



Food and Agriculture
Organization of the
United Nations



PERÚ

Ministerio
de Agricultura y Riego



Hand-in-Hand
Initiative

Peru in the Investment Forum

Investment Forum | Rome, Italy |
October 15-17, 2024





National and Regional Forums have generated **commercial deals for smallholders** valued at **USD 3 million** in business roundtables

COMMITMENTS AND PARTNERSHIPS ACHIEVED IN 2024



Inclusion of producers of 14 thousand ha of **coffee and cocoa into carbon bond markets** via organic agroforestry systems in Cajamarca.



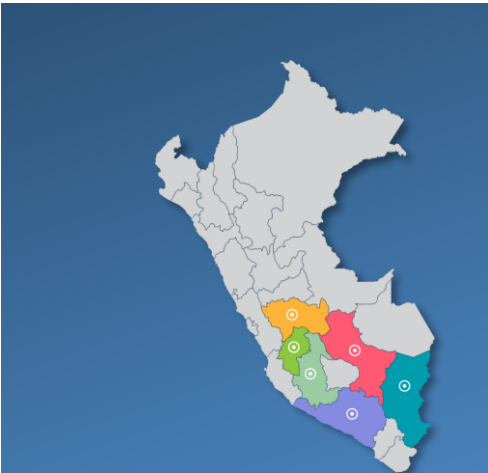
Concept note of **USD 1 million** to integrate the **native potato** value chain to the **OCOP initiative**



Partnership with **BACKUS** (beer industry) to include **barley** as **potato rotation crop** in Andean areas



Alliance with the DC Group (Camposol and Mina Cobriza) for the **commercial and productive improvement** of high-altitude organic avocado in Huancavelica



USD 130 million Technified Irrigation Program financed by the **World Bank:**

First 10 projects in HIH regions

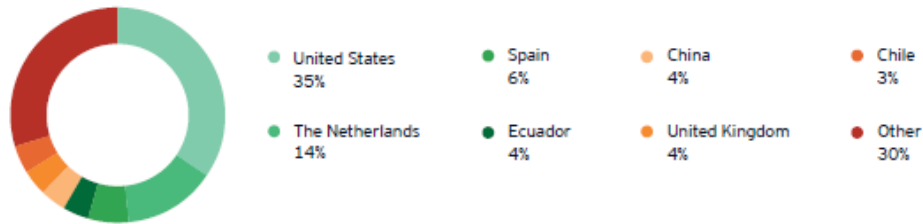
(Junín, Huancavelica, Puno, Cusco, Arequipa Ayacucho)

ADVANTAGES COMPARATIVE & COMPETITIVE

Peru is an agro-export powerhouse:

USD 10.53 billion in 2023. Consolidated markets include: **United States, European Union, China, and others**

Agricultural export destinations 2023 (percentage)



Source: Ministry of Agricultural Development and Irrigation (MIDAGRI).

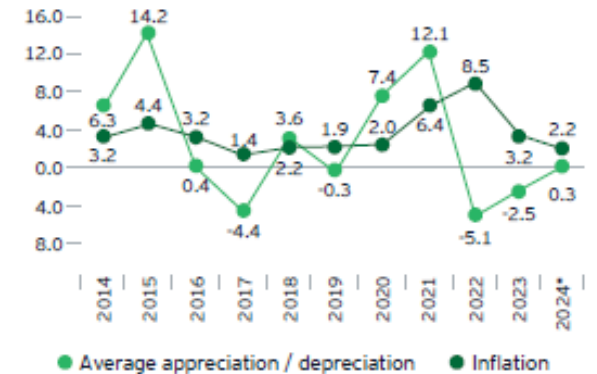
Agroecological practices and traditional knowledge of organic production to satisfy growing market demand.



Solid and resilient economy: expected yearly growth of 3% between 2024 and 2027 (MEF)

Low and controlled inflation levels: 2.2% in 2024 (BCRP)

Average appreciation / depreciation and inflation



*Projection. June 2024 Inflation Report.
Source: Central Reserve Bank of Peru (BCRP).

GENERAL AGRIBUSINESS PANORAMA

In 2022, 2.66% of the Peruvian population is under the international poverty line of USD 2.15 per day (World Bank)

In 2023, national poverty affected 29.0%, reaching 39.8% in rural areas. Moreover, childhood anemia reached 43.1% (INEI)

51.7% of the Peruvian population (17.6 million) in moderate or severe food insecurity (SOFI, 2024)

High vulnerability to extreme climate events. Ranked 45th out of 180 in the climate risk index (GermanWatch, 2021)

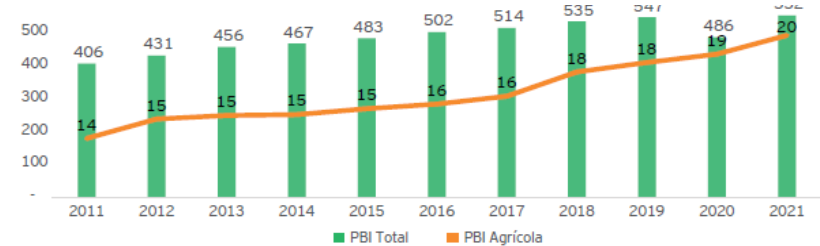
30% Of national territory is destined for agricultural use, of which **46% is located in the highland region.**

