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## Peru

**Post:** Lima

### Peruvian Rice Producers Demand Reinstatement of Import Duties for Rice

**Report Categories:**

Grain and Feed

Trade Policy Monitoring

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**Report Highlights:**

Peruvian rice producers are demanding that the government reinstate import duties for rice. They assert that rice imports are negatively affecting internal rice prices. Rice imports account for only 13 percent of local consumption. Rice imports are subject to the Peruvian Price Band System, currently at \$15 per MT

**General Information:**

Peruvian rice producers in the San Martin and Tumbes regions are protesting against rice imports that they assert are affecting their sales price. Producers are demanding that the government reinstate import duties. Peruvian rice imports have been steadily increasing since 2013 (176 TMT) and are forecast to reach 350 TMT in 2017. However, rice imports accounted for only 13 percent of total consumption in 2016. Peru's main supplier is Uruguay with 62 percent import market share. Other relevant suppliers are Brazil (22 percent) and Thailand (11 percent). The U.S. is only a marginal player with a two percent import market share. Peru produces 2.2 MMT of rice.

Rice, from all origins, is imported into Peru duty free but is subject to the Price Band which is currently \$15 per MT. Rice producers are well organized and usually have significant negotiating power. They have already managed to make the government keep the price band without a limit when it was capped at 20 percent for sugar, corn and powdered milk.

Average import price in 2016 was \$0.56 (1.9 soles) per kilogram. The average price paid to local producers in 2016 was 1.88 soles which was 12 percent higher than the previous year.