



Voluntary Report - public distribution

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Brazil

Grain and Feed

Reduction on Import Tariffs for Grain Products

2002

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Report Highlights:

The Brazilian Government reduced the Import Tariff for corn, rice, and wheat.

Includes PSD changes: No
Includes Trade Matrix: No
Trade Report
Brasilia [BR1], BR

The Brazilian Government reduces the Common External Tariff (CXT) for imports of Corn, Rice, and Wheat.**Corn:**

On December 6, 2002, as per Resolution Number 30, the Foreign Trade Board (CAMEX), reduced the import tax, on non-MERCOSUL corn imports from 9.5 percent to 2 percent, "ad valorem." The new import tax is valid until February 28, 2003 for a quota of 600,000 metric tons of corn (HTS 1005.90.10).

Rice and Wheat:

The Foreign Trade Board (CAMEX) publically announced on December 18, 2002 that a board decision has been taken to reduce the import tax (CXT) on non-MERCOSUL imports, according to the following:

| Product (HTS) | Previous Tariff | New Tariff ("ad valorem") |
|---|-----------------|---------------------------|
| Rice (1006.10.92) | 14.0% | 11.5% |
| Rice (1006.20.20), (1006.30.19), and 1006.3029) | 16.0% | 11.5% |
| Rice (1006.30.11) | 18.0% | 13.5% |
| Wheat (1008.10.90) | 11.5% | 10.0% |

Note: These new tariff rates for rice and wheat will become effective after publication in the Official Gazette (Diario Oficial). This is expected to occur before Christmas.

Comments: Rice producers from Rio Grande do Sul protested against CAMEX decision. However, private sector analysts believe this decision will help stabilize domestic rice prices.

The President of the Brazilian Association of Wheat Millers (ABITRIGO) declared that his association had requested the Brazilian Government to reduce the CXT to zero, but he believes that the current decision to reduce the duty by 1.5% will force Argentine exporters to reduce their export prices. According to some Brazilian millers, the Argentine wheat arrives in Brazil today at a cost of US\$154 per metric ton, compared to the price of U.S. wheat at US\$216 per metric ton. According to the President of ABITRIGO, the most import aspect of this decision is the federal government's apparent willingness to negotiate tariff reductions.