97.6 % is family agriculture, and contributes:

- 90%** of VNAP
- 53%** of food supply
- 83%** of agricultural employment



Evolution of total GDP vs Agricultural GDP (\$/ billions)



Fuentes: Banco Central de Reserva del Perú (BCRP), Ministerio de Desarrollo Agrario y Riego (MIDAGRI), Superintendencia de Administración Tributaria (SUNAT)

In the last decade, agricultural GDP grew by a yearly average of **3.9%**, **outpacing the national annual GDP growth of 3.3%**

INVESTMENT CLIMATE



22 commercial deals in force and **58 markets accessed**



Business Climate Index: Ranked 5th in Latin America during the 1st trimester of 2024



Peru is a member in the WTO, APEC, CAN, and an associate member of MERCOSUR



Maritime Transport (2021-2022)

99 operational, licensed, and certified port installations.

- 58 Port terminals y 41 vessel terminals
- Main public-use ports: Callao, Salaverry and Pisco

Load capacity: 110.8 million tons.

New Chancay Megaport will begin operations in November: 1 million containers per year by 2025.

- Main Pacific Ocean logistics hub



Air Transport (2021)

30 airports and over 50 operational aerodromes for passenger and cargo traffic.

Load capacity: 227 million tons.



New Jorge Chávez International Airport: By 2025 it will host 40 million passengers per year



Land Transport (2021-2022)

Current road network: **173,611.26 Km.**

Projected road network: **6,664.66 Km.**



8 líneas férreas operativas

- Public: 1,700.8 Km. (87.09%)
- Private: 252.1 Km. (12.9%)

SUPPORT FOR PUBLIC INVESTMENT

THE GOVERNMENT PROMOTES THE EXECUTION OF EMBLEMATIC PROJECTS TO CLOSE GAPS IN **312,940 HECTARES UNDER IRRIGATION**

8 EMBLEMATIC PROJECTS IN 6 REGIONS OF THE HAND-IN-HAND INITIATIVE

CAJAMARCA

Total investment: US\$ 140 million

Chonta Dam to improve the irrigation of 6.5 thousand hectares. Beneficiaries: 60 thousand families

LA LIBERTAD

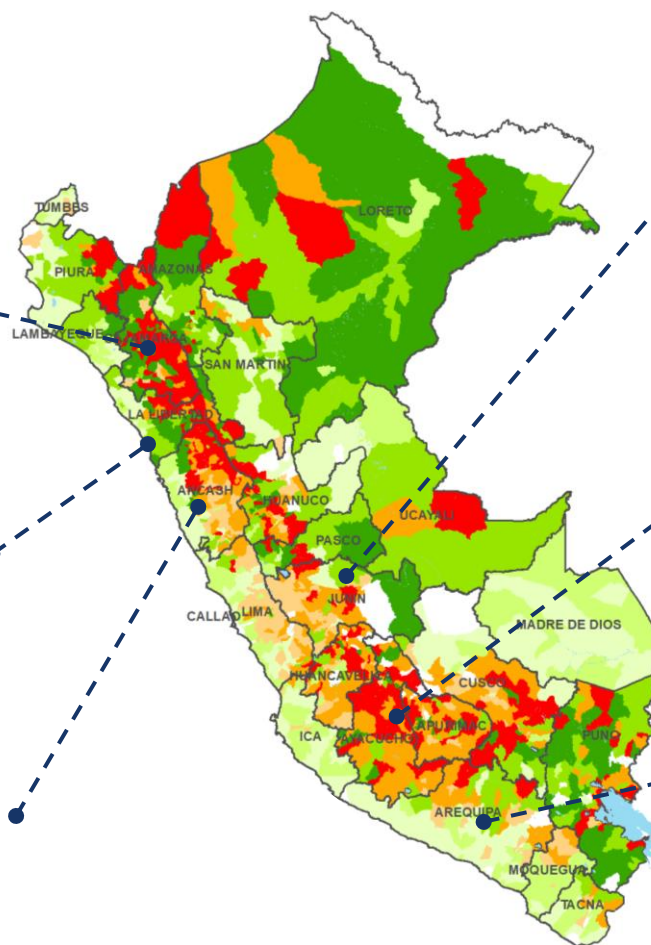
Total investment: US\$ 750 million

Hydropower project **Chavimochic III** to improve the irrigation of 110 thousand hectares. Beneficiaries: 39 thousand families

ÁNCASH

Total investment: US\$ 820 million

Project **Chinecas** to improve the irrigation of 83 thousand hectares. Beneficiaries: 18 thousand families



JUNÍN

Total investment: US\$ 74 million

Irrigation System of the Middle and Lower Basin of the Cunas River to improve the irrigation of 7.2 thousand hectares. Beneficiaries: 78 thousand families

AYACUCHO

Total investment: US\$ 125 million

Iruro and Ancascocha dams to improve the irrigation of 17 thousand hectares. Beneficiaries: 43 thousand families

AREQUIPA

Total investment: US\$ 1,740 million

Majes Siguas and Yanapujio projects to improve the irrigation of 48 thousand hectares. Beneficiaries: 353 thousand families

INCENTIVES, SUSTAINABILITY & SUPPORT FOR FOR INVESTMENT

Favorable conditions for foreign investment:

- Legal stability agreements
- Right to free competition and guarantee of property
- Freedom of access to internal and external credit, transfer of capital, remittances of royalties and profits
- Tax benefits for agro-exports. i.e. Drawback in avocado



New guarantee fund mechanism!

