

U.S.-Cuba Trade and Economic Council, Inc.

New York, New York 10112-0002
Telephone (917) 453-6726 • E-mail: council@cubatrade.org
Internet: <http://www.cubatrade.org>

The Los Angeles Times

Los Angeles, California

30 December 2002

Cuba Seeks to Break Sugar Habit by Retraining Industry Workers

Central planners hope reducing reliance on the crop will help stem the economy's slide.

By Carol J. Williams, Times Staff Writer

SAN CRISTOBAL, Cuba -- In the cloying tropical heat of Pinar del Rio province, the "national garden" where jungles of sugar cane sag under their own weight, central planners are cultivating an economic revolution.

Sugar has been Cuba's dominant crop and a vital source of dollars for two centuries. But dependence on one product has sickened a national economy already suffering from U.S. trade sanctions and the loss of trade when the Soviet bloc collapsed more than a decade ago. Tumbling world sugar prices have forced those governing this last flickering light of communism in the West to engineer an exit from their sugar addiction.

Cuban authorities have closed half of the country's 154 sugar factories this year and have sent the first of an expected 200,000 idled cane cutters and mill hands to be retrained for work in greener pastures.

Independent economic analysts predict that the undertaking will fail. Cuba still is reeling from the loss more than a decade ago of Moscow's subsidies, and the most promising opportunities -- in tourism and biotechnology -- are limited by a worldwide economic downturn.

To take what amounts to one in every 20 Cuban laborers out of productive work during an expensive conversion, analysts say, smacks of the outsized defiance of reality exhibited decades ago when Soviet leaders attempted to reverse the course of Siberian rivers and flood deserts in order to plant cotton and corn.

Sugar production has been on a downhill slide since 1970, when President Fidel Castro's drive to harvest 10 million tons fell short by a million despite conscription

of every able-bodied worker available to cut cane. Since then, output has eroded, to 4 million tons last year.

Even when sugar was fetching 12 cents a pound a few years ago, Cuba was spending at least 25% more on production than it was getting back in sales. Today, with the world overstocked with sugar to the tune of six months' demand, Cuba spends about 17 cents a pound making a product that sells for only 5 cents a pound.

The rush of good money after bad prompted a government edict in May to retrain sugar workers for jobs in forestry, fruit and vegetable production, food processing and horticultural science. Planners hope they can reduce the country's dependence on food imports, which costs the cash-strapped regime \$1 billion a year.

"It's never good to depend on just one product, which is why we need to diversify," said Jose Luis Rodriguez, head of business and international relations at the Ministry of the Sugar Industry.

Agricultural engineer Oscar Almazan contends that Cuban researchers are perfecting the use of sugar cane as animal fodder. That would boost meat production and avoid waste of cane output, he said, calling the sweet feeds a promising "staple of the tropics."

Those with a hand in the retraining effort also point to Cuba's generally well-educated workforce as a reason for optimism in the daunting transformation. Cutters can just as easily harvest corn or cabbage, they insist, touting the community-based labor market as an attraction for foreign investors.

In fact, sugar workers are not so much based in their communities as bound to them. Prohibited by the regime's anti-ownership ideology from selling or renting their state-owned homes or from buying cars that would allow them to commute, idled workers could not easily take jobs in another market even if they were being offered.

Developed along the Soviet model of horizontal integration, the sugar industry is mostly situated in remote company towns such as San Cristobal, where kindergartens, clinics, housing and all other services are provided under the factory umbrella. Castro has vowed to close the plants while maintaining salaries and services that made production a losing venture. Cuban economists such as Tirso Saenz Coopat insist that the regime can find a way to square the economic logic.

"We are driven by necessity. We can't do anything with our industrial architecture without a market, and there is no market for sugar at the moment," said the economist, who heads the state Assn. of Sugar Technicians. Saenz cites soaring maintenance costs for idled mills as justification for shutting them down and stripping them of equipment that can be used elsewhere.

Rodriguez, from the sugar ministry, notes that the shuttered mills contain some of the most powerful generators in Cuban industry and can be tapped to supply electricity to counter the island's frequent blackouts. And for every \$35,000 boiler the state can avoid buying for the mills in the future, five greenhouses can be built to grow vegetables and flowers -- products impossible to import at affordable prices, he added.

With the country already on its economic knees, however, independent economic analysts say they see no way the regime can afford to finance its projected three years of downtime for former sugar workers.

"The retraining program is an intelligent effort by the government of Cuba to restructure, but it does have substantial short-term and medium-term costs," said John Kavulich, head of the U.S.-Cuba Trade and Economic Council in New York. "These people won't be productive while they are learning new skills."

The intellectual transformation will be even more trying. "Sugar workers are generally unskilled laborers," the analyst said. "Some individuals are just not going to be capable of making the transition."

One of 71 complexes surviving the mass shutdown, the 30th of November plant here in San Cristobal stands in grimy tribute to the corroded state of the industry. Rusty screws protrude from corrugated aluminum walls. Uneven concrete floors are safety minefields, strewn with stray electrical cords, loose parts from crumbling machinery and singed pieces of cane stalks. A rickety catwalk missing half its handrails traverses the grime-encrusted production line, which looks capable of making only smoke and noise.

At the Eduardo Garcia Lavandera agro-industrial complex, an hour's drive west of here, two dozen workers huddle at tiny desks on a patio of the hacienda seized from sugar magnate Julio Lobo after Cuba's 1959 revolution. The two personal computers set up yards away, like alabaster busts in an art museum, are of no use because the complex has been without electricity since morning.

If any of the workers doubt the viability of the transition, they are loath to say so. Others continue to trust their fate to the faltering revolution.

"We have security in our social system, so I'm not afraid of changes," said Rosario Soca, a 40-year-old mother of two who has worked at the factory for 20 years and takes home less than \$10 a month in pay. "Even if something happens, I will still get my salary."

22 December 2002

U.S. support of embargo on Cuba is holding -- but for how long?

By Tim Johnson

WASHINGTON - The White House held firm this year against a battering ram of legislative proposals to weaken the four-decade-old embargo of Cuba, fending off rising sentiment in Congress to allow greater trade with the island.

But the battle over U.S. policy toward Cuba is far from over. And while the Republicans now control both chambers of Congress, pro-embargo and anti-embargo forces may have plenty of queasy moments in the year ahead.

The outcome of the ongoing skirmish may depend partly on events as disparate as agricultural commodity prices, the behavior of Cuban leader Fidel Castro, Republican loyalty to South Florida's two Cuban-American legislators and the fighting spirit of Rep. Tom DeLay, the incoming House majority leader. DeLay's staunch support of the U.S. embargo has in large part helped derail legislative efforts to weaken it. For the time being, embargo supporters say they are satisfied with how the year unfolded.

'PRETTY UPBEAT'

"We're pretty upbeat at the moment," said Dennis K. Hays of the Cuban American National Foundation, an exile lobbying group that supports the embargo. "We were successful -- very much so."

A few months ago, the panorama was far different. For the third consecutive year, and by a steadily increasing margin, legislators made clear that they wanted the U.S. embargo relaxed. In midsummer, the House voted 262-167 to halt funding to enforce a ban on U.S. travel to Cuba.

In two other amendments, it voted to lift a cap on family remittances to Cuba and to allow private financing of farm sales. In the Senate, two amendments would have weakened the travel ban and provided \$3 million for anti-narcotics cooperation with Cuba.

Given the legislative onslaught, pro-embargo forces were somewhat glum. "It did look pretty dicey," Hays recalled.

In a surprising moment of candor, outgoing House Majority Leader Dick Armey said in early August that he supported the U.S. embargo out of loyalty to fellow Republican Reps. Ileana Ros-Lehtinen and Lincoln Diaz-Balart of South Florida, but that U.S. sanctions against Cuba would not last much longer. "If they last a year, it will be the last year they last," Armey said.

Since then, though, the exigencies of the legislative calendar have torpedoed anti-embargo efforts. Congress went home last month without approving 11 of 13 appropriations bills, including the ones containing the amendments related to Cuba. When Congress meets in January, Republican leaders are likely to strip all controversial amendments, including those on the embargo, to speed passage of an omnibus spending bill.

RANK-AND-FILE

Even so, the sentiment in the rank-and-file of Congress appears to be growing to engage Cuba more actively. "There's a tremendous amount of congressional momentum," said Jordan Press of the Latin America Working Group, a policy organization in Washington that opposes the embargo.

This year saw the formation of the Cuba Working Group, a bipartisan coalition in the House fighting against the embargo that comprises 46 legislators, equal numbers of Republicans and Democrats, a sign that Cuba policy no longer falls sharply along partisan lines. But while they won votes, anti-embargo legislators have little to show for their efforts.

"The votes are there, yet the policy isn't changing," Press said. "That causes a tremendous amount of indigestion. That's why the pro-engagement forces will have their share of frustrations."

If the dynamic on Capitol Hill changed, it is largely due to a Cuban spending binge that began in late 2001 after Hurricane Michelle lashed the island. The cash-only agricultural sales, permitted under a law enacted in late 2000, gave impetus on Capitol Hill to demands to weaken the embargo. By the end of this year, Cuba will have spent some \$165 million for U.S. agricultural purchases, and it says it plans on buying \$240 million in U.S. food in 2003.

Fidel Castro has spread the cash around, buying from at least 34 different states and tantalizing farm-belt legislators with the prospect of greater sales. "It's really fired up the agricultural community," Press said. "I don't think it's any surprise that Cuba has decided to buy apples from Washington state, rice from Arkansas and soybeans from Michigan."

The regime appears to be gambling that Congress will not only weaken the economic embargo but permit broad U.S. travel to Cuba, which would give the island an infusion of tourist dollars. Whether Cuba has the cash to keep up the food purchases in the coming year is a matter of debate -- and may depend on such factors as grain and farm prices and whether the Castro regime antagonizes Washington.

A senior Bush administration official, speaking on condition of anonymity, said he believes the cash purchases by Cuba will soon ebb.

"Time's on our side because they [Cuban officials] are running out of money. This whole ag thing is their Hail Mary pass," he said.

RELAXATION SIGNS

Even so, the administration is showing signs of relaxing some sales to Cuba, such as farm equipment, as long as congressional leaders stand firm on a general ban on U.S. citizen travel to Cuba.

"There's going to be some horse trading in the coming year," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council. "The logic is, if you are going to sell them dairy cows, why not sell them milking machines?"

Kavulich said the drumbeat of legislative demands for changes in the U.S.-Cuba commercial relationship are directly linked to the Cuban purchases from the United States. "If it increases, the pressure mounts. If it decreases, the pressure lessens," he said.

Sun-Sentinel

Fort Lauderdale, Florida

22 December 2002

Tobacco farmers turn to rebuilding

By Vanessa Bauza

Havana Bureau

San Juan Y Martinez, Cuba • A native son of Cuba's "tobacco mecca," Alfredo Duque Torres feared this year would be his first ever without a harvest.

Three months ago two hurricanes just 11 days apart cut nearly identical swaths through this lush land of gently sloping hills in western Cuba where more than 70 percent of the island's finest cigars are born.

"It was like a science fiction movie," said Duque Torres, 56, recalling Isidore and Lili's heavy rains and howling winds, which reached 100 mph.

"The zinc sheets were flying every which way," he said. "The palm trees were leaning at such an angle, we were just waiting for them to snap. Some farmers got tears in their eyes just thinking they wouldn't have a harvest."

Hurricanes Isidore and Lili, which struck Pinar del Rio province on Sept. 20 and Oct. 1, largely spared cured tobacco leaves that were stashed in warehouses. Seedlings were also saved, as the planting season had not yet begun.

However, the hurricanes caused more than \$47 million in damage to the tobacco industry's infrastructure. Almost 70 percent of the large, barn-like sheds where leaves are hung to dry were collapsed like piles of matchsticks.

Now the planting season is behind schedule and some fear they will not be able to live up to last year's record-setting harvest.

Tobacco is Cuba's third-largest export after sugar and nickel, bringing in revenues of about \$240 million last year, compared with \$150 million in 2000, according to the New York-based U.S.-Cuba Trade and Economic Council, which monitors the island's economy. Last year Cuba produced 303 million cigars, half of which were exported. This year Cuba was expected to export 170 million cigars.

Though their main export markets are France and Spain, Cuban cigars are coveted worldwide. Every year at Havana's annual cigar festival, hundreds of cigar aficionados sweep into the island, paying thousands of dollars for limited-edition boxes of Cohibas, Montecristos and other celebrated brands.

But Duque Torres, whose family has worked the fertile fields as far back as he can remember, said he doesn't think about the end product of his toil. Growing tobacco is just what he knows.

"It's our tradition, what we've lived from all our lives," he said. "When you start to get close to the land, you start having love for the tobacco plant. You love it like a relative."

More than 90 percent of Cuba's tobacco is grown by private farmers like Duque Torres. They sell their dried leaves to the government, which sets prices in pesos depending on the quality.

Since 1994 the Cuban government has also offered a "stimulus" in dollars, which farmers say has contributed to higher production.

At one cooperative, workers said they could earn up to 700 pesos (\$27) a month, plus an annual bonus stimulus of between \$600 and \$1,200 depending on the quality and yield of that year's harvest.

"That resolves a lot of the problems of our family," said Rodovaldo Fernandez, who has worked on a cooperative for 23 years.

Last week, farmers like Duque Torres and Fernandez were busy folding seedlings into dark earth that at this time last year already bore waist-high plants. Thousands of construction workers, some from as far away as Santiago province 750 miles east of here, were hauling pine and eucalyptus wood from nearby mountains to rebuild and repair about 10,000 drying sheds.

This winter's unusually rainy weather has further delayed the recovery effort. Still, farmers plan to finish their planting by the end of January, about one month behind schedule, and the harvest will last until April.

"This kind of disaster has never occurred in Pinar del Rio," said Demetrio Olivera, president of the province's association of small farmers. "The hurricanes destroyed infrastructure which had taken 60 years to build up."

Bangor Daily News

Bangor, Maine

20 December 2002

Maine sees potential for trade with Cuba State delegation, Castro discuss food exports

By Sharon Kiley Mack
NEWS Staff

AUGUSTA - Representatives of Maine's agriculture industry recently returned from a trade mission to Cuba and are crediting a resolution by the Legislature for providing a base for "excellent opportunities" for agricultural and food product exports.

And though the Spanish language doesn't even have a word for blueberry, some of the foods that soon could be headed to Havana are brown eggs, wild blueberries, potatoes, apples and maple syrup.

While there, the delegation closed a deal for bred heifers and at least 50 dairy cows to head to Cuba as well, while beginning discussions of exportation of seed potatoes.

Cuban President Fidel Castro met with the delegation for nearly an hour, thanking Maine for being the second state in the United States to pass a resolution that allows trade with his country. "This year they spent \$250 million on U.S. food products," said former state Sen. John Nutting, a dairy farmer from Leeds who went on the trip. "Next year they'll spend \$600 million. Maine is going after all we can get from that spending package."

"This is very, very exciting," said Jon Olson, executive director of the Maine Farm Bureau. "Maine farmers are benefiting already."

The Trade Sanctions Reform and Export Enhancement Act of 2000 reauthorized direct export of agricultural and food products from the United States to Cuba. This is the first amendment to the trade embargo placed on Cuba more than 40 years ago.

By February 2003, Cuba will have purchased \$250 million in products from U.S. companies, including eggs from Radlo Foods LLC, which operates several egg farms in Maine.

Olson, Nutting, William Bell, president of the Agricultural Council of Maine and executive director of the Northeast AG and Feed Alliance, and Deborah Yale of Portland-based Sleeping Alligator Food Broker LLC visited Cuba in late November.

Olson said he was stunned that Castro left a conference with 1,000 attendees from Central and South America to meet with the four Americans. "It was just the four of us, an interpreter, and Pedro Alvarez, chairman of Cuba's government purchasing company," said Olson. "There was no security, no aides. He talked for an hour. When he found out John Nutting was a dairy farmer, he spent a half-hour discussing Cuba's dairy industry, production practices, feed needs." Nutting said, "I just sat there and said to myself, 'Wow.'"

Olson said Castro was courteous and charming, as well as exceptionally fit for a 76-year-old. "He seemed so sincere. At the end of the discussion he said, 'I apologize, but I need to look at my watch now.' He seems to have a deep concern for his people and wants all trade embargoes lifted so his country can buy products from America."

Castro told the group to carry a message of thanks back to the Legislature for passing the trade resolution in March 2002.

After the meeting with Castro, the group visited a farmers market in Old Havana, which Olson said "is the first step in that country to easing communism. It is capitalism - allowing the farmers to sell their goods at the prices they wish to set."

Although Cuba already imports eggs and cows from Maine, some of the state's specialty foods needed a little translation. During trade discussions, the delegation discovered there is no Spanish word for blueberry. "We showed [government buyers] blueberry samples and they didn't know what they were," said Nutting. "But they have a huge international tourism industry and the chefs at the luxury hotels knew and got very excited about purchasing them."

Bell said that because Maine has a seed potato facility in southern Florida, researching climate and soil types and other issues, "I think that gives us a huge advantage" in seeking out the seed potato market in Cuba.

"The potential for growth in this relationship is exactly what Senator Richard Kneeland [R-Aroostook] was thinking about when he sponsored the enabling legislation last spring," said Bell. Another area for opportunity was discovered while visiting a dairy research farm, Los Naranjos, said Olson. "On the farm complex, they have about 1,000 tractors sent from Russia about 10 to 20 years ago. Of those, only about 200 work," he said. "Most of the agriculture equipment and machinery is aging, and there is no parts source."

Olson said that a lot of Cuba's fields are cut by hand or by using horse-drawn equipment. He said he would work with not only Maine's congressional delegation but also with the American Farm Bureau to amend the Cuban embargo further to include farm equipment and parts. He said the American Farm Bureau is going to conduct research on a possible donation program whereby American farmers can donate old, unused equipment.

"This is just the tip of the iceberg for trade between Maine and Cuba," said Nutting. "The possibilities are amazing."

John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a not-for-profit organization and the largest one in the United States focusing on Cuba, agreed with the potential for trade growth.

"The U.S. Department of Agriculture ranked 228 countries in order of export markets for the U.S. in 2000, and Cuba ranked last, because we didn't trade with them," he said.

But since the agriculture embargo was lifted, market growth has been startling. "This year, Cuba will be in the top 50 [in value of U.S. imported products]."

In addition, said Kavulich, all purchases must be in cash only. "While Cuba represents a financial risk for Canada, Spain, Brazil and other countries, it is one of the safest export nations in the world for the U.S."

State, Cuba build trade ties

Georgians defend dealing with Castro's regime

Dan Chapman - Staff

Wednesday, December 18, 2002

Georgia companies recently sold \$9 million worth of chickens, turkeys and other products to Cuba, cold-cash proof that the decades-long embargo of the Communist regime is faltering.

Led aggressively by Agriculture Commissioner Tommy Irvin, Georgia ranks as one of the top 10 states in exports to Cuba, according to statistics compiled last week by the U.S.-Cuba Trade and Economic Council.

And the state, which is planning new moneymaking ventures with Cuba's totalitarian leaders, might export \$20 million worth of agricultural products next year.

"It's a wide-open market for us and it's next door to us, geographically, which gives us a trade advantage," Irvin said Friday. "There's a lot of products here in Georgia that they need for their own citizens and for [tourists], and we'd be shooting ourselves in the foot if we don't take advantage of it."

Georgia's windfall, though, hinders Cuban democracy, say President Fidel Castro's enemies.

"When you do business with a repressive dictatorship, you are essentially subsidizing that dictatorship," said Dennis Hays, executive vice president of the Cuban American National Foundation. "Castro runs a cultlike government that oppresses every kind of human instinct of its citizens. What's the difference between doing business with [Castro] and a crime syndicate in the States?"

Irvin counters that trade and contact with the capitalist world is bound to hasten communism's demise, just as it did in the Soviet Union. Officials from agriculture-heavy states applauded Washington's decision in 2000 to partially lift the embargo against Cuba.

For the first time in 40 years, U.S. companies began selling food and other farm-raised products, as well as medicine, to Cuba. All sales, though, required cash, not credit.

In late September, Irvin joined Minnesota Gov. Jesse Ventura and representatives of 32 other states at the U.S. Food and Agribusiness Exhibition in Havana. Eighteen Georgia-based agricultural, trading and shipping companies --- the fourth most of any state --- also attended the trade show. Travel, hotels, shipping and booth space cost Georgia taxpayers \$15,775.

Georgia companies won \$9 million worth of contracts. U.S. companies inked \$92 million in deals.

"Maybe we politically disagree with President Castro, but, conversely, 12 million people on their end need to be fed," said James Baker, president and CEO of Cherokee Trading in Conyers, which exports chickens and turkeys to 25 countries. "And it's my job to help the farmers. We're creating jobs. And if Cuba doesn't get food from us, they'll get it from Canada, Brazil and other places."

Cherokee arranges for the shipment of more than 80 tractor-trailer loads of fowl each month to Cuba. Additional inspections and paperwork make trade with Cuba a bit more onerous than with other countries, Baker said.

Yet earlier fears that Cuba wouldn't pay its bills proved misplaced because Congress insisted two years ago that all sales require cash.

"Cuba has become one of the safest export markets in the world because there is no risk associated with the cash-only transactions," said John Kavulich, president of the trade council in New York.

Trading partners in Europe, Asia and the rest of the Americas, though, don't feel as charitable toward Cuba. European Union countries, for example, are owed almost \$11 billion, according to the Cuba Transition Project, affiliated with the University of Miami.

Mexico is owed \$380 million, the project reports, and Japan, \$1.7 billion.

"Cuba has money because they're not paying what they owe Europe, Canada and others," Hays explained. "It's like paying your MasterCard bill with your Visa card. It's great for Georgia farmers to get cash up front, but that money belongs to somebody else."

America's advantage is striking. In 2000, before the food embargo was lifted, 227 other countries bought more foodstuffs from the United States. Last year, Cuba ranked 144th. This year, Cuba jumped to No. 52, ahead of more developed countries like Greece and Chile.

Pedro Alvarez, who heads the Cuban importing firm Alimport, expects food imports to total \$950 million this year and to reach \$1.4 billion annually by 2005 or 2006.

Overall trade with Cuba could rise substantially if Congress moves to further ease trade and travel restrictions. Administration and congressional officials in Washington are reviewing ways to expand trade opportunities, Kavulich said. The sale of tractors, milking equipment, feed storage bins, barbed wire and other farm implements is under consideration.

Politics, though, ultimately will determine whether the United States and Cuba expand their trading relationship.

"Exports to Cuba will be directly proportional to the Cuban government's belief that [Congress] is moving in the right way," Kavulich said. "If the proverbial ball is rolling the wrong way, they may lessen their purchases."

President Bush, who counts on political support from Cuban exiles in South Florida, has said he won't ease trade restrictions until Cuba embraces democratic and economic reforms.

But a growing number of farm state lawmakers, including many Republicans, want trade restrictions eliminated. So, too, do Georgia's traders.

"The whole thing is political with the people of South Florida," said Baker. "They lost the war. But Great Britain lost the war here a long time ago and we mended the fence. We can mend the fence in Cuba too."

Farm Journal

Philadelphia, Pennsylvania

28 November 2002

Cuba's Credit Woes

by Jane Fullerton

As the end of the first full year of exporting American food and agriculture products to Cuba approaches, trade proponents and businesses are shifting tactics to expand the goods that can be sold to the communist nation.

The policy evolution follows the September food and agribusiness trade show in Havana, where some 70 U.S. companies signed \$92 million in contracts for delivering goods to Cuba in 2002 and 2003. Organizers are planning a second exhibition for January 2004. That's in addition to the \$165 million worth of farm products Cuba has already purchased or agreed to buy this year. Sales could total \$230 billion next year. Most of that is bulk commodities, although Cuba began buying branded food products in July.

All of these deals are being made on a cash basis, as allowed under changes Congress enacted in 2000 that eased 40 years of sanctions to permit exports of food and medicine. Cuba is financing its U.S. purchases through French and Canadian banks.

But U.S. law still bans private financing of any sales to the nation led by Fidel Castro.

Cuban trade proponents had been focusing their efforts on changing the law to allow U.S. lenders to extend credit.

While that remains a goal, growing worries about Cuba's ability to pay its debts have led to a change in strategy. So rather than concentrate solely on allowing credit sales, trade advocates now hope Congress will expand cash-only exports to include farm machinery and equipment.

"The decision to shift our focus is based on the uncertainty of unintended consequences," explains John Kavulich, president of the U.S.-Cuba Trade and Economic Council, which represents U.S. companies interested in exporting to Cuba.

Those companies, Kavulich says, realize they need to be careful what they wish for, particularly in light of Cuba's *"chronic difficulties"* in paying its debts. The fact that sales are allowed only on a cash basis has made Cuba one of the safest export markets in the world.

But if U.S. law were changed to allow credit sales, Kavulich says, *"the odds are close to 100% that, despite the good intentions of Cuban government entities, there would be a default."* And that could derail the entire movement for expanding trade with the island nation.

Indeed, Cuba has a long history of defaulting on loans from other countries. The Institute for Cuban and Cuban-American Studies at the University of Miami has compiled a telling list of what it calls "Cuba's foreign debt crisis."

Castro's country owes \$10.9 billion to the European Union, \$25 billion to the former Soviet Union, \$2.2 billion to former communist countries in Eastern Europe, \$1.7 billion to Japan, \$1.6 billion to Argentina and \$196 million to the United Kingdom. Cuba also has bills unpaid to Mexico, Venezuela, China, Canada and South Africa.

The report notes *"several European governments are now refusing to provide further export credit to Cuba."*

Credit limits. So Kavulich worries that no one would extend credit, even if the U.S. law were changed to allow private financing. For example, CoBank, the Denver-based cooperative that specializes in ag export financing, supports credit sales as a long-term goal, but isn't ready to offer that financing itself.

"We feel strongly about the Cuba trade issue as a matter of policy," says CoBank Vice President Jack Cassidy. *"At the same time, as they're structured today, we would probably not be a party to that financing."*

One of the things Cuba needs to increase is its ability to purchase U.S. exports in U.S. dollars. For Cuba, the best way to accomplish that may be through tourism. But that would require removing restrictions on U.S. tourist travel to Cuba.

In the meantime, Cassidy believes U.S. companies are positioning themselves for the inevitable change of government that will follow the aging Castro's departure. *"A lot of*

sellers in this country have found over a period of time that getting into a market early is a good thing,” Cassidy says.

Since the current round of sales began in late 2001, Cuba has risen dramatically from the bottom of the list to rank 46 out of 228 countries in terms of agricultural product purchases from U.S. companies in 2002. The U.S. is now supplying 22% of Cuba’s food imports.

Private financing could increase U.S. sales by 10% to 15%. But many have concluded that’s not worth the financial risk, so they want to expand what can be exported. *“If we’re exporting dairy cattle, it makes sense to allow milking machines,” contends Kavulich. “If we’re selling seeds, then why not tractors? If we’re exporting wheat, corn and soybeans, how about some silo equipment, too?”*

While no one is backing away from their support of normalizing trade relations with Cuba, including allowing credit sales, Kavulich says that *“in terms of strategy, there is an increasing belief that it makes far more sense to expand the constituency that can export to Cuba beyond food and agriculture products.”*

Congress Daily

19 November 2002

TRADE

Elections Dim Cuba Trade Prospects

By Jerry Hagstom

Advocates of liberalizing trade and travel between the United States and Cuba say the retirement of Senate Foreign Relations ranking member Jesse Helms, R-N.C., and the departure of Sen. Robert Torricelli, D-N.J., may reduce opposition to their cause. But results of the 2002 elections and changes in congressional leadership make them pessimistic about prospects for legislation in the 108th Congress.

John Kavulich, president of the U.S.-Cuba Trade and Economic Council, which provides market information to U.S. corporations interested in doing business with Cuba, noted that Helms and Torricelli have been strong voices against easing relations with Cuba while President Fidel Castro is in power.

But Kavulich said he expects incoming Senate Majority Whip McConnell to carry the anti-Castro torch. Kavulich also said he expects Sens.-elect Elizabeth Dole, R-N.C., and John Sununu, R-N.H., to join McConnell. Democratic Florida Sens. Bob Graham and Bill Nelson will continue to support the anti-Castro cause as well, he said.

Brian Alexander, executive director of the Cuba Policy Foundation, an anti-embargo group led by former diplomats in Republican administrations, said he expects McConnell to lead the opposition to legislation liberalizing trade with Cuba.

Senate Treasury-Postal Appropriations Subcommittee Chairman Byron Dorgan, D-N.D., has led Senate efforts promoting on Cuba trade legislation, and Alexander said liberalization advocates had "lost the Democratic lever" in the Senate when the Democrats lost the majority. But Alexander added that Democrats "never really held the line through the end, anyway," because they agreed to remove a measure legalizing use of credit in the sale of agricultural products to Cuba from the farm bill, after the Bush administration said it found the provision unacceptable.

Cuban American National Foundation lobbyist Dennis Hays, whose group favors continuation of the U.S. embargo on Cuba as long as Castro is in power, said he was sad to lose "old friends" such as Helms, Torricelli and Sen. Bob Smith, R-N.H.

But Hays said he was "very pleased" with the election results because he believed President Bush's hand would be strengthened.

