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Argentinaâ??s export tax overhaul could reshape global grain trade dynamics

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Argentina has unveiled a new round of agricultural export tax reductions, lowering duties on wheat and barley while outlining a multi-year roadmap for further cuts across key grain and oilseed commodities through 2028. The move marks another significant step in President Javier Mileiâ??s efforts to reduce market distortions, improve farm profitability, and enhance the global competitiveness of one of the worldâ??s largest agricultural exporting nations.

Under Decree 423/2026, published in Argentinaâ??s Official Bulletin on June 3, export taxes on wheat and barley have been reduced from 7.5 per cent to 5.5 per cent, effective immediately. The decision comes as farmers begin planting for the upcoming season amid concerns over rising production costs, particularly fertilizer expenses, and subdued international grain prices.

The tax reduction is expected to provide a timely boost to producer economics at a critical point in the planting cycle. Industry observers had warned that escalating input costs and weaker commodity markets could lead to reduced acreage for both crops. By lowering export duties, the government aims to improve grower returns and support planting decisions ahead of the new harvest.

According to market assessments and USDA analysis, the measure could help stabilize or even expand wheat and barley acreage by improving profitability and offsetting some of the financial pressures facing producers.

The wheat and barley announcement forms part of a broader export tax reform strategy extending through December 2028. The government has laid out a phased schedule for reducing duties on several of Argentinaâ??s most important agricultural

exports, subject to prevailing economic conditions.

Soybean export taxes, currently set at 24 per cent, are scheduled to decline gradually to 21 per cent by the end of 2027 and further to 15 per cent by the end of 2028. Export duties on corn and sorghum are projected to fall from 8.5 per cent to 5.5 per cent over the same period, while sunflower export taxes are expected to decrease from 4.5 per cent to 3 per cent. Wheat and barley duties will remain at the newly reduced level of 5.5 per cent.

The reforms are particularly significant for Argentinaâ??s soybean sector, which remains a cornerstone of the countryâ??s export economy and a major supplier of soybeans, soybean meal, and soybean oil to international markets. Lower export taxes could improve grower incentives, strengthen export competitiveness, and support production growth over the medium term.

For global agricultural markets, the policy shift signals a potentially more market-oriented approach from one of the worldâ??s leading grain exporters. Argentina plays a pivotal role in international trade flows for wheat, corn, soy products, and sunflower commodities, making changes in its export policy closely watched by traders, processors, and import-dependent nations.

Reducing export duties has been a central objective of the Milei administration since taking office in December 2023. The government has consistently argued that export taxes suppress agricultural investment, reduce competitiveness, and limit the sectorâ??s growth potential. The latest announcement represents the third major round of agricultural export tax reductions under the current administration.

Producer groups and agricultural organizations have broadly welcomed the measures, viewing them as a positive step toward improving profitability and restoring investment confidence across the sector. By allowing farmers to retain a larger share of export revenues, the reforms are expected to strengthen cash flow, support technology adoption, and encourage expansion in crop production.

The policy also comes at a time when global agriculture continues to grapple with volatile commodity prices, geopolitical disruptions, and elevated input costs. For Argentine farmers, lower export taxes may provide a critical buffer against these challenges while reinforcing the countryâ??s role as a major supplier to global food and feed markets.

As the government advances its phased reduction strategy through 2028, the agricultural sector will be closely monitoring implementation and broader economic conditions that could influence the pace of future reforms. For now, the latest tax cuts offer a clear signal that Argentina intends to deepen support for its export-oriented farm economy and strengthen the competitiveness of its grain and oilseed industries on the world stage.