SECTORAL REPORT FOR
INTERNATIONAL INVESTORS

2023

Agro /
Meat

Agencia Argentina de Inversiones y Comercio Internacional

Ministerio de Relaciones Exteriores, Comercio Internacional y Culto
Argentina

Argentina

Why invest in Argentina?

Argentina is the third largest economy in Latin America, with a GDP of USD 445 billion, and the third largest recipient of Foreign Direct Investment (FDI) in the region. With a population of 45 million people, 60% of which is under 35 years old, it has preferential access to the main South American markets, which altogether have about 295 million inhabitants.

At the global level, it is the eighth largest country, with over 50% of arable land. It has the second largest unconventional gas reserve and the fourth largest unconventional oil reserve in the world, as well as an extensive maritime platform of over 1.78 million km^2, which is rich in energy and fishing resources.

In terms of renewable resources, it is among the six countries with the highest wind consistency, with an annual average capacity factor of 20%. It also has great potential for the development of solar energy, especially in the Andean and sub-Andean regions, where global horizontal irradiation (GHI) ranges between 2,400 and 2,700 kWh/m^2.

Moreover, it has great potential for mining development due to its over 705,000 km^2 of promising mining areas, its long tradition in the production of gold, silver, lead, aluminium and copper, and its positioning as a new global leader in the exploitation of lithium—the country has the third largest global lithium reserve and is the fourth largest global producer.

Argentina is characterised by a diversified economy that produces and exports agrifood, manufactured products, minerals and energy, knowledge-based services, culture and art, among others. Throughout the country, multiple activities with a high potential for investment and growth have been developed.

The country is internationally renowned for its leadership in the production and export of products such as soybean oil, yerba mate, utility vehicles, maize and wheat grains, raw peanuts, insecticides, powdered milk, beef, lemon essential oils, black tea, shrimp, pears, sunflower oil and combed wool.

Argentina does not only stand out for its natural resources. With a dynamic scientific community, its human talent has shown its capacity in a wide range of sectors. Among Latin American countries, it ranks third in the number of academic articles published, third in patent applications and first in the Global Skills Index1 ranking for Data Science.

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1 The Global Skills Index (GSI) 2019 is the first index conducted by Coursera, an online education platform with a large skills database of 38 million students and over 3,000 courses, specialisations and undergraduate courses of the main universities available. For each country, Coursera calculates a GSI that measures the average skills expertise of the platform's students.

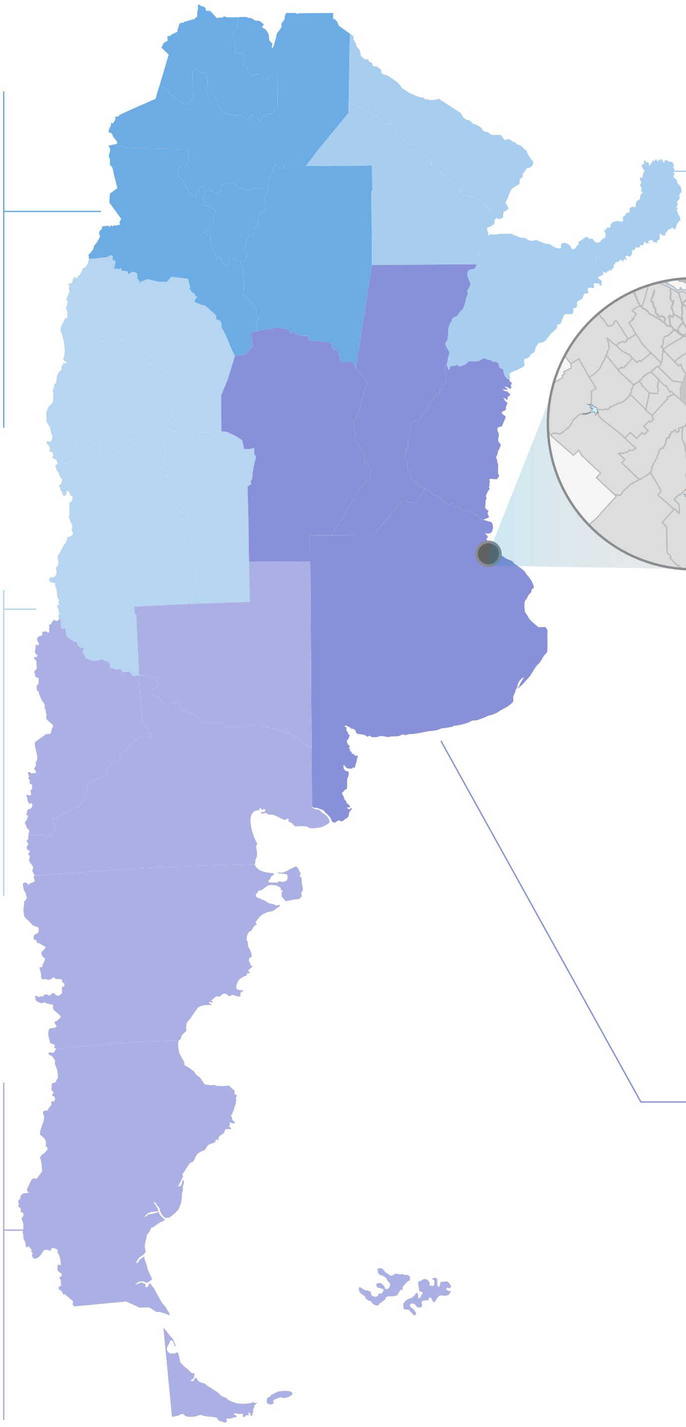
Economic activities by region

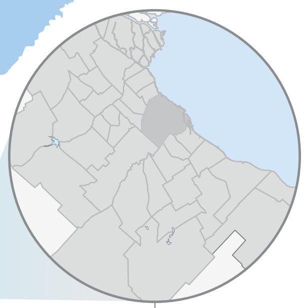
NOA

- Sugar
- Tobacco
- Viticulture
- Bovine meat
- Mining
- Petroleum and refinery
- Textile and metal-mechanic industry
- Automotive and trucks industry
- Inbound tourism

NEA

- Yerba mate and tea
- Citrus fruit
- Bovine meat
- Forestry and paper industry
- Oil and gas (weak)
- Inbound and domestic





NEW CUYO

- Viticulture
- Stone fruits peach, plum and, to a lower extent, pome fruits
- Olive
- Mining
- Manufacturing
- University education
- Inbound tourism
- Domestic tourism

AMBA

- Food industry
- Textile industry
- Automotive, metalworking
- Refinery
- Petrochemical, chemical and plastic
- Financial services
- Business services
- Logistics trading
- Software
- University education
- Inbound and domestic tourism

PATAGONIA

- Pome fruit, apples, and pears
- Viticulture, Alto Valle del Río Negro
- Fine fruits
- Ovine, wool, and meat
- Mining
- Textile, aluminum, and other industries
- Oil and gas, mainly
- Alternative energies
- Inbound tourism

CENTRO

- Cereals and oilseeds
- Beef, poultry, and pork
- Citrus fruit
- Iron and steel, automotive, metal-mechanic industries
- Refinery, petrochemical, chemical and plastic industries
- Software
- University education
- Biotechnology
- Business services
- Logistics trading

Infrastructure

Railway network	Maritime container traffic	Flight departures	Airports and ports	National and provintial routes	Ducts
17,866 km N.° 2 in LATAM N.° 13 in the world	~2 M TEU N.° 6 in LATAM	163,000 flights all over the world . N.° 4 in LATAM	Airports: 55 Ports: 101	500,000 km National routes: 37,500 km	Gas pipeline: 16,000 km Oil pipeline: 1,200 km

With longstanding policies of universal access to education and local scientific development, Argentina is the second country in the region with the highest public spending on Education (6% of GDP) and Science & Technology (0.6%). It should also be noted that Argentina is the second country in Latin America with the most unicorns (a total of 11) and the region's leading software exporter (50% of the sector's exports are destined to the USA).

