

# Peru: An Untapped Market for US DDGS



USGC DDGS seminars in Peru



## DDGS in Peru

DDGS is a new product in the Peruvian market and has the potential to provide tremendous benefit to livestock producers by lowering their costs of production, however there is a lack of understanding of the nutritional characteristics of the product as well as its storage and handling requirements.

**Dairy Sector** – Currently the primary importer of DDGS in Peru is Gloria, Peru’s largest milk processor. This sector could trip their current imports.

**Poultry Sector** – has the largest long term potential for DDGS imports. San Fernando, the largest poultry producer, imported 5 TMT of DDGS two years ago. Currently not buying US DDGS due their purchasing corn and soybeans from South America.



## Peru Overview

- Total corn demand: 3.45 mmt. Argentina is the primary supplier.
- Insignificant amounts of sorghum produced or imported.
- Feed sector utilized 3.1 mmt of corn.
- Domestic corn production flat for past 5 years

## Market Overview

- Population: 29.6 million
- GDP Growth: 6.9%
- GDP per capita: \$ 10,200
- FTA between Peru and the U.S.
- Robust economic growth

## Market Growth Potential

- Feed demand has grown 5% annually for the past 10 years.
- Poultry sector is dominant importer and user of corn (80%) followed by the swine sector. The dairy sector is small, however and important user of DDGS.



*The Peruvian feed sector could consume an estimated **358 tmt of DDGS per year** with an approximate value of **\$136 million**.*

## Livestock Industry in Peru

### Poultry Sector:

- Peru produces approximately 3.235 mmt of poultry feed per year.
- Peru produces 800 tmt of poultry meet per year.
- Formal sector broiler production is 44 million per month.
- 16-18 million layers in production with 1.6 million hatching eggs per month.

### Dairy sector:

- 1.4-1.6 Million heads of dairy cows.
- Largest farm being 600 head, most farmers are small to medium size farms (50 head). 99% of the herd has less than 50 head.

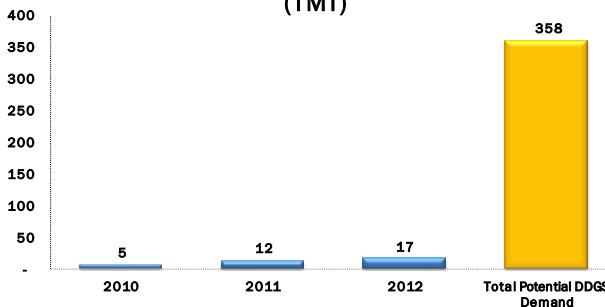
### Swine Sector:

- 60-65,000 sows nationally.
- Two large commercial producers.

## DDGS Potential in Peru (MT)

SECTOR	# Animals in Commercial Farms	DDGS Potential
Poultry	800 tmt/yr poultry meat	251,075
	44 million broilers per month	
	Turkey – 5 million/yr	
Swine	60-65,000 sows	35,880
Dairy	1.4-1.6 million head (800,000 are milking)	72,000
<b>Total DDGS Potential</b>		<b>358,955</b>

## DDGS Imports in Peru and Potential Demand (TMT)



*An Overlooked Market Opportunity Worth \$136 Million per Year!*