

**Testimony of
Mark Isbell**

**Before the U.S. House of Representatives
Committee on Agriculture**

Hearing: American Agricultural Trade with Cuba

**Washington, D.C.
September 14, 2016**

My name is Mark Isbell, and I'm a fourth generation rice farmer. My Father, Mother, Brother-in-Law, Cousin and I grow 3000 acres of rice annually on our farm in Lonoke County, Arkansas. Our family has farmed there for nearly 100 years.

Two days ago I was sitting on a tractor on our farm, and today I am here in our Nation's Capital speaking with you. It is a remarkable privilege that we live in a country where that can happen.

I am here today to discuss the importance of agricultural trade with Cuba and share the perspective of a farmer who simply wants to sell his goods in a free and open marketplace.

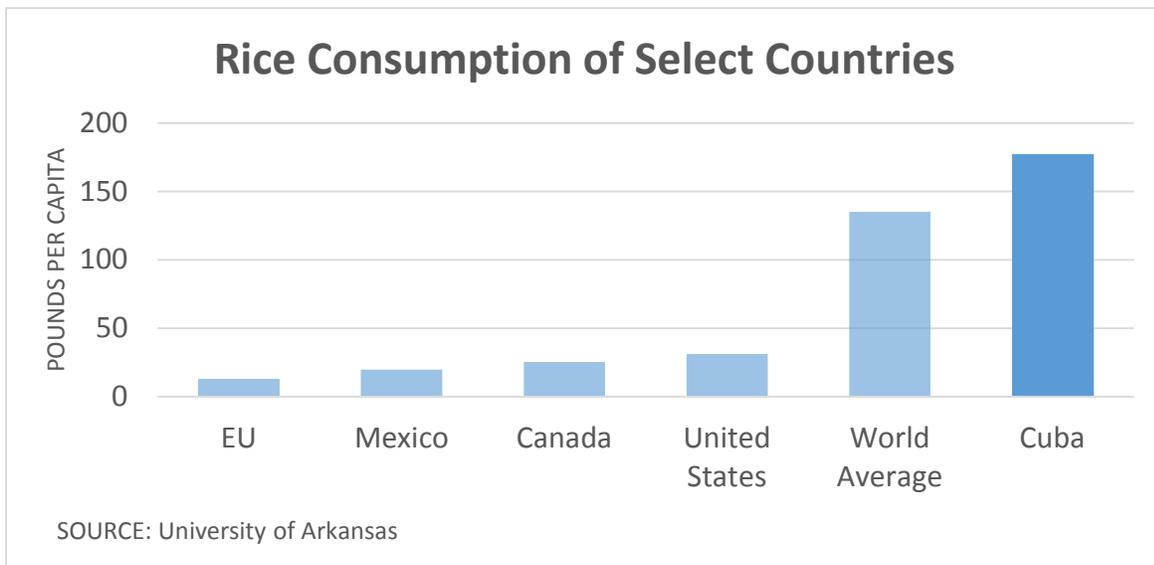
Rice harvest is underway on our farm and across our country, and I wouldn't be here without the help of my family back home who is harvesting even now. I also wouldn't be here if I did not realize the incredible importance of this issue for our farm families and farm communities across our country.

I am grateful for the opportunity to appear before the Committee today on behalf of the U.S. farmer and the USA Rice Federation.

The USA Rice Federation represents all segments of the U.S. rice industry from the farmers to the millers to the merchants and other allied businesses. Here in the U.S., rice is grown on more than three million acres, with the majority being grown in eight states including Arkansas, California, Florida, Illinois, Louisiana, Mississippi, Missouri, and Texas. Our industry markets rice in all 50 states and to 125 countries worldwide. USA Rice is a leading organization among commodity groups advocating for normal commercial relations, including the removal of financing restrictions on agricultural sales to Cuba, and works closely with multiple coalitions to raise awareness within Congress and the Administration on potential benefits. As a member of

the USA Rice's International Promotion Committee, I can attest that gaining access to the Cuban market has been a long-time priority for the entire industry.

