Peru is one of the major producer and exporter of coffee in the world. Peru produces almost exclusively only Arabica coffee. Over seventy percent of which is of the *typica* variety followed by caturra (20 percent), and others (10 percent).

In Peru, coffee is cultivated in about 3.7 lakh hectares of area. While coffee production takes place on the eastern slope of the Andes, coffee production is gradually migrating from Chanchamayo (i.e., one of the nine provinces of the Junin region) in Peru's central highlands to the northern highlands of the Amazonas and San Martin regions. Although Chanchamayo still accounts for 28 percent of overall production, Amazonas and San Martin combined now account for over 49 percent of national production.

**Production**

Coffee production in Peru has increased over the years with 3425 thousand bags or 2.06 lakh tons (each bag is of 60 kg each) in 2004 to 4200 thousand bags or 2.52 lakh tons in 2013 with annual growth rate of 4.8% per annum. Coffee production in Peru touched 5373 thousand bags or 3.22 lakh tons in 2011.

Majority of Peru’s coffee producers are small farmers with average land holdings of three hectares. Small producers often form associations or cooperatives aiming to obtain better prices, improve post-harvest production handling, and cooperate on more effective marketing strategies. Some of the larger of these associations have a membership of over 2,000 producers. The more sophisticated of these associations collaborate with financial institutions that provide producer loans; which partially subsidize production costs through technical assistance aimed at improving crop quality and yields. Cooperatives are there which market production directly or through coffee traders.

**Trade**

Peru exports majority of coffee produced in the country. Peru's coffee exports have increased from 2480 thousand bags or 1.49 lakh tons in 2004 to 3928 thousand bags or 2.36 lakh tons in 2013 with an average growth rate of 5.7% per annum. United States, Germany, Belgium, Colombia and South Korea are main coffee export destinations of Peru. Colombia being one of the major coffee producing country itself, imports coffee from Peru. Peruvian coffee is often repacked and labeled in Colombia for re-export. Peru is noted for being one of the major producers of organic and fair trade coffee beans in world.

**Consumption**

Peru's total domestic consumption is about 250,000 bags or 15,000 tons. Peru, with a population of 30.1 million (Central Intelligence Agency, July 2014 estimate), has an annual per capita consumption of 600 grams. This contrasts with neighboring Colombia where per capita consumption is up to two kilograms, or Brazil where it exceeds four kilograms.

Peruvians are primarily consumers of soluble (instant) coffee. Instant coffee accounts for 75 percent of total domestic coffee consumption. Nonetheless consumption patterns are changing and a roasted, ground coffee drinking culture is taking root. Coffee consumption among young, urban consumers is growing. Small corner stores (60 percent) and supermarkets (30 percent) account for the bulk of domestic coffee sales.