

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Peru

Post: Lima

PPK Agriculture Policy Focuses on Domestic Concerns

Report Categories:

Policy and Program Announcements

Agricultural Situation

Trade Policy Monitoring

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Report Highlights:

Pedro Pablo Kuczynski's (PPK) [Government Plan](#) outlines his policy objectives for his presidency, and includes a section on agriculture. The incoming minister of agriculture, Jose Hernandez, wrote this brief, eight page section entitled "Agro Próspero" (Prosperous Agriculture, p. 156) detailing four main objectives: increasing profitability of agriculture, integrating small producers into the market, sustainable management of soil and water, and sustainable development of forests. The focus is entirely on the small farmer and alleviating rural poverty within the domestic market. Despite this, sources indicate the new administration fully supports Peru's commitment to the PTPA and the related agro-export and import industries.

General Information:

Pedro Pablo Kuczynski's (PPK) [Government Plan](#) outlines his policy objectives for his presidency, and includes a section on agriculture. The incoming minister of agriculture, Jose Hernandez, wrote this brief, eight page section entitled "Agro Próspero" (Prosperous Agriculture, p. 156) detailing four main objectives: increasing profitability of agriculture, integrating small producers into the market, sustainable management of soil and water, and sustainable development of forests.

The plan proposes the development of two institutions: Serviagro and Sierra Azul. The first is a technical assistance program to disseminate new technology and best practices to small farmers with an annual budget of 200 million Nuevo Sols (approximately \$60 million at current exchange rate). The second, Sierra Azul, will update and install adequate irrigation infrastructure in the mountainous Andes region of Peru with a budget of 400 million Nuevo Sols annually (approx. \$122 million).

Additional aspects of the plan are to increase the national agricultural lending and finance institution, AgroBanco's, capacity to lend to small farmers; to improve the quality of seed stock – with a particular focus on yellow corn and potatoes; and to formally title lands belonging to small and indigenous farmers. The focus is entirely on the small farmer and alleviating rural poverty within the domestic market.

The plan discusses exports only once (outside of the summary of recent market conditions) in relation to effectively integrating small farmers into the market through developing the value chain. Despite this, sources indicate the new administration fully supports Peru's commitment to the PTPA and the related agro-export and import industries. As evidence, the incoming Minister of Foreign Trade and Tourism, Eduardo Ferreyros Küppers, served as the negotiation coordinator for the U.S.-Peru Free Trade Agreement.

Also of note, biotechnology policy is not included in the plan. The current ten-year biotechnology moratorium in place in Peru prohibits the entry of all live genetically engineered materials; this plan does not contain any indication that the Kuczynski administration will work to lower these barriers to trade.