REFORMING CUBAN AGRICULTURE:
UNFINISHED BUSINESS

By Philip Peters, Vice President
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INTRODUCTION

In July 2007, Raul Castro put the agricultural sector squarely in his sights in his first major speech as acting President. He noted wryly that on a drive across Cuba he saw abundant idle farmland overgrown with weeds. He ridiculed the agriculture bureaucracy and the government supply chain that stands between food producers and consumers. A general economic improvement, he argued, would require higher productivity, industrial production, foreign investment, and – foreshadowing moves to expand the private sector in agriculture and other sectors – “structural changes and changes of concepts.” Improvement would take time, he said, because “no country has the luxury of spending more than it has.” He quoted his brother Fidel, who said seven years earlier, “Revolution is a sense of the historical moment, it is to change all that must be changed.”

In short, Raul Castro began to set the stage for an economic reform process that would begin soon with some small measures then take full form in 2011 when, following extensive discussions and debates in workplaces, neighborhood committees, and Communist Party meetings, a nationwide Communist Party Congress would ratify a blueprint for far-reaching economic policy changes across many sectors.

The agricultural sector is a central part of the reform process. An increase in food supplies could potentially reduce consumer prices, improving purchasing power. A reduction in the agriculture ministry’s personnel – both its direct employees and those that work for the ministry’s enterprises that buy, transport, store, and distribute food – will help reduce government outlays, freeing up resources to maintain the social safety net and to raise the pay of doctors, teachers, and others whose pay is substandard. Higher agricultural production can help reduce Cuba’s nearly $2 billion annual import bill, where one in five dollars is spent on food.

Policy changes affecting agriculture began before the Party Congress and have continued since, the most notable being the distribution of nearly 170,000 parcels of unused state land to private farmers. But apart from a few bright spots, results have been lacking – production has not increased notably, consumer prices are up, and no real dent has been made in the import bill. Agriculture remains both the first big initiative and one of the biggest pieces of unfinished business in Cuba’s economic reform, as debate continues about deeper reforms needed to make this critical sector perform at its potential.

THE CURRENT STRUCTURE OF CUBAN AGRICULTURE

Agrarian reform laws enacted in 1959 and 1963 socialized but did not completely collectivize Cuban agriculture. The new socialist state became the planner of the farm economy, the sole source of farm supplies, the collector of all harvests, the distributor of all food, and the sole marketer and vendor of Cuba’s export crops.

By expropriating large farms and taking control of other lands, the state also became owner of four-fifths of Cuba’s arable land. Most production was concentrated on large state farms where centrally planned, heavily mechanized production became the norm.

The remaining twenty percent of farmland was in the hands of individual families, some on land they had long owned, others on parcels redistributed under agrarian reform.

These private farmers operated in a farm economy heavily dominated by the state, but the fact that they had a measure of independence by virtue of their land tenancy was to stand Cuba in good stead when the post-Soviet economic crisis forced a search for ways to increase farm production in the early 1990’s.

Unable to replace the trade and financial flows from the Soviet bloc that had shaped Cuba’s farm sector for three decades, Cuban officials had no choice but to opt for greater self-reliance. By necessity, farm production had to become far less mechanized; by conscious policy choice it would become smaller in scale, less centralized, and more based on markets and incentives.
Three reforms were put into place in 1993 and 1994:

- The state redistributed about two-thirds of its lands, primarily to newly created cooperatives that were smaller than the state farms and, in theory, were to enjoy managerial autonomy. Smaller parcels of land also went to thousands of individual farmers. As a result the land tenancy pattern was reversed, with one-fourth remaining in state hands, the rest held by cooperatives and private farmers.

- A private market for agricultural sales was established by allowing all producers to sell surplus production after delivering their quota to the state. All producers operate under annual contracts that commit them to deliver a fixed amount of produce in return for fuel, seed, fertilizer, and other items provided by the state.

- Farmers markets were created to bring this surplus production to consumers. Except in the case of price caps imposed after the 2008 hurricanes, prices have been determined by supply and demand.

