

From Cuba to Iraq: Trade Sanctions Reform and Agricultural Markets

**Presentation at
SAEA Organized Symposium:
The Impacts U.S. Unilateral Reform on
Southern Agriculture**

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Overview

- **History of U.S. Trade Sanctions**
- **Impacts of Trade Sanctions on Agriculture**
- **The Case of Cuba**
- **Summary and Implications**

Partial List of U.S. Trade Sanctions

Target	Initial Year	Type of Sanctions	Precipitating Event	Key Changes to Sanctions
North Korea	1950	Comprehensive trade and financial. sanctions	Korean War; possible acquisition of nuclear Weapons	U.N. threatens trade and financial sanctions to forestall nuclear weapons acquisition (1993-94)
Vietnam	1954	Denied MFN status	Vietnam War and aftermath; personnel MIA	Total trade embargo lifted; other restrictions remain (1994)
Cuba	1960	Comprehensive trade and financial sanctions	Castro-led takeover; interventions in Africa (1980s); Repress opposition	Cuban Democracy Act restricts trade of U.S. subsidiaries abroad (1992), TSREEA (2000)
Libya	1978	Comprehensive trade and financial sanctions; Air travel ban	Gadhafi regime support for terrorism; bombing of Pan Am Flight #103	Limited U.S. export restrictions (1978); Lifted in 1999 and Codified by TSREEA
USSR	1980	Grain & Oilseed Embargo	Invasion of Afghanistan	Lifted in 1981
Iran	1984	Comprehensive trade and financial sanctions	Support for terrorism, opposition to peace process in Middle East, WMDs	Total export embargo (1995); Lifted in 1999 and Codified by TSREEA
Sudan	1988	Comprehensive trade and financial sanctions	Civil war and human rights abuses; terrorism support	Aid sanctions (1988-89); Lifted in 1999 and Codified by TSREEA
Iraq	1990	Comprehensive trade and financial sanctions, limited oil sales under U.N. oil-for-food program	Invasion of Kuwait; post-war discovery of extensive program to acquire WMDs	Toppling of Saddam, 2003 - Trade opened back up

SOURCE: Institute for International Economics, Policy Brief 98-4 *Sanctions-Happy USA*, by Gary Clyde Hufbauer, July 1998

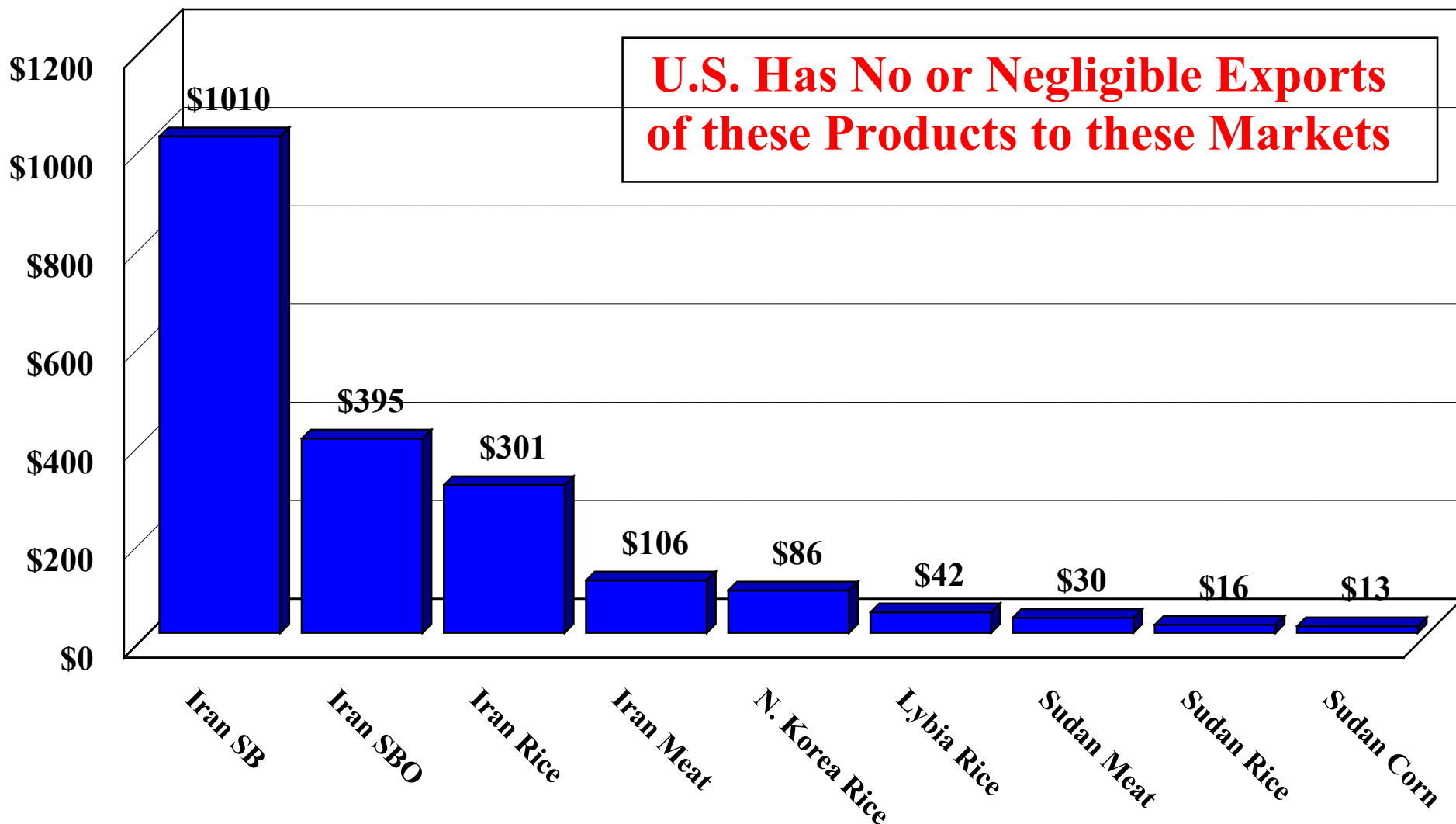
Agricultural Imports for Countries Targeted by U.S. Sanctions

