

**ECONOMIC EYE ON CUBA©
 8 March 2004 to 21 March 2004**

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PESO UNCHANGED IN VALUE AGAINST U.S. DOLLAR- Republic of Cuba government-operated Cajas de Cambio S.A. (CADECA) sold the Convertible Peso (equal to US\$1.00) for 27 Pesos and purchased the U.S. Dollar for 26 Pesos in the city of Havana from 3 December 2001. This is the highest value of the U.S. Dollar against the Peso since 1997. The percentage of Republic of Cuba nationals with access to U.S. Dollars is highest in Havana (population 2.19 million) where approximately 20% of the Republic of Cuba's 11.217 million citizens reside. The official international exchange rate of one Peso to one U.S. Dollar, in effect for more than thirty years, remains unchanged. The government of the Republic of Cuba maintains a fixed exchange rate for its international dealings and a more flexible exchange rate for domestic use. The government of the Republic of Cuba does not fluctuate the value of the Peso for commercial transactions regardless of any fluctuation with the value of the U.S. Dollar or other currencies on the international market. The Peso and the U.S. Dollar circulate freely in the Republic of Cuba.

<i>CADECA Buy (Havana)</i>	<i>CADECA Sell (Havana)</i>	<i>From / To</i>
26	27	3 December 2001 to Present
26	26	24 October 2001 to 2 December 2001
25	25	22 October 2001 to 23 October 2001
23	23	8 October 2001 to 21 October 2001
22	22	4 July 2001 to 7 October 2001

OFAC ADDS HOLA SUN HOLIDAYS OF CANADA AS SPECIALLY DESIGNATED NATIONAL- On 17 March 2004, the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury in Washington, D.C., included Toronto, Canada-based Hola Sun Holidays Limited on the list of Specially Designated Nationals (SDN), resulting in a prohibition by individuals subject to United States law from having commercial activities with the company, unless specifically authorized by the OFAC.



FROM THE OFFICE OF PUBLIC AFFAIRS

Treasury Designates Castro-Controlled Travel Agency

The Department of the Treasury took further action today in its crackdown against travel agencies that promote illegal travel to Cuba by U.S. citizens by

U.S.-Cuba Trade and Economic Council, Inc.

designating Hola Sun Holidays Limited, which is controlled by Fidel Castro and his regime.

"Castro's recent decision to put the Cuban military directly in control of the travel industry highlights again that travel-related dollars spent in Cuba are swept directly into the regime's coffers – while the Cuban people are left starving for freedom and economic liberty," said Treasury's Deputy Assistant Secretary Juan Zarate, Terrorist Financing and Financial Crimes. "As long as we allow money to flow unabated into the hands of the Cuban government, we allow Castro to fund the atrocities of his dictatorship and perpetuate the oppression of the Cuban people."

Today's designation blocks all property of Hola Sun Holidays Limited held by persons subject to U.S. jurisdiction. Additionally, this action prohibits persons subject to U.S. jurisdiction from engaging in any transactions with this entity unless authorized by OFAC.

Hola Sun Holidays Limited is a travel agency owned by Cimex and is associated with Caribe Sol – both of which Treasury's Office of Foreign Assets Control (OFAC) designated as Specially Designated Nationals (SDNs) of Cuba on February 9, 2004. Hola Sun and Caribe Sol share a webpage and openly state they "are proud to be part of Havantur," another SDN of Cuba owned by Cimex.

OFAC action today is in furtherance of President Bush's October 2003 initiative to strengthen enforcement of U.S. laws prohibiting travel-related transactions with Cuba. Stepped up enforcement will help keep travel-related dollars out of Castro's hands.

Hola Sun Holidays Limited provides easy access to U.S. individuals traveling to Cuba. U.S. law enforcement officials have intercepted unauthorized travelers whose tour packages were purchased through this travel agency, which uses the Internet to advertise and sell Cuban tourism to the U.S. public.

Entity:

Hola Sun Holidays Limited

146 West Beaver Creek Road, Richmond Hill, Ontario L4B 1C2, Canada

[CUBA]

Background:

For more information on the February 9, 2004 blocking and designation of Caribe Sol and Havantur, both owned by Cimex, please visit

<http://www.treasury.gov/press/releases/js1161.htm>.

