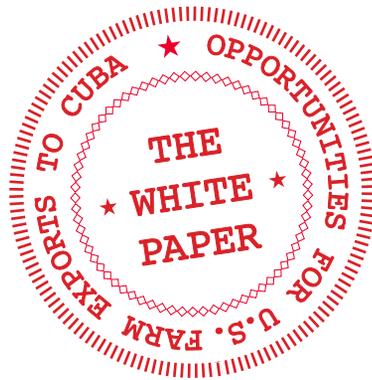


**THE WHITE PAPER**

# **OPPORTUNITIES FOR U.S. AGRICULTURE EXPORTS TO CUBA**

**A Look at the \$2 Billion Cuban Food Market and  
The Potential Sales of Farm Goods from 16 U.S. States**



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Cuba Trade Magazine and The U.S. Agriculture Coalition for Cuba

**CUBA★TRADE**





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## RICELAND READY TO SERVE CUBA

Riceland Foods and its family farmers have provided the world with wholesome, nutritious rice since 1921. Grown in the United States, our rice is known for its high quality and versatility, and that's why Riceland has become a trusted brand around the globe.

Riceland provides marketing services for rice and soybeans grown by its 5,500 farmer-members in Arkansas and Missouri. Each year, its 1,500 employees receive, store, transport process and market more than 125 million bushels (2.5 million metric tons) of grain.

Riceland is the world's largest miller and marketer of rice and one of the Mid-South's major soybean processors.



## THE WHITE PAPER

# METHODOLOGY

This report consists of estimates of potential agriculture exports from the entire U.S. and from 16 states. The states chosen were those with the greatest potential for agriculture commodity sales to Cuba, based on commodities produced, demand from Cuba, logistic proximity, historic sales to Cuba, and diplomatic outreach.

The sources for the data used include the U.S. Department of Agriculture (Farm Income and Wealth Statistics), the U.S. International Trade Commission, U.S. Census Bureau Trade Data (U.S. State Export Data), the Global Trade Atlas database, the MIT Media Lab OEC, and the Cuban government.

Estimates of Cuban imports for any commodity are based on the average import, by commodity, for the years 2012, 2013, and 2014. Overall estimates of potential U.S. agriculture sales to Cuba are based on the recent and historic patterns of Cuban food imports, coupled with the competitive strengths of those commodities as produced by U.S. farmers.

State-by-state estimates are based on their current worldwide commodity exports, state rankings as producers of those commodities, historic patterns of exports to Cuba, proximity & ease of transportation to Cuba, established relationships with the Cuban government, and current political leadership with an interest in Cuba.

This report was produced in consultation with Dr. C. Parr Rosson, head of the Department of Agricultural Economics at Texas A&M University, Dr. William Messina, agriculture economist at the University of Florida, and Steven Zahniser, agriculture economist at the USDA. Estimates

of the potential U.S. capture of key commodity markets come from C. Parr Rosson, based on historic trends of U.S. shares of exports to Cuba and secondary work done by the United States International Trade Commission.

There are only two exceptions to these estimates. One is of potential poultry shipments, estimated at between 50 and 65 percent by Dr. Rosson, but revised to between 50 and 75 percent to reflect actual U.S. shipments 2012 to 2016. The other is for dairy, which is estimated at 50 percent for the full market potential in Cuba; Dr. Rosson's estimate was only for powdered milk.

In all cases a conservative approach was taken to estimates. For most states, overall projections were based on a basket of commodities comprising soybeans, soymeal, wheat, corn, poultry, dairy products, and rice. Not factored into is the potential for a variety of commodities and food products for which the market in Cuba is still small and developing, products which could see strong future demand as tourism and buying power grows in Cuba.

What is factored in for states on the Gulf of Mexico, the Mississippi River and the south Atlantic Coast is an increase of 25 percent over national averaged exports in the commodities being tracked, based on the gravity model of international trade. Exports to Cuba from these states should see higher percentages than their national averages, based on the competitive advantage of proximity to market. Even this is a conservative estimate; some states estimate as much as a 100 percent gain from proximity. The only exception is Louisiana, for which state products are given a 50 percent increase based on the high historic volume of exports to Cuba from that state.

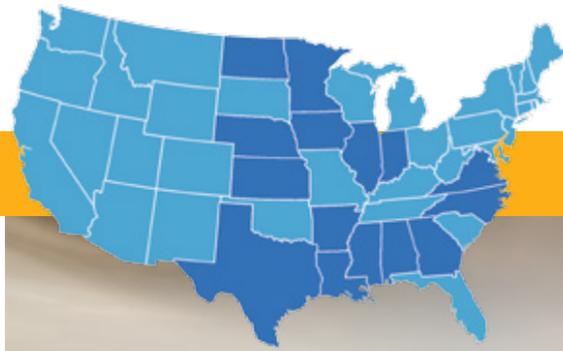
*For a more detailed breakdown of state-by-state methodology, go to Methodology Addendum on page 32.*

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## THE WHITE PAPER

ALABAMA ARKANSAS GEORGIA ILLINOIS INDIANA IOWA KANSAS



## THE POTENTIAL FOR U.S. AGRICULTURAL EXPORTS TO CUBA

LOUISIANA MINNESOTA MISSISSIPPI MISSOURI NEBRASKA NORTH CAROLINA NORTH DAKOTA VIRGINIA TEXAS

### OVERVIEW

**ALONG WITH ALL** other American products, food shipments to Cuba were banned by the full U.S. trade embargo that went into place in 1962. It would be nearly 40 years before U.S. food exports to Cuba resumed, when the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA) permitted sales of agricultural and medical products.

A trickle of \$4.5 million worth of corn and poultry were shipped the following year, but in 2002 the total—which also included wheat, rice, soybeans, dairy, pork, beef, and fruit—climbed to just under \$140 million. Sales peaked at \$711 million in 2008 but have since fallen, to below \$149 million in 2015 and to below \$219 million in 2016.

From the point of view of U.S. farmers, this represents a failure. Cuba imports an estimated \$2 billion worth of food annually. The United States, with arguably the most efficient and productive agriculture on earth, accounts for barely 11 percent of food sales to this island nation just 90 miles from our coast.

There are several reasons why U.S. farm goods are not sold in Cuba, but among the top is the requirement that all shipments be paid for in advance, in cash. Not only is this a major deviation from standard trade practices, where instruments of credit are an integral part of the process, but it literally makes no sense, because U.S. banks face a maze of regulations and restrictions in how they can deal with Cuban banks—resulting in almost no corresponding relations.

The consequence is a byzantine process for payments and a distinct disadvantage for U.S. farmers and agriculture businesses.

Nonetheless, the U.S. has sold nearly \$5.4 billion of agriculture products to Cuba since such sales were authorized by TSRA. Indeed, the U.S. was the island's single largest source of agriculture imports from 2005 to 2010, and once again in 2012.

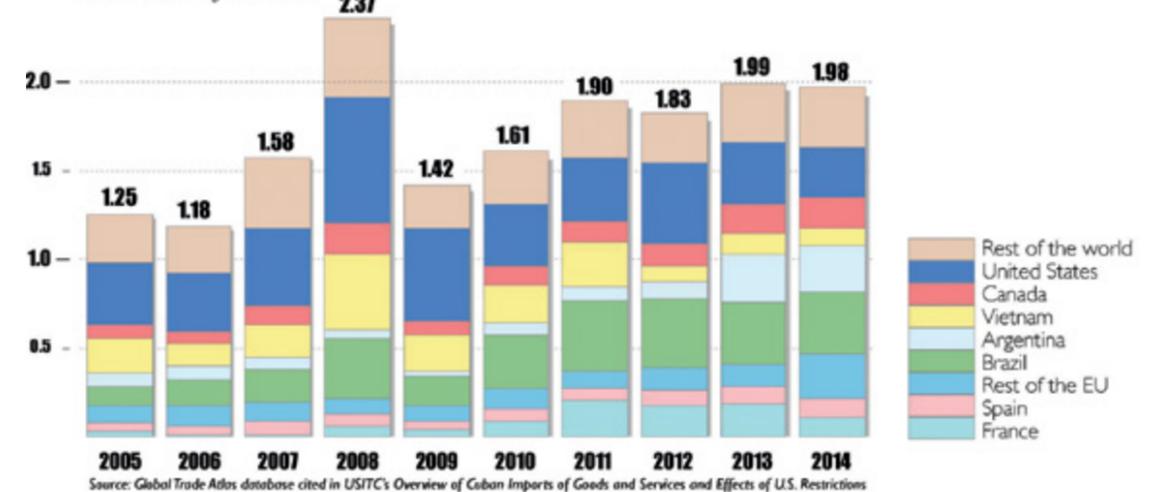
However, in recent years, the U.S. share of Cuba's food purchases has declined, as the country has fallen behind exporters such as the European Union, Brazil, and Argentina.

There are several reasons for this drop off in Cuban purchases of U.S. agriculture, including competition from lower quality products abroad, purchasing decisions by the Cuban government's importing agencies, and the productivity of Cuba's farms. But no reason looms larger than Cuba's inability to pay for the goods with credit, increasingly important after 2009, as the global recession meant Cuba had less cash to pay for any imports.

Allowing Cuba to pay for agriculture with credit is the most immediate action the U.S. can take to potentially boost agriculture exports to the island. A House bill introduced this year by Rep. Rick Crawford (R-Ark.) and a Senate bill introduced by Sens. John Boozman (R-Ark.) and Heidi Heitkamp (D-N.D.) would allow the private market to extend credit to Cuba for agriculture. Similar legislation did not reach the floor of the House or Senate for a vote in previous Congresses, but has a chance to reach the floor in 2017.

### CUBAN AGRICULTURAL IMPORTS BY COUNTRY, 2005-2014

In billions of dollars



### THE CUBAN MARKET, YESTERDAY AND TOMMORROW

Cuba is estimated to import anywhere from 60 to 80 percent of its food to feed a population of 11.5 million. The Cuban diet includes many commodities that the country produces inefficiently or are not suited to grow in the island's tropical climate. Rice, wheat, corn, soybeans, and dairy products are some of the main agriculture products Cuba needs to import to make up for domestic shortcomings.

In the years leading up to the Revolution, Cuba was the ninth largest destination for U.S. agriculture exports, according to the USDA (at current prices, agriculture exports during fiscal years 1956 to 1958 would average about \$600 million annually). By 2016, USDA figures show that Cuba had fallen to the 55th largest destination for U.S. agriculture exports.

Although Cuba has a relatively low purchasing power, several factors may influence its import posture in the future. Increased remittances are helping create a middle class that is more likely able to afford agricultural imports. The country's growing tourism sector will also increase demand for food, especially for high-quality commodities that international visitors expect while on vacation.

With growing demand for commodities that the U.S. produces with great efficiency and quality, the paramount question is what percentage of the Cuba market the U.S. can win. The

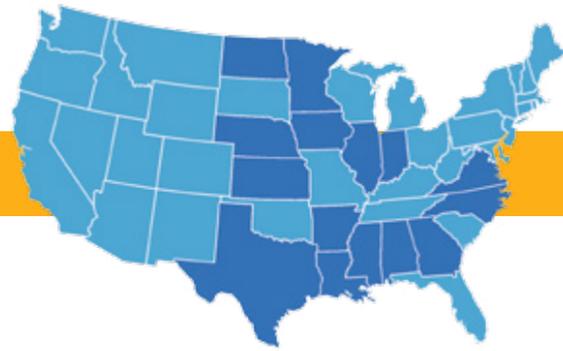
consensus among economists and Cuba pundits is that the U.S. should be able to capture half of the Cuba market, and perhaps as much as two thirds.

"I believe we can capture 60 percent of the Cuba market. That is based on logistics," says Paul Johnson, co-chair of the US Agriculture Coalition for Cuba. "If we have a normal relationship, Cuba will buy from all countries, but they certainly will go for the products from the U.S. because of proximity and quality."

One bench mark is the quantity of U.S. exports to similar Caribbean nations, particularly the Dominican Republic. With a similar population (10.6 million) and none of the U.S. restrictions that Cuba faces, the DR last year imported \$1.17 billion of American farm products—about 60 percent of their total food imports. Likewise, Honduras (population 9 million) purchased 58 percent of their imported food from the U.S. last year (\$655 million).

### THE COMPETITIVE ADVANTAGE

Few countries offer more cost-effective shipments of agriculture to Cuba than the United States. Most of the commodities Cuba needs are grown in states that line, or have easy access to, the Gulf of Mexico. From the U.S. Gulf ports, transit time is a matter of days—not weeks, as is the case with Vietnam, which currently supplies most of Cuba's rice imports. This is crucial because between 5 percent and 50 percent of the delivered price of any



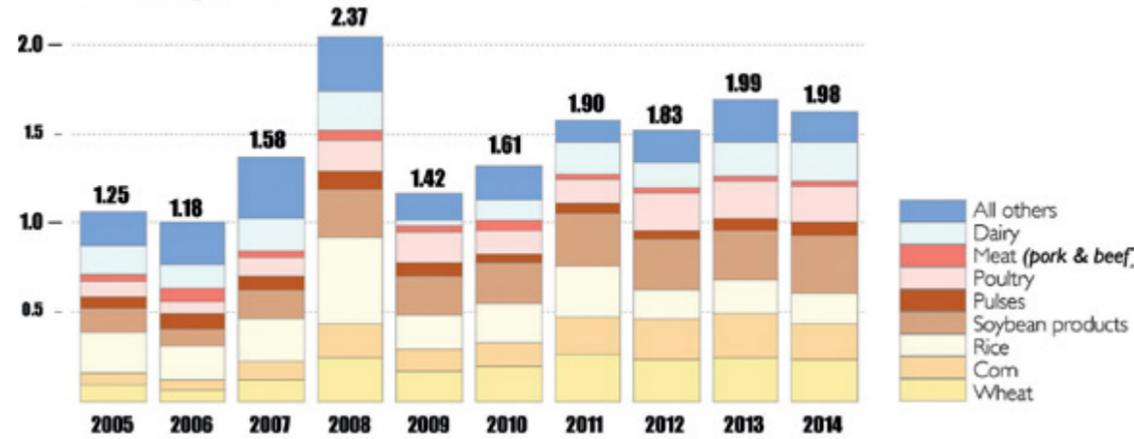
## THE WHITE PAPER

ALABAMA ARKANSAS GEORGIA ILLINOIS INDIANA IOWA KANSAS

## THE POTENTIAL FOR U.S. AGRICULTURAL EXPORTS TO CUBA

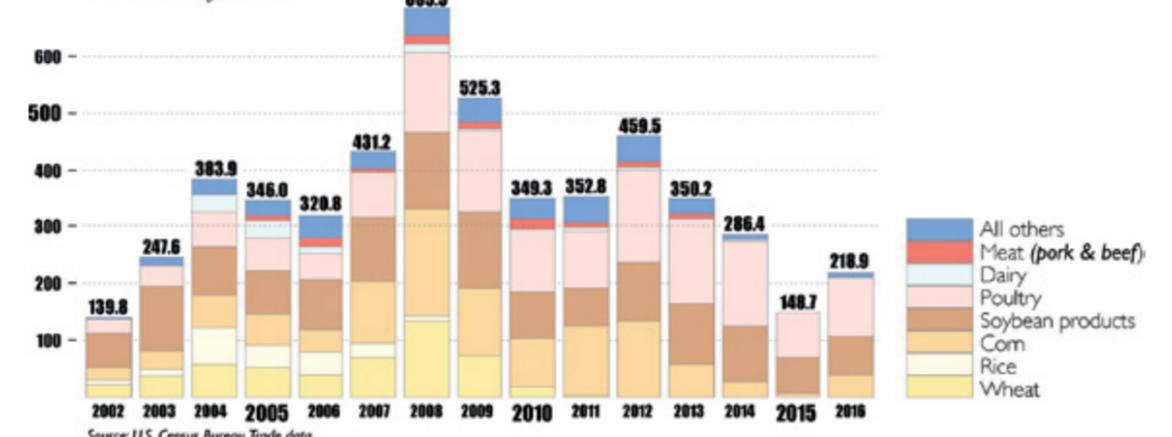
LOUISIANA MINNESOTA MISSISSIPPI MISSOURI NEBRASKA NORTH CAROLINA NORTH DAKOTA VIRGINIA TEXAS

**CUBAN IMPORTS OF AGRICULTURAL PRODUCTS BY COMMODITY, 2005-2014**  
In billions of dollars



Source: Global Trade Atlas database cited in USITC's Overview of Cuban Imports of Goods and Services and Effects of U.S. Restrictions

**U.S. EXPORTS TO CUBA BY COMMODITY, 2002-2016**  
In millions of dollars



Source: U.S. Census Bureau, Trade data

commodity derives from the logistics of delivery.

