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Committee on Agriculture

Original: Spanish

NOTIFICATION

The following submission, dated 2 March 2020, is being circulated at the request of the delegation of **Peru**. The notification concerns domestic support commitments (**Table DS:1** and the relevant supporting tables) for the **calendar year 2018**.

Table DS:1

DOMESTIC SUPPORT: PERU

REPORTING PERIOD: CALENDAR YEAR 2018

Current Total Aggregate Measurement of Support

Total AMS commitment level	Currency	Current total AMS
(from Section 1 of Part IV of the Schedule)	(from Section 1 of Part IV of the Schedule)	(from the attached Supporting Tables)
1	2	3
		0

Note:

The average exchange rate for 2018 is 3.2851 nuevos soles per USD.

The total AMS is zero because the support provided during the period is within the relevant *de minimis* levels (10% of the gross value of production for the specific product).

Source: Central Reserve Bank of Peru.

Supporting Table DS:1

DOMESTIC SUPPORT: PERU

REPORTING PERIOD: CALENDAR YEAR 2018

Measures Exempt from the Reduction Commitment - "Green Box"

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value USD million	Data source	Note
1	2	3	4	
2. General services				
2 (a) Research	National Institute for Agricultural Innovation - INIA.- Pursuant to Legislative Decree No. 997 of 2008, the National Agricultural Research and Extension Institute was renamed the National Institute for Agricultural Innovation. It runs programmes for technology generation, transfer and adaptation; production of seeds, plantlets, seedlings and animals of high genetic value; training and transfer of technology; and training in fruit production.	44.79	Ministry of the Economy and Finance	(1)
	Payments for Competitiveness Programme.- The programme, with support from regional and local governments, will meet part of the investment costs related to the adoption of technologies aimed at boosting the competitiveness of the agricultural production of small and medium-sized producers. It will also seek to promote partnerships by means of measures designed to cover expenditure related to the creation of agricultural associations.	18.37	Ministry of the Economy and Finance	(1)
	Innovation and competitiveness projects and measures.- Set of agricultural planning and promotion measures applied in the context of special projects and the Rural Agricultural Production Development Programme and by the central administration with a view to boosting production and profitability. Includes measures to promote the development of scientific and technological knowledge.	0.36	Ministry of the Economy and Finance	(1)
	Subtotal	63.52		
2 (b) Pest and disease control	National Agrarian Health Service - SENASA.- Operates a plant and animal health monitoring scheme and runs programmes to prevent and control pests and diseases, control quality and promote the proper handling of pesticides and biological agents in the context of the National Biological Control Programme.	43.16	Ministry of the Economy and Finance	(1)
	Agrarian Health Development Programme - PRODESA.- Fruit fly control and eradication; agricultural diagnostic laboratory; biological control; institutional strengthening; agricultural health protection; agricultural health monitoring; control of bovine brucellosis and tuberculosis; control of brucellosis in goats; control of mange in camelids; and eradication of foot and mouth disease.	0.9	Ministry of the Economy and Finance	(1)
	Subtotal	44.06		
2 (d) Extension and advisory services	Measures to improve the productivity of agricultural producers.- Facilitate the transfer of information and provide technical assistance, training and other services to improve the productivity of rural farmers.	18.91	Ministry of the Economy and Finance	(1)
	Subtotal	18.91		

