

Voluntary Report – Voluntary - Public Distribution

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Report Name: US Pulse Exports to Peru Up Significantly in 2020

Country: Peru

Post: Lima

Report Category: Agricultural Situation, Agriculture in the Economy

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Report Highlights:

In 2020, Peru ranked as the eighth largest destination for U.S. pulses in terms of both volume and value as the COVID-19 pandemic drove domestic demand higher, boosted by consumers' focus on a healthier, more economic, and balanced diet. Peru's imports of U.S. pulses in calendar year 2020 were up 61 percent by volume and 79 percent by value, reaching exports of 51,259 metric tons valued at \$33.3 million. The United States continues to be the second largest supplier for Peru's pulse imports.

Production:

Mainly driven by beans, pulse production in calendar year (CY) 2021 is forecast at 281,000 metric tons (MT), an increase of four percent over the previous year. FAS Lima estimates that production will increase due to increasing domestic demand and growing export markets.

Harvested area in 2021 is forecast at 206,000 hectares (ha), a two percent increase over the previous year. Pulses crops are produced year-round in Peru, with two main harvests in March-April and August-September. Roughly 70 percent of the total crop is harvested between March and July. Pulses are primarily produced by small farmers who operate on one to three hectares and are scattered throughout Peru. According to official data, 82 percent of land dedicated to pulses are small family farms, benefiting 140,000 families in 23 out of Peru's 24 regions.

In 2020, according to the Ministry of Agrarian Development and Irrigation (MIDAGRI) Peru produced 270,000 MT of pulses. Principal pulse crops in Peru include the common dry bean yellow colored canary (33 percent), fava beans (30 percent), dry green pea (20 percent), tarwi (*Lupinus mutabilis*, 7 percent), black eye (6 percent), baby and jumbo lima (4 percent), lentil (1 percent), garbanzo (0.5 percent). Tarwi (also known as chocho or Andean lupin) is an Andean bean that is gaining popularity due its availability, price, and protein content. Peru's government strategy is investing resources attempting to highlight tarwi's medicinal and nutritional properties via an [international campaign called Super Foods](#). Local producers' market tarwi in a variety of methods including canned, snack, beverage, and flour products.

According to official data, 59 percent of bean production occurs in the highland region, 1,000 meters above sea level. Coastal production accounts for 31 percent and the Amazon region produces 10 percent. Cajamarca and Huancavelica are the regions with the largest production, accounting for 17 percent each of total production, followed by Apurimac with nine percent.

Pulses	CY 2019	CY 2020	CY 2021*
Area Harvested (thousand ha)	220	202	206
Production (MT)	270,800	270,000	281,000
Imports (MT)	99,418	151,784	170,000
Imports from U.S.	34,104	51,259	56,000
Total Supply (MT)	370,218	421,784	451,000
Exports (MT)	28,038	23,372	26,000
Total Consumption (MT)	342,180	398,412	425,000
Total Distribution (MT)	398,256	445,156	477,000

*FAS Lima forecast

Consumption

Per capita consumption in 2020 is estimated at nine kilograms per year, a three percent increase from 2019, which reaches the World Health Organization recommendation according to MIDAGRI. The COVID-19 pandemic drove domestic demand as consumers sought affordable sources of nutrition that were also highly shelf-stable. In addition, the Peruvian government recommended pulse consumption for [COVID patients](#).

Peruvians consume 80 percent of marketed pulses between May and November. Pulses are primarily sold dry due to accessibility in handling, convenience of transportation, storage, and shelf life. The Peruvian government is involved in promoting pulse consumption as a reliable and commonly available protein source and as part of a healthy diet.

Since 2016, the flow of Venezuelans to Peru increased from 7,000 residents to over one million migrants in February 2021. Peru is second to Colombia as the largest destination for Venezuelan migrants. Lima hosts 85 percent of Venezuelan migrants, representing an eight percent increase in Lima’s population. This increase is influencing local food consumption habits. Out of pulses, black beans are emerging as a product of interest to this new population segment.

Another emerging consumer trend is healthy and home-based consumption. High protein, low sugar, low salt, and low-fat foods are becoming more popular among Peruvian consumers. Due to COVID-19, the retail sector experienced a boom in delivery and online purchases. Supermarket chains never stopped their operations and were forced under the new circumstances to quickly adjust and improve their online operations. The rapid growth in staple and shelf-stable product purchases allowed the food retail sector to not only maintain but increase their 2020 sales over 2019. Supermarkets are gaining popularity with private label and branded packaged pulses. The 500 and 450-gram plastic pack bags are popular in the retail sector.

About 65 percent of pulses are sold in warehouse districts where pulses are displayed and sold in bulk. Wholesalers then distribute pulses all over Peru through distributors, packers, and government programs. FAS Lima foresees a shift to the modern channel as consumers shift to purchases on digital platforms. The category will continue modernizing and the traditional channel is expected to shrink by 28 percent in the next three years.

Trade

Peru imported 151,784 tons of pulses in 2020, 53 percent higher than the previous year. In terms of value, this growth in exports represented an increase of 67 percent to \$95 million and was principally driven by the COVID-19 pandemic. Due to quarantine restrictions, Peru’s consumers sought to stock their cupboards with non-perishable foods. Under this scenario, pulses were one of the winning products due their storage and cooking convenience, accessible prices, and nutritional value.