Not only does the proximity of U.S. ports to Cuba keep transport time (and cost) low, the U.S. is able to ship goods to multiple Cuban ports on smaller ships, while competitors depend on larger ships that can only dock at its largest ports. This is helpful because Cuba's internal distribution systems are limited.

Perishable commodities from the U.S. also enjoy an advantage because they can be shipped quickly as needed, rather than depend on Cuba's finite storage facilities. Prices for U.S. exports are also relatively low due to the massive scale and mechanization of the U.S. agriculture sector.

### THE IMPEDIMENTS TO TRADE

While the absence of credit facilities is a major restraint to U.S. exports to Cuba, it is not the only impediment.

One governing factor may be hesitation on the part of the Cuban government to become so dependent on products from a single source, i.e. the United States. "You have to overlay that [demand] with the fact it is not a market economy by any means; it is really at the whim of the Cuban government," says Dr. C. Parr Rosson, head of the Department of Agricultural Economics at Texas A&M University. "Economic models may indicate one direction, but they may decide to buy instead from Vietnam or Thailand."

Indeed, all U.S. agriculture imports must also go through the government's Alimport importing agency. This centralizes

purchasing decisions and may artificially restrain sales; from the point of view of the Cuban government, it allows Cuba to avoid overdependence on U.S. imports. "Cuba may not want to put itself in a position where it can be held hostage by the U.S. government," says William Messina, agriculture economist at the University of Florida.

Another additional cost not faced by competitors is that the U.S. imports close to nothing from Cuba, which adds to shipping costs as cargo vessels traveling to Cuba return with empty containers. In theory, that will change if agriculture trade relations between the U.S. and Cuba are normalized.

Cuba may also be interested in purchasing food from countries that have loaned it money for development projects and forgiven some of its outstanding debt. Last year Cuba made its first debt payment to several Paris Club members that agreed to forgive large portions of their outstanding debt, and it may wish to reward these countries with food purchases. Unlike other countries, the U.S. and Cuba have made little progress on negotiating their debt claims.

Other factors that may limit U.S. dominance of Cuban agriculture markets include quality and credit terms. A perfect example is the high-quality rice that the U.S. produces. Vietnamese rice stays competitive because its low quality keeps prices low. It is also purchased through government-to-government sales, with credit terms of up to 720 days, according to a USITC report. It's doubtful the U.S. will be able to offer such favorable credit terms.

### THE OUTLOOK

Assuming the Trump and Castro governments do not re-establish a Cold War-era relationship, the U.S. will likely continue to be a major supplier of food to Cuba. Commodities such as poultry, soybeans, and corn will probably remain competitive as Cuba's growing middle class and tourism sector increases their demand for food.

It will be difficult, however, for the U.S. to resume regular shipments of rice, wheat, dairy products, and dry beans to Cuba without lifting financing restrictions. And, unless it once again ships these commodities, it's unlikely the U.S. will be able to regain its position as the top supplier of agriculture to the island.

If all restrictions for agriculture trade with Cuba are lifted, the probability that the U.S. could dominate any of the important categories of poultry, soy, corn, rice, wheat, and dairy improves dramatically. Dr. Rosson believes the U.S. could capture 65 percent of the poultry market, 50 to 80 percent of the soy products market, 85 to 90 percent of the corn market, and 50 percent or more of the rice market. He does not feel that the current data would permit any predictability for wheat or rice. Nonetheless, David Schemm, president of the National Association of Wheat Growers, predicts that the U.S. could take 75 percent of that market.

Having said this, the size of the Cuban market—even at \$2 billion or more—is still relatively small compared to China or Mexico, for example. Nonetheless, even a small additional uptick

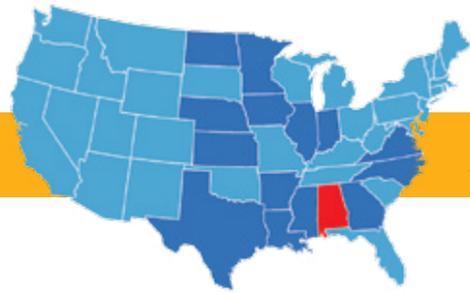
in demand could have a powerful rippling effect for pricing. And this may be the greatest benefit to U.S. farmers.

"There is financial stress in many parts of [U.S.] agriculture, and that stress is due in large part to lower prices. Farmers and ranchers understand prices are all about supply and demand," says Kevin Paap, president of the Minnesota Farm Bureau. "The easiest way to increase prices is to increase demand, even slightly."

"If we can increase our market demand, the effect is exponential," says wheat's Schemm, who is also a farmer. "If I take my wheat that is \$3.10 per bushel, and increase the price by ten percent from new market demand, that is 30 cents more times 30 bushels per acre times 3,000 acres. That is exponential."

What follows is a state-by-state look at the potential sales impact for the 17 states most likely to benefit from eliminating restrictions on U.S. agriculture sales to Cuba, based on their history of trade with the island, their basket of commodities that Cuba needs, their relationship with the Cuban government to date, and their proximity to the market. Altogether these states have the potential to generate between \$500 million and \$1 billion in sales to the Cuban market out of a U.S. potential that economists estimate at \$1 billion to \$1.4 billion.

"The Cuban market is relatively small by comparison," says Congressman Rick Crawford (R-AR), "[but] as you start to see the [Cuban] economy improve, we will see that market expand... We need to occupy that economic space in Cuba. It benefits small-town America and rural America." ★



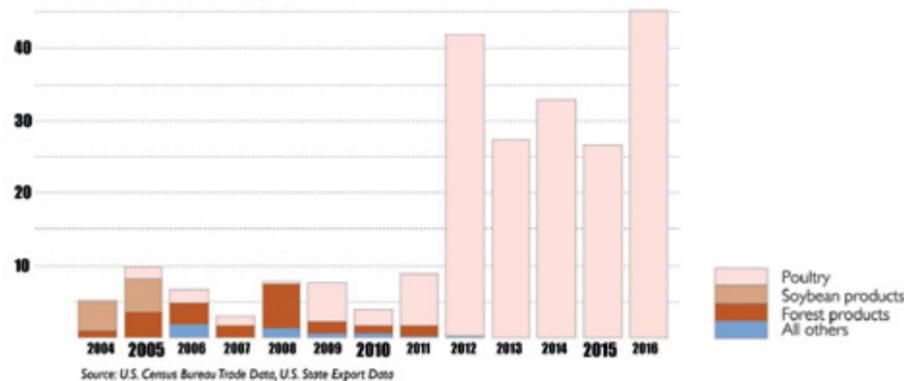
## ALABAMA

### A TESTED PATHWAY TO CUBA

**2016 AG SALES TO CUBA: \$45 MILLION**

**POTENTIAL AG SALES TO CUBA: \$33.4 MILLION to \$98 MILLION**

**ALABAMA AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**ALABAMA** has sold about \$251 million worth of agriculture products to Cuba since 2004, according to the USDA, including shipments in the first half of 2017. About 87 percent of those exports have been poultry meat. The state has also intermittently sold corn, soybeans, vegetable oil, pork, processed foods, and forest products to Cuba.

“We are averaging somewhere between 9,000 and 10,000 tons of frozen leg quarters per month [to Cuba],” says Alabama agriculture commissioner John McMillan. “It’s definitely not all from Alabama—some of it comes from Georgia and Arkansas—but a lot of it is processed in Alabama.” And a lot of it does come from the state, which produced \$2.8 billion worth of broilers in 2016.

Lifting financial restrictions for agriculture exports to Cuba is unlikely to dramatically impact Alabama’s poultry

meat sales to Cuba. In recent years, the U.S. has supplied about three quarters of Cuba’s annual imports of poultry meat (2012-2014), though in the last two years this has fallen to about half (2015-2016).

U.S. poultry sales may get a boost as per capita consumption of poultry in Cuba has been rising steadily since 2005. The per capita consumption was 19.5 kilograms in 2014—up from 12.6 kilograms in 2005, according to a USITC report. At the same time, Cuba’s limited domestic production has remained steady.

If Alabama were to hold its average share of U.S. poultry exports to Cuba 2014-2016 (21 percent), and the U.S. supplied half of the Cuba market for poultry, that would mean about \$22 million in annual sales for the state. If Alabama were to hold its 2016 share of U.S. poultry exports to Cuba (48 percent), that would rise to \$48 million. And if the U.S. were to

**Alabama’s Top 10 Agriculture Products (2016, in millions of \$)**

Rank	Commodity	Sales
1	Broilers	2,864
2	Cattle and calves	419
3	Chicken Eggs	368
4	Cotton	199
5	Soybeans	163
6	Corn	131
7	Catfish	120
8	Peanuts	116
9	Wheat	59
10	Hay	52

Source: USDA/ERS Farm Income and Wealth Statistics

**Alabama’s Top 10 Agriculture Products (2015, in millions of \$)**

Rank	Commodity	Sales
1	Broiler meat	347
2	Cotton	143
3	Soybeans	94
4	Beef and veal	45
5	Wheat	41
6	Feeds	39
7	Corn	26
8	Soybean meal	24
9	Vegetable oils	24
10	Processed grain	15

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

return to its previous role as the supplier of 75 percent of Cuba’s poultry needs, those figures would rise to \$32 million and \$74 million respectively.

Alabama could see sales of soybeans and corn to Cuba; currently it supplies neither commodity to the island, but they were Alabama’s 6<sup>th</sup> and 7<sup>th</sup> most valuable products in 2016, according to the USDA. If the U.S. were to capture half of Cuba’s soybean market and most of its corn market, and Alabama supplied just 2 percent and .3 percent of the U.S. total (its current share of world exports), it would mean sales of about \$1.2 million.

McMillan would also like to explore the sale of forest products. “My father had a small export pine sawmill, and almost all of our production went into the Caribbean, mainly Cuba... When Congress does relax restrictions, this represents business.” ★

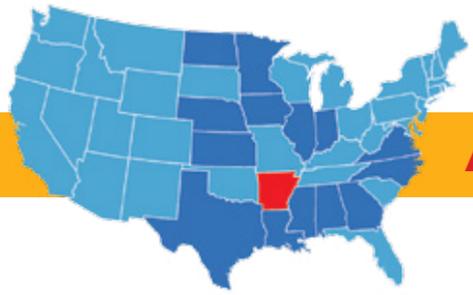


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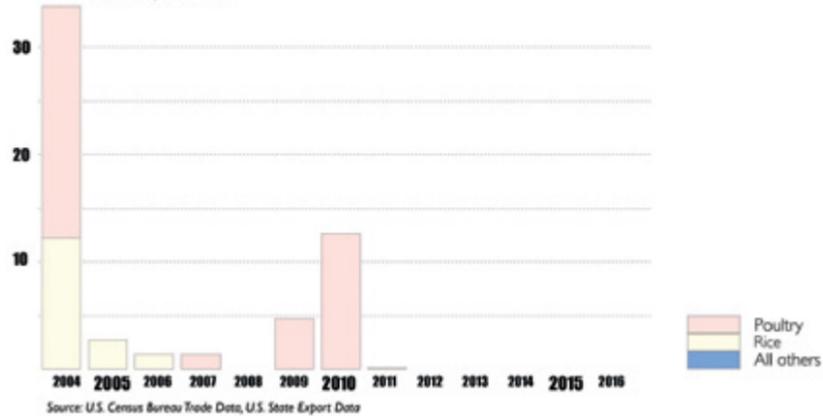


## ARKANSAS RICE COUNTRY

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$51 MILLION to \$60 MILLION**

**ARKANSAS AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**ARKANSAS** has sold no agricultural products to Cuba since 2010, outside of a small amount of pork, according to the USDA. In the half dozen years before 2010, however, Arkansas sold about \$56 million worth of commodities to Cuba,

Most of what Arkansas sold to Cuba in those years was poultry meat—about 71 percent of the total—with nearly all the remaining exports being rice.

As the nation's top rice-producing state, however, Arkansas stands to benefit significantly from increased agriculture sales to Cuba, which has the highest per capita rice consumption in the Western Hemisphere.

Cuba imported an average of \$174 million worth of rice per year from 2012 to 2014, but none of it came from the U.S., according to a 2016 USITC report. Instead, Cuba's rice has come from

countries such as Vietnam, Brazil, and Argentina.

"This is a simple, easy market 90 miles off the coast that the U.S. should be participating in," says Wes Ward, Arkansas's commissioner of agriculture. "We export 30 to 40 percent of production every year, and income is down. The answer is more demand and having access to these markets... Cuba is not the same as China, but they still consume a lot of rice."

Assuming that the U.S. is able to capture half the Cuban market for rice, and assuming that Arkansas maintains its market share of all U.S. rice exports (43 percent), that could mean annual rice sales to Cuba of \$37.4 million.

