



U.S. Agricultural Exports to Cuba Down Slightly in 2006

CNAS Issue Brief 2007-02

March 13, 2007

U.S. agricultural and related exports to Cuba were \$341 million during, down 5 percent from 2005 and 14 percent lower than the high of \$398 million in 2004 (figure 1). Since being allowed to ship agricultural products to Cuba in 2001, U.S. exporters have responded with a growing volume of commodities and consumer-ready foods. The cumulative value of all food and agricultural products exported to Cuba between December 2001 and December 2006 has reached \$1.45 billion. Quarterly export sales reflect an upward trend, which is expected to continue. (figure 2)

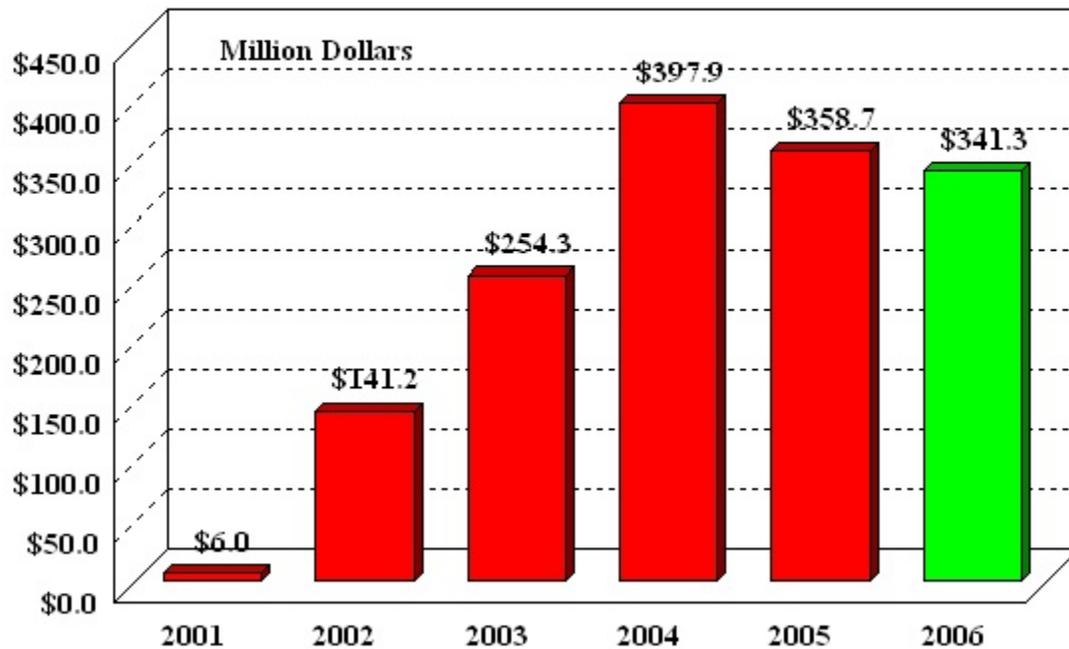
Soybean meal and oil, poultry meat, and wheat have been the top export products to Cuba since commercial shipments began in December 2001. (figure 3) Corn, rice, soybeans, and dairy products also are among the top prospects for sales to Cuba.

Texas agriculture and agribusinesses are well positioned to respond to the expanding Cuban market due to quick delivery time from Texas ports, the availability of high quality products, and competitive pricing. Using a share of production method, Texas exports of agricultural products to Cuba are estimated to be more than \$113 million since December 2001. (table 1) During 2006, Texas exports to Cuba were valued at \$22.3 million, down from the \$40 - \$42 million range of 2004 and 2005. Two important reasons for this decrease is that the U.S. has exported increasing amounts of soybeans and soybean products, of which Texas has an extremely small share of U.S. productions, and a decrease in exports of dry milk, which is coming mainly from Texas. Drought conditions and high prices also contributed to this export decline. <http://cnas.tamu.edu>

There have been some significant economic impacts related to Texas exports to Cuba. For December 2001 to December 2006, cumulative exports of \$113.8 required an additional \$114.8 million in economic activity from supporting activities as estimated using the input-output model IMPLAN. (table 2) Income generated in the agricultural sector was nearly \$32 million with another \$55 million in supporting activities. In all, 2,845 jobs were required to support Texas exports to Cuba between 2001 and 2006.