The country offers benefits in terms of human resources and cultural and gender diversity policies for investors:

- The Knowledge Economy Act promotes activity in the sector through income tax reliefs (60% for micro and small companies, 40% for medium-sized companies and 20% for large companies).

- Every year, more than 150,000 professionals graduate from college.

- It is the Latin American country with the highest English language proficiency, which represents a comparative advantage in terms of service exports.

- It ranks ninth in the World Economic Forum's global ranking for leading efforts to encourage inclusiveness, equity and creativity in firms.

- It has the lowest gender gap in South America, and it ranks fifth in Latin America and the Caribbean.

Moreover, Argentina is a member of the selected group of countries that harness atomic energy for peaceful ends, building small and medium-sized modular reactors.

Thanks to these developments, Argentina can export to 170 countries around the world, achieving strong brand recognition for the quality of its products (meat, wine, oil, etc.), technology (satellites, turbines, reactors, etc.) and services (software, professionals, etc.). The country is also the main tourist destination in South America, with 7.4 million international arrivals in 2019.

Lastly, the development of maritime, aerial, rail and road infrastructure offer advantages that allow the country to access any part of the world as a competitive economy.

The AAICI has prepared these sectoral reports in order to facilitate access to essential information as well as to advantages, benefits and opportunities for those investing in Argentina—one of the countries with the greatest potential to attract FDI in the world.

ASF	African swine fever
CONINAGRO	Intercooperative Agricultural Confederation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
GHI	Global horizontal irradiance
INDEC	National Institute of Statistics and Censuses
INTA	National Institute of Agricultural Technology
INTI	National Institute of Industrial Technology
IPCVA	Argentine Beef Promotion Institute
LATAM	Latin America
SAGyP	Secretariat of Agriculture, Livestock and Fisheries
SENASA	National Food Safety and Quality Service
TSE	Transmissible spongiform encephalopathies
USD	United States dollars
USDA	United States Department of Agriculture

Argentina has major competitive advantages to further develop meat production, based on its optimal agroecological conditions, a large chain of suppliers associated with the meat complex, several tools for the development of foreign trade and sanitary controls that guarantee the country's status at the international level.

Argentina is the second largest meat producer in the region and the eighth largest in the world, with 5.97 million tonnes produced in 2021. Unlike other major global producers, the country is primarily specialized in beef production, given its long tradition in the sector. However, over the last few years, both chicken and pork production have increased their share at the local level.

In mid-2022, the bovine stock reached about 53.4 million head of cattle and the number of cows returned to its historical peak. Over half of the bovine cattle is in the central region of the country—Buenos Aires, Santa Fe and Córdoba—although new producing provinces, such as Corrientes, Chaco, Formosa and Santiago del Estero, have emerged with the process of expansion of the cultivated areas.

During the last year, Argentina's beef production reached 3.14 million tonnes. The Argentine industrial link of the production chain is comprised of about 363 plants, 77% of which correspond to cold storage slaughterhouses and the rest to municipal and rural slaughterhouses.

In terms of poultry production, the stock of rearing and laying hens amounted to 9.03 million birds in mid-2022, whereas, in the industrial link, 741 million heads were slaughtered at the national level, accounting for 2.3 million tonnes of meat production in 2021. The country has 93 poultry slaughter plants, which—like primary producers—are mainly located in the provinces of Entre Ríos and Buenos Aires.

Regarding pork production, the country has a stock of 5.5 million heads, 62% of which are in the provinces of Buenos Aires, Córdoba and Santa Fe. Industrial production is carried out in 180 productive facilities mainly in the provinces of Buenos Aires, Santa Fe and Córdoba, which accounted for 723,000 tonnes.

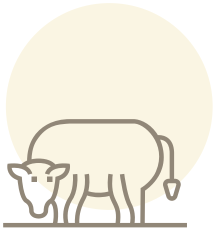
In 2022, the sector registered a highly favourable trade balance, which reached USD 3.9 billion. China was the major importer, accounting for more than half of total exports, which broadly explains this surplus.

Local production is mainly destined for the domestic market. Argentine meat consumption is among the highest in the world: it reached 112.1 kg per capita in 2022 and constitutes a domestic market of about USD 10 billion. It is worth noting that there has been a recent redistribution of demand towards meat of lower value, with an increase in the consumption of poultry and pork at the expense of beef. Due to the strong livestock tradition, as well as the economic relevance of this value chain, the country has major competitive advantages to further develop meat production. These include a large chain of suppliers associated with the meat complex, tools for the development of foreign trade and sanitary controls that guarantee the country's status at the international level.

In Meat in Argentina

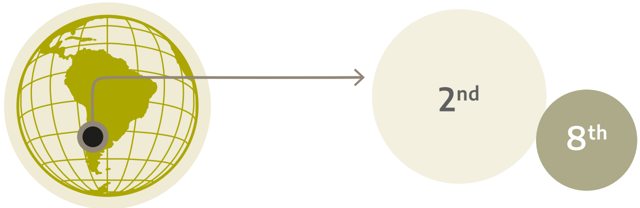
Livestock production tradition

The country has developed linkages in the supply of genetics, equipment, inputs, etc.



Argentina is mainly a beef producer, although chicken and pork production have increased their local share.

Key input is guaranteed



Fourth largest maize and soybean producer in the world, which guarantees the supply of key inputs for meat processing.

Argentine meat export 2nd at a regional level 8th at a global level

Source: Own elaboration based on data from TradeMap (2020 period).

