



## Latin America Project

### Peru- General Description, Cottonseed Products Used, Number of Dairy and Beef Animals, Key buyers and Users.

Peru has a population of 26,152,265 people with an extension of 1,285,216 square kilometers. Divided by the Andes vertically; it has three distinct regions, the Pacific, the Mountains and the Forest (Amazon region). Most of the commercial activities are in the Pacific where the capital Lima has more than 8 million people or close to 40% of the population. It is bordered with Ecuador and Colombia in the North, Brazil in the West and Bolivia and Chile to the South. The Sol is their currency and has an exchange rate of 3.3 to 1 US Dollar. Their inflation rate is 1.43 % per

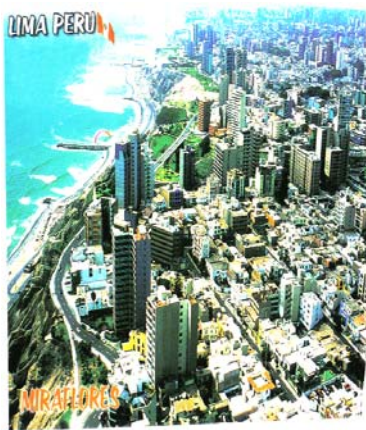
year

Figure 1

Figure 2



Peru normally plants about 100,000 hectares of cotton where the Pima variety is 30% of their cotton production and 70% of the Tianguis variety, native Peruvian.



The Tianguis produces apparently a long fiber of soft texture and their Pima seed which is fed to dairy cows (Figure 1) also produces one of the best cotton fibers compared to the Egyptian cotton in quality. One hectare of Peruvian cotton produces 1000 lbs of cotton fiber and 1700 lbs of cottonseed; 100 lbs of seed produce 17 lbs of oil and 50lbs of cottonseed cake. This cake or meal is used in dairy production in the Lima area along with the seed. These cottonseed products sustain their dairy production most of the year with some shortage of cottonseed meal in certain months according to some dairy farmers in Lima. Their cottonseed meal can vary in its protein content from 21.2 to 35% protein and Ether Extract range of 7.5 to

17.3% depending on the company's process. The oil extraction is generally done by Hexane. The solvent is applied directly or before the pre-press procedure.

Nutritionally the variation in protein, energy and fiber for their cottonseed meal is considered significant. Their best cottonseed meal is a 35% meal produced by the Alicorp Company (Figure 5). Thus a potential market for a higher protein cottonseed meal exists. Also, nutritional recommendations on the use of US cottonseed meal along with the Pima seed or Tianguis would have to be analyzed. They already use whole seed (Figure 1) along with their cottonseed meal (Figure 2) at levels of 15 and 14 % (Figure 4) respectively in the concentrate of high dairy producing herds, over 60 lbs/cow/day, (Figure 3). Other nutritionists use 4% cottonseed meal and 10% whole cottonseed. Comparing it to Mexico, Mexican dairy farms used between 5 to 10% US meal that has over 41% protein and between 10 to 20% of whole fussy (burrs) cottonseed when they combine both cottonseed products.

Figure 3



Figure 4

DISTRIBUCION Y COSTO DE CONCENTRADO  
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INSUMO	COSTO	ALTA 1		ALTA 2		PREPARTO		BAJA	
		CANT.	COSTO	CANT.	COSTO	CANT.	COSTO	CANT.	COSTO
AFRECHO	0.39	362.50	141.35	457.00	178.23	26.61	10.40	377.13	147.83
PASTA	0.7	205.90	144.13	259.58	181.70	10.66	7.46	118.56	83.88
PEPA	0.54	217.50	117.45	274.20	148.07	6.00	3.24	193.15	104.25
SOYA	1.04	133.40	138.74	168.18	174.90	3.33	3.46	18.29	19.05
SOYA INT	0.62	465.45	289.58	566.79	363.81	13.33	8.27	146.83	88.53
MAIZ	20.89	2.03	42.41	2.56	53.48	0.13	2.76	1.64	3.40
CUS 922	3.15	36.25	114.19	45.70	143.96	0.00	0.04	1.61	5.21
PROFAT	44.62	0.29	13.00	0.00	0.01	0.20	0.00	10.05	0.00
SELPLEX	16.72	0.10	1.70	20.84	4.17	0.00	0.00	0.00	0.00
ZINC	16.72	16.53	3.31	13.35	1.28	16.83	0.00	0.00	0.00
CARBONATO	0.2	1.02	0.00	0.00	0.00	0.00	0.26	0.05	8.10
STAFAC	13.15	1.45	9.14	1.83	0.26	0.00	0.00	0.00	0.00
UREA	0.2	7.25	0.00	0.00	0.00	0.00	0.16	4.21	0.00
SAL	0.2	1.14	29.99	1.35	35.52	0.00	0.00	0.00	0.00
MELAZA	26.31	1.14	29.99	1.35	35.52	60.00	41.67	874.00	16.00
TOTAL		1450.00	1049.66	1828.00	1302.47				
N°ANIMALES		114	135	0.69					
COSTO/ Kg		0.72	0.71						