	Agricultural Imports	Imports from U.S.	Percent from U.S.
	<i>Million Dollars</i>		
Cuba	\$1,400	\$358.7	25.6%
Vietnam	\$2,800	\$313.3	11.2%
Sudan	\$1,200	\$103.0	8.6%
Iran	\$3,900	\$63.7	1.6%
Libya	\$1,200	\$7.6	0.6%

Source: www.wto.org

Selected Ag Imports for Countries Targeted by U.S. Sanctions, 2004

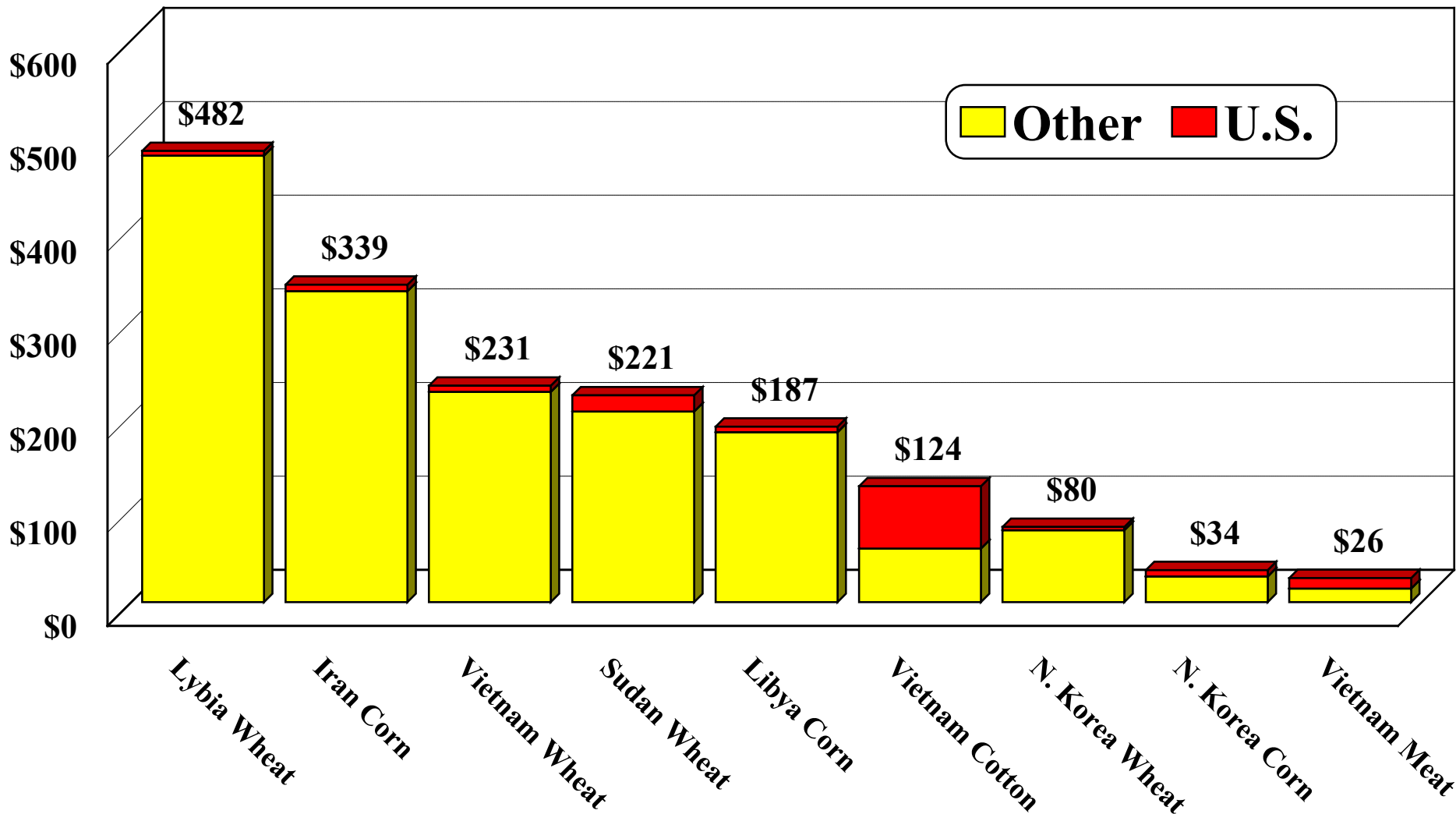
Million Dollars



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

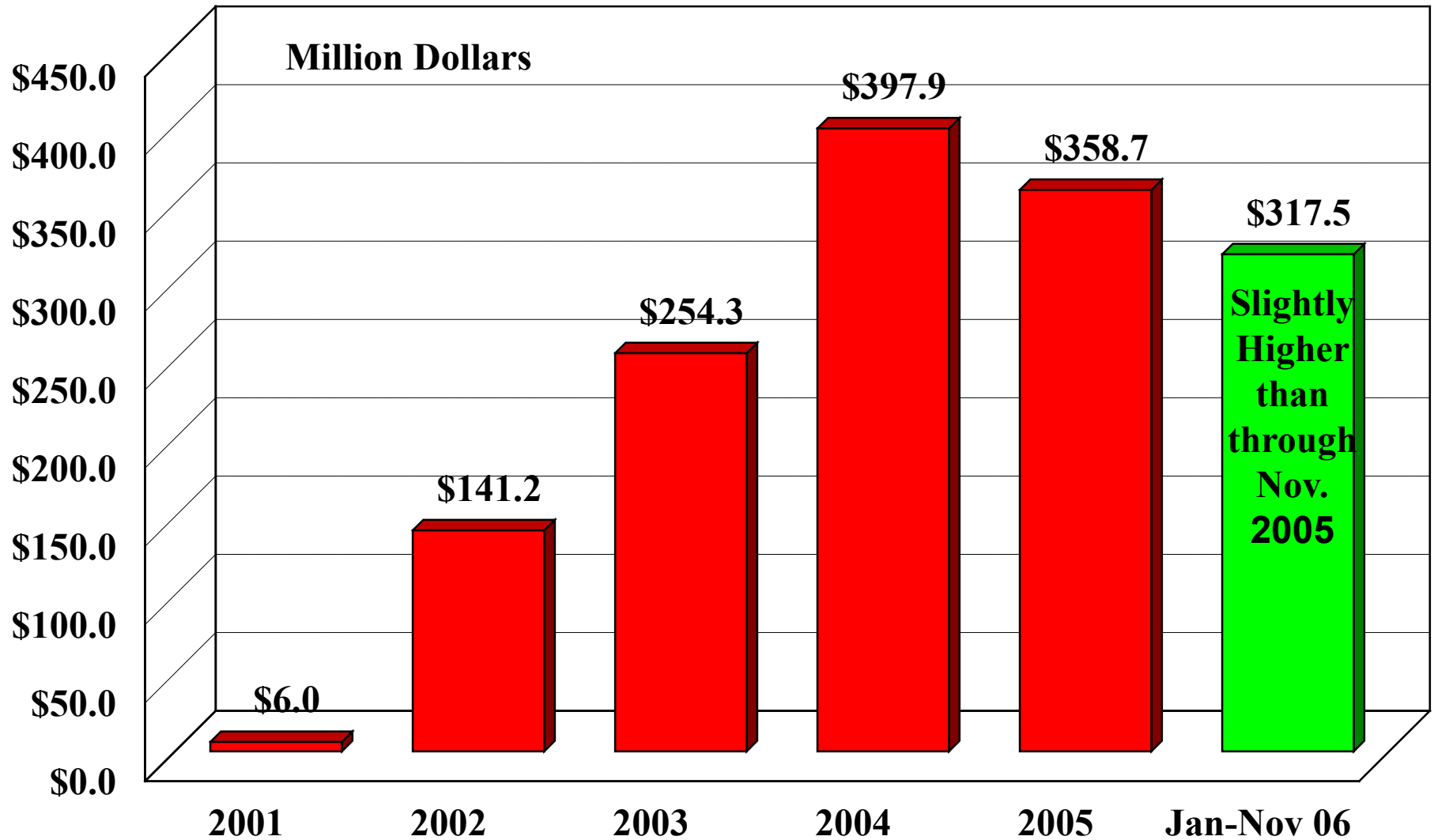
