

Required Report: Required - Public Distribution

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Report Name: Fresh Deciduous Fruit Annual

Country: Peru

Post: Lima

Report Category: Fresh Deciduous Fruit

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Report Highlights:

Grape production in Peru is forecast to reach 790,000 metric tons (MT) in marketing year (MY) 2024/2025, an increase of two percent compared to the previous year. The expected increase is due to improved climatic conditions in northern coastal regions which represents 48 percent of the total production area. Domestic consumption of fresh grapes is forecast at 170,000 MT in MY 2024/2025, a decrease from last year due to higher international prices. Peruvian grape exports are forecast to reach a record of 620,000 MT in MY 2024/2025, a 17 percent increase than the previous year. The United States will continue to be the lead export market.

Table 1. Production, Supply, and Distribution

Grapes, Fresh Table	2022/23		2023/24		2024/25	
Market Year Begins	Oct-22		Oct-23		Oct-24	
PERU	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	34,000	34,000	35,000	35,000		35,500
Area Harvested (HA)	32,000	32,000	33,000	33,000		33,500
Commercial Production (MT)	645,000	645,000	654,500	654,500		670,000
Non-Comm. Production (MT)	121,000	121,000	121,000	121,000		120,000
Production (MT)	766,000	766,000	775,500	775,500		790,000
Imports (MT)	20	15	300	83		70
Total Supply (MT)	766,020	766,015	775,800	775,583		790,070
Fresh Dom. Consumption (MT)	144,120	144,015	250,800	246,583		170,070
Exports (MT)	621,900	622,000	525,000	529,000		620,000
Withdrawal From Market (MT)						
Total Distribution (MT)	766,020	766,015	775,800	775,583		790,070

Production:

With better weather conditions, Peru's production is expected to reach 790,000 metric tons (MT) in marketing year (MY) 2024/2025 (October-September), an increase of two percent over the previous year. The expected increase in production is due to better yields in northern Peru (Piura), which was severely hit by an extremely hot winter and heavy rains last season.

Peru's table grape production area stretches from North to South along the Pacific Ocean. Due to desertic conditions along the coast, daily temperatures consistently range between 9 and 30 degrees Celsius (48-86 degrees Fahrenheit) and has 12 hours of sunlight per day, year-round, which makes it an ideal region for grape production. These conditions, combined with investments in harvest technology and precision irrigation, enable Peru to produce mature vines 55 percent faster than in neighboring countries.

Peru first started producing table grapes in the late 1990's when the country bet on agriculture as one of its main strategic economic sectors. In the last 20 years, Peru has grown as an agricultural investment destination, equipped with multiple trade agreements, hydraulic infrastructure, and the ability to transform desert into highly productive agricultural land.

The 2023/2024 growing season was seriously affected by unusual weather conditions (heavy rains and high temperatures) that resulted in a lower harvest. Production in the North of the country (Piura, Lambayeque and La Libertas) was severely affected. Reporting a 30 percent decrease in production compared to the amount harvested last year. Similar conditions affected the MY 2017/2018 harvest when negative weather conditions attributed to El Nino resulted in a poor harvest. This year's harvest, however, is expected to be much better than last year's due improved weather conditions.

Peruvian grape producers have adapted to changing weather conditions while ensuring the efficient use of water on their farms. Additionally, licensed grape varieties have increased productivity and increased competitiveness compared to common grapes varieties.

Figure 2. Grape production in Ica region (early October 2024)



Source: ©FAS Lima

Grape production is mainly located in Ica (49 percent) and Piura (37 percent). Other relevant areas are Lambayeque (6 percent), La Libertad (5 percent) and Arequipa (3 percent). The total area under cultivation is estimated at 35,500 hectares. The harvesting season in Peru begins in October and ends in April with a North to South harvest pattern. With innovative technological advances, table grape production in Piura can harvest twice a year, once in March/April and again in November/December.