Bush has opposed further liberalization of trade with Cuba as long as Castro remains. Current U.S. law grants Cubans who reach U.S. territory an immediate right to stay. Bush said in a post-election news conference that Cuban asylum seekers still should be treated differently from other immigrants. The statement might be an indication that liberalization advocates who believed Bush would change the administration's position after the election were wrong, Kavulich said.

Kavulich noted, however, that both Republican and Democratic members of Congress still will be subject to lobbying from farmers and others involved in selling to Cuba under a law that allows sales of U.S. farm products to Cuba on a cash basis.

So many agricultural products are being shipped from the port of Gulfport, Miss., Kavulich said, that both incoming Senate Majority Leader Lott and Sen. Thad Cochran, R-Miss. - who is expected to chair both the Senate Agriculture Committee and the Senate Agriculture Appropriations Subcommittee - have "a constituent-driven interest that is likely to be formidable."

Kavulich also pointed out that pro-liberalization advocates gained a Republican ally when Sen.-elect Norm Coleman, R-Minn., said in his pre-election debate with former Vice President Mondale that one issue on which he disagreed with Bush is Cuba.

Kavulich, Hays and Alexander all agreed that Sen. Richard Lugar, R-Ind., who is slated to chair the Senate Foreign Relations Committee, is likely to emerge as a moderate on Cuba issues.

One of the big issues facing both the Bush administration and the pro-liberalization advocates is the future of Assistant Secretary of State for Hemispheric Affairs Otto Reich, a Cuban native and anti-Castro activist who was given a recess appointment after his nomination was blocked in the Senate Foreign Relations Committee. Reich's appointment expires at the end of the current Congress, and it is unclear whether Bush will re-nominate him.

A spokesman said Lugar would schedule a hearing on Reich because he believes all nominees should be granted hearings. But both Hays and Alexander said it still would be possible for Sen. Christopher Dodd, D-Conn., a Reich critic, or other senators to hold up Reich's nomination indefinitely. Hays said he considers Lugar an ally in the cause of creating "a democratic Cuba," but they often disagree on "tactics."

Bloomberg News

25 November 2002

Cuba Buys Spam, Eggs, Macaroni, Cheese as U.S. Exports Soar

Washington, Nov. 25 (Bloomberg) -- U.S. exports to Cuba have grown fifty-fold this year as Archer Daniels Midland Co., Hormel Foods Corp. and other companies take advantage of a law opening the Communist-led island to food sales.

Cuba has bought \$109.4 million worth of U.S. products as of September, the U.S. Commerce Department says. Purchases include chicken and grain as well as processed foods such as Hormel's Spam lunch meat and Kraft Foods Inc.'s macaroni and cheese.

That's up from \$2.1 million worth of goods, mostly pharmaceuticals, in the first nine months of 2001. Advocates of expanded trade say the sales growth shows why an embargo on most trade imposed more than four decades ago should be lifted.

"The market is huge," said Arnold Huerta, Latin American marketing manager at the Association of Equipment Manufacturers, which represents companies including Deere & Co., Terex Corp. and Fiat SpA's Case New Holland. "We are losing out to the Europeans, Latin Americans and Asians who have the market."

U.S. food is reaching Cuba, an island of 11 million people some 90 miles from Florida, under a law passed two years ago and implemented in December 2001.

From last place among U.S. farm-goods export markets in 2000, Cuba this year will end at about

No. 46 out of 228 countries, eclipsing South Africa, Chile and several members of the European Union, according to figures from the U.S. Agriculture Department.

Cuba has contracted for more than \$165 million in commodities and food products this year, and that figure will rise in 2003, said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

The island's food-importing agency, Alimport, has purchased a wide variety of U.S. agricultural products, including buttermilk, onions, soybeans, chewing gum, fruit juices, wine, tomato sauce and soft drinks.

Huerta said his association and several others are working with lawmakers in Washington to have goods added to the permitted sales list. He declined to speculate when it may happen.

The U.S. embargo followed Fidel Castro's seizure of U.S. corporate assets when his revolution took control of the island in 1959.

The Bush administration has criticized the food sales, saying they help prop up the Castro regime.

Story illustration: For more news on U.S.-Cuba relations, type or click {TNI US CUBA BN <GO>}. For the Web site of the U.S.-Cuba Trade and Economic Council, click <http://www.cubatrade.org/>.

Cuba embargo change stays on U.S. Congress agenda

By Charles Abbott

WASHINGTON (Reuters) 18 November 2002- Congress will face new proposals to relax the U.S. trade embargo on Cuba next year, advocates say, probably highlighted by a bid to allow U.S. tourism to the next-door nation in the Caribbean.

Sanctions were imposed in the early 1960s after Cuba accepted aid from the Soviet Union. With the end of the Cold War, calls have risen for closer relations with Cuba.

Food was exempted from the embargo two years ago. But proposals for further easing have faltered, partly due to opposition by House Republican leaders like Tom DeLay of Texas, who will become majority leader in January.

With time running out for this month's "lame duck" session, there was little chance Congress would alter the embargo this year. Adjournment, expected later this

week, would kill proposals to allow tourism, remove limits on the amount of money Americans can send to relatives in Cuba and lower obstacles to sales of food and medicine.

"Travel is the crown jewel" in the tussle over U.S. sanctions, said Brian Alexander of the Cuba Policy Foundation, which supports an end to the embargo. Alexander foresaw debate over smaller issues as well as lightning rods like the travel ban. U.S. tourism to Cuba is banned in most cases. This year's initiatives foundered because "Congress ran out of time to do its business," he said, not due to a lack of interest among lawmakers.

"We're going to be continuing to focus on the travel ban," said a spokesman for Rep. Jeff Flake, Arizona Republican and a leader of the bipartisan Cuba Working Group in the House. The group also would permit private U.S. financing of food exports. Only cash sales are allowed now.

Dennis Hays of the Cuban American National Foundation, a prominent critic of Cuban President Fidel Castro, said enthusiasm for easing the embargo was dissipating. "Cuba is not a good partner as long as you have an unselected dictator in power," Hays said. He described Cuba as a bad credit risk for trade and far from an ally in the U.S.-led war on terrorism.

In the U.S. business community, there was interest in exempting sales of farm equipment from the embargo, viewed as a logical expansion of the food sales. If dairy cows can be sold, so should U.S. milking machines, the reasoning went. A congressional sponsor for the idea has not been found.

Enlarging the agricultural exemption would be a change in tack from the current drive to let U.S. banks underwrite food sales to Cuba. It also would be less of a challenge to President Bush's pledge, made last May 20, to veto changes in the embargo until a new government is installed in Havana, said one person versed in the matter.

Havana was forecast to buy \$165 million in U.S. food and farm exports this year, a dramatic change from two years ago when Castro swore his country would never buy a single grain of rice until the economic embargo was lifted entirely.

About 176,000 U.S. citizens visited Cuba last year, most of them arriving under one of the exceptions allowed to the travel ban. About 20,000 Americans evaded the ban by traveling through a third nation, according to the U.S.-Cuba Trade and Economic Council, which monitors trade between the nations. Some 1.8 million tourists visited Cuba last year. Cuba has encouraged tourism as a source of hard currency.

When Congress convenes for its new session, there will be some shifting among

the posts that could influence the debate on Cuba policy. Embargo supporter DeLay, now the assistant Republican leader in the House, will become majority leader. Indiana Republican Richard Lugar, a skeptic of unilateral embargoes, will become chairman of the Senate Foreign Relations Committee, succeeding Castro critic Jesse Helms, North Carolina Republican, who is retiring.

"How far any legislation moves in 2003 will be directly proportional to the level of economic activity between the United States and Cuba," said John Kavulich of the U.S.-Cuba Trade and Economic Council. "If activity remains constant or increases, the constituency in the House or Senate will increase proportionally."

Mary Kay Thatcher, a lobbyist for the largest U.S. farm group, the 5.1 million-member American Farm Bureau Federation, said she expected sentiment would continue to build for more trade with Cuba.

AFBF president Bob Stallman and five state Farm Bureau presidents were scheduled to arrive in Cuba on Monday for a five-day visit. They are expected to meet Pedro Alvarez, head of Cuba's state-run food importing company and to visit a dairy processing plant and a sugar mill.

Cuban Ag Trade Fair To Repeat in 2004

High Plains Journal
4 October 2002

HAVANA (DTN) -- Cuban government officials and Peter Nathan, president of PWN Exhibicon, the Connecticut-based company that organized the U.S. Food and Agribusiness Exhibition that just ended, have reached agreement to hold another agricultural exhibition in Havana in January 2004, U.S.-Cuba Trade and Economic Council President John Kavulich told DTN Sunday.

The date will place the exhibition outside the hurricane season, but also within the next presidential election year, DTN political correspondent Jerry Hagstrom reported from Havana.

The organizers may combine agriculture and pharmaceuticals products into one exhibition, Kavulich said. Under current law, the U.S. products that may be sold to Cuba are food and pharmaceuticals.

Meanwhile, Cuban President Fidel Castro told guests at an official dinner Saturday night the exhibition would generate \$60 million in new contracts for U.S. food sales to Cuba, bringing the total in Cuban purchases of U.S. food products since 2001 to \$200 million.

U.S. participants have said the Cuban officials have asked at every meeting that the farm and agribusiness leaders help them get the U.S. government to allow U.S. banks to finance credit for agricultural purchases and to end the travel ban.

Food industry in U.S. grows taste for Cuba Americans attend Havana fair seeking to reopen market that has been forbidden

By ANTHONY BOADLE
Reuters News Agency
Monday, September 30, 2002

HAVANA -- Capitalist American farming met tropical socialism when Cuban President Fidel Castro wined and dined hundreds of U.S. food industry executives on the weekend.

There were salsa dancers and mojitos, a five-course meal, champagne and Cuban cigars to thank American food executives and state farm officials who attended the first U.S. food fair in communist Cuba, seeking to reopen a long forbidden market.

The fair, sponsored by U.S. food processing giants Archer-Daniels-Midland Co. and Cargill Inc., was only reluctantly licensed by the administration of President George W. Bush, who has vowed to veto further easing of the 1962 trade embargo on Castro's Cuba.

"You are making such a noble effort to overcome obstacles," Mr. Castro, dressed in a pin-striped business suit instead of his usual military fatigues, said in a brief speech. "Fortunately, we are neighbours, so it is better that we be friends," said the aging revolutionary.

Star-struck businessmen crowded around Mr. Castro, pushing and shoving to get a photograph with the bearded leader. After dinner, businessmen grabbed Cohiba cigars, pocketing handfuls, like the Cubans who lined up at the Wrigley Co.'s chewing gum stand at the five-day fair.

Mr. Castro predicted the trade show would produce about \$60-million (U.S.) worth of deals, raising to \$200-million the sales of American farm goods and food products since Cuba started buying in November under a two-year-old relaxation of the embargo.

A staunch enemy of global capitalism, Mr. Castro praised the productivity of U.S. family farms, and the efficiency and punctuality of suppliers who have sent Cuba 50 ship-loads, with 712,000 tons of grains, rice, peas, apples and animal feed. He also praised the courage of the participants in the fair for defying the Bush administration's disapproval.

Mr. Castro, 76, opened the fair Thursday with Minnesota Governor Jesse Ventura. He has hob-nobbed with ADM and other agribusiness executives into the late hours each night.

Cubans lined up at fair stalls Saturday to eat doughnuts and perogies, sample American steak and sausages, taste California wines and Sara Lee lemon meringue pies, munch on popcorn and cheese sticks and chew Wrigley's chewing gum. Most of the American products have not been seen in Cuba since Mr. Castro's 1959 revolution turned the island into a Soviet ally and led Washington to break off diplomatic ties and ban trade and travel.

The top U.S. diplomat in Havana, James Cason, toured the fair Saturday, tasted ice-cream and wished U.S. exhibitors well in selling grain, livestock and supermarket products to cash-strapped Cuba. Promoters of the show said Mr. Cason had "poisoned the atmosphere" with statements Wednesday, when he called Cuba an "international deadbeat" with a "Jurassic Park economy" that could not generate cash to pay for imports.

President Bush, backed by anti-Castro exiles in Florida, the pivotal state in his 2000 election to the White House, has threatened to veto legislation before Congress that would lift the ban on U.S. tourism to Cuba, saying it will only serve to prop up Mr. Castro after 43 years in power.

Cuba, with a state-run economy that has never fully recovered from the collapse of the Soviet Union, is banking on American tourism being allowed back to the island to earn cash to pay for more imports needed to feed its population.

"I hope they reduce the trade embargo, first by lifting the travel restrictions to allow Americans to visit Cuba and see the potential to do business," said Joe Heidelmaer, vice-president of City Seafoods of Los Angeles. "The rest will follow," he said.

Meanwhile, Cuba's top food importer scoffed at charges he was in cahoots with U.S. companies to get around a cash-only requirement for food purchases, stating that foreign banks were providing some of the money. "There have been some financial operations with third party banks," Alimport chairman Pedro Alvarez said. "We are following the law exactly." Where Cuba had obtained the cash for the U.S. grains, cereals, poultry and other products it has bought since December was a mystery until this weekend at the unprecedented food fair.

"It is my understanding a number of finance companies and banks that have always financed Cuba's food imports continue to do so, regardless of the origin of the products," said John Kavulich, president of the New York-based U.S.-Cuba Trade and Economic Council, which monitors U.S. trade with Cuba.

Some foreign banks with offices in Havana met with U.S. businesses at the fair on Saturday. Cuba has promised to increase its business with U.S. companies if it receives U.S. credit, drawing charges from the

Bush Administration that it would never pay the loans back.

Managers of foreign banks and finance companies said Havana was chronically late in paying credits back, but added their business was still the most lucrative in town. "At up to 20 per cent interest financing is hard to beat, even if they are late on payments," the representative of a Latin American commercial bank said. At the food fair many exhibitors said the credit issue was another example of how sanctions boomerang on U.S. business.

"It should be up to the companies and banks, not the government, to judge the credit worthiness of whom we are dealing with," said Gerry Ellis, an executive with Perdue Farms Inc.

OBSERVER: Cuba Libre

Financial Times
30 September 2002

There was also wining and dining in Cuba at the weekend courtesy of President Fidel Castro, who entertained hundreds of US food industry executives in town for the first trade fair on the island for US food exporters in more than 40 years. On Saturday Castro laid on salsa dancers and mojitos (a traditional Cuban drink made with rum, sugar, lime and mint), a five-course meal, champagne and, of course, cigars. Earlier in the day, Cubans lined up at fair stalls to sample doughnuts, American steak and sausages, California wine, Sara Lee lemon meringue pies, popcorn and Wrigley's chewing gum. A taste of a counter-revolution?

Americans prising open Cuban trade door

By Patrick Michael Rucker
Financial Times
1 October 2002

American exhibitors at a landmark trade fair left Havana on Monday with a bundle of contracts and a sense of satisfaction that they have opened the door for Cuban trade.

"American business has been reintroduced to Cuba," said John Kavulich, president of the New York City-based US Cuba Trade and Economic Council and one of the organisers of the fair. "We're back and this is irreversible."

Fidel Castro, Cuba's president, was on hand for much of the five-day fair, mingling with vendors and even feeding exhibition livestock in what was a media bonanza for proponents of free trade with Cuba.

"I should watch my weight," Mr Castro said on the exhibition's opening day as he picked at a plate of French fries and sipped a soy shake at the mock-1950s diner kiosk of American agriculture giant and expo- sponsor Archer Daniels Midland (ADM).

Mr Castro later stood by as Pedro Alvarez, chairman of Cuban importing company Alimport, sealed the purchase of \$9m (¥5.65m, ¥9.2m) of rice with Allen Andreas, ADM's chairman. When the contract was signed, Mr Castro added his own scrawl and pledged: "Now you have my personal guarantee."

The Cuban leader boasted that there had been no cases of late payment so far.

A 40-year-old embargo designed to isolate Mr Castro restricts US trade with the country but lobbyists won an exemption on the sale of food and agriculture products in 2000. Last year Cuba started making deals again and US sales to the Caribbean island are expected to exceed \$165m this year.

On Sunday Mr Alvarez announced that at least \$66m in deals had been made at the US Food and Agribusiness Exhibition, with 288 exhibitors promoting everything from bulk commodities to brand-name goods such as Wrigley's chewing gum, Uncle Ben's rice, Tyson's chicken, Sara Lee cakes and California raisins.

"This historic exhibition will allow us to know each other better," Mr Castro said. "With every passing day these sentiments of friendship will continue to grow."

Against Cuba's charm offensive, American government spokespeople have struck some exhibitors as appearing begrudging and churlish. "This is a Jurassic Park economy and it's no great market for the US," James Cason, the new head of the US Interests Section in Havana warned exhibitors.

Otto Reich, assistant secretary of state and a hardline, Cuban-born official, offended many trade fair participants when he entreated them "not to participate in sexual tourism" while in Havana.

The perceived success of the trade fair will exasperate the administration of US president George W. Bush and its allies in the Cuban exile community of south Florida, who favour a continued policy of Cuban isolation.

But the Cubans have grown quite shrewd at how things work in Washington, according to Brian Alexander, lobbyist for the anti-embargo Cuba Policy Foundation. After listening to US advisers, Cuba has sourced goods from 33 states in an attempt to spread goodwill and win political allies across the country.

Judy Hirigoyen of the California Raisin Marketing Board buttonholed Mr Castro as he passed her kiosk on the first day of the fair and presented him with two bottles of California wine, a box of raisins and a letter from Senator Barbara Boxer, a powerful Washington force, extolling the state's agriculture industry. "Our grape farmers have an oversupply right now," Ms Hirigoyen said. "We are interested in any market that will allow us to move our product."

This "strictly business" attitude has begun to dominate the embargo debate, with commercial interests pitching their own political influence against the Cuban-exile lobby.

Some observers predict that the White House might moderate its Cuba policy once Mr Bush's brother Jeb comes through his re-election battle as governor of Florida, where the support of the Cuban exiles will be key to victory. "We understand that this is an election year," David Radlo, president of Radlo Foods of Massachusetts, said. "We can be patient. But the people at this trade show represent this country's commercial interests. We cannot be ignored."

Cuba, U.S. firms cook up deals

By Vanessa Bauzá
Sun-Sentinel
October 1, 2002

HAVANA · Cuba's five-day shopping spree at the first U.S. Food and Agribusiness Exhibition totaled about \$89 million, almost doubling sales estimates and handing Fidel Castro a public relations victory with industry giants and small family farmers alike.

"We will continue to support efforts to further normalize the commercial relationship between our two countries," said Robert Lumpkin, vice chairman of agribusiness leader Cargill, just after sealing a \$17 million deal in corn, soy meal and turkey Monday afternoon.

More than 700 American food distributors, state agriculture officials and port authorities took down posters and boxed up displays Monday, marking the end of the unprecedented food fair. About one-third of the companies left with a contract or pending agreement, said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

Fort Lauderdale-based Splash Tropical Drinks became the first American company since the 1960s to partner with a Cuban firm for distribution. Company president Richard Waltzer, said Monday he planned to sign a deal with Havana Club to become the exclusive distributor of his daiquiri and piña colada mixes. An initial delivery is worth \$50,000.

"It's one step beyond my expectations," Waltzer said. "I'm now a raving fan of the Cuban government, the Cuban nationals and how they've treated me."

Castro was a frequent visitor to the fair, signing many multimillion dollar contracts himself.

"Clearly that's a political statement," said Anthony DeLio, Archer Daniels Midland vice president of marketing. "They're trying to purchase as much as they can to have a stronger voice in the states." The Illinois-based agribusiness giant reaped about \$17 million in sales of rice, corn, soy and food ingredients.

There were many smaller deals from Ohio's Sara Lee, which contracted about \$500,000 in cakes, to California's Sun-Maid Growers, which sold about \$100,000 in raisins, said Kavulich.

Exhibitors described the Cuban buyers as savvy bargain hunters. "They actually brought a sommelier here from a fancy restaurant," said New York wine distributor Joseph Magliocco. "They're very nice, but they want a very good price. She got me as low as I would possibly go for a first order."

"The nice people come in first and then the final hammer people," said Robert Hooker Jr. of Miami-based Purity Products Inc., which signed contracts worth about \$800,000 in condiments.

With abundant samples of everything from Del Monte canned fruit to Wrigley's chewing gum, and men dressed like purple California raisins and red-legged Spam cans roaming the aisles, the trade show could have been Anywhere, U.S.A. But here it evolved into a showcase for Cuba and Castro, who is banking on the fair boosting anti-embargo momentum to chip away at 40-year-old sanctions and bring an influx of American tourists to aid the island's ailing economy.

Castro treated delegations from various states to private dinners and exchanged gifts of coveted Cuban cigars for American baseballs, bats and books. North Carolina produce exporter, Allan Henderson, who traded farming techniques with Castro at a private dinner Wednesday, plans to meet with his state's U.S. representative on Capitol Hill next week and "bend some ears."

"I grew up worried about atomic weapons in Cuba pointed at us, but that's in the past," Henderson said. "Let's look at the future."

The first day ended Thursday with a cultural gala sponsored by the Cuban Government that featured Grammy award winning piano player Chucho Valdes, Cuba's National Ballet and the Buena Vista Social Club crooners.

A five-course dinner of shrimp cocktail and beef with guava and coffee sauce crowned the festivities Saturday night. American executives seeking photos and autographs crowded Castro all evening prompting the master of ceremonies to repeatedly ask them to sit down so the meal could continue.

"You are making a very noble effort to overcome obstacles," Castro told guests at the banquet. "Fortunately we are neighbors, so it's better that we be friends."

Castro's new-found enthusiasm was not reciprocated by U.S. officials. Dressed in a white guayabera, James Cason, the top American diplomat in Havana, visited the fair over the weekend along with dozens of Cuban government officials. Cason, who called Cuba an "international deadbeat" on the eve of the fair, sampled foods while encouraging industry representatives to concentrate on cash-only sales and not seek financing. Similarly, the Cuban American National Foundation has warned companies the island owes millions of dollars to businesses and governments around the world. "Clearly the idea here ... is that they're trying to entice Americans to come in ...," said Dennis Hays, vice president of the pro-embargo lobby.

Cuban workers from the food and tourism industry, students and agriculture representatives from across the island also attended the fair by invitation over the weekend, leaving the crowded hall with bulging goodie bags.

"This is the best meat here and we Cubans are carnivores," said Javier Taquechel, a dollar store cashier, as he waited in line for sizzling steak samples at the Colorado Boxed Beef Co. booth. Beef is only available for dollars in Cuba and strict regulations forbid farmers from slaughtering cattle without government approval.

"What did I try? Everything," said Anabelle Ponce, a tourism ministry accountant who left the fair with bags of sample cheeses and chocolates. "I had some spicy meat that sent me running for water."

In a sign of things to come some exhibitors also sat in on a how-to conference about registering trademarks in Cuba. More than 4,000 American brands -- from McDonald's to Calvin Klein -- are registered here, many since before the revolution.

"It's just too important a market," said Jerry Reilly, a Tampa-based citrus and dairy distributor. "It took me 2 1/2 to three years to register some trademarks in Venezuela. Here you just pay a couple hundred dollars."

Drink producer seeks deal in Cuba

BY NANCY SAN MARTIN
Miami Herald
30 September 2002

HAVANA - A Fort Lauderdale-based tropical drink producer is expected to meet today with representatives of Havana Club over the distribution of its product on the island, with the companies likely becoming the first joint distribution and marketing venture between a Cuban and a U.S. firm. The 6-year-old Splash Tropical Drinks hopes

to seal a multimillion-dollar contract that would bring the product into Cuba's hotels, restaurants and bars as early as mid-October. The company makes piña colada and rum rummer mixes.

"This is a great opportunity for an American product to come together with the Republic of Cuba," said Splash president Richard Waltzer, whose company already exports to Canada and various islands throughout the Caribbean, including Jamaica, St. Lucia and Antigua. "Our product will help them sell more Havana Club."

Meanwhile, a number of other American companies participating in the U.S. Food & Agribusiness Exhibition also have signed deals worth more than \$66 million. The deals reached at the trade show, which ends today, boosted U.S. sales to more than \$200 million since Cuba began making cash purchases of American commodities to replenish crops and other products destroyed last year by Hurricane Michelle.

The trade show -- the first of its kind in four decades -- attracted 288 exhibitors from 33 American states, the District of Columbia and Puerto Rico. Participants also included agricultural representatives from 11 states, seven of which sent either their commissioners or secretaries of agriculture. The companies signing contracts with Cuba are fully licensed, despite the U.S. trade embargo that remains in effect. A 2-year-old U.S. law created an exception to the trade sanctions by permitting direct commercial sales of American food and agricultural products to Cuba, so long as payments are made in cash.

The trade fair has generated interest among American corporations eager to add the communist island to their list of Caribbean export stops. With a population of more than 11 million, Cuba represents a potential boon in the region, business executives said. Cuban officials have said that if sales continue at the current pace, the United States could become Cuba's largest supplier of food and agricultural products.

"After this [trade show], we will continue to work on more deals," Pedro Alvarez Borrego, head of Cuba's primary purchasing firm called Alimport, said Sunday. "We're not finished yet."

U.S. official dampens trade-show enthusiasm with talk of Cuban credit

BY NANCY SAN MARTIN
Miami Herald
29 September 2002

HAVANA - Dressed in a traditional white guayabera shirt, U.S. Interests Section chief James Cason walked among the booths of American companies Saturday, taking an interest in products being marketed to the island and inquiring about sales.

While exhibitor after exhibitor reported how pleased they were with the U.S. Food & Agribusiness Exhibition, Cason used the opportunity to dampen enthusiasm by cautioning them about the risks involved with engaging in commerce with Cuba.

"I used to do trade shows, so as a vehicle for selling trade it's great," Cason told representatives of the Kentucky Department of Agriculture. Still, he warned, "Credit is a different ball game. They [Cuba] have the poorest credit in the world." Asked if there was any chance for the passage of legislation that would dismantle the four-decade old trade embargo, Cason said: "The president would veto it. He made it clear. So I would concentrate on cash sales."

Despite Cason's assessment, agricultural and food products representatives were not dissuaded from exploring business opportunities with America's closest Caribbean neighbor. "In our state, producers are looking to diversify," said Anthony Moreno, director of international marketing for Kentucky's Department of Agriculture.

"Cuba offers an excellent market. We will definitely let our legislators know that." Moreno said that he had doubts about Cuba's market potential and its commitment to trade, but that the exposition was the impetus for a "change of heart."

About 200 representatives from Cuba's purchasing agencies have spent the week meeting with American executives and signing purchase contracts worth millions of dollars.

"I was a little bit leery when I came down here, but they've taken the first steps," Moreno said. "If the embargo is ever lifted in the future, now is the time to form relationships. In Cuba, there is a need for food products. The issue is whether this can actually be a viable long-term relationship."

Cason was well-received at the exposition, despite the ill-will he stirred earlier in the week by calling Cuba "an international deadbeat and last in terms of GDP," and saying that he expected "to see a lot more bull than beef," at the trade fair.

"I give him credit for showing up because his [prior] comments contributed to a poisoning of the atmosphere and did create some resentment among some of the exhibitors," said John Kavulich, president of U.S.-Cuba Trade and Economic Council Inc.

Cason spent about two hours at the trade show, shaking hands with executives and wishing them luck even as he criticized the government. Members of the delegation seemed impressed by the set-up, saying the trade show appeared to be "tremendously successful in terms of organizers getting participants here."

The event, which ends Monday, attracted 288 exhibitors from 33 states, the District of Columbia and Puerto Rico. Florida made up the largest contingency of exhibitors, with companies accounting for more than 3,000 product names at the show.

Shoppers seek out bargains, profits in Cuba

BY NANCY SAN MARTIN
Miami Herald
28 September 2002

HAVANA - Cubans and Americans strolled the aisles of this island's newest and most modern supermarkets Friday, eyeing the same products for different reasons: the Cubans checked prices to see what they could afford while the Americans, representing some of the biggest firms in the United States, scouted out the potential for profits.

The grocery stores in the Miramar suburb were stocked with imported items from across the globe. A limited number of U.S. products also were on sale, including Coca-Cola, various California wines and Haagen-Daz ice cream.

"Some things we can buy but the costs of others are prohibitive," said Elena Alcazar, a first-time visitor to the Palco market. She filled her shopping basket with \$20 worth of products, including imported rice and pasta. "Still, it's great to be able to come here and have a choice," she said.

Around the corner, the purchasing manager for Miami-based Sunlight Foods, jotted down descriptions on the size, packaging and prices of products similar to those offered by the company. "Next week, when I go back to Miami, I'll look at my notes and see if we can do business with a supermarket like this," said Craig Green, one of more than 700 people attending the U.S. Food & Agribusiness Exhibition, a trade show for American companies interested in doing business with Cuba.

"Lots of the stuff they have here is coming from Spain and Canada," said Green, whose company already exports to Central and South America and most of the Caribbean. "If we could ship our products from Miami -- it could be very competitive. But I don't know all the logistics involved. There is . . . a learning curve involved before we can consider Cuba as a market."

President Fidel Castro, meanwhile, spent most of Friday meeting privately with U.S. agricultural representatives, business leaders and Minnesota Gov. Jesse Ventura, the highest-ranking official to attend the event. Participants said they socialized with Castro, discussing a wide range of topics, even as officials from Cuba's purchasing agency, Alimport, signed new deals.

