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Community Matters: How to level the playing field for Arkansas agricultural producers

By Sen. John Boozman / Guest Column

New data released by the U.S.-Cuba Trade Economic Council show that Arkansas's agricultural producers continue to lose out under Washington's current restrictive trade policy with the island nation.

The top two commodities Cuba purchased from American producers in 2017 are among the top commodities produced in Arkansas — chicken leg quarters and soybeans.

A deeper dive into the data shows that chicken and soybean products make up over 80 percent of the total food product/agricultural product exports from the U.S. to Cuba last year.

According to the Arkansas Farm Bureau, the Natural State has about 2,500 farms that produce chicken. Arkansas is the 10th largest soybean producing state and exports almost half of the state's crop.

In theory, the Cuban market is ripe for Arkansas's poultry and soybean producers. Add rice to that list, which is a staple of the Cuban diet, and you have the potential for a significant economic boost for our state.

In reality, however, this is not the case.

U.S. producers are still unable to fully tap into the market because federal law does not allow private financing for agricultural trade with Cuba. This misguided policy creates a major roadblock to trade with the cash-strapped island nation.

There is a bipartisan solution to this problem. Senator Heidi Heitkamp (D-ND) and I introduced the Agriculture Export Expansion Act to lift the ban on private banks and companies offering credit for agricultural exports to Cuba. This would help level the playing field for exporters across the country and support American jobs.

This commonsense solution does not put the American people on the hook for business deals with Cuba. It simply removes the regulatory barrier banks and companies run into when trying to offer private financing to Cubans for the sale of U.S. agricultural commodities. Private lenders would assume all the risk.

Nearly all international trade relies on credit. Current U.S. policy restricts trade with Cuba to cash-only transactions, putting American farmers on the sidelines while competitors like China, Vietnam and Brazil actively engage in Cuba's \$2.4 billion market.

Removing this restriction would help level the playing field for Arkansas' farmers and exporters while simultaneously exposing Cubans to American ideals, values and products.

That last point is important. Following Fidel Castro's death, then President-elect Trump said, "Our administration will do all it can to ensure the Cuban people can finally begin their journey toward prosperity and liberty."

I share the President's desire to see democracy take hold in Cuba, as well as his commitment to ending human rights abuses carried out by the Castro regime. I encourage him to consider a more effective approach of opening a line of communication and building a working relationship with governments in need of democratic assistance.

Trade between nations creates that open line and builds those relationships, allowing for the type of person-to-person contact that can bring real change to the world. In normalizing trade relations, you not only trade goods, but ideas. The two go hand-in-hand. Normalizing relations will allow us to remain competitive and create jobs at home, while pushing for human rights and democratic change in Cuba.

Passage of the Agriculture Export Expansion Act would be a small step in that direction, but a big victory for American farmers and the Cuban people.

Politico

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MORE U.S. AG EXPORTS HEAD TO CUBA: Trump's hard-line rhetoric toward Cuba may have led to a fraying of Obama-era diplomatic ties, but exports to the island nation paint a very different picture. Agricultural exports to Cuba equaled more than \$250 million in 2017, according to reports from the U.S.-Cuba Trade Economic Council. These numbers — from January to November 2017 — show an \$50 million increase in exports of food products and ag commodities compared with 2016.

Lots of chicken in Cuba: In terms of dollar value, more than half of what's being sent to Cuba is chicken, according to the New York-based business group's numbers. For the past decade, chicken — whether as leg quarters or whole — has consistently topped the list of products Cubans most purchase from the U.S. The island nation has also regularly bought U.S. soybeans and corn.

But those numbers are a drop in the bucket: Cuba largely relies on imports with an over \$2 billion annual market to buy agricultural products abroad. However, U.S. producers are still unable to fully tap into the market because the American government does not allow private financing for Cubans, posing a huge challenge for the cash-strapped island.

"The community clearly wants to export to Cuba and for agribusiness — where it's often been seen as off-limits — we see the movement there's been," Madeleine Russak, communications director for Engage Cuba coalition, told MA. "More people are encouraged and looking to Cuba as a potential export market."

Hoosier Ag Today

Zionsville, Indiana

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NAFB News Service
23 January 2018

U.S. Ag Benefiting from Trade with Cuba

By NAFB News Service -

According to new figures released by the U.S.-Cuba Trade and Economic Council, U.S. agriculture is benefitting from trade with Cuba. Exports of food and agricultural products from the U.S. to Cuba in November of 2017 were pegged at \$21.2 million, compared to \$10.59 million in November 2016, and \$6.24 million in November of 2015. There were also substantial increases in sales of farm equipment and products for hotels and airlines. Chicken in various forms was the biggest export, followed by herbicides.

In 2015 and 2016 the list of products authorized for export to Cuba from the United States was expanded, as long as the importers were not affiliated with the Cuban government. John Deere and Caterpillar opened agricultural distribution centers and have been the biggest exporters of farm equipment, but neither company has issued sales figures for their operations in Cuba.

