Required Report: Required - Public Distribution **Date:** December 18, 2024

Report Number: PE2024-0022

Report Name: Citrus Annual

Country: Peru

Post: Lima

Report Category: Citrus

Prepared By: Miluska Camacho

Approved By: Robert Tuebner

Report Highlights:

Peruvian mandarin/tangerine production and exports are expected to increase two and four percent, respectively in MY 2024/2025 (April 2025 to March 2026). Production is forecast to reach 570,000 metric tons (MT), while exports are forecast at 225,000 MT. Higher productivity driven by a favorable La Niña climatic events contributing to below average temperatures. Domestic consumption of fresh mandarins/tangerines is forecast at 320,000 in MY 2024/2025, a one percent increase than the previous year. The United States will likely remain Peru's top export partner.

Table 1. Production, Supply, and Distribution

Peru	Estimate	Estimate	Forecast
Indicator Year	2022	2023	2024
Split Year	2022/2023	2023/2024	2024/2025
Beginning Month of marketing year	**April 2023**	**April 2024**	**April 2025**
Area Planted (HECTARES)	23,000	23,000	23,000
Area Harvested (HECTARES)	23,000	23,000	23,000
Bearing Trees (1000 TREES)	9,200	9,200	9,200
Non-Bearing Trees (1000 TREES)	0	0	0
Total No. Of Trees (1000 TREES)	9,200	9,200	9,200
Production (1000 MT)	550	560	570
Imports (1000 MT)	0	0	0
Total Supply (1000 MT)	550	560	570
Exports, Fresh (1000 MT)	207	216	225
Fresh Dom. Consumption (1000 MT)	313	314	315
For Processing (1000 MT)	30	30	30
Total Distribution (1000 MT)	550	560	570

*Note: There is a one-year lag between the Peru MY and the U.S. MY. For example, PE MY 2025/2026 is equivalent to U.S. MY 2024/2025. To ensure data continuity, the current Peruvian MY 2025/2026 will be referred to as U.S. MY 2024/2025 throughout this report.

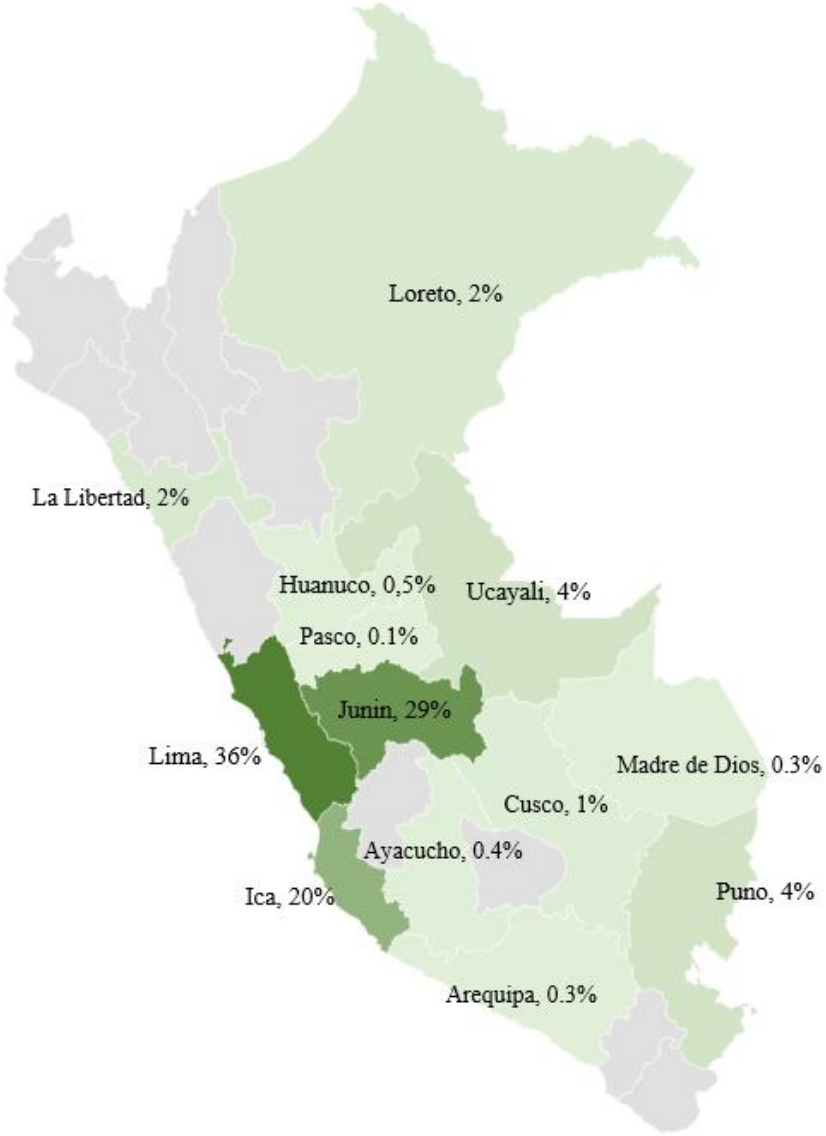
Production:

Mandarin/tangerine production in marketing year (MY) 2024/2025 (April 2025 to March 2026) is forecast at 570,000 metric tons (MT), an increase of two percent from the previous year. Cooler climatic conditions have extended into December 2024 due to the la Niña phenomenon, promoting favorable growing conditions into March 2025. With lows reaching 50 degrees Fahrenheit, the cooler weather has positively impacted plant flowering which will ultimately increase yields in March. In the absence of any negative weather shocks, production is expected to rise.

Historically, summer in Peru (December 2024 to March 2025) is the rainy season, however, rainfall along the coastal zone (where much of the mandarins/tangerines are produced) is expected to receive a low amount of precipitation. Mandarin/tangerine production will continue its upward trend.

According to official data, mandarin/tangerine production is primarily located in 13 regions (out of 25). Coastal areas account for 60 percent of total production with due to the semi-tropical weather and good water availability (irrigation). Peru’s main mandarin/tangerine producing area are the regions of Lima, accounting for 36 percent of total production; Junin, 29 percent; and Ica, 20 percent.

Figure 1. Peruvian Mandarin/tangerines



Source: FAS Lima – data from PROCITRUS

Peru is an active mandarin/tangerine producer and is looking to promote new royalty varieties to keep up with the global market. In the last eight years, early mandarin/tangerine varieties are being replaced by more profitable and higher demand crops, such as avocados and grapes.

Production in Peru's Amazon basin and highland regions are primarily destined for the domestic market, while production in the valleys of Lima and Ica are predominantly export oriented. Production in Lima and Ica benefits from desert-like conditions (reduced pest pressure, large daytime temperature variation) as well as close access to major Ports of Callao (Lima) and Pisco (Ica).

Varieties in Peru include:

Satsumas (Citrus unshiu): Miowase, Clausellina, Okitsu, Owari, and Primosole.

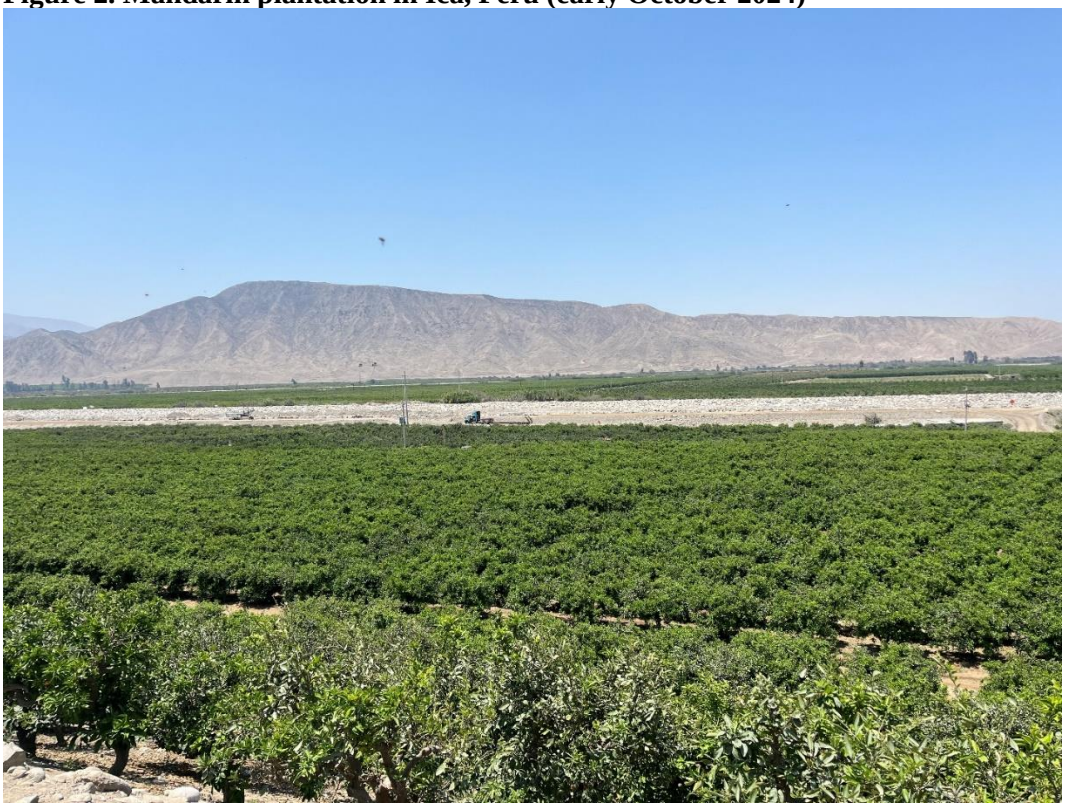
Clementines (Citrus reticulata): Clementines and Clemenules.

Hybrids: Fortuna, Kara, Pixie, and Nova.

Tangerines from Citrus reticulata and Citrus paradise: Murcott, Ortanique, and Tango.

Others: Dancy and Nadorcott. Malvaceo and Rio de Oro are also popular varieties with a long history in Peru. The market for exports is dominated by easy peelers and seedless varieties such as Murcott, Tango, Primosole, Clementine, and Orri. Satsumas, Primosoles, and Clementines are considered early-season varieties while Murcott, Tango, and Orri are harvested later in the season. Satsumas are being directed towards the domestic market, and Primosoles and Clementines are exported.

Figure 2. Mandarin plantation in Ica, Peru (early October 2024)

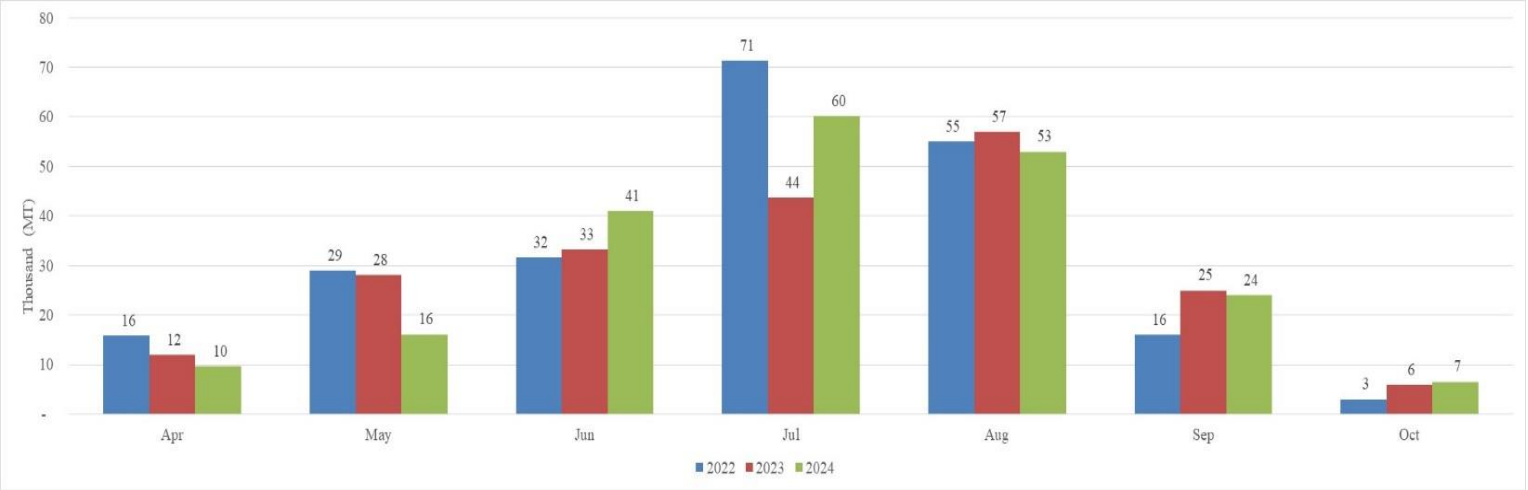


Source: FAS Lima

Harvested area in MY 2024/2025 is forecast at 23,000 hectares, the same level as the previous year. According to industry contacts, the area for mandarin production has remained unchanged from the previous year due to a lack of investment, uncertain political outlook, and low profit margins.

The main harvest season in Peru is from April to October peaking from June to August. However, Peru produces mandarin/tangerine yearlong. According to official data, the tangerine production area is estimated at 4,500 HA, while mandarins and other hybrids account for 18,500 HA. Tangerines represent 15 percent of total mandarin/tangerine area in Peru. Clementina, W. Murcott and Satsuma are the most popular varieties in Peru.

Figure 3. Peru Mandarin/tangerine Exports by Month

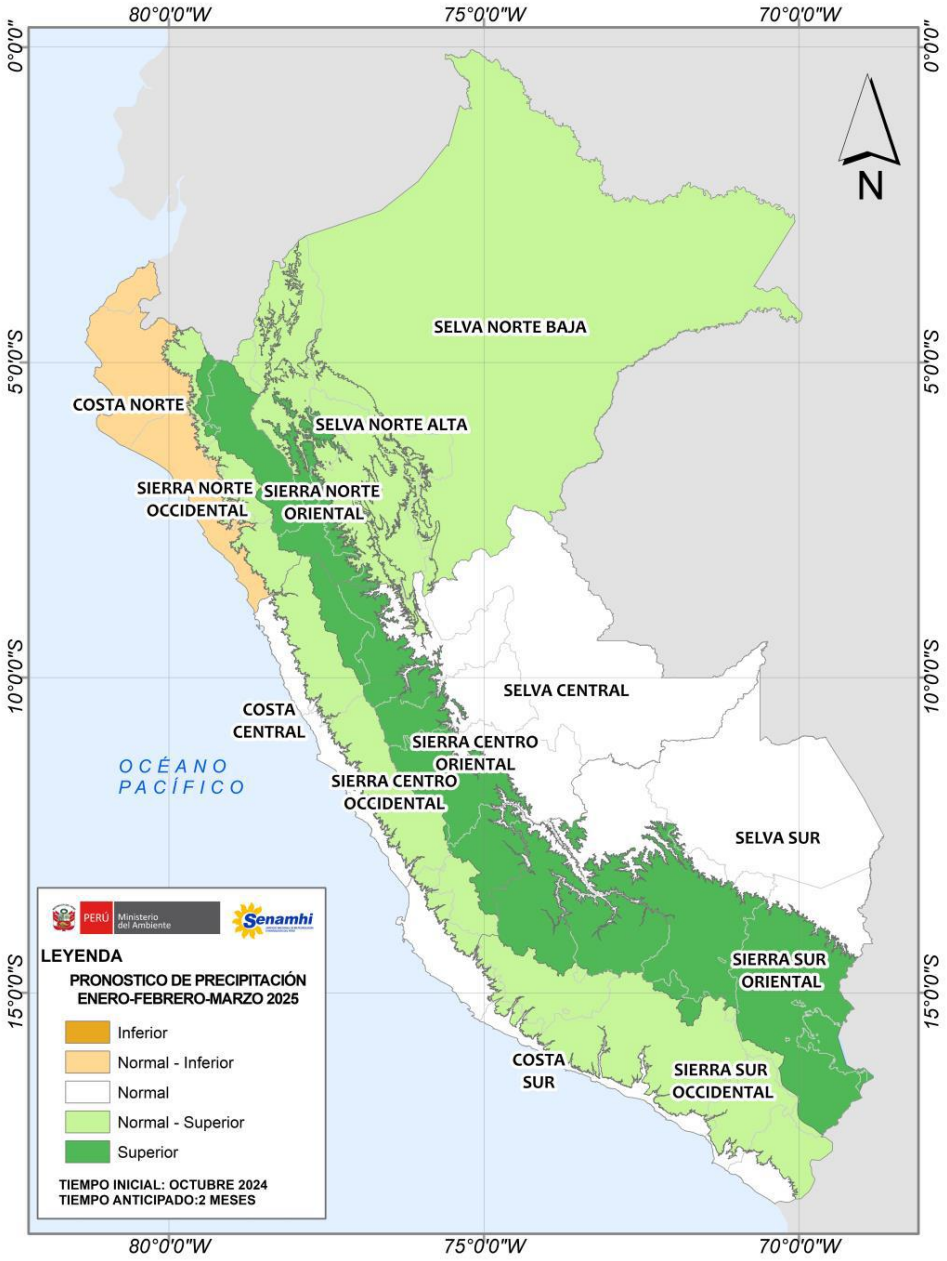


Source: Peruvian Customs Service (SUNAT)

Mandarin production requires an annual investment of US $6,000 to $7,000, without considering land nor plantation operational costs. This is a significant financial outlay for a small-scale farmer. According to official data, Peru has more than 3,000 small-scale producers with an average planting area of three hectares which primarily stays in the domestic market. Yields can range from 12 to 20 MT per hectare.

The National Service of Meteorology and Hydrology of Peru (SENAMHI) has forecasted below average seasonal rainfall from January to March 2025 (see Figure 4). Scarce rainfall is expected in the northern coastal regions of Peru, (colored in beige below). Above average rainfall is expected along the highlands. The areas shown in white represent average rainfall.

Figure 4. Rainfall forecast, January to March 2025



Source: SENAMHI

According to SENAMHI's seasonal forecast for January-March 2025, the Peruvian coast will experience below-average temperatures. In the Andean and Amazon regions, temperatures are expected to range from normal to above-normal averages. In the highlands, the frost frequency and intensity are expected to increase during to the winter season. Areas that will be primarily impacted include Ica, Ancash, La Libertad, Lambayeque, and Lima. This forecast underlines a drop in temperatures within the normal parameters of the autumn season, which began in mid-March, benefiting citrus production.

Consumption:
FAS Lima forecasts domestic consumption of fresh mandarins/tangerines in MY 2024/2025 at 320,000 MT.

Mandarins are popular in Peru for lunchboxes and between-meal snacks. Peruvian mandarin/tangerine per capita consumption is estimated at 11 kilograms (kg) (24 pounds). Mandarin juices, jams, essential oils, yogurts, flours, and alcoholic beverages have become popular in supermarkets and convenience stores as an innovative way to boost consumption. Four-ounce containers of cut mandarins in juice have increased exports in volume from 2,000 MT in 2017 to 12,000 MT in calendar year 2023, a 34 percent annual increase. From January to August 2024, export show a 14 percent increase.

Satsumas and tangerines are available year-round in the domestic market. All the other varieties are seasonal. On average, in CY 2023 (see Table 2), prices were 20 percent higher in the domestic market in comparison with last year. Rio de Oro is the variety with the highest price in the domestic market, followed by satsuma and tango.

Table 2. Average Prices of Mandarin/tangerine per Kg. from 2024 January – October (US $ dollars/lb.)

Clementine	Kori	Malvacea	Murcott	Pixie	Primosole	Rio de Oro	Satsuna	Tangerine	Tango
0.19	0.62	0.21	0.66	0.22	0.79	0.22	0.78	0.09	1.49

Source: Peruvian Ministry of Agriculture Prices System

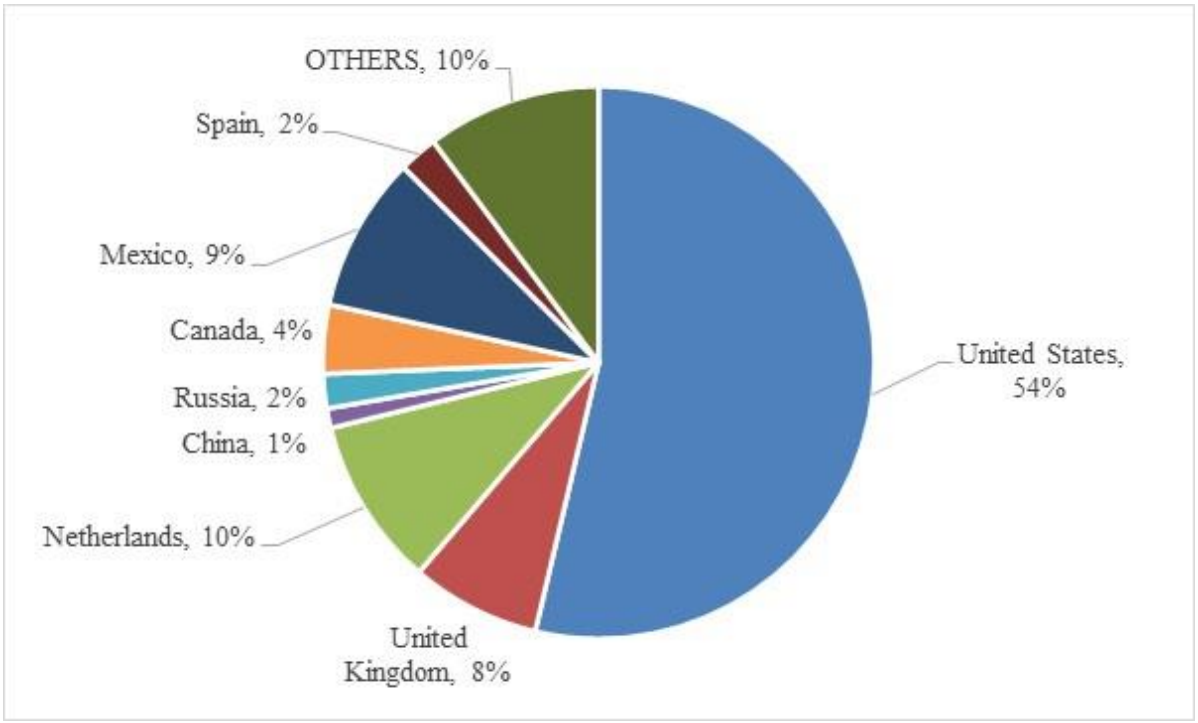
Figure 5. Mandarin Display at Local Supermarket (December 2024)

Source: FAS Lima

Trade:

FAS Lima expects Peruvian mandarin/tangerine exports to increase in MY 2024/2025 at 225,000 MT. Between April 2024 to October 2024, Peru exported fresh mandarins/tangerines primarily to the United States (54%), Netherlands (10%), and United Kingdom (8%). Peru exports reached 36 markets globally.

Figure 6. Peru Mandarin Exports by Country (MY 2023/2024)

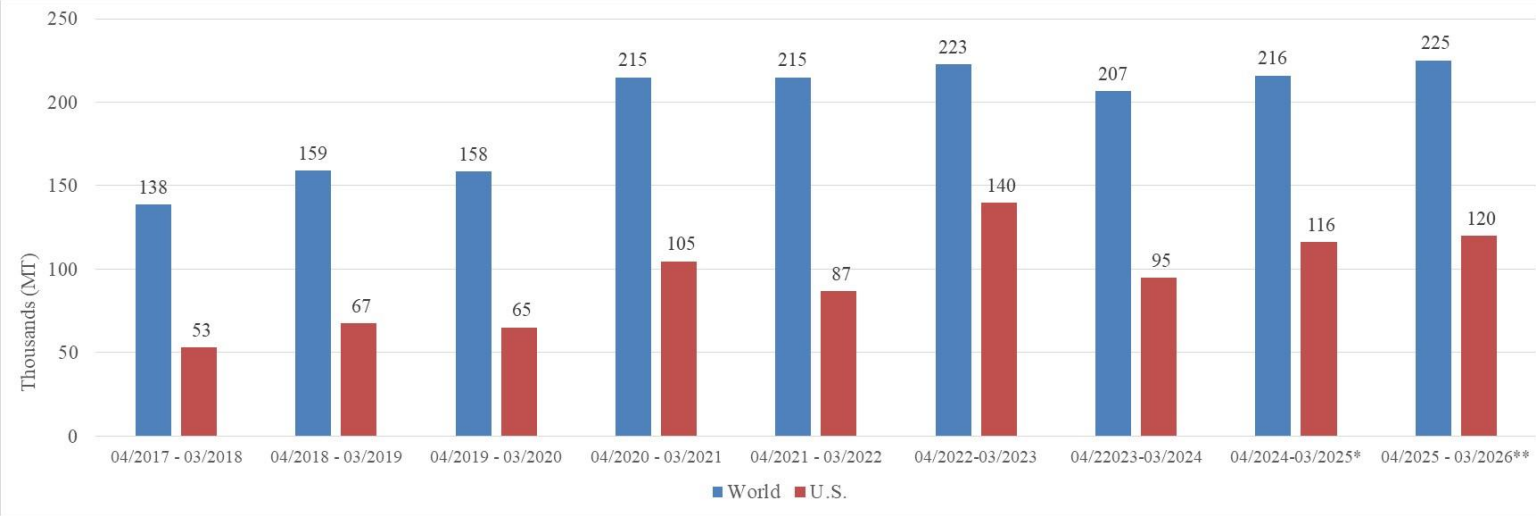


Source: Peruvian Customs Service (SUNAT)

Total fresh exports in MY 2023/2024 were up four percent from the previous year, increasing from 207,000 MT to 216,000 MT. In MY 2017/18, Peru exported 138,000 MT (Figure 7), and has shown consistent growth, nearly doubling their exports since then.

Exports to the United States have grown consistently in the last few years. However, in MY 2023/24 it recovers 22 percent from 95,000 MT to 116,000 MT. Also, the United States is experiencing a consistent 12 percent annual growth rate over the last seven years. In this context, the Netherlands become the second biggest market of Peruvian fruit.

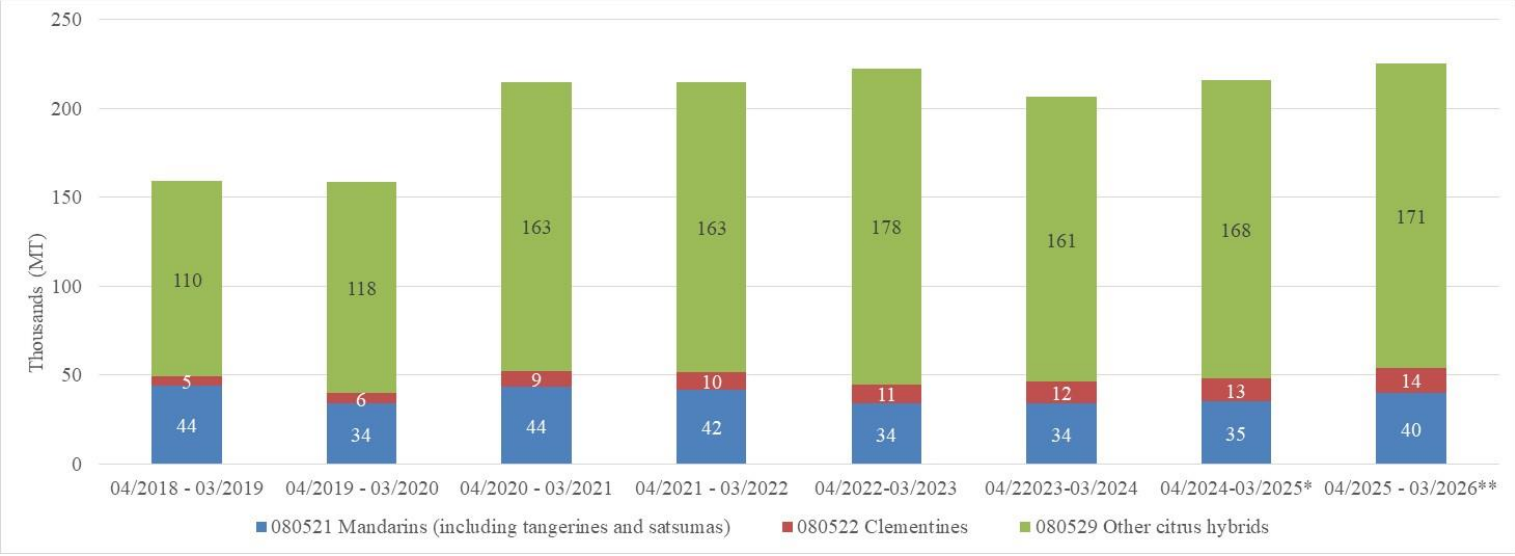
Figure 7: Peruvian Mandarin/Tangerine Exports (Thousand MT)



Data Source: Trade Data Monitor
*: Estimate
**: Forecast

Total Peruvian mandarin/tangerine exports are forecast to recover in MY 2024/25 due to better performance in early and late varieties. Hybrids typically represent 77 percent of total exports by volume.

Figure 8: Peruvian Mandarin/tangerine Exports to the World by HS Code (Thousand MT)

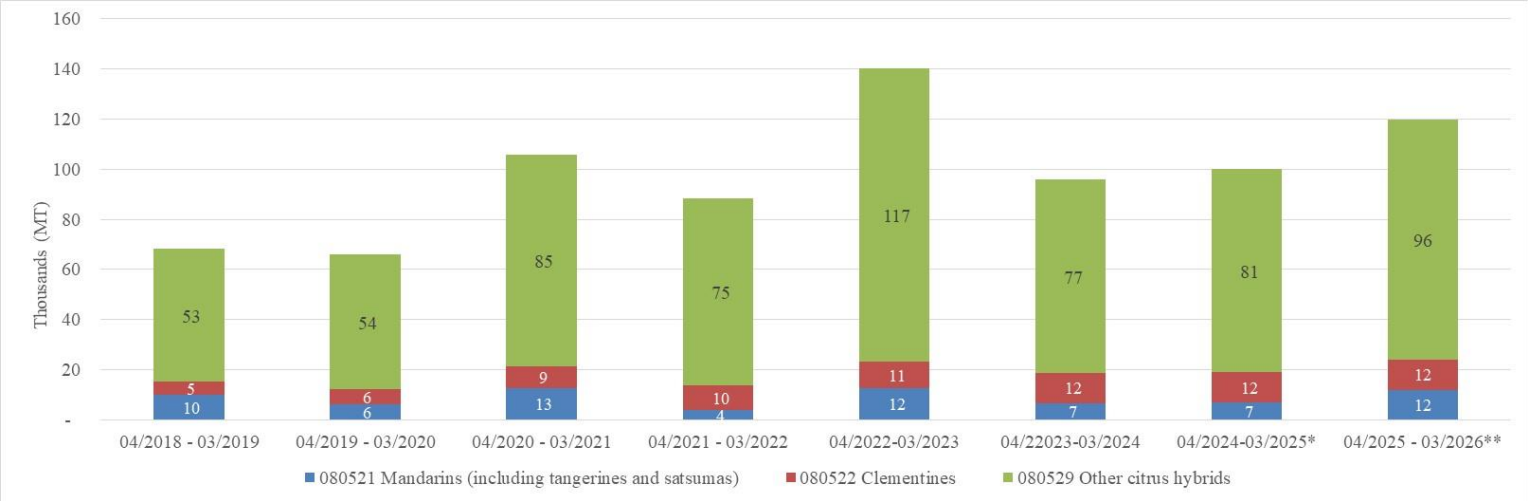


Data Source: Trade Data Monitor
*: Estimate
**: Forecast

In MY 2023/2024 the average price paid for “Other Citrus” hybrids by the United States was $1,196/MT, while the Netherlands paid $1,170/MT, and Mexico paid $1,475/MT, representing overall

better prices compared to MY 2022/2023. Average export prices in April 2023-March 2024 reached $1,175/MT, compared to $1,073/MT in MY 2022/2023.

Figure 9: Peruvian Mandarin/tangerine Exports to the U.S. by HS Code (Thousand MT)



Data Source: Trade Data Monitor
*: Estimate
**: Forecast

Clementine exports have quadrupled since MY 2018/2019 and they go mainly to the U.S. market. FAS Lima expects Peruvian clementines to maintain solid growth in the coming years. Mandarin/tangerine exports to the United States in MY 2024/2025 are expected to increase, reaching 111,000 MT.

Peru´s mandarin/tangerine production for export is predominantly done on industrial-scale farms of 50 hectares or more. They use state-of-the-art drip irrigation systems that provide the precise amount of water and nutrients to maximize production. Yields on these farms average 70 to 90 MT. Varieties are selected for high quality and productivity.

Policy:

Peruvian mandarin/tangerine exports have benefited from 22 free trade agreements, including the United States, the European Union, and China. The Peru Free Trade Agreement (PTPA) which entered into force on February 1, 2009, provides Peruvian tariff-free mandarins/tangerines into the United States.

The Peruvian government considers port development a strategic priority for economic development. the recently inaugurated port of Chancay (60 km North of Lima) is a Megaport and according to Peruvian officials, has been deemed revolutionary for promoting trade between South America and Asia (primarily China). The port, constructed and operated by Chinese state-owned firm, Cosco Shipping, expects to change trade dynamics in South America. Officials claim the port will receive 25 percent of all exports within the first year of operation, especially agricultural and industrial exports, and promises to be state-of-the-art and significantly reduce shipping times to China and other ports in Asia. However, the timeline for full operation and effectiveness of the port has been questioned by business leaders and logistics experts. In addition, both ports in Callao (Lima) have been refurbished and the operation of the

San Juan de Marcona mineral port in Ica was recently granted a 30-year concession to a Chinese company. With these investments, Peru seeks to strengthen its strategic and business links in South America and with Asian markets while serving as a regional hub for trade from Brazil and Argentina.

The Peruvian government supports agricultural exports as a strategic axis for development and prosperity. PROMPERU (Peru's export promotion agency) and its overseas offices actively promote Peruvian mandarin/tangerines, recognized as one of Peru's top produce exports. In recent years, Peru has successfully built a global brand as a top fruit and vegetable producer and has a strong presence at international food fairs and exhibitions. The Peruvian government and industry are committed to incorporating small farmers into the agricultural export chain to reduce social conflicts, making the industry very proactive. Also, the government through the Productive Rural Agrarian Development Program (AGRORURAL) encourages mandarin processing to juice, flour, and dried snacks as an alternative to the fresh product.

From 2000 to 2020, Peruvian agricultural exporters benefitted from the Agrarian Promotion Law which many in the sector attribute to Peru's ag-export success. The law reduced taxes for agricultural exports and fostered investment and formal employment. In 2020, the law was reformed and according to the Peruvian citrus and other fresh fruit industries, created a complex bureaucracy of taxes and worker compensation requirements. Industry sources claim the changes created burdens for producers and workers alike, promoting informality and reducing investment.

PROCITRUS is the Peruvian citrus trade association, which represents 80 percent of the total citrus export industry. Founded in 1998, PROCITRUS leads formal industry efforts towards research, development, and public and private coordination.

Peru's Agricultural Sanitary Agency (SENASA) plays a leading role in the monitoring and control of fresh fruits for exports. Every harvest campaign, SENASA updates a list of registered orchards and processing plants.

Orchard list: Lugar de Producción Mandarina (senasa.gob.pe)
Packing & Treatment plant list: Empacadora Mandarina (senasa.gob.pe)

Mandarin/tangerine standards are governed by a 2014 regulation (NTP 011.023 2014 attached and in Spanish) that promotes high quality requirements and uniform criteria for the mandarin/tangerine industry.

According to Peruvian customs, between January to October 2024, Peru exported mandarins to 21 countries. Peruvian mandarins were exported mostly from DP World (Lima), which moved 56 percent of all shipments. APM Terminals (Lima) is responsible for 34 percent, Terminal Portuario General San Martín – Paracas seven percent and Terminales Portuarios Euroandinos – Paita.

Attachments: NTP 011.23 2014.pdf