

Port of Galveston Signs Agreement with Cuba

In December 2003, the Port of Galveston participated in meetings in Cuba related to increased trade opportunities. During the celebration of the 2nd Anniversary of the agreements marking the renewal of agricultural trade with Cuba, the Port of Galveston signed a Memorandum of Understanding (MOU) with Alimport, Cuba's single largest importer of food supplies, to secure food for the 11 million residents of Cuba.

"We have viewed Cuba as a possible trading partner for some time now," stated Steven M. Cernak, Port Director. "Agricultural commodities have always been a strong part of Galveston's cargo mix and an important part of the port's exports. Cuba is a natural market for Texas products and for Port of Galveston exports because of our proximity to the Gulf and to Cuba. Our new arrangement with the Port of Victoria to process Texas-grown products for importation to foreign countries is a perfect fit into this scenario."

The agreement between the Port of Galveston and Alimport promotes the use of port facilities for the movement of food and agricultural and forest products with a concentration on wheat, corn, rice and other grain products. The agreement shall be in effect for two years and may be renewed on an annual basis.

Alimport has spent more than \$500 million in two years on U.S. food products – mostly grains and cereals – that are allowed under an exception to the 42-year old U.S. trade embargo against the Cuban government. Alimport has steadily increased its food and agricultural purchases from American suppliers and indicated interest in increasing its business operations with the U.S.

The first cargo of wheat shipped to Cuba in over forty years was shipped from the Port of Galveston in January 2002. Cernak expressed his pride in being a part of such an historic event. "At that time, the Port of Galveston joined the grain elevator operator - ADM/Farmland, U.S. Representative Nick Lampson, and the U.S. – Cuba Trade and Economic Council to celebrate the significance of that shipment. Several additional shipments of grain were loaded in succeeding weeks."

Cernak summarized the Cuban trip. "The Port anticipates that the Memorandum of Understanding with Alimport will result in increased exports through the Port that will broaden the port's cargo base. The additional business for the port will benefit the port's partners and the community through the creation of additional jobs and in other business opportunities that will be created."