By the same logic, if Arkansas maintained its share of all U.S. exports of broiler chickens (11.5 percent), and the U.S. captures half of the Cuban market

**Arkansas's Top 10 Agriculture Products (2016, in millions of \$)**

Rank	Commodity	Sales
1	Broilers	3,136
2	Soybeans	1,437
3	Rice	1,028
4	Cattle and calves	489
5	Chicken Eggs	485
6	Turkeys	433
7	Corn	393
8	Cotton	201
9	Hogs	64
10	Hay	52

Source: USDA/ERS Farm Income and Wealth Statistics

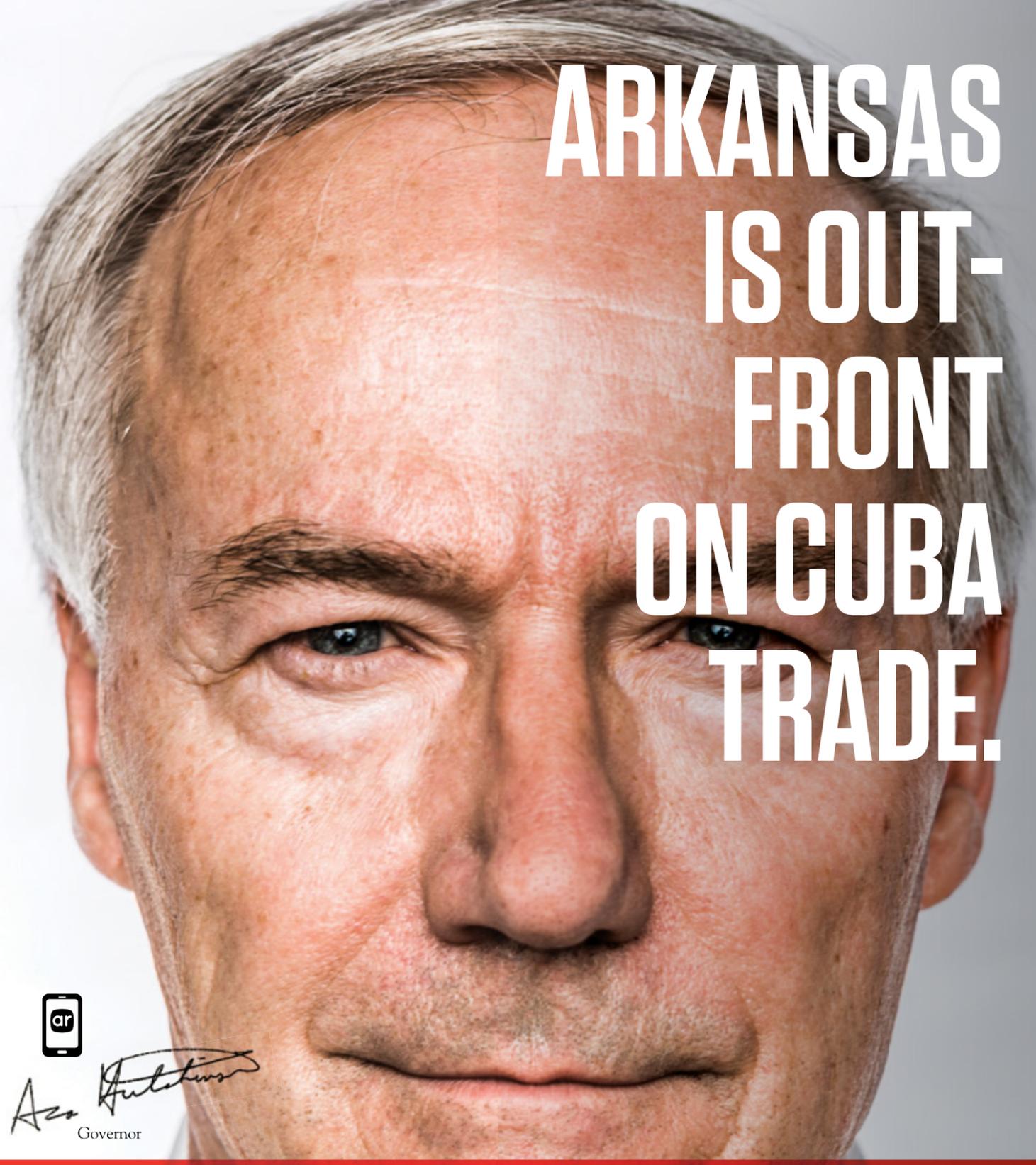
**Arkansas's Top 10 Agriculture Products (2015, in millions of \$)**

Rank	Commodity	Sales
1	Rice	859
2	Soybeans	790
3	Broiler meat	346
4	Soybean meal	201
5	Cotton	166
6	Vegetable oils	123
7	Feeds	113
8	Processed grain	101
9	Corn	64
10	Beef and veal	56

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

for poultry (about \$103 million, based on 2012-2014 data), then Arkansas could enjoy sales of about \$12 million—the same amount that Arkansas shipped to Cuba in 2004. If the U.S. captures three quarters of the Cuban market, as it did between 2012 and 2014, that figure would rise to \$18 million.

Besides rice and poultry, Arkansas also exports soybeans, soybean meal, animal feeds, and corn—all commodities Cuba imports in large quantities annually. If Arkansas were to maintain its 2015 share of all U.S. exports of soybeans and soybean meal (4.2 percent), and the U.S. were to capture 50 percent to 80 percent of the soybean and soybean import markets for Cuba, that would mean additional sales of between \$4 million to \$7 million in these commodities. ★



# ARKANSAS IS OUT-FRONT ON CUBA TRADE.



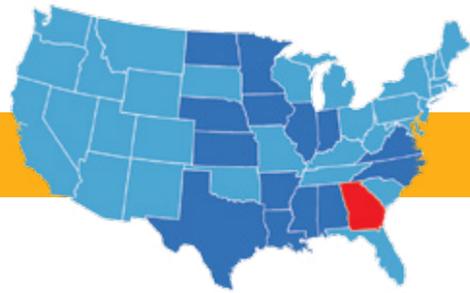
Asa Hutchinson  
Governor

Arkansas is leading the U.S. in economic and agricultural collaboration with Cuba. And because Arkansas is the nation's number one producer of rice, as well as a national leader in poultry, we're a natural for sprinting to the front of the pack when it comes to food-source trade with Cuba.

In Arkansas, we're proud to help our neighbors to the south by sharing our resources and our expertise – which in the end will help both economies to grow and prosper.



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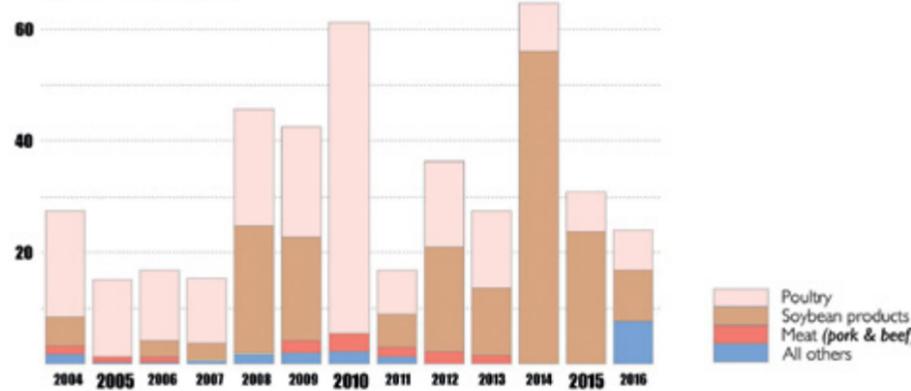
## GEORGIA

### WINNER OF CUBA'S CHICKEN DINNERS

**2016 AG SALES TO CUBA: \$24 MILLION**

**POTENTIAL AG SALES TO CUBA: \$43 MILLION to \$72 MILLION**

**GEORGIA AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**GEORGIA'S** top exports to Cuba are poultry meat and soybean meal. While Georgia tops all states for poultry exports worldwide, it comes in at No. 2 for Cuba (behind Alabama). With \$214 million worth sold to the island since 2004, it constitutes about 23 percent of U.S. poultry sales to Cuba for that period, according to the USDA. The state has also sold about \$164 million worth of soybean meal since 2004, making up about 32 percent of U.S. soybean meal sales. Soybeans, snack foods, pork and meat products comprise most of Georgia's remaining historic exports to Cuba, which total about \$435 million since 2004.

As the nation's leading producer of broiler chickens, Georgia is an excellent position to increase sales to Cuba, which imported an average total of \$206 million annually from 2012 to 2014. While the U.S. supplied about half of Cuba's poultry

imports in 2015 and 2016, those exports could climb to 75 percent, the percentage the U.S. held from 2012 to 2014.

Based on Georgia's average annual percentage of U.S. poultry sales to Cuba since 2004, that could mean sales of about \$35 million.

"The largest U.S. export to Cuba is poultry and Georgia is the nation's top poultry exporter, exporting \$1.2 billion worth of poultry in 2013," notes Georgia Farm Bureau President Gerald Long. "With only \$13.7 million going to Cuba [that year], [Georgia] poultry has a tremendous opportunity to gain market share in Cuba."

Georgia likewise has an opportunity to increase its soybean sales to Cuba. Even though Georgia ranks 23<sup>rd</sup> in the nation for soybean exports worldwide, it has averaged \$24 million in soybean meal sales

**Arkansas's Top 10 Agriculture Products (2016, in millions of \$)**

Rank	Commodity	Sales
1	Broilers	3,855
2	Cotton	737
3	Peanuts	589
4	Chicken Eggs	563
5	Cattle and calves	349
6	Dairy Products	318
7	Pecans	272
8	Corn	189
9	Cottonseed	113
10	Onions	122

Source: USDA/ERS Farm Income and Wealth Statistics

**Arkansas's Top 10 Agriculture Products (2015, in millions of \$)**

Rank	Commodity	Sales
1	Cotton	617
2	Broiler meat	444
3	Tree Nuts	223
4	Proc. Vegetables	99
5	Soybeans	63
6	Vegetable oils	55
7	Fresh Fruit	54
8	Dairy Products	52.5
9	Processed Fruit	52
10	Fresh Vegetables	51

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

to Cuba over the last five years (though just \$9 million last year).

Assuming the U.S. can capture 50 to 80 percent of the market for soybean meal (Cuba has very little soybean crushing capacity), and assuming Georgia could maintain its share of U.S. soybean meal sales to Cuba since 2004 (32 percent, according to the USDA), the result would be sales of \$21.5 to \$34 million annually. However, it must be assumed that only a small percentage of this soybean meal is grown in Georgia—perhaps \$2 million worth, based on their share of national soy production.

Demand for soybean meal in Cuba (as livestock feed) should rise with an emerging middle class and booming tourism sector, which may also increase demand for commodities such as snack foods and chocolate; Georgia sold \$7 million worth to Cuba last year. ★

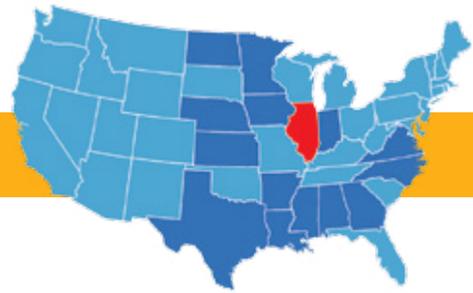
# From the Heartland to Cuba

**W**ith our 26.7 million acres of farmland, 72,200 farms, the world's leading agricultural commodity exchange, and a location at the crossroads of America, Illinois is the center of food in the United States.

As such, we are excited to join the rest of the industry across the country in promoting legislation in Congress to lift agricultural restrictions, boost sales, and worth with Cuba people to provide quality food products. On behalf of all food and cattle growers in the Great Prairie State, we are:



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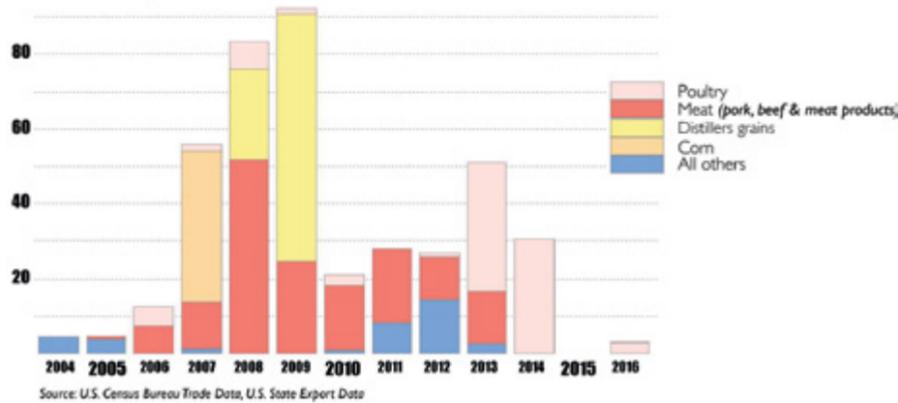
## ILLINOIS

### THE CORN AND SOYBEAN BASKET

**2016 AG SALES TO CUBA: \$277 THOUSAND**

**POTENTIAL AG SALES TO CUBA: \$43 MILLION to \$90 MILLION**

**ILLINOIS AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**ILLINOIS** has sold only about \$41 million worth of agriculture products to Cuba since 2004, and close to nothing in the last two years, according to the USDA. Yet, Illinois stands to reap benefits from access to the Cuban market. The state ranks as the nation's number two exporter of corn, and the top exporter of soybeans and soybean meal, all of which Cuba imports regularly.

The U.S. already has a competitive advantage over corn suppliers in Brazil, Argentina, Canada and Ukraine because of its proximity to the island. Economists estimate that the U.S. could capture 80 to 90 percent of the Cuban corn market, its share from 2002 to 2008. At Illinois' current share of all U.S. corn exports (16 percent) that would mean \$29 million to \$32.5 million in annual sales to Cuba.

The odds are that Illinois will take a larger share of the Cuban corn market, although predicting how much is limited by difficulties in sourcing corn shipments to Cuba. Since 2004, for example, Louisiana has sold Cuba 85 percent of the corn from the U.S. but produces only 3.5 percent of what Illinois produces. It is likely that much of what Louisiana ships comes from Illinois and other corn states.

The same analysis applies for soybeans and soybean meal. Based on Cuba's average imports of soybeans and soybean meal (about 8 percent each), that would result in annual sales of \$8 million to \$13 million combined, depending on how much the U.S. could capture of total soy imports by Cuba. If it could increase its share to 10 percent of projected U.S. sales to Cuba, based on proximity to market, that would mean \$10 million to \$16 million in revenue for Indiana.

Illinois's Top 10 Agriculture Products (2016, in millions of \$)		
Rank	Commodity	Sales
1	Corn	7,256
2	Soybeans	5,332
3	Hogs	1,213
4	Cattle and calves	610
5	Dairy products	314
6	Wheat	137
7	Chicken Eggs	72
8	Pumpkins	52
9	Hay	52
10	Mushrooms	35

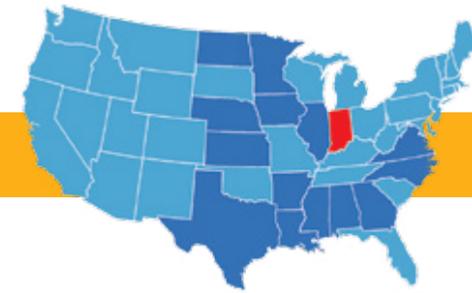
Source: USDA/ERS Farm Income and Wealth Statistics

Illinois's Top 10 Agriculture Products (2015, in millions of \$)		
Rank	Commodity	Sales
1	Soybeans	2,698
2	Feeds	1,463
3	Corn	1,367
4	Soybean meal	685
5	Processed grain	423
6	Pork	334
7	Wheat	77
8	Beef and veal	55
9	Dairy	49
10	Hides and skins	48

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

Again, the odds are that Illinois will take a larger share of the Cuban market than the world market, due to proximity and ease of transport. It most likely already does; whereas Louisiana has been the top exporter of U.S. soybeans to Cuba—44 percent since 2004—it produces less than 2 percent of the nation's total. Hence it is likely Illinois is already shipping its soybeans to Cuba via ports in Louisiana.

