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Cuban-Americans call to end embargo with Communist nation

By [Diana Marrero](#) of the Journal Sentinel

Washington - Raul Galvan was a boy when a bearded revolutionary named Fidel Castro led rebel troops through the streets of Havana 50 years ago. But he remembers the joy that washed over the city in the days after Castro ousted the U.S.-backed Cuban dictator Fulgencio Batista on New Year's Eve in 1958.

"There was hope and, I think, some trepidation," said Galvan, who now lives in Elm Grove.

Less than three years later, Galvan left the island, one of many Cubans to flee in the wake of Castro's turn toward Communism, and his adoption of hard-line economic and social policies suited to his ideology. Today, the 57-year-old Galvan is one of many Cuban exiles waiting to see how the administration of President-elect Barack Obama, who has promised to rethink U.S. dealings with the island, will affect the Castro government and U.S.-Cuba relations.

As president, Obama is expected to ease some sanctions against Cuba for the first time in years. And he appears to now have the support of a majority of Cuban-Americans to end the economic embargo against Cuba altogether. A new poll conducted by Florida International University shows most Cuban-Americans in Miami favor lifting the embargo - the first time a majority of those surveyed said they oppose the trade ban.

"The embargo is just as over as the revolution is," Galvan said, reflecting on the 50th anniversary of the Cuban revolution and the future of U.S. policy toward the island.

Already, a coalition of farmers, business leaders and travel agents is asking Obama to end the embargo, arguing that the U.S. policy of isolation has cost American exporters up to \$1 billion a year in lost sales. The group, called USA Engage, includes the American Farm Bureau Federation, the U.S. Chamber of Commerce and the National Retail Federation.

"While the current isolation of Cuba has far outlasted its original purpose, U.S. policies impose real costs on America," coalition members said in a letter last month to Obama.

Justifying the embargo

Others say the embargo has succeeded in denying funds to a dictator who over the years has funded wars in Africa and revolutionary movements in Latin America.

"It's a policy that should stay in place until there is change in Cuba that tells us that we no longer have a sworn enemy 90 miles from our shores," said U.S. Commerce Secretary Carlos Gutierrez in a recent speech on Cuba at the Heritage Foundation. Gutierrez was born in Cuba.

Obama has said he favors allowing Cuban-Americans to visit or send cash to relatives on the island more freely - a change he could make by executive order. Raul Castro, who replaced his ailing 82-year-old

brother as president of Cuba last year, recently said he would be interested in starting a dialogue with Obama and would consider releasing political prisoners on the island in exchange for the unlikely release of five Cubans imprisoned in the U.S. as spies.

Lifting the trade embargo or the ban that bars most Americans from traveling to Cuba would require congressional approval. Although previous attempts to do so have failed in Congress, critics say they have a good chance in the next Congress. "If we're going to have free trade with China, why not Cuba?" said Rep. Paul Ryan (R-Janesville).

Tensions began in '60s

U.S. relations with Cuba have been icy since shortly after Castro took control of the island. President Dwight D. Eisenhower imposed an economic embargo in 1960 and cut off diplomatic relations in 1961 as Cuba aligned itself with the Soviet Union. Tensions grew after President John F. Kennedy's botched Bay of Pigs invasion, and the Soviet Union's attempt to base nuclear missiles 90 miles from U.S. shores nearly started a war. Relations between the two countries have largely been frozen since. Cuban officials often point to the embargo as the source of its economic troubles. But others dispute that, noting that most other countries openly trade with Cuba.

"What's really hurt the Cuban economy is ideology over everything else," said Lisandro Pérez, a Cuba expert at Florida International University. Communist ideology has brought strong social services to Cubans, according to many international observers who point to the high rates of literacy and life expectancy on the island.

Yet that ideology has also led to an inefficient state-run economy, average wages of \$20 a month and government repression that does not allow political dissent or an open press. Cuba now holds more than 200 political prisoners in jail, according to the independent Cuban Commission for Human Rights and National Reconciliation.

Perhaps the revolution's biggest legacy, however, is that it has lasted as long as it has, observers say. Obama will be the 11th U.S. president to hold office since Castro's revolution. "More than anything else, Cuba will be remembered for standing up to the United States and staying in power when many other regimes have not," said Dan Erikson, author of the new book "The Cuba Wars."

Trade continues

Despite the embargo, the U.S. now is Cuba's fifth largest trading partner. Cuba has bought \$2.6 billion in American food since Congress exempted agricultural products from the embargo in 2000 - a dynamic that has piqued the interest of American farmers and farm-state politicians in Cuba.

"Cuba has intentionally tried to spread purchases around so every state has an identity with what is bought," said Alan Tracy, a former Wisconsin agriculture secretary who now leads U.S. Wheat Associates.

American farmers say they are still hampered by a requirement imposed by President George W. Bush that makes the Cuban government pay cash up front for food imports from the U.S. The Cuban government would buy more, some argue, if the U.S. allowed the Cubans to use credit.

"I'm really excited about the potential of getting more dairy products into Cuba from Wisconsin," said Bill Bruins, president of the Wisconsin Farm Bureau Federation. "We would absolutely benefit by

increasing trade with Cuba." Wisconsin farmers export half their dried milk whey out of state, he notes, and Cuba could provide a new market for them.

"Whenever you can find a market for a product, it begins to put competition in the marketplace," said Howard Poulson, a Palmyra farmer who traveled to Cuba six years ago for a trade expo as president of the Wisconsin Farm Bureau.

But John Kavulich, an adviser to the U.S.-Cuba Trade and Economic Council, questioned the wisdom of extending credit, saying, "Cuba has an abysmal record of paying its debts."

Cuba owes roughly \$16 billion to foreign countries, suspended its debt payments in the 1980s and just months ago defaulted on short-term trade debt owed to Japan.

Cultural treasures

Beyond the potential for business with Cuba, Americans have also lost the opportunity to travel to one of the few places in the world not saturated with big box stores and American commercialization, critics of the embargo say.

"There's a rich, rich cultural treasure in Cuba in terms of music, in terms of the vibrancy of the African culture that resonates throughout the society," said Art Heitzer of the Wisconsin Coalition to Normalize Relations with Cuba.

For Galvan, travel to Cuba is a more personal matter. Galvan was 10 when he left Cuba as part of the Operation Peter Pan flights that brought 14,000 unaccompanied children to the U.S. He soon reunited with his parents in the U.S., but didn't return to the island until 2000, when he helped found a sister city relationship between Milwaukee and the Cuban city of Nuevitas. He has been back a few times since but can't travel there freely because of the restrictions placed by the U.S. government. "There's a big void in my life because I can't go home on a whim," he said.

Associated Press

New York, New York

15 November 2008

Trade group: US ag exports to Cuba hit record

HAVANA (AP) — A U.S.-Cuba trade group says the island has spent a record \$536 million for American agriculture goods through the third quarter, already surpassing all annual amounts since 2001.

The U.S. Trade and Economic Council says that most of the growth is because of price increases, and not quantities. The council released the figures Friday.

Washington's nearly 50-year-old trade embargo prohibits nearly all trade between both countries, but Cuba has been allowed to buy U.S. food and agricultural products with cash payments since 2000. Cuba began taking advantage of the loophole in the American trade sanctions after a hurricane ravaged parts of the island in November 2001.

El Nuevo Herald

Miami, Florida

15 November 2008

Récord en cifra de ventas de alimentos de EEUU a Cuba

WILFREDO CANCIO ISLA

Las ventas de alimentos de Estados Unidos a Cuba superan los \$536 millones durante el 2008, la mayor cifra desde que Washington autorizó las transacciones comerciales con la isla hace ocho años.

El balance de las operaciones registradas entre enero y septiembre muestra que el gobierno cubano compró a empresas estadounidenses un total de \$536,445,869, lo que representa un alza del 23 por ciento con relación a los \$437.5 millones que marcaron un récord al término del 2007, de acuerdo con estadísticas reveladas ayer por el Consejo Económico y Comercial EEUU-Cuba (USCTEC).

Faltando aún por compilar las estadísticas del último trimestre del año, los pronósticos más conservadores indican que las importaciones cubanas en el mercado estadounidense podrían escalar hasta los \$700 millones.

Las cifras proporcionadas por USCTEC --organismo independiente con sede en Nueva York-- indican que la empresa estatal Alimport realizó operaciones por \$64.5 millones el pasado septiembre, tras el paso arrasador de los huracanes Gustav e Ike por la isla. Los ciclones dejaron pérdidas ascendentes a los \$8,600 millones, provocando considerables estragos en la agricultura y las reservas alimentarias del país.

Pero el récord de exportaciones estadounidenses a la isla no indica necesariamente que el gobierno cubano esté adquiriendo mayor volumen de alimentos, debido a la subida de los precios de los productos en el mercado internacional y de los costos de los fletes marítimos.



"Simplemente están gastando más para obtener las mismas cantidades de productos que el pasado año", explicó John S. Kavulich, consejero principal de USCTEC. "El incremento de los gastos está condicionado fundamentalmente por los precios de las materias primas".

El reporte de USCTEC se sustenta en los reportes oficiales de los departamentos de Agricultura y Comercio, así como en los registros de compañías exportadoras, pero no incluye los costos añadidos de transportación, recargos bancarios y otros gastos derivados de los envíos de

mercancías a la isla. Cuba dice que sus estadísticas comprenden los cargos asociados con el traslado de los cargamentos, pero no entrega documentos verificables para corroborarlo.

Según Kavulich, los principales productos obtenidos por Cuba en lo que va de año son maíz, trigo, soya, carne de ave y arroz.

Este mes, el presidente de Alimport anunció que Cuba se vería obligada a gastar más de \$2,500 millones en la compra de productos agroalimentarios en el 2008, casi un tercio más de lo que había previsto a principios de año.

En esa ocasión, Alvarez indicó que Alimport estaba aumentando sus compras en todos los países para poder cubrir el déficit causado por los huracanes.

Pero la situación se ha agravado por la falta de liquidez del gobierno cubano, que ha incumplido incluso pagos fundamentales a inversionistas extranjeros --como los consorcios petroleros Sherritt y Pebrecan-- para poder lidiar con las compras en efectivo de alimentos y otros suministros básicos.

"Dentro de toda nuestra situación económica, estamos tratando de cumplir con todos nuestros compromisos", indicó semanas atrás la ministra de Inversión Extranjera y Colaboración Económica, Marta Lomas, destituida de su cargo esta semana.

Cuba importa el 85 por ciento de los víveres de la canasta familiar, la mayoría de ellos a EEUU.

Las estadísticas divulgadas ayer sitúan a Cuba en el puesto 30 de la lista de países con mayor volumen de importaciones de productos agrícolas desde Estados Unidos.

La escalada de las compras cubanas se produce en un período de crecientes contactos y visitas de delegaciones estadounidenses a La Habana con el propósito de explorar oportunidades de negocios.

Empresarios y funcionarios gubernamentales de California, Dakota del Norte, Nueva York, Minnesota, Virginia, Texas y Carolina del Sur han viajado a Cuba desde enero para dialogar con representantes de Alimport y promover las ventas de productos agrícolas. Legislaturas estatales como las de Minnesota y Alabama han aprobado este año resoluciones condenando el embargo y a favor del libre comercio con la isla.

La llegada del presidente electo Barack Obama a la Casa Blanca es vista por numerosos analistas como una oportunidad dorada para flexibilizar el embargo y levantar restricciones impuestas por el Departamento del Tesoro a los pagos cubanos por cargamentos, en febrero del 2005.

Pero las posibilidades de una extensión de las opciones comerciales entre ambos países pasa por un punto clave: el otorgamiento de créditos que impide el embargo desde 1962.

"Cuba continúa comprando alimentos y productos agrícolas basándose en sus necesidades y en los potenciales beneficios políticos de estas transacciones; y esperando explotar la elección del presidente Obama", apuntó Kavulich.

Desde que Cuba inició las compras de productos agrícolas a Estados Unidos en el 2001, el monto de las operaciones rebasa los \$2,532 millones.

Reuters Americas

London, United Kingdom

16 September 2008

U.S. says Cuba rejects \$5 million in hurricane aid

WASHINGTON, Sept 15 (Reuters) - Cuba has rejected an offer from the United States of \$5 million in relief aid for hurricane victims, the U.S. State Department said on Monday, appealing to Havana to reconsider its decision.

However, Washington has licensed about \$250 million in agricultural sales to Cuba since the island was struck by hurricanes in the last few weeks, including lumber for rebuilding, State Department spokesman Sean McCormack said.

On Saturday, Washington told Havana it was committed to giving up to \$5 million in aid for Cuban hurricane victims and could fly in emergency relief as soon as Cuba authorized the move, McCormack said.

On Sunday "the Cuban government informed us that they would not accept a donation from the United States," he said.

"We regret that Cuban authorities have not accepted this offer of humanitarian assistance for the Cuban people."

Henrietta Fore, the head of the U.S. government's aid agency USAID, urged Havana to reconsider its rejection of the funding, which included a planeload of plastic sheeting, blankets, among other supplies worth \$348,000.

"We call on the Cuban government to reconsider their decision on the United States' offer, which we made with no preconditions and whose only objective was to get relief to people in dire need," Fore told reporters.

However, she said Washington would funnel about \$1.5 million in humanitarian aid to "reputable" nongovernmental groups working in Cuba. U.S. officials declined to name the groups.

Cuba and the United States have been at odds since a 1959 revolution that put Fidel Castro in power, and the United States has had a trade embargo against Cuba for 46 years.

Sales of agricultural products to Cuba are allowed under a law enacted in 2000, but there are licensing requirements, and normally Cuba has to pay cash before goods leave U.S. ports. Food sales totaled \$437 million in 2007, according to the U.S.-Cuba Trade and Economic Council, a group that monitors bi-national trade.

Hurricane Ike wreaked havoc in Cuba this month, soon after Hurricane Gustav struck the island at the end of August.

Fore said there had been significant damage to Cuba's agricultural sector as well as \$3 billion to \$4 billion in estimated property damage.

The communications sector had also been seriously affected and seven people were known to have been killed by Hurricane Ike and tens of thousands were in shelters in Cuba.

