. Issue Paper No. 55. Geneva, Switzerland (available at <http://www.ictsd.org/sites/default/files/research/Argentina%20Agricultural%20Trade%20Policy%20and%20Sustainable%20Development.pdf>).

10 Casparri, M.T., Fusco, M. & García Fronti, V. 2014. *Ley de emergencia agropecuaria y su impacto sobre los pequeños productores*. Revista de investigación en modelos financieros, 3(1): 51–67 (available at http://bibliotecadigital.econ.uba.ar/download/rim/rimf_v3_n1_02.pdf).

11 http://www.agroindustria.gob.ar/sitio/areas/ss_coordinacion_politica/?accion=noticia&id_info=160729184901

12 Sociedad Nacional de Agricultura. 2014. *Comercio agropecuario con argentina: distorsiones y efectos* (available at http://www.sna.cl/ww/admin/spaw2/uploads/files/Subsidios%20Agricolas%20en%20Argentina%20dic.09_1.pdf).

with the announcement in May 2016 of new loans at preferential rates (as well as tax benefits) for small and medium enterprises, for a total investment of US\$9.6 billion.¹³ Furthermore, in February 2017 the Ministry of Agro-industry created the Fondo Nacional de Agroindustria (FONDAGRO),¹⁴ with a US\$109 million budget to finance programmes that improve infrastructure, logistics, competitiveness, health and working capital of all agricultural activities in the country.

2.2 Consumer-oriented policy decisions

Throughout the review period, Argentina prioritized social spending through various programmes, all of which sustained by the new administration that took charge in 2015. Efforts have been made to formalize links between national and provincial governments; however, there are no comprehensive reports or evaluation strategies, although some programmes are being evaluated.¹⁵

Increasing cash transfers

Argentina has several cash transfer programmes in place, some of which were introduced during the review period. In 2005, a conditional cash transfer programme, **Families for Social Inclusion** (Familias por Inclusión Social), was introduced for poor families with children who undergo regular health checks and enrol in school. The programme was substituted in 2009 by the Universal Child Allowance (Asignación Universal por Hijo – AUH). The AUH provides monthly transfers to families that are unemployed or working in the informal market with children under the age of 18 or who are disabled, and maintains the same conditionalities of the previous programme. Expectant mothers also receive the allowance, starting in the third month of pregnancy. The transfer amounts, budget and coverage of AUH were increased several times during the review period, making it one of the most important child assistance programmes in the region.¹⁶ The most recent increase was in September 2016, when the transfer was increased by 14 percent and the coverage reached 8.7 million children nationwide.¹⁷

Enhancement of income support programmes targeting specific categories (women, youth and the elderly)

Additionally, the government has implemented several other programmes aimed at income supporting for certain vulnerable groups, such as women, youth and the elderly. In 2013, the Social

Income with Work Programme “Ellas Hacen” was launched, targeting poor unemployed women with at least three children (or a disabled child) who live in the poorest neighbourhoods. Beneficiaries are provided a monthly income together with literacy courses, violence prevention and sexual health training, and workshops and productive projects to improve their access to job opportunities.¹⁸ As of 2016, the programme had benefited 100 000 vulnerable women. A similar programme for youth, Jóvenes con Más y Mejor Trabajo, was established in 2008 to generate social and work opportunities for young people (aged 18 to 24), while providing financial support.¹⁹ With regards to the elderly, the country has had social pensions in place since the mid-20th century; a social pension programme was officially institutionalized in 1996. Initially, non-contributory pensions were provided to poor elders over 70 without pension; then in 2016 the minimum age to benefit from the programme was lowered to 65. Also in 2016, Argentina created the Programa Nacional de Reparación Histórica para Jubilados y Pensionados and the Pensión Universal para el Adulto Mayor to support the elderly.