The result was a farm system with four main types of producer.

State farms. These are production units owned by various state entities, where workers are paid wages and have no role in governance.

UBPC cooperatives. The Unidad Basica de Produccion Cooperativa (Basic Unit of Cooperative Production) was created in 1993 in response to the loss of Soviet bloc support. These cooperatives were mainly created by breaking up large state farms and creating smaller units using the same land, personnel, and equipment— with autonomy and incentives to earn more by producing more. Workers typically receive a base monthly salary that can be increased through profit-sharing bonuses. The land is owned by the state but is held by the cooperative “in usufruct,” a land grant that is akin to a no-cost lease. In practice the UBPCs have operated far below their potential, many have been chronically unprofitable, and the Cuban government has admitted that they have not been as autonomous as advertised, a shortcoming that new September 2012 measures are intended to solve.

CPA cooperatives. First created in 1978, the Cooperativas de Produccion Agropecuaria (Agriculture and Livestock Production Cooperatives) were designed to bring economies of scale to small farms. They are aggregations of several dozen small farms that were formed, Cuban official documents say, after “farmers’ decisions to unite their lands and other fundamental means of production.” They are worked collectively, and workers’ pay varies with the cooperative’s profitability. Farmers retain title to their original farm and do not relinquish ownership to the state.

CCS cooperatives/private farmers. This category includes those private farms that have been in private hands since before the 1959 revolution, and those that have resulted from land grants both in the 1990’s and in the current round of reforms. Many are part of Cooperativas de Credito y Servicios (Credit and Service Cooperatives), where individual farmers have united to take out loans and to make major equipment purchases, but work their own land. They are the most productive farmers in Cuba, consistently producing more than half the country’s farm output on about one-fourth of its agricultural land.

FIRST REFORMS

Well before he formally assumed the presidency in 2008, Raul Castro’s government focused on the farm sector with a sense of impatience. The Revolution, he told Cuba’s legislature in December 2006, is “tired of excuses” for the sector’s poor performance, and he started to attack its problems.

Settling debts. The first move was to settle debts the state owed to farmers and cooperatives. In that same speech, Raul Castro asked how farmers could be expected to produce if the state failed to pay them for the goods they deliver. Six months later, the finance ministry announced that the government had paid 550 million pesos to settle debts with farmers, clearing all debts from the previous six months, and it refinanced debts totaling another 863 million pesos.
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Raising producer prices. The government has increased the prices it pays producers for the products they deliver to the state in fulfillment of production quotas. Interviews conducted with farmers and officials beginning in 2008 have indicated that prices paid to producers for beef have gone up tenfold, milk and plantain prices tripled, and the prices of potatoes, sweet potatoes, and black beans had doubled. However, the prices paid for milk and rice, even after increases, are about one-third Cuba’s cost of importing those products, which indicates that there is more room to raise producer prices and incentives in the interest of reducing import costs.

Land grants. The government’s biggest early bet in agriculture was to return idle lands to productive use by encouraging individuals and cooperatives to apply for land grants. Cuban data indicate that at the end of 2007, slightly more than half of Cuba’s 6.6 million hectares of usable farmland was idle, much of this being land formerly used for sugar cane.

The lands are granted in usufruct, meaning that the grantee pays no rent and is guaranteed use of the land as long as it is kept in active production. Terms are 10 years for individuals and 25 years for cooperatives, both renewable. If the new land grantees can become as productive as the established private farmers – the most productive in Cuba, with two-thirds of farm output on about one-fourth of the land – then some major gains in farm output could be in store.

A July 2008 decree set the rules for the land grants: Applicants that are new and have no land can be granted 13.42 hectares – in Cuba, that’s called one caballería, a colonial-era term that refers to the land given a retiring Spanish cavalry officer. Farmers that seek to add to their land can have their holdings increased until they are three caballerías in size. The grants are 10 years for private farmers, 25 years for cooperatives.

