

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Argentina

### Exporter Guide

### Food Exporter Guide Argentina

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**Report Highlights:**

Argentine food and beverage (F&B) imports for 2013 are projected to slightly decline, as a result of the slowdown of the country's economy, and the trade restrictive measures taken by the government of Argentina (GOA) which are adversely affecting imports. The GOA is expected to continue to closely monitor imports as a means of trying to maintain a surplus trade balance by restricting imports and promoting exports. Through these measures Argentina appears to have acted inconsistently with its WTO obligations, and the United States, the European Union, Panama, and Japan, have requested the WTO to establish a dispute settlement panel to examine Argentina's import restrictions.

However, there are good prospects for products that are not produced locally or their production is not sufficient to supply the entire domestic demand, such as high value F&B and food ingredients.

**Post:**

Buenos Aires

**Author Defined:****SECTION I. MARKET OVERVIEW****Business Climate**

Argentine imports of consumer oriented food and beverages (F&B) in 2013 are projected to slightly decline from 2012 levels, to an estimated 984 US\$ million. This is due to several factors: the economic uncertainty and the slowdown of the domestic consumption; the expectation of high inflation, and the GOA import substitution policy. The trade restrictive measures taken by GOA include the overly broad use of non-automatic import licensing trade balancing requirements, and pre-registration and pre-approval of all imports into Argentina. Companies from several countries (including the U.S.) report long delays in the issuance of import licenses, and wait periods of up to six months and longer. Sometimes, companies are denied import licenses without justification or explanation. Restrictions on repatriation of profits to foreign headquarters is also causing concerns to both exporters and investors. The lack of transparency in GOA's implementation and administration of its import licensing regime creates uncertainty for exporters as well as for investors in Argentina. Argentina further disadvantages U.S. (and other countries) exports by requiring importers to agree to undertake burdensome trade balancing commitments in exchange for authorizing import goods. The U.S., the European Union, Panama, and Japan have requested the WTO the establishment of panels on these matters.

According to the World Bank, Argentina has one of the world's most protectionist economies with commercial restrictions for imports and exports as well as foreign currency controls. The GOA fight against the dollarization of the economy (most major transaction and savings had been in dollars) has led to the severe restrictions on banks, companies and small savers.

The local F&B industry is very large and well developed. Many multinational companies operating locally, together with numerous Argentine manufacturers, meet the demand of the domestic market.

Post anticipates that the F&B import market will continue to be strong in products which Argentina does not produce or where its supply is limited, and in gourmet products which will be targeted primarily to the higher income segment.

The best prospects are in products of well-known brands (confectionery products, sauces, snacks, almonds, beer, etc.), food ingredients (for functional foods, for the beverage industry, etc.) and commodity-type products which are not produced domestically (e.g. palm hearts, tuna fish, bananas, coffee, cocoa, etc.) Argentina's development of new products for the domestic and export markets provides good opportunities for imports of new food ingredients. In addition, products with high potential are those that add health benefits and provide convenience, such as snack bars, meal replacement foods, soups, baby food, spreads, dried processed foods, frozen products, ready meals, meal solutions, sauces and snacks, etc. Diet and light products are also very popular.

Most imported F&B products are sold in large supermarkets and, to some extent, in upscale specialty stores. Retailers source their products from a few local importers/agents and, in many cases, through direct imports. However, retailers have recently decreased direct imports as they find it difficult to comply with the GOA's requirement whereby they must agree to export, dollar for dollar, goods of an equal or greater value.

### **The Argentine F&B market**

- \* Most supermarkets continue to carry lines of imported F&B products to attract customers with high purchasing power. However, the number of imported products on the shelves has decreased compared to a few years back, and high prices make those products affordable only for the upper class. For example an 8 oz can of tomato soup retails at \$5 USD.
- \* Premium brands are selling very well.
- \* Private label products continue to expand slowly. Their market share ranges between 4-10 percent depending on the category.
- \* Prices of locally-manufactured F&B increased significantly in the past couple of years and are expected to continue to do so in 2013.
- \* Import duties of high-value foods are on average 19 percent.
- \* In the past couple of years, the government launched trade balancing measures that required importers to export at least the same value of products that they import within a 12-month period.
- \* More and more Argentines continue to shop in large retailers, where they make one-stop purchases, benefit from store sales and credit card advantages.
- \* In the past couple of years, investment in the retail food sector has been significant. Large supermarket chains are expected to open several new stores throughout the country in the next few years. Many of these are located as "anchor" stores in the numerous new shopping malls.

