

REGIONAL RESOURCE

THE CASE FOR CUBA



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Introduction

The impasse in U.S.-Cuba relations has spanned 10 U.S. presidents, a failed invasion attempt, a nuclear missile crisis and witnessed countless asylum seekers. The tumultuous relationship, which has its roots in the Cold War, is characterized by a dual-pronged U.S. policy emphasizing economic and diplomatic isolation of the island nation.

Despite ongoing economic sanctions, the United States has emerged as a major exporter of agricultural goods to Cuba, which imports up to 80 percent of its food. Given Cuba’s geographic and economic position, states in the Southern region of the United States have competitive export advantages in terms of production, quality, logistics and proximity. This SLC *Regional Resource* examines existing and future agricultural export opportunities for member states in the Southern Legislative Conference.

A Brief History of Sanctions

Sanctions initially were imposed by the Eisenhower Administration in October 1960. As Cuba increased trade with the Soviet Union, nationalized U.S.-owned assets in Cuba,*

* Assets included, but were not limited to, sugar factories, mines, oil refineries and other business operations belonging to American corporations and individuals.

and hiked taxes on American imports, the United States responded with escalating economic retaliations.¹ After cutting Cuban sugar imports, a ban was instituted on nearly all exports to Cuba, which President John F. Kennedy expanded into a full economic embargo along with stringent travel restrictions. In 1961, the United States officially severed diplomatic ties with Cuba.²

While imposed more than 50 years ago, the embargo has been expanded, enhanced and revised in myriad ways. In February 1962, President John F. Kennedy proclaimed a trade embargo between the United States and Cuba, under the authority of the Foreign Assistance Act of 1961 (FAA).[†] That same year, sanctions were expanded to include the U.S. Department of the Treasury’s Cuban Import Regulations and the Trading with the Enemy Act (TWEA). In 1963, the Treasury revoked the Cuban Import Regulations and replaced them with the Cuban Assets Control Regulations (CACR) under the authority of the TWEA and Section 620(a) of the FAA.³ Amended many times over the years to reflect changes in policy, the CACR, which contains a pro-

[†] Among its many provisions, the FAA of 1961 prohibits foreign aids “to the present government of Cuba” and authorizes the president “to establish and maintain a total embargo upon all trade between the United States and Cuba.”

hibition on most financial transactions with Cuba and a freeze on Cuban government assets in the United States, persists as the main body of Cuba embargo regulations.

Over the years, Congress has enacted additional laws to further strengthen the embargo. These include the Cuba Democracy Act (1992), Cuban Liberty and Democratic Solidarity Act (LIBERTAD 1996) and Trade Sanctions Reform and Enhancement Act of 2000 (TSRA). The Cuba Democracy Act prohibits U.S. foreign subsidiaries from trading with Cuba and prohibits any sea-borne vessel from loading or unloading freight in the United States if it has been involved in trade with Cuba in the last 180 days, unless otherwise permitted by a Treasury Department license. The LIBERTAD Act codifies the Cuban embargo, including all restrictions under the CACR and prohibits the executive branch from lifting the economic embargo without congressional concurrence, unless certain democratic conditions are met. As set forth in the LIBERTAD Act, the president cannot eliminate the embargo regulations without making a determination that a transition government is in power in Cuba.⁴ The LIBERTAD Act also requires the president to end the embargo if it is determined that a democratically elected government is in power.⁵ Meanwhile, the TSRA, among its many provisions, authorizes U.S. commercial agricultural exports to Cuba, but prohibits U.S. assistance and financing and requires advance cash payment for exports or third-country financing.

A Thawing of Relations

While many sanctions remain in place, there have been efforts to ease them over the last decade. In 2009, Congress lifted some restrictions on travel to Cuba. In December 2014, President Obama announced major changes in U.S. policy toward Cuba, including granting general licenses for the 12 existing categories of travel to Cuba permitted by the CACR. Before the policy change, travelers under several of these categories had to apply for a specific license from the Department of the Treasury before traveling to Cuba. The categories include:

- » Family visits;
- » Official business of the U.S. government, foreign governments and certain intergovernmental organizations;
- » Journalistic activity;
- » Professional research and professional meetings;
- » Educational activities;

- » Religious activities;
- » Public performances, clinics, workshops, athletic and other competitions and exhibitions;
- » Support for the Cuban people;
- » Humanitarian projects (now including microfinancing projects);
- » Activities of private foundations or research or educational institutes;
- » Exportation, importation or transmission of information or informational materials; and
- » Certain export transactions that may be considered for authorization under existing regulations and guidelines.

The pace of change quickened substantially in 2015, when new travel and trade regulations were enacted, allowing American travelers to visit Cuba for specific purposes without first obtaining a government license and to make purchases while there. Diplomatic relations officially were restored and embassies in the United States and Cuba reopened. Airlines also were permitted to provide regular commercial service from the United States to Cuba and flights commenced in 2016. The new rules also eroded economic sanctions by allowing:

- » Travelers to use U.S. credit and debit cards;
- » U.S. insurance companies to cover health, life and travel insurance for individuals living in or visiting Cuba;
- » Banks to facilitate authorized transactions;^{*}
- » U.S. companies to invest in some small businesses; and
- » Shipment of building materials to private Cuban companies.⁶

Travel and trade restrictions once again were eased in January and March of 2016. In January 2016, the United States Department of Commerce's Bureau of Industry and Security (BIS) expanded the categories of exports that fall under a "general policy of approval" to include agricultural commodities (such as insecticides, pesticides and herbicides) that fall outside the scope of those allowed under the existing BIS license exception for agricultural commodities covered by TSRA. Additionally, new Treasury regulations revise the definition of "payment of cash in advance" required by TSRA for

^{*}Such transactions may include, but are not limited to, remittances, payments for telecommunication services and transactions that are exempt from the prohibitions of, or not otherwise prohibited by, the CACR.

Cuba at a Glance

Population: 11.4 million (2015, WB)

Area: 109,884 sq. km., slightly smaller than Pennsylvania

GDP: \$83.51 billion (2015, current U.S. dollars, EIU)

Real GDP Growth: 4.3% (2015); 0.5% (2016 est.) (EIU)

Key Trading Partners:

Exports (2014): Venezuela, 42.6%; Canada, 10.8%; the Netherlands, 9.6%; China, 6.2%.

Imports (2014): Venezuela, 39.8%; China, 10.2%, Spain, 7.9%; Brazil, 4.5%; Mexico, 3.4%; Canada, 3.1% (ONEI)

Life Expectancy: 79 years (2014, WB)

Adult Literacy Rate: 99.8% (2013, UNDP)

Legislature: National Assembly of Peoples Power, 612 members

Sources: World Bank (WB); National Office of Statistics and Information (ONEI), Republic of Cuba; U.N. Development Programme; Economist Intelligence Unit (EIU).

authorized trade with Cuba to specify that it means “cash before transfer of title” for payment.⁷

It is important to note that while the United States has been largely absent from Cuba for more than 50 years, other countries have continued to engage in trade and tourism with the island nation, and these internal mechanisms have been operational, suggesting that much of the infrastructure exists, thereby making the transition for the United States easier.

Reform in Cuba

Since taking office in 2008, President Raul Castro has spoken of the need to reform Cuba’s economic system. Facing an aging population, heavy foreign debt and economic hardship amid the global economic downturn, Castro began to liberalize parts of Cuba’s largely state-controlled economy and loosen restrictions on personal freedoms, including ownership of certain consumer goods and travel outside the country.⁸

These reforms include steps to decentralize the agriculture sector.⁹ In an effort to boost food production, the government has turned over idle land to farmers and given farmers more control over how to use their land and what supplies to buy. Despite these and other efforts, overall food production has been significantly below targets.¹⁰

As a result of these and other reforms, Cuba’s private sector has swelled and, in 2014, was reported to be about 20 percent of the country’s workforce.¹¹ Additionally, Cuban figures estimate that the number of self-employed workers nearly tripled between 2009 and 2013.¹² This private sector growth points to increased purchasing power for the Cuban people and may result in rising demand for certain goods.

Imported Agricultural Goods: Cuba’s Regulatory Framework

Like all developed nations, Cuba has a robust regulatory framework for imported agricultural goods. Requirements related to product labeling, sanitary product registration and export documentation in Cuba are similar to those of other Latin American countries. However, unlike most other countries, all agricultural exports from the United States are overseen by the government-operated Empresa Comercializadora de Alimentos (ALIMPORT).¹³ The lone buying agency for United States agricultural products, ALIMPORT negotiates on behalf of Cuban entities and handles all purchasing, documentation and logistics.¹⁴ While other agencies may import from non-U.S. sources, in the case of the United States, ALIMPORT is the sole negotiating and procurement entity. All U.S. companies exporting to Cuba are required to register with ALIMPORT prior to shipping any products to Cuba.

While ALIMPORT facilitates negotiation and procurement, the Cuban Ministry of Agriculture regulates the importation of animals, animal products, plants and plant products. The Ministry’s Institute of Veterinary Medicine is responsible for regulating the importation of live animals and animal products, while the National Center for Plant Health regulates the importation of live plants and plant products.¹⁵ Consumer-ready food imports are regulated by the Cuban Ministry of Health’s Institute of Nutrition and Food Safety (INHA).¹⁶ From the U.S. perspective, the United States Department of Agriculture export certificates are required for bulk grain and meat products, particularly for fresh, frozen and canned meats to Cuba. Additionally, prior to the shipment of any consumer-oriented food products from the United States to Cuba, American exporters must ensure that the product undergoes sanitary product registration with INHA. Regulatory enforcement of imported goods primarily is carried out at the port of entry.

Table 1 U.S. Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)		
State	2008-2015	2015
Virginia	\$365,398	\$41,629
Georgia	\$326,281	\$30,924
Florida	\$312,380	\$29,874
Alabama	\$156,855	\$26,677
Louisiana	\$1,086,247	\$11,319
North Carolina	\$81,404	\$5,375
South Carolina	\$13,562	\$2,738
Mississippi	\$184,733	\$535
California	\$4,613	\$228
Kentucky	\$910	\$75
Tennessee	\$16,397	\$64
Minnesota	\$58,516	\$60
Texas	\$159,028	\$44
Pennsylvania	\$162	\$43
Connecticut	\$201,130	-
Iowa	\$49,470	-
Illinois	\$33,276	-
Nebraska	\$25,352	-
Arkansas	\$17,505	-
Missouri	\$12,542	-
Delaware	\$8,566	-
North Dakota	\$7,304	-
Wisconsin	\$5,547	-
New Jersey	\$1,249	-
Colorado	\$1,044	-
South Dakota	\$918	-
Arizona	\$765	-
Michigan	\$424	-
Washington	\$275	-
Maryland	\$241	-
Ohio	\$173	-
District of Columbia	\$53	-
New York	\$3	-
Total	\$3,132,326	\$149,585
SLC member state		

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Table 2 Cuba's Primary Agricultural Imports 2015 (thousands of dollars)		
Product	Value	Percentage
Poultry meat and products (except eggs)	\$220,283	13.6
Wheat	\$196,862	12.2
Dairy products	\$182,508	11.3
Soybean meal	\$152,594	9.4
Corn	\$148,261	9.2
Rice	\$91,553	5.7
Soybean oil	\$69,303	4.3
Feeds and fodders	\$68,924	4.3
Other products	\$487,309	30.1
Total	\$1,617,592	100.0

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 23, 2016).