As of Friday afternoon, Cuba had signed about \$25 million in commodities at the fair, which ends Monday. Today, dozens of U.S. firms are expected to register their trademarks in Cuba as part of the services offered at the exposition.

"If Cuba could do a similar type of exposition in the United States, I think that would attract as much interest over there," said Raúl Fernández, 47, who has relatives in New York. "Our countries should be able to trade freely," said Fernández as he shopped at Palco. "We are neighbors. Why do we have to continue to fight?"

Even though the U.S. products available at the dollar stores are more expensive than Cuban products, they are still cheaper than those imported from farther away. At La Puntilla, a shopping center in Miramar, butter recently imported from Indianapolis-based Marsh International sells for \$3.80 a pound, compared to \$2.90 for a pound of

Cuban butter. However butter imported from Canada and Spain is more expensive, at \$4.10 a pound and \$5 a pound, respectively.

"We need more products and better prices," said Vladimir Diez, 40, a computer technician, who spends \$50 to \$100 a month on groceries from the dollar stores. "What this trade does is help the people here," said Diez, who has two children, ages 21 and 11, living in Miami. "Politics is politics, but the population has to keep living."

Castro, U.S. exhibitors upbeat Agribusinesses sign deals with Cuba, want more

BY NANCY SAN MARTIN
Miami Herald
27 September 2002

HAVANA - Led by a suit-wearing Fidel Castro, Cuban government officials on Thursday welcomed American executives to an unprecedented trade fair and encouraged them to assist in dismantling the trade embargo that has helped to keep the island economically isolated for more than four decades.

Castro did not speak during the opening ceremony but nodded approvingly and clapped enthusiastically at Minnesota Gov. Jesse Ventura's call for closer relations.

"I never dreamed in my lifetime that I would stand here in the great country of Cuba and never dreamed to see our two flags side by side," said Ventura, who has been criticized by the Bush administration and by Gov. Jeb Bush for attending the event. "It proves to me, just like when I ran for governor of Minnesota, that anything can happen."

Castro then strolled around the nearly 300 exhibits and sampled some of the wares. Asked by a reporter to respond to criticisms that food purchased at the fair would never reach the population, Castro said:

"Of course, we can't prohibit a tourist from buying bread, but a part of the goods we have been buying will be consumed by our poultry," he said. "Chickens, when they are well fed, can be very productive. Dozens of millions of tons of food have been distributed for free to six million people," he said. "But we don't publicize that." Castro added that "the day the blockade ends, I will be a little nostalgic, because we have been faithful companions for 40 years."

Pedro Alvarez Borrego, president of the government agency responsible for foreign purchases, called exhibitors at the U.S. Food & Agribusiness Exhibition "a genuine U.S. representation" of American commodities. He said the trade show will help build warmer relations between the two nations.

Cuba already has purchased millions of dollars worth of products from U.S. firms since Hurricane Michelle devastated crops last year, providing a basis for the cash-only deals. Several more contracts were signed Thursday for additional purchases, including 30 million eggs valued at \$1.2 million, \$9.7 million worth of rice and soya products, and apples valued at \$10,700 from Philadelphia, Massachusetts and Virginia.

The government also signed a one-year \$1.9 million shipping contract with Crowley Liner Services of Jacksonville. The company was among the first to provide cargo delivery to Cuba over the past year.

Many more contracts are expected to be signed by the time the fair ends Monday. By the middle of next year, Cuba is expected to buy an estimated \$250 million of food and agricultural commodities from the United States, said event organizer Peter Nathan. That could bump Cuba to as high as 33rd -- from 51st -- on the list of 228 countries that buy agricultural and food products from U.S. companies.

Alvarez said food purchases from the United States now account for 16 percent of imports to the island, but expects that grow in the next several years. "These numbers are being calculated conservatively," Alvarez said. "A growing interest by various U.S. sectors -- including members of Congress -- will someday bring normalized trade between our two countries." Meanwhile, as he strolled the aisles, Castro sipped a soy-based chocolate shake, and wine.

Later, during an afternoon session where he oversaw the signing of a \$1.2 million egg-sale deal with Radlo Foods LLC of Massachusetts, Castro said he was at the fair because he is the one who guarantees that payments for the cash purchases are fulfilled. "I have to make sure all the bills are paid," he said.

He said the relationships fostered at the trade show "must follow the principle of mutual convenience," adding that he wasn't sure what was more important, "profits or the philosophy behind trade."

"The main idea," Castro said, "is that both sides benefit. "Trade needs good doses of good faith," Castro said. "We simply want to have a fair trade, a fair exchange that bears in mind the interests of both parties." Castro also said that Cuba could guarantee payments of loans on food purchases if credit was ever granted.

"Food has first priority in our country," he said. "That is something we take very seriously. Hard currency does not have wings. There is no flight of capital here. So there is no risk that our country will not pay its bills, if one day we are given credit."

The fair has attracted hundreds of executives and agricultural government representatives from North Dakota, Iowa, Kentucky, Virginia and North Carolina.

Also present at the fair Thursday were a number of Cuban dignitaries, including Ricardo Alarcón, president of the National Assembly, and Castro's older brother Ramón Castro, who has long been involved with Cuban agricultural endeavors.

Participants challenged the Bush administration's contention that Cuba does not represent a significant market for them, even as they acknowledged that purchases from the island would make up only a small percentage of exports.

"In agriculture, a small percentage is very important," said Allen Andreas, head of Illinois-based Archer Daniels Midland Co., primary sponsor of the event. "From ADM's viewpoint, this is a very important market."

A representative of Dolphin Shipping and Trading in Georgia, which already has sold \$300,000 worth of eggs to Cuba, handed Castro a pair of binoculars. Castro joked that he could eat the eggs when he didn't have any more teeth and use the binoculars when he begins to lose his sight.

But it was the livestock that seemed to hold his interest longest. Castro joined the animals inside the corral, petted a shorthorn bull named "Minnesota Red" and bottle-fed one of the young bison, commonly referred to as "American buffaloes."

Castro is said to be fond of buffaloes, drinking a daily cup of milk produced by Cuba's water buffaloes. He asked about milk production, the animals' ages, and how much they weighed.

"Just general cow conversation," said Ralph Kaehler, a farm owner from St. Charles, Minn., who brought 10 animals to the fair: pairs of pigs, dairy cows, beef cattle, sheep and bison. The livestock will remain in Cuba for breeding.

At Havana Trade Show, They're Talkin' Turkey

By Kevin Sullivan
Washington Post Foreign Service
26 September 2002

HAVANA, Sept. 25 -- Just thinking about the ambulance made Jim Baker's sweet Georgia drawl go all sharp and salty. He was here to talk about chickens, about how he could sell \$100 million worth of poultry to Cuba every year, if only President Bush and the U.S. economic embargo would get out of his way.

That made him think of his brother, the missionary, whose church wanted to donate an ambulance to Cuba. Because of the embargo -- and Bush's talk about how Americans shouldn't be helping out a dictator like Fidel Castro -- they had to ship the ambulance from Louisiana to Cuba via Canada.

"We are the land of the free, a great God-fearing nation, and we won't let our missionaries come here and preach," Baker said, jabbing a finger for emphasis and noting that the Treasury Department requires religious organizations to obtain a license to visit Cuba. "But Castro will give them a visa. So who's repressing whom?"

It's supposed to be a week about food -- American food -- here in Havana, at the first trade show of U.S. food and agriculture products here since Castro's 1959 revolution. There is a lot of speculating about how much Massachusetts mayonnaise or how many Minnesota buffaloes

Cubans might care to consume. But the real subtext of what's going on here in a huge convention hall in suburban Havana is never far from anyone's mind. "At the end of the day," said one Cuban official, "it's all about politics."

About 750 people from 288 U.S. companies and organizations, from 33 states, the District and Puerto Rico, have come here for the exhibition. Some of the world's biggest names in food and agriculture are among them, including

Archer Daniels Midland Co. -- the chief sponsor, whose \$23 billion in annual sales is greater than Cuba's \$18 billion gross domestic product -- Cargill, Tyson Foods Inc. and ConAgra Foods Inc.

Minnesota Gov. Jesse Ventura heads a long list of state officials, including the top agriculture officials of Maryland and Virginia, who are attending an event that features a 1950s-style diner serving soy burgers and soy shakes while "Rock Around the Clock" and "The Purple People Eater" play on the jukebox.

It's a big ol' American party, with smooth-talking sales types hawking Wrigley's gum and Maryland fruit juice alongside people in aprons grilling meat on the George Foreman Lean Mean Fat Reducing Grilling Machine near a pen holding a big, brown cow named Mississippi.

It could be Cleveland or Kalamazoo, except that it's not. The Virginia apples and Florida grapefruits on sale inside the convention hall are a distant luxury for most Cubans, who still get many basic necessities, such as rice, beans and sugar, with ration cards. Many people here have annual incomes smaller than what these companies have paid to ship peanuts and peach syrup to this muggy Caribbean island for the trade show.

"This is a commercial venture," said Peter W. Nathan of PWN Exhibicon International of Westport, Conn., the event's chief organizer. "But if it helps normalize relations between our two countries, I would like to see that happen, too."

Relations with the United States, Cuba's closest neighbor and most logical trading partner, have lately become even more tortured as the Bush administration accuses Castro's government of sponsoring terrorism, giving biological warfare secrets to rogue nations and giving Washington false tips on terrorists -- all of which Havana hotly denies.

The exhibition, which officially opens on Thursday -- with Castro expected to cut the ribbon -- was made possible when President Bill Clinton approved the easing of the 40-year-old trade embargo in 2000. That change allowed American food to be sold to Cuba for humanitarian purposes, providing Cuba paid cash up front.

The first shipments arrived after a hurricane in November 2001 left thousands in need of food. Over time the humanitarian aspect of the sales has quietly faded, and U.S. companies have since sold more than \$140 million worth of food to Cuba.

U.S. businesses see potential for a multibillion-dollar market among Cuba's 11 million people. A growing number can now make their purchases with dollars, earned in the tourist sector or sent to them from relatives abroad. Since the mid-1990s, state-run supermarkets, shops and fast-food chains accepting only foreign currency have opened in many Cuban cities and towns to tap this growing dollar market.

U.S. products such as Coca-Cola are already popular here, shipped in through a complicated maze of third countries and middlemen. Exhibitors at the show now are trying to add Alabama catfish, Maine spring water, Wisconsin beef liver, Florida figs and New York beer to the mix, along with bulk animal feed and preservatives to soften Cuba's notoriously stone-like bread.

"Cuba wants to import as many products as possible," said Pedro Alvarez, head of Alimport, the government agency that handles all food imports.

Alvarez said Cuba imports about \$1 billion worth of food and agricultural products a year, mainly from Canada and Europe. He said that number was expected to climb to \$1.5 billion by 2005 and that Cuban officials estimated that up to 70 percent of that could be taken over by U.S. firms "if there were no restrictions in place." He said Alimport was expecting to sign contracts of "significant value" with U.S. firms at the trade show.

"The U.S. people are increasingly realizing that the trade embargo is unfair," Alvarez said, noting growing sentiment in Congress to ease bans on travel and trade with Cuba. "One has to be blind today in order not to see that the vast majority of the American people, and the business community there, want to have normal trading relations between the two countries."

Bush has made no public comments about this week's trade show, which has been licensed by the Treasury Department. But Bush has said many times that he opposes any trade with Cuba, which he argues would simply prop up a repressive regime.

"This is a 'Jurassic Park' economy that's no great market for the United States," said James Cason, the top U.S. diplomat in Cuba. He noted the average Cuban worker's income is \$20 a month and the country's GDP is three-quarters that of the state of Rhode Island. Cason said the true aim of Cuban officials was to secure U.S. financing, which is banned under current U.S. law. He called Cuba a "Freddy the Freeloader" that owes more than \$11 billion

to other countries from which it imports goods. "I think it's great to sell eggs for cash, by all means, but let's not stick U.S. taxpayers with a big, giant goose egg."

"This could be a multibillion-dollar market. We need this market," said Baker, whose Georgia-based Cherokee Trading Co. sells chicken and turkey in 14 countries. "I'm here to make money, that's the bottom line. But we're hurting 11 million people because of one man. If we opened up this market, we could help these people."

Chuck Hartwig, an executive of American Foods Group of Green Bay, Wis., which is hoping to get Cubans hooked on U.S. liver and beef, noted that, "We're trading with Russia and we're buying oil from countries that have worse dictators than Cuba."

Minnesota farmer Ralph Kaehler, who shipped four cows, two buffaloes, two sheep and two pigs to Cuba for the show, said he had no qualms about trading with Castro's Cuba. "If I see hungry people, as a farmer, I want to feed them," Kaehler said, adding that people in his part of the United States were more interested in opening new markets than in the political differences between Havana and Washington. "If you ask most of the people in Minnesota right now about Cuba, they know there's an embargo," he said. "But they couldn't tell you why."

U.S. Livestock Arrive at Cuban Expo

By ANITA SNOW
The Associated Press

21 SEPTEMBER 2002: HAVANA (AP)- Sniffing and snorting inside their wooden crates, the first American livestock in more than four decades arrived in Cuba Saturday, the main attraction at an American agribusiness exposition. "The animals look great. They took the trip well," said Ralph Kaehler of Kaehler's Homedale Farms in St. Charles, Minn.

The wooden crates holding the animals were gently lowered from a DHL plane on a hydraulic lift, then loaded by forklift onto trucks. "We hope to do a lot of business with the Cuban people as time goes on," said Kaehler, whose family firm will be showing the livestock at the five-day show starting here on Thursday. "For us, it's a real privilege to be involved in this. When we move into a new market, it's real exciting."

The U.S. Food and Agribusiness Exhibition is the first trade show of its kind to be held here since U.S. trade sanctions were imposed on the communist-run island four decades ago. As of early September, 234 American companies, organizations and state offices from thirty-two states, the District of Columbia and Puerto Rico had confirmed they'd participate in the event, according to the U.S.-Cuba Trade and Economic Council of New York. The council, which tracks the Cuban economy, said the participating exhibitors collectively market more than 3,000 products.

Participants hope that their products will whet Cuban officials' appetites for more American food and agricultural products, prompting Havana to keep buying their goods under a new U.S. law. The law, passed in 2000, permits direct commercial sales of U.S. food and agricultural products to Cuba in an exception to the long-standing trade sanctions. All sales must be paid for in cash.

At first, Cuban officials refused to buy "a single grain of rice" under the law because it barred American financing for the transactions. But Fidel Castro's government began taking advantage of the law in November after Hurricane Michelle devastated central Cuba and it was forced to dip into its food reserves to feed storm victims. Since then, Cuba has bought more than \$120 million in American food, including beans, peas, rice, wheat, poultry - even apples.

Castro told reporters Friday he would attend the fair. "We are happy they are coming," he told reporters after presiding over a gathering of regional economists.

Also attending the fair will be Minnesota Gov. Jesse Ventura, who is arriving in Cuba Wednesday with a trade delegation from his state. Agriculture chiefs from eight American states will also attend the show. Ventura's plans have been criticized by the U.S. State Department and by Florida Gov. Jeb Bush - even though the exposition in Cuba has full U.S. Treasury Department approval.

The exhibition comes amid increasing pressure by American opponents of the trade sanctions - including many Republican lawmakers. President Bush and many Cuban exile leaders in South Florida insist that the sanctions should not be eased until Fidel Castro's socialist government embraces democratic and free-market reforms.

First U.S. livestock in 40 years flown to Cuba

By Anthony Boadle

HAVANA, Sept 21 (Reuters) - Two by two they came off the plane -- buffaloes, heifers, hogs and sheep from the U.S. Midwest.

The first U.S. livestock to be sold to communist Cuba in more than four decades were air freighted to Havana on Saturday, ahead of the first food fair by American farmers eyeing the Cuban market.

"A mini Cuban ark, we call it," said Ralph Kaehler, the St. Charles, Minnesota, farmer who arranged the sample livestock sale to the Cuban government. The crated pairs of buffalo calves, pigs, sheep, dairy heifers and a breeding beef bull and heifer will be on display at the U.S. Food and Agribusiness Exhibition in Havana running from Sept. 26-30.

Some 285 companies from 33 U.S. states will show their products and look for new sales to Cuba, which started buying food from the United States last year. So far, President Fidel Castro's government, in power since a 1959 revolution, has purchased more than \$120 million worth of American grain, beans, chicken, apples and onions. Castro, 76, said on Friday he planned to visit the fair and meet with executives of such agribusiness giants as Cargill and Archer Daniels Midland Co.

The United States imposed sanctions on Cuba in the early 1960s after Castro turned to the Soviet Union as an ally and Cuba became a socialist workers' state.

With the end of the Cold War, many U.S. farm-state lawmakers and other business interests have called for an end to the trade embargo on Cuba, a traditional market for American goods. In 2000, the U.S. Congress eased the restrictions to allow food and medicine sales to Cuba, but only if they were paid for in cash. Proposals now pending in Congress seek to lift a ban on U.S. tourism to Cuba and facilitate credit for the food sales to the cash-strapped Cuban government.

President George W. Bush, with the backing of anti-Castro exiles in Florida, where his brother Jeb Bush is up for re-election in November as governor, has vowed to veto them if passed by Congress and until Cuba allows democratic reforms to its one-party state.

"As a farmer, our job is to produce food, and we are proud of the food we produce. The embargo, that's for the politicians," Kaehler said. With a market of 12 million people so close to the United States, Kaehler said, "It makes sense for us to be able to send food" to Cuba, which relies on imports to feed its people. "We are bringing down quality livestock to show what we can produce in the Midwest, and it's all family farms that produced it," he said.

As for the animals, which Cuba purchased to improve its own livestock, Kaehler said they took the flight to Havana well. "They are not used to all this attention. They are trying to figure out what's going on," he said.

The Cracks in Castro's Wall

U.S. food companies and tourists are flocking to Cuba

By Joseph Contreras

NEWSWEEK INTERNATIONAL

Sept. 30 issue — Lame-duck governor Jesse Ventura will represent the state of Minnesota, along with a couple of pigs and a herd of corporate executives. The North Dakota Farm Bureau will fly in a pair of 300-pound buffalo calves for the occasion, and a guy from the U.S. egg industry will show visitors how to cook the perfect omelet in less than 40 seconds. But the star attraction of this week's U.S. Food and Agribusiness Exhibition in Havana is bound to be Fidel Castro, who will welcome the representatives of more than 280 American companies, nonprofit organizations and state governments to a convention center on the outskirts of the Cuban capital.

CASTRO HAS BEEN ACTIVELY courting Yankee capitalists as new allies in his campaign to lift the U.S. trade embargo against communist Cuba—and the trade fair is designed to send a message to American farmers: Welcome. "It's the first opportunity for U.S. producers to compete in the Cuban market," says Pedro Alvarez, the head of the state-owned company Alimport, which buys goods and services from foreign countries.

U.S. corporate executives in the agricultural industry are rushing to take advantage. A loophole in the trade embargo opened up in the fall of 2000 when President Bill Clinton signed legislation authorizing American companies to sell Cuba food and medicine provided payment was made in cash. Castro initially balked, vowing never to buy “a single grain of rice” under the terms imposed by Washington. But a natural disaster forced a change of heart in Havana late last year, and since December Cuba has signed contracts with several major U.S. companies totaling \$120 million for the purchase of corn, baby food, pork lard and other made-in-the-U.S.A. food products. If current trends continue, the country will import about \$165 million of American crops and food products by the end of this year. That would put Cuba among the top 50 nations doing business with American farmers—a dramatic turn of events for a country that ranked dead last on a list of 228 countries in 2000.

The expanding commercial links between Havana and the U.S. agribusiness sector are raising hackles within Miami’s Cuban-American exile community and the Bush administration, which has pledged to keep the embargo in place until the 76-year-old Castro dies or carries out significant political reforms. But if the roster of participants in the trade exhibition is anything to go by, industry heavyweights like Cargill and Tyson Foods seem quite prepared to ignore the teeth-gnashing in Washington and south Florida.

Long-deprived Cubans are happy to sample American fare. This summer apples from Washington state and chicken legs from Arkansas turned up in supermarkets and neighborhood food-distribution outlets on the island; the U.S. products were snatched up within a matter of days. Some of Havana’s upmarket dollar stores stock well-known U.S. brand-name products such as Kraft Barbecue Sauce and Tabasco hot sauce. The prices are way beyond the reach of most Cuban consumers, but the goods carry a certain cachet for the select few who can afford to splurge.

Cuba holds its own special appeal for the growing number of U.S. tourists. As many as 50,000 visited the island illegally last year. Most fly to Mexico or Jamaica first to sidestep the law. In the U.S. Congress, scores of conservative Republicans have joined liberal Democrats in voting to lift the ban on travel to the island. But for some young Americans the forbidden-fruit mystique of Cuba is one of its biggest drawing cards. “It’s one of the last countries to be relatively untouched by the American influence,” says Eugene Sung, a 25-year-old equity analyst who visited Cuba in August.

The historic food fair that opens on Sept. 26 will provide the most telling evidence that the embargo is losing its teeth. Archer Daniels Midland (ADM), the conservative corporate sponsor of the five-day event, is the driving force behind industry efforts to crack the trade restrictions. Company executives justify the push in strictly bottom-line terms. “The Cubans get a fair price, and the real winners are the American farmers, who now have a new market for their crops 90 miles from our shores,” argues ADM vice president for marketing Tony DeLio.

Despite its pro-business slant, the Bush administration continues to resist such entreaties. Otto Reich, the State Department’s Latin American policy chief, infuriated Ventura earlier this month when he advised the Minnesota governor and other participants in the trade fair to shun Havana’s ladies of the night during their upcoming visit. More seriously, the Cuban-born Reich urges U.S. firms to weigh carefully the implications of doing business with the Castro regime. “Companies have to be very careful when they get involved in trying to change foreign policy for strictly profit reasons,” Reich told NEWSWEEK last month. “We should not fool ourselves into thinking that totalitarian regimes can be changed by trade and tourism.”

Critics of U.S. Cuba policy counter that the same can be said of the embargo itself. As a policy tool, it has failed to bring down Castro or force any democratic openings in his country. Castro’s steadfast refusal to yield to any perceived instrument of U.S. pressure almost made him blow his best opportunity to undermine the embargo. The powerful American farm lobby had backed the October 2000 law allowing cash-only U.S. food sales to Cuba as a promising way of circumventing the trade ban. But to its surprise, the Cuban leader told the gringos to get lost—until Mother Nature intervened. Hurricane Michelle slammed into Cuba last November, destroying farms throughout much of the countryside and forcing Castro to confront the prospect of severe food shortages. Fidel had no choice but to eat his words—and within a matter of days Cuba had concluded agreements to purchase \$35 million worth of cereals, poultry and other food products from several U.S. companies. What began as emergency-relief measures has evolved into a thriving trade relationship.

That was good news for many farm-state Republican lawmakers whose constituents have been hard hit by the global recession. In fact, their public rejection of the embargo may one day seal its fate. One of these Republicans is North Dakota Gov. John Hoeven, who wrapped up a four-day visit to Havana in July by announcing new contracts to ship more than \$2 million worth of lentils, chickpeas and other legumes to Cuba. Hoeven followed the lead of his Illinois colleague, George Ryan, who became the first U.S. state governor to set foot on Cuban soil since the late 1950’s when he led a humanitarian-aid mission to Havana in 1999. He makes the case for greater commercial ties with Cuba on political as well as economic grounds. “Our biggest commodity is democracy,” says Ryan. “We do

business with a lot of countries around the world that we don't agree with, and the best way to open up Cuba to democracy is to flood it with our people, our ideas and our products." That prospect may no longer be that far off.

U.S. Diplomat Visits Cuban Food Show

By ANITA SNOW
Associated Press Writer
28 September 2002

HAVANA -- James Cason, the top U.S. diplomat to Cuba, greeted food producers from across the United States Saturday while visiting a giant agribusiness fair here, and urged sellers to get their payments in cash.

Munching on an Extreme Almond Blue Bunny ice cream bar from the Wells Dairy Inc. booth, Cason strolled past the product-packed aisles, chatting with exhibitors.

"We're looking at this longterm, as part of our Caribbean strategy," Dan Duncan, of the LeMars, Iowa-based dairy, told Cason, new chief of the U.S. Interests Section in Havana.

Later, Cason chatted with representatives of Seneca Foods Corp. which displayed Libby's canned corn and peaches with labels in both English and Spanish; and Panola Pepper Inc., which brought in bottles of its red, green and yellow chilies and hot sauces.

"It's terrific that he took the time to visit," said John Kavulich, of the U.S.-Cuba Trade and Economic Council, a New York-based nonprofit trade group that worked on event planning with organizer PWN Exhibicon International LLC of Westport, Conn.

Cason encouraged American exhibitors to get their payments in cash, instead of arranging financing for sales. He also accused communist Cuba of having a "Jurassic economy" and being a "deadbeat" on debt obligations.

Cuban Foreign Minister Felipe Perez Roque, who also toured the fair Saturday, responded that it was the U.S. trade embargo that was from "Jurassic Park."

"The embargo-saur will someday be in the Museum of Natural Sciences in New York -- in a corner because no one remembers it," he said. Cason and Perez Roque stood a few feet away at one point, but did not meet.

Sporting a white tropical dress shirt known as a guayabera, Cason didn't speak to reporters, but he was overheard encouraging at least one exhibitor to concentrate on cash-only sales and to develop future business contacts.

All American food sales to Cuba must be paid for with cash. The Bush administration has argued against financing, saying Cuba doesn't pay its debts. Because of the financing restrictions, Havana for a year refused to take advantage of the 2000 U.S. law permitting the first direct commercial sales of American food and agricultural products to the island in 40 years. The law provides an exception to the U.S. embargo against Cuba, gradually imposed in the years after Castro came to power after the 1959 revolution.

Since Cuba started taking advantage of the law in November, it has purchased more than \$140 million worth of American food, including rice, wheat, beans, peas, pork lard, apples and brand-name packaged products.

During the show's first two days, Cuba's food import concern Alimport signed contracts to buy about \$18.5 million more in U.S. food, including rice, soy, frozen chicken and eggs. More contracts were expected through the rest of the show. Cuban officials -- and many of the American exhibitors -- hope the deals will spur more exceptions to the trade embargo.

U.S. Eyes Business At Cuban Food Fair

By Letta Tayler
LATIN AMERICA CORRESPONDENT
Newsday
26 September 2002

Havana, Cuba - When he closes his eyes and conjures Cuba, James Allen envisions red - not the red of revolutionary banners but rosy rows of New York McIntosh, Delicious and Empire apples lining grocery shelves.

In a quest to turn this vision into reality, Allen will stand for five days behind a table piled with apples in Havana, trying to lure Cubans into biting - and then buying - the heretofore forbidden U.S. fruit.

"Cuba is only 90 miles off the coast and gee whiz, we're preaching free trade around the world, so why not sell there, too?" reasoned Allen, president of the New York Apple Association.

Allen is among representatives of 288 U.S. companies who will peddle edibles ranging from coffee cakes to catfish at a gigantic food fair starting today in Havana. The first major gathering of U.S. companies in Cuba since its 1959 revolution, the fair underscores a growing gulf between U.S. food interests and the Cuba policy of President George W. Bush.

For four decades, the United States has embargoed trade with Cuba, a one-party socialist state that ousted U.S. businesses after the revolution. But a 2-year-old amendment to the trade embargo lets Cuba buy U.S. food provided it pays upfront in cash.

That prospect has the fair vendors salivating; turnout at the fair is more than double what organizers anticipated. Like a majority in both houses in the U.S. Congress, many vendors favor lifting or easing the trade embargo.

But the Bush administration has vowed to retain the embargo, and earlier this month Otto Reich, the U.S. assistant secretary of state for the Western Hemisphere, derided flamboyant Minnesota Gov. Jesse Ventura for planning to attend. Reich, a hard-line Cuban-American, also said he hoped U.S. vendors would not engage in "sexual tourism" while in Cuba.

James Cason, head of the U.S. Special Interests Section here, added to the fray yesterday by slamming Cuba as "a Jurassic Park economy that is no great market for the United States."

John S. Kavulich, president of the New York-based U.S.-Cuba Trade and Economic Council, said, "Despite intense interest within the United States in selling to Cuba, the will of the minority continues to prevail."

Cuba, meanwhile, is reveling in the U.S. corporate advances. President Fidel Castro is expected to attend the fair daily, joining hundreds of Cuban buyers and VIPs who will eye 400-pound bison, chew Wrigley's gum, sample breakfast prepared by the world's reputedly fastest omelet maker and sit in a replica of a 1950s diner. "The place where Americans are treated best is Cuba," Castro declared in a statement released by fair organizers.

Cuba has already bought \$140 million worth of U.S. food under the amendment to the trade embargo. It hopes to buy \$250 million more in the next year, much of it from companies represented at the five-day fair, called the U.S. Food and Agribusiness Exhibition.

The leftist nation has been chronically short of cash since the collapse of the Soviet Union, its main financial supporter, in the 1990s. If Cuba could use credit instead of cash, it could buy up to 70 percent of its food imports - which now total \$1 billion a year and are expected to rise to \$1.5 billion in coming years - from the United States, said Pedro Alvarez, chairman of the Cuban government's food importing agency, Alimport.