US\$30.2 MILLION IN JANUARY 2004 TSRA EXPORTS TO CUBA- The Foreign Trade Division of the United States Bureau of the Census of the United States Department of Commerce in Washington, D.C., reported that the value of United States exports (defined as products exiting the borders of the United States whether sold or donated) to the Republic of Cuba during the month of January 2004 was US\$30,512,157.00, of which US\$30,280,169.00 consisted of agricultural products and food products authorized under the *Trade Sanctions Reform and Export Enhancement Act* (TSRA) of 2000, which re-authorized the direct

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commercial (on a cash basis) export of food products (including branded food products) and agricultural products from the United States to the Republic of Cuba, irrespective of purpose.

In June 2002, Republic of Cuba government-operated Empresa Cubana Importadora Alimentos (Alimport), under the auspice of the Ministry of Foreign Trade of Cuba (MINCEX), projected that agricultural product and food product purchases from United States-based companies in 2002 would be approximately US\$165 million (actual US\$138,634,784.00) and in 2003 would be approximately US\$230 million (actual US\$256,901,471.00). Representatives of the government of the Republic of Cuba and representatives of Alimport have projected that TSRA purchases in 2004 will be approximately US\$310 million.

The government of the Republic of Cuba imported (not including transportation, insurance, and currency transaction fees) from throughout the world, including from the United States, approximately US\$553,030,268 in agricultural products and food products in 2002, compared with approximately US\$532,010,554.00 in 2001, and US\$497,964,471.00 in 2000. NOTE: The government of the Republic of Cuba has not published agricultural product purchase data for 2003. NOTE: Inclusion of transportation, insurance, and currency transaction fees, and continually presenting multi-year cumulative values and expected purchases in data is misleading, as the actual cost of goods sold, on a year-by-year basis, remains the meaningful value to be disseminated.

NOTE: The United States Department of Commerce does not define Calcium Hydrogen Orthophosphate (Dicalc Phosphate); Soups/Broths/Preps Of, Based On Fish/Seafd Nt Drd; Southern Yellowpitch etc pine log/tmbr nt trt, rg; and Vats, tubs/coopers prdcts/parts, wood, used; Newsprint, in Rolls or Sheets, among other products as “*agricultural products.*”

The United States Department of Agriculture does define Calcium Hydrogen Orthophosphate (Dicalc Phosphate), Soups/Broths/Preps Of, Based On Fish/Seafd, Nt Drd; Southern Yellowpitch etc pine log/tmbr nt trt, rg; and Vats, tubs/coopers prdcts/parts, wood, used; Newsprint, in Rolls or Sheets, as agricultural products.

The U.S.-Cuba Trade and Economic Council includes all food products and all agricultural products in calculating TSRA-authorized exports from the United States to the Republic of Cuba.

Department of Commerce Reported Data						
Month	Monthly Values			Year-To-Date Values		
	2003	2004	% Change	2003	2004	% Change
January	US\$16,839,261.00	US\$29,131,411.00	+273%	US\$16,839,261.00	US\$29,131,411.00	+273%

NOTE: The actual value of agricultural products and food products exported from the United States to the Republic of Cuba in September 2003 was US\$22,427,963.00; and in September 2002 was US\$14,131,180.00, of which US\$233,531.00 consisted of items for use at the *U.S. Food & Agribusiness Exhibition*, held in the city of Havana, Republic of Cuba, from 26 September 2002 to 30 September 2002. Thus, the total value of TSRA-related exports in September 2002 was US\$13,897,649.00.

Department of Commerce Reported Data						
Month	Monthly Values			Year-To-Date Values		
	2001	2002	% Change	2001	2002	% Change
December	US\$4,318,906.00	US\$8,315,934.00	+92.55	US\$4,318,906.00	US\$138,634,784.00	+3,109.95

U.S.-Cuba Trade and Economic Council, Inc.

The first direct commercial export of agricultural products under the TSRA was reported in December 2001. NOTE: Some of the non-consumable products exported to the Republic of Cuba are for use by the United States Interests Section in the city of Havana, Republic of Cuba, or donated to Republic of Cuba-based entities, including Non-Governmental Organizations (NGO's), faith-based organizations, schools, and healthcare facilities.