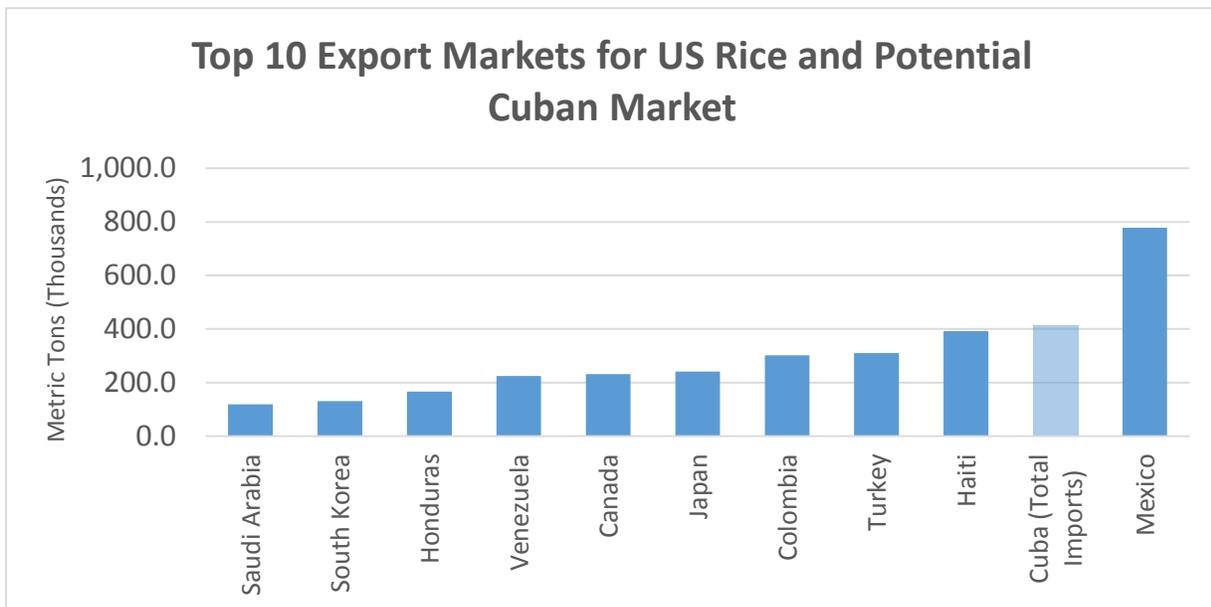
My grandfather started our rice farm soon after returning from World War II. In those days, Cuba was a major importer of U.S. rice. He was only 38 — three years older than I am now — when the Cuban embargo began, and though he always hoped to see it, he never again saw any significant amount of U.S. rice making its way back to the island before his death two years ago at age 90



Today, Arkansas grows more than half of the rice in the U.S., most of which is long grain, the type consumed by the people of Cuba. Cuba imports nearly 600,000 tons of rice per year, and yet none originates in Arkansas, or anywhere in the U.S. for that matter.

I believe the Cuban market holds great promise for U.S. farmers. The obstacles we currently face in selling our rice to Cuba are not logistical. The obstacles we face in selling our rice to Cuba have nothing to do with our product's quality or our ability to compete in the global marketplace. The obstacles we face in selling our rice to Cuba are statutory obstacles. With your help, these obstacles can be overcome.

The United States exports half of the rice produced here annually. Maintaining existing markets and securing new markets are critical to the rice industry's success and to the economies in rice growing, milling, and marketing states. Our largest export markets include Canada, Mexico and Central America. As an export-dependent commodity, we are continually looking for new markets, like Cuba, to maintain a profitable industry. At the same time, our markets are threatened by widespread and excessive government supports for rice producers in key advanced developing countries like Brazil, India, Thailand and Vietnam that distort global markets.



Prior to the U.S. embargo on Cuba more than 50 years ago, annual rice shipments from the U.S. reached as much as a quarter of a million metric tons, accounting for more than half of Cuba's rice imports. But since the embargo, an essentially dormant relationship between the U.S. and Cuba persisted for decades. During that period, Cuba sought their imports from other countries as the U.S. shipped rice to every island nation except for the one most significant to our industry's vitality.

Prospects brightened with passage of the Trade Sanctions Reform and Export Enhancement Act of 2000, when U.S. agriculture and food exports to Cuba were granted what many of us believed at the time to be a broad exemption from the embargo.

