

Argentina: Overseas fruit sales continue to decrease

Exports of pears and apples to overseas markets totaled 189,612 tons at the end of last month. The figure reflects a year-on-year drop of 12% and is a new low for the last two decades.

According to the statistics, which were presented a few days ago by the port terminal Patagonia Norte, pear shipments in these first nine months of the year amounted to 152,798 tons, i.e. 13% less than in the same period of the previous year. Meanwhile, apple shipments decreased by 10% as exports amounted to 36,814 tons.

The data is within the trend projected by exporters for the beginning of the season. The quality issues, the harvest volume, and the loss of competitiveness have been key to this decline in fruit sales.

Within the markets that move volume, only Russia showed an improvement in its imports. According to the North Patagonia report, regional exports of pears to that destination totaled 69,466 tons so far this year, showing a 12% year-on-year jump; while apple exports reached 10,495 tons, i.e. 2% more than in the same period of 2016.

It should be noted that the statistics of Northern Patagonia includes the departure of fruit from the port of San Antonio and the bay of Blanca. Both concentrate more than 80% of the country's total overseas exports of pears and apples.

Some explanations

Fruit production at the Rio Negro and Neuquen Valley is submerged in a structural crisis and everything indicates that it has not hit bottom.

Exports during 2017 are the lowest in recent decades, sales to the domestic market began to fall, and the concentrate industry - a strategic link for years - is literally disappearing from the region because of its high structure cost.

The outlook for next season's activity will not change much. The sector has put its expectations in the country's macroeconomic policy changes, which would allow the sector to recompose its cost structure to compete again in the external market.

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