Reporting Period	U.S. Dollar Value Of TSRA-Authorized Exports To Cuba (2004-2001)	Ranking Based On Export Markets
January 2004	US\$30,280,169.00	29 th (of 202)
<i>Total 2003</i>	<i>US\$256,901,471.00</i>	35 th (of 219)
<i>Total 2002</i>	<i>US\$138,634,784.00</i>	50 th (of 226)
<i>Total 2001</i>	<i>US\$4,318,906.00 (December)</i>	144 th (of 226)
Total TSRA Sales	US\$430,135,330.00	

The U.S. Dollar values used in the statistical reports are generally defined as the U.S. Dollar price actually paid (or payable) for merchandise when sold for exportation, excluding import duties (if any), transportation, insurance, and other costs.

HS Code	Product Description	District	January 2004	Year-To-Date
0207140010	Chkn cuts/edbl offl (inc livers), frzn, leg qrtrs	Norfolk, VA	US\$4,245,918.00	US\$4,245,918.00
0207140025	Chkn cuts/edbl offl (inc livers), frzn, legs ex qrtrs	Tampa, FL	US\$114,210.00	US\$114,210.00
0207140050	Chkn cuts/edbl offl (inc livers), frzn, offal	Mobile, AL*	US\$1,056,103.00	US\$1,056,103.00
0207270090	Trky cuts/edbl offl (incl lvrs) frzn, other	Tampa, FL	US\$172,584.00	US\$172,584.00
0404100500	Whey protein concentrates whether or not sweetened	Mobile, AL*	US\$79,664.00	US\$79,664.00
0406901000	Cheese, cheddar, nesoi	Tampa, FL	US\$44,961.00	US\$44,961.00
0713395050	Pinto beans, except seed, dried, shelled	Houston, TX	US\$1,365,000.00	US\$1,365,000.00
0808100000	Apples, fresh	Tampa, FL	US\$102,067.00	US\$102,067.00
0910990000	Spices, nesoi	Tampa, FL	US\$25,109.00	US\$25,109.00
1001902055	Wheat and meslin, except seed	Houston, TX	US\$3,257,335.00	US\$3,257,335.00
1005902035	Yellow dent corn (maize), U. S. No. 3 except seed	New Orleans, LA	US\$5,494,610.00	US\$5,494,610.00
1006309010	Rice, semi/wholly milled, nesoi, long grain	Mobile, AL*	US\$4,456,319.00	US\$4,456,319.00
1006309020	Rice, semi/wholly milled, nesoi, medium grain	Houston, TX	US\$4,674,460.00	US\$4,674,460.00
1507100000	Soybean oil & fractions, crude, wheth/not degummed	New Orleans, LA	US\$1,316,000.00	US\$1,316,000.00
1507904020	Soybean oil, once-refined not chemically modified	New Orleans, LA	US\$2,238,000.00	US\$2,238,000.00
1702905000	Sug/syrup nt flav/colr nesoi; artfl honey; caraml	Tampa, FL	US\$8,818.00	US\$8,818.00
2002900060	Tomato paste	Miami, FL**	US\$28,175.00	US\$28,175.00
2106100000	Protein concentrates & textured protein substances	New York, NY***	US\$234,905.00	US\$234,905.00
2106906575	Coffee Whiteners, Non-Dairy	Tampa, FL	US\$51,558.00	US\$51,558.00
2202100040	Carbonated soft drinks, nesoi	Miami, FL	US\$7,776.00	US\$7,776.00
2309901010	Pet food put up for retail sale ex dog & cat food	Mobile, AL*	US\$12,994.00	US\$12,994.00
3505100040	Modified starches derived from corn (maize) starch	Tampa, FL	US\$11,780.00	US\$11,780.00
4403200020	Southern Yellowpitch etc pine log/tmbr nt trt, rg	Mobile, AL*	US\$532,259.00	US\$532,259.00
4407100046	Pitch pine etc lumber, n/trtd rough, ex finger-joint	Mobile, AL*	US\$44,062.00	US\$44,062.00
4801000002	Newsprint, in rolls or sheets	Tampa, FL	US\$572,437.00	US\$572,437.00

