

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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POLICY

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## Peru

**Post:** Lima

### Annual Asparagus Report

**Report Categories:**

Vegetables

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**Report Highlights:**

Peru's asparagus production reached 385,645 metric tons (MT) in CY 2012. It is estimated that 27,000 hectares will be planted in CY 2013. The United States remains the leading importer of Peruvian fresh asparagus, accounting for 50% of total exports.

## **Executive Summary:**

Peru's asparagus production in 2013 is expected at 380,000 MT slightly lower than the 385,645 MT produced in 2012. Harvested area is expected to at 27,000 hectares in CY 2013. In 2012, total fresh asparagus exports were 121,181 MT, a 4 percent decrease compared to the previous year. Peruvian fresh asparagus is primarily exported to the United States (64 percent), followed by Netherlands (11 percent), United Kingdom and Spain (both with 7 percent).

## **General Information:**

### **Production:**

Peru's asparagus production in 2013 is expected at 380,000 MT slightly lower than the 385,645 MT produced in 2012. Harvested area is expected to at 27,000 hectares in CY 2013. Peru's asparagus production has been booming for the last 15 years. However, it seems to have reached a mature stage and will probably stay at this production levels in the upcoming years.

The asparagus industry managed to recover from the low international prices and reduced demand that resulted from the 2008-2009 international financial crises. In 2012, the average price per unit was \$2.71, a 27% increase from the previous year.

Mild temperatures and almost non-existent rainfall (which prevents 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 40% of the total asparagus production, and the La Libertad region in the north produces 38%. The remaining 22% is produced in the Lima and surrounding regions. Peru has two distinct asparagus markets: green asparagus, which is approximately 79% of total production, is packed in 5 kilogram boxes and sent to the United States, while white asparagus is processed and then exported in cans or jars to Europe.

Though about 85% of Peruvian asparagus is developed from the same type of seed (UC157, F1), green asparagus production requires more water than white asparagus, and these systems are very expensive. Because surface water only flows from November to March, most producers have wells and sophisticated drip irrigation systems, which provide the exact amount of water needed. The high local cost of fuel – a main contributor to the high cost of irrigation systems – combine with increasing land prices may serve as limiting factors for Peruvian asparagus production.

Though average yields are approximately 14 MT per hectare, the most efficient producers can produce as many as 18 MT per hectare. In the past decade, average yields have increased dramatically, due to the use of better technology, such as more efficient fertilization efforts, a more nutrient-rich water supply, and a more thorough knowledge of the crop. However, the Ica region is currently undergoing a severe water scarcity that may hamper the vitality of the agricultural sector, as a whole.

Peru's sound economic policies have resulted in remarkably strong economic growth and high investment rates. As part of a land consolidation process, investment in agriculture has also grown consistently in the past decade, allowing Peru to reshape its agricultural production 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 beneficiaries of the land consolidation movement. Modern agriculture has, thus, become more profitable, attracting investment from other sectors of the economy, such as mining, fisheries, and from other foreign sources. These investors are drawn to asparagus because of its high profitability and fairly-stable foreign demand.

### **Trade:**

In 2012, total fresh asparagus exports were 121,181 MT, a 4 percent decrease compared to the previous year. Approximately 82 percent of total asparagus production is exported, with fresh asparagus accounting for 44 percent. The remaining exports are represented by preserved and frozen asparagus. In 2012, preserved asparagus accounted for 173,539 MT, while frozen asparagus exports totaled 22,500 MT.

Peruvian fresh asparagus is primarily exported to the United States (64 percent), followed by Netherlands (11 percent), United Kingdom (7 percent), Spain (7percent), Chile (2percent), and Australia (1percent).

<b>Export Trade Matrix</b>	
<b>Country</b>	Peru
<b>Commodity</b>	Asparagus, Fresh
Time Period	CY 2012
<b>Exports for:</b>	
U.S.	77,877
<b>Others:</b>	
Netherlands	13,875
United Kingdom	8,550
Spain	8,214
Chile	2,049
Australia	1,773
Others not listed	8,843
<b>Grand Total</b>	<b>121,181</b>

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 pest load. A few large producers will implement a pilot program and, depending on the results, it could be adopted by the entire country.