



## Trade with Cuba

June 2010

After more than 40 years of restrained ability to trade with Cuba, an island nation with little agricultural capacity but 11 million mouths to feed, there is momentum in the 111<sup>th</sup> Congress to ease trade and travel restrictions affecting the sale and delivery of agricultural goods.

### Potential for U.S. Wheat Exports

With no domestic wheat production, Cuba represents substantial potential sales for U.S. wheat growers. Cuba's 11.4 million people consumed an average of 890,000 MT of wheat per year over the past ten years. According to USDA's Foreign Agricultural Service, Cuba is the largest importer of wheat and wheat products in the Caribbean.

*NAWG strongly supports passage of H.R. 4645, the Travel Restriction Reform and Export Enhancement Act, without amendment!*

With sales totaling \$73 million in 2009 and \$135 million in 2008, wheat is one of the top U.S. commodities exported to Cuba. The island's proximity and historical and cultural ties should make Cuba a natural trading partner for the U.S. Instead, the U.S. is sharing a substantial portion of the Cuban market with Europe, and Cuban buyers have said they can no longer afford to do business with the U.S. In neighboring Caribbean markets, the U.S. has maintained an average 80 percent market share over the last decade while averaging only around 35 percent of the Cuban market over the last few years.

U.S. Wheat Associates estimates potential lost business of up to \$100 million per year in this market to restrictions placed upon U.S. wheat growers that do not burden our competitors.

### Time for Reform

NAWG applauds Congress' inclusion of language in the FY2010 omnibus appropriations bill clarifying its intent for the "payment of cash in advance" rule and steps the Administration has taken to lift travel restrictions for Cuban Americans. But, more permanent change is needed to create the stable business environment required for robust exports.

House Agriculture Committee Chairman Collin Peterson and long-time wheat champion Rep. Jerry Moran introduced in February 2010 a bill to ease both trade and travel restrictions related to Cuba. The Travel Restriction Reform and Export Enhancement Act, or H.R. 4645, would be a catalyst for significant new wheat sales to Cuba by permanently easing travel restrictions and a number of payment challenges, including the so-called "payment of cash in advance" rule. NAWG strongly supports "yes" votes by all Members of Congress on this legislation.

### More Information

More information about trade restrictions against Cuba and their negative impact on the sales possibilities for U.S. wheat is available online at [www.wheatworld.org/trade](http://www.wheatworld.org/trade) or [www.uswheat.org/whatwedo/tradepolicy/cuba](http://www.uswheat.org/whatwedo/tradepolicy/cuba).

### National Association of Wheat Growers

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