

| | Dólares Americanos (US\$) | Soles Peruanos (Soles PEN) (S/.) | Euro (euro) (E) | Ruble (Ruble) (P) | Libra Esterlina (Pound) (£) | Peso Chileno (Chilean Peso) (\$) | Yuan Chino (Chinese Yuan) (元) | Peso Mexicano (Mexican Peso) (\$) |
|--------------------------------|---------------------------|----------------------------------|-----------------|-------------------|-----------------------------|----------------------------------|-------------------------------|-----------------------------------|
| September 2017 | 1 | 3.247 | 0.835 | 58.127 | 0.740 | 625.203 | 6.585 | 17.772 |
| Variations from August 2017 | | 0.26% | -1.92% | -1.61% | -5.00% | -3.39% | -1.31% | 0.37% |
| Variations from September 2016 | | -4.09% | -6.65% | -8.10% | -2.72% | -6.89% | -1.29% | -7.70% |

Newsletter N° 1

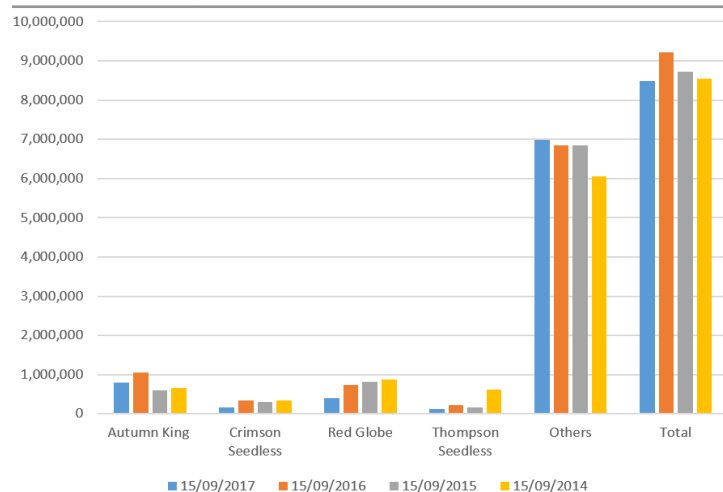
SIAGR 

2017-2018 campaign
(week 38)

As we mentioned a few months ago in the last campaign newsletter, Inform@ccion starts this year the emission of its monthly newsletter for Table Grape.

The most commented topic in the sector during the last few weeks has to do with the effect that caused the atypical rains of the last season in the northern region of the country. We must begin by repeating that these rains were given without conditions of the El Niño Phenomenon (with global impact), as they were given during the season 2015-2016, without presenting rains like the last season. During the last rainy campaign two scenarios were presented in the Peruvian coast. The first, at the end of January, was concentrated in the southern region, being Ica and Arequipa the most affected, even with rainfall levels quite low (less than 20 mm during January). The particularity of these rains was in its low altitude, which caused important landslides in ravines near to coastal valleys. The second scenario happened almost two months later, and although there were several affected areas (Lima, Ancash, La Libertad, etc.), nowadays Lambayeque and Piura are the departments where grapes plantations shows production problems. In these departments precipitations were of extremely high levels (more than 500 mm during the month of March in many areas).

Table grape stock in west coast - E.E.U.U. (by boxes)



