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A.I.D. EVALUATION SUMMARY PART I

(BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS)

A. REPORTING A.I.D. UNIT:
 USAID/Peru
 (Mission or AID/W Office)
 (ES#)

B. WAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN?
 yes slipped ad hoc
 Eval. Plan Submission Date: FY87, 0 1st

C. EVALUATION TIMING
 Interim final ex post other

D. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated; If not applicable, list title and date of the evaluation report)

Project #	Project/Program Title (or title & date of evaluation report)	First PROAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LOP Cost ('000)	Amount Obligated to Date ('000)
527-0166	Non-Traditional Agricultural Export Promotion Project	1985	5/87	223.5	223.5

E. ACTION DECISIONS APPROVED BY AID/W OFFICE DIRECTOR	Name of responsible Action	Date Action to be Completed
<p>Action(s) Required</p> <p>No specific actions are required because the Project has terminate^d. However, findings and recommendations will be important in the design of a proposed FY 88 Agricultural Export Agri-business Development Project.</p>		

(Attach extra sheet if necessary)

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo 6 day 22 yr 87

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

Project/Program Officer Signature: <i>Erhardt Rupperecht</i> Typed Name: Erhardt Rupperecht OARD Date: <u>7-30-87</u>	Representative of Borrower/Grantee N/A Date: _____	Evaluation Officer <i>[Signature]</i> Luis Arreaga, PROG Date: <u>8/14/87</u>	Mission or AID/W Office Director Donor M. Lion, D <i>[Signature]</i> Date: <u>8/20/87</u>
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ii. EVALUATION ABSTRACT (do not exceed the space provided)

This pilot project aims to expand the capacity of a local private foundation, the National Development Foundation (FDN), to work in five coastal valleys or export centers in generating commitments with US firms to organize and install production, packing and export-import arrangements for non-traditional agricultural exports. The purpose of the evaluation was to measure project performance against initial objectives and to assess the potential to expand or design a larger scale activity in the non-traditional agricultural export promotion area. The final evaluation was prepared by a USAID and contractor team based on a review of project documents, interviews with exporters, FDN staff, and GOP officials as well as a survey of 53 exporting firms. The project was able to develop close linkages with the S&T Bureau's Project Sustain and PRE Bureau's Fund for Multinational Management Education which provided production, processing and marketing technical assistance as well as fostering linkages between US and Peruvian businessmen and agricultural producers. The FDN used the assistance under this Project and AID/W centrally funded activities to generate new investments and export sales totalling over US\$3.4 million; demonstrating the ability of Peruvian producers to supply export markets and the existence of significant market opportunities. The major findings and conclusions are:

- The FDN has generated unique and specific knowledge about the agricultural production and export process including data on buyers and markets, prepared technical and economic feasibility studies, and developed field trials on export commodities. FDN activities provided assistance to producers that they have not received from public sector institutions.
- The project developed interest among local producers and linkages between potential importers especially in the US and Peruvian commodity producers. Effective technical assistance and workshops dealt with specific technical/economic feasibility areas to initiate non-traditional agricultural export projects.
- An expanded effort in the area of agricultural export promotion under a proposed USAID project should involve private and public sector institutions to develop coherent policy dialogue agendas. Policy and regulatory constraints must be addressed to fully exploit the production and market opportunities demonstrated under this project.

The key lesson learned is that market demand oriented commodity development programs with small and medium producers can be successful if they involve the private sector and access to export oriented production/processing/marketing assistance is facilitated. These services are not provided by public sector export promotion institutions.

I. EVALUATION COSTS

1. Evaluation Team		Contract Number OR	Contract Cost OR	Source of
Name	Affiliation	TDY Person Days	TDY Cost (US\$)	Funds
c. Richard Webb	Contractor	P.O.527-0000-0-00-6554-00	7,500	PD&S
c. Vilma Gomez	National Agrarian University	P.O.527-0000-0-00-6543-00	1,000	PD&S

2. Mission/Office Professional Staff Person-Days (estimate) 2

3. Borrower/Grantee Professional Staff Person-Days (estimate) 20

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A.I.D. EVALUATION SUMMARY PART II

J. SUMMARY OF EVALUATION FINDINGS, CONCLUSIONS AND RECOMMENDATIONS (Try not to exceed the 3 pages provided) Address the following items:

- Purpose of activity(ies) evaluated
- Purpose of evaluation and Methodology used
- Findings and conclusions (relate to questions)
- Principal recommendations
- Lessons learned

Mission or Office: USAID/Peru

Date this summary prepared: 7/30/87

Title and Date of Full Evaluation Report: Non-Traditional Agricultural Export Promotion Project Evaluation

1. Purpose of the Activity Evaluated - The purpose of this grant pilot project was to support the activities of the National Development Foundation designed to generate commitments between US firms and Peruvian producers, agribusiness and export firms to organize and install production, packing and export-import arrangements for non-traditional agricultural products in five coastal valleys. Grant funds would be used by the FDN to:

- identify producers willing to produce for export markets
- consolidate the formation of producer group leaders to facilitate organization, coordination and production problem-solving
- continue to provide technical assistance services and analysis of market opportunities/requirements to producers and exporters through the efforts of consultants and activities provided by the FDN, the S&T Bureau's Office of Nutrition Project Sustain, International Executive Service Corps and the GOP's Export Promotion Fund.
- consolidate the establishment of a commercial and market intelligence information system.
- develop production, post harvest management and marketing opportunity studies in association with the private sector.
- facilitate direct contact between Peruvian producers and exporters with foreign and especially US businesses.
- conduct workshops to bring together US private sector and Peruvian private sector agricultural producers/processors and exporters.

Agroindustrial exports appear to offer an especially attractive opportunity for short-run impact on the GOP balance of payments and are consistent with the government's longer run priorities of agricultural development and economic decentralization. The project was also consistent with USAID's goal of increased private sector participation in agricultural production /processing and marketing.

2. Purpose of the Evaluation and Methodology Used - The purpose of the evaluation was to: 1) measure project performance against objectives as well as provide lessons learned from this pilot project; and 2) provide an overall assessment of the potential for and obstacles to increased exports and recommendations on activities that might be undertaken under a new USAID project.

The evaluation methodology consisted of interviews with exporters, FDN staff, government officials and other persons involved in activities related to either agricultural exports or the FDN to obtain information to assess the project and the general potential for agricultural exports. A special questionnaire study of 53 exporting firms was used to supplement the general interviews.

3. Findings and Conclusions

General

Non-traditional exports in 1986 contributed 11%, or US\$72 million, of total exports. Their behavior has been notably irregular fluctuating considerably from year to year, with significant changes in product composition. The potential for non-traditional exports exists and is recognized as a critical investment area. FDN has contributed to this recognition through its seminars, workshops, and participation in actual export projects. Firms involved with non-traditional agricultural exports are small, dependent on Peruvian capital, highly specialized, and predominantly young. Relationships with producers can be characterized as casual, with little technical assistance provided. At this time, the firms appear less oriented toward long run stable supply activities and in developing new market possibilities. However, they exhibit entrepreneurial characteristics of a young dynamic industry with the potential to respond quickly to rapidly changing market conditions.

The regulatory environment is complex and lengthy which creates uncertainty for scheduling agricultural export production/processing and marketing activities. Foreign exchange regulations cause additional uncertainty. Nevertheless, with the major exception of the exchange rate, the overall policy environment for non-traditional exports has become more favorable and is expected to continue. Pressures are developing for changes in exchange rate policy which would promote expansion of export oriented earning activities. In addition, the larger business groups are beginning to expand into agriculture a result of recent changes in Agrarian Reform regulations which increase the maximum size of land-holdings by private companies - a significant and promising development.

Project Specific

FDN has developed a hands-on technical and demand/market focused commodity development approach to draw farmers into export activities. FDN provides access to expertise so they can address emerging production and processing problems. No Peruvian public or private entity promoting agricultural exports has heretofore provided this expertise or service.

Technical assistance available from the S&T Bureau Project Sustain and PRE Bureau Fund for Multinational Management Education Project has been invaluable in developing and implementing the methodology.

While the focus initially was on the production side, FDN quickly found itself in relatively labor intensive activities to address emerging processing and marketing bottlenecks. However, it is usually this attention to the details that can make or break an export project. FDN's reputation has been enhanced and demands for its services are increasing with clients cost sharing with FDN for the services.

Principal Recommendations

- FDN will need to determine whether to organize itself functionally to provide services to a wide range of exporters or concentrate on vertically integrated export projects. Because of its relatively small size and risk of overextending itself, it should initially focus on the latter.

The expansion of Peru's non-traditional agricultural exports clearly implies a larger scale effort. However, it will require more than a simple expansion of this project. Elements of domestic/international trade policy and market demand external to the FDN will influence the success of export promotion efforts. The FDN's natural client group has been risk-taking small and medium sized producers/exporters. A new project may want to build links with larger scale operations as well as other public/private institutions - involved in export promotion and policy. Whether FDN or any other single existing private or public institution can currently play that lead role in carrying out policy analysis and providing market and technical information is questionable. The policy elements and involvement of other institutions needed to be incorporated in a new project.

Non-Traditional Agricultural Export Promotion Pilot Project Evaluation

L. COMMENTS BY MISSION, AID/W OFFICE AND BORROWER/GRANTEE

The Mission considers that the evaluation more than adequately covered the items listed in the scope-of-work. It provides useful recommendations for consideration of a follow-on project activity. In particular, the importance of promoting coherent, and broader participation to effectively carry out export policy dialogue will be one of the critical elements in the design of a follow-on project.

NON-TRADITIONAL AGRICULTURAL EXPORT PROMOTION PILOT PROJECT
EVALUATION

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I. SUMMARY

This evaluation has examined the potential for non-traditional agricultural exports in Peru from two perspectives, first by reviewing the experience of an AID pilot project aimed at the promotion of that activity and carried out by two private agencies, the Foundation for Multinational Management Education (FMME) and the Fundacion para el Desarrollo Nacional (FDN), and second through an assessment of the non-traditional agricultural export sector in Peru's present macroeconomic context. From both perspectives the main finding is that, though the sector is as yet a relatively small actor in Peru's economy, it offers considerable opportunity on grounds of comparative advantage and proven market possibilities, and that it deserves very high priority in view of its potential for rapid generation of foreign exchange at a moment when Peru's economy is facing a severe foreign exchange shortage that will limit growth and add to inflationary pressures.

The potential for this activity is enhanced by the exceptionally favorable climate on the Peruvian coast. This gives Peru a special advantage in the form of a capacity to select the harvesting periods best suited to seasonal, high-price windows in foreign markets, particularly for fresh fruits and vegetables. The potential is also supported by signs of a substantial entrepreneurial interest. This is here currently inhibited by macroeconomic and institutional instability. Nevertheless it has grown considerably during the last year, stimulated in part by promotional efforts by the FDN as well as FOPEX and ADEX, but driven also by the increasingly evident profitability of this activity.

Government policy is also becoming more biased in favor of non-traditional agricultural export. This is partly a result of a strong pro-agriculture stance that is beginning to reverse the urban and industrial bias of policy during the last several decades, and partly a response to a growing need for rapid expansion in foreign exchange earnings. The government's attitude has been reflected in numerous recent initiatives indicating a resolve to overcome the obstacles that continue to hold back a major thrust by private investors in this area. At the same time, however, these initiatives have been weakened by a lack of coordination among ADEX, FOPEX, ICE, and the FDN, as well as other institutions whose decisions have major effects, such as the economy and production ministries, and the Central

Bank. The growth of regulation and bureaucratic intervention has also acted to erode recent government efforts to promote this activity. Finally, several key needs appear to be neglected by most of these efforts, particularly work at the production end, such as farmer education and organization, quality control, and aggressive economic diplomacy to open and protect markets.

The AID pilot project, begun in 1984, and channeled through a small local private foundation, the FDN, was intended to allow the latter to continue and intensify its work in five coastal valleys or export centers in generating "commitments between US firms to organize and install production, packing and export-import arrangements for non-traditional agricultural exports..." Working closely with another private organization, the US-based FMME, the FDN has helped generate new investments and export sales totalling over \$1.2 million with an estimated \$4.0 million of sales based on declared buyer intent, thus demonstrating both the interest and ability of Peruvian producers and the existence of significant market opportunities. Aside from its concrete accomplishments and its demonstrated and now recognized ability to promote and broker export development, the FDN experience has been an important source of information on all aspects of the export process. Key lessons learned include the importance of educating producers to the demands of the market, the critical role of technical assistance in production and in all other phases of the process, the willingness of potential buyers to invest in production and processing, and the critical role to be played by an institution like the FDN in coordinating all phases of a potentially profitable but also extremely complicated and vulnerable activity.

On the basis of this evaluation the team recommends an expansion of the current pilot project with the FDN. In view of the momentum of ongoing FDN efforts, of the high level of private sector interest in this activity, and of the immediacy of the foreign exchange problem for the government and its present favorable inclination to non-traditional agricultural exports as a priority solution to the balance of payments situation, we recommend furthermore that this project receive high priority and that a project design be chosen that favors rapid approval and initiation.

The FDN should play a central role in any new project, given the favorable experience of its past efforts and the weakness of alternative channels in both private and public

sectors. Any significant expansion in its activity, however, will require some internal adjustments that will give the FDN the administrative capacity to handle the larger assignment, and to increase its technical capacity to engage in coordination and policy discussions with other institutions. Major thrusts in future efforts should be targeted at the reduction of bureaucratic obstacles, and the creation of greater policy dialogue.

At the same time, the review has identified major obstacles that must be overcome if that potential is to be realized. The failure in recent years to take up the economic opportunity offered by new farm exports can be attributed largely to the high risk that is associated with this activity. One source of risk is the lack of dependable transport, power, and basic services needed for transportation and processing within the highly demanding schedules and quality control requirements of most potential farm exports, especially the more lucrative opportunities in fresh and frozen fruits and vegetables. The main source of risk, however, has become an increasingly unstable institutional and legal environment due to unstable government policies and to growing regulation and controls that are usually applied with no understanding of the sensitivity of agricultural export activity to regulatory uncertainty and delay. Finally, major efforts are required at the production end to induce the cooperative and market-informed responses that are required to generate external economies at the farm level, to increase market power, and to modify production and handling practices to the rigid and specialized requirements of foreign food markets.

II. PURPOSE OF EVALUATION

The purpose of the present evaluation is several fold and for that reason goes beyond the usual scope of a project impact evaluation. The project under consideration, "Non-Traditional Agricultural Export Promotion" (S27-0166) was mounted as a pilot activity. Hence, the team was instructed not only to consider its performance as measured against its initial objectives and to identify the lessons learned that might be derived, but also to evaluate its potential for possible expansion or redesign on a much larger scale. Given the small size of the pilot project and the relatively ambitious objective of the envisioned second

stage, that of significantly increasing the level of Peruvian non-traditional agricultural exports, it was felt that project experience to date, while critical, would still not provide sufficient background for the proposed redesign. Thus, a second purpose of the evaluation is to provide an overall assessment of the potential for and obstacles to increased exports as well as a set of recommendations as to activities that might be undertaken through or in connection with a new project. These recommendations would be directed not only to AID but to the Government of Peru (GOP), various Peruvian public and private sector entities, and other international donor agencies to provide "information and guidance on possible future activities, appropriate policies and project support to facilitate expansion of agricultural exports and trade activities supportive of Peru's technological and economic development".

