

HASS
AVOCADO
BOARD



2018

Country Profile: Peru

Producer country profile produced by *CIRAD, The Centre De Cooperation International En Recherche Agronomique Pour Le Développement.*

Producer country file

Peruvian avocado

by Eric Imbert



Within less than fifteen years, Peruvian professionals have managed to develop the world's number two Hass export industry. To do so, they have taken advantage of growth in demand in Europe and then the United States, and of the country's excellent competitiveness (original production system working on a quasi-hydroponic basis). After an explosive start to the decade, the expansion of the cultivation area remains very high despite prospects for big production increases and heightening competition from Mexico in the USA.

© Eric Imbert

Avocado – Peru

Location

The bulk of Hass production is packed into the 2 000 km-long arid coastal strip running from Chiclayo in the north to Arequipa in the south. This provides optimal cultivation conditions, despite a desert climate atypical for an equatorial region, due to the presence of the Andes Mountains to the east and the Humboldt cold marine current to the west. The soils are sandy, temperatures optimal for photosynthetic function and the phytosanitary pressure is low. In addition, the irrigation infrastructures or river valleys are able to take advantage of the abundant high-quality water reserves from the Andes, and make up for the near-total absence of precipitation. The cen-

tral part of this zone houses the core cultivation area: the departments of Lambayeque (Olmos irrigated area), La Libertad (Chavimochic irrigated area), Lima (Barranca, Huaura, Cañete, Huaral, Huarochirí valleys) and Ica. Plantations are generally large-scale and industrial. The rest of the cultivation area, accounting for 5 to 10 % of production, is packed into the foothills or valleys of the Andes, where the cooler temperatures provide a different production calendar. The plantations, which are smaller and on more clayey soil, are staggered between 800 and 2 700 m, in temperate (Cusco, Junin, Pasco, etc.) or warmer climate levels (Moquegua, Arequipa, Apurimac, etc.).



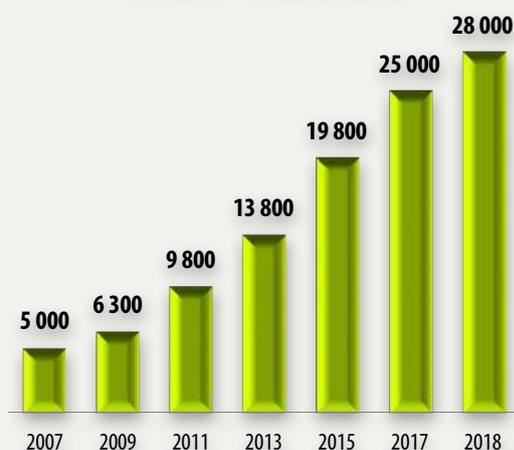
Avocado – Peru

Production

The avocado, introduced back in the 15th Century, is an important traditional crop. Production, of around 100 000 t, was sold only on the local market until the mid-1990s. At that time it was based only on native varieties of mediocre quality, and to a lesser degree on Fuerte. Since then, the political stabilisation of the country and measures promoting foreign investment have created conditions favourable for agri-business to take off. Investors have developed industrial plantations for export Hass, inspired by the success of the Chilean model and taking advantage of the country's exceptional competitiveness: cheap labour, pedoclimatic conditions and a good level of technical expertise have helped achieve exceptional yields, in terms of both production (from 15 to 30 t/ha) and packaging. The surface areas dedicated to this variety, less than 100 ha in 1994, saw exceptional growth of more than 1 000 ha/year in the latter half of the 2000s, which intensified further after the opening of the US market in 2011. The Peruvian cultivation area, comprising approximately 25 000 ha in 2017 (estimated in 2018 at 28 000 ha), for a harvest in excess of 250 000 t in 2017. Despite strong prospects for volume growth, the planting rate remains high, with the bulk of the investment made in early or late zones. Approximately 70 % of producers are signed up to the ProHass association, which provides both technical support and marketing assistance.

Avocado - Peru - Hass planted areas

(in hectares / Professional sources)



Production calendar and varieties

Hass is increasingly monopolising the export sector: more than 95 % of volumes aimed at the international market, as opposed to approximately 80 to 85 % ten years previously. The other export varieties are Fuerte, which is still widely planted mainly to feed the local market, Ettinger, Zutano and Bacon. Hass-like varieties (early ones such as Carmen and Maluma, or late ones such as Gem and Lamb) are still very seldom planted, though they are progressing. Traditional cultivars suited to the particularly extreme conditions of certain parts of the country are cultivated to feed the local market. Topa Topa, derived from the Mexican race, remains abundant in high-altitude zones due to its cold tolerance. The black-skinned fruit is rich in oil and of mediocre quality. Hybrids of the Guatemalan x West Indian races (Choquette, Collinred, etc.) are cultivated in tropical climate zones in the east of the country.

