USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

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Date: 3/28/2014
GAIN Report Number:

Peru

The El Niño Watch

Report Categories:
Agricultural Situation
Agriculture in the Economy
Sugar
Grain and Feed
Oilseeds and Products
Climate Change/Global Warming/Food Security
Fresh Fruit

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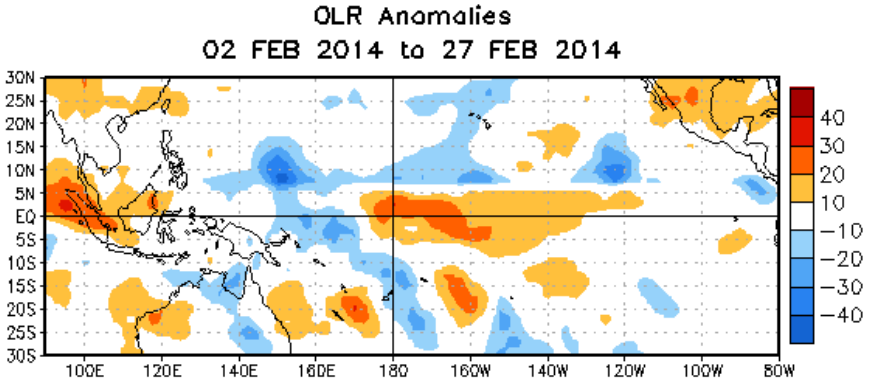
Report Highlights:
Concerns are being raised that Peru's agricultural production in the second half of 2014 could suffer disruption due to a possible weak to moderate El Niño. The National Meteorological and Hydrological Service expects fall temperatures to be 2 degrees Celsius warmer than normal. Warmer than normal temperatures, accompanied by increased rain could affect fruit formation (particularly table grapes), as well as lower sucrose content levels in sugarcane. El Niños spawn heavy rains and flooding in the northern regions, while causing droughts in the southern highlands. Previous strong El Niños have shaved 5-7 percentage points off from Peru's GDP.

General Information:

At FAS Lima, we are hearing concerns being raised that Peru's agricultural production in the second half of calendar year 2014 could possibly suffer disruption due to a possible weak to moderate El Niño. Should warmer than normal temperatures be accompanied by increased rains; local fruit formation (particularly table grapes) could be adversely affected. The return of an El Niño later this year could also contribute to lower sucrose content levels in sugarcane coming from Peru's northern coastal production areas. Warmer water temperatures could also affect fish oil production; increased temperatures will lower current oil extraction rates of 8-10 percent to as low as one percent.

The World Meteorological Organization forecasted earlier in January 2014 that outside of a small possibility of a weak and brief La Niña development in the second quarter of 2014, conditions will likely remain neutral (evidencing neither the presence of El Niño or La Niña conditions). It nonetheless indicates the possibility of a weak El Niño developing in the third quarter of 2014; driving up water temperatures during the southern hemisphere winter (May-July). The World Meteorological Organization clarifies that model forecasts tend to have reduced skill when forecasting through the March-May period.

The Peruvian Ministry of Environment's National Meteorological and Hydrological Service (SENAMHI) reports that it now anticipates fall temperatures to be on average 2 degrees Celsius warmer than normal. It attributes this rise in temperature to abnormally warmer ocean currents arriving from across the Pacific during the months of March-June (Peru's dry season). The SENAMHI anticipates a concurrent increase in showers along the central and northern coastal areas. Should flooding occur, rice farming in the Piura Department (i.e., state) could be disrupted. It is nevertheless too early for forecast models to anticipate whether El Niño conditions will carry on through the end of 2014 and into 2015.



FAS Lima finds that past strong El Niños have been disastrous for Peru. The 1982-83 El Niño resulted in $3.2 billion in losses, an amount then equivalent to 7 percent of gross domestic product (GDP). The 1997-98 El Niño generated losses of 3.5 billion, an amount equivalent to 5 percent of GDP. El Niños tend to spawn unusually heavy rains and flooding in Peru's northern regions, while causing droughts in the southern highlands. Drought like conditions in the southern highlands will reduce potato crop yields; potatoes are staple food as well as used as forage for cattle.