

November 2021

# 2021 Industry Report: Peruvian Avocado



# Executive Summary

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Peru has shown a significant growth in recent years, positioning the country as the third largest global avocado exporter worth USD 760M and with an 11.7% market share in 2020.

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## Production

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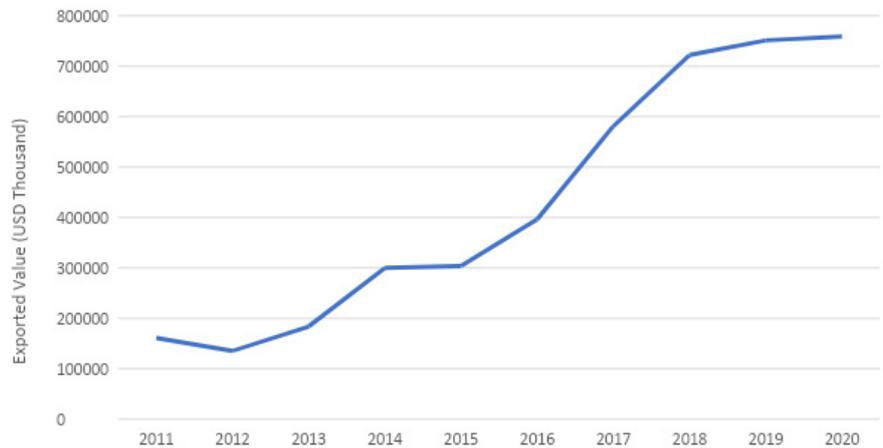
- Avocado production in 2021 is estimated to reach 560,000 metric tons (MT), showing a 4.8% increase from the previous year.
  - Planted area is expected to increase by 10% in 2024 with new irrigation areas.
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## Exports

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- Peruvian avocado exports had a 17% year rate growth over the last five years.
- Export volumes in 2020 were 30% higher than the previous year, reaching a record of 410,463 MT.

**Peru Total Exports of HS Code 080440: Fresh or dried avocados**



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Part I

# Peruvian Avocado Product Information

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1.1 Varieties

1.2 Seasonality

1.3 Trade Regulations and Tariffs

1.4 Peruvian Avocado Supply Chain

# Peruvian Avocado Product Information

## Varieties

### Avocados in Peru are divided into three major races:

1. Mexican (*Persea* Yankee fables variety *drymifolia*). This variety is native to Mexico and is characterized by the anise-like odor of the leaves and by small (weighing 90–240 grams), thin-skinned fruits of rich flavor and excellent quality. Mexican avocados are the hardiest, growing in regions too cold for other types.
2. Guatemalan (*P. Yankee* folklore assortment Guatemala). Native to the highlands of Central America, slightly less frost-resistant than the Mexican and produces fruits of medium to large size (240–1,000 grams), characterized by thick woody skins and a ripening season different from that of the others.
3. West Indian (*P. History* of the U.S. grouping Yankee folklore). Variety with more than 1,000 cultivars.

The main avocado-producing areas in Peru are on the coast, in the inter-Andean valleys, and in high jungles, mainly in Junín, Lima, San Martín, Huanuco, and Cusco. The area destined for the cultivation of avocado is approximately 12,000 hectares, of which about 2.2 thousand are of the 'Hass' variety, and 3,000 are of the 'Fuerte' type. The production is mainly oriented to the domestic market, evidencing an incipient development of the export activity.

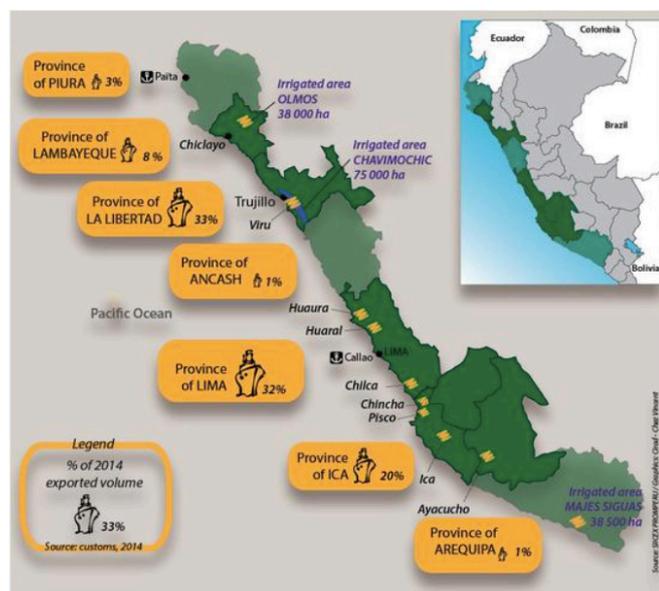


Chart 1. Source: SIICEX

The main varieties of avocados that are grown in Peru are:

### Hass Avocado

The Hass avocado variety is the most important variety especially for export, and Peru has a notable reputation as one of the leading producers and exporters of this variety. From the total Hass avocado produced in Peru, around 95% are for export, and a mere 5% are distributed domestically.

The fruit has a strong flavor with velvety flesh, making it the most ideal avocado for making guacamole. The Hass avocado trees have remarkably high yields, and trees that are mature can produce around a million blooms. Unlike other avocados, Relative to other avocado varieties, Hass avocado fruit have a darker green bumpy skin that further darkens as the fruit matures, eventually reaching a very dark shade that is almost black.

Hass avocados contain higher healthy mono and polyunsaturated fat content than other varieties, which gives them a stronger taste and smooth, creamy texture. It is estimated that 80% of avocados consumed in the world are Hass avocados, which means all other varieties make up only the remaining 20%. In the US alone, the figures for Hass consumption is as high as 95%.



#### Specifications:

**Shape:** Oval  
**Skin Color:** from green to black in full ripeness  
**Skin Thickness:** medium  
**Fruit Surface:** with pebbly bumps  
**Flesh Recovery:** 70%  
**Fruit Weight:** 180-350g  
**Maturity:** mid to late season

### Fuerte Avocado

The Fuerte variety is produced mainly for local consumption and as much as 90% of the produced volume stays in the domestic market.

Fuerte is medium-sized, slightly bigger than the Haas variety and is cultivated mainly throughout Mexico and Central America.

It has a hybrid origin, originating half from Mexico and half from Guatemala. It has an elongated shape quite similar to a pear, but a unique slant at the fruit's bottom distinguishes this variety from others. The skin is green, with very little bumps jotted with small yellow spots, the color remains green even after ripening. Upon reaching maturity the skin becomes sensitive to bruising, the presence of which indicates that the fruit has been mishandled. Aside from Hass, it is the most sought after variety as consumers prefer the skin that can be easily peeled. Before the popularity of Hass avocado, Fuerte avocado was the most popular avocado in the United States.



Specifications:

- Shape: Oval
- Skin Color: black when ripe
- Skin thickness: medium
- Fruit surface: pebbly
- Flesh recovery: 70%
- Fruit weight: 180-350g
- Maturity: mid-season to late

## Seasonality

Peruvian avocado production season starts in January with the Fuerte variety, whose harvest season lasts from January until March. While the Hass variety harvest season starts in March until June if the condition allows, harvest can extend for 1 more month to July further lengthening the export season.

Peruvian avocado export schedule normally begins by the end of February and the beginning of March. The export peak season goes from May to August, where 74% of yearly total export volumes are shipped.



Chart 2. Source: Tridge

## Trade Regulations and Tariffs

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Peruvian avocados are entitled to zero customs tariffs as termed in the different trade agreements that the country has with all of the major export partners.

- Peru-US Trade Promotion Agreement (APC)

It entered into force in February of 2009. The APC's term allowed zero-tariff exceptions on fresh products from Peru arriving in the US, including avocados so long as the product comes with a certification of Origin and complies with all the terms in the Avocado import USA Requirements.

- EU-Colombia/Peru Trade Agreement

The trade agreement between EU and Colombia, and Peru implemented trade negotiations in 2011, whose terms also indicate that Peruvian avocado will get zero customs tariff imports to the EU and compliance with the standards and phytosanitary requirements of EU.

- Peru-China Free Trade Agreement

The agreement offers commercial opportunities for fresh Peruvian products to be exported to China. As a result, Peruvian Avocados gained a competitive advantage against other avocado-producing countries such as Mexico and Colombia, where the tariff imposed for avocado is 7%.

- Peru - United Kingdom Agreement

The Trade Agreement between Peru and the United Kingdom is based on the one signed with the European Union in 2013. However, adjustments were made with the purpose of maintaining the commercial exchange between the two countries. This agreement will allow 95% of Peruvian products exported to British territory to enter it without paying duties.