"We raise a lot of corn, soybeans, cattle and hogs, and... we have a lot of food manufacturing, so besides corn and soybeans going to Cuba, there are other products—wheat, dairy products, meat products, fertilizers, machinery, and snack products," says Illinois Farm Bureau president Richard Guebert, "value added products that we would like to export to Cuba." ★



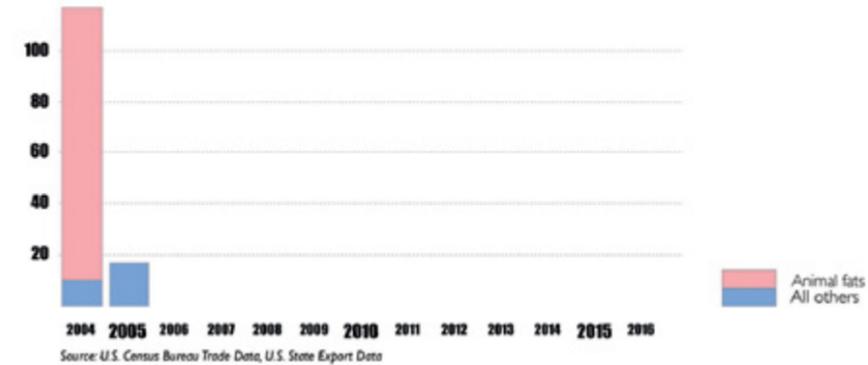
## INDIANA

### PUTTING THE HOOSIER STATE ON A PATH TO CUBA

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$21 MILLION to \$36 MILLION**

**INDIANA AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In thousands of dollars



Source: U.S. Census Bureau Trade Data, U.S. State Export Data

Indiana's Top 10 Agriculture Products (2016, in millions of \$)		
Rank	Commodity	Sales
1	Corn	3,156
2	Soybeans	2,838
3	Hogs	1,013
4	Dairy products	668
5	Turkeys	626
6	Chicken Eggs	404
7	Cattle and calves	367
8	Broilers	122
9	Wheat	92
10	Hay	70

Source: USDA/ERS Farm Income and Wealth Statistics

Indiana's Top 10 Agriculture Products (2015, in millions of \$)		
Rank	Commodity	Sales
1	Soybeans	1,449
2	Feeds	690
3	Corn	638
4	Soybean meal	368
5	Pork	294
6	Vegetable oils	226
7	Processed grain	201
8	Dairy	101
9	Wheat	50
10	Hides and skins	38

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

**INDIANA** has sold almost no food to Cuba to date, only about \$134,000 since 2004, according to the USDA. However, Indiana ranks among the top producers of corn, soybeans, and soybean meal, which Cuba imports regularly from the U.S. It is therefore likely that some quantities of all three commodities produced in Indiana made their way to Cuba via ports in Virginia and Louisiana. The state is also a top producer of soybean oil and other animal feeds, which Cuba used to import from the U.S. in greater quantities.

Indiana production and export of these goods is impressive, with \$1.4 billion in total soybean exports in 2015, along with \$638 million in corn exports, and \$368 in soybean meal exports.

Extending credit to Cuba will likely make Indiana's commodities more com-

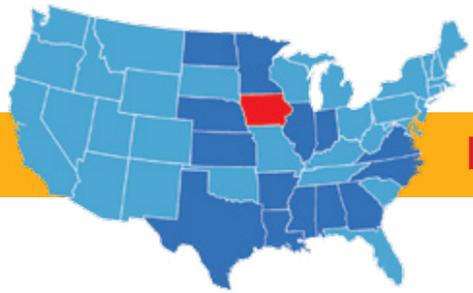
petitive. The U.S. already has a competitive advantage over Brazil, Argentina, Canada and Ukraine, its competitors for the Cuban soy and corn markets, in terms its proximity to the island.

"We have a transportation edge that is unbelievable," says Robert White, Director of National Government Relations at the Indiana Farm Bureau. "We could be doing quite a business there. There is plenty of market opportunity. It is just how aggressively you want to pursue it."

While White predicts that the U.S. could capture as much as 80 percent of the Cuban food market, just how much of that will be sourced Indiana depends on numerous variables. Indiana has sent trade missions to Cuba, but it has not courted future sales there as much as some other states, especially those on the Gulf of Mexico.

Still, if Indiana could capture even its overall percent of U.S. exports for soybeans and soybean meal (about 8 percent each), that would result in annual sales of \$8 million to \$13 million combined, depending on how much the U.S. could capture of total soy imports by Cuba. If it could increase its share to 10 percent of projected U.S. sales to Cuba, based on proximity to market, that would mean \$10 million to \$16 million in revenue for Indiana.

As for corn, Indiana supplies about 7.4 percent of total U.S. exports. If it maintained that share for total potential U.S. exports to Cuba, it would mean \$13 million to \$15 million in sales. If it could push its share to 10 percent, based on proximity to market, those numbers would rise to between \$18 million and \$20 million. ★

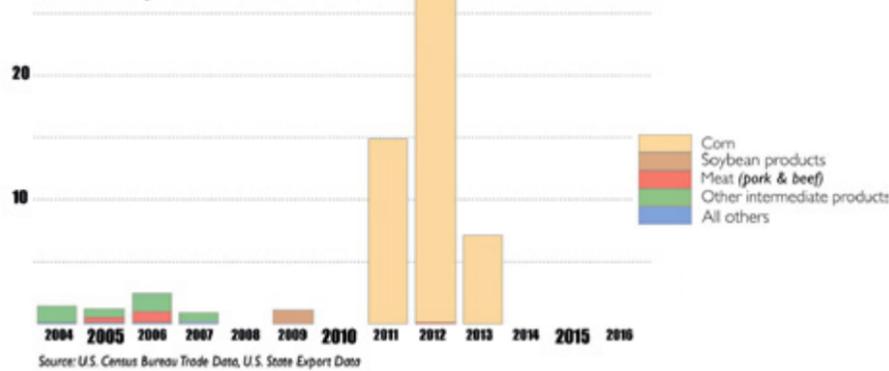


## IOWA WHY THE HAWKEYE STATE IS WORTH EYEING

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$42.5 MILLION to \$73 MILLION**

**IOWA AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**IOWA** is the top corn exporter in the U.S., should be able to dramatically increase its sales of the yellow staple to Cuba. That is because, except for a three-year spurt between 2011 and 2013, Iowa has sold no corn to Cuba, according to the USDA—though some may have been shipped to the island through ports in Louisiana and Mississippi.

Even during the height of its sales of corn to Cuba, Iowa exports averaged just \$16 million a year. If the state's corn sales to Cuba mirrored its share of total U.S. corn exports (16 percent), that would mean sales to Cuba of between \$29 and \$32 million annually, based on projections of the potential U.S. share of the Cuban corn market.

If, due to proximity to market and ease of shipping, Iowa could capture 20

percent of projected U.S. corn sales to Cuba—a market share within its grasp—the state's corn sales to Cuba could reach between \$36 and \$40 million annually.

Iowa also ranks as one of the nation's top producers and exporters of soybean and soybean meal—at second position for both, just behind Illinois. Solely based on retaining its share of U.S. exports to the world (about 13 percent), it could sell between \$13.5 and \$21 million worth of soybean and soymeal combined to Cuba. Were it to capture 16 percent of potential U.S. soy sales to Cuba, due to proximity to market, that figure could rise to between \$16.5 million and \$25 million.

As the nation's top exporter of pork and its number four exporter of beef, Iowa also stands to boost its sales with the lifting of restrictions on agriculture, though

**Iowa's Top 10 Agriculture Products**  
(2016, in millions of \$)

Rank	Commodity	Sales
1	Corn	8,133
2	Hogs	6,351
3	Soybeans	5,180
4	Cattle and calves	3,859
5	Dairy products	833
6	Chicken Eggs	556
7	Turkeys	380
8	Hay	77
9	Broilers	31
10	Oats	4

Source: USDA/ERS Farm Income and Wealth Statistics

**Iowa's Top 10 Agriculture Products**  
(2015, in millions of \$)

Rank	Commodity	Sales
1	Soybeans	2,516
2	Pork	1,988
3	Feeds	1,506
4	Corn	1,398
5	Soybean meal	639
6	Processed grain	428
7	Vegetable oils	392
8	Beef and veal	356
9	Hides and skins	292
10	Dairy	122

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

Cuba imports far more poultry meat and plant products than beef and pork. In fact, according to U.S. Census Bureau Trade Data, Cuba did not import any U.S. pork in 2015 or 2016, but in the preceding decade imported an average of \$9.5 million a year. If pork imports resume, Iowa stands to make additional sales of \$3 million based on its share of all U.S. pork exports (36 percent).

“On the pork and beef, the first driver of that trade is going to be tourism, what I call the white table cloth restaurants for the tourist markets,” says Dave Miller, director of research and commodity services at the Iowa Farm Bureau. “I think it's going to be the resolution of some of the issues regarding tourism out of the U.S. to Cuba that will be the stimulus [for] demand for pork and beef.”★

# Iowa farmers support trade with Cuba

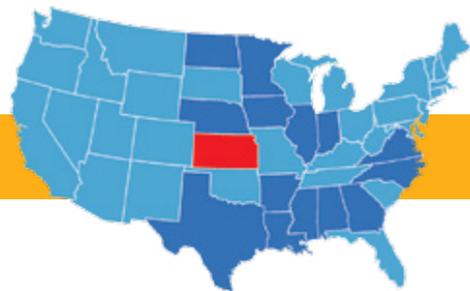


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## KANSAS MISSING OUT ON WHEAT SALES

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$29 MILLION to \$55 MILLION**

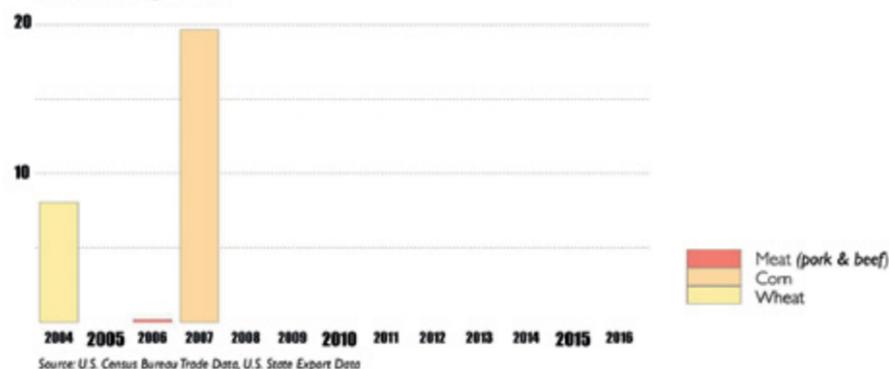
Kansas's Top 10 Agriculture Products (2016, in millions of \$)		
Rank	Commodity	Sales
1	Cattle and calves	7,864
2	Corn	1,972
3	Soybeans	1,540
4	Wheat	1,397
5	Sorghum	738
6	Dairy products	530
7	Hogs	466
8	Hay	182
9	Chicken Eggs	41
10	Sunflower	21

Source: USDA/ERS Farm Income and Wealth Statistics

Kansas's Top 10 Agriculture Products (2015, in millions of \$)		
Rank	Commodity	Sales
1	Wheat	809
2	Beef and veal	712
3	Soybeans	645
4	Feeds	545
5	Corn	334
6	Processed grain	231
7	Hides and skins	228
8	Soybean meal	164
9	Pork	124
10	Vegetable oils	103

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

**KANSAS AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



Source: U.S. Census Bureau Trade Data, U.S. State Export Data

**KANSAS** is the nation's second largest producer and exporter of wheat, and that could become the state's biggest opportunity for sales to Cuba, followed by corn and soy products. In 2015, Kansas exported \$809 million worth of wheat to the world, along with \$645 million in soybeans, \$334 million in corn, and \$164 in soy meal. But, according to the USDA, it has sold none of these commodities to Cuba since 2004.

For Cuba, wheat is the largest single agricultural import outside of the combination of all soy products (beans, meal and oil). Since Cuba's tropical climate is not suitable for wheat production, the country relies on imports for its entire supply.

Currently, France is the largest source of wheat for Cuba, followed by Canada, and more recently, Germany. Kansas en-

joys a huge cost advantages over all three in shipping.

"Twenty to 30 percent of the cost is in the moving of the grain, so any time you can shorten the distance it has to move there is an immediate advantage for someone who is close to that market," says David Schemm, this year's president of the National Association of Wheat Growers and a long-time member of the Kansas Wheat Board.

Based on the historical pattern of sales to other Caribbean nations, Schemm believes the U.S. can win 75 percent of the Cuban market. "They [Cuba] will be pulling primarily from the Southern states, but I would hope that Kansas could supply a good share of the wheat going into Cuba," says Schemm.

Assuming the U.S. captures half of

Cuba's wheat market, Kansas could export \$11 million annually, based on its share (9.4 percent) of all U.S. wheat exports. If the U.S. took three quarters of the market, this figure could climb to \$16 million. If Kansas supplies more of the U.S. wheat exports to Cuba based on proximity—say 12 percent—those numbers would grow to between \$14 million and \$21 million.

If you add corn and soy products to the mix, Kansas could see another \$11 million to \$27 million in sales—depending on what share the U.S. captures of corn and soy exports to Cuba, and what percentage of those exports Kansas supplies. Currently Kansas exports 4 percent of all U.S. corn, and 3.4 percent of all soybeans and soy meal. With proximity factored in, those numbers could grow to 5 percent and 4 percent respectively for Cuba. ★

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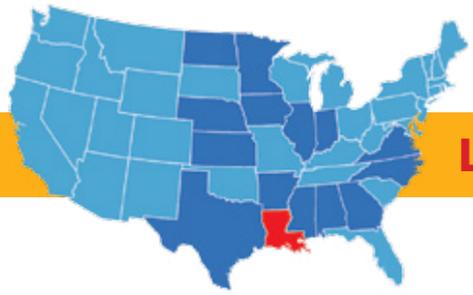
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**LOUISIANA** THE GO-BETWEEN FOR AG SALES TO CUBA

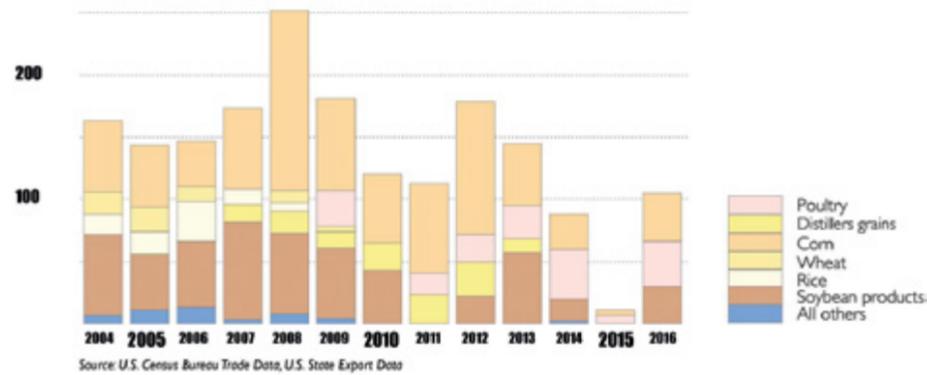
**2016 AG SALES TO CUBA: \$105 MILLION.**

**POTENTIAL AG SALES TO CUBA: \$100 MILLION to \$259 MILLION**

**(\$30 MILLION TO \$40 MILLION LOCAL**

**LOUISIANA AGRICULTURAL EXPORTS TO CUBA 2004-2017**

*In millions of dollars*



**LOUISIANA** has sold about \$1.9 billion worth of agriculture products to Cuba since 2004, making it the largest U.S. state supplier of food to the island, according to the USDA. Most of those commodities were produced by inland states and shipped through Louisiana, though some was produced locally.

“We are the gateway of the heartland of America,” says Mike Strain, Louisiana’s commissioner of agriculture. “In addition to Louisiana produce, most of what is exported to Cuba will come through Louisiana.”

