

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Peru

**Post:** Lima

### Peru's Shrimp Industry Expanding to Capture U.S. Market Demand

**Report Categories:**

Fishery Products

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**Report Highlights:**

Shrimp exports from Peru are estimated at 18,000 MT in CY 2015, a six-fold increase from 2003 due to strong export demand. The United States is the main market for Peruvian shrimp, accounting for 69 percent of total exports in CY2014. While Peru's shrimp exports are one-sixth the amount of Peru's northern neighbor, Ecuador, the industry plans to continue expanding for the foreseeable future. Shrimp production in Peru for CY 2015 is estimated at 22,000 MT.

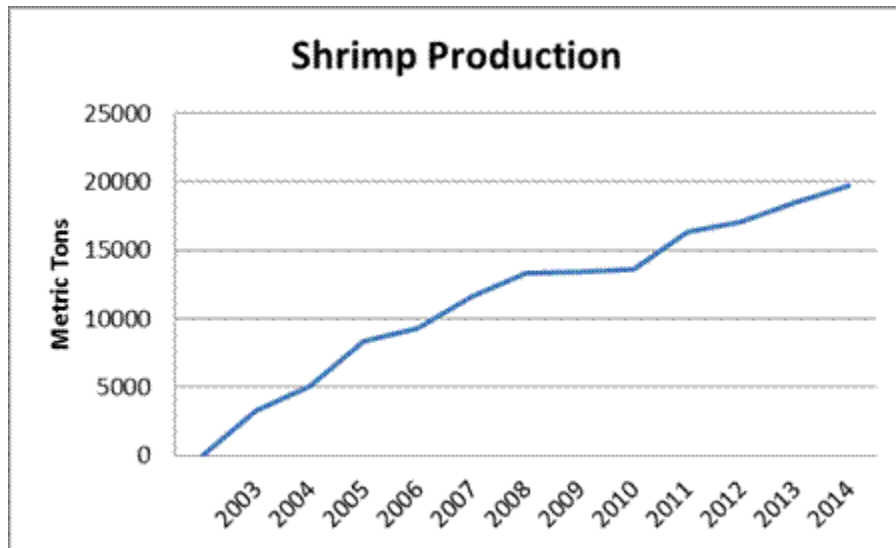
### General Information:

Shrimp production in Peru for CY 2015 is estimated at 22,000 MT. Shrimp production has increased six fold from since 2003 due to strong overseas demand. FAS Lima estimates total shrimp area at 6,000 hectares. Peru's production is limited to the northern regions of Tumbes (97 percent) and Piura (3 percent).

Shrimp exports from Peru are estimated at 18, 000 MT in CY 2015. The United States is the main market for Peruvian shrimp, accounting for 69 percent of total exports in 2014. Other relevant markets are Spain and France with 2 and 1 percent respectively.

### Production:

Shrimp production in Peru for CY 2015 is estimated at 22,000 MT. Peruvian shrimp production has definitely recovered since the white spot disease decimated the industry in 1999. Nowadays, Peruvian shrimp farmers use biosecurity measures, such as using virus-free larvae, oxygenation systems and slow water replacement systems, to avoid another white spot outbreak. Between 2003 and 2014 shrimp production increased six fold from 3,327 MT to 19,754 MT. FAS/Lima estimates total shrimp area at 6,000 hectares. Shrimp in Peru is produced in the northern regions of Tumbes (97 percent) and Piura (3 percent).



Since the white spot outbreak, Peruvian shrimp producers have modernized their production systems. Currently shrimp in Peru is produced under three systems: extensive (traditional), semi- intensive, and intensive. The industry organizational structure ranges from large, corporate farms to smaller, family-owned businesses.

