

Posted on Fri, Apr. 14, 2006

CUBA

Sales of U.S. food up 20%

BY FRANCES ROBLES

frobles@MiamiHerald.com

ORLANDO - Cuba spent \$172 million on U.S. food imports so far this year, a spike in sales over last year, the island's top agriculture import official said Thursday.

Cuba bought mostly wheat, corn, rice and chicken, despite a rule enacted last year by the Bush administration that requires Havana to pay cash for American products before the goods leave U.S. ports, instead of when they arrive in Cuban ports, said Pedro Alvarez, chairman of Alimport, the island's food import company.

He spoke by teleconference from Havana at the "Doing Business in Cuba" conference in Orlando.

Cuba spent 20 percent more in the first two months of 2006 over the same period last year, experts said.

"That is huge," said Kirby Jones, president of the U.S.-Cuba Trade Association, which organized the conference for Florida companies. "That's way up from last year. It doesn't mean it will continue that high, but it is substantial."

The conference, attended by about 50 business representatives, sought to increase sales to Cuba. Although the United States has a trade embargo against Cuba, cash food sales have been legal since 2000.

Since then, Cuba has spent some \$1.8 billion on American food products. Last year, Alvarez said, Cuba spent \$540 million on U.S. food products, up from \$474 million in 2004.

Experts caution that Cuba's import statistics are inflated, because they include costs for shipping and other factors. Other agencies show sales declined from 2004 to 2005, in part due to the U.S. change in payment requirements.

"Those changes have created uncertainty," Alvarez said, adding that sometimes perishable goods spoiled because of payment snafus. "Cuba was forced to divert hundreds of million of dollars to alternative markets."