Los Angeles Times

Los Angeles, California

14 July 2008

Cuba revives its private farms

In a series of reforms aimed at improving self-sufficiency and curbing costly food imports, Raul Castro has the idle lands around cities planted.

By Carol J. Williams, Los Angeles Times Staff Writer

July 14, 2008



A vegetable vendor scoops up peppers at the Sunday market across from the National Capitol building in central Havana. Hundreds of Cubans and tourists flock to the market each Sunday to shop for vegetables, fruits, seafood and meats or just to mingle amid the hustle and bustle.

ALTAHABANA, CUBA -- Speckled chickens in Geraldo Pinera's garden will be on his family's dinner table soon, stewed with herbs and tomatoes and garnished with creamy slices of the avocados now ripening on a pair of spindly trees.

Pinera, a member of a 25-family farming cooperative in this village outside Havana, tends a private half-acre plot tucked between the state-owned mango orchards where he works a day job. He raises guava, passion fruit, sweet potatoes and poultry to augment a \$20 monthly income and the government ration of starches.



Cuba trade

American exports to Cuba last year weighed heavily toward food products and were valued at more than \$400 million -- virtually all of it from just 10 items:

Product	Value (millions)
Corn	\$109.0
Chicken	76.2
Wheat	70.2
Soybean oil cake	50.1
Soybeans	40.5
Rice	24.0
Soybean oil	20.1
Wood products	19.1
Brewing/distilling waste	13.6
Pork products	6.0

Source: U.S.-Cuba Trade and Economic Council Inc.

LESLIE CARLSON *Los Angeles Times*

Like other Cuban families, the Pineras are eating more fruits and vegetables as a result of a national campaign to boost food output and curb costly imports. Their efforts represent a small but significant step toward the government's ultimate goal to vastly reduce its dependence on more efficient foreign producers, especially for favorite foods such as rice, meat and dairy.

President Raul Castro spurred the planting of idle lands around cities with a series of reforms in recent months aimed at improving self-sufficiency. The moves included making land available free to those willing to till it and easing a strangling national bureaucracy that once controlled a farmer's every step, from seed procurement to sales price.

Castro has unleashed an ambitious effort to lift output of high-ticket items, raising prices paid to meat and milk producers and freeing growers from obligations to sell their food to the state.

He has made seeds, tools and fertilizers available through a new network of country stores and challenged a population that is 80% urban to grow what it eats.

But a swift expansion in meat and dairy production remains a daunting task, as few farming co-ops have money to pay for cattle even when the prices for their products are increasingly enticing. Predictions of quick results appear to echo the excess ambition of the failed drive in 1970 to harvest 10 million tons of sugar and the unfulfilled plans of past decades to provide each family with its own milk cow.

The government expects to cut food imports by at least 5% next year, Deputy Agriculture Minister Juan Perez Lama told journalists in Havana in early June. He also predicted that rice imports could be halved within five years -- a herculean task considering that Cuba last year imported \$170 million worth from Vietnam, China and the United States.

Cuban state enterprises grew about 10% of the 700,000 tons of rice consumed last year. Private farmers produced about twice that. Although 70% has to be imported, scholars point to the rise in the small-farm output begun a decade ago.

"It's an impressive goal [to halve rice imports] but I do think Cuba is in a unique position to achieve it," said Catherine Murphy, a San Francisco Bay Area sociologist working on development projects in Latin America.

Murphy lived in Havana during the late 1990s, when the country suffered severe food shortages after the loss of Soviet aid. That experience of having to swiftly replace imports is serving Cubans well now that food prices are rising around the world, she said.

The state food trade agency, Alimport, reported that rice costs had tripled this year.

In announcing cuts in public investments because of high fuel and food prices, Vice President Carlos Lage predicted that imported food would cost the government at least 50% more this year than last, when it spent \$1.7 billion.

Cuba spent almost 30% more on food imports from the United States last year than in 2006, but that increase was due to rising costs, not quantity, said John Kavulich, senior policy advisor of the U.S.-Cuba Trade and Economic Council in New York.

The United States has imposed a trade embargo on Cuba for decades. Food and medicine sales have been allowed in recent years, but prohibitive shipping and payment regulations still prevent Cubans from taking full advantage of their nearest market.

Dairy output has been slumping since the early 1990s, "fundamentally due to very low investment by the dairy cooperatives, for either keeping their herds or pastures in good shape," said Frederick Royce, a University of Florida researcher who did graduate work in Cuban agriculture in the mid-1990s.

Until recently, he added, the set price the government paid farmers for milk was well below its cost of production.

In May, farmers who gathered in Havana for a meeting on organic and sustainable agriculture spoke of the need for ingenuity and doing more with less. Such skills were needed in the years after the Soviet trade bloc collapse, referred to as the Special Period in Peacetime, which generated nationwide deprivation.

The outlook for small-scale organic farming has patriotic agronomists like Victor Cruz, a retired army colonel working 50 acres in a rural enclave just south of Havana, predicting victory over the economic blockade imposed by the United States.

"We will succeed in growing our own food because we have the spirit of the revolution driving us," he said. "We were hungry during the Special Period, but we learned a lesson about dependence."

Raul Castro, then defense minister under older brother Fidel's leadership, spearheaded that recovery effort in the mid-1990s, deploying troops to the fields to plant, tend and harvest. Daily calorie intake dropped by a quarter during that time and the average Cuban lost more than 20 pounds before domestic production picked up.

Cuban agriculture had been backsliding again since 2004, when Fidel Castro halved sugar cane growing and milling amid a global slump in sugar prices. He also restored limits on the sale of privately grown produce in an effort to prevent what he considered farmers' exploitation of urban compatriots.

The government also failed to fulfill promises of better housing for many of the large farming cooperatives in remote rural areas, which have traditionally operated with much less efficiency than the urban and suburban patches that have ready access to buyers.

Along the gravel road leading to the mango co-op, women such as Catalina Alfonso display their produce in battered wheelbarrows for passing motorists and pedestrians.

"I make hardly anything because most of what we grow we need for ourselves," Alfonso said. "But at least we are eating better nowadays."

Alfonso's neighbor, Carmen Martino, like many Cubans, disputed whether more fruits and vegetables represented an improvement.

"We Cubans eat rice, beans and meat. We have since colonial times," Martino said with a defiant bob of her head that jangled her gold earrings, hoops encircling the word "love." "I know fruits and vegetables are healthier, but no one will get us to change our ways."

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Ventas de alimentos de Estados Unidos a Cuba escalan a cifra récord

WILFREDO CANCIO ISLA

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AP

Sólo en abril la empresa estatal Alimport compró \$82.2 millones en productos agrícolas a firmas estadounidenses, el mayor balance para un mes desde que se iniciaron las transacciones comerciales entre ambos países en el 2001.

- [Procurador de Chiapas acusa a la "mafia de Miami" de secuestro de cubanos](#)
- [Autoridades revelan irregularidades en secuestro de camión con cubanos](#)
- [Elián González recibe carné de Unión de Jóvenes Comunistas](#)

Las compras de alimentos de Cuba a Estados Unidos escalaron la cifra récord de \$254.7 millones durante los primeros meses del 2008 como parte de la batalla que libra el gobierno de Raúl Castro por sortear los elevados precios del mercado mundial y garantizar los abastecimientos fundamentales a la población.

Sólo en abril la empresa estatal Alimport compró \$82.2 millones en productos agrícolas a firmas estadounidenses, el mayor balance para un mes desde que se iniciaron las transacciones comerciales entre ambos países en el 2001.

Las estadísticas del Consejo Económico y Comercial EEUU-Cuba (USTEC) sobre el primer cuatrimestre del año apuntan a un incremento sin precedentes al término del 2008, pues de enero a abril las exportaciones estadounidenses a la isla representan más de la mitad de los \$437.5 millones negociados el pasado año.

Pero el alza vertiginosa de las compras parece responder a una estrategia gubernamental con miras al futuro inmediato. Cuba está adelantando inversiones y almacenando reservas --principalmente granos-- para prevenir gastos mayores en la segunda mitad del año, cuando los precios de los alimentos podrían triplicarse y hacerse incosteables para muchos países del Tercer Mundo.

El aumento en el volumen de compras a EEUU se disparó desde los meses de noviembre (\$44 millones) y diciembre (\$68 millones) del pasado año. El Ministerio de Comercio Exterior de Cuba reconoció un incremento de la actividad comercial del 37 por ciento con América Latina en lo que va del 2008.

Una fuente vinculada a Alimport confirmó la pasada semana a El Nuevo Herald que el gobierno cubano está creando una reserva alimentaria con los cargamentos adquiridos en los último semestre. Los productos se conservan en naves de almacenaje como las existentes en los municipios habaneros de Regla y Mariel.

Las autoridades del sector alimentario planean el montaje de 250 silos climatizados para almacenar cereales y granos en diferentes puntos del país.

"Es una estrategia inteligente y previsoría", comentó la fuente que pidió anonimato. "El gobierno sabe que los precios crecerán inevitablemente y hay que garantizar de todas formas los alimentos básicos a la gente".

Con el verano tocando a las puertas, la cruzada alimentaria de Raúl Castro se ha convertido en un reto fundamental de su mandato.

El plan de Raúl Castro comprende una drástica disminución de las importaciones mediante un amplio proceso inversionista en la industria alimentaria, la reanimación de la producción agrícola y el incremento de la productividad del trabajo a través del estímulo monetario. Todas las empresas estatales están implementando una resolución ministerial para eliminar el techo salarial y permitir que los trabajadores ganen tanto como puedan producir.

Los problemas a resolver reclaman una acción urgente. El gobierno lo sabe y no es casual que el tema de la "seguridad alimentaria" esté como punto principal de la agenda en las reuniones administrativas, parlamentarias y partidistas convocadas en todo el país, al mismo tiempo que organizaciones como la Unión de Jóvenes Comunistas (UJC) y los Comités de Defensa de la Revolución (CDR) se alistan para apoyar las cosechas y la producción de alimentos con movilizaciones masivas.

"Hacer frente a la situación de desabastecimiento alimentario del país no va a ser nada fácil", indicó el economista independiente Oscar Espinosa Chepe. "No creo que a corto plazo haya una solución para el problema y la gente está muy preocupada... La situación interna es muy delicada".

Por el momento, no habrá otra alternativa que seguir comprando productos agrícolas en el extranjero, principalmente en el mercado estadounidense.

Los expertos consideran que una porción significativa del dinero empleado por Cuba para agilizar sus compras de alimentos proviene de las millonarias entradas obtenidas por las ventas de artículos electrodomésticos y teléfonos celulares a la población, autorizadas a partir de este año. Algunos cálculos equiparan el efecto de las ventas de DVD, motocicletas y otros equipos en un incremento del 2 al 4 por ciento en los ingresos netos del país.

"La autorización para que ciudadanos nacionales puedan comprar libremente equipos electrónicos, acceder a teléfonos celulares y hospedarse en hoteles tiene un significado adicional en la obtención de divisas para poder cubrir el incremento de los costos asociados a la importación de alimentos y productos agrícolas", señaló John S. Kavulich, consejero principal del USTEC, con sede en Nueva York.

El país desembolsó \$1,600 millones en el 2007 para poder cubrir las necesidades de alimentos y materias primas y este año tendrá que invertir unos \$2,500 millones para al menos igualar los mismos volúmenes de abastecimientos, en momentos en que el déficit de la balanza comercial asciende a unos \$6,000 millones.

La cautela gubernamental está a la vista. A comienzos de este mes, el vicepresidente Carlos Lage anunció que el gobierno reducirá o aplazará inversiones debido al aumento de los precios internacionales de los alimentos y combustibles.

El país importa aún más del 85 por ciento de los productos que cubren la canasta familiar básica de los cubanos y el gobierno se ha trazado un plan para disminuir su dependencia externa hasta un 50 por ciento en los próximos cinco años.

La modernización de la industria alimentaria para sustituir importaciones y aumentar la producción de harinas, productos lácteos y conservas, forma parte de un proyecto en marcha desde el 2006 y apenas comienza a evidenciar discretos resultados. El Ministerio de la Agricultura calcula que los resultados en los programas de reordenamiento del agro no empezarán a verse hasta el 2009.

La ineficacia agrícola llegó a límites extremos en fechas recientes. El caso de la famosa fábrica La Conchita de Pinar del Río resulta ilustrativo: En el 2006 Cuba tuvo que importar 300 toneladas de tomate de China, 395 toneladas de guayaba de Brasil y 50 toneladas de masa de coco de Sri Lanka para poder garantizar la producción industrial de La Conchita.

Pero los efectos de la crisis alimentaria están ya golpeando duramente los bolsillos del cubano de a pie, cuyo salario promedio apenas alcanza los 408 pesos (unos \$17 mensuales).

Las tiendas estatales anunciaron en mayo la subida de numerosos productos que venden en divisas, con incrementos de hasta el 18 por ciento de su precio anterior. Los abastecimientos se han debilitado considerablemente en cuanto a calidad y diversidad de productos.

En los mercados campesinos donde los ciudadanos pueden comprar productos agrícolas en pesos cubanos ha habido también incrementos de productos y desaparición de otros como el arroz, que se paga entre 5 y 6 pesos la libra.

Las versiones callejeras sobre un posible aumento del combustible se dispararon luego de que el vicepresidente Carlos Lage afirmó que los 158,000 barriles diarios de petróleo que consumió el país en el 2007 costaron \$8.7 millones y este año costarán un 32 por ciento más, es decir, \$11,6 millones cada día.

El litro de gasolina de máxima calidad cuesta actualmente 0.95 pesos convertibles (\$1.15).

"Aquí hay un gran impasse de todos los temas, incluyendo la política, y lo único que se escucha en la calle es la preocupación de la gente por los precios de la comida", relató Espinosa Chepe.

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Martinez: Keep Embargo

Florida Senator Still Agrees with Bush's Strict Sanctions

By KIRSTEN B. MITCHELL
WASHINGTON BUREAU

WASHINGTON | Florida Sen. Mel Martinez, 46 years removed from Sagua la Grande, a port city on Cuba's northern coast, remains an adamant supporter of the Bush administration's hard-nosed policy toward his homeland.

