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Report Highlights:

Peru is the second largest export market for U.S. agricultural products in South America. U.S.-origin food and agricultural product exports to Peru benefit significantly from the U.S. - Peru Trade Promotion Agreement (PTPA). U.S. consumer-oriented food exports to Peru are forecast to reach \$368 million by year's end, a three percent increase compared to 2022.

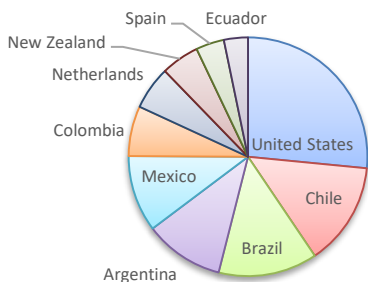
Market Fact Sheet: PERU

Executive Summary

Despite political upheaval and high inflation during the past year, Peru’s economy remains stable. Agriculture accounts for approximately five percent of Peru’s GDP, but employs around 28 percent of the population. The U.S.-Peru Trade Promotion Agreement, which entered into force in February 2009, has increased bilateral trade of agricultural products from \$1.46 billion in 2009 to \$5.4 billion in 2022, an increase of 200 percent. The United States was the second largest agricultural product supplier to Peru in 2022, accounting for 14% of market share.

Imports of Consumer-Oriented Products

Consumer Oriented Imports from the World - 2022



Peru’s consumer-oriented imports from the world reached US\$ 1.9 billion in 2022. Peru offers good opportunities for U.S. exporters of consumer-oriented agricultural products, but there are some challenges. The successful introduction of new to market food products depends on knowledge of the market. Exporters should review Peru’s food laws, packaging and labeling requirements, business practices, and rely on experienced distribution partners. Getting to know the potential importer and the local distribution system is crucial.

Food Processing Industry

Peru’s food processing industry is a dynamic sector of the national economy. The food industry in Peru accounts for almost 28 percent of the industrial GDP and the gross value added reached \$8.6 billion by the end of 2022. Its growth is directly linked to the development of the food retail and food service sectors. Food product manufacturers source both domestic and imported product ingredients. Local processed food products cover 70 percent of the market demand.

Food Retail Industry

There are three main supermarket chains in Peru: Cencosud (Wong and Metro), Saga Fallabella (Tottus), and Supermercados Peruanos (Vivanda, Plaza Vea, Makro and Mass). The market includes 322 conventional supermarkets and superstores, with 196 in Lima, and close to 810 convenience stores. The sector is comprised of both conventional supermarkets and traditional channels, comprised of wet markets and independent stores. Different types of food appear to perform better in the two formats. Top products include snack foods, dairy, edible oils, confectionaries, bread, and cookies.

Quick Facts CY 2022

Imports Consumer-Oriented Products: \$1.9Bn

Top 10 food processing ingredients growth Peru

1. Wheat	6. Whey
2. Powdered Milk	7. Food Preparations
3. Mixtures of odoriferous subst.	8. Dextrines and Other Starches
4. Starch potato	9. Natural Milk constituents
5. Animal fats and vegetable oils	10. Hop Cones

Food Industry Gross Value Added: \$8.6 billion

Food Industry by Channels

1. Food Exports: \$14.3 billions
2. Food Imports: \$7.5 billions
3. Retail: \$23 billion
4. Food Service: \$8.5 billion
5. Wet market: \$18 billion

GDP/Population

Population (Millions): 33
 GDP (Billions USD): 432
 GDP Per-capita (USD): \$6,700

Top 10 Host Country Retailers

1. Supermercados Peruanos S.A.
2. Cencosud Retail Peru
3. Hipermercados Tottus S.A.

Strengths/Weakness – Opportunities/Challenge

Strengths	Weakness
Strong demand for consumer food products	Low penetration of modern food retail throughout the country.
Opportunities	Challenges
Growing middle class	Stiff competition from other countries.

