

Required Report: Required - Public Distribution

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Report Name: Citrus Semi-Annual

Country: Peru

Post: Lima

Report Category: Citrus

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Report Highlights:

Peru's mandarin/tangerine production and exports are expected to recover and increase by two and three percent, respectively, in MY 2023/2024 (March 2024 to February 2025). Production is forecast to reach 560,000 metric tons (MT), while exports are forecast to recover to 210,000 MT. Higher productivity driven by recent cooler weather and potentially favorable dryer weather conditions are expected to positively impact production and exports. Domestic consumption of fresh mandarins/tangerines is forecast at 322,000 in MY 2023/2024, a three percent increase from the previous year. The United States will likely remain Peru's top export partner, accounting for 50 percent of exports.

Table 1. Production, Supply, and Distribution

Peru: Mandarins/Tangerines, Fresh	Estimate	Estimate	Forecast
Indicator Year	2021	2022	2023
Split Year (Marketing Year – MY)	2021/2022	2022/2023	2023/2024
Peru Market year Begins	March 2022	March 2023	March 2024
Area Planted (HECTARES)	23,000	23,000	23,000
Area Harvested (HECTARES)	23,000	23,000	23,000
Bearing Trees (1000 TREES)	9,200	9,200	9,200
Non-Bearing Trees (1000 TREES)	0	0	0
Total No. Of Trees (1000 TREES)	9,200	9,200	9,200
Production (1000 MT)	570	550	560
Imports (1000 MT)	0	0	0
Total Supply (1000 MT)	570	550	560
Exports, Fresh (1000 MT)	224	206	210
Fresh Dom. Consumption (1000 MT)	316	314	322
For Processing (1000 MT)	30	30	28
Total Distribution (1000 MT)	570	550	560

*Note: There is a one-year lag between the Peru MY and the U.S. MY. For example, PE MY 2024/2025 is equivalent to U.S. MY 2023/2024. To ensure data continuity, the current Peruvian MY 2024/2025 will be referred to as U.S. MY 2023/2024 throughout this report.

Production:

Mandarin/tangerine production in marketing year (MY) 2023/2024 (March 2024 to February 2025) is forecast at 560,000 metric tons (MT), increasing two percent from previous year. Cooler climate conditions as of late March 2024 could favor a cooler winter, which would positively impact late mandarin/tangerine varieties. Early varieties are performing below average mainly due to erratic weather conditions, with an advanced harvest starting early January 2024 (previously expected for March 2023). Overall, Peru expects a positive balance in its production among varieties, the early ones may be lower while the late ones may rise.

MY 2023/2024 has presented several challenges for mandarin/tangerine producers. Unfavorable weather conditions featured above average summer temperatures during the 2024 summer (December 2023-March 2024) due to warm sea conditions, resulting in increased pest presence. Summer heat waves lasting into the night impacted early varieties such as Primosoles, Clementines, and Satsumas. Mandarins need cool weather at their later stages to achieve the color standard needed for exports. The domestic market is offering good prices and acceptance of the early fruit varieties. The Peruvian mandarin/tangerine market is stable and offers good opportunities as supermarkets are growing.

