

Brazil: Dialogue With US Citrus Growers Is Off

Contributed by Arthur Braga
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The president of the Brazilian Association of Citrus Exporters (Abecitrus), Ademerval Garcia, said, December 28, that the demand of Florida orange juice producers and processors on the American government to apply a surcharge on Brazilian products represents another attempt "to make things more difficult" for the US to import Brazilian juice.

He pointed out that the US already charges a US\$ 418 excise tax per ton on Brazil's production, "which constitutes the highest tax on an imported agricultural product outside the quota regime."

According to Garcia, this attitude on the part of North American producer "is no surprise," since rumors about this step have been abounding for around four months.

The president of the Abecitrus recalls that Florida used to be the world's biggest producer, but it was always limited to meeting domestic demand, differently from Brazil, which, because the domestic market was never vigorous, ended up expanding throughout the world.

Garcia informed that Brazil, the world's largest orange producer, is currently responsible for 80% of the world's orange juice consumption.

The volume exported to the United States represents 15% of Brazil's production. Between January and November of this year, 138,893 tons were exported to the North American Free Trade Area (Nafta), according to Abecitrus data. The biggest buyers are located in Europe, and, on a lesser scale, in Asia and the Mercosur.

The demand of the US producers will be evaluated by the US Department of Commerce, and, according to Garcia, the Brazilian companies cited in the suit "will enjoy ample room for defense."

Among the firms cited in the suit, accusing them of selling their products for less than their costs, are Citrosuco and Cutrale. Garcia believes that the American firms' legal proceeding is without basis.

The president of the Abecitrus said that he felt "frustrated" when he heard about the decision of the American producers, since the possibility of creating a common agenda between the two countries for technological development, market expansion, and research on combatting diseases was compromised.

"We can't talk about cooperation with people who are making moves against Brazilian producers," he declared.

This year's export prospects amount to 1.3 million tons, Garcia informed. São Paulo state is the world's largest orange producer. In Brazil there are 320 municipalities in São Paulo and another 13 in the state of Minas Gerais that survive basically on their orange production. In the two states alone there are 400,000 people working in the sector.

Translation: David Silberstein
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