AMERICAN FARM BUREAU FEDERATION®
600 Maryland Ave. SW | Suite 1000W | Washington, DC 20024
ph. 202.406.3600
f. 202.406.3602
www.fb.org

U.S. AGRICULTURE AND CUBA

Issue:

There is increased business activity between the U.S. and Cuba, but continuing U.S. trade restrictions limit the growth in agricultural exports. Trade restrictions need to be removed for Cuba to improve as a market for U.S. farmers and ranchers.

Background:

The Trade Sanctions Reform Act of 2000 allowed a limited exception to the U.S. embargo on Cuba for food and medicine. The Cubans import over $2 billion in agricultural products annually, with the U.S. selling over $150 million. The main U.S. exports include chicken, pork and animal feeds. The continuing restrictions on trade financing, such as no export credit, inhibit sales growth. Cuba has not purchased any U.S. wheat since 2011, buying instead from Canada and the European Union. They have not purchased any U.S. rice since 2008, buying instead from Brazil and Vietnam. The added costs to using third-party banks and requiring that transactions be in cash only make the U.S. less-competitive in export sales.

In 2015 diplomatic relations between the U.S. and Cuba were restored and several regulations limiting U.S. economic activity with Cuba were removed.

USDA allows state checkoff funds to be used for research and promotion activities to help develop the Cuban market for U.S. agricultural products. Due to the embargo, federal funds for these activities through the Market Access Program (MAP) and the Foreign Market Development (FMD) Program cannot be used.

Status:

Legislation has been introduced in the House, H.R. 525 (Crawford, Conaway), and in the Senate, S. 275 (Heitkamp, Boozman) to remove the remaining restrictions on financing agricultural trade with Cuba.

AFBF Policy:

Farm Bureau policy supports the normalization of trade and travel relations with Cuba.

Contact: Dave Salmonsen, 202-406-3665, davids@fb.org