# Rubio Threatens, Havana Reforms: New Opportunities for Farmers and Investors

*“Anyone who wants to farm the land can do so”: Cuba is implementing a comprehensive agricultural reform (Source: Taymaz Valley/Commons/CC-BY-SA 2.0)*

U.S. Secretary of State Marco Rubio has once again threatened Cuba. On the fifth anniversary of the protests of July 11, 2021, Rubio stated that the U.S. would “continue to use all available means” to counter “security threats posed by the Cuban regime” and to push for reforms.

## Maximum Pressure

Cuba’s leadership must decide to implement “genuine reforms” “before it’s too late,” Rubio said. He called for the immediate release of all political prisoners and accused the Cuban leadership of siphoning the country’s resources abroad—without providing any evidence to support this claim.

For the past six months, Washington has been pursuing a policy of maximum pressure against the island: In January, an oil embargo was imposed, which has drastically exacerbated the energy crisis. New measures followed in May, threatening foreign companies, shipping lines, and trading partners with secondary sanctions should they fail to cease their business with Cuba. As a result, many Western companies have withdrawn, while China is expanding its presence.

In addition, there is the threat of military intervention modeled after the abduction of Venezuelan President Nicolás Maduro. In this context, U.S. President Donald Trump has announced on several occasions that he intends to “take over” Cuba.

## Power Grid Remains Unstable After Another Blackout

The situation with the power grid has recently worsened again. Following an outage on July 1, another nationwide blackout occurred on the afternoon of July 10. This time, however, power was restored in record time by early Sunday morning.

Most recently, the projected power deficit stood at 1,757 megawatts. This still amounts to more than half of the demand, but is significantly lower than the more than 2,100 megawatts that prevailed between the two blackouts. The cause is likely the recommissioning of the damaged Antonio Guiteras power plant, whose failure was a major factor in the first blackout.

Meanwhile, Havana is implementing the reform package adopted on June 18, which is considered the most far-reaching opening toward the market and the private sector since the 1959 revolution. Following the authorization of 3,000 new small and medium-sized enterprises, work is currently underway to revise various laws. In addition to deregulation in the private sector—such as allowing private companies with more than 100 employees—the next immediate steps will focus on agriculture and foreign investment.

## Land Allocation Without Limits

Agriculture Minister Ydael Pérez Brito told state media that the upper limits on the allocation of farmland for usufruct, as well as the time limits on usage rights, will be abolished. Instead, the size of the allocated land will be based on the submitted production plan.

Deputy Prime Minister Jorge Luis Tapia emphasized that, effective immediately, all economic actors can apply for land: “Self-employed individuals, small and medium-sized enterprises, cooperative enterprises, and foreign investors. Anyone who wants to go to the countryside and work can do so.” The prerequisite is that existing land is already being cultivated. The processing time for new applications is to be limited to 15 to 20 days. In addition, land under usufruct may be inherited in the future—including by Cubans who have emigrated abroad but retained their citizenship.

Cooperatives will also be granted the right to import and market fuel, engage in foreign trade, directly manage foreign financing, and open accounts abroad. In March, the Food and Agriculture Organization (FAO) had warned of the “serious consequences” of the fuel crisis on the Cuban agricultural sector. The decentralization is intended, not least, to enable producers to tap into new supply channels. According to Tapia, implementation should not “wait until all regulations are finalized.”

## Easier Conditions for Foreign Investors

Last Thursday, Cuba also published Decree 153 (PDF), which investors had been awaiting and which simplifies the existing regulations for foreign investment. The changes aim to reduce processing times, cut red tape, and increase transparency, and took effect immediately. For example, the responsible evaluation commission now has a maximum of seven business days to review applications. Certain operational changes—such as capital increases that do not alter ownership structures—can be approved directly by the Ministry of Foreign Trade (Mincex) within 15 business days, without the need to involve higher-level authorities. A further legislative amendment is intended to give foreign investors the opportunity to hire workers directly in a timely manner, rather than being required, as was previously the case, to go through a state-run employment agency.

Cuba has been in the midst of a profound economic crisis for more than six years, triggered by the collapse of tourism during the COVID-19 pandemic, tightened U.S. sanctions during Trump's first term, the crisis in Venezuela, and structural problems with the economic model. Gross domestic product shrank by about 15 percent between 2020 and 2025. The U.S. oil embargo and the massive expansion of secondary sanctions have severely exacerbated the situation since the beginning of this year. (Cubaheute)