September 14, 2016

The Honorable K. Michael Conaway
Chairman
House Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

The Honorable Collin C. Peterson
Ranking Member
House Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Conaway and Ranking Member Peterson:

The undersigned organizations of the U.S. Agriculture Coalition for Cuba (USACC) are pleased to present written comments in relation to today’s hearing on American Agricultural Trade with Cuba before the House Committee on Agriculture. Thank you for holding the hearing and for providing American food and agriculture interests the opportunity to explain the importance of the Cuban market to our farmers, ranchers, and businesses.

USACC represents a broad range of more than 100 agricultural commodity and farm member organizations along with members of the food and agricultural private sector that support fully lifting the financing, trade, and travel bans for Cuba.

As you are well aware, U.S. agricultural and food products can be exported to Cuba for humanitarian reasons under the Trade Sanctions Reform Act of 2000 (TSRA). While TSRA opened the channel for shipping agricultural commodities and food products for humanitarian purposes to Cuba, remaining U.S. restrictions on financing those sales have made it difficult to compete with our foreign competitors in the Cuban market. U.S. restrictions require Cuban buyers of U.S. agricultural products to pay cash in advance or finance the transaction through third-country banking institutions.

U.S. agriculture is at a global disadvantage as we watch foreign competitors continue to take away our market share because of their ability to offer more favorable credit terms. As recently as 2008, our industry was selling nearly $700 million in agriculture products to Cuba annually. In 2015, our sales were under $200 million in what is nearly a $2 billion market. U.S. market share is now less than 10 percent of Cuba’s agricultural imports, despite superior quality, competitive prices of our products, and logistical advantages. Located just 90 miles from the U.S. coast, Cuba is a natural market for American food and agriculture businesses, as it has been in the past.

Since the normalization process between the United States and Cuba began in December 2014, successive rounds of amendments to Cuba-related regulations have been made through the Departments of Treasury and Commerce. Those changes have allowed for
different industries to explore business opportunities in Cuba and for authorized export and financing of those exports in particular sectors, such as telecommunications, civil aviation, and entertainment. However, agriculture is at a unique disadvantage owing to the statutory restrictions of TSRA that require Congressional action. As of January 2016, the general policy of approval for exports and re-exports does not extend to all agricultural commodities.

Given that U.S. net farm income fell by 55 percent from 2013 to 2015, the biggest two-year decline since the 1920s farm crisis, this is a time to focus on ways to expand agricultural trade. Providing American farmers and agribusinesses with the tools they need to engage in mutually beneficial commerce with Cuba can contribute to U.S. agriculture’s economic growth.

Focus is needed on the economic value Cuba provides as a trading partner, allowing for this Congress to weigh in by moving the critical legislation needed to allow private financing for agricultural exports to Cuba. As Congress considers legislation during the remainder of the year, we urge you to reject any language that would reverse or hinder our ability to fully compete with other countries currently exporting agricultural and food products to Cuba.

USACC appreciates your consideration of favorable legislation that advances the efforts of American agricultural trade with Cuba and USACC encourages your continued support of our vital industry.

Sincerely,

**Agriculture Organizations**
American Farm Bureau Federation
American Soybean Association
American Seed Trade Association
American Feed Industry Association
Association of Equipment Manufacturers
Cherry Marketing Institute
Corn Refiners Association
Council of State Governments
CNFA: Cultivating New Frontiers in Agriculture
Dairy Farmers of America
Global Aquaculture Alliance
Independent Professional Seed Association
International Dairy Foods Association
Matter
National Association of Wheat Growers
National Association of Egg Farmers
National Barley Growers Association
National Black Growers Council
National Chicken Council
National Corn Growers Association
National Council of Farmer Cooperatives
National Farmers Union
National Foreign Trade Council
National Grain and Feed Association
National Milk Producers Federation
National Oilseed Processors Association
National Sorghum Producers
National Turkey Federation
North American Export Grain Association
North American Meat Institute
Rural & Agricultural Council of America
US Canola Association
US Cattlemen’s Association
US Dairy Export Council
US Dry Bean Council
US Soybean Export Council
US Rice Producers Association
USA Dry Pea & Lentil Council
USA Rice Federation
Agribusiness Council of Indiana
Arkansas Rice Growers Association
Arkansas Farm Bureau
Arkansas Rice Growers Association
California Rice Producers
Illinois Corn Growers Association
Illinois Cuba Working Group
Illinois Soybean Growers
Illinois Farm Bureau
Indiana Farm Bureau
Indiana Corn Growers Association
Indiana Soybean Alliance
Indiana Corn Marketing Council
Iowa Farm Bureau
Kansas Wheat
Food Export Association of the Midwest USA
Food Export – USA Northeast
Louisiana Rice Council
Michigan Apple Association
Michigan Bean Shippers
Michigan Bean Commission
Michigan Milk Producers Association
Michigan Corn Growers Association
Michigan Soybean Association
Michigan Potato Industry Commission
Missouri Corn Growers Association
Missouri Soybean Association
Missouri Department of Economic Development
Missouri Department of Agriculture
Missouri Rice Council
Missouri Forest Products Association
Missouri Farm Bureau
Mississippi Rice Council
Ohio Farm Bureau
National Potato Council
Texas Farm Bureau
University of Missouri-Fisher Delta Research Center
Virginia Department of Agriculture and Consumer Services
Alcorn State University

**Agriculture Corporations**
ADM
Advanced Drainage Systems
AGCO
Bunge
Butterball
Cargill, Incorporated
Chicago Foods International
Campbell Farms
Clark AG Company
CoBank
Franklin Electric
GreenStone Farm Credit Services
Hampton Alternative Energy & Feedlot
Hover Farms
Intertek Agriculture Services
Kaehler Agriculture Enterprises
Kerley Nutritional Consulting
Louis Dreyfus Company
Missouri BioZyme, Inc
Missouri Burnett Farms
Martin Rice Company
Michigan Allied Poultry Industries, Inc
Net Worth Feeds & Feeding
Orrick Farm Services
Sandy Ridge Cotton Company
Smithfield Foods
South Louisiana Rail Facility
Sun-Maid Growers of California
St. James Winery
Synergy Resource Solutions, Inc.
Thomas E. Jennings and Associates, Inc.
Turkey Knob Growers
TRC Trading Group
US Wellness Meats
US Cava Exports

Cc: Members of the House Committee on Agriculture