I. Detailed Market Overview

In 2022, Peru was the second-largest export market for U.S. agricultural products in South America, reaching \$1.2 billion. However, as of September 2023, U.S. agricultural exports to Peru have only reached \$761 million, a 20 percent reduction compared to the same period in 2022. Bulk commodities and agricultural-related products showed the largest contraction, with reductions of 31 and 58 percent, respectively. In addition, the consumer-oriented category maintained the same trend as last year while the intermediate category grew 10 percent, pushed by more ethanol exports. Last year, the consumer-oriented category accounted for 29 percent of total U.S. agricultural exports, and it is projected to reach \$368 million by the end of the year.

Peru is a member of several bilateral and multilateral trade agreements that have opened new markets for its exports and increased demand for imported goods. This openness to international trade and Peru's growing middle class has transformed domestic food market channels. Among Peru's trade agreements is the U.S. – Peru Trade Promotion Agreement (PTPA), which offers multiple opportunities for U.S.-origin food and agricultural product exports to Peru. The demand for U.S. consumer-oriented foods has steadily grown since the implementation of the PTPA in 2009, reaching \$358 million in 2022, a record value for this category.

The country's population has increased by almost 6.5 million inhabitants in the last 17 years. According to the last census in 2017, Peru's population reached almost 31.5 million and it is the fourth most populated country in South America after Brazil, Colombia, and Argentina. The coastal area accounts for 50 percent of the total population, with Lima being the largest city with 9.5 million people. The two main achievements of Peru's economic expansion have been the substantial reduction of poverty and the surge of an emerging middle class. According to the National Statistics Institute (INEI), almost 45 percent of the population belongs to this socioeconomic group. However, one of the most notable vulnerabilities of this emerging middle class is its high labor informality, which lacks the stability of a typical middle class and reduces productivity growth. Peru's government aims to reduce the high labor informality and is working on strategies to stimulate employment, such as creating opportunities to improve foreign investment.

In September 2023, the Central Bank of Peru (BCRP) revised its growth forecast for the country. The initial projection of 2.2 percent growth was lowered to 0.9 percent by the end of 2023. This downward revision was due to a decline in private investment and domestic consumption amid social unrest, adverse weather conditions, and a rise in international prices of commodities. The report also predicts an inflation rate of 3.8 percent by the end of 2023, based on the possibility of an occurrence of El Niño that affects food prices. However, it is important to note that inflation projections may be affected by socio-political instability, lower business confidence, exchange rate fluctuations due to capital outflows, and continued spikes in the prices of food and energy.

Table 1: Advantages and Challenges Facing U.S. Products in Peru

Advantages	Challenges
<ul style="list-style-type: none"> • The U.S.-Peru Trade Promotion Agreement grants duty-free access to two-thirds of all U.S.-origin food and agricultural products, including high-value food products. • An active supermarket industry eager to develop alternative categories such as private labels. • Potential growth of new supermarket outlets and convenience stores in Lima’s suburbs and other cities. • Appreciation for U.S. food quality and variety. • Untapped categories such as refrigerated and frozen products. • Increased health consciousness among the Peruvian population. • Resumption of activities in food service and food processing sectors. 	<ul style="list-style-type: none"> • Traditional channel remains the most important for consumers. • Preference to buy fresh produce in traditional markets. • Modern Retail Channel (supermarkets and convenience stores) accounts for only 28 percent of the retail food market share in Lima and 20 percent in the provinces. • New, local food brands are appearing in the market at meager prices. • Lima-based companies supply provincial supermarkets. • Lack of brand awareness among some consumers. • Market access demands higher marketing costs. • Domestic producers manufacture more affordable products according to local taste preferences. • Cumbersome sanitary registration processes delay the entrance of new food products.

II. Exporter Business Tips

The Peruvian market is complex and constantly evolving due to the low penetration of modern food retail channels. FAS Lima recommends that U.S. suppliers seeking entry into this market conduct thorough, preliminary research to determine if there is a potential market for their products. The research should cover key marketing and regulatory issues including consumption trends, size of the market (imports), major distribution channels, current import tariff and local tax structure, and government regulations and standards. Current U.S. suppliers should also consider consultations with importing partners to determine if any change of marketing strategies for existing products is needed.

