

FLORIDA FARM GROUPS OPPOSE FREE TRADE PACTS

By Doreen Hemlock Business Writer
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Florida dairy and sugar producers on Thursday raised their voices against plans for U.S. free trade pacts, charging that separate accords with Australia and Central America would slash jobs in their respective industries.

The farm groups charged that cheaper imports will displace U.S. products and suggested farm trade be handled through the larger World Trade Organization instead, so that complex issues of subsidies and other farm-trade distortions can be addressed among the WTO's almost 150 member nations.

The National Milk Producers Federation, based in Arlington, Va., sounded the alarm on free trade with Australia, the world's third-largest dairy exporter.

The milk group claimed more than 10 percent of Florida's dairy farmers could be forced out of business by reduced farm milk prices, if Washington opens up the U.S. market to Australian dairy products. Hardest hit would be small and medium-sized family farms, which tend to have higher production costs.

"Our projections show that total dairy farm income in Florida would drop by \$275 million over a nine-year period under the Australian proposal," said Jerry Kozak, chief executive of the U.S. milk group, said in a statement. That loss would ripple to farm suppliers and other businesses, endangering more than 1,000 jobs, he said.

U.S. consumers in theory should benefit from lower dairy prices. But Kozak predicted little change in retail prices, with gains going instead to "Australia's dairy industry, as well as a handful of multinational processing and retail companies that can buy wholesale products more cheaply."

U.S. and Australian negotiators are to meet in Washington, D.C. next week to continue talks on a free trade pact.

Meanwhile, 72 sugar companies and organizations in 19 states -- including Florida -- wrote President Bush asking he withdraw concessions on sugar imports in the Central American Free Trade Agreement (CAFTA) soon to be introduced to Congress for approval.

Unless the sugar provisions are withdrawn, the U.S. Sugar Industry group of Arlington, Va. said its members would oppose CAFTA and "any other free trade agreement with comparable provisions."

Agriculture is among the thorniest issues in world trade because of multi-billion-dollar subsidies and questions of national food security.