

Voluntary Report – Voluntary - Public Distribution

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Report Name: Blueberry Annual Voluntary

Country: Peru

Post: Lima

Report Category: Fresh Fruit

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Report Highlights:

With ideal conditions for high productivity and a nearly year-round harvest, Peru's blueberry production continues to rise. FAS Lima forecasts Peruvian blueberry production for marketing year (MY) 2022 (March-April) to reach a record 280,000 metric tons (MT), with exports expected to reach 270,000 MT. In the last ten years, Peru has built a blueberry industry from 80 hectares in 2012 to about 17,500 hectares currently in production.

Table 1: Production, Supply, and Distribution; Fresh Blueberries (MT)

Peru Summary Table for Estimated Fresh Blueberry Production					
Marketing Year	2019/2020	2020/2021	2021/2022	2022/2023*	
Market Year Begins	May 2019	May 2020	May 2021	May 2022	
Peru	New Post	New Post	New Post	New Forecast	% change from prev. year
Area Harvested (HA)	10,000	13,500	16,500	17,500	6%
Production (MT)	125,000	165,000	230,000	280,000	22%
Imports (MT)	0	0	0	0	
Imports from U.S. (MT)	0	0	0	0	
Total Supply (MT)	125,000	165,000	230,000	280,000	22%
Exports (MT)	118,000	155,000	220,000	270,000	23%
Exports to the U.S. (MT)	66,000	84,000	121,000	145,000	20%
Total Consumption (MT)	7,000	10,000	10,000	10,000	
Total Distribution (MT)	125,000	165,000	230,000	280,000	22%

FAS Lima expects Peruvian blueberry production to reach 280,000 metric tons (MT) for marketing year (MY) 2022, increasing 22 percent from the previous year. Blueberry production in Peru continues expanding rapidly, growing from 80 hectares in 2012 to about 17,500 hectares currently in production, roughly 70 percent annual growth. High-quality fresh fruit stands as the main drivers of this sector. Blueberry production demands high investment, including land, technology, genetics, labor, post-harvest operations, and sophisticated irrigation systems, but continues to draw interest from Peruvian and foreign investors. Estimated investment for establishing one hectare of blueberries ranges from \$30,000 to \$150,000, with an average of US\$65,000. Complete return on investment can be made in as little as two years, even on the higher end of the range.

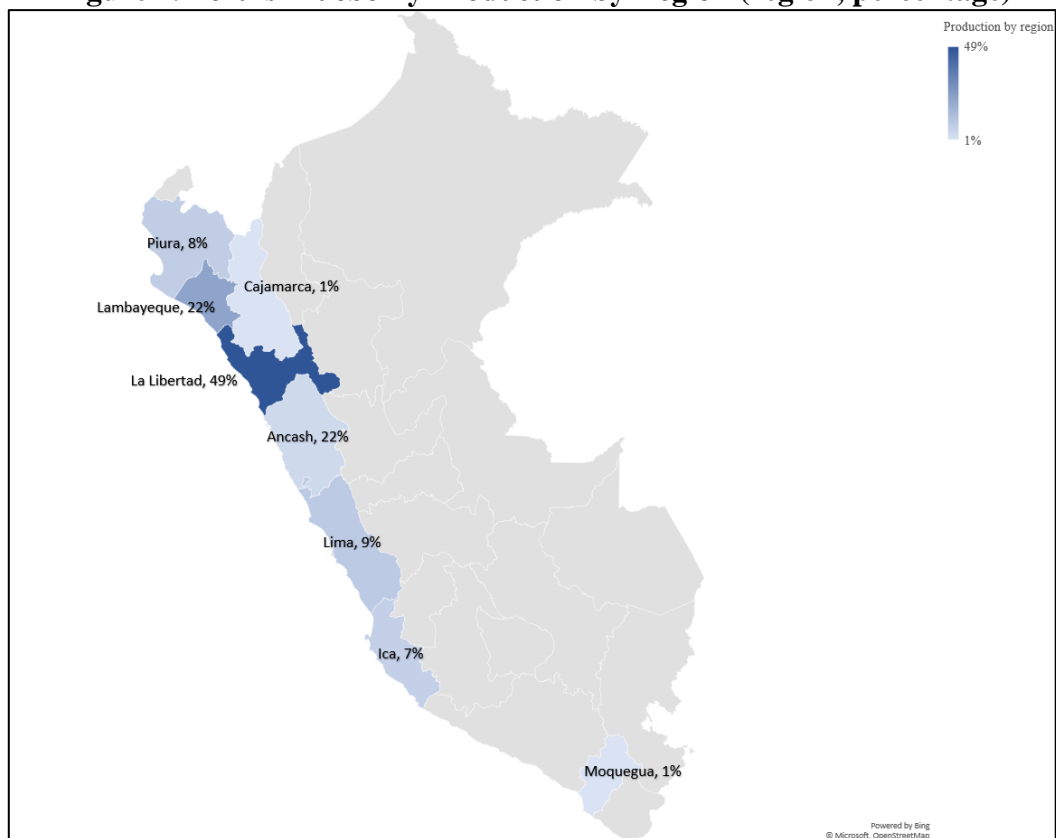
Approximately 50 percent of Peru's blueberry fields are centered in the northern coastal region of La Libertad, where major, state of the art irrigation systems provide plant nutrients in accordance with climate, soil, and plant requirements. The coastal desert, converted into modern agriculture areas, offers significant farming extensions where large-scale production takes place. Peruvian blueberries are produced both in the ground and in pots where soil characteristics are customized. Large net barriers protect the plants and fruit from the wind and sand from nearby dunes. Yields average 15-20 MT per hectare in the ground and 20-35 MT in pots. In addition, a sunny, hot, and dry climate allows for nearly year-round harvests. Coastal production areas offer more opportunities to access skilled labor operators, transportation and logistical needs, irrigation projects, and access to seaports and airports.

Additionally, blueberry operations have been successfully established in the central Andes Mountains at 2,250 meters (7,382 feet) above sea level, with cooler temperatures and greenhouse systems that positively impact the sugar content of the fruit.

Figure 1. Coastal Blueberry Production – Trujillo, Peru



Figure 2. Peru's Blueberry Production by Region (region, percentage)



Source: FAS Lima - data from ProArandanos

Blueberries are currently the second largest Peruvian export crop, after grapes. Peruvian fruit growers are expanding their operations, prioritizing blueberries due to their profitability.

Peru's record production this year is driven by exceptionally cool weather due to La Niña and continued replacement with improved varieties. Many producers are shifting from the well-established Biloxi variety to Ventura, with some growers shifting to even newer varieties like Emerald, AtlasBlue, Sekoya, Rocio, Stella Blue, Kestrel, Terrapin, Raymi, and others. These improved varieties promise continued growth into the near future. A majority of the blueberry plants in Peru are sourced from U.S. genetics. According to official data, Peru has more than 62 blueberry varieties registered or in development, with research focused on high productivity and uniform performance. In terms of fruit profiles, Peruvian producers are pursuing berries which are vigorous, firm, extra-large, sweet, less tart, crunchy, and can endure long chilling. However, with logistical challenges causing longer transit times to destinations, the industry is researching on fungus/pathogen free packaging to extend blueberry shelf life.

Early fruit set and a good flavor profile can be the result of ideal weather conditions. Peru's coast offers mild weather with little fluctuations between day and night. Blueberry production areas annual average temperature is 65°F, with dry, desert-like conditions. Local production is primarily countercyclical to U.S. production (July – December) but mild weather conditions allow the growing season to be nearly year-round.

Organic blueberry production represents three percent of total production. In 2021, organic certified areas reduced by 20 percent, from 643 to 517 hectares. Despite Peru's interest in promoting organic production, additional investment costs limit potential growth in this segment in the coming years.

Peru's blueberry harvests are labor intensive, and all fruits are hand-picked to avoid fruit damage. Approximately 135,000 jobs are generated by this industry, 60 percent of which are filled by women. Highly skilled harvest crews are paid more for fruits heading to higher priced markets, such as China.

There is also a strong foreign investment component in Peru's blueberry production. FAS Lima estimates that U.S. investment in the Peruvian blueberry industry accounts for roughly 5,700 hectares, totaling around \$360 million.

Peru's blueberry industry has been impacted by global logistical issues, mainly in securing containers and high freight costs, as well as high production costs due to fertilizer price increases.

Blueberries are gaining popularity in Peru. Currently, you can find them in supermarkets, traditional markets, and convenience stores. Blueberries are now consumed by Peruvians on a daily basis in smoothies, juices, desserts, cookies, cakes, ice creams, and even cocktails. Local prices range from \$1/kilogram (kg) in high season to \$10 during less productive months.

Figure 3. Increased Use of Blueberries in Local Market



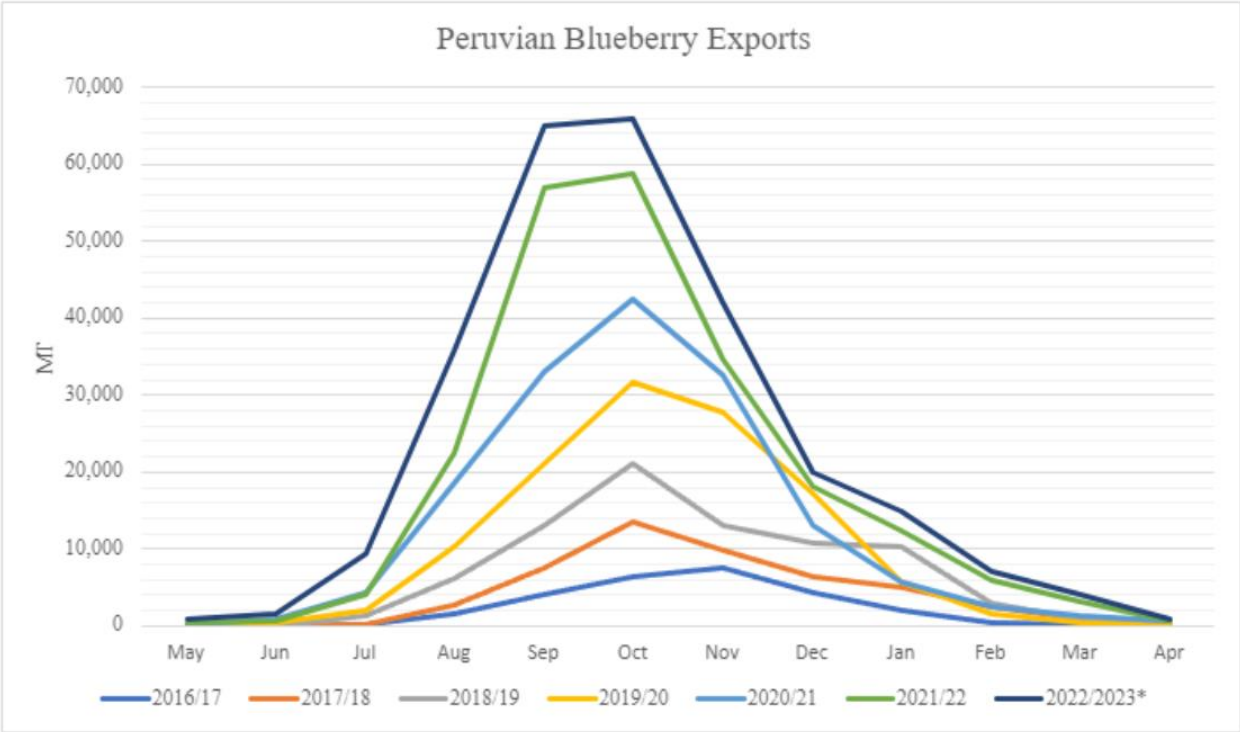
Figure 4. Increased Supply of Peruvian Blueberries at Local Supermarkets



Trade

FAS Lima forecasts Peruvian blueberry exports to grow by 23 percent in 2022, reaching 270,000 MT. In 10 years, Peru's blueberry industry has built a reputation as an innovative, consistent, and quality supplier for global markets. In 2021, Peru exported fresh blueberries primarily to the United States (55%), Netherlands (24%), Hong Kong (8%), United Kingdom (5%), and China (5%). Total fresh exports in MY 2021 were up 42 percent from the previous year, increasing from 155,000 MT to 220,000 MT. For the U.S. market, Peruvian blueberry exports have grown from 14,000 MT in MY 2016 to 121,000 MT in MY 2021, an almost five-fold growth in six years. Peru exported no blueberry products as recently as 2009, but it has since rapidly built a world-leading blueberry industry.

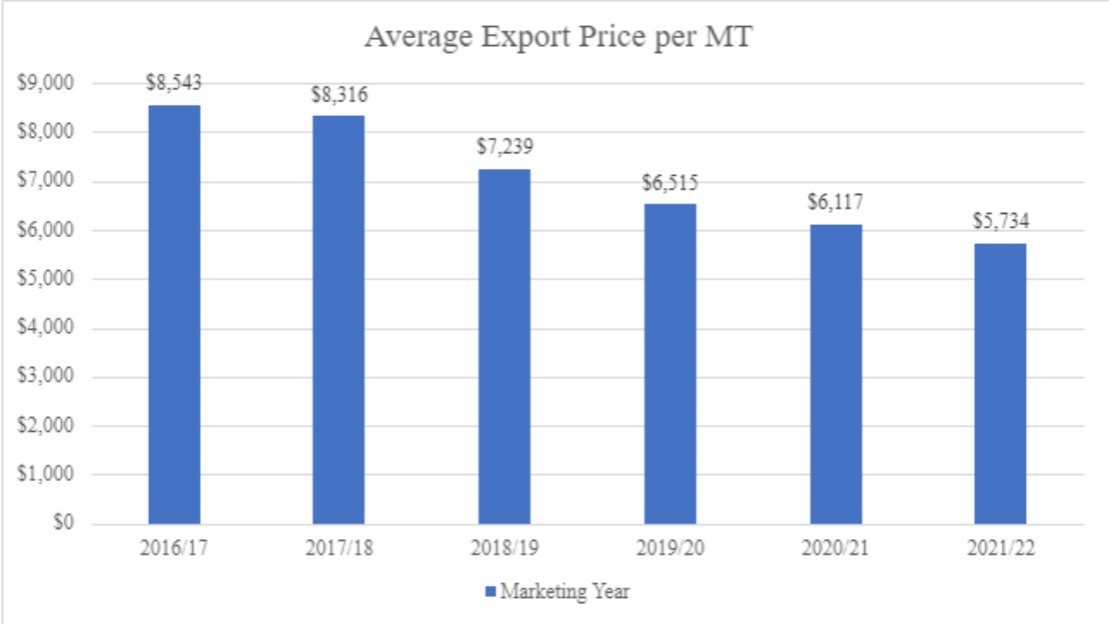
Figure 5. Peruvian Blueberry Monthly Exports in Metric Tons (MT)



* projected by FAS Lima.

