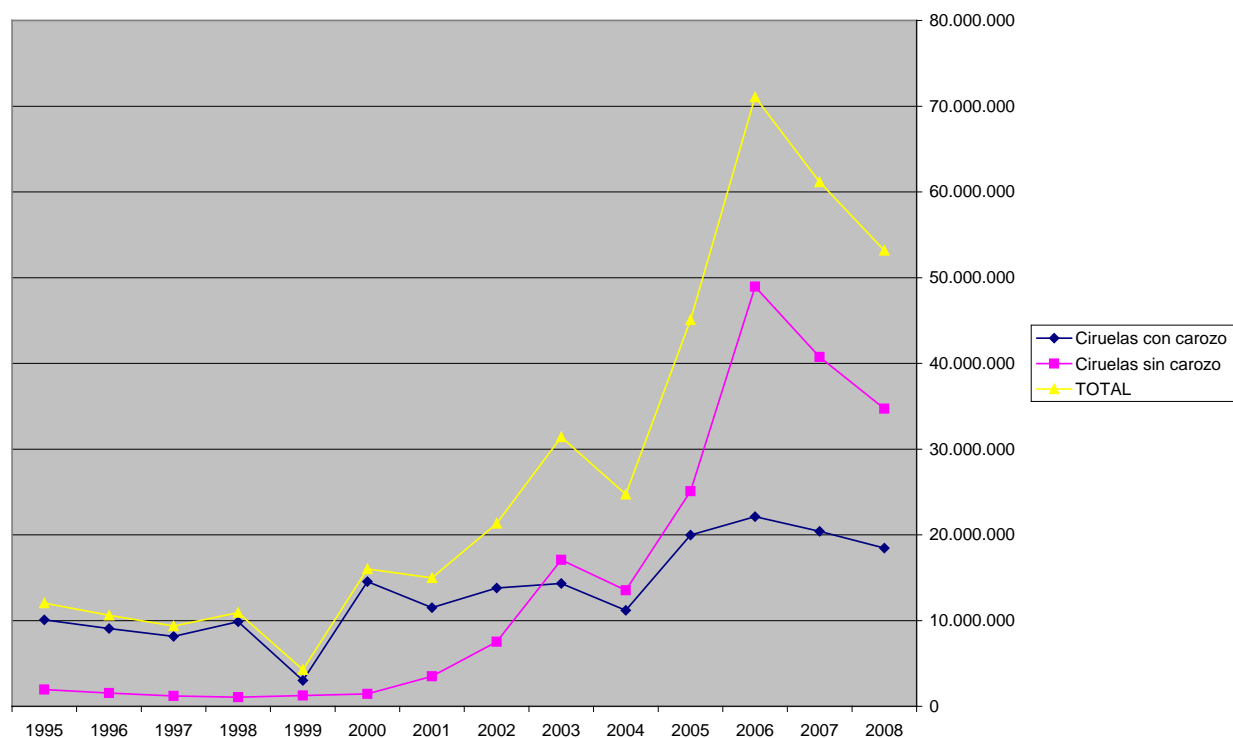


ARGENTINA

Prune Exports Analysis

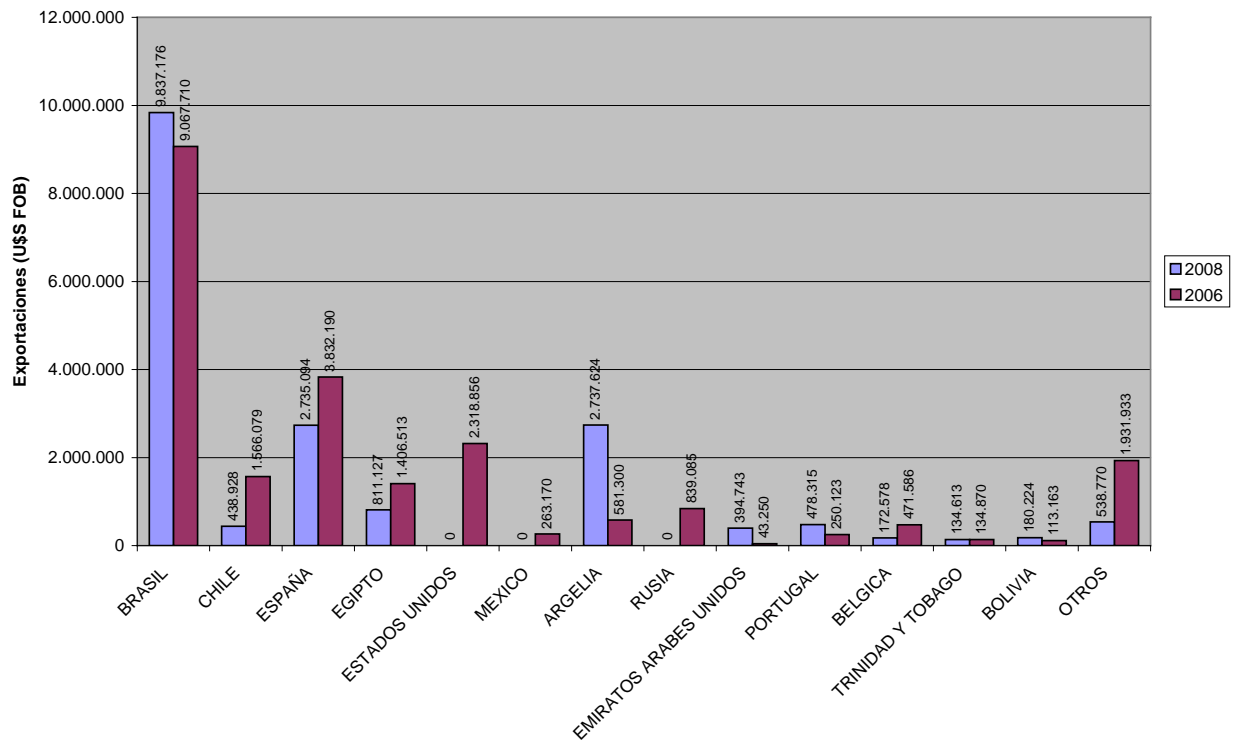
As one can note it in the graph below, prune exports increased in an important way as from 2002, because of the end of convertibility, reaching a peak in 2006 with 70 000 000 US\$ FOB exported, passing to almost 20 000 000 US\$ FOB in 2008.

However, the principal dynamics which deserves to be analyzed is the disparity between whole and pitted prunes, since the initial increase of pitted prunes was higher during the period from 2002 to 2006, but the important decrease recorded between 2006 and 2008 is basically due to the fall of pitted prunes sales.