### **Retail Food Sales**

- \* Total F&B retail sales are estimated at US\$50 billion in 2012.
- \* The U.S. share of imported consumer-ready F&B during 2012 is expected to reach 6 percent.
- \* Over 75 percent of imported gourmet products are sold through hyper and supermarkets.
- \* In 2012, food and beverage imports from the region, mainly Brazil, Ecuador, Chile, and Bolivia, are projected a combined share of 60 percent of total imports.

### **Income Distribution**

- \* Argentina's population has been slowly growing over time and totaled 41.4 million in 2012, of which less than 10 percent live in rural areas. The median age is rising, as it went from 27.3 years in 1980 to 30.9 in 2012. One third of the country's total population lives in Buenos Aires city and suburbs, which accounts for approximately 47 percent of the country's total consumption.
- \* Other large cities with more than 1 million people are Cordoba, Rosario and Mendoza. These three cities together account for approximately 18 percent of total F&B sales.
- \* According to income patterns, the upper economic segment accounts for 10 percent of the total population in the country; the middle economic segment, 50 percent; and the lower economic segment, 40 percent.
- \* Sales in supermarkets vary enormously depending on the neighborhood. Premium brands continue to be strong in upscale areas, while sales of basic foods are larger in lower-income areas.

## Outlook for U.S. Exports of Food & Beverage Products

Below are the strengths and weaknesses of U.S. F&B in the Argentine market:

ADVANTAGES	CHALLENGES
Argentine consumers think of U.S. products as high quality and reliable.	Recent government policies restricting the food and beverage import market
Many Argentines have traveled and studied in the U.S., and know American culture and products. Exposure is also strong through cable TV and the Internet.	According to the World Bank, Argentina has the world's most protectionist economy with commercial restrictions for imports and exports as well as foreign currency controls.
Imported food from the U.S. and the E.U. is mostly considered gourmet.	Mercosur preferential tariffs encourage inter-regional trade. Brazilian and regional competition is strong for many products.
U.S. F&B products are known for their quality, variety and value.	There is a large domestic supply of many F&B products.
Significant investment by large retail chains focused on new store openings, especially in the interior of the country, allows expanded market coverage throughout the country.	<b>Local importers perceive a lack of flexibility and response from most U.S. exporters in supplying documentation needed to register new products.</b>
There are good cold chain facilities in Argentina.	Initial purchases by importers are usually small, which discourage U.S. suppliers and increase unit costs.
Local retailers have gained exposure to U.S. exporters and consolidators through FAS activities.	Large foreign investment in the domestic food industry during the 1990's improved efficiency, quality, and competition throughout the region.
A growing local F&B industry opens new opportunities to imported food ingredients.	Advertisement and marketing of locally manufactured products is very effective.

## SECTION II. EXPORTER BUSINESS TIPS

### Local Business Customs: Keys to Success in Argentina

- \* Appoint a representative, agent or importer who is very well versed and updated on current rules and regulations, but mainly an entity that is able to comply with the GOA's requirement to export, goods of an equal or greater value.
- \* Spanish language in printed materials preferred, although most importers speak English.
- \* Display samples.
- \* Have a long-term outlook.
- \* Use a personalized approach.

- \* Contact top decision-makers.
- \* Provide consistent attention in service and delivery.
- \* Do not take "no" for an answer – engage in frequent visits and follow-ups.
- \* Get a contract in writing.
- \* Be willing to accept credit terms. From the time the importer places an order to an exporter, to the time he collects payment from retailers, a minimum of 100-120days can go by.
- \* Be flexible with volumes.
- \* Be prepared to receive requests from importers/retailers for exclusivity agreements to market your products locally.
- \* Protect and register your trademarks.
- \* Provide documentation needed for registration of new products.

## **The Consumer**

High and middle-high consumers can afford buying imported F&B and represent a market of about 8-10 million people. This segment accounts for more than 65 percent of the country's total income and almost 40 percent of F&B purchases. The less affluent buyers seldom buy imported foods and currently represent roughly half of the population. The Argentine population is ageing.

