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## TRADE

# Brazil to ask for probe of soybean subsidies

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Brazil, the world's second-largest soybean exporter, plans to ask the World Trade Organization to investigate the legality of U.S. subsidies for soybean farmers, Brazilian Agriculture Minister Roberto Rodrigues said.

The ministry is in talks with Brazilian farmers to prepare a formal request for a WTO probe, known as a panel, Rodrigues said in an interview in Brasilia. The United States spent \$11 billion in subsidies last year to guarantee a minimum price for crops including soybeans, making it difficult for Brazilian farmers to compete, Rodrigues said.

"Farmers are thinking about asking for a panel, and we are encouraging them to do so," Rodrigues, 62, said.

Targeting soybeans would mark an escalation in Brazilian President Luiz Inácio Lula da Silva's strategy to use the WTO to force the United States and Europe to cut subsidies and help open up new markets for farming exports. Brazil won WTO decisions last year that ruled government assistance for U.S. cotton and European sugar producers are illegal or violate trade regulations.

Brazilian soybean sales accounted for \$10 billion of revenue, or about 10 percent of total exports last year, helping drive an expansion of South America's largest economy.

Brazil is the world's biggest producer and exporter of coffee, orange juice and sugar, and is second in terms of soybean exports after the United States.