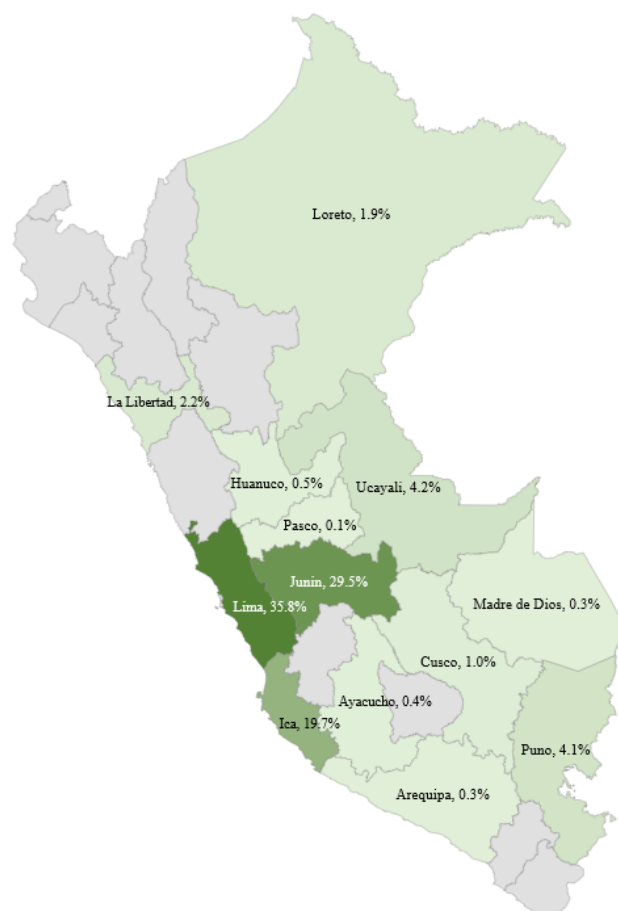
In calendar year (CY) 2023, Peru had a warmer fall and winter, reducing early varieties' flowering by 50 percent compared to CY 2022. Expectations of late varieties (Tangelo, Tango, Orri, and W. Murcott) are higher. Flowering and fruit set may not be affected, and fruit volume looks above average on the tree.

Mandarin/tangerine fields continue to face negative shocks like temperature shifts, humidity changes (since CY 2022), heavy rains and a warm winter in CY 2023.

These abiotic factors have favored the presence of four pests: *Phyllocoptruta oleivora* (citrus rust mite); *Polyphagotarsonemus latus* (broad mite); *Panonychus citri* (red spider); and *Prodiplosis longifila* linked to *Cladosporium spp.* (sooty spot). Additionally, due to plant stress there is a higher probability of greasy spot (*Mycosphaerella citri*) infestation, particularly in southern Peru.

According to official data, mandarin/tangerine in Peru is produced in 13 regions (out of 25). Coastal areas account for 60 percent of total production with semi-tropical weather and good water availability. Peru's main mandarin/tangerine producing area are the regions of Lima, accounting for 36 percent of total production; Junin, 30 percent; and Ica, 20 percent.

Figure 1. Peruvian Mandarin/tangerines Production by Region



Source: FAS Lima – data from PROCITRUS

Peru is an active mandarin/tangerine producer and there exists a strong push towards new varieties to keep up with the global market. Currently, there is a reconversion of old varieties to new royalty varieties, with a focus on exports, at a one percent annual rate. In the last eight years, early mandarin/tangerine varieties are being replaced by more profitable and higher demand crops, such as avocados.

Production in Peru's Amazon basin and highland regions is destined for the domestic market, while production in the valleys of Lima and Ica is predominantly export oriented. Production in Lima and Ica benefits both from the desert conditions (reduced pest pressure, large diurnal temperature variation) as well as close access to the major Ports of Callao (Lima) and Pisco (Ica).

Varieties in Peru include:

Satsumas (*Citrus unshiu*): Clausellina, Okitsu, Owari, and Primosole.

Clementines (*Citrus reticulata*): Clementines and Clemenules.

Hybrids: Fortuna, Kara, Pixie, and Nova.

Tangerines from *Citrus reticulata* and *Citrus paradise*: Murcott, Ortanique, and Tango.

Others: Dancy and Nadorcott. Malvaceo and Rio de Oro are also popular varieties with a long history in Peru. The market for exports is dominated by easy peelers and seedless varieties including Murcott, Tango, Primosole, Clementine, and Orri. Satsumas, Primosoles, and Clementines are considered early-season varieties while Murcott, Tango, and Orri are harvested later in the season. Satsumas are being directed towards the domestic market, and Primosoles and Clementines are being exported.