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value USD million	Data source	Note
1	2	3	4	
2 (f) Marketing and promotion services	Measures to improve the access of rural agricultural producers to markets.- Improve the access of rural producers to domestic and international goods and services markets through the provision of services, such as information and business training, as well as the modernization of public agricultural sector management.	15.85	Ministry of the Economy and Finance	(1)
	Andean Highlands and Wilderness Export Programme.- Established pursuant to Law No. 28890 in October 2006 and amended by Law No. 30495 to extend its scope of application to wilderness areas. The programme aims to promote, encourage and develop rural economic activities in the Andean highlands and wilderness, with a focus on crop and livestock farming, aquaculture, production of crafts, textiles and jewellery, reforestation, agroforestry and tourism, as well as the processing and industrialization of the related products, thereby using the domestic and export markets as tools for poverty reduction and job creation.	1.66	Ministry of the Economy and Finance	(1)
	Agricultural promotion at regional and local government level.- At regional and local level: agricultural organizational activities; promotion of agricultural and livestock production; conservation of renewable natural resources; and rural promotion and extension.	82.97	Ministry of the Economy and Finance	(1)
	Subtotal	100.48		
2 (g) Infrastructural services	Subsectoral Irrigation Project - PSI.- Rehabilitation and upgrading of the irrigation and drainage infrastructure in order to make greater efficiency in water management standard practice for sustainable development. The purpose of the dam component is to upgrade and rehabilitate the water resource infrastructure and valve and gate control equipment. Development of a scheme to inform and train users and user associations, which makes the services offered available to them.	89.29	Ministry of the Economy and Finance	(1)
	Irrigation infrastructure management.- Promotes measures geared towards the management and maintenance of water resource infrastructure works, with the aim of achieving sustainable agriculture. It also includes measures implemented in the context of special projects, AGRORURAL and by the central administration with a view to improving access to and enhancing the efficient use of water resources in agricultural activities.	39.75	Ministry of the Economy and Finance	(1)
	Works to protect against the El Niño climate phenomenon.- Make better use of available water resources, carrying out activities to offset possible damage caused by floods and overflowing rivers and ensuring the irrigation of crops in various valleys in Peru. El Niño rehabilitation and reconstruction.	61.27	Ministry of the Economy and Finance	(1)
	Regional and local government irrigation infrastructure programmes.- Promotion of measures geared towards the management and maintenance of water resource infrastructure works, with the aim of achieving sustainable agriculture.	29.16	Ministry of the Economy and Finance	(1)
	Special Rural Transport Infrastructure Project – Decentralized PROVIAS.- Transport infrastructure works involving the maintenance and upgrading of rural and secondary roads.	93.12	Ministry of the Economy and Finance	(1)
	Subtotal	312.59		

Measure type	Name and description of measure with reference to criteria in Annex 2	Monetary value USD million	Data source	Note
1	2	3	4	
2 (h) Other general services	National Water Authority - ANA.- Implements measures with a view to the multi-sectoral and sustainable use of catchment area water resources in the context of integrated natural resource management and national environmental quality management, and establishes strategic alliances with regional and local authorities and all relevant social and economic actors.	41.3	Ministry of the Economy and Finance	(1)
	National Forestry and Wildlife Service - SERFOR.- This service is responsible for promoting the sustainable use, conservation and protection of forest and wildlife resources, managing access to genetic resources, and implementing Peru's international commitments in respect of forests and wildlife.	26.2	Ministry of the Economy and Finance	(1)
	Natural resource management and protection measures.- Operates in two principal areas: protection of flora and fauna and soil conservation. Flora and fauna protection measures include management and development of protected natural areas; wild flora and fauna management; forestry management; environmental monitoring and control; utilization of the rural environment; and studies and projects relating to natural resources. Also includes natural resource protection measures implemented in the context of special projects.	5.6	Ministry of the Economy and Finance	(1)
	Subtotal	73.1		
	General Services Subtotal	612.66		
4. Domestic food aid	"Qali Warma" National School Nutrition Programme.- Implementation of measures designed to guarantee a food service for preschool children (from three years of age) and primary school children in State educational establishments.	453.6	Ministry of the Economy and Finance	(1)
	Agricultural support: Purchase of white potatoes as a contribution to the social and/or welfare programmes carried out by public and/or private non-profit entities. Emergency Decree No. 001-2018-EF authorizes the regional governments of the departments of Huánuco, Junín, Huancavélica, Apurímac and Ayacucho to purchase white potatoes.	0.46	Ministry of the Economy and Finance	(1)
	Subtotal	454.06		
7. Income insurance and safety-net programmes	Agricultural funds.- Market strengthening through the promotion of competitiveness and access to guarantees. Includes the Guarantee fund for rural areas and agricultural insurance - FOGASA.	10.65	Ministry of the Economy and Finance	(1)
	Subtotal	10.65		
Total Green Box		1,077.37		

Note:

(1) Ministry of the Economy and Finance: <http://apps5.mineco.gob.pe/transparencia/Navegador/default.aspx>

Supporting Table DS:2

DOMESTIC SUPPORT: PERU

REPORTING PERIOD: CALENDAR YEAR 2018

Measures Exempt from the Reduction Commitment - Special and Differential Treatment - "Development Programmes"

