

Right now, freighting onions would cost more than the product itself

Detail Introduction :

Peru's onion export sector has experienced significant growth in recent decades. "The yellow onion variety for export was introduced in 1996 by importers from the United States who were looking for a country that would supply them in their counter-season when they did not have a local harvest," stated Luis Torres, manager of Shuman Peru. "Since then, shipments have increased." "Another factor is related to caliber," Luis said. "The United States is a market that demands large, jumbo, and colossal onion sizes; and when we started exporting onions we had throw away our small onions because consumers in Peru only consumed pink onions. However, nearly 10 years after we started exporting to the United States some exporters began to export those medium calibers to Europe. In 2008, they sent 30 containers to Spain, and by 2021 they sent 1,461 containers."



"We also found a market for small-caliber onions, which we currently ship to Central America and Haiti. This country's Peruvian onion imports have increased greatly: going from no shipments in 2019 to 94 containers in 2021, each of them with 27 tons of onions."

"Exports are still growing and we are experimenting with new markets. In fact, Shuman Peru has been the first Peruvian company to send onions to Canada, Portugal, and Belgium."

"In 2021 we shipped the first 6 containers of Peruvian onions to Canada; in 2020 we shipped the first container to Portugal and in 2021 we shipped 6 containers there. We also started shipments to Belgium two years ago. We are very excited. The numbers are small for now, but if these markets follow the trend set by Spanish, there could be a great leap in those markets," stated Luis Torres.

Logistics, today's biggest challenge

Growth has been exponential, as the numbers show, but the onion export industry in Peru has also

faced its own challenges in these years of expansion.

"The country lost the Panamanian market, which was a very big loss. It was a very interesting market for various reasons: we were only 4 days away by boat and they demanded small-caliber onions, which helped us to sell all the production of the country. However, some 3 years ago Panama closed its market to our onions because of phytosanitary export requirements related to the certification of the fields, and now it is supplied by the Netherlands, the world's largest exporter of onions."

"We also currently have a problem associated with logistics. Maritime freight rates have doubled over the past year; in fact, transport would now cost more than the product itself. It should be noted that onion is a low unit price crop. That's going to be a very strong limitation this season."

"For now, producers have already started sowing onions. As far as I can see, they are sowing at their usual pace, but the people in the sector are uncertain about what will happen and we are hoping that freight issues will normalize from here to June."

"However, Peru has an important advantage in the production of onions for export programs: sowing is mostly carried out on the country's coast, so the climate makes production very stable. That is certainly interesting for buyers," the manager stressed.