

Voluntary Report – Voluntary - Public Distribution

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Report Name: Argentina Further Cuts Agricultural Export Taxes

Country: Argentina

Post: Buenos Aires

Report Category: Agriculture in the News, Grain and Feed, Agriculture in the Economy

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Report Highlights:

President Milei announced a reduction in export taxes on wheat and barley from 7.5 percent to 5.5 percent, effective June 2026. A gradual reduction of soybean export taxes was also announced to begin in January 2027, at a monthly rate of either 0.25 percent or 0.50 percent, contingent on the economic situation. The cuts were made official after publication in the Official Bulletin on June 3, 2026 following an announcement by President Milei on May 21.

On June 3, 2026, Argentina reduced export taxes on wheat and barley, effective immediately, and a gradual reduction of soybean, soy products, corn, sorghum, and sunflower export taxes beginning in January 2027 through December 2028. The announcement was published as Decree 423/2026 in the Official Bulletin. These reductions will be contingent on the economic situation.

The reduction in wheat and barley export taxes, from 7.5 percent to 5.5 percent, comes at a key moment, as the planting season begins. Farmers had been expected to marginally reduce their planted area due to rising production costs, particularly fertilizers, and low wheat prices that have not kept pace with the increased costs. The tax cut could incentivize some additional wheat and barley planting and limit the extent of the decreased planted area.

Reducing export taxes on agricultural products has been one of President Milei's core objectives, as he regards them as deeply distortionary. However, the country's fragile fiscal situation has prevented the government from eliminating them overnight. This announcement marks what is effectively the third round of cuts since Milei took office in December 2023. The table below shows the level of export tax per commodity at the time Milei took office, their current level, and projected taxes into 2027 and 2028:

Product	December 2023	June 2026	December 2027	December 2028
Soybeans*	33%	24%	21%	15%
Soy Byproducts	31%	22.5%	19.5%	14%
Sunflower****	15%	4.5%	4.0%	3.0%
Corn**	12%	8.5%	7.5%	5.5%
Sorghum**	12%	8.5%	7.5%	5.5%
Wheat and Barley*****	12%	5.5%	5.5%	5.5%

* Monthly gradual reductions beginning in January 2027

** Trimestral reductions beginning in January 2027

*** Semestral reduction beginning in January 2027

***** Immediate reduction from 7.5% to 5.5%

The chart below details per month the descending trajectory through December 2028:

Cronograma Baja Dex

2027												
	1	2	3	4	5	6	7	8	9	10	11	12
Soja	23,75%	23,50%	23,25%	23,00%	22,75%	22,50%	22,25%	22,00%	21,75%	21,50%	21,25%	21,00%
Maíz		8,25%			8,00%			7,75%			7,50%	
Sorgo		8,25%			8,00%			7,75%			7,50%	
Girasol			4,25%						4,00%			

2028												
	1	2	3	4	5	6	7	8	9	10	11	12
Soja	20,50%	20,00%	19,50%	19,00%	18,50%	18,00%	17,50%	17,00%	16,50%	16,00%	15,50%	15,00%
Maíz		7,00%			6,50%			6,00%			5,50%	
Sorgo		7,00%			6,50%			6,00%			5,50%	
Girasol			3,50%						3,00%			

*Subproductos: baja proporcional.
Para bajas trimestrales y semestrales la baja inicia el primer día del trimestre/semestre.*

Source: Ministry of Economy

The local agriculture industry welcomed the recently announced tax cuts and the phased reduction trajectory for soybeans, corn, sorghum and sunflower beginning January 2027. These new conditions will improve Argentine farmers' returns by directly increasing their income. Export taxes on agricultural products were first introduced in 1955 and have fluctuated significantly across successive governments. According to a report by the Bolsa de Cereales de Córdoba, between 2002 and 2024 farmers contributed approximately \$150 billion in export taxes through sales of soybeans, corn, and wheat alone, none of which was channeled back into the sector in the form of improved railways, roads, highways, ports, or production support.

Attachments:

No Attachments.