Source: USDA. Agricultural Marketing Services. 2017

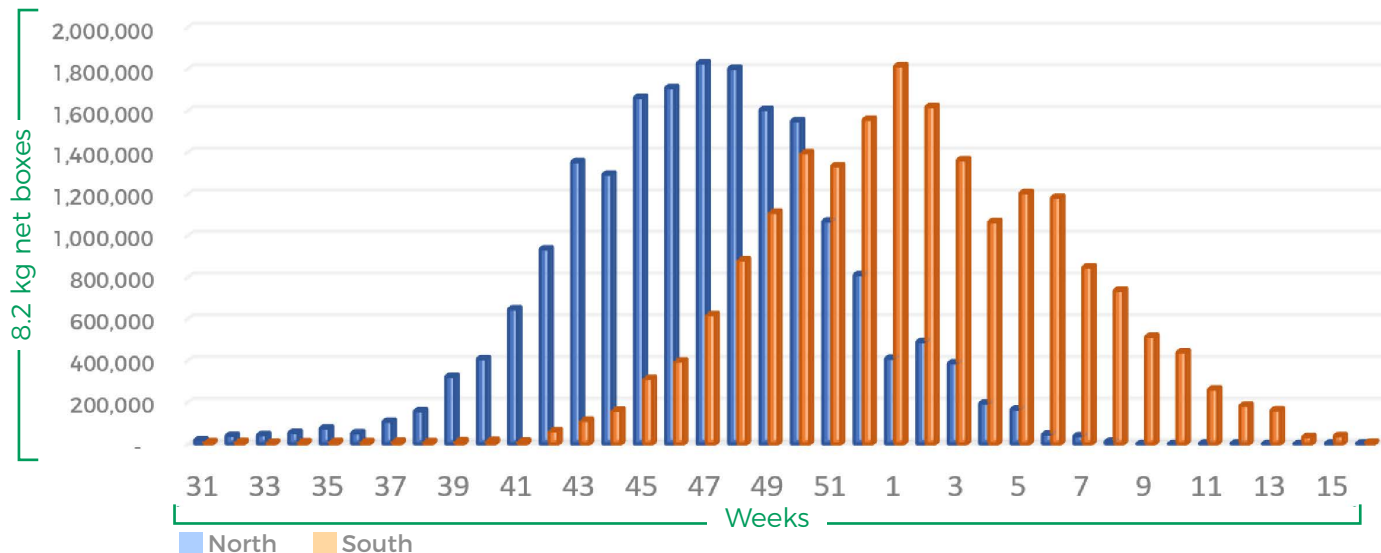
The destruction of the table grape fields can be grouped into three levels:

- 1) Fields that were devastated or severely flooded and that must be replanted.
- 2) Fields that due to climatic conditions presented fertility levels sufficiently low as not to look for a production in this campaign.
- 3) Fields that presents reduced fertilities but enough to attempt to achieve a commercial production, assuming a significant risk.

It is important to mention that almost all the plantations of table grapes in the northern region of Peru are handled with a system of double pruning. This means that the fields are pruned very few days after the end of the crop to generate new sprouts that will be the canes that are pruned about 6 months later. In this way, the rains affected the development of these sprouts generated during the summer season, which are the ones that should bring the fruit to be produced during the 2017 - 2018 season. The described damages would be more pronounced in the varieties that are of low fertility, such as the sugraone and crimson. At companies level, the least able to react were the ones with scarce resources and we must consider that the geographical and topographical conditions have also been determinants. Knowing this, we want to focus on what was the last campaign for the northern region and treat as well to measure how much, where and when they could give substantial drops.

We must start by identifying the exported volumes by area. During the 2016 - 2017 season, Peru exported approximately 38.8 million of boxes, of which 19.3 correspond to the northern region and 19.5 to the central- south region. In the next chart we can see how the northern region exports have significant volumes between weeks 5 and 38 (with its maximum volume in week 47) while the southern region, between weeks 44 and 13 (with its maximum volume in week 1). The overlap of the two zones brought Peru to accumulate its higher volumes per week, between weeks 48 and 52.