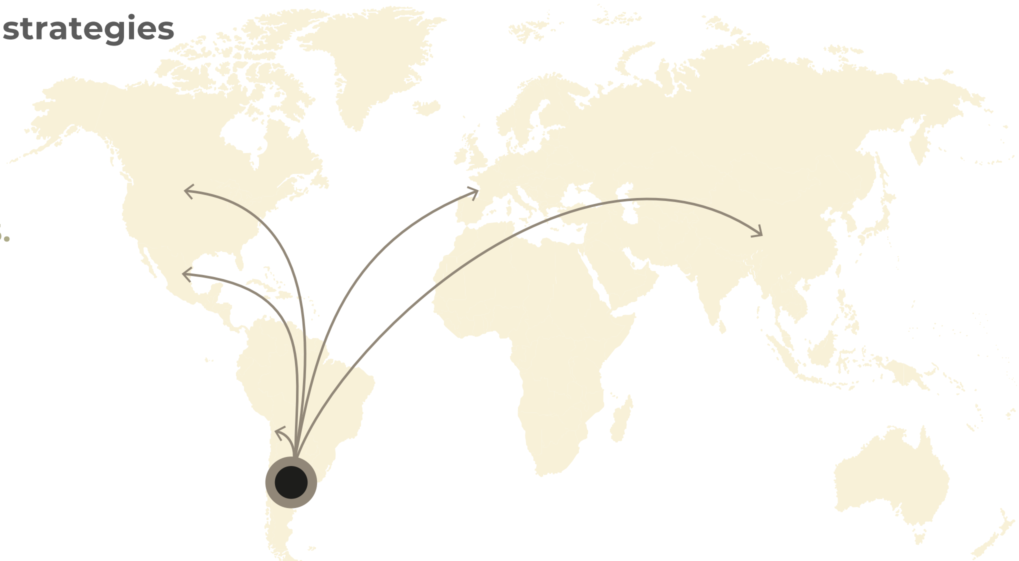
Export development strategies

International quality sanitary controls.

Large chain of suppliers.

Tools to enter new markets.

Highly favourable trade balance.



Source: INDEC.

Developed domestic market

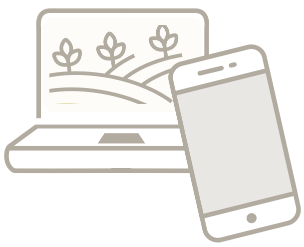
The country has one of the highest animal protein consumption levels in the world:

112.1 kg per capita in 2022.

Source: Own elaboration based on data from Rosario Board of Trade (BCR).

AgTech and FoodTech

Argentina is a technological powerhouse in AgTech and FoodTech, with an active participation of public and private institutions.



Global production

In 2021, global meat production registered just over 314 million tonnes, with 39% corresponding to poultry meat, 38% to pork and 23% to beef. Over the last 20 years, world production has been driven by income growth, which has increased the number of people who consume animal protein.

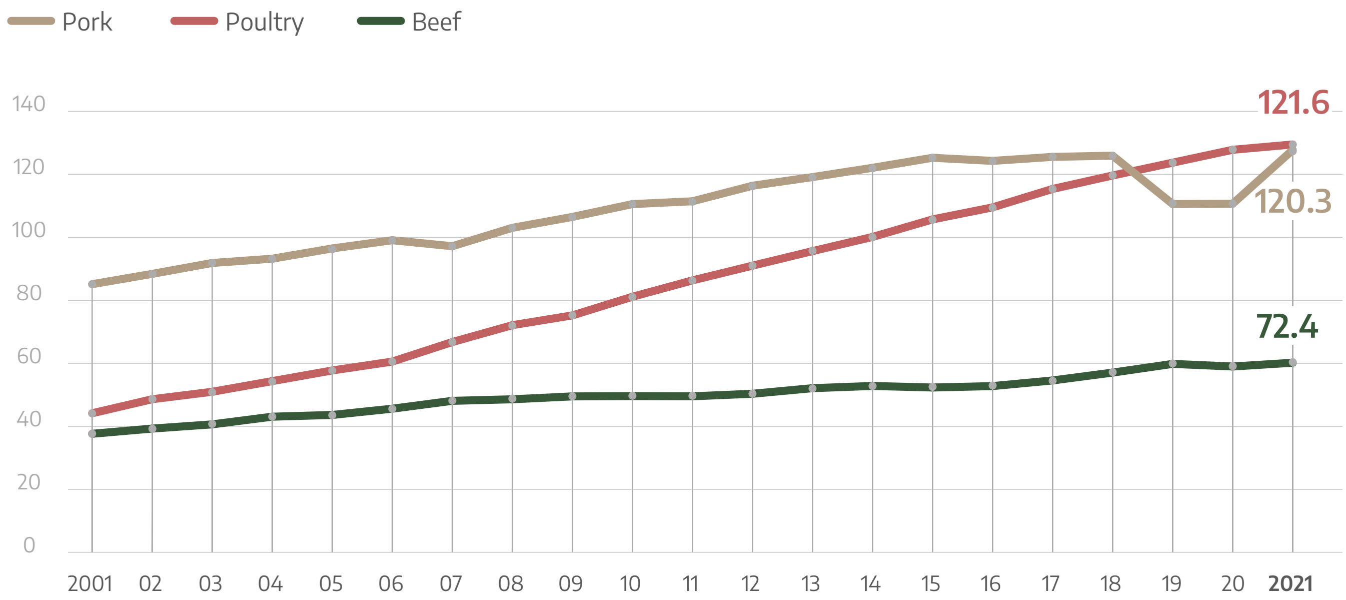
In 2019 and 2020, the global aggregate was affected by the fall in production due to African swine fever (ASF), which had a strong impact on pork production.

FAO (Food and Agriculture Organization of the United Nations) projections for the years 2021-2030 expect global animal protein production growth to reach 14% by 2030, relative to the average for the three-year period 2018-2020.

Global meat production is expected to grow, driven by herd expansion—especially in the Americas and China—and improved productivity per animal.

Global meat production

Figures in million tonnes.



Source: Own elaboration based on data from FAO.

Among the world's leading meat producers, China is in the first place. Since the early 1990s, China has become the world's largest meat producer, generating just over 24% of the total. In 2021, this country produced 53.9 million tonnes of pork and around 15 million tonnes of poultry, becoming the world's first and second largest producer, respectively.

China is the world's leading consumer of pork. Due to the recent difficulties associated with ASF, which reduced its production by 21%, it had to almost double its imports during 2019 and 2020. On the other hand, part of this demand was directed towards other animal proteins, increasing its poultry meat imports by almost 70% and its beef imports by 60%.