Figure 5

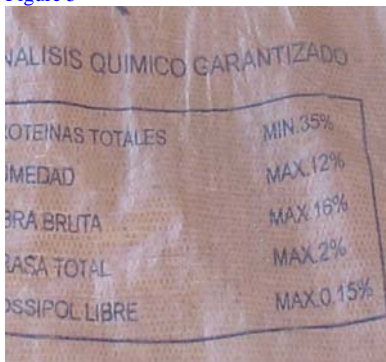
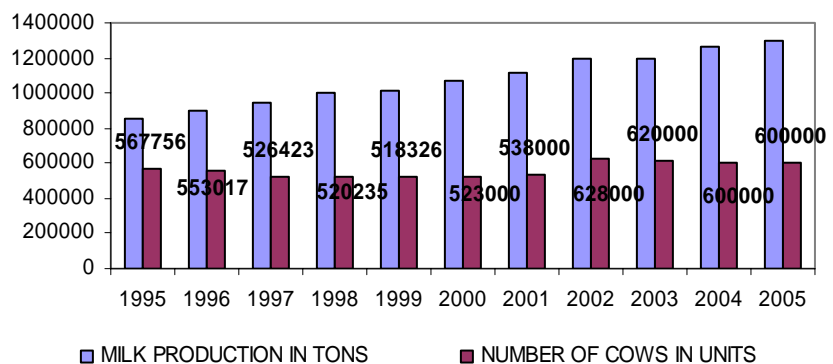


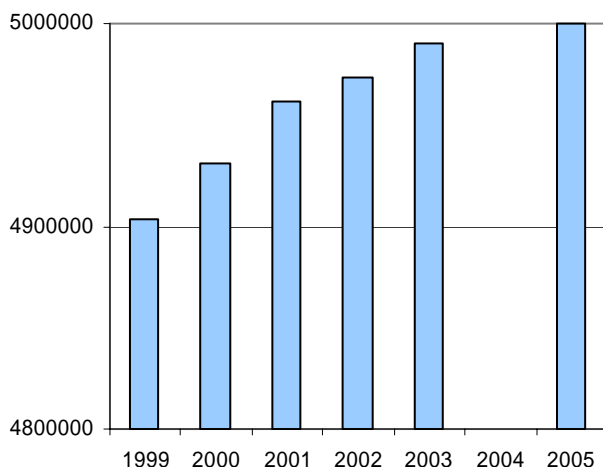
Table 1. MILK PRODUCTION & NUMBER OF COWS



The type of dairy cow is mainly the Holstein breed. The number of cows estimated by the United Nations Agricultural data and the Ministry of Agriculture data of Peru (Table 1) show a consistency between 550,000 and 600,000 animals for the last 10 years. Their milk production has been constantly increasing from 800,000 met tons in 1995 to 1,200,000 met tons in 2005. There are three states of the 24 that Peru consists of that produce 50% of the milk production with 37% of the animal population, Lima, Arequipa and Cajamarca. The initial focus or potential market for US meal because of logistics and importance would be the capital of Lima and its surroundings with 44,030 dairy animals and a yearly production of 3000 liters per cow or 17 lbs/cow/day. This would give us an estimated potential market

of 10,000 met tons per year of US cottonseed meal. Comparing the Peruvian dairy intensive system to Mexico's dairy intensive system; Mexico has almost four times the amount of dairy cows and twice the production per cow in that system. According to Mexican nutritionist knowledgeable of Peru, one limitation of production in the dairy areas of Peru is the lack of the necessary protein in their forage used and concentrate formulated, throughout the year.

**Table 2. NUMBER OF MEAT BOVINES IN PERU**



Their meat industry (Table 2) is of a limited capacity since their feeding strategies is focused on a forage basis with little feedlot type feeding as observed in Lima which is the major market for many Agricultural Products and industry due to its population and importance. The feedlot industry still is developing and is also limited by the consumption of fish and poultry meat in the state of Lima and surrounding states.

### **Key Buyers and Users of Peru:**

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