

# Time To Relax Cuba Trade And Travel Restrictions?

## Key Lawmakers Urge Obama To Make More Open Trade An Early Priority

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**F**or the first time since Fidel Castro took power in Cuba 50 years ago, there is real optimism about the potential for returning more normal trade and diplomatic relations with this country in 2009. If true, these actions would be particularly

welcome to U.S. farmers and agribusinesses who have been hampered by a trade embargo and more recently, by financing restrictions.

But it's still unclear how far the new president will go. During the presidential campaign, Sen. Barack Obama made no commitment to overhaul U.S. policy toward Cuba beyond easing curbs on Cuban-Americans' visits to the island and their ability to send humanitarian aid there.

Over the last two decades, U.S. policy toward Cuba has been a mixed bag, trying to balance the politically powerful anti-Castro forces in this country with those who see food sales as a potential bridge to better relationships. President Clinton signed a law that allowed food sales to Cuba, but President Bush's administration imposed a requirement that Cuba pay cash up front for American products, increasing the cost of the imports. The Bush administration also tightened restrictions on travel, making it harder for U.S. farmers and other business leaders to work on deals.

Despite the restrictions, the United States has continued as Cuba's largest supplier of food and agricultural products since 2002, supplying more than one-fourth of the country's total food and agricultural imports. Located just 90 miles from the Florida coast, Cuba has consistently ranked among the top ten export markets for U.S. soybean oil, dry peas, lentils, dry beans, rice, powdered milk and poultry meat. Cuba also has been a major market for U.S. corn, wheat and soybeans. In total, U.S. agricultural exports to Cuba exceeded \$437 million last year, the most since the embargo was relaxed to allow food sales beginning in 1999.

Supporters of more relaxed trade with Cuba argue that agricultural sales could grow substantially. The U.S. International Trade Commission last year issued a report, finding that the U.S. portion of Cuba's agricultural fish and forest imports would rise from between one-third to between one-half and two-thirds if those trade restrictions were lifted.

### Pressure building

Lawmakers and interest groups are already starting to weigh in, putting pressure on the new Administration to act quickly.

An early goal for the 111th Congress should be to lift all travel and agricultural trade restrictions with Cuba, according to U.S. Rep. Rosa DeLauro (D-CT), who chairs the House Appropriations subcommittee on agriculture.

"I believe that lifting all of the agriculture trade restrictions would help American agriculture, farm equipment businesses, and help with public health in Cuba," DeLauro emphasized in a recent interview.

Lifting the restrictions enjoys bi-partisan support in Congress. Congressman Jerry Moran (R-KS) wrote Obama shortly after he was elected, encouraging him to begin reform of U.S. policy toward Cuba immediately after his inauguration. Moran, who represents the nation's largest

wheat-producing district, also asked Obama to reverse financing restrictions put in place in 2005 by the Bush Administration.

President-elect Obama could do that by executive order. Ending the embargo on other goods would require action by Congress.

The American Farm Bureau Federation and Grocery Manufacturers Association recently joined the U.S. Chamber of Commerce and other trade groups to urge President-elect Obama to begin the process of restoring relations. As a first step, they hope he will implement a campaign pledge to allow Cuban-Americans to visit their families and send money and humanitarian goods, with the eventual goal of ending all trade and travel restrictions.

"President-elect Obama has said that he's very open to at least talking to the Cubans about the embargo which is much more than we've seen in the last 50 years from any of our Presidents," said American Farm Bureau Federation trade specialist Chris Garza.

### Changing attitudes

Although farm and food industry support for relaxed trade restrictions alone does not alter the political equation drastically, changes in public opinion suggest that Obama will gain the political flexibility to change the policy over time. A recent poll of Cuban-Americans in south Florida found that 55 percent favor ending the trade embargo and 65 percent favor restoring diplomatic relations with Cuba. Even larger majorities favored lifting travel restrictions. It is the first time since the poll began in 1997 that a majority favored lifting the embargo. Nevertheless, Cuban-American members of Congress from the Miami area are likely to resist any effort to relax Washington's trade restrictions.

That view is shared in a recent report, concluding that Florida politics now "allow – and even encourage – the incoming administration to rethink the embargo." The paper by Jake Colvin, vice president of global affairs for the National Foreign Trade Council, says that the new president should rescind the travel ban and allow general licenses for travel to Cuba – a step that would allow agricultural exporters and their trade groups to visit Cuba regularly for market development and trade servicing activities.

His paper, "The Case for a New Cuba Policy," observes the changing political landscape of new Cuban-American voters and the growing number of non-Cuban Hispanic voters in Florida. Although the Miami Cuban bloc has voted Republican in every recent presidential election, Obama carried a majority of those under 30.

The business group letter suggests that unilateral action by Washington is in our own interest.

"Current policies towards Cuba have clearly not achieved their objectives," they wrote. "U.S. sanctions serve only to remove the positive influences that American businesses, workers, religious groups, students and tourists have in promoting U.S. values and human rights. Sanctions are also blunt instruments that generally harm the poorest people of the target country rather than that country's leaders." Δ

*Editor Sara Wyant publishes a weekly e-newsletter covering farm and rural policy called Agri-Pulse. For a four-week free trial, go to [www.Agri-Pulse.com](http://www.Agri-Pulse.com)*



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