About the Data

Due to the inherent complexities of the U.S. distribution system for non-manufactured exports, the availability of data on state agricultural exports to foreign countries is limited. Specifically, non-manufactured goods – such as agricultural products – generally are exported to foreign countries through intermediate distributors within inland states. When shipments by these intermediaries are consolidated at a port, the port's locale is reported as the state of export. This distribution and reporting structure causes an understatement of agricultural exports from some agricultural states and an overstatement of exports from states with ports that aggregate high-value shipments of farm products, such as Louisiana. While the USDA has many databases and data sources, this SLC *Regional Resource* utilizes data series from the USDA's Foreign Agricultural Service (FAS), unless otherwise noted. All data referenced in the state-by-state assessment was downloaded in September 2016 from the FAS and can be found at: <http://apps.fas.usda.gov/gats/ExpressQuery1.aspx>. The data series does not represent the production origin of U.S. export merchandise.

Table 3

Top 10 U.S. States for Exports to World
 of Cuba's Primary Agricultural Imports
 2015 (thousands of dollars)

Poultry meat and products (except eggs)		Wheat		Dairy products		Soybean meal	
State	Value	State	Value	State	Value	State	Value
Georgia	\$944,749	Washington	\$1,844,141	California	\$1,678,309	Louisiana	\$2,015,923
Texas	\$598,084	Oregon	\$930,776	Washington	\$463,227	Washington	\$652,715
North Carolina	\$315,851	Kansas	\$744,156	Texas	\$370,499	Iowa	\$352,419
Arkansas	\$230,614	Louisiana	\$615,837	Wisconsin	\$361,071	Georgia	\$328,930
Florida	\$230,473	Texas	\$497,348	Idaho	\$261,228	Virginia	\$279,297
Alabama	\$228,619	North Dakota	\$217,242	Florida	\$238,819	Missouri	\$262,582
California	\$165,754	Wisconsin	\$210,267	Illinois	\$144,072	Minnesota	\$232,660
South Carolina	\$160,633	Virginia	\$87,208	Pennsylvania	\$125,167	Illinois	\$133,554
Mississippi	\$153,000	Arizona	\$69,331	Minnesota	\$113,249	Arizona	\$122,405
Virginia	\$131,712	Illinois	\$64,054	New York	\$89,619	South Dakota	\$102,011
SLC member state		SLC member state		SLC member state		SLC member state	

Corn		Rice		Soybean oil		Feeds and fodders	
State	Value	State	Value	State	Value	State	Value
Louisiana	\$4,012,896	Louisiana	\$807,137	Louisiana	\$402,383	Illinois	\$331,807
Washington	\$1,418,343	California	\$724,126	Virginia	\$121,885	Louisiana	\$324,918
Iowa	\$966,229	Arkansas	\$250,469	Iowa	\$87,929	Minnesota	\$292,377
Illinois	\$708,915	Texas	\$96,817	Illinois	\$41,019	California	\$171,780
Missouri	\$231,983	Mississippi	\$37,295	Minnesota	\$30,534	Georgia	\$170,923
Nebraska	\$229,581	New Jersey	\$20,398	Nebraska	\$30,411	Indiana	\$150,759
Kansas	\$212,770	Missouri	\$19,138	Kansas	\$24,493	Iowa	\$149,647
Minnesota	\$126,468	Florida	\$17,404	Missouri	\$14,388	Nebraska	\$128,509
North Dakota	\$82,131	New York	\$2,511	Florida	\$12,705	Virginia	\$123,903
Indiana	\$79,209	North Carolina	\$1,981	Georgia	\$10,960	Missouri	\$99,721
SLC member state		SLC member state		SLC member state		SLC member state	

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 11, 2016).

SLC Member States Export Opportunities

Cuba, a nation of approximately 11 million people, is defined as food insecure. In order to feed its population, the nation imports up to 80 percent of its food. Since the TSRA was implemented in 2001, the United States has exported nearly \$5 billion of agricultural products to Cuba.¹⁷ During this time, Southern states have emerged as dominant exporters to the island nation (Table 1).

As illustrated in Table 2, Cuba's primary imports in 2015 included: poultry meat and products (13.6 percent), wheat (12.2 percent), dairy products (11.3 percent), soybean meal (9.4 percent), corn (9.2 percent), rice (5.7 percent), soybean oil (4.3 percent), and feeds and fodders (4.3 percent). Of the four regions within The Council of State Governments, the Southern region is the leading exporter of these commodities. In 2015, Southern states comprised four of the top five rice, soybean meal and soybean oil exporting states and all of the top five poultry meat and products-exporting states (Table 3). Furthermore, of the states exporting to Cuba in 2015, Southern states comprised nine of the top 10 (Table 1). Given Cuba's geographic and economic position, states in the Southern region have competitive export advantages in terms of production, quality, proximity and logistics. A summary of Southern state agricultural exports to Cuba and an assessment of trends and opportunities for future growth is provided in this SLC *Regional Resource*. A comparative breakdown of all agricultural products exported to Cuba by the SLC states from 2008-2015 can be found in Appendix 1.

Alabama

As illustrated in Table 1, Alabama is a top exporter of agricultural products to Cuba, ranking fourth in 2015, with exports valued at \$26.6 million. The state's agricultural exports peaked in 2012, at \$41.8 million, up from just \$8.7 million the previous year (Table 4). Since 2013, the state's sole agricultural export to Cuba has been poultry meat and products. However, as an example, Alabama also has exported corn, biodiesel and blends, forest products and vegetable oils to Cuba.

Nationally, Alabama ranks sixth in poultry meat and products exports, with 2015 sales valued at \$228.6 million (Table 3). That same year, the state exported \$26.6 million in poultry meat and products to Cuba. This accounted for all of Alabama's agricultural exports to Cuba in 2015. The state's other top exports, such as soybeans, wheat,

Although states in the SLC are actively engaged in agricultural trade with Cuba, and recent executive actions have broadened trade opportunities, barriers still exist. Alabama seemed poised to play a key role in the cultivation of agricultural land in Cuba. The Cleber Company, located in Paint Rock, was granted approval from the U.S. Department of the Treasury to be the first U.S.-based company to construct and operate a manufacturing facility.¹⁸ The company planned to build low-tech tractors for small farms and was slated to begin operations in 2017.¹⁹ However, on October 28, 2016, the Cuban government denied the proposal.

Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs) *	\$304	\$5,351	\$2,213	\$7,176	\$41,797	\$27,416	\$32,888	\$26,677	\$143,822
Forest products	\$6,196	\$1,689	\$1,035	\$1,501	-	-	-	-	\$10,421
Vegetable oils NESOI †	-	\$566	\$545	\$100	\$64	-	-	-	\$1,275
Corn *	\$1,199	-	-	-	-	-	-	-	\$1,199
Biodiesel and blends > B30	\$69	\$69	-	-	-	-	-	-	\$138
Total	\$7,768	\$7,675	\$3,793	\$8,777	\$41,861	\$27,416	\$32,888	\$26,677	\$156,855

* Primary agricultural import of Cuba in 2015.

† NESOI - Not Elsewhere Specified or Indicated. Used by the U.S. Department of Agriculture and others for categorization of product groups. Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

Table 5

**Arkansas Agricultural Exports to Cuba
2008-2015 (thousands of constant [2015] dollars)**

Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs)*	-	\$4,672	\$12,639	-	-	-	-	-	\$17,311
Cotton	\$33	\$79	-	-	-	-	-	-	\$112
Pork and pork products	-	-	-	\$82	-	-	-	-	\$82
Total	\$33	\$4,751	\$12,639	\$82	-	-	-	-	\$17,505

* Primary agricultural import of Cuba in 2015.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

Table 6

**Florida Agricultural Exports to Cuba
2008-2015 (thousands of constant [2015] dollars)**

Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs)*	\$25,261	\$13,725	\$5,333	\$24,427	\$41,996	\$11,850	\$26,346	\$28,736	\$177,674
Feeds and fodders*	\$13,180	\$1,960	\$2,439	\$2,708	\$10,592	\$10,933	\$6,282	-	\$48,094
Pork and pork products	\$2,797	\$1,037	\$3,941	\$8,082	\$8,462	\$7,433	\$1,314	-	\$33,066
Dairy products*	\$833	\$2,588	\$1,646	\$2,063	\$3,548	\$2,420	\$2,883	\$1,126	\$17,107
Prepared foods	\$1,528	\$1,657	\$2,048	\$1,434	\$1,544	\$420	-	\$10	\$8,641
Meat products NESOI [†]	\$3,123	\$1,178	\$3,415	\$225	-	-	-	-	\$7,941
Forest products	\$3,478	-	-	-	-	-	-	-	\$3,478
Vegetable oils NESOI [†]	\$192	\$1,062	\$1,204	\$913	\$65	-	-	-	\$3,436
Soybeans	-	\$2,864	-	-	-	-	-	-	\$2,864
Fresh fruit	\$66	\$62	\$536	\$1,069	\$970	\$121	-	-	\$2,824
Distillers grains	-	\$1,630	-	-	-	-	-	-	\$1,630
Beef and beef products	\$173	\$264	\$257	\$585	-	\$179	-	-	\$1,458
Processed fruit	\$30	\$61	\$245	\$75	\$653	-	-	-	\$1,064
Soybean oil*	\$741	-	-	-	-	-	-	-	\$741
Chocolate and cocoa products	-	-	-	\$519	\$175	-	-	-	\$694
Processed vegetables	\$275	-	-	\$194	\$125	-	-	-	\$594
Condiments and sauces	-	-	\$73	\$185	\$196	-	-	-	\$454
Other intermediate products	\$125	-	\$29	\$114	-	-	-	-	\$268
Animal fats	-	-	\$30	-	-	\$73	-	-	\$103
Fruit and vegetable juices	-	-	-	\$82	\$18	-	-	-	\$100
Oilseed meal/cake (except soybean)	-	-	-	\$67	-	-	-	-	\$67
Pulses	-	\$58	-	-	-	-	-	-	\$58
Sugars and sweeteners	-	-	-	-	\$14	-	-	-	\$14
Fresh vegetables	-	\$5	-	-	-	-	-	-	\$5
Non-alcoholic beverages (except juices, coffee, tea)	-	-	-	-	-	-	-	\$3	\$3
Total	\$51,802	\$28,151	\$21,196	\$42,742	\$68,358	\$33,429	\$36,825	\$29,875	\$312,378

* Primary agricultural import of Cuba in 2015.

