

Posted on Fri, Mar. 04, 2005

AGRICULTURE

Florida's citrus industry clears hurdle in trade fight

The International Trade Commission voted to continue an investigation of the Florida citrus industry complaint against Brazilian producers for alleged exports of low-priced citrus concentrates.

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The Florida citrus industry passed the first of four hurdles in its trade fight with Brazilian orange producers when the International Trade Commission ruled Thursday that state growers were being harmed by the alleged import of citrus concentrates at below fair market prices.

The International Trade Commission voted to continue the investigation of the alleged dumping after finding the industry was being injured by the imports of Brazilian concentrates and not-from-concentrate juice.

Andy LaVigne, executive vice president of the Florida Citrus Mutual, pronounced the citrus industry "encouraged." "We have a very strong case, which warrants a thorough investigation by both" the International Trade Commission and the Commerce Department, he said.

The ruling is only preliminary and must be followed by a decision on whether the citrus concentrates and pasteurized orange juice called not from concentrate have been dumped or sold below the cost of production in the United States, as the Florida complaint alleges.

That decision must be ratified by the Department of Commerce and then seconded in order for the Florida citrus industry to be successful in its trade dispute with Brazilian producers.

CHARGES DENIED

Brazilian producers have denied that they are selling the citrus concentrates below the cost of production, although lawyers in the case were not available for comment Thursday evening.

On the same day, Brazil, which is increasingly active in pressing agricultural trade disputes with the United States and Europe, won a bigger fight when the World Trade Organization ruled \$2.7 billion in U.S. aid to cotton farmers is illegal.

Brazil is also eyeing the U.S. market for citrus concentrates, and lower citrus tariffs has been one of its goals in free trade negotiations.

Florida and Brazil's Sao Paulo state are the two largest commercial producers of citrus concentrate in the world.

But Florida Citrus Mutual and a group of Florida-based orange juice processors filed a complaint on Dec. 27 charging that "the industry is being injured by steady importations of low-priced

orange juice in the market over the past two years." The losses came even though hurricanes and other circumstances should have boosted the bulk price of orange juice, the complaint said.

This alleged injury occurred although citrus concentrate imports face one of the highest tariff rates of any import into the United States.

Matthew T. McGrath, attorney for the Florida industry, said that the ruling had another effect on the industry.

"I see the futures for the orange market closed up 5 cents today," McGrath said.

AWARENESS

McGrath, an attorney with Barnes, Richardson and Colburn in Washington, said the dumping decision "would make the Brazilians aware that their pricing was being monitored by the Commerce Department."

"We are looking for a better return to the growers," McGrath said.

Still ahead, the Brazilian industry must fill out detailed questionnaires about production costs, sales and pricing from October 2003 to September 2004.