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Will Cuba FMD/MAP Provisions In 2018 Farm Bill Be Retained In 2023 Farm Bill?

Farm Bill Would Have Expired; Now By 17 November 2023 For United States Congress To Decide

Problem? In Five Years, Four Uses Of FMD And MAP Programs Which Were Defined As “Laying The Groundwork” And “Important” By Legislative Advocates. Ninety Entities Could Have Used FMD And MAP.

During 2018, *legislative advocates* maintained that inserting a Market Access Program (MAP) and Foreign Market Development (FMD) provision in H.R. 2, the five-year Agriculture Improvement Act, known as the *Farm Bill*, signed into law on 20 December 2018 by Donald Trump, 45th President of the United States, was critical to “*laying the groundwork*” for increasing exports of agricultural commodities and food products to the Republic of Cuba. Statements from members of the United States Congress included: “... *an important first step to regaining our presence in Cuba.*”

LINK: Cuba Was 55th Largest Agricultural Commodity/Food Export Market In 2022. Increased 7.7% From 2021 To 2022; Up 40.2% In December 2021. Surprise: US\$288,000.00 In Cigarettes From Tampa, Florida. Feb 9, 2023

Approximately seventy United States-based entities (primarily trade promotion organizations) annually are identified by the United States Department of Agriculture (USDA) as receiving funding for MAP and approximately twenty entities are identified as receiving funding for FMD.

Number of Entities:	PY 2018	PY 2019	PY 2020	PY 2021	PY 2022	PY 2023
That applied for FMD funds in Cuba	0	0	1	0	0	2
That used FMD funds in Cuba	0	0	0	0	0	2
That applied for MAP funds in Cuba	0	0	4	3	3	3
That used MAP funds in Cuba	0	0	1	1	0	0

LINK: Defining Anemic: In Five Years, 2018 Farm Bill USDA Provision For Cuba Had No Use Of FMD And Two Uses Of MAP. Approximately 90 U.S.-Based Entities Could Have Participated. That’s A 2.2% Use Rate. Feb 3, 2023

Leading to the enactment of the 2018 *Farm Bill*, most observers reasonably concluded that *legislative advocates*- within the United States Congress and organizations in Washington DC and outside of the beltway would have prominently teed-up at least one high-profile applicant to publicize in advance they would use the provision if it became law or at least one high-profile applicant to immediately and publicly request funding when the 2018 *Farm Bill* became law on 21 December 2018.

NOTE: The global pandemic, COVID-19, commenced in early 2020 and continued to impact travel worldwide through 2022- and in some countries into early 2023. The government of the Republic of Cuba did implement arrival restrictions during these periods; and the United States

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implemented travel restrictions during these periods. Thus, there were non-marketplace disincentives for commerce-related visits to the Republic of Cuba by delegations from the United States. However, they remained unconstrained 2019, 2022, and 2023.

The *cash-in-advance* terms were supported by United States-based exporters while opposed by United States-based agricultural commodity and food product trade promotion organizations. United States-based exporters were concerned in 2000 and remain concerned in 2023 that with Republic of Cuba government-operated entities maintaining a chronic inability to abide by payment terms other than *cash-in-advance*, more prudent to retain a perhaps smaller market share with no payment issues rather than a larger market share with endemic, and necessarily publicly-disclosed payment issues.

The most significant impact of an anemic number of MAP/FMD requests and usage in 2018, 2019, 2020, 2021, 2022, and 2023 is what the lack of interest portends for other legislative efforts in the United States Congress relating to the Republic of Cuba, particularly those focused upon changes to *cash-in-advance* payment terms for agricultural commodity and food product exports from the United States to the Republic of Cuba required by the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSREEA). The question opponents will ask: “*If authorizing MAP/FMD for Cuba was so important, why have so few organizations used it?*”

The *cash-in-advance* terms were supported by United States-based exporters while opposed by United States-based agricultural commodity and food product trade promotion organizations. United States-based exporters were concerned in 2000 and remain concerned in 2023 that with Republic of Cuba government-operated entities maintaining a chronic inability to abide by payment terms other than *cash-in-advance*, more prudent to retain a perhaps smaller market share with no payment issues rather than a larger market share with endemic, and necessarily publicly-disclosed payment issues.

Under the Market Access Program, USDA provides competitive, cost-share assistance to U.S. exporters and agricultural, fish, and forest product trade organizations for international marketing and promotion of U.S. commodities and products. More information about the program and the FY 2024 funding opportunity is available at: <https://www.fas.usda.gov/programs/market-access-program-map>.

Under the Foreign Market Development Program, USDA partners with nonprofit agricultural and forest product trade associations to build longer-term international demand for U.S. commodities. More information about the program and the FY 2024 funding opportunity is available at: <https://www.fas.usda.gov/programs/foreign-market-development-program-fmd>.”

Reporting Year	U.S. Dollar Value Of TSREEA-Authorized Exports To Cuba	Export Market Ranking
2023	US\$232,487,283.00	52 nd (of 225)
2022	US\$328,536,988.00	55 th (of 227)
2021	US\$304,774,413.00	53 rd (of 213)
2020	US\$163,354,728.00	61 st (of 226)
2019	US\$257,659,479.00	56 th (of 223)
2018	US\$224,910,413.00	60 th (of 226)
2017	US\$268,800,005.00 (revised +US\$8,132,930.00 on 6/18)	52 nd (of 229)
2016	US\$232,064,645.00	55 th (of 232)
2015	US\$170,551,329.00	60 th (of 230)
2014	US\$291,258,881.00	49 th (of 223)
2013	US\$348,747,293.00	46 th (of 224)
2012	US\$457,318,357.00	43 rd (of 229)
2011	US\$358,457,389.00	50 th (of 232)

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2010	US\$366,467,782.00	45 th (of 228)
2009	US\$528,482,955.00	36 th (of 232)
2008	US\$710,086,323.00	29 th (of 228)
2007	US\$437,564,824.00	37 th (of 230)
2006	US\$340,433,442.00	34 th (of 227)
2005	US\$350,218,040.00	30 th (of 228)
2004	US\$391,990,382.00	25 th (of 228)
2003	US\$256,901,471.00	35 th (of 219)
2002	US\$138,634,784.00	5 th (of 226)
2001	US\$4,318,906.00 (December- 1 st sales under TSREEA)	144 th (of 226)
Total Sales	US\$7,136,213,649.00	

Links To Related Analyses

USDA Accepting Applications For 2024 Export Programs- Cuba Again Authorized For Participation. Since 2018 Farm Bill, FMD And MAP Focus On Cuba Remains Anemic. Will 2024 Be Different? March 20, 2023

Defining Anemic: In Five Years, 2018 Farm Bill USDA Provision For Cuba Had No Use Of FMD And Two Uses Of MAP. Approximately 90 U.S.-Based Entities Could Have Participated. That's A 2.2% Use Rate. February 03, 2023

Cuba Provision In Farm Bill A Confliction Of Accuracy By Senators Heitkamp & Rubio; OFAC Rule Making Could Be Problematic. June 29, 2018

Members Of U.S. Senate Advocate For Regulatory Changes To Commercial Relationship With Cuba. But, A Significant Part Of What They Seek In Washington Await Decisions In Havana. March 16, 2023