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Heavy Rains and Floods Hit Peruvian Agriculture

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Agricultural Situation

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Report Highlights:

Heavy rains, landslides, and flooding continue in Peru. Over 7,000 kilometers of roads and 5,700 kilometers of irrigation canals along the Peruvian central and northern coast are destroyed, delaying or hindering the movement of foodstuffs to and from the market. Despite efforts by the dairy processing industry, milk collection still faces challenges in northern Peru. In addition to the loss of land, animals, crops and investment, any measurement of the full scope of damage will need to include crop yield reduction due to heat stress, fungal diseases, increased transportation costs, the financial costs of renegotiating loan terms, and the loss of worker productivity due to illnesses or the loss of a home.

General Information:

As the El Niño rains continue throughout Peru, so does flooding and landslides. Damage to Peru's transportation infrastructure, not the destruction of crop land, remains the biggest short-term impact on the agricultural sector. To date, about 7,000 kilometers of roads are destroyed or blocked due to heavy rains and flooding, delaying or hindering the movement of foodstuffs to and from the market. Secondary roads that are used to move produce from farms to market have been particularly hard hit. Many of these secondary roads are one lane dirt trails that have been washed out or blocked by landslides or fallen bridges. Two of the country's main highways, the Panamericana North, running along the coast, and the Carretera Central, cutting across the middle of the country to Lima, are blocked at several points from fallen bridges or washed out roads.

Arrivals to Lima's main produce terminal, Santa Anita Market remain steady at about 6.5 MT per day, but there are fluctuations in the availability of specific products such as bananas and lemons that impact prices. Many supermarket shelves are not stocked to capacity. In the dairy sector, milk trucks are unable to reach dairy farms, causing an estimated loss of 300,000 liters of milk per day. Additionally, heat stress is causing lower milk production; cows that produced 34 liters per day are now barely milking 22 liters, according to industry sources.

According to contacts, damage to northern Peru's irrigation infrastructure is forecast to have a medium term impact on agricultural production. An estimated 5,700 kilometers of irrigation canals have been destroyed. Tumbes is the most affected region with 1,280 kilometers destroyed, followed by La Libertad and Lima with 1,058 and 976 kilometers destroyed, respectively. The impact of flooding on the poultry industry includes the loss of about one million birds and the destruction of at least 200 chicken houses.

Animal disease outbreaks are also emerging, according to media reports, some with human health impacts. Animal health authorities have reported that their efforts are complicated by transportation difficulties, with some areas virtually inaccessible at the moment.

A major lender reports that bananas, grapes, garlic, and olives are the most affected crops in its portfolio. Major lenders often mandate insurance with their loans; as a consequence producers with loans are insured for at least a portion of their crop.

Total agricultural damage is impossible to assess at this time, due to continued flooding that is forecast to last through mid-April. In addition to the loss of land, animals, crops and investment, any measurement of the full scope of damage will need to include crop yield reduction due to heat stress, fungal diseases, increased transportation costs, the financial costs of renegotiating loan terms, and the loss in worker productivity due to illnesses or the loss of a home.