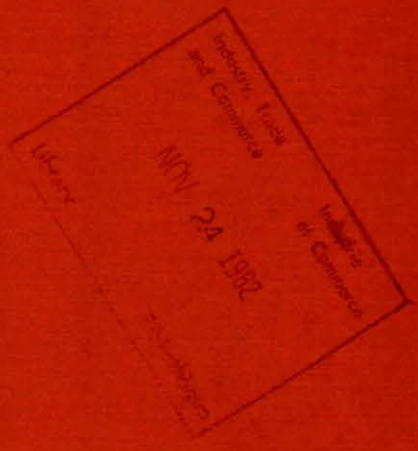
ANNEX TO THE **WORLDWIDE FISHERIES MARKETING STUDY:** PROSPECTS TO 1985

CUBA



Government of Canada
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Fisheries and Oceans
Pêches et Océans

(This Report is one of a series of country and species annexes to the main study-entitled the Overview).

DRAFT

Annex to the
Worldwide Fisheries Marketing Study
Prospects to 1985

C U B A

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Specifically, the Report would not have been possible without the cooperation and assistance of fishermen, processors, brokers, wholesalers, distributors, retailers, consumers and their organizations as well as government officials with whom we visited and interviewed. Though too numerous to mention separately, we would like to extend our sincere gratitude and appreciation.

The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

With regard to the overall Study, we would like to acknowledge:

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E. Wong
December, 1981.

FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before a new dynamic equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the global potential on a country and species basis.

Specifically, the purpose of the Study is to identify the longer term market opportunities for selected traditional and non-traditional species in existing and prospective markets and to identify factors which may hinder or help Canadian fisheries trade in world markets. To date, over 40 country markets and 8 species groups have been analyzed. It should be noted that while the information contained in the Reports was up-to-date when collected, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and GATT agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices. The results of the Study should, therefore, usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft report is published for discussion purposes and as such we invite your critical comments.

Ed Wong

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Department of Fisheries and Oceans.
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Ottawa

WORLDWIDE FISHERIES MARKETING STUDY

CUBA

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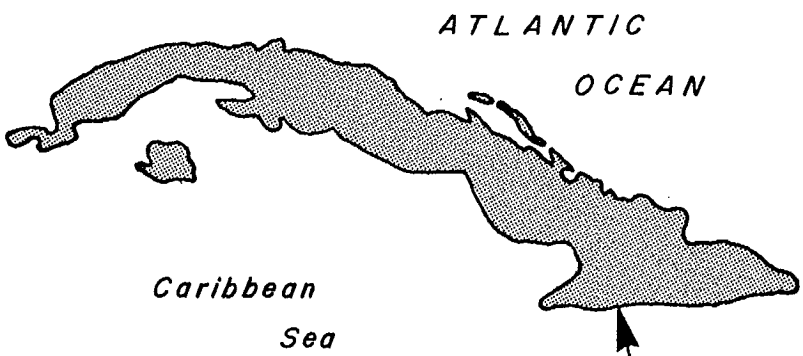

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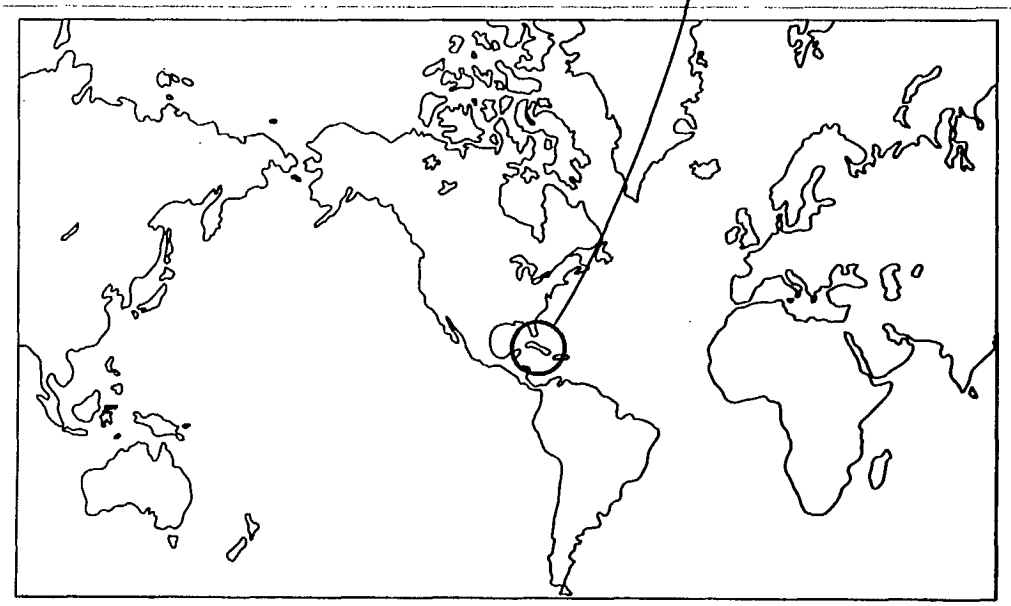