Allen said Cuba already has promised to buy some New York apples but hasn't specified how many. He's seeking new markets because of competition from Washington state and the fact that most Americans no longer eat an apple a day.

Stephen Ziegler, a Farmingville resident, may have a harder sell. A vice president of the small Manhattan-based Chatham Imports, he's hawking a pre-made cocktail made with rum from the West Indies in a country renowned for its rum.

The drink, labeled "Cuban-style" and called Martí Mojito, is named after 19th-century Cuban revolutionary José Martí and is a version of the Mojito, a famous Cuban cocktail consisting of rum, sugarcane, mint and lime juice.

Ziegler appeared undaunted when told his asking retail price of \$20 to \$25 a bottle exceeded the average Cuban's monthly salary. "An advantage to our drink is that it isn't labor-intensive," he said. "You don't have to crush the mint or squeeze the lime."

NY apple growers to ship their crop to Cuba

By DAMITA CHAMBERS
Associated Press Writer
25 September 2002

ALBANY, N.Y. -- After a 40-year trade embargo, New York apple growers can sell their crops to Cuba.

"There are 13 million consumers in Cuba that have never tasted a great apple like ours before," Peter Gregg, New York Apple Association spokesman, said. "We hope Cuba will quickly become one of our leading export destinations."

In courting the Cuban market, New York apple growers invited inspectors to tour orchards and processors in western New York to observe their practices, Gregg said. In June, the Cuban government gave New York clearance to sell fresh apples.

With many orchards producing the smallest crop in 29 years because of a late frost, apple growers are "chomping at the bit to take advantage of that," he said. The New York Agricultural Statistics Service expects the state's 674 apple growers to produce 720 million pounds, or 28 percent less than last year. "We've had several orchards that were completely wiped out," he said.

Apple growers will get to show off their crops at a five-day federally sanctioned U.S. Food and Agriculture Exhibition held in Havana, Cuba, beginning Thursday. The United States ended trade with Cuba in 1960, shortly after Fidel Castro came to power.

The Trade Sanctions Reform and Export Enhancement Act of 2000 allows U.S. companies to sell products to Cuba on a cash-only basis.

The New York Apple Association and two New York apple growers will set up booths at the event. Nearly 300 exhibitors, from at least 33 states, the District of Columbia, and Puerto Rico, were scheduled to participate.

New York apple farmers are unsure of how the Cuban market will affect the industry. "I don't know if anybody in the industry really knows at this point," said Dean Decker, vice president of the apple shipper, United Apple Sales. "I'm not real clear what kind of fruit they're going to use (and) the quality of fruit they're going to use."

Cuba has confirmed its intention to buy about 650,000 tons of U.S. agricultural products worth about \$102 million, according to the New York-based U.S.-Cuba Trade and Economic Council, Inc.

"We hope Cuba will quickly become one of our leading export destinations," Gregg said. New York currently exports nearly 1 million bushels of apples annually, he said. It ties Michigan as the nation's second largest apple-producing state with control of 10 percent of the national crop. Washington state is the largest producer, accounting for 50 percent of the national crop. Washington state is the only other state that has clearance from Cuba to sell its apples, according to the Foreign Agricultural Service of U.S. Department of Agriculture.

"We have a competitive advantage against other apple producing states, like Washington state. It's much more logistically difficult for them to get their apples to Cuba than it would be for us. They're in close proximity to our ports," said Gregg, the apple association spokesman. Some New York apple companies are staying away from the exhibition because of reservations about doing business with Cuba because of the use of third party banks.

John Kavulich, spokesman for the trade council in New York, said he understands why U.S. companies may be nervous about trading with Cuba. "Due to chronic payment problems for imports in general, U.S. companies are certainly skeptical at first," he said. "Because of the requirement that the sales be for cash, Cuba is the safest export market in the world for U.S. agricultural products because there is no risk in the transaction."

Poor crop size will also keep New York apple companies from the exhibition. Apple farmer Jeff Crist of the Crist Bros. Orchard Inc. in the Hudson Valley village of Walden, lost 60 percent of his crop, or 140,000 bushels, and will not participate in the trade show. The Hudson Valley, one of the state's main commercial apple-growing region, was the hardest hit, with 15 percent of its crop remaining. But Crist is optimistic that the Cuban market will benefit the New York apple industry in the long run. "Lots of times, an opportunity starts small and you can build on it."

US Envoy Tours Cuba Fair After 'Poisonous' Comment

By Anthony Boadle
28 September 2002

HAVANA (Reuters) - The top U.S. diplomat in Havana on Saturday toured the first trade fair by the American food industry in communist Cuba that met with disapproval by the Bush administration.

U.S. Interests Section chief James Cason tasted ice-cream and wished U.S. exhibitors well in selling grain, livestock and supermarket products to cash-strapped Cuba.

Promoters of the show said Cason had "poisoned the atmosphere" with statements on Wednesday when he called Cuba an "international deadbeat" with a "Jurassic Park economy" that could not generate cash to pay for imports.

More than 800 American food industry sales executives, state agriculture officials and port authorities, led by Minnesota Gov. Jesse Ventura, attended the five-day fair seeking a foothold in Cuba's long forbidden market.

Under a 2-year-old easing of a 1962 trade embargo, Cuba has bought more than \$140 million in U.S. food for cash and offers American producers the major share of its market if credit and travel restrictions are lifted.

The Bush administration, which has threatened to veto further opening to Cuba, saying it will only serve to prop up Cuban President Fidel Castro, after 43 years in power, reluctantly licensed U.S. participation in the Havana fair.

U.S. Assistant Secretary of State for Latin American Affairs, Otto Reich, set off a flap by cautioning Gov. Ventura and other participants not to participate in sexual tourism in Cuba.

"Mr. Cason's and Assistant Secretary Reich's comments did much to poison the atmosphere and anger exhibitors," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, which monitors U.S. trade with Cuba.

"So Mr. Cason's extensive tour of the fair did much to repair the self-inflicted damage to their public diplomacy effort," Kavulich said. "However, the damage remains."

Cubans lined up at fair stalls to eat doughnuts and pierogies, sample American steak and sausages, taste California wines and Sara Lee lemon meringue pies, munch on popcorn and cheese sticks, and chew Wrigley's gum.

Most of the American products have not been seen in Cuba since Castro's 1959 revolution turned the island into a Soviet ally and led Washington to break off diplomatic ties and ban trade and travel. "Cubans haven't seen pierogies here since the Russians left. The can't get enough of them," said Ron Hoffmann, vice president of Giorgio, of Pennsylvania, one of the largest mushroom processors in the United States.

Cuban officials said \$30 million in deals had been struck in the first two days of the fair. Main sponsor Archer Daniels Midland, the largest U.S. food processor, signed contracts for \$9.7 million in rice and soy products on the first day. Cargill, the second largest U.S. agribusiness company, announced agreement on \$4-5 million in initial sales.

Cuba, whose state-run economy has never fully recovered from the collapse of the Soviet Union, is banking on American tourism being allowed back to the island to earn cash to pay for more imports needed to feed its population.

"Cuba and the United States are moving quickly toward normal relations," Cuban Foreign Minister Felipe Perez Roque told reporters. "This fair is real proof of the interest of American society and business groups in trading freely with Cuba. The process cannot be stopped," he said.

American food industry firms up links with Cuba

FoodProductionDaily.com
Montpellier, France
30 September 2002

American food companies expanded their foothold in Cuba's long forbidden market last week, advocating normal business ties with the communist-run island.

During last week's US food fair and exhibition, Cuban leader Fidel Castro, dined and chatted with US egg producers until 2:30 am after tasting cheese and wine, a chocolate shake and fries at Thursday's opening.

Dressed in a navy blue pin-striped suit instead of his customary military fatigues, Castro has hob-nobbed into the early hours every night of the five-day event with executives of capitalist food corporations, some with annual revenues larger than the economy of his one-party workers' state.

Hundreds of food and agriculture businessmen continued bargaining with Cuban officials for sales of grain, cereals, animal feed, meat and supermarket products.

Under a two-year-old easing of the trade embargo, Cuba has bought more than \$140 million (€142.4m) in US food for cash and offers American producers the major share of its market if credit and travel restrictions are lifted.

US statesmen, Jesse Ventura, whose trips to Havana was opposed by the Bush administration, said it was time to take politics out of US-Cuban relations. A former Navy SEAL who served in Vietnam, Ventura said 58,000 Americans of his generation died there and the United States now trades openly with that communist nation, so it made no sense not to do so with Cuba. While disagreeing with Castro on fundamental principles of government, the embargo had to be rethought, Ventura said. "If the original reason for the embargo was to run President Castro out of office, after nine US presidents and 43 years, the policy has not worked," the governor said.

"You'd think that after 43 years, you would try Plan B," Ventura said from Havana. "After telling me not to go, the governor's state is the most represented at this fair," he added, pointing to the interest shown by Florida farmers, shipping companies and ports in the Cuban market of 11 million people just 90 miles (145 km) away.

Two US food processors sponsoring the show, Archer Daniels Midland and Cargill landed \$55 million worth of contracts by the second day.

"We have built a good bridge of trust," said David Radlo, whose Watertown, Massachusetts, family-owned business signed a deal for the sale of 30 million eggs to Cuba on Thursday.

Among the industry giants promoting their products in Havana are Cargill, ConAgra Foods, Tyson Foods, and Del Monte Foods. Hurricane threats and shipping glitches left some participants out, among them Kellogg. The US food industry has been the major force behind growing political support in the United States for dismantling the remaining sanctions on Cuba, including a ban on Americans tourists visiting the island.

President Bush, backed by anti-Castro Cuban exiles in Florida, a pivotal state in his 2000 election, has vowed to veto legislation that eases the embargo until Castro allows democratic reforms.

Poultry producers in line to cash in on Cuba

FoodProductionDaily.com
Montpellier, France
27 September 2002

Cuban President Fidel Castro's government was expected to buy more U.S. food products this week, as executives of major poultry producers headed to Havana, a group that tracks U.S.-Cuba trade relations said on Monday.

"Representatives from Gold Kist, Tyson Foods, Perdue Farms, and ConAgra Foods Inc. among others, will be in Cuba for talks with state food importer Alimport," John Kavulich, head of the New York-based U.S.-Cuba Trade and Economic Council, told Reuters in a phone interview.

Alimport last week hosted representatives from agribusiness firms Archer-Daniels-Midland Co., Cargill Inc., and Riceland Foods, Inc. among others, signing contracts to purchase wheat, corn, rice, soy, and vegetable oil in the first commercial transactions between the two countries since Washington slapped a trade embargo on the Caribbean island some 40 years ago soon after Castro took power. Trade between the two countries was fully halted in 1962.

Cuba turned down a U.S. offer of aid but sought to buy U.S. food on an emergency basis after being devastated by Hurricane Michelle earlier this month. The purchases were possible since Washington eased its embargo last year to allow cash sales of food and medicines to Havana.

The U.S. Commerce Department must still give final approval to the sales. The State Department said it would support them because of their humanitarian nature. U.S. Agriculture Secretary Anne Veneman said earlier this month that the proposed purchases were worth about \$30 million (34 million euros).

Alimport's shopping list includes 20,000 tonnes of rice, 10,000 tonnes of wheat flour, 40,000 tonnes of animal feed, 17,000 tonnes of soy products, 40,000 tonnes of wheat, 6,000 tonnes of chicken leg quarters, 1,500 tonnes of powdered milk, dried beans, cooking oil, and wood products, according to the U.S.-Cuba Trade and Economic Council.

"Most of the products were contracted for last week with delivery scheduled for December into March. The

companies going to Cuba now will be looking to sell the 6,000 tonnes of chicken valued at around \$6.7 million, among other things," said Kavulich, whose organisation provides non-partisan commercial information on Cuba. He added that Cuba was also shopping for various medicines and raw materials to manufacture medicines.

The extraordinary deals came after Cuba appealed to Washington to speed up authorisation to buy food and medicines from the United States on a one-time basis to replenish stocks used after its worst storm in half a century. Hurricane Michelle struck central Cuba on Nov. 4, killing five people, flattening thousands of houses, and severely damaging crops earmarked for both export and local needs. Washington had first offered to send humanitarian aid via nongovernmental bodies, but Havana replied with a polite refusal and a counteroffer to buy food and medicines with cash.

The United States loosened its trade sanctions on various countries last year, including Cuba, allowing for the purchase of food and medicines. But in communist-run Cuba's case what many in both countries consider cumbersome licensing procedures were left in place and U.S. financing of the trade banned - which in Cuba's view posed too much of an obstacle for sales. Castro charged at the time the measure was discriminatory and unworkable. He pledged his country would not buy "a single grain of rice or aspirin," a position Cuban officials insist has not changed despite their country's post-Michelle purchases.

U.S. and Cuban officials have sought to dampen speculation that the trade signals a significant change in their often hostile relations. "It's an isolated fact. We have no reason to see it as a policy shift, rather as something that happened because of a hurricane that doesn't happen every month in Cuba," Vice President Carlos Lage told reporters over the weekend after attending a regional summit in Lima, Peru.

Nevertheless some Western diplomats said they viewed the sales as a watershed event. "I'm telling my government this could be the beginning of the end of the embargo and they had better start considering other products than food to sell to Cuba," a European diplomat said.

Cuba, U.S. firms cook up deals

By Vanessa Bauzá
Sun-Sentinel
1 October 2002

HAVANA • Cuba's five-day shopping spree at the first U.S. Food and Agribusiness Exhibition totaled about \$89 million, almost doubling sales estimates and handing Fidel Castro a public relations victory with industry giants and small family farmers alike.

"We will continue to support efforts to further normalize the commercial relationship between our two countries," said Robert Lumpkin, vice chairman of agribusiness leader Cargill, just after sealing a \$17 million deal in corn, soy meal and turkey Monday afternoon.

More than 700 American food distributors, state agriculture officials and port authorities took down posters and boxed up displays Monday, marking the end of the unprecedented food fair. About one-third of the companies left with a contract or pending agreement, said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

Fort Lauderdale-based Splash Tropical Drinks became the first American company since the 1960s to partner with a Cuban firm for distribution. Company president Richard Waltzer, said Monday he planned to sign a deal with Havana Club to become the exclusive distributor of his daiquiri and piña colada mixes. An initial delivery is worth \$50,000.

"It's one step beyond my expectations," Waltzer said. "I'm now a raving fan of the Cuban government, the Cuban nationals and how they've treated me."

Castro was a frequent visitor to the fair, signing many multimillion dollar contracts himself.

"Clearly that's a political statement," said Anthony DeLio, Archer Daniels Midland vice president of marketing. "They're trying to purchase as much as they can to have a stronger voice in the states." The Illinois-based agribusiness giant reaped about \$17 million in sales of rice, corn, soy and food ingredients.

There were many smaller deals from Ohio's Sara Lee, which contracted about \$500,000 in cakes, to California's Sun-Maid Growers, which sold about \$100,000 in raisins, said Kavulich.

Exhibitors described the Cuban buyers as savvy bargain hunters. "They actually brought a sommelier here from a fancy restaurant," said New York wine distributor Joseph Magliocco. "They're very nice, but they want a very good price. She got me as low as I would possibly go for a first order."

"The nice people come in first and then the final hammer people," said Robert Hooker Jr. of Miami-based Purity Products Inc., which signed contracts worth about \$800,000 in condiments.

With abundant samples of everything from Del Monte canned fruit to Wrigley's chewing gum, and men dressed like purple California raisins and red-legged Spam cans roaming the aisles, the trade show could have been Anywhere, U.S.A. But here it evolved into a showcase for Cuba and Castro, who is banking on the fair boosting anti-embargo momentum to chip away at 40-year-old sanctions and bring an influx of American tourists to aid the island's ailing economy.

Castro treated delegations from various states to private dinners and exchanged gifts of coveted Cuban cigars for American baseballs, bats and books. North Carolina produce exporter, Allan Henderson, who traded farming techniques with Castro at a private dinner Wednesday, plans to meet with his state's U.S. representative on Capitol Hill next week and "bend some ears."

"I grew up worried about atomic weapons in Cuba pointed at us, but that's in the past," Henderson said. "Let's look at the future."

The first day ended Thursday with a cultural gala sponsored by the Cuban Government that featured Grammy award winning piano player Chucho Valdes, Cuba's National Ballet and the Buena Vista Social Club crooners. A five-course dinner of shrimp cocktail and beef with guava and coffee sauce crowned the festivities Saturday night.

American executives seeking photos and autographs crowded Castro all evening prompting the master of ceremonies to repeatedly ask them to sit down so the meal could continue. "You are making a very noble effort to overcome obstacles," Castro told guests at the banquet. "Fortunately we are neighbors, so it's better that we be friends."

Castro's new-found enthusiasm was not reciprocated by U.S. officials. Dressed in a white guayabera, James Cason, the top American diplomat in Havana, visited the fair over the weekend along with dozens of Cuban government officials.

Cason, who called Cuba an "international deadbeat" on the eve of the fair, sampled foods while encouraging industry representatives to concentrate on cash-only sales and not seek financing.

Similarly, the Cuban American National Foundation has warned companies the island owes millions of dollars to businesses and governments around the world. "Clearly the idea here ... is that they're trying to entice Americans to come in ...," said Dennis Hays, vice president of the pro-embargo lobby.

Cuban workers from the food and tourism industry, students and agriculture representatives from across the island also attended the fair by invitation over the weekend, leaving the crowded hall with bulging goodie bags.

"This is the best meat here and we Cubans are carnivores," said Javier Taquechel, a dollar store cashier, as he waited in line for sizzling steak samples at the Colorado Boxed Beef Co. booth. Beef is only available for dollars in Cuba and strict regulations forbid farmers from slaughtering cattle without government approval.

"What did I try? Everything," said Anabelle Ponce, a tourism ministry accountant who left the fair with bags of sample cheeses and chocolates. "I had some spicy meat that sent me running for water."

In a sign of things to come some exhibitors also sat in on a how-to conference about registering trademarks in Cuba. More than 4,000 American brands -- from McDonald's to Calvin Klein -- are registered here, many since before the revolution.

"It's just too important a market," said Jerry Reilly, a Tampa-based citrus and dairy distributor. "It took me 2 1/2 to three years to register some trademarks in Venezuela. Here you just pay a couple hundred dollars."

Americans see Cuba as ripe for farm trade Agribusiness show in Havana promotes lifting of blockade

By TRACEY EATON and RICARDO CHAVIRA
The Dallas Morning News

27 September 2002

HAVANA – Fidel Castro, flanked by beefy guards and a crush of photographers, strode up to a hog named Austin on Thursday and waited for some sign of life.

Six-month-old Austin – technically, a Landrace boar – could only muster the energy to snort, evidently failing to realize that a political icon of the century had arrived. The beast, which some Americans call Havana's newest "capitalist pig," was content to lounge on the floor of the exhibition hall, despite the urgings of its handler, Minnesota teenager Cliff Kaehler.

The 13-year-old, who helped raise Austin on his family's farm in St. Charles, Minn., said he realized it was a special day. After all, he got to meet Mr. Castro, the legendary rebel who took power in 1959. "It was an opportunity of a lifetime," the boy said. "He's a very smart guy. To rule as long as he has, you have to be smart."

Mr. Castro, 76, clad in a dark business suit, chatted for a while with Cliff and his younger brother, Seth, 11, before making his way through the first U.S.-Cuba Food and Agribusiness Exhibition, shaking hands with American farmers and business people, posing for photos and even feeding Clarke, a 5-month-old American bison.

It was a classic moment, yet another momentous event in which Mr. Castro, master of the international stage, drew the spotlight to his crusade: Burying the U.S. ban on trade with Cuba. Cubans call it *el bloqueo*, the blockade, and say it's to blame for practically all their economic ills.

U.S. officials sharply disagree, saying socialist policies have driven the island into ruin. Their current point man is James Cason, chief of the U.S. Interests Section in Havana. In decidedly undiplomatic fashion, he calls Cuba "an international deadbeat."

"I expect to see a lot more bull than beef from the Cuban authorities," he told reporters. "This is a Jurassic Park economy, and it's no great market for the United States." Mr. Castro brushed aside such accusations Thursday while touring the food exhibit, containing everything from California raisins and Jell-O to Skippy peanut butter, Pop-Tarts and Spam. "They've been saying that kind of thing for more than 40 years," he said.

Andy Hewes, owner of Texas-based Coastal Rice and Futures Inc., said he would love to trade with Cuba, especially now because business elsewhere isn't that great. "The embargo is killing us," Mr. Hewes said. "Once the embargo is lifted, all of our exports would go to Cuba. It's our logical market, and we're their logical supplier."

Mr. Hewes, asked how he feels about doing business with a government accused of depriving its people of basic human rights, said, "If that's the standard for judging who we trade with, then we would stop doing business with half the world." He brought in bags of rice packaged 1950s-style. They were labeled *Arroz Coastal, Hecho en E.U.* (Coastal Rice. Made in the U.S.)

Nishi Whiteley, director of international marketing for the Texas Department of Agriculture, also was in attendance. "We're here to promote Texas-grown and -produced products. The Cuban people are very interested and hospitable. We've had people from Texas here before, and they are quite enthusiastic about the possibilities."

Karen Porter, vice president of international marketing for American Rice Inc., said Cuba is "an important market, and it's close to Texas. We can get products here quickly. Cuba is an excellent opportunity for Texas businesses." Her company buys and mills rice in Freeport, Texas, and already has sold Cuba some 40,000 tons of rice, despite a U.S. law prohibiting the financing of such sales. The Cubans are required to pay cash up front.

Some U.S. officials say they don't object to food sales to Cuba as long as Cuban companies pay in cash. The country, with an estimated foreign debt of \$11 billion, doesn't have a good reputation for paying its bills, they say.

Mr. Castro disputed that and said state-run companies that have bought from the United States have not delayed "even for one second" in paying their bills.

Pedro Álvarez, head of Alimport, a Cuban company that handles food imports from the United States, said he expects his government will buy more than \$200 million in American products by the end of the year. If financing and other restrictions are lifted, that number is likely to soar to some \$840 million by the year 2005, he said.

Jesse Ventura, the former pro wrestler turned Minnesota governor, was the highest-ranking American politician at the exhibit. He walked alongside Mr. Castro and pointed out livestock from his home state.

The United States ought to at least take "a few baby steps" toward ending the trade ban, said the governor. "The Cuban market is rising pretty fast. We in Minnesota want to be on the ground floor."

Reporters asked Mr. Ventura if he planned to meet with any of Cuba's political dissidents, as former President Jimmy Carter did in May. "I don't know where they're at. If you took me five blocks from here, I'd be lost," he said, at times calling Americans "United Statesians."

Both President Bush and Florida Gov. Jeb Bush oppose trading with Cuba, saying that doing so will prolong the Castro regime and deprive Cubans of freedom and opportunity. South Florida is home to a large and vocal Cuban immigrant community that has long opposed U.S. relations with Cuba. Said Mr. Ventura, "That's not my job to usher in change. The only people who can change Cuba are the Cubans."

PWN Exhibicon International in Westport, Conn., organized the trade exhibit, the first of its kind since 1959. Some 750 American business people are attending the show, which ends Sunday.

Fidel Castro's older brother, Ramón Castro, also joined in the festivities. Wearing a straw hat and guayabera, he stood outside a booth for the Cuba Florida Cattle Association. "Imagine, it's been almost 50 years since we had something like this here," he said, chuckling and shaking his head in wonder.

"This is a marvelous event filled with wonderful ideas. I think we are seeing the resumption of our traditional trade between the two countries. The truth is, it should have happened a long time ago. But politics has worked to our mutual economic detriment."

He paused as crowds of Americans and Cubans walked past, some of them sampling some of the thousands of pounds of products brought in for the event, everything from Juicy Fruit chewing gum to beef jerky. "I remember as a young man driving a Caterpillar bulldozer," Ramón Castro recalled. "I've driven many other types since then, including those made in Russia. But there is nothing like those Caterpillars."

Havana food fair buoys U.S. firms Exhibition ends with calls to ease trade embargo

By Gary Marx
Chicago Tribune
1 October 2002

HAVANA -- Cuba's first U.S. agricultural trade fair in four decades ended Monday with a flurry of contracts and a burst of publicity--but also questions about how big a potential market the communist island represents for American companies.

Cuban officials announced that they had signed deals worth nearly \$90 million for rice, vegetable oil, eggs and dozens of other products at the five-day trade fair, which attracted 288 American businesses and daily visits by Cuban President Fidel Castro.

Castro has taken advantage of the exhibition to meet with dozens of U.S. food-industry executives, who have mobbed him at the exhibition hall and at other events, including a gala dinner Saturday. Some of the executives vowed to lobby to get the 40-year-old U.S. trade embargo eased.

Robert Lumpkins, vice chairman of the agribusiness giant Cargill, said his company has "worked for years to reopen the Cuban market for U.S. food. Cargill believes that food should not be used as a weapon in foreign policy." Lumpkins spoke at a ceremony Monday at which Cuba agreed to buy \$17.1 million of corn, soybeans, turkey drumsticks and other products from Cargill.

After the ceremony, Castro told reporters, "The embargo has been weakening."

U.S. executives attending the U.S. Food and Agribusiness Exhibition said any significant growth in U.S. sales to Cuba is largely dependent on the Cuban economy, which in many ways is tied directly to whether the embargo is eased further.

"I don't think anyone knows the size of the market," said Alan Tannebaum, an official at Land O'Lakes Inc., the Minnesota dairy giant. "We all came asking, 'Do they want American products?' That was answered quickly. The answer is yes."

The fair was opened to the public Sunday--by invitation only. Cubans carrying plastic bags hustled from booth to

booth, filling their sacks with Wrigley's gum, miniature Milky Way bars and boxes of California raisins.

Officials from a Maryland-based company said they expected to give out more than 14,000 pounds of pastries, applesauce, olives and other products. An Illinois company handing out corn snacks said it had to ration its giveaways. "It's been non-stop," said Dan Heffelmire, president of Prairie Foods Inc., a company outside Springfield.

Some older Cubans were amazed to see once-popular items such as Uncle Ben's Rice on display for the first time in 40 years. Others were baffled by unknown products, such as a box of macaroni and cheese at the Land O'Lakes booth. "How do you prepare this?" one Cuban asked Tannebaum.

Under a 2-year-old liberalization of the trade embargo, Cuba is allowed to buy American food and agricultural products if it pays in cash. Including contracts signed at the fair, the Cubans have purchased about \$230 million in U.S. grains and other foods in the past year. But the cash-only restrictions sharply limit trade.

Pedro Alvarez, chairman of the Cuban import agency Alimport, said U.S. businesses could capture at least 60 percent of the \$1 billion Cuba spends annually on food and agricultural imports if the U.S. ban on financing is lifted.

Cuban officials and many U.S. executives also are hoping the trade fair will buttress those in the U.S. Congress seeking to lift the ban on American tourists visiting the island. President Bush opposes easing any of the restrictions until Cuba embraces democratic reforms.

Cuba's economy is suffering through a two-year recession. Tourism, the country's largest income earner, is down 15 percent since the Sept. 11 attacks and the global economic slowdown. Officials estimate that 1 million Americans could visit the island if the travel ban is lifted--something U.S. businesses say would create an immediate demand for their products.

"When the travel ban is lifted, then I think you will see the demand soar [for American products]," Tannebaum said. "Americans demand choices and high-quality products. If hotels don't have what they want, they will tell them."

During much of the exhibition, Castro has talked mostly about business, not politics. Dressed in either a dark suit or more casual guayabera shirt rather than green military fatigues, Castro has reassured American executives that despite Cuba's mounting financial debts, the country will continue to pay U.S. businesses in full.

"There was not a single case of late payment for the services and products delivered," Castro said Saturday. "Everything was paid for in cash, despite predictions by those who claimed that Cuba was not in a position to pay for such purchases."

But in Cuba, the economics of trade is suffused with politics. At the exhibition, Cuba appeared to continue its strategy of buying products from different states to build political support for lifting the embargo.

"They are not stupid," said Anthony DeLio, a vice president at Illinois-based Archer Daniels Midland Co., chief sponsor of the exhibition. "This was well-orchestrated. They had an agenda to purchase from as many people as possible to keep the pressure on."

Cuba gets taste of U.S. agriculture; Food fair meant to strengthen ties

By Gary Marx
Chicago Tribune
27 September 2002

Dressed in a dark business suit and flashing a big smile, Cuban President Fidel Castro strolled the aisles of the first U.S. agricultural trade fair in four decades here, taking samples of California raisins and sipping a chocolate shake and munching on low-fat french fries.

"It's very good," Castro reportedly said of the fries as he stood at a mock-up of a 1950s diner built by Decatur, Ill.-based Archer Daniels Midland Co. "It's crisp."

Castro's lengthy stroll through the trade fair, in which he bottle-fed a buffalo calf and entered a pen to pat a bull, marked the opening of the five-day U.S. Food and Agribusiness Exhibition.

For many of the 288 U.S. companies here, including 22 from Illinois, the trade fair is a step toward penetrating a closed market in agricultural products and pushing toward a further lifting of sanctions imposed on Cuba not long after Castro's 1959 revolution.

"We today open a new chapter in our relationship with Cuba," Allen Andreas, chairman of ADM, said at the opening ceremony. ADM is the chief sponsor of the event.