Measure type	Name and description of measure with reference to criteria in Article 6.2	Monetary value USD million	Data source	Note
1	2	3	4	
(a) Investment subsidies generally available to agriculture	Credits extended to agricultural producers benefiting from an interest rate differential.- The interest rate differential corresponds to the active rate applied by the Agricultural Bank and the average active interest rate applied by the banking system.	47.32	Agricultural Bank – AGROBANCO	(1)
	Subtotal	47.32		
(b) Agricultural input subsidies generally available to low-income or resource-poor producers	AGRORURAL - Agricultural input assistance to ensure farmers' production as a preventive measure against disasters. Delivery of agricultural and livestock inputs to farmers in rural areas as a preventive measure against growing climate change.	4.91	Ministry of the Economy and Finance	(2)
	Subtotal	4.91		

Measure type	Name and description of measure with reference to criteria in Article 6.2	Monetary value USD million	Data source	Note
1	2	3	4	
(c) Support to encourage diversification from growing illicit narcotic crops	DEVIDA (National Commission for Development and Life Without Drugs): Its Comprehensive and Sustainable Alternative Development strategy seeks to establish credibility to recover communities and valleys under the influence of drug trafficking. The first phase includes post-eradication measures (socialization, community organization, productive promotion and other immediate relief actions), partnership building, financing, registration and basic infrastructure.	0.35	Ministry of the Economy and Finance	(2)
	Conversion of production in the Valley of the Apurímac, Ene and Mantaro rivers (VRAEM): Measures that seek to raise the level of rural development using a territorial approach, in a competitive, sustainable, inclusive, coordinated and multisectoral manner, involving the relevant public and private actors, with a view to addressing the existing critical situation and ensuring greater involvement of the government in the creation of local opportunities for the development of economic activity, with an emphasis on the inclusion of disadvantaged families.	6.82	Ministry of the Economy and Finance	(2)
	Subtotal	7.17		
Total Development Programmes		59.4		

- (1) Investment subsidies have been calculated by multiplying the total amount of direct (first-tier) credits granted by the Agricultural Bank (Agrobanco) by the differential between the annual average active interest rates applied by this institution and by the conventional banking system, as published by the Supervisory Authority for Banks, Insurance and Pension Funds (SBS). The Agrobanco average active interest rate corresponds to the rate for direct credits, while the active interest rate applied by the conventional banking system corresponds to business operations related to production activities (credits for micro-enterprises). The resulting amounts were converted into US dollars using the annual average nominal soles/USD exchange rate published by the Central Reserve Bank of Peru (BCRP). Data used: Agrobanco interest rate: 16.6%. Banking system interest rate: 32.70%. Total loans: 965.58 million soles. Exchange rate: 3.285 soles = USD1.

Sources:

AGROBANCO: <http://www.aai.com.pe/wp-content/uploads/2019/09/Agrobanco-Jun-19-Instituci%C3%B3n.pdf>

SBS: <http://www.sbs.gob.pe/principal/categoria/tasa-de-interes-promedio/154/c-154>

BCRP: <https://estadisticas.bcrp.gob.pe/estadisticas/series/anuales/resultados/PM05241PA/html/2017/2019/>

- (2) Ministry of the Economy and Finance: <http://apps5.mineco.gob.pe/transparencia/Navegador/default.aspx>

Supporting Table DS:4

DOMESTIC SUPPORT: PERU

REPORTING PERIOD: CALENDAR YEAR 2018

Calculation of the Current Total Aggregate Measurement of Support

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7) USD million	Product-specific measurements of support (from Supporting Table DS:8) USD million	Total (2 + 3) USD million	Value of production USD million	Support as a % of value of production	Current total AMS USD million	Note
1	2	3				4	
Potatoes	10.82		10.82	1,275.13	0.85%	0 (<i>de minimis</i>)	
Total non-product-specific AMS (from Supporting Table DS:9)							
TOTAL						0	

Supporting Table DS:6

DOMESTIC SUPPORT: PERU

REPORTING PERIOD: CALENDAR YEAR 2018

Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

Description of basic product	Reporting period			Measure type(s)	Applied administered price	External reference price (generally from AGST)	Eligible production	Total price-related direct payments ((4-5)*6)	Other non-exempt direct payments	Associated fees/levies	Total direct payments (7+8-9)	Data source	Note
	Type	From	To										
1	2			3	USD	USD		USD million	USD million		USD million	11	
Potatoes	CY	01-01-18	31-12-18	Potatoes. Emergency Decree No. 002-2018 Purchase of white potatoes					10.82		10.82	Ministry of Agriculture and Irrigation (AGRORURAL)	
Total Potatoes											10.82		