Corn has accounted for the bulk of agriculture shipments from Louisiana, about 43 percent of Louisiana’s agriculture sales to Cuba since 2004, with soybean products and poultry accounting for another 29 percent and 11 percent respectively.

Soybeans and poultry are the top two commodities produced by Louisiana itself,

respectively, followed by corn and rice. But as a percentage of total U.S. exports and production, Louisiana soybeans and poultry make up just a small fraction (.6 percent and 3 percent). In terms of what is produced in Louisiana, rice is a more viable commodity.

Even with its export numbers inflated by pass-through commodities, Strain says that Louisiana itself will produce a sizeable part of what it exports to the island market. “We have poultry, eggs soybeans, rice, and dairy. The potential for us is tremendous. We have the largest poultry export facility in the world. We also have tremendous rice exports.”

No rice has been shipped from the U.S. to Cuba since 2008, but based on its share of all potential U.S. rice exports to the island nation (13.5 percent of \$87 million) and its proximity to Cuba, Louisiana could export \$17 million worth of rice

**Louisiana’s Top 10 Agriculture Products (2016, in millions of \$)**

Rank	Commodity	Sales
1	Soybeans	569
2	Broilers	445
3	Rice	307
4	Sugarcane	304
5	Corn	291
6	Cattle and calves	216
7	Cotton	60
8	Chicken Eggs	53
9	Sweet Potatoes	33
10	Dairy products	28

Source: USDA/ERS Farm Income and Wealth Statistics

**Louisiana’s Top 10 Agriculture Products (2015, in millions of \$)**

Rank	Commodity	Sales
1	Soybeans	316
2	Rice	269
3	Soybean meal	80
4	Cotton	76
5	Feeds	62
6	Broiler meat	52
7	Vegetable oils	49
8	Corn	48
9	Processed grain	39
10	Beef and veal	29

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

there annually.

As for poultry, Louisiana has historically shipped 19 percent of total U.S. exports to Cuba; in 2016, with \$36 million in shipments to Cuba, it was beaten only Alabama. However, Louisiana produces just 3 percent of the nation’s poultry; on that basis, even with a boost for proximity to market, probably only about \$5-\$7 million of those exports come from the state itself.

Corn shows even a greater discrepancy between what is shipped from Louisiana and what is grown there. Historically, 85 percent of all corn shipped to Cuba has come from ports in Louisiana. However, Louisiana produces less than 1 percent of nation’s corn crop. So, while Louisiana has the potential to export between \$153 million and \$172 million worth of corn to Cuba, only about \$1 million will come from the state itself. ★

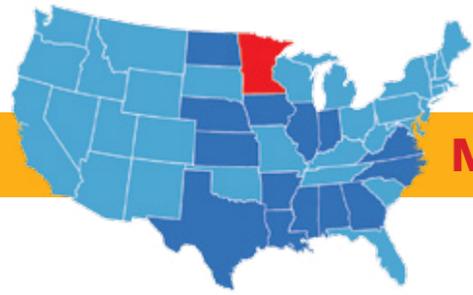
**10 commodities contribute \$10 billion to Louisiana’s economy. Imagine what it could do for Cuba.**



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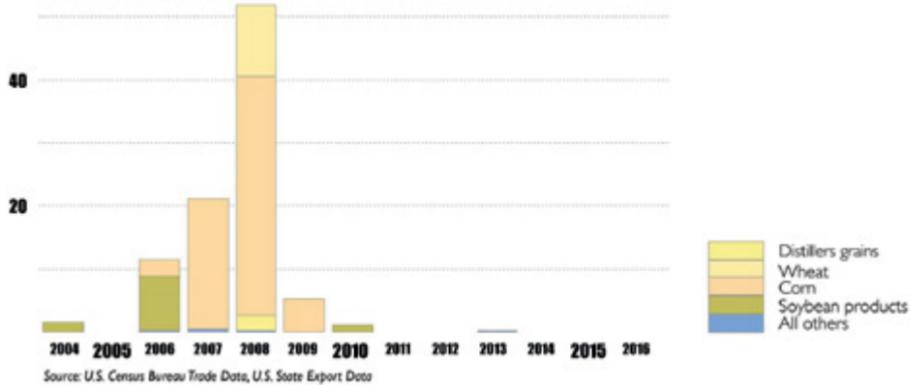


## MINNESOTA A MIXED BASKET FROM THE FROSTY NORTH

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$47 MILLION to \$119 MILLION**

**MINNESOTA AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**MINNESOTA** has sold only about \$93 million worth of food to Cuba since 2004, according to the USDA. However, it has aggressively pursued a trade relationship with Cuba—and it produces much of what Cuba imports: soybeans, soy meal, corn, dairy, and wheat.

“Lifting the restrictions on U.S. food exports to Cuba is absolutely the right thing to do,” says Minnesota Department of Agriculture Commissioner Dave Frederickson. In terms of Minnesota exporting to Cuba. “Certainly, corn and soybeans would be possibilities [and] we can expand the market... It’s not the biggest market in the world, and we are up the river a little farther than, say Louisiana, but every little bit helps.”

If Minnesota can take advantage of easy transportation via the Mississippi River, along with its position as a top

exporter of the commodities that Cuba wants, those little bits could add up.

Minnesota already exports 8.5 percent of the nation’s soybeans and soy meal. If it captured the equivalent share of potential U.S. soy exports to Cuba, that would mean combined sales of between \$9 million and \$14 million. With proximity to market factored in, those numbers rise to \$10.6 million to \$17 million.

For corn, Minnesota exports 8 percent of the U.S. total. Based on that share of potential U.S. corn exports to Cuba, it would have sales of \$14 million to \$16 million; with market proximity factored in, those sales could reach \$18 million to \$20 million.

Dairy has the next greatest potential for Minnesota, which exports 4.6 percent of the U.S. total. Based on the U.S. capturing half the Cuban dairy market, that

**Minnesota’s Top 10 Agriculture Products (2016, in millions of \$)**

Rank	Commodity	Sales
1	Corn	4,465
2	Soybeans	3,497
3	Hogs	2,276
4	Cattle and calves	1,846
5	Dairy Products	1,606
6	Turkeys	912
7	Sugar Beets	554
8	Wheat	367
9	Potatoes	166
10	Broilers	141

Source: USDA/ERS Farm Income and Wealth Statistics

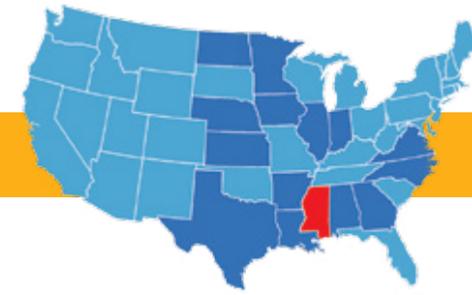
**Minnesota’s Top 10 Agriculture Products (2015, in millions of \$)**

Rank	Commodity	Sales
1	Soybeans	1,611
2	Feeds	770
3	Corn	699
4	Pork	669
5	Soybean meal	409
6	Vegetable oils	254
7	Dairy Products	242
8	Processed grain	238
9	Wheat	208
10	Beef and veal	165

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

share would be \$4.3 million; with market proximity added, those sales could reach \$5.6 million. For wheat, Minnesota’s current share of all U.S. wheat exports (2.4 percent) translates to between \$3 million and \$4.6 million in annual sales, depending the U.S. market share of Cuban wheat imports; with proximity added to the mix, this rises to between \$4 million and \$6 million.

Kevin Paap, president of the Minnesota Farm Bureau, believes that even slight increases in demand for commodities will have a significant impact for U.S. farmers. “The easiest way to increase prices is to increase demand,” he says. “Ninety six percent of the people who want to eat don’t live in this country, and they are looking for more sources of protein. For heaven’s sake let’s take advantage of one of those markets 90 miles off the coast.” ★

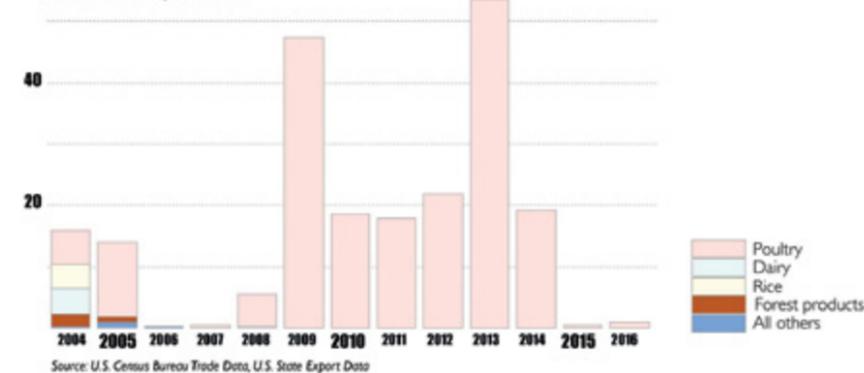


## MISSISSIPPI CHICKEN & RICE. OH SO NICE!

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$16 MILLION to \$39 MILLION**

**MISSISSIPPI AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**MISSISSIPPI** is a top rice producing state in the U.S., and as such stands to benefit from increased agriculture sales to a country that is the highest per-capita rice consumer in the Western Hemisphere. Cuba imported an average of \$233 million worth of rice per year from 2005 to 2014, but close to none of it has come from the U.S. since 2009, according to a 2016 USITC report—and none from Mississippi since 2004.

The ability to extend credit to Cuba would make Mississippi’s rice more competitive against countries such as Vietnam, Brazil, and Argentina, which currently supply most of the country’s imports. And Mississippi has pursued a relationship with Cuba.

“We had a great visit [to Cuba] with the governor, and I was impressed with

the openness and their desire to trade with Mississippi,” says Mike McCormick, president of the Mississippi Farm Bureau. “They talked to me about rice in particular and getting it from some Asian countries and it not being the same quality even though they have to pay the same because of the price of transportation.”

In the past, Mississippi has sold a fair quantity of poultry to Cuba—about \$203 million worth of since 2004, according to the USDA—but in 2015 and 2016 those sales fell to less than \$1 million per year. The U.S. did sell \$105 million in poultry to Cuba last year, about half the Cuban market, and has the potential to raise that by about \$50 million a year if the U.S. returns to its 75 percent share of the Cuban poultry market.

If Mississippi could capture just its

**Mississippi’s Top 10 Agriculture Products (2016, in millions of \$)**

Rank	Commodity	Sales
1	Broilers	2,226
2	Soybeans	964
3	Corn	381
4	Cotton	228
5	Chicken Eggs	222
6	Catfish	213
7	Cattle and calves	210
8	Sweet Potatoes	122
9	Rice	116
10	Hogs	86

Source: USDA/ERS Farm Income and Wealth Statistics

**Mississippi’s Top 10 Agriculture Products (2015, in millions of \$)**

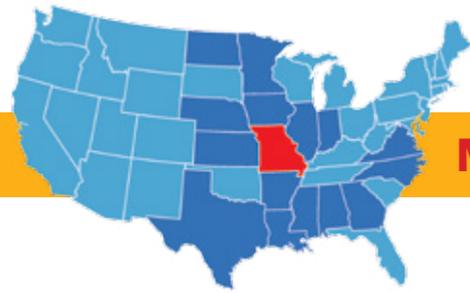
Rank	Commodity	Sales
1	Soybeans	555
2	Broiler Meat	256
3	Cotton	220
4	Soybean Meal	141
5	Rice	106
6	Vegetable Oils	89
7	Feeds	77
8	Corn	62
9	Processed Grain	32
10	Pork	28

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

current share of all U.S. exports of poultry and rice (8.5 percent and 5 percent), it stands to increase exports by about \$13 million on the low end. If it could capture a little more of those markets based on proximity, it could enjoy combined sales of chicken and rice of about \$20 million.

Mississippi also exports about 3 percent of all U.S. soybeans and soy meal. Strictly on that basis it could add another \$3 million to \$4.5 million in sales, with a potential to jump those numbers to between \$4 million to \$6 million annually due to proximity.

“The U.S. is a better alternative than the countries Cuba now trades with. But the credit restrictions don’t make it favorable for us,” says McCormick. “It would be a big benefit to our farmers and our ports.” ★



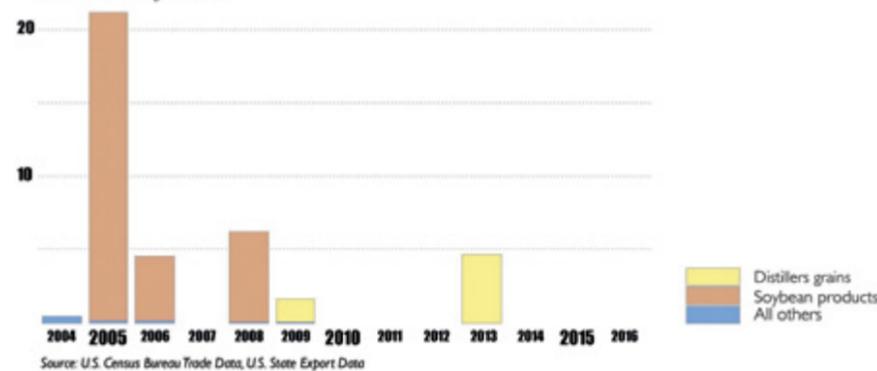
## MISSOURI RICE, CORN, SOY AND A RELATIONSHIP

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$23.5 MILLION to \$44 MILLION**

### MISSOURI AGRICULTURAL EXPORTS TO CUBA 2004-2017

In millions of dollars



**MISSOURI** has courted the Cuban market, with a visit by its governor last year that included a gift of two truckloads of rice. As one of the top rice producing and exporting states in the U.S., that gift made sense. Missouri also produces soy and corn, which Cuba regularly imports. In fact, Missouri's mixed bag of commodities includes a lot of what Cuba needs—rice, corn, soy, pork, poultry, and feeds. Its proximity via the Mississippi River makes Missouri even more likely to benefit from more open agriculture trade with Cuba.

Rice will lead the show. As the country's fourth largest producer, its 5.6 percent share of all U.S. rice exports translates into sales of nearly \$5 million to Cuba if that share is maintained for potential U.S. rice sales to Cuba. Add in the proximity factor

and that number rises to \$6 million

Next comes soybeans and soy meal, of which Missouri exports 5.7 percent of the U.S. total, according to the USDA. At that share of potential U.S. soy exports to Cuba, Missouri could sell between \$6 million and \$9 million worth. If proximity is factored in, those sales could reach between \$7 million and \$11 million.

Corn is another area where Missouri has a national export position. Missouri is the source of 3.8 percent of total U.S. corn exports. At that level, Missouri could export between \$6.8 million and \$7.7 million per year, depending on the amount of corn the U.S. exports to Cuba. If proximity to market is factored in, those sales figures could increase to \$7 million to \$10 million.