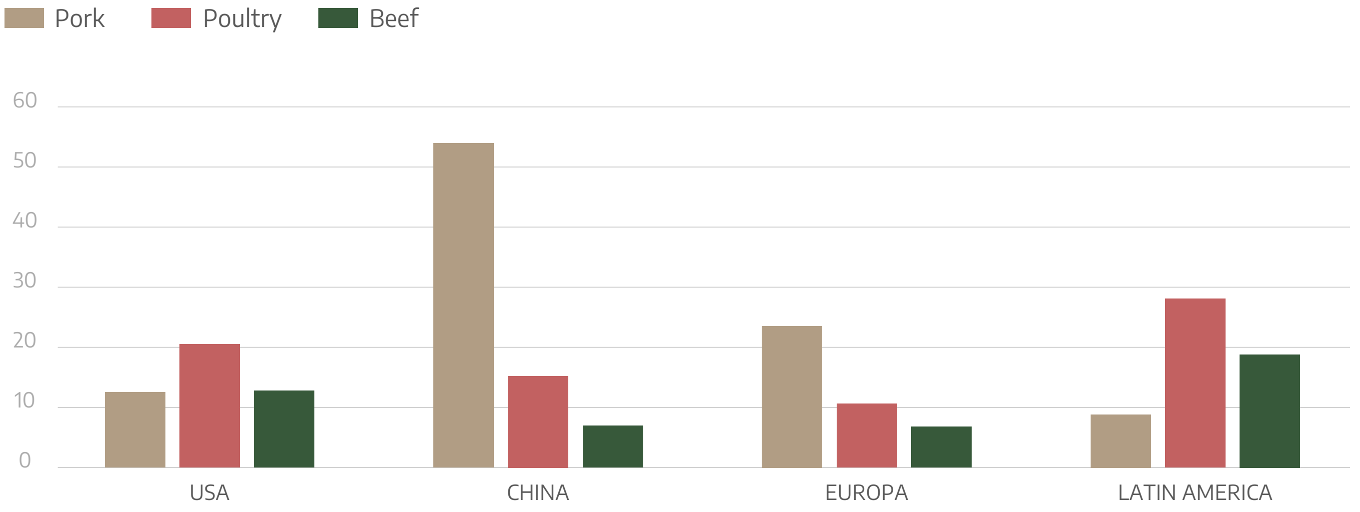
The United States is in the second place, with a total production of 14.6% at the global level. This country, which is renowned for its highly processed grain production, is the world's largest poultry producer, with 20.6 million tonnes, and the world's largest beef producer, with 12.7 million tonnes (mainly high-quality cuts).

The European Union is an important player in the meat market, since it comprises countries with an extensive livestock farming tradition, such as France, Germany and Spain. The EU is the world's second largest producer of pork, with 23.6 million tonnes, and the largest exporter of pork and pork by-products, with nearly 4 million tonnes. It is also the world's fourth largest producer of poultry and beef, with 10.7 and 6.9 million tonnes, respectively.

In 2021, the Latin American region accounted for 17.8% of the global meat production. It represented 25.9% of the global beef production and 23.1% of poultry meat. It should be noted that, during the last two decades, the region capitalised on the increased demand from international markets. It increased its pork production by 74% and its poultry meat production by 117%, becoming the world's largest exporter. In the case of beef, its production increased by 38%, which has also made it the main exporter of this product.

Meat production in selected countries and regions

Figures in million tonnes. Year 2021.



Source: Own elaboration based on data from FAO.

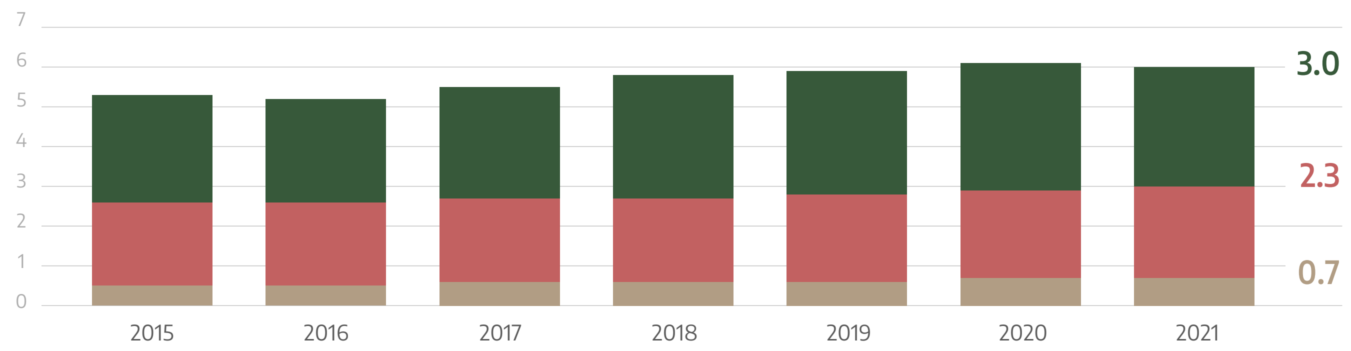
Argentine meat production

Argentina is the second largest producer in the region and the eighth largest in the world with 5.97 million tonnes. Unlike the world's main producers—and due to its long tradition—Argentina is mainly a beef producer, and this protein represents 50% of its total production. However, over the last few years, both chicken and pork production have increased their share at the local level; they currently account for 38% and 12% of the meat sector's production, respectively.

In the last few years, the country has redesigned its livestock systems and is now prepared for higher productivity in rearing and fattening. These systems will provide new levels of integration and complementarity of demands.

Argentine meat production

Figures in million tonnes.



Source: Own elaboration based on data from FAO.

Argentine beef production

In mid-2022, the cattle stock reached approximately 53.4 million heads, and the number of cows returned to the historical peak of 2007, close to 23 million heads. During the last ten years, the sector has experienced a restructuring of the cattle stock and, consequently, there is a greater proportion of cows.

The subsequent stage of production (fattening) is mostly carried out in the field, with about 90% of the total head of cattle in 2022. Argentina has about 1,130 feedlot facilities, which housed 2 million head of cattle in mid-2022.

Over half of the country's beef cattle is currently in the central region—Buenos Aires, Santa Fe and Córdoba. However, it should be noted that the process of expansion of cultivated areas has led to a shift in cattle raising to non-traditional areas, such as Corrientes and some provinces in northern Argentina—Chaco, Formosa and Santiago del Estero.

In 2022, Argentina's beef production reached 3.14 million tonnes. The Argentine industrial sector consists of about 363 plants, 68% of which are cold storage slaughterhouses and the rest are municipal and rural slaughterhouses. The complex offers a high degree of heterogeneity, with a variety of scales and technologies, which results in a high level of atomisation. Thus, it is estimated that the ten main slaughterhouses account for 20% of Argentina's total slaughtering.

Poultry production in Argentina

Regarding poultry production, in mid-2022, the total stock of rearing and laying hens (broiler breeders) amounted to 9.03 million birds. There are 5,477 primary establishments: 82% are meat production farms (fattening) and the remaining 18% are dedicated to breeding, rearing and incubation. The farms are located in areas close to large urban centers, mainly in the provinces of Entre Ríos (45%) and Buenos Aires (32%).

In the industrial link, 741 million birds were slaughtered nationwide and a production of 2.3 million tonnes of meat was reached during 2021. In the first 10 months of 2022, there was a 2% year-on-year increase compared to 2021. Many of these plants are integrated and based in the same region as the primary producers. Thus, the provinces of Entre Ríos (with 30%) and Buenos Aires (with 43%) account for over two-thirds of them.

The country has a total of 93 poultry slaughter plants: 54 are officially authorised by SENASA and 39 are authorised by provincial and/or municipal authorities. However, they are highly concentrated, since only ten of them account for around 49% of the slaughtering. These plants produce whole, cut-up and boneless chicken, as well as frozen and precooked foods.