Until Cuba begins to erase repression of the country's 11 million people, U.S. travel and export sanctions should remain, Martinez and many Cuban exiles firmly believe.

"The debate about Cuba should not be about the embargo," Martinez said in a recent interview. "It's not a policy in and of itself. A change in the government is the ultimate goal."

While support for the embargo remains strong among the nearly 1 million Cuban Americans in Florida, home to the largest Cuban community in the U.S., it is not monolithic, polls show. That could mean the senator's future relevance on the issue depends on how well he listens and responds to various constituencies, say some Cuba observers.

More than half of Cuban Americans - 57.5 percent - polled in March 2007 in Miami-Dade County expressed strong support for continuing the U.S. trade embargo with Cuba, in place since 1962. Fewer than 24 percent of those polled think it has worked well.

CONVERSATION WANTED

At the same time, about 65 percent of the 1,000 randomly selected Cuban-Americans polled said they would support a U.S. dialogue with the Cuban government. The survey, the eighth since 1991 conducted by the Institute for Public Opinion Research and the Cuban Research Institute of Florida International University, has a margin of error of plus or minus 3.2 percentage points.

Also in Martinez's constituent mix are companies eyeing future business in Cuba, interest that ebbs and flows with news from the island nation, said John Kavulich, senior policy adviser to the U.S.-Cuba Trade and Economic Council. The group provides U.S. businesses with information about Cuba and takes no position on U.S.-Cuba relations.

"There certainly is a level of interest (in Cuba) by businesses in Florida that far exceeds the level of interest by companies in other states," said Kavulich. He noted that some of the interest is based on "romanticism about a marketplace that no longer exists" - a 1950s capitalistic Cuba.

MARTINEZ AFFECTED

The divergent views may make it more difficult for Martinez, a Republican, to maintain a hard-line stance on Cuba, said Robert Muse, a Washington lawyer with expertise in U.S. laws relating to Cuba. "To

remain relevant in these debates, Mel Martinez would have to factor in many different constituencies," Muse said. "His future relevance will be dependent on the degree to which he recognizes these various constituencies and the degree to which he tries to accommodate them."

Martinez, elected in 2004 after three years as Secretary of Housing and Urban Development, said that so far in his Senate term, he has not had to balance competing interests on Cuba.

"I hear very little from people who are chomping at the bit to do business in Cuba," said Martinez, who was mayor of Orange County and one of eight Florida chairmen of George W. Bush's 2000 campaign before joining the Bush administration as secretary of Housing and Urban Development.

Melquiades Rafael Martinez came to the U.S. in 1962 at the age of 15 as part of Operation Peter Pan, a Catholic Church initiative that brought 14,000 Cuban children to the U.S. Martinez's parents joined him four years later.

More than four decades later, Martinez thinks the Bush administration's 2004 tightening of rules governing travel and exports to Cuba has worked well. Those rules include restricting family visits to Cuba to once every three years; aunts, uncles, cousins, nieces and nephews are excluded. Remittances to Cuba are also limited to \$300 a quarter.

FEW TRADE EXCEPTIONS

With the exception of some food and agricultural exports to Cuba allowed under a 2000 trade sanctions law, U.S. companies are barred from trade with Cuba.

Martinez succeeded in convincing Congress in September to fully fund the Bush administration's request for \$45.7 million for Cuba democracy programs and \$33.7 million for Miami-based Radio and TV Marti to transmit Spanish broadcasts to Cuba.

In this Congress, Martinez has introduced two bills dealing with Cuba. One would bar executives of foreign oil companies that have invested more than \$1 million in Cuba from entering the U.S. Cuba has signed agreements with seven foreign oil companies for exploration of offshore oil and gas. The plans have been put off until 2009, Reuters reported Thursday, citing a report in Cuba's state-run media.

DISSIDENT RECOGNIZED

In March, Martinez, along with Florida Sen. Bill Nelson, a Democrat, introduced legislation to award a Congressional Gold Medal to Dr. Oscar Elias Biscet, a Cuban dissident who is serving a 25-year prison sentence for advocating democracy and human rights. President Bush recognized Biscet with the Presidential Medal of Freedom in November.

Martinez has not done more on Cuba because of divergent views of U.S.-Cuba policy and because he defeated Democrat Betty Castor by a narrow margin in 2004, said Marifeli Perez-Stable, vice president of democratic governance for the Inter-American Dialogue, a bipartisan group promoting talks between U.S. and Latin America. "He doesn't have the political elbow room to do anything" other than what he's done, she said.

MARTINEZ: CHANGE ISN'T ENOUGH

Martinez, who called Cuban President's Raul Castro's recent reforms "cosmetic," said that repression "is as strong as it's ever been." Castro became president in February, ending brother Fidel Castro's 49-year reign.

Among the more important reforms Raul Castro has made are loosening government control of food production, raising the prices it pays farmers for some commodities and allowing long-time tenants of government housing to obtain property titles and pass them along to heirs, said Martinez.

Other changes that received worldwide attention include allowing Cubans to buy cell phones, DVD players and other electronic goods - out of reach for many in Cuba where the monthly average salary is

\$19.

"My first sense is that they are changes that are being made out of necessity as a result of huge discontent. The Cuban government is being forced to do some things to placate (Cubans)," Martinez said.

Asked if he would consider using a hold, a tool available to all U.S. senators to block legislation they oppose, on any Cuban legislation Martinez said: "I think as a senator I have a range of tools that (I) can use." Martinez, in a Senate floor speech in October, reflected on whether he will ever return to his homeland.

"I will go back the day I can stand in the part of my little town where I grew up in Sagua la Grande, Cuba, and stand there and freely express my thoughts or the day I can pick up a book and read it freely,"

Martinez said. "Those are the times and those are the conditions under which the Cuban people will really begin to taste freedom."



STEPHEN CROWLEY | NEW YORK TIMES PHOTOS SEN. MEL MARTINEZ, discussing the U.S. embargo on Cuba, says the real issue is not that, but a change in the government. Like many of the 1 million or so Cuban Americans in Florida, Martinez supports the sanctions.

Cox News Service

Washington, D.C.

23 March 2008

Cuba's Urban Farms Thrive as Country Struggles to Feed Itself

By [MIKE WILLIAMS](#)

HAVANA, Cuba — America Alarcon might teach a trick or two to organic farmers in the United States who want better market share even as they reduce their "carbon footprint" by cutting back on fuel used to grow and ship their crops.

"Our customers buy their produce directly from our stall, which as you can see is right next to the crops," she says, standing in the midst of her impressive garden. "We are 100 percent organic, using no chemicals or artificial fertilizers. The food tastes so much better. Sometimes we even pick it on demand for the customers."

Alarcon's two-acre operation tucked beside a busy thoroughfare in western Havana is part of Cuba's system of small urban gardens and mini-farms that were developed years ahead of the current "localvore" movement gaining popularity in other parts of the world.

Concerned by global warming, U.S. and European consumers are switching to locally grown food, some even counting the miles the products must be shipped before purchase, hoping to reduce greenhouse gases and support nearby farmers.

In Cuba, urban farms occupy some 86,000 acres, producing about 3.4 million tons of produce annually in recent years — about 90 percent of the fresh vegetables for the city of Havana alone.

The origins of the system date back to the early 1990s, when Cuba was rocked by the loss of billions of dollars in annual subsidies after the collapse of its longtime communist patron, the Soviet Union. In the crisis that followed — called "the Special Period" — food became scarce, along with nearly every other basic product, including fuel.

Still, despite the work of the urban farms, Cuba does not produce enough food to feed its people, and last year spent \$1.6 billion on food imports.

Mindful that Cuban tables are often still scarce of basic food products, Cuba's new president, Raul Castro, who took his ailing brother Fidel's place in late February, is pressing to raise farm production.

The United States is Cuba's top foreign supplier, selling about \$437 million in agricultural products to the island in 2007. Although the four-decade-old U.S. embargo blocks most American companies from doing business in Cuba, modifications of the law in 2000 allowed for the sale of U.S. food and medicine.

Florida farmers have taken a growing interest in the Cuban market, which is only a few hundred miles away from major ports in Palm Beach, Tampa and Miami. Over the past few years, Florida cattle ranchers have shipped about 1,000 head of cattle to Cuba.

But the long-simmering tensions between Castro's communist Cuba and Cuban exiles remain a factor in the politics surrounding the shipments. Cuban exile leaders believe the U.S. food shipments help prop up the repressive Cuban regime, although in recent years a growing number of lawmakers from farm states have been pressing for a wider opening for U.S. products in Cuba.

In the post-Soviet period, the Cuban government turned to the small urban farms to produce more food and get it to market faster and cheaper. "Before the Special Period, most of the vegetables consumed in Havana came from 50 miles or more away," said Fernando Morrell Macaya, head of Havana's Association of Farmworkers and Foresters. "We lost a high percentage of the produce during transportation. Now everything is produced near the consumers. We are direct to the table." The crop yields from large state-controlled farms and co-ops are often lackluster.

In a 2006 article, the Communist Party newspaper Granma criticized the farm industry as "marked by subjective management deficiencies (and) a decline in labor productivity and also in the average hours worked."

In the past year, Raul Castro has raised pay for farm workers, sped up payments to farmers, raised the price for milk and exhorted growers to put more land into cultivation.

Urban farms have become even more important, since their produce is available without the high transportation costs for crops raised in the countryside.

The urban farms are a patchwork of state-run and privately-held operations. The private farmers are granted "usage permits" from the Cuban government allowing them to farm the land, typically up to five acres.

At a state-run five-acre farm in the suburb of Playa in western Havana, about 30 workers toiled recently over carefully-tended rows of carrots, lettuce, tomatoes and other vegetables.

"We have 24 different crops, and we are strictly organic, with no chemicals," said Pablo Frias, the farm's manager. "Our workers make about twice as much as doctors are paid in Cuba."

On another, individually run spread nearby, Pedro Gonzalez, 55, has increased production about 50 percent over the past two years by using improved seeds, increased rotation and by planting every last inch of his farm.

"If I grow more, I make more," he said. "That helps the state because more is produced. And I am not keeping all the profits. I sell food at low cost to three schools and two day-care centers, supplying all the vegetables for 850 students each day."

Asked whether he fears a greater influx of U.S. farm products should tensions between the countries ease, Gonzalez was confident he could compete.

"They would have to pay their packing and shipping costs, so I know I could beat their price," he said.

Cuba's system of small urban gardens and mini-farms produces tons of produce annually, but Cuba still does not produce enough food to feed its 11 million residents and last year spent \$1.6 billion on food imports. Here are the top U.S. food exports to Cuba for 2006, the most recent year for which figures were available:

Wheat: \$51.4 million

Chicken: \$44 million

Corn: \$42.6 million

Rice: \$39.5 million

Soybeans: \$31.7 million

Soybean oil cake: \$26.7 million

Soybean oil: \$20.9 million

Peas, beans and lentils: \$19.9 million

Pork: \$12.6 million

Powdered milk: \$12.6 million

Source: The U.S.-Cuba Trade and Economic Council, a non-profit group.

Houston Chronicle

Houston, Texas

1 March 2008

U.S.-Cuba trade has big potential

Some calling to end 46-year-old sanctions now that Fidel Castro has resigned

By JOHN OTIS

South America Bureau

TALLYING IT UP
<ul style="list-style-type: none">• Total, 2007: \$437 million• Total, 2006: \$340 million• U.S. exports to Cuba: Corn, chicken, wheat, soy products and rice• U.S. visitors to Cuba: Less than 200,000 annually• Number of visitors, if embargo is lifted: Between 550,000 and 1 million
Sources: U.S.-Cuba Trade and Economic Council; U.S. International Trade Commission

With the resignation of Fidel Castro and a new president moving into the White House next year, will one of the last Cold War relics of U.S. foreign policy finally be mothballed?

Even a recent U.S. government study acknowledged that lifting the 46-year-old economic sanctions on Cuba — the longest trade embargo in modern history — could mean a bonanza for American farmers and a surge in American tourism to the island.

President Bush, however, speaking last month on the day Castro stepped down, declared that there would be no easing of sanctions until Havana moves toward democracy, a shift that seems unlikely now that Cuba's Council of State has installed Fidel's brother, 76-year-old Raul Castro, as president.

Meanwhile, the leading U.S. presidential candidates are trying to win the votes of Cuban-Americans, many of whom support the sanctions.

As a result, "Castro's resignation will have absolutely no impact upon commercial relations between the U.S. and Cuba," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council, a group that promotes closer commercial ties between the two countries.

At the presidential debate in Austin last month, Sen. Barack Obama said he would be willing to meet with Raul Castro "without preconditions." But beyond that, Obama, his Democratic rival Sen. Hillary Rodham Clinton, and Republican frontrunner Sen. John McCain all stuck to hard-line positions similar to those of the Bush administration.

Still, some analysts believe an Obama or Clinton White House would take a long, hard look at the strategy to isolate Cuba, a policy that failed to bring down Castro and that has become a kind of poster child for the futility of unilateral sanctions.

"With Fidel gone, it removes this giant Cold War obstacle we've been unable to get over for the last 50 years," said Jake Colvin of USA-Engage, a Washington-based group that opposes U.S. trade sanctions on Cuba and other nations. "It opens the door for a better conversation."

For now, American producers will have to settle for exporting agricultural products to Cuba, sales that were legalized in 2000 after intense lobbying by agribusiness companies. Last year, U.S. sales topped \$437 million, up from \$340 million in 2006, making the United States the largest supplier of agricultural products to Cuba, according to the trade council.

The main U.S. exports are corn, chicken, wheat, soy products and rice, with most purchases involving less than a dozen U.S. companies, such as Tyson Foods, Cargill and Archer Daniels Midland Co.

Difficult to do business

Cuba could buy more, but doing business with U.S. companies remains cumbersome for both sides. American companies, for example, must apply for special export licenses from the Treasury Department. Business trips to Havana usually require at least four days because of the lack of nonstop flights from U.S. cities.

