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More On U.S. Wheat Sale Offer To Brazil & Argentine Response

by Barbara Khol
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On May 14, Economy Ministry spokesperson Jose Ramalho said the Agriculture Ministry was not aware of a US offer to sell subsidized wheat to Brazil. According to Ramalho, if such offer exists, it would have been made to the Economy Ministry. Ricardo Tafani, manager of Brasilia's Wheat Chamber, said he was unaware of the wheat offer, but that it could have been made to "private Brazilian import companies." Reports from Argentina indicated that under its Export Enhancement Program, Washington has offered Brazil 700,000 metric tons of wheat at a discount in a bidding war with the European Community. Unidentified economic analysts in Brasilia were cited by the Agence France-Presse as saying that it is unlikely that Brazil will accept the deal because of official opposition to agricultural subsidies. In January, Brazil agreed to purchase at least 2 million MT of Argentine wheat a year until 1994. In Buenos Aires, Marcelo Regunaga, deputy secretary of agriculture, livestock and fisheries, told reporters that Washington had suggested talks with Argentina to minimize the negative impact of wheat exports to Brazil on the Argentine economy. The sale, he added, had been postponed until talks are concluded. Regunaga said that Brazil must import about 4.5 million to 5 million MT of wheat this year. Argentina could supply up to 3.5 million MT of the neighboring country's requirements. The remainder, 700,000 to 1 million MT, could be purchased from a nation which does not subsidize grain producers. (Basic data from AFP, 05/14/91; Xinhua, 05/15/91)

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