



U.S. POLICY & FOOD SECURITY IN CUBA

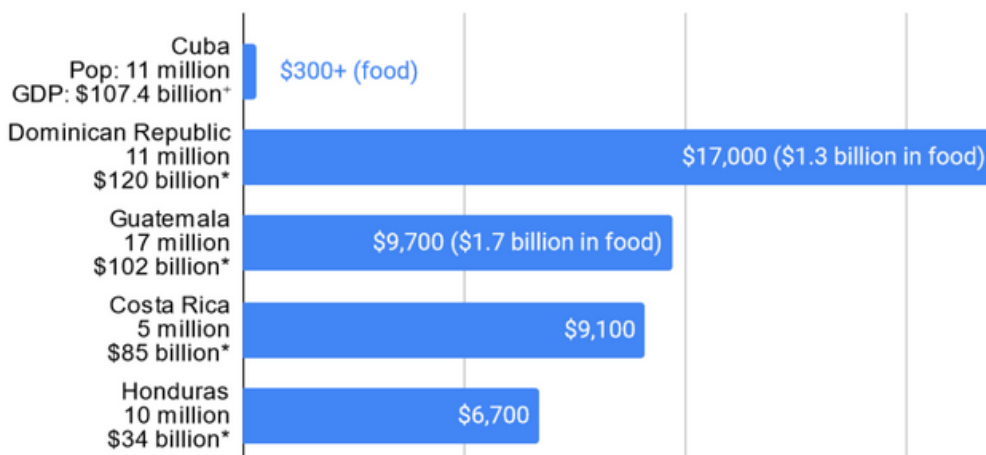
Cuba is facing an unprecedented food crisis. In March, protests broke out relating to food scarcity and inflation, as well as blackouts. Critics often blame Cuba's centralized planning and agricultural policies, yet according to the World Food Programme (WFP), "over the past 60 years, the comprehensive social protection programmes of Cuba have largely eradicated hunger and poverty." The WFP, the UN Food and Agriculture Organization (FAO), the International Fund for Agriculture Development (IFAD), the Economic Commission for Latin America and the Caribbean (ECLAC), Oxfam, UN Special Rapporteurs, the U.S. International Trade Commission (USITC), the Congressional Research Service (CRS), and U.S. experts and officials, among others, have identified **U.S. policy as a cause or exacerbating factor in Cuba's food security difficulties.**

Food Imports

Despite being of similar size, in terms of the economy and population, Cuba imports substantially less from the United States than its neighbors. U.S. policy directly affects Cuba's ability to import, increases shipping costs, limits earnings, scares away investors, and negatively affects the work of NGOs and multilateral organizations.

Imports of U.S. Products

in millions USD



†World Bank 2020 *IMF May 2023 World Economic Outlook
h/t Guillaume Long, former Foreign Minister of Ecuador

Cost of U.S. sanctions to Cuban economy: **\$4.87 billion/year***

* February 2022-February 2023 Source: Cuban government

Cost of U.S. sanctions to the Cuban agriculture sector: **\$345 million in 2018/2019** - UN FAO

The USITC "concluded that if **U.S.** restrictions on trade with Cuba had been lifted in 2015, **exports** of ... agricultural commodities ... **could have increased** within five years **to about \$800 million annually** from a 2010-2013 average of \$300 million." - CRS, 5/21

The **State Sponsor of Terrorism [SSOT] designation** "led several banks to suspend their operations in the country, including **transfers for the payment of purchases of food, medicines, spare parts and goods** for the population." - ECLAC, 3/23

"The [U.S.] imposes **measures** against shipping companies from third countries ferrying cargo from other countries to Cuba, **impeding the flow of oil, foodstuffs** and other commerce **critical to** the daily needs of Cuban citizens and residents, especially the **most vulnerable** groups living in rural areas." - IFAD, 5/20

"The **procurement and shipment of food** ... including fortified food provided by WFP, are also **delayed** owing to the **difficulty in finding a shipping company willing to enter Cuban ports.**" - WFP, 2/23

"There's a significant impediment to trade in Cuba because of **[U.S.] legislation that requires payment in advance** in cash in U.S. dollars which makes it very, very difficult for a lot of ag trade to take place." - Secretary of Agriculture Tom Vilsack, 3/24

"The **embargo** affects the import of food products ... in particular those destined to meet social programs, as restrictions limit their quantity and quality, thus **having a direct effect on the food security of the vulnerable segments of the population.**" - UN FAO, 3/23

"**Cuba imports 80 percent of its food...** which represents an expense of nearly **US\$2 billion.**" - Oxfam, 2021