Preface

This report is a desk-study. It was compiled from information on file at the Department of Industry, Trade and Commerce and Fisheries and Oceans, Ottawa, and from the yearbooks published by the Food and Agriculture Organization of the United Nations.

Recent statistics and information on current trends were unavailable, hence projections for 1985 are not included.

A. INTRODUCTION

Cuba is the largest island in the Caribbean, situated about 150 km. south of Florida and 85 km. west of Haiti. Cuba's length is 1 200 km. and its width averages 85 km. and has a coastline of approximately 4 200 km. Population is estimated at 10 million and Havana is the capital and largest city of approximately 2 million inhabitants.

Cuba gained its independence from Spain in 1898 and became a Republic. In 1952, Fulgencio Batista y Zaldivar seized control and imposed a dictatorship. In 1958, a revolution, led by Fidel Castro, ousted the Batista regime and Castro became Premier in 1959. The country has a centrally planned economy and close political and economic ties with Eastern European nations.

B. DEMAND

Cuba is not a large consumer of fish products, preferring instead beef, pork and poultry products. Following the revolution, the economy was in some dissaray which necessitated the rationing of animal products and enhanced the consumption of fish products. During the period 1972-74, FAO has estimated the average annual per capita consumption of fish products was 19.5 kg., live weight equivalent, and 20.5 kg. in 1975. These compare to Canada's 16.6 kg. and France's 21.5 kg. in 1975.

An indication of their preference for meat products may be found in the imports of fish meal, which is used for animal feed purposes. In 1974, an estimated 17 700 tonnes of fish meal was imported, which reached an estimated 52 400 tonnes in 1978.

The availability of fish products for domestic consumption is determined by the State and it appears that they not only control the quantity available, but the species. There is an excellent distribution system for frozen fish throughout the island; however, it appears that only certain species are available to the public. These species are primarily hake, red snapper and some cod. The lobster and shrimp are earmarked for the export trade.

C. SUPPLY

1. Domestic Supply

Prior to the revolution, in 1958, Cuba's fishing activity was confined to its coastal waters. In 1948, Cuban fishermen landed 8 300 tonnes and in 1958, 22 000 tonnes, with 13 000 fishermen using 3 000 small fishing vessels. (See Table 1). Following the revolution, Cuba gave its fishing sector a higher profile and set, as priorities, the increasing of its catch and the improvement of the working and living conditions of the Cuban fishermen. Shipyards were established to construct vessels in the 33-meter class.

In 1962, efforts were made to enhance their harvesting capabilities with the purchase of five 50-meter stern trawlers from the USSR. This marked the start of Cuba's move into distant water fisheries and resulted in a dramatic increase in landings; from 44 300 tonnes in 1966 to 213 200 tonnes in 1978. (for comparison purposes Newfoundland caught 437 600 tonnes in 1978). During this period a modern deep water fleet was obtained from the shipyards of Spain, East Germany and Japan. Fishing experts from Spain and the USSR were engaged to train Cubans in deep water fishing methods.

The significance of the five-fold increase in landings from 1966 to 1978 is not only in the volume landed, but in the portion of these landings originating from other than domestic waters; i.e., 96% of the total catch in 1966 came from Cuban territorial waters whereas in 1978, only 33% came from this area. The most productive area for the Cubans has been the southeast Atlantic, off Angola, Namibia and South Africa, which yielded 63 600 tonnes or 31% of the total catch, in 1978. The southeast Pacific, Peru and Chile, produced 55 000 tonnes, or 26% the same year. The northeast Atlantic and east-central Atlantic produced 6% and 3% respectively of their total catch in 1978.

