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John Neagle

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by John Neagle
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In an announcement released Dec. 18 in Buenos Aires, several organizations representing farmers and agro-industrial interests said the system of income transfers from agriculture to other economic sectors established in the post-war period has been "exhausted." The statement warned that while the Alfonsin administration apparently is unconcerned with the deterioration of the agricultural economy, the projected bankruptcy of numerous agro-industrial firms will result in unemployment and serious political problems. The statement was prepared by leaders of the Argentine Rural Confederations, Agrarian Federation, Rural Society, Bahia Blanca grain exchange, Argentine Industrial Carnica Union, Argentine Sugar Center and the Argentine Automotive Cargo Transport Confederation. Next, farm organizations and agro-industrial interest groups have agreed to formulate joint actions, with the aim of proposing viable alternatives to current agricultural policies. Self-criticism by all concerned parties is necessary, said the statement, and particularly on the part of national and state governments. The statement declared poverty characterizes the Argentine countryside, and that penury is being exacerbated through time. In many interior towns and cities agro-industries such as meat packing plants are the primary source of income and employment. The statement emphasized the fact that many such industries are on the verge of collapse. Next, the joint statement declared that the level of technology applied in agriculture and agro-industry is on the decline. The deterioration of agricultural income corresponds with declines in purchases of hybrid seeds and other farm inputs. In turn, the latter compromise research and development in the areas of plant and livestock production. As demand for farm inputs and agricultural research declines, thousands of persons will become unemployed. The document also pointed out that while capacity utilization rates in agriculture and agro-industry decline, tax burdens continue to rise. Authors of the statement argued that such developments are self-destructive: since production has been cut back due to low prices, the tax burden is effectively eroding the sector's capital base. (Argentine news agency DYN, 12/18/86)

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