

Studies by Argentina's National Food Quality and Safety Service (SENASA) have shown stagnation for pear and apple production in the key northern Patagonian region between 1996 and 2010.



Argentina maintains the number one spot for pear exports and continues to export high volumes of apples to the international market, but production from north Patagonia has barely changed despite new markets opening up, newspaper *La Mañana de Neuquén* reported.

The South American nation is facing increasingly difficult competition from South Africa, New Zealand and Chile, with industry leaders telling the newspaper that productivity and profitability need to improve.

Cámara de Ingeniero Huergo president Marcelo Coriolani said plantations had witnessed renovation without expansion, which he attributed to a lack of commercial capacity to absorb fresh fruit volumes, the story reported.


Manuel Mendoza from the Producers Federation told the newspaper the situation was also due to a lack of government policies for development, with increasing non-agricultural uses of fertile land that could be used by the fruit industry.

Héctor Zubeldía, from the technical area of Rio Negro's Ministry of Fruit, said there were many reasons for the 'stalemate', with competitors in a race for productivity and reducing costs, particularly labor, the story reported. As an example he highlighted Chile's shift to machinized pre-sorting due to labor constraints.

His colleague and Rio Negro Ministry of Fruit director Pablo Moratti, told *La Mañana de Neuquén* the problem stems from the trade limitations for the fruit produced.

"There is no ability to place everything that is produced. Supply and demand are balanced. If you increase the production you only increase the volumes that are sent to the industry. There isn't the capacity to increase trade abroad or in the domestic market," he was quoted as saying.

His comments were echoed by Alfredo Palmieri from CNV Sudamericana, who told the newspaper that while pear volumes had increased they did not yield the expected returns, while there was no incentive for apple expansion as it was not profitable.

 "The productivity parameters that exist for our competitors are not present. At this time, competing countries 120 tons (metric) per hectare (T/ha) is taken as the base for the

first five years, while there is even talk of the trend arriving at 150/180 (T/ha) accumulated for the first five years with a percentage of 80%/90% of fruit packed," Palmieri was quoted as saying.

"For our region, there is no production model or the arrival of encouraging messages."

Producers also discussed the problematic issues of financing, adjusting to business cycles and exchange rates.

Expofrut general manager Adolfo Storni said apple export volumes had fallen in terms of all destination markets except Brazil, while not everything was going 'smoothly' in the relatively new markets of Russia, Algeria and China.

"Today, New Zealand, Chile and South Africa are displacing us, at a time when Brazil almost does too but the growth in its domestic market and the appreciation of the real make it preferable not to export," he was quoted as saying.

"In Russia we were displaced by Chile for better quality and a lower price, and in Algeria we are more dependent on the political situation and local stocks. After record volumes in 2009 and the figures in 2010, 2011 is much lower.

"In the industry we've suffered the brunt of China. Argentina is a small operator, a niche, that does what China lets it do, but we have a high share of the industry talking about serious quality problems."

Related story: [Patagonia pears plummet 11%](#)

Source: www.freshfruitportal.com