*Extensive:* traditional production method with large ponds (some over 15 hectares), low shrimp density 2-6 units per square meter, no oxygenation system. Investment is relatively low, around \$15,000 per hectare, but average yields are also low (1.5 MT per hectare per harvest)



Picture 1. Extensive system

*Semi-intensive:* this system adds some improvements such as higher density stocking (15-20 units per square meter), smaller ponds (1-5 hectares), oxygenation systems, improved feed quality, and daily water replacement of 30-40 percent. This system requires an investment of \$80,000 per hectare and average yields of 7 MT per hectare per harvest.

*Intensive:* this system requires liners to cover the bottom of the pond, intensive oxygenation system, completely covered ponds, daily water replacement of 40 percent, pond size under one hectare, and stocking density up to 250 units per square meter. The investment for this system is \$160,000 per hectare, but the average yields are 30 MT per hectare per harvest.



Picture 2. Intensive system

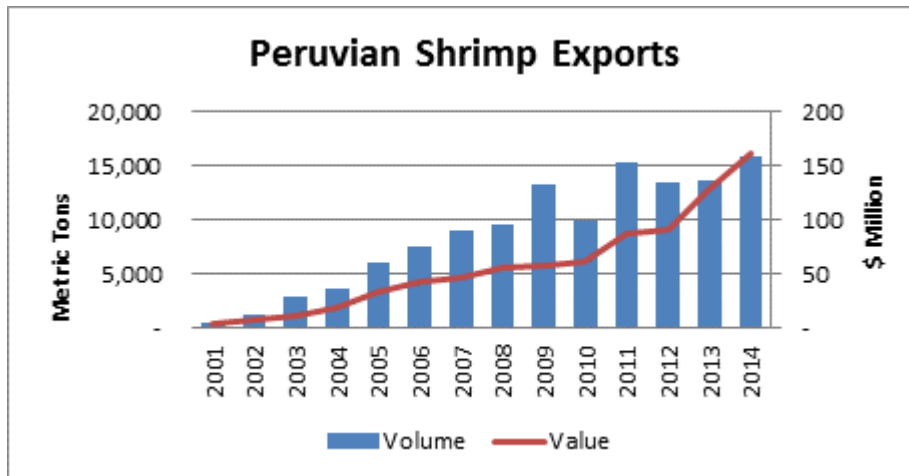


Picture 3. Oxygenation in an intensive system

Under these three producing systems, shrimp produces can have up to three campaigns (harvests) per year. Producers often complain about the complex regulatory system for approving shrimp farms, processing plants and even for issuing the sanitary documentation for exporting. These cumbersome regulations are preventing new investment in this sector. In Tumbes, for example, the industry wishes to increase processing capacity, but producers are reluctant to invest since acquiring the licenses takes more than two years.

### **Trade:**

Shrimp exports from Peru are estimated at 18,000 MT in CY 2015. The United States is the main market for Peruvian shrimp, accounting for 69 percent of total exports in 2014. Other relevant markets are Spain and France with 2 and 1 percent respectively. Ecuador exported 88,862 MT of shrimp in 2014, about six times more than Peru's exports.



The average Peruvian FOB export price in CY 2014 was \$10.30 per kilogram; however, the United States paid 6 percent above this price in order to secure sufficient supply. Shrimp prices have been increasing in the past three years since the early mortality syndrome (acute hepatopancreatic necrosis disease), which causes up to 100 percent mortality in the post larvae stage (20-30 days after stocking), impacted China in 2010 and later in Vietnam, Thailand and Malaysia. Average export prices for Peruvian shrimp in 2010 were \$6.53 per kilogram, 63 percent of current prices.

**Policy:**

Aquaculture in Peru is regulated by the following agencies:

- Ministry of Production (Produce) through the Vice Ministry of Fisheries, which grants concessions and operation licenses.
- The Peruvian Navy, through the Coast Guard, approves the use of land adjacent to the coast line or river shores.
- Sanipes is the sanitary agency responsible for authorizing operation of processing plants and issuing sanitary certificates for exporting. Sanipes is also responsible for overseeing processing plant operations; they have the authority to fine or close plants that do not comply with their quality control