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HS Code	Product Description	District	January 2004	Year-To-Date
5201001090	Cotton, not carded/combed, staple length 25.4-28.575mm	Mobile, AL*	US\$133,065.00	US\$133,065.00
8703240010	Ambulances, hearses & prison vans >3,000 cc	Mobile, AL*	US\$8,500.00	US\$8,500.00
9802400000	Articles donated for relief or charity	Tampa, FL	US\$202,648.00	US\$202,648.00
9809005000	Shipments under \$20,001, not identified by kind	Miami, FL**	US\$20,840.00	US\$20,840.00
Total US\$			US\$30,512,157.00	US\$30,512,157.00

****While the reporting district is Mobile, Alabama, the shipping ports include Mobile, Alabama; Pascagoula, Mississippi; and Gulfport, Mississippi. **While the reporting district is Miami, Florida, the shipping port does not include Miami, Florida, but does include Jacksonville, Florida. ***The New York reporting district includes ports in New Jersey.***

Export values do not necessarily include informational materials (books, magazines, music, entertainment programs, etc.) and “humanitarian packages” sent from the United States to the Republic of Cuba, which are generally not required to be licensed by the Bureau of Industry and Security (BIS) of the United States Department of Commerce or the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury.

2004 United States Imports From The Republic Of Cuba			
HS Code	Product Description	District	2004
Total US\$	None Reported		

TEN LARGEST AGRICULTURAL PRODUCT EXPORTS TO CUBA IN JANUARY 2004- The following are the ten largest (U.S. Dollar value) agricultural product exports from the United States to the Republic of Cuba in December 2003 under provisions of the *Trade Sanctions Reform and Export Enhancement Act* (TSRA) of 2000, which re-authorized the direct commercial (on a cash basis) export of food products (including branded food products) and agricultural products from the United States to the Republic of Cuba, irrespective of purpose.

2004 January Ranking	Product	U.S. Dollar Value	% Of January 2004 Exports To Cuba
1	Rice	US\$9,130,779.00	30.15%
2	Corn	US\$5,494,610.00	18.14%
3	Poultry (chicken)	US\$5,416,231.00	17.88%
4	Soybean Oil	US\$3,554,000.00	11.73%
5	Wheat	US\$3,257,335.00	10.75%
6	Pinto Beans	US\$1,365,000.00	4.50%
7	Newsprint	US\$572,437.00	1.89%
8	Lumber (Pine)	US\$532,259.00	1.75%
9	Protein Concentrates	US\$234,905.00	.77%
10	Poultry (turkey)	US\$172,584.00	.56%
	<i>Value Of 10 Largest Exports To Cuba</i>	<i>US\$29,730,140.00</i>	<i>98.18%</i>

USDA WEEKLY AGRICULTURAL COMMODITY EXPORTS TO CUBA- The Foreign Agricultural Service (FAS) of the United States Department of Agriculture (USDA) in Washington, D.C., reported that agricultural commodity exports to the Republic of Cuba for the period 4 March 2004 to 11 March 2004 and 26 February 2004 to 4 March 2004 included the following as defined by “*Outstanding*” (reported by exporters as not yet shipped) and “*Accumulated*” (total shipped during marketing year for particular agricultural commodity):

U.S.-Cuba Trade and Economic Council, Inc.

4 March 2004 To 11 March 2004					
Product	Outstanding This Week	Outstanding Year Ago	Accumulated This Week	Accumulated Year Ago	Next Marketing Year (Outstanding Sales- Second Year)
Wheat (Hard Red Winter)	175,000 metric tons		252,700 metric tons	68,400 metric tons	
Wheat (Hard Red Spring)			16,500 metric tons		
Wheat (Soft Red Winter)			5,000 metric tons		
Corn (unmilled)	124,700 metric tons	24,400 metric tons	259,300 metric tons	109,300 metric tons	
Soybeans	35,000 metric tons	10,000 metric tons	68,600 metric tons	52,900 metric tons	
Soybean Cake and Meal	30,000 metric tons	30,000 metric tons	66,200 metric tons	63,700 metric tons	
Soybean Oil		9,000 metric tons	29,900 metric tons	26,500 metric tons	
Rice Long Grain Rough		29,800 metric tons		67,500 metric tons	
Rice Long Grain Milled	19,300 metric tons	4,800 metric tons	42,600 metric tons	20,300 metric tons	
Cotton (1 1/16 th and over)	900 running bales		200 running bales		
<i>Totals</i>	<i>384,000 metric tons; 900 bales</i>	<i>108,000 metric tons</i>	<i>740,800 metric tons; 200 bales</i>	<i>408,600 metric tons</i>	

