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Wednesday, December 10, 2003

Ms. Jean Webb
Secretary, Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

RECORDS SECTION

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VIA FAX ( 202 ) 418 - 5521

Dear Ms Webb:

I am writing to you to express my concerns about proposed changes in the FCOJ futures contract that are currently being considered by the CFTC. The reasons for my opposing the changes relate to my position as a grower of oranges in Belize. My family's United States based business established an orange grove in Belize in 1984 which currently has approximately 1,750 acres under cultivation, making us one of the larger growers in that country. The main reason that we undertook this project were the incentives that were provided by the United States government under the Caribbean Basin Initiative. As you are probably aware, this program eliminated import duties from products produced in Caribbean Basin countries and it was envisioned that this would encourage US investments to increase in this part of the world, providing sustainable economic growth. Since Belize had an existing citrus industry at this time and the duties on FCOJ were and still are substantial, we thought it made sense to become involved in the business of oranges in Belize.

Although the markets have not been favorable for many of our years in Belize, we consider ourselves to be a success story for the CBI, with our farm alone having invested in excess of five million dollars and currently providing employment for about forty Belizeans.

The proposed change in the FCOJ contract which appears to restrict product from all countries other than the USA or Brazil to a " B " contract makes little sense to me. If it is assumed by your agency that the " B " contract will trade at a discount to the " A " contract, then I would like to know how it can be explained to any grower or processor in a country other than Brazil or the USA that his product is worth less then someone elses even if it is of the same or better quality. From a common sense standpoint, it simply does not seem fair that producers of a commodity that is freely traded can be told to expect less for their product simply because of where it was produced. Along with this, it seems to send a message that goes in the opposite direction of the CBI, in effect providing a degree of disincentive for US based companies to increase citrus investments in Caribbean Basin countries.

I realize that the CFTC is separate from our government policy, but I wanted to point out the effect that your proposal could have. While I have not been authorized to speak on behalf of other Belizean growers in any official capacity, from conversations that I have had with several of them, I can assure you that they are with me in opposing this change, as I am sure you would be yourself if you were in our position.

I have little doubt that your proposed change in the FCOJ contract will result in a "B " contract trading at a discount to an " A " contract. This guarantees harm to my investment in Belize in the form of lower prices for all of the oranges that I produce relative to my competitors in the USA or Brazil. I am certain that growers and processors of oranges in any countries other than Brazil or the United States would join me in opposing having their product's value degraded as a result of the CFTC changing the structure of the FCOJ futures contract.

Sincerely,

Charles Kern
Big Falls Plantations Belize

email ACK210@aol.com