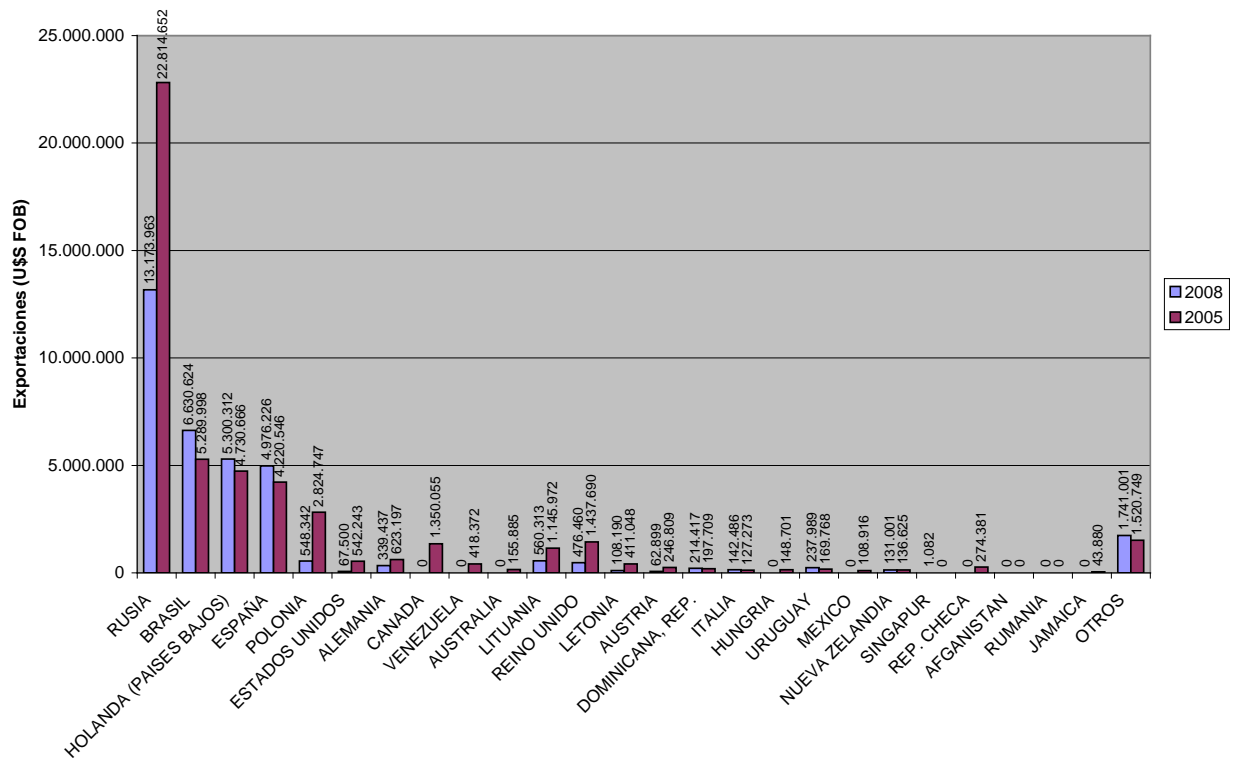
Graph 1: Export trends (US\$ FOB) of prunes per annum.
Source: Development on the basis of ProMendoza data.

If one analyzes the composition of whole prune exports by country from 2006 to 2008, one notes that in both cases, the principal buyer is Brazil, with half of exports. Countries like the United States, Mexico, Venezuela, and Canada, recorded large volumes of whole prunes imported from Argentina in 2006, but nothing in 2008.



Graph 2: Whole Prune Exports by country from 2006 to 2008.
Source: Development on the basis of ProMendoza data

If one analyzes the important decrease recorded in pitted prune exports from 2006 to 2008, one sees that the leading cause is the radical fall of Russia. The reductions relating to Canada, the United Kingdom, Lithuania, the United States and Germany were also important.



Graph 2: Pitted prunes Exports by country from 2006 to 2008.
Source: Development on the basis of ProMendoza data

Area and number of agricultural properties growing prunes in the province of Mendoza

In the following table is compared the surface recorded in the Census of the Prune Producers as carried out in 2005 by the IDR to the data contained in the Single Register of Land (RUT) of the Department of Agriculture and Prevention of Contingencies, on the years 2007 and 2008 (the data of 2009 were not treated yet).

As you can note the increase reached 2400 hectares on the base period, i.e. an average of 800 hectares of new annual plantings.

