
American farmers need the Cuban market

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Farmers across the country are worried. [Net farm income this year has hit a 12-year low](#) and is expected to drop nearly 20 percent overall. With falling domestic demand, higher production prices, and competition from foreign producers already [hurting our farmers](#), retaliatory tariffs on U.S. farm exports by China, the EU, Canada, Mexico and Turkey are an added weight on the shoulders of our growers and producers. American farmers are tough patriots, but they need strong export revenues to stay in business. Building new export outlets for American farmers and allied industries has become an imperative, and Cuba should be part of that mix.

The list of farm sectors reeling from punitive foreign tariffs is long and getting longer. In soybeans, for example, nearly \$14 billion worth of exports to China -- or roughly one third of total US soybean production in 2017 -- will be impacted by China's new tariffs. In dairy, [retaliatory tariffs will cost our farmers \\$1.5 billion this year](#) and another \$3 billion in 2019. In pork, almost half of all U.S. exports are being impacted by tariffs. This is not just a near-term concern. Once foreign market share is lost, reclaiming those sales is an uphill fight.

The positive reactions out of American agriculture to the new North American trade deal is testament to the urgent need for U.S. agribusiness outlets. In the case of Cuba, however, which offers an important growth opportunity just 90 miles away and an overnight voyage for shipping containers from U.S. Gulf and East Coast ports, a different solution is needed.

Cuba is one of only a very few foreign markets where the potential for U.S. agricultural growth is quantifiable and achievable. That island spends \$2 billion a year on agricultural imports to feed its 11 million people and 3 million annual tourists. Most of its imports are from Vietnam, China, the European Union, and other faraway locations, where freight rates are many times higher than ours.

Arkansas for instance is the No. 1 U.S. rice exporter, and Cuba has the highest per capita rice consumption in the Western Hemisphere. However, since FY2009, Cuba has not imported any significant quantity of rice from the U.S. The U.S. held nearly 40 percent of market share in FY2004, but it has been lost to Vietnam and Brazil, who offer credit to Cuba.

Likewise, soybeans are also a top export item for states like Arkansas and others and with recent trade disputes, it is important to diversify our trading partners. Of Cuba's nearly \$2 billion in agricultural imports, 13 percent are soybean products. In Minnesota, U.S. soy exports could mean combined sales of up to \$14 million, corn sales could reach up to \$16 million; dairy has potential of \$4.3 million. Similarly, many of Kansas' top agricultural products are staple imports for Cuba. Kansas exports over \$800 million annually in wheat, but there is virtually no wheat trade between Kansas and Cuba.

Cuba would readily buy our high-quality agricultural products were it not for our outdated financing rules on U.S. farm sales to Cuba. While the farm bill amendment allowing market promotion monies to be spent in Cuba is a step in the right direction, to position American farmers as the No. 1 agricultural supplier to Cuba, we need legislation allowing private credit and financing in agricultural sales to that market.

Now more than ever, when simple fixes like this could help our farmers make export strides in our own backyard over Vietnam, China, and other distant locations that compete with our farm community, we should quickly make them happen. The savings represented by this fix -- \$690 million over 10 years according to the Congressional Budget Office -- is all the more reason to get this done now.

For lasting export growth for American farmers, we should also advance efforts to

provide reciprocal bilateral trade improvements that help foster a more stable, mutually beneficial US-Cuba trading relationship.

As China and other U.S. export markets are redefined, our country no longer has the luxury of shunning meaningful agribusiness markets located right under our nose. Expanded access for U.S. agriculture into Cuba and other new outlets has become nothing less than a matter of economic health, if not survival, for rural America.

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