The scope of work for the evaluation suggested that specific benchmarks to be used in evaluating the project and the performance of the two key institutional actors (FDN and FMME) be taken from project agreement documents. It also provided a list of additional areas and issues to guide the evaluation which are included in Annex C. To the extent possible, the team's efforts were guided by these lists, but it should be noted that limitations on time and human resources have forced us to focus on some topics more than others. Where we have been unable to deal adequately with an issue which seems to merit much more attention, we have indicated the need for future study in the list of recommendations.

III. EVALUATION METHODOLOGY

The evaluation methodology has been guided by the diversity of the matter to be covered, and has of necessity varied during the implementation period following changes in the evaluation team.

The basic procedure, however, has been to use interviews of exporters, FDN staff, government officials, and of other persons in activities related to either agricultural exports or to the FDN to obtain information and arrive at an assessment regarding the specific project under review, and the general potential for agro exports.

The initial team included a larger specialized input in the fields of agriculture and agricultural economics; in the

final report, these aspects have been treated in a more summary way, and greater emphasis has been placed instead on general economic and institutional aspects.

A special questionnaire study of 53 exporting firms was used to supplement the general interviews, and the detailed results are shown in Annex A. In these and in the general interviews, questions were aimed at both the specific issue of FDN and project performance, and the broader issue of the potential for agricultural exports.

It should finally be noted that most of the field work for the evaluation was completed by November 30, 1986 which should be regarded as the effective cut-off date. However, delays in the final write-up and rapid changes experienced by the project and the sector have meant that some of our findings are already out-dated. Where this is most glaringly apparent, we have attempted to update the material.

IV. NONTRADITIONAL AGRICULTURAL EXPORTS: SECTOR ASSESSMENT

H. The Economic Context

A.1 Economic Background to FDN Project

The FDN project was formulated during 1983 and early 1984 in the context of a depressed economy and difficult balance of payments situation. Agroindustrial exports seem to offer an especially attractive opportunity for short-run impact on the balance of payments while fitting in with the government's longer run priorities of agricultural development and economic decentralization.

During the previous decade, the evolution of the economy had been characterized by low overall growth and near stagnation in agriculture: between 1972 and 1982 GDP per capita grew only 0.9% p.a., while farm output per inhabitant declined by 1.1% p.a. Export volume also stagnated in per capita terms.

Agricultural exports performed even less well: their share in total exports fell from 21% in 1972 to 9% in 1982 in response to unfavorable exchange rate and tax policies, dating from the mid-sixties and running through most of the period since then. Agricultural performance was also hurt by the loss of investment and even decapitalization that

resulted from political unrest, especially after the late fifties, including land invasions and agrarian reform proposals. Land reform in the early seventies caused additional disruption, loss of managerial talent, and output decline on many of the larger and more productive estates.

Another feature of the economy that bore on the choice of this project was a secular decline in relative domestic prices for farm products, from an index of 100 in 1950 to 59 in 1982. In part, this was the result of a long run decline in world commodity prices, in real terms, for Peru's traditional agricultural exports (cotton, wool, coffee and sugar), but it was also the result of internal changes in consumption habits caused by massive rural to urban migration and by price policies, both of which encouraged a substitution of imported for domestically grown foods.

The effect of slow growth in farm output was thus compounded by the worsening domestic terms of trade between agriculture and non-agriculture. The result was continuing rural poverty and a worsening income distribution; the share of rural families in national income fell from 37% in 1950 to 14% in 1981.

These long run trends were substantially aggravated in 1983 by the combined effects of a climatic disaster (El Niño), and the withdrawal of credits by the foreign financial community, particularly the commercial banks, that followed Mexico's moratorium on debt payments in late 1982, and which was compounded in Peru's case by financial mismanagement and collapse of its stand-by arrangement with the IMF. At the same time, export prices remained depressed, despite economic recovery in industrialized countries, while protectionist measures, particularly in neighbouring countries, began to affect some of Peru's exports. The effect of all this was to create a balance of payments emergency and a need for the contractionary fiscal and monetary policies implemented during 1983.

The impact of the 1983 crisis was especially severe on exports, and on agriculture, hit by heavy floods along the northern coast and drought in the southern sierra. Agricultural output fell 10% during 1983, while the level of exports declined to \$3.0 billion, down from \$3.3 billion in 1982 and a peak of \$3.7 billion in 1980. Export losses in 1983 occurred in oil (-\$175 million), traditional agricultural products (-\$22 million), fish products (-\$123 million), and non traditional exports (-\$207 million). Gross

national product per person fell by 12% that year, from \$1,310 to \$1,170.

By the end of 1983, it appeared that economic recovery would turn on Peru's capacity to generate rapid growth in foreign exchange earnings. At the same time, prospects for increasing traditional exports were dimmed by projections of continuing slack foreign demand for raw materials and by the low short run supply elasticity of most traditional exports, with the only exception of cotton. Total imports, measured in constant dollars per person, had already been reduced, by 1983, to their lowest level in a decade, and during 1984 they fell even further.

In this context, the expansion of non-traditional exports acquired exceptionally high priority. Fresh and processed farm exports had the added attraction of rapid supply response and high employment requirements for low-income farm and urban labor.

Another consideration in the design of the project was that, by supporting a private and private-sector oriented institution, it would help to correct the excessive and unbalanced growth that had occurred in public sector activity, especially during the "seventies. The share of total value added produced by public enterprises grew from 7.8% in 1955, to 11.4% in 1970 and then jumped to 21.4% in 1975. Frequent policy statements were made by the government between 1980 and 1981 on the need to reduce government involvement in the economy and to support private investment. This objective was met by the private nature of the Fundacion de Desarrollo Nacional, and of the private sector producers and exporters who were the intended direct beneficiaries of the proposed export promotion efforts.

A.2 Current Economic Context

By early 1987 foreign exchange scarcity is threatening to undermine both growth and stabilization objectives in the government's Five-Year Plan. At the same time, prospects for expansion in traditional export lines continue to be bleak. Peru's dependence on future export growth for economic recovery has increased since 1983.

Both national product and agricultural production show substantial recovery since 1983. Most of the output loss directly caused by El Niño, especially in fishing and

agriculture, was reversed when the weather returned to normal in 1984-85. Moreover, Gross National Product grew strongly in 1986, led by a strong pick-up in domestic demand based on fiscal expansion and wage increases.

Exports, however, continued to fall. By 1986, constant (1984) dollar exports per person were only \$122, down by almost half from the historical average of \$208 between 1970-82, before the recent crisis. Projections for total exports in 1987 indicate only a modest increase due to higher mineral prices. Non traditional exports fell in 1986 to \$650 million, down from a 1980 peak of \$845 million. Measured in constant dollars, the decline in non-traditional exports since 1980 equals a discouraging 41 per cent.

At the same time, the debt crisis and the government's debt policy have meant that Peru has lost the capacity to run large deficits on current account in its balance of payments. The 1986 and projected 1987 deficits average 4 per cent of GDP, but the two main sources of financing - disbursements of official and international organization loans, and drawdown of foreign exchange reserves - will dwindle in the coming years. New loan commitments are falling, and the international reserves are limited. By 1989, Peru is unlikely to be able to finance a current account deficit above 1 per cent of GDP. Despite the strong recovery of output and imports during 1986, constant (1984) dollar imports per person were only \$121 during that year, barely half the \$236 imported during 1981-82, and 39 per cent below the average for the preceding 1975-85 decade. As a proportion of GDP, imports were only 12.2 per cent in 1986, less than half the 26.1 per cent average for 1970-82. Since the bulk of these imports are raw materials or capital goods - consumption goods are normally only about 10 to 15 per cent of total imports - the squeeze on import coefficients suggests that production and investment will both be restricted over the medium run by foreign exchange scarcity.

An important indication of that restriction shows up in the shortfall that has already occurred in the Plan's estimate of 1986 and 1987 import needs. Central Bank projections indicate that 1987 imports of goods and services will be \$824 million, or 23 per cent, above the Plan's estimate. The resulting loss of reserves has led the government to impose a strict foreign exchange licensing system that is in turn beginning to hamper both production and investment plans, including numerous projects aimed at

expanding non traditional exports. The tightening of import and other foreign exchange permits has coincided with a marked slowdown in Gross National Product. After growing 17 per cent between the fourth quarters of 1985 and 1986, GDP fell between 1 and 2 per cent during the first four months of 1987.

The limitations on Central Bank foreign exchange have also resulted in a sharp increase in the free exchange rate: between January and May of 1987 the free rate rose by over 60 per cent, creating strong inflationary expectations that probably contributed to the acceleration of inflation during early 1987.

The medium term prospect, therefore, is for a severely curtailed import capacity, barring unexpected and major improvements in export commodity prices, or findings of rapidly exportable new resources. The inability to import, in turn, is likely to place increasing pressure on the rate of inflation, and prevent the government from reaching its medium term investment and output goals. Import substitution will provide some relief, particularly if the government acts vigorously to reduce consumption of imported foods and locally assembled, import-intensive durable goods, and to change its own investment portfolio away from large-scale, equipment-intensive projects. The room for substantial import substitution, however, is limited, as is suggested by the extremely low level of current imports, and by the sharp increase in total imports that occurred in 1986, as well as by the prior need for equipment imports to expand local manufacturing capacity in import substituting activities. The premium on a rapid expansion of non-traditional exports over the next few years, therefore, is very high.

B. Non-Traditional Agricultural Exports

Non-traditional agricultural exports grew considerably in the seventies, rising from \$8 million in 1970 to a peak of \$76 million in 1979. Their level, however, remained static after 1979, following the behavior of non-traditional exports as a whole. By 1986, non-traditional farm exports amounted to \$72 million, still a relatively minor component of the Peruvian economy, contributing 11 per cent of total non-traditional exports and 3 per cent of all exports. Their contribution to total farm income was about 2 per cent, partly reflecting the high processing and marketing costs added to farm product in the case of most of these goods.

The behaviour of non-traditional agricultural exports has been notably irregular, fluctuating considerably from year to year, with even larger changes in product composition. The level remained relatively low through 1977, before tripling in size during 1978-79, and then stagnating again at the higher level. Measured in terms of constant 1986 dollars, the series peaks in 1979-80 with an average of \$99 million per year. The extent of year to year fluctuation is brought out by a comparison of 1985 and 1986 when they totalled \$108 and \$72 million respectively, a variation that is probably best explained by a parallel variation in the real exchange rate.

The composition of these exports has been highly diversified. Processed cocoa products, particularly butter and paste, became the principal non-traditional farm exports in 1977, but even these products accounted for less than a quarter of the total during the early eighties. Canned asparagus and cochinitilla dye have been important in most years. In recent years, fresh-cut flowers, marigold flour, and fruit juices have become significant, with exports amounting to between \$4 and \$7 million a year. In all, a large variety of fruits, vegetables, nuts and spices are exported in small amounts, and in varying degrees and forms of processing. About 80% of total non-traditional farm exports are processed, reflecting the lack of infrastructural and institutional conditions required to deal with perishable products i.e. transport, handling, and bureaucratic processing arrangements that protect product quality and guarantee timely growing and delivery.

As was mentioned above, an important characteristic of these exports has been considerable year-to-year variation, reflecting fluctuations in both domestic supply and foreign demand. Underlying these causes, however, has been a lack of investment in both production and marketing - in stable and expanding sources of supply or in the creation and protection of markets.

The potential of non-traditional agricultural exports to contribute to economic growth and social betterment in Peru is not measured by their present importance in the Peruvian economy, but rather by the growth potential demonstrated during the late seventies and, more modestly, shown in the response to higher profitability in 1985, as well as by the a priori estimations that have been made by numerous specialists who have reported enthusiastically on

the physical, institutional and economic feasibility of a large variety of potential farm exports, especially fresh and frozen fruits and vegetables. Several of these studies were reviewed by the evaluation team. Those feasibility studies have become the basis for investment projects some of which are presently being carried out under FDN promotion efforts and others by numerous private sector investors working more independently.

There has been a recent but widespread recognition by both government officials and private investors that Peru has a major comparative advantage in non-traditional agricultural exports, and that this activity provides one of the most promising, and at the same time, most needed areas for investment and economic development efforts in the current economic context. The FDN has contributed to this recognition, in part through the broader educational results of workshops and other contacts with investors and farmers, but mainly through more direct participation in real investment efforts and discussion of "hard" technical and economic feasibility information.

C. Physical Factors

Peru appears to be particularly well-endowed for a substantial expansion of non-traditional farm exports. Climate, soil, water, and road transport are especially favorable on the coast, but climatic and ecological variety in the sierra and jungle also open numerous opportunities.

Coastal agriculture is based on irrigation and enjoys an unusually stable climate. In the case of products such as vegetables and legumes, the climate makes it possible to adjust harvesting months to off-season periods in foreign markets. Also, though Peru has one of the lowest ratios of arable land to population in the world, a large proportion of coastal acreage is estimated to be needlessly fallow. Poor management and loss of working capital on coastal cooperatives results, each year, in the waste of a substantial portion of total acreage. The National Office of Natural Resource Evaluation (ONERN) has estimated that of the total cultivable acreage on the coast, equal to 800,000 hectares, of which 180,000 hectares, or 22.5% have dropped out of cultivation over the last fifteen years for a variety of reasons that could be reversed with a relatively small investment in improved management or infrastructure. The appearance of more profitable crop opportunities, for

instance, could be expected to induce private investment in desalinization, drainage and minor irrigation improvements that would bring a substantial portion of that unused acreage back into cultivation.

Physical supply constraints have greater weight in the sierra and jungle. Roads and marketing infrastructure are scarce and of poor quality, power is almost non-existent, and climatic variability creates much greater risk than on the coast. On the other hand, these regions contain an extraordinary degree of ecological variety which, in the past, has lent itself to small-scale, extractive activities for export, many limited to gathering (cochinilla, nuts, achiote, barbasco). Efforts to develop more stable, larger scale production for export were hampered by the high cost of transport and the general backwardness of these regions.

In the jungle, rapid changes have been occurring over the last two decades that affect the potential for new farm exports. The positive side of these changes have seen a large expansion in settlement, infrastructure, and services, particularly in "montaña" valleys, along the eastern slopes of the Andes. The negative factors are principally the cocaine industry and environmental degradation. The cocaine industry competes for land and labor and, in much of the area, creates an insecure environment. Wage costs in cocaine areas are commonly higher than those on the coast. Hillside expansion of "cocales" also results in severe soil and water erosion.

D. Institutional Factors

The potential for new farm exports in Peru is largely determined by institutional features, such as the experience and other characteristics of private enterprise, particularly in agriculture, the regulatory environment and its bias, the functioning of capital, labor and land markets, and the presence and influence of promotional private sector and government organizations directed at export and/or agricultural development.

(a) Private enterprise

Despite the high degree of openness of Peru's economy -- the ratio of exports and imports of goods and services to GDP averaged 44 per cent between 1970 and 1985 -- and the historical importance of wool, cotton, sugar and coffee exports, the pool of expertise and managerial talent in the

agricultural export sub-sector is relatively thin. In fact, farm exports, including non-traditional products, have been declining continuously, from a peak of about 9% of GDP during the early fifties, to about 1.5% in the early eighties. In addition, the agrarian reform led to a loss of skilled managers and entrepreneurs involved in growing and marketing traditional farm exports. By the early eighties, the ADEX directory of exporters of non-traditional farm and agroindustrial products registered about 175 firms, but many of these exported only occasionally or small amounts, most were small trading companies, rather than producers, and most were recent entrants, with only a few years of experience. Despite their earlier importance, farm exports had become a marginal activity for the private sector as a whole. To a large extent, the future expansion of this activity, therefore, would depend on the speed at which private firms could be encouraged into, and assisted through an apprenticeship stage.

A more systematic examination of the experience of exporters of non-traditional agricultural exports was carried out through a questionnaire survey of a sample of 53 firms. The detailed results of that survey are included in this evaluation in Annex A.

The results of the survey suggest that the companies typically involved with non-traditional agro exports tend to be highly specialized and strongly committed to this type of export product. The firms are predominantly young, and with leadership that is also young and with rather limited export experience: 82% of the firms responding had less than 10 years of experience in these lines, while a third had less than three years experience; only half of the top management interviewed had more than 6 years experience in any type of exporting. The sample also bears out the aggregate statistics which imply that most operations are of small size: FOPEX statistics record 47 firms with exports of over \$250,000 in 1985. Financial underpinning appears to be heavily Peruvian.

The relationship between exporters and producers tends to be predominantly casual in nature, and the incidence of signed purchase contracts, advance payments, or technical assistance provided by exporters to their suppliers is low. There is a general absence of fieldmen and of concerted efforts to either assist the farmers or to assure higher quality product at the source, suggesting a type of exporter that is less oriented towards a long run, stable-supply

activity, and that, instead, has an attitude that emphasizes exploiting known and previously familiar markets and spot opportunities, rather than working with producers to develop new market possibilities or more stable operations with old products.

These features are related to the poor external image of Peruvian exporters who are seen as inconsistent and not always dependable with respect to schedules or quality control, as unable to maintain adequate communications, and as unwilling to commit exports unless products are already available in the warehouse.

These are characteristics that could describe a young and dynamic industry that would respond quickly and innovatively to a rapidly changing market during favorable periods of expansion: above all, it indicates the presence of considerable entrepreneurial interest and potential involvement that could be drawn into exporting and that would be likely to develop greater dependability and longer term plans if the regulatory and institutional environment provided a greater degree of security

(b) Regulatory environment

The regulatory environment is highly unfavorable to business in general and, in some ways, has an anti-export bias. Moreover, the degree of intervention and bureaucratic obstacles have been increasing during the last year, though the government has at the same time been seeking to offset these disadvantages by increasing credit, tax exemption, exchange rate and other subsidies. Every aspect of a firm's activity is subject to extensive and changeable regulations. Government approval is required for almost every operational step and the timing of each approval is uncertain. Dealing with these rules and with the bureaucracy demands considerable managerial time and legal and accounting services, in addition to the cost of bribes. The main cost, however, is the insecurity that is created, especially with respect to the phasing of operations. This uncertainty is particularly damaging where agriculture is involved, due to perishability and to the inflexibility of crop cycles. Exporters cite numerous cases of bureaucratic delays that have caused loss of shipments, or loss of product quality, resulting inevitably in lower planting levels.

The high overhead costs that result from this environment for business in general are increased by some forms of bias against exports: One cause of this bias is the political sensitivity of food exports, especially in a context of high inflation. Exporters have almost no political constituency; by contrast, the slightest suggestion of a food shortage receives enormous political attention and may result in the cancellation or delay of export permissions. The export of any product may be barred in general, for any period of time, by the Ministry of Agriculture or permission may be denied merely to a particular shipment by the withholding of a health (fitosanitary) certificate. Products such as cocoa, flowers, fruit juices, and spices are not affected, but the threat of blocked or delayed export permits is a major problem for fresh and frozen fruits and vegetables.

Exporters are also burdened by foreign exchange regulations that require that all foreign exchange earnings be surrendered to the Central Bank, by the uncertainty regarding the real value of the exchange rate at which it is bought, and by red tape and uncertainty with respect to benefits obtained from the government, such as the CERTEX tax rebate, FENT pre-export credits, and "temporary admission" facility which exempts exporters from import duties on containers, packaging and other inputs that are re-exported. Business applications for subsidies and other benefits granted by law or decree are routinely subjected to so much questioning and delay by bureaucracies that investment and production planning must often be based on the assumption that the benefits may not be received. Again, the major cost is the uncertainty regarding timing, and even, at times, whether the benefit will be received at all. The temporary admission facility, for instance, is rarely used due to an exceptionally difficult bureaucratic obstacle course.

(c) Land, labor and capital

The business environment is also handicapped by the weakness and distortions of land, labor and capital markets. The agrarian reform law of 1970 requires that owners reside in and operate their farms directly. Export companies are thus barred from ownership and from direct production of farm products. The result is that any attempt at large scale export development by companies is handicapped by the need

to rely on incentives and training to induce farmers, assure adequate supplies, and control product quality.

The alternative route to large scale exports requires that individual farmers cooperate, and Peru is also handicapped in this respect, by a lack of tradition, and by the politicization and internal divisions that have characterized the agricultural sector since the agrarian reform. These barriers to large scale operation make it difficult to gear up export efforts to the scale needed to obtain the benefits of quality control, of name brands, of internal political leverage, and of market power via volume and quality.

Labor markets also bring difficulties for the potential investor, particularly in the form of the labor stability law that turns labor into a near-fixed cost. Also, the successful development of labor-intensive export crops will almost certainly create negative reactions and political pressures from other farmers when wages rise, as has been happening, for instance, in the flower growing area of Huaraz.

Capital markets are undeveloped in Peru. Risk capital is almost entirely obtained from individuals through partnerships and personal loans, and from company cash flow. Medium term credit scarcely exists in the financial system, and there is minimal experience of lending based on project evaluation rather than personal guarantees. The important exception to this situation is created by large investment groups or holding companies which pool resources from different activities and which have considerable financial flexibility within their organizations.

(d) Export promotion

At the time that this project was designed, two organizations existed to promote non-traditional exports. Private sector exporters of non-traditional goods created ADEX in 1972 to assist members and potential exporters, chiefly with market information, and to lobby. And, in 1978, the government created FOPEX as an additional effort to promote new export products.

Neither of these organizations was specialized in the area of agro or agroindustrial products, but both covered these products. Though it is difficult to measure, ADEX

appears to have had some success as a lobby, particularly in pressing for CERTEX and FENT benefits. They have been less successful in reducing bureaucratic costs or in obtaining a more favorable exchange rate. The dominant voice within ADEX was that of manufacturers, many of whom had high import costs, or who exported marginal amounts, and this may have worked against agro exporters who stood to gain more from a higher exchange rate, and from changes in the policy and bureaucratic environment.

On the other hand, initiation into exporting is currently leading several of the main industrial exporters to venture into agro-export investment, as a form of backward integration, and to secure their own sources of foreign exchange for needed imported inputs in the face of an increasingly difficult and uncertain foreign exchange market. At the same time, ADEX has worked to spread knowledge of export opportunities and procedures.

Over its short life span, FOPEX has added to the informational effort but has had little policy input. As with ADEX, its main informational contribution has been with novices at the level of small and medium enterprises. Neither organization has had a significant impact on the more general negative aspects of the business environment, and neither has done much beyond the stage of general information to the kind of more active interventions characteristic of the FDN/FMME project - the organization of producers, for instance - needed to generate a significant increase in agro exports.

E. Policy

Government policy has been strongly in favor of agricultural non-traditional exports for at least a decade. The main instruments used to promote these exports during that period were the CERTEX tax rebate and subsidised FENT pre-shipment credits. Farm exports received the maximum rates available under CERTEX schedules. Also, agriculture in general received preferential tax treatment. Exchange rate policy has been mixed, rising to very favorable levels in 1978-79, but sinking into overvaluation in most years.

Much of the explicit benefit provided to agr. exporters, however, was offset by the negative effect of other policies. The most damaging, probably, was the agrarian reform law mentioned above, which has kept

investors at arms length from agriculture since 1970. Increasing government involvement in the production of basic inputs and services has also worked against agro exporters by lowering efficiency and raising the costs of those inputs and services. Exporters, for instance, must pay a government paper factory double the international price for cardboard boxes, while the publicly-owned steel mill charges more than double for the tin sheet used in canning. The government port and airport authorities, ENAPU AND CORPAC, charge exporters high rates for minimum, and sometimes, even nil services. Exporters are then forced to give preference to the government shipping company, CPV, or pay for release from this obligation. In sum, public enterprises impose major costs on exporters, substantially reducing the net benefits derived from CERTEX and FENT.

This policy environment was modified during 1986, particularly at the end of the year. The changes reinforced both positive and negative aspects vis a vis agro exports: explicit subsidies and benefits were raised, especially by the addition of a preferential exchange rate almost 50% above the Central Bank base rate, and by an increase in CERTEX rates and in the FENT interest rate subsidy. General tax benefits for farmers were also increased, virtually eliminating all direct and most indirect taxes paid by agriculture, including import duties.

At the same time, a major institutional initiative was taken in the creation of ICE, a government organization that is now coordinating export and import policy. In the space of a few months, ICE has demonstrated a strong bias in favor of agricultural non-traditional exports, and an operational capacity to intervene within the bureaucracy and at the policy-making level to reduce regulatory and other barriers to export.

Some steps were also taken to open access to land: companies may now buy up to 150 hectares of desert or waste land while certain forms of partnerships may buy and operate farmland under restrictions.

On the negative side, exporters now face even greater bureaucratic regulation in most aspects of economic activity, while the protection of government enterprises, at the expense of exporters, has increased. Increased shipping and air transport preferences to public companies caused considerable difficulties for reasons of both cost and dependability, but one of the main obstacles to exporters,

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particularly of fresh and frozen farm products, has now been resolved by the new commercial air traffic agreement with the USA.

With the major exception of the exchange rate, the overall policy environment for non-traditional agro-exports has become more favorable, and there is a reasonable basis for anticipating that this policy preference will be maintained during the next years: the government has a strong pro-agricultural bias, and balance of payments trends are likely to place a growing premium on activities that can generate foreign exchange quickly. Also, the deterioration in the foreign exchange market and sharp rise in the free rate is likely to force a reexamination of exchange rate policy, despite the government's continuing reluctance to devalue in line with inflation.

An especially interesting and promising policy development is the informal consultation and planning that has begun between top level government officials and large business groups. The talks center around private investment plans, and both officials and businessmen have been expressing considerable interest in agro and agroindustrial investments aimed at the export market. The talks have begun to act as a mechanism for cutting red tape and reducing obstacles to investment in general.

V. THE PROJECT

AID's response to the question of how to increase agricultural exports in Peru was a pilot project begun in 1984. The project remains small; total previous and currently planned support for the life of project is \$412,296, of which \$74,800 has been centrally funded. Project activities are channeled through a small Peruvian private non-profit organization, the National Development Foundation (Fundacion para el Desarrollo Nacional or FDN); some additional support is provided through the US based Foundation for Multinational Management Education (FMME) and the AID/Washington supported Project Sustain. Both of the latter organizations cooperate with FDN activities by providing technical assistance to FDN projects and in the case of the FMME, providing contacts with and information on US markets. Neither of the two limits its activities to Peru. FMME activities in that country originated as part of a \$478,000 grant agreement with AID/Washington's Bureau for

Private Enterprise to conduct a series of Latin American Agribusiness workshops in six Latin American countries. Lesser amounts have subsequently been provided to the FMME by AID/W and USAID for its specific activities with the FDN.

Since for the purpose of the Peru project, the FDN remains the key institution, the evaluation focuses on its activities and potential. The contributions of the other two organizations have been extremely important but will be dealt with tangentially as less unique to the Peruvian experience.

A. Brief History

The FDN's initial involvement in the project was a one-shot participation as a local sponsor in a workshop on the potential for export agriculture proposed by FMME. On the basis of the conference's success (as measured by the interest demonstrated by Peruvian and US participants, and the FDN's demonstrated ability to draw local participants including representatives from the Central Bank, FOPEX, commercial banks and the Ministry of Agriculture) a longer term involvement for the FDN was proposed. Following the workshop, the FDN and FMME collaborated in a number of activities to take advantage of specific importer-exporter interests in export operations. Within two months of the workshop these had resulted in an inventory of the import needs and interests of 10 US firms (done by the FMME), and the assessment of the general production potential of farmers in five coastal valleys to respond to these opportunities (FDN). The FDN used its own resources to carry out its part of the activities in the period from the Workshop (mid March 1984) through July 1984. From August through November, its continuing activities and the elaboration of a more specific plan of action with the collaboration of the FMME and some technical assistance from FOPEX was financed through a \$25,000 grant from USAID. By the end of November, the joint efforts of the FDN and FMME had led to the completion of contractual arrangements between US firms and Peruvian producer associations and/or agro-industry firms with a dollar value of over \$1,200,000. Although no more grant funds were supplied to the project until July, 1985, the FDN again used its own resources to continue activities in support of the proposed export operations.

B. Present Project

The purpose of the new grant was to allow the FDN to continue and intensify its work in the five coastal valleys or export centers in generating "commitments between US firms and Peruvian producers, agribusinesses and export firms to organize and install production, packing and export-import arrangements for non-traditional agricultural exports...." Specifically the FDN was "to execute the coordination, information services and promotion activities required to assist Peruvian agricultural producers, agribusinesses and agricultural product exporters to realize export deals and to motivate them to implement actions that are responsive to export market opportunities. "Although the focus was and continues to be on operations in the five centers, both the grant's list of specific objectives and the FDN's own activities have taken it further afield, especially in the provision of information, contacts, technical assistance and other services to interested firms and groups outside the target area. Such activities appear particularly important however, in light of an additional purpose of the project as that of establishing the FDN "as a reputable organization that provides assistance services with identifiable returns to its clientele"

Although the promotion of exports from the five centers has not proceeded as rapidly as had been hoped, the more intensive work here has allowed the FDN (in cooperation with the FMME and Project Sustain) to focus on the development of a methodology for drawing farmers into export activities. The methodology is demand or market focused. It begins with the identification of potential market opportunities and buyers and works backward toward the development of commodities to meet the demand or to supply target markets. It also emphasizes work with groups of farmers in existing or potential associations. There are several reasons for this choice. One intended impact is to institutionalize the new activities and provide a base for their expansion to a still broader group. The preference has also been to establish contractual relations with the buyers early on to draw them into the process of commodity development (including the processing as well as production stage). The FDN has also systematized a schedule for commodity development, working through the stages of field trials, samples and the first commercial exports, so as to guarantee that the final product will meet buyer specifications. Along the way technical assistance is

provided to solve problems as they develop in cultivation, processing and shipping.

FDN interventions have also involved negotiating with processing firms and setting up a trading company, Olympus, with the participation of producers. A list of FDN activities in each of the three main export ventures -- green beans, paprika and asparagus -- is too lengthy to repeat. The process has been extremely labor intensive on the part of the Foundation, which has been involved in everything from getting seeds through Peruvian customs to providing technical assistance to the processing plant. If the actual level of exports to date has been less than initially anticipated, it is hardly for lack of effort. Even the failures have been important sources of information and guidance for future efforts.