Under U.S. law, Cuba must pay in cash or through letters of credit drawn on third-country banks, creating delays and fees for currency transactions. Transportation costs are also high because of limited shipping routes, and Cuban officials charged with inspecting U.S. agricultural production facilities are sometimes denied visas.

These factors can add more than 10 percent to the price of U.S. goods, said Cynthia Thomas, president of the Dallas-based Texas-Cuba Trade Alliance. In one recent bureaucratic snafu, she said, a Cuba-bound ship filled with grain was stranded off the Port of New Orleans for a week waiting for financial paperwork to arrive from France.

"Cuba has become an important trading partner, despite all the restrictions," said Dwight Roberts, president of Houston-based U.S. Rice Producers Association. "But what could be done if we totally ease the embargo is staggering."

Big increases possible

A 2007 report by the U.S. International Trade Commission, an independent federal agency, estimated that the U.S. share of Cuba's agricultural imports could rise from one-third to between one-half and two-thirds if sanctions were lifted. The largest gains would be for fresh fruits and vegetables, including potatoes, milk powder, processed foods, poultry, beef and pork. "There's probably a \$1 billion market for U.S. farm products, and over time it could hit \$1.4 billion," said Parr Rosson, a professor of agricultural economics at Texas A&M University who studies Cuba.

The Trade Commission report added that if travel restrictions to Cuba were lifted, the number of annual U.S. visitors could jump from less than 200,000 to between 550,000 and 1 million. The influx of Americans could raise demand in Cuba for more and better-quality food for tourists and provide more money for the government to buy U.S. products, the report said.

Oil equipment, services

Another potential market would be for oil equipment and services, should ongoing exploration lead to major strikes in Cuban waters, Thomas said.

But Kavulich, of the trade council, cautions that if Washington lifted the embargo, American businesses and travelers would have to move gradually.

Cuba lacks restaurants and hotel rooms to accommodate hordes of American tourists. U.S. businesses may balk at major investments because the Cuban government only allows joint ventures with foreign companies. Major economic reforms in Cuba, he added, are unlikely because they could generate pressure for political reforms.

Even so, Havana is striking new deals every month with businesses from Canada, Mexico, South America, Europe and Asia. "The embargo has made the United States almost completely irrelevant to this process," said Geoff Thale of the Washington Office on Latin America. "We're standing on the sidelines."

Capital Press

Salem, Oregon

29 February 2008

Reform Cuba trade policies

Now that a new Castro has taken the helm in Cuba, there is speculation that relations with that communist-run island will thaw, freeing up the flow of farm exports. That does not appear likely.

Last Sunday Raul Castro was selected by Cuba's parliament to succeed his ailing 81-year-old dictator brother as head of the Council of State. His first action as president was to propose that Fidel retain an influential role in guiding the country, virtually assuring that strained U.S.-Cuba relations will remain the status quo.

The U.S. embargo, first ensconced by President Eisenhower in 1960 and then expanded by President Kennedy in 1962, has done little to accomplish its original goal to financially cripple Cuba and topple the communist-run government.

Today many Cubans live in abject poverty, but Fidel Castro has survived nine U.S. presidents and still commands power. He would still be running Cuba if it were not for his failing health.

Currently, as a result of a 2000 law passed by Congress, cash sales of food and agriculture products to Cuba are permitted. Initially, Cuba balked at food imports, but the ravages of hurricanes and other maladies have led to a steady rise in sales from U.S. farms since 2001. Last year, U.S. farm exports reached a record \$437 million, mostly bulk grains, chicken and meat products.

Most of Cuba's food needs that are not supplied by a handful of U.S. agricultural exporters are met by Venezuela, China, Canada and Brazil.

John Kavulich, a senior policy adviser to the New York-based U.S.-Cuba Trade and Economic Council, does not expect that to change.

"It's not always what we want to do in these countries, it's what the countries want us to do," he told Capital Press. "The Cubans are buying what they can afford to buy and they're buying what they want to buy."

No one is under the illusion that Cuba is a lucrative market for U.S. agriculture. Presently, Cuba ranks as the 37th largest export market for U.S. food and agricultural goods, but there is potential to compete with other countries for the Cuban market.

There seems to be at least some interest in changing the U.S. stance with regard to Cuba. A group of more than 100 House members has dispatched a letter to Secretary of State Condoleezza Rice to urge a complete review of U.S. policies toward Cuba.

Pressure is also coming from the United Nations General Assembly, which easily passed a resolution last October, calling for the U.S. to end its trade embargo.

The State Department has ruled out any changes in the U.S. embargo. The White House is not interested in working any differently with Raul Castro.

With presidential politics thrown into the mix, it is unlikely anything of substance will change until the next U.S. president is elected. Even with that, John Kavulich sees little opportunity for real change as none of the leading U.S. presidential candidates favors significant change in U.S.-Cuba relations.

That's too bad. Keeping agricultural trade bottled up in cash-only sales while business goes to other countries makes no sense. Much could be gained by allowing direct American investment in Cuba and a freer flow of trade. History has shown that while the U.S. continues its failed isolationist policy with Cuba, countries like Venezuela and China have strengthened their ties.

A half-century ago, there appeared to be justification to cut ties with Castro's Cuba. But now, stifling trade is not a wise policy and every effort should be made to change it as soon as politically possible.

The Miami Herald

Miami, Florida

24 February 2008

Lawyers still pursuing Cuban property cases

It's not as extensive as in years past, but several South Florida firms continue to pursue Cubarelated legal work, hoping the investment one day will pay off.

BY NIALA BOODHOO



NURI VALLBONA/MIAMI HERALD FILE, 2006

Nicolas Gutierrez, an attorney who specializes in Cuban property rights, shows a map of Cuba marked with stick pins indicating where his family's properties are on the island.

George Harper remembers sponsoring the first Post-Castro Cuba conference for the Florida Bar Association in 1992. Like many, he expected democracy would come quickly to Cuba after the fall of the Soviet Union. "I still have the brochure," he said, laughing, last week.

Nearly sixteen years later and with the U.S. trade embargo against Cuba still in place, local lawyers like Harper still maintain a steady flow of clients whom they advise on issues related to doing business in Cuba. Some offer consulting on the 1996 Helms-Burton legislation, especially to European and Latin American companies.

Helms-Burton not only establishes strict conditions that must be met before the embargo can be lifted but also has a provision that allows U.S. citizens and companies to sue foreigners "trafficking" in confiscated Cuban properties for damages in U.S. federal courts.

That means some foreign companies are particularly wary of which Cuban properties they should view as investment targets and often want legal clarification.

Most in South Florida's legal community described Fidel Castro's announcement last week that he would not seek reelection as president of the Council of State as just another moment in series of moments for those who have waited so long for the country to fully open to American businesses. But even without that opening, there is business for law firms.

Each new development always generates interest, and more inquiries for law firms such as the Miami office of Akerman Senterfitt, said lawyer Augusto Maxwell. "Every time there's a headline, there are calls to try to get an understanding of what the embargo is about, how it might change and what we think about it," he said.

Still, the legal business regarding Cuba has waned from a decade ago, said John Kavulich, a senior policy advisor to the U.S.-Cuba Trade and Economic Council in New York.

"There were firms in the mid- and late '90s that did have Cuba practice groups, but as Cuba reversed course on many of its commercial and economic changes, the ability of lawyers to make a living based upon preparing companies, and doing legal work" dried up, he said.

The most lucrative legal work these days seems to be in filing paperwork to register U.S. trademarks in Cuba, which firms all across the country do, Kavulich said. Other lawyers work with the U.S. food and agricultural companies on the limited business that is allowed by U.S. law.

"It's not a growth industry as it was from 1995 to maybe 2002," he said.

Nevertheless, there are Miami lawyers who have managed to keep their Cuba practices growing.

Nicolás Gutiérrez, for example, says he has hundreds of clients who are ready -- but waiting for the day when they can begin the legal process of reclaiming their commercial property or businesses lost after the 1959 revolution.

During the 1960s, the Foreign Claims Settlement Commission certified the claims of nearly 6,000 American citizens and companies that lost property in Cuba after the revolution. But Cuban-Americans aren't covered under that process and will need to press their claims with a future Cuban government.

EMBARGO REGULATIONS

At Akerman Senterfitt in Miami, lawyers such as Maxwell and his colleague Pedro Freyre say they have a "significant number" of clients they assist by providing information on embargo regulations. That includes European companies that don't want to run afoul of Helms-Burton.

The lawyers also work on matters related to exceptions to the embargo such as U.S. exports of food, agricultural products and pharmaceuticals to the island for humanitarian reasons. Spending in Cuba by certain groups, including academics, clerics, journalists, some on cultural exchanges and Cuban-Americans visiting relatives, also is permitted as an embargo exemption.

The U.S. Treasury's Office of Foreign Assets Control, commonly called OFAC, enforces more than 20 economic and trade sanction programs for countries around the world but its main focus has been Cuba.

"I would say the bulk [of the firm's Cuba work] is OFAC-related," Maxwell said. "What we're beginning to grow now is two things: American businesses who are interested in understanding what the law is, and exile Cubans who are interested in understanding what rights they might have for properties in Cuba."

Antonio Zamora, who is of counsel at the Miami office of Squires Sanders & Dempsey, said most people who called last week wanted to speculate about what shifting the Cuban presidency would mean.

In the last couple of years, said Harper, companies have become accustomed to the "false starts" in an opening toward Cuba. He pointed to what he called the calm and blasé reaction to last week's news as proof that many recognize it is still business as usual in Cuba.

Harper, managing partner at Harper Meyer, focuses mostly on inter-American law. He estimates about a third of his client load now is directly related to Cuban work. But, "when you talk about all different clients we have, everything from fast-food operations to transportation [companies], they're all going to be interested in Cuba," he said.

One day, added Gutiérrez of the Miami firm Borgoynoni & Gutiérrez, the embargo will be lifted, and the Cuban-related work -- now just a sub-speciality in his corporate and government practice -- will explode.

EXILES PASS ON

In recent times he has watched a generation of exiles, including his father, pass away. Many of his clients are now coming in to sign affidavits, legal descriptions of property they say they owned in Cuba with instructions who they would like to leave it to when they die -- in case they do not survive until the embargo is lifted.

And Gutiérrez, like many other South Florida lawyers, continues to wait for the day when he will be able to represent clients in Cuban courts. "Somewhere between when my two young kids are in high school or I retire, it has to happen," he said.

The Wall Street Journal

New York, New York

23 February 2008

PAGE ONE

Hooking Left: Cuba Tees Up Golf's Revival

After Che Beat Fidel, A Course Was Lost; 'Sand Trap from Hell'

By JOSÉ DE CÓRDOBA

Page A1

Now that Fidel Castro has retired, perhaps he can find the time to work on his golf game.

In 1962, Mr. Castro lost a round of golf to Ernesto "Che" Guevara, who had been a caddy in his Argentine hometown before he became a guerrilla icon. Mr. Castro's defeat may have had disastrous consequences for the sport. He had one Havana golf course turned into a military school, another into an

art school. A journalist who wrote about the defeat of Cuba's Maximum Leader, who was a notoriously bad loser, was fired the next day.



Fidel Castro

Now, top officials on the island want to turn Mr. Castro's Communist paradise into a hotspot for this decidedly capitalist sport, to generate hard cash for its cash-strapped economy. Last year, Cuba's minister of tourism, Manuel Marrero, announced plans to build as many as 10 golf courses to lure upscale tourists.

"The message from Cuba is: bring on golf projects," says Mark Entwistle, a former Canadian ambassador to the island.

Mr. Entwistle hopes to develop Cuba's first golf community on the island's eastern end, with hundreds of villas and apartments centered on a 36-hole course. Mr. Entwistle says he knows of at least 11 other projects, in various stages of development, involving Canadian, British and Spanish developers.

The man driving Cuba's golf effort is Raúl Castro, the long-serving defense minister who became acting president when his older brother Fidel took ill in July 2006. Raúl, who is more a fan of cockfighting than golf, is the odds-on favorite to be named president tomorrow. Alarmed at the decline in the number of tourists to Cuba, Raúl has urged senior officials to make golf happen. The government is setting up an interagency golf task force. Cuban officials involved in the program say they are not authorized to comment on it.

To make golf tourism work, Cuba, which does not recognize the right to buy and sell property, will have to permit leases of as long as 75 years for foreigners, to entice them to invest in the villas and condos on which modern golf development depends. Some believe those leases are the tip of the spear that will, over time, reinstate full property rights.

Some of the world's leading construction and architecture firms have become involved. Foster + Partners, a top London architectural firm, developed plans for a marina-and-golf resort on Cuba's north coast featuring three 18-hole golf courses and 1,500 apartments. A construction unit of French firm [Bouygues SA](#) has drawn up plans to build a marina-and-golf community, Marina Gaviota, on the point of Cuba's famed Varadero beach. There is already one 18-hole course in Varadero.

If history is any guide, bringing back golf won't be easy. "Cuba is the sand trap from hell," says John Kavulich, senior policy adviser at the U.S.-Cuba Trade and Economic Council, who has followed the travails of entrepreneurs trying to develop golf projects in Cuba.

Just ask Walter Berukoff, the mining tycoon behind Vancouver-based Leisure Canada. For more than a decade, Mr. Berukoff has been nurturing a project, approved by the Cuban government, to build some 600 condos and villas for foreigners around three golf courses and a marina on Cuba's north shore, close to Havana. But for a variety of reasons, including Cuba's search for oil right next to his property, the project has gone nowhere.

"We had to stop the project because no one will build a multimillion-dollar project if there are oil wells in front," says Guy Chartier, Leisure Canada's man in Havana. Mr. Chartier says the Cuban government told him it has given up its search for oil. "We plan to move the ball forward in 2008," he says.

One problem is the lack of golf culture in Cuba. Mr. Castro built a state-sponsored sports machine that produced world-famous boxers and baseball players, killer volleyball spikers and fleet-footed runners. But Mr. Castro was never keen on golfers, whose sport reeked of money and Yankee imperialism.

