



## **Reasons to approve the Peru FTA : Example from the Agroindustry**

- ◇ Over the last 16 years **PAIA** (the Peruvian Asparagus Importers Association) with its 32 members in 6 U.S. States, and **IPEH** (the Peruvian Asparagus and Vegetable Institute) which represents the producers and exporters of vegetables in Peru, developed a business alliance that has resulted in total U.S. retail sales of Peruvian fresh asparagus of more than \$ 570 million per year, with 85% of this revenue, or \$484 million, remaining in the hands of U.S. businesses.
- ◇ The growth and success of this industry is directly linked to the Andean Trade Preference and Drug Eradication Act (ATPDEA). The approval of the Peru Trade Promotion Agreement (PTPA) will consolidate these gains and allow for long-term economic stability and alternatives to narcotics trafficking, generating formal employment, and reduction of poverty in Peru.
- ◇ The visionaries of the 1990s, who believed that developing alternative industries could assist Peru and other Andean countries in the “War on Drugs” and the struggle against guerrillas and terrorist organizations, could never have anticipated that the rapid growth of agroexport industry in Peru could also lead to the creation of several hundred jobs in the United States. These U.S. jobs include those directly involved in the importing of fresh asparagus from Peru, but also at least 5,000 jobs throughout the commercial chain, including U.S. interests in: air, sea, and land carriers; ports; storage facilities; distributors; wholesalers; and retailers.
- ◇ The growth of Peruvian asparagus as a successful agroexport industry is a model that is being reproduced successfully with other agricultural products in Peru, including paprika, artichokes, peppers, citrus fruit and avocados. This sector of Peru’s economy now provides alternative, legal employment to over 60,000 workers, of which 40% come from mountainous areas where coca production has traditionally taken place, and of which 50% are women. Peru’s agroexport industry as a whole has generated 600,000 formal jobs in Peru.
- ◇ Peru’s agroexport industry maintains high labor and environmental standards. One reflection of the Peruvian asparagus industry’s growing status as a global business is its adoption of rigorous international standards on environmental management practices and labor standards, requirements of doing business with the United States, the European Union, and other countries.
- ◇ Since asparagus cultivation is undertaken almost entirely on irrigated desert lands along Peru’s coast, the environmental impacts of this industry on existing habitats are negligible. In fact, by contributing to the successful reduction of coca leaf production in biologically sensitive rain forest habitats, the growth of the asparagus industry along Peru’s arid coast has had, in an indirect manner, highly beneficial environmental impacts.
- ◇ Finally, the U.S. Consumer receives direct benefits from the growth of the Peruvian Asparagus industry. Imports from Peru permit American consumers to have year-round access to fresh asparagus, because Peru supplies the U.S. market during the months in which U.S. domestic production is nonexistent. Fully 85% of annual imports of Peruvian asparagus reach the U.S. market outside of the growing seasons for Washington, California and Michigan.