

Viewing cable 07BUENOSAIRES254, SECRETARY OF AGRICULTURE GETS BROWN BAGGED

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FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC 7238
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RUEHRC/DEPT OF AGRICULTURE USD FAS WASHINGTON DC
RHMFIUU/HQ USSOUTHCOM MIAMI FL
RUEHAC/AMEMBASSY ASUNCION 5930
RUEHNM/AMEMBASSY MONTEVIDEO 6168
RUEHSG/AMEMBASSY SANTIAGO 0178
RUEHBR/AMEMBASSY BRASILIA 5781
RUEHSG/AMEMBASSY SANTIAGO 0179
RUEHLP/AMEMBASSY LA PAZ FEB CARACAS 1083
RUEHSO/AMCONSUL SAO PAULO 3162
RUEHRI/AMCONSUL RIO DE JANEIRO 2149

UNCLAS BUENOS AIRES 000254

SIPDIS

SENSITIVE

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WHA FOR WHA/BSC AND WHA/EPSC
E FOR THOMAS PIERCE
PASS NSC FOR JOSE CARDENAS
PASS FED BOARD OF GOVERNORS FOR PATRICE ROBITAILLE
PASS USTR FOR SUE CRONIN AND MARY SULLIVAN
TREASURY FOR ALICE FAIBISHENKO
USDOC FOR 4322/ITA/MAC/OLAC/PEACHER
US SOUTHCOM FOR POLAD

E.O. 12958: N/A

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SUBJECT: SECRETARY OF AGRICULTURE GETS BROWN BAGGED

Summary

¶1. (SBU) On February 6, Argentine Secretary of Agriculture, Livestock, Fisheries and Food Miguel Campos officially resigned from his position, a move which is perceived as Campos having been fired by Argentine President Nestor Kirchner. Campos has been replaced by Javier de Urquiza, the Under Secretary for Agriculture, Livestock and Forestry, who hails from the same province as President Nestor Kirchner. Agricultural sector reps welcomed the change, as Campos has long been seen as unnecessarily combative and obstructionist. Campos may have been the key figure in the GoA preventing a resolution to Monsanto's long-standing dispute over royalty payments for its biotech products. This change brings some hope that it may finally happen, which would improve Argentine soybean production.

END SUMMARY

CAMPOS - PART OF THE PROBLEM

¶2. (U) In the evening on February 6, President Nestor Kirchner accepted the resignation tendered by Secretary of Agriculture Miguel Santiago Campos earlier that day. This position directly answers to the Minister of Economy. Campos had held the position since May 25, 2003, the first day of the Kirchner administration. Campos will be replaced by his Under Secretary for Agriculture, Livestock, and Forestry, Javier de Urquiza, who hails from the same province in Patagonia (Santa Cruz) as Kirchner. Agricultural sector leaders in Argentina hailed the move. One such leader said the relationship with Campos was "worn out" and expressed hope for results from previously scheduled negotiations with the GoA, which will address GoA measures such as export taxes, export restrictions, and price controls. De Urquiza will participate in those negotiations which are scheduled to begin on February 8.

¶3. (SBU) The tenure of Campos was controversial, to say the least. He was indicted for alleged malfeasance in the distribution of the Hilton Quota (Argentina's 20,000 ton fresh beef quota with the EU), though charges were dropped in October 2006. He has publicly ridiculed U.S. Secretary of Agriculture Johanns, misrepresented the substance of meetings with other USDA officials, and once got into a physical altercation with de Urquiza during a meeting. In addition, Campos seemed to have turned a dispute with Monsanto into a personal issue; rather than try to facilitate a consensus solution, he actively campaigned against Monsanto. (NOTE: The majority of soy produced in Argentina comes from Monsanto's biotech Roundup-Ready seed, most of which has been sold illegally without payment of royalties to Monsanto. END NOTE) Monsanto has sought to broker a deal with growers, but needs the support of the GoA. Campos had consistently withheld that support. In a meeting with FAS Counselor on February 6 prior to announcement of Campos' resignation, a Monsanto rep expressed little hope of progress. However, following the change in leadership, the same rep is now more optimistic. Monsanto says they have a sound relationship with de Urquiza, who has never attacked the company, and seems to understand the importance of resolving the royalties issue for Argentine agriculture.

DE URQUIZA - PART OF THE SOLUTION?

¶4. (SBU) De Urquiza is the former leader of the Santa Cruz Province chapter of the Argentine Rural Confederation ("Confereraciones Rurales Argentinas" - CRA), is closely tied to Planning Minister Julio De Vido, one of the most powerful members of the Kirchner Administration, and told Post that he went to school with Kirchner in Santa Cruz. Unlike Campos, de Urquiza has a background rooted in

the agricultural-livestock sector - his family raises sheep in Santa Cruz - while Campos was seen as a technician, without experience in the sector. Given his past participation in the Argentine Rural Confederation, de Urquiza has good political contacts with farm organizations. For the past year or so, he has been one of the GoA's principal interlocutors on ag-livestock issues, despite the fact that he was formally subordinate to Campos. When the previous Ambassador raised the Monsanto royalties issue in May 2006 with Minister De Vido, De Vido told the Ambassador to work the issue through De Urquiza. However, subsequent meetings with de Urquiza did not lead to a breakthrough.

¶5. (SBU) Beginning on February 8, the GoA will be meeting with agricultural leaders (including the CRA) to try to re-initiate a dialogue on a number of outstanding issues, including export taxes, export restrictions, and price controls. These measures have helped limit inflation in the short-term but have raised questions about future production and investment in the sector. The meetings have been cited as the reason that Campos was fired, to facilitate dialogue. The GoA delegation will include de Urquiza as well as Minister Miceli, and be led by Kirchner's Chief of Cabinet Alberto Fernandez. This presumably could be a good chance for de Urquiza to demonstrate his political skills and allow the GoA a chance to finally come to terms with the issues above, which have alienated the agricultural and livestock sectors from the government. The GoA reportedly plans to discuss recently announced plans to partially subsidize beef production, using funds raised through a recent increase in export taxes on soybeans and soy products.

COMMENT

¶6. (SBU) With presidential elections slated for October 28 of this year, de Urquiza will have little time in his new post to make an impact. However, since the primary goal for the GoA is keeping beef and other prices down, rather than please the growers, he may have to do very little to be "successful." However, if he can broker an end to the long-standing Monsanto dispute, Monsanto would finally release their next generation of biotech soy in Argentina, which would be good for them but even better for Argentina, as soybean yields would likely increase. Other Post interlocutors in the Foreign and Economy Ministries (like De Vido, above) have indicated a willingness to see this issue resolved. If de Urquiza can accomplish just that, and nothing else, his tenure will be better - for the U.S. and for Argentina - than that of Campos.

¶7. (U) To see more Buenos Aires reporting, visit our classified website at: <http://www.state.sgov.gov/p/wha/buenosaires>.

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