



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