

American Businesses Attend FIHAV In Havana

Relationship Building By American Agricultural Businesses

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Hundreds of exhibitors attended the Havana Trade Fair (FIHAV) recently. While most countries trade freely with Cuba, food, medicine and fiber products from the United States are closely regulated. Hoping for change during the Obama administration, several companies from the United States attended the fair. Impromptu interviews exposed issues U.S. companies encounter that are unique to trade with Cuba.

G2G direct rice sales between Vietnam and Cuba plus Vietnam's extension of credit to Cuba presented the greatest challenge to trade with Cuba according to The Rice Group. Vice President of Latin America G&O, Javier Molins said during his third trip to the Havana Trade Fair (FIHAV) in November. Referred to as G2G, Molins explained, Government-to-Government trade between the government of Vietnam and Cuba is direct trade between governments without the aid of traders. Quality is not necessarily an issue. "Financing is the issue, not necessarily lower prices or higher quality," stated Molins.

"You have to spend the whole week here. It is a fee you have to pay if you want to sell to Cuba." When asked if he could sell rice to Cuba without attending the fair, Molins responded, "the opportunities would be less."

John Cassidy, Vice President, Perdue Grain and Oil Seed LLC, currently exports to Cuba. "Basically we sell soybeans, soybean meal, crude to gum soybean oil and refined soybean oil." Cassidy explained Perdue sells in increments of 500 ton up to 15,000 tons. According to their website, Perdue buys approximately 250 million bushels of corn, soybeans, wheat, milo and barley from 5,500 farmers and dealers. Exports to Cuba currently account for about 25 percent of Perdue's foreign trade.

Frank Dominguez, Corporate Sales Chef for Farmland of Kansas City, Missouri, cooked Farmland lower sodium pork sausage at the FIHAV. "It is MSG free, the reason we brought this is because here in Cuba, they do not like a lot of salt."

Farmland International Sales Manager, Corey Stusse, handles Cuba and Canada. Stusse was able to meet with ALIMPORT while at the fair. "This is my fourth visit. It has been wonderful. The people are great. They like Farmland products."

Farmland products shipped to Cuba go to hotels and restaurants. "We do send some to the supermarkets. A lot of the locals do not shop at those supermarkets. They shop where the ration cards are used or where their own currency

is used," stated Stusse.

Stusse explained how the Farmland branded package is shipped to Cuba, "Farmland is usually on the outside of the case. The case will say Farmland and what the product is but, inside it is a bulk pack, usually a poly-lined wrap."

USA Rice Federation, Senior Advisor on Cuba, Marvin Lehrer explained the importance of exporter's attendance at the fair. "This is an important trade fair to be at, to meet the people who are involved in not only the purchasing of your product but meeting the end user of your product as well. The end user may not be the purchaser but, you get to understand what their requirements are."

"The USA Rice Federation presence here shows the Cubans that we are still very interested in this market. We support them and we are here to offer them any information they may need regarding U.S. rice."

Lehrer was asked about the impact on rice exports to Cuba the U.S. could see if the embargo were ended. Lehrer responded, "The embargo is made up of several pieces, the first piece to change people, most observers would expect, would be the travel ban on Americans traveling to Cuba.

Being a tourist, as we are in other countries, as well as the ability to buy Cuban products, when you start to see that happen, you are going to see many more American products in Cuba.



The Rice Group, Vice President of Latin America G&O Javier Molins welcomes visitors to his booth during the FIHAV in Havana.



From left to right: Frank Dominguez, Corporate Sales Chef for Farmland, a Cuban fair worker and Corey Stusse, Farmland International Sales Manager prepare lower sodium pork sausage at the FIHAV.

You are going to see opportunities to do joint ventures."

As to the 600,000 ton rice business in Cuba, Lehrer said, "I think we would probably get half of this business fairly soon into the process of the non-embargo situation. I think over time that will grow significantly." Δ