### Missouri's Top 10 Agriculture Products (2016, in millions of \$)

Rank	Commodity	Sales
1	Broilers	2,094
2	Corn	1,618
3	Cattle and calves	1,555
4	Hogs	883
5	Broilers	686
6	Turkeys	517
7	Dairy	228
8	Chicken Eggs	189
9	Cotton	162
10	Wheat	143

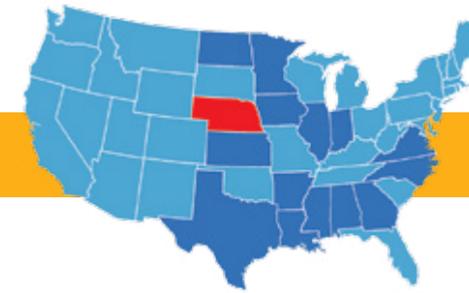
Source: USDA/ERS Farm Income and Wealth Statistics

### Missouri's Top 10 Agriculture Products (2015, in millions of \$)

Rank	Commodity	Sales
1	Soybeans	1,074
2	Corn	330
3	Soy Meal	273
4	Pork	248
5	Cattle and calves	167
6	Cotton	135
7	Rice	112
8	Broilers	79
9	Wheat	77.5
10	Hides and skins	74

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

In terms of poultry, Missouri is the source of 2.6 percent of U.S. exports to the world; if it could capture just that percent of potential U.S. sales of poultry to Cuba, that would add \$3 million to \$3.5 million in sales from Missouri to the Caribbean island. Factor in proximity, and those sales should reach \$3 million to \$4 million. Missouri itself is bullish on trade with Cuba. According to Chris Chinn, director of the Missouri Department of Agriculture, the state believes it can double its share of what the U.S. exports to the world (3 percent) when it comes to its share of what the U.S. could export to Cuba (6 percent). Based on their assumption that the U.S. can capture \$1.2 billion in sales to Cuba, that would be \$72 million a year. Our predictions are more modest. ★



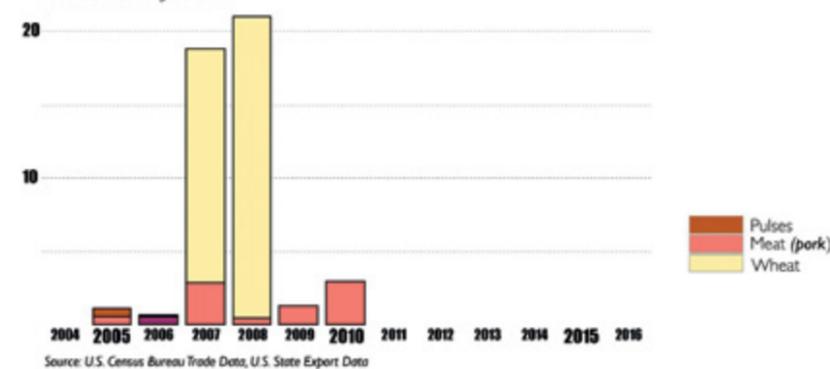
## NEBRASKA SHARING THE GIFT OF THE CORNHUSKER STATE

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$28 MILLION to \$48 MILLION**

### NEBRASKA AGRICULTURAL EXPORTS TO CUBA 2004-2017

In millions of dollars



### Nebraska's Top 10 Agriculture Products (2016, in millions of \$)

Rank	Commodity	Sales
1	Cattle and calves	10,976
2	Corn	5,414
3	Soybeans	2,765
4	Hogs	733
5	Dairy Products	235
6	Wheat	200
7	Hay	140
8	Chicken Eggs	100
9	Dry Beans	73
10	Sugar Beets	66

Source: USDA/ERS Farm Income and Wealth Statistics

### Nebraska's Top 10 Agriculture Products (2015, in millions of \$)

Rank	Commodity	Sales
1	Soybeans	1,396
2	Feeds	1,090
3	Beef and Veal	1,012
4	Corn	987
5	Soybean Meal	354
6	Hides and Skins	327
7	Processed Grain	322
8	Vegetable Oils	219
9	Pork	201
10	Wheat	135

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

**NEBRASKA** has sold only about \$45 million worth of food to Cuba since 2004, according to the USDA, but as one of the nation's leading producers of corn, soy beans, and soy meal, it stands to be one of the states to gain from reduced restrictions on commodity sales to Cuba.

As the third largest producer and exporter of corn—behind only Iowa and Illinois—it commands 11.4 percent of total U.S. exports. And as the fifth largest producer for soybeans and soy meal, it holds 7.3 percent of total exports for both.

Because the U.S. stands to capture most of the corn market, based on Nebraska's share of national production, the state should see sales of \$20 million to \$23 million; for soy beans and soy meal, Nebraska's share based on national production would be \$7.4 million to \$11.8 million.

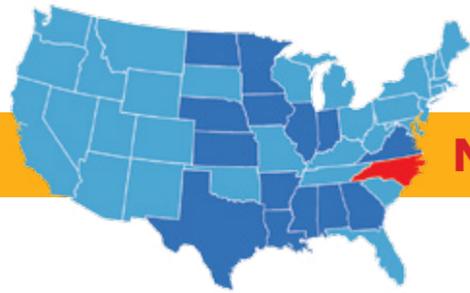
So far, Nebraska has not been aggressive in making market contacts with Cuba—though a Jim Miller, a Nebraska soybean farmer, led an American soybean and poultry delegation to Cuba last year. Nebraska also does not enjoy easy access to Cuba, so should not see any increase based on proximity.

While Cuba imports little beef (only about \$12 million a year from 2012 to 2014), that market stands to expand as tourism into Cuba increases. As the top producer and exporter of beef in the U.S., Nebraska could sell \$2 million annually to Cuba. Similar sales could be executed for hogs and hides.

"Nebraska's main ag exports are beef and beef products, pork and pork products, hides and skins, soybeans and soy meal, and corn," says Wes Peterson, a professor

in agriculture economics at the University of Nebraska-Lincoln. "I suspect those would be the main commodities that the state would like to export to Cuba."

Although USDA figures show U.S. sales of other animal feeds to Cuba never topped \$36 million per year from 2000 to 2016, it will also benefit Nebraska to contribute a larger share of Cuba's imports of that commodity. Cuba will need more animal feed as demand for meat increases due to the emergence of a middle class and a booming tourism sector. "Getting rid of all the sanctions on U.S. trade with Cuba would benefit Cuba quite a bit as they would be able to purchase cheaper food from the U.S. as well as many other goods, and they would also be able to export goods to the U.S.," says Peterson. ★



## NORTH CAROLINA A REGULAR SUPPLIER AIMS HIGHER

**2016 AG SALES TO CUBA: \$3.4 MILLION.**

**POTENTIAL AG SALES TO CUBA: \$12 MILLION to \$16 MILLION**

North Carolina's Top 10 Agriculture Products (2016, in millions of \$)

Rank	Commodity	Sales
1	Broilers	3,091
2	Hogs	2,103
3	Turkeys	993
4	Tobacco	668
5	Soybeans	543
6	Chicken Eggs	444
7	Corn	429
8	Sweet Potatoes	342
9	Cattle and calves	255
10	Dairy products	164

Source: USDA/ERS Farm Income and Wealth Statistics

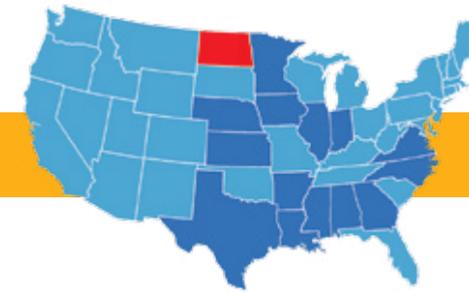
North Carolina's Top 10 Agriculture Products (2015, in millions of \$)

Rank	Commodity	Sales
1	Pork	604
2	Tobacco	558
3	Broiler Meat	361
4	Soybeans	305
5	Cotton	174
6	Proc. Vegetables	112
7	Wheat	87
8	Feeds	84
9	Soybean Meal	77
10	Corn	67

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

them a larger range of agriculture goods,” says Peter Thornton, an assistant director of international marketing at the North Carolina Department of Agriculture and Consumer Services. “The purchasing power of the population is the limiting factor. If that is addressed, they could be [a bigger market].”

North Carolina's Farm Bureau president, Larry Wooten—who has traveled to Cuba twice and led a delegation from North Carolina in 2015—believes the market for food products will grow as more Americans travel to the island, and that those sales should go to U.S. farmers. “Cuba is a potential market for North Carolina agriculture products,” he says, “and one that we should lift restrictions on. Certainly, here at the North Carolina Farm Bureau, we see no reason why we shouldn't.” ★



## NORTH DAKOTA LOOKING TO GET WHEAT SALES AND MORE

**2016 AG SALES TO CUBA: \$0**

**POTENTIAL AG SALES TO CUBA: \$25 MILLION to \$45 MILLION**

North Dakota's Top 10 Agriculture Products (2016, in millions of \$)

Rank	Commodity	Sales
1	Soybeans	1,902
2	Wheat	1,602
3	Corn	1,068
4	Cattle and calves	894
5	Canola	422
6	Sugar Beets	275
7	Barley	253
8	Potatoes	239
9	Dry Beans	235
10	Sunflower	213

Source: USDA/ERS Farm Income and Wealth Statistics

North Dakota's Top 10 Agriculture Products (2015, in millions of \$)

Rank	Commodity	Sales
1	Wheat	988
2	Soybeans	863
3	Feeds	238
4	Soybean Meal	219
5	Vegetable Oils	187
6	Corn	164
7	Processed Grain	160
8	Proc. Vegetables	140
9	Beef and Veal	89
10	Fresh Vegetables	73

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

**NORTH DAKOTA** has seen almost no agriculture sales to Cuba—only about \$12 million worth of food to Cuba since 2004, according to the USDA. But North Dakota ranks among the nation's top exporters of wheat, soy beans and soy meal, all of which Cuba imports in regularly. It also produces a variety of other agriculture products, such as corn, cattle, and a variety of dry beans.

“We actually produce over 54 commodities locally and are number one in the production of almost a dozen commodities such as red spring wheat, dry beans, peas, and lentils, and we have barley, honey, flax, canola,” says Doug Goehring, North Dakota's commissioner of agriculture. “Those are all things that have some marketing opportunities in Cuba [and] if you have a lot of small markets, that's just

as important or more important than just one large market.”

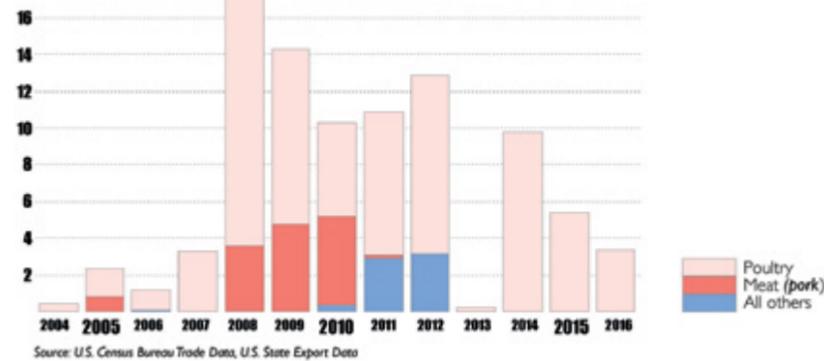
Having said that, North Dakota is the nation's No. 1 exporter of wheat, and since Cuba's tropical climate is not suitable for producing wheat, the country relies on imports for all its supply. The island imported an average of \$189 million worth of wheat per year from 2005 to 2014, according to the USITC. From 2012 to 2014, that average rose to \$257 million annually. But since 2012, Cuba has imported none from the U.S.

Potential U.S. wheat sales to Cuba could range between \$129 million and \$193 million, based on the U.S. capture of 50 percent to 75 percent of the Cuban wheat market. If North Dakota simply kept its share of all U.S. wheat exports to the world (11.5 percent), it would enjoy

sales of between \$15 million to \$20 million to Cuba.

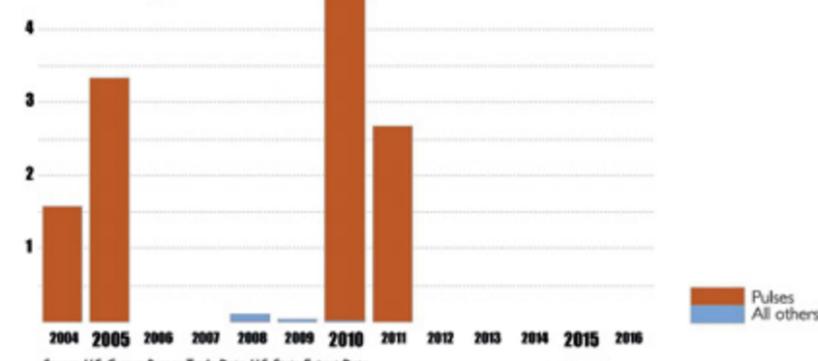
Similarly, if North Dakota kept its share of all U.S. soybean and soy meal exports (4.6 percent) for soy sales to Cuba, it could see exports of \$4.7 million to \$7.4 million, based on the potential U.S. capture (50 to 80 percent) of the Cuban soy market. Other markets for North Dakota would also contribute to sales. While North Dakota exports just 2 percent of U.S. corn worldwide, that would translate to between \$3.6 million and \$4 million in sales to Cuba. The island nation also imports about \$60 million annually in dry beans. If the U.S. can supply half that market, North Dakota—which produces more than a quarter of U.S. dry beans—could see sales of \$8 million annually. ★

NORTH CAROLINA AGRICULTURAL EXPORTS TO CUBA 2004-2017  
In millions of dollars



Source: U.S. Census Bureau Trade Data, U.S. State Export Data

NORTH DAKOTA AGRICULTURAL EXPORTS TO CUBA 2004-2017  
In millions of dollars



Source: U.S. Census Bureau Trade Data, U.S. State Export Data

**NORTH CAROLINA** is the nation's second largest producer and exporter of broilers, one of the top food commodities that Cuba imports today, according to the Global Trade Atlas. Using the baseline of 2012 to 2014, Cuba imported an average of \$206 million annually of poultry, most of which was frozen broiler quarters.

Since 2004, North Carolina has sold about \$93 million worth of agriculture products to Cuba, according to the USDA, with poultry meat accounting for about 78 percent of those exports. The remaining exports were pork and cotton.

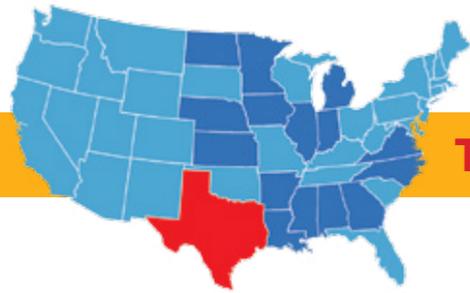
While the U.S. captured roughly half of the Cuban poultry market in 2015 and 2016, it previously held 75 percent of that market. If North Carolina could retain its national share of all broiler exports (12 percent) it could increase its sales from about \$3.3 million last year to \$12 million a

year based on current exports to Cuba, and up to \$18 million if the U.S. were able to return to its previous market share. Factor in proximity, and that figure could reach \$

As a top pork producing state, North Carolina may see a boost in pork sales with the lifting of financing restrictions. That boost may have a limited impact, however, as Cuba rarely imports more than \$30 million of pork annually, according to the USTIC. However, an emerging middle class and growing tourism may increase demand for pork.

Besides pork and poultry, North Carolina also produces corn, wheat and soybean products. All could see a small boost in sales if agriculture restrictions are lifted.