### Upper and Mid-Upper End Consumers

- \* Argentine consumers are rational, practical, refined and demanding. They want things quicker, easier, healthier, and cheaper.
- \* More affluent customers make about 20 percent of the total population, buy premium brands, are health conscious and can afford products that are more expensive.
- \* The following 25 percent of the total population buy well-known brands and focus on value.
- \* Traditionally, Argentines have been very conservative and influenced primarily by Europe.
- \* Younger generations (Under 30) are more open and oriented towards U.S. culture.
- \* There is a clear concern about fats and cholesterol in the diet. As a result, diet, light, skimmed or fat-free food products, and functional foods continue to increase in popularity. The healthier food trend emerged strongly in Buenos Aires area.
- \* Consumption of organic foods is very small. The average Argentine consumer is price-oriented. He/she is not prepared to pay more for a product which he/she does not feel a need for or perceive as better. However, consumers of organic products can be defined as belonging to the higher-income strata, very knowledgeable of the qualities and benefits of organic foods, and concerned about their health. Some of the consumers of organic fruits and vegetables are vegetarians.
- \* The majority of Argentines still adhere to a diet dominated by beef, potatoes, salad, and pasta.
- \* The variety of processed food products in the market is more limited compared to other industrialized countries.
- \* Hot and/or spicy foods are not widely popular.
- \* Eight out of ten retail decision makers are women, and three quarters are made by people 36 years old or older.
- \* Children play an important role in the family's food purchases.
- \* The average family size tends to drop, while there are more and more single households. There are smaller, individual packages and more convenient food products.
- \* More women at work delay having children, and the number of children is falling.
- \* Most Argentines consume four meals a day.
- \* Dining out is mainly left for social events or celebrations during weekends or for business purposes during weekdays.
- \* Food delivery is popular, most typically pizza, empanadas (filled pies) and ice-cream, but also some restaurants provide delivery service.
- \* Workers usually eat lunch in a close-by restaurant or call a delivery service.

- \* Wine and beer are the most popular alcoholic beverages by far. Consumption of sparkling wine has also grown. Dinner is the preferred time to enjoy alcoholic drinks. Consumption of alcoholic beverages among teenagers is big and continues to expand. Sales of alcoholic beverages to under 18 years old is illegal.
- \* Carbonated beverages and powdered juices are very popular among children.
- \* Diet sodas are very popular. Flavored sodas and waters are rapidly becoming very popular.
- \* Coffee, tea and "gaucho tea" are very popular. Coffee shops are all over the city, with the addition of the expansion of recent coffee store chains like Café Martinez, Coffee Store, Starbucks, etc.
- \* Over 80 percent of the middle and upper class families have microwave ovens and freezers.
- \* Although not extremely popular, a good number of ethnic restaurants (Mexican, Thai, Japanese, Korean, Hungarian, Persian, Indian, Jewish, Russian, among others) can be found in Buenos Aires. There is a clear trend of increased ethnic restaurants.

## **Food Standards and Regulations**

\*The Argentine Food Code (*Código Alimentario Argentino – CAA, in Spanish*) is the technical rule created by Law §18284, passed in 1969, and put into force by Decree §2126 in 1971, which regulates locally-produced and imported food products. The CAA's main goal is to protect public health and the good faith in commercial transactions of food products within the National territory of Argentina.

\* The CAA incorporates standards agreed upon within the Southern Cone Common Market (Mercosur, in Spanish) framework, which in turn are influenced by standards from: 1) the European Union; 2) the Codex Alimentarius; and 3) the U.S. Food and Drug Administration (FDA). The CAA is permanently updated by joint resolutions from the Ministry of Health and the Ministry of Agriculture.

\* There are three official entities in Argentina which regulate F&B imports, as follows:

\* *National Service of Agricultural and Food Safety and Quality – **SENASA*** (in Spanish) - handles fresh, chilled, thermo processed and frozen products and by-products of animal, plant and seafood origin. It also handles canned products of over 60 percent animal origin, and food preparations of over 80 percent animal origin.

\* *National Food Institute – **INAL*** (in Spanish) - regulates processed food products which are prepared for direct human consumption, health supplements, and both alcoholic and non-alcoholic beverages, with the exception of wine.

\* *National Wine Institute – **INV*** (in Spanish) - exerts control over wine products.