Figure 2. Mandarin production plantation in Ica, Peru (early June 2024)

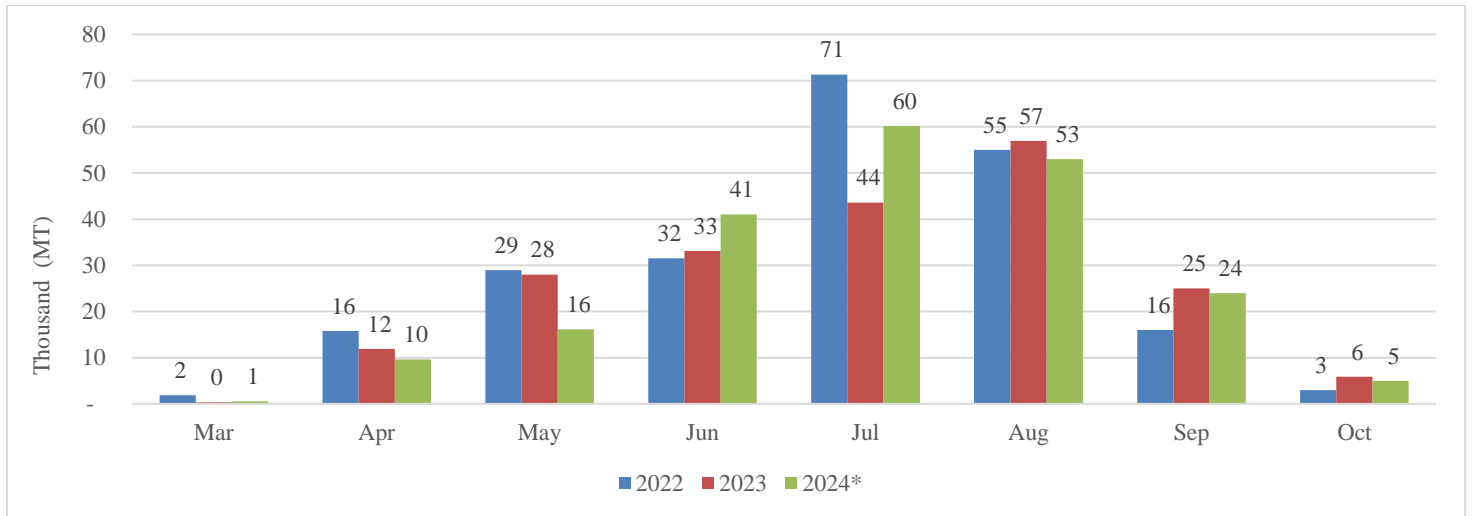


Source: FAS Lima

Harvested area in MY 2023/2024 is forecast at 23,000 hectares, remaining at the same level compared to the previous year. The harvest season in Peru goes from March to October peaking from June to August. However, Peru produces mandarins/tangerines all year long. According to official data, the tangerine production area is estimated at 4,500 HA, while mandarins and other hybrids account for 18,500 HA. Tangelos represent 15 percent of total mandarin/tangerine area in Peru. Clementina, W. Murcott, and Satsuma are the most popular varieties in Peru.