In November 2001, the industry made the first sale of U.S. rice to Cuba since the embargo was imposed.

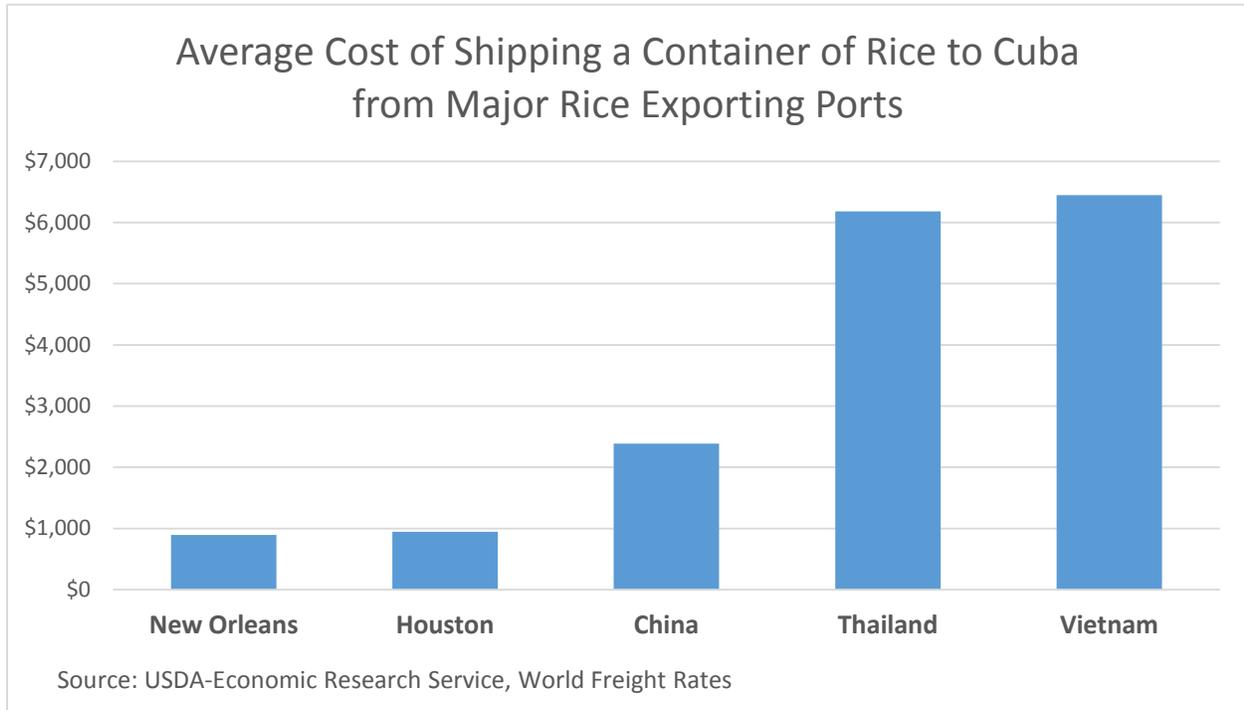
The Cuban importers were well-informed and professional during negotiations through the final execution of that sale. The quality of rice they had purchased from U.S. farmers was met with excitement when it arrived at the Port of Havana. The sale showed what can happen when barriers are removed and people are allowed to meet and find common ground for cooperation and trade. Following the first sale, several more continued, and as recently as 2004, sales of U.S. rice to Cuba were valued at \$64 million. However, this wave of excitement was seriously curtailed, and what might have been a renaissance in trade instead became a brief anomaly. Due to a regulatory change in the definition of “payment of cash in advance” in 2005, U.S. rice exports to Cuba again dropped to zero.

What we learned from this experience is that given the opportunity, Cubans will buy our rice. However, as a cash-deficient economy, the Cubans need flexibility in attaining credit to purchase our products; globally, everyone has offered it to them except for the U.S. The question is not if Cuba will buy American rice, or even how they will buy American rice. The question is when we as a country will let them.

The answer to that question lies with you, the Members of this Committee and your colleagues in Congress.

Today, Cuba imports about \$300 million worth of predominantly Vietnamese rice on an annual basis. To put that in perspective, those Vietnamese exports are traveling over 16,000

miles to reach Havana, while our Southern ports are close by. The U.S. is positioned with every advantage to serve the rice needs of the Cuban people in terms of required transit time, the cost of freight, and the cost of the rice.



