



FLORIDA CITRUS MUTUAL



P.O. Box 89 • Lakeland, FL 33802 • Phone (863) 682-1111 • Fax (863) 682-1074 • www.flcitrusmutual.com

Citrus Tariff Key Points

- There are two main entities that produce 90 percent of the world's orange juice: Florida and Brazil. Without Florida, Brazil would enjoy a monopoly over world orange juice production and consumers would suffer.
- Unlike other commodities, Florida citrus is not subsidized and the tariff enhances free trade, supports competition, and prevents a foreign monopoly.
- Administration's trade agenda goals:
 1. Increase competition
 2. Decrease cost to the consumer
 3. Increase trade throughout the worldOJ tariff reduction would **not** accomplish any of the goals and would:
 1. Further enhance a global oligopoly in orange juice trade
 2. Increase the cost of orange juice to the consumer
 3. Devastate the Florida citrus industry and Florida's economy
- Given current fruit prices, elimination of the tariff would cost growers \$0.20 per pounds solid, putting them out of business and immediately devaluing their groves.
- Without the tariff, Florida citrus growers will be put out of business and Florida residents will lose an industry that generates a \$9.1 billion economic impact each year, employs nearly 90,000 people and provides more than 800,000 acres of green space throughout the state.

For more information regarding the U.S. citrus tariff, please call Florida Citrus Mutual at (863) 682-1111.

MEDIA RELEASE

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Contact: Casey Pace, director of public affairs, at (863) 682-1111 ext. 214 or (863) 698-8977 (mobile).

For Immediate Release:

Florida Citrus Voiced Concerns at World Trade Talks

LAKELAND, Fla. (Sept. 15, 2003) – Florida’s citrus growers had a strong delegation in Cancun, Mexico for the World Trade Organization Meeting held Sept. 10-14.

“Our goal was to educate attendees about the world orange juice market and why orange juice is a unique commodity, as only two entities – Florida and Brazil – produce nearly 90 percent of the world’s orange juice supply,” said Andy LaVigne, Florida Citrus Mutual’s executive vice president/CEO. “Therefore, any reduction of the U.S. tariff on imported citrus products would put Florida growers out of business and give Brazil a monopoly on the world’s orange juice.”

Although the talks collapsed due to other issues, Florida citrus growers were successful in voicing their concern to trade officials and other meeting participants.

“This meeting was very productive for citrus. We were at the table and it is obvious that our voice was heard,” LaVigne said. “However, we still have a battle ahead of us as trade negotiations continue.”

Florida Citrus Mutual, founded in 1948, is the state’s largest citrus grower’s organization with more than 11,000 members.

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TARIFF UPDATE FROM CANCUN

LAKELAND (September 16, 2003) by Florida Citrus Mutual — Further steps were taken last week to preserve the citrus tariff as Andy LaVigne, executive vice president/CEO of Florida Citrus Mutual, attended the World Trade Organization meeting in Cancun. The five day discussion was held to reduce trade barriers between WTO countries.

What Happened at the World Trade Organization (WTO) Meeting in Cancun?

The progress that negotiators had hoped to make on the trade talks in Cancun collapsed in a very heated dispute when developed and developing countries failed to bridge their differences over agriculture issues, particularly farm subsidies and market access. While some progress was made in these areas, the talks ultimately failed because of the “Singapore issues,” named because they were first raised during trade talks in Singapore in 1996. These issues include investment rules, competition, government procurement, and trade facilitation.

How Does This Affect the Citrus Tariff Preservation Effort?

Since the negotiations collapsed, progress on the WTO talks has come to a halt, which is a favorable position for citrus for now. Because we are still unsure how this will affect upcoming talks, such as the Free Trade Area of the Americas (FTAA), and future WTO meetings, the tariff preservation effort must remain vigilant.

What is the Next Step For the WTO?

The WTO Director instructed the trade officials of the WTO member countries to continue working on the issues for the framework and schedule a meeting of the General Councils of Trade Ministers in Geneva before Dec. 15, 2003.

What Role Did the Florida Citrus Industry Play in Cancun?

The Florida citrus industry had a strong delegation in Cancun during the trade talks. They met with other citrus-producing countries, such as Costa Rica, Mexico and Belize, and spoke with members of the European Union delegation. In addition, they met with Representatives and Senators from U.S. House and Senate Committees. Their message was clear: no reduction of the

U.S. tariff for imported citrus products due to the unique nature of the commodity (only two players in the world market: Florida and Brazil).

What is the Next Step For Citrus?

The Citrus Tariff Oversight Committee (CTOC) and industry leaders will now turn their attention to the upcoming FTAA trade talks, which will take place in Miami in November. These talks will include trade negotiations between North, Central and South America. Obviously, Brazil will be a key factor during these discussions, and citrus officials are determining the best strategy for these negotiations.

In addition, the CTOC will evaluate the results of the WTO Cancun conference and stay involved in the on-going discussions in Geneva in the event progress is made to further develop an acceptable framework agreement to move the WTO negotiations forward. The CTOC will meet again on Sept. 19.