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HERZFELD CARIBBEAN BASIN FUND INC
 Form N-Q
 May 15, 2009

FORM N-Q
 QUARTERLY SCHEDULE OF PORTFOLIO 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: 06/30/09

 Date of reporting period: 03/31/09

ITEM 1. SCHEDULE OF INVESTMENTS

SCHEDULE OF INVESTMENTS AS OF MARCH 31, 2009 (unaudited)

| Shares or Principal Amount | Description | Market Value |
|--------------------------------------|---|--------------|
| ----- | | |
| Common stocks - 98.86% of net assets | | |
| Banking and finance - 8.15% | | |
| 30,280 | Bancolombia, S.A | \$ 589,551 |
| 40,000 | Banco Latinoamericano de Exportaciones, S.A | 374,800 |
| 50,000 | Banco Popular, Inc. | 109,000 |
| 6,500 | Doral Financial Corp. | 11,700 |
| 16,400 | Grupo Financiero Banorte, S.A. de C.V. Series O | 21,850 |
| 9,900 | Grupo Financiero Inbursa, S.A. de C.V. Series O | 25,622 |
| 3,844 | W Holding Co.Inc. | 34,942 |
| 5,000 | Western Union Co. | 62,850 |
| Communications - 16.54% | | |
| 35,600 | America Movil, S.A. de C.V. Series A | 48,037 |
| 50,891 | America Movil, S.A. de C.V. Series L | 69,608 |
| 20,000 | America Movil | 541,600 |
| 36,819 | Atlantic Tele-Network, Inc. | 706,188 |
| 11,900 | Carso Global Telecom, S.A. de C.V. Series A1 | 39,236 |
| 176,000 | Fuego Entertainment | 1,760 |
| 871 | Grupo Iusacell, S.A. de C.V. Series V | 778 |

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| | | |
|---|---|-----------|
| 21,120 | Grupo Radio Centro, S.A. ADR | 103,699 |
| 32,400 | Grupo Televisa, S.A. ADR | 441,936 |
| 13,400 | Grupo Televisa, S.A. Series CPO | 36,581 |
| 80,304 | Spanish Broadcasting System Inc. | 12,046 |
| 15,000 | Telefonos de Mexico ADR | 225,600 |
| 23,800 | Telefonos de Mexico, S.A. de C.V. Series A | 17,838 |
| 78,600 | Telefonos de Mexico, S.A. de C.V. Series L | 59,746 |
| 15,000 | Telmex International S.A.B. de C.V ADR | 137,550 |
| 23,800 | Telmex International Series A | 11,560 |
| 78,600 | Telmex International Series L | 36,226 |
| 13,900 | TV Azteca, S.A. de C.V. Series CPO | 4,485 |
| Conglomerates and holdings companies - 1.16% | | |
| 250,000 | Admiralty Holding Co. | 125 |
| 5,400 | Alfa, S.A. de C.V. Series A | 8,416 |
| 42,595 | BB Holdings Ltd. | 86,391 |
| 30,300 | Cocleshell Ltd. Ord | 22,801 |
| 3,200 | Corporacion Interamericana de Entretenimiento, S.A. de C.V. Series B | 1,929 |
| 11,000 | Grupo Carso, S.A. de C.V. Series A1 | 26,831 |
| 1,580 | Grupo Kuo SAB de CV | 527 |
| 20 | Grupo Pochetca S.A.B. de C.V. | 2 |
| 3,250 | Shellshock Ltd. Ord. | 2,329 |
| 2,900 | Vitro, S.A. Series A | 915 |
| 27,918 | Vitro, S.A. ADR | 24,289 |
| Construction and related - 6.61% | | |
| 21,863 | Cemex, S.A. de C.V. Series CPO | 136,644 |
| 49,599 | Cemex S.A. de C.V. ADR | 31,019 |
| 20 | Ceramica Carabobo Class A ADR | 4,657 |
| 17,200 | Consorcio ARA, S.A. de C.V. | 4,525 |
| 1,580 | Dine S.A.B de C.V. | 571 |
| 3,583 | Empresas ICA, Sociedad Controladora, S.A. de C.V. | 6,097 |
| 800 | Grupo Cementos de Chihuahua, S.A. de C.V | 1,622 |
| 67,132 | Mastec, Inc. | 811,626 |
| Consumer products and related manufacturing - 8.13% | | |
| 13,273 | Grupo Casa Saba, S.A. ADR | 172,416 |
| 31,000 | Watsco Incorporated | 1,054,930 |
| Food, beverages and tobacco - 7.64% | | |
| 1,219 | Alsea, S.A. de C.V. | 355 |
| 12,000 | Chiquita Brands International Inc. | 79,560 |
| 19,500 | Coca-Cola Femsa, S.A. de C.V. ADR | 664,170 |
| 200 | Coca-Cola Femsa, S.A. de C.V., Series L | 682 |
| 18,900 | Fomento Economico Mexicano, S.A. de C.V. Series UBD | 48,191 |
| 18,690 | Fresh Del Monte Produce Inc. | 306,890 |
| 800 | Gruma S.A. de C.V. Series B | 306 |
| 7,600 | Grupo Bimbo, S.A. de C.V. Series A | 28,561 |
| 7,700 | Grupo Modelo, S.A. Series B | 23,423 |
| Housing - 1.69% | | |
| 1,700 | Corporacion Geo S.A. de C.V., Series B | 1,724 |
| 100 | Desarrolladora Homex, S.A. de C.V. | 223 |
| 33,500 | Lennar Corp. | 251,585 |
| 400 | Sare Holding, S.A. de C.V. Series B | 50 |
| 1,500 | Urbi Dessarrollos Urbanos, S.A. de C.V. | 1,323 |
| Investment companies - 0.03% | | |