Those who apply face an evaluation process. A local official explained that applicants’ plans for the new land, their character, and work record are judged by the local office of the agriculture ministry, the small farmers union, the neighborhood “defense” committee, and the Communist Party.

### Cuba’s food imports are expensive...

<table>
<thead>
<tr>
<th>Year</th>
<th>In hard currency ($ billion)</th>
<th>And as a percentage of total import costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>0.83</td>
<td>20</td>
</tr>
<tr>
<td>2003</td>
<td>0.91</td>
<td>22</td>
</tr>
<tr>
<td>2004</td>
<td>1.18</td>
<td>21</td>
</tr>
<tr>
<td>2005</td>
<td>1.49</td>
<td>20</td>
</tr>
<tr>
<td>2006</td>
<td>1.39</td>
<td>15</td>
</tr>
<tr>
<td>2007</td>
<td>1.75</td>
<td>17</td>
</tr>
<tr>
<td>2008</td>
<td>2.54</td>
<td>18</td>
</tr>
<tr>
<td>2009</td>
<td>1.76</td>
<td>20</td>
</tr>
<tr>
<td>2010</td>
<td>1.60</td>
<td>20</td>
</tr>
<tr>
<td>2011 (est.)</td>
<td>1.70</td>
<td>21</td>
</tr>
</tbody>
</table>

Note: Food imports spiked in 2008 due to crop damage from three hurricanes that year.

About 167,000 land grants have been made to date, about evenly split between farmers adding to their land and individuals getting land to farm for the first time. Almost all the land grants are going to individuals, with only about 2,500 going to cooperatives and state enterprises. These grants amount to 1.5 million of approximately 2.2 million hectares of idle state lands. Eighteen thousand grants have been withdrawn, according to a Cuban official, at the farmer’s request or due to “incapacity.”

The result of this new distribution of land has been to reduce the state’s share of agricultural land from 36 percent in 2007 to 26 percent in 2011. The gainers have been private farmers, whose share jumped from 19 to 35 percent in that period.

Cutting and restructuring bureaucracy. Cuban officials have recognized that the agriculture bureaucracy needs to be restructured as part of a government-wide personnel reduction, and also to fit new policies that give a larger role to market mechanisms.

An office of the agriculture ministry is being set up in each of Cuba’s municipalities to provide a single location where producers can go for all government decisions affecting their operations. If carried out according to
plan, this step would decentralize decisionmaking from provincial and national offices to the local level. An agriculture ministry official interviewed in 2008 said that the ministry plans to reduce the number of its enterprises from 440 to 120 or fewer.

A substantial part of the agriculture ministry’s enterprises are tied to the state’s role in buying, storing, transporting, and distributing the lion’s share of the country’s food supply, including through the monthly ration book that provides food and other staples to every household in the country at highly subsidized prices. The ration book, called the libreta de abastecimiento, has been slated for “orderly elimination,” and the government has already begun removing products from it one by one. When it is gone entirely, it is to be replaced by a system that provides food assistance only to the needy.

It is a change the Cuban government is making slowly, but seems determined to complete. “The libreta is irrational not only for its subsidized prices – the libreta is also irrational for the very means of distribution, and it is necessary to move toward the elimination of both things,” Vice President Marino Murillo told the National Assembly in December 2010. Referring to the need to have supplies in distribution centers the first day of every month, he seemed to relish the idea that the state could one day drop this task: “No one has any idea of the significance of the logistics and the irrational transportation spending.”

Moreover, it is a system that does not always work well. In 2009, Juventud Rebelde reported that farmers had vastly increased tomato production, but hundreds of tons rotted due to lack of transport by the state agency that is supposed to collect the crop and bring it to processing centers. One cooperative sued that agency for 146,343 pesos for the loss of 2,610 quintales of tomatoes (a quintal is a 100-pound unit of measure).

