

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Date: 6/7/2012

GAIN Report Number:

Peru

Post: Lima

Grape Update

Report Categories:

Fresh Fruit

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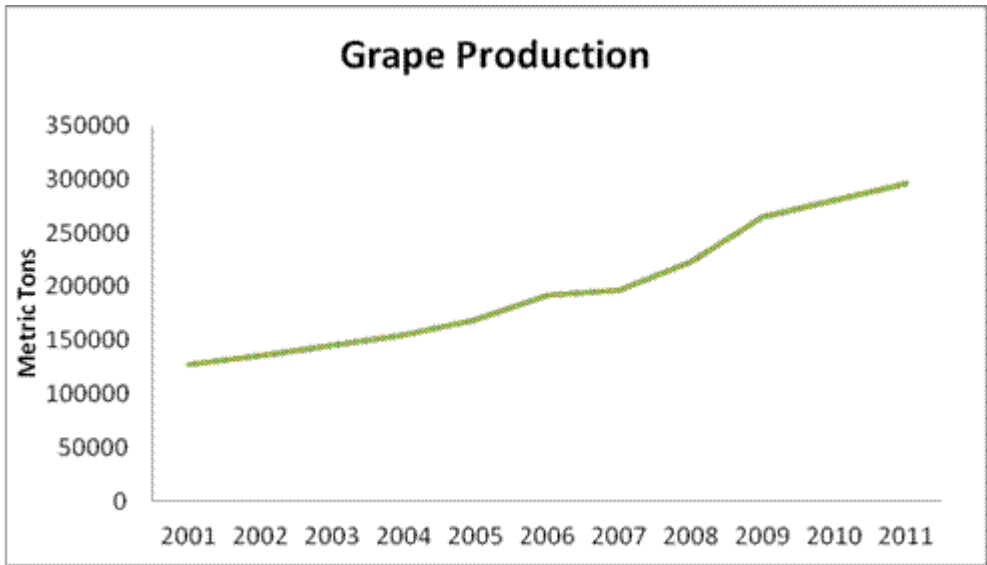
Report Highlights:

Grape production in Peru is forecast to reach 325,000 MT in CY 2013. Peru's grape production have sky rocketed in the past decade, from practically non-existent in CY 2000 to an estimated 130,000 MT in CY 2012.

General Information:

Production

Grape production in Peru is forecast to reach 325,000 MT in CY 2013. Grape production has been increasing robustly since CY 2000, mainly driven by exports. Grapes in Peru are mainly produced in the central valleys along the coast (Ica, Lima). However, new areas in the Piura and Lambayeque regions on the northern coast are rapidly developing. Peru produces mostly Red Globe (a dark red grape with a diameter of 24 to 28 millimeters). Other varieties produced are Crimson seedless, Flame seedless, Sugrone and Thompson seedless.



Grape is one of the most expensive crops to establish. The initial investment is around \$37,000 per hectare without taking into account land cost. However, the return on investment is also high and at current international prices it is probably one of the most profitable crops. The following is an estimate of establishing a hectare of grapes and its cash flow.

Investment	\$/Ha
Item	
Soil preparation	6,237.42
Trellis material	10,296.20
Anti bird mesh	3,943.64
Plants	5,458.8

Drip irrigation	9
Machine	5,500.00
ry	4,353.54
Unexpected expense	1,789.48
TOTAL	37,579.17

Cash Flow per Hectare (Red Globe on Central Coast)

Year	0	1	2	3	4	5	6	7	8	9	10
Income											
Exports		23,369	30,755	46,737	46,737	46,737	46,737	46,737	46,737	46,737	46,737
Local market		693	912	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Drawback		1,168	1,538	2,337	2,337	2,337	2,337	2,337	2,337	2,337	2,337
Total		25,230	33,204	50,460	50,460	50,460	50,460	50,460	50,460	50,460	50,460
Cost											
Production		22,000	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Total		22,000	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Gross profit		3,230	13,704	30,960	30,960	30,960	30,960	30,960	30,960	30,960	30,960
Investment											
	37,579										
Balance	37,579	3,230	13,704	30,960	30,960	30,960	30,960	30,960	30,960	30,960	30,960
Accumulated Balance	37,579	34,349	20,645	10,315	41,275	72,234	103,194	134,154	165,114	196,073	227,033

Trade

Peru's grape production have sky rocketed in the past decade, from practically non-existent in CY 2000 to an

estimated 130,000 MT in CY 2012. Grapes have become one of Peru's main agricultural exports, totaling \$304 million in CY 2011. Peru's main market in the United States, with a total of 30,793 MT in CY 2011, followed by the Netherlands, Hong Kong, Russia and China.