According to species category, the majority of Cuba's catches have been in salt water finfish, about 80% to 86% annually. Within this category the hakes and horse mackerel make up the largest group captured, 50% of the total catch in 1978. The next largest category caught was crustaceans, at

10% of the total catch, of which the Caribbean spiny lobster, at 10 500 tonnes, constituted 50% of the crustacean category (See tables 2 and 5).

The future supply for Cuba's fishing fleet depends upon access to fishing grounds far from her shores. Continued access to these distant waters will depend upon international politics and the price of vessel fuel. For example, Cuba has 1980 allocations in US waters (5 000 tonnes of silver hake, 2 000 tonnes of other finfish, etc.), but may or may not fish these depending presumably upon the political climate. However, given the trend among coastal states to exploit its own resources and the price of fuel to continue rising, it appears that Cuba will be hard pressed to increase its catches much above the 250 000 tonnes.

2. Imports

Imports of fisheries products to Cuba have been increasing gradually. In 1970, Cuba imported 74 000 tonnes, valued at US$18.7 million, but by 1978 this had grown to an estimated 96 000 tonnes valued at US$40 million. Of this quantity, over 50% or 52 400 tonnes, was fish meal worth US$14.5 million. Most of the remainder, 27 500 tonnes was made up of fresh, frozen or chilled products. Cuba's fish imports have been significant proportions of domestic consumption throughout the 1970's and the role of fish meal has been vital in supporting the Cuban livestock industry.

3. Exports

Cuba's fisheries exports averaged about 20 000 tonnes per annum during the 1970's reaching an estimated value of US$65 million in 1978. Over half of the volume of these exports, and almost 90% of the total value, were in shellfish products. The volume of these shellfish items appear to have stabilized at 11 000 tonnes since 1974 and could indicate limited resources. (See table 4).

The bulk of Cuban shellfish, lobster and shrimp, is exported to western nations to earn hard currency. Finfish species are exported to COMECON nations presumably as barter for fruits and vegetables, i.e. Bulgaria. In late 1979, the Cuban government had an agreement with Spain, under which Spain has agreed to buy a minimum of 5 000 tonnes of shellfish and 2 000 tonnes of finfish from Cuba, in return for negotiated access to Cuban waters.

D. DEMAND-SUPPLY BALANCE

In 1974, Cuba did not catch enough fish to meet its domestic consumption and had to import 51 600 tonnes. The following calculation, based upon FAO statistics, illustrate this.

	1974 (tonnes)	1978
Annual Catch	165 000	213 200
Imports (excluding fishmeal)	51 600	43 800
	216 600	257 000
Exports	24 100	21 100
Available for Domestic consumption	192 500	235 900

These figures indicate a per capita consumption of approximately 19.5 kilograms, live weight equivalent.

Using 1978 figures, some of which are estimates or repeats of 1977 figures, with similar calculations, it would appear that either the per capita consumption increased (to 23.6 kg.) or the export-import figures need further refinement. One element not taken into account is the amount of annual catch that is converted into non-food (i.e., fish meal) items.

While it is impossible to project these calculations to 1985, we can try to predict the trends. It is assumed that catches will not increase substantially above the 250 000 tonnes level and that exports will continue in the vicinity of the 20-30 000 tonnes and that imports will continue to be required at about the 50 000 tonnes level. The imports will probably be supplied by the USSR and other Eastern European nations as payment for Cuban products, mainly sugar. Cuban exports will continue to go to western nations, to earn hard dollars from shellfish and to other politically allied nations.

E. POTENTIAL TRADE

Market potential for Canadian exports

In 1978, Cuba imported an estimated 96 000 tonnes of fish products at a value of US$40 million. Of this quantity, over 50%, 52 400 tonnes was fish meal at US$14.5 million. The bulk of the remainder, 27 500 tonnes was in fresh, frozen or chilled products. While Cuba's imports, during the 1970's have been significant, it is interesting to note the portion that has been in fish meal (See table 3).

The bulk of the non-fish meal imports were frozen blocks of gutted fish from the USSR, as possible payment for sugar purchases. Given the trade arrangements with the COMECON nations and Cuba's balance of payment difficulties, it is unlikely that Canada can look to Cuba as a significant market. However, with the continuance of Canada's "satisfactory commercial relationships" for nations who fish in her waters, Cuba will be a market for specific amounts of low priced fish products. These will probably be in the form of gutted blocks, probably mackerel, for further processing. Some potential may also exist for the sale of fish products for re-export to some of Cuba's new African trading partners. This possibility should be pursued through the Cuban trade office, CARIBEX, in Toronto.

