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ISO 9002 BSI PM 38987
ISO 14001 BSI EMS 39102



Munday, December 16th, 2003

Ms. Jean Webb
Secretary, Commodities Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, D.C. 20581
USA

COMMENT

2003 DEC 17 AM 11:39

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C.F.T.C.

FAK: 001(202)418-5521

Re: Proposed changes in FCOJ futures market

Dear Ms. Webb:

I am writing to express my concern about reported plans to modify the existing FCOJ futures market currently under consideration by the CFTC.

Costa Rica, like several other countries of the region (Belize, Honduras, Jamaica and Trinidad), has a small but growing citrus juice industry developed under the aegis of the Caribbean Basin Initiative. Our volumes are still small, our costs high, and our market arrangements fragile. But we are surviving and providing increased levels of employment, particularly in depressed rural areas where employment opportunities are scarce. Under these conditions, and especially with the depressed prices of today's international market, it would not take much to push our processing operation, not to mention the growers who depend on us, out of business. Perhaps perversely, we depend heavily on the current futures market both as a guide in our sales arrangements, and as a benchmark around which to base our payments to our growers. We believe that the development of a second tier in the futures market would further, and unjustly, devalue our sales program, and any short term reduction of our payments to growers would be a pyrrhic victory as our growers would swiftly be squeezed out of existence. However, with our market prices being benchmarked around this new standard, nor could we afford to sell into one regime while basing a major component cost in another.

Moreover, we are heavily dependent on inventory financing for our working capital needs. The value placed on that inventory by the banks is highly correlated to the futures price, and logically if our product is somehow linked to "second class" status, our ability to borrow will be commensurately, and we contend unfairly, downgraded.

We believe that our product is on a par with anyone's in terms of objective quality measurement. We routinely are scored USDA Grade A in laboratory assessments of our product. We therefore see no objective reason why our product should artificially be relegated to an inferior status. Yet that is likely what will happen if we are by law linked to a second tier futures market.

Accordingly, and with the keenest appreciation that our position is completely one of a supplicant, we beg for your reconsideration of this idea of a second tier FCOJ futures market, and scrap it.

Sincerely yours,

Randolph I. Fleming
CFO

cc: Jesus Paniagua/ Gustavo Carrion/ Keith Alexander/ Charlie Kern

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C.F.T.C.

Planta Tel (506) 677 7103 Fax (506) 677 7102
San José Tel (506) 233 2386 Fax (506) 233 0914

Apdo 7110-1000, San José, Costa Rica
E Mail: delorosa@raesa.co.cr