Under a 2-year-old liberalization of the trade embargo, Cuba is allowed to buy U.S. food and agricultural products if it pays in cash. The Cubans have purchased \$140 million in U.S. grains, peas, beans, chicken and other food products this year. But the cash-only restriction sharply limits trade.

The Cubans are hoping the trade fair--and the potential of tens of millions of dollars in future contracts--will buttress the efforts of U.S. lawmakers and others who are battling in Congress to ease the cash-only restriction and lift a ban on American tourists visiting the island.

To emphasize the point, Castro stood in the ADM diner, complete with a miniature juke box, black-and-silver table tops and bar stools--and signed a \$9 million contract for the Cuban food-importing firm, Alimport, to purchase rice from ADM, according to company officials.

"There is only one thing I can say: Someday it will end," Castro told reporters when asked about the embargo. "Little by little we can build economic ties, and with that comes the ties of friendship between peoples."

But President Bush is opposed to easing any of the restrictions until Cuba embraces democratic reforms. James Cason, the top U.S. diplomat in Cuba, warned Wednesday night that American companies should be wary of cutting deals with a country that owes billions of dollars to European and other creditors. "This is a Jurassic Park economy that's no great market for the United States," he told reporters. Cuba's estimated foreign debt is \$11 billion, he said, and "we don't want to be in that queue."

While the trade fair was suffused with politics -- the Cubans removed from one exhibitor bottles of rum named after Cuban independence hero Jose Marti -- the atmosphere inside the exhibition hall was celebratory, resembling a cross between a country fair and a supermarket giveaway.

In one booth, packs of Wrigley chewing gum were stacked 4 feet high in the shape of giant barrels. Another booth featured Uncle Ben's rice, Snickers bars, M&Ms and miniature Milky Way candies.

Sara Lee coffee cakes were being handed out, along with fresh slices of beef brisket, fresh coffee, ice cream, beef jerky, cured ham, smoothies and dozens of other products.

An Illinois company was selling valves that are used to improve aging refrigeration systems, while a Texas company was set on boosting Cuba's food production by selling genetically engineered livestock.

"We export quality animals and embryos," explained David Husfeld, an official at Global Genetics and Biologicals. "Our cattle are adapted to the tropical climate. They are resistant to internal and external parasites, and they are heat resistant."

As Castro inspected the exhibits--at one point he was joined by Minnesota Gov. Jesse Ventura, who participated in Thursday's ribbon-cutting ceremony -- a person dressed in a California raisin costume and another as a giant can of Spam cruised the hall.

Nearby, a chef stood behind a gas burner and cranked out omelets in near-record time. "I did that one in 14 seconds," boasted Howard Helmer, who was brought to the fair by Radlo Foods, a Massachusetts-based company.

David Radlo, the company's president, said he was set to sign a deal to sell the Cubans 30 million eggs worth \$1.5 million. Radlo said he had already sold 10 million eggs to Cuba in April and had no difficulty negotiating with the Castro government.

For some companies, there was pressure not to leave Havana empty-handed. Sometimes, the rivalry between fellow exhibitors came to the surface. "We can take them out," said Michael Coyle, who represents a New Jersey-based wholesaler, referring to another U.S. food exporter. "This is a good thing for Cuba. They are getting a lot of competition."

As Coyle spoke, two Cubans stood at a nearby booth and sampled miniature sausages. The men said they were among 10 government taste-testers at the fair whose task was to recommend the best items to their negotiators.

"I'm judging the technical character of the product and their taste," explained Jorge Perez, an official at Cuba's Institute for the Study of the Food Industry. "These sausages are real good."

Outside the exhibition hall, where U.S. and Cuban flags flew side by side, many Cubans said they support the trade fair as a way to boost Cuba's sagging economy and to end 40 years of animosity between the United States and Cuba.

But many Cubans, who earn on average between \$12 and \$20 a month, said they could not afford the \$20 bottles of wine and other products that were being shown at the exhibition. Others said they were disappointed that entrance to the trade fair was by invitation only. "I would love to go in and see," said one Cuban who works at a restaurant next to exhibition hall. "But I don't have credentials or anything. I can't get in."

Cuba to Pay \$90 Mil. for U.S. Food

By ANITA SNOW
The Associated Press
30 September 2002

HAVANA (AP) - New American food sales to communist Cuba reached nearly \$90 million Monday at an agribusiness fair aimed at whetting the island's appetite for U.S. farm products and chipping away at the 40-year trade embargo, Cuban officials said.

As the fair neared the end of its last day Monday, Cuban officials said they had signed contracts for about \$89 million in U.S. farm products - almost double what they initially hoped for. Deals for as much as \$13 million more in sales were still being discussed and would be announced in the coming days, said Pedro Alvarez, head of the Cuban food import concern Alimport.

"The embargo has been weakening," President Fidel Castro said Monday afternoon after signing one of the largest contracts of the fair, a \$17.1 million deal with agribusiness giant Cargill, Inc. of Minneapolis.

Cuban officials hope the U.S. food fair and resulting sales will lead to more trade with the United States and a further weakening of the American trade embargo against the island, gradually imposed in the early 1960s shortly after Castro came to power. A 2000 U.S. law allowing American food sales to Cuba is an exception to those sanctions.

Cuba started taking advantage of the law in November, and before the fair began had purchased more than \$140 million in American food. With the new deals, that number has grown to nearly \$230 million.

President George W. Bush has said he will not support any easing of the embargo until this socialist country embraces democratic and economic reforms. But a growing number of U.S. lawmakers and American farmers looking for new markets have pressed for an easing of regulations.

Dressed in a dark slacks and a long-sleeved white guayabera shirt for the signing ceremony, the 76-year-old Castro credited growing opposition to the trade sanctions within the United States to "the efforts of Americans themselves, many politicians and farmers."

The contract for corn, soybeans, soybean oil and turkey drumsticks was signed by Cargill Vice Chairman and Chief Financial Officer Robert Lumpkins, who expressed hope that the show and sales would "strengthen the bridge between our two countries."

"All of these developments are only one step toward broadening our relations with Cuba," said Lumpkins. "We will continue to support efforts to further normalize the commercial relationship between our two countries."

Archer Daniels Midland, the primary sponsor of the five-day fair of American farm products, signed contracts for slightly more than \$17 million during the event, organizers said.

Also on Monday, Castro initialed a contract with Kaehler's Homedale Farms of St. Charles, Minn., for the \$75,000 purchase of 50 beef cattle and three bulls from breeding.

The Cuban president chatted with farm owner Ralph Kaehler's two sons, Cliff, 13, and Seth, 11, who cared for the family's livestock on display. The boys also initialed the contract and toasted its signing with soda pop while the grown-ups sipped on champagne.

At the fair Sunday morning, some exhibitors began giving away food products brought for display. Goldkist Inc. of Atlanta gave away 600 pounds of frozen chicken in 5-pound packages to delighted Cuban visitors. The chicken was gone in five minutes.

There were more food giveaways on Monday, as scores of Cuban visitors lined up for small bags of chewing gum from Wm. Wrigley Jr. of Chicago. Fair organizers said about 1 million sticks of gum were given away over five days.

The exhibition, which opened Thursday, featured 288 exhibitors from 33 states, the District of Columbia and Puerto Rico. The show and participants are fully licensed by the U.S. government to be in Cuba, which remains under a trade embargo after more than four decades.

M&M's are back in Cuba Chewing gum back in Castro's Cuba-just for show

By Anthony Boadle

HAVANA, Sept 26 (Reuters) - So is Wrigley's Spearmint gum, and a host of American products -- from Kellogg's Corn Flakes to Uncle Ben's rice and Sara Lee cakes -- not sold on the Communist-run island since the 1950s.

So far, however, they are just on show, tantalizingly close for many Cubans who recall the days of American influence before Fidel Castro's revolution turned to the Soviet Union and Washington slapped trade sanctions on Cuba.

Classic American household names and the fast food king -- the burger -- went on display on Thursday at the first trade fair by major U.S. food companies trying to take advantage of new rules and recover a market they lost four decades ago.

"As kids, we would fight for M&M's," says Cuban journalist Enrique Lopez Oliva, 65, for whom the little candies are a symbol of his generation. "We ate them at the cinema, watching films of cowboys and gangsters." M&Ms and chewing gum were part of the U.S. influence in Cuba, along with baseball, basketball and the American cars of the 1950s still chugging along dilapidated Havana streets.

"Gum was chewed here until 1961. It was sold at the cinema entrance in those days, and popcorn too," recalls Angel Tomas Gonzalez, another Cuban reporter. Castro banned gum in 1959 as ideologically unacceptable in the new socialist workers' state.

It wasn't until 1993, when Cuba was forced to accept the inevitable and legalize the dollar, the currency of its main political foe, that chewing gum reappeared. Since the collapse of the Soviet Union, Castro -- an avowed enemy of capitalism -- has allowed a limited opening to a free market and flirted with foreign investors.

Late last year, Cuba started buying U.S. food -- wheat, corn, rice, chicken, apples -- after Washington eased its trade embargo under pressure from farm states and agribusiness eager to return to a traditional nearby market. Chewing gum is among items classified as food.

Back in the 1950s, when Havana was a playground for Americans and Mafia bosses, supermarkets sold meat that was cut and packed in the United States, ready for the Cuban consumer, Oliva said. Today, young Cubans have no "chewing gum culture," said Gonzalez, and fast food joints that arrived in the 1940s to replace the Spanish cafes disappeared.

Since opening up to tourism and the U.S. dollar in the last decade, Cuba has created fast food outlets -- some called El Rapido -- that are a pale imitation. The Castro government is now seeking to improve the quality of food products in Cuba by turning to the old enemy.

Earlier this year, Marsh Supermarkets of Indiana became the first U.S. company to sell branded products to Cuba in 43 years. Marsh soda bottles are now sold in dollar-priced shops in Havana.

At the five-day U.S. Food and Agribusiness Exhibition, chief sponsor Archer Daniels Midland erected a 1950s diner, the icon of American cuisine, complete with stools and Wurlitzer juke box. Cuban officials will get to taste soy burgers and vanilla shakes mixed with Cuban bananas.

Master Foods Interamerica, subsidiary of Mars Inc., makers of M&Ms, Milky Way and Mars bars and Uncle Ben's rice, does not expect to land an enormous quantity of contracts. So far the company goods are only sold in duty-free shops at Cuba's airports. "We are looking at Cuba's 1.8 million tourists a year, who know our products," said Master's international marketing manager, Philippe Belland.

Cuba gets taste of America

By Kris Hundley
St. Petersburg Times
1 October 2002

Gerald Reilly's booth at the first U.S. Food and Agribusiness Exhibition was mobbed by Cubans snatching up free yogurt and cheese.

But as the five-day food show ended Monday, the owner of Reilly Dairy and Food Co. in Tampa was going home without any deals to show for his trip to Havana. He said he turned down Cuban contracts because the prices offered were too low.

"Right now they're buying for a political statement," Reilly said. "For now they can't afford to buy quality food. But I believe we'll be able to sell quality product to the tourist industry in the future."

Participants in the show, which delighted Cuban leader Fidel Castro and riled his U.S. critics, recognized the agenda went beyond the signing of more than \$60-million in deals with more than 50 companies for everything from eggs to soybean oil. By cracking open the door to trade under today's U.S. trade restrictions, Cubans and American business executives hope to build the political momentum to kick it wide open in the not-too-distant future.

The U.S. visitors certainly seemed to impress the thousands of invited Cuban guests, people such as Adolfo Montalvo, a midlevel bureaucrat in the Cuban ministry of agriculture. He loves fresh pears but seldom gets to eat them. "Here we don't import fruit, only the basics, like chicken and rice," he said. "But maybe in the future."

As he made the rounds of exhibition booths, Montalvo got to taste not only a pear from America's Northwest but also M&Ms, grilled steak, hush puppies and apple juice. He admired samples of dried kidney beans from Minnesota, photos of potato production in North Dakota and California garlic the size of tennis balls.

"Here there is everything," said Montalvo, sounding slightly awestruck as he dropped souvenir pens from U.S. agribusiness giant Cargill into a shopping bag. "I have been to exhibitions before, but never like this."

As Montalvo and other guests queued up Sunday for samples of Snickers bars, sausages and California wine, many of the 750 U.S. exhibitors also seemed amazed by the experience. In addition to work, the visit included a gala at the Karl Marx Theater on Thursday evening and a dinner with Castro on Saturday night.

"It has been just short of wonderful," said Debrah Yale, president of Cocodrilo Dormido, a Portland, Maine, food distributor. "I have contracts out (with the Cuban government) to supply schools, hospitals and 600,000 construction workers. And last night I had my picture taken with Fidel. He even gave me a kiss."

But camaraderie and kisses can't erase continuing U.S. trade restrictions. Rick Garcia, international marketing manager for Cargill's phosphate operations in Riverview, bumped up against the current boundaries when he tried to ship his company's products to the Havana show. Though samples of animal feed supplements were allowed to leave the United States, U.S. Customs impounded nearly 300 sample bottles of phosphate fertilizer, which are prohibited under the embargo.

Garcia, who signed a \$400,000 contract for Cargill's feed phosphates by the end of the show, said he was approached by the Cuban ministry that buys fertilizers. "They told me to go home and tell our lobbyist in Washington to get fertilizer approved for sale," he said. "They've expressed a huge interest."

After more than four decades, the U.S. trade embargo with Cuba was loosened slightly in 2000 when Congress approved the sale of food to the island nation on a cash-only basis. Since then, Cuba has purchased about \$140-million worth of food from companies in 30 states, more than had been expected of the cash-starved island nation. At the food fair's opening on Thursday, Pedro Alvarez, president of Alimport, the Cuban government's purchasing agency, said he thought U.S. imports could account for 60 percent of his country's food purchases by 2005. Much of that hinges, however, on whether Congress lifts the embargo, allowing unrestricted trade and travel between the two countries.

Critics of Castro's regime say U.S. food producers should be careful of what they wish for. Cuba, saddled with massive debt, has failed to pay foreign food suppliers from Japan to Germany. One Canadian shipping company, owed \$3-million, seized a Cuban ship in Africa to force a settlement.

During a news conference at the exhibition, Castro said buying food was his country's top priority and promised Cuba would repay its debts. Pressed by reporters about how his impoverished country could come up with the cash for food imports, Castro asked, "What is more important, profits or trade philosophy?"

Several exhibitors said they have little doubt they can handle credit negotiations with Cuba, should they be allowed. Jorge Estevez left Cuba as an infant in 1960. He is now vice president of pricing with Crowley Liner Services in Jacksonville, whose container ships have been carrying food to Cuba since December.

"Everybody can make an adult decision about whether they want to extend credit," he said. "The change is going to happen and you will either be a part of it or not be a part."

Vicky Cox, international merchandiser for Gold Kist Inc. in Atlanta, has already sold about 4,500 tons of chicken leg quarters to Cuba. At the show she closed on a contract for \$800,000 worth of drumsticks, gizzards and whole chickens to be delivered over the next few months. Cox said if credit terms were allowed by Congress, contracts with Cuba would be subject to the same review as every other customer.

"Whether I'm going to get paid concerns me in any export market," said Cox, whose company sold 60-million pounds of chicken in Latin America last year. "But I leave that to the folks in our corporate credit department. It wouldn't be any different than if I found a new customer in Guyana."

Cox knows there is a demand for her product. During the exhibition Sunday, she gave away more than 200 pounds of chicken in 5-pound bags in less than 15 minutes. "I intended to cook samples but I prefer to give it to the Cuban people," she said. "They can prepare it better than I can."

[Photograph]. Crowds of Cubans attended the first U.S. Food and Agribusiness Exhibition in Havana. At the food fair's opening Thursday, Pedro Alvarez, president of Alimport, the Cuban government's purchasing agency, said he thought U.S. imports could account for 60 percent of his country's food purchases by 2005.

[Photograph]. Adolfo Montalvo of the Cuban ministry of agriculture reaches for a slice of pear at the food show. He loves fresh pears but seldom gets to eat them. "Here we don't import fruit, only the basics, like chicken and rice," he said. "But maybe in the future."

[Photograph]. Caption: Vicki Cox of Gold Kist Inc. is mobbed as she hands out 5- pound samples of chicken at the Food and Agribusiness Exhibition in Havana.; Crowds of Cubans attended the first U.S. Food and Agribusiness Exhibition in Havana. ; Adolfo Montalvo of the; Cuban ministry of agriculture reaches for a slice of pear at the first U.S. Food and Agribusiness Exhibition in Havana.; Photo: PHOTO, JOHN PENDYGRAFT, (3)

The Havana Trade Show Series: EDITORIAL

St. Petersburg Times; St. Petersburg, Florida
4 October 2002

U.S. food producers are under no illusions about the limits of trading freely with Cuba. No company will get rich overnight by selling to a nation with high debt, poor credit and a two-tiered economy where incomes average \$150 a month. But the first-ever trade show of U.S. food products since Fidel Castro's 1959 revolution revealed the depth of America's growing interest in normalizing relations with Cuba.

About 750 U.S. exhibitors, representing 280 companies and 33 states, gathered to sell everything from meat and produce to candy, wine and animal feed supplements. The trade show, which ended in Havana the other day, reflected the expectations raised two years ago, when Congress and then-President Bill Clinton eased the trade embargo to allow the sale of food to Cuba on a cash-only basis. Cuba has since bought about \$140-million worth of food, and officials there say a repeal of trade restrictions would enable U.S. companies to maneuver for the lion's share of the \$1-billion or more Cuba spends every year on agricultural imports.

Ending the embargo makes sense. Squeezing Cuba economically has failed as a strategy to replace Castro. It hurts ordinary Cubans, and it gives rise to the black-market economy that divides the island into haves and have-nots. The concept of free trade, which the United States applies to almost every other trade partner, carries an important political component. Interaction with America helps to unleash democratic forces. Isolating Cuba limits our government from having a positive impact on the island.

Sentiment is growing in Congress and across America to end the counterproductive Cuba policy. Regardless of the contracts the trade show may bring - \$60-million in deals reportedly were signed - the event was hugely successful in highlighting how backward official U.S. policy continues to be. America is still the largest importer of oil from Iraq; there's no reason it shouldn't trade freely with Cuba.

Ending the embargo would be the first step. Cuba also would need help financing the sales and restructuring its society toward a market economy. These are risks the U.S. government and the private sector should take. Even some Cuban exiles acknowledge the need for something more than an anti-Castro policy.

Companies and port cities looking to capitalize on trade once relations are normal have taken the lead and taken much of the heat off Congress and the administration. It's getting harder for Washington to pretend its interest is having leverage with Castro, rather than with politically active Cuban exiles.

US food giant Cargill, Castro toast to free trade

By Anthony Boadle

HAVANA, Sept 30 (Reuters) - The largest private company in the United States on Monday signed food contracts with Cuba at a trade fair that is expected to add weight to the dismantling of U.S. trade sanctions on communist Cuba.

Cargill Inc., of Minneapolis, sold 70,000 metric tons of soy products, corn, turkey meat and animal feed worth \$17 million to Cuba, until recently a forbidden market. "Today is a great day for free trade," said Cargill Vice Chairman Robert Lumpkins at the signing ceremony attended by Cuban leader Fidel Castro, in power since a 1959 revolution.

"U.S. farmers, after four decades of waiting, finally have an opportunity to sell their products to a neighboring country that is only 90 miles (140 km) off our coast," he said at the end of the first American food fair in Cuba under communist rule.

The lifting of restrictions on travel and U.S.-based credit to finance food sales are the next logical steps in expanding trade between Cuba and the United States, Lumpkins said.

More than 280 U.S. food industry companies from 33 states, port authorities and state agriculture officials attended the unprecedented fair sponsored by agribusiness giants Archer Daniels Midland <ADM.N> and Cargill.

The U.S. food industry secured \$90 million in contracts at the five-day fair, raising its exports of grain, cereals and branded food products to \$230 million under a two-year liberalization of a 1962 trade embargo on Castro's Cuba that allows heavily regulated exports of food.

The sales are paid for in cash through French banks due to a ban on U.S. credit for Cuba. The U.S. Congress is considering lifting travel and credit restrictions, and limits on family remittances by Cuban Americans.

President George W. Bush has vowed to veto any further easing of the Cuban embargo until Castro allows democratic reforms to the island's one-party workers state.

Castro, dressed casually in a white "guayabera" shirt, toasted the Cargill deal and further weakening of U.S. sanctions with champagne. "The embargo has gradually weakened. Each year there are more people openly opposing the blockade. It has proven to be useless," the 76-year-old revolutionary told reporters. "North Americans themselves, many politicians and farmers have contributed to this effort. They could not see any sense to it," Castro said.

Castro posed for press cameras with two boys from Minnesota, Seth, 11, and Cliff, 13, whose father Ralph Kaehler sold Cuba 50 beef and dairy cows and three bulls. "They are proof that our relations will be lasting and our trade will continue to increase, because we are already negotiating with the future generation of American farmers," Castro said in jest.

Cuba is banking on getting American tourism in the near future to generate cash for growing food imports needed to feed its 11 million people. Tourism is its main source of hard currency. California's Sun-Maid signed a deal to sell \$100,000 worth of raisins, and Wrigley Co. <WWY.N> landed a contract for chewing gum, a big favorite for the Cubans, who lined up to get samples.

Fair organizer Peter Nathan said plans already are afoot for the next U.S. food fair in Cuba in January 2004. "It could be double the size," Nathan said.

29 September 2002
By Anthony Boadle

HAVANA (Reuters) - Capitalist American farming met tropical socialism Saturday when Cuban leader Fidel Castro wine and dined hundreds of American food industry executives.

There were salsa dancers and mojitos, a five-course meal, champagne and Cuban cigars to thank American food executives and state farm officials who attended the first U.S. food fair in communist Cuba, seeking to reopen a long forbidden market.

The fair, sponsored by U.S. food processing giants Archer Daniels Midland and Cargill Inc., was only reluctantly licensed by the administration of President Bush, who has vowed to veto further easing of the 1962 trade embargo on Castro's Cuba.

"You are making such a noble effort to overcome obstacles," Castro, dressed in a pin-striped suit instead of his usual military fatigues, said in a brief speech. "Fortunately, we are neighbors, so it is better that we be friends," said the aging revolutionary. Star-struck businessmen crowded around Castro, pushing and shoving to get a photograph with the bearded leader.

"He has a sense of humor. All these people wanted to have their photos taken with him and he says to me: 'Quick, start some music'," said North Dakota Lt. Gov. Jack Dalrymple, who sat next to Castro at dinner.

The agricultural commissioners of Maryland, North Dakota and Iowa also dined at Castro's table. After dinner, businessmen grabbed Cohiba cigars, pocketing handfuls, like the Cubans who lined up at the Wrigley Co.'s chewing gum stand at the five-day fair.

Castro predicted the trade show would produce about \$60 million worth in deals, raising to \$200 million the sales of American farm goods and food products since Cuba started buying in November under a two-year-old relaxation of the embargo.

A staunch enemy of global capitalism, Castro praised the productivity of U.S. family farms, and the efficiency and punctuality of suppliers who have sent Cuba 50 ship-loads with 712,000 tonnes of grains, rice, peas, apples and animal feed.

He also praised the courage of the participants in the fair for defying the Bush administration's disapproval. Castro, 76, opened the fair Thursday with Minnesota Gov. Jesse Ventura. He has hob-nobbed with ADM and other agribusiness executives into the late hours each night.

U.S. POISONED ATMOSPHERE

Cubans lined up at fair stalls Saturday to eat doughnuts and pierogies, sample American steak and sausages, taste California wines and Sara Lee lemon meringue pies, munch on popcorn and cheese sticks and chew Wrigley's chewing gum.

Most of the American products have not been seen in Cuba since Castro's 1959 revolution turned the island into a Soviet ally and led Washington to break off diplomatic ties and ban trade and travel.

The top U.S. diplomat in Havana, James Cason, toured the fair Saturday, tasted ice-cream and wished U.S. exhibitors well in selling grain, livestock and supermarket products to cash-strapped Cuba.

Promoters of the show said Cason had "poisoned the atmosphere" with statements Wednesday, when he called Cuba an "international deadbeat" with a "Jurassic Park economy" that could not generate cash to pay for imports.

President Bush, backed by anti-Castro exiles in Florida, the pivotal state in his 2000 election to the White House, has threatened to veto legislation before Congress that would lift the ban on U.S. tourism to Cuba, saying it will only serve to prop up Castro after 43 years in power.

U.S. Assistant Secretary of State for Latin American Affairs Otto Reich set off a flap by cautioning Ventura and others here not to participate in sexual tourism.

"Mr. Cason's and Assistant Secretary Reich's comments did much to poison the atmosphere and anger exhibitors," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, which monitors U.S. trade with Cuba.

Cuba, with a state-run economy that has never fully recovered from the collapse of the Soviet Union, is banking on American tourism being allowed back to the island to earn cash to pay for more imports needed to feed its population.

"I hope they reduce the trade embargo, first by lifting the travel restrictions to allow Americans to visit Cuba and see the potential to do business," said Joe Heidelmaer, vice president of City Seafoods of Los Angeles. "The rest will follow," he said. Cuba says foreign banks financing US food purchases

Reuters
By Marc Frank

HAVANA, Sept. 29 (Reuters) - Cuba's top food importer scoffed at charges he was in cahoots with U.S. companies to get around a cash-only requirement for food purchases, stating at the weekend foreign banks were providing some of the money.

"There have been some financial operations with third party banks," Alimport Chairman Pedro Alvarez told Reuters. "We are following the law exactly."

Pro-embargo lawmakers in Washington are demanding an investigation into the sales, which amount to \$140 million since December, charging U.S. firms are somehow skirting the law.

An exception to the U.S. trade embargo on Communist Cuba, signed in 2000, allows for heavily regulated food sales on a cash basis and bans U.S. firms from granting trade credit. The embargo has been in force for over 40 years. A measure before Congress would allow U.S. companies to provide credit for Cuba's purchases. U.S. President George W. Bush has vowed to veto it.

Where Cuba had obtained the cash for the U.S. grains, cereals, poultry and other products it has bought since December was a mystery until this weekend at an unprecedented U.S. food fair on the Caribbean island.

"It is my understanding a number of finance companies and banks that have always financed Cuba's food imports continue to do so, regardless of the origin of the products," said John Kavulich, President of the New York-based U.S.-Cuba Trade and Economic Council.

Some foreign banks with offices in Havana met with U.S. businesses at the fair on Saturday, the first of its kind since President Fidel Castro came to power in 1959.

The Bush administration is considering reviewing the sales at the request of pro-embargo lawmakers. The scrutiny has angered some companies involved in the trade, according to Kavulich, whose New York-based group has closely followed the sales. "There is no evidence of any company breaking either the spirit or letter of the law regarding cash sales to Cuba," he said.

Cuba has promised to increase its business with U.S. companies if it receives U.S. credit, drawing charges from the Bush Administration that it would never pay the loans back. "Cuba is an international deadbeat," James Cason, the top U.S. diplomat in Havana told reporters Wednesday, on the eve of the trade show. "We don't want to be in that queue of people asking to get their money," he said.

Managers of foreign banks and finance companies said Havana was chronically late in paying credits back, but added their business was still the most lucrative in town. "At up to 20 percent interest financing is hard to beat, even if they are late on payments," the representative of a Latin American commercial bank said.

At the food fair many exhibitors said the credit issue was another example of how sanctions boomerang on U.S. business.

"It should be up to the companies and banks, not the government, to judge the credit worthiness of whom we are dealing with," said Gerry Ellis, an executive with Perdue Farms Inc.

"They have the credits to buy the food. It is a market like anything else. Other businesses in other countries are taking this opportunity our companies are missing," David Radlo of Radlo foods said, after selling Cuba 30 million eggs.

Cuba uses more than \$2 billion in mainly short-term credits annually to import food, oil and other products. The Cuban Central Bank reported annual interest payments to foreign entities and profit taking from joint venture partners was around \$600 million in 2001.

CUBA TRIP: Ventura returns; several deals in works

BY JIM RAGSDALE

Pioneer Press

29 September 2002

HAVANA — Gov. Jesse Ventura left Havana Saturday after a three-day visit to this complicated, crumbling island city, hoping his last international trip as Minnesota's salesman to the world would help push the United States and Cuba closer together.

Ventura talked JFK assassination theories and pro wrestling technique with Cuban President Fidel Castro, had long, cigar-laced lunches with high-ranking ministers, exhorted University of Havana students to dream big and work hard, and served as the American pitch man for U.S. capitalists hoping to sell beans, rice, soy products and other foodstuffs to Castro's communist government. Minnesota officials left with several deals in the works.

Ventura came to the off-limits country to promote the U.S. Food and Agribusiness Exposition, a trade fair where producers from more than 30 states were displaying their wares for Castro and his legions of bureaucratic buyers. Ventura and state agriculture commissioner Gene Hugoson also were publicly and privately promoting the bounty from Minnesota's farms and the dozen Minnesota companies at the exposition.

Hugoson, who sat in on Ventura's one-hour session with Castro on Friday as well as a three-hour lunch with Cuban Agriculture Minister Alfredo Jordan on Thursday, said the Cubans are hot to buy. "The Minister of Agriculture is ready to sign yesterday," he said Saturday, though he added that the bureaucratic wheels turn slowly.