- Peru-Australia Free Trade Agreement (PAFTA)

NEW. Recently signed in March 2020.

The Australian market holds potential for several Peruvian fresh produce exports. Avocados are still not allowed in the Australian market due to pending sanitary regulations.

## Peruvian Avocado Supply Chain



### Producers:

- Large scale producers are usually vertically integrated and possess their own packing and treatment facilities where they simply proceed to directly export, so they are also packers and exporters of the product.
- Medium and small producers work in direct partnership with a Packer/Exporter with a pre-campaign harvest contract with a fixed price according to volume quotas and quality controls.

### Packers and Exporters

Peru has more than 150 avocado producers/exporters distributed along the central and northern coast. A large portion of the total export volumes are coming from two of the biggest exporters in the market; The largest exporter is Avocado Packing Company owning 31% market share, followed by Camposol with 22% and Agricola Cerro Prieto at 20%, some noteworthy exporting firms are Camet Trading, Talsa, El Parque and others.

Exporter	%Part 2020
AVOCADO PACKING COMPANY S.A.C.	9.16%
CAMET TRADING S.A.C.	7.98%
CAMPOSOL S.A.	7.35%
AGRICOLA CERRO PRIETO S.A.	6.98%
SOCIEDAD AGRICOLA DROKASA S.A	4.52%
CONSORCIO DE PRODUCTORES DE FRUTA S.A.	4.20%
VIRU S.A.	3.38%
CORPORACION FRUTICOLA DE CHINCHA S.A.C.	2.73%
TAL S A	2.19%
AGRICOLA PAMPA BAJA S.A.C.	1.96%
AGRICOLA HOJA REDONDA S.A.	1.89%
EXPORTADORA EL PARQUE PERU SAC	1.89%
ASR TRADING SOCIEDAD ANONIMA CERRADA	1.56%
PLANTACIONES DEL SOL S.A.C	1.52%
INCAVO S.A.C.	1.45%

Table 1. Source: SUNAT

## Part II

# Global Market Dynamics

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2.1 Production

2.2 Consumption

2.3 Exports

# Global Market Dynamics

- Peru is the third-largest avocado producer in the world, with a 8.6% global share from total world's production. Mexico (36.7%) and Dominican Republic (10.6%) are the leading exporters.
- In 2020, Peru produced an estimated 545K tons of fresh avocado.
- The total land under avocado cultivation is estimated at 33,000 hectares, 27,000 of which are certified for exports.
- The average expected yield per hectare is 14-17 MT.
- The regions of La Libertad and Lima account for more than 40% of total avocado production.

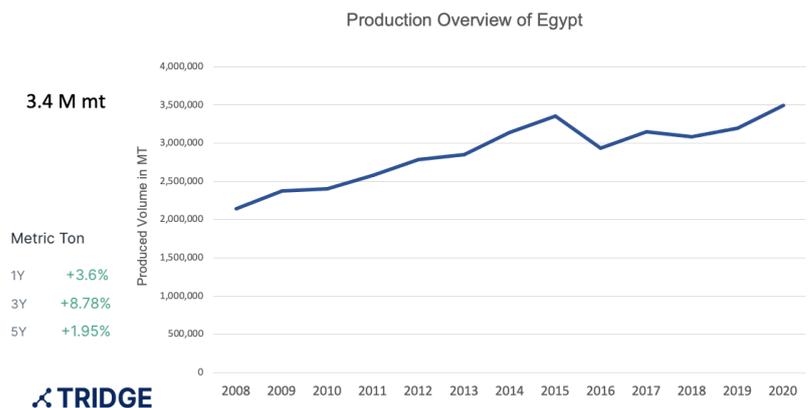


Chart 3. Source: Tridge

## Production

- Avocado production in MY 2021 is estimated at 560,000 metric tons (MT), which will be 4.8% higher than the previous year.
- The production area is expected to increase by 10% in 2024, with the development and addition of new irrigation areas in Valle Viejo.
- Approximately 60 % of the total avocado produced in Peru are produced by member farms of ProHass (Promotional Industry Body for Avocado Exporters), the biggest cooperative in Peru that provides both technical and marketing assistance to farmers.

## Consumption

- The domestic consumption of avocado in Peru is estimated at 150,000 MT per year.
- Peru's consumption per capita is estimated at five kilograms.
- Peruvians prefer green skin varieties, like Fuerte. Peru's Hass avocado producers' association is currently conducting marketing programs to increase domestic Hass avocado consumption.