Relaxing strict price controls

Government interventions in the domestic market were extended during the review period until late 2015. In 2008, the price of milk was fixed by the government in order to lower prices for consumers; likewise for pork meat in 2009 (i.e. agreement with pork producers to maintain “popular prices” in exchange for a special credit line) and wheat and maize in 2010 (i.e. agreement between grain exporters and the government to purchase 1 million tonnes of wheat and 3 million tonnes of maize from producers at fixed prices, in return for granting export licenses for similar quantities). Furthermore, in 2013 the government negotiated with the major supermarkets a list of 500 food, cleaning and meat items at a fixed price under the new programme Precios Cuidados. This policy was continued during 2014 and 2015. The new administration decided to put an end to price control policies; however, to combat rising inflation, in February 2016 it launched the online “Clear Prices” platform, which provides price information for over 5 000 food and other basic products from major supermarkets, thus enabling consumers to compare prices online and decide where to buy. In 2016 a new stage of Precios Cuidados was implemented for more than 400 products in 2 268 supermarkets.

13 See <http://www.lanacion.com.ar/1897268-mauricio-macri-anuncio-137-mil-millones-de-pesos-de-credito-para-pymes-y-medidas-de-alivio-fiscal>

14 Resolution 20-E/2017.

15 World Bank. 2015. *State of Social Safety Nets 2015*. Washington, DC (available at <http://documents.worldbank.org/curated/en/415491467994645020/pdf/97882-PUB-REVISED-Box393232B-PUBLIC-DOCDATE-6-29-2015-DOI-10-1596978-1-4648-0543-1-EPI-1464805431.pdf>).

16 TSee <http://dds.cepal.org/bdptc/programa?id=33>

17 See <http://www.anses.gob.ar/noticia/aumentan-un-las-asignaciones-familiares-y-la-asignacion-universal-para-ninos-542>

18 See <http://www.ipsnews.net/2013/08/targeting-hard-core-urban-poverty-with-a-female-face/>

19 See <http://www.trabajo.gob.ar/masymejor/index.asp>

2.3 Trade-oriented and macroeconomic policy decisions

With the change in the Presidency in 2015, Argentina abandoned the previous trade control system and returned to an agricultural export model. In this way it resumed an active role on the international scene, reinstating several bilateral and multilateral agreements that had been interrupted by the previous government. The country also expressed its intention to join the OECD and to become an observer in the Pacific Alliance.

Liberalizing exports through abolition of the export permit system

As reported above, from 2003 to 2015 the government made guaranteeing accessible food for domestic consumers a priority, introducing a series of trade-restrictive policies. In 2007, it established the Registros de Operadores de Exportación (ROEs):

i.e. export permits for grains and oilseeds (Green ROE), meat (Red ROE) and milk products (White ROE). The implementation of ROEs involved the creation of a quota system, through which the government authorized a volume of exports only after domestic supply exceeded the annual domestic requirement, plus 20 percent retained as reserves. Given the unpredictability of these quotas and the absence of previous consultations, such measures were opposed by national producers, causing the so-called *conflicto con el campo* in 2008.²⁰ In December 2015, the new government reversed the policy and eliminated the export permits (for grains and oilseeds – meat and milk are still pending a decision), returning to the previous system of affidavit.²¹

Eliminating export taxes

Along the same lines, in December 2015 the new government eliminated export taxes on all agricultural products (maize, wheat, other grains, meat products, fruits and vegetables, among others) that had been introduced by the previous administration – except for soybean and its by-products, for which taxes were reduced by 5 percent. The objective was to encourage domestic production and to make Argentine agricultural commodities more competitive in domestic and international markets. Export taxes had been raised in November 2007 ostensibly to stabilize internal prices, but national producers challenged the measure because it contradicted the MERCOSUR principle of free trade among members.²² Furthermore, analyses showed that these price controls contributed to rising inflation.²³

Easing import procedures and promoting quality standards for exports

To facilitate foreign trade and promote competitiveness, in December 2015 Argentina launched the Comprehensive Import Monitoring System (SIMI), which eliminated the Advance Import Affidavits (DJAI) non-automatic import licence system introduced in 2012. With the new system the statements must be done within a ten-day period, with a validity of 180 days from the date of approval. In addition, the government is working on improving sanitation and quality standards of food products to facilitate exports, for example through the Argentine Milk Quality Programme (Programa Argentino de Calidad de Leche), launched in November 2016 to improve the competitiveness of dairy farmers as well as the capacity of dairy farmers and veterinarians, through a national public-private partnership.²⁴

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Argentina is a leading cereal producer. However, from 2007 to 2015 the government limited exports for grains and oilseeds through a quota system (Green ROE) authorizing exports only after domestic requirement was satisfied.