Hugoson said Minnesota has several long-range deals in the works as a result of the meetings. He said Jordan is very interested in buying feed for protein-starved Cuban dairy cattle, whose milk production is limited by their sparse diet, and also wants to work with Minnesota cattle breeders to purchase specially bred livestock that can withstand the hot, humid climate.

He said he talked to Jordan about building ethanol fuel plants that consume sugar cane rather than corn. And he said the trip gave private companies a chance to get to know the buyers in the Cuban government ministries so they can form long-lasting relationships. "It's all about the relationship-building," Hugoson said. It wasn't all business. In one of Ventura's last acts on the island, he won a dance contest.

Ventura, traveling with Chief of Staff Steven Bosacker, spokesman John Wodele and the governor's security detail, left Havana Saturday morning and arrived in the Twin Cities midday Saturday. A three-man delegation from the state Department of Agriculture is staying through the weekend to attend the last sessions of the historic agriculture products show that brought Ventura to Havana. "I think it's a great way to end it," he said of this last of seven international journeys he has made to promote trade and tourism.

About a dozen Minnesota companies, ranging from industry giants Cargill and Hormel Foods to Humidipak, a Wayzata-based company that makes packaging for cigars and other moisture-sensitive items, came to Havana to show their wares at the trade show. Booths were spread out in Havana's Pabexpo Exhibition Center, where Hormel offered Spam samples, Archer Daniels Midland fried up soy burgers and St. Paulite Kurt Koestler showed off the canned vegetable line of Chiquita Processed Foods, based in New Richmond, Wis.

Koestler, area manager for international sales for the company, explained the lure of this small, poor island for American capitalists in search of new markets. "Psychologically, it's the great frontier, the great unknown," he said. That was part of the allure for Ventura, who has long wanted to travel to Cuba and has been looking for an opportunity to visit.

The Havana he saw from his three-Mercedes motorcade was, he said, "frozen in time," a place where global economics and geopolitical tactics are visible in daily life.

The pre-Revolution '56 Chevy and the Cold War Soviet Lada still rule the roadways, along with Soviet-made motorcycles with el nino or grandmain the sidecar.

Ventura, whose trip was criticized by anti-Castro forces in the U.S. State Department and in the Cuban-American exile community of Miami, was effusive in his praise of Cuba and of Castro. He argued that people-to-people

diplomacy will force governments to change, told huge crowds of reporters of the benefits of free trade and kept his evenings free to see the town.

On Friday night, his last night in Havana, Ventura said he saw a show at Club Havana and was selected as a participant in a Cuban dance contest. "I won," Ventura crowed Saturday morning, and joked that he may have to come back to defend his title.

U.S. sponsors of the exposition said they will pay the costs for Ventura and his two aides. Costs for Ventura's security guards and for the Department of Agriculture delegation are being paid by the taxpayers.

Business leaders and the Cuban government saw the exposition as an historic opening in the frigid relations between the small island nation and the superpower across the Straits. It is believed to be the first such display of U.S. food products since the Cuban revolution of 1959.

The event was sanctioned by the U.S. government, which now allows sales of food and medical supplies to Cuba. But President Bush supports keeping the rest of the four-decade trade embargo in place until Castro allows free elections and free enterprise in this state-controlled, totalitarian nation. The anti-Castro Cuban-American community, a politically powerful group based in Miami, argue that dealing with Cuba helps prop up a repressive regime that tolerates no dissent, denies basic rights and supports international terrorist organizations.

Florida Gov. Jeb Bush, among others, urged Ventura to meet with dissidents and human rights activists, as recent high-profile American visitors have done. But Ventura, hustled about by a retinue of Cuban government officials, made no attempt to do so. And after his meeting with Castro, he said he and el commandante agree on the need to end the embargo. Of human rights, Ventura argued that bringing food to people is a human right also.

He praised Cuba's health care system, which he did not visit during his trip, and he accepted Castro's statement that the reason no American flags are burned in Cuba—where there is no right to free expression—is because Cubans love American people. And while Ventura extolled people-to-people contacts, the people Ventura and other U.S. business people met and dealt with all work for Fidel Castro's government.

The 76-year-old president worked the convention hall like a U.S. politician, giving Cuban admirers a kiss on the cheek and latching on to Cliff and Seth Kaehler of St. Charles, Minn., who showed Castro the livestock their father, Ralph, brought down for the show. The Kaehler family was Castro's guest at Wednesday night's gala at Karl Marx Theatre, where Cuban singers and dancers performed for trade-show guests.

Castro hoisted champagne with visiting reporters to celebrate signing of an egg-purchase deal and personally invited reporters to the theatrical show. He was the grandfatherly Fidel to the Kaehler boys and to Ventura, and the image of Castro bottle-feeding the Kaehler's bison was beamed around the world. This Fidel clearly wanted to project an image of friendship and hospitality, and Ventura was among those who basked in the warmth.

Extrovert governor gives state a sales edge in Cuba

Kevin Diaz
Star Tribune Washington Bureau Correspondent
29 September 2002

HAVANA, CUBA -- In the battle for Cuban market share, Gov. Jesse Ventura was Minnesota's heavy artillery. He chomped Cuban cigars, won a Latin dance contest, joked with Fidel Castro -- and by the time he left Saturday, he said he had laid the groundwork for a prosperous future of Minnesota food sales to the cash-strapped socialist island.

His departure came amid reports of several large Minnesota food deals at the U.S. Food and Agribusiness Exposition, including the announcement by Cargill of Minnetonka of between \$4 million and \$5 million in sales to the Cubans.

"Cuba's interest in U.S. food and agricultural products is obvious," said Jim Bohlander, vice president and general manager of the Cargill Americas Marketing Group, which was still negotiating new contracts as the governor's four-day trade mission ended.

Minnesota's delegation pronounced the trade show a "first step" in relaxing four decades of trade restrictions that still ban all but the cash-only sale of food and medicine to Cuba. "This isn't a one-time shot, this is the beginning of a long-term relationship," said Minnesota Agriculture Commissioner Gene Hugoson, who was in Cuba with Ventura.

Some of the U.S. food brokers at the show described the flurry of Cuban buying this week as "charm sales," designed as much to create political momentum for trade normalization as to buy food.

"The idea for them is to buy food, and try to keep politics out of it," said Gregory Estevane, president of Global Strategies Trading, a San Diego food business broker. "They're trying to use as much of their [gross domestic product] on food as possible. For the U.S., it's a wonderful market."

The poster children for this new round of charm commerce were two boys from St. Charles, Minn., Cliff and Seth Kaehler, who became Castro's personal emissaries to their family's animal pens. They made headlines in Granma, Cuba's Communist Party newspaper. Meanwhile, the boys' father, cattleman Ralph Kaehler, was negotiating the import of two more planeloads of farm animals, worth about \$250,000.

U.S. food sales have grown monthly since the relaxation of the four-decade-old U.S. economic blockade against Cuba last year, setting the stage for this week's trade show, which attracted about 300 U.S. companies and more than two dozen states. Once in Havana, many found themselves vying for the personal attention of Castro and his buyers.

It was in this arena that Ventura's larger-than-life presence gave Minnesota sellers the edge. "He's done an outstanding job of shedding light on this market," said Daren Primoli, president of Xport Masters of Eagan, which was negotiating the sale of 1 million pounds of dairy products for Crystal Farms of St. Louis Park.

If Ventura sometimes grabbed more attention than he gave, nobody in the 12-company Minnesota delegation seemed to mind. Said rancher Ralph Kaehler: "He told us, When I'm in the room, they'll pay attention to me. When I'm out of the room, they'll pay attention to you."

Ventura seemed happy to get out of the way in Havana, where he did CNN with Wolf Blitzer, MSNBC with Ashleigh Banfield and CBS' "Early Show" with former Miss America Gretchen Carlson, a Minnesota native. Ventura had to cut short his private audience with Castro on Friday to get to a microphone in the Minnesota booth, where he did his weekly radio show on WCCO, "Live from Havana." Apart from questioning Castro about Cuba's possible role in the JFK assassination, the governor acknowledged, they discussed little of substance. Still, Ventura pronounced himself fascinated by Cuba, a country he described as "a place that stood still for too long . . . kind of like a Twilight Zone."

He spent his last night in Cuba at the Club Habana, where he took in a cabaret show and participated in a Latin-Cuban dance contest. He won, necessitating a return trip next year, the governor joked, "to defend my title." He left the Hotel Nacional Saturday morning holding the butt of a fat cigar in his teeth. Asked whether he was returning to America with a full complement of Cuban cigars, he winked and replied, "Not a one."

Ventura, Minnesotans make impression on Castro

Kevin Diaz
Star Tribune
27 September 2002

HAVANA -- Every show has its stars, and at the U.S. Food and Agribusiness Exhibition in Havana on Thursday, two farm boys from St. Charles, Minn., stole the limelight from Gov. Jesse Ventura and the heart of President Fidel Castro.

After Castro exchanged brief remarks with Ventura, whom he invited to meet with him today, he helped 13-year-old Cliff Kaehler and his 11-year-old brother, Seth, become instant international celebrities when he approached with a gaggle of reporters to inspect the Kaehler family's cows, pigs and bison. "He asked a lot of intelligent questions about the animals," said Cliff, awestruck by Castro's attention. "He asked how much they weighed, how old they were, how much they produce. It was awesome. We're a novelty item."

The 76-year-old revolutionary leader, the son of a wealthy cattle rancher in eastern Cuba, clearly felt at home around the Kaehlers' livestock, the only live-animal exhibit amid 288 U.S. food and agriculture firms. With Ventura assuming an unaccustomed role in the background, Cuba's leader lingered among the animals for a half-hour, talking to the Kaehlers through an interpreter. "I was a little nervous," said Seth, who gave interviews afterward. "I kept thinking I was going to make a mistake, or say the wrong thing, or it would come out the wrong way," Seth said.

Instead, the boys held up to the unexpected rigors of international diplomacy, handing Castro a bottle to feed milk to Clarke, their bison calf. Clarke ate hungrily, despite the interruption of camera lights and jostling reporters. Castro also took an interest in Minnesota Red, a 1,000-pound shorthorn bull, the largest of 10 farm animals imported into Cuba by Cliff and Seth's father, cattle farmer Ralph Kaehler. "We did a little bit of cowboy talk," Kaehler said. "It was ag man to ag man."

Castro's tour was seen as an auspicious beginning for the dozen Minnesota agriculture firms participating in the show, including Cargill, International Multifoods, Hormel and Land O'Lakes. "The important thing in Cuba is that they get to know you," said Tim Courneya, of the 3,300-member Northarvest Bean Growers Association, which hopes to sell Minnesota black beans and other legumes to Cuba.

Although there are 33 states represented in the show, which runs until Monday, Ventura's presence clearly helped raise the profile of the Minnesota delegation.

"This helps Minnesota become a leader in opening trade relations with Cuba," said Lynn Ketelsen, of the Linder Farm Network, a 30-station farm radio group based in Owatonna. "This is a big step; it's really exciting." Ventura wasn't sure whether his brief greeting with Castro on Thursday would be his only interaction with him, saying any meeting between the two would be "entirely up to them." But later in the day, he received an invitation from Castro for a meeting, which is expected to take place this morning at the exposition center, according to Ventura spokesman John Wodele.

Castro's arrival at the expo on Thursday had been rumored but not confirmed, until he appeared on a podium for 10 a.m. opening ceremonies. "Castro's presence sends a very strong message to everyone who is exhibiting here," said Peter Nathan, president of PWN Exhibicon International, a Connecticut firm that organized the trade show. Castro, wearing a dark double-breasted suit, stood just behind Ventura's right shoulder. They shook hands and made small talk.

"He thanked me for my remarks and expressed an interest in Minnesota products, which is the reason I'm here," Ventura said. "We didn't solve the world's problems." Castro, famous for his four-hour speeches, made no public comments. Instead, he left the talking to Ventura, who said he looked forward to improving relations between two Cold War enemy nations. "I never dreamed in my lifetime that I'd be standing here in the great country of Cuba and see our two flags side by side," Ventura said in a statement that was translated for his Cuban hosts. "But it proves that, just as I became governor, anything can happen."

For the first time in three days of exhibition coverage, Ventura made the front page of Granma, the official newspaper of Cuba's Communist Party. He was pictured in the Navy SEAL baseball cap he wore Wednesday upon his arrival in Havana.

Reports in Havana quoted James Cason, head of the U.S. Interests Section in Cuba, calling the food and agriculture exhibition "more bull than beef." Cason had met with Ventura on Wednesday to outline the official U.S. position against trading with the Castro regime. Ventura took Cason's comments in stride. "Let's wait a few years and see if it's more bull than beef," he said. "How do you make a prediction like that?"

Ventura was less charitable toward Otto Reich, the State Department's top official for Latin American Affairs, who had urged Ventura's delegation to avoid Havana's infamous sex industry. Asked what he was doing for fun, Ventura replied, "Certainly not what Otto Reich said we would be doing. "By the way," Ventura added, "I still haven't gotten my apology, and I expect one. We'll see if he's man enough to do it."

The Cubans continued to make their case for the potential value of the Cuban market for U.S. capitalists. On Wednesday, Castro signed a \$10 million contract to buy U.S. rice, cooking oil and soy from agribusiness giant Archer Daniels Midland of Illinois.

Although Cuban sales to the United States are not permitted under the 40-year-old U.S. economic embargo, Ventura said he discussed future imports of Cuban coffee and cigars during a meeting with Cuban Agriculture Minister Alfredo Jordan. While Ventura was the guest of honor Thursday, his presence was eclipsed by Castro's. As the two men toured the exhibition center, with much of the same ambience of the Minnesota State Fair, Castro's press coterie outnumbered Ventura's.

Ventura sought out the Minnesota booths, such as Cargill's meat and soy products exhibition, where he tasted a textured soy-flour meat substitute called Soyadillo. Then there was the real thing, flat meat sirloin used in fajitas and other dishes, all cooked on a George Foreman grill. "He seemed to take a keen interest in the meat," said Bob Savage, who works for a Cargill food distribution subsidiary in Miami.

Not so for Castro. Presented with a soy burger, fries and chocolate shake at the ADM booth, Castro tasted everything but the burger, even though it was soy. "He said it would make him fat," ADM exhibitor Karla Miller said. Castro's dietary restrictions did not come into play for Ralph Kaehler. He said he has sold all 10 farm animals he brought to the fair, and there was talk of future orders, even before the Maximum Leader's visit.

Meanwhile, Castro sent along two green scout backpacks as gifts for the Kaehler boys and invited the whole family to join him at a gala cultural show Thursday night at Havana's Karl Marx Theater. He also invited them to return to Cuba, though he suggested that Cliff and Seth learn Spanish, which they are doing.

The budding young salesmen made an evident impression on Castro, who asked their father if he had told them what to say. "I told him they can think for themselves," Kaehler recounted. "He said, 'I can tell that.'"

Cliff, an eighth-grader, was also making a good case for a future career in the State Department: "Americans are nice people, and Cubans are nice people," he told a Cuban reporter, as his mother, Filomena Kaehler, looked on. "Two nice people always become friends."

Ventura's all business in Cuba

By Kevin Diaz
Star Tribune
26 September 2002

HAVANA -- Declaring the U.S. embargo against Cuba a policy that hasn't worked for 40 years, Minnesota Gov. Jesse Ventura landed Wednesday at Havana's Jose Marti Airport, where the Marxist nation's top food buyer greeted him.

"We're here to hopefully expand business between my state of Minnesota and Cuba," Ventura told an international press delegation that met him as he arrived from Miami. "That's my job. I'll do everything I can to help the Minnesota economy." Ventura, dressed casually in blue jeans, a Navy SEAL baseball cap and sports shirt, and Nikes, fit right in fashion-wise with his Cuban hosts.

In Cuba, government officials usually don casual dress, or traditional guayabara shirts worn outside the trousers. As Ventura has in recent weeks, he waved off criticism of his trade mission to Cuba, which has a centrally controlled economy that nationalized all U.S. business interests soon after Fidel Castro took over in 1959.

"I don't set foreign policy. I'm just a governor. For me, it's just for business in Minnesota to expand." Ventura also met Wednesday with James Cason, head of the unofficial U.S. Interests Section in Cuba, which is always surrounded and heavily guarded by the Cuban military. Ventura said Cason gave him a "history lesson" on Cuba, but did not pressure him to break off his trade mission.

"He wished us well when I went out the door," Ventura said. "He wished us great success in what we do." According to Ventura, Cason outlined the official U.S. position that "trade will only help to stabilize" Cuba's weak economy, and that doing so "could be used for political purposes."

Ventura said, however, that nothing Cason told him changed his view that opening markets is the best way to bring about a more open political system in Cuba. "The best way to change is to have a relationship with them," he said. Nevertheless, Ventura stopped short of calling for a total lifting of the embargo, saying trade liberalization should be accomplished in stages. "Both sides have to give something in return," he said. "It can't be all one way or the other."

It remained uncertain as Ventura settled in at the historic Hotel Nacional smoking a Dominican cigar whether his four-day visit would include a meeting with Castro, still the icon leader of Cuba's revolution. Asked what he would say to Castro, Ventura said, "Well, we'll probably say hello. I haven't thought about it. I'm a spontaneous person. I shoot from the hip. That's how I got elected, and I'm not going to change that. That's who I am." Ventura said he wouldn't make a point of trying to contact political dissidents. "I don't know where they are. I mean, if they know my hotel is here and they want to come here and meet, I'll be happy to meet with them."

Ventura extolled the debate over trade with Cuba as a demonstration of American democracy in action. "That's one of the great things about the United States," he said. "You always have the ability to disagree. There's no disrespect."

The governor's first official function in Cuba was his airport meeting with Pedro Alvarez, who heads Alimport, the Cuban government agency that buys food abroad. The two went straight to an air-conditioned meeting room at the airport after Ventura arrived at 1:37 p.m. local time (12:37 p.m. Twin Cities time).

Alvarez was quoted in Wednesday's edition of Granma, the official Communist Party newspaper, as saying that the ongoing U.S. Food and Agribusiness Exhibition in Havana "is the fruit of the interest North American enterprises have in recovering a part of the Cuban market."

Alvarez said Cuba plans to increase its total food imports from about \$1 billion to \$1.5 billion a year. The sharp increase, he said, "does no harm to anybody, and it helps [U.S.] producers and the Cuban people."

Alvarez made it clear, however, that from the Cuban point of view, the trade show serves a political purpose. "This is an important step in showing the anachronism of the U.S. blockade," he said.

Although Ventura has taken pains to distance the U.S. business relationship from the debate about politics and human rights in Cuba, the governor said he expected the Cubans to put a political spin on it. "I'm an elected governor. Everything I do has a political spin," he said.

At the same time, he said the Cubans will have to show the United States that the embargo should be ended. "It has to be a two-way street. It can't just be us alone."

The U.S. government has allowed cash sales of food to Cuba in the past year, prompted by political pressure and a hurricane that devastated much of the country's farm economy in November. The Cubans now are seeking to lift the entire embargo, along with the ban on U.S. tourism, which would be a huge source of hard currency for the impoverished nation.

Cubans were first introduced to Ventura in Tuesday's edition of Granma, which described him as one of the voices calling for Congress to change its policy.

Ventura has disregarded pressure from Florida Gov. Jeb Bush, whom he accused of playing election-year politics. He noted at the airport that Florida, with more than 20 companies in the trade show, far outnumbers Minnesota's delegation of about a dozen companies.

Ventura was transported through Havana's crumbling streets in a Mercedes-Benz motorcade, accompanied by police motorcycles. "I love the historic-looking buildings," he said of his initial impression of the country. "And I've never had so much attention going down the street. The people literally stare. I guess it's probably they don't see a Mercedes-Benz often enough."

Ventura, who is giving a speech at the University of Havana on Friday, said that if he were to give Cubans a political message, it would be to open their economy to free markets. "I would tell them that capitalism is great, because I'm a product of it. But then again, they don't have to listen to me." A draft of Ventura's university speech makes no mention of democracy or human rights, though it praises hard work, initiative and free trade. "I am here because I believe that if we are successful business partners, there is a better chance that we can someday be better friends," Ventura plans to say.

Minnesota Governor Urged To Stay Away From Cuba

By Jim Burns
CNSNews.com Senior Staff Writer
September 09, 2002

(Editor's note: clarifies the mission of the U.S.-Cuba Trade and Economic Council.)

(CNSNews.com) - A high ranking State Department official has suggested that Minnesota Governor Jesse Ventura call off a trip to Cuba that he plans to make later this month.

Otto Reich, a Cuban exile and assistant secretary of state for western hemispheric affairs, told the St. Paul (Minn.) Pioneer Press that "Castro uses these visitors as props" to hang onto power.

Ventura is scheduled to visit Cuba from Sept. 25-28. He plans to attend the first-ever U.S. Food and Agribusiness Exposition in Havana. The Westport, Conn.-based PWN Exhibicon International is organizing the exposition. It is the first and only exhibition specifically licensed by the U.S. Treasury Department to promote the sale of American food products in Cuba. More than [13] Minnesota food companies such as Cargill, Hormel, Land O'Lakes and International Multifoods are expected to participate in the exposition.

When asked what message he'd give to the visiting businesspeople, Reich told the paper, "First, I would ask them not to participate in sexual tourism, which is one of the main industries in Cuba."

John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a private organization that provides commercial and economic information about Cuba, called Reich's remark "repulsive" and called on him to apologize. "For Secretary Reich to suggest that United States business representatives are visiting Cuba for that purpose is disgusting, repulsive and a violation of every tenet of decency and his apology should be forthcoming," said Kavulich in an interview with CNSNews.com. Kavulich added, "As prostitution is a criminal act, it's shocking that Secretary Reich would suggest that U.S. business representatives have a proclivity to engage in criminal conduct."

If Ventura does go to Cuba, Reich hopes the governor will ask tough questions about political repression, Cuba's impoverished standard of living, and what he called the "virtual slavery" of its state-run economy.

A spokesperson for Ventura told CNSNews.com on Monday that the governor is going ahead with the trip. During a recent weekly statewide radio program, Ventura said he was looking forward to visiting the communist run nation. "Number one, I hear it's a beautiful place, but I also want to get a firsthand look at the country. You hear all the stories about Cuba, all the myths and legends. The only way you can judge someplace is to go there personally and see it."

Reich isn't the only critic of Ventura's trip. Shortly after Ventura announced it last month, Florida Governor Jeb Bush sent a letter to Ventura urging him to either cancel the trip or take a hard look at Cuba's political problems during the visit. "While I don't expect you to cancel your trip, I strongly believe doing so would be the right thing to do," Bush said. "We should never forget that the people of Cuba don't share the basic freedoms and rights that the citizens of Florida and Minnesota enjoy. The simple reason for this is because Fidel Castro denies them the opportunity to exercise the unalienable rights that we have to come to take for granted in America," said Bush. Bush also encouraged Ventura to inquire about the Varela Project, a petition drive calling for a referendum on free elections, freedom of speech and free enterprise.

Bush said as a trading partner, the Castro government has repeatedly failed to pay its bills. "Now is not the time to encourage expanded trade and unrestricted tourist travel to Cuba," Bush said. "Dollars generated from such activity are funneled into the coffers of the Cuban military and internal security forces."

Ventura would be the third sitting governor to visit Cuba since the U.S. imposed the economic and trade embargo in 1959. North Dakota's Republican Governor John Hoeven visited Cuba in July to promote trade of peas, wheat and other home-grown crops. And Illinois Governor George Ryan visited Cuba earlier this year, after making a similar trade mission in 1999.

"It is vital that we pursue all legitimate efforts to build bridges between North Dakota farmers and world markets everywhere to build our long-term prosperity," Hoeven said.

Chicago Tribune
18 August 2002

Cuba gets U.S. goods despite embargo
Famous brands spill into nation, fill store shelves

By Gary Marx
Tribune foreign correspondent

HAVANA -- Does Fidel Castro wear Nikes, or doesn't he?

Several members of a U.S. delegation were asking each other that question last month after they chatted with the Cuban president and noticed that, in addition to his pressed olive-green military fatigues, he was decked out in stylish black tennis shoes.

Nobody could figure out if Castro was donning the famous Nike swoosh. The sneakers, evidently, are Castro's only public concession to age, replacing his black boots.

But the idea that Castro may be sporting one of the most recognized American brands illustrates the prevalence of U.S. products here even as pressure builds in Washington to lift the 40-year-old economic embargo.

Many Americans who visit the island assume the embargo, known here as the bloqueo, or blockade, means that few if any U.S. goods can land here. At the same time, the Cuban government scorns American consumerism as an opiate of capitalism.

Billboards are everywhere in Cuba, but they sell the ideals of the revolution, not Coca-Cola. Yet, the fact that U.S. products are for sale here is perhaps the worst-kept secret on the island.

In addition to Nike running gear, Cuban stores carry Tide detergent, Clorox bleach, Jack Daniel's whiskey, Heinz Ketchup, Dial soap, Rubbermaid coolers, and Gillette razors and aftershave.

Feel like playing tennis? You can purchase a brand-new Wilson racket and balls. Thirsty? How about some Coca-Cola, Sprite or Fanta. Need to work on the house or garden? One Havana store carries Black & Decker power saws and drills, along with American-made garden hoses complete with a three-year warranty.

Embargo easing

None of the U.S.-brand merchandise appears to be here with U.S. government approval, according to the U.S.-Cuba Trade and Economic Council, a group that tracks U.S. trade and investment in the island.

But that will change Sunday when the first authorized shipment of U.S.-brand food products in years is scheduled to arrive in Havana under an easing of the embargo that allows the direct sale of agricultural and food products.

The products, which include butter, margarine and breakfast cereals, are being sold to Cuba by Marsh International, an Indianapolis-based supermarket chain.

Cuba for years has stocked its shelves with U.S.-brand products by working through a network of companies that buy them in third countries or by dealing with hundreds of middlemen and wholesalers.

Some of the products are made in the U.S. Others are made in countries such as Mexico, Panama and Canada and shipped to Cuba. The goods are generally priced in dollars and sold in state-run stores, providing Cuba with badly needed hard currency.

"They have always been able to bring things in," said Wayne Smith, a Cuba expert who headed the U.S. diplomatic mission here from 1979 to 1982. "They can get everything."

U.S. vehicles on streets

Havana streets are full of seemingly new Ford and GMC vans, trucks and school buses jockeying between Russian-made Ladas and American cars from the 1950s. Cuban truckers are often seen behind the wheel of Mack and International trucks.

One Havana woman selling American-brand watches said the merchandise was lugged from the U.S. to the Bahamas before ending up in Havana. An employee at Havana's duty-free zone said a Maytag gas stove in the showroom was shipped from Panama. And a Cuban tobacco vendor said his supply of Marlboros came from Germany, Spain and the Netherlands.

"We sell a lot them," said the vendor, even though at \$2.10 a pack, Marlboros are about five times more expensive than local brands.

Experts say most companies have no idea the products are here and, even if they do, they can't do much about it. One reason, according to a 1998 General Accounting Office report, is that "few countries cooperate with U.S. enforcement of the embargo."

Rogers Brashears, a spokesman for Jack Daniel Distillery, said his company does not export to Cuba, even though a half-dozen bottles of Jack Daniel's Old No. 7 brand whiskey ended up at La Puntilla, a gleaming new Havana shopping center. The labels on the bottles said they had been handled by a Jack Daniel's distributor in Spain.

"We didn't have anything to do with it," he said. "Somebody bought them in Spain, put them on a boat and are now selling them in Cuba. You can't police that."

Representatives for nine other companies whose products were found here also said they don't sell products to Cuba. Several suggested the products were probably diverted from third countries.

Some U.S.-brand products seem reasonably priced, at least by American standards. A big bottle of Coca-Cola goes for \$2.60, and a bottle of Kraft BBQ sauce is priced at \$3.00.

Other stuff is outrageously expensive, especially U.S.-made cleaning products. A medium-size bottle of Tide detergent is \$46.55, while a small container of Cheer is a virtual steal at \$12.25.

Of course, most U.S. products are well outside the pocketbooks of most Cubans, though an increasing number of people have access to dollars through the tourist industry or through money from relatives abroad. Others are doing well running the numerous private restaurants, called paladares, that now dot Havana.

"I own a paladar and my mother sends money from Spain," explained one Cuban woman as she hustled inside a recently opened supermarket with her family.

Milwaukee Journal Sentinel
Milwaukee, Wisconsin
18 August 2002

Cuba woos heart of U.S. with trade
Prospects for agribusiness have some questioning embargo

By CRAIG GILBERT

Washington - Green Bay meatpacker Carl Kuehne has his eye on a new customer. His name is Fidel Castro.

Along with hundreds of other executives from America's food and agribusiness industry, Kuehne will head to Cuba next month for the biggest U.S. trade show in the Communist regime's 43-year history.

"It's absolutely a great, ideal market for some of our high-value items," Kuehne said of the island's budding resort sector.

But if American companies are warming to Cuba, the Bush administration is not. "It represents a trap," Otto J. Reich, assistant secretary of state for Western Hemisphere affairs, said in an interview Thursday.

Castro wants to entice U.S. businesses, he warned, to build pressure in America for an easing of the four-decade economic embargo of his country, one of seven on the U.S. list of state sponsors of terrorism.