APPENDICES

APPENDIX I

CUBA: FISHERY STATISTICS

APPENDIX I

TABLE 3

CUBA: IMPORTS OF FISH
(Q: Tonnes V: US$000)

		1970	1974	1976	1977	1978
Fresh, chilled or frozen	Q	26 100	51 600	27 500	27 500F	27 500F
	V	5 372	22 285	9 447	9 447F	9 447F
Dried, salted or smoked	Q	9 400	--	7 300	7 300F	7 300F
	V	4 583	--	7 249	7 249F	7 249F
Crustaceans & molluscs	Q	500	--	--	--	--
	V	212	--	--	--	--
Fish products + preparations	Q	1 900	--	9 000	9 000F	9 000F
	V	1 320	--	8 095	8 095F	8 095F
Subtotal	Q	37 900	51 600	43 800	43 800F	43 800F
	V	11 487	22 285	24 791	24 791F	24 791F
Fish meal, etc.	Q	36 700	17 700F	31 900F	40 000F	52 400F
	V	7 219	7 086F	8 733F	10 950F	14 500F
Total fish products	Q	74 600	69 300F	75 700F	83 800F	96 200F
	V	18 706	29 371F	33 524F	35 741F	39 291F

F - Estimate

Source: FAO, IBID.

APPENDIX I

TABLE 4

CUBA: EXPORTS OF FISH
(Q: Tonnes V: US$000)

		1970	1974	1976	1977	1978
Fresh, chilled or frozen	Q	7 600	12 200	5 500	8 600	8 600F
	V	3 125	8 824	5 981	6 817	6 817F
Crustaceans & molluscs, fresh or frozen	Q	5 600	11 600	10 700	11 100	11 100F
	V	12 693	39 500	57 112	54 879	54 879F
Fish products & preparations	Q	1 100	300	700	1 300	1 300F
	V	1 057	683	1 381	3 507	3 507F
Crustaceans & molluscs, prepared	Q	300	--	--	--	--
	V	1 829	--	--	--	--
Total fish products	Q	14 600	24 100	16 900	21 000	21 000F
	V	18 704	49 007	64 474	65 203	65 203F

F: Estimate

Source: FAO, IBID.

APPENDIX I

TABLE 5

CUBA, NOMINAL CATCHES, BY SPECIES, 1974-1978
(000 Tonnes)

	1974	1975	1976	1977	1978
Freshwater	0.5	0.9	0.9	1.2	2.3
Flatfishes	0	0.4	0.6	0.2	0.4
Atlantic cod	0	0.6	0.6	1.5	0.6
Silver hake	0	3.2	16.3	2.1	3.6
Pacific silver hake (Chilean)	11.2	14.9	30.6	30.0	44.7
Cape hakes	20.5	29.6	15.5	7.9	9.2
Groupers & snappers	12.0	13.2	12.6	10.6	9.0
Porgies, grunts, dentex	2.3	3.7	6.2	4.5	2.8
Misc bottom fish	33.5	4.6	5.7	2.9	3.1
Capelin	--	--	--	5.8	1.4
Mullets	0.7	0.7	0.7	0.5	0.6
Horse mackerel	--	10.9	9.2	14.6	49.8
Jacks & butterfish	0.3	1.2	1.2	7.4	1.6
Herrings	2.4	3.4	3.1	4.0	4.2
Tunas	9.3	7.8	8.4	8.8	7.9
Large pelagics	5.9	6.6	5.3	5.8	4.0
Mackerels	0	0.6	7.5	1.2	0.3
Marine fish, nei	40.4	15.0	38.5	46.7	39.1
Caribbean spiny lobster	10.1	9.3	10.6	7.5	10.5
Northern pink shrimp	7.5	6.4	6.5	5.4	5.3
Misc. crustaceans	4.1	4.3	4.6	5.2	5.1
Squid	--	0.2	3.5	4.7	4.1
Molluscs	2.1	3.7	4.2	5.1	2.2
Mammals	2.2	2.1	1.8	1.6	1.4
Total	165.0	143.3	194.1	185.2	213.2

Source: FAO, IBID.