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**As Travel Restrictions Ease, So Must Trade and Payment Restrictions, USA Rice Chairman Says**

President Obama's action yesterday to lift travel restrictions for Cuban-American families and to allow remittances by them to Cuba are welcome steps in the process for reopening trade with an important agricultural market for the U.S. rice industry, USA Rice Federation Chairman Jamie Warshaw said today.

"USA Rice Federation has supported such action for many years," Warshaw said, "but we prefer to see the trade embargo on Cuba lifted altogether in the long run, and a return by the Treasury Department's Office of Foreign Assets Control (OFAC) to the intent of Congress regarding payments for agricultural shipments in the near term. Another significant near-term step for the United States would be to allow direct payments from Cuban banks to U.S. financial institutions for agricultural sales."

"Allowing U.S. telecommunications companies into Cuba is a good thing, but OFAC should not deviate from congressional intent in its enforcement of agricultural trade rules, so that our industry may resume the rice trade that had been developing briskly until the end of 2004," Warshaw said.

Prior to the embargo, Cuba — potentially a 400,000 -600,000 MT market for Southern long-grain rice producers — was the largest export market for U.S. rice. Trade resumed in 2002 after Congress passed the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSREEA). However, with the Treasury Department's reinterpretation in 2005 of TSREEA— requiring payment through third-party banks in advance of shipment — U.S. rice exports declined from 176,631.9 metric tons (MT) in 2004 to less than 13,000 MT in 2008.

"Vietnam and China were the chief beneficiaries of the OFAC reinterpretation," Warshaw said. "This embargo has cost the U.S. rice industry more than \$3 billion in lost sales, and may have cost rural communities thousands of jobs."

"There is a strong momentum in Congress to change existing travel and trade restrictions, and we are optimistic that further changes will be realized this year. Any actions that will help increase our ability to export agricultural goods is especially important in these difficult economic times," Warshaw said.

"Reestablishing normal commercial relations with Cuba is an important priority for the U.S. rice industry," Warshaw said.

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*The USA Rice Federation is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants and allied businesses.*

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