[†] NESOI - Not Elsewhere Specified or Indicated. Used by the U.S. Department of Agriculture and others for categorization of product groups.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

and feeds and fodders, will be increasingly important for Cuba's agricultural imports as its livestock sector develops.

Arkansas

Although Arkansas has not exported agricultural products to Cuba since 2011 (Table 5), the state is a national leader in exporting some of Cuba's most imported products. As Table 3 demonstrates, Arkansas ranked third in rice exports (\$250.4 million) and fourth in poultry meat and products exports (\$230.6 million) in 2015.

Arkansas's dominance in rice exports makes Cuba an attractive market. Overall rice consumption is likely to reach even greater heights in the coming years as individual purchasing power for Cubans increases, along with tourists seeking "authentic" Cuban cuisine.

Florida

Florida is a top exporter of agricultural products to Cuba, ranking third in 2015 with exports valued at

\$29.8 million (Table 1). The state's agricultural exports to Cuba peaked in 2012 at \$68.3 million (Table 6). Poultry meat and products comprised the majority of the state's exports to Cuba in 2015, at \$28.7 million. The state also exported \$1.1 million in dairy products to Cuba. Dairy products are among the state's top export commodities. In fact, Florida was the nation's sixth largest dairy exporter, with exports valued at \$238.8 million in 2015 (Table 3). As dairy products also ranked among Cuba's top imports in 2015, this represents an opportunity for Florida to capture a portion of the market currently being served by others.

Georgia

In 2015, Georgia ranked second in agricultural exports to Cuba, with a total value of \$30.9 million, as illustrated in Table 1. The state's exports to Cuba peaked in 2014 at \$64.7 million (Table 7). Since 2014, soybean meal has been Georgia's leading export to Cuba. In 2014, soybean meal comprised \$56.1 million of Georgia's overall \$64.7

Table 7	Georgia Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)								
	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs) *	\$21,032	\$19,671	\$55,877	\$7,852	\$15,402	\$13,817	\$8,638	\$7,084	\$149,373
Soybean meal *	\$22,653	\$9,086	-	\$6,015	\$18,705	\$12,227	\$56,146	\$23,809	\$148,641
Soybeans	-	\$9,652	-	-	-	-	-	-	\$9,652
Meat products NESOI †	-	\$1,099	\$1,123	\$1,736	\$1,992	\$1,527	-	-	\$7,477
Pork and pork products	\$299	\$1,173	\$2,240	-	\$199	-	-	-	\$3,911
Snack foods NESOI †	\$20	\$704	\$828	\$896	-	-	-	-	\$2,448
Vegetable oils NESOI †	\$341	\$723	\$791	-	-	-	-	-	\$1,855
Soybean oil *	\$1,319	-	-	-	-	-	-	-	\$1,319
Prepared foods	-	\$226	\$390	\$298	-	-	-	-	\$914
Beef and beef products	\$117	\$147	\$162	\$19	\$99	-	-	-	\$544
Dairy products *	-	\$48	-	-	-	-	-	\$31	\$79
Cotton	\$54	-	-	-	-	-	-	-	\$54
Wine and beer	-	-	-	-	\$15	-	-	-	\$15
Total	\$45,835	\$42,529	\$61,411	\$16,816	\$36,412	\$27,571	\$64,784	\$30,924	\$326,282

* Primary agricultural import of Cuba in 2015.

† NESOI - Not Elsewhere Specified or Indicated. Used by the U.S. Department of Agriculture and others for categorization of product groups. Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

million in total agricultural exports to Cuba. The following year, soybean meal comprised \$23.8 million of Georgia's overall \$30.9 million in agricultural exports to Cuba. During the past eight years, the state also has exported poultry meat and products, beef and beef products, pork and pork products, cotton, wine and beer, snack foods and other products to Cuba.

Nationally, Georgia ranked first in the exportation of poultry meat and products, with 2015 sales at \$944.7 million (Table 3). That same year, the state exported approximately \$7 million in poultry meat and products to Cuba. Given that poultry is Cuba's most imported agricultural product, Georgia may benefit from increasing poultry exports to Cuba. As shown in Table 3, Georgia also is a national leader in the exportation of soybean meal (\$328.9 million), soybean oil (\$10.9 million) as well as feeds and fodders (\$170.9 million). These commodities also are among Cuba's top 2015 agricultural imports, representing further opportunity for Georgia farmers.

Louisiana

Since 2008, Louisiana has been the United States' top exporter of agricultural products to Cuba, as shown in Table 1. However, as Table 1 also illustrates, the state dropped to fifth place in 2015, with exports valued at \$11.3 million, down from \$88.7 million the previous year. The state's exports to Cuba peaked at \$251.8 million in 2008 (Table 8).

Louisiana is meeting Cuba's food-security needs by exporting some of the island nation's most-imported agricultural products: poultry meat and products (\$6.4 million in 2015, Table 8) and corn (\$4.8 million in 2015, Table 8). Between the years of 2008-2015, Louisiana also has exported wheat, rice, soybeans, soybean meal, soybean oil and distillers grains, as well as limited amounts of feeds and fodders, vegetable oils, condiments and sauces, and pulses.*

* Pulses are part of the legume family, but the term "pulse" refers only to the dried seed. Dried peas, edible beans, lentils and chickpeas are the most common varieties of pulses.

Table 8	Louisiana Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)								
	2008	2009	2010	2011	2012	2013	2014	2015	Total
Corn *	\$144,203	\$73,470	\$54,736	\$71,835	\$107,229	\$49,800	\$28,245	\$4,882	\$534,400
Poultry meat and products (except eggs) *	-	\$29,264	-	\$17,252	\$22,323	\$26,809	\$40,657	\$6,437	\$142,742
Distillers grains	\$16,804	\$13,489	\$23,010	\$23,127	\$27,349	\$10,188	-	-	\$113,967
Soybean meal *	\$15,552	\$16,603	-	-	\$16,393	\$49,870	\$11,187	-	\$109,605
Soybeans	\$30,153	\$17,602	\$15,116	-	\$3,158	\$8,157	\$5,658	-	\$79,844
Soybean oil *	\$19,856	\$22,316	\$27,034	-	-	-	-	-	\$69,206
Wheat *	\$10,450	\$3,828	-	-	-	-	-	-	\$14,278
Rice *	\$6,892	-	-	-	-	-	-	-	\$6,892
Vegetable oils NESOI †	\$5,899	-	-	-	-	-	-	-	\$5,899
Pulses	-	\$4,224	-	-	-	-	-	-	\$4,224
Feeds and fodders *	-	-	-	-	-	-	\$3,024	-	\$3,024
Other intermediate products	\$2,088	-	-	-	-	-	-	-	\$2,088
Condiments and sauces	-	\$77	-	-	-	-	-	-	\$77
Total	\$251,897	\$180,873	\$119,896	\$112,214	\$176,452	\$144,824	\$88,771	\$11,319	\$1,086,246

* Primary agricultural import of Cuba in 2015.

† NESOI - Not Elsewhere Specified or Indicated. Used by the U.S. Department of Agriculture and others for categorization of product groups.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

As Table 3 illustrates, the state's top agricultural exports track closely with those most imported by Cuba. In 2015, Louisiana was the nation's top exporter of rice (\$807.1 million), corn (\$4 billion) and soybean meal (\$2 billion). Additionally, the state was the nation's fourth largest exporter of wheat (\$615.8 million) in 2015.

In addition to its own agricultural exports, Louisiana stands to gain from increased exports to Cuba from other states. The state ranks first in the number of transit points for agriculture exports from the United States to Cuba.²⁰ The Port of New Orleans is approximately two sailing days from Havana's Port of Mariel.²¹

Table 9		Mississippi Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)							
Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs) *	\$5,207	\$47,395	\$18,616	\$17,895	\$21,855	\$53,712	\$19,233	\$535	\$184,448
Dairy products	\$161	-	-	-	-	-	-	-	\$161
Cotton	\$104	\$19	-	-	-	-	-	-	\$123
Total	\$5,472	\$47,414	\$18,616	\$17,895	\$21,855	\$53,712	\$19,233	\$535	\$184,732

* Primary agricultural import of Cuba in 2015.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016)

Table 10		Missouri Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)							
Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Distillers grains	-	\$1,515	-	-	-	\$4,629	-	-	\$6,144
Soybeans	\$6,112	-	-	-	-	-	-	-	\$6,112
Pork and pork products	\$129	\$55	-	-	-	-	-	-	\$184
Cotton	-	\$100	-	-	-	-	-	-	\$100
Total	\$6,241	\$1,670	-	-	-	\$4,629	-	-	\$12,540

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016)

Table 11		North Carolina Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)							
Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs) *	\$14,123	\$9,590	\$5,077	\$7,828	\$9,743	\$248	\$9,817	\$5,375	\$61,801
Pork and pork products	\$3,534	\$4,689	\$4,855	\$131	-	-	-	-	\$13,209
Cotton	-	-	-	\$2,846	\$3,116	-	-	-	\$5,962
Animal fats	-	\$48	\$151	-	-	-	-	-	\$199
Fresh fruit	-	-	\$198	-	-	-	-	-	\$198
Prepared foods	-	-	-	\$36	-	-	-	-	\$36
Total	\$17,657	\$14,327	\$10,281	\$10,841	\$12,859	\$248	\$9,817	\$5,375	\$81,405

* Primary agricultural import of Cuba in 2015.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016)

Meanwhile, the Port of South Louisiana is the top port in terms of tonnage in the United States. In October 2016, both ports entered into a memorandum of understanding to explore trade opportunities.²² According to the state's Commissioner of Agriculture and Forestry, Mike Strain, it is "critical to establish these important business relationships now in order to gain access to new market opportunities for Louisiana agricultural producers."²³

Mississippi

In 2015, Mississippi ranked eighth nationally in agriculture exports to Cuba (Table 1), with a total value of \$535,000, down from \$19.2 million in 2014 (Table 9). Since 2010, Mississippi's sole agriculture export to Cuba has been poultry meat and products. The state's exports to Cuba peaked at \$53.7 million in 2013 (Table 9).

Nationally, Mississippi is a top exporter of Cuba's most imported agricultural products. In 2015, the state ranked fifth in rice exports, valued at a total of \$37.2 million (Table 3). That same year, the state ranked ninth in the exportation of poultry meat and products, valued at a total of \$153 million (Table 3). While Mississippi has exclusively exported poultry meat and products to Cuba in recent years, the state's strong rice exports present additional opportunities.

Missouri

Since 2008, Missouri's agricultural exports to Cuba have been limited. In 2013, the state exported \$4.6 million in distillers grains (Table 10). In 2009, the state exported a total of \$1.6 million in agricultural products, including cotton (\$100,000), distillers grains (\$1.5 million) and pork and pork products (\$55,000). In 2008, the state exported a total of \$6.2 million in agricultural products to Cuba, including soybeans (\$6.1 million) and pork and pork products (\$129,000).

