Revista Científica Interdisciplinaria Investigación y Saberes
2023, Vol. 13, No. 3 e-ISSN: 1390-8146
Published by: Universidad Técnica Luis Vargas Torres

Tax collection on wheat imports in Peru

Recaudación de impuestos en las importaciones de trigo en el Perú

Tania Quiroz Quesada
D. in Public Management and Governance, taquirozq@ucvvirtual.edu.pe.
Universidad César Vallejo, https://orcid.org/0000-0001-8964-6905

Daianna del Carmen Palomino Huamán
Undergraduate student, Universidad César Vallejo, Dpalominohu22@ucvvirtual.edu.pe,
https://orcid.org/0000-0002-9956-5487

Juan Eduardo Valverde Cuya
Undergraduate Student, Universidad César Vallejo, jvalverdecu01@ucvvirtual.edu.pe
https://orcid.org/0000-0003-1130-8804

Loudy Débora Gutiérrez Huamán
Undergraduate Student, Universidad César Vallejo, Lgutierrezhu02@ucvvirtual.edu.pe
https://orcid.org/0000-0003-1248-3006

Received 2023-04-15
Revised 2023-06-10
Published 2023-09-07
Corresponding Author
Tania Quironz Quesada
taquirozq@ucvirtual.edu.pe
Pages: 72-80

Abstract

The purpose of this study is to determine the amount of taxes collected on wheat imports from Peru and to identify the main supplier countries of Peru in terms of quantity and value. The method used is that of documentary review, extracting from the 7383 Customs Declarations of goods housed in the records of SUNAT Customs during the period from 2012 to 2021, the study took the values from the national subheading 1001.99.10.00 whose description is indicated as the other wheat, being the purely quantitative research with non-experimental and descriptive scope.

Keywords: International Trade, Imports, Tariff, Protectionism, Commodity.

How to cite this article (APA): Quiroz, T., Palomino, D., Valverde, J., Gutiérrez, L.,(2023) Tax collection on wheat imports in Peru, *Revista Científica Interdisciplinaria Investigación y Saberes,* 13(3) 72-80

Resumen

El presente trabajo tiene por objetivo el conocer cuáles fueron los valores recaudados por los impuestos a las importaciones de trigo desde Perú, a su vez identificar los principales países proveedores que tiene Perú por cantidad y valor. El método empleado es el de revisión documentaria, extrayendo de las 7383 Declaraciones de aduanas de mercancías alojadas en los registros de SUNAT Aduanas durante el periodo del 2012 al 2021, el estudio se tomó los valores a partir de la subpartida nacional 1001.99.10.00 cuya descripción se señala como los demás trigos, siendo la investigación netamente cuantitativa con alcance no experimental y descriptiva.

Palabras clave: Comercio Internacional, Importaciones, Arancel, Proteccionismo, Producto Básico.

Introduction

Agricultural products considered as commodities were fundamental for the development of world trade in the last century, important because they had a share of 25% of the total traded (Aparicio & Pinilla, 2019), therefore prices can be detrimental to countries that depend heavily on them, being the most affected the consumer with low income (McDonald et al., 2008). An important factor influencing the final price is tariffs (Edward et al., 2011), a cost that is assumed by the national buyer in order to obtain a higher value compared to the national product (García et al., 2021). Wheat production is mainly concentrated in China, Europe and North America with a share of 42%, 21% and 12% respectively (Achten & Van Acker, 2016), China is not only a large producer but also a large consumer of cereals, therefore they have understood that devising policies of preference for domestic consumption than export policies, ensures a welfare and supply to its population (Li et al., 2020).

Wheat is considered worldwide as one of the most valued products for human consumption and food, throughout the centuries it has been an excellent source of calorie intake, it is mainly produced in two ways, small scale and large scale, its main weakness is the loss of the harvest due to storage and transportation (Anriquez et al., 2021) and the different biotic stresses that exist that generate a reduced yield

(Mottaleb et al., 2018). Its importance lies in the fact that countries seek to have a continuous supply of wheat in order to meet the large domestic demand, predicting whether they will have a production equal to domestic consumption, an overproduction for export or a shortage for import (Vashisth et al., 2019), therefore they face a high logistical effort for this product to reach every corner, preferring today to market regionally than to risk shipments or purchases of greater distance (Gutiérrez-Moya et al., 2021) or in other cases to analyze whether it is more convenient to invest in fertilizers for greater production or to make an import (Elias et al., 2019) . Global marketing occurs under established standards and with government policies of investments in infrastructure, facilities, storage and cost reduction for production (Svanidze et al., 2019) resulting in a good wheat, which is one that presents a great plant height, a grain with great weight, good proteins, being resistant to pests and a relevant flowering time (Wamalwa et al., 2020). The largest world exporters of grains are the United States, Canada, Argentina (Beta & Isaak, 2015) and for the case of wheat in Latin America countries rely heavily on imports made from Russia, Ukraine and Kazakhstan, countries that have had growth and expansion in recent years (Consulting-Crackers & Group-CBH, 2015). Due to the importance of wheat in Peru's consumption, this study aims to determine the levels of imports over a 10-year period starting in 2012, the revenue collected and the main suppliers.

Methodology

This research is developed under the quantitative approach due to the nature of the data and to facilitate its explanation and behavior over time (Kerlinger, 2002; Sánchez, 2019), the scope of the research is descriptive so as to offer the possibility of measuring more accurately the variable under study leaving aside the reasons and focusing on the description (Díaz-Narváez & Núñez, 2016). The type of research is applied, it has as its central axis the resolution of problems that are intended for a concrete action, The design is non-experimental no variable is intervened or altered, remaining only the possibility of observing the course in the time that has been delimited (Fresno, 2019). The population was constituted by the totality of the Imported Corn consignment from SUNAT Customs Declarations during the period 2012 - 2021.

Tariff items consulted for the research:

Table 1. *Subheading structure*

Category	Numerical description	Verbatim description
National Sub-item	1001.99.10.00	Other wheat

Note: Extracted from Arancel de Aduanas 2022

Results

Table 1 shows the evolution of wheat imports in Peru by country, in 2012 the main supplier was Argentina having 50% of the total, with the passage of time the dependence of Peru by this country was reducing, so much so that in the last two years the average share was only 10%, Canada became the main supplier of wheat since 2014 always exceeding 50% of the total. In the last 4 years the average share of wheat was 68% for Canada, 18% for the United States and 11% for Argentina. Wheat imports from Canada had three very important increases, in 2013 with 58% compared to 2012, the following year with 98% and in 2020 with 51%, for the case of the United States, this has had falls in the last two years of -34% and -27% respectively. For the case of imports from the Russian Federation these have been increasing since 2015, growing by 9%, 10% and 11% in the years 2019, 2020 and 2021. There were some countries that once imported, such is the case of Uruguay in 2014, Paraguay in the years 2012 and 2013 and France in 2020.

Table 2. *Country of wheat imports in Thousands of Tons.*

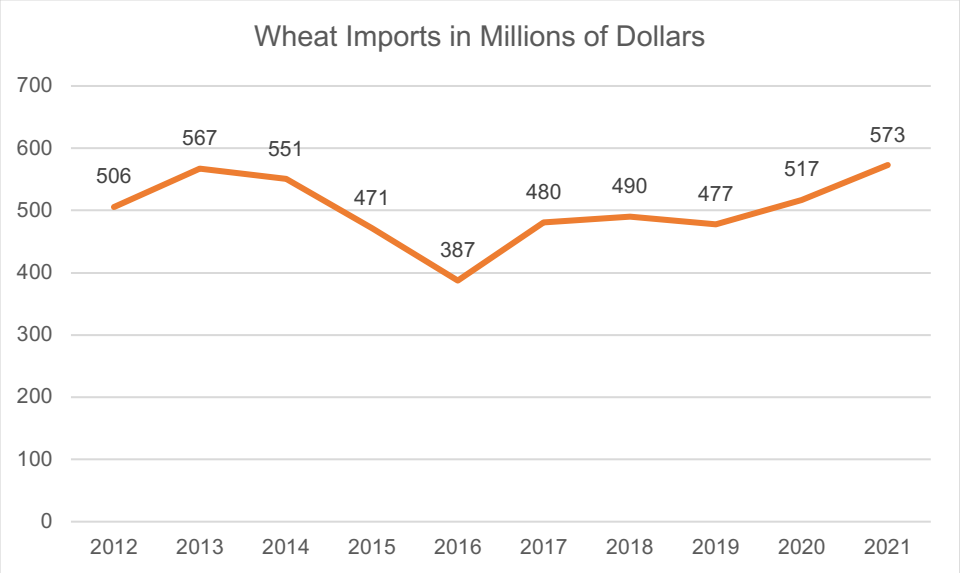
Country / Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
			1122.	1191.	1117.	1160.	1220.	1069.	1617.	1395.
Canada	359.3	567.7	7	9	6	9	6	6	4	6
USA. USA.	232.8	646.4	341.3	406.4	384.5	452.7	394.6	448.4	296.4	215.0
Argentina	754.5	163.8	-	8.1	6.8	239.0	172.8	301.8	198.2	177.7

Russia	136.9	257.5	238.0	103.8	145.1	130.9	127.8	52.3	0.0	65.7
Uruguay	-	-	19.4	-	-	-	-	-	-	-
Paraguay	39.1	16.8	-	-	-	-	-	-	-	-
France	-	-	-	-	-	-	-	-	0.04	-

Note: Data extracted from customs declarations of wheat importing companies from SUNAT Customs.

Figure 1 shows wheat imports, the year where it had the lowest imported value was in 2016, the year with the worst drop in the entire period with -18%, however, the following year it recovered growing by 24%, being the highest value recorded in this same period. The average growth rate was 2% per year, with positive growth in 2013, 2017, 2020 and 2021. Comparing 2021 with 2012 shows an increase of 13%, i.e. US$68 million more.

Image 1. Total Wheat Imports made by Peru in Millions of dollars.



Note: Data extracted from customs declarations of wheat importing companies from SUNAT Customs.

Table 2 shows the values collected from the IGV and IPM, for 2013 there was an increase of 12%, the following year there was a decrease of -3%, continuing with this decrease in 2015 and 2016 there were

successive drops of -15% and -16%. For 2017 there was a recovery in collection of 25%, although in value it did not exceed that of 2012. In the last two years there was an increase of 10% making that by 2021 there will be an increase of 14% compared to 2012 which in terms of value an increase for the IGV of 11.5 million dollars and for the IPM of 1.4 million.

Table 3. *Taxes collected on wheat imports by Peru in millions of dollars*

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
IGV	79	89	87	74	61	76	78	75	82	91
IPM	10	11	11	9	8	9	10	9	10	11
Total	89	100	98	83	68	85	87	84	93	102

Note: Data extracted from customs declarations of wheat importing companies from SUNAT Customs.

Conclusions

In 2012, Argentina was the most important country to import wheat, the following year it was displaced by the United States and in 2014 it was Canada who became and remains to date the main origin of imports made by Peru. The growth of the imported value of wheat in Peru has averaged 2% per year, reaching in 2021 that Peru imports 68 million more than in 2012 growing by 13%. The annual percentage growth of tariffs and the CIF value of wheat imports behaved slightly different, in 2013 the opposition in growth was 0.1% in favor of the CIF value, in 2014 the difference was -0.5% falling more the CIF value than taxes, in 2015 and 2016 fell more taxes by -0.2% and -0.5% respectively. In 2017 and 2020 the value collected for taxes was higher by 1.2% and 1.7%, in the last year the value in CIF fell by 10.9% while the value of taxes fell by 10.4%.

Reference

Achten, W. M. J., & Van Acker, K. (2016). EU-Average Impacts of Wheat Production: A Meta-Analysis of Life Cycle Assessments. *Journal of Industrial Ecology*, *20*(1), 132-144. https://doi.org/10.1111/jiec.12278

Anriquez, G., Foster, W., Ortega, J., & Santos Rocha, J. (2021). In search of economically significant food losses: Evidence from Tunisia and Egypt. *Food Policy*, *98*(April), 101912. https://doi.org/10.1016/j.foodpol.2020.101912

Aparicio, G., & Pinilla, V. (2019). International trade in wheat and other cereals and the collapse of the first wave of globalization, 1900-38. *Journal of Global History*, *14*(1), 44-67. https://doi.org/10.1017/S1740022818000347

Beta, T., & Isaak, C. (2015). Grain Production and Consumption: Overview. *Encyclopedia of Food Grains: Second Edition*, *1*(4), 349-358. https://doi.org/10.1016/B978-0-12-394437-5.00051-6.

Consulting-Crackers, & Group-CBH. (2015). Wheat: Marketing. *Encyclopedia of Food Grains: Second Edition*, *4*(4), 9-15. https://doi.org/10.1016/B978-0-12-394437-5.00177-7. https://doi.org/10.1016/B978-0-12-394437-5.00177-7

Díaz-Narváez, V., & Núñez, A. (2016). Scientific articles, types of scientific research and productivity in health sciences. *Revista Ciencias de La Salud*, *14*(1), 115-121. https://doi.org/10.12804/revsalud14.01.2016.10. https://doi.org/10.12804/revsalud14.01.2016.10

Edward, T. H., Tokgoz, S., Wailes, E., & Chavez, E. (2011). A quantitative analysis of trade policy responses to higher world agricultural commodity prices. *Food Policy*, *36*(5), 545-561. https://doi.org/10.1016/j.foodpol.2011.07.001

Elias, E., Okoth, P. F., & Smaling, E. M. A. (2019). Explaining bread wheat (Triticum aestivum) yield differences by soil properties and fertilizer rates in the highlands of Ethiopia. *Geoderma*, *339*(July 2018), 126-133. https://doi.org/10.1016/j.geoderma.2018.12.020.

Fresno, C. (2019). *Research Methodology*. El Cid Editores.

García, C., García, A., & Montes, A. (2021). Valuation and willingness to pay by consumers of corn on the cob in mexico | [Avaliação e vontade de pagar pelos consumidores de milho no méxico]. *Revista de La Facultad de Agronomía*, *38*(2), 360-381. https://doi.org/10.47280/RevFacAgron(LUZ).v38.n2.12.

Gutiérrez-Moya, E., Adenso-Díaz, B., & Lozano, S. (2021). Analysis and vulnerability of the international wheat trade network. *Food Security*, *13*(1), 113-128. https://doi.org/10.1007/s12571-020-01117-9

Kerlinger, F. (2002). Behavioral research. In *McGraw-Hill*. McGraw-Hil. http://books.google.com.mx/books?id=6Y3gOwAACAAJ

Li, J., Liu, W., & Song, Z. (2020). Sustainability of the adjustment schemes in China's grain price support policy-An empirical analysis based on the partial equilibrium model of wheat. *Sustainability (Switzerland)*, *12*(16). https://doi.org/10.3390/su12166447. https://doi.org/10.3390/su12166447

McDonald, S., Punt, C., Rantho, L., & Van Schoor, M. (2008). Costs and benefits of higher tariffs on wheat imports to South Africa. *Agrekon*, *47*(1), 19-51. https://doi.org/10.1080/03031853.2008.9523789. https://doi.org/10.1080/03031853.2008.9523789

Mottaleb, K. A., Singh, P. K., Sonder, K., Kruseman, G., Tiwari, T. P., Barma, N. C. D., Malaker, P. K., Braun, H. J., & Erenstein, O. (2018). Threat of wheat blast to South Asia's food security: An ex-ante analysis. *PLoS ONE*, *13*(5), 1-15. https://doi.org/10.1371/journal.pone.0197555.

Sanchez, F. (2019). Epistemic foundations of qualitative and quantitative research. *Revista Digital de Investigación En Docencia Universitaria*, *13*(1), 101-122. https://doi.org/http://dx.doi.org/10.19083/ridu.2019.644

Svanidze, M., Götz, L., Djuric, I., & Glauben, T. (2019). Food security and the functioning of wheat markets in Eurasia: a comparative price transmission analysis for the countries of Central Asia and the South Caucasus. *Food Security*, *11*(3), 733-752. https://doi.org/10.1007/s12571-019-00933-y.

Vashisth, A., Krishanan, P., & Joshi, D. K. (2019). Multi stage wheat yield estimation using different model under semi arid region of India. *International Archives of the Photogrammetry, Remote Sensing and Spatial Information Sciences - ISPRS Archives*, *42*(3/W6), 263-267. https://doi.org/10.5194/isprs-archives-XLII-3-W6-263-2019

Wamalwa, M., Tadesse, Z., Muthui, L., Yao, N., Zegeye, H., Randhawa, M., Wanyera, R., Uauy, C., & Shorinola, O. (2020). Allelic diversity study of functional genes in East Africa bread wheat highlights opportunities for genetic improvement. *Molecular Breeding*, *40*(11). https://doi.org/10.1007/s11032-020-01185-x. https://doi.org/10.1007/s11032-020-01185-x