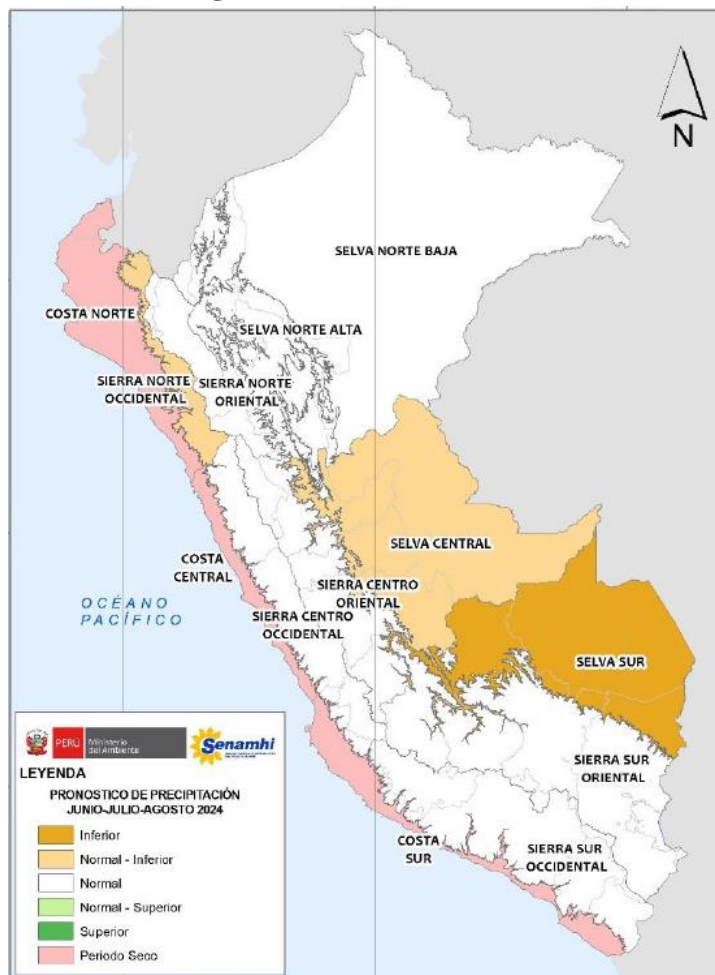
Mandarins require an annual investment of US\$5,000 to \$6,000, without consideration of land costs, nor planting cost. This is a significant financial outlay for a small-scale farmer. According to official data, Peru has more than 3,000 small producers with an average of three hectares; practically all their production stays in the domestic market. Yields can range from 12 to 20 MT per hectare.

Figure 3. Peru Mandarin/tangerines Exports Seasonality by Month



Source: Peruvian Customs Service (SUNAT)

Figure 4. Rainfall forecast June to August 2024



Source: [SENAMHI](http://www.senamhi.gob.pe)

The National Service of Meteorology and Hydrology of Peru (SENAMHI) has forecasted average seasonal rainfall amounts from June to August 2024 (see Figure 4). Scarce rainfalls are expected along the coastal regions, (in pink) due to dry season. Below average rainfall is expected in the western sector of the country, in the north-western highlands, and south-central jungle of the country. The areas shown in white represent average rainfall and below average rainfall is represented in orange. According to the forecast, late-variety harvest is expected to benefit from cooler and dry weather.

According to SENAMHI's seasonal forecast for June-August 2024, the Peruvian coast is experiencing below-average temperatures. In the Andean and Amazon regions, temperatures are expected to range from normal to above-normal averages. In the highlands, the frost frequency and intensity are expected to increase during to the winter season. Areas that will be primarily impacted include Ica, Ancash, La Libertad, Lambayeque, and Lima. This forecast underlines a drop in temperatures within the normal parameters of the autumn season, which began in mid-March, benefiting citrus production.

The ‘El Nino’ phenomenon is not forecasted for CY 2024 according to the Peruvian El Niño-Southern Oscillation Study (ENSO) - ([ENFEN](#)). Neutral climactic conditions are more likely until December.

Consumption:

FAS Lima forecasts domestic consumption of fresh mandarins /tangerines in MY 2023/2024 at 322,000 MT.

Mandarins are popular in Peru for lunchboxes and between-meal snacks. Peruvian mandarin/tangerine per capita consumption is estimated at 11 kilograms (kg) (24 pounds). Mandarin juices, jams, essential oils, yogurts, flours, and alcoholic beverages have become popular in supermarkets and convenience stores as an innovative way to boost consumption. Four-ounce containers of cut mandarins in juice have increased exports in volume from 2,000 MT in 2017 to 12,000 MT in calendar year 2023, a 34 percent annual increase.

Satsumas and tangerines have year-round supply in the domestic market. All other varieties are seasonal. On average, in CY 2023 (see Table 2), prices were 20 percent higher in the domestic market in comparison with CY 2022. Rio de Oro is the variety with the highest price in the domestic market, followed by satsuma and tango.

Table 2. Average Prices of Mandarin/tangerine from 2023 January – December per Kilogram (US \$ dollars)

Clementine	Kori	Malvacea	Murcott	Nova	Pixie	Primosole	Rio De Oro	Satsuma	Tangerine	Tango
0.33	0.44	0.52	0.51	0.47	0.46	0.45	0.64	0.56	0.27	0.56

Source: Peruvian Ministry of Agriculture Prices System

Figure 5. Mandarin Display at Local Supermarket (June 2024)

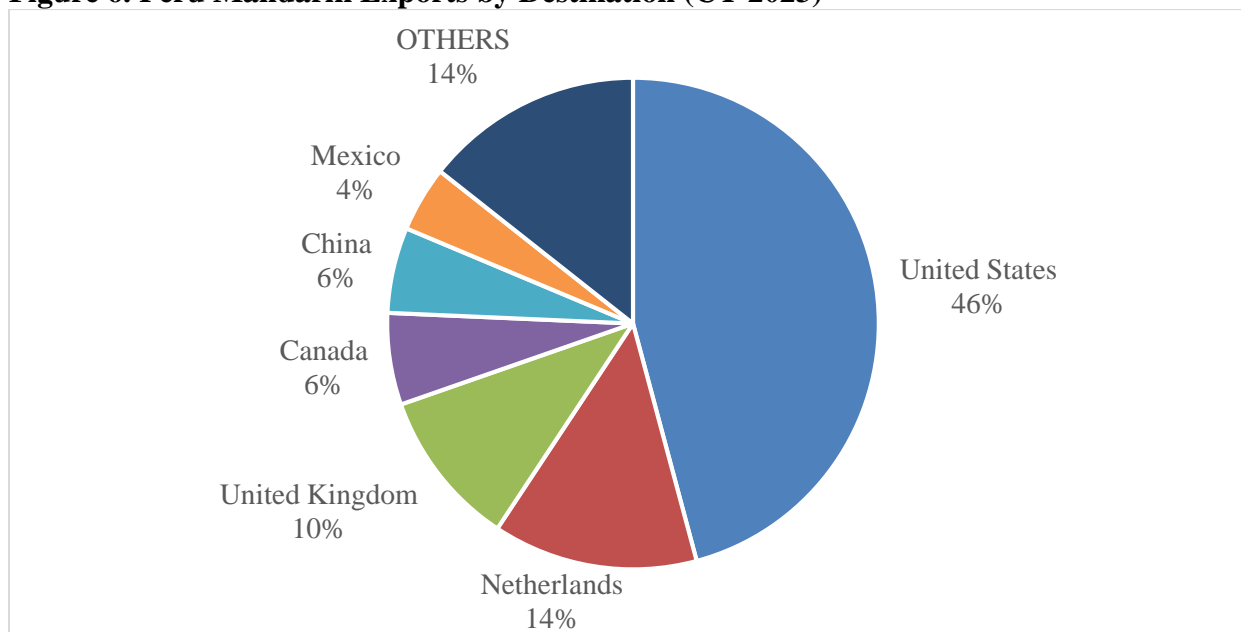


Source: FAS Lima

Trade:

FAS Lima expects Peruvian mandarin/tangerine exports to slightly increase in MY 2023/2024 at 210,000 MT. Between January to December 2023, Peru exported fresh mandarins/tangerines primarily to the United States (46%), Netherlands (14%), and United Kingdom (10%). Peru's exports reached 36 markets globally.

Figure 6. Peru Mandarin Exports by Destination (CY 2023)