Nationally, Missouri is a leading exporter of some of Cuba's most imported agricultural products: rice, corn and soybeans. The state ranks seventh in rice exports, with 2015 sales valued at \$19.1 million; fifth in corn exports, with 2015 sales valued at \$231.9 million; and sixth in soybean meal exports, with 2015 sales valued at \$262.5 million (Table 3).

Like Louisiana, Missouri stands to gain from increased exports to Cuba from other states. As noted in the *SLC Regional Resource, Inland Ports and Waterways in the SLC Member States*, the state's location in the center of the country has encouraged an expansive array of rail, river, truck and air transportation options, enabling products to be exported efficiently and effectively. Already the bulk of the cargo traveling through the state's seven navigation systems along the Mississippi River are grains produced in Illinois, Iowa, Wisconsin and Minnesota, as well as from within Missouri, destined for Louisiana. Increased agricultural exports from Midwestern states likely would pass through Missouri's inland ports and waterways, generating wide-ranging economic benefits for the state. "Missouri growers produce extremely high-quality rice that because of our proximity and transportation efficiencies could be sold to Cuban consumers at costs competitive with rice producers in other nations now exporting to Cuba," said Governor Jay Nixon.²⁴

North Carolina

In 2015, North Carolina ranked sixth nationally in agriculture exports to Cuba, with a total value of \$5.3 million (Table 1). The state's exports to Cuba peaked in 2008, with a total value of \$17.6 million (Table 11). The bulk of North Carolina's exports to Cuba has been poultry meat and products. However, the state also has exported pork and pork products, fresh fruit, cotton, prepared foods and animal fats to Cuba.

Nationally, North Carolina ranks third in the exportation of poultry meat and products, one of Cuba's primary agricultural imports (Table 3). In 2015, the state's overall exports for poultry meat and products were valued at \$315.8 million. While the state already is exporting these products to Cuba, the island nation's demand for the product presents an opportunity for North Carolina to increase exports.

South Carolina

As Table 1 illustrates, South Carolina ranked seventh nationally in agriculture exports to Cuba in 2015, with a total value of \$2.7 million. The state's exports to Cuba peaked in 2014, with a total value of \$5.4 million (Table 12). South Carolina's primary export to Cuba is poultry meat and products, with exports between 2008-2015 totaling \$13.4 million. During those years,

Table 12

South Carolina Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)

Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs) *	\$178	\$507	\$819	\$1,916	\$1,644	\$191	\$5,447	\$2,738	\$13,440
Forest products	-	\$55	-	-	-	-	-	-	\$55
Beef and beef products	-	-	-	\$40	-	-	-	-	\$40
Fish Products	\$27	-	-	-	-	-	-	-	\$27
Total	\$205	\$562	\$819	\$1,956	\$1,644	\$191	\$5,447	\$2,738	\$13,562

* Primary agricultural import of Cuba in 2015.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016)

Table 13

Tennessee Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)

Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Poultry meat and products (except eggs) *	-	\$117	\$198	\$12,083	\$988	\$688	\$1,219	\$64	\$15,357
Cotton	\$370	\$365	-	-	-	-	-	-	\$735
Prepared foods	-	-	-	\$174	\$131	-	-	-	\$305
Total	\$370	\$482	\$198	\$12,257	\$1,119	\$688	\$1,219	\$64	\$16,397

* Primary agricultural import of Cuba in 2015.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

Table 14

Texas Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)

Product	2008	2009	2010	2011	2012	2013	2014	2015	Total
Wheat *	\$72,759	\$42,961	\$1,320	\$1,694	-	-	-	-	\$118,734
Poultry meat and products (except eggs) *	\$9,343	\$9,342	\$132	-	-	-	-	-	\$18,817
Dairy products *	\$12,554	-	-	-	-	-	-	-	\$12,554
Pulses	-	-	\$3	\$5,006	-	-	-	-	\$5,009
Animal fats	-	\$2,037	-	-	-	-	-	-	\$2,037
Cotton	\$1,294	-	-	-	-	-	-	-	\$1,294
Prepared foods	-	-	-	-	\$104	\$105	\$59	\$44	\$312
Beef and beef products	\$199	-	\$44	-	-	-	-	-	\$243
Rice *	-	-	-	-	\$13	-	-	-	\$13
Fruit and vegetable juices	-	-	\$12	-	-	-	-	-	\$12
Processed fruit	-	-	-	-	\$3	-	-	-	\$3
Total	\$96,149	\$54,340	\$1,511	\$6,700	\$120	\$105	\$59	\$44	\$159,028

* Primary agricultural import of Cuba in 2015.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

the state also has exported forest products, beef and beef products, and fish products to Cuba.

Nationally, South Carolina is a top exporter of poultry meat and products. In 2015, the state ranked eighth in poultry meat and products exports with a total value of \$160.6 million (Table 3). The state's other exports, such as soybeans, wheat, corn, and feeds and fodder, are among Cuba's primary agricultural imports. While Cuba has not been an export destination for these South Carolina products, the growing demand that exists in Cuba could translate into an expansion of the state's exports.

Tennessee

In 2015, Tennessee ranked 11th nationally in agricultural exports to Cuba (Table 1), with a total value of \$64,000, down from \$1.2 million in 2014 (Table 13). The state's exports to Cuba peaked in 2011, with a total value of \$12.2 million, up from \$198,000 the previous year (Table 13). Like many Southern states, Tennessee's exports to Cuba largely are centered on poultry meat and products, Cuba's most imported agricultural product. Since 2013, these commodities have comprised all of the state's agricultural exports to Cuba. From

2008-2015, the state also has exported prepared foods and cotton to Cuba.

Texas

Texas ranked 13th nationally in agricultural exports to Cuba, with a total value of \$44,000 in 2015 (Table 1). Since 2011, the state's exports to Cuba have steadily dropped, when they were valued at \$6.7 million (Table 14). Texas' exports to Cuba peaked at \$96.1 million in 2008 (Table 14).

Although Texas has exclusively exported prepared foods to Cuba since 2013, the state's exports to the island nation once were more diverse. Exports since 2008 have included wheat, poultry meat and products, dairy and rice – all among Cuba's top agricultural imports.

As illustrated in Table 3, Texas is a top exporter of some of Cuba's most imported products. In 2015, the state ranked fourth in the exportation of rice (\$96.8 million), second in poultry meat and products (\$598 million), fifth in wheat (\$497.3 million) and third in dairy (\$370.4 million). The state's dominance in these exports points to potential growth in the exportation of these commodities.

While many states in the SLC are dominant exporters of agricultural goods to Cuba, not all states are producers of the agricultural commodities most often imported by Cuba. As U.S. tourism to Cuba increases, demand for products widely available in the United States (such as beef and beef products, prepared foods and certain distilled spirits) may also increase in Cuba, as travelers seek the comforts of home while abroad. Although Kentucky, Oklahoma and West Virginia currently are not engaged in significant trade with Cuba, the relevance of these states' agriculture products cannot be overlooked. As future trade with Cuba becomes more open, the agricultural exports specific to these states demonstrate possible niche markets for Cuba.

Kentucky

Kentucky's exports to Cuba have been limited. The state exported \$75,000 in distilled spirits to Cuba in 2015. Since 2008, the state also has exported a total of \$835,000 in poultry meat and products to Cuba.

Oklahoma

Oklahoma has not exported any agricultural products to Cuba in recent years. Nationally, however, Oklahoma ranks 12th in wheat exports, with 2015 sales valued at \$47.7 million. As wheat ranks second among Cuba's primary agricultural imports in 2015, Oklahoma may be able to increase the state's trade of this commodity by initiating wheat exports to Cuba.

West Virginia

While West Virginia did not export any agricultural products to Cuba during the year reviewed for this study, poultry meat and products ranks among the state's top agricultural exports. As this commodity is one of Cuba's most imported agricultural products, West Virginia may have an opportunity to capture a portion of the market currently being served by others.

Virginia

In 2015, Virginia exported more agricultural products to Cuba than any other U.S. state, with total exports valued at \$41.6 million (Table 1). The state's exports peaked in 2012, with a total value of \$65.6 million (Table 15). Soybeans and soybean meal have been the leading products exported to Cuba from Virginia. As Table 15 demonstrates, since 2013, these two products comprised all of the state's agricultural exports to Cuba.

Nationally, Virginia is a top exporter of many of Cuba's primary agricultural imports. As Table 3 illustrates, Virginia ranked 10th in poultry meat and products exports (\$131.7 million); fifth in soybean meal (\$279.2 million); and eighth in wheat (\$87.2 million) in 2015. Given these trends, the state may be well-positioned to grow its exports and assist Cuba in meeting food security needs.

Conclusion

Food production in Cuba has fallen short of targets over the years, necessitating the importation of agricultural products from other countries. As a result, the United

States has become one of Cuba's primary suppliers of food and agricultural products. Although financing restrictions have caused the United States to lose ground to other countries in recent years, in 2012, the United States was Cuba's seventh largest trading partner.²⁵ Despite these recent developments, the Cuban government estimates that more than 50 years of stringent trade restrictions has amounted to a loss of \$1.1 trillion.²⁶

Cuba purchased more than \$5.2 billion in U.S. products from 2001 to 2015, the bulk of which were agricultural products.²⁷ For many of those years, the United States was Cuba's largest supplier of agricultural products. U.S. exports to Cuba rose from about \$7 million in 2001, to a high of \$712 million in 2008.²⁸ This increase was, in part, a result of the rise in food prices and Cuba's increased need for food in the aftermath of several hurricanes and tropical storms that severely damaged the country's agricultural sector.²⁹

