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Argentine farmers lash out at government restrictions

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BUENOS AIRES --

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

On Tuesday, farmers had set up some 150 roadblocks throughout this country of 40-million people, snarling traffic on some of the country's principal highways. The protests also are leading to shortages at markets.

The demonstrations, which will hit the two-week mark Wednesday, target a new system of export taxes on soybeans, sunflowers and other grains that farmers say will bankrupt small- and medium-sized farms.

Government officials counter that farmers have earned record profits as international commodity prices 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 nearly 60 percent of all land used in Argentina for agriculture.

Manufactured farm products and primary 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 Nestor 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 nearly 20 percent last year in Argentina, more than double the widely questioned official numbers.

Farmers, however, said Fernández 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 Nicolas 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."

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.

"We ask them to return a part of their profit, which all Argentines do, and how they react is (to) extend this excessive stoppage to 12 or 13 days," presidential Chief of Staff Alberto Fernandez said Tuesday. "It's disproportionate."

The effect has been felt in the capital of 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.

"I woke up at 3 a.m. today thinking about" how he would survive the shortages, said Daniel Ramondy, owner of a Buenos Aires butcher shop. "In 30 years, I have never experienced an impact this severe."

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



JOAQUIN RODRIGUEZ/Archivo Latino / MCT

A tire burns at a road blockade erected by farmers Tuesday in the province of La Pampa, Argentina, to protest an increase in farm taxes. Farmers are up in arms about new taxes on their growing revenues and have been at odds with the government over the past two years over everything from export bans on some goods to price controls.