Given the level of quality and packaging of U.S. consumer-oriented food products, the most suitable channel is through supermarket chains. However, it is recommended to explore alternatives, such as small packaging for distribution through traditional channels (corner stores and open markets). Supermarkets target mainly middle- and upper-income consumers. U.S. food suppliers should first consider establishing a distribution agreement with an importer or wholesaler/distributor. Local importers typically have business agreements with all supermarket chains and other market formats such as gas stations, small independent grocery stores (bodegas), and convenience stores. Deals directly with supermarkets are often under exclusivity terms. Importers generally purchase based on price and quality. There exists, however, niche markets for high-value products for upper-income consumers, where pricing is not as much of a concern.

Be diligent in selecting an agent or a representative. Visits and face-to-face meetings in Peru are recommended, however, importers are familiar with virtual communication platforms. Conduct a background check of the prospective partner before signing permanent contractual arrangements. The

local partner selected should provide information on consumer trends, market development activities, and business practices, and identify niche markets.

Road Map for Market Entry

FAS Lima recommends that U.S. exporters consider the following steps:

- Identify the distribution channel that will best fit the export company's market strategy.
- Depending on the channel chosen, identify a strategic import partner.
- Obtain the sanitary registration either directly or through a local partner.
- Request import permits as required.
- Forward the import partner copies of customs clearance documentation before shipment.
- Provide ongoing support to the importer to help build consumer demand.

III. Import Food Standards and Regulations/Import Procedures

Sanitary inspection, food registration, packaging, and control regulations for food and beverages are contained in [Supreme Decree No. 007-98-SA](#) (September 25, 1998). The Ministry of Health's Directorate General for Environmental Health (Dirección General de Salud Ambiental - DIGESA) is the U.S. Food and Drug Administration's (FDA) counterpart; it regulates the registration and supervision of domestic and imported processed foods and beverages. The Ministry of Agriculture's National Plant and Animal Health Service (Servicio Nacional de Sanidad y Calidad Agro-Alimentaria - SENASA) develops and implements Peru's sanitary and phytosanitary regulations. SENASA's U.S. counterparts are the Animal and Plant Health Inspection Service (APHIS) and the Food Safety and Inspection Service (FSIS). The National Quality Control Institute (INACAL) is the competent authority on standardization, accreditation, and metrology.

General Import and Inspection Procedures

To clear Peruvian Customs (SUNAT), imports must be accompanied by a Unique Customs Declaration (DUA), a commercial invoice, an airway bill or bill of lading, a packing list, and an insurance letter. Imports must also be accompanied by a DIGESA food sanitary registration for processed food products. For animal and plant products or their by-products, a health certificate is required.

The customs agent transmits the DUA electronically to SUNAT, which assigns a level of customs clearance control. SUNAT channels import along a green, orange, or red lane. The green lane permits entry of the product upon payment of duties. The orange lane requires additional documentation review. The red lane requires both a document review and a physical inspection.

Food and Beverage Sanitary Registration

The registration process must be initiated by a SUNAT registered company, in possession of a valid tax identification number (RUC). DIGESA registration information must be uploaded to the VUCE website (*Ventanilla Unica de Comercio Exterior*). This site handles formalities for goods transiting, entering, or leaving Peru. Requirements include:

- Simplified Trade System Form (SUCE - *Solicitud Unica de Comercio Exterior*) must be filled out on the [VUCE website](#).
- A physical/chemical and microbiological quality analysis from the manufacturer's quality control laboratory or by a laboratory in Peru accredited by INACAL or any other international accreditation entity recognized by the International Laboratory Accreditation Cooperation or the Inter-American

Accreditation Cooperation. The microbiological parameters for food and beverages were approved by Ministerial Resolution 591-2008/MINSA and are specified at [NTS 071- MINSA/DIGESA](#).

- Bromatological analysis results issued by a laboratory accredited by INACAL or any other international accreditation entity recognized by the International Laboratory Accreditation Cooperation or the Inter-American Accreditation Cooperation.
- List of ingredients and quantitative compositional analysis of food additives identified by their generic name and international numeric reference (SIN Code).
- Conservation and storing conditions.
- Information about the packaging, indicating the type and material used.
- Lifetime information of the product under normal conservation and storage conditions.
- Identification system of the production batch.
- Labeling information.
- Payment of administrative fees.

Along with the signed application form, the importer needs to present the certificate of free sale and use. The supplier requests the certificate. The label must comply with local regulations and the registration receipt must be presented. Documentation must be less than one year old. A Spanish language translation of the documentation must be attached.

For additional information, see our [FAIRS – Food and Agricultural Import Regulations and Standards Narrative Country Report 2023](#).

Certificates for Animals, Plants, and By-Products

Prior to shipment, an import permit must be obtained from SENASA. A copy of the permit needs to be forwarded to the exporter. The exporter must provide the importer with an official health certificate from the country of origin. SENASA port inspectors verify compliance with import requirements. For new-to-market animal and plant products, a risk assessment must be carried out following the Andean Community, World Trade Organization (WTO), Codex Alimentarius (CODEX), or World Organization for Animal Health (OIE) recommendations, as well as per the sanitary requirements of the exporting country.

Certificates for animal and plant products and their by-products must be error-free, contain no pen or ink changes, or have any other type of amendments. If applicable, the product must be packaged in food safe packaging and labeled following U.S. regulations. The product must identify its content, net weight, and the facility where it was produced. APHIS issues sanitary and phytosanitary certificates for animal and plant products, and their by-products. FSIS will certify meat and meat by-products, while the Agricultural Marketing Service (AMS) issues certifications for U.S. dairy products.

For additional information, see our [FAIRS – Food and Agricultural Import Regulations and Standards Export Certificate Report 2023](#).

Labeling Requirements

All food and beverage products packaged for sale must be labeled by the provisions established in INDECOPI's Peruvian Metrological Standards NMP 001:2014 – Packed Products Labeling, as well as per article 117 of Supreme Decree 007-98-SA. An adhesive Spanish language label needs to be applied

before an imported product reaches the point of sale. A Spanish language translation of the label must include the importer/distributor's contact information.

The Ministry of Health published the *Warning Label Manual* (the Manual) for food labeling under the *Law on the Promotion of a Healthy Diet* on August 18, 2017. The Manual establishes detailed specifications for the inclusion of warnings on the front of package labels of products that exceed the limits for salt, sugar, saturated fat, and trans-fats established in the *Law on the Promotion of a Healthy Diet* (Law 30,021). In June 2023 the Ministry of Health issued the [Supreme Decree 017-2023-SA](#) specifying that imported products can use stickers or printing methods to comply with Peru's front-of-package nutritional warning label indefinitely.

For additional information, see our [FAIRS – Food and Agricultural Import Regulations and Standards Narrative Country Report 2023](#).

iv. Market Sector Structure and Trends

- Major supermarket chains are forceful negotiators.
- Supermarket suppliers offer a wide range of products.
- Importers aim to sell imported food products through different channels: retail, food service, and food processing. Major food importers/distributors supply all major supermarket chains and provincial retailers.
- Major supermarket chains will request product exclusivity.
- Food products are often imported in consolidated containers.
- Major supermarket chains may import high-end products directly to earn higher margins. However, they first rely on importers/distributors to source imported food products.
- Distributors and wholesalers often conduct in-store promotions with their personnel in store.

Retail Food Sector

Peru's food retail sector had mixed results in 2022. Interannual sales achieved higher rates during the first half of 2022. The modern channel grew almost six percent during this period, boosted by the opening of larger format stores and a growing movement towards private label categories that offer higher returns. However, by July 2022, interannual food sales declined. Inflationary pressures impacting both domestic and imported products were driving factors in total purchase declines. The situation was somewhat attenuated by consumers' preference towards private label food products of supermarket and hypermarket chains and smaller packaging.

For further information about this sector please refer to [Peru's Food Retail Report 2023](#).

Food Processing Sector

The food industry in Peru is a dynamic and important sector that accounts for almost three percent of the nation's gross domestic product (GDP). However, over 90 percent of the industry is comprised of micro-companies. Large companies represent only 1.8 percent of the sector. According to the National Industry Society (SNI), in 2022, Peru's food sector contracted 3.9 percent. The categories with lower performance included processed seafood (canned fish), dairy products, animal fats, and plant oils. On the other hand, other areas grew from 2021 levels, such as processed meat, processed fruits and vegetables, pasta, and confectionary goods. In the same line, the beverage sector also had a positive performance, growing 10

percent based on a recovery of beer and bottled water sales. The food and beverage segment accounted for 27 percent of industrial GDP in 2022.

Growth in this sector is directly linked to the development of food retail and food service sectors throughout Peru. In the last 10 years, the modern food retail channel (supermarkets and convenience stores) has expanded and gained ground among consumers.

For further information please refer to Peru’s [Food Processing Ingredient Report 2023](#).

HRI Food Service Sector

This year, the hotel and restaurant sector grew 5.3 percent during the first half of 2023 compared to 2022, yet the sector remains smaller than in 2019. The restaurant sector showed a favorable performance due to higher traffic of consumers at independent and chain restaurants of different categories such as fast-food chains, and more gastronomic events during this period. As the post-pandemic economic recovery was underway, however, the tourism and hotel sectors were hit by nationwide social unrest from political protests, in addition to a rare climatic phenomenon, the Yaku cyclone.

The Peruvian National Institute of Statistics (INEI) reported continuous growth in the accommodation and restaurant sector during 2022, resulting in a 23.2 percent increase for 2021. The ease of health related COVID restrictions as of March 2022 improved ease of movement in public and consumers began dining out with greater frequency. Furthermore, Peru’s opening once again to international tourists generated a higher hotel occupancy directly improving the sector’s performance. However, there is still a reported sales gap that would need to be closed before a full recovery to pre-pandemic sales. Industry sources and contacts have reported that reaching pre-pandemic sales may take until 2025.

For further information please refer to [Peru’s HRI Foodservice Report 2023](#).

V. Agricultural and Food Imports

Table 2: U.S. Agricultural Exports to Peru (\$Million)

Product	2018	2019	2020	2021	2022
Bulk Total	785	491	348	397	415
Corn	502	176	114	141	25
Cotton	113	87	61	126	201
Wheat	54	103	49	59	90
Soybeans	93	106	93	49	87
Pulses	22	18	30	22	12
Other Bulk Commodities	1	0	1	0	0
Consumer Oriented Total	272	317	293	340	358
Dairy Products	57	74	96	110	160
Food Preparations	33	34	39	55	48
Poultry Meat & Prods.	34	46	23	38	32
Beef & Beef Products	25	24	20	33	27

Dog & Cat Food	9	10	10	13	11
Fresh Fruit	8	11	13	11	7
Chocolate & Cocoa Products	19	21	8	11	9
Tree Nuts	9	11	18	9	11
Pork & Pork Products	13	18	12	9	6
Others	66	68	54	49	47
Intermediate Total	306	217	276	257	245
Ethanol (non-bev.)	69	79	76	83	131
Soybean Oil	70	9	20	45	0
Soybean Meal	83	53	104	41	14
Other Feeds, Meals & Food.	28	21	25	36	43
Planting Seeds	12	11	15	15	14
Dextrins, Peptones, & Prot.	14	14	10	12	12
Others	29	31	26	24	31
Agricultural Related Products	50	34	22	67	166
Biodiesel & Blends > B30	31	12	9	58	144
Forest Products	12	13	7	9	10
Seafood Products	8	8	6	8	11
TOTAL	1,412	1,059	939	1,062	1,184

Source: [Global Agricultural Trade System \(GATS\)](#)

Table 3: Best High-Value, Consumer-Oriented Product Categories

• Cheese	• Pork and pork products
• Snacks	• Sauces and condiments
• Beef and beef products	• Nuts and almonds
• Poultry and poultry products	• Processed vegetables
• Food preparations	• Fruit and vegetable juices
• Bread, pastry, and cookies	• Beverages

VI. Key Contacts and Further Information

U.S. Embassy Lima, Foreign Agricultural Service (FAS), Office of Agricultural Affairs (OAA)

Mailing Address: FAS OAA Lima, Unit 3785, DPO, AA 34031

Phone: (511) 434-3042, Fax: (511) 434-3043, E-mail: aglima@usda.gov.

For additional information, see www.fas.usda.gov. See also our Food and Agricultural Import Regulations and Standards (FAIRS) Country Annual, FAIRS Export Certificate, Retail Foods Sector, Food Processing Ingredients Sector, and HRI Food Service Sector GAIN reports.

TRADE ASSOCIATIONS	
<p>American Chamber of Commerce Peru (AMCHAM) Executive Director: Aldo Defilippi Address: Av. Ricardo Palma 836, Miraflores, Lima 18 Phone: (511) 705-8000, Fax: (511) 241-0709, www.amcham.org.pe</p>	<p>National Society of Industries (SNI) President: Jesus Salazar Address: Los Laureles 365, San Isidro, Lima 27 Phone: (511) 616-4444, Fax: (511) 616-4433, www.sni.org.pe</p>
<p>Hotel and Restaurant Association (AHORA) President: Pablo Garcia Address: Av. Benavides 881, Miraflores, Lima 18, Phone: (511) 444-4303, Fax: (511) 444-7825, E-ahora@ahora-peru.com, www.ahora-peru.com</p>	
MINISTRIES AND GOVERNMENT AGENCIES	
<p>Ministry of Agriculture (MIDAGRI) Minister: Mrs. Jennifer Contreras Address: Av. La Universidad N° 200 – La Molina Phone: (511) 613-5800, Fax: (511) 711-3700, www.minag.gob.pe</p>	<p>Ministry of Foreign Trade and Tourism (MINCETUR) Minister: Mr. Juan Carlos Mathews Calle Uno Oeste 50-60, Urb. Corpac, San Isidro, Lima 27 Tel: (511) 513-6100, www.mincetur.gob.pe</p>
<p>Ministry of Environment (MINAM) Minister: Mrs. Albina Ruiz Av. Javier Prado Oeste 1440, San Isidro, Lima 27. Tel: (511) 611-6000, Fax: (511) 611-6000 Annex: 1634, www.minam.gob.pe</p>	<p>National Agricultural Sanitary and Phytosanitary Service (SENASA) Director: Mr. Miguel Quevedo Address: Av. La Molina 1915 – Lima 12 Phone: (511) 313-3300, Fax: (511) 340-1486, www.senasa.gob.pe</p>
<p>General Environmental Health Bureau (DIGESA) Director: Mr. Hector Villavicencio Address: Las Amapolas 350, Urbanización San Eugenio - Lima 14 Phone: (511) 442-8353, Fax: (511) 422-6404, www.digesa.minsa.gob.pe</p>	<p>Customs (SUNAT) Superintendent: Mr. Luis E. Vera Address: Av. Garcilazo de la Vega 1472 – Lima Phone: (511) 315-3300, Fax: (511) 315-3318, www.aduanet.gob.pe</p>
<p>National Institute for the Defense of Competition and for the Protection of the Intellectual Property (INDECOPI) President: Mrs. Karin Caceres Address: Calle de la Prosa 138 - San Borja, Phone: (511) 224-7800, Fax: (511) 224-0348, www.indecopi.gob.pe</p>	<p>National Fisheries Health Service (SANIPES) President: Mrs. Ursula Leon Location: Carretera a Ventanilla Km. 5.2, Callao. Tel: (511) 715-0180 or: Domingo Orue 165, Piso 7, Surquillo. Tel: (511) 213-8570 www.sanipes.gob.pe</p>

Attachments:

No Attachments