“If Cuba were to really open up... It would become a more traditional Caribbean island nation, and we could sell

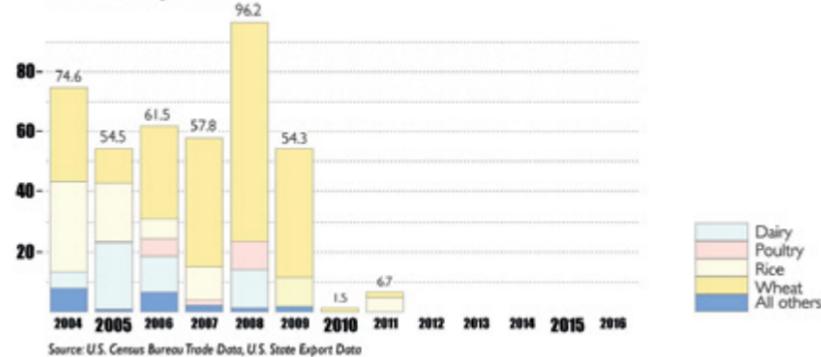


## TEXAS NO LONE COMMODITIES FROM THE LONE STAR STATE

**2016 AG SALES TO CUBA: \$133 THOUSAND**

**POTENTIAL AG SALES TO CUBA: \$23 MILLION to \$51 MILLION**

**TEXAS AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**TEXAS** has sold about \$407 million worth of food to Cuba since 2004, according to the USDA, though very little since 2012.

Most of what Texas exported to Cuba was wheat, about 58 percent of the total. Rice accounted for about 16 percent, while dairy products accounted for about 12 percent. While Cuba has mostly stopped buying those commodities from the U.S., Texas is, however, the nation's sixth-largest exporter of wheat, rice, and dairy products, according to the USDA, as well as the sixth largest exporter of broiler chickens and twelfth largest exporter of corn—all regular Cuban imports.

For wheat, most of what passed through Texas ports to Cuba was likely grown elsewhere; Texas produces only 3 percent of the nation's crop yet was responsible for 67 percent of U.S. wheat

exports to Cuba from 2004 to 2011, according to U.S. Census Bureau Trade Data. A better gauge would be Texas' wheat exports to the Caribbean, about 9 percent for 2015 and 2016. On that basis, Texas would likely export \$11 million to \$17 million to Cuba.

For rice, the situation is parallel. About 40 percent of rice sales to Cuba to date have come through Texas, though it produces only about 5 percent of the nation's crop, according to the USDA. Even with proximity to Cuba, the state will probably capture no more than that, based on its rice exports to the Caribbean 2012-2016 (5 percent). Assuming the U.S. can capture half of all rice sales to Cuba, that would mean \$4 million annually.

Dairy exports are similar. Despite shipping 76 percent of U.S. dairy to Cuba

Texas's Top 10 Agriculture Products (2016, in millions of \$)		
Rank	Commodity	Sales
1	Cattle and calves	8,470
2	Cotton	2,236
3	Dairy Products	1,848
4	Broilers	2,030
5	Corn	1,152
6	Hay	493
7	Cottonseed	440
8	Sorghum	403
9	Chicken Eggs	361
10	Wheat	293

Source: USDA/ERS Farm Income and Wealth Statistics

Texas's Top 10 Agriculture Products (2015, in millions of \$)		
Rank	Commodity	Sales
1	Cotton	1,440
2	Beef and Veal	916
3	Feeds	398
4	Hides and Skins	284
5	Wheat	271
6	Dairy Products	267
7	Broiler Meat	212
8	Corn	200
9	Processed Grain	146
10	Rice	93

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

since 2004, Texas produces only 5 percent of the nation's dairy products; with proximity to Cuba factored in, it could capture about 6.5 percent of potential U.S. sales to Cuba, or \$6 million.

For poultry, Texas could sell \$7 million to \$9.4 million annually, based on its 7 percent share of all U.S. poultry exports. Factor in proximity and that climbs to \$9 million to \$12 million. Likewise, with corn: Based on Texas's 2.3 percent share of national output, sales should reach \$4 million, and with proximity factored in, \$5 million.

"Actually, it's a misnomer that we don't trade with Cuba," says Sid Miller, Texas' Commissioner of Agriculture. "We have traded in the past, selling rice and other things over the years. We haven't done a lot lately, because right now they are buying lower quality [elsewhere]."  
★



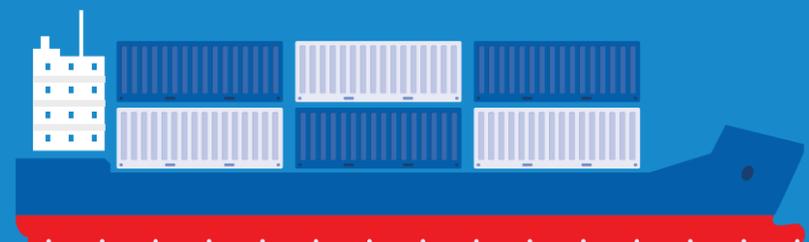
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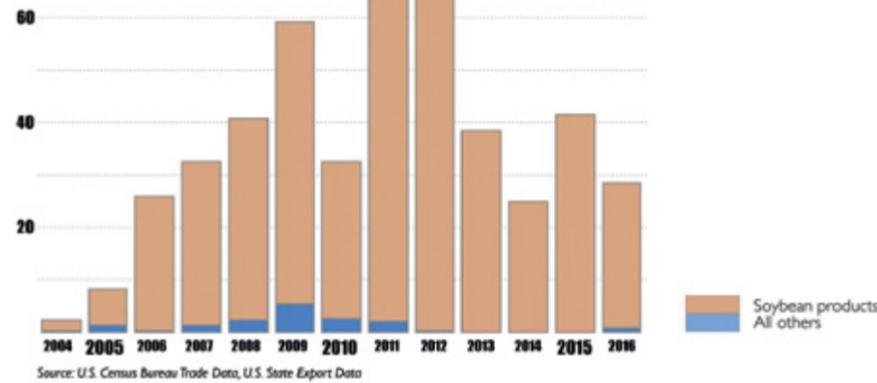


## VIRGINIA THE SOY GATEWAY

**2016 AG SALES TO CUBA: \$28.5 MILLION.**

**POTENTIAL AG SALES TO CUBA: \$40 MILLION to \$63 MILLION  
(\$5 MILLION GROWN IN VIRGINIA)**

**VIRGINIA AGRICULTURAL EXPORTS TO CUBA 2004-2017**  
In millions of dollars



**VIRGINIA**, when it comes to current U.S. agriculture exports to Cuba, is the king of soy. From 2004 to 2016, nearly two thirds—some 64 percent—of all U.S. soybeans exported to Cuba came from Virginia’s ports. During the same period, Virginia exported almost one quarter—some 23 percent—of all U.S. soybean meal to Cuba.

Most of this soy, however, is most likely grown and supplied by other states, such as nearby Ohio, Indiana, and Illinois. All three are among the top six states producing soy products nationwide, whereas Virginia ranks 20<sup>th</sup> for soybean and soy meal.

“Virginia was one of the first states to start sending agricultural exports to Cuba in the early 2000’s when trade restrictions were loosened,” says Charles Green, the state’s deputy agriculture commissioner.

“Geographically, for that type of commodity [soy], Virginia’s a very competitive state.”

It is also a state that has continuously exported food product to Cuba since agriculture sales were permitted. From 2004 to 2016, Virginia exported \$463 million worth of agricultural goods to Cuba, nearly 9.5 percent of total U.S. exports to the island, according to the USDA.

If Virginia were to maintain its average market share of U.S. soybean and soy meal exports to Cuba for the last thirteen years, and the U.S. were to capture half of the Cuban soybean and soybean meal markets, Virginia could see exports reach \$22 million and \$15 million respectively. If the U.S. were to capture 80 percent of the Cuban soybean and soy meal markets, those figures would climb to \$35 million and \$24 million respectively.

On other hand, if Virginia’s soy

Rank	Commodity	Sales
1	Broilers	733
2	Cattle and calves	416
3	Turkeys	386
4	Dairy Products	308
5	Soybeans	200
6	Corn	172
7	Hay	119
8	Tobacco	110
9	Chicken Eggs	97
10	Wheat	54

Source: USDA/ERS Farm Income and Wealth Statistics

Rank	Commodity	Sales
1	Soybeans	110
2	Broiler meat	83
3	Tobacco	79
4	Beef and Veal	54.5
5	Feeds	54
6	Cotton	52
7	Dairy Products	50
8	Wheat	42
9	Corn	29
10	Soybean meal	28

Source: USDA Economic Research Service; USDA Foreign Agricultural Service (Global Agricultural Trade System)

exports were based upon the state’s overall share of U.S. production and exports, those figures would drop to \$1 million combined.

In the case of poultry, however, Virginia does produce just under 3 percent of the nation’s total. In 2016, it shipped \$732,000 worth to Cuba, and is on track to ship about \$3 million worth in 2017. That is consistent with Virginia’s share of national poultry production; if you factor in proximity to market, sales to Cuba could cross \$5 million if the U.S. were to increase its market share there from 2015-2016’s 50 percent to the 75 percent share it held in previous years.

Virginia has also shipped tiny amounts of beef, pork, and fresh fruit to Cuba, but overall soy products have made up 97 percent of its sales of food products to Cuba. ★

# Virginia: A History of Leadership in Trade with Cuba



**F**or almost 15 years, Virginia has been a top exporter to Cuba and has actively advocated for more open trade with this important neighbor and trading partner. Exports mean jobs and investment at home, and that is why four successive Virginia governors, including Governor Terry McAuliffe, have made expanding the Commonwealth’s relationship with Cuba a top priority. Virginia farmers and agribusinesses understand and depend on the benefits of exports and eagerly await new trade opportunities with Cuba, under the same terms extended to other customers. To benefit the citizens and economies of the U.S. and Cuba, we support efforts to normalize relations between us, and further grow Virginia’s historically strong partnership with Cuba.



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## ADDENDUM: DETAILS OF METHODOLOGY

### CUBAN IMPORTS BY COMMODITY (in order of importance)

SOY & SOY PRODUCTS = **\$295m** average annual imports 2012-2104  
Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture:  
50% = \$67m  
80% = \$107m  
Average annual Cuban imports of Soybean oil 2012-2014 = **\$92m**  
Potential US capture:  
50% = \$46m  
80% = \$74m

### WHEAT

Average annual Cuban imports of Wheat 2012-2014 = **\$257m**  
Potential US capture:  
50% = \$129m  
75% = \$193m

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m

### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**  
Potential US capture:  
50% = \$103m  
75% = \$154m

### DAIRY

Average annual Cuban imports of Dairy 2012-2014 = **\$187m**  
Potential US capture:  
50% = \$93.5m

### RICE

Average annual Cuban imports of Rice 2012-2014 = **\$174m**  
Potential US capture:  
50% = \$87m

### PORK

Average annual Cuba imports of Pork 2012-2014 = **\$15.5m**  
Potential US capture:  
50% = \$7.5m

## ALABAMA

### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**  
Potential US capture:  
50% = \$103m  
75% = \$154m  
Potential Alabama share based on percent of all U.S. poultry exports 2015  
11.6% = \$12m to \$18m  
Potential Alabama share based on percent of all U.S. exports to Caribbean 2012-2016  
11.4% = \$12m to \$17.5m  
Potential Alabama share based on historic sales of poultry to Cuba 2004-

2016  
21% = \$22m to \$32m  
Potential Alabama share based on its percentage of US sales of poultry to Cuba 2016  
48% = \$48m to \$74m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Potential Alabama share based on historic sales of soybeans to Cuba 2004-2016  
2% = \$.7m to \$1m

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Alabama share based on its percent of all U.S. corn exports 2015  
.3% = \$550,00 to \$600,000

ALABAMA POTENTIAL ANNUAL AG SALES TO CUBA: \$23 million to \$75 million

## ARKANSAS

### RICE

Average annual Cuban imports of Rice 2012-2014 = **\$174m**  
Potential US capture:  
50% = \$87m  
Potential Arkansas share based on its percent of all US rice exports 2015  
43% = \$37.4m

### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**  
Potential US capture:  
50% = \$103m  
75% = \$154m  
Potential Arkansas share based on its percent of all US poultry exports 2015  
11.5% = \$12m to \$18m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Potential Arkansas share based on its percent of all soybean exports 2015  
4.2% = \$1.5m to \$2.3m

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**

Potential US capture:  
50% = \$67m  
80% = \$107m  
Potential Arkansas share based on its percent of all US soybean exports 2015  
4.2% = \$2.8m to \$4.5m

ARKANSAS POTENTIAL ANNUAL AG SALES TO CUBA: \$44 million to \$52 million

## GEORGIA

### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**  
Potential US capture:  
50% = \$103m  
75% = \$154m  
Potential Georgia share based on its percent of all U.S. poultry exports 2015  
15% = \$15m to \$23m  
Potential Georgia share based on its percent of U.S. poultry exports to Cuba 2004-2016  
23% = \$23m to \$35m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture:  
50% = \$67m  
80% = \$107m  
Potential Georgia share based on its percentage of U.S. soybean exports to Cuba 2004-2016  
32% = \$21.5 to \$34m

Potential sales of Snack Foods, Chocolate & Coca based on 2016 and early 2017 sales  
\$7 million

GEORGIA POTENTIAL ANNUAL AG SALES TO CUBA: \$43 million to \$76 million (\$24 million to \$44 million produced in Georgia)

## ILLINOIS

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Illinois share based on its percent of all U.S. corn exports 2015  
16% = \$29m to \$32.5m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture of soybeans:  
50% = \$34.5m  
80% = \$55m  
Potential Illinois share based on its percent of all U.S. soy exports 2015  
14% = \$4.8m to \$7.7m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture of soybean meal:  
50% = \$67m  
80% = \$107m  
Potential Illinois share based on its percent of all U.S. soybean exports 2015  
14% = \$9.4m to \$15m

ILLINOIS POTENTIAL ANNUAL AG SALES TO CUBA: \$43 million to \$55+ million

## INDIANA

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m

Potential Indiana share based on its percent of all U.S. corn exports 2015  
7.4% = \$13m to \$15m  
Potential Indiana share based on proximity to Cuba (25 percent boost)  
9% = \$16m to \$18m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture of soybeans:  
50% = \$34.5m  
80% = \$55m  
Potential Indiana share based on its percent of all U.S. soybean exports 2015  
8% = \$2.7m to \$4.4m  
Potential Indiana share based on proximity to Cuba (25 percent boost)  
10% = \$3.4m to \$5.5m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture of Cuban soybean meal market:  
50% = \$67m  
80% = \$107m  
Potential Indiana share based on its percent of all U.S. soybean exports 2015  
8% = \$5.3m to \$8.5m  
Potential Indiana share based on proximity to Cuba (25 percent boost)  
10% = \$6.7m to \$10.7m

INDIANA POTENTIAL ANNUAL AG SALES TO CUBA: \$21 million to \$34 million

## IOWA

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5 m**  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Iowa share based on its percent of all U.S. corn exports 2015  
16% = \$29 m to \$32 m  
Potential Iowa share based on proximity to Cuba (25 percent boost)  
20% = \$36 m to \$40 m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture soybeans:  
50% = \$34.5m  
80% = \$55m  
Potential Iowa share based on its percent of all U.S. soybean exports 2015  
13% = \$4.5m to \$7m  
Potential Iowa share based on proximity to Cuba (25 percent boost)  
16% = \$5.5m to \$9m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture soybean meal:  
50% = \$67m  
80% = \$107m  
Potential Iowa share based on its percent of all U.S. soybean exports 2015  
13% = \$9m to \$14m  
Potential Iowa share based on proximity to Cuba (25 percent boost)  
16% = \$11m to \$16m