Peru’s Pulse Import Statistics - Quantity

Partner Country	Calendar Year (Quantity: MT)					%Δ 2019-20
	2016	2017	2018	2019	2020	
TOTAL	84,627	108,202	107,545	99,418	151,784	52.67
Canada	31,137	46,342	49,159	53,082	81,701	53.91
United States	36,370	48,719	37,858	32,961	53,050	60.95
Mexico	7,138	7,406	12,016	5,368	10,097	88.10
Bolivia	1,236	955	1,932	2,228	3,241	45.47
Ecuador	1,005	1,861	999	3,169	1,387	-56.23
Others	554	655	517	668	833	24.70

*Data Source: Peru Customs Office – SUNAT

Imports are forecast to expand to 170,000 metric tons in 2021 due to continued COVID-19 impacts on consumer habits in 2021. This is despite the increase of freight costs, high maritime traffic, and the U.S. dollar's strengthening against the Peruvian Sol.

Peru's Pulse Import Statistics – Value

Partner Country	Calendar Year (Value: USD)					%Δ 2020/19
	2016	2017	2018	2019	2020	
TOTAL	72,239,556	93,619,435	73,531,461	57,004,144	95,448,504	67.44
Canada	24,640,504	38,378,638	27,890,466	27,424,038	43,776,158	59.63
United States	27,627,021	38,539,125	25,252,126	18,630,264	33,316,770	78.83
Mexico	11,016,024	11,408,050	12,378,664	5,205,585	13,456,975	158.51
Bolivia	827,441	710,167	1,210,768	1,404,555	2,098,342	49.4
Ecuador	766,580	1,368,289	295,935	1,392,808	799,287	-42.61
Others	497,963	1,992,637	876,978	859,225	2,000,970	132.88

Data Source: Peru Customs Office – SUNAT

In 2020, Peru was the eighth largest destination in value and volume for U.S. pulses. In 2021, exports from the United States are forecast to reach to 56,000 tons, a 10 percent increase in quantity. In recent years, U.S. pulses have been experiencing a growth in market share due to higher quality, consistency, reliable supply, standard compliance, and homogeneity (size and color) of product.

Export Trade Matrix		
Country	United States	
Commodity	Leguminous Vegetables, Dried Shelled (HS: 0713)	
Time Period	Calendar Year (CY) 2020	
Exports for:	Volume (MT)	Value USD (million \$)
TOTAL	1,447,401	930.4
Canada	280,284	153.7
Mexico	160,692	126.0
China	135,425	51.3
Pakistan	67,985	40.8
Spain	61,247	40.6
Italy	57,302	41.3
Dominican Republic	52,375	52.7
Peru	51,259	33.4
India	40,232	21.8

Source: Trade Data Monitor, LLC

The United States is the top destination for Peru's pulse exports. Mainly driven by beans, Peru's exports to the United States are expected to increase to 6,700 MT.

Export Trade Matrix			
Country	Peru		
Commodity	Leguminous Vegetables, Dried Shelled (HS: 0713)		
Time Period	CY 2020		CY 2021*
Exports for:	Volume (MT)	Value (million USD)	Volume (MT)
TOTAL	23,372	31.8	26,000
United States	5,599	8.4	6,700
Spain	1,848	2.7	
Colombia	2,199	2.4	
South Korea	1,380	2.4	
Ecuador	2,562	2.1	
Canada	869	1.4	
United Kingdom	905	1.3	
United Arab Emirates	571	1	
OTHERS	7,439	10	

*FAS Lima Forecast

Source: Trade Data Monitor, LLC

Policy:

Due to Peru’s 2020 quarantine and mobility restrictions, MIDAGRI promoted, “[De la Chacra a la Olla.](#)” “Farm to Table” farmers markets which partnered with local municipalities in Lima and organized agricultural product suppliers. Currently, these market locations run on a permanent basis and pulses make up an important category within these markets.



Source: [De la Chacra a la Olla](#)

In October 2020, MIDAGRI and the Ministry of Health launched the campaign “Eat Healthy, Live Healthy” which seeks to promote the consumption of various products as part of a healthy daily diet. Pulses were one of the categories selected for the campaign.



Source: [Come Sano, Vive Saludable Campaign](#)

On February 10, 2021, MIDAGRI organized a video conference with key pulse stakeholders to promote the contribution of pulses to health, nutrition, and agricultural sustainability. The event was sponsored by the Directorate General of Agriculture, the Food and Agriculture Organization of the United Nations, and the National Agrarian University in La Molina (UNALM).

MIDAGRI is also working on a five-year National Strategic Development Plan for Pulses. New leadership at MIDAGRI and the Inter-American Institute for Cooperation on Agriculture (IICA) are collaborating on a common agenda looking to strengthen family farming, credit access, crop guidance, and Agrobanco (Peruvian state-owned bank). Created in 2019, the Fund for the Financial Inclusion of Small Agricultural Producers (FIFPPA) from Agrobanco is a sign that the Peruvian government is targeting small agriculture as a means of change towards formal, productive, and modern agriculture.

Attachments:

No Attachments.