

FARM/RANCH**Change in Cuban leadership won't overshadow record U.S. agricultural exports**

By Blair Fannin, Texas A&M
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COLLEGE STATION - A change in Cuba's leadership won't have immediate economic effects on Cuban export trade, particularly since U.S. agricultural exports set a new record in 2007 of more than \$442 million, according to a Texas AgriLife Extension Service economist.

The historic mark signaled increased demand for food and related products throughout the Cuban economy, said Dr. Parr Rosson, AgriLife Extension economist and director of the Center for North American Studies at Texas A&M University.

"What's significant is that the new record is 11 percent above the previous record in 2004 and nearly one-third above the amount exported in agricultural products in 2006," Rosson said. "We've seen a pretty major jump in exports, and as a result, a positive development for the U.S. and Texas agriculture."

Rosson outlined some of the contributing factors to the new record U.S. exports, including a weak dollar offsetting high prices.

"From what we've seen in the last few years, while tourism is off a little bit, more than 2 million visitors in 2007 visited Cuba with most coming from Canada, England and Mexico," he said. "That's increasing demand for value-added products."

Cubans are becoming more aware of improving diets, and are consuming more animal proteins such as frozen broilers, Rosson said.

"Animal proteins are more important in their diets than say five years ago," he said.

Bulk commodities continue to represent a large portion of exports, Rosson said. Those include corn (\$109 million exported from the U.S. in 2007) and wheat (\$70 million).

The fourth quarter of 2007 was the largest for U.S. exports to Cuba, coming in at \$148 million, which led to the big increase in agricultural exports.

"Another thing we noticed last year was soybeans and related products had picked up quite bit," Rosson said. "Those were valued at \$114 million and represent not just animal feed, but soybean oil and others converted into proteins and used for human consumption."

Processed foods, beef livers, sauces (mustards, ketchup) and food preparation items were also up, Rosson said.

"That's evidence the market is growing and diversifying," he said. "Cotton exports and railroad ties and lumber indicated increased housing and improved infrastructure in the Cuban economy."

Exporting to Cuba, a conference scheduled for March 6 in Austin at the Texas Department of Agriculture, will highlight doing business with Cuba, Rosson said. For more information, contact Rosson at 979-845-3070 or prosson@tamu.edu.