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Prepared By: Miluska Camacho

Approved By: Kirsten Wisniewski luxbacher

Report Highlights:

Peru is becoming South America’s leading importer of pulses in the region. The United States was Peru’s second largest supplier of pulses in 2018, representing 35 percent of total imports. Split green peas dominated trade, with a 50 percent market share. Lentils, kidney beans, chickpeas, and other beans (black, lima, pinto, cowpea and adzuki) make up the majority of other pulses exported to Peru. Growth opportunities for U.S. pulses can be found in the food processing sector, food retail sector, and wholesale markets.

Production

Pulses PERU	CY 2019*	CY 2020**
Area Harvested (thousand ha)	220	225
Production (ton)	271,800	285,390
Imports (ton)	112,700	116,081
Total Supply (ton)	384,500	401,471
Exports (ton)	28,038	30,842
Total Consumption (ton)	350,800	370,629
Total Distribution (ton)	412,538	432,313

*FAS Lima estimate

**FAS Lima forecast

Pulse production in calendar year (CY) 2020 is forecast at 285,390 tons, an increase of five percent over the previous year. FAS Lima estimates that production will increase due to increased domestic demand and exports driven by the growing popularity of beans as part of a healthy diet and the export strategy of the Peruvian government.

In the last 20 years pulse production in Peru nearly doubled from 145,000 tons in 1997 to 260,000 tons in 2016, according to official data. El Niño negatively impacted pulse production in 2017. Since then production has increased an average of five percent per year.

Harvested area in 2020 is forecast at 225,000 hectares, a two percent increase over the previous year. This crop is produced year-round, with two main harvests in March-April and August-September. About 70 percent of the total crop is harvested between March and July. Pulses are primarily produced by small producers, under three hectares, scattered throughout Peru. According to official data, Peru's pulse sector supports 140,000 small family farms in remote areas.

In 2019, pulse production in Peru primarily consisted of the following: common dry bean yellow-colored canary (30%), fava beans (29%), dry pea (20%), baby and jumbo lima (4%), black eye (7%), and tarwi (*Lupinus mutabilis*, 6%). Tarwi (also known as chocho or Andean lupin) is an Andean bean, that is gaining popularity due its availability, price, and protein content. Peru is investing resources trying to highlight tarwi's medicinal and nutritional properties. Some producers market snacks of canned or marinated tarwi in small batches. Bolivia is even popping tarwi as a snack for social programs.

On average, 60 percent of bean production occurs in the highland region, 1,000 meters above sea level. Coastal production accounts for 33 percent, and the Amazon region produces seven percent. Cusco and Cajamarca are the regions with the largest production, each accounting for 13 percent of total production, followed by La Libertad with 11 percent.

Consumption

Per capita consumption in 2020 is forecast at 7.8 kilograms per year, a slight three percent increase from 2019. This is below the World Health Organization recommendation of nine kilograms per year.

Peruvians consume 80 percent of marketed pulses between May and November. Pulses are primarily sold dry due to accessibility in handling, convenience of transportation, storage, and shelf life. The Peruvian government is involved in promoting pulse consumption as a reliable and commonly available protein source.

Since 2016, the flow of Venezuelan migrants to Peru increased from 7,000 residents to over 854,000 in July 2019. Peru is second to Colombia as the most significant destination for Venezuelan migrants. Lima hosts 85 percent of Venezuelan migrants representing an eight percent increase of Lima's population. This increase is influencing local food consumption habits. Out of pulses, black beans are emerging as a product of interest due to this new pattern.

Another emerging consumer trend is healthy eating. High protein, low sugar, and low-fat foods are becoming more popular among Peruvian consumers.

About 65 percent of pulses are sold in warehouse districts where pulses are displayed and sold in bulk. Wholesalers then distribute pulses all over Peru through distributors, packers, and government programs. Supermarkets are gaining popularity with private label and branded packaged pulses. The 500-gram plastic pack bags are popular in the retail sector.

Uniform shape and color are highly encouraged. Pulses are traded based on weight, expressed in grams per 100 seeds or the caliber, expressed in number of seeds contained in 100 grams, or in an American ounce (28.5 g).

Trade

Peru imported 107,545 tons of pulses in 2018, one percent less than previous year. Value wise it represented a fall of 21 percent to \$73 million. Reduced international prices, higher supply, and carry-over stocks made Canada the top supplier to Peru, representing 45 percent market share. Mexico almost doubled its exports to 12,016 tons in 2018, exporting primarily chickpeas. Peru prefers large chickpea sizes (Kabuli type) with a minimum caliber of 8 mm. to 10 mm.

Peru Import Statistics					
Commodity: Pulses					
Annual Series: 2016 – 2019 (Jan-Oct*)					
Partner Country	Unit	Quantity			
		2016	2017	2018	2019*
World	T	84,627	108,202	107,545	82,935
Canada	T	31,137	46,342	49,159	45,351

United States	T	36,370	48,719	37,858	27,026
Mexico	T	7,138	7,406	12,016	4,607
China	T	7,189	1,192	4,694	1,743
Bolivia	T	1,236	955	1,932	2,028
Ecuador	T	1,005	1,861	999	1,409
Argentina	T	400	1,471	769	526
New Zealand	T	120	209	100	140
Chile	T	26	12	10	8
Italy	T	7	32	7	95
Netherlands	T	0	0	0	0
France	T	1	2	0	2

Source: Trade Data Monitor, LLC

Peru Import Statistics				
Commodity: Pulses, (2017)				
Annual Series: 2016 – 2019 (Jan-Oct*)				
Partner Country	United States Dollars			
	2016	2017	2018	2019*
World	72,239,556	93,619,435	73,531,461	44,847,521
Canada	24,640,504	38,378,638	27,890,466	19,991,652
United States	27,627,021	38,539,125	25,252,126	15,441,774
Mexico	11,016,024	11,408,050	12,378,664	4,596,204
China	6,864,024	1,222,529	5,626,526	2,087,670
Bolivia	827,441	710,167	1,210,768	1,294,940
Argentina	262,405	1,574,661	690,730	432,378
Ecuador	766,580	1,368,289	295,935	680,252
New Zealand	199,909	342,035	161,709	230,345
Italy	14,278	61,538	16,748	76,607
Chile	19,270	8,345	7,561	7,361
Netherlands	-	-	128	-
France	2,101	6,058	102	8,338

Source: Trade Data Monitor, LLC

U.S. pulses have been facing an interesting growth in market share due to higher quality, consistency, and reliable supply. In 2019, U.S. pulse exports are expected to reach to 38,000 tons, with a peak of 48,719 tons in 2017. This increase is the result of increased promotion by U.S. industry and the U.S.-Peru Trade Promotion Agreement, which eliminated import duties.

Export Trade Matrix*		
Country	Peru	
Commodity	Leguminous Vegetables, Dried Shelled (HS: 0713)	
Time Period	CY 2019*	
Exports for:		
	ton	USD (\$)
United States	8,852	11,899,267
Colombia	6,854	7,294,559
Ecuador	3,175	2,313,557
Spain	1,306	1,772,652
Canada	790	1,225,763
Others	7,060	11,130,536
TOTAL	28,038	35,636,333

*FAS Lima Forecast

Source: Trade Data Monitor, LLC

Peru is among the ten principal bean suppliers to the United States. Peru exports canned and dried beans (kidney, white peas, cowpeas, lima, pinto and, pigeon). Processing plants are located primarily in the northern region of Peru due to proximity to production areas. In 2019, Peru’s export forecast is \$5.8 million in canned beans (HS code: 200551/200559 Vigna spp. and Phaseolus spp) and the U.S. market is expected to receive 86 percent of Peru’s total exports. For dried beans, total exports will reach \$35.6 million (HS: 0713) in 2019. The United States is the top destination for Peru’s dried bean exports, representing about 34 percent of its total exports. Other relevant destinations are Colombia, Ecuador, Spain, and Panama.

Policy

The Ministry of Agriculture and Irrigation (MINAGRI) and the Exporter Association (ADEX) represented by the Pulse and Andean Grains Committee has developed jointly a Pulses Strategic Development Plan thru 2025. The plan aims at establishing actions and strategies that revalue pulses as an option for healthy eating trends in the world. These actions also look to boost national consumption and increase exports. These efforts are strengthening associations among family farming, credit access, crop guidance and recommendations with loans channeled by Agrobanco (stated owned bank). In 2019, Agrobanco granted \$17 million to small producers. The bank is currently undergoing a restructuring process and the implementation of regulatory recommendations such as improvement of information systems, credit procedures, control system strengthening, and risk management.

In 2017, Peru's export promotion agency (PromPeru) launched a campaign to market agricultural products under a "Superfoods label". This program promotes mainly, black eyes peas, large limas, tarwi, and fava beans. The Peruvian government foresees an opportunity to promote large limas from Ica, which has a geographical indication (GI) and tarwi, due its high protein content. In 2018, Peru became part of the Global Pulse Confederation connecting Peruvian companies to the global pulse industry.

Since 2016, MINAGRI declared July 12 the "National Pulses Day" in Peru, to boost its production and consumption. This initiative emphasizes the benefits of pulses as an essential source of plant origin protein, becoming a fundamental tool in the fight against poverty. It also stands out as a strategic crop to food security, as well as being an environmentally sustainable food for agriculture. The norm will contribute to focus on government policies and actions at all levels, to concentrate attention on the agricultural pulse sector and increase investments.

Attachments:

No Attachments.