

# World and Argentine Agribusiness Reference Scenario to 2025 (ERAMA 2025)

## Executive Summary

This report contains the methodology and results of the baseline scenario of Argentine agribusiness, constructed for the next 10 years. It consists of a long-term vision of production, consumption and trade for a wide range of products, and was prepared by using the PEATSim-Ar simulation model of INAI Foundation plus expert validation.

The goal of the World and Argentine Agribusiness Reference Scenario (ERAMA - for its Spanish acronym) is to analyze the most likely outcomes until 2025/2026 in the event the current trends remain steady. Consequently, this report is not a forecast about the future of agribusiness. Rather, it refers to what would happen in the long term if certain assumptions become true about macroeconomic conditions, the exchange rates in Argentina and other countries, meteorological conditions, trade agreements and other international events, among other issues.

Results reveal that, although the growth of international trade of agribusiness goods is slowing down, the world will continue to demand increasing volumes of food, which is a good opportunity for our country to profit from.

This is also coupled with recent changes in trade policy, which have prompted a different scenario. Thus, Argentine grain and oilseed production increases from an estimate of 109 million tons to more than 140 million tons in the 2025/2026 crop year, what represents a 29% growth over a 10-year period. Given that, total grain and oilseed exports should raise by 16 mil-

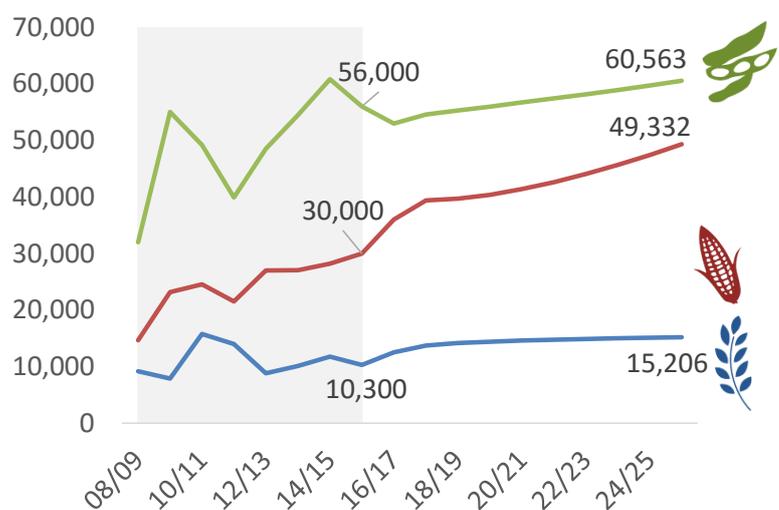
lion tons, thus reaching 59 million tons.

Soybean harvested area is expected to reach 19.4 million hectares by 2025/2026, which accounts for a production of 60.56 million tons, a similar figure as that observed during 2014/2015. Crushing would add up to 47 million tons by the end of the period, thus displaying a 10% growth in 10 years. On the other hand, bean exports are expected to remain unchanged around 9.5 million tons.

Soybean oil production would increase to 8.8 million tons in the 2025/2026 season, out of which 2.2 would be utilized for domestic purposes, in the production of biodiesel, and 6.1 would be allocated to exports. Additionally, the production of soy meal is estimated to rise by 3.2 million tons, reaching 35.7 million tons while exports are expected to be around to 32 million tons.

Sunflower would display a break from the trend registered over the last years, thus reaching almost 3.8 million tons towards the end of the

**Soybean, corn and wheat production**  
Thousand tons



ERAMA 2025/26. INAI Foundation

period, while oil exports are expected to go up to 774 million tons and meals to 1 million tons.

Wheat production would total 15.2 million tons, and exports are forecasted to surpass 8 million tons by 2025/2026.

In the case of corn, production would stand above 49 million tons towards the end of the period due to a strong increase in the harvested area, and a projected yield of 8.6 tons per hectare. Domestic consumption for animal feed would grow significantly, at a rate of 51% throughout the whole projected period. It is also interesting to notice that there would be a growth in demand for ethanol production. Nonetheless, the variable showing the most important increase is exports, totaling 37 million tons by 2025/2026.

Moving on to projections for meats, beef would show a remarkable increase in production in the next decade thanks to the elimination of custom restrictions and other barriers to exports. A 3.3 million production by the end of the period would translate into a strong increase of exports, exceeding 800 thousand tons.

Besides, poultry meat would show a significant growth in production: 26% in 10 years, which means that 2.6 million tons would be produced by 2025. The role of international markets is increasingly evident when analyzing the future of this product.

Finally, pork meat production would also increase significantly, with a rise ranging from 475 thousand tons to 557 thousand tons.

For the Reference Scenario, production of milk would present a moderate increase, reaching 12,177 million liters over 10 years, which is 7.6% higher than in 2015. Out that total, 10,200 millions would be allocated to the manufacturing of dairy products. It is worth pointing out that all processed dairy products would show some progress both in production and in exports.

In general, if the whole range of products contemplated in the ERAMA is considered, the share of Argentina in world trade can go up from 8.7% in 2014/2015 to 9.2% by the end of the ten year period.

However, it is important to mention that it will be necessary to look closely to policy decisions in importing countries, both in terms of protectionist measures and in terms of preferences that are likely to arise as a result of new negotiations undertaken worldwide.

Due to the fact that the domestic market can only grow at a rate close to that of population, the main destination of production increases is the foreign market. This highlights the importance of gaining access to compete in the major international markets.

While going over the assumptions for the current ERAMA report, a mixture of positive and negative factors came up regarding the production of the agribusiness sector. On the whole, if the recent changes in trade policy in Argentina are to be considered, it is possible to construct an optimistic overview with regard to production and exports. However, results of the Reference Scenario are conditioned by a wide range of sources of uncertainty, such as the pace of recovery of the global economy, the emergence of new protectionist measures, as well as climatic events, among other issues. ERAMA is a useful starting point for the analysis of this topics of importance for the sector and Argentine economy.

It is possible to download the complete document (in Spanish) and access the time series database up to 2025/2026 in:

<http://www.inai.org.ar/erama>