

Argentina: Bad season for strawberries in Tucuman

"The 2015 strawberry campaign in Tucuman was bad. It began with difficulties to prepare the soil due to the rain. However, conditions were good for implementation, since the failure rate of seedlings was minimal," said Luis Vallejo, of the Multifrut Company SA (Tucuman), in a dialogue with the LA GACETA Rural.

"Crop development was excellent; we had no significant frost that could affect us," he said. "The unexpected and early rains (attributed to El Niño) generated major losses; there were three significant rains in August, September and November, and we estimate we lost between 10,000 kg and 12,000 kg strawberries per hectare, as these times are usually dry. Economically, the loss was enormous because the sale of the fruit that is sold fresh at significant value was abruptly interrupted by the loss of these large volumes," he added. "We also had a shortage of manpower to perform the tasks of planting and harvesting," said Vallejo.

"The export of frozen strawberries would help solve the problems during the time of fresh market, but it's just not viable nowadays because of the exchange rate and the costs of production and processing," he said. Currently, "frozen strawberries are being marketed in the domestic market at a price that does not cover production costs, and refurbishment process, i.e. it would be working at a loss. If the exchange rate changes, internal costs would decrease and we could compete with Chile, Peru and Mexico. However, since we lost our preference tariffs with the United States in the last three years because of poor national policies, consumers in the US must pay a 11% tax to buy our fruit, it would still be detrimental to export frozen strawberries even if the exchange rate was different," he said.

Critical situation

Taking into account that the production of strawberries in the last five years has dropped from 800 hectares to 350 hectares, the sector's situation for 2016 "is very critical and producers still don't know what policies the new Government will develop. The idea of removing taxes on regional economies to make them more competitive is false, because the taxes are minimal. The real problem is the high internal costs, more inflationary processes and a dollar exchange rate that is not in line with its real value," he said.

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