\* Each entity requires specific documentation to register imported products. A few U.S. F&B products are unable to access the Argentine market due to phytosanitary and sanitary restrictions, such as apples and pears, citrus fruit, beef and beef products, pork and pork products, and poultry and poultry products. Also, flour contained in food products must be enriched/fortified.

\* The local importer/agent has to go through the registration process.

For additional information on this section, please refer to our *Food and Agricultural Import Regulations and Standards report (FAIRS)* and *FAIRS Export Certificate report*, which you can find in: <http://www.fas.usda.gov/ReadAttacheReports>

## **General Import and Inspection Procedures**

Over the past year, the GOA significantly stepped up its controls on imports. Companies must

comply with submitting pre-approval requests for an import weeks before beginning the importation process. Other obstacles include the imposition of strict limits on foreign exchange transactions and restriction against the payment of dividends and repatriation of profits, more widespread usage of non-automatic import licenses, and difficulties in obtaining certificates of country-of-origin for products to be imported.

Preapproval – Before beginning the importation process, importers must submit their importation request to the Argentine tax authority, AFIP. Effective February 1, 2012, all registered importing companies are required to fill in the Anticipated Sworn Declaration of Imports (Declaracion Jurada Anticipada de Importacion – DJAI) application. The tax authority has 10 working days to comment on the request. If the GoA responds with requests for further information, it then has 10 more days to review it.

Import licenses - The trade restrictive measures taken by GOA include the overly broad use of non-automatic import licensing trade balancing requirements. Companies from several countries (including the U.S.) report long delays in the issuance of import licenses, and wait periods of up to six months and longer. Sometimes, companies are denied import licenses without justification or explanation. The lack of transparency in GOA's implementation and administration of its import licensing regime creates profound uncertainty for exporters as well as for investors in Argentina.

**Impact of Argentina's Import Regulations on Foreign Currency Transactions -** As Argentina takes steps to tighten its capital outflow, companies are increasingly concerned about its impact on foreign currency transactions. Signing contracts with companies based in Argentina has become more complex as such companies require special permissions to send dollars and other foreign currency abroad. The payment process begins only after the import of goods has been authorized and the goods have been actually imported. This is governed by the foreign exchange regime and in order to make the payment, the necessary purchase of foreign currency must have an authorization from the Argentine tax authority, AFIP. AFIP evaluates each request based on the individual's or company's revenue stream and has 10 working days to comment on the request. This slows down the importation process and is a frequent subject of complaint from firms operating in Argentina. In other words, payment can be made in dollars but there is a process involved to purchase foreign currency.

After AFIP gives its approval, the importation request is then sent through the GoA interagency process for approval. The final arbiter is Secretary for Internal Trade, Guillermo Moreno. Once approved, an approval certificate is valid for 120 days, giving the company a tight window to complete the remaining steps in the import process.

\* Products imported through **SENASA** - An approved local importer requests from SENASA an import permit, which will then be submitted to Customs to have the product released.

\* Products imported through **INAL** - Once the importer has obtained the "register number of food product" (RNPA, in Spanish), and the shipment is in the port, the importer needs to apply at INAL for a "Certificate of Free Circulation" which will be submitted to Customs to have the merchandise released for sale.

\* Products imported through **INV** - Once the product arrives at the local warehouse, the importer must request an analysis and shipment control by the INV, which will then issue a "Certificate of Free Circulation". After that, the product is ready to be marketed.

When the shipment arrives at Customs, products are inspected (for labels, shelf-life, temperature, etc.) to confirm that the information in their files matches the actual shipment. If everything is correct, the load is released.

For additional information on this section, please refer to our *Food and Agricultural Import Regulations and Standards report (FAIRS)*, and *FAIRS Export Certificate report*, which you can find in: <http://www.fas.usda.gov/ReadAttacheReports>

### **SECTION III. MARKET SECTOR STRUCTURE AND TRENDS**

Despite the current import restrictions imposed by the GOA, there are good prospects for the marketing of U.S. F&B, especially food ingredients and those used in functional foods, as consumer-ready food imports are still restricted by the government. The hotel, restaurant, and institutional (HRI) sector continued to expand fostered by foreign tourism and new hotel openings.

