

January 29, 2010

Dear Representative (**Select Members of Congress**):

As representatives of agriculture producers, processors, exporters, and related industries from across the nation, we urge you to cosponsor the Travel Restriction Reform and Export Enhancement Act sponsored by House Agriculture Committee Chairman Collin Peterson and Representative Jerry Moran. The legislation will ease restrictions on U.S. agricultural sales to Cuba and allow U.S. citizens to travel to Cuba. While the bill has not yet been formally introduced, your original cosponsorship is important in helping America's farmers increase their export sales, especially in these difficult economic times.

Since passage of the 2000 Trade Sanctions and Reform Act, U.S. farmers have seen \$4 billion in sales into the Cuban market and the Cubans have had an excellent payment record. Unfortunately, due to continued arbitrary restrictions on U.S. agricultural sales, American producers have failed to realize the full market potential of this market. In fact, the Cubans have begun to shift their purchases of several commodities to other suppliers, such as Vietnam.

The Peterson/Moran legislation will protect U.S. agriculture's reputation as a reliable supplier, and provide the opportunity to maintain and grow U.S. agricultural sales to Cuba.

The legislation contains a provision requiring agricultural exports to Cuba to meet the same payment requirements as exports to other countries by requiring payment when the title of the shipment changes hands. On February 22, 2005, Office of Foreign Assets Control (OFAC) issued a regulation narrowing the application of the term "payment of cash in advance" for sales to Cuba. Under the new OFAC definition, cash payments for U.S. agricultural goods sold to Cuba are restricted to payments received prior to shipment of the goods from U.S. ports. This restriction is contrary to the Trade Sanctions Reform and Export Enhancement Act of 2000 (Export Enhancement Act), which allows for the shipment of agricultural goods under a broader interpretation of "payment of cash in advance" terms, consistent with practices successfully used by U.S. exporters.

Additionally, the legislation contains a provision to eliminate the expensive and discriminatory requirement that payments to U.S. agricultural sellers must pass through banks in third countries. Currently, Cuba must wire payments for U.S. goods through a third country bank in order for U.S. banks to receive the cash for the U.S. product to be delivered. This process comes with a high fee increasing the cost of purchasing agricultural goods from the United States. Having to go through a third country bank puts U.S. products at a disadvantage to those of our competitors. While U.S. telecommunications companies are authorized to make payments directly to their Cuban counterparts, U.S. agriculture is singled out by law for the expensive, unnecessary, and discriminatory requirement that payments must flow through foreign banks.

The legislation also would lift all restrictions on U.S. citizens traveling to Cuba. Lifting the travel restrictions will have a direct impact on U.S. agricultural sales. Increased travel to Cuba will boost food demand in the country and, coupled with other reforms, U.S. industry would expect to meet the increased food needs. Increased travel will also bring much needed funds to purchase U.S. commodities. Finally, lifting the travel ban will reflect the desires of the

American people. Public opinion polls show that about 64 percent of Americans¹ and two-thirds of Cuban-Americans² support the freedom of U.S. citizen to travel to Cuba.

The legislation is about the U.S. government easing restrictions on how U.S. farmers and agricultural businesses conduct sales to Cuba. The legislation does not ease any restrictions on Cuba or allow Cuba to export to the United States.

The legislation will help to increase our agriculture exports to Cuba, and make our products the products of choice for Cubans and the Cuban marketplace. We urge you to cosponsor the Peterson/Moran Cuba legislation.

To become an original cosponsor of the bill please contact Aleta Botts with the House Agriculture Committee, 202-225-2171 or Aleta.Botts@mail.house.gov.

Sincerely,

American Cotton Shippers Association
American Farm Bureau Federation®
American Soybean Association
Cargill
CNFA, Inc.
J.R. Simplot Company
Louis Dreyfus Commodities
National Association of Wheat Growers
National Chicken Council
National Corn Growers Association
National Council of Farmer Cooperatives
National Farmers Union
National Grain and Feed Association
National Grange of the Order of Patrons of Husbandry
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Sorghum Producers
North American Millers' Association
Northwest Horticultural Council
Smithfield Foods
United Egg Association
United Egg Producers
U.S. Apple Association
U.S. Dairy Export Council
US Dry Bean Council
U.S. Livestock Genetics Export, Inc.
US Rice Producers Association
USA Rice Federation
Washington State Potato Commission

¹ According to the CNN/Opinion Research Corp. poll conducted April 3-5, 2009, 64 percent of the 1,023 Americans surveyed by telephone thought the U.S. government should allow citizens to travel to Cuba. And 71 percent of those polled said that the U.S. should reestablish diplomatic relations with Cuba.

² According to the 2009 Bendixen & Associates poll, Two-thirds of Cuban and Cuban American adults - 67 percent - support the lifting of travel restrictions for all Americans so that they can also travel to Cuba freely.