With the appropriate statutory changes, the U.S. could regain 30 percent of the Cuban rice business within two years. That is an estimated 135,000 metric tons of new demand and we anticipate the U.S. share of the market would exceed 50 percent within five years, and it could reach 75 percent or more within ten years with full commercial relations.

USA Rice Federation and rice farmers like myself and my family are committed to building the Cuban market for our product. I recently had the opportunity to travel to the island with Committee Members, Congressmen Abraham and Crawford, and I saw firsthand the opportunity before us in Cuba. I'm just one of many farmers to make the short journey to Cuba

in the last two years, and we, like many of the citizens of Cuba, share the same optimism for improving our relations.

We are grateful for some of the apparent progress that has been made recently with respect to trade with Cuba. However, obstacles to conducting normal trade with Cuba still exist, and solutions require action by Congress. Normal commercial relations must be restored for U.S. rice exports and other U.S. commodities to have the opportunity to compete on a more level playing field with foreign competitors.

As I stated earlier, the fact that a farmer can leave a rice field and travel to Washington to talk about issues that affect his industry says much about what is great about our Country. However, on this issue, the fact that a farmer has to leave his family's rice field and petition Congress to allow him to sell his family's goods on the open market speaks to some small thing that is broken within our system.

That something that is broken is something that you can fix.

Many members of this committee have co-sponsored legislation aimed at eliminating the restrictions on agricultural financing and agricultural trade with Cuba. Congressman Crawford's bill, H.R. 3687, the Cuba Agricultural Exports Act, is an attainable path forward towards a natural lifting of U.S. commodity prices, and could be the beginning of the end of a multi-generational policy that in hindsight has proven ineffective in helping the Cuban people and harmful to our farm economies.

USA Rice appreciates the opportunity to provide our views to the Committee and its distinguished members, and I look forward to responding to any questions you may have.

Mark Isbell

Mark Isbell is a fourth generation rice farmer and a partner in his family's 3,000 acre rice farm, Zero Grade Farms, located in Lonoke County, Arkansas.

Isbell earned two BA degrees in Speech Communication and Professional and Technical Writing from the University of Arkansas at Little Rock and later earned an MA degree there in Professional and Technical Writing. In addition to his duties on the farm, Mark is an adjunct lecturer at the University of Arkansas at Little Rock

Most recently, Isbell was named the 2016 Farmer of the Year at the Cotton and Rice Conference in Memphis.

Isbell is a 2015 graduate of the Rice Leadership Program and now serves on the USA Rice Sustainability Committee and the USA Rice International Promotion Committee among several other subcommittees and work groups for the organization. He's also a Board Member of the Agriculture Council of Arkansas and serves on the Engage Cuba Coalition's Arkansas State Council for Cuba.

Isbell has been a featured speaker at several large industry conferences throughout the Mid-South and penned articles for the Delta Farm Press, Arkansas Democrat Gazette, and Arkansas Money and Politics among others. He's traveled throughout Central America and Japan promoting the U.S. Rice industry, and most recently traveled to Cuba with a Congressional delegation to promote U.S. rice and better understand market opportunities.

Isbell and his wife Marda have two children, Sam and Nora, and currently reside in North Little Rock.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since January 1, 2013.

Name: Mark Isbell

Organization you represent (if any): USA Rice Federation

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since January 1, 2013, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: NA
Source: NA

Amount:
Amount:

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since January 1, 2013, as well as the source and the amount of each grant or contract:

Source:	USDA EMP	Amount:	\$131,600
	USDA FMD	Amount:	\$7,108,900
	USDA MAP	Amount:	\$10,235,500

3. Please list any payment or contract originating with a foreign government (including subcontracts) you have received since January 1, 2013, as well as the country of origin and amount of each payment or contract.

Country of Origin: NA
Country of Origin: NA

Amount:
Amount:

4. Please list any payment or contract originating with a foreign government (including subcontracts) the organization has received since January 1, 2013, as well as the country of origin and amount of each payment or contract.

Country of Origin: NA
Country of Origin: NA

Amount:
Amount:

Signature:

