



Presidente di Parlamento di Aruba  
Sr. mr. Edgard Vrolijk  
L.G. Smith Blvd 72

Oranjestad, July 22, 2024

**Topic:** Urgent Attention Required: Key Issues Affecting the Agricultural Sector

Dear Mr. Vrolijk,

I hope this letter finds you well.

I am writing on behalf of United Farmers Aruba to urgently seek your intervention regarding several critical issues that are impeding the progress of our emerging agricultural sector. Despite multiple meetings with ministers and government department directors, little has been accomplished to address these pressing concerns.

We for several years now have been seating with the committee from parliament who is in charge with the primary sector but little have been accomplish as well. We have seen several motions passed in parliament for the ministers to help this sector.

We are thanking this moment to present to you the most urgent items that we would like your attentions.

**Department of Infrastructure and Planning (DIP):** This department plays a crucial role in the agricultural sector, as access to land is essential for farming activities. Many of our members have submitted petitions since 2021 and have yet to receive any response. We request more transparent communication and updates on the status of these petitions.

Additionally, the current "Huurcontracts" for the agriculture sector are outdated and no longer applicable in modern times. These contracts prohibit construction on the property, yet installing greenhouses requires a building permit from DOW. DOW, in turn, denies these permits due to the contract stipulations, creating a bureaucratic deadlock. We need a commission, including UFA representatives, to develop practical solutions for these issues.

**BBO at the Border:** Since August 2023, we have persistently communicated our concerns to you and other ministers, yet we have not received a definitive resolution. During our meeting with the Departamento di Impuesto on January 10, 2024, we were assured that we could reclaim the BBO online once registered with Impuesto and Santa Rosa. However, this process has proven ineffective in practice, causing significant confusion, delays, and cash flow issues for farmers.

An MB, signed by Minister Bermudez on April 28, 2016, exempts us from paying or collecting BBO on our sales. Given that we do not sell "handelsgoederen," our sector should have a unique standing regarding BBO rules at the border. However, we now face a situation where commercial farms are paying BBO at the

border, contradicting the January meeting's decision. This inconsistency threatens to increase locally produced items' prices by 7% due to the lack of anticipated refunds.

**Single-Use Plastic Ban:** While we understand and support reducing single-use plastics, this ban is currently unfeasible for local producers due to critical factors such as temperature and humidity. Plastic remains the best material for maintaining our produce's quality and freshness and is the most affordable packaging solution available.

This ban places our sector at a significant disadvantage, creating unfair competition with imported products from the USA, EU, and Colombia, which are allowed to enter our market wrapped in plastic. Furthermore, several industries, such as beverage and bakery sectors, have exemptions to import their plastic needs. How can we foster a new economic pillar in Aruba if local producers are subjected to restrictive policies not applied to imported goods?

**Agricultural Douane Procedure:** The current process for declaring agricultural imports is overly complicated. Primary sector entities must register with Santa Rosa and Departamento di Impuesto to import goods duty-free. This process involves using a broker to insert documents into the Douane system (ASYCUDA), followed by a review by Santa Rosa, which then issues a letter to Douane. However, we have been informed that Santa Rosa's letter holds no value despite it being the competent authority on primary sector matters.

Additionally, inconsistent interpretations of the law by Douane agents have led to delays and confusion. We need a streamlined system to expedite duty-free applications and reduce import times for the primary sector.

**Commercial EV Importation:** Aruba's revised policy last year reduced import duties on electric cars from 2% to 0%. However, electric commercial vehicles are still taxed at 12% due to the lack of a separate customs code for them (category 87.04). This oversight discourages the importation of EV trucks, essential for our sector's sustainability. We urge a revision of this policy to support the primary sector's transition to sustainable transportation.

Given the urgency and severity of these matters, we respectfully request your immediate intervention. These issues not only impact our operational efficiency but also undermine efforts to establish a sustainable agricultural sector in Aruba.

Your prompt attention to these critical issues is greatly appreciated. We look forward to your swift response and resolution.

Thank you for your assistance.

Yours sincerely,



Gregory Fung-A-Fat  
President, United Farmers Aruba



<b>B.I.D.</b> Ministerie van Algemene Zaken, Innovatie, Overheidsorganisatie Infrastructuur en Ruimtelijke Ordening
Ing: 18 JUL 2024
Volg-No.: <u>Copie</u>



Minister of General Affairs, Energy, Innovation  
Government Organisation  
Mrs. Evelyn Wever-Croes  
Prime Minister of Aruba  
Bestuurskantoor  
LG Smith Blvd 76  
ALHIER

Oranjestad, July 18, 2024

**Topic:** Urgent Attention Required: Key Issues Affecting the Agricultural Sector

Dear Prime Minister Wever-Croes,

I hope this letter finds you well.