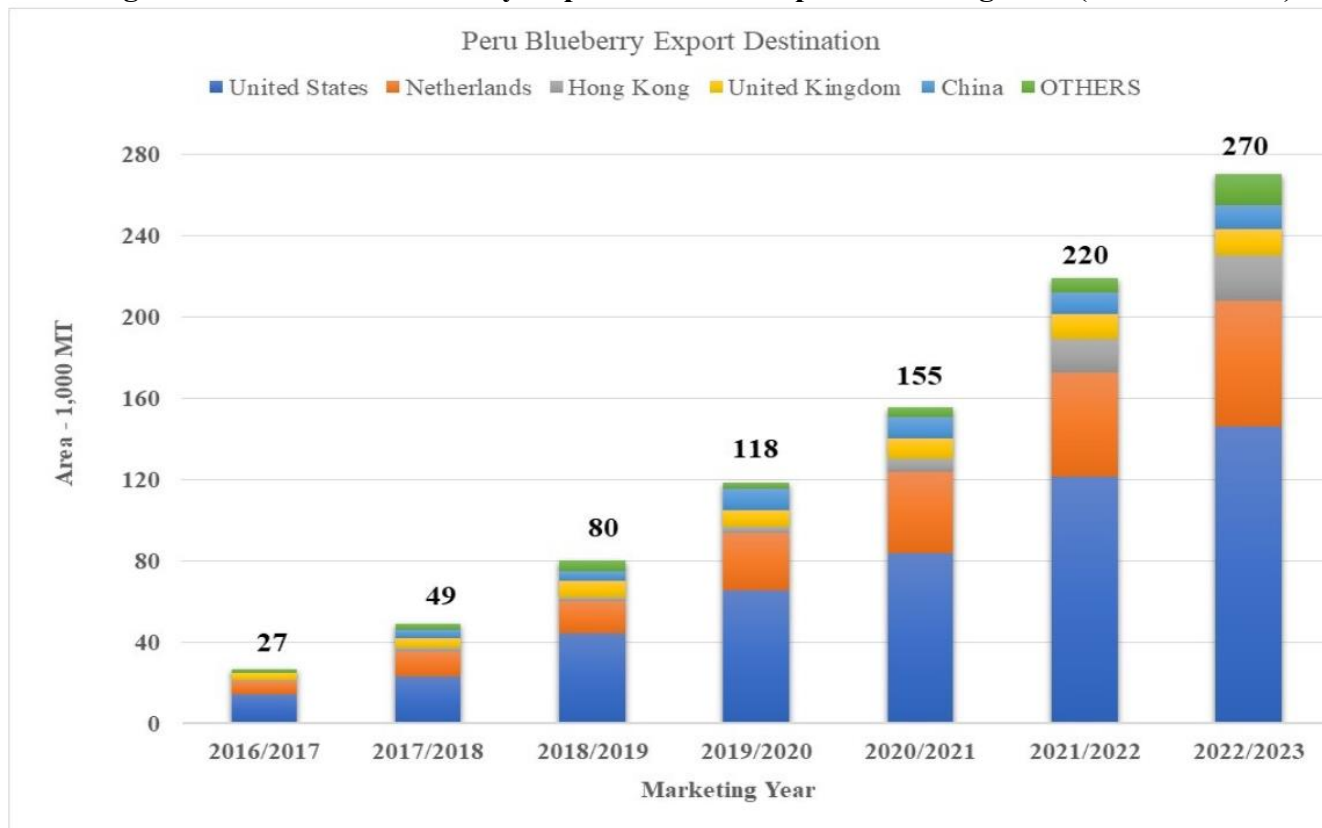
As Peruvian blueberry exports grew from 27,000 MT in MY 2016 to 220,000 MT in MY 2021, export prices began to gradually fall. Average export price in MY 2022 is expected to reach \$5,232/MT, compared to \$8,543/MT in MY 2016 and \$6,515/MT in MY 2019.

Figure 5. Annual Average Price per Metric Ton (MT)



In MY 2021, the average price paid by the United States was \$5,545/MT, the Netherlands \$5,660/MT, Hong Kong 6,403/MT, and China \$6,677/MT.

Figure 6. Total Peru Blueberry Export Destination per Marketing Year (Thousand MT)



Fresh blueberries are usually packaged in plastic clamshells and punnet top seal trays weighing 125 grams (g) (4.4 oz), 150 g (6 oz), 200 g (7 oz), 11 oz, flat pint, and 18 oz. For bulk products, the typical packaging weighs 2.5 kg (5.5 lbs), 3.0 kg (6.6lbs), or 3.4 kg (7.5 lbs).

Policy

Peruvian blueberries benefit from the U.S. - Peru Free Trade Agreement (PTPA), allowing Peru to export blueberries to the United States tariff-free. This bilateral agreement, signed in 2009, has helped the agricultural sectors of both countries. A significant amount of U.S. blueberry genetics (plants in-vitro) have been exported to Peru, also with zero tariffs, where they are grown, harvested, and the fruit shipped back for consumption in the United States. Over fifty percent of Peruvian blueberries are consumed in the United States.

Peru is looking to increase its blueberry exports worldwide. In 2022, Peruvian blueberries added Israel and Jordan as new market destinations. Currently, Peruvian blueberry have access to 32 countries. Common sanitary requirements are cold treatment due to fruit fly concerns and physical inspections upon arrival. Peru’s agricultural sanitary agency (SENASA) is working to add market access for Indonesia, South Korea, Vietnam, Japan, New Zealand, and Ecuador. In 2022, Portugal was added as in-

vitro genetic supplier to Peru. Other countries with this access include Argentina, Chile, the United States, Spain, Mexico, and South Africa.

Following the success of this crop, Peru's government declared berries as a national strategic crop. According to [Law 31518](#) published in June 2022, blueberries will benefit from targeted public policies formulated to promote national production, exports, and industrialization. The goal is to boost other berries like strawberry, raspberry, blackberry, and goldenberry. Four ministries (Agriculture, Production, Transportation, and Foreign Affairs) are involved in this initiative, but no specific measures have been announced or taken yet.

Attachments:

No Attachments.