

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 9/4/2013

GAIN Report Number:

Argentina

Poultry and Products Annual

2013

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Report Highlights:

In 2014, Argentine broiler production is expected to reach a new record high of 2.1 million metric tons (MMT) in response to an increasing demand for exports. Domestic consumption is estimated to slowdown its upward trend from previous years.

Commodities:

Poultry, Meat, Broiler

Production:

Post forecasts 2014 broiler production to grow by 3.8 percent and is expected to reach a new record high of 2.1 million metric tons (MMT). This increase will be driven mainly by the continued expansion in the export market, as domestic demand will show a slowdown from the growth rates observed in previous years. The domestic market is close to reaching its saturation point with consumers eating 40 kilos per capita. This is a high volume considering that Argentines are among the largest beef consumers in the world, and that poultry per capita consumption was 22 kg per capita just ten years ago.

For 2013, Post maintains its production estimate at 2,022 MMT. Production costs, especially energy and labor have dramatically increased due to inflation, having a direct impact on producer's margins.

The local industry is strongly vertically integrated which allows for production efficiency, excellent product quality, product standardization and tight traceability. Argentina is a relatively new presence in the world poultry market and now ranks number eight in production after the United States, China, Brazil, EU, India, Mexico and Russia. Its natural advantages as producer of corn and soybeans and excellent sanitary conditions make it a key player to meet growing global demand.

Approximately 80 percent of the country's total production is processed in 61 federally inspected plants across the country. 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.

Argentine broilers for the export market are generally slaughtered at 38-40 days, while broilers for the domestic market are slaughtered at 49-51 days and are usually large (carcass weight 2.2 – 2.4kg) to meet the consumer demand for both whole birds and cuts.

Consumption:

Post estimates 2014 domestic broiler consumption to remain stable at 40 kg per capita. This is a slowdown from the previous upward trend in consumption since the domestic market seems to have reached its ceiling, but also because during 2013 retail poultry prices have registered higher increases than retail beef prices. Argentine consumers continue to be among the largest beef consumers in the world, and in order to keep prices under control, the government has limited beef exports. Therefore Argentines can buy beef at very competitive prices. Besides, Argentine consumers have reached a ceiling in animal protein consumption. Out of the 113 kg estimated per capita animal protein consumption, the balance is 64 kg of beef, 40 kg chicken and 9 kg of pork.

There are no official statistics that differentiate broiler consumption between whole birds and parts. According to industry contacts, 35 percent of domestic broiler consumption is parts. Argentine poultry processors shifting their sales strategies toward broiler parts (mostly leg quarters and breast meat) and further processed value added products such as pre-cooked meals, frozen chicken meals, chicken nuggets and chicken burgers. However, Argentine consumers still have a preference for large whole broilers.

Trade:

Imports

Argentina imports very small quantities of poultry and poultry products. Due to the strong import restriction system imposed by the government of Argentina, Post forecasts 2014 imports to decrease to 2,000 MT. The very small quantities imported during 2013 correspond mainly to products imported from Brazil and used by the pharmaceutical industry. For further information on Argentine import restrictions please see GAIN report [Food Exporter Guide Argentina 2013](#).

Exports

Argentine broiler meat exports for 2014 are projected at 355,000 MT, the highest ever (this volume does not include chicken paws expected to be exported to China and Hong Kong). Argentina continues to expand its international markets despite the devaluation of the peso that continues to run at a slower pace than inflation. This factor could make Argentine exports less competitive although the sanitary conditions of the country as well the plant's producing capacity continues to be excellent.

Post's 2013 estimated exports have been adjusted to 323,000 MT to include "other products" (chicken paws not included).

Venezuela continues to be Argentina's biggest export market, representing 45 percent of total exports. Argentine exporters express concern due to Venezuela's payment defaults but continue to sell big volumes since Venezuelans have the same preference for broilers as Argentines do, which makes production easier. Following in importance, other Argentine export markets are South Africa (9 percent) and Chile (9 percent).

It is estimated that 2013 total exported volume will be 61 percent whole chicken, 2 percent breasts, and 2 percent quarter legs. Other products make the balance.

The Argentine government is making big efforts to open new markets for Argentine products and encouraging companies to increase exports. Companies in the sector have invested in increased capacity and are ready to face the challenges of the demand of new markets, especially Asian markets.

Exports of paws in 2014 are estimated to remain stable at approximately 34,000 MT. Based on Argentine export trade data, Argentine exports of paws during the first semester of 2013 were 17,000 MT. The main markets for paws are China and Hong Kong.

The PS&D table excludes chicken paws exports.

Policy:

There is no specific government policy for the poultry sector. However, the government continues to work very hard in controlling diseases and thus maintaining the country’s excellent sanitary conditions.

Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler Argentina	2012		2013		2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Inventory (Reference)	0	0	0	0		0
Slaughter (Reference)	0	0	0	0		0

Beginning Stocks	0	0	0	0		0
Production	1,936	2,014	2,022	2,022		2,100
Total Imports	4	3	3	2		2
Total Supply	1,940	2,017	2,025	2,024		2,102
Total Exports	281	291	315	323		355
Human Consumption	1,659	1,726	1,710	1,701		1,747
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	1,659	1,726	1,710	1,701		1,747
Total Use	1,940	2,017	2,025	2,024		2,102
Ending Stocks	0	0	0	0		0
Total Distribution	1,940	2,017	2,025	2,024		2,102
MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						