I am writing on behalf of United Farmers Aruba to urgently seek your intervention regarding several critical issues that are impeding the progress of our emerging agricultural sector. Despite multiple meetings with ministers and government department directors, little has been accomplished to address these pressing concerns.

**Department of Infrastructure and Planning (DIP):** This department plays a crucial role in the agricultural sector, as access to land is essential for farming activities. Many of our members have submitted petitions since 2021 and have yet to receive any response. We request more transparent communication and updates on the status of these petitions.

Additionally, the current "Huurcontracts" for the agriculture sector are outdated and no longer applicable in modern times. These contracts prohibit construction on the property, yet installing greenhouses requires a building permit from DOW. DOW, in turn, denies these permits due to the contract stipulations, creating a bureaucratic deadlock. We need a commission, including UFA representatives, to develop practical solutions for these issues.

**BBO at the Border:** Since August 2023, we have persistently communicated our concerns to you and other ministers, yet we have not received a definitive resolution. During our meeting with the Departamento di Impuesto on January 10, 2024, we were assured that we could reclaim the BBO online once registered with Impuesto and Santa Rosa. However, this process has proven ineffective in practice, causing significant confusion, delays, and cash flow issues for farmers.

An MB, signed by Minister Bermudez on April 28, 2016, exempts us from paying or collecting BBO on our sales. Given that we do not sell "handelsgoederen," our sector should have a unique standing regarding BBO rules at the border. However, we now face a situation where commercial farms are paying BBO at the border, contradicting the January meeting's decision. This inconsistency threatens to increase locally produced items' prices by 7% due to the lack of anticipated refunds.

**Single-Use Plastic Ban:** We would like to address the current challenges faced by local producers due to the single-use plastic policies. It is unfair that local producers must compete with imported produce packaged in plastic, which unfortunately remains the cheapest and most convenient way to extend shelf life.

Our products are fresh, and some local supermarket demands force some of our members to use plastic bags, which, due to the local single-use plastic ban, are either unavailable or costly. The current policy is placing our sector at a significant disadvantage, creating unfair competition with imported products from the USA, EU, and Colombia, which are allowed to enter our market wrapped in plastic and reinforces the perceived need from supermarkets to demand plastic from local suppliers. Furthermore, several industries, such as beverage and bakery sectors, already have exemptions to import their plastic needs.

We believe it is crucial to evaluate how to provide fair competition for our sector and advise a similar exemption for our industry like the ones for beverages and bakery.

**Agricultural Douane Procedure:** The current process for declaring agricultural imports is overly complicated. Primary sector entities must register with Santa Rosa and Departamento di Impuesto to import goods duty-free. This process involves using a broker to insert documents into the Douane system (ASYCUDA), followed by a review by Santa Rosa, which then issues a letter to Douane. However, we have been informed that Santa Rosa's letter holds no value despite it being the competent authority on primary sector matters.

Additionally, inconsistent interpretations of the law by Douane agents have led to delays and confusion. We need a streamlined system to expedite duty-free applications and reduce import times for the primary sector.

**Commercial EV Importation:** Aruba's revised policy last year reduced import duties on electric cars from 2% to 0%. However, electric commercial vehicles are still taxed at 12% due to the lack of a separate customs code for them (category 87.04) plus the 7% BBO as mentioned earlier in this letter. This oversight discourages the importation of EV trucks, essential for our sector's sustainability. We urge a revision of this policy to support the primary sector's transition to sustainable transportation.

Given the urgency and severity of these matters, we respectfully request your immediate intervention. These issues not only impact our operational efficiency but also undermine efforts to establish a sustainable agricultural sector in Aruba.

Your prompt attention to these critical issues is greatly appreciated. We look forward to your swift response and resolution.

Thank you for your assistance.

Yours sincerely,



Gregory Fung-A-Fat  
President, United Farmers Aruba



<b>B.I.D.</b> Ministerie van Transport, Integriteit, Natuur en Ouderezenaken	
Ing:	25 JUL 2024
Volg-No.:	



Minister van Transport, Integriteit, Natuur  
en Ouderezenaken Aruba  
Mr. Ursell Arends  
Bestuurskantoor  
L.G. Smith Blvd 76  
ALHIER

Oranjestad, July 25, 2024

**Topic:** Urgent Intervention Needed: Key Issues Affecting the Agricultural Sector

Dear Minister Arends,

I hope this letter finds you well.