#### **Retail Food Sector**

- \* Although large hypermarkets and supermarkets (including warehouse stores, which are owned by large retail chains) still concentrate a significant portion of the retail F&B market (35 percent), smaller supermarkets and traditional stores have maintained a high market share (approximately 49 percent) due to: 1) lower prices rapidly approaching promotional prices offered by larger supermarkets, and 2) proximity. Smaller supermarkets and traditional stores have been gradually regaining market share lost to larger and more efficient retail stores. This is due to the fact that some less affluent consumers resort to the traditional store in their neighborhood for small purchases, since the owner usually provides credit.
- \* About 75 percent of all imported F&B products are sold through hypermarkets and supermarkets.
- \* During the past few years, large retail chains expanded to the interior of the country after the City of Buenos Aires and its suburbs became saturated. Investment in new supermarket openings is taking place in larger cities in the interior of Argentina.
- \* Several international retail companies operate in Argentina (Carrefour, Wal-Mart, Jumbo).
- \* Currently, there are very good opportunities for some U.S. consumer-ready food products due to their high quality and image. However, supermarket chains have stopped rebuilding their lines of imported F&B until government food import restrictions become more flexible.
- \* During the past couple of years, consumption of premium F&B reached over 10-12 percent of total F&B sales.
- \* The retail sector is currently showing the following trends: increased investment in the retail food market, especially in the interior of the country; a wider variety of domestically-produced specialty food products, which substitute imports, continued to expand gradually, primarily driven by foreign tourism; fewer brands; and a re-emergence of more expensive first brands. Ethnic, kosher, organic, and functional foods are gradually gaining more shelf space. Consumers spend a higher percentage of the salary in the purchase of non-basic foods.

#### **HRI Sector**

- \* Argentina hosts a significant number of foreign tourists and remains one of the most attractive destinations for international tourism, which fosters consumption of imported food products in hotels and restaurants.
- \* HRI operators prefer fresh products to those precooked, preserved, frozen or canned. In the past few years, upscale hotels and restaurants had been incorporating imported food products because of their high quality and easier preparation. However, with government restrictions, operators had to replace most of the imported food products with domestically-manufactured products.
- \* Most top hotels demand premium F&B - which they would rather source from importers - to keep the traditional quality standard in the food service they provide. When available, they also use imported specialty foods which are not present in the local market and are demanded by foreign tourists.
- \* The quality of raw materials used by restaurants is a priority, especially in highly-rated restaurants whose customers are primarily foreign tourists and affluent Argentines.

## Food Processing Sector

- \* The F&B industry is one of the main activities contributing to the Argentine economy, accounting for 33 percent of Argentina's total exports. Some of its main trends are as follows: 1. Significant investments in technology updates; 2. Local production capacity being fully used, which requires additional investments to supply the growing food demand; 3. "Health and Nutrition" considered a strong concept in the F&B business; 4. Greater interaction between the local industry and universities, fostering innovations.
- \* The main ingredients imported were those which are not manufactured locally or their production is not sufficient to supply the local industry. There is a significant market for some U.S. food ingredients among local producers of ingredients, who use them to manufacture high-value, tailor-made food products.
- \* Many large local F&B companies were purchased by foreign multinationals or financial funds. This, plus the fact that there have been mergers and acquisitions internationally, resulted in strong local concentration.
- \* Currently, new product launchings are being carried out, which strengthens the local F&B industry and demands more food ingredients, both locally-manufactured and imported.
- \* Production is primarily focused on the domestic market. However, most companies have expanded exports during the past few years.
- \* Most local processors try to substitute foreign products with more inexpensive products manufactured locally or in other Mercosur countries. In some cases, this is not feasible, since many ingredients are only produced outside the region.
- \* There are very good opportunities for U.S. ingredients for the manufacturing of functional F&B, such as phytosterols, Omega 3-fatty acids, fibers, and antioxidant compounds. This new trend is increasingly affecting eating habits in Argentina. Other U.S. food ingredients with significant potential in the Argentine food market are: cocoa, pectins, protein concentrates and isolates, spices, food supplements, ginseng, tomato and tropical fruit concentrates, modified starches, thickeners, stabilizers, and sweeteners.
- \* Demand for food ingredients in 2013 is projected to continue to grow as so far, Government restrictions have not affected imports of food ingredients.
- \* Despite the good reputation of U.S. F&B in Argentina and the relatively high value of the euro compared to the dollar, food ingredients still face strong competition by European products, primarily from Italy, France, England, and Germany; from Mercosur countries, primarily Brazil and Chile; and from China, where several U.S. companies have established branches.