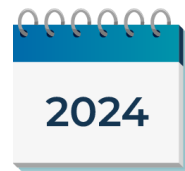
Strengthening of the AGROPERÚ Fund to provide guarantees to cover credit risks of private investment



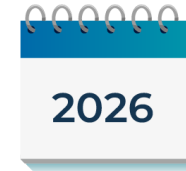
International Celebrations declared by the UN:



World Potato Day



International Year of Camelids



International Year of Grasslands and Pastoralists

INVESTMENT OPPORTUNITIES

Organic Highland Avocado

In 3 economic corridors



Andean Grains

In 3 economic corridors

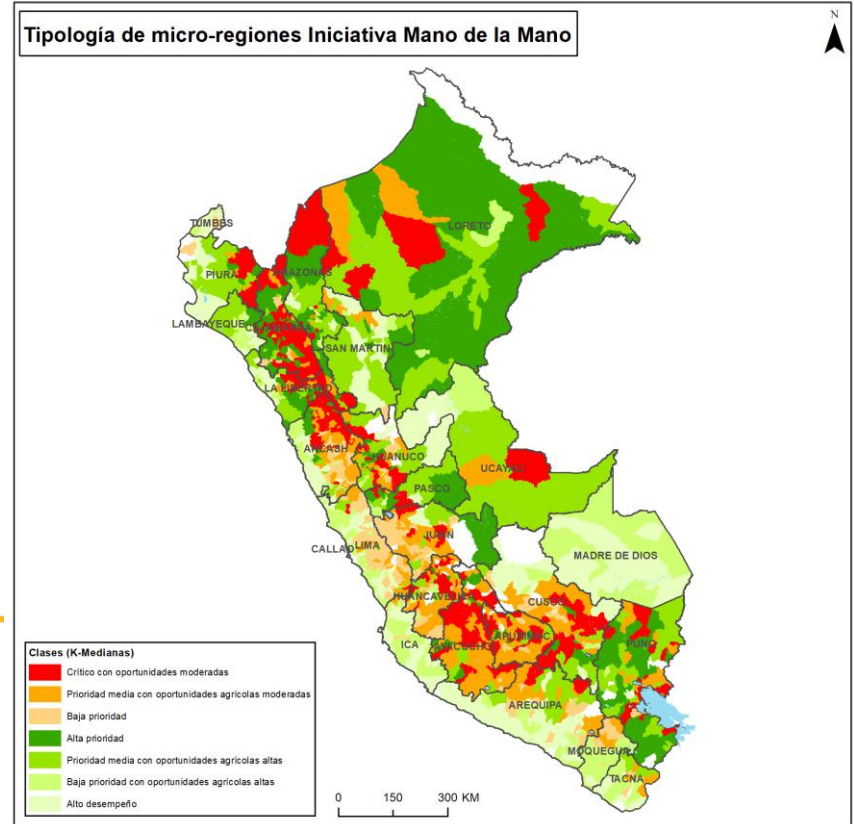


Organic Native Potato

In 5 economic corridors

Andean Highland Camelids

In 1 economic corridor



Investment opportunities in Andean territories across 12 of Peru's 24 regions

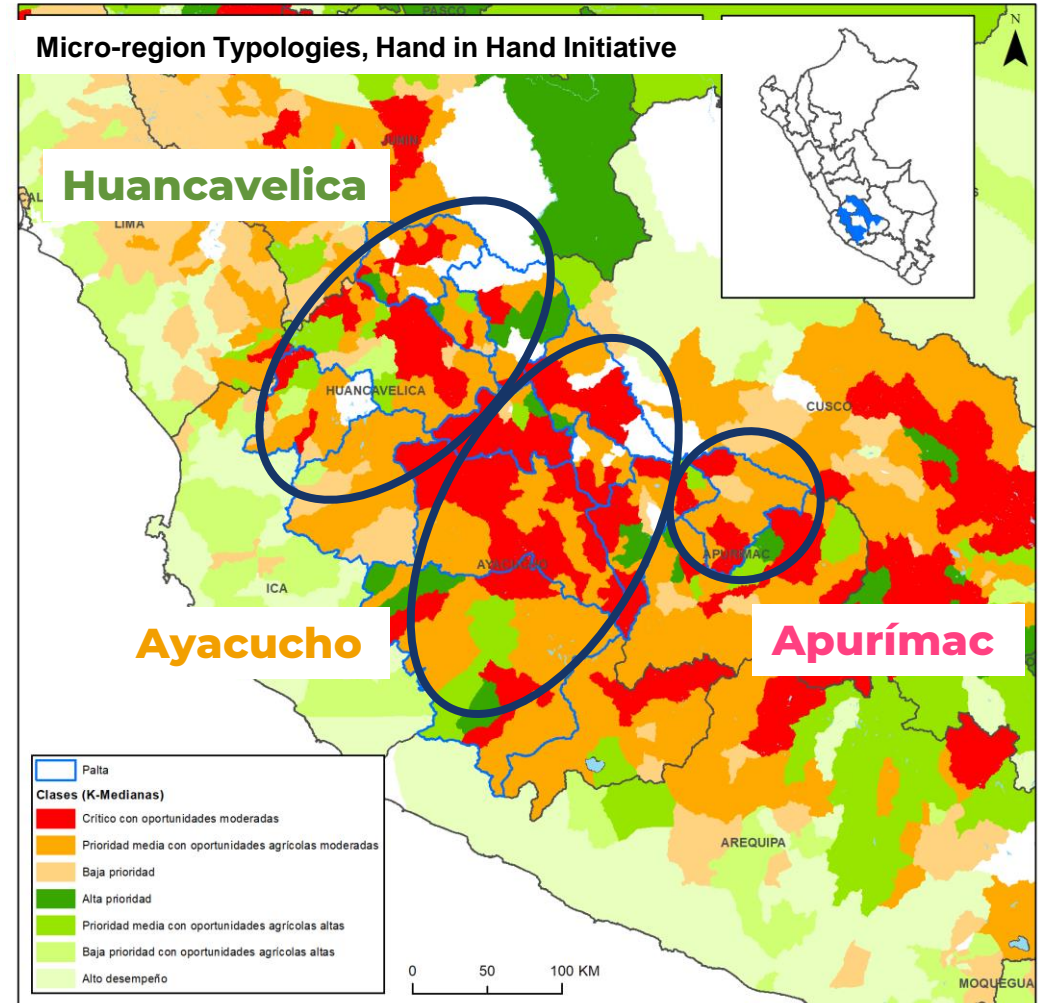
ORGANIC HIGHLAND AVOCADO

3 economic corridors



Organic Highland Avocado:

Permanently feeding Peru and the world



INVESTMENT CONTEXT ORGANIC HIGHLAND AVOCADO



Distinct seasonality from coastal Hass avocados - taking advantage of potential market from January to April.

Constant market availability of avocados



33% higher yield than coastal production. Availability of technified irrigation.

High yield

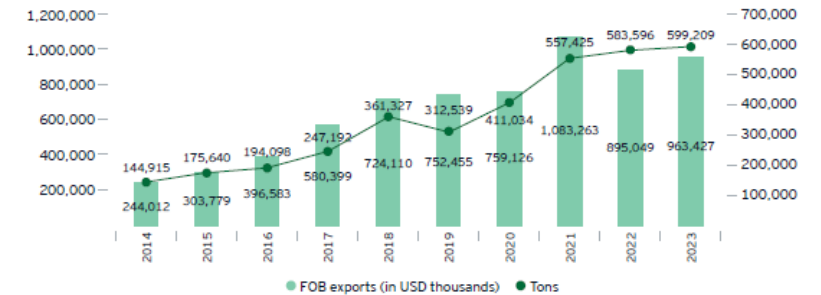


Agroecological conditions for organic production

Organic certification

- Global export market expanding: 3.5 million tons by 2028.
- Peru: 2nd world exporter of avocado in 2023

Evolution in avocados exports



Source: Ministry of Agricultural Development and Irrigation (MIDAGRI).

- Main markets: Netherlands, Spain, the United States and the United Kingdom.
- Peruvian organic avocado market in sustained growth between 18% and 25% per year since 2019.
- Soon! Approval of phytosanitary protocols for export to China.



ORGANIC HIGHLAND AVOCADO

Total Investment USD 53,079,419

Profitability indicators of private investment

FNPV USD 19,690,923

EIRR 23,7%

B/C 1.25

Investment Descriptions	Cost
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PRIVATE INVESTMENT	
Cluster for the collection and primary processing of avocados for the classification of production with export quality	USD 12,637,320
Cluster for the transformation of discarded avocados into avocado sauce	USD 8,052,720
Microfinance institution for access to technical assistance, obtaining organic certification, and installation of precision irrigation technologies	USD 14,042,067

PUBLIC INVESTMENT	
Construction of reservoirs for water capture and storage to ensure water security	USD 16,195,496
Business plans for avocado production improvement (2023 – 2027)	USD 2,151,793

Bottlenecks Addressed

- Individual marketing, in bulk, without quality classification and post-harvest losses: low prices
- Low productivity and lack of organic certification for export
- Water insecurity: high water demand in the identified territories affecting the availability of water required for production

Beneficiaries: 4,500 families directly and 22,500 indirectly along the value chain

