

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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POLICY

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## Peru

**Post:** Lima

### Peruvian Blueberry Production Blooming

**Report Categories:**

Fresh Fruit

**Approved By:**

Kirsten Luxbacher

**Prepared By:**

Gaspar E. Nolte and Emily Moore

**Report Highlights:**

Blueberries now are Peru's third most valuable fresh fruit export, an impressive leap from virtually nothing less than five years ago. Demand from markets in the United States, Europe, and China are helping drive this increase in production, along with fast returns on investment, high profitability, friendly trade agreements, and a reputation as a consistent and quality supplier. The U.S. is Peru's main blueberry export market

## Summary

Blueberry production in Peru, centered in the La Libertad region on the north coast, is expected to continue rapid growth in the coming years. A steep increase in exports occurred in CY 2016, a trend expected to continue into CY 2017. Blueberries now are Peru's third most valuable fresh fruit export, an impressive leap from virtually nothing less than five years ago. Demand from markets in the United States, Europe, and China is helping drive this increase in production, along with fast returns on investment, high profitability, trade agreements, and a reputation as a consistent and quality supplier. The majority of Peru's current blueberry plantings are sourced from U.S. genetics.

## Production

Blueberry production in Peru is currently experiencing rapid expansion, growing from nothing less than five years ago to about 4,000 hectares currently in production with more expected in the near future. Despite the high cost of investment, blueberries are an attractive investment for export farms in Peru, due in large part to low financial barriers for establishment and high profitability. Production is centered in the northern coastal region of La Libertad, where the sunny, hot and dry climate allows for a nearly year-round harvest.

A perennial flowering plant, the blueberry plant is productive for an average of twenty years. Though there are no major pest or mildew issues for blueberries in Peru. The soil can require amendments and irrigation water can require treatments to desalinate and normalize pH. Peru's blueberry fields use state of the art drip irrigation systems to provide precise amounts of water and nutrients required, delivering water and fertilizer needs in accordance with climate, soil, and plant conditions.

The majority of the plants/seeds in Peru are sourced from U.S. genetics, with popular varieties in Peru including Biloxi, Emerald, and Springhigh. The plants are hand-harvested, and can be packed into export-ready packaging in the field. Yields average 15-20 metric tons (MT) per hectare. The main costs for establishment are drip irrigation and plants. Returns on investment can be made in as little as two years. Many Peruvian fruit growers, including the largest operations in Peru, are identifying blueberries as their most profitable crop, above avocados, grapes, or citrus.

Investment	
Item	\$/Ha
Soil preparation	1,000
Plants	48,000
Wind break mesh	4,000
Pollinators	500
Drip irrigation	6,000
Unexpected expenses	500
<b>TOTAL</b>	<b>60,000</b>

Source: FAS Lima with Private Sector Data

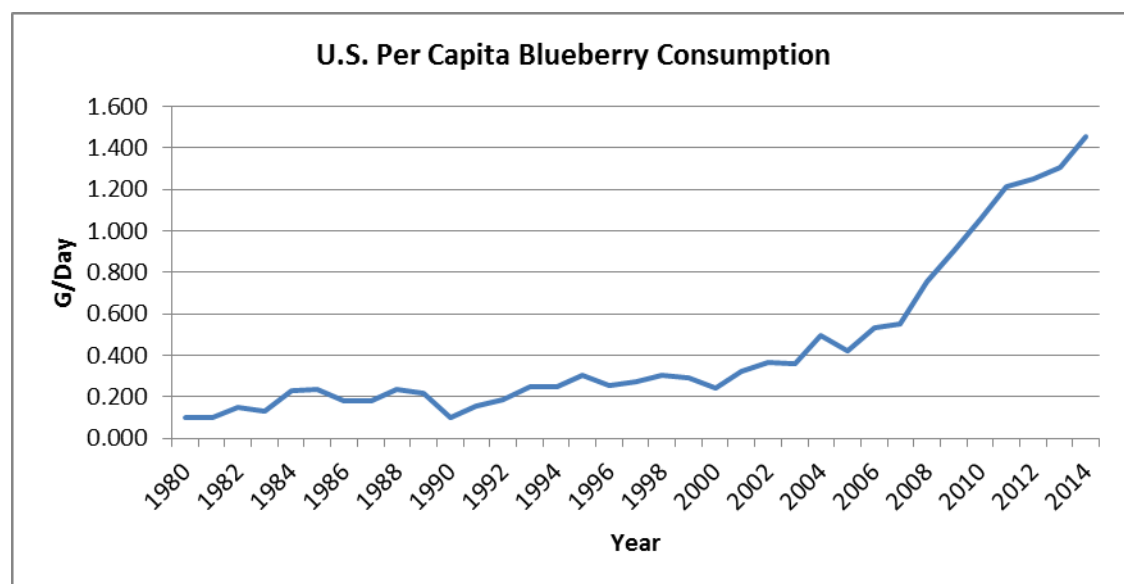
## Consumption

Blueberries are not a popular fruit in Peru. Though understood as a healthy food choice, high price points prevent blueberries from being commonly consumed. Nearly all of Peru's blueberries are exported, with little remaining for domestic consumption.

## Trade

Peruvian blueberry exports are expected to increase 43 percent in 2017. Peru holds a reputation as a consistent and quality supplier of blueberries for global exports. In 2016 it exported fresh blueberries primarily to the United States (54%), Netherlands (24%), United Kingdom (13%), and Canada (2%). Total fresh exports in 2016 were up 171 percent from the previous year; increasing from 10,303 MT to 28,139 MT. Less than ten years ago Peru exported no blueberries, rapidly building the industry over the last decade and taking advantage of ideal conditions. Exports in 2017 are expected to continue to rise to 40,000 MT. Despite falling prices, total fresh blueberry trade value increased 150 percent in 2016 to \$242 million, ranking third in value among Peru's fresh fruit exports. The average price received in 2016 was US\$7/kg, down from US\$11/kg in 2015.

Fresh blueberries are usually packaged in plastic clamshells weighing 125, 170, 340, 510, or 680 grams. The frozen products are often sold in plastic bags in larger presentations of 454, 907, or 1,361 grams. Blueberry consumption in the United States, Peru's main export market, has sharply increased over the last ten years. Peru's blueberry production is primarily countercyclical to that of the U.S. production, but its growing season is expanding with some exports now occurring within the U.S. production season.



Data Source: USDA Economic Research Service

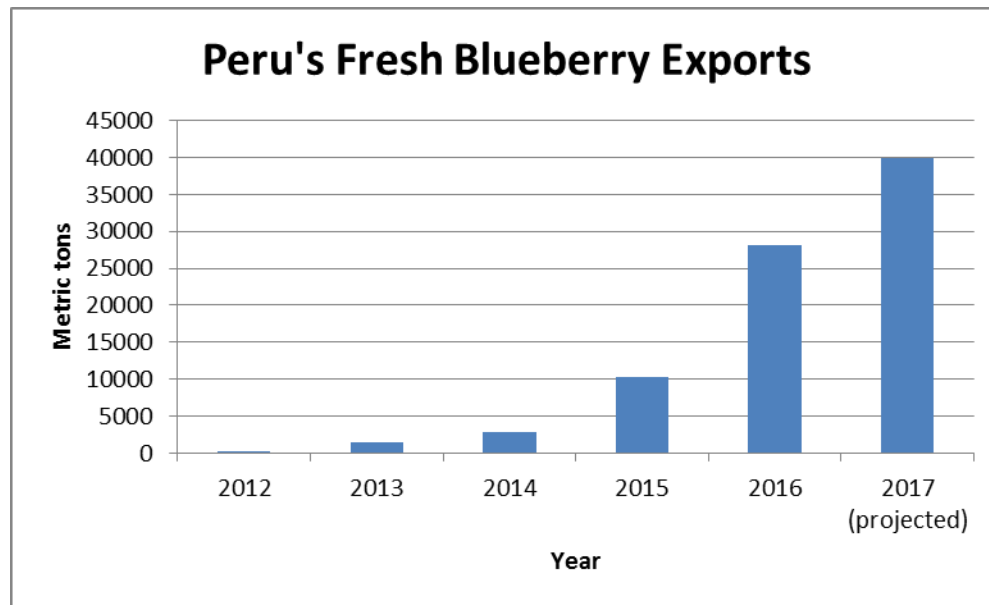
With its solid reputation and wide production window, Peru's blueberry exports are expected to continue to grow. Blueberries are Peru's sixth most exported fruit, representing three percent of total fresh fruit export volume and 13 percent of value. Currently the 5<sup>th</sup> largest global blueberry exporter, Peru is expected to become the number one exporter in South America within the next two years. In February 2017, Peru sent its first sea freight shipment of blueberries to China, a market with significant potential for growth.

<b>Peru Fresh Blueberry Export Trade Matrix (MT)</b>			
Market	2014	2015	2016
U.S.	1,298	5,578	15,262
Netherlands	694	2,906	6,836
UK	297	1,404	3,753
Canada	0	22	581
World	2,873	10,303	28,139

Source: Global Trade Atlas

<b>Top Fresh Blueberry Exporting Countries in 2016</b>	
Country	MT Exported
Chile	140,577
Canada	100,808
U.S.	37,120
Spain	36,505
Peru	28,139

Source: Global Trade Atlas



Data Source: Global Trade Atlas and private industry

## Policy

Peru's blueberries benefit from the Peru-U.S. Free Trade Agreement (PTPA), allowing Peru to freely export blueberries to the United States. This bilateral trade agreement, signed in 2009, has helped grow

the blueberry industry for both countries. U.S.-grown blueberry plants are shipped south to Peru, where they are cultivated and harvested, then shipped back for consumption in the United States. New import protocols signed at the APEC summit in November 2016 created new market opportunities for Peruvian blueberry exports to mainland China.



**Blueberry plant in Ica, Peru**