"These guys don't even think in Cuban," Mr. Castro said in a 1960 speech, mocking members of the Havana Biltmore Yacht & Country Club. He confiscated the manicured grounds and turned them into a workers' resort.

Golf had been played on the island since the 1920s. At the time of the 1959 revolution, Havana boasted two award-winning courses, at the Havana Country Club and the Biltmore, which hosted such greats as Sam Snead and the rookie Arnold Palmer. A third course, where Mr. Castro would lose to Che Guevara, had just opened. U.S. tycoon Irénée du Pont had a private nine-hole course in Xanadu, his fabled Varadero beach estate.

The famous game between Messrs. Castro and Guevara took place shortly after the Cuban Missile Crisis, according to José Lorenzo Fuentes, Mr. Castro's former personal scribe, who covered the game. Mr. Lorenzo Fuentes says the match was supposed to send a friendly signal to President Kennedy. "Castro told me that the headline of the story the next day would be 'President Castro challenges President Kennedy to a friendly game of golf,'" he says.

But the game became a competitive affair between two men who did not like to lose, says Mr. Lorenzo Fuentes, who recalls that Mr. Guevara "played with a lot of passion." Mr. Lorenzo Fuentes says he felt he couldn't lie about the game's outcome, so he wrote a newspaper story saying Fidel had lost. Mr. Lorenzo Fuentes says he lost his job the next day, eventually fell afoul of the regime and now lives in Miami.

Nowadays, there is only one nine-hole course left in the capital, the Havana Golf Club. Until he left Cuba in 2005, the former golf pro there, Jorge Duque, now 44 years old, had the distinction of being Havana's only certified pro. Mr. Duque, who now teaches golf in Malaga, Spain, believes the sport needs an open society to thrive, and is pessimistic about its future in Cuba.



Associated Press

Fidel Castro canned a short putt at the Villareal Golf Club in Havana, Cuba.

himself."

The club's former pro, Mr. Duque, has been replaced by an easy going local who grew up across the street and played the course as a kid. The new pro dispenses golf tips that are decidedly Cuban. "Learning the balance of golf is like learning to dance," he says. "The rhythm of salsa is 1-2-3. A golf swing is 1-2-3."

"Golf opens up society because people learn a lot from foreigners," says Mr. Duque. "We need an economic opening -- and an opening in thinking -- before golf can develop in Cuba and the people realize the benefits that golf can bring."

The Havana Golf Club, a turquoise-and-white relic of 1940s and 1950s resort architecture, has a pool, a bar and a small bowling alley. On Thursday, in a small room serving as the caddy shack, employees swapped stories about golf in Cuba. Mr. Castro came to the course in the 1960s to meet a visiting dignitary, they recalled, and the two men putted and chatted on the fourth green.

The club's fee of 20 Cuban convertible pesos, or about \$18, per nine holes is too high for locals, so the course is used mostly by tourists and diplomats. Fugitive financier Robert Vesco has been spotted on the course. Diego Maradona, the former Argentine soccer star and a Fidel admirer, plays there. "Some people don't let you teach them much, and he is one of those guys," one of the caddies says about Mr. Maradona. "He got a few pointers, and then did the rest

The Wall Street Journal

New York, New York

20 February 2008

Businesses Hold Few Hopes of More Trade Soon

By COREY DADE and VALERIE BAUERLEIN

Even if Fidel Castro no longer rules Cuba, connoisseurs of the island's cigars shouldn't expect to buy them legally in the U.S. anytime soon.

Mr. Castro's decision not to seek re-election generated speculation that the end of his 49-year presidency might begin the communist nation's shift toward democracy and eventually the lifting of the U.S. trade embargo imposed in 1960. But Mr. Castro is certain to remain the most influential member of the Politburo's Council of State, and the Bush administration is equally resolved to uphold the embargo.

Word of the official transition of power from Mr. Castro to his brother Raúl did little to excite U.S. companies that have remained cool on Cuba since the nation abruptly pulled back from a brief trade liberalization in the early 2000s.

"All we're seeing is a successful transition from one comandante to another," said José Azel, of the Institute for Cuban and Cuban-American Studies at the University of Miami. "If we look at the transition in communist Europe, it's a painful, slow process. The institutions are not there in Cuba to protect investments -- a working legal system that will respect property rights, an understanding of how a free-market economy works, and skills like accounting and banking."

Raúl Castro, 76 years old, is viewed as more practical on economic matters than his brother. Another front-runner to eventually rule the country, Vice President Carlos Lage, pushed through important fiscal reforms in the 1990s. Mr. Lage, 56, negotiated the supply of heavily subsidized oil from Venezuela that delivers an estimated economic impact of about \$3 billion a year. Still, most economists, business leaders and financial analysts say they are convinced that any new president won't welcome significantly more investments from U.S. companies in the near future.

Until trade relations between Cuba and the U.S. change, Robbert van Batenburg of Louis Capital Markets, an agency brokerage whose clients include hedge funds, recommends investing in companies already operating in Cuba. [Imperial Tobacco Group PLC](#), for instance, owns a 50% interest in the Cuban state-owned cigar company Habanos SA through its acquisition last year of Spanish-French tobacco company Altadis SA. Cuban cigars would be a hot item in the U.S. if the embargo was lifted.

One of Mr. van Batenburg's favorite investments is [Sol Melia SA](#), a Spanish hotel chain with two dozen properties in Cuba. He said he expects the company's annual revenue from Cuba might double quickly if travel restrictions were lifted, based on the volume of U.S. tourist traffic to nearby Puerto Rico and the Bahamas.

"It's going to be an avalanche of tourists who are going to visit the island, to see the buildings, the old cars driving around," Mr. van Batenburg said. "This is nostalgia at its best."

Robin Farley, a leisure analyst at UBS Investment Services, said building the infrastructure to support American travelers might take years. In the short term, that would mean a boon for cruise lines. "Their assets are mobile," Ms. Farley said.

Large U.S.-based hotel operators such as Global Hyatt Corp., [Hilton Hotels Corp.](#) and [Marriott International](#) don't own or operate hotels in Cuba, but yesterday there was fresh speculation about whether the companies would pursue development in the region.

"We believe Cuba has great potential as a tourist destination, and we will monitor the situation there and look for opportunities as they arise and become viable," said K.C. Kavanagh, a representative of [Starwood Hotels & Resorts Worldwide Inc.](#), which owns brands such as Sheraton and W Hotels.

The U.S.-Cuba Trade and Economic Council, based in New York, says food and agriculture producers that capitalized on the U.S.'s lifting of the ban on food sales to Cuba in 2000 are best positioned to benefit from relaxed trade. The U.S. is Cuba's top source for such products. Last year, U.S. companies sold about \$438 million of food and agricultural products to Cuba, up from about \$139 million in 2002, according to the council.

Commodities exported to Cuba include poultry, rice, wheat and soybeans. Cargill Inc. and [Archer-Daniels-Midland](#) Co. started shipping shortly after the ban was lifted and now consider Cuba an important market in the region. Cuba is the sixth-largest poultry and egg export market for the U.S., according to the U.S. Agriculture Department.

John S. Kavulich, a senior policy adviser at the trade council, said companies are waiting for Cuba to demonstrate a commitment to opening its borders, such as codifying property-rights laws, reopening free-trade zones closed in the mid-2000s and making efforts to service its foreign debt, which he estimates at about \$13 billion.

An alternative for betting on Cuba would be to invest in companies such as OfficeMax Inc., which holds what has been the largest single U.S. claim against the Cuban government for confiscated property via its ownership of a majority stake in Cuban Electric Co., the main pre-Castro electricity system. OfficeMax shares rose \$1.13, or 5.1% to \$23.27 as of 4 p.m. in New York Stock Exchange composite trading.

USA TODAY

Arlington, Virginia

20 February 2008

Cuba trade gets 'new opportunity'

By Sue Kirchhoff and Chris Woodyard, USA TODAY

Cuban dictator Fidel Castro's exit won't immediately open the door to new U.S. sales and investment but could propel longer-term changes benefiting U.S. industry.

U.S. officials were quick to react to Castro's Tuesday resignation, saying there was little chance they would lift a nearly five-decade embargo of the nation of 11 million. And John Kavulich of the U.S.-Cuba Trade and Economic Council termed any market opening a long way off.

Some lawmakers said it was time for a fresh look, including Senate Finance Committee Chair Max Baucus, D-Mont.

American farmers now export hundreds of millions of dollars in commodities to Cuba each year, thanks to a 2000 law. But they still face travel restrictions and a complex payment system.

"Fidel Castro's welcome resignation provides a new opportunity to revisit our failed Cuba policies," said Baucus, citing a federal study that said ending export restrictions could increase farm sales to Cuba by about \$300 million a year. Other potential trade avenues:

- Cruise ships. Cruise lines could be among the first industries back. "If and when trade sanctions would end, it would be an excellent addition to cruise itineraries," says Christine Fischer, spokeswoman for the Cruise Lines International Association.

- Resorts. The hotel industry has long eyed Cuba. Among those likely to take a look is Starwood ([HOT](#)), which operates the W, Westin, Sheraton and St. Regis chains. "Cuba has great potential as a tourist destination, and we will ... look for opportunities," Vice President K.C. Kavanagh says.

•Automotive. "It's irresistible," says Dave Cole of the Center for Automotive Research. Automakers have long eyed the 1950s jalopies that still tool around Havana, running on homemade parts. Tapping the market won't be easy, Cole says. Cuba would probably start by importing cars aimed at developing countries, likely from big production centers in Mexico and Brazil. Automakers would have to bet on Cuba's potential.

•Development. "I've already been discussing it with developers," says Sam Ellison, CEO of construction firm Beck International in Tampa. He plans to have projects "teed up and ready" and expects broad industry interest.

Infrastructure, such as an improved power grid and sewers, would have to come first, Ellison says. Louis Capital Markets noted in an analysis that Cuba is the world's sixth-biggest nickel miner.

Open trade could also mean imports of fabled Cuban cigars, which could capture 50% of the U.S. premium market.

"There's so much romance and mystery behind Cuban cigars," says Chris McCalla of the International Premium Cigar and Pipe Retailers.

Los Angeles Times

Los Angeles, California

20 February 2008

FIDEL CASTRO STEPS DOWN

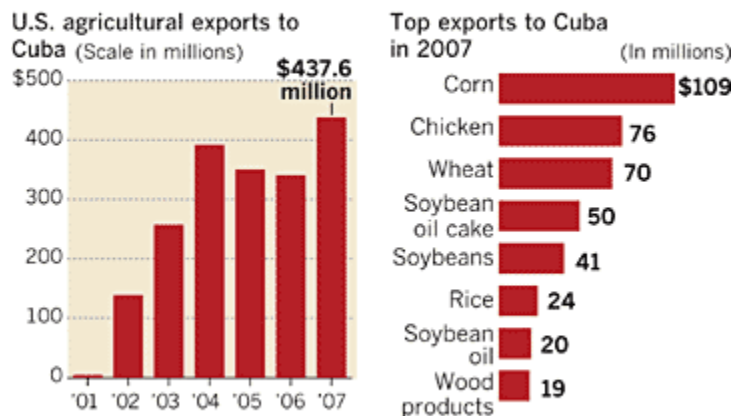
U.S. businesses are eager to jump in

For many, the question is when, not if, trade barriers against Cuba will be lifted, a veteran observer says.

By Marla Dickerson, Los Angeles Times Staff Writer

MEXICO CITY -- With Fidel Castro stepping aside, California vegetable growers, Alabama chicken producers and Kansas wheat farmers -- not to mention scores of other nonagricultural businesses -- see new opportunity to push for an expansion of U.S.-Cuba trade.

What embargo?

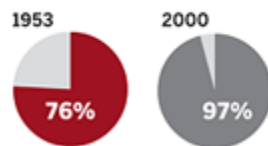


Source: U.S.-Cuba Trade and Economic Council

America has quietly become the largest foreign supplier of food products to the communist nation, thanks to a loosening of the long-standing U.S. trade embargo against the island nation in 2000. U.S. farmers sold an estimated \$437 million worth of agricultural products to Cuba last year, according to the U.S.-Cuba Trade and Economic Council. The Cuban government puts the figure even higher, at more than \$600 million.



Literacy rate



National Assembly

- 609 members elected for five years
- selects its own officers
- only body with legislative authority

Council of State

- 31 members elected by the Assembly
- president of the council is also head of state
- supervises all state and government appointments, including judges of the Supreme Court
- ratifies votes of the Assembly

Though the U.S. has limited its trade to mostly agricultural items, economic rivals such as China have been much more aggressive -- cutting deals with Cuba to develop its oil reserves and other natural resources. With a population of more than 11 million just 90 miles off the U.S. coast, Cuba is a largely untapped market for American goods and services.

"We're leaving billions of dollars on the table," said Kirby Jones, president of Alamar Associates, a Maryland-based consulting firm that advises companies interested in doing business in Cuba. "By any measure, [U.S. policy] has been a failure."

U.S. officials said Tuesday that there were no immediate plans for further easing of the 46-year-old trade embargo. Experts said American policymakers would proceed cautiously given that Castro is still alive, and given that Florida, with its powerful anti-Castro lobby of Cuban Americans, may play a decisive role in the U.S. presidential election.

Still, some veteran observers said that Castro's departure marks another small but inevitable step toward closer trade ties with Cuba, particularly at a time when globalization is forcing the U.S. to fight for market share in every corner of the globe.

"Most [American] businesspeople are thinking in terms of 'when' instead of 'if' " the embargo is lifted, said Mario Sacasa, senior vice president for international programs with the Beacon Council, a Miami-based economic development organization. "Their question is always: 'Why does the U.S. trade with other non-democratic governments but not with Cuba?' "

For nearly half a century, the trade embargo has been an unassailable feature of U.S. foreign policy, strongly supported by South Florida's conservative Cuban American community. Thousands of people lost their homes, businesses and other private property to Castro's communist regime, a bitter memory that has shaped U.S. policy ever since.

But another powerful U.S. lobby -- farmers -- has managed to crack that blockade ever so slightly.