## Exports

Exported Value in 2020: USD 759M

Exported quantity: 410K Tons

3rd Largest Global Exporter

Peruvian avocado exports had a 17% growth in the last 5 years. There was a 5.04% drop in exports in 2020 due to a decline in production in the same year. However, a 10% increase in export value worth around USD 604M is expected this 2021.

In 2020, 30% more avocados were exported than the previous year, reaching a record 410,463 tons.

### Main Destination for Peruvian Avocados

Importers	Value exported in 2020 (USD thousand)	Share in Peru's exports (%)	Quantity exported in 2020 (Tons)	Growth in exported value between 2019-2020 (% p.a.)
World	759,054.00	100	410697	1
Netherlands	254,458.00	33.5	137299	2
United States of America	157,937.00	20.8	79897	-32
Spain	131,351.00	17.3	72175	14
United Kingdom	63,604.00	8.4	33953	8
Chile	44,416.00	5.9	35321	69
China	26,237.00	3.5	12473	2
Russian Federation	22,720.00	3	11714	168
Japan	20,720.00	2.7	8611	67

Trends of Top 10 Importers of HS Code 080440 From Peru

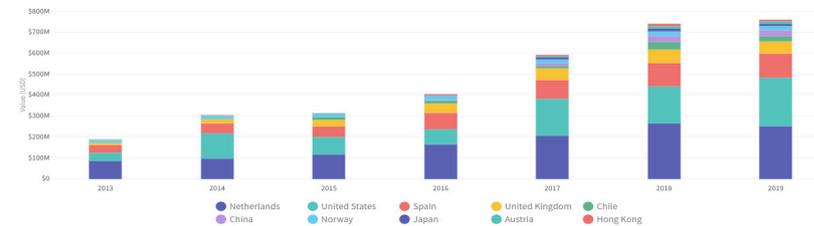


Chart 4. Source: Tridge

### Export Trends:

- By the end of 2021, PROHASS (Association of Avocado Exporters) projected that Hass avocado volume exports would grow by up to 10% more than in 2020, which would mean dispatching more than 420,000 tons at a value of USD 800M.
- New markets have opened for Peruvian avocados in 2021 presenting an opportunity for Peruvian Avocado export to further expand such as seen in the increasing volumes exported to South Korea, Thailand, and Japan.
- Peruvian avocado export is expected to add one or two new markets per year. Next year, Peru is aiming to expand to the Philippines, Vietnam, Australia, and New Zealand.

### European Union

- The European Union is the largest market for Peruvian avocados with the Netherlands as the biggest export destination. The EU collectively accounts for 60% of the total volume exported for Peruvian avocado.
- The Netherlands is the largest export market for Peruvian avocados, accounting for 30.7% of the total export share.
- Spain is the third-largest global market and the second in the EU, with 13.3% of Peru's export share.

### The Netherlands

- The Netherlands is the second-largest global exporter of fresh avocados and the second-largest importer as well. It is the largest re-exporter of avocados in the world.
- In 2020, the Netherlands imported USD 1.03 billion of fresh avocado and re-exported USD 1.06 billion respectively. re-exported mainly to the rest of the European countries.

### The Netherlands Import Trends

- In 2020, Netherlands' imports from Peru increased by 55% in value compared to imports with the previous year.
- Peru is the leading supplier of avocados to the Netherlands with 30.7% of the share, followed by Colombia (13.7%) and Chile (12.7%).

### Main Suppliers to the Netherlands

Exporters	Value imported in 2020 (USD thousand)	Share in Netherlands's imports (%)	Quantity imported in 2020 (Tons)	Growth in imported value between 2019-2020 (% p.a.)
World	1,028,335.0	100	351158	26
Peru	316,270.0	30.8	111215	55
Colombia	141,346.00	13.7	47224	86
Chile	131,294.00	12.8	40880	-14
South Africa	88,530.00	8.6	32202	35
Spain	72,482.00	7	20770	72
Mexico	66,522.00	6.5	23368	-32
Kenya	55,582.00	5.4	23030	37
Israel	26,009.00	2.5	7844	-27

### Spain

- Spain is the third-largest importer of Peruvian avocados and the fourth largest globally.
- Peru holds the largest market share in the Spanish import avocado market with 42.5%.
- In 2020, Spain imports from Peru USD 165.3M of fresh avocado for a volume of 77K tones.