Income Increase: Up to USD 5,964 per capita

Emission Reductions: -103,480 tCO₂-e

R1: Reduction of global avocado demand

R2: Water scarcity due to low rainfall

M1: Advantage of offering supply in months where coastal production ceases

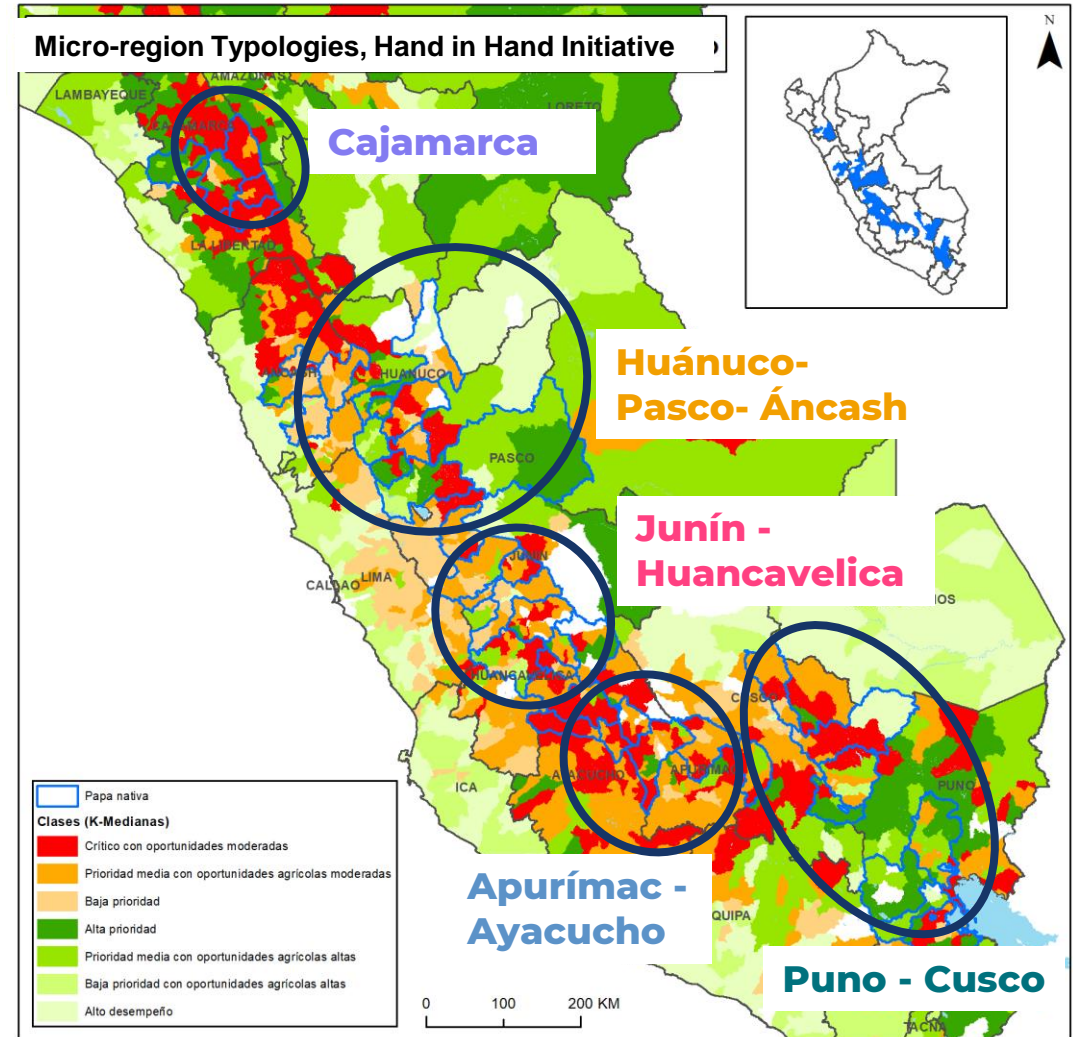
M2: Strengthening water capture systems and improving their efficiency

ORGANIC NATIVE POTATOES

5 economic corridors



A Peruvian
to feed the world



INVESTMENT CONTEXT ORGANIC NATIVE POTATOES



Peru has +4000 varieties, predominantly native.

Potato biodiversity



Domestication by ancient cultures. Initiated 7,000 years ago. Custodianship by Andean highland communities.

Historical and cultural identity



Organic production and/or agricultural best practices for native potatoes, with growing adhesion

Organic production with adhesion

- Consumption of 92 kg/p/year in Peru, likely to continue growing
- Increasing prices and production of native potatoes – Potential addition of 7,500 hectares
- Annual growth of 5.5% in global potato and derivative market (2020-26)
- New! Concession of of the Huancayo-Huancavelica Train Modernization Project for USD 565 million.

ORGANIC NATIVE POTATOES

Total investment USD 89,884,605

Profitability indicators of private investment

ENPV

USD 53,467,914

EIRR

23,3%

B/C

1.30

Bottlenecks Addressed

- Low productivity and commercial quality: lack of access to quality seeds, water scarcity and inefficient management, low mechanization
- Individual marketing, in bulk, without quality control and without added value: low profitability
- Limited access to financing for production and little diversification of products with rotation crops

Beneficiaries: 11,000 families directly and 30,000 people indirectly along the value chain.

Income Increase: Up to USD 2,585 per capita

Emission Reductions: -80,490 tCO₂-e

R1: Climate disasters: lack of rain, occurrence of frost.