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| | | |
|---|---|---------------|
| 4,420 | Shellproof Limited | 2,724 |
| 147 | Western Asset Emerging Markets Debt Fund | 1,735 |
| | Leisure - 8.28% | |
| 37,500 | Carnival Corp. | 810,000 |
| 33,500 | Royal Caribbean Cruises Ltd. | 268,335 |
| 7,000 | Steiner Leisure Ltd. | 170,870 |
| | Medical - 0.18% | |
| 8,386 | Micromet, Inc. | 26,500 |
| | Mining - 7.85% | |
| 31,000 | Freeport McMoran Copper & Gold, Inc. | 1,181,410 |
| 3,776 | Grupo Mexico, S.A. de C.V., Series B | 2,763 |
| | Pulp and paper - 0.13% | |
| 6,100 | Kimberly-Clark de Mexico, S.A. de C.V. Series A | 19,888 |
| | Railroad and landholdings - 3.58% | |
| 16,000 | Norfolk South Corp | 540,000 |
| | Retail - 0.99% | |
| 3,700 | Controladora Comercial Mexicana, S.A. de C.V. Series UBC | 1,052 |
| 1,270 | Grupo Elektra, S.A. de C.V. Series CPO | 42,342 |
| 45,111 | Wal-Mart de Mexico, S.A. de C.V. Series V | 105,780 |
| | Service - 0.01% | |
| 700 | Grupo Aeroportuario del Sureste, S.A. de C.V. Series B | 2,018 |
| 100 | Promotora Ambiental S.A. de C.V. | 50 |
| | Trucking and marine freight - 12.81% | |
| 61,404 | Grupo TMM, S.A. ADR | 52,193 |
| 1,201 | Seaboard Corporation | 1,213,010 |
| 21,000 | Teekay Corporation | 298,830 |
| 8,361 | Teekay LNG Partners LP. | 140,381 |
| 66,797 | Trailer Bridge, Inc. | 165,657 |
| 23,000 | Ultrapetrol Bahamas Ltd. | 62,100 |
| | Utilities - 8.65% | |
| 12,000 | Caribbean Utilities Ltd. Class A | 99,000 |
| 68,241 | Consolidated Water, Inc. | 740,415 |
| 700 | Cuban Electric Company | 3,500 |
| 41,500 | Teco energy Inc. | 462,725 |
| | Other - 6.43% | |
| 33,000 | Copa Holdings | 946,110 |
| 13,000 | Impellam Group | 6,429 |
| 55,921 | Margo Caribe, Inc. | 15,099 |
| 300 | Mexichem S.A. de C.V. | 212 |
| 895 | Siderurgica Venezolana Sivensa ADR | 1,208 |
| 79 | Siderurgica Venezolana Sivensa Series B | 497 |
| 45,000 | Xcelera Inc. | -- |
| Total common stocks (cost \$23,420,053) | | \$ 14,913,327 |
| | Bonds and fixed income - 0.00% of net assets | |
| 165,000 | Republic of Cuba - 4.5%, 1977 - in default (cost \$63,038) | -- |

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| | |
|--|---------------|
| Other assets less liabilities - 1.14% of net assets | \$ 171,688 |
| Net assets - 100% (applicable to 3,713,070 shares; equivalent to \$4.06 per share) (a) | \$ 15,085,015 |

(a) The cost for federal income tax purposes was \$23,483,091. At March 31, 2009, net unrealized loss for all securities based on tax cost was \$8,506,726. This consisted of aggregate gross unrealized appreciation for all securities in which there was an excess value over tax cost of \$887,503 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value of \$9,394,229. The cost of securities owned for financial statement purposes is lower than the cost basis for income tax purposes by approximately \$170,181 due to wash sale adjustments.

Security Valuation

The Fund adopted the provisions of SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"), effective January 1, 2008. Under SFAS No. 157, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. SFAS No. 157 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1: quoted prices in active markets for identical investments
- Level 2: other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3: significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

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Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy. The following table summarizes the valuation of the Fund's investments by the above fair value hierarchy levels as of March 31, 2009:

| LEVEL | Investments in Securities | Other Financial Instruments |
|---------|---------------------------|-----------------------------|
| Level 1 | \$14,913,327 | \$0 |
| Level 2 | \$0 | \$0 |
| Level 3 | \$0* | \$0 |

*Investments in securities include \$165,000 principal, 4.5%, 1977 Republic of Cuba bonds purchased for \$63,038. The bonds were listed on the New York Stock Exchange and had been trading in default since 1960. A "regulatory halt" on trading was imposed by the New York Stock Exchange in July, 1995 and trading in the bonds was suspended as of December 28, 2006. The New York Stock Exchange has stated that following the suspension of trading, application will be made to the Securities and Exchange Commission to delist the issue. As of March 31, 2009, the position was valued at \$0 by the Board of Directors, which approximates the bonds' fair value.

Investments in securities also include 45,000 shares of Xcelera, Inc. The security traded on the Pink Sheets until the first quarter of 2007 when trading was discontinued. As of March 31, 2009, the position was valued at \$0 by the Board of Directors, which approximates the position's fair value.

There was no change in the value of assets where the Fund utilizes unobservable inputs (Level 3) during the period. Additionally there were no assets transferred into or out of Level 3 for the period.

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.

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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 and the Investment Company 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: May 15, 2009

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: May 15, 2009

By /s/ Cecilia L. Gondor

Cecilia L. Gondor
Treasurer

Date: May 15, 2009