

CUBA

SECTORAL STRATEGY

For Technological and Enterprise
Upgrading of Fertilizers and
Agricultural Machinery

TAKING YOU AND YOUR
INDUSTRY TO THE
NEXT LEVEL



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



SECTORAL STRATEGY FOR TECHNOLOGICAL AND ENTERPRISE UPGRADING OF FERTILIZERS AND AGRICULTURAL MACHINERY IN CUBA

SECTORAL STRATEGY

The agricultural sector in Cuba experiences difficulties in satisfying local demand for staple and high-quality foods. To overcome this shortfall, two of the major input factors, namely the fertilizer and agricultural machinery production sector, were analyzed.

This analysis facilitates the development of a strategic road map on how to best achieve the aims of the project. Through application of this strategy as well as upgrading of enterprises, urgent market demands should be met and imports be replaced. The strategy consists of the Sectoral Analysis and provides practical application of Cuban know-how, which is enhanced by international best practice.

The analysis lays the basis for calculating and designing the required plant capacities necessary to achieve the project goals. The study carefully examines fertilizers in view of average consumption, expected yield and the specific needs of the industry and agriculture in Cuba.

The Sectoral Analysis also clarifies and quantifies the challenges of the fertilizer industry which need to be addressed by this project.

The development of liquid fertilizer production and the respective application system capitalizes on a current window of opportunity, namely, that the authorities in Cuba have a strong interest in fostering the construction of greenhouses, which will increase demand for the respective fertilizers and agricultural machines. In addition, the fertilizer industry will experience innovations and a new fertilizer will be introduced in the Cuban market.

PROJECT INFORMATION

Given that the majority of the demand for agricultural products in Cuba is currently covered by imports, the project aims at satisfying market demands stemming from staple food demands of the local population, the growing number of tourists, and greenhouse cultivation. The project makes use of Cuba's natural resources, existing fertilizer and agricultural-machinery production enterprises, which are operating below capacity, and the current upswing in the greenhouse sector.

Capitalizing on UNIDO's expertise and experience in industrial upgrading and modernizing enterprises worldwide, the project is implemented in partnership with the Ministry of Foreign Trade and Investment of the Republic of Cuba (MINCEX), the Ministry of Industry of the Republic of Cuba (MINDUS), and with the financial support of the Russian Federation.



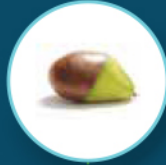
SOURCE: Carmelo Mesa-Lago, Pavel Vidal-Alejandra, "The impact of the Global Crisis on Cuba's Economy and Social Welfare", J. Lat. Amer. Stud. 42, 689-717, Cambridge University Press, 2010.

Cuba

sustainable

THE OBJECTIVE

To support Cuba's efforts to strengthen its industrial capabilities and competitiveness in the fertilizer's and agricultural machinery production sector, thereby contributing to macroeconomic goals and food security.



UNIDO in Cuba:
inclusive and sustainable
industrial development



THE CHALLENGE

The agricultural sector in Cuba is not fully satisfying local and tourist demand, hence many agricultural products are imported, thereby creating a dependency on trade and imports.



THE STRATEGY

By upgrading enterprises, urgent market demand can be met and imports replaced. This will facilitate achieving the designated targets in a time and resource efficient manner.



EXPECTED OUTCOMES

By the end of the project, improvements in the fertilizer and agro-machinery production sectors result in upgraded enterprises which contribute to strengthen the local production of healthy food.



THE RESEARCH

A Sectoral Analysis of the fertilizer's and agricultural machinery production sector was conducted by international experts in close collaboration with national counterparts.



PRIORITY CROPS

Firstly, a quantitative relationship between local demand for crops, production and the ability for import substitution by the local producers has been established. Based on this analysis, beans, maize, rice, vegetables and fruits were selected to be supported throughout the project.



COMPARE & MATCH

In the second step, the food demand from different stakeholders has been compared and matched with the required input from industrial sources, in particular fertilizer and agricultural machinery.



The project is contributing to a healthy nutrition and balanced diet

WINDOW OF OPPORTUNITY

Consequently, the study recommends a fertilizer niche strategy and the introduction of a new liquid fertilizer on the Cuban market. Due to the current upswing in using glasshouses, this fertilizer will be increasingly demanded by the market and will allow producing high-quality vegetables and fruits.