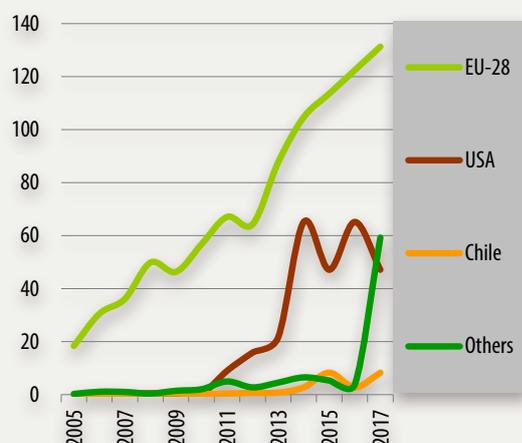
Hass avocado — Peru Estimated production calendar

Regions	J	F	M	A	M	J	J	A	S
Sierra									
Olmos									
Central zone*									
Ica/Arequipa									
Global									

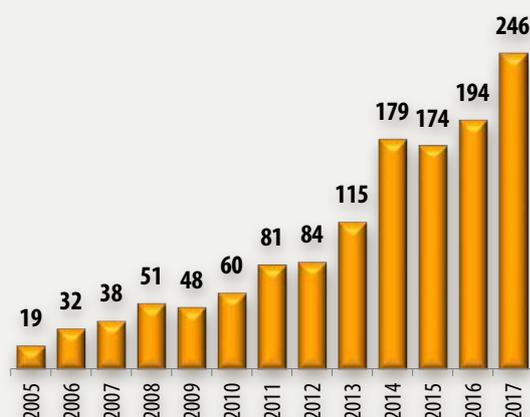
* from Chincha (north of Ica department) to Trujillo (Libertad department), as well as Lima and Ancash departments

Avocado – Peru

Avocado - Peru - Exports by destination
(in 000 tonnes / source: Sunat)



Avocado - Peru - Exports
(in 000 tonnes / source: Sunat)



Outlets

Outlets vary considerably by variety. Hass has practically zero local consumption (Prohass has been conducting awareness raising actions since 2012). Its main outlet is export, while sorting waste is also processed into pulp (approximately 15 000 t exported in 2016 and 2017), or cut and frozen (approximately 8 000 t exported in 2015). The national market, which has a population approximately 31 million strong, reportedly consumes in the region of 100 000 to 120 000 t (mainly Fuerte and creole varieties).

Exports

The Peruvian Hass industry has hoisted itself up to become the world number two exporter in just fifteen years in existence, with volumes sold on the international market exceeding 240 000 t in 2017. It took off based on the development of European demand, which was practically the sole outlet for the Peruvian avocado until 2011. From this date, the lifting of the sanitary restrictions preventing access to the USA gave the industry fresh impetus, with this market taking in approximately 15 to 30 % of volumes in recent years. Nonetheless, the very rapid growth in production and the increasing competition from Mexico in the United States are driving Peruvian professionals to seek diversification markets especially in neighbouring South American countries and Asia. The access conditions to the Chilean market were eased in late 2013, while the Chinese and Japanese borders were opened up at the end of summer 2015, and those of Argentina, Colombia and India in 2016. Negotiations are ongoing in particular with South Korea and Australia. The export sector remains dense despite more than a hundred or so players, with the leading five responsible for nearly half the tonnages (including Camposol, the world number one Hass exporter).



Avocado – Peru

Avocado — Peru — Exports											
in tonnes	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EU, incl.	18 380	30 521	36 129	49 832	46 312	56 750	67 050	64 270	87 609	104 650	113 514
Netherlands	5 601	8 011	14 430	23 106	24 160	26 570	38 124	35 209	50 461	58 280	64 445
Spain	6 111	12 291	12 362	17 669	13 612	20 224	20 708	21 313	28 844	34 800	31 363
United Kingdom	3 378	4 757	5 899	4 953	4 097	4 412	6 030	5 428	6 238	10 399	17 123
France	2 934	4 962	3 058	3 957	4 170	5 025	1 828	1 902	2 229	303	177
N. America	224	891	807	1 013	1 426	1 700	11 481	17 675	24 209	69 289	48 568
United States			54	563	84	434	8 998	15 874	21 600	65 146	47 125
Canada	224	891	753	450	1 342	1 266	2 483	1 801	2 608	4 164	1 443
Mexico	-	-	-	-	-	-	-	-	-	22	-
Chile	-	102	400	453	479	281	400	678	785	2 717	8 294
Others	66	224	270	0	129	790	2 500	953	1 941	2 388	3 901
Total	18 670	31 738	37 606	51 298	48 346	59 521	81 431	83 576	114 544	179 044	174 277

Source: Sunat



Avocado — Peru — Top 6 exporters		
Turnover in 000 USD	2017	Market share
Camposol	81 873	15 %
Avocado Packing Company	74 636	13 %
Drokasa	52 858	9 %
Agricola Cerro Prieto SAC	30 046	5 %
CPF	29 745	5 %
Camet Trading	21 551	4 %

Source: Agrodataperu

Logistics

The fruits are shipped in sea-freight containers (some on a “door to door” basis). The transport time entails systematic use of controlled atmosphere transport. The port of Callao handles most of the volumes (approximately three quarters).

Avocado — Peru — Sea-freight logistics

Departure port	Arrival port	Transit time
Callao or Païta	Rotterdam	18-23 days
	Algeciras	17 days
	USA - East Coast	8-13 days
	USA - West Coast	13-18 days
	China	25 days
	Chile (Santiago)	4 days



© Eric Imbert