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Peru

Fresh Deciduous Fruit Annual - Grapes

Grape Production Bounces Back

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Report Highlights:

Grape production in Peru bounces back from an El Niño that damaged the crop in early 2017. Table grape production is estimated to increase seven percent in MY 2018/2019 (October-September), reaching 540,000 MT. Exports are forecast to reach 385,000 MT in MY 2018/2019. The United States continued to be the top export market in CY2017 accounting for 33 percent of total exports.

Executive Summary:

Grape production in Peru is forecast to increase seven percent in MY 2018/2019 (October-September), reaching 540,000 MT. One variety, Red Globe, dominates production. Domestic consumption is forecast at 271,000 MT in MY 2018/2019, an increase of four percent over the previous year. FAS Lima forecasts exports will reach 385,000 MT in MY 2018/2019, seven percent higher than the previous year. The United States continued to be the top export market in CY 2017 accounting for 33 percent of total exports.

Commodities:

Grapes

Production:

Grapes, Fresh Table Market Begin Year Peru	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Jan 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	30000	30000	30000	30000	0	30500
Area Harvested	28000	28000	28500	28500	0	29000
Commercial Production	490000	496000	520000	505000	0	540000
Non-Comm. Production	115000	115000	118000	118000	0	118000
Production	605000	611000	638000	623000	0	658000
Imports	2600	5000	3000	3000	0	3000
Total Supply	607600	616000	641000	626000	0	661000
Fresh Dom. Consumption	288000	296000	348000	261000	0	271000
Exports	310600	311000	280000	360000	0	385000
Withdrawal From Market	9000	9000	13000	5000	0	5000
Total Distribution	607600	616000	641000	626000	0	661000
(HA) ,(MT)						

Grape production in Peru is forecast to increase seven percent in MY 2018/2019 (October-September), reaching 540,000 MT. Grape production is recovering after heavy El Niño rains and unstable temperatures in early 2017 delayed harvest, reduced yields, and reduced quality.

Peru has a dry coast with a range of temperatures (between 14 and 30 degrees Celsius) and over 12 hours of sunlight per day, year round, which makes it a suitable area for grape production. These conditions combined with precision irrigation enables 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 30,000 hectares. Harvesting season in Peru begins late October and ends in April.

The Red Globe variety dominates production as it remains popular in the growing Chinese market. However, producers are shifting toward higher value varieties to supply other markets. This includes diversifying to over 20 different varieties that meet the evolving palate of consumer tastes worldwide. The most popular of these other varieties includes Crimson seedless, Flame seedless, Surgeon and Thompson seedless.

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 \$40,000, 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.

Consumption:

Domestic consumption is forecast at 271,000 MT in MY 2018/2019, an increase of four percent over the previous year. The local grape market is a secondary market for producers because prices are significantly lower than international prices. Green Italian grapes continue to dominate the local market.

The pisco industry is another significant consumer of grapes. The Ministry of Production estimates Peru's pisco output will total 11 million liters in 2018. Chile and the United States are the largest consumers of Peruvian pisco. Lima and Ica make up 90 percent of the total production of pisco.

Trade:

FAS Lima forecasts exports to reach 385,000 MT in MY 2018/2019, seven percent higher than the previous year. The United States is the top export destination, followed by the Netherlands and Hong Kong.

Fresh table grapes are one of the top produce exports by value for Peru (\$653 million in CY 2017). At \$3,070 per MT prices in the U.S. market were 27 percent higher than the average export price of \$2,419 per MT in CY 2017. In the same period, the United States market represented 42 percent by value and 33 percent by volume of total Peruvian grape exports.

