

Trade with Cuba remains a priority for potato, wheat officials

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Though efforts to normalize trade relations with Cuba have been in limbo under President Donald Trump, some potato and wheat industry leaders have continued making inroads in the market.

A team of 16 board members, seed potato growers and agronomists, representing Potatoes USA, recently returned from a five-day “informational exchange mission” to Cuba. Kansas Wheat officials say they’ve also been active in laying the groundwork for future trade opportunities with Cuba.

The U.S. has had an embargo against Cuba for decades. Exceptions under a 2000 law allow for exporting U.S. food products and commodities into Cuba — which have totaled more than \$5.3 billion since Dec. 2001, according to John Kavulich, president of the U.S.-Cuba Trade and Economic Council Inc.

Under President Barack Obama, the U.S. entered discussions with Cuba aimed at addressing trade barriers. Kavulich explained the U.S. requires Cuban buyers to pay cash rather than extending them credit, prohibits Cuban businesses from having bank accounts in the U.S. and places restrictions on the use of the U.S. dollar in transactions with Cuba.

Questions still linger about more than \$1.8 billion still owed to U.S. businesses who had assets taken after the Cuban Revolution. Food product and agricultural commodities exported to Cuba are processed through the Bureau of Industry and Security, under the U.S. Department of Commerce.

Kaviluch said another trade obstacle is that “Cuba is consistently late in paying those who they owe money to.”

Kaviluch said Obama left office before the major questions were resolved. Trump has voiced concerns about Obama’s Cuban policy, sending a Twitter message in late November 2016: “If Cuba is unwilling to make a better deal for the Cuban people, the Cuban-American people and the U.S. as a whole, I will terminate the deal.”

Laura Johnson, marketing bureau chief with the Idaho State Department of Agriculture, said ISDA has added Cuba to the list of potential destinations when it seeks industry input on state-sponsored trade missions, though the industry chose Taiwan and Vietnam for the next mission, scheduled for November.

Daniel Heady, director of governmental affairs with Kansas Wheat, believes Trump will keep an open mind toward “finding the best deal possible” with Cuba, which could represent a 50-million-bushel wheat market. Kansas Wheat officials gave a Cuban team a tour of their state’s wheat production last October and made their own trip to Cuba a month later.

“At this point, I think we’re probably in a holding pattern,” Heady said. “That doesn’t mean doing outreach and still doing trade missions and talking with people is a waste of time.”

Kansas Wheat supports a bill by Sen. Jerry Moran, R-Kan., to normalize trade with Cuba, and also participates in coalitions advocating for the cause — Engage Cuba and Agriculture Coalition for Cuba.

The Potatoes USA team visited Cuba on March 27-31, meeting with the nation’s Ministry of Foreign Commercial Affairs, Ministry of Agriculture and potato growers in the countryside. According to a press release, the Cuban government hopes to revive its domestic potato industry, which has declined significantly during the past two decades, and will need to import high-quality seed. Potatoes are one of eight foods controlled by the Cuban government for distribution and price.

The Cuban government hopes to conduct trials beginning this fall to assess how U.S. seed varieties perform in their tropical climate, according to the press release.

“Based on successes in the Dominican Republic and Central America, Potatoes

USA and the U.S. seed potato growers are confident U.S. suppliers can provide potato seed to help improve yields in Cuba,” Potatoes USA Chief Marketing Officer John Toaspern said in the press release.