**APRIL 2011: A NEW ECONOMIC BLUEPRINT REINFORCES THE MESSAGE**

When the sixth Congress of the Communist Party of Cuba met in April 2011 to consider economic topics exclusively, it adopted a document titled, “Guidelines of the Economic and Social Policy of the Party and the Revolution.” Called “los lineamientos” in Cuba, it contains 313 domestic policy guidelines intended to make the economy stronger, the state smaller, the private sector larger, and the delivery of free social services more affordable and sustainable.

In agriculture policy, the lineamientos effectively endorsed the changes made to date and set formal goals for the sector. These include adopting “a new business model in keeping with the greater presence of non-state producers,” providing “greater autonomy for producers,” and achieving a “gradual decentralization to local governments.” The government is to limit “centralized circulation” to those “product lines tied to national balances” and give “a more active role to free market mechanisms” for all other products. (This means a reduction in the number of products that the government buys, stores, transports, and distributes itself, and a greater role for markets.) National planners are to be concerned with export products and import substitution, while all other products are to have a regional focus, including suburban agriculture. The government is to ensure that farmers are paid high enough prices for products that are exported or that are substituted for imports. Finally, the lineamientos call for the development of specialized bank and insurance services for the agricultural sector.

**SINCE THE PARTY CONGRESS**

Raul Castro reviewed Cuba’s economic performance before the National Assembly last July, noting some positive results in some sectors. But he remarked that “in agriculture the results are still discreet,” and the numbers back him up (see tables).
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Food imports continue to cost Cuba more than $1.5 billion per year, about 20 percent of Cuba’s total import bill. And while there have been a few bright spots – notably rice and bean production – these have resulted from planting more acreage rather than increasing yields. Indeed, per-acre yields in rice and beans and many other crops have declined.

So in the context of a reform process that extends to 2015 and whose leaders say they are adapting to lessons learned “on the march,” more changes in the policies governing the farm economy are surely in store. Some have already begun, others have only been outlined.

### Mixed results of reform

*Higher rice and bean production, the bright spot since reforms began, owes to a big increase in area planted, not to productivity gains.*

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2011</th>
<th>Change in output</th>
<th>Change in yield</th>
<th>Change in area planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potatoes, root vegetables</td>
<td>2.37</td>
<td>2.28</td>
<td>-4%</td>
<td>0</td>
<td>-3%</td>
</tr>
<tr>
<td>Vegetables</td>
<td>2.60</td>
<td>2.20</td>
<td>-15%</td>
<td>-8%</td>
<td>-8%</td>
</tr>
<tr>
<td>Rice</td>
<td>0.44</td>
<td>0.57</td>
<td>+29%</td>
<td>-16%</td>
<td>+53%</td>
</tr>
<tr>
<td>Beans</td>
<td>0.10</td>
<td>0.13</td>
<td>+37%</td>
<td>-8%</td>
<td>+48%</td>
</tr>
<tr>
<td>Citrus</td>
<td>0.47</td>
<td>0.26</td>
<td>-44%</td>
<td>-18%</td>
<td>-32%</td>
</tr>
<tr>
<td>Other fruit</td>
<td>0.78</td>
<td>0.82</td>
<td>+4%</td>
<td>+22%</td>
<td>-19%</td>
</tr>
</tbody>
</table>

Yield measured in output per area planted.

### Allowing direct sales by producers

Between the commitment to phase out the universal monthly household food ration and the government’s desire, as Raul Castro puts it, to achieve a “redesign of the archaic existing distribution networks,” it is clear that more changes are coming to Cuba’s food distribution system.

The pace has been slow so far, in keeping with the cautious, trial-and-error approach that characterizes the entire reform process. The final extent to which markets will replace the government’s distribution apparatus is not yet clear.

The union of Cuba’s private farmers and CCS cooperative members, ANAP (*Asociacion Nacional de Agricultores Pequenos*) would prefer substantial change. About 30 percent of these producers’ output goes to farmers markets, where prices move according to supply and demand, and the rest is contracted by the state. In May 2010 ANAP called for several changes: expanding direct sales to consumer outlets, allowing cooperatives to contract directly with state enterprises, and allowing cooperatives to sell directly to hotels and restaurants in the tourism sector.

