



NEWS RELEASE

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U S RICE PRODUCERS ASSOCIATION STRONGLY SUPPORTS SANCTIONS REFORM

BUT HOUSE PROPOSAL MAKES EXPORTS TO CUBA "ALMOST IMPOSSIBLE"
AND THREATENS FARMERS WITH PRISON TERMS AND LOSS OF PRODUCTION
FINANCING

Houston, Texas (July 5, 2000) Mr. Dennis R. DeLaughter, Chairman of the U S Rice Producers Association (Rice Producers), today praised the efforts of Representatives George Nethercutt, Jo Ann Emerson, and other advocates of reform of the United States' unilateral sanctions policy. "Through the tenacious efforts of these tireless advocates for U.S. farmers, even the staunchest opponents of opening markets to Cuba have been forced to admit that the time to act has at long last arrived. Unfortunately, the so-called 'compromise' circulated last week by the House Republican Leadership in Washington will make it almost impossible for U.S. farmers to sell rice and other food products to the Cuban people."

Rice Producers has obtained a copy of the "confidential" Leadership proposal, drafted for Representative Roy Blunt. In part, the Leadership proposal provides that:

"no insurance or financing may be provided by the Federal Government, any State or local government, or any private person or entity in connection with sales of agricultural commodities to Cuba."

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The proposal defines "financing" to include "any loan, guarantee, or extension of credit". This language would require U.S. exporters to attempt to export food to Cuba without any guarantee of being paid, and even without the insurance necessary to protect against disaster. It could even prevent farmers from obtaining financing to plant a crop destined for the sale to Cuba. Violations of the provision could result in the imposition of prison terms of up to 10 years or the levying of fines of up to \$1 million on U.S. farmers and their cooperatives, exporters, banks, and insurers under the "Trading with the Enemy Act".

Dwight Roberts, Chief Executive Officer of the Rice Producers Association, said that "we will continue to fight for the freedom of U.S. farmers to export food to Cuba, consistent with the market-opening pledges that were made by Congress when it passed the 'Freedom to Farm' bill. Last Tuesday's proposal does not fulfill that commitment. While it would lift the current sanctions on farm exports to many countries, it would make illegal the routine commercial activities of farmers and their cooperatives, banks, and insurers that are necessary to make sales in world markets."

DeLaughter added, "Our foreign export competitors already use Government credits and credit guarantees to entice Cuba to buy their products. By outlawing the use of these export tools -- and even criminalizing the use of private credit -- this proposal would force U.S. farmers to compete with foreign governments while risking jail terms if they wish to sell food to the Cuban people. It is easy to understand why our farmers do not view this proposal as a workable one."

Roberts concluded, "Prior to the imposition of the Cuban embargo, Cuba was the largest export market in the world for U.S. rice farmers. Our farmer members in 5 states remain wholly

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committed to working with our champions in Congress to enact workable sanctions reform legislation this year. The standard of success will be the enactment of legislation that promises real Cuban export opportunities – not prison terms -- to U.S. rice farmers.”

The U S Rice Producers Association, representing rice farmers in Mississippi, Missouri, Texas, Arkansas and California, is the only organization solely representing the views of the U.S. rice farmers.

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