Country	Peru
Commodity	Table Grapes
Time Period	CY 2017
Imports to:	
U.S.	88,210 MT
Netherlands	37,679 MT
Hong Kong	31,578 MT
China	16,281 MT
U.K.	10,995 MT
Russia	9,017 MT
Indonesia	8,667 MT
Thailand	8,410 MT
Mexico	6,732 MT
Korea	6,421 MT
Others not Listed	42,404 MT
Grand Total	266,394 MT

Source: Peruvian Customs (SUNAT)

GRAPE EXPORTS BY VARIETY (MY2017/2018)			
VARIETY	MT	SHARE (%)	ACCUMULATIVE SHARE (%)
RED GLOBE	131,975	47.7	47.7
CRIMSON SEEDLESS	27,824	10.0	57.7
SUGRAONE (SUPERIOR SEEDLESS)	25,871	9.3	67.0
FLAME SEEDLESS	18,610	6.7	73.8
NO DECLARADA	13,629	4.9	78.7
IFG THREE (SWEET CELEBRATION)	8,361	3.0	81.7
SHEEGENE 2 (TIMPSON)	8,328	3.0	84.7
IFG TEN (067-105) (SWEET GLOBE)	7,723	2.8	87.5
THOMPSON SEEDLESS	7,673	2.8	90.3
ARRA 15	5,801	2.1	92.4
IFG NINE (JACK'S SALUTE)	3,747	1.4	93.7
SHEEGENE 3 (MAGENTA)	3,501	1.3	95.0
SHEEGENE 13 (TIMCO)	1,935	0.7	95.7
SUGRANINETEEN (SCARLOTTA SEEDLESS)	1,574	0.6	96.3
IFG SIX (020-229) (SWEET SAPPHIRE)	1,002	0.4	96.6
SUGRATHIRTEEN (MIDNIGHT BEAUTY)	997	0.4	97.0
ARRA 29	920	0.3	97.3
SUMMER ROYAL SEEDLESS	774	0.3	97.6
SHEEGENE 20 (ALLISON)	731	0.3	97.8
SUGRASIXTEEN (SABLE SEEDLESS)	716	0.3	98.1
AUTUMN ROYAL	672	0.2	98.3
IFG EIGHT (SWEET ENCHANTMENT)	655	0.2	98.6
IFG ELEVEN (093-166) (SUGAR CRISP)	632	0.2	98.8
EARLY SWEET	565	0.2	99.0
BLACK SEEDLESS	523	0.2	99.2
IFG FIVE (093-242) (SWEET JUBILEE)	445	0.2	99.4
IFG SEVEN (048-221) (COTTON CANDY)	411	0.1	99.5
ITALIA	287	0.1	99.6
INIAGRAPE-ONE	285	0.1	99.7
ARRA 13	98	0.0	99.8

SUGRATHIRTYFIVE (AUTUMN CRISP)	80	0.0	99.8
BLANC SEEDLESS (PRISTINE)	75	0.0	99.8
IFG EIGHTEEN (20-244) (SWEET NECTAR)	72	0.0	99.8
CENTENNIAL SEEDLESS	66	0.0	99.9
PALESTINA	46	0.0	99.9
ARRA 18	45	0.0	99.9
IFG FIFTEEN (069-157) (SWEET INSPIRATION)	42	0.0	99.9
SHEEGENE 12 (KRISSY)	35	0.0	99.9
IFG SEVENTEEN (040-244) (SWEET JOY)	26	0.0	99.9
IFG SIXTEEN (040-245) (SWEET FAVORS)	24	0.0	99.9
IFG FOURTEEN (020-169) (SWEET MAYABELLE)	21	0.0	100.0
ARRA 30	20	0.0	100.0
SUGRAFOURTEEN (RED SUPERIOR SEEDLESS)	18	0.0	100.0
MUSCAT BEAUTY	16	0.0	100.0
ARRA 19	15	0.0	100.0
SHEEGENE 18 (KELLY)	15	0.0	100.0
WHITE SEEDLESS	15	0.0	100.0
SHEEGENE 21 (IVORY)	13	0.0	100.0
BLAGRATWO (MELODY)	10	0.0	100.0
IFG TWENTY (095-039) (CANDY CRUNCH)	9	0.0	100.0
BORGOÑA	3	0.0	100.0
ARRA 31	1	0.0	100.0
IFG 93-136	1	0.0	100.0
TOTAL	276,933	100.0	

Source: Peruvian Table Grape Producers Association (PROVID)

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, the National Agricultural Sanitary and Phytosanitary Agency of Peru, to comply with SPS regulations of trading partners have enabled Peruvian grapes to penetrate international markets.