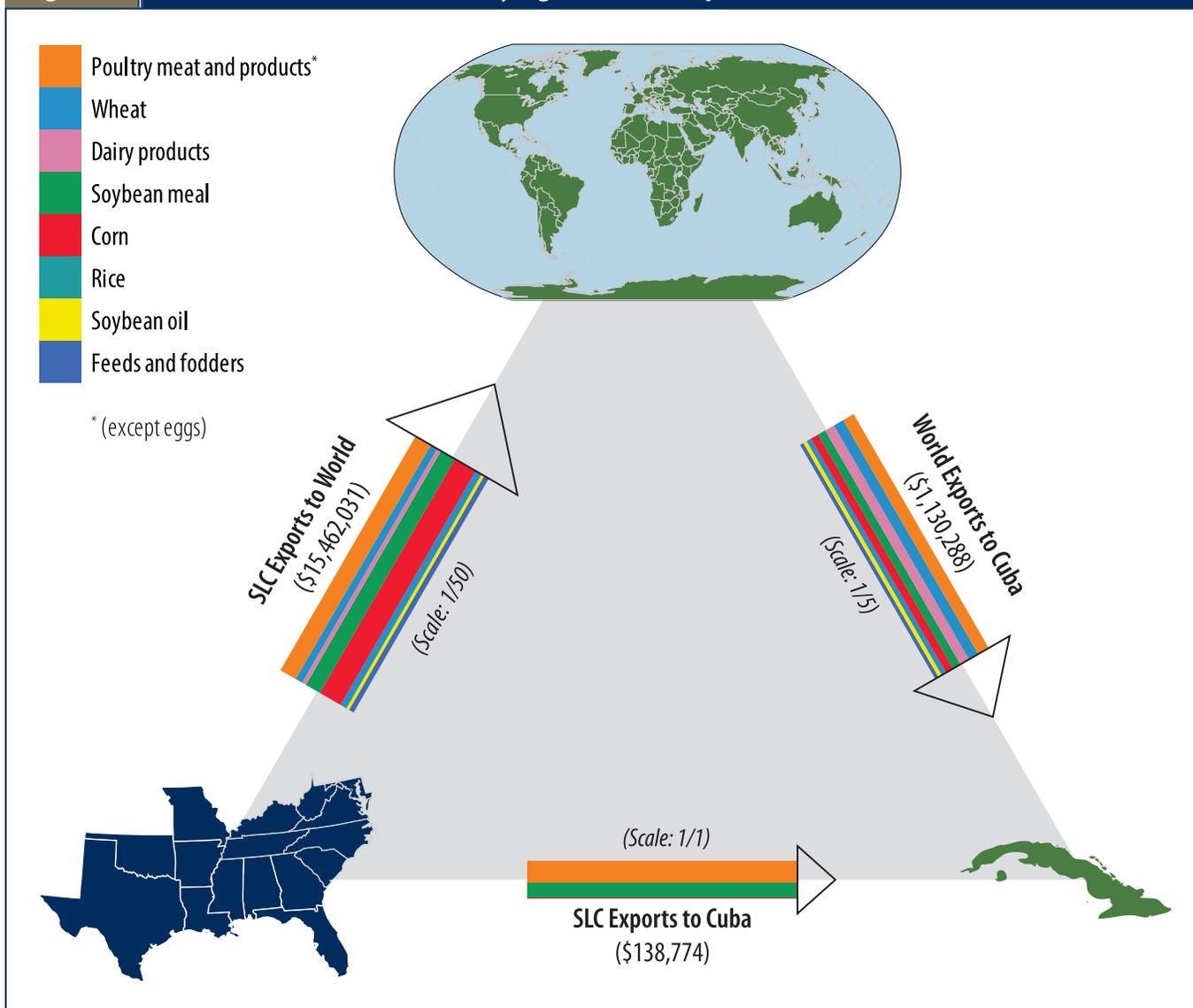
In 2014, Cuba was the United States' eighth largest market for poultry meat and products exports.³⁰ Reportedly, Cuba suspended U.S. poultry imports in August and September 2015 due to concerns about the outbreak of

Table 15	Virginia Agricultural Exports to Cuba 2008-2015 (thousands of constant [2015] dollars)								
	2008	2009	2010	2011	2012	2013	2014	2015	Total
Soybeans	\$30,358	\$31,390	\$26,771	\$58,722	\$59,112	\$31,250	\$24,915	\$10,349	\$272,867
Soybean meal [*]	\$7,993	\$22,395	\$3,322	\$3,851	\$6,347	\$7,236	-	\$31,280	\$82,424
Fresh fruit	\$1,791	\$2,048	\$449	\$336	-	-	-	-	\$4,624
Poultry meat and products (except eggs) [*]	-	\$484	\$1,206	\$636	\$138	-	-	-	\$2,464
Pork and pork products	\$582	\$461	\$812	-	-	-	-	-	\$1,855
Cotton	-	-	-	\$555	-	-	-	-	\$555
Beef and beef products	-	-	-	\$285	-	-	-	-	\$285
Meat products NESOI [†]	-	\$162	-	-	-	-	-	-	\$162
Vegetable oils NESOI [†]	-	-	-	\$97	-	-	-	-	\$97
Dairy products [*]	-	-	-	\$48	-	-	-	-	\$48
Prepared foods	-	-	-	-	\$16	-	-	-	\$16
Total	\$40,724	\$56,940	\$32,560	\$64,530	\$65,613	\$38,486	\$24,915	\$41,629	\$365,397

^{*} Primary agricultural import of Cuba in 2015.

[†] NESOI - Not Elsewhere Specified or Indicated. Used by the U.S. Department of Agriculture and others for categorization of product groups. Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016).

Figure 1 World Trade of Cuba's Primary Agricultural Imports 2015 (thousands of dollars)



Product	SLC exports to world	World exports to Cuba	Supply capacity* (SLC ÷ World)	SLC exports to Cuba
Poultry meat and products (except eggs)	\$3,200,500	\$220,283	14.5	\$77,646
Wheat	\$1,362,617	\$196,862	6.9	-
Dairy products	\$785,970	\$182,508	4.3	\$1,157
Soybean meal	\$2,954,550	\$152,594	19.4	\$55,089
Corn	\$4,391,298	\$148,261	29.6	\$4,882
Rice	\$1,234,535	\$91,553	13.5	-
Soybean oil	\$566,153	\$69,303	8.2	-
Feeds and fodders	\$966,408	\$68,924	14.0	-
Total	\$15,462,031	\$1,130,288	13.7	\$138,774

* Represents the number of years that SLC 2015 exports of the given product would meet Cuba's 2015 demand.

Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 26, 2016).

bird flu in the United States, but resumed purchases in October 2015.³¹ The SLC member states comprise nine of the top 10 poultry exporting states. Furthermore, as Figure 1 shows, Southern states exported \$3.2 billion in poultry meat and products in 2015 – enough to fulfill Cuba’s need for more than 14 years. As poultry meat and products are Cuba’s most imported agricultural product, Southern states may well be poised to enhance their trade opportunities through the continued and increased export of these products to Cuba.

Of note, Cuba has the highest per capita rice consumption in the Western Hemisphere. The island nation consumes an average of 177 lbs. annually per person, compared to just 26 lbs. per person in the United States.³² Prior to the embargo, Cuba was a top market for U.S. rice exports. In recent years, however, Southern states have lost ground to trading partners such as Vietnam and Brazil.³³ The SLC member states are leading exporters of rice, comprising four of the top five rice exporting states in 2015. Furthermore, as Figure 1 illustrates, the South exported a total of \$1.2 billion in rice in 2015 – enough to provide Cubans with rice for more than 13 years. Yet, these states did not export any rice to Cuba in 2015. Southern states’ dominance in rice exports could allow these states to capture a portion of the market currently being served by other nations. Appendices 2-9 provide a snapshot of SLC member states’ overall exports of Cuba’s primary agricultural imports and demonstrate the many similarly advantageous market positions of Southern states in relation to these commodities.

U.S. exports to Cuba declined considerably from 2009 through 2011, rose again in 2012, and have fallen every year since, amounting to just \$180 million in 2015, the lowest level since 2002.³⁴ Among the reasons for the overall decline in U.S. exports to Cuba in recent years, analysts cite Cuba’s shortage of hard currency; financial support from Venezuela; credits and other arrangements offered by other governments to purchase their countries’ products; Cuba’s preference to purchase prod-

ucts from government-controlled entities; and efforts by Cuba to increase the motivation of U.S. companies, organizations and local and state officials and members of Congress to push for further changes in U.S. sanctions against Cuba.

A recent report by the United States Department of Agriculture’s Foreign Agricultural Service contends that the recent decline in U.S. market share in Cuba “is largely attributable to a decrease in bulk commodity exports from the United States in light of favorable credit terms offered by key competitors.”³⁵ It maintains that the United States has lost market share to those countries able to provide export credits to Cuba. The report concludes that lifting U.S. restrictions on travel and capital flow to Cuba, and the ability for the USDA to conduct market development and credit guarantee programs in Cuba, would help the United States recapture its market share in Cuba.³⁶ Another USDA report published in June 2015 by its Economic Research Service maintained that a more normal economic relationship between the United States and Cuba would allow “U.S. agricultural exports to develop commercial ties in Cuba that approximate their business relationship in other parts of the world” (such as the Dominican Republic) and could “feature a much larger level of U.S. agricultural exports to Cuba.”³⁷

The SLC member states have considerable advantages over competitors (such as Brazil, Vietnam and Venezuela) in terms of transportation costs, security and delivery time, as well as a wide range of agricultural products available for export. By maintaining current exportation of Cuba’s primary imports and growing exportation of other specialty products, such as distillers grains, snack foods, distilled spirits, pork and pork products, and prepared foods, states in the Southern region remain in a position as dominant exporters of agricultural goods to Cuba. As Louisiana Commissioner of Agriculture and Forestry Mike Strain said, “if you think about the potential, it’s incredible and it’s amazing how fast things are moving.”³⁸

Endnotes

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Appendix 1

Agricultural Exports to Cuba by SLC Member States
2008-2015 (thousands of constant [2015] dollars)

Product / State	Alabama	Arkansas	Florida	Georgia	Kentucky	Louisiana	Mississippi
Poultry meat and products (except eggs)	\$143,822	\$17,311	\$177,674	\$149,373	\$835	\$142,742	\$184,448
Corn *	\$1,199	-	-	-	-	\$534,400	-
Soybeans	-	-	\$2,864	\$9,652	-	\$79,844	-
Soybean meal †	-	-	-	\$148,641	-	\$109,605	-
Wheat *	-	-	-	-	-	\$14,278	-
Distillers grains	-	-	\$1,630	-	-	\$113,967	-
Soybean oil *	-	-	\$741	\$1,319	-	\$69,206	-
Pork and pork products	-	\$82	\$33,066	\$3,911	-	-	-
Feeds and fodders NESOI ††	-	-	\$48,094	-	-	\$3,024	-
Dairy products *	-	-	\$17,107	\$79	-	-	\$161
Meat products NESOI †	-	-	\$7,941	\$7,477	-	-	-
Forest products	\$10,421	-	\$3,478	-	-	-	-
Vegetable oils NESOI †	\$1,275	-	\$3,436	\$1,855	-	\$5,899	-
Prepared foods	-	-	\$8,641	\$914	-	-	-
Pulses	-	-	\$58	-	-	\$4,224	-
Cotton	-	\$112	-	\$54	-	-	\$123
Fresh fruit	-	-	\$2,824	-	-	-	-
Rice *	-	-	-	-	-	\$6,892	-
Beef and beef products	-	-	\$1,458	\$544	-	-	-
Snack foods NESOI †	-	-	-	\$2,448	-	-	-
Other intermediate products	-	-	\$268	-	-	\$2,088	-
Animal fats	-	-	\$103	-	-	-	-
Processed fruit	-	-	\$1,064	-	-	-	-
Chocolate and cocoa products	-	-	\$694	-	-	-	-
Processed vegetables	-	-	\$594	-	-	-	-
Condiments and sauces	-	-	\$454	-	-	\$77	-
Biodiesel and blends > B30	\$138	-	-	-	-	-	-
Fruit and vegetable juices	-	-	\$100	-	-	-	-
Distilled spirits	-	-	-	-	\$75	-	-
Oilseed meal/cake (except soybean)	-	-	\$67	-	-	-	-
Fish products	-	-	-	-	-	-	-
Wine and beer	-	-	-	\$15	-	-	-
Sugars and sweeteners	-	-	\$14	-	-	-	-
Fresh vegetables	-	-	\$5	-	-	-	-
Non-alcoholic beverages (except juices, coffee, tea)	-	-	\$3	-	-	-	-
Total	\$156,855	\$17,505	\$312,378	\$326,282	\$910	\$1,086,246	\$184,732

* Primary agricultural import of Cuba in 2015. in 2015.