26 February 2004 To 4 March 2004					
Product	Outstanding This Week	Outstanding Year Ago	Accumulated This Week	Accumulated Year Ago	Next Marketing Year (Outstanding Sales- Second Year)
Wheat (Hard Red Winter)	175,000 metric tons	5,000 metric tons	252,700 metric tons	64,000 metric tons	
Wheat (Hard Red Spring)			16,500 metric tons		
Wheat (Soft Red Winter)	5,000 metric tons				
Corn (unmilled)	169,700 metric tons	45,000 metric tons	212,600 metric tons	88,300 metric tons	
Soybeans	30,000 metric tons	5,000 metric tons	68,600 metric tons	52,900 metric tons	
Soybean Cake and Meal	30,000 metric tons	25,000 metric tons	66,200 metric tons	63,700 metric tons	
Soybean Oil		9,000 metric tons	29,900 metric tons	26,500 metric tons	
Rice Long Grain Rough		29,800 metric tons		67,500 metric tons	
Rice Long Grain Milled	6,300 metric tons	4,800 metric tons	42,600 metric tons	20,300 metric tons	
Cotton (1 1/16 th and over)	300 running bales		200 running bales		
<i>Totals</i>	<i>416,000 metric tons; 300 bales</i>	<i>123,600 metric tons</i>	<i>689,100 metric tons; 200 bales</i>	<i>383,200 metric tons</i>	

U.S.-Cuba Trade and Economic Council, Inc.

Speaking Schedule

Mr. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from the New York, New York-based **Tisch School of the Arts at New York University** to deliver a presentation on 8 April 2004 to students in the course, “*Topics in Cuban Culture: History, Culture, and Expression through the Literary, Visual, and Performing Arts.*” For additional information, please contact Ms. Peggy Sotirhos at telephone (212) 998-1809; facsimile (212) 998-4610; and e-mail: peggy.sotirhos@nyu.edu

Mr. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from the Cuba Studies Group at the New York, New York-based **New York University School of Law** to deliver a presentation at the “*U.S.-Cuba Legal and Business Relations*” conference on 20 April 2004. For additional information, please contact Mr. Jeremy Brown at telephone (406) 370-7850 or e-mail: jbd285@nyu.edu

Mr. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from The San Juan, Puerto Rico-based **Puerto Rico Export Council** to deliver a presentation on 6 May 2004 at the “*Cuba: An Emerging Market*” seminar. For additional information, please contact Mr. Eduardo Fernandez at telephone (787) 273-6100 ext. 711; facsimile (787) 273-6872; e-mail: efernandez@panamericangrain.com; or Internet: <http://www.promoexport.com>

Mr. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from The Cuban Research Institute of the Latin American and Caribbean Center at Miami, Florida-based **Florida International University** to deliver a presentation at the “*Florida/Cuba Trade: Present and Future Challenges and Opportunities*” conference on 10 June 2004 at The Biltmore Hotel in Coral Gables, Florida. For additional information, please contact Mr. Damien Fernandez at telephone (305) 348-1991; facsimile: (305) 348-3593; e-mail: fernande@fiu.edu; or Internet: <http://www.fiu.edu>

Mr. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from the Nampa, Idaho-based **U.S. Dry Bean Convention** to deliver a presentation on 28 July 2004 at the organization’s annual gathering, to be held at the Marriott Harbor Beach Resort & Spa in Fort Lauderdale, Florida. The U.S. Dry Bean Convention includes five dealer associations: California Bean Shippers, Michigan Bean Shippers, Rocky Mountain Bean Dealers, North Central Bean Dealers, and Western Bean Dealers. For additional information, please contact Ms. Gloria A. Smith at telephone (208) 463-1289; facsimile (208) 463-1238; e-mail: usdbc@earthlink.net; or Internet: <http://www.usdbc.org>