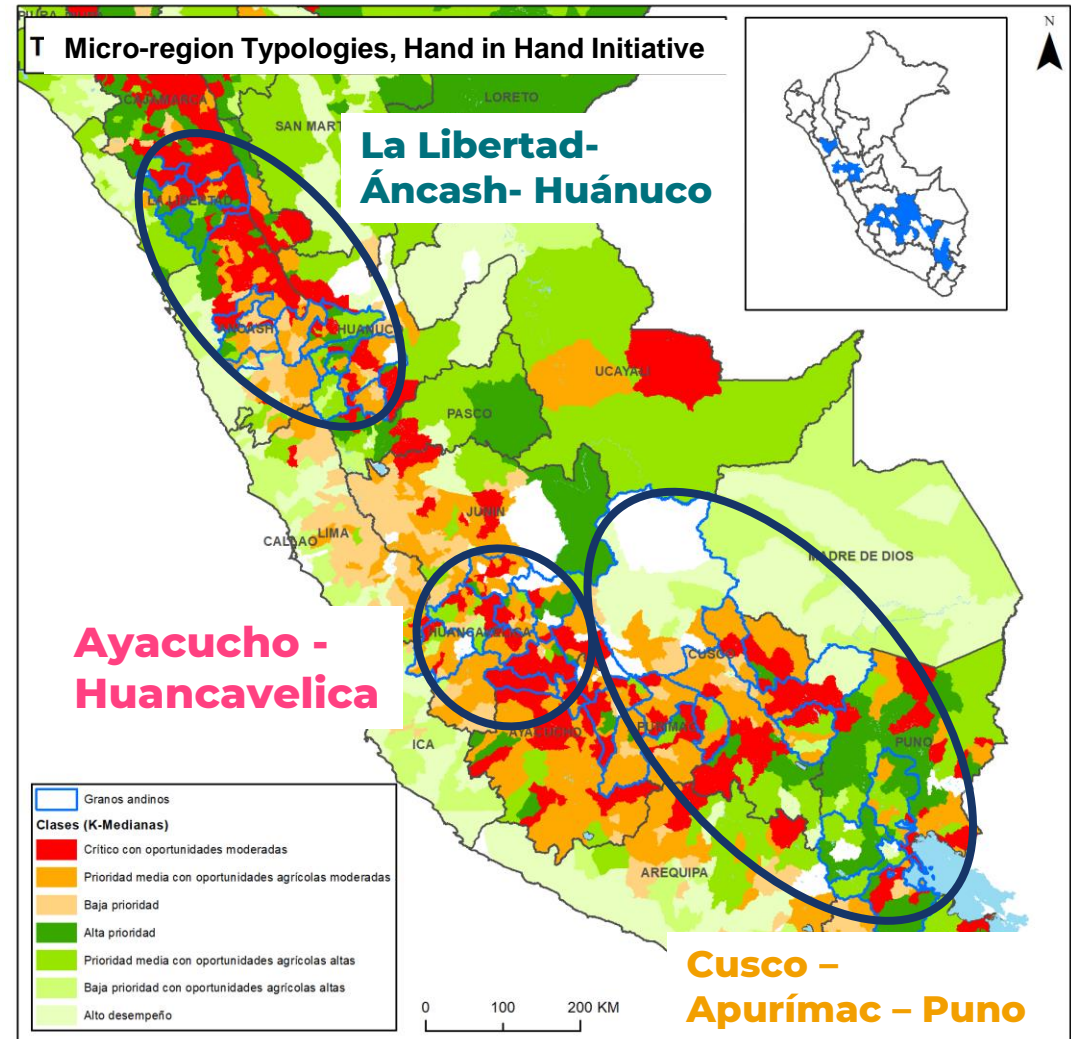
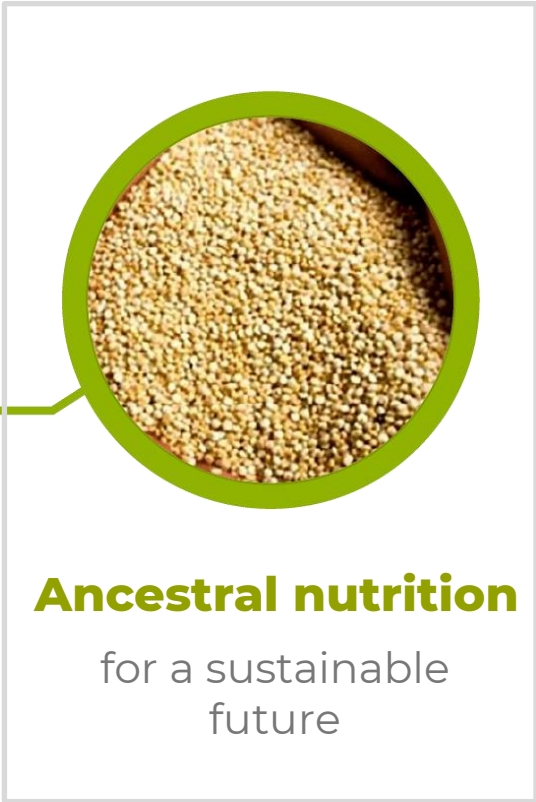
M1: Use of more resilient varieties.

M2: Taking advantage of the growing demand for native potatoes.

Investment Descriptions	Cost
PRIVATE INVESTMENT	
7 Units of certified seed production.	USD 2,055,635
10 Microfinance institutions to strengthen the level of production	USD 3,911,685
Inclusion of rotation crops and mechanization in 6 locations	USD 2,313,714
Implementation of precision irrigation technologies in 10 locations	USD 17,961,081
5 Clusters for collection, primary processing, and packaging: 10 plants	USD 20,199,381
5 Clusters for secondary processing: 8 chip plants, 8 flour plants, 8 dehydrated potato plants, 8 frozen pre-cooked potato plants. Total = 32 plants	USD 24,768,177
PUBLIC INVESTMENT	
Construction of reservoirs for water capture and storage to ensure water security	USD 6,774,988
Business plans for potato production improvement (2023 – 2027)	USD 11,899,943

ORGANIC ANDEAN GRAINS: TARWI & QUINUA

3 economic corridors



INVESTMENT CONTEXT

ORGANIC ANDEAN GRAINS: TARWI & QUINUA



“Super foods”: rich in proteins, fiber, vitamins, essential minerals, like iron, calcium, phosphorus, and zinc.

