

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Poultry and Products Annual

Argentina Poultry and Products Annual Report

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Report Highlights:

Argentine broiler production for 2012 is forecast to reach a new record at 1.85 MMT up 75,000 MT from the USDA official estimate. This is mainly the result of strong domestic consumption and growth in exports. The country continues to make sustained efforts to maintain an excellent sanitary status and competitive costs, which has encouraged heavy investment resulting in the expansion of the sector.

Commodities:

Poultry, Meat, Broiler

Production:

Argentine broiler production for 2012 is expected to reach a new record at 1.85 MMT up 75,000 MT from the USDA official estimate (production volumes in PSD exclude chicken paws shipped to China and Hong Kong. This is a consequence of a process of productive expansion that started in 2002 sustained mainly in 4 pillars: genetic improvement, good feed quality, sanitary control and optimization of management conditions.

Most local companies have been investing heavily in the past few years and have plans to continue to do so in the future. They have invested mostly in grow out houses, grain storage capacity, cold chambers and cut up rooms. Local companies see continued investment is necessary to meet the changing preferences of local and foreign consumers.

There are about 52 plants that are federally inspected, accounting for approximately 80 percent of the country's total poultry output. The rest is produced by smaller companies approved and controlled by provincial authorities that only sell in the areas where they are located, and are not approved to export. Most companies are Argentine owned. Entre Rios province accounts for 46.6 percent of the country's production, followed by Buenos Aires province with 41.5 percent, and finally 4.4 and 4.3 percent in Cordoba and Rio Negro provinces, respectively.

Consumption:

Domestic broiler consumption for 2012 is forecast at a new record of 1.565 MMT, equivalent to 38 kg per capita. Different factors influence this expansion in consumption;

-Less supply and availability of beef as well as higher prices in most beef cuts. The price differential vis-a-vis beef continues to improve in favor of poultry. Nowadays, with the same amount of money used to purchase 1 kg of beef (short ribs) it is possible to purchase

almost 3 kg of poultry. This relation was 1 kg of beef/2kg of poultry in 2008, and 1 kg of beef/2.5 kg of poultry in 2009.

-The government's policy to guarantee poultry meat supply at lower prices through a rebate system which partly subsidizes processor's feeding costs.

-The growing trend among consumers for nutritious but low fat protein, which clearly puts poultry above beef and pork. Chicken has stopped being a "substitute" meat and became an "alternative" meat.

Although Argentines are still one of the world's largest beef consumers, they are increasing poultry consumption year after year.

In 2010 Argentines consumed 56 kg of beef, 36 kg of poultry and 12 kg pork. Per capita poultry consumption is expected to continue to increase in the near future while consumption of other meats is expected to remain stable. According to the industry, 35 percent of broiler domestic consumption is parts (versus the whole bird), and this trend is likely to continue to grow in the coming years.

Trade:

Exports:

Post estimates a 20 percent increase in exports for 2012 at a record of 250,000 MT. Argentina has excellent sanitary conditions for poultry production (free of Newcastle with vaccination and free of Avian influenza), and modern infrastructure that allows companies to comply with different customers requirements. Therefore, the Argentine poultry industry has the potential to increase exports. Final exports will depend on government policies to guarantee domestic availability and to control internal prices.

Argentina exports to almost 70 countries around the world. Main markets for 2012 are expected to be China, Chile, South Africa and Venezuela. China, Argentina's largest poultry market, is expected to continue to grow. Chile continues to be a good market for parts, such as breasts and leg quarters. South Africa remains an important market for leg quarters and mechanically deboned meat (MDM).

Imports:

For the Period Jan - Aug 2011, Argentina imported small quantities (5,474 tons of broilers), primarily from Brazil. It is estimated that they will import a total of 9,000 MT during the entire 2011.

Policy:

The Argentine government has no specific policy for the poultry sector. However, in compensation of keeping domestic prices low, poultry processors receive government financial support to partly offset high feed costs. The government is working hard in trying to open new markets and stimulating investment in the sector providing the industry with access to several beneficial lines of credit.

Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler Argentina	2010		2011		2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	1,625	1,680	1,700	1,770	1,775	1,850
Total Imports	9	7	10	9	10	10
Total Supply	1,634	1,687	1,710	1,779	1,785	1,860
Total Exports	214	210	200	210	225	250
Human Consumption	1,420	1,477	1,510	1,514	1,560	1,565
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1,420	1,477	1,510	1,514	1,560	1,565
Total Use	1,634	1,687	1,710	1,724	1,785	1,815
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,634	1,687	1,710	1,724	1,785	1,815