NEW FERTILIZER SYSTEM

The Sectoral Analysis suggests the implementation of a complete "fertilization system" based on liquid fertilizers, which include Calcium and Magnesium. The project foresees to also foster the respective supply chains, including distribution, application and application advice.

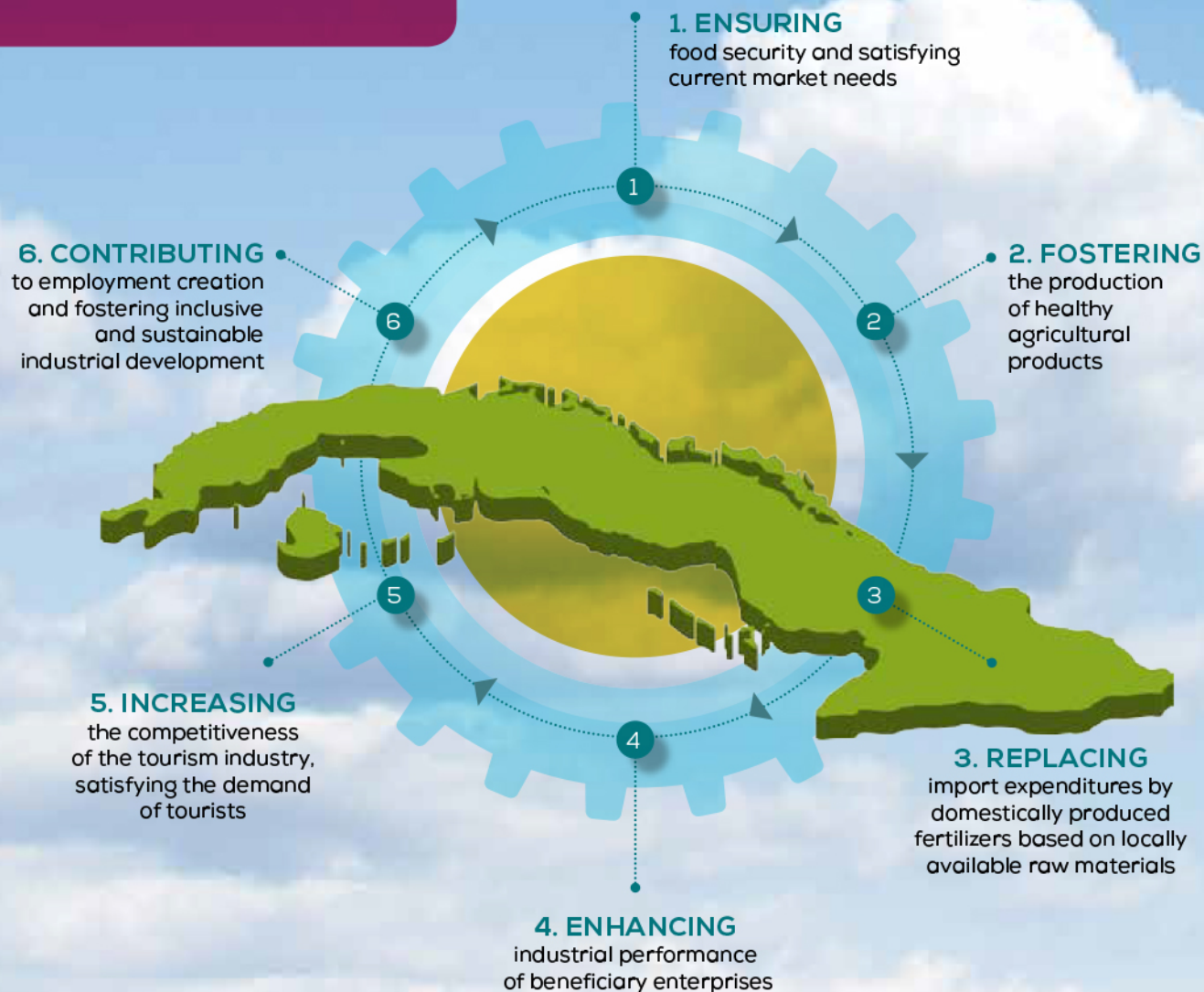


PROPOSED ROAD MAP

Arising from the Sectoral Analysis, the UNIDO project will focus on upgrading of Cuban enterprises producing the liquid fertilizers CBFERT and Ca-Nitrate as well as their application machinery.



Towards achieving Cuba's
**KEY MACROECONOMIC
AND SOCIAL GOALS**





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