

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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GAIN Report Number:

Argentina

Livestock and Products Semi-annual

2012

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Report Highlights:

Argentine beef exports for 2012 are expected to decline to 280,000 metric tons, 20,000 tons lower than USDA's current volume. However, the final volume will be decided by the Argentine government which authorizes export licenses. A severe drought during the service period is expected to somewhat reduce the calf crop. The recovery of the cattle herd continues but at a slow pace.

Commodities:

Animal Numbers, Cattle

Meat, Beef and Veal

Production:

Argentine beef production for 2012 is forecast to remain unchanged at 2.6 million metric tons (MMT), despite an expected larger slaughter than USDA's current level. The slaughter is expected to increase as result of a severe drought and very high temperatures suffered during December 2011 and January 2012. Larger than expected number of cows and calves will be slaughtered, being lighter animals they will bring down the average carcass weight. In late January and February the rains returned with a vengeance but many pastures were already damaged. The level of reserves for next winter will be significantly lower and of poorer quality than normal.

The cattle ending stock for 2012 is now projected at 49.6 million head, a drop of 400,000 head from USDA's official number. This is a result of the negative effects of the drought and high temperatures during the key period of service which is expected to produce a smaller than expected calf crop and to a slightly higher slaughter than previously projected.

Based on recently released preliminary data, the calf crop for 2011 was higher than USDA's number. This increase is the result of better weaning ratios because of very good weather conditions in 2010-11 and high cattle prices which encouraged producers to invest more in obtaining the largest number of calves possible.

Trade:

Argentine beef exports for 2012 are now forecast at 280,000 metric tons, 20,000 tons lower than USDA's current volume. Again this year the industry expects the government to determine the level of shipments through the administration of export licenses. As soon as cattle or beef prices begin to increase, the government would be expected to restrict export authorizations to ensure stable domestic supplies. Another factor which will negatively affect local exports is the devaluation of the peso which is projected to run at a slower pace than inflation, making Argentine beef exports less competitive in the world market. The main local exporting plant of thermoprocessed beef is currently not shipping product to the U.S. since last year as FSIS found ivermectine residues in some products. The sanitary services of both countries and the company are working to overcome this situation. Exports of thermoprocessed beef to the US in late 2011 were very small and they are expected to continue that way until the problem is resolved.

There are currently 120-150 meat packing plants closed, of which 30-40 have federal transit authorization. Most large beef export companies are in a difficult situation due to the small volume they are able to process and sell. A good number of export companies have reconverted their business from exporting to selling into the domestic market. However, if policies and market conditions encourage larger exports, most plants could begin operation quite fast.

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle	2010	2011	2012
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Argentina	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
	Total Cattle Beg. Stks	49,057	49,057	48,156	48,156	48,856
Dairy Cows Beg. Stocks	2,100	2,100	2,100	2,100	2,100	2,100
Beef Cows Beg. Stocks	18,300	18,300	18,000	18,000	18,700	18,400
Production (Calf Crop)	11,600	11,600	12,000	12,800	13,000	12,400
Total Imports	0	0	0	1	0	0
Total Supply	60,657	60,657	60,156	60,957	61,856	61,697
Total Exports	1	1	0	0	0	0
Cow Slaughter	3,400	3,400	2,200	2,500	2,400	2,900
Calf Slaughter	2,800	2,800	3,000	3,000	3,200	3,400
Other Slaughter	5,700	5,700	5,500	5,560	5,600	5,200
Total Slaughter	11,900	11,900	10,700	11,060	11,200	11,500
Loss	600	600	600	600	600	600
Ending Inventories	48,156	48,156	48,856	49,297	50,056	49,597
Total Distribution	60,657	60,657	60,156	60,957	61,856	61,697

Not Official USDA Data

Meat, Beef and Veal	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
Slaughter (Reference)		11,900	11,900	10,700	11,060	11,200	11,500
Beginning Stocks		0	0	0	0	0	0
Production		2,620	2,630	2,500	2,530	2,600	2,600
Intra-EU Imports		0	0	0	0	0	0
Other Imports		3	3	2	3	2	2
Total Imports		3	3	2	3	2	2
Total Supply		2,623	2,633	2,502	2,533	2,602	2,602
Intra EU Exports		0	0	0	0	0	0
Other Exports		298	298	260	254	300	280
Total Exports		298	298	260	254	300	280
Human Dom. Consumption		2,325	2,335	2,242	2,279	2,302	2,322
Other Use, Losses		0	0	0	0	0	0
Total Dom. Consumption		2,325	2,335	2,242	2,279	2,302	2,322
Ending Stocks		0	0	0	0	0	0
Total Distribution		2,623	2,633	2,502	2,533	2,602	2,602

Not Official USDA Data