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HERZFELD CARIBBEAN BASIN FUND INC

Form N-Q

November 16, 2007

FORM N-Q
 QUARTERLY SCHEDULE OF PORFOLIO HOLDINGS OF REGISTERED MANAGEMENT
 INVESTMENT COMPANY

Investment Company Act file number 811-06445

 The Herzfeld Caribbean Basin Fund, Inc.

 (Exact name of registrant as specified in charter)

P.O. BOX 161465, MIAMI, FLORIDA 33116

 (Address of principal executive offices) (Zip code)

THOMAS J. HERZFELD
 P.O. BOX 161465, MIAMI, FL 33116

 (Name and address of agent for service)

Registrant's telephone number, including area code: 305-271-1900

 Date of fiscal year end: 06/30/08

 Date of reporting period: 09/30/07

ITEM 1. SCHEDULE OF INVESTMENTS

SCHEDULE OF INVESTMENTS AS OF SEPTEMBER 30, 2007 (unaudited)

Shares or Principal Amount	Description	Market Value

Common stocks - 79.04% of net assets		
Banking and finance - 5.22%		
10,500	Bancolombia, S.A	\$ 363,825
19,720	Banco Latinoamericano de Exportaciones, S.A	358,510
1,500	Doral Financial Corp.	32,940
16,400	Grupo Financiero Banorte, S.A. de C.V. Series O	64,942
9,900	Grupo Financiero Inbursa, S.A. de C.V. Series O	23,721
Communications - 12.91%		
35,600	America Movil, S.A. de C.V. Series A	110,531
50,891	America Movil, S.A. de C.V. Series L	162,894
3,000	America Movil	192,000
14,950	Atlantic Tele-Network, Inc.	543,432
11,900	Carso Global Telecom, S.A. de C.V. Series A1	51,693
141,000	Fuego Entertainment	45,120
1,000	Garmin Ltd.	119,400
871	Grupo Iusacell, S.A. de C.V. Series V	8,762
18,800	Grupo Radio Centro, S.A. ADR	244,212

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12,900 Grupo Televisa, S.A. ADR	311,793
13,400 Grupo Televisa, S.A. Series CPO	64,398
9,320 Spanish Broadcasting System Inc.	24,045
1,000 Telefonos de Mexico ADR	32,870
23,800 Telefonos de Mexico, S.A. de C.V. Series A	39,831
78,600 Telefonos de Mexico, S.A. de C.V. Series L	128,884
13,900 TV Azteca, S.A. de C.V. Series CPO	7,640
Conglomerates and holdings companies - 2.42%	
250,000 Admiralty Holding Co.	2,750
5,400 Alfa, S.A. de C.V. Series A	36,495
42,595 BB Holdings Ltd.	180,070
13,000 Carlisle Group Ltd.	34,431
3,200 Corporacion Interamericana de Entretenimiento, S.A. de C.V. Series B	9,101
20 Dermet de Mexico Com Serie B	3
11,000 Grupo Carso, S.A. de C.V. Series A1	41,949
1,580 Grupo Kuo SAB de CV	1,373
2,525 OneSource Services, Inc.	33,438
2,900 Vitro, S.A. Series A	7,200
6,000 Vitro, S.A. ADR	45,000
Construction and related - 4.91%	
47,864 Cemex, S.A. de C.V. Series CPO	142,962
5,098 Cemex S.A. de C.V. ADR	152,532
2,032 Ceramica Carabobo Class A ADR	5,677
1,580 Dine S.A.B de C.V.	1,443
17,200 Consorcio ARA, S.A. de C.V.	23,044
3,583 Empresas ICA, Sociedad Controladora, S.A. de C.V.	21,610
800 Grupo Cementos de Chihuahua, S.A. de C.V	4,894
4,000 Lennar Corp	90,600
24,950 Mastec, Inc.	351,047
Consumer products and related manufacturing - 5.92%	
800,000 Atlas Electricas, S.A	104,143
7,773 Grupo Casa Saba, S.A. ADR	295,374
12,000 Watsco Incorporated	557,160
Food, beverages and tobacco - 2.95%	
1,200 Alsea, S.A. de C.V.	1,983
7,500 Coca-Cola Femsa, S.A. de C.V. ADR	321,825
200 Coca-Cola Femsa, S.A. de C.V., Series L	858
18,900 Fomento Economico Mexicano, S.A. de C.V. Series UBD	70,417
800 Gruma S.A. de C.V. Series B	2,596
7,600 Grupo Bimbo, S.A. de C.V. Series A	42,397
7,700 Grupo Modelo, S.A. Series B	36,969
Housing - 0.09%	
1,700 Corporacion Geo S.A. de C.V., Series B	7,461
100 Desarrolladora Homex, S.A. de C.V.	926
400 Sare Holding, S.A. de C.V. Series B	603
1,500 Urbi Dessarrollos Urbanos, S.A. de C.V.	5,391
Investment companies - 4.85%	
5,500 The Mexico Fund	233,255
19,000 Western Asset Worldwide Income Fund	251,560
16,823 Western Asset Emerging Markets Debt Fund	300,122
Leisure - 7.21%	
10,500 Carnival Corp.	508,515
13,500 Royal Caribbean Cruises Ltd.	526,905
3,000 Steiner Leisure Ltd.	130,200