While the FDN had initially focused on the low or uneven quality of agricultural products as the chief obstacle to expanding exports, another lesson of the experience has been the need for attention to all stages of the process and for coordination among them. Getting farmers to produce commodities of the required quality has taken effort, but it alone has not been sufficient. In the first experiments with exporting quick-frozen green beans it was in the processing stage that obstacles developed; in the case of paprika the product was of such high quality that local demand absorbed the whole crop, and in the incipient venture in exporting fresh asparagus, the chief fear is that the product will be ready before adequate arrangements are made for its processing and transport. The inherent complexity of these efforts to start export projects from scratch has meant that the Foundation's short run track record has probably been better with windows of opportunity -- the one time ventures it has helped put together.

Since 1984, the FDN has added a number of other activities, including three additional workshops, an information service for potential exporters, producers, or buyers, work with export associations and government entities, and shorter term activities to broker specific export ventures. The core of the project, however, remains the work in the five export centers with three high priority commodities -- green beans, paprika, and asparagus.

C. Organization and General Administrative Considerations

While the project is more than the FDN, the latter has been so critical to its development and accomplishments that it bears examination on its own. As an organization, the FDN has existed for fifteen years during which time it has evolved from a private think tank set up to help keep Peruvian professionals trained in agriculture in the country to its present status as a project oriented entity supported by grants and contracts from various donor organizations. Over its entire existence it has remained small in size and has maintained the same director, Luis Paz, who in some sense "is the Foundation". The FDN currently has a permanent staff of 18, including 5 professionals, 5 technicians, and 8 administrative personnel. This is augmented by personnel contracted for specific projects, bringing the total to 135 (41 professionals, 41 technicians, and 53 administrative).

According to reports provided in late 1986, the FDN was working on 5 projects (of which the AID project counts as one), and 6 studies (of which 2 are also financed by AID). Total financial resources from all sources are roughly \$3 million. The FDN estimates the number of beneficiaries from the five projects as 976, of whom 322 are represented in the AID project. Although the AID project is the only one focusing on export agriculture, it has much in common with the others in terms of general development orientation and methodology, most notably the emphasis on providing largely technical and some financial assistance to groups of farmers to help them solve specific problems and, in the process, either develop existing or introduce new forms of economic activity of direct benefit to them.

While the FDN charges little or nothing for its technical assistance over the short run, the long term goal is to establish activities that will pay for themselves and which the beneficiaries will eventually manage on their own. (Over the short run, however, staff contracted by the FDN manage the business end of the ventures, or, in the case of the export project, are intimately involved as advisors). The assistance goes beyond the purely technical to include guidance in basic business practices, marketing, and organizational techniques given to the group as a whole. As the FDN has branched out into other types of activities, notably in the export project, it has sometimes had to move away from this basic methodology (for example in the technical assistance provided at cost to various entities

not included in the project groups, or the general information services it may provide to individuals or single firms interested in exporting). Still, interviews with members of the permanent staff suggest a persisting and quite conscious loyalty to the FDN "approach" and a remarkable unity of vision and purpose.

Although the judgment is impressionistic, it appears that much of the FDN's basic strength originated in this shared sense of purpose and vision, in what appears to be a very high level of dedication on the part of its staff, and in the hands on experience required or at least allowed by its small size. Another source of strength is clearly the continuous leadership of Luis Paz. The FDN is not a very bureaucratic organization, and even administrative staff have a day to day involvement in the project activities. Judging by what was seen in trips to the office and the difficulty of scheduling interviews, Foundation employees put in long hours and are intensely involved in making projects succeed. (The same it should be said is true of the AID project manager). Even at a time when the demands for the FDN's services have exceeded its ability to respond to all of them, the staff is reluctant to pass up new opportunities and constantly searches for ways to work them in.

The flip side of the coin is that this very dedication and involvement may detract from the formulation of a longer term strategy for the Foundation, either in general or in terms of the AID project. While the strategy of responding to opportunities as they arise has helped the Foundation grow and raise its profile, a more formal structuring may soon be necessary. It has been suggested for example that the Foundation has till now been a one-man operation under the leadership of Luis Paz, but that as its activities expand, it will need a more formal policy making body and one further removed from the day to day project concerns. It has also been suggested that the Foundation might benefit from some tightening up administratively -- that like all mystique driven organizations, it tends to put off bureaucratic paperwork as a last priority. Although in the overbureaucratic society in which it functions, this may not look like a problem, it has posed difficulties in meeting the reporting requirements of external donors and securing timely access to funds. If the Foundation grows and increases its financial base, these minor inconveniences could generate major problems. Finally, as is not unusual for an organization staffed with very dedicated personnel,

the Foundation is characterized by a certain informality in the assignment of responsibilities as well as inadequate delegation of authority. While this has so far not hindered project implementation, it has meant that one person (often the director) may be doing more than what is reasonable. The concern here is for a more rational distribution of the workload and one that is less dependent on a few key individuals. In brief, the criticisms point toward the need, as the FDN assumes more functions and enters more types of activities, for a more formal organization with a specific division and specialization of roles, and especially the establishment of a policy making body, separate from its day to day activities.

The FDN itself responded to these criticisms and recommendations by contracting a local consultant on a trial basis to evaluate the organization and make specific suggestions as to changes in organization and policy. The evaluation process and a growing sense within the FDN that it has reached some sort of crossroads generated considerable thinking about possible changes in the Foundation. The implications for the AID project are not yet clear, and are unlikely to be so until the Foundation personnel themselves reach specific decisions. While relatively few people will be involved in making this decision, it does not appear that a consensus has emerged as regards the future orientation of the FDN's activities or the type of reorganization this will require. Conversations with key individuals indicate some common preferences -- for example, an emphasis on projects, a preference for a small administrative organization (but probably one more exclusively dedicated to that function), an emphasis on providing services to and working through groups. In addition, several of the consultant's specific suggestions -- that the Foundation concentrate its efforts on developing coastal agriculture (as opposed to the sierra or jungle regions) and that it work out arrangements with INIPA, the GOP extension agency, to take over some of the latter's functions and possibly its infrastructure in that area (where INIPA has in fact decided to reduce its own activities) -- may be influential.

There are two key issues highlighted by the consultant's report which remain to be resolved. The first is the question of how much of the Foundation's efforts will be directly aimed at promoting export agriculture. This may represent less of a cut and dried choice than a question of priorities or emphasis. As the consultant stressed,

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promoting exports can be handled within the larger objective of developing coastal agriculture. Given various political uncertainties it may be more practical and of longer run benefit to the country to focus on this larger objective first, with increased exports as a likely result, given a favorable policy environment. The majority in the FDN seem to prefer an increased emphasis on exports as a primary goal of the Foundation's efforts. Operationally, the difference is that with an export emphasis, the Foundation would continue or increase its efforts in such areas as the information service to potential exporters/importers, promotional activities like the earlier workshops, and efforts to influence government policy toward exports either directly or in conjunction with other organizations. The consultant's report, deemphasizing exports, also downplayed such activities as being outside the Foundation's area of strength, and possibly counterproductive. (He suggested for example that the workshops tend to build up expectations and a demand for services that overtax the Foundation's resources).

The second question regards the main functional areas in which the Foundation will focus its future efforts and the ways in which these will be interrelated. Here, three variations emerge. The first is a continuation of the Foundation's emphasis on vertically integrated projects, each aiming at improving the economic performance of a particular target group and providing a whole range of necessary services along the way. While this vision is compatible with some expansion of the Foundation's workload, a significant increase in the number of decentralized projects would seem to require substantial changes in the current informal administrative structure.

The other two visions begin with the assumption that the Foundation will substantially increase its level of activities and thus will have to reorganize its efforts. They look to a kind of horizontal integration whereby the services themselves would become projects and the links with the target groups would become less intensive. Thus for example, technical assistance and research would become a project activity; individuals assigned to that area would provide services on request to groups of users. The difference between the second and third vision is the emphasis on export agriculture, and so, on the number and type of service projects. While this horizontal restructuring might overcome the inherent limitations in the

FDN's current style of operation, it also represents a potentially threatening departure from the bases of the Foundation's strength and from the type of activities it does best.

It seems further unadvisable because of the quantum leap in staff size it demands for its implementation. It seems safe to stick with the current vertical integration, while gradually increasing the number of projects and tightening up the central administrative structure.

V. FINDINGS

A. Accomplishments to date

Project accomplishments to date can be divided into two categories. The first, concrete or event level achievements, include specific physical, and generally quantifiable goals -- ie. the number of contracts signed, volume and value of exports, beneficiaries included, etc. The second category, institutional achievements, is less easily quantified and refers to steps taken in laying an institutional base for further activities. Given the size and pilot status of the project, these are potentially the most interesting because of their significance for future activities.

(a). Concrete accomplishments: the FDN has provided the following summary table, listing total investment in export related activities attributable to the project.

b). Institutional accomplishments:

1. Generation of knowledge about the agricultural export process: Given the general lack of government attention to this issue (as evidenced by the MOA's lack of any office charged with it and its reputed lack of the most basic data on agricultural exports), and the absence of private organizations with a comprehensive focus, the accumulation of information is itself an important factor in encouraging export expansion. Through its activities in the project and some prior work, the FDN has amassed what it claims (and there seems little reason to doubt this) is the most extensive and intensive institutional expertise on the theme in Peru. While much of this knowledge is imbedded in the individuals on its staff, the Foundation is working toward making it more widely available through studies, publications, its information service, and other contacts

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with private and public agencies. The type of information varies widely from data on buyers and markets, to detailed studies on processing and handling of commodities, to findings on producer receptivity to adopting new techniques and new crops. Much of this is relevant not only for economic actors but for policy makers -- for example, a recent review of the green bean project which among other findings notes the profitability of different degrees of processing given the current exchange rate policy. While bits and pieces of this information may exist with other agencies or private entities, the FDN is unique in the quantity and comprehensive nature of what it has collected and generated.

2. Creation of a team of experts on agricultural exports: This follows from point one above since the knowledge generation process has been realized through the hands-on experience of the FDN staff. Recognition of the value of this development has led the FDN to consider ways in which more such experts might be trained, perhaps in conjunction with one of the existing management programs run by local universities.

3. Establishment of the FDN as an organization with recognized expertise in promoting agricultural exports and generally in the export process: The FDN now regularly receives referrals from other domestic and international agencies and has been sought out by the Minister of Agriculture for advice and information on the theme. Despite the existence of a state entity to promote exports and an export lobbying group, it seems to have little serious competition for the broad variety of services it provides.

4. Training of a core group of farmers in production for export as well as in other stages of the export process: While this group remains small they are strategically placed, and as evidenced by the Ica farmers' enthusiasm for the asparagus project, they are prepared to take their own initiatives (although the FDN's assessment is that their preparation is still more attitudinal than technical and that more training is needed). Conceivably they already represent a critical mass in their own local associations and could be used to bring more farmers on board, perhaps entering into the training themselves. At the very least these projects have demonstrated that farmers can produce for export and that at least for the short run the current

set of institutional obstacles will not prevent their involvement.

5. Development of a methodology for drawing farmers into export ventures: While it is unclear how the labor intensive, gradualist FDN approach can be adopted to larger scale efforts, they have developed a step by step process for moving groups into export activities which if followed should help avoid many of the typical problems and setbacks encountered by new exporters.

6. Development of interest among potential importers, especially in the US, in Peruvian products and in the possibility of entering into longer term contractual relationships with producers: In cooperation with the FMME, the FDN has made contacts with a number of potential large-scale buyers in the US, some of which have already resulted in contracts being signed. Many of these have provided seeds, technical assistance, and other inputs and have shown interest in making other investments all of which might over time lead to a significant increase in export activity.

7. Establishment of an information system providing information to potential exporters and importers: Aside from its intrinsic value to users this has also been a way of raising the FDN's profile. The information they admit is not complete -- for example, they apparently cannot match FOPEX, the public sector agency for export promotion, for global coverage. However, the level of detail offered by the FDN on US buyers is apparently more useful to potential exporters than that provided by FOPEX or any other agency.

8. Formation of various institutional groups to promote exports: This is for the most part on the producer level. Aside from groups formed or identified in the five export centers, they have been working to promote associations of other types of exporters -- for example in citrus and mangos. In addition, the FDN has worked with the peak exporters' association, ADEX, to promote the formation of committees for agricultural exporters. The FDN bias toward group efforts seems necessary, justified by their argument that in the past exporters have wasted effort competing with each other when all would gain by unifying their forces. In order to enforce this approach, the FDN has made at least some of its services conditional on the existence of an association with which they can work.

9. Formation of a prototype export company with participation of producers among shareholders: This is the most controversial of the FDN's accomplishments. While the company, Olimpus, is in operation and has been active in the Foundation's export activities, the notion of including producers and regular shareholders (as well as FDN staff) in the same export company has drawn considerable criticism. The FDN argues that this is a way of educating producers in the problems of exporting, and at the same time satisfying their desire to increase their share in the profits while encouraging a dialogue with the export end of the business. The critics focus on two types of conflict of interest -- one, the inclusion of the producers whose demands on the firm will be different from those of the shareholders (that is those without a product to sell to the firm), and the other the FDN's participation, which jeopardizes its reputation as a disinterested provider of services to all exporters. The FDN has sought to counter the second criticism by organizationally and physically withdrawing from Olimpus. The producers however remain in the firm.

B. Developmental Impact

It is the general consensus of the evaluation team that the FDN can only be applauded in terms of what it has so far accomplished with the resources available to it. There is no question as to the dedication and competence of its staff nor as to their ability to identify problems and resolve them innovatively. While still on a small scale, FDN activities in all areas have either provided services and improved on what is otherwise available. Aside from its concrete accomplishments, the FDN experience has been valuable in terms of the knowledge it has generated, the hypotheses it has tested, and the base it has provided for further efforts. Still, given the small size of the venture, it is premature to discuss developmental impacts on a global scale. It also appears that the realization of that potential will depend on a number of factors so far outside the influence of the FDN or of the project as presently designed.

Given that the desired developmental impact of the project is to substantially increase Peru's non traditional agricultural exports, it is first evident that a larger scale effort is needed. However, this appears to require more than a simple expansion of the project and of the Foundation's present strategy. Some of the missing factors

are elements of policy and institutional structures external to the FDN and in some cases external to Peru. If the Peruvian government's policy toward agricultural exports does not provide adequate incentives for the latter or if bureaucratic regulations are sufficiently obstructive, the project's bottom up strategy of promoting exports by encouraging the production of exportable commodities will be severely undercut. Additionally, if international conditions and especially policies of potential importing nations are not favorable, the FDN once again is fighting an uphill battle. Finally, although the FDN has been expanding its area of activity, its primary impact has been on a target group of relatively new, small and medium size producers and exporters. While this may be its natural clientele, an overall strategy for a new project may want to look to building other, if less direct links with larger scale operations as well as other private and public export policy. These points are further elaborated below, but the general conclusion is that while the accomplishments of the project to date suggest a potential for a substantial impact on agricultural and export development, for that impact to be maximized more attention will have to be turned to the broader policy and institutional environment.

C. Project Replicability/Sustainability

The critical question is not one of replicability or sustainability but rather of how these lessons and experience can be translated into a larger scale project with a substantial impact on export development. The challenge is to do this without losing the progress that has been made -- for example, by so significantly reorganizing or overextending the FDN as to endanger some of its evident areas of strength. The FDN's performance to date argues for retaining it as the key institution in any new project. On the basis of its experience such a new project could now more specifically define the FDN's role vis-a-vis the wider economic institutional, and policy environment, creating more specific linkages with the latter. Sustainability and a broader impact thus hinge not on replication but on a new, globally oriented design.

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D. Political, Policy, Economic, Social and Institutional Implications

It has become abundantly clear in the course of the evaluation that interest in non-traditional agricultural exports has been increasing in Peru. Higher levels of interest have also meant a greater number of institutions actively involved in the export process, in promoting its development or in making the policy that will affect this.

Over the three years of the project's life, the FDN has come to be recognized as a contributor to this development and to the policy debate, but it is hardly the only one. If the project is to be faulted in any regard it is for a tendency to discount or downplay the role of these other institutions, especially those involved in export promotion. This is in part a result of some unfortunate experiences early on and in part a natural preference for the institutions one is promoting. However, at this point in the project's development it is time to consider how the FDN fits into the larger economic and policy environment and what efforts should be made to shape its future relationships and those of the project with the latter. Aside from defining relationships with the GOP policy making bodies, special attention should be paid to such private and public sector institutions as ADEX (the exporters association which includes committees for agricultural exports, on which the FDN is represented), the institute for foreign trade (ICE) and within it, FOPEX, the former GOP agency for export promotion, various agricultural associations at the national level, and the existing large group of private sector firms and individuals already involved in exporting.

In defining the FDN's relationship with these entities, two issues seem particularly important: first, a definition of the FDN's role in developing exports in terms of the groups with which it will work and to which it will provide services, and of possible linkages between these and other entities involved in exports, and second, a definition of its role in efforts to influence policy, especially in terms of its relationship to other interested institutions. In regard to the first issue, it appears that the FDN's natural clientele and that which is most benefitted by its services are small and medium sized producers who may be encouraged to produce for export, often for the first time. The FDN has provided services to larger scale producers as well as to firms interested in processing and/or exporting commodities, but despite some successes here, it is not evident that this

is the best use of its resources. First, efforts to expand its activities in these areas would require the reorientation and addition of staff and a style of operation somewhat different from the existing one. Second, it is not evident that the demand for this kind of services merits the effort. Individual interviews and the survey of exporting firms indicate that enterprises already involved in export (whether large scale producers, agribusinesses, or trading firms) already have their own access to many of the services the FDN might provide or at least are in a position to arrange for them directly. Rightly or wrongly they tend to perceive the FDN as specialized in work with smaller scale producers. (It should be noted that it is not just the FDN they dismiss as "too elementary". The same reactions were directed towards the efforts of the public sector entity, FOPEX). Similarly, the FDN efforts to start its own trading company suggest another venture into an area of questionable returns.

The FDN's experience suggest that increased production is not the only bottleneck to increasing exports; however, exporter responses in interviews and the questionnaire underlined the importance of this area and recognized the FDN's efforts here. One possible conclusion is that over the medium run, the FDN, rather than extending its work into other stages of the export process, might best continue to focus on the development of export potential on the producer level. This would not preclude the continuation of its cooperation with the FMME in making contacts with importers in the US and encouraging their direct investment in producer operation. It might also involve efforts to link producer groups with local agribusiness and export firms already in operation or to contract with the latter to provide technical assistance to producer groups they have targeted as potential sources of export commodities.

In regard to the second issue, influencing policy, it is evident that there is much to be done and that the level of organization among interested groups is far from adequate to the task. The lack of organization is apparent at a conceptual as well as structural level; in fact the two reinforce each other. Discussions with anyone involved in the export process will elicit a list of problems obstructing progress, but no clear sense as to their relative importance or as to a prioritized strategy for their resolution. This situation may be changing given the growing level of interest in the theme, but more effort might be directed to accelerating that change.

The conceptual and structural disorganization mirrors that on the government side. There is a virtual lack of attention to exports or export policy within the Ministry of Agriculture. Those public entities concerned with export promotion continue to emphasize developing markets rather than developing local capacity to produce and deliver products to them. Key policy decisions actually affecting exports are made and managed by government entities, such as the Central Bank, and the Ministries of Economy, Agriculture, Industry and Foreign Affairs, all of whom share a general and increasing interest in export development, but whose primary concerns are with other objectives. Their secondary concern for non-traditional exports is unlikely to produce either a higher level of coordination among policy making and implementing bodies or to raise this to a first line priority of macroeconomic policy making. All of this increases the need for coordination among the various economic actors, their interest associations, those government agencies like the newly created Institute of Foreign Trade (ICE), and entities like the Foundation. The purpose is several fold: to generate a greater consensus on common concerns, problems, and proposed solutions; to involve a common strategy for influencing government policy and public opinion; and to develop joint activities which might be pursued with or without government involvement. At the moment there are obvious advantages to cooperative action, given the limited resources and capabilities of these organizations in such critical areas as policy analysis, research and studies, and their apparent lack of weight individually as lobbying organizations. Unfortunately, cooperation has been limited by mutual competition. For example, ADEX recently began its own studies division, when it might have cooperated with the FDN which currently is stronger in that area.

Given the Foundation's small size and lack of economic weight (vis a vis the larger scale exporters either working within ADEX or independently), it is not realistic to envision it as the lead organization in developing a wide cooperative effort, at least in the short run. However, in the context of a larger project, AID could encourage cooperation and a more rational specialization of functions by offering smaller grants for specific cooperative activities. In the process, it could enhance the status of the FDN by making it the co-sponsor of such collective actions.

E. Lessons Learned & Limitations

In some sense, the project has been first and foremost a learning experience. As noted above, it has generated substantial information on the potential for and limitation to export expansion while simultaneously strengthening the FDN and its staff as an institution with a recognized expertise in the area. Several of the lessons learned have been touched on above, but among those not mentioned or bearing repetition are the following:

1. There exists a significant and often untapped interest among Peruvian producers, industrialists and trading companies in non-traditional agricultural exports. Unfortunately, this interest is often combined with a substantial underestimation of the difficulties or hard work involved. This is not true generally of those with experience, but is often true of those who would like to enter the field, perceiving it as potentially highly profitable.

2. There exists a substantial export market for high quality Peruvian products, in the US and Europe, as well as other regions. The demand is sufficient that potential buyers can be interested in making local investments to secure a guaranteed supply of high quality commodities.

3. Attempts to create continuing relationships with this market, however, have to overcome the bad experience of importers with respect to the quality and reliability of Peruvian commodities. Even where quality is high, importer experience to date has often been unfavorable in terms of timely arrival of quantities requested. Potential business has even been lost by a failure to respond quickly - or at all - to initial inquiries.

4. Points 1, 2 and 3 above, and the FDN's own experience, suggest that any effort to expand agricultural exports, especially to the extent that new producers are drawn in, will require that processing or trading companies provide a considerable amount of education regarding the quality and packaging requirements of the international market, in addition to technical assistance on production.

5. Efforts to expand exports will also require considerable technical assistance at all stages of the process (production, processing, treatment during shipping, etc). Peru is far behind in all these areas, although FDN

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experience also suggests that the receptivity to and pay-off on assistance is substantial.

6. A private sector entity like the FDN has advantages over public sector counter-parts in the kind of hands on export development it has been doing because of a greater flexibility of action - ie., it is inhibited by fewer legal limitations on what it may do.

7. If limited supply of exportable commodities is not the only obstacle to expanding exports, it is a significant one, requiring direct attention.

8. Substantial obstacles to increasing exports exist in the form of bureaucratic regulations, lack of infrastructure, costs and logistical problems related to transportation, and various financial regulations and policy. It is not immediately apparent, however, how important each of these is either in general or in the case of specific products.

9. Given the apparently large number of potential obstacles and difficulties inherent in affecting change, more effort is needed in documenting their individual and collective impacts, both to help design a strategy for change and to support efforts to influence government policy makers.

10. The current economic situation in Peru (including the need for foreign exchange and the visible decline in the value of non-traditional exports in the last year) has raised a general interest in this issue among the public, economic actors, and government. This may provide conditions favorable to establishing a new project and securing higher levels of government cooperation.

VI. RECOMMENDATIONS

FDN

1. That it continue its process of self-examination to determine needs for reorganization and a redefinition of functions, but that it consider the following:

a. The need for a more defined administrative structure - which may mean the addition of a few people to handle administrative aspects.

b. The desirability of keeping its organization and office staff small and simple.

c. The desirability, given its past success, of maintaining line activities as decentralized projects.

d. A continuation of an emphasis on working with and fomenting the creation of groups as targets of project activities.

e. The desirability of adding new projects gradually, especially those which fall outside its proven area of strength - i.e. working with producer groups to introduce or upgrade economic activities.

f. The desirability, following the consultant's recommendation, of focusing their activities in one geographic region - most logically the coast.

g. The desirability of further distancing themselves from Olympus, their trading company, and of staying out of that end of the export business as one they are not yet ready to tackle.

h. The desirability of limiting their services as export brokers to groups directly involved in their projects. The exception may be a limited information service, but on a fee basis - and preferably not as a major foundation activity.

i. The desirability of upgrading their studies division and of making studies more accessible - perhaps charging fees for their use.

j. The desirability, following the consultant's recommendation of changing their legal status from foundation to institute.

2. That the FDN strengthen its contacts with other private and public sector organizations promoting exports, working on carving out a niche for itself as a leader in certain activities - perhaps experience with production, technology transfer, microeconomic studies.

That the FDN continue to explore operations of counterpart organizations elsewhere - eg. Fundacion Chile - especially as a way of investigating suitability of new emphases and new activities.

AID

1. That AID begin an expanded agricultural export/development project, building on activities under the current project and particularly those with the FDN, as a means of increasing the productivity of Peruvian agriculture for domestic and export markets. So far as possible the FDN should be the key institution in this new project, both by virtue of a several fold expansion of its direct work with producers and its general service and technical assistance activities and an enhanced role as an organization promoting cooperative action among private and public sector entities interested in agricultural export expansion.
 2. That AID continue its dialogue with the FDN as the latter considers possible reorganization and reorientation of activities, stressing the points suggested under the recommendations to the FDN. The goal is to strengthen the Foundation and to guarantee its ability to double or triple its level of operations.
 3. That in conjunction with a new project on export agriculture, AID work through the FDN to develop its contacts with and at least assess the capabilities of other private and public sector organizations engaged in export promotion (especially ADEX, ICE, various producer associations), to seek ways that it might help strengthen and develop their activities in this area. This should be done so as not to undercut the FDN's role but rather to raise its profile as a key organization in export promotion.
 4. That AID encourage (perhaps by means of small grants) short term activities (short studies, workshops, etc.) focusing on policy analysis and policy dialogue. Such activities would involve the cooperation of the FDN and more of these other organizations.
 5. That AID take advantage of the present heightened interest in expanding non-traditional agricultural exports, to open new dialogues with the GOP and especially the Ministry of Agriculture and ICE to discuss ways in which AID could help the government to eliminate existing obstacles.
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ICE has already expressed interest in such initiatives and has obtained assistance from UNDP to open information and direct assistance windows for exporters within its offices. Special emphasis might be placed on eliminating specific procedural steps. 6. That AID consider, in conjunction with any new export project, a component focusing on helping Peruvian exporters to meet health and safety requirements for introduction of fresh fruits and vegetables into US.

7. That AID, in its new project, continue to emphasize provision of high quality technical assistance, channeled through the FDN, especially to producers and processors.

ANNEX A

EVALUATION OF PERUVIAN NON-TRADITIONAL AGRICULTURAL EXPORTS (N - TAXS)

Part I: SURVEY OF PERUVIAN EXPORTERS

Study goals

This study was undertaken to provide a more systematic examination of the experience of Peruvian exporters of non-traditional agricultural export products (N-TAXS). We were interested in establishing benchmark characteristics of participating firms and with their assessment of problem areas and more promising future possibilities. We also sought information from them relating to familiarity with the Fundacion para el Desarrollo Nacional (FDN) and, where appropriate, their opinion about the Fundacion.

As such, this study serves to contribute to the broader understanding of both the possibilities for expanding Peruvian exports as well as the existing impediments to greater volumes of exports. It is important that these topics be addressed through the eyes of those directly active in the area as suppliers. It is believed that this is the first study of its type in Peru. As such it is important not only to the purposes of the evaluation team's mission, but also as a point of reference that may support future studies able to provide more in-depth analysis.

The sample and research methodology

The survey was administered to an initial membership list provided by ADEX of 74 Peruvian exporters. The actual number of surveys completed out of this list was 53. This was for a variety of reasons. This list was found to include a number of members who were not or never had been actually active in export activities. Rather they desired to maintain themselves open to future possibilities should opportunities develop in the export area. In addition, a number of instances were found where the firms only maintained offices outside of Lima. These were deleted from the sample based on the limitations of time and budget of the study. Finally, a small number expressed either apprehension about the nature of the study or indicated their difficulty in scheduling time to participate, and hence were dropped after several attempts to gain cooperation.

Interviewers were instructed to seek out either top management, or those persons within upper management positions who were most familiar with the export activities of the companies included in the survey. It appears that this was in fact the type of respondents reached in all instances of completed questionnaires.

Given the exploratory nature of the study (with a population that had not been previously studied), many of the questions were open-ended in nature. This is appropriate in a situation where there exists little prior documented information. (See Appendix A for a copy of the survey instrument used for this research).

Accordingly, many of the results do not lend themselves to standard tests of statistical significance. Nonetheless, as an initial study of attitudes and broad characteristics of exporters and their experiences, the study provides new information and insights that have not been previously available to Peru.

Characteristics of the Sample

An important characteristic of the sample involved the wide diversity of nontraditional agricultural export products represented -- even after grouping into broader categories (see table 1). Most important among the sample were exporters of various types of fresh fruit (particularly mango, madarin orange and grapes), spices and herbs (achiote and palillo) and flowers. It is felt that the sample follows reasonably closely the value and volume figures of recent years for N-TAXS (See statistical appendix 1A and 1B) with the exception of under representation of fresh vegetable exports.

It should be noted that the question on type of product exported requested most important single export product, rather than including all export products that the companies were actively involved with in their export activity. A more complete enumeration could have provided a better picture of representativeness by product categories.

One topic of interest to the research objective involved the determination of the degree to which N-TAXS were an integral and essential part of the firm's activities, rather than commanding more marginal attention. It is evident that within the sample, N-TAXS were of major importance to the firms (see table 41). Of those responding,

nearly 80% stated that 90-100 percent of their exports were N-TAXS while only 7% indicated that only 0-20 percent were in this category.

Given these results, it would appear that there exists in Peru a well defined and solid base of interest and activity in N-TAXS, rather than this being characterized as more casual in nature.

In general market competition for many of the types of products represented in the sample is very high. The "laying power" of these N-TAXS firms will depend on many factors. Among those factors considered in the survey are: experience, financial support, and management abilities. These are factors difficult to determine with exactitude through a survey instrument such as that utilized for this study. Nonetheless, the evidence that has been provided gives rise to some concern.

It should be noted that the vast majority of firms responding (82%) had less than 10 years of experience in the export of agricultural products (non-traditional), with a third having less than three years experience (see table 42). To this is added the low level of previous experience of the top management personnel that completed the surveys. A surprisingly low level of experience with exports (of any type) was encountered, with nearly half of the sample having less than 6 years experience, and only 20 percent indicating that they had experience in excess of 10 years (table 46). When the same question was rephrased to capture information on experience limited to agricultural exports (table 47), the numbers were 60 percent and 13 percent respectively.

It was felt prudent not to attempt to address the level of capitalization in depth in such an initial study. A question was included, however, regarding extent of foreign capital utilized by the firms. The vast majority of respondents are characterized as relying heavily on Peruvian capital rather than resorting to foreign capital sources of support. In fact, the question on the extent of foreign capital participation resulted in 95% selecting the lowest category provided on the questionnaire - 0 to 10 percent (see table 45). This high level of Peruvian capital participation can be a source of national pride at one level - having already accomplished a frequent development objective. This should be tempered, however, with the realization that there exists a potential high vulnerability

to problems arising from changes in government policy and in market conditions. The ability to gain quick access to emergency financial reserves in support of changed conditions and to withstand short term reverses can be extremely important.

Some attempt was made to determine the importance of exports both directly through dollar sales and by volume estimates. However, in both cases response rates were low (in the neighborhood of only 50%) even when limited to questions regarding the most important export product. Of those responding, 80% indicated sales of under \$2 million and only 3% with sales over \$10 million. While some evidence is thus provided that suggests rather small sized operation, the confidence of this information is not high (table 13-14).

As a summary generalization, the results of the survey suggest that the companies typically involved with N-TAX activities tend to be highly specialized and strongly committed to this type of export product. The firms tend to be of recent organization, and with leadership that is also young and with rather limited export experience. Financial underpinning appears to be heavily Peruvian. These are characteristics that could describe a young and dynamic industry that would respond quickly and innovatively to a rapidly changing market during favorable periods of expansion. These same conditions would suggest an industry that could encounter difficulty in markets characterized by price wars, entry problems, and sudden reversals. There is insufficient information to have a clear picture of the Peruvian situation, but enough variables appear to coincide to raise concerns about the staying power of these firms in the absence of policies sensitive to their possible vulnerability.

The line between excessive subsidy and incentive support can be a fine one. And, the immediate financial pressures of Peru are sufficiently great to create strong temptations to tilt policies towards short run at the expense of longer run strategies. The characteristics identified in the survey suggest the need for governmental caution so as not to attempt to extract excessive benefits from these firms.

Market entry decisions and experiences

One way to assess the vulnerability and economic health of such a young, new industry, is to examine the casualness with which market entry decisions are undertaken. Impulsive decisions are apt to result in future problem areas.

Information was sought through the survey that would reveal such impulsive entry decisions. While the question was open ended in nature, a large part of the answers (54 percent of respondents) indicated some type of knowledge about, or analysis of, international demand prior to deciding which products to emphasize in their export activities (table 2). An interesting topic to pursue in more depth at a later time would involve a closer examination of the nature of these studies. It appears that in some cases these studies provided information on special demand opportunities in terms of particular locational and seasonal marketing opportunities. Still, it would be important to determine the actual analytical content and rigor of the studies undertaken. It would be interesting to pursue the reasons behind the locational mix of export markets that have resulted for the Peruvian N-TAXS (see paragraph below).

One interesting finding of the survey involved the high concentration of export activity within European markets. Europe is indicated to be the sole market for 42% of the respondents, and a partial market for an additional 28%. By contrast, North America is the sole market for only 16 percent and a partial market for an additional 20%. South America is a sole or partial market for only 20% of the respondents. Notably absent is Japan and other Asian countries, with only 8% indicating Japan as a partial market (table 3).

The information above tells a story of "what". The interpretation of "so what" is more difficult without further information. Peruvian firms appear able to compete effectively in the often exacting and highly competitive markets of Europe. This provides important diversification of earning generation through N-TAXS relative to other types of exports (double check this). On the other hand, one wonders at the reasons for the lower level of exports to North America and South America where transportation costs-savings could be important, and the reason for lower penetration into the important Asian markets. These might be areas where public export stimulation efforts could be supportive and successful.

One important indicator of vulnerability (as well as of sophistication in marketing) is the use of name brand identification. Promotion of a name brand usually implies a considerable financial commitment. It also requires greater organizational and management skills. Probably most importantly, name brand promotion suggests a greater commitment to a quality product since one is required to protect the reputation of the brand being displayed:

Display of a firm brand name was indicated by 43% of the respondents (table 4), however, the question did not provide sufficient detail to determine the importance of promotional efforts associated with sales. From the more detailed comments, it appears that only one company enters into important brand promotion activity, but this would need to be examined with greater care. At a minimum, the possibility for brand differentiation exists given that only 22% indicated that their sales took the form of primary goods.

Relationships with Suppliers and Producers

The relationship between exporters and their suppliers (or producers) is important. Some export activities are characterized by the need for quick reactions in order to exploit a particular, short term situation. More "casual" commitments with suppliers result with exporters who collect or purchase for the moment with little concern for the development of long term dependable supply sources. By contrast, exporters who desire to develop dependable sources and quality on the supply side and who have longer term marketing intentions will tend to cultivate more stable producer commitments.

The survey results indicate that relationship between exporters and producers tends to be predominately casual in nature. Only 11% indicate that their contacts are with friends or known suppliers. The rest indicate that they are simply collectors (51%) or that they operate through general contacts with farmers (24%) (see table 8). This impression of casualness in the exporter-producer relationship is reinforced by a generally low incidence of signed purchase contracts, advance payments, or technical assistance provided by exporters to their suppliers (table 9-12).

The findings on technical assistance support is considered to be especially revealing as to the nature of export activity. Only 11% of the sample indicate any type of

activity in the broad area of technical assistance (including selection, care, treatments, input use, etc). The absence of fieldmen or of concerted efforts to either assist the farmeres or to assure higher quality product at the source of production suggests a type of N-TAXS which is less oriented towards long run, stable supply market that is more exacting in timing and quality of product. It also suggests an attitude and orientation that emphasizes exploiting known and previously familiar markets, rather than working with producers to develop new market possibilities.

Successful experiences and problem areas.

In response to the general question regarding how export experiences compared this year to those of last year, a large proportion (41%) preferred not to offer an opinion. This is likely the result of poor judgement in placing the question next to those soliciting information on income and sales volume. For those that did respond, 61% indicated a better year and 32% reflected a poorer year than what had been experienced previously.

Information on problem areas is somewhat difficult to interpret given the small size of sample and the diversity of types of N-TAXS. Our approach was to provide a list of possible problem areas, with follow-up information requested for those that were selected. Indicated problems were: infrastructure - 25%; supply-49%; bureaucracy and regulations-60%; monetary and financial-53%; demand (purchase) side-11%; transportation-57%; payment and purchase-19%; other problems-23% (see tables 17-24).

Problems with regulations and bureaucracy are probably a favorite pick in about any country. More important are the specifics that are offered. Of those indicating regulation and bureaucracy problems, the most frequently cited problem involves delay in completing government transactions with particular problems with Customs and with the Ministry of Agriculture. A total of 65% of those responding selected these categories. Other problems included late payments of CERTEX, problems with export quota approvals, and the inconvenience of regulations requiring use of domestic carriers (see table 19).

For those indicating financial or monetary difficulties, the vast majority (79%) complained of problems with the fixed exchange rate and with the dollar-inti conversion (see table 20). Much less important were

liquidity problems due to late payments or credit delays (also see table 23).

The main infrastructure problem appears to be deficient processing facilities, including problems with cleaning, selection, packaging, etc. (table 17). Also mentioned was the lack of sufficient refrigerated transport.

A rather broad range of transportation problems was identified, with the most frequent complaint centering on the CPV's failure to meet timetables. Others mentioned limited space on train and air transport, deficient airport infrastructure, and lack of direct flights to U.S. (table 22). Poor roads and general cost increases in transportation were also noted.

A high incidence of complaints centered on what could be described as "unreliability" of suppliers. This appears to involve problems with exporters who rely on supplies acquired through "collectors" in the field (table 19). Related disenchantment was registered over high levels of competition from domestic speculators having more transitory export participation and interest.

Little problem was found on the demand side with the exception of some difficulty in acceptability of quality of delivered products - especially with perishable products encountering delays due to customs and to CVP arrival problems (table 21). Quality problems were also mentioned in the residual "other problems" category (table 24).

Numbers of responses per category do not provide a sound indicator of problem areas. At this stage the study serves more to point the direction for more indepth analysis. Even so, it appears that serious problems exist with currency conversion and with redtape and transportation which slow down an industry that has particular need of quick response time.

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Cuadro No. 1

IA: Cuál es el producto de mayor experiencia o éxito

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	2	3.8		
1	Fruta fresca	12	22.6	23.5	23.5
4	Especiería	9	17.0	17.6	41.2
11	Cochinilla y subprod	5	9.4	9.8	51.0
9	Flores	5	9.4	9.8	60.8
6	frijol	4	7.5	7.9	68.6
8	Café	4	7.5	7.8	76.5
10	Cacao y subproductos	4	7.5	7.8	84.3
5	Prod. marinos proces	2	3.8	3.9	88.2
2	Fruta procesada	2	3.8	3.9	92.2
7	Maíz blanco gigante	1	1.9	2.0	94.1
3	Fruta seca	1	1.9	2.0	96.1
12	Hortalizas	1	1.9	2.0	98.0
13	Miel de Abeja	1	1.9	2.0	100.0
	Total	53	100.0	100.0	

Cuadro No. 41

I112 Qué porcentaje de exportaciones son prod. agric. no tradicional

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	11	20.8		
4	de 90 a 100%	33	62.3	78.6	78.6
3	de 51 a 89%	4	7.5	9.5	88.1
1	de 0 a 20%	3	5.7	7.1	95.2
2	de 21 a 50%	2	3.8	4.8	100.0
	Total	53	100	100	

Cuadro No. 42

I113 Qué tiempo se dedica a exportaciones agrícolas?(años)

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	4	7.5		
1	de 1 a 3 años	16	30.2	32.7	32.7
3	de 6 a 10 años	13	24.5	26.5	59.2
2	de 3 a 6 años	11	20.8	22.4	81.6
4	de 10 a 20 años	6	11.3	12.2	93.9
5	más de 20 años	3	5.7	6.1	100.0
	Total	53	100	100	

Cuadro No. 46

II41 Cuál es su experiencia personal en exportaciones?

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	5	9.4		
3	de 6 a 10 años	16	30.2	33.3	33.3
1	de 0 a 3 años	13	24.5	27.1	60.4
2	de 3 a 6 años	10	18.9	20.8	81.3
5	más de 20 años	5	9.4	10.4	91.7
4	de 10 a 20 años	4	7.5	8.3	100.0
Total		53	100	100	

Cuadro No. 47

II42 Cuál es su experiencia personal en exportaciones agrícolas?

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	6	11.3		
1	de 0 a 3 años	17	32.1	36.2	36.2
3	de 6 a 10 años	13	24.5	27.7	63.8
2	de 3 a 6 años	11	20.8	23.4	87.2
4	de 10 a 20 años	3	5.7	6.4	93.6
5	más de 20 años	3	5.7	6.4	100.0
Total		53	100	100	

Cuadro No. 45

II3 Cuál es la participación del capital extranjero en la empresa?

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	5	9.4		
1	de 0 a 10%	46	86.8	95.8	95.8
2	de 10 a 50%	1	1.9	2.1	97.9
3	más del 50%	1	1.9	2.1	100.0
Total		53	100	100	

Cuadro No. 49

IA71 Nivel de exportaciones el año pasado (millones \$)

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	23	43.4		
1	de 0 a 2	24	45.3	80.0	80.0
2	de 2 a 5	4	7.5	13.3	93.3
3	de 5 a 10	1	1.9	3.3	96.7
4	de 10 a 20	1	1.9	3.3	100.0
Total		53	100	100	

Cuadro No. 14

IA72 Volumen de exportaciones el año pasado (T.M.)

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	25	47.2		
3	de 100 a 500	12	22.6	42.9	42.9
1	de 0 a 50	8	15.1	28.6	71.4
2	de 50 a 100	5	9.4	17.9	89.3
4	más de 500	3	5.7	10.7	100.0
Total		53	100	100	

Cuadro No. 2

IA.1 Cómo comenzó o seleccionó este producto

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	3	5.7		
1	Análisis de la demanda	27	50.9	54.0	54.0
5	Conocim. producc. exportable	9	17.0	18.0	72.0
2	Relacio. e informes clientes	9	17.0	18.0	90.0
3	Pedidos del extranjero	4	7.5	8.0	98.0
6	Organis. promoción	1	1.9	2.0	100.0
Total		53	100.0	100.0	

Cuadro No. 3

IA.2 A dónde se dirige su producto?

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	3	5.7		
1	Europa	21	39.6	42.0	42.0
3	Norte América	8	15.1	16.0	58.0
4	Europa-Norteamérica	6	11.3	12.0	70.0
6	Europa-Japón	4	7.5	8.0	78.0
2	Sudamerica	4	7.5	8.0	86.0
8	América (sur y norte)	3	5.7	6.0	92.0
7	Europa-Sudamérica	3	5.7	6.0	98.0
5	N.A.-Europa-Australi	1	1.9	2.0	100.0
Total		53	100	100	

Cuadro No. 4

A.3 Usa marca de identificación? Por qué?

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	9	15.5		
1	Identifica a la empresa	21	36.2	42.9	42.9
2	Vende como materia prima	11	19.0	22.4	65.3
4	Otros	8	13.8	16.3	81.6
3	Es indiferente	4	6.9	8.2	89.8
6	Con marca del importador	3	5.2	6.1	95.9
5	Por calidad	2	3.4	4.1	100.0
Total		58	100.0	100.0	

Cuadro No. 8

IA5 Como consigue a sus proveedores? Qué criterios emplea?

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO AC
0	Sin información	7	13.5		
1	Acopiador	23	44.2	51.1	51.1
2	Trabaja con agricultores	11	21.2	24.4	75.6
3	Proveedores conocidos	5	9.6	11.1	86.7
4	Son product.exportadores	4	7.7	8.9	95.6
5	Piden precios bajos	1	1.9	2.2	97.8
6	amistad	1	1.9	2.2	100.0
Total		52	100	100	

Cuadro No. 9

IA6.1 Forma de Pago no contractual

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACL
0	Sin información	24	45.3		
1	Acopiador	28	52.8	96.6	96.6
2	Trabaja con agricultores	0	0.0	0.0	96.6
3	Proveedores conocidos	1	1.9	3.4	100.0
Total		53	100	100	

Cuadro No. 10

IA6.2 Forma de Pago contrato previo

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	40	75.5		
1	Si	12	22.6	92.3	92.3
2	No	1	1.9	7.7	100.0
Total		53	100	100	

Cuadro No. 11

A6.3 Forma de Pago contrato previo

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	48	90.6		
1	20% del monto a pagar	2	3.8	40.0	40.0
2	25% del monto a pagar	1	1.9	20.0	60.0
3	Adelantan algo	1	1.9	20.0	80.0
4	50% adelantado	1	1.9	20.0	100.0
Total		53	100	100	

IA6.4 Asistencia Técnica

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	47	88.7		
2	Prep.semilla y otros	3	5.7	50.0	50.0
1	Cuidados al Producto	2	3.8	33.3	83.3
3	Labor de extensión	1	1.9	16.7	100.0
Total		53	100	100	

Cuadro No. 17

IAB.1 Problemas de Infraestructura

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	40	75.5		
1	Falta Infraestr.Comerc.	10	18.9	76.9	76.9
3	Falta transp.refrigerado	2	3.8	15.4	92.3
2	Problemas sociales	1	1.9	7.7	100.0
Total		53	100	100	

Cuadro No. 18

IAB.2 Problemas con proveedores

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	27	50.9		
2	Incumplimiento	16	30.2	61.5	61.5
1	Especulación interna	9	17.0	34.6	96.2
3	Cultivan marginalmente	1	1.9	3.8	100.0
Total		53	100	100	

Cuadro No. 19

IAB.3 Problemas con burocracia y reglamentos

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	21	39.6		
3	Demoras en trámites	12	22.6	37.5	37.5
1	Prob:Aduana, Min.Agric.	9	17.0	28.1	65.6
2	CERTEX atrasado	4	7.5	12.5	78.1
5	Falta apoyo al productor	4	7.5	12.5	90.6
4	Detorm.Inoport.Cuotas	2	3.8	6.3	96.9
6	Obligac.viaj en barco CPV	1	1.9	3.1	100.0
Total		53	100	100	

IAB.4 Problemas financieros y monetarios

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	25	47.2		
2	Tasa de cambio fija	18	34.0	64.3	64.3
1	Falta oportuna liquidoz	4	7.5	14.3	78.6
3	Convertibil.dolar a intis	4	7.5	14.3	92.9
4	Créditos FENT no promocio	2	3.8	7.1	100.0
Total		53	100	100	

Cuadro No. 21

IAB.5 Problemas originados en los compradores

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	47	88.7		
1	Reclamos por calidad	2	3.8	33.3	33.3
2	Devoluc dol embarque	3	5.7	50.0	83.3
3	Protestas p reinteg.trib	1	1.9	16.7	100.0
Total		53	100	100	

Cuadro No. 22

IAB.6 Problemas en el transporte

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	23	43.4		
5	CPV incumple horarios	9	17.0	30.0	30.0
3	falta cupo aéreo-tren	8	15.1	26.7	56.7
2	aumento costos transporte	4	7.5	13.3	70.0
1	carreteras en mal estado	4	7.5	13.3	83.3
4	no hay vuelos directos US	3	5.7	10.0	93.3
6	Falta infraestr. aeropua	1	1.9	3.3	96.7
7	En trámites	1	1.9	3.3	100.0
Total		53	100	100	

Cuadro No. 23

IAB.7 Problemas de cobro

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	no	43	81.1		
2	Bin Problemas	8	15.1	80.0	80.0
1	algunas veces	1	1.9	10.0	90.0
3	cobro diferente a contrat	1	1.9	10.0	100.0
Total		53	100	100	

IAB.8 Problemas varios

CODIGO	NOMBRE	FRECUENC	%BRUTO	%NETO(*)	%NETO ACU
0	Sin información	41	77.4		
1	Mdos. exteriores exigente	2	3.8	16.7	16.7
2	Falta mayor producción	4	7.5	33.3	50.0
3	Faltan normas de calidad	4	7.5	33.3	83.3
4	Altos precios de ENAPU	1	1.9	8.3	91.7
5	No competitividad por precio	1	1.9	8.3	100.0
Total		53	100	100	

VOLUMEN DE EXPORTACION DE LOS PRINCIPALES PRODUCTOS AGROPECUARIOS NO TRADICIONALES
1970-1984
(T.M.)

PRODUCTO	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Cacao crudo	300			41		101	645	1834	2257	1598	839	666	465	785	327
Ajos frescos	2860	2228	2947	2535	1885	1028	2315	2076	1682	2200	1195	548	1147	912	123
Tara	8488	4590	5135	5738	5553	2057	3735	5021	3721	5028	2981	3544	2481	2199	4358
Espárrago	1126	1200	1018	753	877	811	1012	1422	1361	1967	1183	2481	1078	1187	236
Eixa (achiote)	766	765	1038	675	905	1217	1261	700	1320	2353	2248	2084	2054	1632	1335
Mafz aniláceo	258	428	4441	1087	1102	2315	1082	1779	1349	2340	2370	1614	1654	1509	652
Tabaco en raso	586	654	2220	2001	1121	1695	869	642	425	450	276	209	99	121	129
Nueces y Castañas	509	676	575	498	655	876	809	735	1189	1184	1652	876	1255	1662	6
Té	100				20	206	89	430	116	479	963	76	49	63	802
Frejol	1296	1492	1387	2597	2358	843	1470	1215	527	1025	1105	1658	551	689	1590
Cebolla	906	859	107	225	966	269	552	339	1061	1980	124	22	9		
Falla	103	109	78	62	120	189	143	377	400	659	1355	1022	953	281	404
Melcoas	1864	1905	1618	1285	1370	593	669	347	606	756	425	64	10	60	243
Coca en hoja	254	255	532	629	626	640	450	478	204	461	300	164		253	46
Cochinilla y Otr. ins	163	167	174	203	151	104	188	138	158	199	150	202	198	222	162

FUENTE: Boletín Estadístico del Sector Agrario 1968-1985
Oficina Sectorial de Estadística, Ministerio de Agricultura

VALOR DE LAS EXPORTACION DE LOS PRINCIPALES PRODUCTOS AGROPECUARIOS NO TRADICIONALES
1970-1984

MILES DE DOLARES FOB

PRODUCTO	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
TRADICIONALES	161460	151796	166648	220266	336577	390042	267209	347676	276738	361869	259024	227493	277786	244521	263935
NO TRADICIONALES	5472	5622	7727	9907	10305	10350	13187	19920	19645	24951	20600	15662	13654	16118	13568
Cacao crudo	174			42		100	1036	6673	6533	4584	2069	1207	729	1440	767
Ajos frescos	872	817	1689	1681	760	717	1472	2084	1649	1854	921	899	2067	1028	164
Tara	784	638	535	509	698	408	635	1024	837	1151	905	1208	627	869	1430
Espárrago	538	570	442	389	273	614	834	1218	1342	2037	1259	3041	1376	1400	327
Bixa (achiote)	145	206	522	723	747	957	1177	851	1298	2495	1526	1334	1234	949	991
Malz aniláceo	85	133	150	476	511	1501	916	1256	1109	1816	2063	1409	1303	1103	523
Tabaco en rana	194	95	697	1301	788	1210	803	599	430	460	286	250	198	238	252
Nueces y Castañas	372	542	570	503	902	925	947	1245	2080	2080	2686	1598	3063	4254	16
Té	84				18	204	103	581	198	1984	4151	220	132	74	809
Frejol	356	572	505	809	926	450	774	687	255	609	739	1429	333	449	1030
Cebolla	41	31	7	12	192	59	97	31	156	887	27	22	11		
Palta	28	21	16	16	36	63	50	132	142	252	968	643	521	119	140
Melones	255	182	156	126	140	69	85	54	99	143	125	31	5	24	70
Coca en hoja	242	265	623	768	770	859	711	812	355	737	493	387		704	122
Cochinilla y Otr.ins	1302	1550	1815	2552	3524	2214	3547	2674	3172	3862	2572	1995	1855	3467	6225
Total Exp.Agr.N Trad	166932	157418	194375	230173	346802	400392	280396	367596	296383	386820	279824	243155	291440	260639	277403

FUENTE: Boletín Estadístico del Sector Agrario 1968-1985
Oficina Sectorial de Estadística, Ministerio de Agricultura

UNITED STATES GOVERNMENT

Memorandum

Sr. Fred Mann, Chief, APAD
Sr. David Faulkner, APAI

DATE: 7/11/86

FROM : Jaime Málaga *JM*
APAD

SUBJECT: Visita a la Asociación de Productores de ICA/Evaluación del Proyecto de Exportaciones No-Tradicionales

I. Antecedentes.

Dentro del proceso de evaluación del Proyecto AID-FDN, sol Promoción de Exportaciones Agrícolas No-Tradicionales se me encar realizar una breve evaluación de la opinión de algunos agricultor relacionados con el mencionado proyecto. Lamentablemente, tiempo disponible no fue el suficiente y sólo se pudo realizar u sólo visita al Vallo de Ica para entrevistar a unos 10 agricultore

Las preguntas fueron sugeridas por el Dr. David Hansen, qui me acompañó en el viaje, y la Srta. Linn Hammergren, miembros d Comité de Evaluación.

La Asociación de Agricultores de Ica, agrupa a 161 pequeños medianos agricultores del Valle de Ica, quiónes administran propia—estación. experimental de San Camilo. Por segundo a consecutivo, los agricultores de la Asociación (no todos) vien trabajando bajo Convenio con la FDN dentro del Programa de Fomen a las Exportaciones Agrícolas No-Tradicionales, financiado p AID. Se han realizado hasta el momento 3 ensayos de exportaci con este valle: vainita, paprika y recientemente, aún en proces de espárragos verdes. En los dos primeros casos estuvier onvultos también las firmas Agroempaques y la firma Olympus.

II. Metodología:

La Fundación para el Desarrollo Nacional (FDN), presentó pedido nuestro, una lista de 22 agricultores, de los cuales no propusimos entrevistar a 10 seleccionados al azar (ver list anexa). Este proceso funcionó a medias ya que algunos de los qu fueron seleccionados no pudieron ser ubicados y tuvieron que se reemplazados por otros.



Las entrevistas se llevaron a cabo los días miércoles 9 y jueves 10 de Julio de 1986, en el local de la Estación Experimental San Camilo, donde fueron citados los agricultores seleccionados. La duración promedio fue de 30 a 45 minutos por entrevista, habiéndose distribuido el trabajo entre el Dr. Hanson y yo. Los formularios, que son mayormente guías de entrevista, se anexan con el resumen de las respuestas dadas. Las preguntas fueron abiertas y mayormente de opinión por lo que los cuestionarios no tienen validez para elaboración estadística. Previamente a las entrevistas individuales, tuvimos una larga reunión con la directiva de la Asociación: Sr. P. Zanobini (Presidente), Sr. Fausto Robles (Gerente) y Sr. Manuel Checa (Ex-Presidente).

Debe dejarse anotado que en vista de haberse realizado hasta el momento sólo dos experiencias piloto (vainitas y paprika) y estando en proceso una de envergadura comercial (espárragos), el término "Evaluación" del proyecto en el caso de los productores sería poco apropiado. Considero que sólo habiendo visto los resultados de la exportación de los espárragos se podría tener un juicio más realista del impacto del Proyecto de la FDN en Ica.

III. Algunos Resultados:

- 1) Cinco de los diez agricultores realizan por primera vez una exportación no-tradicional. Los otros cinco han participado en la experiencia de vainitas y/o paprika a través de la Fundación y dos han tenido experiencia fuera de la FDN (mayormente negativas).
- 2) Ocho de los diez han producido o producen algodón mayoritariamente. Los otros cultivos mencionados, son según frecuencia: frutas (palta, uvas, etc.), papas, sorgo, pallares, tomates, pecanas, maíz y cobada. Siendo la papa el segundo más mencionado. La experiencia del algodónero hace que estos agricultores tengan una experiencia indirecta con relación a los mercados de exportación.
- 3) Todos los que tuvieron experiencia con vainitas consideran que no fue exitosa como una operación comercial de exportación. Mayormente, culpan del poco éxito a la firma Agroempaques, quién dicen no cumplió con ampliar su planta de procesamiento y la mantienen en un nivel sumamente bajo de capacidad, lo que impidió el procesamiento de toda la producción, por lo que sólo se exportó una pequeña parte de lo cosechado.

Sin embargo, cuatro de los cinco parecen haber sacado algo positivo de la experiencia: Primero han descubierto que son capaces de producir verduras de primera calidad y aceptada por el exigente mercado americano; Segundo, han descubierto la importancia de no dejar vacíos en todo el proceso productivo, especialmente en el industrial. Tal vez esto explica su entusiasmo en entrar a la exportación de espárragos al cual algunos de ellos (los 10 entrevistados son parte de los 40 que decidieron sembrar espárragos para exportación) están consagrando el 100% de sus fincas (2 de los entrevistados).

4) El grupo entrevistado es variado respecto al tamaño de propiedad: siendo el rango de propiedad de 14 a 130 hectáreas. Tres de ellos son propietarios de más de 100 hectáreas, cinco de más de 50 has. y 2 de menos de 20 has.

El grupo es bastante homogéneo, sin embargo en otros aspectos, son todos agricultores modernos con gran aprecio por nuevas tecnologías, nivel cultural bastante alto, universitarios muchas veces, algunos de ellos con gran conocimiento de otros países.

5) Los tres que mencionaron alguna experiencia anterior a la FDN (melones, paltas, pallares) consideran que se interrumpió por falta de seriedad de los brokers o por los bajos precios que ellos pagaban.

6) Es unánime el deseo de reemplazar el algodón debido a que el precio está continuamente bajando en el mercado internacional y a la temible plaga del gusano rosado.

7) Todos los interesados se entusiasmaron con las recientes experiencias de exportación no tradicional a través de la Asociación de Agricultores de Ica y gracias a la labor de la FDN. Todos dicen que ninguna institución equivalente (FOPEX, ADEX, o exportadores particulares) le habían propuesto hasta ahora acciones concretas de exportación no tradicional como la FDN. Todos han recibido visitas de expertos nacionales y extranjeros (9 en sus fincas) llevados por la FDN a través del programa del A.I.D.

8) Todos reconocen en los expertos extranjeros enviados por la FDN, gente de primera calidad excepto uno (Mr. Sathade). Tuvieron también frases de elogio para los técnicos locales del FDN, especialmente para el Ingeniero Pablo Castillo. Piensan que en el caso de las vainitas, pudo haber mejor comunicación entre Agroempaqes, Olympus y la FDN, aunque no se muestran resentidos con ellos.

9) Parecen muy seguros de sus posibilidades productivas, pocos declinan que en el caso de vainitas o espárragos tengan dificultades especiales. Reconocen en la paprika algunos problemas más relacionados con enfermedades que no conocen.

10) Las sugerencias se refieren mayoritariamente a dos puntos:
a) asistencia técnica para concretar un proyecto de planta de enfriamiento para los espárragos en el Valle de Ica y b) mayor fluidez de materiales de información técnica.

IV Comentarios Finales:

1) El interés tomado al programa por estos modernos y tecnificados agricultores, se demuestra en el entusiasmo algo arriesgado de lanzarse en la exportación de espárragos (40 agricultores con 400 hectáreas), sin haber realizado previamente una experiencia piloto. Esto es más valioso si se considera que en los ensayos anteriores tuvieron algunos problemas (vainita, paprika) que no les han hecho perder confianza en sus posibilidades.

2) Por el tipo de respuesta obtenida me parece concluyente la bondad de la estrategia aplicada por la FDN en este caso. Hay dos elementos que han sido excelentemente manejados. Primero: el viaje de observación a los Estados Unidos (New Orleans, Florida, California, etc.) realizado por agricultores líderes, los que regresaron con una enorme motivación y con conocimiento de causa. Este viaje pareció clave ya que la mayoría de los encuestados se entusiasmaron con los espárragos a raíz de las experiencias de viaje de los agricultores líderes (la selección de los que viajaron fue un acierto). Segundo: aprovechando el "momentum" de la llegada de reconocidos expertos fue lo que desencadenó la casi euforia con que estos agricultores están orientando su producción al cultivo de espárragos. (Ellos saben reconocer un buen experto de uno no tan bueno; al señalar que hubo uno deficiente, comprueban la sinceridad de sus elogios al resto).

