

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

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GAIN Report Number:

Peru

Post: Lima

Grape Report

Report Categories:

Fresh Fruit

Approved By:

Eugene Philhower

Prepared By:

Gaspar E. Nolte

Report Highlights:

Grape exports continue increasing and are expected to reach 50,000 MT in CY 2009, a 22 percent increase compared to the previous year. Post forecasts that Peruvian grape exports will continue increasing at a pace of 20 to 25 percent per year for the next five years.

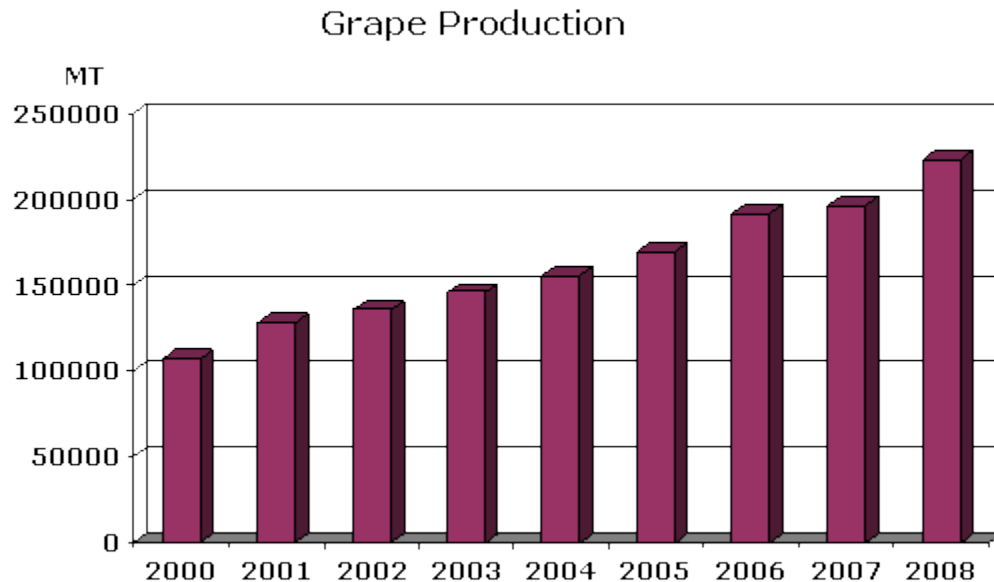
General Information:

Grape exports continue increasing and are expected to reach 50,000 MT in CY 2009, a 22 percent increase compared to the previous year. Grapes have become one of Peru's most promising agricultural products. Grape production in CY 2009 is estimated to increase 20 percent, reaching 270,000 Metric Tons (MT). Post forecasts that Peruvian grape exports will continue increasing at a pace of 20 to 25 percent per year for the next five years.

Production:

Table grapes have become one of Peru's most promising agricultural products. Grape production in CY 2009 is estimated to increase 20 percent, reaching 270,000 Metric Tons (MT).

Grapes are produced in the valleys along the coast of Peru, especially in Ica, which is an area located 300 kilometers south of Lima. About 75 percent of the Peruvian grapes are produced in Ica. However grape production is rapidly increasing in the warm valleys of Piura, a thousand kilometers north of Lima.



Peruvian grape exporters have managed to widen its historical window of opportunity (December-January) which was right before the Chilean harvest season. The Peruvian harvesting season for grapes begins in October and goes through March.

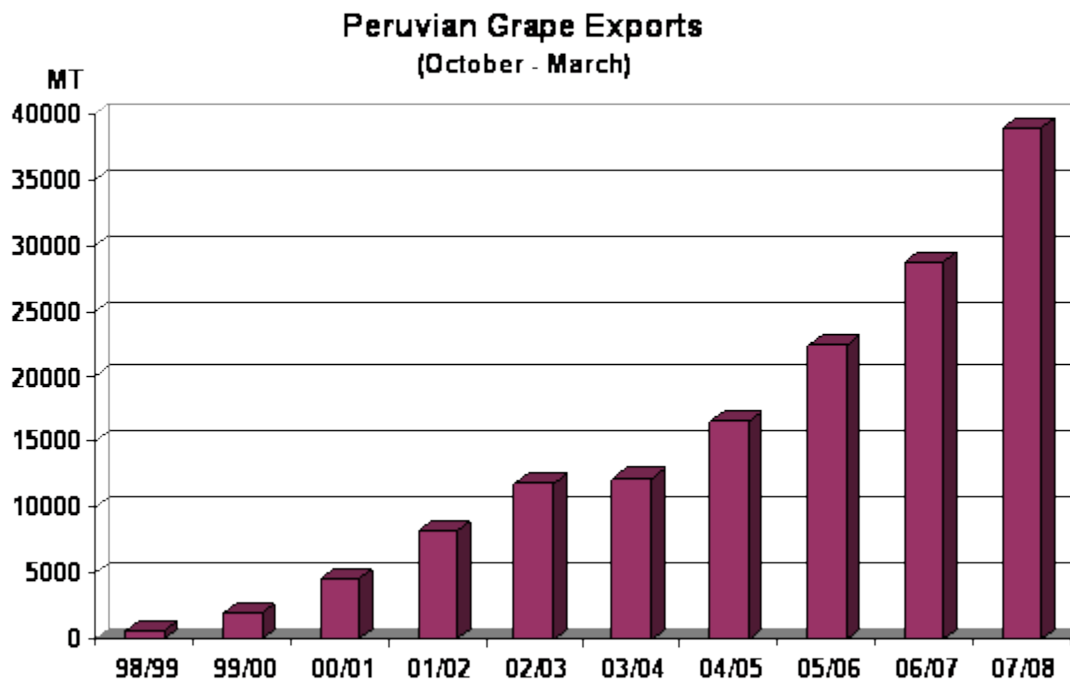
Peru produces 75 percent Red Globe (with yields of 35 MT per hectare), 9 percent Flame Seedless, 8 percent Sugraone, and 5 percent Crimson. The remaining two percent is a mix of different varieties, including Autumn Royal, Centennial and Thompson. The three largest producers account for 50 percent of total grape production.

Total investment to establish a hectare of grapes is around 20,000 dollars per hectare. Beginning with the third year, the cost of production is about 1,850 dollars per year. Revenues are not seen until the third year and they barely pay for the maintenance of the crop. Plants reach adult production levels after the fifth year. The expected net income at this point is about 15,000 dollars per hectare per year.

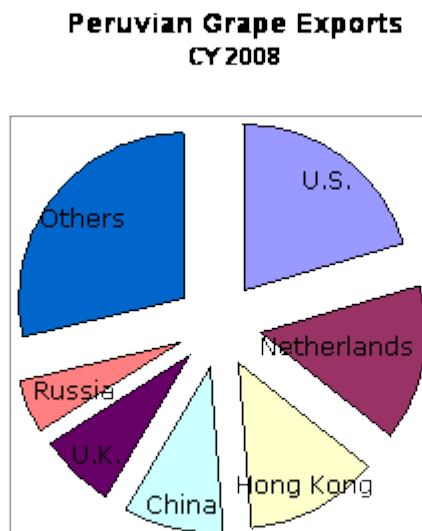
Trade:**Trade**

Grape exports continue increasing and are expected to reach 50,000 MT in CY 2009, a 22 percent increase compared to the previous year. Peruvian grape exports have sky rocketed from the shy 631 MT in the MY 1998/1999 (October-

March) to an expected \$100 million worth in exports in the upcoming season.



The U.S. is the main market for Peruvian grapes, accounting for 23 percent of its exports in value. Other important markets are Hong Kong, the Netherlands, the U.K, China and Russia.



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Though growth of Peruvian grape exports has been impressive, Peru is far from other important suppliers, such as Chile that exported \$1.2 billion worth of grapes in CY 2008. Post believes that given the strength of the Peruvian economy

and an upbeat sentiment in the Peruvian agricultural sector due to recent success stories in other agricultural crops (asparagus, sugar and peppers), there will be a new wave of investment in grape production that could lead to 20 to 25 percent growth per year for the next five years.

Policy:

The Government of Peru does not have any program to encourage the production of grapes in the country. However, the Peruvian SPS agency works very closely with the grape producing association (Provid) to open new markets. Currently they are working on the protocols with Japan and Korea. In CY 2009 Peru was able to export to Mexico with cold treatment on the water, previously they were only allowed treatment in destination.

Provid, which include 39 companies, has establish a check-off system to pay for some of the sanitary studies and pest risk assessments required by potential markets.