Mr. John S. Kavulich II, president of the U.S.-Cuba Trade and Economic Council, has accepted an invitation from the **James A. Baker III Institute For Public Policy Student Forum** at Houston, Texas-based Rice University, to participate in the “*Cuban-American Relations in the 21st Century*” program, with a date to be determined. For additional information, please contact Ms. Emery Ellis or Ms. Noorain Khan at telephone (713) 348-4683; facsimile (713) 348-5993; e-mail: bisf@rice.edu; or Internet: <http://www.bakerinstitute.org>

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The State

Columbia, South Carolina

21 March 2004

Bauer's Cuba deal draws fire

Mike Campbell, son of former Republican Gov. Carroll Campbell, is turning up the heat on Lt. Gov. Andre Bauer, a fellow Republican.

At issue is Bauer's recent trade mission to Cuba. There, Bauer and others signed an agreement with Fidel Castro's regime for the export of \$10 million of S.C. agriculture products.

Campbell, a potential challenger for Bauer's job in 2006, opposed the deal, saying so in a newspaper column.

Now, Campbell has taken his opposition to a new level. He has hired a highly respected Republican pollster to tap the sentiment of South Carolinians on the issue. What he found was that a plurality of voters — 47 percent — disapprove of the \$10 million agreement; only 29 percent support the deal.

That opposition crossed over political, racial and gender boundaries. A plurality of Republicans, Democrats and independents; whites and blacks; men and women opposed the deal, according to the survey conducted by McLaughlin and Associates. The poll of 400 likely voters was taken Feb. 25-29. It had a margin of error of plus or minus 4.9 percentage points.

Even farm households, who would benefit the most from the agreement, were split down the middle — 33 percent supporting the deal and 33 percent opposing. "It is clear from these numbers that this deal was a mistake for Lt. Gov. Andre Bauer," said John McLaughlin, president of the polling firm.

Campbell paid for the statewide survey. Such surveys cost roughly \$10,000 on average.

Bauer was accompanied on the January trip by state Commissioner of Agriculture Charles Sharpe and state Rep. Chip Limehouse, R-Charleston. The mission had the blessing of Gov. Mark Sanford, another Republican.

Campbell said he knows a lot of people will say the poll that he commissioned is politically motivated, that he's posturing to run against Bauer for lieutenant governor. "I have made no decision to run," Campbell said. "But whether I do or don't, I still would have done this because I felt so strongly about it. Someone

needed to stand up and raise the awareness about this deal so we can stop it before it ever goes anywhere. ... We don't need to lower ourselves to deal with some communist dictator." Bauer accused Campbell of trying to turn the issue into a "political football."

"I think he would have a hard time explaining to the farmers why we shouldn't be selling South Carolina goods to Cuba," he said. Bauer said he was "not going to try to guess" who he'd be running against in two years. But, of Campbell's poll, he said, "I'm sure he has good intentions. What they are I have no idea." He then added, "I don't do polls to be a leader."

The McLaughlin survey found a majority of voters are opposed to South Carolina doing business with a communist dictator like Castro, regardless of the economic benefits.

Castro is known to enter into trade agreements to put pressure on the United States to end its embargo of Cuba.

In return for the trade deal, Bauer and Sharpe agreed to urge the state's congressional delegation to support lifting the trade embargo against the island nation of 11 million people.

Three years ago, the United States loosened its 42-year-old embargo on trading with Cuba, allowing the shipment of food, agricultural goods and medicine.

At least 34 states now export to Cuba, according to the U.S.-Cuba Trade and Economic Council, a nonprofit group that provides research for U.S. businesses wanting to trade with Cuba.

But the Bush administration opposes lifting completely the embargo of the communist nation.

Campbell says he will press on with his fight until the S.C.-Cuba deal is shelved.

Chicago Tribune

Chicago, Illinois

18 March 2004

Cubans have beef with chronic cattle shortage

By Gary Marx

Tribune foreign correspondent

BEJUCO, Cuba -- Cattle graze along the vast grasslands and gentle hills of eastern Cuba, but Giorgina Brooks cannot remember the last time she had a good steak. "It's been years and years," said Brooks, 47, as she gazed at a few cattle munching on grass.

Faced with U.S. trade sanctions, questionable economic policies, drought and rustling, Cuba's once-large cattle herd has been hit hard over the years, leaving many Cubans longing for beef. The situation also has forced Cuban officials to take tough measures to protect cattle, even as the government turns to the United States for help in restocking its herd.

