

## **2009 Innovations Awards Program APPLICATION**

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ID # (assigned by CSG): 09-S-31TX

**Please provide the following information, adding space as necessary:**

State: Texas

Assign Program Category (applicant): Infrastructure and Economic Development

1. **Program Name:** Texas-Cuba Trade Initiative
2. **Administering Agency** – Texas Department of Agriculture
3. **Contact Person** - Bryan Black
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9. **Please provide a two-sentence description of the program.** In an effort to build a long-term trade relationship with Cuba, Agriculture Commissioner Todd Staples led a group of Texas agriculture producers to Cuba to meet with officials from Cuba's import agency, ALIMPORT. The mission's goal was to expand Texas export opportunities to Cuba.

10. **How long has this program been operational (month and year)?** Note: the program must be between 9 months and 5 years old on March 2, 2009 to be considered. Plans to expand Texas trade with Cuba began in January 2007 and remains ongoing.

11. **Why was the program created?** It was created by Commissioner Staples as an initiative to create opportunities for Texas agricultural producers and food manufacturers to trade with Cuba in accordance with the Trade Sanctions Reform and export Enhancement Act of 2000. What problem[s] or issue[s] was it designed to address? The program was designed to address difficulties Texas companies incur, due to travel and trade restrictions, to successfully meet with Cuban import officials and proceed with sales contracts. The program also allowed the producers an opportunity to examine the state of the Cuban agriculture industry to identify the potential for educational exchanges and to identify potential commodities and retail ready foods that can be sold to Cuba.

12. **Describe the specific activities and operations of the program in chronological order.**  
January 2007: New Agriculture Commissioner Todd Staples acknowledged interest by Texas companies in conducting business with Cuba; March 6, 2008: The Texas Department of Agriculture co-sponsored a "Doing Business with Cuba" seminar at which it was announced that Commissioner Staples was interested in leading a trade mission to Cuba later in the year; May 26, 2008: Commissioner Staples led a trade mission of 20 Texas producers representing various industries. May 27, 2008: As a result of this trade mission, Texas producers secured cotton and grain contracts totaling nearly \$1 million and another trade delegation member shipped 5,000 tons of beans.

**13. Why is the program a new and creative approach or method?** The Commissioner was the first statewide elected official from Texas to visit Cuba on official state business in more than 45 years. By developing trade opportunities with Cuba, Texas cotton, wheat, rice, cattle and poultry producers as well as food manufacturers, now have access to a new market. Considering Cuba's top imports already include cotton, wheat, rice, cattle and poultry, this country has a ready market for the products grown in the Lone Star State. This program has also initiated the development of an educational exchange. While on this trip the Commissioner began a blog detailing his everyday successes.

**14. What were the program's start-up costs?** (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.) Costs for this program were minimal; expenses included staff time and travel for legal staff, the international marketing coordinator, an External Relations Division representative, Executive staff representative, including the Commissioner. Total travel cost for staff is estimated at \$6,201.

**15. What are the program's annual operational costs?** Other than travel costs to Cuba, none.

**16. How is the program funded?** General revenue.

**17. Did this program require the passage of legislation, executive order or regulations?** No; however, significant work was required to obtain the necessary documentation for the trip including a travel license from the U.S. Department of Treasury Office of Foreign Assets Control. If YES, please indicate the citation number.

**18. What equipment, technology and software are used to operate and administer this program?** This program required basic communication equipment (fax, phone, e-mail) for implementation.

**19. To the best of your knowledge, did this program originate in your state?** No. If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

**20. Are you aware of similar programs in other states?** Yes If YES, which ones and how does this program differ? A few other states have similar programs, including Alabama and Oklahoma. How does our program differ? Texas is one of the top ranking states in terms of production of commodities that fit the Cuban market; ranking No. 1 in cattle, cotton & lint and cottonseed & products. This is also the first time such a prominent U.S. official provided real time updates of the experience in a blog.

**21. Has the program been fully implemented?** No If NO, what actions remain to be taken? Negotiations between Texas agriculture producers and Cuba are continuing with additional bean shipments expected.

**22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.** The trip is already producing results: two contracts totaling \$400,000 to sell cotton to Cuba were finalized; an order of dry beans from a company participating in the trade mission has been shipped; negotiations to sell retail ready foods to Cuba continue.

**23. How has the program grown and/or changed since its inception?** The Commissioner's desire to promote trade with Cuba resulted in leading a trade mission and a subsequent invitation to speak at the Cuba-U.S. Relations Symposium at the University of Texas in Austin, January 30, 2008. He took this opportunity to announce his efforts to expand trade relations with Cuba. Additionally, in a recent letter to President Obama, Commissioner Staples stressed the need to further develop international markets and focused his attention on a specific international market: Cuba.

**24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?** To do business with Cuba, approval from both the U.S. government and the

Cuban government is needed. Companies need a license to travel and a license to export. This process is time sensitive and requires a great deal of coordination and planning. Additionally, it is difficult to communicate between the U.S. and Cuba, complicating efforts to match Cuban needs and Teas products for sale and to negotiate contracts for the items. Finally, successful trade with Cuba requires the establishment of strong relationships; it is difficult to establish relationships given the current status of Cuba-U.S. relationships.

## **2009 Innovations Awards Program Program Categories and Subcategories**

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

### *Infrastructure and Economic Development*

- Business/Commerce
- Economic Development
- Transportation

### *Government Operations*

- Administration
- Elections
- Public Information
- Revenue

### *Health & Human Services*

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

### *Human Resources/Education*

- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

### *Natural Resources*

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

### *Public Safety/Corrections*

- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

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CSG Innovations Awards 2009  
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This application is also available at [www.csg.org](http://www.csg.org), in the Programs section.

**Deadline: March 2, 2009**