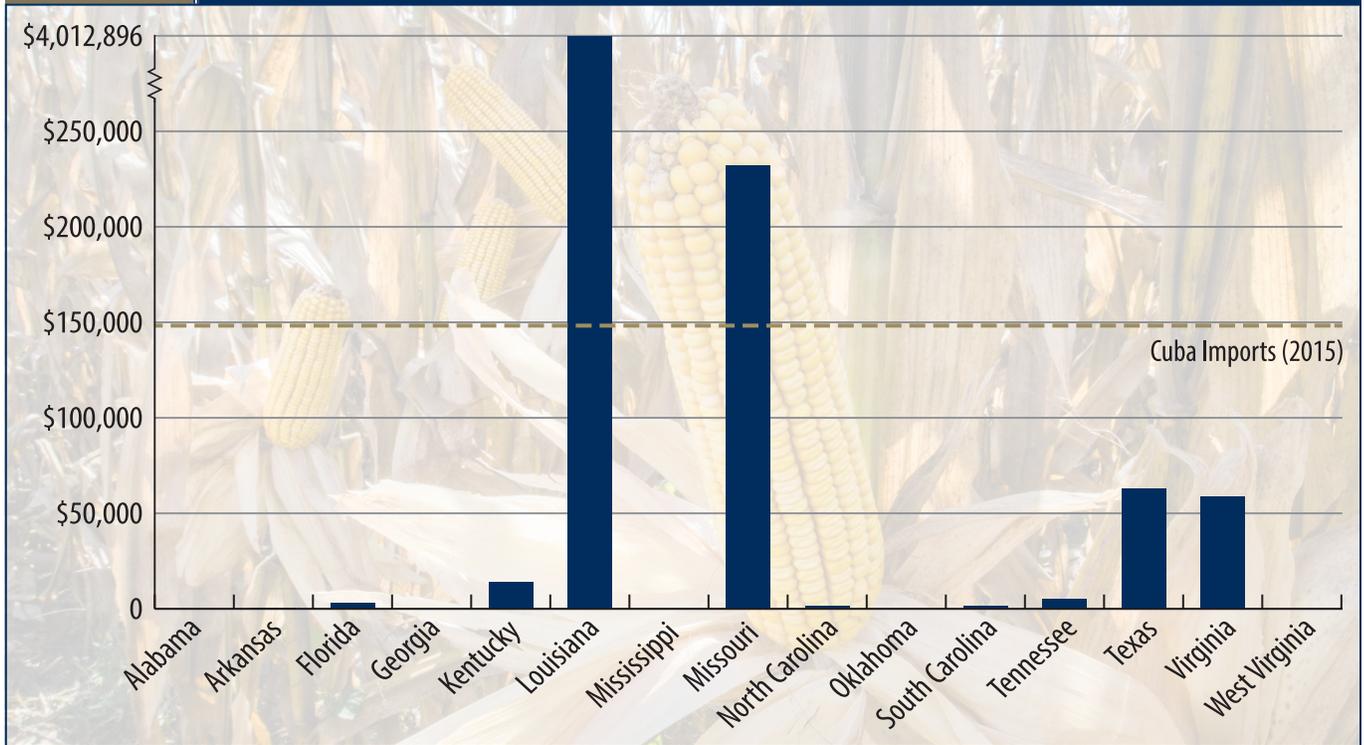
† NESOI - Not Elsewhere Specified or Indicated. Used by the U.S. Department of Agriculture and others for categorization of product groups.

Appendix 1 (continued)

Product / State	Missouri	North Carolina	South Carolina	Tennessee	Texas	Virginia	Total
Poultry meat and products (except eggs)*	-	\$61,801	\$13,440	\$15,357	\$18,817	\$2,464	\$928,084
Corn *	-	-	-	-	-	-	\$535,599
Soybeans	\$6,112	-	-	-	-	\$272,867	\$371,339
Soybean meal *	-	-	-	-	-	\$82,424	\$340,670
Wheat *	-	-	-	-	\$118,734	-	\$133,012
Distillers grains	\$6,144	-	-	-	-	-	\$121,741
Soybean oil *	-	-	-	-	-	-	\$71,266
Pork and pork products	\$184	\$13,209	-	-	-	\$1,855	\$52,307
Feeds and fodders NESOI *†	-	-	-	-	-	-	\$51,118
Dairy products *	-	-	-	-	\$12,554	\$48	\$29,949
Meat products NESOI †	-	-	-	-	-	\$162	\$15,580
Forest products	-	-	\$55	-	-	-	\$13,954
Vegetable oils NESOI †	-	-	-	-	-	\$97	\$12,562
Prepared foods	-	\$36	-	\$305	\$312	\$16	\$10,224
Pulses	-	-	-	-	\$5,009	-	\$9,291
Cotton	\$100	\$5,962	-	\$735	\$1,294	\$555	\$8,935
Fresh fruit	-	\$198	-	-	-	\$4,624	\$7,646
Rice *	-	-	-	-	\$13	-	\$6,905
Beef and beef products	-	-	\$40	-	\$243	\$285	\$2,570
Snack foods NESOI †	-	-	-	-	-	-	\$2,448
Other intermediate products	-	-	-	-	-	-	\$2,356
Animal fats	-	\$199	-	-	\$2,037	-	\$2,339
Processed fruit	-	-	-	-	\$3	-	\$1,067
Chocolate and cocoa products	-	-	-	-	-	-	\$694
Processed vegetables	-	-	-	-	-	-	\$594
Condiments and sauces	-	-	-	-	-	-	\$531
Biodiesel and blends > B30	-	-	-	-	-	-	\$138
Fruit and vegetable juices	-	-	-	-	\$12	-	\$112
Distilled spirits	-	-	-	-	-	-	\$75
Oilseed meal/cake (except soybean)	-	-	-	-	-	-	\$67
Fish products	-	-	\$27	-	-	-	\$27
Wine and beer	-	-	-	-	-	-	\$15
Sugars and sweeteners	-	-	-	-	-	-	\$14
Fresh vegetables	-	-	-	-	-	-	\$5
Non-alcoholic beverages (except juices, coffee, tea)	-	-	-	-	-	-	\$3
Total	\$12,540	\$81,405	\$13,562	\$16,397	\$159,028	\$365,397	\$2,733,237

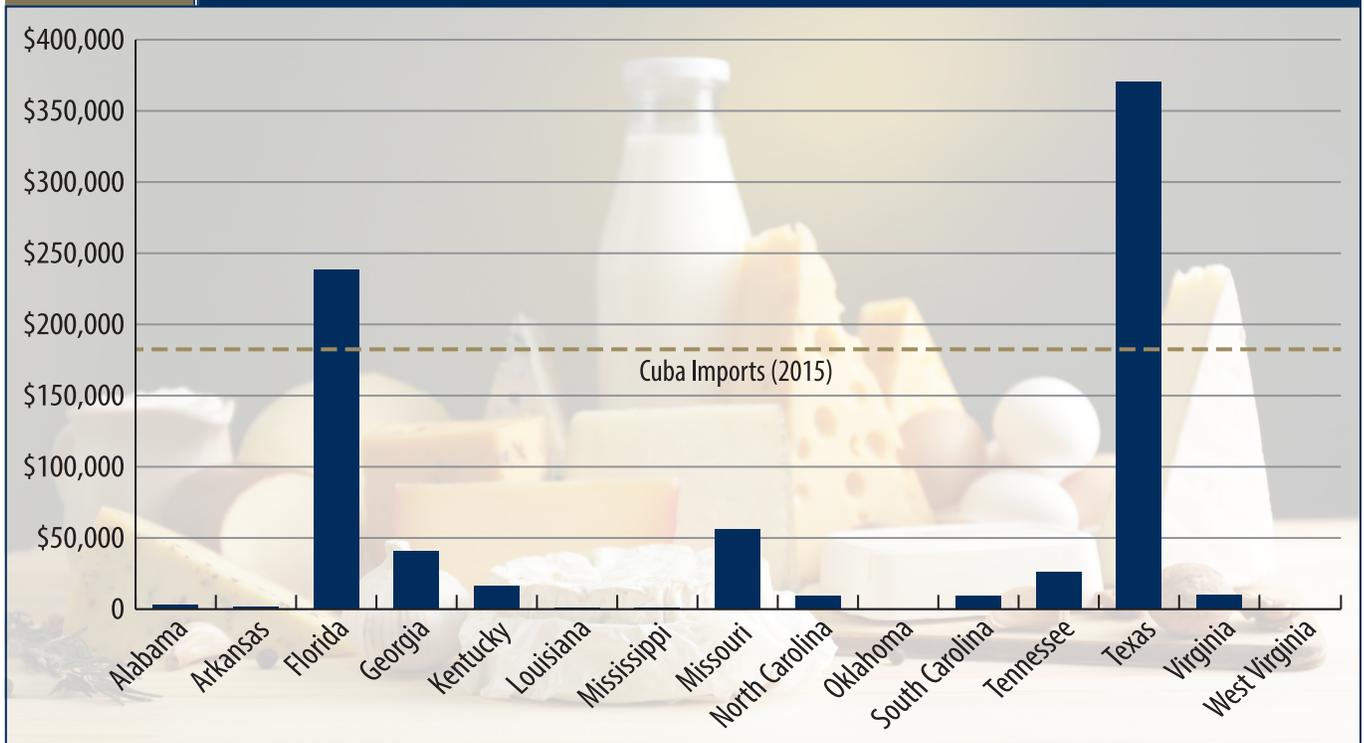
Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed September 21, 2016)

Appendix 2 Corn Exports to World by SLC Member States 2015 (thousands of dollars)



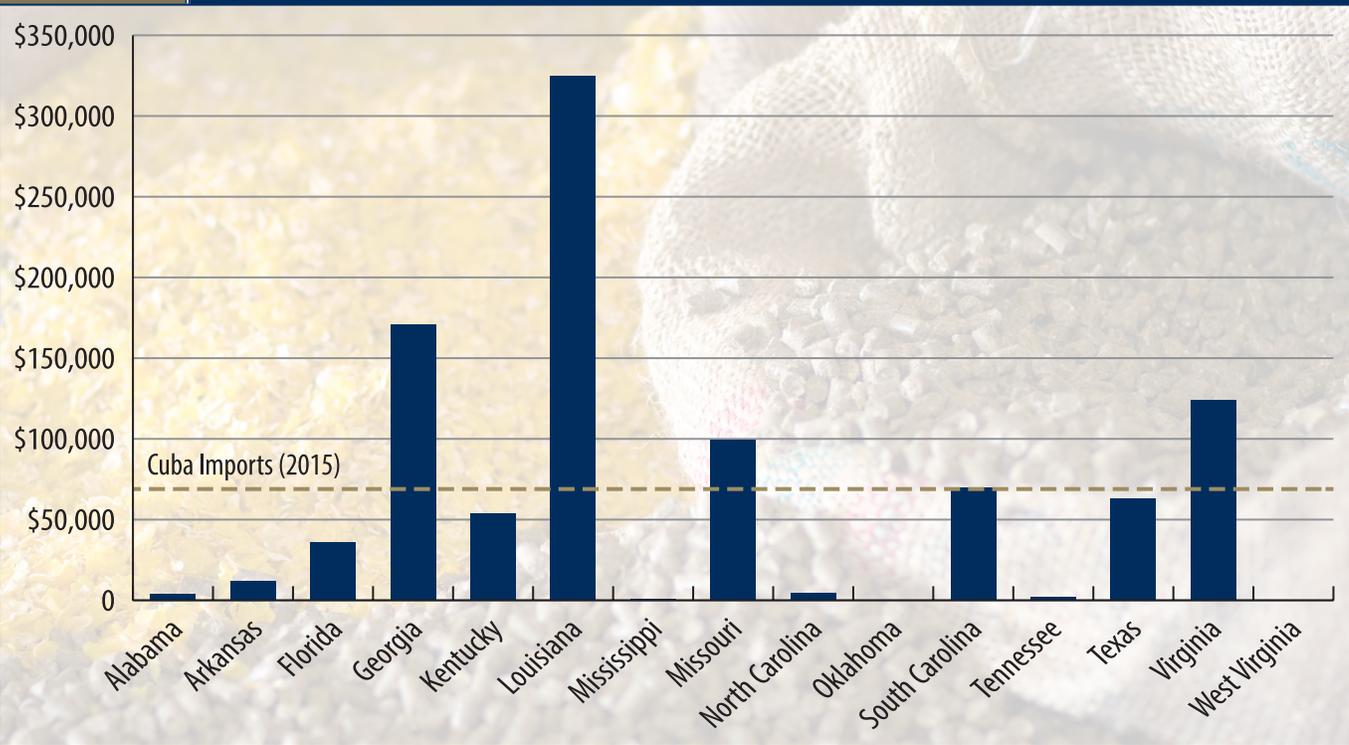
Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 3 Dairy Product Exports to World by SLC Member States 2015 (thousands of dollars)



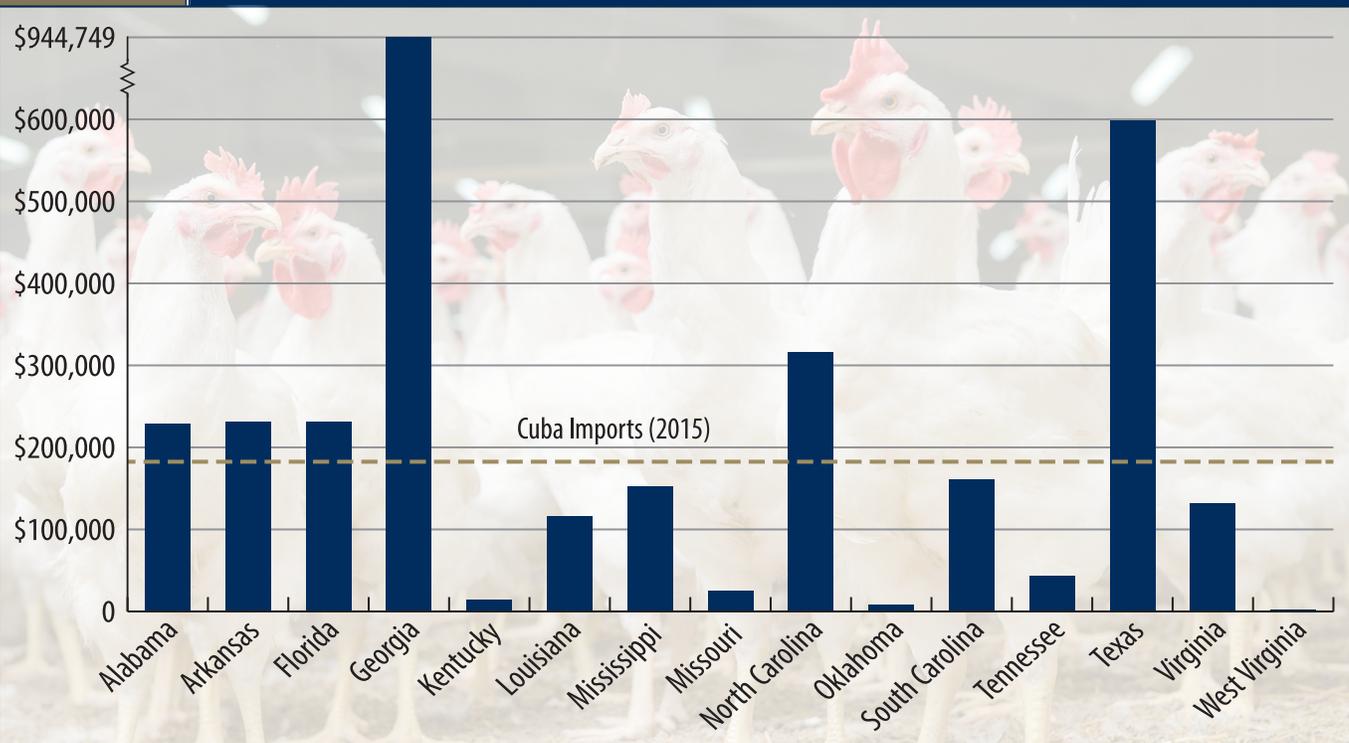
Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 4 Feed and Fodder Exports to World by SLC Member States 2015 (thousands of dollars)



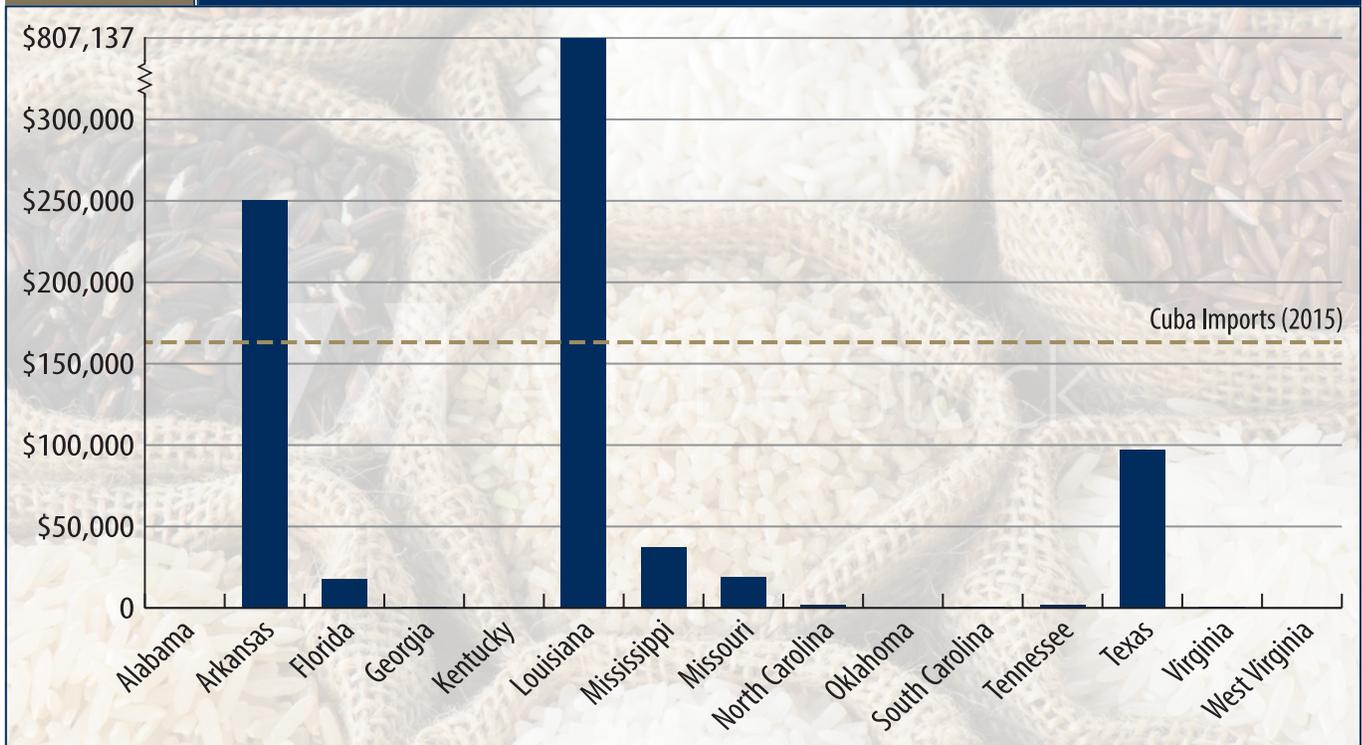
Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 5 Poultry* Exports to World by SLC Member States 2015 (thousands of dollars)



