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## ARGENTINA

# Argentine farmers protest export tax hike

**Argentine farmers angrily protested an increase in export taxes by mounting roadblocks and snarling traffic in parts of the country.**

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**McClatchy News Service**

BUENOS AIRES --

More than two years of tensions between Argentina's government and the country's powerful farm sector have exploded as farmers have set up roadblocks and refused to release their production to protest an export tax increase on some products.

On Tuesday, farmers had mounted some 150 roadblocks throughout this 40 million-person country, snarling traffic on some of the country's principal highways. They also have refused to release much of their production, leading to shortages at markets.

President Cristina Fernández de Kirchner added fuel to the fire Tuesday night by strongly denouncing the farmers and accusing them of ingratitude for protesting while earning record profits. Farmers and their supporters reacted immediately, filling streets around the country condemning the speech.

"I will not yield to any extortion," Fernández de Kirchner said in the televised speech from the presidential palace. "I can understand the interests of the sector, but I want them to understand that I have to govern for the interests of all Argentines."

According to TV reports, cars honked and thousands of protesters poured into the streets in several areas of Buenos Aires and in front of the presidential palace, banging pots and pans, waving flags and holding signs denouncing the speech.

The demonstrations, which will hit the two-week mark Wednesday, target a new system of export taxes on soybeans and sunflowers that farmers say would bankrupt small- and medium-sized farms. The new system also slightly lowered taxes on wheat and corn exports.

Government officials counter that farmers have earned record profits as international commodity prices have soared over the past two years and can afford to pay the higher taxes. The new system raises taxes when prices rise and reduces them when prices fall.

The new taxes now claim 40 percent of revenue from soybean exports, according to the Argentine Agrarian Federation. Soybean production is booming and accounts for almost 60 percent of all land used in Argentina for agriculture.

Manufactured farm products and raw materials, which include agricultural products, constituted 64 percent of the country's exports in January, according to government figures. Much of the country's farm products go to China, Europe and the United States.

"There's a threshold that's been crossed and expectations that haven't been met," said Argentine political analyst Felipe Noguera. "The farmers feel like they haven't been listened to, and it's fed into this outburst of anger."

Tensions have simmered since former President Néstor Kirchner began imposing export bans two years ago on some cuts of beef to control rising prices. Price controls and export bans on wheat and other products followed, further enraging farmers.

Kirchner's wife, Cristina Fernández de Kirchner, became president in December promising to build a social pact among farmers, workers and other sectors to contain prices. Economists estimate inflation hit almost 20 percent last year in Argentina, more than double the widely questioned official numbers.

Farmers, however, said Fernández de Kirchner had unilaterally raised taxes instead of negotiating and that enough was enough. Nearly all of Argentina's soybean production is exported.

"The tariffs were the drop that overturned the entire glass," said Nicolás Bossio, a spokesman for the agrarian federation. "The government is doing this purposefully to concentrate everything in their hands and take away resources from the sector. They're not interested in dialogue."

Farmers said Tuesday that they would continue with the blockades and production strike until the government canceled the tax hike but would send milk and other more perishable goods into the market.

Police have cleared a few of the road blockades, while truck drivers allied with the government have confronted some farmers on highways.

Government officials said they imposed the new tax to protect the domestic market from international price fluctuations as well as to contain the growth of soybean cultivation, which they said was crowding out other crops.

The government has refused to negotiate with farmers until they stop the strikes.

The protests effects have been felt in Buenos Aires, where 40 percent of butcher shops were closed Tuesday for lack of business and 90 percent of supermarkets also reported meat shortages, according to the nonprofit Consumer Education Center.

"In 30 years, I have never experienced an impact this severe, " said Daniel Ramondy, owner of a Buenos Aires butcher shop.

Sreeharsha is a special correspondent for McClatchy, who reported from Buenos Aires. Chang reported from Rio de Janeiro.



AGENCIA CORDOBA/AFP-GETTY IMAGES

A group of Argentine farmers blocks a road Monday near the city of Oncativo, Cordoba province, to protest an export tax increase on some products.