

AIR POUCH

PRIORITY

UNCLASSIFIED

(Security Classification)

DO NOT TYPE IN THIS SPACE

837.2351/7-1654

FOREIGN SERVICE DESPATCH

FROM : Habana

JUL 19 1954 72
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 16, 1954
DATE

REF : Voluntary.

5 For Dept. Use Only	ACTION	DEPT.
	REC'D	IN P O OTHER
	AG-6	REP-2 01-6 E-3 ARA-1
	7/20	COM-10 TAR-2 FRB-2 FOA-10 CIA-3

SUBJECT: Cuban 1954 Sugar Crop Terminated.

With the closing of Central Tánamo, Oriente Province, in early July, Cuba brought to a close its 1954 sugar harvest. Production of sugar equaled 4,746,156 Spanish long tons, or 32,711,930 bags of 325 lbs. each. The production of blackstrap molasses equaled 236,723,158 gallons. In addition, as of June 30, Cuba had produced 125,749,444 gallons of hi-test molasses from surplus sugarcane. 1 Very little additional production of hi-test molasses is expected from the two mills which were still grinding on that date. The 125,000,000 gallons produced to date are only sufficient to fill about 50 percent of the sales contracts entered into between the Cuban Sugar Stabilization Institute and the United States and United Kingdom buyers in 1954. As a result, the reporting officer is informed the Cuban Government will probably permit the production of hi-test molasses next December and January or prior to the start of the 1955 sugar crop in late January 1955.

The production of sugar fell 3,844 Spanish long tons short of the restricted 4,750,000 Spanish long ton crop.

Comment.

Because of the stocks of Cuban sugar on hand at mid-year, and the current and prospective volume of Cuban sales on the world market during the balance of 1954, it appears likely that Cuba will have to further limit its sugar crop in 1955, possibly as low as 4,000,000 Spanish long tons, but more probably around the 4,250,000 ton level, or about 500,000 Spanish long tons below the 1954 crop and 2,761,000 Spanish long tons below the record crop of 1952. In the meantime, as the result of the continued drop in the price of world sugar, The Cuban Sugar Stabilization Institute has been in permanent session trying to find a solution to the price decline. It announced on July 15 that by Monday, July 19, it hoped to be able to submit specific recommendations to the Government regarding the sale and exportation of Cuban sugar to the world markets.

For the Ambassador:

Chester E. Davis
Chester E. Davis
Economic Attaché

1 Source: Cuban Sugar Stabilization Institute.

Prepared by:

Chester E. DAVIS/al

REPORTER

UNCLASSIFIED

cc: HRWellman (ARA:MID)
WGLodwick (FAS-USDA)

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

This Document Must Be Returned to
DC/R 837.2351/7-1654

FILED

JUL 22 1954