In communist Cuba, only the state is allowed to slaughter cattle and sell the meat. Citizens who kill a cow--even if they raised it themselves--can get a 10-year prison sentence. Anyone who transports or sells a poached animal can get locked up for 8 years. "My brother-in-law got a 12-year prison sentence for killing 12 cows," said an accountant who lives in the cattle-raising region.

But it's not unheard of for Cubans to sneak into a pasture at night and butcher a cow on the spot. Residents have been known to descend on a cow struck by lightning, carving it up in minutes even though the meat often is charred and they risk a fine if caught by police. The same thing can happen if a cow is hit by a car or dies of illness or malnutrition, in giving birth or of old age, even though residents admit the law requires them to leave the carcass alone and notify local officials.

Converging on cattle

Ulises Cutino, who works at a large dairy farm, recounted how scores of people scrambled to a nearby railway with knives and machetes when word spread that more than a dozen cattle had been struck by a passing train. "If the authorities don't come fast, people take it away," said Manuel Salazar, who tends cattle in eastern Cuba.

Pedro Alvarez, a Cuban trade official, acknowledged a shortage of beef but said there is no hunger in Cuba because citizens receive government-subsidized food, including bread, rice and chicken. Alvarez said the government has sought to increase beef and dairy production through the recent purchase of 913 U.S. cattle. He said Cuba could buy up to 100,000 head of cattle from the U.S.--at an estimated cost of \$150 million--if trade sanctions against the island are dropped.

While the four-decade-old U.S. economic embargo prohibits most American trade with the island, it allows Cuba to make cash purchases of food and agricultural products. Alvarez argued that the embargo increases the cost of all imports and represents a huge drag on the Cuban economy.

But John Kavulich, president of the U.S.-Cuba Trade and Economic Council, said he doubts the Cubans could afford such a large purchase of cattle even without U.S. trade sanctions as long as Cuba fails to implement economic reforms. "People should stop dreaming and deal with reality," he said.

Island once awash in beef

Cubans have not always been hard up for beef. Before the 1959 revolution, Cuba was said to have as many cattle as people--about 5 million--and one of the region's highest per-capita consumption of beef, experts said.

But Fidel Castro's revolutionary government nationalized the large land holdings of U.S. and other ranchers and slaughtered many of the cattle to make up for falling food production in other areas. The beef industry never recovered, but dairy herds were built back up through huge investments and imported animal feed, experts said. Years later, when the Soviet Union collapsed and ended \$5 billion in annual subsidies, Cuba lacked the money for feed, and much of the dairy herd also was lost.

Today beef is found almost exclusively in state-run restaurants catering to tourists and dollar-only markets beyond the reach of most citizens. The problems have been exacerbated by severe droughts and by what some experts describe as Cuba's ill-fated attempts to breed a superbovine that could thrive in a tropical climate.

One product of that effort was a single prodigious milk-producing cow called Ubre Blanca, Spanish for "white udder." During one 24-hour period in 1982, the cow produced 241 pounds of milk, more than four times a typical cow's production. But the Cubans never could breed the cow, which died several years later and now stands stuffed in a glass case in the lobby of the cattle institute about 15 miles outside Havana.

Milk subsidized and limited

The government today imports huge quantities of milk from New Zealand, Canada and other countries and distributes it at subsidized prices for infants, children up to age 7, the elderly and the infirm, according to Alvarez and others. Most everyone else has to purchase powdered milk on the black market for \$1 a pound. Cubans earn an average of about \$10 a month.

At the same time, per capita beef and veal consumption in Cuba has fallen from about 3.7 pounds per month in 1961 to just over 1.2 pounds per month in 2001, according to the United Nations. That compares with about 8 pounds of beef and veal per month consumed by the average American.

"It's a tremendous drop," said James Ross, a professor of agricultural economics at the University of Florida. "The bottom line is that the Cuban administration has adopted policies that do not favor cattle production."

Cubans have made up for the beef shortage by eating more pork and chicken, which Alvarez said is cheaper to produce than beef. But others say they prefer a juicy steak. "The meat of a cow tastes better no matter how you cook it," said Salazar, the farmhand.