ANAP’s president at the time, Orlando Lugo, advocated allowing all producers to sell directly to the market without any state intermediary. “I think that sales have to be broken up a lot,” he said in an interview during ANAP’s annual meeting. “If in Cuba there is private and diversified production, one cannot have monopolized sales. We have to seek many forms of purchase and sale. If I were asked, I would say it has to be direct. If a cooperative wants to sell products and have a point of sale, let it have one. If a hotel wants to buy a product from a cooperative, why can’t it do so? Why does it have to be through an enterprise? We have to continue insisting on direct sales by producers to the retail network. There are provinces that have some experiences. I know that it is being studied, but it is true, this is something that is still not resolved.”

The government’s way to resolve it is through pilot projects. In Havana and the surrounding area, an experiment is just beginning where producers are free to sell to end-users, be they consumers at retail, vendors at
farmers markets, state enterprises, entrepreneurs who run restaurants and cafeterias, or hotels and restaurants in the tourism industry.

Sales to the tourism sector illustrate both the opportunity and the entrenched difficulties involved in changing this system. In December 2011, direct sales between farm producers and tourism industry businesses were permitted “to simplify the links between the primary producer and final consumer,” a Granma article said, and to allow tourism installations to “take better advantage of the potential of all the forms of production at the local level.” It is a promising idea, considering that the state enterprise created exclusively to serve the tourism industry, the Empresa de Frutas Selectas, often fails to supply the variety of produce that can be found at the same time in Cuban farmers markets. Within one month Cuban media reported that 71 contracts had been executed, but by last July ANAP reported that only 45 contracts were active between producers and tourist industry entities, accounting for only five percent of sales to those entities.

Local observers say that direct producer-to-tourism sales have not taken off because some local agriculture ministry officials have stepped in to direct which producers will and will not be able to enter contracts with the tourism industry. Another reason has to do with competition: the state enterprise has advantages – experience, relationships, trucks, packaging, etc. – that the private producers do not.

Part of the solution in this sector and for direct agricultural sales in general may lie in a yet-to-be-implemented reform: the creation of a new class of farm sector cooperatives whose business will be to provide services to producers, including transportation and marketing. If the government transfers transportation assets to these new cooperatives or, better yet, simply converts agriculture ministry transportation units into cooperatives, they could become a private sector competitor to the remaining state sector enterprises involved in food transportation, sales, and distribution.

Improving the land grants. In that same July 2012 speech, Raul Castro previewed changes in the land grants that are intended to improve producers’ incentives. A May 2012 report indicated that since 2008, 1.5 million hectares had been distributed, 79 percent of which was in productive use and 59 percent of which was being used for livestock.

The president spoke of a forthcoming law that would increase the amount of land that could be granted – up to 40 hectares for individuals and those in CCS cooperatives, and up to 67 hectares for those linked to larger units. Grantees would be permitted to build housing on the land, and they would be able to pass their right to hold the land in usufruct – as long as they work the land – to their heirs.

More autonomy for UBPC cooperatives. In September 2012, the Cuban government announced 17 measures to improve the performance of its chronically underperforming UBPC cooperatives, those that were formed in 1993 by breaking up large state farms and handing them over to the workers. Reacting to the loss of Soviet-bloc fuel, equipment, and other inputs that sustained large-scale farm production, the idea was to work on a smaller scale and with more labor, and to introduce incentives so the workers would produce effectively.

A key feature of this new scheme was for the cooperatives to have managerial autonomy regarding basic business decisions. In fact this autonomy existed “on paper, but was rarely achieved in practice,” an article in Granma explained when the new measures were announced. In many cases, the article explained, enterprises that were part of the state agricultural apparatus treated them as direct subordinates, imposing plans and managers on them, stifling their ability to make their own production, sales, and even worker compensation decisions.

