

Agriculture and Food Security in Cuba: Challenges and Proposals

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The agricultural sector plays five fundamental roles in the development process of any country: (1) increasing the domestic food supply; (2) freeing up labor for employment in the secondary and tertiary sectors; (3) expanding the market for industrial and service sector products; (4) boosting domestic savings to finance investments; and (5) generating foreign currency. In addition to these, other contributions such as supporting renewable energy, environmental care, and biodiversity conservation are now also recognized. Among these functions, the most crucial is increasing the food supply for the population and providing inputs for industry.

Even though the Cuban agricultural sector accounted for only 2.4% of Cuba's GDP in 2022, this does not mean that it is an insignificant economic activity. The sector's contribution is far greater when considering its impact on related industries such as sugar, food, tobacco, beverages, leather, and wood products. In fact, the combined output of agriculture and its related activities is estimated to contribute around 9% to the nation's GDP.

Mismanagement within the economy exacerbates the situation, rooted in the lack of socioeconomic rationality in decision-making processes. The Cuban economy is fundamentally a political economy and must be analyzed as such. Any genuine economic adjustment—without labeling it as neoliberal or other unnecessary terms—must be deep, comprehensive across all sectors, and multidirectional, impacting every structure and institution in the country. Such an adjustment would entail significant social costs and, consequently, a substantial political impact, which requires strong leadership that is not currently clear on the nation's political landscape.

Several indicators reflect the significance of this sector. In 2022, Cuban agriculture contributed 56% of the available food in terms of energy and 35% in terms of protein. Additionally, it accounted for 31% of the country's exports of goods and 18% of employment (over 800,000 people).

Cuba is committed to achieving the Sustainable Development Goals (SDGs), and increasing agricultural production is essential for meeting SDG 2, which focuses on ending hunger. As a result, since 2008, numerous measures have been implemented to boost agricultural and livestock production. Notably, the 2019 Constitution enshrines the state's responsibility to ensure the population's right to food. Additionally, the Food Sovereignty Plan, as well as the Food Security and Sovereignty Law, have been approved.

Despite these efforts, the situation in the Cuban agricultural sector remains highly complex due to several persistent challenges:

- Severe shortages of seeds, fuel, machinery, tools, irrigation systems, cold chain infrastructure, and markets.
- Migration from rural areas to cities.
- An unstable labor force.
- Six million hectares of arable land, much of which remains idle.
- Low levels of investment.
- Declining production output.

Although these measures showed some positive results until 2018, since 2019, production volumes have dramatically decreased. The main reasons include the shortage of foreign currency to import essential inputs such as fertilizers, pesticides, animal feed, and fuel.

The lack of foreign currency not only limits the import of production inputs but also reduces the ability to import food. Cuba spends around \$2 billion USD annually on food imports, yet studies show that half of these imports could be domestically produced if the necessary resources and financing were available.

As both food production and imports have decreased, food availability for the population has declined, and food prices have soared. Consequently, food security is at risk, despite it being a declared priority by the authorities. Achieving access to food is particularly difficult for vulnerable groups such as retirees, pensioners, and those earning minimum or average wages.

In the short term, a series of measures must be implemented to increase agricultural production and improve people's access to food. Some necessary transformations include:

1. Establish a Stable Macroeconomic Environment:

A healthy macroeconomic environment is crucial for the development of the agricultural sector. International and Cuban experiences alike demonstrate that stable economic conditions are just as important as specific sectoral policies. Merely increasing the prices of agricultural products is insufficient. Production costs must be controlled, and the sector's future outlook should be clear to ensure adequate profitability both now and in the future. In the context of uncontrollable inflation, these conditions are not guaranteed.

2. Modify Investment Priorities

The agricultural sector must be given real priority in terms of investment. Currently, only 3% of total investment goes to agriculture, compared to an average of 35% for real estate linked to tourism.

3. Develop and Expand Other Markets

Markets for inputs, equipment, services, and foreign exchange need to be developed throughout the production chain. Without these, the incentives provided by increased agricultural product prices will not translate into greater supply, as producers lack access to essential inputs and services. Expanding markets for agricultural inputs, equipment, and implements at affordable prices is a prerequisite for agricultural growth. Their scarcity drives prices on the black market, inflating consumer costs and limiting primary production. Additionally, a functional financial market is needed to ensure the availability of domestic currency for agricultural activities, alongside a foreign exchange market where producers can acquire the foreign currency necessary to purchase inputs.

4. Redefine the Role of State Enterprises

State enterprises should focus on key areas that support agricultural production, which are currently underdeveloped. These areas include seed production, applied research, quality control, financing, support services, and infrastructure development (roads, electrification, and communication).

5. Simplify Bureaucratic Processes and Accelerate Land Distribution

Bureaucratic processes surrounding usufruct land allocation must be streamlined. All economic enterprises, including MSMEs, should have access to land. It is neither politically expedient nor morally acceptable for the state to retain idle land while failing to respond to those requesting land to expand production. The state, which owns 79% of Cuba's agricultural land, must take all necessary steps to ensure its efficient use and encourage increased agricultural output.

6. Promote Renewable Energy in Agriculture

The use of renewable energy sources such as solar heaters, photovoltaic panels, wind power, biomass boilers, and biogas should be promoted for food production.

7. Encourage Domestic Bioproducts and Inputs

Domestic products such as Biobras, Nerea, Azofert, Ecomic, and Quitomax should be promoted to reduce dependence on imports and enhance food production.

8. Foster Foreign Investment in Agriculture

Foreign investment should be encouraged, not only in sugarcane production but across the entire agricultural sector.

9. Control Food Prices and Increase Market Competition

It is essential to introduce more suppliers into the food market and create conditions that prevent prices from continuing to rise. Establishing an official exchange market for farmers and importers would also be beneficial.

10. Protect the Most Vulnerable

The most vulnerable segments of the population should be protected through subsidies, food vouchers, or other mechanisms that ensure access to a basic consumption basket.

In conclusion, addressing Cuba's agricultural challenges is critical for ensuring food security and supporting the nation's broader economic recovery. While several initiatives have been implemented, the complexity of the situation requires a multifaceted approach, including policy reforms, increased investments, and market expansion. By properly prioritizing the sector, simplifying land access, and encouraging renewable energy and foreign investment, Cuba can unlock the potential of its agricultural sector. These efforts, coupled with targeted protections for vulnerable populations, are essential to achieving sustainable food security and fostering long-term economic stability.

*Further elaboration on these ideas can be found in other publications by the author, such as “Agroalimentos, ¿estratégicos más allá de la pandemia?”, co-authored with Anicia García, <http://www.foroeuropacuba.org/es/cooperacion-reformas-economicas-desarrollo-sostenible/libro/> and “Reflexiones necesarias sobre seguridad alimentaria en Cuba”, en *International Journal of Cuban Studies*, 2023. Vol. 15(1):109-125.*

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However, I want to emphasize two key points. First, aligning prices is just the starting point of a broader program of structural and institutional adjustments, where real productive distortions – already present but not fully visible under the current distorted price system—will inevitably emerge. Second, price unification is a complex process that requires the government to walk a fine line. On one hand, it must promote the correction of relative prices and the creation of new microeconomic incentives. On the other hand, it must manage the effects of a necessary productive and financial adjustment, which will inevitably reshape the structure of production and employment in the economy. While this restructuring process is fundamental to achieving significant gains in productivity and competitiveness (especially internationally), it is not without economic, social, and political contradictions. The State will need to mitigate these through redistributive policies, using both orthodox and heterodox mechanisms under the guiding principle of 'doing whatever works.