## Market Entry

The best method to import a product will depend upon the product itself, the importer, and retailers. Successful trade depends largely upon the commitment of the exporter to devote the time and resources necessary for building a market for his/her product(s), and a good selection of the importer who will have to be able to comply with the GOA trade requirements. In general, imported F&B come into Argentina through the following ways:

Direct imports by supermarkets. Import or purchasing managers of large retail companies identify products in international food shows, buying missions, etc. They establish a direct contact with the foreign supplier or local agent and import the products directly. Due to small initial volumes, it is common for them to use large wholesalers or consolidators in the U.S. With the government import restrictions, supermarkets have substantially reduced the presence of imported F&B on their shelves.

Local agents, who work closely with large retail chains. Imports are done on behalf of

supermarkets and agents charge a commission. They stay on top of the product to supervise its marketing and brand development.

Local F&B importers, who import products and then market them in supermarkets and/or HRI establishments. There are a few of these who have been in the market for several years and have well-established brands. They mainly specialize in gourmet foods.

Local processors (mainly subsidiaries of multinational companies) such as Nestle, Kraft, Heinz, Mars, Danone, Unilever, etc., which import and distribute products usually manufactured by their sister companies.

In the case of food ingredients, they are either imported directly by food processing companies, or through an importer/representative.

### **Trends in Promotional/Marketing Strategies and Tactics**

Promotional campaigns are being implemented mainly for new domestically-produced F&B, and foreign countries are no longer promoting their products through their embassies in Buenos Aires as a consequence of food import restrictions imposed by the GOA.

Market promotion activities by foreign countries consist mainly of trade missions, supermarket in-store promotions, menu promotions, and trade shows. Some of them continued to be carried out in 2012 but less frequently.

### **Trends in Tourism and Internet Sales**

\* Several billion dollars were invested in the Argentine hotel sector during the past decade, especially by international chains such as Best Western, Sofitel, Sheraton, Accor, Radisson, Four Seasons, Days Inn, NH, Holiday Inn, Howard Johnson, among others. Hotel investment slowed down as a consequence of a decrease of international tourism and the local economic slowdown after the international crisis of 2008-2009, but it has continued growing in 2012, both in Buenos Aires City and the interior of the country, especially Salta, Ushuaia, Bariloche, El Calafate, Mendoza, and Rosario.

\* Most Argentines spend their vacations in-country instead of traveling abroad. However, during the past couple of years, an increasing number of more affluent Argentines are choosing foreign tourist destinations.

\* The cruise business is a relatively new activity in Argentina, but growing strongly. During the cruise season 2011-2012, about 350,000 tourists arrived in Argentine ports.

\* The GOA considers tourism as one of the key industries to develop and is making efforts to enhance Argentina's image abroad. Several years ago, the GOA assigned professionals to several Argentine embassies in the world to promote international tourism.

\* There is a greater presence of middle-income consumers purchasing products on-line who are gaining confidence in using this shopping tool. According to the National Institute of Census and Statistics (INDEC, in Spanish), in September 2012, 50 out of 100 Argentine homes have Internet access.

\* A few retail chains provide Internet and phone sales service. However, sales of F&B through the web are not yet widely popular. The main disadvantage for consumers is that they usually have to wait several hours for the order to be delivered to their homes and, in many cases, orders are incomplete due to products being out of stock.

\* In 2009, Coto Digital's (on-line service of Coto Supermarket) led Internet food retailing, accounting for 10 percent of total sales, because it had the widest product variety and lower prices than other supermarkets such as Disco Virtual.

\* Disco Virtual is the on-line service of Disco Supermarket (purchased by Jumbo-Cencosud). It

was the first on-line supermarket, and it has proved popular due to its convenience and time saved.

\* Le Shop is the only pure on-line retailer with no presence in store retailing. The presence of pure Internet retailers is limited in Argentina due to the conservative nature of consumers who only trust retailers with whom they are familiar.

\* Wal-Mart was the last retailer to incorporate on-line sales.