I am writing on behalf of United Farmers Aruba to urgently seek your intervention regarding several critical issues that are hindering the progress of our agricultural sector. As the minister responsible for this sector, your immediate action is essential. Despite numerous meetings with yourself, other ministers, and government department directors, little progress has been made to address these pressing concerns. Here are the issues, prioritized by their importance:

#### **Electricity Pricing and Infrastructure**

The agricultural sector heavily relies on substantial amounts of electricity, making it a critical component of our operational costs. As a sector poised to become a significant economic pillar, we urgently call for the establishment of a preferential electricity pricing structure. Such a measure is vital for lowering production costs, ensuring the financial sustainability, and maintaining the competitive edge of our agricultural operations.

Furthermore, the current infrastructure frequently fails to supply the necessary electricity levels to our farms. This lack of adequate infrastructure creates significant barriers to our productivity and hinders our ability to expand operations. It is crucial that these infrastructure deficiencies are addressed without delay. Ensuring reliable access to the required electricity is not just a matter of operational efficiency; it is a prerequisite for sustainable growth and long-term viability.

Addressing both the cost and accessibility issues related to electricity will not only support the immediate needs of the agricultural sector but will also foster its long-term growth and success. The sector's development is contingent on these improvements, making it imperative for relevant authorities to prioritize these issues and take prompt action.

#### **Single-Use Plastic Ban**

We urgently need to address the significant challenges local producers face due to the current single-use plastic policies. The existing regulations are disproportionately disadvantaging our local agricultural sector, as they mandate that we compete against imported produce packaged in plastic. Unfortunately, plastic packaging remains the most cost-effective and efficient method for extending the shelf life of products.

Our locally produced goods, known for their freshness, are often subject to the demands of local supermarkets that insist on the use of plastic bags. However, due to the local ban on single-use plastics,



these bags are either unavailable or come at a prohibitive cost. This situation places our sector at a severe competitive disadvantage, particularly when compared to imported products from the USA, EU, and Colombia. These imported goods can enter our market wrapped in plastic, which is not only allowed but also necessary to meet supermarket expectations. The current policy inadvertently reinforces the supermarkets' perception that plastic is essential for product preservation, further exacerbating the issue for local producers.

Moreover, it is important to note that several other industries, such as the beverage and bakery sectors, already benefit from exemptions that allow them to import plastic for their specific needs. This creates an uneven playing field and highlights a policy inconsistency that must be addressed.

We strongly advocate for a comprehensive review of these policies to ensure fair competition. Specifically, we request that the agricultural sector be granted similar exemptions as those provided to the beverage and bakery industries. This adjustment is essential to level the playing field and support the sustainability and growth of our local agricultural sector. We urge the relevant authorities to consider this matter with the urgency it warrants and implement necessary changes promptly.

#### **BBO at the Border:**

Since August 2023, we have consistently voiced our concerns about the implementation of the BBO tax at the border, yet we have not received a definitive resolution. During our meeting with the Departamento di Impuesto on January 10, 2024, we were assured that upon proper registration with Impuesto and Santa Rosa, we could reclaim the BBO online. However, this process has proven ineffective, leading to significant confusion, delays, and cash flow issues for our farmers. The Ministerial Decree signed by Minister Bermudez on April 28, 2016, explicitly exempts us from paying or collecting BBO on our sales, as we do not deal in "handelsgoederen." Therefore, our sector should be uniquely positioned concerning BBO regulations at the border. Despite this, commercial farms are still being charged BBO at the border, directly contradicting the assurances given in the January meeting. This inconsistency threatens to inflate the prices of locally produced items by 7%, as the anticipated refunds are not forthcoming.

#### **Agricultural Douane Procedure:**

The current procedure for declaring agricultural imports is excessively complicated and inefficient. Primary sector entities are required to register with Santa Rosa and the Departamento di Impuesto to import goods duty-free. This cumbersome process involves hiring a broker to input documents into the Douane system (ASYCUDA), after which Santa Rosa reviews and issues a letter to Douane. However, we have been informed that Santa Rosa's letter, despite being from the competent authority on primary sector matters, holds no actual value. Furthermore, inconsistent legal interpretations by Douane agents have led to unnecessary delays and confusion. This convoluted system needs a complete overhaul to streamline the duty-free application process, thereby reducing import times for the primary sector.

#### **Department of Infrastructure and Planning (DIP):**

The Department of Infrastructure and Planning plays a vital role in the agricultural sector, primarily through the allocation of land, which is essential for farming activities. Many of our members have submitted petitions since 2021 but have yet to receive any response. We urgently request more transparent communication and timely updates on the status of these petitions. Moreover, the current "Huurcontracts" for the agriculture sector are outdated and unsuitable for modern agricultural practices. These contracts prohibit any form of construction on the property, yet installing greenhouses / animal housing a necessity for many of our members—requires a building permit from DOW. DOW, however, consistently denies these permits due to restrictive contract stipulations, creating a bureaucratic impasse. We strongly urge the formation of a commission, including UFA representatives, to develop practical solutions to these pressing issues.