Figure 2. Grape production zones in Peru



Source: Peruvian Ministry of Agriculture (MIDAGRI)

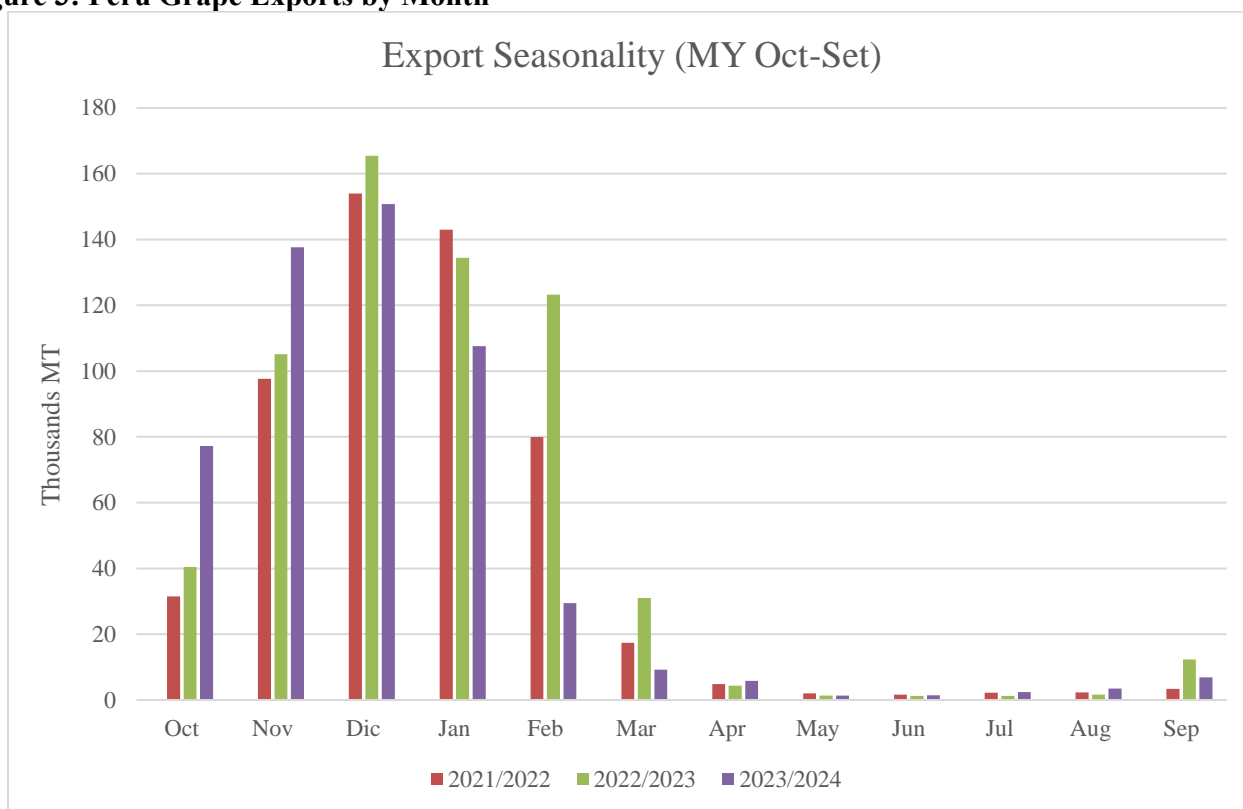
Historically, white and red/black seedless grape varieties have been planted evenly throughout the country. The five most popular grape varieties for export are Sweet Globe (22 percent), Red Globe (16 percent), Autumn Crisp (14 percent), Allison (7 percent), and Sweet Celebration (5 percent). Currently, 75 percent of table grapes are licensed, and 25 percent are traditional showing that the industry is market driven, modern, and responsive.

Additionally, grapes used in the production of Pisco (Peruvian spirit) are non-aromatic varieties like Quebranta, Negra Criolla, Mollar, and Uvina, as well as aromatic like Italia, Moscatel, Albilla and Torontel. Peru also has 30 varieties for wine production like Borgona black and white, Cabernet Sauvignon, Chardonanay, Malbec, Merlot, Moscatel, Mollar, Sirah, Tannat, Pinot Verdot, and Pinot noir, etc.

Grapes are one of the most expensive crops to establish in Peru, second only to blueberries. One hectare of grapes in Peru requires an initial investment of approximately \$50,000, without considering the cost of land. About 30 percent of the cost of production goes towards soil preparation and irrigation, 25 percent of the cost goes towards establishing the trellis, 14 percent goes toward the plant itself, and four

percent on pruning and maintenance. This is a significant financial expenditure for a small-scale farmer. However, the return on investment for producing high value varieties can offer sizable returns. As a labor intensive and high maintenance crop, the grape industry is a large employer in Peru’s agricultural sector. For high production areas such as in Ica, grape production can provide year-round employment due to the steady demand for labor.

Figure 3: Peru Grape Exports by Month



Source: Peruvian Customs Service (SUNAT)

Consumption:

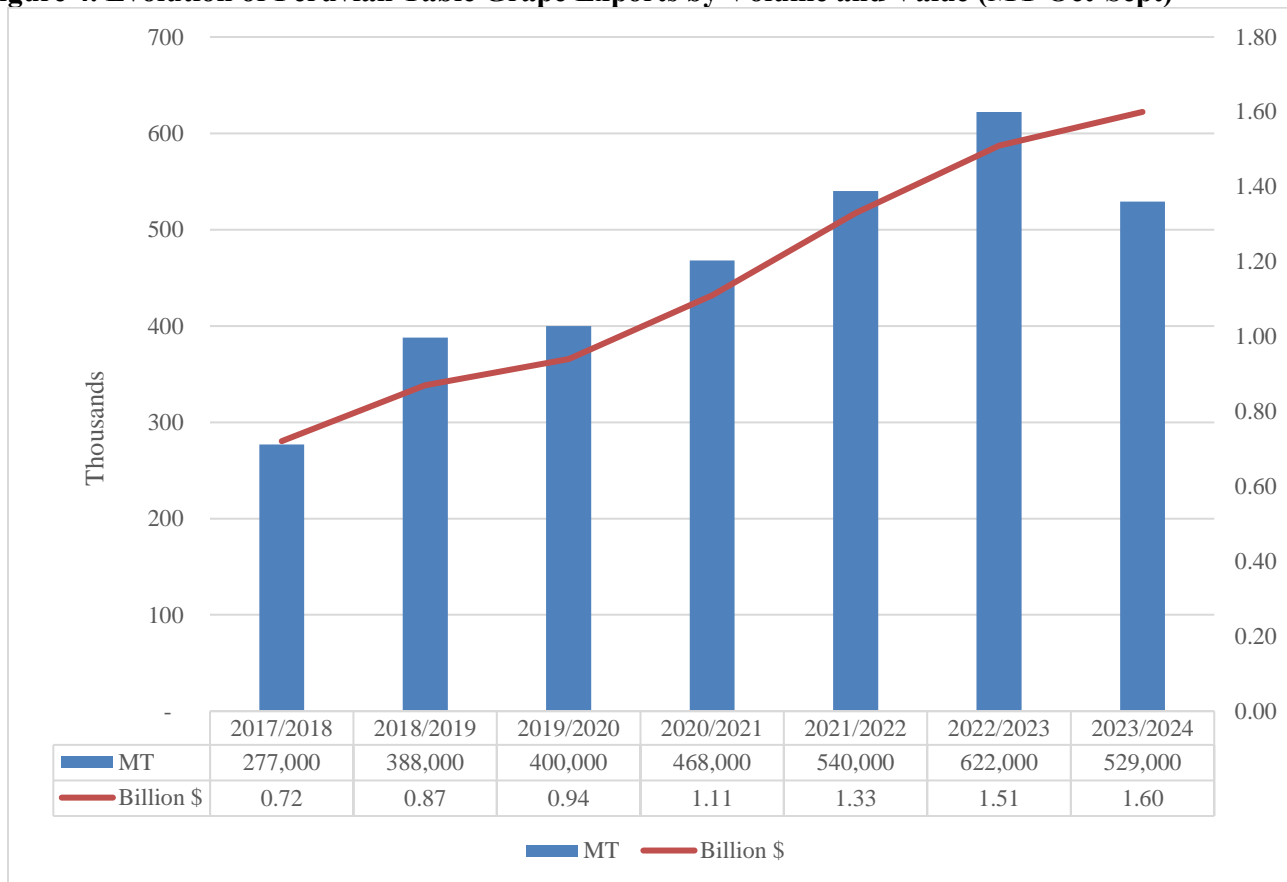
Domestic consumption of fresh grapes is forecast at 171,000 MT in MY 2024/2025, a 30 percent decrease from the previous year. The local grape market is a secondary market for producers since prices are significantly lower than on the international market. White seedless grapes continue to dominate the local market.

The pisco industry is another significant consumer of grapes. Pisco output is estimated at 7.3 million liters in calendar year (CY) 2023 a 30 percent decrease in volume, affected by unfavorable weather conditions and social unrest. The United States, Spain, Japan and the Netherlands are the largest consumers of Peruvian pisco. Pisco exports is a \$10 million dollar market. Lima and Ica make up 90 percent of total pisco production.

Trade:

FAS Lima forecasts exports to reach a record of 620,000 MT in MY 2024/2025, 17 percent higher than the previous year. The United States was the top export destination in marketing year (MY) 2023/2024 with exports reaching 244,000 MT (a 3 percent decrease), followed by the Netherlands with 70,000 (MT a 7 percent decrease), and Mexico with 45,000 MT (a 21 percent increase).

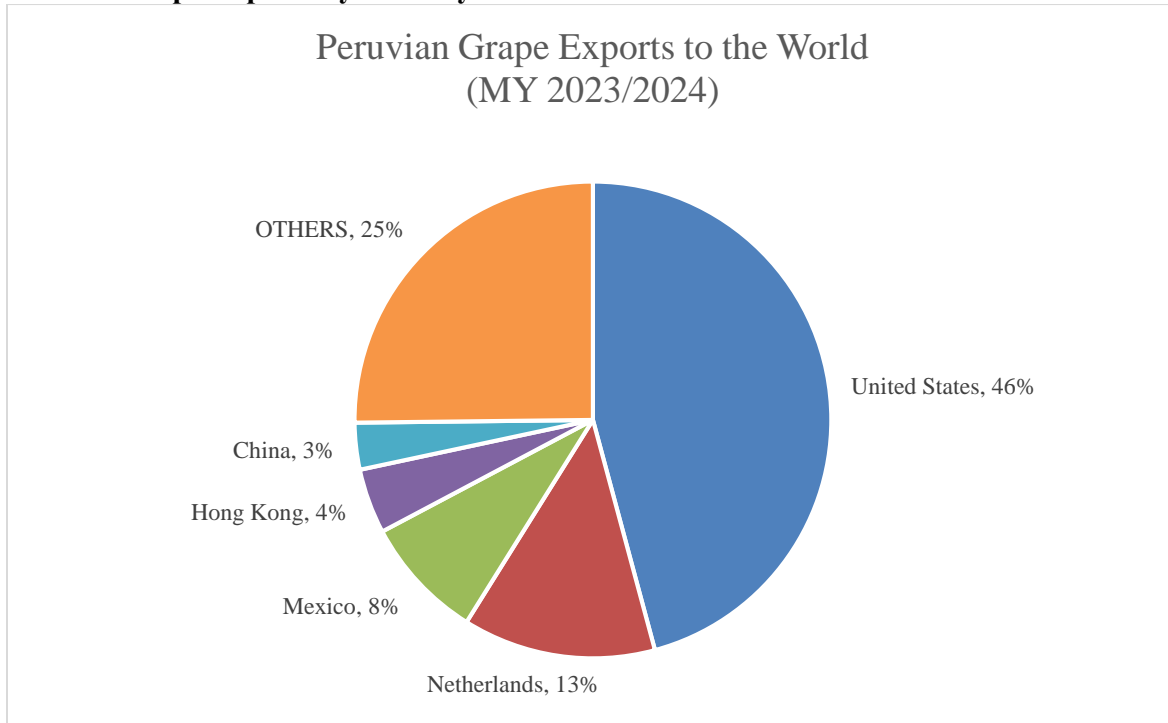
Figure 4. Evolution of Peruvian Table Grape Exports by Volume and Value (MY Oct-Sept)



Source: Peruvian Customs Service (SUNAT)

In calendar year (CY) 2023, fresh table grapes were the top produce export by value for Peru. In MY 2023/2024 export value reached \$1.6 billion, an increase of six percent compared to the previous year. Grape prices in the export market averaged \$3,100 per MT. Since MY 2017/2018, Peruvian table grapes exports have grown 14 percent annually.

Figure 5: Peru Grape Exports by Country



Source: Peruvian Customs Service (SUNAT)

The top five destinations of Peruvian table grapes represent 73 percent of its exports. Mexico is the third largest market for Peruvian table grape and it is growing. Table grapes originating from northern Peru represents 40 percent of total exports which is down 30 percent from MY 2022/2023. Licensed table grapes represented 77 percent of total exports and 23 percent traditional grapes, showing a firm trend on genetics as a pivotal part of the table grape business.

Policy:

Peru has signed 21 bilateral and market bloc [trade agreements](#), some of which include the United States, China, and the European Union. These agreements, along with the work of [PROVID](#) (the largest grape association in Peru) and SENASA (National Agricultural Sanitary and Phytosanitary Agency of Peru) have enabled Peruvian grapes to enter 53 markets in MY 2023/2024.

For MY 2024/2025, Peruvian grapes will soon be exported to Ecuador after an eight-year absence. Peru is currently working on opening markets in Australia, the Philippines, Chile, and Israel.

In early November 2023, the newly refurbished Port in Pisco started to serve both Ica and Arequipa regions with weekly express services [The Pisco Port](#) connects Ica with the US via a trans-shipment hub in Panama (to Savannah, Philadelphia, and Los Angeles), Manzanillo (Mexico), Vancouver (Canada), and northern Europe (Rotterdam, the Netherlands, and Ambers, France). Transit days on average will be 12 days to Philadelphia, 18 days to Mexico, 22 days to Los Angeles, 20 days to Rotterdam, and 30 days to Vancouver. The Port will support between 9,000 to 11,000 twenty-foot equivalent unit TEUS (New Panamax) vessels. This service will save time, reduce the cost of transportation and conserve the integrity of the grapes while in transit. The Pisco Port modernization project took five years to complete, and a \$250 million dollars investment. Table grape exports in volume grew 40 percent from Pisco in MY 2023/2024. Paita and Callao ports decreased by 31 percent and 36 percent, respectively.

For the 2024/2025 growing season, the [Chancay Port](#) a multipurpose port which is scheduled to come online in November 14, 2024 may serve as an alternative as Peru's main port in terms of traffic and storage capacity. According to official information, the Chancay Port will reduce shipment times to Asia, increasing the competitiveness of Peru's foreign trade operations. Also, the Chancay Port is being considered by Brazil as a trade corridor to reach Asia since it will reduce delivery services to 12 days.

End of report.

Attachments:

No Attachments