



## CUBA - January 2018

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### **CUBA TO TAX IDLE LANDS IN ORDER TO INCREASE FOOD PRODUCTION ..... 1**

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#### **Cuba to tax idle lands in order to increase food production**

The Cuban government will put into force a tax on the idleness of agricultural and forestry lands in the second semester of this year, as part of the efforts to increase food production in the country.

Vladimir Regueiro, director of Revenue Policy of the Ministry of Finance and Prices (MFP), said that it is not a collection measure, but an instrument to encourage putting the land to produce, as cited on Thursday by the daily "Granma."

Regueiro informed that its gradual application is included in the Law 113 of the Tax System and requires the creation of technical and organizational conditions based on the controls of the land, the evaluation of its quality and level of exploitation.

The island's government owns 80 percent of the land and leases most of it to farmers and cooperatives. The rest is owned by private family farmers and their cooperatives.

He explained that the fixed amount to pay can be 180, 135, 90 and 45 pesos per hectare (equal to U.S. dollars), according to the category of the land, classified as first, second, third and fourth category.

The income collected from this tax will be used to develop the country's agricultural programs, stressed Regueiro.

Idle lands are considered those that are insufficiently used or not in agricultural, livestock or forestry production, except the land needed to rest, in order to rotate crops or covered with marabou, weeds or invasive plants, cleared the official.

Cuba imports around 80 percent of the food to meet its domestic needs at a cost of about 2 billion U.S. dollars a year, mainly cereals and grains, and other items such as milk powder and chicken.

Since taking office in 2008, President Raul Castro considered food production as a "strategic sector" and convenes to produce in the country "everything that could be collected in our land."

In that sense he has implemented a package of measures to stimulate interest in agriculture, such as delivering over a million of hectares of idle lands, providing bank loans with low interests to farmers, and diminishing taxes.

According to recent data from the Ministry of Agriculture, the country has an agricultural area of 6,342,418 hectares, but around a million hectares are still idle, which represents 16 percent of the total.