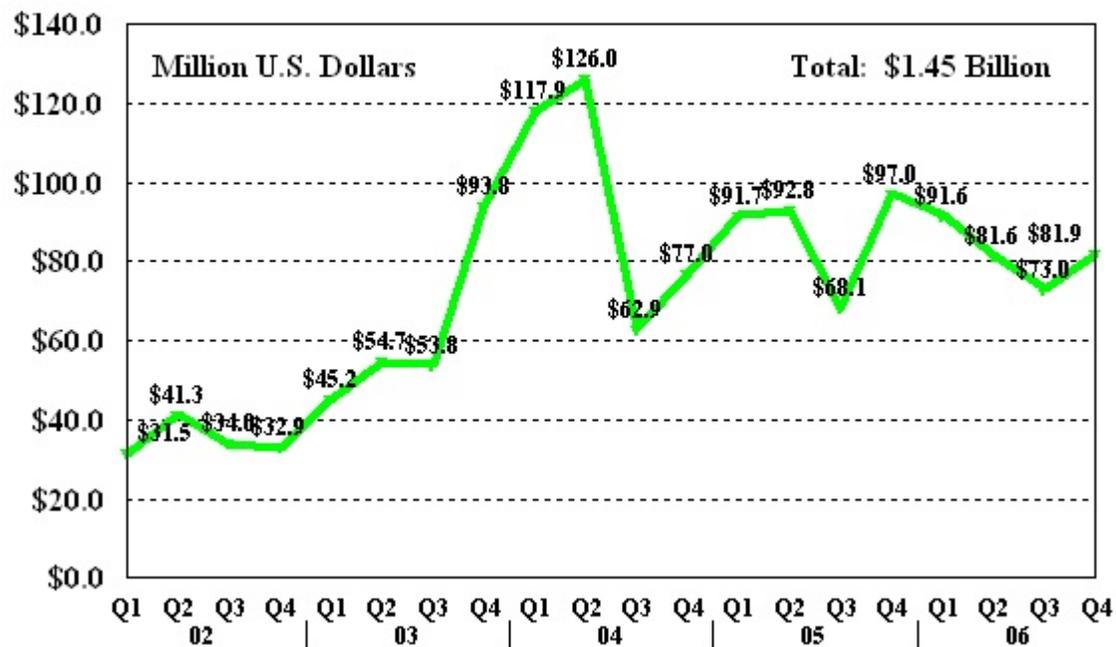
For further information, please contact Parr Rosson, Extension Economist and Director, or Flynn Adcock, International Program Coordinator and Assistant Director, Center for North American Studies, Department of Agricultural Economics, Texas A&M University, College Station, Texas 77843-2124. Telephone 979-845-3070 or e-mail prosson@tamu.edu or fjadcock@tamu.edu. Contributing to this report was Michelle Niemeyer, Extension Program Specialist, Center for North American Studies. Internet page <http://cnas.tamu.edu>.

Figure 1. U.S. Agricultural and Related Products Exports to Cuba, 2001 - 2006



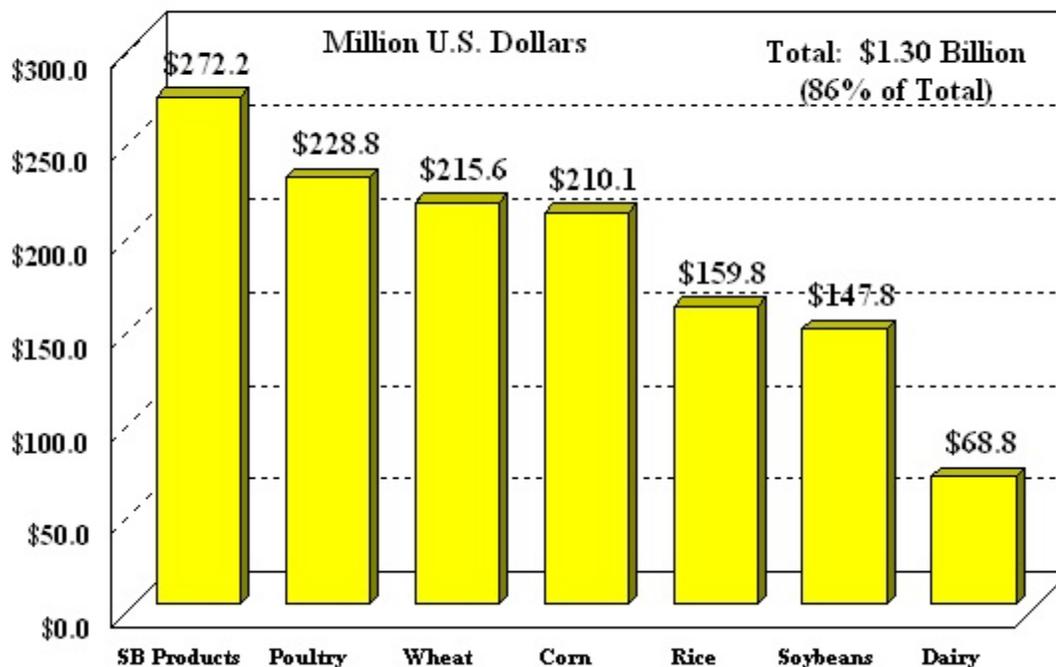
Source: U.S. Trade Internet System, www.fas.usda.gov/ustrade

Figure 2. U.S. Quarterly Exports of Agricultural Products to Cuba



Source: U.S. Trade Internet System, www.fas.usda.gov/ustrade

**Figure 3. U.S. Ag Exports to Cuba
Major Products 2001 - 2006**



Source: Foreign Agricultural Service, USDA. SB Products Include Soybean Oil, Meal, and Flour

Table 1. U.S. and Estimated Texas Agricultural Exports to Cuba

(Million Dollars)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
United States	\$6.0	\$141.2	\$254.3	\$397.9	\$358.7	341.3	\$1,499.3
Texas	\$0.2	\$3.2	\$5.3	\$40.5	\$41.9	\$22.3	\$113.4
Texas Share of U.S.	2.8%	2.3%	2.1%	10.2%	11.5%	6.5%	7.5%

Source: U.S. Trade Internet System, www.fas.usda.gov/ustrade, and National Ag Statistic Service

Table 2. Economic Impacts of Texas Exports to Cuba, 2001 - 2006

(Million Dollars and Number of Jobs)

	<u>Agricultural Sector</u>	<u>Supporting Sectors</u>	<u>Total</u>
Business Activity	\$113.8	\$114.8	\$228.6
Income	\$32.0	\$54.8	\$86.8
Employment (annual average)	358	202	560

Impacts calculated by Center for North American Studies staff using IMPLAN