High nutritional value



Contribute to biodiversity conservation and environmental responsibility

Biodiversity



Contribute to biodiversity conservation and environmental responsibility

Income generation

- For the eighth consecutive year, Peru is the world's leading exporter of quinoa.
- Main markets: United States, Canada, Europe, Asia, and Australia.
- Growth of the global quinoa and tarwi market at a compound annual rate of 12.4% and 6.5% respectively until 2030



PROQUINUA Project in Puno
 Improvement of production, organic certification, added value, fair trade and quality.
 Total investment: US\$2.5 million
 Beneficiaries: 1,743 producers

ORGANIC ANDEAN GRAINS: TARWI & QUINUA

Total Investment USD 42,002,919

Profitability indicators of private investment

ENPV

USD 27,018,273

EIRR

23,1%

B/C

1.51

Bottlenecks Addressed

- Comercialización a granel sin valor añadido, bajos precios y baja rentabilidad
- Scarcity of financing and resources for production mechanization
- Low productivity per hectare and water scarcity

Beneficiaries: 6,420 families directly and 25,680 families indirectly along the value chain.

Income Increase: Up to USD 2.270 per capita

Emission Reductions: -58,802 tCO₂-e

R: Water scarcity. Soil degradation. Climate change.

M1: Water management practices and agroecological agriculture.

M2: Use of climate-resistant varieties and strengthening of storage infrastructure.

Investment Descriptions	Cost
PRIVATE INVESTMENT	
8 Microfinance institutions to strengthen the level of production	USD 1,071,795
Mechanization in 8 locations	USD 4,080,409
Implementation of precision irrigation technologies in 8 locations	USD 8,942,378
1 Cluster for collection, primary processing, and packaging of Tarwi: <i>03 debittering plants and 01 oil plant = 04 plants</i>	USD 1,870,390
2 Clusters for collection, processing, and packaging of Quinoa: <i>05 pearling plants, 03 flake and powder plants = 08 plants</i>	USD 12,802,186
PUBLIC INVESTMENT	
Construction of reservoirs for water capture and storage to ensure water security	USD 7,061,602
Business plans for productive improvement of quinoa and tarwi (2023 – 2027)	USD 6,174,159

