

To the Honorable Senator Orrin Hatch
104 Hart Office Building
Washington, DC 20510

Dear Senator Hatch:

Agriculture plays a **critical** role in the entire life of a given economy. That's why we ask you to please consider the seven recommendations in the following letter from the agriculture industry in Puerto Rico.

As of today, Puerto Rico only produces 15% of the food consumed; the other 85% is imported. If we reduce the import rate to 75%, we would give our economy a \$180 million dollars' boost. Similarly, if we invest \$9 million dollars in local food consumption, the boost to our economy could be \$900 million dollars.

Agriculture is the backbone of an economic system of any given country. In addition to providing food and raw material, agriculture also provides employment opportunities to very large percentage of population. Agriculture proves a source of livelihood, **contributes to national revenues**, supplies food to the needy, is significant to the international trade, **great employment opportunities**, and overall economy.

The Puerto Rico Farm Bureau ("PRFB") is a non-profit organization affiliated to the American Farm Bureau in Washington, its main objective has been to promote and develop the agricultural economy of the island with an oversight approach. The PRFB firmly believes that agriculture has the potential to be a part of the economic boost the island needs at the moment.

Regards,

Héctor I. Cordero
President
Puerto Rico Farm Bureau

Recommendations from the Puerto Rico Farm Bureau to the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) Task Force

Introduction

The Puerto Rico Farm Bureau is a non-profit organization affiliated to the American Farm Bureau in Washington. Since its foundation in 1924, its main objective has been to promote and develop the agricultural economy of the island with an oversight approach. This is why we are known to be the “official voice of the Puerto Rican farmer and the conscience of our island’s agriculture”.

Historical Background

Since the beginning of Puerto Rico’s colonization, over 450 years ago, the island’s economy was based on agriculture. Around the 1940’s to 1960’s, our economy shifted from the agricultural production to an industrialized one. The sudden transition brought with it the downfall of our agriculture to the point where we are no longer able to produce enough to sustain the island. As of today, we produce only 15% of the food we consume; the other 85% we import.

Although our situation looks grim, **we firmly believe that agriculture has the potential to be a part of the economic boost we need.** Our economy needs an influx of new money, and we need to develop ways of reinvesting the money into the local economy. We receive \$1.8 billion dollars in food stamps a year, but with the current situation, 85% of that money goes out again to pay for imported food; that is \$1.53 billion dollars that our economy loses. On the other hand, if we reduce the import rate to 75%, we would give our economy a \$180 million dollars’ boost. Similarly, if we invest \$9 million dollars in local food consumption, the boost to our economy could be \$900 million dollars.

Recommendations

The Puerto Rico Farm Bureau considers our current food import rate of 85% is hindering our agriculture to flourish. **These are some of our recommendations to tackle the imports problem:**

1. Create *Marketing Orders* that would allow the control of imported goods while protecting the local products, in the same way some States already do in the continental USA.
2. Order and plan crops rotation to ensure that we have a steady offer. This way we balance food demand and offer, while at the same time we prevent food shortage. We recommend creating cooperative projects among farmers to better coordinate planting, harvesting, and marketing, all focused on reducing the import rate.

3. Facilitate credit to farmers by increasing our participation in the USDA-FSA for loans, financing, and investment.
4. Simplify the process and bureaucracy of USDA.
5. Promote the use of technology in order to reduce production costs and to maximize crops' harvesting volume.
6. Encourage the University of Puerto Rico to be proactive in the process of investigation and development of the tropical agriculture, and to establish a Department of Food Science & Technology at the undergraduate level.
7. Promote the development of projects to increase the value of farming goods, using local produce as their raw materials.