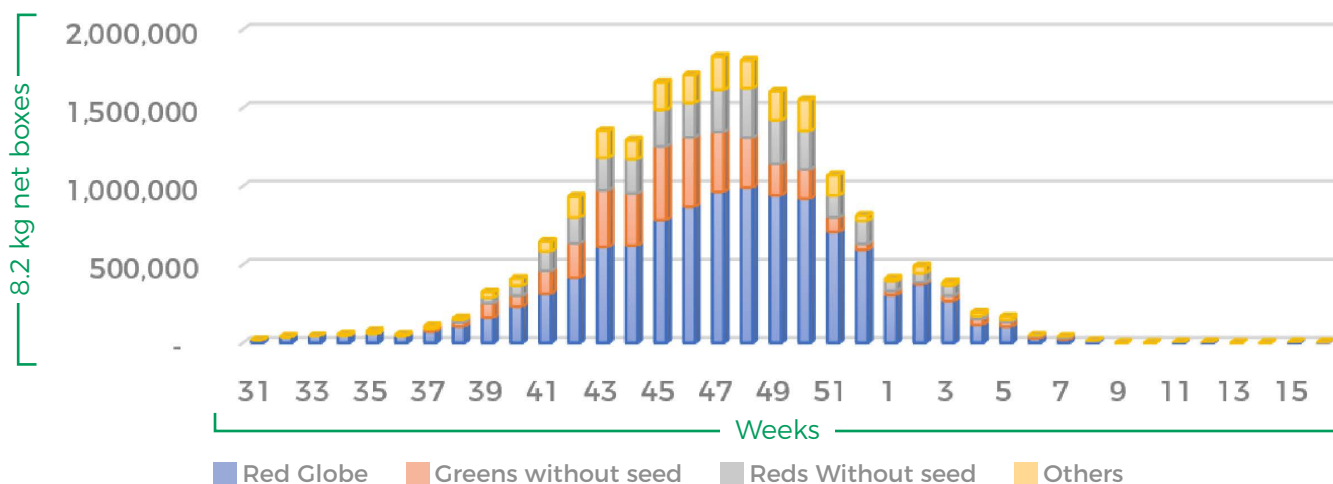
Peruvian table grape weekly exports by production area



Source: SENASA

In the chart we can see the weekly distribution by varieties of the northern region, where the series "Other" includes the reported volume by SENASA without detailing the variety. Making an official data tonnage, we can conclude that the total volumes are approximately 11.6 million boxes for Red Globe, 3.5 million boxes for greens without seed (Sugraone, Thompson, Arra 15, Sweet globe and Timpson principally), 3.2 million boxes for reds without seed (Crimson, Magenta and Sweet celebration principally) and 0.6 million boxes for other varieties (Sweet Jubilee, Sweet Enchantment and Autumn Royal mostly).

Northern region table grapes exports by varieties



Source: SENASA

With respect to the ages, we have garnered plots (and pruned) early during the 2016, could be the least affected to the extent that the rains and all the limitations generated by these, found sprouts fully formed and in the process of maturation. On the contrary, the late garnered plots during the 2016 could be the most affected, To the extent that there is not only a direct effect of the rains on the plants, but there were also many tasks that were almost impossible to perform in the midst of the crisis that broke out due to flooding in fields, towns and cities.

The most conservative numbers speak of a fall of 20% in the northern zone. At the same time, lack enough to be able to dimension the final effect on the fields that will look for a commercial production. In answer to the question of: How much could the fall reach? Unfortunately, we cannot assure that the final downfall is not able to be at around 50% of the volume produced the last season. Yet it is difficult to make a correct prediction, but trying to avoid unpleasant surprises at the end of the campaign and without wishing to generate unnecessary alarms, we can expect a northern region drop of 3.5 - 4 million boxes of red globe, and about 2 - 3 million boxes of other varieties, being the sugraone and crimson the most affected.

With regard to the southern region, while the attacks of nature were concentrated in a few arbors located in the course of landslides, there will also be new developments difficult to predict. The tough season prices for grapes without seed and the decline in productivity in some arbors of red globe, have led to the elimination or abandonment of approximately 700 ha in Ica (of a total of 8 thousand ha registered in Ica for export, last year). On the other hand, the last year many fields do not reach reasonable productivities by problems of color and are expected to recover their volumes this year. We must add the entry in production and the arbors performance increase of 1 and 2 years of age (mainly patented varieties) that could lead to a significant increase.

We expect to have positive surprises, which in the future will allow us to reverse our estimates. There is still much to be done. The association of producers and exporters of table grapes (Provid) is in the process of lifting information to be able to provide more correct information. We hope the massive support of producers, in this difficult work.

A new table grapes season starts in Peru and from Inform@ccion we hope to contribute to all stakeholders, with volumes data, stocks, areas, prices and any other information that may be relevant to the industry.



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EDICIÓN 2016 - 2017

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En esta edición te presentamos los datos de los principales productos agrícolas, así mismo contamos con la información de cultivos semanales, mensuales, destinos, importadores de los principales productos, presentados a través de gráficos, tablas de datos y mapas.

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