Under pressure from agriculture groups, Congress in late 2000 approved sales of commodities and food

products to the island, as long as Cuba paid upfront in cash and the transactions weren't handled by U.S. banks.

Despite those tricky terms, trade took off almost immediately. By 2003, the United States had surpassed the European Union as Cuba's largest foreign supplier of agricultural products, according to the U.S. International Trade Commission.

Major exports include corn, chicken, wheat, soybeans and rice. A parade of U.S. representative and trade delegations have traveled to Cuba in recent years to try to strike trade deals.

But California, America's largest farm state, sells virtually nothing to Cuba. Exports in 2006 totaled a paltry \$735,000, mostly in tomatoes, almonds and table grapes, according to the latest figures available from the state.

Last month California sent a large agricultural delegation to Cuba in the hopes of cultivating stronger trade ties with the Caribbean nation. Golden State growers are looking for opportunities wherever they present themselves, said Ken Gilliland, director of international trade for the Western Growers Assn.

He said critics' contention that California farmers would be propping up a communist regime by selling fruit and vegetables to Cuba just doesn't ring true with the state's producers. "We're not talking about some sensitive technology or computers or arms or anything like that. We're talking about food," Gilliland said. "Practically the whole world is already trading with Cuba." U.S. policy "just kind of puts us growers and producers at a disadvantage."

Countries such as China and Canada are exploring for petroleum in Cuban waters and helping the country develop its nickel reserves. Spanish companies have invested heavily in Cuba's tourism sector, and Brazil is looking to build roads and other infrastructure. India wants to cooperate with Cuba in science and high technology.

Some U.S. firms complain that the Cuban government has pressed them to lobby their legislators for an end to the American trade embargo in exchange for contracts -- a price some have found too steep, according to John Kavulich, a senior policy advisor with the U.S.-Cuba Trade and Economic Council.

"The problem is when the Cubans start putting conditions" on the contracts, said Kavulich, who declined to name companies that have been pressured in such a way.

Kavulich said that so far, U.S. businesspeople have shown little excitement about the changing of the guard in Cuba. "They know that nothing has changed," he said.

Still, consultant Jones said that the real shift that American businesses are waiting for will come out of Washington, not Havana, with the U.S. elections in November.

He said the departure of Castro, an impossibly polarizing figure, combined with new leadership in the White House could lead initially to small changes such as liberalizing U.S. travel restrictions to Cuba -- and perhaps bigger ones down the road. "It's a recipe for rethinking and change," he said.

The Miami Herald

Miami, Florida

19 February 2008

Cuba's future: change in disguise

BY ANDRES OPPENHEIMER

Here's my humble forecast of what will happen in Cuba after Fidel Castro's resignation as president of the island's ruling Council of State: You will see change disguised as continuity.

Yes, you read it accurately: We will see small, incremental changes -- remember, Fidel Castro remains a towering behind-the-scenes figure in Cuba, and he hasn't formally resigned for good as head of the Communist Party -- without formal recognition that any transition is taking place.

We may see Cuba allowing more people to work as self-employed barbers, plumbers, handymen, taxi drivers and a host of other occupations, outside the state's payroll, in what may become a rapid expansion of the island's minuscule private sector.

The Cuban dictatorship began allowing growing numbers of private occupational licenses in the early 1990s, following the collapse of the former Soviet Union, when the Cuban economy plummeted. The number of licenses authorized by the state reached a peak of 209,000 in 1996, but Castro began restricting them when the Cuban economy started recovering that year, and is now estimated at 150,000.

"They need to do something to generate jobs, especially for the younger generation," says Phil Peters, a Cuba analyst with the Lexington Institute in Virginia. "There is already a consensus among the leadership that if they don't fix the economy, the long term survival of socialism is at risk."

We may see a gradual opening of agricultural markets, probably including granting land ownership to growing numbers of farmers, something the country badly needs to alleviate its dire food crisis.

"The food situation is abysmal," says John Kavulich, an analyst with the U.S.-Cuba trade and Economic Council, a private group that gathers information about Cuba's economy. "The Cuban government says the economy grew by 12 percent last year, but the people's ration card is only good for two weeks."

Why will whomever succeeds Castro as head of the Council of State accelerate economic change?

Because if the successor is his brother Raúl Castro, he has already said publicly that major changes are needed to modernize the island's crumbling economy. And if it's a younger figure -- somebody like economy minister Carlos Lage -- he is even more likely to press for economic revisions.

The more Fidel Castro fades away from the forefront of Cuba's decision-making process, the weaker the Fidel-backed orthodox wing of Cuba's Communist Party will feel, and the more likely economic reformers will be to push the envelope.

But, at least while Fidel Castro is alive, don't expect any of this to happen with the slightest criticism of his near 50-year dictatorship. On the contrary, we may see economic reforms, announced and packaged as inspired in something Fidel Castro has said -- probably taken out of context -- in any of his marathonic speeches over the past fifty years.

I remember that, in one of my last visits to Cuba before the Castro regime started denying me a visa in the early 1990s, I once asked a vice president of Cuba's writers and artists' union -- a card-carrying member of the Cuban Communist Party -- how Cuban artists could get away with exhibiting paintings depicting Cuba as a prison., or Fidel Castro as a monster, right there in Havana.

"Very easy," the official said. "You organize the exhibit 'in honor of the 30th anniversary of Fidel's assault of the Moncada barracks,' or 'in tribute to the 35th anniversary of Fidel's historic speech in Matanzas province,' and then you do pretty much whatever you want."

Granted, Cuba will remain a dictatorship for the time being, and Fidel Castro's successor will not be able to do pretty much whatever he wants while Fidel is still alive.

But whoever succeeds him will be able to undertake much bolder changes, framing them as part of the "Cuban revolutionary process," and paying lip service to the ailing revolutionary leader -- much like the writers and artists began doing several decades ago.

Capital Press

Salem, Oregon

19 February 2008

Trade prospects unchanged in Cuba

Trade officials uncertain how leadership change will affect trade

Bob Krauter

Capital Press

Don't expect much change in U.S. agricultural trade with Cuba. That's the sentiment of trade officials in the wake of today's announcement that Cuban President Fidel Castro is officially resigning.

The United States has maintained an economic embargo on Cuba since 1960, and trade experts don't think that will change as Castro's brother, Raul, is expected to succeed him as president.

John Kavulich, a senior policy adviser to the New York-based U.S.-Cuba Trade and Economic Council, does not expect any meaningful change in trade relations, including farm trade. "None," he said. "It is one more moment in a series of moments."

Kavulich, a foremost expert on U.S.-Cuba relations, said sales of American farm products to Cuba have been on the rise in recent years. Data for 2007 show sales of \$437.5 million in U.S. farm exports, the highest level in seven years since the Cuban government began buying farm goods in 2001.

A law that passed in 2000 allows U.S. businesses to sell agricultural products to Cuba on a cash-only basis. In 2005, Kavulich's organization reported U.S. farm exports to Cuba totaling \$350.2 million, and in 2006, sales were \$340.4 million. Most of what Cuba buys is bulk commodities like wheat, rice and soy, and higher commodity prices were mostly responsible for the surge in trade last year, Kavulich said.

While there has been considerable interest by U.S. companies and farmers to do more business with the island nation, Kavulich said the U.S. has little influence in Cuba.

"The key to what takes place in Cuba and how Cuba develops in the next 12, 18, 24, 36, 48 months is Venezuela and China. Because they are providing the financial support to Cuba," he said. "And as long as they do, the Cuban government has absolutely no incentive whatsoever to engage with the United States in any meaningful way."

But that hasn't stopped scores of trade delegations from venturing to Cuba to explore opportunities for American farmers and ranchers. This week, North Dakota Agricultural Commissioner Roger Johnson and a delegation of leaders from his state are in Cuba, pitching sales of agricultural products like potatoes, peas and lentils. The group includes leaders of the state's ethanol industry who hope to sell dried distillers grain as a livestock feed supplement to Cuban buyers.

California's Agriculture Secretary A.G. Kawamura led a delegation from his state to Cuba last month. He indicated in a news release that the state, in 2006, sold about \$735,000 in agricultural products to Cuba, but he estimated that the island presently imports about \$180 million in goods that could be supplied by California farmers.

Jock O'Connell, an agricultural trade consultant in Sacramento, said trade progress in Cuba will be incremental. "It is a country of about 11.5 million people who are impoverished. Trade can go up," O'Connell said. "That was the purpose of the trade mission was to establish some contacts and to

determine where the opportunities lay. Apart from that, I don't think there were any expectations that there would be any breakthroughs in agricultural exports to Cuba."

Rosemary Watkins, a trade policy specialist with the American Farm Bureau Federation, said Cuba has long been a target for agricultural exporters.

"The trade potential has always been there. The question is does this change the position of the U.S. government? Does this change relations with Cuba?" Watkins asked. "Whether this gives any impetus to the Congress who has had legislation in the past remains to be seen, but it is a political and we're in an election year so the timing of that may not be right either."

John Kavulich said none of the presidential candidates support substantial change in U.S. policy towards Cuba. Based on the reaction he has received since Castro's announcement Tuesday, he doesn't see any pressure to push Congress or the administration to change the status quo.

"Eighteen months ago when there was the announcement that Castro was ill, I got a lot of calls from journalists and a lot of calls from businesses," he said. "Today, a lot of calls from journalists, not a single call from a business. Not one."

World Politics Review

Washington, D.C.

22 February 2008

After Fidel, Cuba Poised to Capitalize on Economic, Energy Opportunities

Carmen Gentile

MIAMI -- A post-Fidel Castro Cuba, led by Fidel's younger brother Raúl, appears poised to open itself up to limited foreign investment under the close supervision of the communist island's military, which controls much of the economy, according to experts. The island nation's energy resources hold particular economic potential.

During the last 19 months, in which Raúl Castro has acted as Cuba's "interim leader," little has changed for average Cubans, who continue to face shortages of food and basic necessities.

However, the 76-year-old brother of Cuba's long-time "Commandante" has sought new deals with resort developers from Canada and Europe in hopes of improving the country's tourism sector -- Cuba's most profitable asset -- and spoken of improving relations with its Cold War rival the United States.

Chris Simmons, a former Defense Intelligence Agency Cuba analyst, predicts that in the coming months Raúl will extend an olive branch to Washington by suggesting the countries exchange military attachés. Simmons said such an exchange proposed by Raúl would "opens a door to other things" like possible talks on how to end nearly 50 years of Cold War hostilities.

Advocates of ending the U.S. trade embargo against Cuba would surely see the merit in an attaché exchange

Kirby Jones, director of the U.S.-Cuba Trade Association, laments that the United States is already "late to the dance" when it comes to investing in the Cuban economy, noting the inroads countries like China,

Brazil and Italy have made in the oil, ethanol and telecommunications sectors, respectively. "Cuba has not and is not standing still [economically]," said Jones. "As soon as people [in the United States] realize that, then they can begin dealing with the reality."

As Cuba's defense minister during Fidel's 49-year reign, Raúl has played an increasingly integral role in running the country's economy. Cuba's military is believed to control many of the country's most important sectors, including tourism, portions of the agriculture sector --like the sugar industry -- areas of mining, as well as parts of Cuba's retail sector.

The military is also said to control about 90 percent of the country's exports, making Cuba's generals the country's most prominent business leaders, according to some Cuban military analysts.

However, according to Frank Mora, a professor of national security strategy at the National War College, the actual extent of the Cuban military's control over the economy is impossible to know considering the lack of transparency in most sectors. "There is no way of calculating with any confidence the degree to which the Cuban military controls the economy," said Mora.

What is certain is that, after the collapse of the Soviet Union, Cuba was forced to fend for itself following decades of subsidies totaling \$19 billion a year. It was then that the military started taking over certain sectors of the economy.

And with Raúl taking on the dual role of military and economic leader, some analysts say he very may well reexamine decades of failed economic policies and consider free-market reforms not unlike fellow communist regimes China and Vietnam have pursued.

John Kavulich, senior policy advisor at U.S.-Cuba Trade and Economic Council, disagrees. He does not believe that Cuba is likely to open its market, particularly when it pertains to U.S. business interests.

"The government doesn't need the United States, commercially, economically or politically to keep the status quo," said Kavulich, noting the strong ties Cuba already enjoys with China and Venezuela.

Real reform for Cuba's antiquated, albeit growing economy, could prove to be Raúl's greatest challenge if he remains in power, as Cubans will expect him to fix what ails the country domestically: namely housing, food and energy shortages.

The military's economic wing, known as the Business Administration Group, has done more than \$1 billion a year in business since 2000 through its state-owned enterprises, accounting for a reasonable portion of the country's GDP, estimated at more than \$45 billion in 2007, according to the U.S. government studies.

A New Energy Frontier?

Meanwhile, new foreign investment and revitalized old partnerships in recent years have contributed to the country's economic growth. Increased investment from fellow Latin American countries, which once showed little interest in Cuba's state-controlled economy, has transformed the country into a new frontier for oil and ethanol production.

Cuba could very well become the center of a regional, even global, bidding war for its energy assets.

According to the U.S. Geological Survey, some 4.6 billion barrels of crude oil and 9.8 trillion cubic feet of natural gas may be lurking below the ocean floor of the Northern Cuban basin. That kind of crude would more than meet Cuba's daily oil demand -- about 205,000 barrels -- and provide enough excess to transform the country from being deeply dependent on discounted Venezuelan oil to a global player on the oil market.

Last month, Brazilian President Luiz Inácio Lula da Silva met with Raúl Castro to sign a deal that would give Brazil's state-run oil firm Petrobras access to Cuban waters, where it hopes to begin drilling in the next two years.

China and Venezuela have also expressed interest in exploring the basin.

Competition for Cuban oil -- coupled with Brazil's desire to help return full-scale sugar production to Cuba for ethanol -- could sour relations between Raúl and Venezuelan President Hugo Chávez.

The leftist Venezuelan leader, who forged a closed bond with Fidel in recent years, has been an ardent critic of ethanol, saying its production would increase food prices and amount to a hardship tax on the poor.

