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No Fiscal Year 2019 MAP/FMD Applications Submitted To USDA Included Cuba

The Foreign Agricultural Service (FAS) of the United States Department of Agriculture (USDA) reported to the U.S.-Cuba Trade and Economic Council (USCTEC) that none of the applications for Fiscal Year 2019 submitted by the 8 June 2018 deadline included funding requests for Market Access Program (MAP) or Foreign Market Development (FMD) to be allocated for use in the Republic of Cuba.

That none of the applications included the Republic of Cuba was not unexpected as the Republic of Cuba is not currently eligible for MAP/FMD funding and applicants may not have known on 8 June 2018 that an amendment would be introduced in the United States Senate on 13 June 2018 to authorize MAP and FMD funds to be available for the Republic of Cuba and whether that amendment would become a statute and when it would become a statute:

<https://www.heitkamp.senate.gov/public/index.cfm/2018/6/heitkamp-boozman-introduce-2018-farm-bill-amendment-to-boost-u-s-ag-exports-authorize-trade-promotion-funds-to-be-used-in-cuba>

For Fiscal Year 2018, there were eighty-one (81) applications for MAP/FMD funding approved by the USDA, which shared that applicants typically seek more funds than have been approved by the United States Congress, so the USDA reallocates funding requests based upon a standardized criterion. In Fiscal Year 2018, the combined expenditures for MAP/FMD were **US\$200,287,394.00**.

The United States Senate version of new “**Farm Bill**” (S. 3042) includes the Republic of Cuba; the United States House of Representatives version of the new Farm Bill (H.R. 2) does not include the Republic of Cuba. A conference committee has been appointed to determine the final language to be voted upon by 1 October 2018, the beginning of Fiscal Year 2019 for the United States government.

If the Republic of Cuba is included among Fiscal Year 2019 eligible countries for MAP/FMD funding, applications submitted by 8 June 2018 would be authorized by the USDA to be amended. The FMD Year begins in October 2018 and the MAP Year begins in 2019.

However, absent changes to the existing USDA application process by The Honorable **Sonny Perdue**, United States Secretary of Agriculture, applications submitted by 8 June 2018 would be permitted only to be amended- not to seek additional USDA funding, but reallocate previously-submitted funding requests from one country to another country, in this instance, the Republic of Cuba. For a MAP/FMD activity to be approved for the Republic of Cuba, an applicant would have to shift requested or approved funds from another country.

The USDA recognizes there are unplanned events that impact an applicant’s ability to use previously-requested or previously-authorized MAP/FMD funds.

For example, with the People’s Republic of China and European Union (EU) members implementing tariffs on certain food products and agricultural commodities after 8 June 2018, an applicant might not want or might be precluded from using requested or allocated funds towards

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activities in the People's Republic of China and EU; so, the applicant might want to submit a request to the USDA to reallocate all or a portion of funds towards use within another country.

There may also be impacting events that remain unknown through 2018 and become known in 2019, after the USDA has allocated all MAP/FMD funds to applicants, so then an entity having received a MAP/FMD funding allocation could request a reallocation from the USDA.

The USDA does not provide any payments to selected applicants in advance of the applicant making disbursements; the USDA provides payment upon receipt of an invoice from the applicant. The **invoices are audited** by the USDA and a claw back of payments is permitted. Any Republic of Cuba-related invoice is likely to receive additional scrutiny due to an amendment in S. 3042 submitted by Senator Rubio.

U.S. Congress Status

S. 3042, the United States Senate version of the "Farm Bill" includes two provisions relating to the Republic of Cuba:

An amendment authored by The Honorable **Heidi Heitkamp** (D- ND): *"To provide for the use of market access program and foreign market development cooperator program funds in Cuba."*

An amendment by The Honorable **Marco Rubio** (R- FL) to Senator Heitkamp's amendment: *"To prohibit the use of funds to carry out programs in Cuba in contravention of the National Security Presidential Memorandum prohibiting transactions with entities owned, controlled, or operated by or on behalf of military intelligence or security services of Cuba."*

H.R. 2, the United States House of Representatives version of the "Farm Bill" does not include either amendment or any Republic of Cuba-related language.

H.R.2/S. 3042, the "Farm Bill," now is subject to the decision of a conference committee which includes members of the United States House of Representatives and United States Senate. Given the composition of the conference committee, the Heitkamp/Rubio provision in S. 3042 is likely to be included in the legislation returned to each chamber, voted upon, and then presented in September 2018 to President Donald Trump for his signature.

Previous Blog Posts:

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<https://www.cubatrade.org/blog/2018/8/5/zan5yu902gxothclktn4agt93m0v5u>

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<https://www.cubatrade.org/blog/2018/8/3/2sayhxrojudnr42pra4ffdjdbng8r0>