# H.R. 3687 — "Cuba Agricultural Exports Act"

H.R. 3687, the Cuba Agricultural Exports Act removes key barriers to agricultural trade with Cuba by modifying the prohibition of certain U.S. assistance and financing for agricultural exports to Cuba under the Trade Sanctions Reform and Export Enhancement Act of 2000. It also permits limited investment in the development of private agricultural business in Cuba.

## *Cuba Agricultural Exports Act*

The Cuba Agricultural Exports Act would repeal restrictions on export financing for agricultural products, allowing U.S. businesses to provide payment or financing terms for sales of agricultural commodities to Cuba. The Act also gives agricultural producers and businesses access to U.S. Department of Agriculture (USDA) marketing programs—such as the Market Access Program (MAP) and Foreign Market Development (FMD) Program—that help the U.S. compete in foreign markets. Under the Act, federal agricultural checkoff programs funded by producers can also be used to expand agricultural markets in Cuba. Safeguard provisions are included to ensure that no U.S. taxpayer funds can end up in the hands of the Cuban government.

Further, the legislation enables limited American investment in the development of agricultural business in Cuba. Investment is allowed in agricultural businesses with the joint approval of the Secretary of State and Secretary of Agriculture. These businesses may include entities involved in the production, manufacture, or distribution of agricultural products, as long as U.S. regulators certify the entity is not controlled by the government of Cuba or its agents and that the entity does not traffic in the property of U.S. persons confiscated by the Cuban Government. This change represents an important opportunity for the development of agricultural business that can benefit American producers and increase American influence in Cuba.

## *Background*

Under current law, U.S. producers are permitted to export agricultural commodities to Cuba. However, restrictions on financing and marketing limit U.S. competitiveness in the Cuban market along with export potential. If U.S. producers could compete on a level playing field, the Cuban market would represent a market opportunity for American farmers and ranchers. It is estimated that Cuba imports around 80 percent of its food supply, and the U.S. enjoys an inherent advantage for supplying the Cuban market due to our close geographic proximity and efficient production and food distribution infrastructure.

Many stakeholders in the agricultural industry have a strong interest in increasing exports to Cuba because of Cuba's potential growth as a market for U.S. agricultural products. With a goal of better facilitating agricultural trade, the provisions in this bill address areas highlighted by stakeholders as obstacles to U.S. agricultural exports and business development in Cuba.