Source: NAFB News Service

Radio/TV Marti

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Bajo gobierno de Trump repuntan ventas agrícolas de EEUU a Cuba, asegura experto

Rolando Cartaya



Trump en el acto celebrado en Teatro Manuel Artime de Miami el 16 de junio de 2017 donde anunció la nueva política de EE.UU. hacia Cuba.

Hasta noviembre de 2017 se habían exportado a la isla \$ 248,7 millones, \$ 16 millones más que en todo 2016, reporta John Kavulich, director del Consejo Comercial y Económico Estados Unidos-Cuba. Aumentan ventas de maquinaria agrícola y donaciones humanitarias.

Nuevas cifras recién publicadas por el Consejo Comercial y Económico Estados Unidos-Cuba (USCTEC), entidad privada que monitorea las relaciones económicas bilaterales, revelan que las exportaciones estadounidenses de alimentos y productos agrícolas a la isla más que se duplicaron en noviembre de 2017 comparadas con el mismo mes de 2016, superando así, un mes antes de fin de año, el total registrado en los 12 meses previos.

En noviembre pasado se vendieron a Cuba \$21 millones 277.713, comparados con \$10 millones 594.557 en noviembre de 2016, y \$ 6 millones 243,680 en el mismo intervalo de 2015.

De esta cifra, los productos de pollo congelado encabezaron como en otros años las compras cubanas con casi \$ 17 millones, seguidos por la adquisición de herbicidas, con unos \$3,78 millones. Otras importaciones principales pagadas por La Habana fueron galletas dulces (\$351.943) y chocolates y cacao a granel o para venta al detalle (\$ 297.898).

John Kavulich, director del USCTEC, destacó a Martí Noticias el sustancial incremento de las compras de productos de cacao en los últimos dos años, por encima de otras importaciones tradicionales destinadas al consumo interno como soya y maíz.

La venta directa de productos agrícolas y alimenticios a Cuba, que debe ser pagada en efectivo por La Habana, es autorizada por la Ley de Reforma a las Sanciones Comerciales y Fortalecimiento de las Exportaciones (TSREEA por sus siglas en inglés) que el Congreso estadounidense aprobó en 2000.

Aunque no estaba disponible el mes de diciembre de 2017, Kavulich apuntó que las compras cubanas autorizadas por TSREEA en los primeros once meses de la administración Trump (enero a noviembre) superaban ya (\$248 millones,703,676) las de todo el 2016 (\$232,064,645), con lo que Cuba ascendió del lugar 55 al 52 entre los 229 clientes de este mercado estadounidense.

Otra exención al embargo es la venta a la isla de productos para la salud como equipos, instrumentos y suministros medicos y farmacéuticos, autorizada por la Ley de Democracia Cubana o Ley Torricelli de 1992. El propósito con que se usan estos productos requiere ser verificado, pero Cuba no necesita pagarlos en efectivo.

En estos rubros las importaciones cubanas cayeron de \$ 6 millones 121.425 en 2016 a \$ 4 millones 835,222 hasta noviembre de 2017. Los envíos incluyeron medicamentos como penicilina e insulina, pasta dental, utensilios de laboratorio, equipos electrónicos médicos y quirúrgicos, suministros oftalmológicos y cánulas.



El fabricante de maquinaria agrícola estadounidense John Deere está vendiendo a Cuba tractores de su serie 5000 (75-115 HP).

El informe presenta una novedad en las relaciones comerciales: las importaciones hechas por las cinco aerolíneas estadounidenses que sirven a Cuba, la empresa norteamericana Marriot, que tiene contratos para administrar dos hoteles en la isla, y dos grandes fabricantes americanos de maquinaria agrícola que han establecido centros de distribución en Cuba: John Deere, con sede en Moline, Illinois, y su competidora Caterpillar, basada en Peoria, Illinois. Entre todos totalizaron en noviembre de 2017 \$ 921,996, aunque la mayor parte, unos \$756.000, correspondió a una de las dos empresas afincadas en Illinois.

Kavulich destacó que dichas importaciones, realizadas por entidades cubanas no vetadas por EE.UU., se concentraron en maquinaria agrícola, fabricada por John Deere, principalmente tractores de la serie 5000 (75-115 HP), pero también cultivadoras, fertilizadoras y trilladoras, implementos agrícolas, piezas de repuesto y otros insumos. John Deere Finance se ocupa de respaldar las exportaciones. Caterpillar también ha anunciado que financiará sus ventas a Cuba.

USCTEC también reporta que en 2017 se produjo un aumento de las donaciones desde EE.UU. al país caribeño esto es, bienes humanitarios como alimentos, ropa, artículos para la salud, libros, etc., que son generalmente enviados a la isla en aviones de carga o barcos portacontenedores, y no incluyen los entregados por personas.

El valor de dichas donaciones de enero a noviembre de 2017 fue de \$ 5 millones 317,289 comparado con \$ 4 millones 755,859 en todo 2016.