Were Raúl to move forward with plans to bolster ethanol production in Cuba, it could prompt Chavez to threaten to reduce, or even cut off, oil supplies, said Jorge Pinon, a researcher at the Institute for Cuban and Cuban-American studies at the University of Miami. "Cuba's reliance on Venezuelan oil is the country's Achilles heel," said Pinon.

Just how Raúl will manage his newfound responsibilities and competing economic suitors will be worth watching in the months, and possibly years, ahead.

The Miami Herald

Miami, Florida

20 February 2008

S. Florida businesses: Little will change soon in Cuba

BY JIM WYSS AND NIALA BOODHOO

Waking to overcast skies and some of the most dramatic political news out of Cuba in nearly half a century, South Florida's business community reacted with a collective shrug.

As word spread Tuesday that an ailing Fidel Castro would not vie for the presidency of the Council of State, business leaders said the expected Cuban power shuffle is unlikely to bring immediate changes -- if any at all. For most, that meant business as usual.

Miami charters to the island were flying on schedule, phone traffic to Cuba was reportedly normal, and in the exile-rich heart of Hialeah, Jesús Ovidez was in the back of his Chico's Restaurant counting cash like he would on any rainy week day.

"What's to celebrate?" asked Ovidez, who fled Cuba 40 years ago. "While his brother Raúl is in power, nothing changes."

The reaction was a marked shift from July 2006, when news that Castro was temporarily handing over power to Raúl sparked a wave of interest and hopes for renewed business activity with the island, said John Kavulich, senior policy analyst at the U.S.-Cuba Trade and Economic Council in New York.

"This time I haven't had a single company executive call me, as opposed to 18 months ago, when they were calling asking what to do," he said.

Kavulich said he thinks the business community has learned a few things about Cuban reality over the past several months. "It's another moment in the series of moments that is Cuba," he said.

Locally, Akerman Senterfitt lawyer Pedro Freyre wasn't getting many calls either, but he said the firm continues to work with clients interested in doing business on the island some day.

"The reality is, we need to look at this in a very dispassionate way," said Freyre, who is also on the Greater Miami Chamber of Commerce's Cuba committee. "As far as U.S. policy and law, this is a nonevent."

Meanwhile, over at Chico's, Ovidez said there were no plans to mark the occasion and that none of his 63 employees had suggested taking the day off.

Two downtown Hialeah nightclubs said they were not expecting a week-night rush of merrymakers and local restaurants said business was normal. Owners of the nearby Botanica Fransico y Ochun, which supplies potions and statues to the Cuban santero community, said it had received no special orders.

Some investors have been waiting decades for political changes in Cuba that might open up lucrative sectors such as oil and gas, housing and tourism. But with the embargo still firmly in place and Cuba's political future in doubt, the wait continues.

While Raúl Castro -- often mentioned as Fidel's most likely successor -- has suggested that he's amenable to Chinese-style economic reforms, Leo Guzman, president of Guzman & Co., a Miami-based investment banking firm, said such changes are unlikely as long as his older brother is alive.

"Obviously, [Fidel Castro's] health is not very good. But as long as he's alive, he will be a force to contend with," Guzman said. "This is just the beginning of the end, and the beginning might take a long time."

While Castro rumors usually sprint through South Florida's exile community, Tuesday's announcement seemed to limp along as people went about earning a living. "What are you talking about?" asked an employee at Va Cuba, a freight forwarder that sends food and medicine to families on the island. "I've been talking to people all day and nobody told me anything about Fidel."

One reason may be that many have mixed feelings, said Raul Caballero, 37, who owns Lourdes Dollar Discount Store at 2955 W. 12th Ave. in Hialeah.

Caballero said that ever since his parents brought him here as a toddler, his family has been waiting for the right moment to celebrate -- but Tuesday wasn't the day. "You can't be happy that a gentleman like Castro, who has committed so many atrocities, can just drift into retirement," he said. "We're still waiting for real changes."

The Times-Picayune

New Orleans, Louisiana

19 February 2008

Castro exit could rejuvenate La.-Cuba commerce

by Jen DeGregorio and Bill Walsh, The Times-Picayune

Fidel Castro's decision to relinquish power after nearly half a century of iron-fisted rule over Cuba was seen by Louisiana business and political leaders as a long-awaited opportunity to expand trade with the communist island nation.

Few expected the United States to lift its four-decade-old embargo against Cuba anytime soon. But observers said Castro's decision to resign is the first step in opening a new market for U.S. goods and those made and shipped in Louisiana.

The state's strong cultural and commercial ties to Cuba go back to the early 19th century, when Havana and New Orleans traded heavily in coffee, sugar and slaves. Economic-development officials have attempted to nurture the state's unique relationship with Cuba by sponsoring trade missions in recent years, including Gov. Kathleen Blanco's controversial trip to Havana in March 2005. During that visit she met with Castro and inked a deal for the country to buy \$15 million worth of Louisiana products.

The state has since met that goal, largely by shipping agricultural products and the few other types of goods allowed to flow to Cuba under U.S. law, said Lawrence B. Collins, director of international services for the state Department of Economic Development.

"We think this is going to bring a focus onto Cuba, and people are going to be getting ready to do business," Collins said of Castro's resignation. "I think it will eventually mean more for Louisiana because of our geographic proximity to Cuba (and) our historic relations with Cuba."

La. a key portal to Cuba

Few observers see Castro's resignation as a true abdication or a sign that sanctions against the country will end quickly. Castro passed power temporarily to his brother, Raul Castro, until a council chosen by Cuba's National Assembly appoints the next president.

However, many analysts interpret Castro's exit as the start of an eventual democratization of the country that would open an untapped market for U.S. businesses. If that occurs, Louisiana is well-positioned to become a portal for the slew of products Cuba will need to step into the modern age.

Before Castro seized power in 1959 after several years of guerrilla war against the dictatorial regime of Fulgencio Batista, Havana was New Orleans' top trading partner. That changed in the early 1960s, after Castro aligned himself with Russia and Washington imposed sanctions that did not ease for decades.

The Crescent City re-emerged as an important source for Cuba when trade restrictions loosened in the 1990s. By 2004 the Port of New Orleans ranked No. 1 among U.S. seaports doing business with Cuba, according to the U.S.-Cuba Trade and Economic Council, a New York research group. Louisiana ports contributed nearly half of all food and agricultural products shipped to Cuba in 2004, according to the council.

"Louisiana will continue to be a primary source of cargo traffic to Cuba," said John S. Kavulich, a senior policy adviser for the council. However, Kavulich warned against reading too much into Castro's departure. "The absence of Fidel Castro does not mean that the relationship between the United States and Cuba changes," he said.

Eager for opportunities

Still, Louisiana entrepreneurs say they are heartened by Castro's exit and remain optimistic that trade with Cuba eventually will open completely.

"It's obviously a step in the direction toward the potential of opening up talks with Cuba," said Bobby Hanks, president of Louisiana Rice Mill, which owns two rice-processing plants in Acadia Parish.

Hanks, whose company already sells between 15,000 and 20,000 tons of rice to Cuba each year, was one of a handful of Louisiana business owners who joined Blanco on her trip to Havana three years ago. He thinks his company could significantly boost sales to Cuba if that country ever embraced a free-market system. The country now rations food and other goods but likely would buy more grain if residents were allowed to express true demand.

"It's been a good market for us," Hanks said. "A change in the governmental structure of Cuba would open up a lot more opportunity."

Louisiana manages to trade heavily with Cuba because of its dominant position in the world's grain market. But when Cuba can begin receiving other goods -- such as steel, lumber and consumer products -- other ports likely will try to cut in on New Orleans' share of business, said Robert Landry, marketing director for the Port of New Orleans.

"I think eventually you're going to see some building in Cuba that will require a lot of steel," he said. "We know that there are going to be other ports vying for that trade."

Landry and other port officials also visited Cuba during Blanco's trip, and they are already organizing another mission that should occur by the end of the year.

"One of the things we will do is to look at the port facilities and infrastructure" in Cuba, Landry said. "The more imminent the embargo lifting is, the more critical those types of things are going to become."

Democracy 1st, Bush says

However, whether the United States would even consider lifting trade embargoes is unclear. President Bush has long opposed easing economic restrictions and in 2003 vetoed easing the travel ban. Few analysts think he is likely to change course in his final year in office. During a trip to Africa on Tuesday, Bush made clear that democratic changes in Cuba had to precede economic ones. "I believe that the change from Fidel Castro ought to begin a period of democratic transition," Bush said.

The presidential candidates also appear wary of being seen as removing a single brick in the U.S. economic blockade. With anti-Castro Cuban-Americans so influential in Florida, a key electoral state, candidates who support easing the economic restrictions would risk a backlash from a key voting bloc. "I can't see the politicians rolling the dice in an election year to change a law in place since early 1960s without some steps toward democracy," said Jim Roberts, a former U.S. State Department official and now a Heritage Foundation fellow.

Louisiana lawmakers, however, see Castro's stepping aside as a chance to begin a new era in U.S.-Cuba relations.

"We should capitalize on this opening to review American policy toward Cuba," said Sen. Mary Landrieu, D-La. "I believe we can build upon the strong foundation laid by the March 2005 Louisiana delegation visit to Havana, and I look forward to an environment where we can increase trade between our state and Cuba."

U.S. Rep. Rodney Alexander, a Republican from north Louisiana, struck a similar note. He visited Cuba as part of a congressional delegation last June and saw a ripe market for Louisiana products. "There is no reason for us not to take advantage," he said Tuesday. "If we say we don't like the people running the government so let's punish people consuming the product, that doesn't make any sense."

Lawrence Journal World

Lawrence, Kansas

19 February 2008

Post-Fidel Cuba: Time to wait and see

By Mark Fagan

Cuban President Fidel Castro's decision today to resign after nearly a half-century in power may be grabbing international attention, but at the Overbrook grain elevator it's registering little more than a yawn. At least for now. "I don't see their name in any big way on any sales export list," said Matthew Vajnar, grain merchandiser for the Ottawa Co-op Assn., working today in Overbrook.

Talk around the co-op, which has three elevators in Lawrence, occasionally comes around to Cuba, a market that conceivably could buy more of everything from the United States. "I'm sure that's the hope," Vajnar said.

But that's the future.

Vajnar receives export reports each week, showing where grain shipments are headed. For corn, it's typically to Asia, including Taiwan and Korea; soybeans increasingly are sold to China; and wheat goes to several major international markets.

Cuba, despite years of Congressional efforts and other political power plays, may be buying crops but still remains far from registering a major blip on grain sellers' radar screens. Issues in Cuba — whether they're related to political problems or purchasing proposals — are yet to have a "macro" effect on grain markets, Vajnar said. "If Cuba's on there," Vajnar said, "it's not a big deal."

Agriculture officials remain hopeful that a shift away from Castro's leadership could signal a more open market for Kansas crops.

The U.S.-Cuba Trade and Economic Council said that in 2006, Cuba spent \$125.7 million to import three major crops from the U.S.: \$51.4 million for wheat, \$42.6 million for corn and \$31.7 million for soybeans. All three are major crops in Kansas. Corn and soybeans are the two major crops in Douglas County.

Grain exports to Cuba have come despite a trade embargo with the communist nation. The trade barrier has been in place for nearly 50 years. A U.S. law approved in 2000, however, enables Cuba to buy certain food and agricultural products, on a cash basis. U.S. Sen. Pat Roberts, R-Kan., and U.S. Rep. Jerry Moran, R-Kan., have pushed to ease processes for allowing Kansas products to be sold to Cuba.

Last year, Moran introduced a bill in Congress to allow Cuba to send payments directly to U.S. banks, rather than having them routed through other countries. That bill has been introduced for several years, and just last year passed the House but not in the Senate.

A representative in Moran's office said that it was unclear what effect Castro's resignation might have on the proposed legislation, should Moran decide to introduce it once again.

The Miami Herald

Miami, Florida

19 February 2008

Cuba-watching firms hope for real change

By NIALA BOODHOO AND MARTHA BRANNIGAN

In contrast to the flood of calls from the business community when Fidel Castro announced in 2006 he was handing over power, reaction Tuesday was more muted, said the U.S.-Cuba Trade and Economic Council's John Kavulich.

"This time I haven't had a single company executive call me, as opposed to 18 months ago, when they were calling asking what to do," said Kavulich, a senior policy advisor in New York. Kavulich said he thinks the business community has learned in the last 18 months. "It's another moment in the series of moments that is Cuba."

Leo Guzman, president of Guzman & Co., a Miami-based investment banking firm, said change to the political or investment climate in Cuba is extremely unlikely so long as Castro is alive. "Obviously, his health is not very good. But as long as he's alive, he will be a force to contend with. This is just the beginning of the end, and the beginning might take a long time."

"Regardless of what title he has or doesn't have, he has veto power over any change in Cuba so long as he's alive. Nobody is going to go anywhere near any policy that would cause him to veto it, because that veto would be the kiss of death."

"He may be gone, but his shadow is all over Cuba."

Looking at investments, Guzman said cruise lines might be worth a look. "In our view, we always thought that Carnival and Royal Caribbean are potentially the most ideally positioned" [to capitalize on an opening of Cuba]. "If something more radical were to happen, I'd look at Carnival Corp. and Royal Caribbean. But I don't think anything has happened at this point."

Another potentially large beneficiary of an opening of Cuba -- Florida East Coast Railway -- is no longer publicly traded, Guzman points out. Its parent company, Jacksonville-based Florida East Coast Industries, was acquired by private equity funds managed by Fortress Investment Group LLC in July 2007.

Locally, Akerman Senterfitt lawyer Pedro Freyre said he also wasn't getting many immediate calls, but that the firm continues to work with clients who are interested in doing business on the island.

"The reality is, we need to look at this in a very dispassionate way," said Freyre, who is also on the Greater Miami Chamber of Commerce's Cuba committee. "As far as U.S. policy and law, this is a nonevent."

But Freyre said the nuance behind the announcement was the possibility of change. "I have been getting more calls, and we've been getting more work," during recent months in regards to clients who are interested in doing business in Cuba, he said.