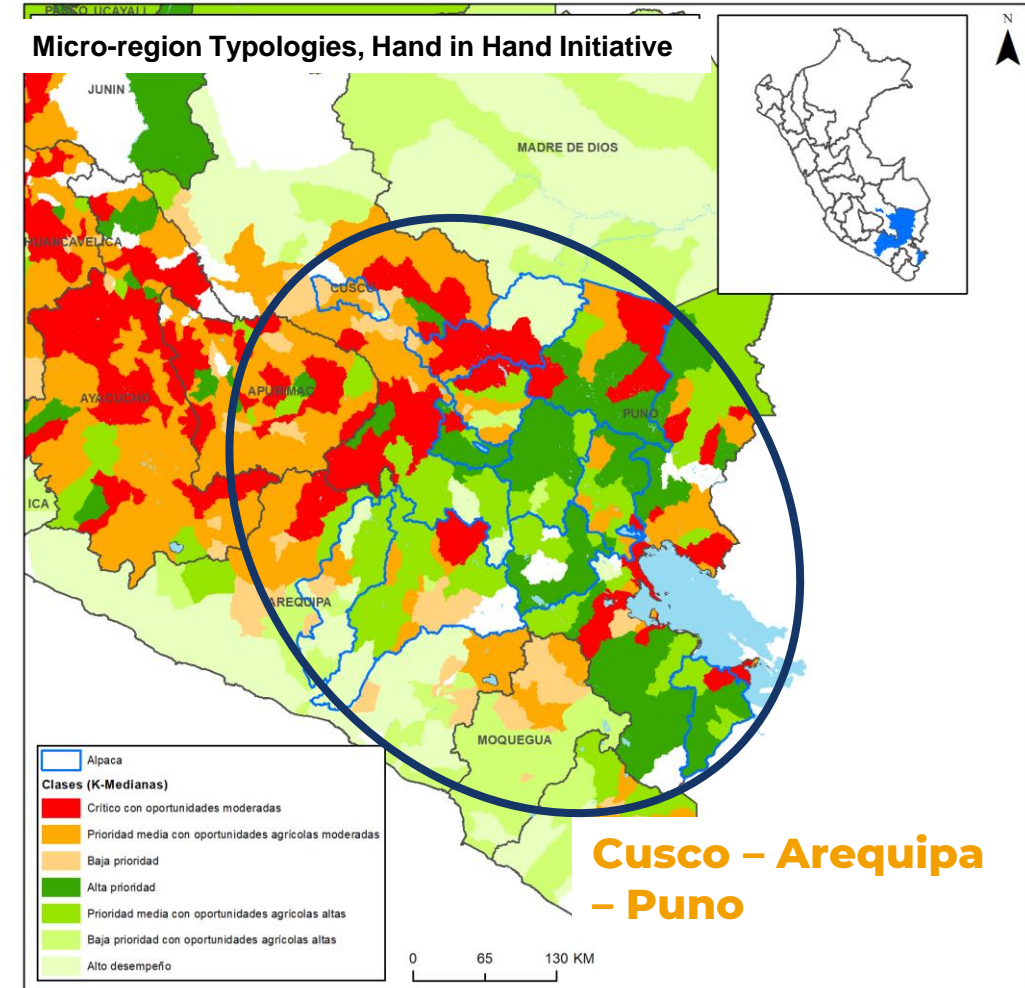
ANDEAN HIGHLAND CAMELIDS

1 economic corridor



The finest fibers in the world

Produced by South America's autochthonous mammals



INVESTMENT CONTEXT ANDEAN HIGHLAND CAMELIDS



Puno, Arequipa, and Cusco concentrate 71% of national production with 3,186,232 heads

Areas with high development potential



Peru is the largest producer of South American camelids, with 80% of the world's population.

Southern region, natural corridor



Peru is the world's leading producer of fine quality alpaca fiber

**Present in 65 markets around the world.
Top destinations: China, USA, Italy**

- Global market of US\$ 786 million in 2022
- Peruvian exports have grown 35% in the 2019-2023 period.
- October 21-26: Alpaca Fiesta, the most important alpaca event in the world (Arequipa)



Public purchases of alpaca products

Acquisition of 1.2 million sweaters for preschool and primary school students above 2,000 meters above sea level
Total investment: US\$22 million
Beneficiaries: 11,600 families of alpaca producers

HIGH ANDEAN CAMELIDS (ALPACA FIBER)

Total investment USD 53,554,848

Profitability indicators of private investment

- ENPV** USD 16,227,001
- EIRR** 27,8%
- B/C** 1.27

Investment descriptions	Costo
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PRIVATE INVESTMENT

Cluster for alpaca fiber processing: 04 plants for the production of alpaca tops	USD 7,887,751
Microfinance institution to strengthen the level of production (installation of greenhouses and cultivated pastures, implementation of precision irrigation, technical assistance, and animal welfare certification)	USD 21,081,762

PUBLIC INVESTMENT

Construction of reservoirs for water capture and storage	USD 22,359,390
Planes de negocio para mejoramiento productivo de productos de alpaca (2023 – 2027)	USD 2,225,945

Bottlenecks Addressed

- Low-quality feeding due to overgrazing and limited water resources
- Low-efficiency shearing process that compromises fiber quality
- Low bargaining power in pricing due to undifferentiated product

Beneficiaries: 2,933 families directly and 14,665 families indirectly along the value chain.

Income Increase: Up to USD 616 per capita

Emission Reduction: -224,630 tCO₂-e

R1: Variability in fiber quality

R2: Market and financial risks

M1: Farmer training programs and genetic improvement

M2: Promotion of income diversification through rural tourism and the sale of other derivatives. Access to public financing.

2024 INVESTMENT PLAN FOR PERU

USD 238,521,767
Total investment plan

USD 74,843,316
Government contribution

USD 163,678,451
Investment gap

24.5%
General average IRR

USD 116,405,548
Total investment NPV

USD 2,859
Average per capita income increase

24,853
Direct Beneficiaries
92,845
Indirect Beneficiaries

467,402 tCO₂-e
Reduction in carbon emissions

Intervention

ORGANIC HIGHLAND AVOCADO

Total cost (USD)

US\$ 53,079,419

Government contribution

US\$ 18,347,289

Investment gap

US\$ 34,732,107

IRR (%)

23,7%

NPV

US\$ 19,692,360

Sustainability Benefits

Beneficiaries: Up to 27,000 people directly and indirectly benefited

Income increase:

USD 5,964 per capita

Emission Reductions:

-103,480 t CO₂-e

Intervention

ORGANIC NATIVE POTATOES

Total cost (USD)

US\$ 89,884,604

Government contribution

US\$ 18,674,931

Investment gap (USD)

US\$ 71,209,673

IRR (%)

23,5%

NPV

US\$ 53,467,914

Sustainability Benefits

Beneficiaries: Up to 41,000 people directly and indirectly benefited

Income increase: USD 2,585 per capita

Emission Reductions:

-80,490 tCO₂-e

Intervention

ORGANIC ANDEAN GRAINS

Total cost (USD)

US\$ 42,002,919

Government contribution

US\$ 13,235,761

Investment gap (USD)

US\$ 28,767,158

IRR (%)

23,1%

NPV

US\$ 27,018,273

Sustainability Benefits

Beneficiaries: Up to 32,100 people directly and indirectly benefited

Income increase: USD 2,270 per capita

Emission Reductions:

-58,802 tCO₂-e

Intervention

ANDEAN HIGHLAND CAMELIDS

Total cost (USD)

US\$ 53,554,848

Government contribution

US\$ 24,585,335

Investment gap (USD)

US\$ 28,969,513

IRR (%)

27,8%

NPV

US\$ \$16,227,001

Sustainability Benefits

Beneficiaries: Up to 17,598 people directly and indirectly benefited

Income increase: USD 616 per capita

Emission Reductions:

-224,630 tCO₂-e