The article reported on a diagnosis of these cooperatives, based in part on their first thorough audit in 19 years. 2,519 were formed in 1993, and 1,989 are operating today on 1.8 million hectares, about 28 percent of the country’s agricultural land. Of the land held by UBPCs, 23 percent is idle. At the end of 2010, 15 percent of UPBCs had financial losses and six percent were unable to provide an end-of-year accounting. The UBPCs hold
2.1 billion pesos in debts, some due to their operating losses and some carried over from the state farms from which they were created.

The audit found 540 UBPCs to be in a “favorable economic and productive situation.” 1,122 others, 57 percent of the total, had problems that were judged to be workable. 327 were in such trouble that they were deemed to have “no possibility of recuperating.”

The new measures, the Granma article said, are designed to unshackle the UBPCs, to “eliminate errors that held back production in these units since their creation… and at the same time to give them greater management autonomy” and “recognizing [UBPCs] as legal entities with the same conditions” as all other producers.

The measures provide that:

- The state will stop its practice of covering the losses of unprofitable UBPCs, and some will dissolve, their assets reverting to the state.

- The state will use funds from its budget to finance only those UBPCs in which it has a special interest.

- Directors of the cooperatives will be elected by their membership, not named by the state as before, and they will decide workers’ salaries and profit distributions.

- The government will pay 332 million pesos of UBPC debts to banks, government units, and enterprises, and the remainder will be financed over 25 years through a five percent tax on gross revenues.

- The UBPCs are clearly defined as cooperatives, not state enterprises.

- UBPCs will need no outside approval to buy supplies including construction materials for worker housing and other purposes.

- The state enterprises linked to UBPCs will monitor them only to ensure that they deliver the goods promised in their contracts and to oversee “technical norms in their production processes.”

- Any produce not promised for delivery in a contract to another entity “can be sold freely.”

Credits. With new policies producing tens of thousands of new entrepreneurs and farmers, many lacking the supplies and equipment to get under way, Cuban banks in December 2011 began to offer them business loans, and state media promoted the new policy and bank procedures.

In July 2012, Cuba’s Credit and Commerce Bank reported that it has made loans to more than 13,000 farmers, in some cases more than one loan per borrower, who have received new land under the recent land grants program. They pay interest rates ranging from three to seven percent. Later that month, the Central Bank reported that it had eliminated the 3,000-peso limit on loans to individuals. Loan amounts are now limited based only on banks’ evaluations of the amount that borrowers can pay back in a reasonable time.

Income tax break. As Cuba’s private sector grows, a new tax law has been issued to subject those who earn private sector incomes to income tax. Agricultural producers will pay income tax, but at rates 50 percent lower than those applied to other sectors. Farmers who receive parcels of land from the state will be exempt from income tax, property or tenancy tax, and tax on hired labor for the first two years, or for four years if they have had to spend time clearing the land of plants such as marabu, a difficult-to-remove shrub that takes over idle lands in Cuba.

Investment. The latest figures on public sector investment show that new capital is flowing to the agriculture sector – eight percent more in the first half of 2012 than in the same period the year before – but that investment in other sectors is increasing far more in sectors such as sugar (91 percent increase), transportation and communications (74 percent), and commerce, hotels, and municipal services (all more than 20 percent). Clearly, the government’s bet in agriculture is to make it improve not by throwing money at it, but by changing
basic aspects of the farm economy such as land tenancy, producer autonomy, and price incentives.

Producer prices. The government has continued to adjust prices it pays to producers in its contracts. In addition to the price increases mentioned above, the price paid to sugar producers has more than doubled, which explains in part the anticipated 20 percent increase in production in the 2012-2013 sugar harvest, following increases of seven and 16 percent in the previous two seasons. The price paid to farmers for tobacco has also more than doubled in recent years.

