

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

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GAIN Report Number:

Peru

Post: Lima

Annual

Report Categories:

Asparagus

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Report Highlights:

Asparagus production recovers after the international financial crisis. Peru's asparagus production is expected to reach 360,000 MT in CY 2011. Area planted in CY 2011 is estimated at 32,000 hectares. The United States remains the leading importer of Peruvian fresh asparagus, accounting for 72 percent of total exports.

General Information:

Asparagus production in Peru is expected to reach 360,000 MT in CY 2011, increasing 20,000 MT compared to the previous year. Favorable weather and more planted area will drive this increase. Production area is estimated to be 32,000 hectares in CY. Average yields are slightly higher than 11 tons per hectare. Total asparagus exports in CY 2011 are expected at 210,000 MT, a 12 percent increase compared to the previous year, better prices in the international market explain this higher exports.

Production:

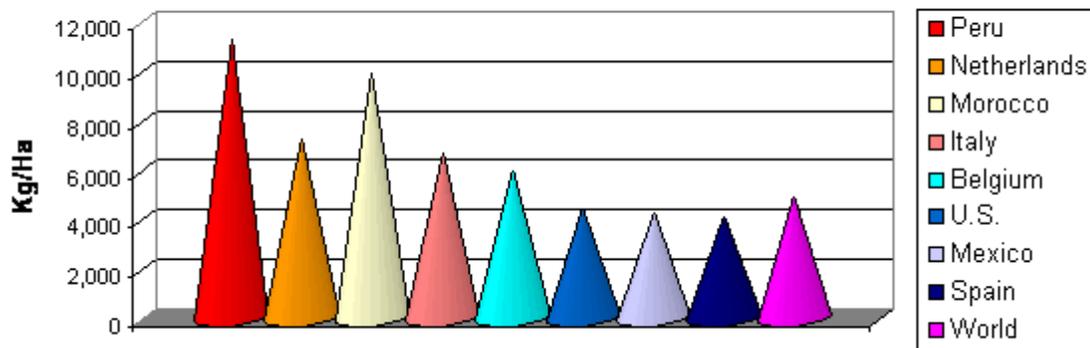
Asparagus production in Peru is expected to reach 360,000 MT in CY 2011, increasing 20,000 MT compared to the previous year. Favorable weather and more planted area will drive this increase. Production area is estimated to be 32,000 hectares in CY 2011 and average yields are slightly higher than 11 MT per hectare. This booming industry has managed to recover from low international prices and reduced demand that resulted from the international financial crisis. Post forecasts that asparagus production in CY 2012 will remain about the same.

Mild temperatures and almost non-existent rainfall that prevent asparagus from entering a dormant stage makes the Peruvian coastal area a perfect environment for growing asparagus. Peru is one of the few countries where high quality asparagus is harvested year-round. The Ica region in the South produces 44 percent of the total asparagus production, and the La Libertad region, in the North, produces 48 percent. Peru produces asparagus for two different markets: green asparagus for the United States and white asparagus for the European market. Green asparagus, which is about 45 percent of total production, is sent fresh to the U.S. packed in 5 kilogram boxes, while white asparagus is processed then exported in cans or jars to Europe.

Though average yields are around 11 MT per hectare, the most efficient producers can produce as high as 20 MT per hectare. In the past decade, average yields have increased sharply, due to the use better technology (efficient fertilization and nutrient supply through water) and a thorough knowledge of the crop. Asparagus producers in the Ica region (south of Lima) are usually more efficient. However this region is undergoing a severe water scarcity that may hamper the viability of the agricultural sector as a whole.

Because surface water only flows from November to March, most producers have wells and sophisticated drip irrigation systems which provides the exact amount of water. These systems are very expensive due to the high local cost of fuel. Green asparagus production requires more water than white asparagus. About 85 percent of the asparagus produced in Peru uses seed UC157, F1.

Average Yields



Peru's sound economic policies have resulted in remarkably strong economic growth and high investments rates. As part of this process investment in agriculture has also grown consistently in the past decade, which along with land consolidation reshaped Peruvian agriculture into a modern, high technology and market driven industry. This process occurred almost exclusively on the coast and asparagus producers have been the most active players and have benefited the most from it. This consolidation has made modern agriculture profitable, attracting investment from other sectors of the economy, such as mining and fisheries, as well as foreign sources. Investors were drawn to asparagus due to high profitability and a fairly stable foreign demand.

Trade:

Fresh asparagus exports in CY 2010 were 122,241 MT, a slight increase compared to the previous year. Total asparagus exports in CY 2010 were \$426 million. Though Peru's total asparagus exports in CY 2010 (186,511 MT) were about the same as in CY 2009 (186,652 MT), total value increased 10 percent due to higher international prices. Total asparagus exports are forecast to reach 210,000 MT in CY 2012.

Peruvian fresh asparagus were exported mainly to the United States (72 percent), followed by the Netherlands, the U.K. and Spain with 11, 7 and 5 percent respectively.

Peruvian producers usually begin exporting their crop to the United States market between mid June and September at prices ranging from \$14 to \$16. Some producers even try to hold as much of their crop as possible for Thanksgiving or Christmas when prices are the highest.

Export Trade Matrix	
Country	Peru
Commodity	Asparagus, Fresh
Time Period	CY 2010
Exports for:	
U.S.	87,723
Others	
Netherlands	13,377
Spain	7,951
UK	6,084
Total for Others	27,412
Others not Listed	7,106
Grand Total	122,241

Units: Metric Tons

Policy:

The Peruvian government through "Prompex" (the export promotion committee) and the Peruvian embassies overseas promote Peruvian asparagus in targeted markets. Prompex activities include a commercial mission to the annual Produce Marketing Association (PMA) in the United States. Producers have been satisfied with the outcome of this activity and have been able to contact new potential customers, especially supermarket chains.

SPS

Under U.S. regulation, Peruvian asparagus has to be fumigated with methyl bromide upon entry due to concerns regarding the presence of *Copitarsia*. This regulation has created serious problems for Peruvian producers - specifically increased costs, reduction of shelf life and quality, and logistical issues with the companies approved to carry out the fumigation at the Miami port. The Peruvian SPS authority (SENASA), along with the private sector, is coordinating with APHIS on alternative methods to control the pest and avoid fumigation. One of these methods is a good agricultural practice program to reduce the pest load. A few large producers will implement a pilot program and, depending on results, it could be adopted by the whole industry.