



TRAVEL AND SALES TO CUBA HELP THE AMERICAN ECONOMY AND THE CUBAN PEOPLE

Background: Cuba relies on imports for most of its food needs and, between 2000 and 2006, Cuba's food and agricultural imports nearly doubled. Agricultural producers in the United States are well positioned to benefit from additional sales to Cuba—U.S. suppliers can reach the three major Cuban ports in one day or less, compared to 25 days from Brazil. However, even though U.S. firms offer reliable trading partners, quality products, and competitive prices, current U.S. policy hampers their ability to supply the Cuban market. If the United States is not the supplier, the European Union or Brazil will be happy to take our place.

Since sales of U.S. farm goods were allowed to Cuba in 2000, U.S. farmers have seen \$4 billion in sales into the market and payment has been received from the Cubans without issue. Cuba is the United States' 3rd largest market for rice, 8th largest market for chicken and 12th largest market for wheat. Unfortunately, due to continued arbitrary restrictions on U.S. agricultural sales, American producers have failed to realize the full potential of this market.

1. U.S. farmers and businesspeople can meet Cuba's current demand for agricultural imports. Allowing them to do so would boost the American economy and create jobs.


- Lifting restrictions on travel and sales to Cuba would create **up to \$365 million/year** in additional U.S. exports to Cuba.¹
- These changes would generate up to **5,500 new jobs** and add **\$1.1 billion dollars** of business activity to the U.S. economy.²

2. Allowing all Americans to travel to Cuba would strengthen the U.S. travel industry.

- The American Society of Travel Agents forecasts an additional **850,000 visitors to Cuba annually from the United States**, not including relatives or cruise passengers, if travel restrictions are lifted.
- Cuba will be an exciting new destination that will stimulate travel at a time when it has declined with the severe recession, thereby benefitting not only airlines, tour operators, travel agents, travel distributors and cruise lines, but also the economy more generally.

3. Allowing all Americans to travel to Cuba would create additional demand for U.S. agriculture products.

- While difficult to quantify, a 2010 Texas A&M University study finds that, "such an increase in additional spending on bulk products would be anticipated not only because Cubans would increase consumption with additional resources, but



because U.S. suppliers could regain market share lost in 2009-2010 to competitors who offer credit and extended payment terms to Cuba.”³

- An increase in American travelers to Cuba would likely increase U.S. agricultural sales to Cuba, by:
 - driving up general demand for a variety of staples such as wheat, poultry and eggs.
 - increasing demand for brands of processed food such as soft drinks and snacks that are familiar to American tourists, as well as luxury items like California wine, Pacific wild salmon and Florida Black Angus beef.

4. In these difficult economic times, an opportunity to expand U.S export sales should not be overlooked. U.S. sales to Cuba will be one-way trade, free of related concerns that normally accompany two-way free trade agreements, and beneficial for the Cuban people.

- Increasing travel and sales to Cuba would not undercut domestic industries or local producers in Cuba. Cuba currently imports 80% of its food because its agriculture sector is unable to produce enough food to meet the needs of the Cuban people.
- People-to-people exchange between Americans and Cubans promotes understanding, transmits ideas, and generates debate. As Cuba's people and government contemplate their future, travel to Cuba by U.S. businessmen, farmers and ordinary citizens will help position our people, our values, and our businesses, and enhance our influence.
- Expanding travel and sales to Cuba is an important, bi-partisan priority for U.S. business and agriculture in 2010.
 - The U.S. Chamber of Commerce, the American Farm Bureau Association, the National Tour Association, and the U.S. Tour Operator Association, among others, have called on Members of Congress to remove restrictions on sales and travel to Cuba.

¹ Texas A&M University, AgriLife Research, “Estimated Economic Impacts of the Travel Restriction Reform and Export Enhancement Act of 2010”; Addendum, “Tourism and Agriculture in Cuba,” March 22, 2010.

² Ibid.

³ Ibid.