

Cuba-United States Policy:
An agricultural methodology

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Present day Cuba is changing the structure of its government, economics and agriculture. Although the Castro regime and the structure of that regime are still largely prevalent in the country today, many changes, some minute and others larger, are taking place which is altering the entire country.

Despite the changes that are being made in Cuba, Americans still hold a grudge against Cuba due to the political structure of the Castro regime. Resulting from the Castro regime gaining power in 1959, the United States quickly started to change the nature of relationships between Cuba and the United States. Diplomatic ties were broken in 1961. Soon thereafter in 1962, an embargo was started by President Kennedy and in October, the Cuban missile crisis caused the United States to break ties with the Cuban government even more.¹ These actions were justified during the time of the crisis and the years following this as well as many other events.

However, Cuba today is a very different country than many Americans remember from the Cold war and Castro regime eras. The United States began the embargo to overthrow the Castro regime, but over five decades later this appears not to be working. Instead, the people of the Cuban society are largely the ones being hurt. Further, with the recent death of Venezuelan leader Hugo Chavez, Cuba needs a new primary trading partner. In best interest, the United States does not want another country to become Cuba's largest trading partner ninety miles from our coast. In response to the damaging effects of the embargo on the people and the opportunity to influence Cuba while keeping other countries out of Cuba, the United States should begin

¹ Suddath, Claire. U.S.-Cuba Relations. *Time*. (2009, April 15). Online

small cautious steps toward total removal of the embargo and establishing a strong relationship with Cuba by using agriculture as the mechanism.

Agricultural changes within the country provide the United States with promising avenues to begin this process by mending relationships and providing economic benefits to both sides. The key to mending this relationship is by utilizing a method in which both sides win. Agricultural development is a perfect method to do this because food is a fundamental need of the world and getting involved with agricultural production is essentially the same as using a universal language. Two people, or countries for that sake, may not be able to communicate with words but can always communicate with food. The United States is the largest producer of food per capita and Cuba is struggling to grow enough food for its citizens. Further, Raul Castro is making agricultural reform one of his major reforms.^{2,3} So, on one hand Cuba is trying to reform their agricultural sector and on the other hand there is the United States who is a large agricultural producing country with inordinate technology. This is a perfect method to start initial collaboration between the two countries by starting to help in a sector that Cuba wants to reform. Once agricultural reform and collaboration has been established between the two countries, full removal of the embargo will ensue. Steps toward a total removal of the embargo should be done cautiously as these policies are inevitably going to have repercussions as will be explained.

² Peters, Philip. A Viewers Guide to Cuba's Economic Reform. *Lexington Institute*. (2012, May). 1-36

³ Frank, Mark. Cuba, Failing Under Communism, Launches Green Revolution. *ABC News*. (2010, Feb 15) Online

In order to lift the embargo in a strategic manner, United States policy should begin with helping to develop the agricultural sector in Cuba and then grow upon that in the following policy order:

1. Agricultural technology sharing.
2. Infrastructure improvements
3. Small non-agricultural small business trade
4. Travel
5. Large business trade
6. Full lifting of embargo
7. Guantanamo Bay removal

Agricultural technology sharing

Cuba imports large quantities of food on an annual basis. In 2008, Cuba had a gross net import of \$2.3 billion for food supplies, which the government of Cuba does not have the money for.⁴ Imports mainly include rice, beans, milk, chicken, fruits and vegetables.⁵ If Cuba was to increase domestic food production, thereby reducing food imports, this could help stabilize the Cuban economy. However, Cuba does not much technology in today's world to be able to compete on world markets or grow the highest yields per unit area. Tractors are hard to find, seeds are expensive, and irrigation technology is limiting growth.

Increasing efforts and production in the agricultural sector is a goal of Cuba. Raul Castro is starting to privatize small farmers and is beginning to promote the increased food production in the country. In fact, this was his first reform priority. Since then, Cuban private farmers now

⁴ Reaching Out: Cuba's New Economy and the International Response. *Latin America Initiative at Brookings*. 1-109

⁵ Cuba's Food and Agricultural Situation Report. *FAS & United States Department of Agriculture*. (2008, March). 1-60.

produce 71% of all domestic non-imported food.⁶ With most farm production being done on a private scale this is a perfect time for the United States to step in and begin relationships with the Cuban people on a personal basis. While meeting with a private farmer named “Mango” near Trinidad he acknowledged the need for more technology to increase production. His efforts in farming were solely based upon profits and how he could make money in the market on his own. United States current policy expects the Cuban economy to become more private in a free-market system. This is almost a personal invitation to the United States to slowly step in and get involved with reaching their goal of increasing agricultural production and the United States goal for free-market reform in Cuba.