Departamento	Censo 2005 - IDR		RUT al 30/06/2007		RUT al 30/06/2008	
	Establecimiento	Superficie	Establecimiento	Superficie	Establecimiento	Superficie
Godoy Cruz	0	0	0	0	0	0
Gral Alvear	996	2159	1014	2020	1123	2215
Guaymallén	0	0	18	59	19	61
Junin	209	518	213	402	221	424
La Paz	14	54	3	17	7	45
Las Heras	2	6	8	70	12	78
Lavalle	22	130	37	210	47	260
Lujan de Cuyo	5	21	20	72	22	104
Maipú	36	199	65	178	75	272
Malargüe	0	0	0	0	0	0
Rivadavia	268	562	274	604	286	645
San Carlos	17	80	10	47	13	56
San Martín	273	930	288	1010	336	1165
San Rafael	2157	7440	2712	8459	2911	9146
Santa Rosa	161	599	149	565	180	640
Tunuyán	21	103	21	75	23	93
Tupungato	23	66	16	63	17	76
Total	4204	12864	4848	13851	5292	15280

Table 1: Surface and number of properties growing prunes per department.

Source: 2005 Census of Prune Producers, IDR and Single Register of Land 2007 and 2008 DayCC.

The main feature is a bigger increase in number of properties than surface, which involves a reduction in the average size of farms, which passes from 3.05 hectares in 2005 to 2.9 hectares in 2008.

Making a stratification according to the surface, one obtains:

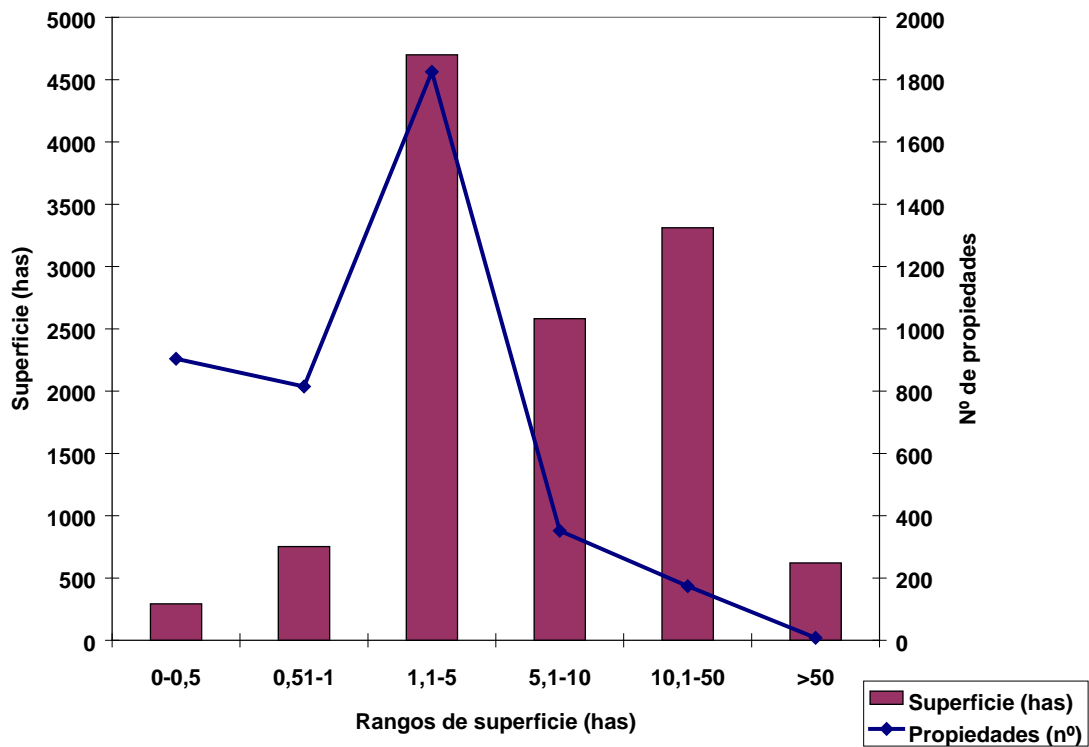


Figure 1: Stratification of the properties growing Prunes, according to their area.
Source: 2005 Census of Prune Producers, IDR.

As one can see, roughly 3600 producers (87% of the total) own less than 5 hectares of planted prunes and represent less than half (47%) of the total planted area in the province of Mendoza.