**Main Suppliers to Spain**

Exporters	Value imported in 2020 (USD thousand)	Share in Spain's imports (%)	Quantity imported in 2020 (Tons)	Growth in imported value between 2019-2020 (% p.a.)
World	389,303.00	100	0	14
Peru	165,333.00	42.5	77057	25
Mexico	66,570.00	17.1	0	-11
Morocco	50,266.00	12.9	17404	143
Colombia	24,280.00	6.2	11278	46
Netherlands	17,948.00	4.6	10320	40
Kenya	17,664.00	4.5	8159	42
Chile	16,898.00	4.3	5846	-52
Portugal	8,104.00	2.1	2802	-11
France	4,635.00	1.2	2030	16

**Import Trends from Spain**

Trends of Top 10 Exporters of HS Code 080440 to Spain

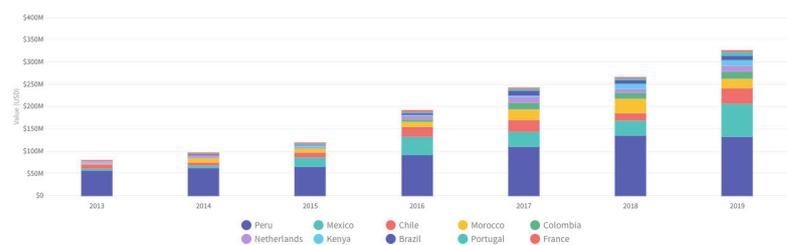


Chart 5. Source: Tridge

- Spanish imports of fresh avocado have grown 94% in value from 2014, always having Peru as its leading supplier.
- There has been a decrease in imports from Chile, Portugal, and Mexico over the last year, with increases in Peru, Morocco, and Colombia.

## United States

- The US is the largest global importer of avocados, with 35.3% of the global share.
- Mexico holds 90% of the import share in the US avocado market, as demand for avocados in the US has grown exponentially.
- Peru has been positioned as the second-largest supplier of avocados to the US by strategically scheduling their export when Mexican avocados are short in supply.

For China, Egypt is the second-largest supplier of fresh oranges with 28.6% of the import share after South Africa (34.4%%).

### Main Supplier to the US

Exporters	Value imported in 2020 (USD thousand)	Share in China's imports (%)	Quantity imported in 2020 (Tons)	Growth in imported value between 2019-2020 (% p.a.)
World	2,540,264.00	100	1116499	-11
Mexico	2,291,574.00	90.2	1004605	-9
Peru	190,553.00	7.5	77400	-23
Dominican Republic	47,769.00	1.9	30042	16
Colombia	6,858.00	0.3	3211	74
Chile	3,446.00	0.1	1201	-92
Canada	38.00	0	18	

### US Import Trends

- Although Peru's avocado exports to the world increased in 2020, exports to the USA fell by 22% in value (USD 179 million) and 9% (78,665 MT) in volume mainly as a result of better prices offered in other markets such as the EU.
- By 2021, it is expected that Peru's imports in the US will reach 90,000 MT showing signs of recovery from 2020 with a 14.5% increase.

## China

Although China is not one of the leading global importers of avocado globally, China is a major importer of Peruvian avocados in Asia, and import growth has been exponential.

### Main Supplier to China

Exporters	Value imported in 2020 (USD thousand)	Share in China's imports (%)	Quantity imported in 2020 (Tons)	Growth in imported value between 2019-2020 (% p.a.)
World	71,625.00	100	27515	-23
Peru	37,620.00	52.5	15686	4
Chile	21,719.00	30.3	7059	-28
Mexico	11,086.00	15.5	4339	-56
Philippines	681.00	1	264	
New Zealand	421.00	0.6	118	-49
Colombia	98.00	0.1	48	

- Since China opened imports of Peruvian avocados in 2016, it had reached a USD 50 million import in 2018, and by 2020 Peru has a 52.5% share of the Chinese market.
- Although China had a 23% decrease in import value in 2020 from the previous year, Peru had a 4% growth in value and was the only supplier that attested growth. With Mexico decreasing 56% and Chile 28%.

## Sources

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SIICEX, [Sistema Integrado de Información de Comercio Exterior](#)

MIDAGRI, [Exportación de Palta Peruan](#)

Agrodata Peru, [Exportaciones de Aguacate](#)

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