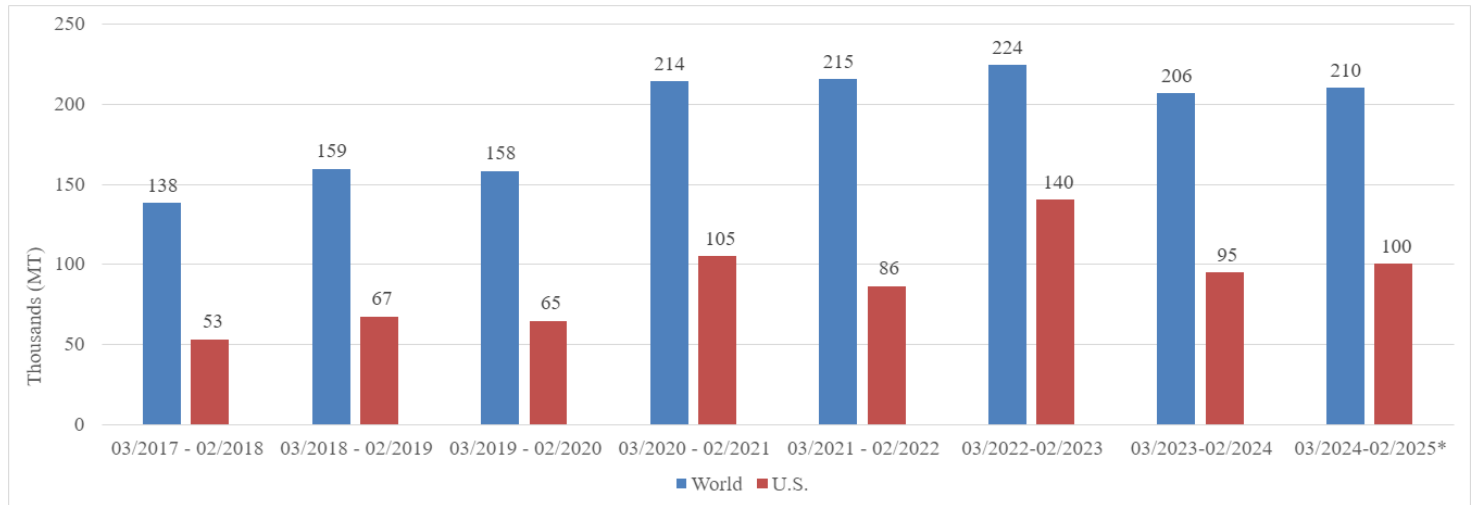


Source: Peruvian Customs Service (SUNAT)

Total fresh exports in MY 2022/2023 were down eight percent from the previous year, decreasing from 224,000 MT to 206,000 MT. In MY 2015/2016, Peru exported 112,000 MT, and has shown consistent growth, nearly doubling their exports since then.

Exports to the United States have grown consistently in the last few years. However, in MY 2022/2023 it declined 30 percent from 140,000 MT to 95,000 MT. Also, the U.S. decreased its market share from 63 percent in MY 2021/2022 to 46 percent in MY 2022/23. In this context, the Netherlands became the second largest market of Peruvian fruit.

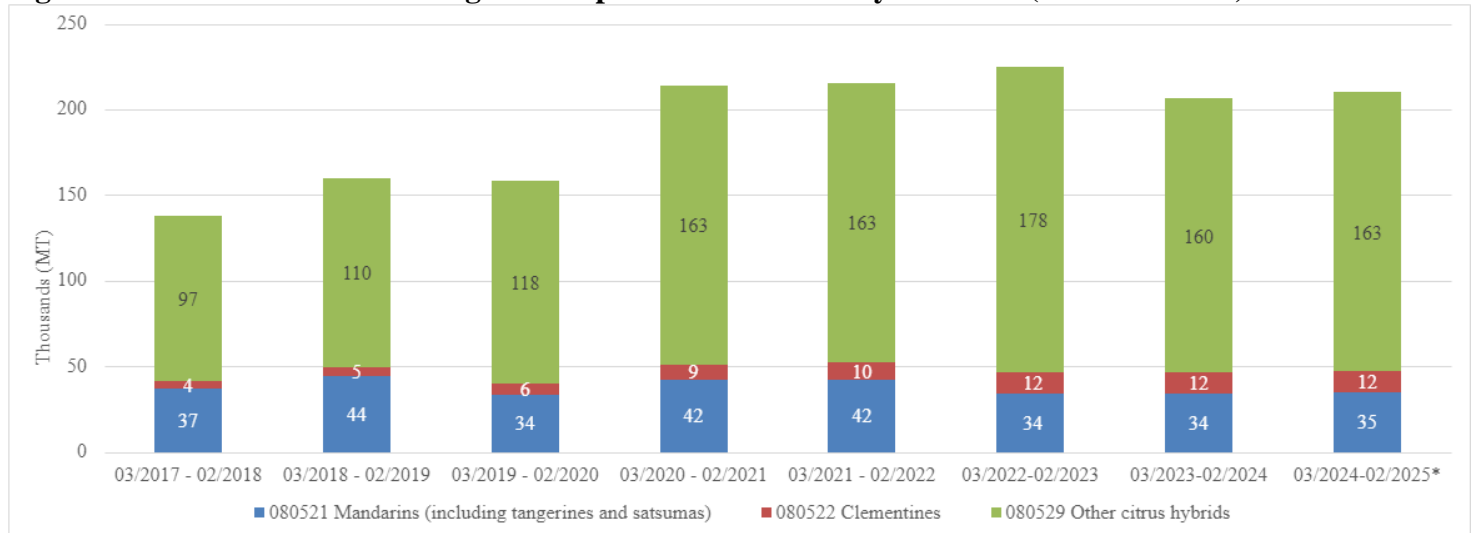
Figure 7: Peruvian Mandarin/Tangerine Exports (Thousand MT)