IOWA POTENTIAL ANNUAL AG SALES TO CUBA: \$42.5 million to \$65 million

## KANSAS

### WHEAT

Average annual Cuban imports of Wheat 2010-2014 = \$237.5m  
Potential US capture:  
50% = \$119m  
75% = \$178m  
Potential Kansas share based on its percent of all U.S. wheat exports 2015  
9.4% = \$11 m to \$16 m  
Potential Kansas share based on proximity to Cuba (25 percent boost)  
12% = \$14 m to \$21 m

### CORN

Average annual Cuban imports of Corn 2012-2014 = \$225.5 m  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Kansas share based on its percent of all U.S. corn exports 2015  
4% = \$7.2 m to \$8 m  
Potential Kansas share based on proximity to Cuba (25 percent boost)  
5% = \$9 m to \$10 m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = \$69m  
Potential US capture soybeans:  
50% = \$34.5m  
80% = \$55m  
Potential Kansas share based on its percent of all U.S. soybean exports 2015  
3.4% = \$1.2m to \$1.9m  
Potential Kansas share based on proximity to Cuba (25 percent boost)  
4.2% = \$1.4m to \$2.3m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = \$134m  
Potential US capture soybean meal:  
50% = \$67m  
80% = \$107m  
Potential Kansas share based on its percent of all U.S. soymeal exports 2015  
3.4% = \$2.3m to \$3.6m  
Potential Kansas share based on proximity to Cuba (25 percent boost)  
4.2% = \$2.8m to \$4.5m

KANSAS POTENTIAL ANNUAL AG SALES TO CUBA: \$22 million to \$38 million

## LOUISIANA

### RICE

Average annual Cuban imports of Rice 2012-2014 = **\$174m**  
Potential US capture:  
50% = \$87m  
Potential Louisiana share based on historic sales of rice to Cuba 2004-2016  
49% = \$43 m  
Potential Louisiana share based on percent of all U.S. rice exports 2015  
13.5% = \$12 m  
Potential Louisiana share based on proximity to Cuba (50 percent boost)  
20% = \$17 m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Potential Louisiana share based on historic sales of soybeans to Cuba 2004-2016

26% = \$9m to \$14.3m  
Potential Louisiana share based on percent of all U.S. soybean production 2015  
.6% = \$200,000 to \$330,000  
Potential Louisiana share based on proximity to Cuba (50 percent boost)  
1% = \$350,000 to \$550,000

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture soybean meal:  
50% = \$67m  
80% = \$107m  
Potential Louisiana share based on historic sales of soybean meal to Cuba 2004-2016  
44% = \$29.5m to \$47m  
Potential Louisiana share based on percent of all U.S. soybean meal exports 2015  
.6% = \$400,000 to \$600,000  
Potential Louisiana share based on proximity to Cuba (50 percent boost)  
1% = \$670,000 to \$1m

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Louisiana share based on historic sales of corn to Cuba 2004-2016  
85% = \$153m to \$172m  
Potential Louisiana share based on percent of all U.S. corn production 2015  
.4% = \$720,000 to \$800,000  
Potential Louisiana share based on proximity to Cuba (50 percent boost)  
.6% = \$1m to \$1.2m

### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**  
Potential US capture:  
50% = \$103m  
65% = \$134m  
Potential Louisiana share based on historic sales of poultry to Cuba 2004-2016  
19% = \$19m to \$25.5m  
Potential Louisiana share based on percent of all U.S. poultry production 2015  
3% = \$3m to \$4m  
Potential Louisiana share based on proximity to Cuba (50 percent boost)  
5% = \$5m to \$6.7m

LOUISIANA POTENTIAL ANNUAL AG SALES: \$253 million to \$302 million (\$24 million to \$27 million local)

## MINNESOTA

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Potential Minnesota share based on its percent of all U.S. soybean exports 2015  
8.5% = \$3m to \$5m  
Potential Minnesota share based on proximity to Cuba (25 percent boost)  
10.6% = \$3.6m to \$6m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture:

50% = \$67m  
80% = \$107m  
Potential Minnesota share based on its percent of all U.S. soybean exports 2015  
8.5% = \$5.7m to \$9m  
Potential Minnesota share based on proximity to Cuba (25 percent boost)  
10.6% = \$7m to \$11m

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Minnesota share based on its percent of all U.S. corn exports 2015  
8% = \$14m to \$16m  
Potential Minnesota share based on proximity to Cuba (25 percent boost)  
10% = \$18m to \$20m

### DAIRY

Average annual Cuban imports of Dairy 2012-2014 = **\$187m**  
Potential US capture:  
50% = \$93.5m  
Potential Minnesota share based on its percent of all U.S. dairy exports 2015  
4.6%=\$4.3m  
Potential Minnesota share based on proximity to Cuba (25 percent boost)  
6%=\$5.6m

### WHEAT

Average annual Cuban imports of Wheat 2012-2014 = **\$257m**  
Potential US capture:  
50% = \$129m  
75% = \$193m  
Potential Minnesota share based on its percent of all U.S. wheat exports 2015  
2.4%=\$3 m to \$4.6m  
Potential Minnesota share based on proximity to Cuba (25 percent boost)  
3%=\$4m to \$6m

MINNESOTA POTENTIAL ANNUAL AG SALES TO CUBA: \$30 million to \$49 million

## MISSISSIPPI

### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**  
Potential US capture:  
50% = \$103m  
75% = \$154m  
Potential Mississippi share based on its percent of all U.S. poultry exports 2015  
8.5% = \$8.8m to \$11.4m  
Potential Mississippi share based on proximity to Cuba (25 percent boost)  
10% = \$10 m to \$15 m

### RICE

Average annual Cuban imports of Rice 2012-2014 = **\$174m**  
Potential US capture:  
50% = \$87m  
Potential Mississippi share based on its percent of all U.S. rice exports 2015  
5% = \$4.4 m  
Potential Mississippi share based on proximity to Cuba (25 percent boost)  
6% = \$5 m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Potential Mississippi share based on its percent of all U.S. soybean exports 2015  
3%=\$1m to \$1.5m  
Potential Mississippi share based on proximity to Cuba (25 percent boost)  
4%=\$1.4m to \$2m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture:  
50% = \$67m  
80% = \$107m  
Potential Mississippi share based on its percent of all U.S. soybean meal exports 2015  
3%=\$2m to \$3m  
Potential Mississippi share based on proximity to Cuba (25 percent boost)  
4%=\$2.7m to \$4m

MISSISSIPPI POTENTIAL AG SALES TO CUBA: \$16 million to \$26 million

## MISSOURI

### RICE

Average annual Cuban imports of Rice 2012-2014 = **\$174m**  
Potential US capture:  
50% = \$87m  
Potential Missouri share based on its percent of all U.S. rice exports 2015  
5.6% = \$4.9 m  
Potential Missouri share based on proximity to Cuba (25 percent boost)  
7% = \$6 m

### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**  
Potential US capture:  
50% = \$34.5m  
80% = \$55m  
Potential Missouri share based on its percent of all U.S. soybean exports 2015  
5.7% = \$2m to \$3m  
Potential Missouri share based on proximity to Cuba (25 percent boost)  
7% = \$2.4m to \$3.8m

### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**  
Potential US capture:  
50% = \$67m  
80% = \$107m  
Potential Missouri share based on its percent of all U.S. soybean meal exports 2015  
5.7% = \$3.8m to \$6m  
Potential Missouri share based on proximity to Cuba (25 percent boost)  
7% = \$5m to \$7.5m

### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**  
Potential US capture:  
80% = \$180m  
90% = \$202m  
Potential Missouri share based on its percent of all U.S. corn exports 2015  
3.8%=\$6.8m to \$7.7m  
Potential Missouri share based on proximity to Cuba (25 percent boost)

4.8% = \$8.6m to \$9.7m

#### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**

Potential US capture:

50% = \$103m

65% = \$134m

Potential Missouri share based on its percent of all U.S. soybean exports 2015

2.6% = \$2.7m to \$3.5m

Potential Missouri share based on proximity to Cuba (25 percent boost)

3% = \$3m to \$4m

MISSOURI POTENTIAL ANNUAL AG SALES TO CUBA: \$20 million to \$31 million

### NEBRASKA

#### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**

Potential US capture:

80% = \$180m

90% = \$202m

Potential Nebraska share based on its percent of all U.S. corn exports 2015

11.4% = \$20.5m to \$23m

#### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**

Potential US capture:

50% = \$34.5m

80% = \$55m

Potential Nebraska share based on its percent of all U.S. soybean exports 2015

7.3% = \$2.5m to \$4m

#### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**

Potential US capture:

50% = \$67m

80% = \$107m

Potential Nebraska share based on its percent of all U.S. soymeal exports 2015

7.3% = \$4.9m to \$7.8m

#### BEEF

Average annual Cuban imports of beef 2012-2014 = **\$12m**

Potential US capture:

50% = \$6m

Potential Nebraska share based on its percent of all U.S. beef exports 2015

16% = \$1

NEBRASKA POTENTIAL ANNUAL AGRICULTURE AG SALES TO CUBA: \$28 million to \$36 million

### NORTH CAROLINA

#### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**

Potential US capture:

50% = \$103m

75% = \$154m

Potential North Carolina share based on its percent of all U.S. poultry exports 2015

12% = \$12m to \$18.5m

Potential North Carolina share based on proximity to Cuba (25 percent

boost)

15% = \$15m to \$23m

#### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**

Potential US capture:

50% = \$34.5m

80% = \$55m

Potential North Carolina share based on its percent of all U.S. poultry exports 2015

1.6% = \$550,000 to \$880,000

Potential North Carolina share based on proximity to Cuba (25 percent boost)

2% = \$690,000 to \$1.1m

#### WHEAT

Average annual Cuban imports of Wheat 2012-2014 = **\$257m**

Potential US capture:

50% = \$129m

75% = \$193m

Potential North Carolina share based on its percent of all U.S. poultry exports 2015

1% = \$1.2m to \$2m

Potential North Carolina share based on proximity to Cuba (25 percent boost)

1.25% = \$1.6m to \$2.4m

#### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**

Potential US capture:

80% = \$180m

90% = \$202m

Potential North Carolina share based on its percent of all U.S. poultry exports 2015

.8% = \$1.4m to \$1.6m

Potential North Carolina share based on proximity to Cuba (25 percent boost)

1% = \$1.8m to \$2m

#### PORK

Average annual Cuba imports of Pork 2012-2014 = \$15.5m

Potential US capture:

50% = \$7.5m

Potential North Carolina share based on its percent of all U.S. poultry exports 2015

11% = \$820,000

Potential North Carolina share based on proximity to Cuba (25 percent boost)

14% = \$1m

NORTH CAROLINA POTENTIAL ANNUAL AG SALES TO CUBA: \$17 million to \$29.5 million

### NORTH DAKOTA

#### WHEAT

Average annual Cuban imports of Wheat 2012-2014 = **\$257m**

Potential US capture:

50% = \$129m

75% = \$193m

Potential North Dakota share based on its percent of all U.S. wheat exports 2015

11.5% = \$15 m to \$22m

#### SOYBEANS

Average annual Cuban imports of Soybeans 2012-2014 = **\$69m**

Potential US capture:

50% = \$34.5m

80% = \$55m

Potential North Dakota share based on its percent of all U.S. soybean exports 2015

4.6% = \$1.6m to \$2.5m

#### SOYMEAL

Average annual Cuban imports of Soybean meal 2012-2014 = **\$134m**

Potential US capture:

50% = \$67m

80% = \$107m

Potential North Dakota share based on its percent of all U.S. soymeal exports 2015

4.6% = \$3.1m to \$5m

#### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**

Potential US capture:

80% = \$180m

90% = \$202m

Potential North Dakota share based on its percent of all U.S. soymeal exports 2015

2%: \$3.6m to \$4m

#### DRY BEANS

Average annual Cuban imports of dry beans 2012-2014 = **\$61m**

Potential US capture:

50% = \$30.5m

Potential North Dakota share based on its percent of all U.S. dry bean production 2016

27% = \$8m

NORTH DAKOTA POTENTIAL ANNUAL AG SALES TO CUBA: \$31 million to \$42 million

### TEXAS

#### WHEAT

Average annual Cuban imports of Wheat 2012-2014 = **\$257m**

Potential US capture:

50% = \$129m

75% = \$193m

Potential Texas share based on its percent of all U.S. wheat production 2015

3% = \$3.9m to \$5.8

Potential Texas share based on its percent of all U.S. wheat exports to the Caribbean 2012-16

9% = \$11.6 to \$17m

#### RICE

Average annual Cuban imports of Rice 2012-2014 = **\$174m**

Potential US capture:

50% = \$87m

Potential Texas share based on its percent of historic wheat sales to Cuba 40% = \$34.8m

Potential Texas share based on its percent of all U.S. rice exports

5% = \$4.3m

Potential Texas share based on its percent of U.S. rice exports to Caribbean 2012-16

5% = \$4.3m

#### DAIRY

Average annual Cuban imports of Dairy 2012-2014 = **\$187m**

Potential US capture:

50% = \$93.5m

Potential Texas share based on its percent of historic dairy sales to Cuba 76% = \$71m

Potential Texas share based on its percent of all U.S. dairy exports 2015

5% = \$4.7m

Potential Texas share based on proximity to Cuba (25 percent boost)

6.5% = \$6m

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#### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**

Potential US capture:

50% = \$103m

65% = \$134m

Potential Texas share based on its percent of all U.S. dairy exports 2015

7% = \$7m to \$9.4m

Potential Texas share based on proximity to Cuba (25 percent boost)

9% = \$9m to \$12m

#### CORN

Average annual Cuban imports of Corn 2012-2014 = **\$225.5m**

Potential US capture:

80% = \$180m

90% = \$202m

Potential Texas share based on its percent of all U.S. corn exports 2015

2.5% = \$4m to \$4.1m

Potential Texas share based on proximity to Cuba (25 percent boost)

3% = \$5.4m to \$6m

TEXAS POTENTIAL ANNUAL AG SALES TO CUBA: \$24 million to \$45 million

### VIRGINIA

#### SOYBEANS

Average annual Cuban imports of soybeans 2012-2014 = **\$69m**

Potential US capture

50% = \$34.5m

80% = \$55m

Potential Virginia share based on historic sales of soybeans to Cuba 2004-2016

64% = \$22m to \$35m

Potential Virginia share based on its percent of all U.S. soybean exports 2015

.6% = \$200k to \$330k

#### SOYMEAL

Average annual Cuban imports of soymeal 2012-2014 = **\$134m**

Potential US capture:

50% = \$67m

80% = \$107m

Potential Virginia share based on historic sales of soymeal to Cuba 2004-2016

23% = \$15m to \$24m

Potential Virginia share based on its percent of all U.S. soymeal exports 2015

.6% = \$400,000 to \$600,000

#### POULTRY

Average annual Cuban imports of Poultry 2012-2014 = **\$206m**

Potential US capture:

50% = \$103m

75% = \$134m

Potential Virginia share based on its percent of all U.S. poultry exports 2015

3% = \$3m to \$4m

Potential Virginia share based on proximity to Cuba (25 percent boost)

4% = \$4m to \$5.3m

VIRGINIAN POTENTIAL ANNUAL AG SALES TO CUBA: \$41 million to \$64 million (\$6 million grown in Virginia)

# **CUBA**TRADE

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