The United States is a perfect partner to collaborate with Cuba to fill this domestic food production void. Therefore, the first policy that should be enacted towards Cuba is a policy that would allow for agricultural technology to be traded. Technology includes anything from farming practices to new tractors and heirloom seed exports to Cuba. This form of a policy would be a small step which would open up borders to and from both countries while benefiting Cuba and the United States due to agricultural sharing and small business trade.

The United States is a huge producer of food with top-notch technology. For example, the U.S. produces approximately half of all world grain, and has some of the best technology in the world to produce it.⁷ Exporting this technology and boosting the free-market agriculture in Cuba would be in the best interest to U.S. policy and would likely gain the support of American businesses and Cuban farmers, creating the first bridge.

⁶ Peters, Philip. A Viewers Guide to Cuba’s Economic Reform. *Lexington Institute*. (2012, May). 1-36

⁷ World Agricultural Supply and Demand Estimates. *United States Department of Agriculture*. (2013, March 8). WASDE 516.

Although agricultural collaboration may likely open up borders and communications by working with Cuba on one of their development goals, this policy has repercussions. Despite agricultural reforms being administered by the Cuban government, the government still attempts to control the people and private businesses. Sharing technology and materials with private farmers may be viewed as a threat to the government of Cuba by the United States “enabling” private farmers more. The Cuban government in response may limit sharing of technology or increase taxes on farmers or limit production so private farmers cannot earn unlimited profits which would be the viewed threat.

Infrastructure

After the United States implements the first policy to trade agricultural technology the next step is to create a policy that aims to develop infrastructure in Cuba. Specifically, the United States should set up the policy so that American construction firms can invest and help develop the infrastructure, initially roads. The need for infrastructure in Cuba is expansive. Cuba has near zero growth and their infrastructure prevents growth because goods cannot be transported efficiently.⁸ While visiting Cuba, it was apparent and was verbally acknowledged by a private farm owner “Mango” near Trinidad and our tour guide, Alex, that the agriculture industry is not producing at what could be full potential because there is no efficient way to transport goods. In fact, two sugar mills near Cienfuegos were closed and all the sugar cane in the surrounding area went to waste because road transportation was so poor. Most of Cuba’s roads were built before the revolution and have not been maintained since then.⁹

⁸ Peters, Philip. A Viewers Guide to Cuba’s Economic Reform. *Lexington Institute*. (2012, May). 1-36

⁹ Cuba - Infrastructure, power, and communications. *Encyclopedia of the Nations*. (2013)

Once the Cuban agricultural sector has the technology, vehicles and products necessary to produce large quantities of food, increasing road infrastructure logically falls into place. Produced food will be shipped using the new road infrastructure. An increase in food production and transportation of it will set the stage for excess food, such as sugar which can be traded to the United States for cheaper prices than Americans can buy it for right now, therefore benefiting Americans. For the Cuban side of the story, fixing the infrastructure means a step towards Raul Castro's plan for increasing agricultural production but will also translate to more money into the hands of the people and the government. (Again, placing money into the hands of Cuban individuals may be perceived as a threat by the Cuban government). More, with the recent death of Hugo Chavez, Venezuela's charismatic leader, this likely means a decrease of altogether cut of national aid from Venezuela to Cuba. This means Cuba will need financial stability within the country or aid from another country. For Cuba, increasing agriculture means buying fewer imports and thus will provide the country with some extra money to ease the burden of Chavez's death. For the United States, Chavez's death means a way to increase American policy and political sway by involving ourselves with Cuba's goals and needs moving forward. Increasing infrastructure will provide America with yet another mode for increasing cooperation and business deals with Cubans.

While the initial goal of this infrastructure policy is to provide Cuba with a method to transport the food in Cuba, this policy will expand beyond that. Once roads are fixed, the same contractors and investors from the United States and Cuba can start developing the infrastructure on airports, sea ports, and rail transportation. These forms of transportation are also degrading.

For example, only 39 of Cuba's 170 airports have paved runways.¹⁰ This will set the stage for future American investment and cooperation with Cuba by providing a mechanism to do so.