Data Source: Trade Data Monitor

Total Peruvian mandarins/tangerines exports are forecast to recover in MY 2023/24 due to better performance of late varieties. Hybrids typically represent 78 percent of total exports by volume.

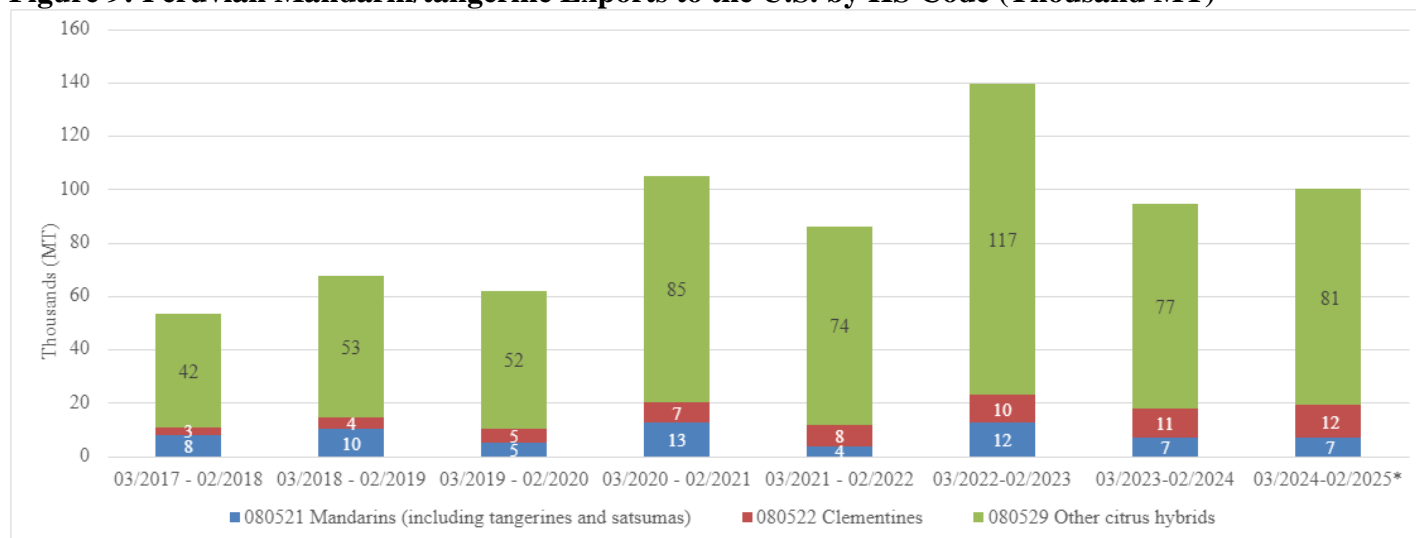
Figure 8: Peruvian Mandarin/tangerine Exports to the World by HS Code (Thousand MT)



Data Source: Trade Data Monitor

In CY 2023 the average price paid for “Other Citrus” hybrids by the United States was \$1,180/MT, while the United Kingdom paid \$1,005/MT, and the Netherlands paid \$1,124/MT, representing better prices compared to CY 2022. Average export prices in January-June 2024 reached \$1,246/MT, compared to \$1,136/MT in CY 2023 and \$1,059/MT in CY 2022.

