

ARGENTINA

Historically, the agricultural sector in Argentina has received little direct government support. Policies in the export-oriented agricultural sector were shaped by an unstable macroeconomic environment, trade restrictions on agricultural inputs and outputs, and government policies favoring industrial development and cheap supply of food to urban consumers. In 1990, Argentina enacted economic reforms that began to stabilize the economy and created an environment more favorable to agricultural investment, production, and exports. However, the government still collects export taxes on grains, cotton, and other agricultural products, dependent on their level of processing.

CORN AND WHEAT

- The export tax for corn was 20%, and 23% for wheat as of December 30, 2008. The new export tax on wheat flour and wheat sub-products is 15%.
- On December 31, 2008, the Argentinian government released the “Corn-Plus” program which creates incentives for higher corn production. In this Plan, when historical production averages are exceeded -- 15 million tons -- export taxes decrease by one percentage point for large producers (those producing over 5,000 tons of corn), two percentage points for medium-size producers (between 1,000 and 5,000 tons), and five percentage points for small producers (up to 1,000 tons of corn), for each additional million tons produced.
- Under a similar plan, called the “Wheat-Plus” program, export taxes for wheat decrease by one percentage point for large producers (over 2,500 tons in production), two percentage points for medium-size producers (between 500-2,500 tons), and five percentage points for small producers (up to 500 tons), per each additional million tons produced when historical production averages are exceeded (13 million tons).
- On February 11, 2009 ONCC authorized the approval of export licenses for 6,050,400 MT of corn and 520,056 MT of wheat.

COTTON

- 5% export tax for cotton.
- Producers with 5 to 20 ha (12 to 50 ac) of cotton receive some support from the provincial or county governments.
 - Seed, fuel, or mechanical labor is supplied; repayment requirements are normally forgiven.
 - Some provincial governments purchase raw cotton from small producers at higher than market prices, thus establishing a minimum price.
- The import tariff for cotton from non-MERCOSUR (Southern Common Markets) countries is 6%.

RICE

- The export tax on rice is 10%.

SOYBEANS

- Over 95% of Argentina's soybean production is exported, either as beans, oil, or meal.
- Soybeans are assessed a 35% export tax.