Reich said the growing commerce with Cuba is "only delaying the transition to democracy" by sustaining the Castro dictatorship. And he speaks dismissively of the business community's appetite for this small, poor but tantalizing market.

"What I don't understand is why this apparently irrational interest by the Farm Bureau, or other organizations, in a totalitarian country which is bankrupt and with a per-capita income of \$20?" he said. "How many sacks of rice can you buy for \$20?"

The administration is holding to a hard line on Cuba, but it's bucking some powerful forces.

Under a 2-year-old law signed by President Clinton, Cuba can buy U.S. food and agriculture products as long as it pays cash up front. Castro howled about that restriction at the time, but since late last year, he has spent more than \$100 million on U.S. goods, from wheat to lard to baby food. Corn grown in Wisconsin was part of the first shipment.

At the same time, Congress is moving to ease restrictions. The U.S. House voted 247-182 last month to undercut the existing travel ban to Cuba, by slashing enforcement funds. The Senate could follow suit. The White House has threatened to veto such a move.

Even more telling, the House nearly approved a measure ending the economic embargo itself. Janesville's Paul Ryan was one of only 30 Republicans to back the amendment. Along with Madison Democrat Tammy Baldwin, he belongs to a newly formed 44-member bipartisan caucus - the "Cuba Working Group" - pushing for liberalized ties to the island nation.

"If we think engagement works well with China, well, it ought to work well with Cuba," Ryan said, in an argument commonly heard against U.S. policy. "Two, the embargo doesn't work. It is a failed policy. It was probably justified

when the Soviet Union existed and posed a threat through Cuba. I think it's become more of a crutch for Castro to use to repress his people. All the problems he has, he blames the American embargo."

Kuehne traveled to Cuba last spring on a trip sponsored by the University of Wisconsin-Milwaukee. His Green Bay-based company, American Foods Group, has 1,700 employees in three states and does \$650 million a year in sales, mostly in the United States. Its biggest export markets are Japan, South Korea, Taiwan and Hong Kong.

But he sees a market for his high-end goods in Cuba's tourist hotels, and a market for his lower-priced processed meats among the downtrodden Cuban people themselves. He usually supports the Bush administration. Not in this.

Misguided policy?

"It's curious to me our government thinks our embargo - and we're the only country that's participating in it - is somehow going to destroy the Castro government," Kuehne said.

His firm is one of at least two in Wisconsin headed for the big four-day exposition in Havana Sept. 26, where more than 150 businesses will display their thousand-plus brands, including beer, tobacco, cheese, snacks, livestock and pet food. The other is Green Bay's Schreiber Foods, a big cheese processor and major supplier to fast-food chains. Agribusiness giants such as Cargill and Archer Daniels Midland also will be there.

A dozen states are sending agriculture officials, too. Minnesota Gov. Jesse Ventura is going; North Dakota's governor made his own trade mission last month to sell field peas, barley, chickpeas and lentils. Wisconsin's state government is not planning to send anyone.

"We think if Cuba opened up, we'd send a fair amount of dairy cattle there, a lot of equipment . . . a lot of just basic farm commodity-type things," said Joe Tregoning, who oversees exports for the state's agriculture department.

But he said the U.S. State Department was making it a "hassle" to do business with Cuba. When Wisconsin had a chance to complete a sale of dairy cows, the government denied a visa to the Cuban official who wanted to inspect them, he said.

Castro shows interest

Alan Tracy, the former Wisconsin agriculture secretary who now heads U.S. Wheat Associates, said he met with Castro at the time of former President Carter's visit in May.

"He has great personal interest in the dairy industry," Tracy said of the aging autocrat. "He brought out a small statue of a Cuban cow with a great production record."

Market prospects have forged a new constituency in the U.S. for easing the embargo, especially among Midwestern and farm-district lawmakers.

Of the 30 House Republicans who voted to end the embargo, four are from Iowa, five are from Illinois, and others hail from Nebraska, Missouri, Kansas, Minnesota, Montana, South Dakota and Idaho. Liberals and Democrats in Congress overwhelmingly support an easing.

"The products that have been exported to Cuba during the last nine months source from 30 different states. Those 30 different states represent 72% of the House of Representatives and 60% of the U.S. Senate," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a business-funded group that fosters commerce between the nations but says it takes no official stand on the political relationship.

"The administration is rattled by this," Kavulich said of the wave of new trade.

Administration's response

Against that shifting political backdrop, Assistant Secretary Reich invited a handful of reporters from Midwestern newspapers to the State Department on Thursday to hear the administration's case against loosening the embargo.

Over the course of almost an hour, he offered a broad range of arguments. He said easing the travel ban would give Castro the income to shore up his power and begin funding terrorists again.

"We want to make sure that we inadvertently . . . do not give them the money with which to harm us," said Reich, citing Lenin's famous dictum that capitalists "will sell us the rope with which to hang them."

Reich noted U.S. claims that Castro has "at least a limited offensive biological warfare and research and development effort."

He also denied that the president's tough stance on Cuba is driven by the political clout of greater Miami's Cuban-American community, which helped President Bush carry Florida's disputed 25 electoral votes by a tiny margin in the 2000 election.

"We want to see a democracy in Cuba. What is driving our policy is not politics; it's policy," he said.

Different from China

The veteran diplomat argued that Cuba is different from China, a human rights abuser with which the U.S. is expanding trade, since "there is a genuine economic revolution taking place in China, not in Cuba."

Reich also suggested that U.S. businesses are being used by Cuba's political sympathizers and being suckered by Castro.

"What we believe he wants to do here is to entice the U.S. agricultural community by buying relatively small amounts . . . to entice them with cash purchases so that we open up markets and have, quote, normal trade relationships," Reich said.

That would mean allowing Cuba to buy goods on credit. He points to Cuba's billions in unpaid debts to other trading partners, saying the U.S. would be left "holding the bag" like other countries.

"If (Castro) can pay in cash, the administration is not going to stand in the way, but I think people should be very careful who goes down there," Reich said of U.S. business executives. "They're going to go to the Tropicana, they're going to listen to Cuban music, which is very nice, and eat Cuban food, which by the way the Cubans don't have access to, and they're going to stay in hotels the Cubans are not allowed to stay in."

Delaying democracy

Asked if he thinks U.S. food and agriculture exporters, while operating within the law, are not acting in the national interest in pursuing Cuba's business, Reich answered: "Yes, I would make that (argument). Because - and they have the right to do it - it is delaying the transition to democracy in Cuba."

Such sentiments do not go over well among U.S. business interests. Tracy, whose job is promoting wheat exports, said it's "insulting" to suggest that American companies are being "duped" by Castro.

Kavulich accused Reich of trying to "discourage lawful sales."

"I'm appalled by his transparent effort to say he is neutral (about cash food sales) and then to say anyone who is selling products to Cuba under the law is unpatriotic. That's what he's saying," Kavulich said.

Kuehne, the Green Bay businessman who will have a booth at next month's Havana trade show, said of Castro: "Everybody else in the world trades with him. Whether we trade or not is not going to make a difference as to whether the regime stays in place."

Trade Momentum

The prospects of doing more business in Cuba have added to the momentum in Congress for easing the trade embargo. The number of U.S. business representatives visiting Cuba has increased more than sevenfold since 1994, according to estimates prepared by the U.S.-Cuba Trade and Economic Council, a non-partisan organization: 1994: 500; 1995: 1,300; 1996: 1,500; 1997: 2,000; 1998: 2,500; 1999: 2,800; 2000: 3,400; 2001: 3,700
Source: Associated Press

Omaha World Journal
Omaha, Nebraska
August 18, 2002

Castro isn't threatening, Hagel says

BY JAKE THOMPSON

WORLD-HERALD BUREAU WASHINGTON - The Bush administration has attacked growing congressional support for lifting sanctions against Cuba by arguing it is a poor credit risk, a small-potatoes trading partner and a possible terrorist threat to the United States.

Otto Reich, the State Department's assistant secretary for the Western Hemisphere, last week laid out a case against overtures to Cuba and its longtime president, Fidel Castro.

"Castro has supported terrorist groups in every country in this hemisphere except Mexico," Reich told reporters Thursday. "So he is a terrorist."

Sen. Chuck Hagel, a main sponsor of Senate legislation to lift economic sanctions on Cuba, countered Reich on Friday, saying that to term Castro a threat is "just goofy."

"This is a toothless old dinosaur," the Nebraska Republican added.

Reich said that members of Congress listen too much to farm groups like the American Farm Bureau Federation, a strong proponent of trade with Cuba.

Those supporters overlook Cuba's economic and human-rights track record, he said.

Cuba practices a kind of Ponzi scheme by using foreign credits from one country to buy goods from another, then never repaying its debts, Reich said. He released State Department figures showing that Cuba has more than \$11 billion in unpaid debts to various European countries, another \$1.7 billion in debts to Latin American countries and \$1.7 billion in unpaid debts to Japan.

Reich said giving Cuba credits to buy U.S. goods will result in American taxpayers ultimately covering Cuba's bad debts. "I really think the American public will end up holding the bag, an empty bag," Reich said.

Instead of considering exports to Cuba, which has a low per-capita income, American farmers should pursue making more exports to larger, more prosperous Latin American countries such as Brazil, Reich said.

Furthermore, Reich said, Cuba may be developing biological weapons, although he offered no direct evidence of that danger.

But that dire message hasn't reached or persuaded many in Congress, particularly those from the Midwest, who are pushing for increased trade with Cuba as a means to try to undermine the communist government and as a potential boon for American agriculture.

Hagel contends that trade with Cuba could "open the country up" and notes that the United States already trades with communist Vietnam and China as well as with other totalitarian countries.

He complained that the U.S. embargo hurts American businesses and is being driven by politics because Florida, where many anti-Castro Cuban-Americans live, is a key state in presidential elections.

A law passed in 2000 has opened the trade door a bit. It allows U.S. companies to sell goods to Cuba for cash.

In an attempt to take part in such sales, hundreds of American companies and officials from several states will attend a four-day food exposition in Havana next month.

Omaha-based ConAgra Inc., the agribusiness giant, is among American companies planning to attend the event, according to the U.S.-Cuba Trade and Economic Council, Inc. in New York.

"In general we're always looking to introduce our products to new customers, in this case the Cuban people, and we do that through a variety of ways with conferences, expositions," said Bob McKeon, spokesman for ConAgra Foods.

Hagel noted that Cuba has already paid at least \$100 million in cash for American corn, rice, soybeans, apples and more.

"Now the smart boys in government might not think \$100 million is very much," he said, "but I think most people in Nebraska would think that's a pretty good piece of change."

Last month, the House voted 262-167 to lift the ban on travel by U.S. citizens to Cuba, but rejected 204-226 a proposal to erase all economic sanctions. Midlands lawmakers who voted to end the travel limits were: Reps. Lee Terry, Doug Bereuter and Tom Osborne, Nebraska Republicans. Also supporting an end to the travel sanctions were Iowa Republicans Greg Ganske and Tom Latham and Democrat Leonard Boswell.

Bereuter and Terry opposed ending all of the economic sanctions, the others did not. Bereuter has favored lifting food and medicine sanctions on Cuba.

The Olympian
Olympia, Washington
18 August 2002

Cuba embargo on last legs?

THE ASSOCIATED PRESS WASHINGTON -- Despite President Bush's tough line on Cuba, support for trade sanctions is crumbling in Congress, with anti-Castro activists struggling to preserve an embargo that has lasted more than 40 years.

"We're working hard, and we know the odds are against us. It's like David vs. Goliath," said Cuban-born Rep. Ileana Ros-Lehtinen, R-Fla.

The House in late July approved proposals by two Republican lawmakers that, while leaving the embargo in place, would effectively ease travel and trade restrictions. The Senate is considering similar changes.

Last week, House Majority Leader Dick Armey told reporters in Kansas that the United States needs access to Cuban markets. If economic sanctions continue for another year, he said, "it will be the last year they last."

His comments dealt a blow to pro-embargo lawmakers who were counting on Armey to use his office to derail efforts to weaken the sanctions.

"I think because he is an economics professor, he should know better than to pump money into a failed, totalitarian regime," Ros-Lehtinen said. Armey, who is retiring from Congress this year, once chaired the University of North Texas economics department.

If the changes get through Congress, pro-embargo lawmakers have a big ally in Bush, who has threatened a veto. Bush has had strong support from anti-Castro Cubans in Florida, and his brother Jeb is seeking re-election there as governor.

But a veto would have consequences beyond Cuba. The proposals to ease the embargo are part of a Treasury and Postal spending bill. A veto would affect billions of dollars of unrelated programs.

The embargo is intended to force democratic changes on Fidel Castro's communist island. It prohibits most business dealings with Cuba and limits travel to certain categories of visitors, including relatives of Cubans, researchers and working journalists.

For many years, liberal Democrats were practically the only opponents of the embargo, considering it ineffective and too harsh on Cuban citizens. But after the Cold War, with Cuba seen as less of a threat to the United States, some conservative lawmakers became uneasy about government-imposed travel restrictions. And farm state Republicans saw Cuba as a potentially lucrative market for agricultural products.

Congress loosened the embargo in 2000 to allow the sale of agricultural products on a cash-only basis. Cuba has since become the United States' 54th largest agricultural export market, importing products from 30 states, said John Kavulich of the U.S.-Cuba Trade and Economic Council.

The Miami Herald

31 August 2002

Gov. Bush scolds Ventura over trip to Cuba trade show

BY JAY WEAVER

Jeb Bush to Jesse Ventura: Don't go to Cuba! Ventura to Bush: Don't tell *me* what to do!

In so many words, the two governors wrestled cross-country Friday over the Minnesota governor's plan to visit Havana next month. Florida's governor asked Ventura to skip his trip to an agribusiness show in Cuba, reminding him that its president, Fidel Castro, is a tyrant.

"While I don't expect you to cancel your trip, I strongly believe doing so would be the right thing to do," Bush wrote in a letter sent to Ventura on Thursday. Ventura said Friday that he has every intention of attending the U.S. Food & Agriculture Exhibition Sept. 26-30.

"He disagrees with [Bush's] hard-line position with respect to Cuba," said Ventura's press aide, John Wodele. Florida's governor -- along with his brother, President Bush, and a long line of American presidents -- is a stalwart supporter of the four-decades-old U.S. trade embargo against Cuba, a position strongly backed by South Florida's large Cuban exile community.

Bush, a Republican seeking reelection in November, gave his Ventura letter to Otto Reich, assistant secretary of state for Western Hemisphere affairs, Friday morning in Miami. The governor then headed off to honor North Twin Lakes Elementary School in Hialeah for its high scores on the state achievement test. After Bush's departure, word leaked out about his Ventura letter.

ANTI-CASTRO VOTE

Ventura's aide quipped that his boss, a maverick independent who was a professional wrestler known as The Body before entering politics, doesn't have to worry about the anti-Castro vote in Minnesota. "Gov. Ventura is not running for reelection, and Gov. Bush is," Wodele said. Ventura was asked by the agribusiness show's organizer to cut the ribbon to open the exhibition because of the Minnesota governor's vocal views on free trade, including relaxing the trade embargo against Cuba.

He hopes to stimulate more business opportunities in Cuba for Midwestern agriculture and food giants, such as Archer Daniels Midland, Cargill and Hormel.

URGED TO BACK OFF

Bush, in his letter, urged Ventura to back off from encouraging U.S. business relationships with Castro, saying any investment dollars would only help to prop up his oppressive regime, not the Cuban people. "Recently, it has become more politically popular for U.S.-elected officials to travel to Cuba," Bush wrote. "You are not the first and undoubtedly will not be the last.

"But we should never forget that the people of Cuba don't share the same basic freedoms and rights that the citizens of Florida and Minnesota enjoy." Bush reminded Ventura of Castro's human-rights violations and suggested that he talk with the dictator about the

Varela Project, a citizens' petition that calls for a referendum on open elections and other freedoms.

Ventura's aide, Wodele, said the governor was not naive about Cuba. "He's not in denial -- he's aware of the lack of individual freedoms and the difficulty of life in Cuba," Wodele said. "But he firmly believes that the more contact we have with people in Cuba, the better off they will be and the faster they will change to a capitalist-based economy." Wodele cited China as a vibrant example.

SALES ALLOWED

Despite the embargo, U.S. companies are allowed to sell food and agricultural products to Cuba under the Trade Sanctions Reform and Export Enhancement Act of 2000, which reauthorized direct commercial exports to the island on the condition that sales be paid for in cash. Starting last year, Cuba has bought more than 770,000 tons of U.S. food since Hurricane Michelle created a humanitarian pretext for direct food sales.

In recent years, dozens of business people and politicians have visited the island nation to forge trade ties with Cuba. Tampa Mayor Dick Greco led a delegation there last month. In July, Republican North Dakota Gov. John Hoeven visited Cuba, securing about \$2 million in new business.

'THE SAME THING'

"Gov. Ventura is going to be doing the same thing that Gov. Hoeven did -- try to generate new business for his state," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a New York-based group that tracks the island's economy.

The U.S. Food & Agribusiness Exhibition, organized by Connecticut-based PWN Exhibicon International, will be the first trade show to be held on the island since Castro assumed control in 1959. More than 180 exhibitors displaying about 1,000 products from at least 32 states and Puerto Rico have signed up for the show. As many as 20,000 visitors are expected to attend the event at Havana's Palacio de las Convenciones.

"The exhibitors are treating this as a commercial event to create brand awareness and brand preference for authorized exports to Cuba," Kavulich said. "Those that are hoping this event will have a political relevance would be advised to look elsewhere."

Chicago Tribune
18 August 2002

Squeezing last drop out of Cuba embargo

By Patrick Michael Rucker. Patrick Michael Rucker's new book, "This Troubled Land," explores life in Northern Ireland since the Good Friday peace agreement

Reading that James Sabzali was convicted on 20 counts of trading with the enemy, one might conclude that federal prosecutors busted a terror agent rather than a water-purifier salesman. In fact, Sabzali may spend the next 20 years in prison for making Cuban water safe to drink.

It's somewhat surprising that Cuban-embargo enthusiasts are not crowing about Sabzali's conviction, considering it is one of the few successfully prosecuted cases of its kind. Then again, perhaps it's more fitting that they remain

silent. The authors of American policy toward Cuba would prefer that the public treat the embargo as something akin to a papal decree--inscrutable, shrouded in mystery and obeyed nonetheless.

The last thing that they want is a lot of awkward questions.

But now, as the policy designed to liberate Cuba marks its 40th year and Fidel Castro celebrates 43 years in power, the embargo seems to deserve some scrutiny. Although President Bush vowed to stand by a highly principled and effective policy last May, the Sabzali case revealed the embargo to be something much more arbitrary and haphazardly applied.

Sabzali, a Canadian citizen, got involved in trade with Cuba while working as a contractor for American firm Bro-Tech Inc., a manufacturer of water-purification resins, in the early '90s. Bro-Tech, based in Philadelphia, used Sabzali, working from Ontario, as its agent for sales to Cuba. It was an ideal arrangement. While American firms are prohibited from trading with Cuba, Canadian firms are equally prohibited from complying with the American embargo--a policy adopted by many countries unmoved by arguments for Cuban isolation.

In one light, as a Canadian doing business in Canada, Sabzali actually was compelled to trade with Cuba. Bro-Tech did not invent this scheme, but it suited them quite well. Over the years, the firm did more than \$2 million in trade with Cuba.

The story might have ended there, but over time, Bro-Tech's dealings grew more brazen. Sabzali was transferred to Philadelphia and the company began recording Cuban transactions directly into its American books. An accountant cautioned the firm about its Cuba dealings and was fired.

Bro-Tech officials thought that Sabzali's nationality shielded them from prosecution; federal investigators disagreed. Last April, Sabzali, Bro-Tech and the company's founding brothers, Donald and Stephan Brodie, were convicted on charges of violating the Cuban embargo.

The striking thing about Sabzali's trial was the unique sense in which the word "embargo" was used. Judging by the rhetoric from proponents of the embargo, one might believe that the policy left Cuba hermetically sealed from American commerce. In fact, there is virtually no hindrance to American firms interested in trading with the island. Getting caught was the most egregious thing that Sabzali did.

In 1995, U.S. corporations were permitted to register their trademark in Cuba. Heinz, Gillette and Pizza Hut are among the 4,000 companies that have paid to protect their brand names if and when the country opens to capitalism. According to a recent report from the accounting firm PricewaterhouseCoopers, some of America's most respected companies, such as General Electric, Microsoft, IBM and Coca-Cola, already have a presence in Cuba.

The Commerce Department routinely issues Cuba export licenses to manufacturers of health-care products. "That exemption is viewed rather expansively," according to John Kavulich, president of the U.S.-Cuba Trade and Economic Council Inc., an organization that gives advice to American firms seeking to do business in Cuba.

For the sake of a postage stamp and a few phone calls, Bro-Tech might have found that their trade with Cuba was perfectly legal. At the end of the trial, as the embargo lay exposed as vague, reluctantly enforced and manifestly ineffective, only one question remained: Why does it continue?

The generation of wealthy Cubans that quietly left for Florida ahead of Fidel Castro's triumph did not expect to be gone long. Fulgencio Batista, the dictator under whom they had prospered, had fled, but the exiles expected that the old order would be restored after a little time passed and a little American pressure was exerted.

That was 1959.

Fidel Castro has prevailed and those early self-exiled Cubans are sore about it. Make no mistake. The Cuban embargo is a massive personal vendetta by proxy--a last chance for aging Cuban-Americans to poke a stick in Castro's eye.

And it's not even a very big stick. The embargo permits Cuban-Americans to send hundreds of millions of dollars to family members in Cuba. Those remittances constitute the country's largest source of foreign aid.

If a measure recently passed by Congress becomes law, the ceiling on those remittances would be repealed along with the prohibition against American tourists traveling to Cuba.

Alas, President Bush has vowed to veto that measure and anything else that would be seen to further dilute the

embargo. Although a recent poll indicates that 40 percent of Cuban-Americans support a repeal of the embargo, the president will continue to take his cue from the small, wealthy, powerful community of Cuban hard-liners. As long as those voices rule, the embargo will remain in place, even if it is nothing but a relic of a forgotten age and a scarecrow to American business.

But at least the Sabzali case shows that the embargo has at least some teeth, right? Not really.

Steven Brodie's conspiracy conviction was overturned last month. His brother, Donald, and Sabzali are due to be sentenced in three weeks, but attorneys for the men are working on an appeal.

THE MIAMI HERALD

26 June 2002

Cuba embargo under fire Group cites benefits for U.S.

By Frank Davies

WASHINGTON - A new group on Capitol Hill backing changes in U.S. policy toward Cuba began a push Tuesday to end the 40-year ban on travel to the island, citing benefits to the U.S. economy.

If the travel ban were lifted and U.S. airlines, cruise ships and tour operators were allowed into Cuba, \$523 million in revenue would be generated for the U.S. economy and about 3,200 jobs created in the first year, according to a new study.

By the fifth year after the ban is lifted, more than two million Americans would be visiting the island, predicted Ed Sanders, a tourism consultant who conducted the study for the Cuba Policy Foundation.

The foundation is a nonpartisan group that supports an end to the U.S. embargo and receives funding from the Ford Foundation and corporations interested in doing business in Cuba.

House backers of an end to the ban on travel, who won a 240-186 vote on the issue last summer, said that this year they think it can pass Congress, despite the firm opposition of the Bush administration.

"The right to travel is a core, constitutional principle, and in the public there's a deep and profound revulsion over this ban," said Rep. William Delahunt, D-Mass., ridiculing fines levied on "Iowa grandmothers" bicycling around Cuba. He cited a poll in April by Bendixen and Associates that showed 46 percent of Cuban Americans supported lifting restrictions on travel to Cuba, with 47 percent against changing the current policy.

Rep. Jeff Flake, R-Ariz., and Delahunt head the Cuba Working Group, formed earlier this year to promote changes in U.S. policy. The group includes 22 Republicans and 22 Democrats. Flake acknowledged that his party's House leaders have blocked lifting the travel ban, but he thinks that may change. "At some point, other politics will overwhelm Florida politics," said Flake, who called the travel ban "the most glaring part" of the U.S. embargo.

Under the ban, only academics, researchers, journalists, missionaries and Cuban Americans -- the largest group -- can travel to Cuba legally. According to several estimates, about 176,000 U.S. citizens visited the island last year.

The economic impact of ending the travel ban is difficult to assess, and Sanders conceded that it would "take five years for real benefits to be seen." But he said a "tremendous pent-up demand and interest in Cuba" would generate \$1.6 billion in revenue for U.S. business within five years if airlines and cruise ships were allowed entry.

"Ending restrictions on travel to Cuba would provide a much-needed source of growth to the U.S. travel sector, particularly the troubled airline industry," said Sally Grooms Cowal, president of the Cuba Policy Foundation.

But John Kavulich, president of the nonpartisan U.S.-Cuba Trade and Economic Council, said those projections are probably too rosy. Cuba's infrastructure would not be able to absorb a big tourism increase. "There just are not that many good hotel rooms," said Kavulich. "If the ban were lifted, the economic impact on the United States would be quite limited."

An official with the Cuban American National Foundation, which opposes changes to U.S. policy, belittled the economic projections. "Do Americans really want to stay at beaches where Cubans are not allowed to go, where there is such discrimination?" said Dennis Hays, executive vice president of the foundation. "I would put this study under the heading of summer fiction."



May 26, 2002

Room for Whom on Cuba's Ground Floor?

By ANTHONY DePALMA

There were cheers in Havana when former President Jimmy Carter said the American trade embargo should be lifted before Fidel Castro's government makes democratic reforms. A few days later, there were cheers in Miami when President Bush vowed to keep the embargo unless Mr. Castro first makes democratic reforms.

Caught between those positions, American businesses for whom Cuba has been tantalizingly close, yet officially off limits for four decades, were left to wonder about the future. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, a business organization in New York that focuses on Cuba without taking political positions, spoke last week about the outlook.

Q. Is the embargo any closer to ending now than it was before Mr. Carter's visit?

A. Yes. The relationship between the two countries really is about moments. President Carter's visit was a significant moment, but it was not a seminal moment. The relationship will continue to change incrementally because that's the way both governments seem to want it to change.

Q. If the embargo were lifted tomorrow, which American companies would get a running start?

A. Some that will be active in the future are active now. They are commodities companies like [Archer Daniels Midland](#), Riceland Foods, Gold Kist Inc. and about 18 others that have sold food to Cuba since late last year. There also are branded food companies that haven't sold anything yet but are likely to do so. They include RJR Nabisco, [PepsiCo](#) and Mars, which owns Uncle Ben's Rice, a prerevolutionary favorite in Cuba. Other American companies that have affiliates or relationships with companies in Cuba will be well positioned to move fast. They include [General Motors](#), Ford, Daimler-Chrysler, G.E., [Microsoft](#) and the Carlson Companies, which control Radisson hotels and T.G.I. Friday's restaurants. Western Union, [AT&T](#), [WorldCom](#) and Sprint all provide some communications services today. And while [McDonald's](#) has no operations in Cuba now, its global corporate strategy to always be first into new markets means that it can be expected to be among the first to go in.

Q. You mentioned resumption of cash-only American food sales. How does Cuba pay?

A. The \$90 million worth of food and agricultural products purchased by Cuba during the last seven months have reduced Cuba's overall purchases from its existing suppliers by \$90 million. Some of the funds that Cuba has used to pay U.S. companies have come from funds that were supposed to have been directed toward paying current creditors. That means suppliers in Canada, France, Brazil, Argentina, Spain and other countries are not enthusiastic about having some of what is owed to them being used to gain political influence in the United States.

Q. Cuba has 11.2 million people and poverty is serious. What makes Cuba so attractive to American companies?

A. Cuban awareness of U.S. brand names is among the highest for any non-English-speaking country, which makes the Cuban market immensely attractive for some U.S. companies. And because so many Cubans have family members in the U.S., their purchasing decisions are going to be influenced by that familiarity with certain brands. The unrestricted trade relationship between the U.S. and Cuba will likely be 80 percent U.S. exports to Cuba. Only certain products, like beverages, tobacco, citrus, coffee and perhaps some health care products will be exported to the United States. Sugar producers in Florida and Louisiana, along with citrus producers in Florida and California, are not going to be enthusiastic about additional competition.

Q. President Bush said trading with Cuba helps keep Mr. Castro in power. Are American sellers of food to Cuba aiding a dictator?

A. The overwhelming majority of the food products purchased during the last seven months have been used by the 11.2 million inhabitants of Cuba, not the 1.8 million foreign tourists who visited Cuba and left behind U.S. dollars that may well help sustain a system of government that President Bush finds, uh, unproductive.

The New York Times
Business Section
26 Mai, 2002

Pour qui y a-t-il de la place à Cuba ?
par ANTHONY DePALMA

Il y a eu des applaudissements à la Havane lorsque l'ancien président Jimmy Carter a dit que l'embargo commercial des Etats-Unis devait être levé avant que le gouvernement de Fidel Castro n'accomplisse des réformes démocratiques. Quelques jours plus tard, il y a eu des applaudissements à Miami lorsque le Président Bush a juré de maintenir l'embargo sauf si M. Castro procédait d'abord à des réformes démocratiques.