On the contrary, increasing infrastructure by allowing United States businesses to invest and develop may also be stopped by the Cuban government. If American businesses are allowed to fund and partially run infrastructure renovations in Cuba this is essentially like outsourcing jobs to American. This may certainly upset the general Cuban population and the government. As a result, this policy should be careful to increase infrastructure but by placing as much of the business transactions and jobs into the hands of the Cubans as possible to prevent hostile view of potential outsourcing.

Small non-agricultural business trade

The next step in policy would be for the United States to allow trade between the United States and Cuba for small businesses. Setting up this policy to allow trade between non-agricultural businesses after the development of agriculture would logically make sense. The agriculture policies previously allowed for trade which will primarily come from small farm owners from Cuba to the United States and vice versa. This set the stage for non-agricultural trade. By allowing trade in only one sector at first (agriculture) this will give the two countries a chance to "test the water" to see how international trade will work.

Increasing trade in the business world may be a potential disaster in Cuba so this policy has to be implemented carefully. Allowing all trade to commence at once may damage or even destroy the fragile Cuban economy. In order to thwart these damages, at this point no large corporations, such as Johnson & Johnson, Wal-Mart and McDonalds would be allowed to begin

¹⁰ Cuba - Infrastructure, power, and communications. *Encyclopedia of the Nations*. (2013)

trade with Cuba. This would be in an effort to protect the developing businesses in Cuba. Allowing large corporations from the start would threaten the developments already set in place to attract small businesses in Cuba because they would struggle to compete with large corporations that can offer the lowest prices, largest quantities, and nationwide chains.

While travelling in Cuba and visiting many small business owners, such as art shop and hostel owners it was apparent that these businesses were just starting to take foothold and rise to their potential. An influx of larger businesses would likely provide too much competition for the smaller start up business that are privately owned to handle. This may not be true for all small businesses in Cuba, but it appeared that the general population of private businesses would be hindered by immediate international large business deals in Cuba.

Raul Castro has been increasing the small business sector recently, such as converting state run businesses to privately owned businesses.¹¹ Therefore, this policy to trade with these small businesses again falls right into the agenda and changes that Raul Castro is attempting to complete. This policy is likely to be accepted by the Cuban government and the people for the same reason, money. Small businesses will be able to export and import from the United States which would increase tax revenue which Cuba so needs and the owners of the businesses would have more income which would hopefully trickle down into the lower classes. With this policy, trading relationships will start to form between small businesses, more income will be generated in Cuba, and the wealth will be distributed throughout the government and ultimately the people. (As aforementioned, placing money in the hands of Cubans may be perceived as a threat to the Cuban government by empowering the people so this policy should be completed slowly while talking to the Cuban government to avoid miscommunication).

¹¹ Peters, Philip. A Viewers Guide to Cuba's Economic Reform. *Lexington Institute*. (2012, May). 1-36

Agricultural trade on mainly a small scale between small farmers in Cuba set up and served as a guide to trading with small businesses non-agriculturally related. The next step would be to use the small business relationships to strengthen the Cuban economy to a point where large businesses could begin to trade with Cuba with a lessened likelihood of severely damaging the Cuban economy which is ever so fragile. A policy flow like this will benefit the United States because this is one step closer to the final goal, a lifted embargo leading to full trade and travel and extending our influence into the country before another country takes the leadership role in Cuba, similar to the one Venezuela is likely to lose.

Travel

Once small business relationships and trading has been sufficiently established between the two countries, the next logical policy would be to allow unrestricted travel to and from Cuba. (During the previous policies travel would be allowed for those involved in business trades, agricultural aid, etc. These travel permits would be easy to get if the purpose is to support the above policies. Restricted travel on tourism would still be in place until the enactment of this policy.) Unrestricted travel includes travel for tourism, family matters, business, etc.

The idea behind travel being unrestricted after small businesses trade and set-up would be because this would allow the small businesses to grow and begin to handle larger volumes of production and trade before tourism starts. This would increase the value of the small businesses so they could handle unrestricted travel. Travelers will naturally provide more business for Cuba which now they should be able to handle due to the other policies to promote growth and revenue. Further, the previous policies are aimed to begin to rebuild the relationship with the United States before travel is allowed.

The new influx of American tourists and travelers to Cuba would pump money into the economy which will increase the revenue of the local citizens and the government. This would provide smaller businesses with a solid foothold and financial stability and help to establish the small businesses and the agricultural sector before large corporations are allowed to conduct business in Cuba.

