

Macri wants to turn Argentina in the world supermarket



The most professionalized exhibition of Argentine agroindustrial sector witnessed a historic landmark, no doubt testimonial. The presence of the president of the nation for the first time in Expoagro staged changing agricultural policy. The previous government had decided to interventionism and control of exports of agricultural products. Instead, Macri Administration is implementing and stimulating measures such as the reduction of withholding tax, currency devaluation and removes obstacles to sell more across borders. Obama's visit to the country is another opportunity to reopen or improve access to the US market for some of its productions.

Expoagro was a party. Argentina agroindustrial fair outdoors always marks the beginning of the agricultural year and this time is the beginning of a new era, just as the tenth anniversary of his birthday celebration. In four days, 132,000 people came and businesses were made in the amount of 8,000 million pesos.

"The last edition had all the tailwind: climate, ideal for four days, the mood positive from

government measures, assistance, 132,000 domestic and international visitors, the return of the Ministry of Agro Industry and for the first time in history, a president of the nation; and funding essential to boost business by 8,000 million pesos that were sold at the fair, "it is said in the official balance of Expoagro, held from 8 to 11 March in the Threshold field, located at kilometer 214 of national route 9 in San Pedro Ramallo- productive corridor with technological proposals of 258 exhibitors arranged in the 135,000 square meters for this city open.

A fair sheltered by the political authorities

"We all started again enjoy a naturalness that we lost, like watching a Minister of Agro Industry walking the streets, talking with producers, listening to the problems to be solved, accompanied by his entire team working here," said Rodrigo Ramirez, general manager of Expoagro.

But the minister Ricardo Buryaile not walked alone. In what was the first visit by a president of the nation to Expoagro, Mauricio Macri attended the official opening, accompanied by the governor of Buenos Aires, María Eugenia Vidal, the governor of Santa Fe, Miguel Lifschitz; Production Minister's Office, and Francisco Cabrera, respectively; ministers of Production of Buenos Aires and Santa Fe, Leonardo and Luis Contigiani Sarquís; and the Minister of Agriculture of Córdoba, Sergio Busso.

The first step Macri is "start small producers deal to be in the middle time producers, and then the medium to be great". The president said that the great challenge that Argentina ahead is to stop being the world's breadbasket to become "the supermarket to the world", adding value to raw materials produced in the country for the country is filled with factories and thus to help achieve the government's goal of Zero Poverty.

However, he said: "We know there are problems in regional economies, we have to keep working because each of you demand a solution and we will try to get it." As for the crisis in the dairy, he said the government will buy the milk overstock "to ensure the source of work generated by the Argentine dairy farm and support this primary production is very valuable."

He also acknowledged that "there is a huge outstanding debt in infrastructure" and said there was already a team working on work to be put in place routes and highways that are needed, not only to move production but to care for the lives Argentines.

Time of investment

The Macri itself positively assessed the National Bank already received the first 500 applications for loans for farm machinery operations. The announcement sounded like a siren in the simple act of opening of the largest exhibition of the Argentine countryside open sky.

National Bank President Carlos Melconian, used his visit to the opening day of Expoagro to tell that "since we took and 4,000 million pesos loans to the sector. The previous administration had abandoned him. We intend to recover it with loyalty and using competitive tools," said the economist.

The shock of the official Bank was accompanied by the announcement of Banco Provincia, which allocated to agriculture about 28,000 million pesos, and 6 other entities offering private banking, who joined this great business meeting. In addition to other offers from private banks also encouraged to launch loans in dollars, exclusive agreements with factories and automotive; and independent promotions that proposed the same exhibitors.

At closing, is estimated to be negotiated in Expoagro durante four days about 8,000 million pesos, "an incredibly higher figure than were seeing in recent years," said Ramirez. Only the Banco de la Nacion Argentina, from the announcement of their credit lines at subsidized rates, issued 4000 certificates equivalent to 7400 million pesos bonus. It is intended to credit lines and working capital investment. In addition, more than 800 transactions with the card Agronación 44 million pesos were recorded.

International business also contributed his own. Only the first day of the fair, an Australian operator reached Expoagro and bought 200 grain extractors five different companies. The peso devaluation cheapens by 25% the purchase of equipment for the field in Argentina. Buyers have gone to the rounds of business co-organized by Expoagro Agency Pro-government Cordoba and Santa Fe. For two days, industrial seventy-one dozen importers of agricultural machinery agreed, short-term operations 8,000,000 of long pesos, 25.73 million pesos.