Coincés entre ces deux positions, les milieux d'affaires états-uniens qui portent un intérêt pour Cuba, mais qui en ont été tenus officiellement à l'écart depuis 40 ans, se demandent ce que l'avenir leur réserve. John S. Kavulich II, président de U.S.-Cuba Trade and Economic Council, une organisation apolitique des milieux d'affaires basée à New York et qui se consacre à l'analyse de la situation à Cuba, s'est exprimé la semaine dernière sur ce sujet.

QUESTION : Est-ce que la fin de l'embargo s'est rapprochée depuis la visite de M. Carter ?

REPONSE : Oui. Les relations entre les deux pays évoluent autour d'événements marquants. La visite du Président Carter était un événement marquant, mais pas déterminant. Les relations continueront à évoluer parce qu'il semblerait que ce soit la volonté des deux gouvernements.

Q : Si l'embargo était levé demain, quelles seraient les premières compagnies états-uniennes à s'engouffrer dans la brèche ?

R : Certaines compagnies qui auront une présence dans le futur ont déjà une présence aujourd'hui. Ce sont des sociétés telles que Archer Daniels Midland, Riceland Foods, Gold Kist Inc. et environ 18 autres compagnies qui ont vendu de la nourriture à Cuba depuis la fin de l'année dernière. Il y a aussi des compagnies classées dans le secteur alimentaire qui n'ont encore rien vendu mais qui le feront très certainement. Par exemple RJR Nabisco, PepsiCo et Mars, propriétaire du riz Uncle Ben's, un plat préféré à Cuba. D'autres compagnies US qui ont des filiales ou des relations avec des compagnies Cubaines seront en bonne position pour se lancer. On peut citer General Motors, Ford, Daimler-Chrysler, G.E., Microsoft et les Compagnies Carlson, qui contrôlent les hôtels Radisson et les restaurants de TGI Friday's. Western Union, AT&T, WorldCom et Sprint fournissent déjà quelques services dans le domaine des communications. Et alors que McDonald n'a pas d'implantation à Cuba à l'heure actuelle, sa stratégie globale a toujours été d'être parmi les premiers à entrer dans un nouveau marché, on peut donc s'attendre à les voir parmi les premières sociétés à pénétrer le marché Cubain.

Q : Vous avez mentionné la reprise des ventes au comptant de nourriture US. Comment est-ce que Cuba fait pour payer ?

R : les 90 millions de dollars de nourriture et produits agricoles achetés par Cuba au cours de sept derniers mois ont réduit d'autant les achats de Cuba auprès des autres fournisseurs. Une partie des fonds utilisés par Cuba pour payer les compagnies US a été prélevée de fonds qui étaient destinés à payer d'autres crédettes. Cela signifie que des fournisseurs au Canada, en France, au Brésil, en Argentine, en Espagne et d'autres pays ne sont pas très emballés à voir leur argent partir dans des opérations destinées à gagner une influence politique aux Etats-Unis.

A : Cuba compte une population de 11.2 millions et la pauvreté est grande. Pourquoi les compagnies états-uniennes s'intéressent-elles tant à Cuba ?

Q : le taux de reconnaissance des marques états-uniennes est un des plus élevés au monde pour un pays non-anglophone, ce qui rend le marché Cubain très attrayant pour les compagnies US. De plus, comme beaucoup de Cubains ont de la famille aux Etats-Unis, leurs décisions d'achat seront influencées par la familiarité de certaines marques. Une relation commerciale totalement libre entre les Etats-Unis et Cuba se traduirait probablement par 80% d'exportations des Etats-Unis vers Cuba. Seuls quelques produits, tels que des boissons, du tabac, des fruits, du café et peut-être quelques produits de santé seront exportés de Cuba vers les Etats-Unis. Les producteurs de sucre de la Floride et de la Louisiane, ainsi que les producteurs de fruits de la Floride et de la Californie ne seront pas contents face à cette nouvelle concurrence.

Q : Le Président Bush a déclaré que le commerce avec Cuba aidait M. Castro à garder le pouvoir. Les vendeurs états-uniens de nourriture à Cuba sont-ils en train d'aider un dictateur ?

A : L'immense majorité des produits alimentaires achetés au cours des sept derniers mois a été consommée par les 11.2 millions d'habitants de Cuba, et pas par les 1.8 millions de touristes étrangers qui visitent Cuba et qui y dépensent des dollars US qui peuvent aider au maintien d'un gouvernement que le Président Bush considère comme, euh, improductif.

Carter witness to growing U.S. presence in Cuba

HAVANA, May 12 (Reuters) - Former President Jimmy Carter may be surprised during his Cuba trip starting on Sunday to find the communist-run island is awash with U.S. goods, people and cash, despite a 40-year U.S. trade embargo on the island.

The American presence exploded in the 1990s in a land where a decade ago possessing dollars was a crime -- and hot dogs, chewing gum and peanut butter, considered Yankee emblems, were nowhere to be found.

"Cuba and the United States may keep hurling insults and accusations at each other, but beneath the surface you can see a trend toward a more normal relationship as the end of the Cold War, economic interests and geography weigh in. Just look around," a Western diplomat said. Carter surely will.

Marlboro, Winston, Coke, Pepsi are readably available. There may be no McDonalds at Havana's Jose Marti Airport where Carter is to arrive, but U.S. consumer products, all priced in dollars, not pesos, are in abundant supply.

Tourists carry plastic, not cash, and Carter will discover the U.S. MasterCard and Visa credit cards are accepted everywhere -- including at the Santa Isabel Hotel where he is staying -- as long as they were issued outside the United States, for example by Mexican subsidiaries of U.S. banks.

Carter, who promoted a rapprochement with Cuba during his 1977-1981 presidency, arrived in Havana on a six-day visit to improve relations and discuss human rights issues. His is the most important visit by an American since the 1959 revolution.

Carter will learn from hotel employees that he is hardly the first U.S. citizen to step foot in Cuba or stay at the Santa Isabel, even though most Americans are prohibited by their government from visiting the Caribbean island.

Last year about 200,000 Americans tasted the forbidden fruit, just 90 miles south of Florida, according to Cuban Foreign Minister Felipe Perez. That made the United States Cuba's third tourism provider, after Canada and Germany.

"Over 40 percent of our clients so far this year were from the United States," said the manager of a restaurant near the Santa Isabel once frequented by U.S. writer Ernest Hemingway.

Reeling from the economic impact of the collapse of Soviet communism, Cuba in the 1990s began promoting international tourism, welcomed Cuban Americans and their money, opened up to Western trade and investment and legalized the dollar.

Former President Bill Clinton then made it easier for Cuban Americans and some other U.S. citizens to travel to Cuba, despite the embargo which includes a ban on Americans spending dollars on the island.

Clinton also authorized Cuban Americans to send money to relatives, while Cuban President Fidel Castro authorized Western Union to set up shop for wire transfers. There is a local Western Union office five minutes walk from where Carter is staying.

U.S. TACOS AND EGGS

Cuba's economic reforms were aimed at garnering dollars to import oil, food and other products. Clinton's measures sought to increase Cubans' exposure to U.S. values and foster democracy.

An estimated 150,000 of last year's American visitors were licensed by the U.S. Treasury Department, which enforces the embargo. Approximately 120,000 of them were Cuban Americans seeing relatives. Another 50,000 U.S. citizens presumably came without permission from their government, arriving mainly from Mexico, the Bahamas, Jamaica and Canada.

The Cuban Americans bring cash and U.S. goods, and many send money from the United States to families in Cuba, creating demand for American products brought in from Mexico, Canada and other countries, and sold at government stores for dollars.

"Family remittances are important. At the national level, they are an \$800 million boost in foreign exchange earnings," said Cuba watcher Phil Peters, of the Washington-based Lexington Institute.

On the trade front, the U.S. Congress in 2000 passed a law exempting food from the embargo. Cuba began directly purchasing American food products last year -- over \$90 million worth so far -- in the first such transactions in four decades.

"These days you can buy a taco in Havana made with Illinois corn, or an egg from Massachusetts at the local store," said John Kavulich, president of the New York-based U.S.-Cuba Trade and Economic Council.

According to the "Economic Eye on Cuba," a weekly publication by Kavulich's organization, Carter could even build a Cuba-related stock portfolio if he wanted to. U.S. investors already hold about 10 percent of the shares in Spain's Sol Melia, according to the council. The travel company manages 22 hotels in Cuba and is a shareholder in four of them.

"The U.S. Treasury Department has ruled a U.S. company or individual may have a non-controlling interest in a foreign company that does a minority share of its business with Cuba, and you would be surprised how many do," Kavulich said.

More than 10 percent of Switzerland-based Nestle is in American hands. The company operates a mineral water joint venture in Cuba that has over 90 percent of the local market.

Carter and his delegation will be consuming plenty of that water as they fight the tropical heat during their stay.

Deliveries to Cuba

Storm relief launched Cuba's first food purchases from the U.S. since 1961. Minnesota is a central player in the deals.

BY MARIA RECIO

Knight Ridder Foreign Service

10 May 2002

CARDENAS, Cuba — Six months after the worst storm to hit Cuba in 50 years, the island nation is rebounding with an aggressive government-led rebuilding program that included the first food purchases from the United States since the trade embargo of 1961.

Hurricane Michelle raked the island's midsection with 135-mph winds last November, causing more than \$1 billion in property damage and forcing the evacuation of 750,000 people, including the country's second-most-famous resident, Elian Gonzalez.

Early warnings and a speedy, compulsory evacuation kept the death toll to five. By comparison, Hurricane Mitch, which caught Honduras and its neighbors by surprise in 1998, killed 5,000 to 6,000 people. The rebuilding continues in those countries. In Cuba, the hardest-hit areas have been rebuilt and the "open" sign hangs on once-damaged businesses. As an island in the deadly Hurricane Alley, Cuba has been here before. "The government of Cuba anticipated the seriousness of the hurricane," said Brian Goonan, country manager for Cuba at U.S.-based Catholic Relief Services. "It was an efficient and fairly quick response."

The hurricane caused another \$1.8 billion in economic damage, almost half from the loss of citrus, rice and sugar crops. To offset the losses, Cuban President Fidel Castro took advantage of a loosened U.S. trade embargo to make cash purchases of \$73 million in U.S. agricultural goods.

In addition, nearly half the families evacuated are in new or rebuilt homes, according to the government.

MORE LEFT TO DO

Still, much remains to be done. Along a strip of beach in Cardenas, a two-hour drive east of the capital of Havana, most wrecked homes remain uninhabited. Some have no windows or roofs; others have no walls. "They are responding, but it's slower than the government anticipated and the people expected," said Goonan, who works with the Cuban Catholic humanitarian group Caritas. "There's a shortage of materials, shingles, woods, nails, bricks. That's why this can't be done faster. "They're reluctant to admit they need aid," he added. "There's a reluctance to admit there's a shortage."

Pedro Valdez, a hotel cook in the Varadero Beach tourist area 12 miles from Cardenas, treated the destruction as a fixer-upper challenge. Rubble flanks his tidy bright green home. "We were left without a roof, a door and window," Valdez said. "Now everything's new." Valdez, who did the work himself with material supplied by the Cuban government, shrugs off worry about additional storms.

But a neighbor, Oreste Padron Suarez, 62, a retired analytic chemist, offers a different opinion as he welcomes visitors to his home. "We've repaired it, but we're leaving as soon as the house they're

building for us is ready," he said. "I've lived here 40 years," said Suarez as a gentle breeze blew off the water. The government has promised Suarez, his wife and his son's family two new houses, fully furnished, a few miles inland. But won't he miss the sea? "No," he said emphatically. "I'm not waiting for another cyclone. This is the second cyclone I've lived through. I don't want to live by the ocean."

According to Carlos Lage Davila, vice president of Cuba's Council of State, 84,000 homes have been rebuilt or replaced of the more than 165,000 Michelle destroyed. "We've solved 51 percent of the problem," Davila told the Cuban newspaper Granma recently. He predicted that reconstruction would be finished by August.

In hard-hit Matanzas province, where Cardenas is located, the government says it is building 53,000 houses for displaced residents. About a mile from the beach, construction worker Virgilio Roll, 53, is applying mortar to the cement walls of a new two-bedroom house. "When it's done, it will be very beautiful," Roll said.

The homeowner-in-waiting is Ruben Suarez. He reported that Michelle sent a surge of water five feet deep into his old house, which has survived storms since 1820. Suarez, his daughter and grandchild now live with his brother. Among others displaced were Suarez's celebrated neighbor, Elian Gonzalez, the youngster at the heart of a U.S.-Cuba custody battle, whose family moved in with his grandparents.

Castro moved fast to solve the food shortage that followed the storm. Until the hurricane, he had refused to take advantage of an opening in the U.S. trade embargo, carved out by Congress in 2000, which permitted U.S. growers to sell agricultural products to Cuba if they didn't have to finance the purchases.

Among nearly 500,000 tons of commodities, Cuba purchased corn, soy, rice and poultry from Missouri, wheat and corn from Kansas, corn and soy from Minnesota and wheat and rice from Texas, as well as corn from Indiana, Iowa, Kentucky and Ohio.

MINNESOTA'S ROLE

Minnesota is a central player in the agricultural purchases, providing 25 percent of the corn on the first shipment that reached Cuba Dec. 16. Moreover, shipments might not have made it at all were it not for Gov. Jesse Ventura.

"Gov. Ventura played a significant role in alleviating some of the delays in licensing the vessel that transported the corn to Cuba," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, Inc. "The Bush administration was delaying the process. One of the more effective public-sector persons to weigh in was Governor Ventura."

"There has been a political impact from the sale," Kavulich said. "It has re-energized the interest of the U.S. business community toward Cuba." The two rounds of sales so far mean a ship a week, on average, sails from the United States to Cuba. More sales are expected.

Cargill, Inc., the Minnetonka-based grain giant, has sold 114,000 metric tons of corn, wheat, vegetable oil and soybeans worth about \$15 million as part of the sales to Cuba. "Our interest in Cuba stems from the fact that it's a market 90 miles from our shore that should be served by U.S. agriculture," said Van Yeutter, Cargill's director of international business development. "We've been very excited about the opening of the Cuba market."

Yeutter said that Cuba currently imports about \$1 billion a year in foodstuffs. Due to the embargo, the United States has not provided any of the commodities until now. He estimated that Cargill has

provided about 100,000 tons of foodstuffs in the post-hurricane Cuban purchases. "It's a natural market for U.S. agricultural products," said Yeutter. "We're hopeful the U.S. will continue as a supplier."

The Cubans are proud of their quick response to the storm. At Tur Oasis, on the highway between Havana and Matanzas, bartender Alexander Ruiz said Michelle topped the bar's wooden structure. "We had to build it all again," Ruiz said. "In seven or eight days, we rebuilt the place."

Farm And Ranch Guide

Bismark, North Dakota

23 March 2002

Cuba will purchase U.S. dried peas

By ANDREA JOHNSON, Valley Editor

The U.S. dry pea industry has found a toehold in Cuba's expanding ag trade with the United States.

Alimport - an importing company operated by the Cuban government - announced on March 6 their intentions to purchase 20,000 metric tons (733,000 bushels) of U.S. dry peas as well as 1,000 metric tons of U.S. apples.

The dry peas are valued at approximately \$4 million, while the apples have a value of \$500,000. The Cuban shipment represents approximately 11 percent of U.S. dry pea production. Delivery to Cuba is slated for May.

The shipment could include both yellow and green peas and will likely come from companies located in the state of Washington. Congressman George Nethercutt, R-Wash., wrote the Trade Sanctions Reform and Export Enhancement Act (TSRA) of 2000, which authorized the direct commercial (on a cash basis) export of food and ag products from the United States to Cuba. Nethercutt visited Cuba in 2001, and Sen. Maria Cantwell, D-Wash., visited Cuba in January 2002.

The peas and apples are the first purchases of agricultural products from the state of Washington since Alimport commenced purchases from United States-based companies in November 2001 under TSRA.

"The purchases from Washington have to do with Rep. Nethercutt. He was the father of TSRA so the Cuban government is clearly seeking to reward his efforts, and that means buy as much as possible from the state of Washington," said John S. Kavulich II, U.S.-Cuba Trade and Economic Council president.

U.S.-Cuba Trade and Economic Council is the largest nonpartisan business organization within the United States focusing upon the Republic of Cuba. The organization is a private, not-for-profit corporation that does not take positions with respect to United States-Cuba political relations.

The dry peas will likely be purchased from up to 10 processors and exporters located in Washington, but will likely be obtained from both Washington and Idaho. "The reason that some of the peas might be sourced from Idaho as well as Washington simply has to do with quantities," said Kavulich. "That is still flowing - it is still being put together and there may end up being some from North Dakota."

The sale of dry peas to Cuba will affect North Dakota dry pea growers, who produced on 86,000 acres

approximately 3 million bushels of peas - approximately 40 percent of the U.S. supply in 2001. "This will definitely help our producers now and in the future. Getting an initial sale into Cuba is huge for North Dakota and U.S. pea producers," said Eric Bartsch, North Dakota Dry Pea and Lentil Council administrator.

U.S. dry pea producers are enjoying good prices this season. Yellow peas are worth \$3.80-4/bushel, while green peas are selling for \$3.50-3.80/bushel. This sale to Cuba should only help prices. "Any amount that leaves the United States affects our growers," said Bartsch. "It increases the value and the price anytime you can move product. We're hoping this can open up further trade with North Dakota and Cuba."

el Nuevo Herald

27 February 2002

Leve descenso en viajes a Cuba

WILFREDO CANCIO ISLA
El Nuevo Herald

La cifra de viajeros a Cuba mediante vuelos fletados en el 2001 alcanzó los 126,913, lo que representa un ligero descenso respecto al año anterior, reveló ayer una entidad consultora con sede en Nueva York.

De acuerdo con un reporte del Consejo Económico y Comercial Cuba-Estados Unidos, el flujo de personas que viajaron legalmente utilizando alguna de las ocho compañías autorizadas para operar vuelos hacia la isla disminuyó en unos 24,000 con relación al 2000, aunque la cantidad real pudiera ser más alta debido al incremento de los visitantes que llegan a través de un tercer país.

"Los números dejan ver una reducción en cuanto a los viajes, pero no tan drástica como se esperaba después de los acontecimientos del pasado 11 de septiembre", comentó John S. Kavulich, presidente de ese organismo independiente.

Kavulich estimó que unos 27,000 residentes en Estados Unidos pudieran haber viajado a Cuba utilizando de trampolín a países como Canadá, México, Bahamas y Jamaica, una tendencia creciente en los últimos años para sortear las restricciones impuestas por el embargo.

Los estimados del Consejo toman como fuente directa los informes anuales de las compañías que controlan el negocio de los viajes a Cuba desde Miami, Nueva York y Los Angeles. Hasta el momento no han sido divulgadas otras estadísticas oficiales en este rubro.

Una fuente del Departamento del Tesoro indicó ayer que su Control de Activos Extranjeros (OFAC) concedió el pasado año 19,637 licencias específicas para viajes a Cuba por motivos académicos, deportivos, culturales o religiosos.

"Sin embargo, ese número no permite conocer la cifra exacta de viajeros, que puede ser muy superior por cada licencia", aclaró la fuente. Se estima que hasta 100 personas puedan trasladarse a Cuba bajo la protección de una licencia especial.

Kavulich consideró que tras el descenso del turismo internacional causado por los ataques terroristas a Nueva York y Washington, la industria de los viajes a Cuba se ha recuperado notablemente.

"Hubo más vuelos operando en enero y febrero, y las cifras pudieran dar un salto significativo este año", opinó el funcionario.

Actualmente, las firmas de vuelos fletados están realizando 23 vuelos semanales a Cuba desde territorio norteamericano.

Representantes de la industria coinciden en que luego del ciclón Michelle, que devastó la región central de Cuba el pasado noviembre, se produjo un alza de cubanos y cubanoamericanos viajando para auxiliar a sus familiares en la isla.

"Desde finales de año se ha producido una recuperación y este año estamos viendo signos de un crecimiento", comentó Silvio Gómez, representante de CTS. "Los temores provocados por el terrorismo han quedado atrás."

CNN

"LOU DOBBS MONEYLINE"

28 January 2002 ◻ 6:00 p.m. (ET)

This is LOU DOBBS MONEYLINE for Monday, January 28. Here now, Lou Dobbs.

LOU DOBBS, HOST: Well, forget the embargo, American food and grain headed to Cuba, 227,000 tons of it. And Cuba has just ordered more, 1,500 tons of chicken legs from Tyson foods. Some are now wondering if the hard line against trading with Cuba is crumbling and whether American companies can expect more business with Cuba sometime soon. Kitty Pilgrim has the story.

(BEGIN VIDEOTAPE)

KITTY PILGRIM, CNN CORRESPONDENT (voice-over): U.S. corn, wheat and soybeans are sailing into Havana harbor, part of a nearly \$40 million sale to the Cuban government. U.S. companies like Archer Daniels Midland, Cargill, and Riceland, are all shipping food to Cuba. In addition, Cuba has just tripled its order from poultry company, Tyson Foods, to 1,500 tons of chicken legs.

VAN VEUTTER, CARGILL: They have given us some indication that they may be interested in buying in the future, which is a bit of a change from the past, so we're very pleased about that.

KITTY PILGRIM: The United States has an embargo against U.S. companies doing business with Cuba. But a U.S. law signed into effect in October 2000 allows sales of U.S. food and healthcare products, but only if Cuba pays cash. That's the sticking point. The Cuban government swore they'd never buy a grain of rice if they had to pay cash. Instead, Cuba buys \$750 million worth of goods from overseas, mostly Europe, and much of that is on credit. [Correction: The Trade Sanctions Reform and Export Enhancement Act of 2000 did not change the regulations for the export of healthcare products to the Republic of Cuba, which remain regulated under provisions of the Cuban Democracy Act of 1992.]

But then, Cuba backed off that statement, ordering food from U.S. companies after the devastation of hurricane Michelle.

JOHN KAVULICH, U.S.-CUBA TRADE AND ECONOMIC COUNCIL: It may give angina to some U.S. policymakers, but the reality is that Cuba has continued to increase the quantities of some product both in November, December, and most recently, with Tyson Foods one week ago.

SUSAN KAUFMAN PURCELL, THE AMERICAS SOCIETY: It's clear they need food and they need it quickly. So in that sense, that's one explanation for the nicer tone. On the other hand, there may be a tactical change that we could be seeing.

KITTY PILGRIM (on-camera): No one is suggesting that the Cuban embargo will be lifted anytime soon. But policy is often made in small steps, and this pickup in commercial activity suggests that some small steps may be being taken in opening up U.S. trade with Cuba. Kitty Pilgrim, CNN Financial News, New York.

(END VIDEOTAPE)

Guantanamo jail advances U.S.-Cuba rapprochement

By Andrew Cawthorne

GUANTANAMO, Cuba, Jan 21 (Reuters) - Far from becoming yet another spat between the old Cold War foes, the jailing of Afghanistan captives on a U.S. navy base in Cuba has helped along a quiet rapprochement between Havana and Washington.

Many expected President Fidel Castro to howl at the arrival of Taliban and al Qaeda prisoners, caught in a U.S. military campaign, on what Cuba calls usurped territory. But in fact he offered medical and health assistance at the Guantanamo Bay base, which is on permanent lease to the United States.

His brother Raul Castro, who heads the armed forces and is No. 2 in Cuba's political hierarchy, went further at the weekend, hailing as a potential model U.S.-Cuban military cooperation around the perimeter of the isolated base.

"This minimal cooperation shows what might be in many other areas," Raul Castro said, urging closer coordination in the war on drug-trafficking and terrorism, and over migration.

The Guantanamo issue, analysts say, is the latest example of what seems to be an unusual trend of quiet cooperation and positive diplomacy for two nations who have been unremittingly hostile to each other in the last four decades.

Despite encouraging signs that emerged from both sides soon after the Sept. 11 attacks on the United States, including historic U.S. food sales, they also note periodic efforts of apparent rapprochement have previously been buried in the long-established enmity. President George W. Bush has also vowed a tough, anti-Castro stance, they add.

"From both sides, we're seeing less rhetoric, more willingness to listen, and some small but concrete steps," a Havana-based Western diplomat said. "Of course, it could all disappear overnight, but everyone hopes it will go somewhere."

The most publicized steps have been Castro's response to the detainees and the first sales of U.S. goods to Cuba in four decades of trade embargo after Hurricane Michelle in November.

Moves are also afoot in Congress to ensure further trade by lifting a restriction on U.S. financing of food and medicine sales to Cuba -- allowed in theory under recent changes to the embargo -- and to overturn the ban on American tourism here.

Diplomats and analysts say it was those efforts in Congress that Castro probably had in mind when he decided not to make a fuss over Guantanamo which -- to his annoyance -- the Americans have occupied since Marines landed there in 1898 and maintain in perpetuity under 1903 and 1934 lease agreements. *"It's not the time to pick a new row,"* the diplomat said.

WELCOME VISITORS

Diplomatic sources say contacts between Cuban diplomats and U.S. officials at the Interests Section in Havana have been unusually frequent and constructive in recent months.

U.S. visitors, including three U.S. congressmen this month, have perceived a more conciliatory mood from Castro. *"The tone reflected a new attitude ... one of less confrontation, and effort to explore ways of collaboration, to put the Cold War behind us and to lessen the rhetoric,"* Rep. William Delahunt, a Democrat from Massachusetts, said after taking part in a six-hour meeting with the Cuban leader.

In a personal gesture, Castro also accompanied visiting Democratic Sen. Maria Cantwell of Washington to the airport to fly home, an honor usually reserved for heads of state.

Those seeing a rapprochement in Cuba-U.S. relations also point to other concrete moves such as the permanent posting of a U.S. Coast Guard official in Havana to liaise with Cuba.

In another rare case of cooperation, FBI agents are helping Cuban authorities investigate the killing of five people, two of them residents of Miami, in an attack in Cuba last month.

While some analysts believe a shift in U.S.-Cuban relations is under way, skeptics are quick to point out that Bush, while quieter than normal on the Cuba issue as he attends weightier matters, has not backtracked on his anti-Castro stance. They argue that even if Congress approves changes to the embargo, Bush has the right to veto, and will surely have an eye to the powerful anti-communist Cuban American lobby in Florida which proved key to his election. Then there is the recent appointment of Otto Reich, a Cuban American and staunch critic of Castro, as his Latin America policy chief -- hardly a conciliatory signal for Havana.

"Those who are espousing that by virtue of portions of the last 60 days a new era has dawned on the relationship between the two countries are making a far too simplistic conclusion," warned John Kavulich, head of the U.S.-Cuba Trade and Economic Council, in a telephone interview from New York.

**New York Daily News
New York, New York
14 January 2002**

SHIFTS START IN U.S.-CUBAN RELATIONS by Albor Ruiz

Signs of dramatic changes in U.S.-Cuban relations after 40 years of hostility have been sprouting up during the past two months. But not everybody agrees on how far those changes will go.

First, in November, Congress passed a law allowing humanitarian shipments to Cuba, an exception to the U.S. embargo. It resulted in corn and rice being sold to the island, in cash, to the tune of \$35 million. "The companies [that sold to Cuba] were very happy," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council.

Then, at the beginning of this month, six members of Congress took a five-day trip to Cuba with the avowed purpose of improving relations with the island and fomenting trade.

Fidel Castro treated the delegation to one of his famous marathon conversations: For six hours the American politicians and the Cuban leader discussed every conceivable topic, from U.S. policy to the health benefits of soybeans. "[Our policy] should not be based on political grudges that have been going on for 45 years against 75-year-old [Castro,]" Rep. Vic Snyder (D-Ark.), a member of the delegation, said upon his return to the U.S.

Optimistic on relations

The congressman, who said that despite the political differences between the two governments, he did not perceive any anti-American sentiment in Cuba, also predicted that 2002 will be the year in which relations will undergo a sea change.

The optimism, though, is not universal.

"The relationship between U.S. and Cuba has always been a series of moments," Kavulich said. "Some of [them] are more significant than others. The purchase of corn and rice by Cuba is [not] a seminal moment. The visit by the members of Congress is, well . . . just a moment." He added: "I haven't seen, at least, not yet, any evidence that relations are going to change in 2002."

Which is too bad because the four-decade "blockade," as the embargo is called in Cuba, has done nothing to change the Communist system and much to punish everyday Cubans. The embargo against Cuba, which includes food, drugs and medical supplies, is far tougher than the U.S. economic blockades of Iran, Iraq, Libya and North Korea. How can that be justified?

Actually, it is the longest and harshest embargo by one state against another in modern history. It started in 1961, was tightened in 1992 to make it illegal for U.S. subsidiaries in third countries to trade with Cuba - even though 90% of that subsidiary trade was in food and medicine - and tightened even more in 1996. Yet Castro is still in power. Obviously, the embargo should have been lifted a long time ago, and a new, more enlightened policy of trade and renewed diplomatic relations should have been put in place.

But Kavulich does not think anything that earthshaking will take place in the near future. "[Instead of big policy changes] there will continue to be incremental political, economic and commerce improvements in U.S. policy toward Cuba," Kavulich said.

After 40 years of virtually total stagnation, even incremental changes sound huge. As Carlos Lage, Cuba's vice president, half-jokingly told the Daily News, "One thing is certain: Relations will not deteriorate any further. They are so bad already it would be impossible." In other words, the only way is up. And that, in a strange, twisted manner, is good news.