3) Lo peligroso del problema, a mi entender, está ahora en la construcción de la planta de frío en Ica. Ellos estiman unos US\$300,000 de inversión y consideran (los directivos) que es algo poco complicado y dentro de sus posibilidades. Particularmente preocupante es esta confianza dado que la planta necesita estar en operación a más tardar en noviembre del próximo año según su plan de exportación. Las preguntas más específicas sobre costos, equipos, partes importadas, administración de la planta, etc. no parecen muy convincentes sobre el actual conocimiento al

respecto. Dicon que el crédito será fácil conseguirlo a través del Banco Agrario, con quienes ya han hablado; pero de nuevo, no hay "proyecto" aún en términos de bancarios. Preocupa igualmente, la indefinición aparente sobre la forma administrativa de la nueva planta, las garantías que usarían para el préstamo, el sistema de amortización entre los socios, etc.

Varios de los encuestados comparten estos términos, no así la directiva. Considero de urgencia que se les debe brindar ayuda para concretar este proceso, dada su inexperiencia en procesos industriales y porque al menor error de implementación en este caso, podría ser fatal para la experiencia y para el proyecto en sí. Yo sugeriría que los expertos provistos por AID/FDN vayan siendo desde ahora, también del área de procesamiento y comercialización externa.

4) Un comentario adicional se relaciona con la tendencia de los directivos y algunos agricultores mayores a sacar conclusiones sobre sus experiencias pasadas y recientes (vainita). Pareciera que la solución que ven, está en que "ellos mismos" intervengan en la etapa de procesamiento y comercialización, para garantizar que no serán "engañados". Esto creo que es peligroso en perspectiva, pues es una buena tendencia a la complementariedad y especialización de las actividades económicas y empresariales. Parece ser que al respecto hay un grupo de gente joven que posee una mentalidad más moderna y que no necesariamente concuerda con la "vieja generación" y su tendencia a pensar en "sólo nosotros podemos hacerlo".

APAD:JMálaga:rov
(0650Y)

c.c.:OARD:DBathrick
:UNA:DHansen
:PROG:LHammergren

ANNEX C

I. NON-TRADITIONAL AGRICULTURAL EXPORT PROMOTION PILOT PROJECT: Activiy/Output Schematic

- Implementing Institutions: FDN
- Cooperating Institution: FMME via PRE Bureau and USAID Grant Assistance (support activities with Project Sustain and USDA).
- Production Zone: Ica, Cañete, Huaura, Chíncha, Chimbote, Trujillo.
- Principal Commercial Interests: Olimpus, Agroempaques, Banco Wiese.

Inputs	Process	Outputs
1. Broker Services	- Embryo Trading or Company Development	- Deals Brokered - Establishment of Olimpus
2. Information Services	- Technical Studies - Extension Education	- Farm Management Improvement
3. Technical Assistance	- Project Sustain - AID/W PSSA with USDA - La Universidad Agraria - INDAA	- Improved Management Knowledge & skills at the farm - Farm Organization, Processing & Exporting levels. - Technology Transf.
4. Market Information and intelligence	- Micro computerized market information Center - Telex & Telecommunications	- Improved Information for decision making
5. New Product Development	- Variety Trials - Market Analysis - Processing Trials	- New Market Entry - Technology Transf.
6. Organizational Services	- Export Centers - Promotion of Vertical Integration & Joint Ventures	- Entrepreneurial Business arrangements. - Information Exchanges

- Coordination Agreements with producer associations
- 7. Trade Association
 - Topical Meetings with Diverse Participation
 - Agribusiness Seminars
 - Representation on MDA advisory council
 - Improved Policy Environment
 - Information Exchanges

II. SCOPE OF WORK

The respective project agreement documents of the FDI and FNME will provide the evaluation team with benchmarks of performance and will allow them to evaluate the project in terms of specific project activities as they relate to the project goal of promoting Peruvian non-traditional agricultural exports. In addition, the project will be evaluated based on an assessment of overall project success as measured by the original project purpose, objectives and planned results as expressed in the June 20, 1985 grant agreement with the FDN. The following specific areas and issues should also be covered by the evaluation to measure the project's impact and guide the direction of possible future support efforts:

- 1) The role and potential of non-traditional agricultural exports in terms of development impact and contribution to the agriculture sector and national economy.
- 2) The agricultural export potential of Peru overall and by region vis a vis other export sectors, international terms of trade and market opportunities; the main constraints to expand Peruvian non-traditional agricultural exports and trade in general, including a discussion/assessment of policies and the role of the various Peruvian institutions and organizations which affect Peruvian trade. Consideration might also be made of external institutions and organizations affecting Peruvian trade such as the Generalized Agreement on Tariffs and Trade (GATT) convention scheduled for September of this year. This section should contribute to the prioritization of Peruvian economic decision making and donor agency support.

- 3) An estimation of recent private sector investment already made or being made to export agricultural products; amount leveraged by the FDN/FMME pilot project effort, including an estimate of investment cost per job created as compared with other sectors.
- 4) GOP support and policy reforms necessary to facilitate rapid expansion of non-traditional agricultural exports and to permit future support efforts to have a greater impact. This section might also review the impacts of possible shifts in some public sector enterprises both in terms of ownership and/or service objectives.
- 5) Possible future support activities including human capital investments required for rapid expansion of the sector and suggested roles for the FDN, GOP, USAID, other donors and the Peruvian private sector in general.
- 6) Possible role of countertrade for debt service, capitalizing new projects and increasing non-traditional agricultural exports, and;
- 7) Although the project has worked primarily with farmers that are more capable in terms of resource base, education, management capability, etc., the evaluation should consider the impact of the project on rural communities and more limited resource farmers. The extent to which this project and possible future activities improve the well-being of the rural sector as a whole is an important aspect to be addressed, given concern by many that activities linking local production with international market opportunities is a potentially dangerous economic development direction.
- 8) Given that export of fresh and processed agricultural products is a relatively new economic activity in Peru, and the fact that export markets demand high quality products in consistent volumes, it is important that the role of external technical assistance and technology be examined (USDA, FMME, Project Sustain, and General Foods) as well as the skill/knowledge mix of the projects personnel.
- 9) Observations should also be made on the availability and appropriateness of locally supplied services, technology, training and research with respect to production, processing, storage and transport of agricultural products for export (Horticultural and Food Technology departments of UNA, ADEX, ESAN, FOPEX, etc.).

10) Local Business arrangements and association mechanisms should be explored to provide OLIMPUS and the Peruvian private sector as a whole with guidance on incentive and responsibility structures in order to strengthen local business relationships and thereby market coordination.

11) Other aspects that the evaluation team considers important to review.

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ANNEX "D"
 NON-TRADITIONAL AGRICULTURAL EXPORT PROMOTION
 PILOT PROJECT EVALUATION

PROYECTO AGRONEGOCIOS FDN
 PORTACIONES EFECTUADAS 1984 - 1987

EMPRESAS	PRODUCTOS	M O N T O E N U S \$				Sub- Total
		1984	1985	1986	1987	
- PERSIVALE	Mangos	30,000	60,000		-----	90,000
- INKA FRUT	Mangos	---	40,000	60,000	-----	100,000
	Espárragos		60,000	80,000	-----	140,000
- OLIMPUS	Vainitas	---	---	12,000	-----	12,000
	Mangos	---	10,000	---	-----	10,000
	Espárragos	---	---	---	25,000	25,000
	Arverja china	---	---	---	90,200	90,200
- Agroempaques	Vainitas	---	---	20,000	356,400	376,400
- Industrial Virú	Sugar snap	---	---	---	270,600	270,600
- Holguín	Achiote	---	---	20,000	30,000	50,000
- Propexa	Mangos	---	---	60,000	-----	60,000
- Huarco	Mangos	---	---	80,000	-----	80,000
- Nutriex	Mangos	---	---	70,000	-----	70,000
- A.A. Ica	Espárrago	---	---	---	2'057,600	2'057,600
					TOTAL:	3'431,800
						=====

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P R O Y E C T O A G R O N E G O C I O S F D N
I N V E R S I O N E S E J E C U T A D A S 1 9 8 4 - 1 9 8 7

1) SEMINARIOS Y EVENTOS:					MONTO EN US\$.				Sub- Total
					1984	1985	1986	1987	
Institución/ Empresa	Lugar	Actividad Desarrollada	Beneficiarios	Productos Exportados	50,000	60,000	25,000	65,000	200,000
FDN	Lima	I y II Seminario Taller para Ejecutivos en Agronegocios.	-Productores -Industriales -Exportadores	---	20,000	25,000	25,000	---	70,000
FDN	Lima	Seminarios Internacionales por productos: Mango, espárrago y curso de exportación.	-Funcionarios Públicos -Productores -Agroindustriales -Exportadores	---	---	---	---	50,000	50,000
FDN	Miami y New Orleans	Viaje de Capacitación y en entrenamiento.	-Productores -Funcionarios FDN y Exportadores.	---	30,000	35,000	---	---	65,000
Proagrinsa	Arequipa	I Seminario de Producción y Exportación de ajos.	-Exportadores -Productores -Funcionarios	---	---	---	---	15,000	15,000

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II) ESTUDIOS Y PROYECTOS:					MONTO EN US\$.				Sub-
Institución/ Empresa	Lugar	Actividad Desarrollada	Beneficiarios	Productos Exportados	1984	1985	1986	1987	Total
					---	---	66,000	77,500	143,500
FRUVEG	Trujillo	Estudio de factibilidad Planta de con- gelado rápido	-Empresa priva- da	---	---	---	---	---	---
ROCSA	Cañete	Estudio de factibilidad de planta de congelado rá- pido	-EMPRESA PRIVA- da	---	---	6,000	---	---	6,000
NUTRIEX	Pisco	Estudio de factibilidad Planta de con- gelado rápido	-Empresa priva- da	---	---	10,000	---	---	10,000
COM.HOLGUIN	Cuzco	Estudio de factibilidad Planta proce- sam. Cacao	-Empresa priva- da	---	---	6,000	---	---	6,000
INAESA	Huaral	Estudio de factibilidad Planta proce- sam.hortalizas	-Empresa priva- da	---	---	20,000	---	---	20,000
AUTODEMA	Arequi- pa	Estudio de in- vestigación de mercados	-Empresa priva- da	---	---	18,000	---	---	18,000
LUIS URTEAGA	Piura	Estudio de factibilidad Planta proce- sam.espárra- gos	-Empresa priva- da	---	---	---	10,000	---	10,000
NICOLINI	Chincha	Estudio de factibilidad Planta de conservas	-Empresa priva- da	---	---	---	23,000	---	23,000
				---	---	---	7,000	---	7,000

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II) ESTUDIOS Y PROYECTOS:					MONTO EN US\$.				Sub-
Institución/ Empresa	Lugar	Actividad Desarrollada	Beneficiarios	Productos Exportados	1984	1985	1986	1987	Total
					---	---	66,000	77,500	143,500
ASOC. DE ** AGRICULTO RES DE ICA	Ica	Estudio de factibilidad Planta proce sam. espárra gos frescos	-Empresa priva da	---	---	---	---	12,000	12,000
FIELD	Lima	Investiga ción de mer cados	-Empresa priva da	---	---	---	---	10,000	10,000
PERSIVALE	Truji llo	Estudio de factibilidad Planta de procesamien to de espá rrago congela do	-Empresa priva da	---	---	---	---	9,000	9,000
CARLOS BOHL	Chan chama yo	Estudio de mercado del achiote, kion y palillo	-Empresa priva da	---	---	---	6,000	---	6,000
AGROPAC	Pisco	Estudio de investiga ción de mer cados	-Empresa priva da	---	---	---	---	6,500	6,500

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III) AGROINDUSTRIAS DE PROCESAMIENTO Y MAQUINARIA					MONTO EN US\$.				Sub-
					1984	1985	1986	1987	Total
Institución/ Empresa	Lugar	Actividad Desarrollada	Beneficiarios	Productos Exportados					
					--	142,500	1'475,000	95,000	1'712,500
AGROEMPA- QUES	Lima	Planta piloto congelado	Banco Wiese	Vainitas Espárragos Sugar snap	--	70,000	90,000	--	160,000
INDUSTRIAL VIRU	Virú	Planta de congelado IQF	Grupo Guinea	Espárragos Vainitas Sugar snap	--	--	1'120,000	--	1'120,000
NEISA	Truji- llo	Planta de procesamien- to de espá- rrago fresco	Negocios y Exportaciones S.A.	Espárrago blanco	--	--	80,000	--	80,000
INKA FRUT	Truji- llo	Planta de procesamien- to espárra- gos frescos	Luis Alva	Espárrago blanco	--	--	10,000	60,000	70,000
OLIMPUS	Lima	Trading Comerciali- zador	Grupo de Pro- ductores/Ex- portadores	Vainitas Mango Espárrago	--	12,500	20,000	35,000	67,500
HUARCO	Lima	Planta de fumigación EDB	Ernesto Barrios Ralph Crevochoy	Mangos frescos	--	--	75,000	--	75,000
PROPEXSA	Piura (Tamgo Grande)	Planta de fumig.EDB	Oswaldo García	Mangos frescos	--	--	80,000	--	80,000
PERSIVALE	Piura	Exportación de mangos	Roberto Persi- vale	Mangos frescos	--	60,000	--	--	60,000

IV) INSUMOS Y EQUIPOS:					MONTO EN US\$.				Sub-
					1984	1985	1986	1987	Total
Institución/ Empresa	Lugar	Actividad Desarrollada	Beneficiarios	Productos Exportados			122,000	25,000	147,000
ASOCIACION AGRICULTO- RES DE ICA	Ica	Compra de semilla de espárrago	Productores de Ica	--	--	---	80,000	10,000	90,000
OLIMPUS	Lima	Compra de semilla de -Vainitas -Sugar snap -Espárrago	Productores/ Exportadores	--	--	---	12,000	15,000	27,000
F D N	Lima	Compra de semilla de Paprika	Productores de Ica, Cañe te y Chimbo- te	--	--	---	30,000	--	30,000

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V) CULTIVOS Y PRUEBAS EXPERIMENTALES					MONTO EN US\$.				Sub- Total
					1984	1985	1986	1987	
Institución/ Empresa	Lugar	Actividad Desarrollada	Beneficiarios	Productos Exportados	--	85,000	180,000	35,000	300,000
A.A.I.	Ica	Siembra de vainitas	Productores/ Exportadores	---	--	65,000	30,000	10,000	105,000
AGRICULTO RES DE CAÑE TE, ICA Y CHIMBOTE	Ica Cañete Chimbo te	Siembra de Paprika	Productores/ Exportadores	---	--	--	60,000	--	60,000
AGRICULTO RES DE HUAU RA, PTE. PIE DRA, CHILCA	Huacho Lima Cañete	Siembra expe rimental de sugar snap, snap peas, broccoli, etc.	Productores	---	--	--	10,000	5,000	15,000
ASOCIACION DE PRODUCTO RES ICA, CA ÑETE, CHIMBO TE, HUAURA, HUARAL.	Chimbo te e Ica	Transferen cia de Tec nología y Asesoramien to técnico nacional e internac.	Productores	---	--	20,000	80,000	20,000	120,000
** NOTA: Falta incluir Planta de procesamiento de espárrago fresco en Ica avaluado en US\$. 600,000. (Préstamo en trámite).									
T O T A L E S :								2'503,000	

ABRIL de 1987.
PC/cm.