20 See http://www.ieco.clarin.com/ROE-Eliminacion-Macri-Moreno-ONCCA_0_1490250988.html

21 United States Department of Agriculture. 2016. Argentina, Grain and Feed Annual. GAIN Report (available at http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Annual_Buenos%20Aires_Argentina_4-1-2016.pdf).

22 Argentina, Brazil, Uruguay and Paraguay have been members of MERCOSUR since its inception in 1994. Venezuela also joined the bloc in 2012. The trading bloc is a customs union, with free trade and movement among its members, and a common external tariff for non-members. More information available at <http://www.fao.org/docrep/019/i3514e/i3514e.pdf>

23 <http://www.economist.com/news/americas/21597020-will-countrys-statisticians-now-be-allowed-do-their-work-pricing-power>

24 http://www.agroindustria.gov.ar/sitio/areas/prensa/index.php?accion=noticia&id_info=161104151708

3. Emerging issues

Climate change adaptation and mitigation measures

Argentina is highly vulnerable to climate change, given its geographic position and socio-economic characteristics.²⁵ Since the early 2000s, the country has been developing a set of sectoral plans and measures for increasing adaptation and mitigation to climate change. Specific bodies have been created at the institutional level, such as the Secretary of the Environment and Sustainable Development in 2002; the Climate Change Unit in 2003; the Governmental Committee for Climate Change in 2009, bringing together national and federal sectoral entities; and the Climate Change Commission for Agriculture, Livestock, Fisheries, Food and Forestry in 2014, which coordinates related actions and programmes. At the UN Climate Change Summit of 2015, the country presented a national plan for combating climate change with a commitment to a 15 percent reduction in greenhouse gas emissions by 2030, and another potential 15 percent decrease (subject to international funding).²⁶ The proposal integrates public policies on energy-saving and environmental protection as well as infrastructure works on renewable or clean energy. To implement preventive measures and increase preparedness in case of weather events or other emergencies that may affect food production, the Ministry of Agro-industry has reinforced measures to prevent agricultural shocks (as mentioned in the dedicated paragraph above).

Policies on food loss and waste

The Argentine Government has recently officially recognized the socio-economic impacts of food loss and waste along the food value chain, with negative effects on the sustainability of food systems, the use of natural resources, producers' incomes and consumer prices. With technical assistance from FAO, Ministerial Resolution 392/2015 was passed in June 2015, which created the National Programme for Food Loss and Waste Reduction (run by the Ministry of Agro-industry) to address the problem as a strategic aspect of improving food and nutrition security. The programme promotes actions that help reduce food loss and waste, primarily through raising awareness across the different food value chains, analysing the causes of loss and waste, and promoting measures to mitigate them. According to a study conducted by the Ministry analysing the seven main food chains in the country (meat, cereals, fruits, vegetables, dairy, oilseeds, and roots and tubers), total food losses average 12.5 percent in the country.²⁷ The highest losses were recorded in the vegetable and fruit value chains, mainly in the stages of production, post-harvest and processing.

25 Inter-American Development Bank. 2012. Argentina: Mitigación y Adaptación al Cambio Climático (available at <https://publications.iadb.org/bitstream/handle/11319/6030/Argentina%20-%20IDB-TN-%20621%20Agosto%2031.pdf?sequence=1>).

26 INFCCC. 2015. Argentina: Contribución prevista y determinada a nivel nacional (available at <http://www4.unfccc.int/Submissions/INDC/Published%20Documents/Argentina/1/INDC%20Argentina.pdf>).

27 <http://news.agrofy.com.ar/noticia/156971/reduccion-perdidas-y-desperdicios-alimentos-argentina>



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