Fox Business News

New York, New York

19 February 2008

Analysis

Until Fidel Dies, Embargo Is Here To Stay

New York -- Fidel Castro may be ending his nearly 50-year tenure as president of Cuba, but don't expect big changes in U.S. policy toward the communist country. (Much less any chance of getting those Cuban cigars imported to your grandfather legally.)

Foreign policy and economic analysts expect the status quo, established when President John F. Kennedy froze trade relations with Cuba 40 years ago, to remain intact.

"In reality, nothing is going to change," said John Kavulich, president of the U.S.-Cuba Trade and Economic Council. "There is no incentive right now for Cuba to reach out to the U.S. -- with or without Fidel at the head of the government."

Castro announced Tuesday in Cuba's communist party newspaper that he would not seek another term as president when Cuba's national assembly meets on Sunday. In his place, it is believed Castro's brother Raul Castro will take over Cuba. Fidel Castro has been ill since mid 2006, when he underwent emergency abdominal surgery.

But Fidel is still expected to exert considerable influence on Cuba until he dies.

"You want to compare Fidel's stepping down with the likes of China's Deng Xiaoping," said Ian Vasquez, a researcher at the Cato Institute, a libertarian think tank. "He'll run that country until he's buried in the ground."

The U.S. will probably not budge as well. U.S. law, notably the Helms-Burton Act passed in 1996, states that the U.S. cannot ease the embargo until both Castros are no longer in power and free and democratic elections are held in Cuba. Until then, the U.S. will continue to ban all business activity and travel to Cuba.

"Helms-Burton codified the Cuban embargo," said Dan Restrepo, a researcher with the Center for American Progress, a left-wing think tank. "Since JFK, the embargo was instituted by a President's executive order, which could be rescinded at any time. Helms-Burton makes it more difficult for the U.S. to react."

However, Fidel's resignation could be an impetus for those laws to change. The Republican-led Congress that passed the Helms-Burton Act is no longer in power, and there is some underlying sentiment in both the House and Senate about revising the law, Vasquez said.

Businesses have long expressed interest in having the U.S. open trade relations with Cuba. Even with the ban, Cuba imports a significant amount of its food from the U.S.

Wall Street has many reasons to want an open Cuba. Several legacy companies -- Coca Cola (KO: 58.91, +0.15, +0.25%), the privately-held rum maker Bacardi and the manufacturer ITT Corporation (ITT: 57.00, -0.58, -1.00%) -- have property claims in Cuba that have yet to be resolved. Also, the prospects of opening up a country of 11 million people to free and open markets is a lucrative possibility for American business.

"Almost all American corporations did their homework on Cuba long ago," Kavulich said. "It's not something that will happen tomorrow, but they all have it in the back of their minds."

Don't expect the U.S. to ease relations with Cuba this year. President George W. Bush has kept the same tone as his predecessors have -- and most experts said the President will not change his position until Fidel is dead.

Also it's an election year. Cuban Americans, many of whom hate the Castro regime, remain a powerful and organized force in politics. With Florida being a key state in an election year, no presidential candidate has expressed an opinion that differs from current U.S. policy.

In a few years this might change, Kavulich and Vasquez said. The exiled Cuban population no longer has as homogeneous a stance as they did in the past, as older Cuban Americans die and a younger generation, one that never knew Cuba without Fidel, comes into maturity.

"It's not all about Cuba for them anymore," Kavulich said.

Most foreign policy makers said Fidel has to die for any major changes to come to Cuba. Once that happens, it is believed the Cuban people will ask for an increase in economic and political liberties – and a possible easing in the embargo.

“There will be change,” Restrepo said. “Despite support from China and Venezuela, the Cuban government is not meeting the basic needs of the Cuban people. Once Fidel is gone, the dissent voices will rise.”

Daily Times

Lahore, Pakistan

17 February 2008

US food sales to Cuba hit new peak in 2007

HAVANA: American producers sold \$437.5 million in food to Cuba in 2007, a new peak in value despite Cuban complaints that the Bush administration is hindering trade. The main items were corn, chicken, wheat, soybean products and rice, according to the New York-based US-Cuba Trade and Economic Council, which monitors trade with Cuba. Sales of agricultural products to Cuba, allowed under an exception to the US embargo placed on Fidel Castro’s leftist government back in 1962, had fallen to \$340.4 million in 2006 in a two-year decline. Cuba’s food import agency Alimport blamed restrictions introduced by the Bush administration, such as demanding Cuban payment prior to shipment, for causing US sales to fall from a 2004 peak. reuters

Reuters Americas

London, United Kingdom

15 February 2008

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Cuba's food import agency Alimport blamed restrictions introduced by the Bush administration, such as demanding Cuban payment prior to shipment, for causing U.S. sales to fall from a 2004 peak.

Alimport president Pedro Alvarez said the increased value of Cuban purchases last year reflect higher world food prices, not greater volume, and said trade with United States is flat.

Still, the fact is that the United States has remained Cuba's main supplier of food and farm products, with sales totaling \$1.99 billion since they began in 2001.

Adding freight, insurance and financial costs, Cuba spent more than \$600 million last year buying food from the United States to feed its people, mainly bulk grains to be distributed at highly subsidized prices on a monthly ration card.

The purchases of agricultural products include lumber and newsprint used to publish Cuba's newspapers, even the ruling Communist Party daily Granma, which is printed on paper imported from Canada or its arch-enemy, the United States.

Even with the increased commodity prices in 2007, there remained an overall increase in the quantity of U.S. products sold to Cuba, according to John Kavulich, senior policy adviser of the U.S.-Cuba Trade and Economic Council.

But he said Cuba was buying a reduced variety of products.

"This is, in part, due to the Cuban government recognizing that there exists little value in attempting to link expanding purchases with a reasonable likelihood of changes in United States law or regulations that might improve the commercial landscape between the United States and Cuba," he said.

He said the trade figures showed that changes to the payment process has not meaningfully hindered sales to Cuba, as claimed by organizations and companies in both countries.

"The reality has rendered empty their protests," he said.

Associated Press

New York, New York

15 February 2008

Report: US farm sales to Cuba surge

HAVANA (AP) - Sales of American farm goods to Cuba surged in 2007 to their highest annual total in the seven years since the communist-run nation began buying the products in 2001, a U.S. trade group said Friday.

Cuba bought \$437.5 million in U.S. food and other agricultural goods in 2007, making the island America's 37th largest trading partner last year, the New York-based U.S.-Cuba Trade and Economic Council said in a regular report.

Direct sales of U.S. farm goods to Cuba lagged over the two previous years, to \$340.4 million in 2006 and \$350.2 million in 2005, said the council, which tracks trade between the two countries.

The Cuban government reported last month it bought \$600 million in goods from U.S. companies in 2007, including costs for transportation, banking and other related charges. The U.S. council counts only the price of the goods.

Washington's nearly 50-year-old embargo prohibits almost all U.S. trade with the island. But a U.S. law passed in 2000 allows American companies to sell food and agricultural products directly to Cuba on a cash basis.

Cuban authorities initially refused to buy any American goods under the law, complaining about the cash-only restriction. But they changed course after a hurricane struck the island in late 2001 and bought goods to replace depleted food reserves.

The Miami Herald

Miami, Florida

15 February 2008

U.S. farm sales to Cuba highest since 2000

By WILFREDO CANCIO ISLA

After two years of shrinkage, U.S. sales to Cuba of agricultural goods during 2007 bounced back to \$437.7 million, the highest annual total since such sales were authorized in 2000.

The 2007 total represented a strong increase over the \$340.4 million recorded in 2006 and the \$350.2 million recorded in 2005, according to figures compiled by the U.S.-Cuba Trade and Economic Council, a New York group that monitors bilateral trade.

The \$437.7 million made Cuba the United States' 37th largest trading partner for the year, according to the council, which obtains its data from the U.S. government.

Since Washington first authorized such sales to Cuba as a humanitarian exemption to the U.S. trade embargo, Havana has bought nearly \$2 billion in those goods from U.S. companies.

The Cuban government reported last month that it had bought \$600 million in goods from U.S. companies in 2007. Cuba claims its figures include transportation, banking and other charges associated with the purchases, but the council's report notes that Havana's figures are ``suspect."

Cuba has tried to use its U.S. purchases as a way of pushing U.S. providers to lobby Washington to ease trade sanctions on the island.

El Nuevo Herald

Miami, Florida

15 February 2008

Aumentan las ventas de EEUU a Cuba

WILFREDO CANCIO ISLA



Según estadísticas divulgadas ayer por el Consejo Económico y Comercial EEUU-Cuba (USCTEC), las compras de la compañía estatal Alimport en el mercado estadounidense ascendieron casi un 30 por ciento con relación a las transacciones por \$340.4 millones del 2006, y superaron también los \$350.2 millones reportados en el 2005.

Tras dos años de tendencia decreciente, las ventas de alimentos de Estados Unidos a Cuba repuntaron durante el 2007 hasta los \$437.5 millones, cifra que representa un récord en la historia reciente de las exportaciones de firmas estadounidenses hacia la isla.

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El último período de crecimiento en las exportaciones agrícolas de Estados Unidos a Cuba concluyó en el 2004, cuando las ventas alcanzaron \$391.9 millones.

Desde que Washington autorizó en el 2000 las transacciones comerciales por razones humanitarias, Alimport ha comprado \$1,996 millones a empresas estadounidenses.

El cuadro estadístico proporcionado por USCTEC --organismo independiente con sede en Nueva York-- se basa en los reportes oficiales de los departamentos de Agricultura y Comercio, así como en los registros de compañías exportadoras, pero no incluye los costos añadidos de transportación, recargos bancarios y otros gastos derivados de los envíos de mercancía a la isla.

En enero, Cuba anunció que sus compras en Estados Unidos fueron de \$600 millones en el 2007, más de un tercio de los \$1,600 millones desembolsados por el país para adquirir alimentos. El gobierno cubano dice que sus estadísticas incluyen los cargos asociados con el traslado de los cargamentos, pero no proporciona documentos verificables sobre esas operaciones.

"El uso de los datos comerciales por parte del gobierno cubano es sospechoso", consideró John S. Kavulich, consejero principal de USCTEC. "La información se le ha solicitado en reiteradas ocasiones, pero Cuba ha decidido no proporcionarla".

Kavulich considera que una razón fundamental en el alza de las ventas entre el 2006 y el 2007 "fue el incremento en los precios de los productos básicos".

"Aunque el monto es mayor, lo que sí parece ser es que están comprando menor variedad de productos", observó el experto.

Las principales compras de Cuba el pasado año fueron de maíz (\$109 millones), pollo (\$76 millones), trigo (\$70 millones), pasta de aceite de soya (\$50 millones), frijoles de soya (\$40 millones) y arroz (\$24 millones).

El volumen de compras de Alimport a Estados Unidos se disparó en los meses de noviembre (\$44 millones) y diciembre (\$68 millones). A comienzos de noviembre, 213 empresarios asistieron a la XXV Feria Internacional de La Habana en representación de más de 100 firmas estadounidenses, varias de ellas radicadas en Florida.

El relativo decaimiento del flujo comercial hacia Cuba entre el 2005 y 2006 se atribuyó a las restricciones impuestas por la Oficina de Control de Bienes Extranjeros (OFAC) del Departamento del Tesoro para el despacho de cargamentos. En febrero del 2005, OFAC dispuso que Alimport debía pagar los embarques en efectivo y con antelación a la salida de las mercancías de los puertos estadounidenses.

El gobierno cubano advirtió entonces que las operaciones con empresas estadounidenses podrían verse afectadas por las exigencias de OFAC, pero en la práctica las visitas de delegaciones comerciales y el ritmo de las compras continuaron sin mayores dificultades.

"La explicación de por qué Cuba sigue comprando a compañías estadounidenses entra en una lógica de mercado", explicó el economista Carmelo Mesa Lago, Profesor Emérito de la Universidad de Pittsburgh. "En Estados Unidos puede conseguir los artículos a mejor precio, más cerca y con máxima calidad, aprovechando también la devaluación del dólar respecto al euro".

El académico consideró que a pesar del déficit en la balanza comercial, ascendente a unos \$6,000 millones, Cuba podrá proseguir con sus compras en el mercado estadounidense gracias a la liquidez que

le proporcionan los subsidios venezolanos, calculados en más de \$5,000 millones. Los analistas coinciden en que las operaciones comerciales mantendrán un ritmo similar durante el presente año. Por lo menos el presidente de Alimport, Pedro Alvarez, pronosticó que para el 2008 se espera una "cifra similar" a la del período precedente.

"No deben esperarse cambios en el 2008 con respecto a leyes o regulaciones que pudieran expandir las relaciones comerciales entre Cuba y EEUU, debido principalmente a la campaña presidencial", argumentó Kavulich. "Pero también como consecuencia del respaldo financiero de Venezuela y China, lo que hace improbable que el gobierno cubano acometa transformaciones económicas y comerciales tan significativas como para motivar una respuesta expansiva por parte de Washington".

Por el momento, el interés de los empresarios y agricultores estadounidenses no ha mermado.

En enero pasado, el secretario de Agricultura de California, Arthur Kawamura, realizó una visita exploratoria a la isla en compañía de unos 20 empresarios, que lograron cerrar negocios para vender frutas, nueces, hortalizas y vinos.

La semana entrante una delegación de Dakota del Norte, presidida por el comisionado de Agricultura, Roger Johnson, viajará a La Habana con el propósito de vender productos al gobierno cubano.

"Cuba es un importante mercado potencial para los productos estadounidenses, especialmente los agrícolas, pero nuestros esfuerzos para incrementar el comercio están severamente restringidos por nuestro propio gobierno federal", afirmó Johnson, quien preside además la Asociación Nacional de Departamentos Estatales de Agricultura (NASDA).

Una conferencia sobre exportaciones agrícolas en Cuba, auspiciada por el Departamento de Agricultura de Texas, está programada para el 6 de marzo en la Universidad de Texas A&M, en Austin.

Actualmente Cuba ocupa el puesto 37 en la lista de países con mayor volumen de importaciones de productos alimenticios de Estados Unidos.

Reuters

London, United Kingdom

15 February 2008

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