The current **food crisis** is the **result** of the **greater economic crisis** ... [and] of a **multitude of compounding factors** and events **including a tightening of the embargo** under the Trump administration, which involved **adding Cuba to the [SSOT] List** and **further restricting remittances, travel, and trade...**

- Margarita Fernandez, Executive Director of the Caribbean Agroecology Institute 10/23

"[The] **full potential of trade** between both countries is far from being realized. **We export about 15%** of what Cuba purchases from agricultural suppliers around the world. That **figure could easily be closer to 60%...**" - Paul Johnson, Chair of the U.S. Agricultural Coalition for Cuba 8/23

Not waiving **Title III of the Helms-Burton Act**, "under which third-country companies trading with Cuba can be sued in United States courts, has had a negative impact on Cuban trade by **drastically reducing the commercial partners** that operate in the country." - UN FAO, 3/23

Food Production

Food production is hampered by U.S. sanctions, increasing costs for inputs such as machinery and fuel, making financing difficult, and preventing Cuba from accessing the latest agriculture technology, among other issues.

“The **tightening** measures of the **embargo** adopted by the current United States Government have **deepened the negative impacts on agricultural production** in Cuba.” - UN FAO, 4/20

“Only **9 of 518 requests** by the agricultural sector of Cuba in the international market for tractors, engines, batteries, forklifts and spare parts for **agricultural machinery were approved** in 2022 **owing to the 'fear to be punished'** [by U.S. sanctions].”
- UN Special Rapporteur, 9/23

“The **high costs of inputs** needed for agricultural, fisheries and livestock production ... that, in many cases, are **produced only by United States firms**, reduce profitability and **lower the ability** of Cuba to **satisfy local food requirements.**” - UN FAO, 3/23

““[The embargo creates a] **difficulty for Cuba to access external multilateral financing for development programs in agriculture** and rural development in general, and the related unavailability of resources for rehabilitating and modernizing agricultural equipment and infrastructure.” - UN FAO, 4/20

“Even the implementation of **food programs by United Nations agencies** is reported to be **hampered** by rising costs for imports, cancellations of maritime transport contracts and delays in deliveries of goods, or rejections and delays of banking transactions to and from suppliers.” - UN Special Rapporteur, 9/23

“In the agricultural and rural sectors, the following limitations are observed:

- **Obsolete agricultural equipment** (for example, tractors, irrigation systems and water pumps) and lack of spare parts.
- **High cost and lack of inputs** required for agricultural and livestock production, processing and distribution (for example, fuel, animal feeds, seeds, fertilizers, herbicides, pesticides and veterinary pharmaceuticals).
- **Insufficient access to hard-currency** financing for the import of equipment and inputs.
- **Limited access to providers** of new agricultural technology.
- **Limited export opportunities** for some agricultural products

The limitations contribute to low productivity levels, **limiting** the quantity, quality and competitiveness of **domestic food production** and making high levels of food imports necessary to cover the needs of the rural population.” - IFAD, 5/20

“**Restrictions** on access to financial resources and technologies have made it even more **difficult to build farm-related infrastructure and increase productivity.**”
- UN FAO, 4/20

“**Restrictive US policies have led to insufficient domestic food production** (in terms of quantity, variety, quality, and safety), higher prices for imports to cover food needs, and inadequate technology to improve productivity.”
- Oxfam, 2021

“The **high costs of importing agricultural equipment** and inputs are a limiting factor for agricultural productivity in Cuba, affecting the country’s ability to cover its food requirements. This represents a significant budgetary burden for the country, **threatens** those most dependent on **social safety nets** and **poses challenges to food security** in Cuba.” - WFP, 2/23

Cuba's Agriculture Exports

The embargo prevents Cuba from selling products in the U.S., substantially reducing revenue earnings and increasing shipping and other costs in reaching other markets. It also makes it more difficult and less profitable for Cuba to sell its agriculture products to other countries, including in Europe, due to increased shipping, insurance and logistical costs. Moreover, the No Stolen Trademarks Act, which has passed the House, would prevent Cuba from ever exporting Havana Club rum, a major Cuban product, to the U.S. as the brand would not be protected or recognized by law even though U.S. patent courts have upheld its trademark.

“The impossibility of taking full advantage of the export potential (i.e. of coffee, honey, tobacco, live lobsters and aquaculture products) to the nearest market, the United States, has implied **major losses**, since it has been necessary to **sell to markets located farther away**, with the resultant **higher marketing and distribution costs**, negatively affecting the foreign-exchange earnings of Cuba and its capacity to purchase basic products, especially food.” - UN FAO, 3/23

“**Banks reject** commercial or financial **transactions** by Cuban enterprises in United States dollars and in other currencies, which **hinders payment for certifications of Cuban products** with a high potential to be commercialized in Europe.” - UN FAO, 3/23

Sources, further reading and videos:

