

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 766,000 metric tons (MT) in marketing year (MY) 2022/2023, an increase of seven percent compared to the previous year. Domestic consumption of fresh grapes is forecast at 186,000 MT in MY 2022/2023, a six percent increase from MY 2021/22. Peruvian grape exports are forecast to reach a record of 586,000 MT in MY 2022/2023, eight percent higher than the previous year. The United States will continue to be the lead export market.

Table 1. Production, Supply, and Distribution

Grapes, Fresh Table Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Peru	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	31500	31500	32000	32000	0	34000
Area Harvested (HA)	30000	30000	30000	30000	0	32000
Commercial Production (MT)	567000	565000	580000	592000	0	645000
Non-Comm. Production (MT)	120000	120000	120000	121000	0	121000
Production (MT)	687000	685000	700000	713000	0	766000
Imports (MT)	700	3000	200	7417	0	7500
Total Supply (MT)	687700	688000	700200	720417	0	773500
Fresh Dom. Consumption (MT)	219200	207000	169200	175200	0	186000
Exports (MT)	467500	480000	530000	544000	0	586000
Withdrawal From Market (MT)	1000	1000	1000	1217	0	1500
Total Distribution (MT)	687700	688000	700200	720417	0	773500
(HA) ,(MT)						

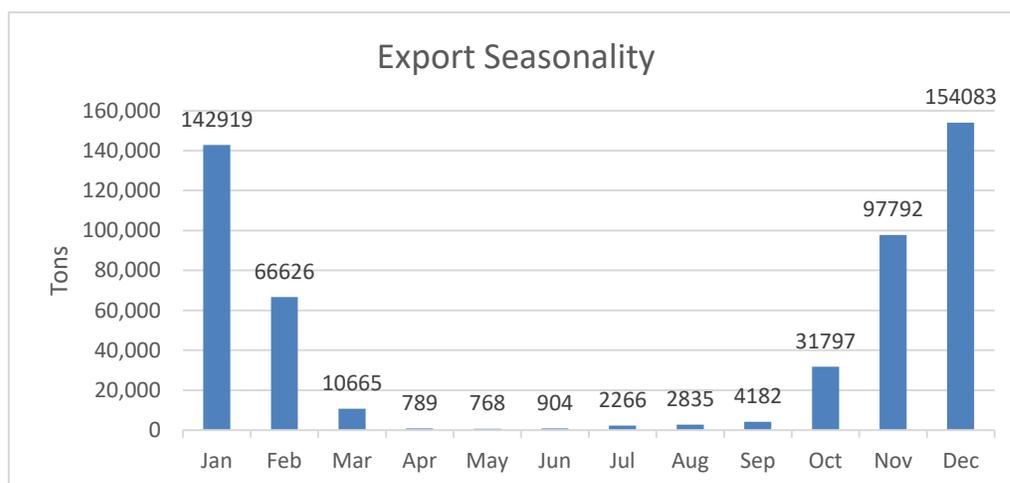
. Production:

Grape production in Peru is forecast to reach 766,000 metric tons (MT) in marketing year (MY) 2022/2023 (October-September), increasing seven percent over the previous year. Favorable weather conditions, plenty of water supply, and growing demand for table grapes are driving this increase. Peru has a dry coast where daily temperatures consistently range between 14 and 30 degrees Celsius (57-86 degrees Fahrenheit) and over 12 hours of sunlight per day, year-round, which makes it an ideal region for grape production. These conditions, combined with precision irrigation, enable Peru to mature vines 55 percent faster than in neighboring countries. Grape production is mainly located in Ica (41 percent) and Piura (22 percent). The total area under cultivation is estimated at 34,000 hectares. The harvesting season in Peru begins in late October and ends in April.

The Red Globe variety continues to be the most produced (25 percent) grape due to consumer preference in the Chinese market. However, it has been losing ground to higher value varieties such as Sweet Globe (18 percent), Allison (7 percent), Autumn Crisp (6 percent), Sweet Celebration (5 percent), Crimson Seedless (5 percent), Jack's Salute (4 percent) and Timpson (4 percent).

Grapes are one of the most expensive crops to install, second only to blueberries. One hectare of grapes in Peru requires an initial investment of approximately \$45,000, without consideration of land costs. About 30 percent of the cost of production is soil preparation and the irrigation system, 25 percent is establishing the trellis, and 14 percent goes toward the plant itself. This is a significant financial outlay 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. High production areas such as Ica boast full employment due to the steadily increasing demand for labor.

Figure 1: Peru Grape Exports by Month



Source: Peruvian Customs Service (SUNAT)

Consumption:

Domestic consumption of fresh grapes is forecast at 186,000 MT in MY 2022/2023, a six percent increase from the previous year. The local grape market is a secondary market for producers since prices are significantly lower than international prices. The forecasted increase is explained by higher production and fruit availability, as well as continued growth in local consumer interest. Green Italian grapes continue to dominate the local market. The pisco industry is another significant consumer of grapes. Pisco output is estimated at 12 million liters in 2022. Chile and the United States are the largest consumers of Peruvian pisco. Lima and Ica make up 90 percent of total pisco production.

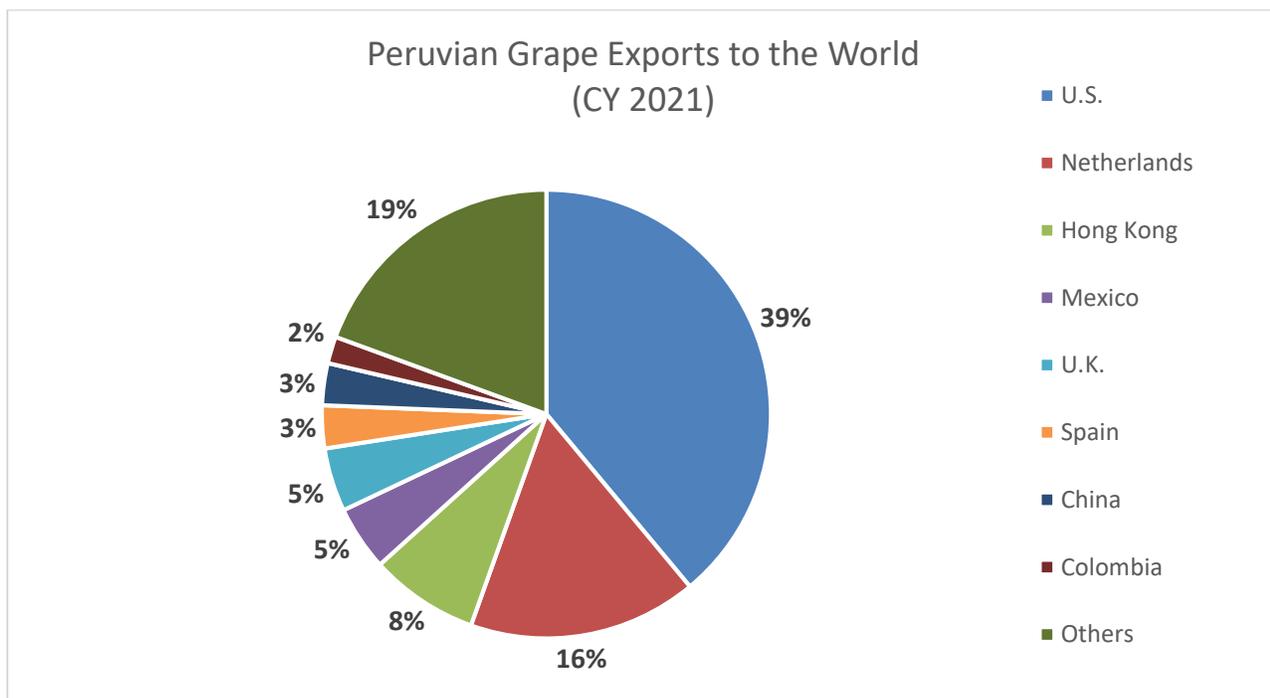
Trade:

FAS Lima forecasts exports to reach a record of 586,000 MT in MY 2022/2023, eight percent higher than the previous year. The United States was the top export destination in calendar year (CY) 2021 with exports reaching 204,849 MT, followed by the Netherlands with 86,846 MT, and Hong Kong with 41,225 MT.

Fresh table grapes are one of the top produce exports by value for Peru and 2021 export value reached just over \$1.25 billion, an increase of 23 percent compared to the previous year. In 2021, grape prices in the export market averaged \$2,436 per MT, four percent higher than in 2020. However, prices in the U.S. market averaged \$2,540. Peruvian grape exports to the United States peak between December and January due to seasonally higher prices.

Export prices between January - August 2022 were \$2,373 per MT, three percent lower than the previous year. Peru is currently working on opening the markets of Japan, the Philippines, and Chile.

Figure 2: Peru Grape Exports by Country



Source: Peruvian Customs Service (SUNAT)

Policy:

Peru has signed numerous [free trade agreements](#), including with 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) to comply with the sanitary and phytosanitary regulations of trading partners have enabled Peruvian grapes to penetrate international markets.

Attachments:

No Attachments