Fixing the state enterprise structure. As Cuba moves toward across-the-board reforms of its state enterprises, the old practice of accumulating debt year after year will need to be rooted out. This problem has been chronic in the agriculture sector. A June 2011 audit of state finances found that agriculture ministry enterprises had the largest number of uncollected debts – 892,800 pesos – and the second-highest amount of accounts payable, 700 million. A Granma article noted that further investigations are taking place to detect any criminal activity “behind the scenes” that might explain some of the financial irregularities.

New stores for farm inputs. In the past, farm implements were distributed by the state based on central plans. In recent years, stores have started to appear across Cuba where farmers are able to buy new machetes, fencing, and other tools when they need them rather than when the state decides it’s time to hand them out.

CONCLUSION

Cuba’s economic reform process has involved a re-thinking of the thought of Marx and Engels with regard to the role of state and private property in a socialist economy, and there has been an impact in Cuba’s economic policies. Cubans were permitted to buy and sell residential real estate in 2011. Citizens who own their homes were permitted in 2010 to rent them in whole or in part to private entrepreneurs. The number of private entrepreneurs has nearly tripled since new policies were introduced in 2010; they are now permitted to hire employees and have hired more than 60,000. Small state service operations such as barber shops have been turned into private entities, and pilot projects are under way to convert more significant state enterprises into private cooperatives.

These changes often touch on issues of property rights as viewed in capitalist economies, and through the prism of Marxist economics they change the relationship of individuals to the means of production.

The reform process also calibrates the role of state planning and the role of market mechanisms. The Communist Party economic guidelines open by declaring that planning remains the “principal way of managing” the socialist economy, but “planning will take the market into account, influencing it and considering its characteristics.” That excludes both a fully planned economy and unbridled capitalism, and it leaves lots of room for case-by-case decisions about the markets that will operate and the fences that will be built around them.

The ongoing effort to revive Cuban agriculture forces the government to make decisions along each of these philosophical fault lines. Should idle state land be granted in usufruct for 10 years, or 25? Should the land be given outright to those who produce well, or is there some set of incentives that excludes land ownership but will still encourage farmers to produce? Should the government run stores that sell farm implements, or should it allow a private entity to do that? What should be done with the food distribution bureaucracy that the government is so tired of running – should it be eliminated altogether, or preserved in small part to serve social services institutions? Should foreign investors play a role in farm production? Should prices be controlled?

The goals are clear – to increase food supplies, cut the import bill, boost export crops, and use markets and incentives to replace a cumbersome food distribution bureaucracy. The steps taken so far show promise but fall short of desired results. Agriculture, the first sector targeted for reform, has proven one of the most difficult, and it is clear that gradual, trial-and-error changes will continue through the five-year reform process that ends in 2015.
SOURCE MATERIAL AND FURTHER READING

The author’s May 2012 paper, *A Viewer’s Guide to Cuba’s Economic Reform*, explains the reasoning behind the reform process, its goals, commitments and progress made to date in each sector, the public debate about it, its political implications, and more. Available at lexingtoninstitute.org.

Data on Cuban population, demographics, health trends, and many other social and economic indicators are published by Cuba’s National Statistics Office and are available on-line with many data series in Excel format. See the annual statistical yearbooks and single-topic publications at www.one.cu.

*The Cuban Triangle* blog, written by the author, has monitored economic policy developments since 2007 and is searchable by word and by tag. For all posts on agriculture: http://cubantriangle.blogspot.com/search?q=agriculture

Papers by economist Armando Nova of the University of Havana: *La Propiedad en la Economia Cubana*, chapter in *Cuba: Hacia una estrategia de desarrollo para los inicios del siglo XXI*, available at espaciolaical.org; and “Cuban agriculture and the current economic transformation process,” from the Cuba Study Group’s “From the Island” series, at cubastudygroup.org.

*Espacio Laical* and *Palabra Nueva*, two magazines of the Archdiocese of Havana that contribute consistently to the economic debate, are available on the web.

The Guidelines for Economic and Social Policy adopted by the 2011 Communist Party Congress that constitute the blueprint for the economic reform process, are available in Spanish and English at the Cuban foreign ministry’s website, cubaminrex.cu.

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