Pork production in Argentina

As regards the pork sector, the country has a stock of 5.5 million heads, 62% of which are in the provinces of Buenos Aires, Córdoba and Santa Fe. This production link is characterised by a strong presence of small facilities. The 64% of producers account for only 4% of the country's production.

On the other hand, pork production in the industrial sector expanded significantly in recent years, reaching 723,000 tonnes in 2022, with a 4% year-on-year growth. The country has a total of 180 slaughtering establishments: 90% are cold storage slaughterhouses and the rest are provincial and rural slaughterhouses. It should be noted that the central region contains 48% of these plants, but also 84% of the production. Buenos Aires represents over 50%, followed by Santa Fe (18%) and Córdoba (16%).

Argentine meat production

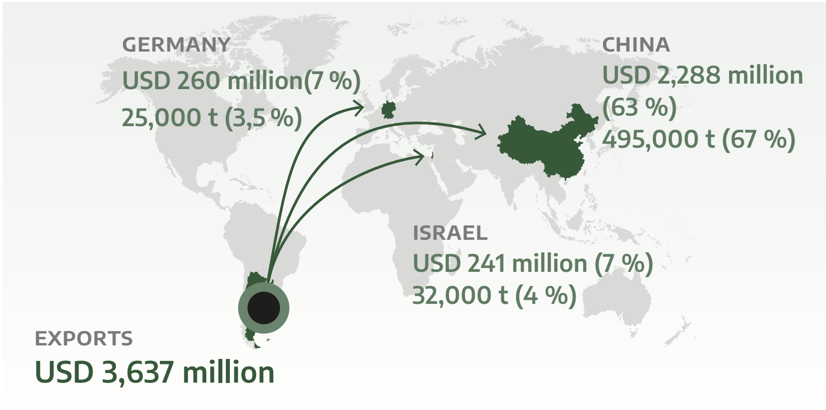
Year 2022.

BEEF

PRODUCTION
3.17 million t

RANKING
4th global producer

SHARE
50% meat production



PORK

PRODUCTION
723,000 t

RANKING
17th global producer

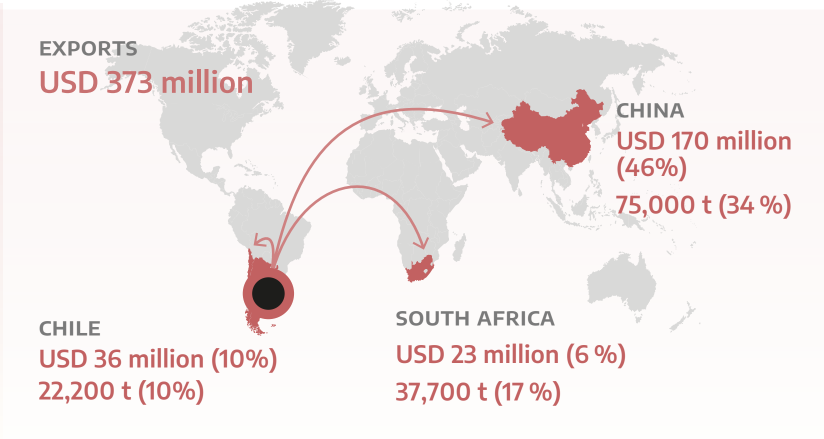
SHARE
11.6% Argentine meat production

POULTRY

PRODUCTION
2.3 million t

RANKING
8th global producer

SHARE
38.4% Argentine meat production



Source: Own elaboration based on data from Ministry of Agriculture, INDEC and FAO.

Meat complex foreign trade

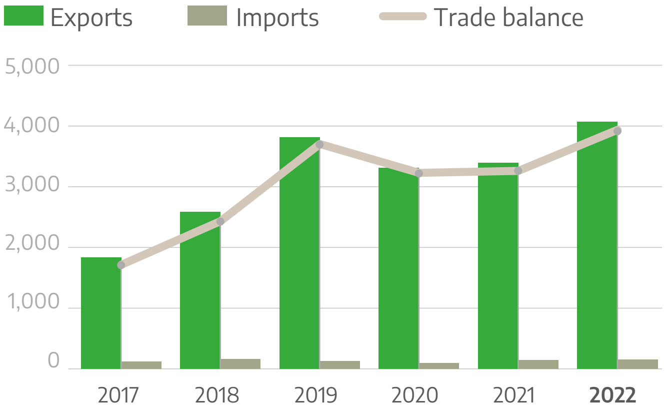
The sector has shown a highly favourable trade balance during the analysed period. Its growth was only interrupted in 2020 due to the COVID-19 pandemic, and it reached USD 3,928 million in 2022. In general terms, this surplus is mainly explained by China's significant imports, which account for almost half of Argentina's total exports. Germany and Israel follow behind, with 6%.

Meat complex domestic market

Argentine meat consumption is among the highest in the world. In 2022, it reached 112.1 kg per capita, a value similar to the average of the last 10 years (111.4 kg), with a growth in the consumption of pork and poultry meat to the detriment of beef. In general terms, local production is mainly destined for the domestic market—a market of about USD 10 billion which represents around 5.1 million tonnes—, while foreign markets account for between 15% and 20% of such production.

Meat complex foreign trade

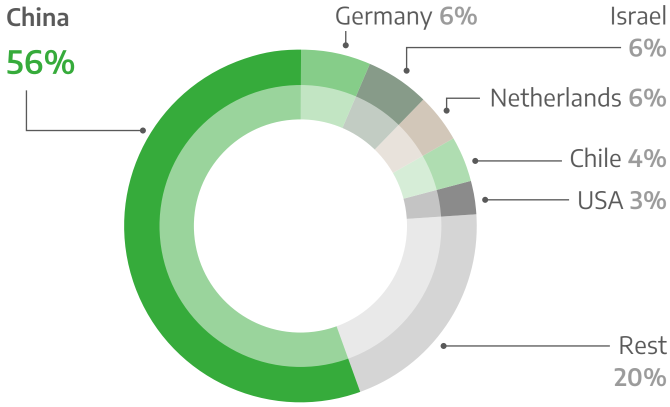
Figures in USD millions.



Source: Own elaboration based on data from INDEC.