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Medical - 3.33%		
8,386	Micromet, Inc.	16,604
10,660	Orthofix International N.V.	522,020
Mining - 0.05%		
1,200	Grupo Mexico, S.A. de C.V., Series B	8,615
Pulp and paper - 0.17%		
6,100	Kimberly-Clark de Mexico, S.A. de C.V. Series A	27,497
Railroad and landholdings - 1.28%		
4,000	Norfolk South Corp	207,640
Retail - 1.24%		
3,700	Controladora Comercial Mexicana, S.A. de C.V. Series UBC	9,816
1,270	Grupo Elektra, S.A. de C.V. Series CPO	25,912
45,111	Wal-Mart de Mexico, S.A. de C.V. Series V	165,432
Service - 0.02%		
700	Grupo Aeroportuario del Sureste, S.A. de C.V. Series B	3,475
100	Promotora Ambiental S.A. de C.V.	274
Trucking and marine freight - 13.10%		
14,800	Grupo TMM, S.A. ADR	46,768
770	Seaboard Corporation	1,509,200
42,699	Trailer Bridge, Inc.	546,547
1,000	Ultrapetrol Bahamas Ltd.	16,610
Utilities - 9.60%		
12,000	Caribbean Utilities Ltd. Class A	142,800
43,241	Consolidated Water, Inc.	1,298,095
700	Cuba Electric Company	12,600
6,000	Teco energy Inc.	98,580
Other - 3.76%		
9,000	Copa Holdings	360,450
55,921	Margo Caribe, Inc.	237,664
100	Mexichem S.A. de C.V.	355
843	Siderurgica Venezolana Sivensa ADR	8,657
75	Siderurgica Venezolana Sivensa Series B	770
Total common stocks (cost \$8,446,034)		\$ 12,782,103
Bonds and fixed income - 6.17% of net assets		
165,000	Republic of Cuba - 4.5%, 1977 - in default (cost \$63,038)	--
1,000,000	U.S. Treasury Bills (cost \$997,382)	\$ 998,486
Other assets less liabilities - 14.78% of net assets		\$ 2,390,103
Net assets - 100% (applicable to 1,687,556 shares; equivalent to \$8.56 per share) (a)		\$ 16,170,692

(a) The cost for federal income tax purposes was \$9,530,783. At September 30, 2007, net unrealized gain for all securities based on tax cost was \$4,249,806. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess value over tax cost of \$4,959,454 and aggregate gross unrealized depreciation for all securities in which there was an

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excess of tax cost over value of \$709,648. The cost of securities owned for financial statement purposes is lower than the cost basis for income tax purposes by approximately \$24,329 due to wash sale adjustments.

ITEM 2. CONTROLS AND PROCEDURES

- (a) The registrant's principal executive and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this Form N-Q that includes the disclosure required by this paragraph based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS

The certifications required by Rule 30a-2 of the Investment Company Act of 1940, as amended, is attached as an exhibit to this filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Herzfeld Caribbean Basin Fund, Inc.

By /s/ Thomas J. Herzfeld

Thomas J. Herzfeld
Chairman and President

Date: November 16, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /s/ Thomas J. Herzfeld

Thomas J. Herzfeld
Chairman and President

Date: November 16, 2007

By /s/ Cecilia L. Gondor

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Cecilia L. Gondor
Treasurer

Date: November 16, 2007