**Commercial EV Importation:**

Last year, Aruba revised its policy to reduce import duties on electric cars from 2% to 0%. However, electric commercial vehicles continue to be taxed at 12% because of the absence of a distinct customs code for them (category 87.04). Additionally, these vehicles are subject to the 7% BBO as previously mentioned. This oversight severely discourages the importation of electric vehicles (EVs), which are crucial for the sustainability of our sector. We strongly urge a policy revision to include electric commercial vehicles, thereby supporting the primary sector's transition to sustainable transportation.

Given the critical nature and urgency of these matters, we respectfully request your immediate intervention. These issues not only affect our operational efficiency but also jeopardize the broader effort to establish a sustainable agricultural sector in Aruba.

We appreciate your prompt attention to these pressing issues and look forward to a swift resolution.

Thank you for your assistance.

Yours sincerely,



Gregory Fung-A-Fat  
President, United Farmers Aruba



<b>B.I.D.</b> Ministerie van Economische Zaken, Communicatie en Duurzame Ontwikkeling	
Ing:	10 JUL 2024
Volg-No.:	



Minister of Economic affairs, Communication,  
and Sustainable Development  
Mr. Geoffrey Wever  
Bestuurskantoor  
LG Smith Blvd 76  
**ALHIER**

Oranjestad, July 10, 2024

**Topic:** Urgent Attention Required: Key Issues Affecting the Agricultural Sector

Dear Minister Wever,

I hope this letter finds you well.

I am writing on behalf of United Farmers Aruba to urgently seek your intervention regarding several critical issues that are impeding the progress of our emerging agricultural sector. Despite multiple meetings with ministers and government department directors, little has been accomplished to address these pressing concerns.

**BBO at the Border:**

Since August 2023, we have persistently communicated our concerns to you and other ministers, yet we have not received a definitive resolution. During our meeting with the Departamento di Impuesto on January 10, 2024, we were assured that we could reclaim the BBO online once registered with Impuesto and Santa Rosa. However, this process has proven ineffective in practice, causing significant confusion, delays, and cash flow issues for farmers.

An MB, signed by Minister Bermudez on April 28, 2016, exempts us from paying or collecting BBO on our sales. Given that we do not sell "handelsgoederen," our sector should have a unique standing regarding BBO rules at the border. However, we now face a situation where commercial farms are paying BBO at the border, contradicting the January meeting's decision. This inconsistency threatens to increase locally produced items' prices by 7% due to the lack of anticipated refunds.

**Single-Use Plastic Ban:**

While we understand and support reducing single-use plastics, this ban is currently unfeasible for local producers due to critical factors such as temperature and humidity. Plastic remains the best material for maintaining our produce's quality and freshness and is the most affordable packaging solution available.

This ban places our sector at a significant disadvantage, creating unfair competition with imported products from the USA, EU, and Colombia, which are allowed to enter our market wrapped in plastic. Furthermore, several industries, such as beverage and bakery sectors, have exemptions to import their plastic needs.

How can we foster a new economic pillar in Aruba if local producers are subjected to restrictive policies not applied to imported goods?



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The current process for declaring agricultural imports is overly complicated. Primary sector entities must register with Santa Rosa and Departamento di Impuesto to import goods duty-free. This process involves using a broker to insert documents into the Douane system (ASYCUDA), followed by a review by Santa Rosa, which then issues a letter to Douane. However, we have been informed that Santa Rosa's letter holds no value despite it being the competent authority on primary sector matters.

Additionally, inconsistent interpretations of the law by Douane agents have led to delays and confusion. We need a streamlined system to expedite duty-free applications and reduce import times for the primary sector.

**Commercial EV Importation:**

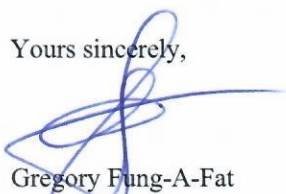
Aruba's revised policy last year to reduced import duties on electric cars from 2% to 0%. However, electric **commercial vehicles** are still taxed at 12% due to the lack of a separate customs code for them (category 87.04). This oversight discourages the importation of EV trucks, essential for our sector's sustainability. We urge a revision of this policy to support the primary sector's transition to sustainable transportation.

Given the urgency and severity of these matters, we respectfully request your immediate intervention. These issues not only impact our operational efficiency but also undermine efforts to establish a sustainable agricultural sector in Aruba.

Your prompt attention to these critical issues is greatly appreciated. We look forward to your swift response and resolution.

Thank you for your assistance.

Yours sincerely,



Gregory Fung-A-Fat  
President, United Farmers Aruba