Main export destinations

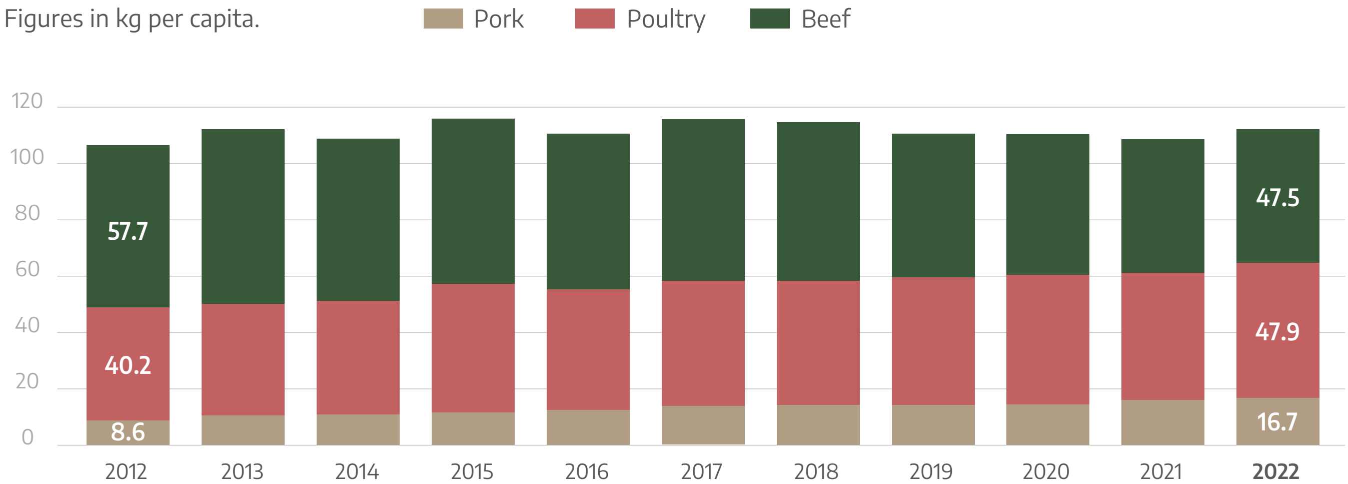
Figures in percentages.



Source: Own elaboration based on data from INDEC.

Meat consumption

Figures in kg per capita.



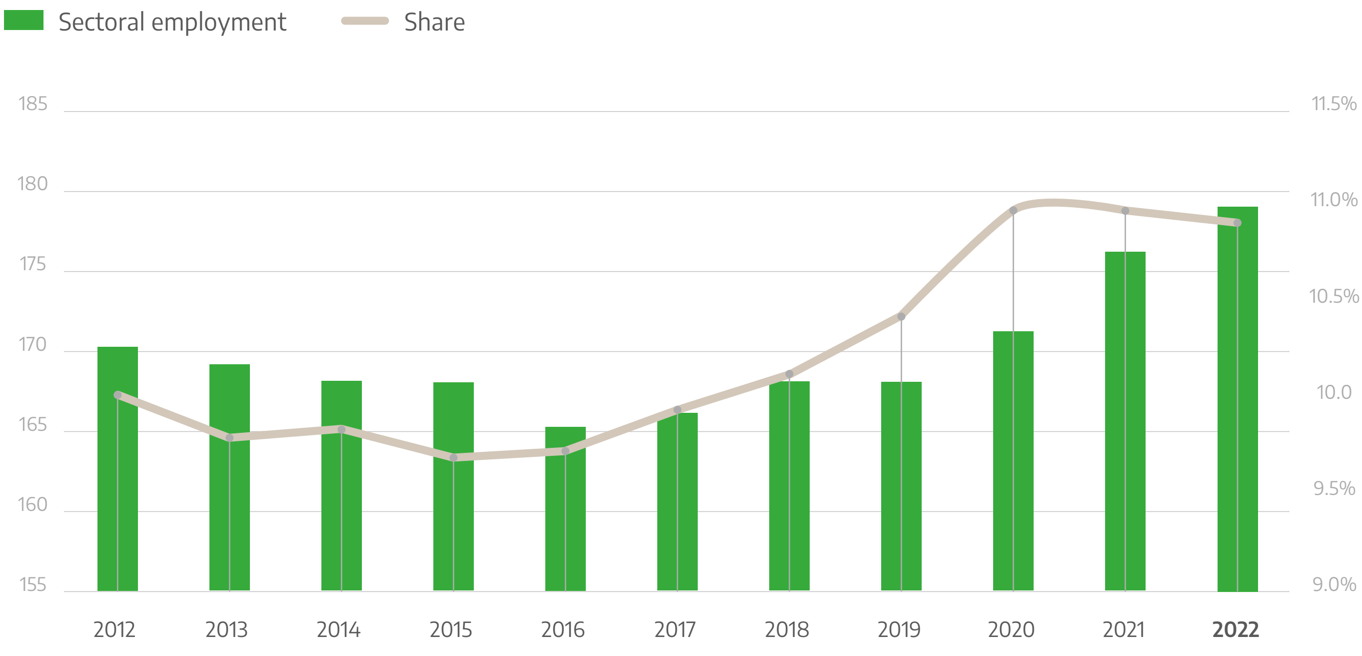
Source: Own elaboration based on data from FAO.

Domestic consumption has remained high and stable in recent years. The redistribution of demand towards meat of lower value boosted the consumption of poultry and pork, to the detriment of beef.

Finally, regarding the sector's employment rate, meat processing chains account for 179,000 registered workers, equally distributed between the primary (53%) and the industrial (47%) sectors. The employment level of the chain represents 11% of the total number of people employed in the primary and industrial sectors at the national level. Likewise, sectoral employment grew by 5% over the last decade, in contrast to the 3% decrease recorded for the primary and industrial sectors at the national level.

Sectoral employment

Figures in thousands employed (left) and percentage of primary and industrial employment (right).



Source: Own elaboration based on data from Ministry of Agriculture and INDEC.

Wide range of suppliers

Argentina has a long tradition in beef cattle breeding but has also developed the poultry and pork chains. In this regard, there are several developments and availability of genetics adapted to different production models and, in some cases, to different markets.

On the other hand, the country has many companies that provide sanitary, food and infrastructure supplies. There are also significant capabilities in terms of professional services.

Sanitary programmes and surveillance campaigns

Animal health and safety are key characteristics of meat production complexes, since they enable the country to trade with a greater number of markets. For this reason, the National Government—through SENASA—is making important efforts in surveillance campaigns and sanitary programmes to control foot-and-mouth disease in the case of beef cattle, avian influenza and Newcastle disease in poultry production, and African swine fever in pork production.

Tools for exportation

Argentina's beef cattle industry has access to the European market for premium meat through market quotas. The European Union allows, through the Hilton Quota, imports of boneless beef for a total of 29,500 tonnes per year, while Quota 481 offers an annual quota of 48,200 tonnes for high quality feedlot meat (fresh, chilled or frozen). It also has quotas of 20,000 tonnes of deboned, fresh, chilled or frozen meat for the US and Colombian

SENASA'S EPIDEMIOLOGICAL CONTROL
BEEF
Foot-and-Mouth Disease Programme.
Bovine Brucellosis Programme.
Bovine Tick Programme.
Transmissible Spongiform Encephalopathies (TSE) Programme.
POULTRY
Epidemiological Surveillance Programme for Avian Influenza and Newcastle Disease.
PORK
Swine Diseases Programme. Control of Swine Brucellosis, Porcine Epidemic Diarrhea, Aujeszky's Disease, African Swine Fever, Classical Swine Fever and Porcine Reproductive Respiratory Syndrome.

