Staff at the Wisconsin Department of Agriculture, Trade and Consumer Protection have worked for over ten years to develop contacts with cattle breeders and agri-businesses to facilitate entry into the Argentine market. Because Argentina is composed of large farms and experienced farmers, it can easily adopt Wisconsin genetics, agricultural machinery and technologies. Although exports to Argentina have fallen slightly due to the economic crisis of 2002, it will continue to be a top export destination particularly for bull semen and elite dairy and beef genetics.

Included in this market report is information gathered during a recent trade event in Argentina.

**ARGENTINA DAIRY INDUSTRY OVERVIEW**

Argentina is a surplus milk producer, ranking third after New Zealand and Brazil in southern hemisphere milk production. The dairy industry is a mix between feedlot and rotational grazing. Producers use a limited amount of high-energy feeds and rely on well managed pastures to provide the bulk of their cattle feed. Many producers switch between beef and dairy depending on the market. Milk prices are the lowest in the world but Argentine producers also enjoy the lowest costs of production in the world.

**Opportunities for Wisconsin Products**

The following Wisconsin-made products are in high-demand in Argentina:

- All dairy and beef genetics
- Specialized veterinary supplies
- Parts and components for agricultural and dairy equipment
- Agricultural management software
- Anything related to GPS - It is not uncommon for farms in Argentina to range in size from 1000 acres up to 20,000 acres, making GPS software useful.
Following is information to help Wisconsin producers succeed in exporting to Argentina.

**GETTING STARTED IN EXPORTING**

**Analyze Market Potential** - The first step to entering any export market is to learn about the market, its potential for your product, its challenges and your product’s competition. The USDA Foreign Agricultural Service (FAS) publishes market reports on hundreds of export markets. The FAS office in Buenos Aires provides US producers with up-to-date market information and timely analysis of market potential. Reports can be found at: www.fas.usda.gov. Additionally, staff at the Wisconsin Department of Agriculture can provide Wisconsin companies with first-hand market experience gathered while attending trade events in Argentina.

**Locate a Distributor** - After analyzing the market potential for your product, the next step is to find an importer or distributor knowledgeable about your product or sector. Argentine laws prohibit international companies from selling their product directly to the end-user, therefore, it is necessary to work through a distributor. The USDA-FAS Office of Agricultural Affairs in Buenos Aires and the Wisconsin Department of Agriculture can help evaluate your product and set up meetings with potential distributors.

Animal genetics must be sold through Argentine companies or the breed association. Exporters should be aware that both breed associations and Sociedad Rural (national agricultural association) can remove a specific bull, embryo or live animal from an import permit. They also can revoke the entire import permit.

**Build a Relationship** - Once a company has located a distributor, it is vital to build relationships through your distributors or by visiting potential customers in Argentina. Wisconsin companies should also consider hosting potential customers during visits to events such as the World Dairy Expo.

**Learn the Exporting Requirements** - Export regulations differ depending on the product. Wisconsin companies should be familiar with the requirements to export their product. To obtain the export protocol on your product, contact the Wisconsin Department of Agriculture, Trade and Consumer Protection: (608) 224-5100

**EXPORT CHALLENGES**

**Tariffs** - Most imported goods are subject to a 35% tariff. If the good is a mechanical part to be used in an Argentine manufactured product, the tariff is waved. As a result, products like Wisconsin manufactured scales and flow meters are found on many Argentine feed mixers and harvesting equipment. Animal genetics and plant seeds are exempt from tariffs as long as they are sold by an Argentine agri-business.

**EXPORT ASSISTANCE**

Staff at the Wisconsin Department of Agriculture, Trade and Consumer Protection can assist you in exporting your company’s products by providing:

- Market research
- Guidance on export documentation
- Introductions to international industry leaders

For more information contact:

Jen Pino-Gallagher
Economic Development Consultant
Wisconsin Department of Agriculture, Trade and Consumer Protection
Tel: (608) 224-5113
jen.pinogallagher@wisconsin.gov

MK-IT-118