Changes in expectations in livestock

The financial cost of production is very high. The Government should stop pressuring the producer, not to suffocate and allow it to produce more. The small and medium producers need a consistent funding to increase rodeo.

The opening of exports and the elimination of trade repositories Export (ROE) mark a new stage of recovery and growth for livestock value chains. Beef exports in January 2016 were valued at \$ 81.1 million, resulting (+ 67.4%) higher than the 48.4 million dollars earned in last December; and also they were higher (+ 15.0%), compared to the approximately 70.5 million who had registered in January 2015, according to the Institute for the Promotion of Beef Argentina (IPCVA). Argentine beef exports during the month of January 2016 stood at volumes significantly higher than the records of December 2015; and also they located at higher levels relative to those observed during the first month of 2015.

In 2016 Expoagro had strong role of IPCVA, which in its space has convened thousands of livestock producers and entrepreneurs of the meat industry across the country.

"The livestock Argentina lives with clear expectation horizon opening posed by these new policies," enthused Ulysses "Chito" Forte, president of IPCVA. "We are living a good time beyond the situation in which we still have in the price strong political influence, as it is still very large gap between what producers receive and what the consumer pays gondola" he said. On the controversy in recent weeks to significant increases suffered by the product in counter, the head of the Institute states: "The difference is in the chain, which is very long, has a strong tax burden and is an industry high costs. "

Faced with the loss in the last decade more than ten million vaccines heads, Forte understands that policies for the sector in the future will tend to recover the stock, and should continue efforts to promote alternative meats. "That encouragement to diversify their diet Argentines will never end. We have to work hard to recover the lost heads, which are equivalent to those which today has all Uruguay. "

Argentina, recognized for the quality of its beef, has begun to import cattle for fattening and for immediate slaughter from Uruguay, for domestic consumption, with the approval of a health protocol, according to the National Health Service and Food Quality (Senasa).

"Increasing slaughter weight, retaining wombs, discouraging domestic consumption demand for alternative meats, restricting local supply and export markets recover we will recover the sector. Today we live a great opportunity to produce meat, and put the meat Argentina once again on the shelves of the world, "he proposed the leader.

"The problem we have is that often the excitement is not accompanied with the wallet. Although the elimination of ROE and other policies that have been implemented were good steps to help us in this, in the process chain is much to improve, "Forte claimed.

The upcoming visit of US President Barack Obama on March 23 open special opportunities for Argentine exports of meat vaccines could resume next semester, after fifteen years of absence in one of the largest importers in the world.

Citrus hopes on Obama's visit

The Argentine government expects to start trading with the United States entering that market tucumanos lemons, suspended 16 years ago during the upcoming visit of President Barack Obama to the country.

"The local crew will have the mission of joint negotiations to resume sales to that country, interrupted since 2000 and thus reestablish trade relations," the Ministry of Production, according

Infocampo. The minister, Francisco Cabrera , he convened a dialogue for that purpose.

"Argentina is the largest producer of lemon in the world and is the province of Tucuman header. Therefore we will work hard so that tucumanos lemons to access international markets, in coordination with Agro Industry and Foreign Ministry, in an articulated manner, as a team, "said Cabrera.

According to official data, 55% of total exports of Tucumán are lemons and export revenues represent 600 million annually. Argentine lemons smoothly entered the US market until 2000 local producers lobby made a presentation in which they alleged that Argentine products were not safe in phytosanitary terms.

Commodities, less taxes

The director of Grupo Los Grobo, Gustavo Grobocopatel, remarked that "soy continues to pay 30% withholding tax" on exports, after the national government decided last December to reduce that tax whose rate was 35%, despite which considered that this culture "has punished its profitability," reports the national news agency Telam.

The businessman said that "these changes allow retaking head under water and look to the future with hope," and noted that "the numbers are not good, because basically fell in international prices".

He also said that "the devaluation, contrary to popular belief, does not have a positive effect on the sector because rising selling prices but costs too," and concluded that "it is a mistake to think that is something beneficial to the countryside" .

Indeed, President Macri confirmed the stepped away Latches for soybeans. The appointed Agriculture Minister Ricardo Buryaile said at the time that he would work to "eliminate taxes on exports of regional economies, wheat and maize, and in the case of soybean stated that there will be a "gradual annual reduction of 5 points".

Source: Expoagro, Telam, Infocampo