Source: Own elaboration based on data from SENASA.

Trade opening: number of countries by production and type of product

• 79 chilled meat • 22 frozen meat • 45 offal • Most recent: Japan, US and Mexico	• 8 preparations • Most recent: Singapur and United Arab Emirates	• 60 meat • 34 products and by-products • Most recent: Canada

Source: Own elaboration.

Regarding poultry farming, the country has about 60 open destinations for meat exports; for pork farming, this number reaches 17, and 26 for by-products. Market opening efforts continue to progress, and the recent authorisation to export poultry meat to Canada and pork to Singapur and the United Arab Emirates is of particular importance.

Institutional framework linked to the meat complex
The national Government supports the development of this sector through the main players in the scientific and technological system. The National Institute of Agricultural Technology (INTA) stands out: through its vast network of experimental stations, it manages to be in close contact with producers and their concerns. The institution has lines of work throughout the country to address issues such as nutrition, genetics, health and fodder production in the meat sector. In addition, the National Institute of Industrial Technology (INTI) is involved in the entire industrial process.

As regards hygienic-sanitary aspects, SENASA intervenes in the first industrial process and ANMAT covers the aspects related to hygienic-sanitary conditions at the food level. Both have to enforce compliance with the Argentine Food Code. Moreover, in the field of innovation, the Ministry of Science and Technology defines specific assistance and financing policies.

Another line of support for the sector consists of research activities carried out by the main national universities. In this regard, the universities of Buenos Aires (UBA), Rosario (UNR) and Río Cuarto (UNRC), among others, are worth mentioning. As the activity managed to expand to different areas of the territory, the country's scientific and technological system followed this trend, which resulted in the incorporation of research centres, such as those located in the provinces of Santiago del Estero and Formosa.

Institutions connected with the Argentine meat sector

Ganadería bovina	Aviculture	Pork farming	Transversals	Science and technology
• Argentine Chamber of Industry and Trade of Meat and By-products (CICCRA) • Bovine Genetics Forum (FGB) Argentine Feedlot Chamber (CAF) • Argentine Chamber of the Cold Storage Industry (CADIF) • Argentine Meat Industry Union (UNICA)	• Argentine Chamber of Poultry Producers (CAPIA) • Centre of Poultry Processing Companies (CEPA)	• Argentine Association of Pork Producers (AAPP) • Argentine Federation of Pork Producers (FPPA) • Argentine Consortium of Pork Exports (Argenpork) • Technological Exchange Group for Pork Producing Companies (GITEP) • Association of Pork Producers of the Province of Santa Fe (Apporsafe) • Chamber of Pork Producers of Entre Ríos (CAPPER)	• Argentine Rural Society (SRA) • Argentine Agrarian Federation (FAA) • Intercooperative Agricultural Confederation (CONINAGRO)	• INTA • INTI • Ministry of Science, Technology and Innovation • CONICET • National universities

Source: Own elaboration.

In addition to the institutions of the scientific system, the national Government has added a series of institutes to promote the activity in the complex. In this sense, it is worth mentioning the Institute for the Promotion of Argentine Beef (IPCVA), whose main objective is to provide sectoral information for decision-making at the business level. In the case of pork farming, it is essential to mention the Pork Activities Information Centre, which compiles information for the sector.

The private sector has institutions that bring together meat producers. The most renowned traditional associations are the Argentine Rural Society (SRA), the Argentine Agrarian Federation (FAA) and CONINAGRO. The Regional Consortia for Agricultural Experimentation (CREA) is also a prominent institution; it is composed of groups of producers whose aim is to develop the activity focusing on opportunities, which range from the development of good practices to technology. The Bovine Genetics Forum (FGB)—which brings together a wide variety of breeders—and the different business chambers—such as the Argentine Feedlot Chamber (CAF), the Argentine Chamber of the Cold Storage Industry (CADIF) and the Argentine Meat Industry Union (UNICA)—could also be mentioned.

Regarding poultry production, the work of the Argentine Chamber of Poultry Producers (CAPIA) and the Centre of Poultry Processing Companies (CEPA) should be highlighted. In the pork chain, it is worth highlighting the Argentine Association of Pork Producers (AAPP), the Argentine Federation of Pork Producers (FPPA) and the Argentine Consortium of Pork Exports (Argenpork).

The IPCVA—a non-state public body created by Act 25,507, enacted in 2001—aims to improve and consolidate the image of Argentine meat products, taking advantage of the country's history and tradition in the field and the prestige gained in international markets.

International context

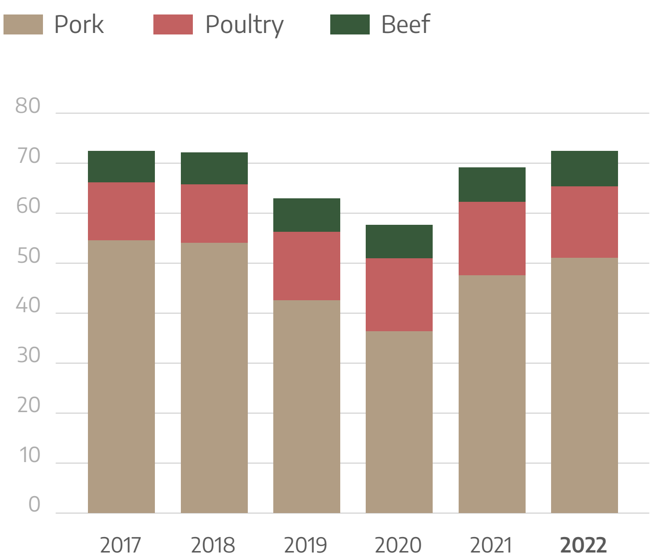
Effects of ASF in China
Argentina's meat production offers substantial advantages for the development of domestic and foreign markets. The number of open markets that resulted from the sanitary conditions is a central aspect to carry out an associated production process within the sector.

China, the world's leading consumer of pork, saw its production severely affected by the arrival of ASF in 2018. In just one year, the virus reduced the country's total pig stock by 30%. The consequent reduction in its meat production generated a significant boost to international trade in 2020 and 2021 with the aim of covering the supply needs of its domestic market with increased imports. In 2022, Chinese imports returned to the level prior to the outbreak of ASF, although the decline continues to be the main international demander, accounting for 19% of world imports of pork.

Corn supply in Argentina
Export opportunities become even more tangible if we consider that Argentina is one of the main global corn producers, capable of providing highly competitive prices of the main production cost of poultry and pork (between 50% and 80%). If the evolution of the price of corn and the prices of pork and chicken in the domestic and foreign markets are considered, exporting these products is more profitable. In particular, the export price of pork has increased even more than the cost of corn.

