



# ARGENTINA MARKET REPORT

Dairy & Genetics

February 2012



## Overview

Economic Development Consultants at the Wisconsin Department of Agriculture, Trade and Consumer Protection have worked for many years to develop contacts with cattle breeders and agri-businesses to facilitate entry into the Argentine market. Because Argentine dairy is dominated by large firms and experienced farmers, it can easily adopt Wisconsin genetics, agricultural machinery and technologies.

## Argentina Dairy Industry Overview

Argentine dairy herds are primarily located in the central region on the country and comprised of Holstein cows. The Argentine 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. Argentine producers enjoy low costs of production, but milk suffers high price volatility, due to erratic policies and inconsistent supply of milk

Due to a 13% increase in the 2011 production of milk over 2010, many existing producers are expanding their operations. Dairymen are purchasing new equipment, improving nutrition and using high quality genetics sourced from the United States. Argentina is among the largest per capita consumers of milk in the world, with huge domestic demand. However, Argentina is a surplus milk producer, and exports 20% of its total milk production. The country is the third largest exporter of whole milk powder. This means that imports of consumer dairy products and ingredients are negligible.

## Opportunities for Wisconsin Producers

In 2011 Argentina was Wisconsin's third largest export destination for bovine semen, with \$4.5 million worth of bovine semen being exported from Wisconsin to Argentina.

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

### **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](http://www.fas.usda.gov). The Wisconsin Department of Agriculture can help you find the most relevant and up-to-date market information for your product.



### **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.

### **EXPORT ASSISTANCE**

The Wisconsin International Trade Team at the Wisconsin Department of Agriculture, Trade and Consumer Protection is available to assist you in your exporting efforts.

Information and services available from the Wisconsin International Trade Team include:

- Market information and research
- Access to funding to help your company market its product in international markets
- Distributor searches
- Information about documentation and labeling

For more information on state-sponsored export services, call 800-432-5237 or email [international@wisconsin.gov](mailto:international@wisconsin.gov).

### **FOR ADDITIONAL INFORMATION CONTACT:**

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