\* Carrefour, which is still not present in Internet food retailing, is expected to launch a shopping website to take advantage of the low overhead costs and to avoid the cost of opening new stores, particularly as rents are currently very high.

## **SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS**

Best prospects are for high-value F&B, commodity-type products, and food ingredients. All these are products that are not produced locally or their production is not sufficient to supply the entire domestic demand.

### **I) Imported F&B considered "commodities" (domestic production is not sufficient to satisfy local demand - they are very price-sensitive)**

Bananas

Coffee

Dried lentils

### **II) Food Ingredients**

Cocoa paste/butter/powder

Natural colors, essences, and fragrances

Flavors

\* Ingredients for the dairy industry

\* Modified starches

\* Raw nuts

\* Health supplements

\* Ingredients for functional foods

\* Sweeteners

\* Spices

\* Ginseng

\* Proteins

\* Nutraceuticals

\* Vitamins

\* Soy proteins

\* Nutritional ingredients

\* Natural extracts

\* Fibers

\* Fat substitutes

\* Pectins

### **III) High-value food products (especially products of very well-known international brands)**

Sauces

Energy drinks

\* Bonbons

\* Alcoholic beverages

\* Snacks

\* Pet food

\* Snack bars

\* Soups

\* Cookies

\* Cheese

\* Processed nuts

\* Spreads

\* Consumer-ready meals

\* Baby food

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

### **Government Regulatory Agencies**

#### **Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA)**

Avda. Paseo Colón 367, piso 5  
1063 Buenos Aires, Argentina  
Tel: (54-11) 4121-5000  
Fax: (54-11) 4121/5000  
[www.senasa.gov.ar](http://www.senasa.gov.ar)

#### **Instituto Nacional de Alimentos (INAL)**

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**APPENDIX I. STATISTICS**

**KEY TRADE & DEMOGRAPHIC INFORMATION**

<a href="#">Agricultural Imports from All Countries (\$Mil)/U.S. Market Share (%) 2011</a>	<a href="#">1,966/7</a>
<a href="#">Consumer Food Imports from All Countries (\$Mil)/U.S. Market Share (%) 2011</a>	<a href="#">882/5</a>
<a href="#">Edible Fishery Imports from All Countries (\$Mil)/U.S. Market Share (%) 2011</a>	<a href="#">46/0.02</a>
<a href="#">Total Population (Millions)/Annual Growth Rate (%)</a>	<a href="#">41.4/1</a>
<a href="#">Urban Population (Millions)/Annual Growth Rate (%)</a>	<a href="#">37/NA</a>
<a href="#">Number of Metropolitan Areas</a>	<a href="#">4</a>
<a href="#">Size of the Middle Class (Millions)/Growth Rate (%)</a>	<a href="#">20/NA</a>
<a href="#">Per Capita Gross Domestic Product (U.S. Dollars) 2011</a>	<a href="#">10,941</a>
<a href="#">Unemployment Rate (%) 2011</a>	<a href="#">6.7</a>
<a href="#">Per Capita Food Expenditures (U.S. Dollars) 2011</a>	<a href="#">NA</a>
<a href="#">Percent of Female Population Employed 2011</a>	<a href="#">39</a>
<a href="#">Exchange Rate (US\$1=1 Argentine Peso) Dec 2012</a>	<a href="#">1=4.90</a>

**Argentina – Import Statistics from World**

Description	United States Dollars		
	2009	2010	2011
	923400864	745568621	882176862
Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	149250141	177341191	201651191
Meat And Edible Meat Offal	86275438	153051726	188247297
Coffee, Tea, Mate & Spices	87969484	100957145	139407447
Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	421426942	82603024	85255449
Lac; Gums, Resins & Other Vegetable Sap & Extract	37678320	44458710	60098340
Fish, Crustaceans & Aquatic Invertebrates	28309628	38749667	46248227
Products Of Animal Origin, Nesoi	25892923	33516796	45237046
Cereals	21672654	32028819	32067267
Dairy Prods; Birds Eggs; Honey; Ed Animal Pr Nesoi	17650490	29760710	25401148
Live Animals	13046909	12977630	17111130
Edible Vegetables & Certain Roots & Tubers	15615238	17712776	17059281
Milling Products; Malt; Starch; Inulin; Wht Gluten	10238061	12855355	14050595
Live Trees, Plants, Bulbs Etc.; Cut Flowers Etc.	4936742	5359887	7166214
Vegetable Plaiting Materials & Products Nesoi	3437894	4195185	3176232