Opening tourism to Cuba is thought by some to threaten to overload the Cuban tourism industry causing damage. But, the opening of tourism and travel to Cuba when small businesses are established does not appear to be a threat to the Cuban tourism industry. Although the economy of Cuba is not growing much per year, Cuba's tourism industry is one of the largest industries and since the 1990's an average increase of around 15% more tourists to Cuba has been seen.¹² In response to the increase in tourists, the Ministry of Tourism has been increasing the tourism market by an equal proportion to accommodate for the rising number of tourists. For example, the number of hotel rooms is slated to increase by an average of 15% every year. This suggests that Cuba is capable and already dealing with more tourists every year. Thus, it appears that the immediate opening of tourism to Cuba from the United States would not be a shock to their tourism industry because they are already adjusting to an increased number of tourists.

Tourism to Cuba from the United States would allow significant portions of money to flow into the Cuban economy and help to strengthen the small businesses. This will help them be able to compete against large businesses by already having the small business establish a firm base and profits.

Large business deals

¹² Suddaby, Charles. Cuba's Tourism Industry. *Cuba in Transition*. (1997). 123-30

With small businesses in Cuba having a strong base and income flow from United States tourism and trade, the next policy should be aimed towards facilitating large businesses deals with Cuba. This may include larger markets, large construction companies, industrial producers or oil companies.

The question then becomes does Cuba have the capabilities to handle this large scale trade? Well, in fact Cuba is beginning to develop the capabilities to export and import enough supplies to facilitate large business deals with foreign countries. Recently, the Mariel Port is being constructed just 28 miles west of Havana, the largest city in the country. Therefore, a large port will be located very close to the center of activity in Cuba. The Mariel port will be the largest industrial port in the Caribbean Sea and will have the capacity to move approximately one million cargo containers annually.¹³

Further, by the time this policy to allow large business deals is established, the non-water infrastructure will already in the middle stage of development further facilitating easy trade with Cuban businesses.

The opening of large scale trade will benefit the United States in small part due to the economy but will largely involve much communication and larger relationships to develop the friendship with Cubans to prevent other countries from becoming largely exclusive partners with Cuba ninety miles from our coast like Venezuela just did. Cuba will benefit from this policy because now their products can compete on the world market which will increase revenues and taxes for the government and the people.

Complete embargo lift

¹³ Port of Mariel Cuba to be the largest industrial port in the Caribbean. *Havana Journal*. (2011, July 19). Online

After trade is established between large industries and businesses in Cuba, whatever is left of the embargo should be lifted. This was the original goal to eliminate the embargo but has been done in such a manner to lessen the damage upon the government, society and businesses in Cuba. Further, the path taken to get to the end goal of a full embargo lift was started by dealing with the agriculture industry. Starting with the agriculture industry made perfect sense since Raul Castro is making agriculture one of his top priorities to change and the United States is in a perfect situation to help in their agricultural progress. The embargo in the end is lifted but there is one more major policy the United States government should amend, which is the situation in Guantanamo Bay.

Guantanamo Bay

Established in 1903 Guantanamo Bay was originally used as a coaling station for U.S. Naval ships. While Batista was in power in Cuba, an agreement was made so that the bay could not be terminated without mutual consent. During Fidel's reign, the contract was attempted to be terminated by the Cuban government but without the consent of the United States. Cubans view this bay as a knife in the back that they cannot get rid of.¹⁴

It has come time to remove the base for relationship reasons. Cubans are not pleased with the United States occupation of this bay. Simply, if the country to be dealt with does not like an action *imposed* on them then in order to have strong relationships with the government and people something has to be done about it. This leads to the final policy to achieve total bipartisan relationships with Cuba, ending the contract at Guantanamo Bay.

¹⁴ Fetini, Alyssa. A Brief History of Gitmo. *Time*. (2008, Nov 12). Online

By establishing trade and communication in the agricultural industry which Cuba has an interest in remodeling this will establish initial communication and relationships between Cuba and the United States. This will lead to the ending of the embargo and a full relationship with Cuba. Policies to take this route will include small business investment, large business trade, tourism and the termination of Guantanamo Bay. The establishing of a relationship with Cuba will put the United States in the position to be the main partner with Cuba and will limit the possibility of another country, like China, from becoming a large partner with Cuba ninety miles from our coast.