

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Peru

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Peru 2011-16 National Agricultural Policy Progress

Report Categories:

Agriculture in the Economy

Agriculture in the News

Climate Change/Global Warming/Food Security

National Plan

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Report Highlights:

Peru's Ministry of Agriculture and Irrigation held events on June 14 and June 22, 2016 reviewing progress made during the administration of President Ollanta Humala (2011-16). The overarching theme that dominated both events was water supply. The Ministry of Agriculture has invested over \$177 million in irrigation-related projects, its single largest investment, which has benefited some 315,000 agricultural producers. Peru's agricultural sector grew an average of 3.2 percent per year from 2011-16, with production doubling between 2006 and 2015. Growth has been propelled by increased cultivation of non-traditional crops such as asparagus, avocados, quinoa, and grapes; these now account for 85 percent of Peru's agro-exports. The ministry expects agricultural exports to exceed \$6 billion in 2016 and surpass \$10 billion by 2021.

General Information:

Peru's Ministry of Agriculture and Irrigation held events on June 14 and June 22, 2016 reviewing progress made during the administration of President Ollanta Humala (2011-16). Investors, cooperators, and other stakeholders were in attendance. Participants learned about the programmatic and policy progress made under the National Agricultural Policy. The goal of Peru's agricultural policies during this period has been to alleviate rural poverty while improving market competitiveness and participation of Peruvian agricultural products.

Twelve Pillars of the Peruvian National Agricultural Policy			
1	Sustainable Management of Soil and Water	7	Disaster Risk Management in the Agricultural Sector
2	Development of Forests and Native Plants	8	Development of Skills
3	Legal Land Ownership	9	Transition to Improved Production Methods and Diversification
4	Investment in Infrastructure and Technology for Irrigation	10	Greater Market Access
5	Agricultural Finance and Insurance	11	Food Safety
6	Agricultural Innovation and Technological Development	12	Institutional Development

The overarching theme that dominated both events was water supply. Minister of Agriculture Juan Manuel Benites stated that, "in Peru when we talk about agriculture, we are talking about water." From 2011-16 Peru invested heavily in irrigation infrastructure. The Ministry of Agriculture has invested over \$177 million in irrigation-related projects, its single largest investment, which has benefited some 315,000 agricultural producers. Investment has been crucial for expanding production in the coastal desert region where the majority of Peru's agro-export crops are cultivated. The Ministry also formalized rights to water use for agricultural purposes, under the purview of the first pillar.

Minister Benites cited the statistic that Peru will be the third most affected country by climate change. Many of Peru's water sources are being depleted at a faster rate than they can be replenished; climate change is reportedly inducing droughts and accelerated glacial melting in Peru. The Ministry of Agriculture is investing in improved glacial monitoring to aid in predicting water availability to the glacier-fed coastal water supply. Aligning with the seventh pillar, risk from stronger climate events is also a ministry concern. To address this, the Ministry of Agriculture is improving flood control management, aiming to mitigate market shocks and undersupply resulting from severe weather events.

At the June 22 event, representatives from TALSA, a major Peruvian agro-exporter, the Food and Agricultural Organization of the United Nations (FAO), and the Ministry of Development and Social Inclusion were invited to share their views on the recent developments in agricultural policy. The TALSA representative praised the ministry's success in facilitating production for export along the coast, but identified untapped potential for growing cooler weather crops (e.g., blueberries and cherries) in the highland regions. Mountainous terrain, along with poor transportation infrastructure is limiting expansion of cooler weather crop production for export.

Market Outcomes 2011-16:

As a result of expanded investment in these twelve pillars, the Ministry of Agriculture reports that Peruvian agricultural exports quadrupled from \$1.3 billion to nearly \$5.3 billion during 2004-15. At the same time, expanded agricultural production has lowered rural poverty by nearly 16 percent. Average monthly income from agricultural activity nearly doubled from 2006-14, with rural poverty decreasing from 63 to 47.2 percent.

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The Ministry of Agriculture sustains that the success of the 2011-16 National Agricultural Policy will result in improved market participation and poverty reduction through improvements made to agricultural capacity