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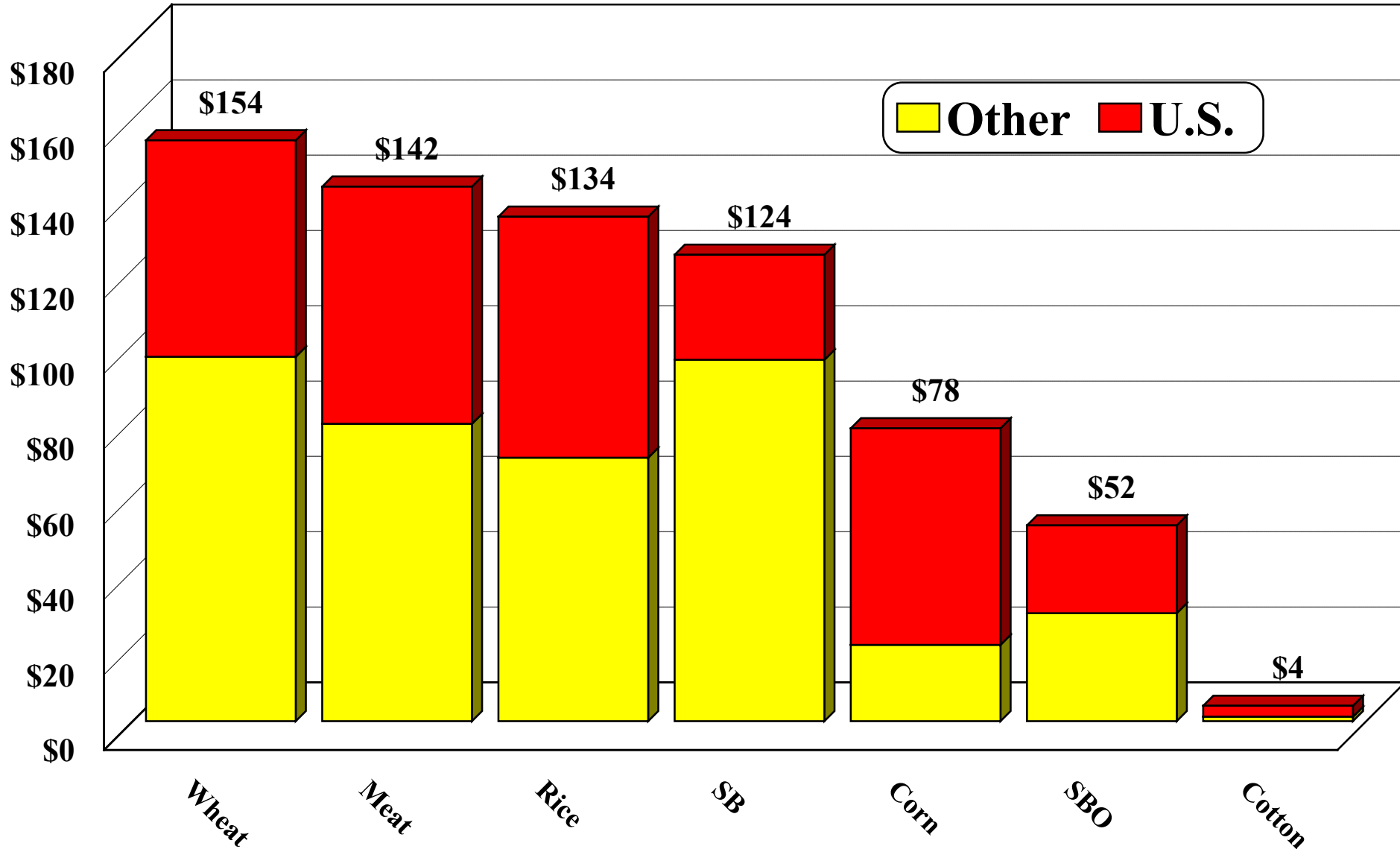
U.S. Agricultural and Related Products Exports to Cuba, 2001 - November 2006



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

Selected Ag Imports to Cuba, 2004

Million Dollars



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

Summary and Conclusions

- **Many Times Agriculture Has Borne Disproportionate Share of the Burden**
- **Sanctions Are Disruptive, May Harm US Producers & Likely Ineffective if Unilateral**
- **Southern Rice, Corn, Wheat, Meats Harmed by Sanctions**
- **US Ag Export Growth to Cuba Impressive- Likely Politically Motivated**

Implications

- **As Sanctions are Lifted, There is an Educational Role to Inform**
- **Important to Be Objective, Staying Out of the Political Fray**
- **Geopolitical Considerations Always Trump Agricultural Interests**