

Welcome to our post-event coverage of the inaugural [Global Grape Summit!](#) The event which [took place on June 5](#) in conjunction with the London Produce Show and Conference was a huge success, drawing an international crown of 300 important industry actors delving into the biggest issues facing the sector. This week we will be providing summaries of each of the seven educational sessions in four parts.

This first part will feature two sessions - one on international table grape panorama and the other putting the suppliers' spotlight on Peru.

THE GLOBAL TABLE GRAPE PANORAMA

Speaker: Manuel José Alcaíno, President, Decofrut (Chile)



Manuel José Alcaíno kicked off proceedings at the Global Grape Summit by giving the audience a global vision on the international table grape business. He began by providing rankings of who the biggest players were in terms of production (led by China), exports (Chile) and imports (the European Union).

Looking at some key Southern Hemisphere suppliers, he also explained the dynamics in terms of annual export growth or decline, as well as how the varietal mix has been evolving over the years. A major trend has been the rapid introduction of newer varieties and the replacement of older cultivars such as Flame.

These new varieties, combined with new production regions entering into markets, are contributing to supply gaps being closed in the two biggest import markets - the U.S. and Europe, he said.

"We can see that the offer of grapes to the world, is pretty much a solid band. That means that the windows that created a lot of opportunities in the past are unfortunately gone. So this is a new reality that the industry will have to live with," he said.

"We will have to compete in a different way. The opportunities and prices that were fetching or some industries were fetching due to the lack of offer from other competitors are now gone. Therefore I have to be more efficient and I have to produce more at a cheaper price."

He also urged the global table grape industry to operate with three key concepts in mind: moderation, discipline and pragmatism.

Moderation is especially important for buyers and retailers, who Alcaíno said should opt for a balanced supply from international regions, instead of insisting on local supply until it finishes, for example.

Meanwhile, discipline is important for growers and exporters so that they stick to their plans and don't suddenly change course and create problems in markets. This was the case in the 2018-19 season, when Peru diverted heavy volumes away from the oversupplied U.S. market to Europe, inadvertently creating difficulties for many other suppliers there.

And pragmatism, he said, is crucial for industry actors when demanding new varieties for their programs. For example, he suggested it was perhaps unreasonable for many U.S. retailers to be requesting only new varieties from Chile and Peru when the share of new varieties in their mixes is still only 13.9% and 15.8%, respectively.

Alcaíno also told attendees that it was important all industry actors be continuously updated with information and industry data in order to make sound decisions for their businesses. Fast conclusions based on poor information tend to lead to failures, he said.

SUPPLIER SPOTLIGHT ON PERU

Alejandro Fuentes, General Manager, Agrícola Don Ricardo (Peru)



Alejandro Fuentes took to the stage at the Grosvenor House hotel towards the end of the day to provide Global Grape Summit attendees with an insightful overview of both Peruvian agribusiness in general and the country's table grape industry.

Peru has seen more than a decade of record-high economic growth and skyrocketing growth in terms of total fruit and vegetable exports, he said.

The country's agribusiness sector enjoys a diverse climate and has been driven by many factors including the availability and competitive cost of a workforce, the availability of fresh water, free trade agreements with numerous countries, limited weather anomalies compared to other countries, low energy costs and industry-friendly public policies.

In 2013, Peru was positioned as only the 19th largest table grape exporter in the world, but in just five years it has shot up to take the number-three spot.

With many more hectares to be planted over the coming years - in part thanks to massive desert irrigation projects - annual exports are set to continue to grow at a fast pace.

Table grapes now represent 29% of the country's total fruit exports by value, making the category larger than avocados or blueberries, which have a 25% and 19% share respectively.

An interesting change taking place in Peru is that the share of Red Globes in the varietal mix is decreasing rapidly, with the traditional seeded cultivar representing 69% of the industry in 2015-16 and only 40% three seasons later. Over the same period, the share of licensed seedless varieties has more than doubled, Fuentes said.

In addition, he highlighted that Peruvian table grape volumes were growing in all stages of the country's season, but in particular in the mid-season in December and at the back end around January and February. This trend will likely continue in the future, he said.

He also noted that there was a high level of consolidation in the industry, with the 10 biggest companies representing half of the industry in terms of exports. Just eight companies - all of which are vertically integrated - represent 60% of licensed seedless table grape exports.

Looking at what's next for Peruvian table grapes, Fuentes said that the figure of 47 million 2 kilo-equivalent exported during the last season is set to grow heavily. This is in almost equal part due to both higher-per hectare yields and thousands of new hectares coming into production.

"Altogether, there is a high chance that Peru will be producing 70 million cartons in four years from now," he said. "So we really need to work hard on finding the right markets for all those cartons that we could be producing not too far from today."

He also gave several takeaways from his presentation, including that Peru must continue to diversify its offer in order to better compete in international markets, that the industry will continue to focus on licensed varieties, and finally that the number of relevant players will continue to reduce and also become increasingly specialized.

Stay tuned for more coverage of the Global Grape Summit throughout this week.