Figure 9: Peruvian Mandarin/tangerine Exports to the U.S. by HS Code (Thousand MT)



Data Source: Trade Data Monitor

Clementine exports have increased three-fold since MY 2016/2017 and they go mainly to the U.S. market. FAS Lima expects Peruvian clementines to maintain solid growth in the coming years. Mandarin/tangerine exports to the United States in MY 2023/2024 are expected to increase, reaching 100,000 MT in the coming years.

Peru’s mandarin/tangerine production for export is predominantly done on industrial-scale farms of 50 hectares or more. They use state-of-the-art drip irrigation systems that provide the precise amount of water and nutrients to maximize production. Yields on these farms average 70 to 90 MT. Varieties are selected for high quality and productivity.

Policy:

Peruvian mandarin/tangerine exports have benefited from numerous free trade agreements, including with the United States, the European Union, and China. The Peru Trade Promotion Agreement (PTPA), which entered into force on February 1, 2009, provides Peruvian mandarins/tangerines tariff-free access to the United States.

The Peruvian government considers port development a strategic priority. A new port 60 km north of Lima, labeled the Megaport of Chancay, is being touted by Peruvian officials as revolutionary for logistics between South America and Asia. The port, constructed and operated by Chinese state-owned firm Cosco Shipping, is in the final stage construction and is expected to be inaugurated by the end of 2024. Officials claim the port will receive 25 percent of all exports within the first year of operation, especially agricultural and industrial exports, and promises to be state-of-the-art and significantly reduce shipping times to China and other ports in Asia. However, the timeline for full operation and

effectiveness of the port have been questioned by business leaders and logistics experts. In addition, both ports in Callao (Lima) have been refurbished and the operation of the San Juan de Marcona mineral port in Ica was recently granted a 30-year concession to a Chinese company. With these investments, Peru seeks to strengthen its strategic and business links in South America and with Asia markets.

The Peruvian government supports industry efforts towards agricultural exports. PROMPERU (Peru's export promotion agency) and its overseas offices actively promote Peruvian mandarin/tangerines, recognized as one of Peru's top produce exports. In recent years, Peru has successfully built a global brand as a top fruit and vegetable producer and has a strong presence at international food fairs and exhibitions. The Peruvian government and industry are committed to incorporating small farmers into the agricultural export chain as a way to reduce social conflicts, making the industry very proactive. Also, the government through the Productive Rural Agrarian Development Program (AGRORURAL) encourages mandarin processing to juice, flour, and dried snacks as an alternative to the fresh product.

From 2000 to 2020, Peruvian agricultural exporters benefitted from the Agrarian Promotion Law which many in the sector attribute to Peru's ag-export success. The law reduced taxes for agricultural exports and fostered investment and formal employment. In 2020, the law was reformed and according to the Peruvian citrus and other fresh fruit industries, created a complex bureaucracy of taxes and worker compensation requirements. Industry sources claim the changes created burdens for producers and workers alike, promoting informality and reducing investment.

PROCITRUS is the Peruvian citrus trade association, which represents 80 percent of the total citrus export industry. Founded in 1998, PROCITRUS leads formal industry efforts towards research, development, and public and private coordination.

Peru's Agricultural Sanitary Agency (SENASA) plays a leading role in the monitoring and control of fresh fruits for exports. Every harvest campaign, SENASA updates a list of registered orchards and processing plants. According to official data, SENASA has registered 424 mandarin/tangerine production sites. In addition, 31 packing and treatment facilities have been registered.

Production orchards: [Lugar de Producción Mandarina \(senasa.gob.pe\)](http://senasa.gob.pe)

Packing & Treatment plants: [Empacadora Mandarina \(senasa.gob.pe\)](http://senasa.gob.pe)

Mandarin/tangerine standards are governed by a 2014 regulation ([NTP 011.023](#)) that promotes high quality requirements and uniform criteria for the mandarin/tangerine industry.

Attachments:

No Attachments