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Report Highlights:

Wheat production in MY 2025/2026 (July-June) is forecast at 217,000 metric tons (MT), reflecting a slight increase compared to the previous year's estimate. Wheat imports in MY 2025/2026 are forecast at 2.2 MMT. In MY 2024, wheat imports totaled 2.1 MMT, increasing 10 percent compared to the previous year. Corn production in MY 2025/2026 (October-September) is forecast at 1.74 MMT, remaining the same as the previous year. Peru's corn imports in MY 2025/2026 are forecast at 4.32 MMT, remaining at the same level of the previous year estimate. Argentina dominated the Peruvian corn market in MY 2024, accounting for one hundred percent of imports. Rice production in MY 2025/2026 (April-March) is forecast at 2.6 MMT.

Summary

Wheat production in MY 2025/2026 (July-June) is forecast at 217,000 metric tons (MT), reflecting a slight increase compared to the previous year's estimate. The total harvested area for MY 2025/2026 is projected at 125,000 hectares. Total wheat consumption in MY 2025/2026 is forecast at 2.38 million metric tons (MMT), representing a 4 percent increase compared to the previous year's estimate. Wheat imports in MY 2025/2026 are forecast at 2.2 MMT. In MY 2024, wheat imports totaled 2.1 MMT, an increase of 10 percent compared to the previous year.

Corn production in MY 2025/2026 (October-September) is forecast at 1.74 MMT, remaining the same as the previous year. Corn consumption in MY 2025/2026 is forecast at 6.05 MMT, a slight increase from the prior year estimate. The poultry industry is the main driver of corn demand in Peru. Poultry production in CY 2024 reached 805 million broilers. Peru's corn imports in MY 2025/2026 are forecast at 4.32 MMT.

Rice production in MY 2025/2026 (April-March) is forecast at 2.6 million metric tons (MMT), a slight increase from the previous year estimate. Rice consumption is expected at 2.7 MMT in MY 2025/2026. Rice imports in MY 2025/2026 are forecast at 100,000 MT, remaining at the same level as in MY 2025.

Table 1: Wheat Production, Supply and Distribution

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	**Jul 2023**		**Jul 2024**		**Jul 2025**	
Peru	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	115	121	120	124	0	125
Beginning Stocks (1000 MT)	234	234	309	300	0	336
Production (1000 MT)	200	211	205	216	0	217
MY Imports (1000 MT)	2101	2101	2100	2150	0	2200
TY Imports (1000 MT)	2101	2101	2100	2150	0	2200
TY Imp. from U.S. (1000 MT)	187	189	0	250	0	300
Total Supply (1000 MT)	2535	2546	2614	2666	0	2753
MY Exports (1000 MT)	46	46	50	50	0	55
TY Exports (1000 MT)	46	46	50	50	0	55
Feed and Residual (1000 MT)	80	80	80	80	0	80
FSI Consumption (1000 MT)	2100	2120	2100	2200	0	2300
Total Consumption (1000 MT)	2180	2200	2180	2280	0	2380
Ending Stocks (1000 MT)	309	300	384	336	0	318
Total Distribution (1000 MT)	2535	2546	2614	2666	0	2753
Yield (MT/HA)	1.7391	1.7438	1.7083	1.7419	0	1.736
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026						

WHEAT

Production:

Wheat production in MY 2025/2026 (July-June) is forecast at 217,000 metric tons (MT), reflecting a slight increase compared to the previous year's estimate. Wheat is a minor cash crop in Peru, with production mainly concentrated in the southern highlands at elevations ranging from 2,800 to 3,500 meters above sea level. Most of the wheat is grown by small-scale farmers, with average plot sizes of one hectare or less. However, wheat production is constrained by challenging mountainous terrain and basic farming practices. Peru predominantly produces soft wheat, which is unsuitable for milling and is mainly consumed directly in purees or as a soup ingredient.

The total harvested area for MY 2025/2026 is projected at 125,000 hectares. The harvested area can fluctuate significantly each year, influenced by local wheat prices, farmers' profit expectations, and the

relative profitability of alternative crops like quinoa, barley, and oats. The average yield in MY 2025/2026 is anticipated to be 1.7 MT per hectare.

Local millers continue to fund a social program to promote durum wheat cultivation for pasta production. Through this program, millers supply small farmers with seeds, technical support, and purchase guarantees. Currently, farmers participating in the program produce around 12,000 MT of durum wheat, which is used in a pasta production plant in Arequipa, located approximately 1,000 kilometers south of Lima.

Consumption:

Total wheat consumption in MY 2025/2026 is forecast at 2.38 million metric tons (MMT), representing a 4 percent increase compared to the previous year's estimate. This rise is primarily attributed to Peru's economic growth. Gross Domestic Product (GDP) in 2024 surpassed expectations, reaching 3.4 percent, and is projected to grow by 4 percent in 2025.

Wheat consumption in Peru stands at 67 kilograms per capita, relatively low compared to the consumption of potatoes (115 kilograms per capita) and rice (74 kilograms per capita). Wheat consumption tends to grow at a rate similar to economic and population growth. In recent years, however, due to the influx of approximately 1.5 million Venezuelan immigrants, the consumption of many staple foods has increased at an unusual rate. Consumption and manufacturing are likely to increase slightly, as the economy is expected to grow by 2.5 percent in 2025.

In calendar year (CY) 2024, Peru produced approximately 1.82 MMT of wheat flour, marking a 5 percent increase over the previous year. Of this total, 63 percent was used by the local baking industry, 20 percent went into pasta manufacturing, 12 percent was consumed in the cookies and crackers sector, and 5 percent was for small-scale family use. Around 70 percent of domestic flour is sold through traditional markets, while the remaining 30 percent is sold in supermarkets.

The wheat milling industry is highly concentrated, with the largest mill accounting for over 60 percent of the milled production. The four largest millers collectively process 85 percent of the wheat in Peru.

Bread consumption stands at 35 kilograms per person, one of the lowest in South America. In comparison, per capita bread consumption is 75 kilograms in Argentina and 95 kilograms in Chile. Bread is typically purchased daily from bakeries, where it is sold by unit rather than weight, often resulting in a low-quality product.

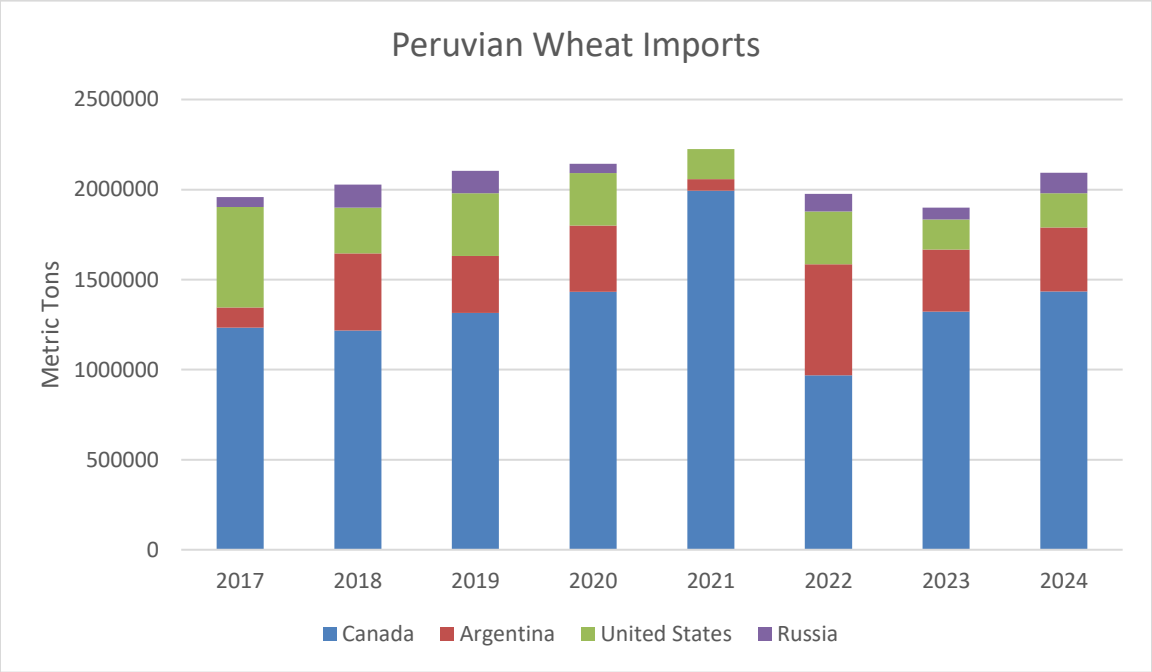
Pasta consumption is 12 kilograms per capita, making Peru one of the largest consumers of pasta in the region. Consumption is concentrated in Lima, which accounts for half of the country's total pasta consumption. In contrast, Peruvian consumption of cookies and crackers remains low by regional standards, at just 1.7 kilograms per capita.

Trade:

Wheat imports in MY 2025/2026 are forecast at 2.2 MMT. In MY 2024, wheat imports totaled 2.1 MMT, an increase of 10 percent compared to the previous year. This growth is due to Peru's recovery from the economic recession caused by the post-COVID period. Canada dominated the Peruvian wheat market in MY 2024 with a 67 percent market share, followed by Argentina at 17 percent, and the United States at 10 percent.

The average landed cost of imported wheat in MY 2024 was $307/MT, a 20 percent decrease from the previous year. Canadian wheat prices (Cost, Insurance, and Freight (CIF) averaged $321/MT, down 20 percent compared to the previous year. U.S. wheat prices averaged $281/MT. Peruvian wheat millers prefer Canadian Winter Red Spring wheat as the base for bread and pasta flours due to its higher protein content, which results in a stronger flour that translates in a bread dough with more extensibility and elasticity.

Graph 1: Peruvian wheat imports



Source: Peruvian Customs

Policy:

Peru imports wheat duty-free from all origins. While the government does not specifically promote wheat production, it offers credit and technical assistance programs for farmers. These credits are typically granted through the Ministry of Agriculture's agencies, such as AgroRural and AgroIdeas, or through the Agricultural Development Bank (Agrobanco).

Table 2: Corn Production, Supply and Distribution

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Peru	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	450	501	455	510	0	510
Beginning Stocks (1000 MT)	215	215	265	295	0	300
Production (1000 MT)	1575	1729	1600	1740	0	1740
MY Imports (1000 MT)	4288	4306	3900	4320	0	4320
TY Imports (1000 MT)	4288	4306	3900	4320	0	4320
TY Imp. from U.S. (1000 MT)	1	2	0	150	0	150
Total Supply (1000 MT)	6078	6250	5765	6355	0	6360
MY Exports (1000 MT)	13	13	10	15	0	15
TY Exports (1000 MT)	13	13	10	15	0	15
Feed and Residual (1000 MT)	5250	5367	4900	5450	0	5450
FSI Consumption (1000 MT)	550	575	510	590	0	600
Total Consumption (1000 MT)	5800	5942	5410	6040	0	6050
Ending Stocks (1000 MT)	265	295	345	300	0	295
Total Distribution (1000 MT)	6078	6250	5765	6355	0	6360
Yield (MT/HA)	3.5	3.4511	3.5165	3.4118	0	3.4118
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026						

CORN

Production:

Corn production in MY 2025/2026 (October-September) is forecast at 1.74 MMT, remaining the same as the previous year. Corn in Peru is produced mainly by small farmers with limited access to technology which results in low yields. Average feed corn yield in MY 2024 was 4.91 tons per hectare. Peruvian corn producers are prevented from using genetically engineered varieties, reducing their ability to increase yields and increase their income.

Peru grows many varieties of corn. The two most important varieties are white, starchy corn for human consumption and yellow corn for animal feed. White corn production in MY 2024 was 373,000 MT,

increasing 20 percent compared to the previous year (production had fallen 11 percent in MY2023 so this significant increase is a rebound), while production of yellow corn was 1.2 MMT, remaining at the same level as the previous year.

Figure 1: Corn planted in terraces in the Andes. Tarma, Junin

Source: FAS Lima Senior Agricultural Specialist Gaspar Nolte

Consumption:

Corn consumption in MY 2025/2026 is forecast at 6.05 MMT, a slight increase from the prior year estimate. The poultry industry is the main driver of corn demand in Peru. Poultry production in CY 2024 reached 805 million broilers, an increase of two percent compared to the previous year. Total chicken meat production in 2024 was 1.8 MMT. Layers are another important sector for corn consumption, Peru's layer population in 2024 was 28 million with a production of 498,000 tons of eggs. Approximately 70 percent of the yellow corn available is used as chicken feed in Peru's poultry farms, which currently number over 1,000. Per capita consumption of poultry meat in Peru is estimated at 56 kilograms per capita in 2024, one of the highest in the region. Per capita consumption can reach as high as 70 kilograms per person in Lima.

Highly Pathogenic Avian Influenza (HPAI) continues to be a major concern for the Peruvian poultry industry and regulating agencies. Peru's agricultural health agency (SENASA) reported three cases in February 2024. Two of the cases were in backyard birds and one was a commercial farm with 80,000 layers. HPAI began affecting backyard flocks and small producers in January 2023 and moved quickly to commercial farms, affecting half a million layers and half a million genetic stock hens by mid-2023. SENASA has implemented a surveillance program to monitor for potential outbreaks.

A challenge that poultry producers face and that now creates risk for Peru's corn market is the increasing number of informal (non-registered) poultry farms, a problem that becomes more evident when poultry prices are high. These unregistered producers, who do not always follow proper sanitary protocols, account for roughly 25 percent of overall poultry meat production. This problem has recently become more of an issue due to the presence of HPAI, which threatens Peru's well-renowned poultry sector. Reportedly, SENASA does not allow vaccination of backyard breeders which increases the risk of disease spread.

Trade:

Peru's corn imports in MY 2025/2026 are forecast at 4.32 MMT, remaining at the same level of the previous year estimate. Argentina dominated the Peruvian corn market in MY 2024, accounting for one hundred percent of imports with an average import price (CIF) of $245/MT.

Corn imports are subject to the Peruvian Price Band (PPB). This variable levy is triggered when commodity prices are low to protect domestic production. U.S. corn imports are exempt from the PPB thanks to the U.S. - Peru Trade Promotion Agreement (PTPA). As international corn prices have remained high since 2020, the PPB is currently at zero, giving cheaper Argentine corn an advantage over U.S. corn.

Peru also imports distillers' dried grains with solubles (DDGS) to improve the quality of domestically produced animal feed. FAS Lima estimates that Peru could be a 100,000 MT market for U.S. DDGS. However, many producers remain reluctant to use new inputs and revamp their feed formulas.

Policy:

Corn, from all origins, enters Peru duty-free. Peru's unilateral elimination of import tariffs on most commodities in 2011 eliminated many of the trade advantages afforded by the PTPA. The PTPA established a duty-free tariff rate quota (TRQ) of 500,000 MT for U.S.-origin corn with annual increases of six percent and full duty-free access within 12 years. Since 2020, U.S. corn has entered Peru duty free. The exclusion from the price band system makes U.S. corn more competitive in the Peruvian market at low international prices.

Price Band

Peru's Price Band System is a variable import tax, which assures that the import price of specific commodities, after payment of the levy, will equal a predetermined minimum import price. This tax is imposed on certain "sensitive" products, corn, rice, sugar and powder milk, and is expressed in dollars per metric ton. The levy is the difference between the *Floor Price* and the *Reference Price* plus an adjustment for insurance, freight and other inflationary factors. Both the floor price and the reference

price are published by the Ministry of Economy and Finance every fifteen days in the official gazette (El Peruano).

The price band also has a ceiling price, which protects the industry against an increase of international prices. The floor and ceiling prices create a band (price range):

- If the international price falls under the band, the product is assessed an additional tax that will increase the price at least at floor price level.
- If the international price is above the band, then there is a tariff reduction.
- If the international price is within the band, then the product is only assessed the import tariff.

The implementation of this system is rather transparent; GOP officials can demonstrate how they established a reference price or a floor price. Currently, the reference price for corn is $219 per ton.

Table 3: Corn Products Affected by the Peruvian Price Band System

Marker Product	**Related products**	
1005.90.11.00 Corn excluding seed	1005.90.12.00	Corn, white other than seed
	1005.90.90.90	Corn, other than seed nesoi
	1007.00.90.00	Sorghum
	1103.13.00.00	Corn meal
	1108.12.00.00	Corn starch
	1108.13.00.00	Potato starch
	1702.30.20.00	Glucose and glucose syrup
	2309.90.90.00	Animal feed excluding dog or cat food
	3505.10.00.00	Dextrins and other modified starches

Biotechnology

In 2011, Peru established a ten-year moratorium on planting genetically engineered crops, including corn. This moratorium prevents producers from being able cultivate genetically engineered varieties that could assist them in overcoming production challenges such as climate change. The moratorium was extended in January 2021 for another 15 years to December 31, 2035, which will continue to hinder Peruvian producers' ability to improve their competitiveness.

Table 4: Rice Production, Supply and Distribution

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Apr 2023		Apr 2024		Apr 2025	
Peru	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	425	425	430	430	0	430
Beginning Stocks (1000 MT)	265	265	226	230	0	180
Milled Production (1000 MT)	2500	2500	2550	2550	0	2600
Rough Production (1000 MT)	3623	3623	3696	3696	0	3768
Milling Rate (.9999) (1000 MT)	6900	6900	6900	6900	0	6900
MY Imports (1000 MT)	136	98	145	100	0	100
TY Imports (1000 MT)	150	98	145	100	0	100
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2901	2863	2921	2880	0	2880
MY Exports (1000 MT)	50	8	50	50	0	50
TY Exports (1000 MT)	50	8	50	50	0	50
Consumption and Residual (1000 MT)	2625	2625	2650	2650	0	2700
Ending Stocks (1000 MT)	226	230	221	180	0	130
Total Distribution (1000 MT)	2901	2863	2921	2880	0	2880
Yield (Rough) (MT/HA)	8.5247	8.5247	8.5953	8.5953	0	8.7628

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026

RICE

Production:

Rice production in MY 2025/2026 (April-March) is forecast at 2.6 million metric tons (MMT), a slight increase from the previous year estimate. The total rice harvested area for MY 2025/2026 is forecast at 430,000 hectares, remaining the same as the prior year.

Traditionally, rice has primarily grown in the lowland regions of Peru, particularly along the coast and in the river valleys. Traditionally, the main rice-producing departments have been Piura (14 percent of total rice production), Lambayeque (12 percent) and La Libertad. (10 percent). However, The San Martin

region (eastern slopes of the Andes) has become an increasingly important rice producing area, accounting for 27 percent of total rice production.

In recent years, rice production has remained relatively stable, with annual production fluctuating around 2.5 to 3 MMT. However, production is highly dependent on water availability and the efficiency of irrigation infrastructure, with El Niño events, which brings higher than usual temperatures and heavy rains, and droughts occasionally disrupting yields.

The rice-growing regions in Peru are characterized by a combination of large-scale commercial farms and smallholder operations. Smallholders typically farm rice on plots averaging 2-5 hectares, while larger producers operate over 20 hectares. Rice farming in Peru faces several challenges, including the rising cost of inputs such as fertilizers and labor, limited access to technology, and vulnerability to climate change. Increasing soil salinization, a result of the field flooding irrigation technique used by farmers, is a growing concern for the rice industry and government.

In terms of rice varieties, Peru predominantly grows long-grain and medium-grain rice, which is suitable for domestic consumption. The production process involves both mechanized and traditional techniques, although the trend is toward increased mechanization as large-scale farms seek greater efficiency.

Figure 2 and 3: Rice fields in Jaen, Cajamarca

Source: FAS Lima Senior Agricultural Specialist Gaspar Nolte

Rice is grown year-round, but the bulk of the crop is harvested between April and September. In MY 2024, farm gate prices averaged $411 per MT, increasing 12 percent compared to the previous year.

Average yield in MY 2024 was 8.3 MT/Ha (rough based), however, some farmers with better technology and agricultural practices can obtain yields of over 14 MT/Ha.

Consumption:

Rice consumption is expected at 2.7 MMT in MY 2025/2026 and will organically grow as the population increases. Rice is a staple food in Peru and per capita consumption averages 74 kilograms per year. Rice is traditionally sold in 50-kilogram sacks. With the expansion of supermarket chains, consumer habits are shifting towards prepackaged, one-kilogram bags.

The consumption of rice has been relatively stable over the past few years, with slight increases driven by population growth and urbanization. Rice consumption is particularly high in urban areas, where it forms the foundation of many everyday meals. In rural areas, rice is often consumed alongside other staple foods such as potatoes and corn.

Despite the widespread consumption of rice, the Peruvian market is becoming increasingly diverse. As urban consumers gain access to a wider variety of food products, demand for processed rice products, such as pre-cooked rice and rice flour, is also growing.

Trade:

Rice imports in MY 2025/2026 are forecast at 100,000 MT, remaining at the same level as in MY 2025. Uruguay was the main rice supplier to Peru in MY 2024, accounting for 52 percent of market share followed by Brazil with 41percent of market share. Rice from the United States is currently not price competitive in the Peruvian market.

Import rice prices from Uruguay increased 24 percent reaching $789 per ton in MY 2025. Brazilian rice prices also increased significantly reaching $803 per ton.

Policy:

Rice is imported into Peru duty-free from all origins. Peru's unilateral elimination of import tariffs on rice in 2011 eliminated many of the trade advantages afforded by the U.S.-Peru Trade Promotion Agreement. However, Peru maintains the PPB for rice which is activated when commodity prices are low. The PTPA established a duty-free TRQ of 72,000 MT for U.S.-origin rice with annual increases of six percent and full duty-free access within 17 years (2025). Rice imports from the United States are not affected by the Peruvian price band under the PTPA.

The current price band for rice (Supreme Decree 152-2018-EF) went into effect on July 5, 2018. The decree establishes a price band between $612 and $682 per ton. Within the ban the product enters duty

free, above the band it is subject to a tariff discount (not applicable since there is no tariff) and under the band, it is subject to a surcharge. Currently, the reference price is $683 per ton.

Table 3: Rice Products Affected by the Peruvian Price Band System

Marker Product	**Related products**
1006.30.00.00 Rice, semi-milled or wholly milled	1006.10.90.00 Rough rice 1006.20.00.00 Brown rice 1006.40.00.00 Broken rice

Attachments:

No Attachments