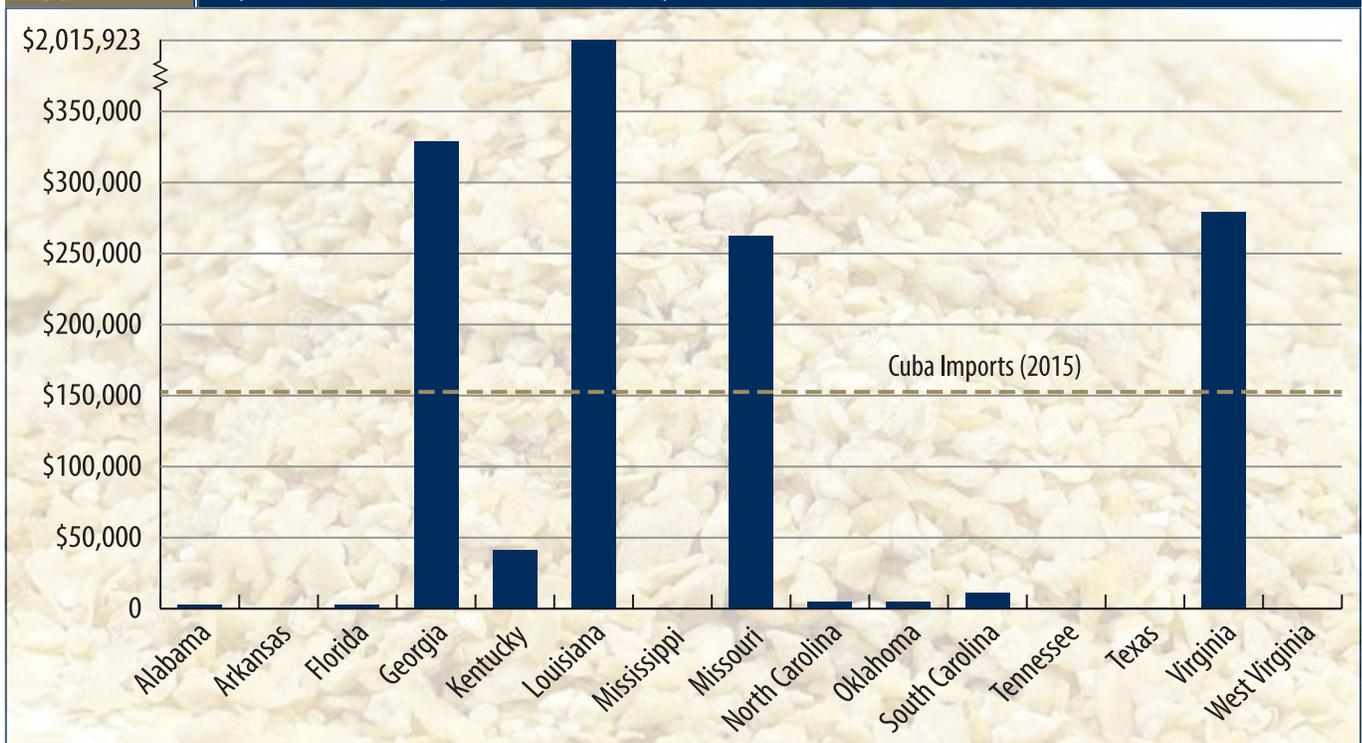
* Poultry meat and products (except eggs) Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 6 Rice Exports to World by SLC Member States 2015 (thousands of dollars)



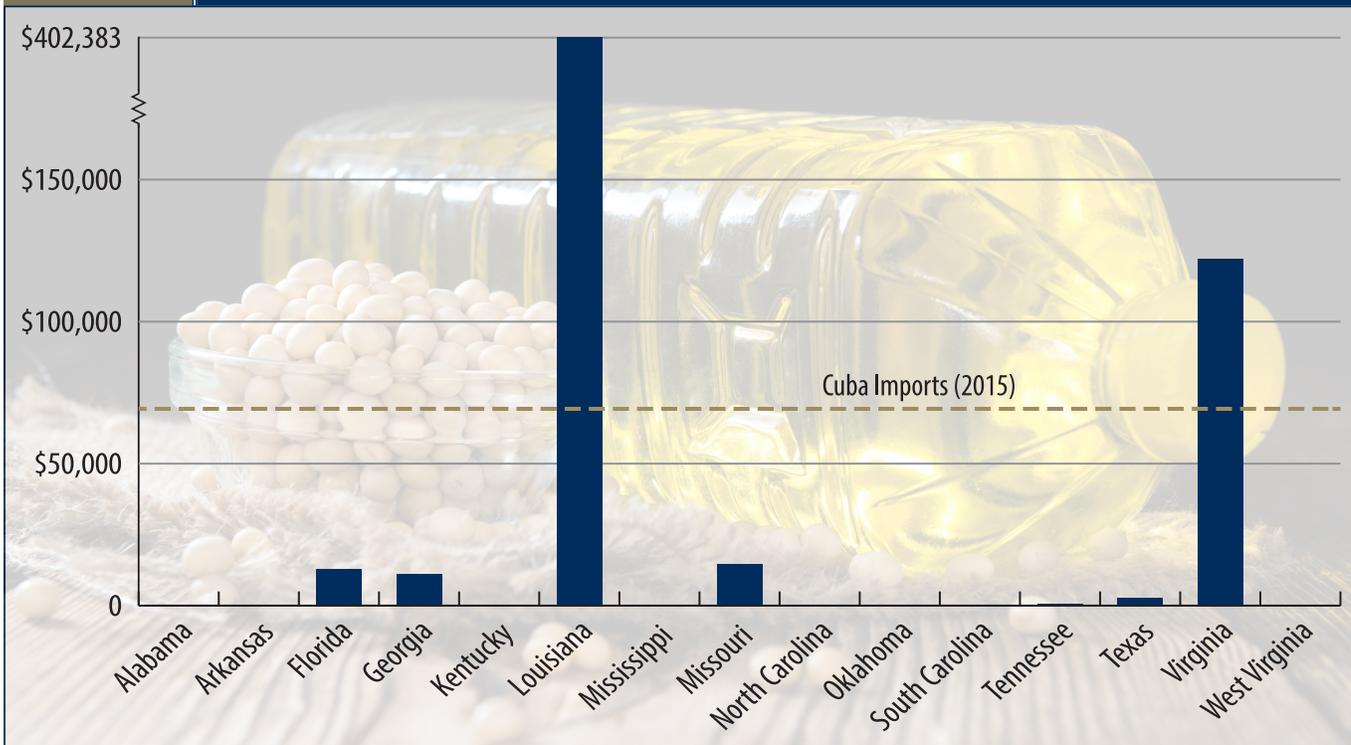
Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 7 Soybean Meal Exports to World by SLC Member States 2015 (thousands of dollars)



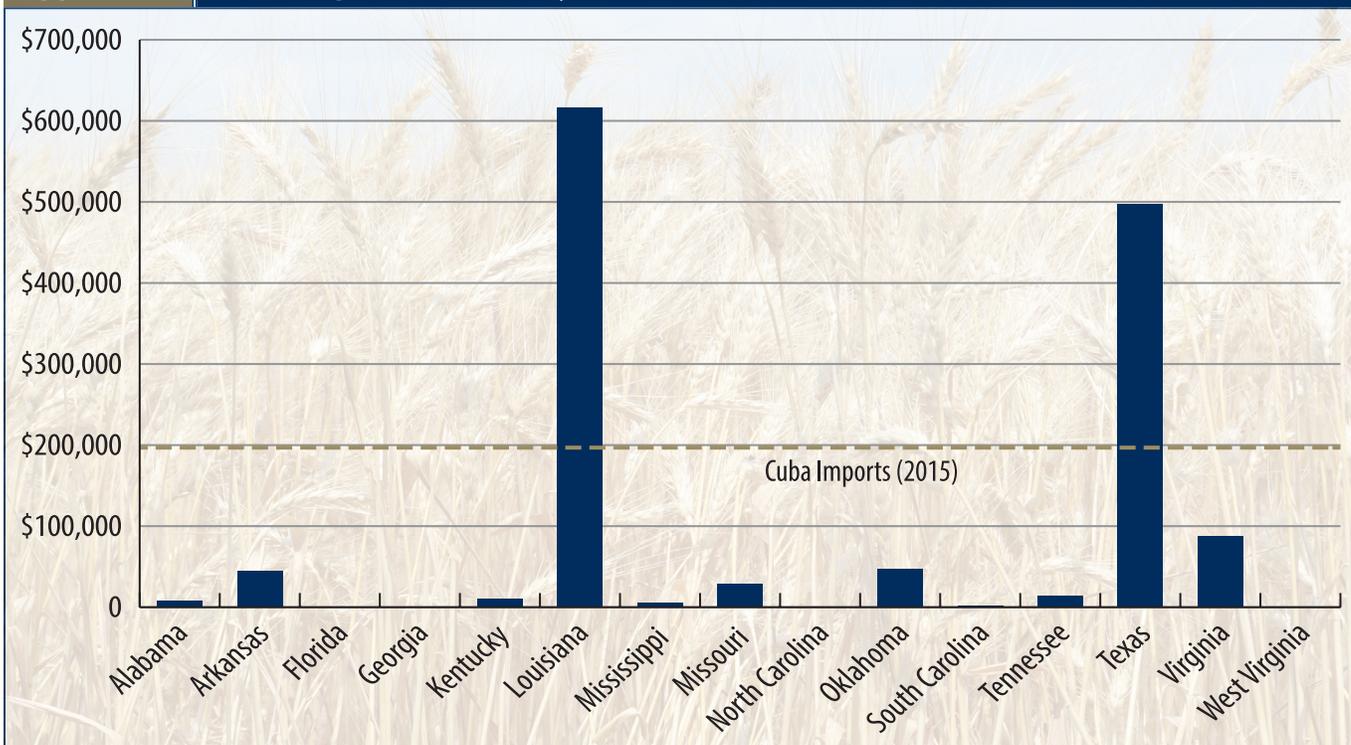
Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 8 Soybean Oil Exports to World by SLC Member States 2015 (thousands of dollars)

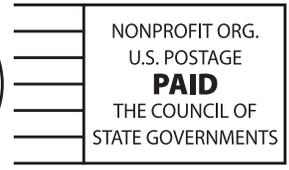


Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).

Appendix 9 Wheat Exports to World by SLC Member States 2015 (thousands of dollars)



Source: Global Agricultural Trade System, Foreign Agricultural Service, U.S. Department of Agriculture. <http://apps.fas.usda.gov/gats/> (accessed October 12, 2016).



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SOUTHERN LEGISLATIVE CONFERENCE

Southern Office of The Council of State Governments

REGIONAL VIEW NATIONAL REACH

This report was prepared by **Anne Roberts Brody**, policy analyst and committee liaison of the Agriculture & Rural Development Committee of the Southern Legislative Conference (SLC), under the chairmanship of **Representative Tom McKee** of Kentucky. This report reflects the body of policy research made available to appointed and elected officials by the **Southern Office of The Council of State Governments (CSG)**.

Opened in 1959, the Southern Office of CSG fosters inter-governmental cooperation among its 15 member states, predominantly through the programs and services provided by its Southern Legislative Conference. Legislative leadership, members and staff utilize the SLC to identify and produce solutions for the most prevalent and unique state government policy issues facing Southern states. Meanwhile, SLC member outreach in state capitols and coordination of domestic and international delegations, leadership development and staff exchange programs,

meetings, and fly-ins by the Southern Office support state policymakers and legislative staff in their work to build a stronger region.

Established in 1947, the SLC is a member-driven organization and the largest of four regional conferences of CSG, comprising the states of **Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia**. The Annual Meeting of the Southern Legislative Conference, convened as the focal point and apex of its activities, is the **premier public policy forum for Southern state legislators** and the largest regional gathering of legislative members and staff. The Annual Meeting and a broad array of similarly well-established and successful SLC programs – focusing on both existing and emerging state government challenges – provide policymakers diverse opportunities to ask questions of policy experts and share their knowledge with colleagues.