Meat production in China

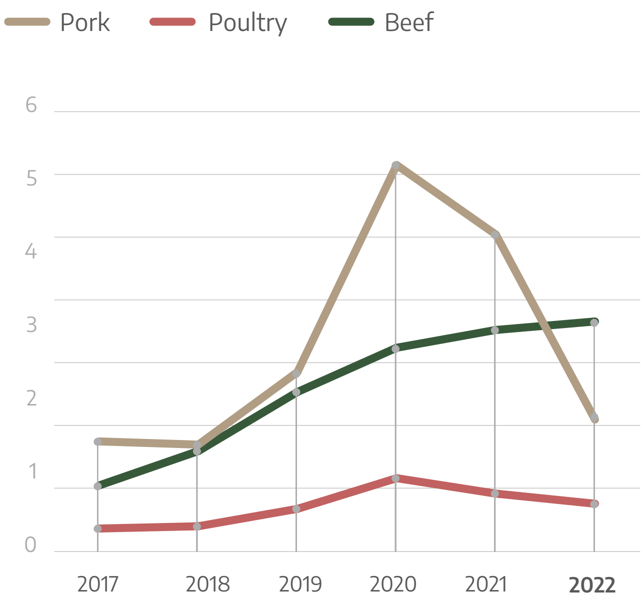
Figures in million tonnes.



Source: Own elaboration based on data from USDA.

Meat imports in China

Figures in million tonnes.



Source: Own elaboration based on data from USDA.

Foreign insertion into the poultry chain

Together with opportunities via price, in the case of poultry meat production, the country has open markets among the world's main importers of poultry meat. However, at the moment, it has only managed to insert itself significantly in China and South Africa.

MAIN POULTRY MEAT IMPORTERS AND ARGENTINE SHARE (FIGURES IN THOUSAND TONNES.)

	2019	2020	2021	2022	OPEN MARKET	EXPORTED 2021-2022	SHARE 2022
Angola	266	213	264	275	Yes	Yes	5 %
Canada	172	188	184	170	Yes	Si	0 %
China	580	999	788	650	Yes	Yes	12 %
Cuba	289	262	353	340	Yes	Yes	0 %
European Union	770	660	646	775	Yes	Yes	0 %
Iraq	494	468	388	475	No	No	
Japan	1,076	1,005	1,077	1,115	Yes	Si	0 %
South Korea	178	170	176	230	No	No	
Mexico	875	842	917	915	Yes	No	
Philippines	366	336	437	435	No	No	
South Africa	485	434	371	325	Yes	Yes	11 %
Saudi Arabia	601	618	615	500	Yes	Yes	2%

Source: Own elaboration.

Investment in technology to obtain by-products in the poultry sector

There are investment opportunities to obtain by-products—such as bone meal, blood meal and oils, among others—from rendering plants that enable maximum utilisation of waste and/or scrap from poultry processing. It is also possible to make progress in waste treatment in layer farms, hatcheries and fattening farms, as waste is generated at all stages and it would be feasible to develop certifiable and economically valuable treatment protocols.

Foreign insertion into the beef chain

The country has also entered into different international trade agreements to promote beef production. In addition, it has market quotas for the EU, the USA and Colombia available for use. There are currently other destinations with attractive import potential that can be grouped according to average import prices, such as the United States, Mexico and Chile.

Improvement of productivity in the beef chain

Beef production offers excellent opportunities, with productivity rates higher than those of major regional producers. Furthermore, the technology available in the local scientific and technological ecosystem provides the possibility to achieve the same productivity levels as the leading global producers.

ARGENTINE CATTLE BREEDING PRODUCTIVITY

	STOCK MILLION HEADS	PRODUCTION THOUSAND TONNES	KG/ANIMAL
Argentina	53.4	3,000	56.2
Australia	29.9	1,888	63.1
USA	91	12,734	139.9
Brazil	193.1	9,750	50.5
Canada	11.55	1,385	119.9
Uruguay	11.5	550	47.8

Source: Own elaboration based on data from USDA.

Opportunities in the domestic market

Pork production

The domestic market offers opportunities for expansion, as the country is known for its high consumption of animal protein, over 100 kg per capita per year. Although these are mature markets, pork could be an opportunity, as this market has grown at a 6.5% rate over the last seven years. Moreover, the sector offers alternatives to substitute imports, which have averaged USD 98 million between 2015 and 2022.

Goat and sheep meat market

The global demand for sheep and goat meat has grown steadily over the last 20 years; between 2001 and 2020, it tripled, with peak imports in 2018 for about USD 7.9 billions. In this regard, China's demand has increased significantly in recent years, surpassing France as the main destination for these cuts.

Pork consumption and imports

Figures in tonnes.

Source: Own elaboration based on data from the Ministry of Agriculture, Livestock and Fisheries.

Although Argentina's production and exports are diversified throughout the country, 96% of exports are concentrated in Santa Cruz and Chubut. In addition, the country has 18 cold storage plants authorised by SENASA to process and export goat meat in nine provinces. On the other hand, the 36 open export markets—especially the European Union, Sri Lanka and Vietnam—doubled the tonnes exported in 2020 in comparison with the previous year. As regards sheep production, the country has 93 open markets, to which 3,700 tonnes were exported in 2022.

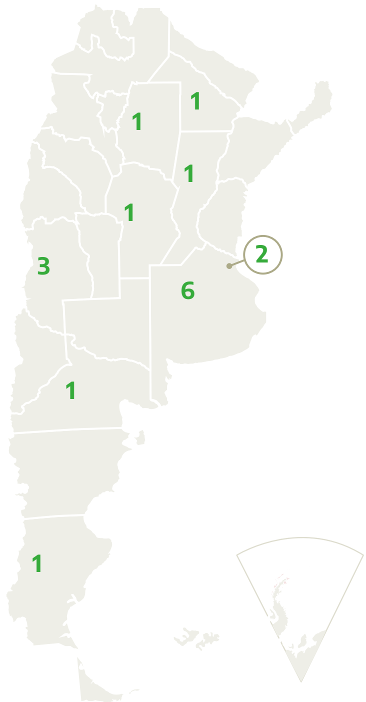
Argentina receives an EU quota of 23,000 tonnes of sheep and goats per year (bone-in beef equivalent), which represents 8% of the total quota distributed. It is the second country with the largest share, behind New Zealand, which receives almost 80% of the quota.

There are two main advantages to goat and sheep meat: on the one hand, the climatic adaptability of the livestock, which allows for the development of this activity in all provinces of the country; on the other hand, the natural fattening cycle, much faster than in other species such as cattle or pigs, which means that the meat is produced at the beginning of the animal's development, reducing the intrinsic economic risk of production.

Finally, this type of consumption is mainly found in the poorest Asian regions, for the purpose of domestic production and self-supply. However, in the last few years, these countries have experienced an increase in the size and purchasing power of their middle classes, and have replaced local production for imports as a result. As domestic consumption of this type of meat is seasonal and associated to specific tourism events, this activity is almost exclusively for exports.

Class A cold storage plants*

Number of establishments.



(*) Its authorisation includes federal traffic and the export of slaughtered products and by-products and industrialised meat.

Source: Own elaboration based on data from SENASA.

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Agro /
Meat

2023

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