**Argentina Import Statistics**  
**Commodity: Consumer-Oriented**

Partner Country	United States Dollars		
	2009	2010	2011
<b>World</b>	<b>923400864</b>	<b>745568621</b>	<b>882176862</b>
Brazil	187746022	256687288	330062807
Ecuador	89349851	93660861	113892414
Chile	63916627	108585333	111173281
United States	50328340	60496201	67662578
Uruguay	13061710	25899374	28339748
Bolivia	32633174	24904993	24887020
Paraguay	350500507	15192065	19141246
China	11190966	15248325	17876515
Italy	11183800	16076576	15759206
Spain	10510067	12960272	13261491
Australia	5316409	10316264	12660284
France	9613287	11321099	11925886
Denmark	5358560	9382016	10660422
India	4436991	5781540	9616522
Switzerland	3111487	5505686	8661236
Indonesia	4492663	4536012	8432829
Canada	7648770	5483366	8161868
Germany	6151675	6720556	7925900
Argentina	8679864	7191381	6871565
Netherlands	5307474	7989023	6061965
Peru	3617027	5012104	4940210
Iran	8407668	3262459	3558624
Mexico	2651275	3524017	3442801
Colombia	2011704	2196604	3346422
Philippines	3823742	2900593	3260554
United Kingdom	1511805	1957723	3223923
Vietnam	1235685	1638680	3194226
Israel	2203351	1571344	2283691
South Africa	2942329	2662322	2186409
Belgium	558318	1510851	2054231
Singapore	237336	582780	1963003
New Zealand	1532925	2705772	1675147
Turkey	1589745	1498463	1670890
Sri Lanka	771050	641904	1171534
Thailand	1511303	1315490	1171467
Egypt	1001459	910234	923125
Norway	496040	637733	758489
Portugal	331818	404848	719653
Japan	683658	729740	638811
Ireland	68147	59502	621398
Syria	261696	584722	565130
Pakistan	128374	142884	504483

Poland	660925	452644	403145
Zimbabwe	0	0	401620
Ukraine	3093	2681	395713
Madagascar	954442	382628	385413
Guatemala	312166	678724	350606
Unknown (Europe)	295166	123916	317668
Bulgaria	344957	433505	223383
Puerto Rico (U.S.)	130813	130970	222091
Sudan	190250	80475	208368
Taiwan	114743	153321	185797
Venezuela	43996	275004	161865
Ethiopia	12092	283339	142297
Colonia (Uruguay)	101867	116093	141728
Greece	414676	8509	135751
Czech Republic	79282	229244	133820
Cuba	40932	84887	119385
Korea South	136683	121502	110284
Morocco	40298	131420	108039
Chad	87569	83881	82251
Sweden	85743	30043	79707
Somalia	12216	45948	75861
Kenya	350142	147242	73411
Hong Kong	0	30393	71978
Albania	11936	13251	60105
<b>Other</b>	<b>862175</b>	<b>1140004</b>	<b>677574</b>

**Argentina Imports from United States –  
Consumer Oriented Agriculture**

Description	United States Dollars		
	2009	2010	2011
	50328340	60496201	67662578
Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	17024778	20500948	23089296
Products Of Animal Origin, Nesoi	6960522	9176556	13876525
Cereals	8213155	8861980	9341444
Lac; Gums, Resins & Other Vegetable Sap & Extract	6261892	7199226	8284663
Live Animals	6230426	5966827	6216692
Edible Vegetables & Certain Roots & Tubers	2278531	2089757	1870358
Dairy Prods; Birds Eggs; Honey; Ed Animal Pr Nesoi	1482330	2087850	1471370
Coffee, Tea, Mate & Spices	321360	775995	1396607
Milling Products; Malt; Starch; Inulin; Wheat Gluten	132925	548007	1032337
Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	1049840	2842874	665033
Live Trees, Plants, Bulbs Etc.; Cut Flowers Etc.	291674	369092	356553
Vegetable Plaiting Materials & Products Nesoi	66147	62972	42785
Fish, Crustaceans & Aquatic Invertebrates	14759	14116	18916

