

Federal Ministry for Economic Cooperation and Development

FLORES B FARM



350 farms produce organic physalis

Flores Farm, mymuesli and sequa introduce organic and social standards in Peru



The challenge

'The farmers in the remote region of Cajamarca work the land in order to feed themselves and their families. They are rarely able to put money aside for health care or their children's education,' says Susann Gerlach, a project manager with the development organisation sequa. Many smallholders in other developing countries are in the same situation as northern Peru's rural communities. They lack knowledge of potential markets or live in areas that are simply too remote for them to be able to sell their produce while it is still fresh. This generally means that they cannot lift themselves out of poverty. Gaining access to European markets presents particular difficulties: farmers and processing companies wishing to sell organic produce in Europe must comply with stringent food production, hygiene and processing standards,

'It is wonderful that we as a small company had the opportunity to implement this type of project. We could not have done it without sequa, which mobilised the funding we needed to turn our idea into reality. We have gained very valuable experience and have achieved the right balance between fair trade in organic products and profitability.'

Jochen Wolf, Managing Director, Flores Farm

and that means investing in training and new technology. However, many farmers in Peru do not have access to the requisite financial resources.

Flores Farm and mymuesli specialise in high-quality organic fruits, nuts and muesli. Like many German food companies, they are always on the lookout for new high-quality products for their customers. The farmers in Cajamarca can supply this type of premium product. The organic physalis which thrives here is of a quality standard rarely found elsewhere in the world.

The solution

In order to include this high-quality physalis in their product range over the long term, Flores Farm and mymuesli must ensure that the Peruvian farmers grow the product – also known as Inca berry or Peruvian groundcherry – to uniformly high, certified organic quality standards and can supply guaranteed quantities.

So in 2012, the two companies established a development partnership with sequa through the develoPPP.de programme. Sequa is one of the partners appointed by the German Federal Ministry for Economic Cooperation and Development (BMZ) to implement the develoPPP.de programme on its behalf. The programme supports sustainability-oriented initiatives by companies such as Flores Farm and mymuesli in developing and emerging countries.



Photo credits: © Flores Farm GmbH

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'Our project focused mainly on developing a training infrastructure at the local level. It was also important to invest in new machinery at the Peruvian company AgroAndino, which dries the organic physalis supplied by the farmers and prepares it for shipping,' explains Jochen Wolf, Flores Farm's Managing Director. The project partners have not only introduced organic and food hygiene standards: the organic physalis has also achieved Fair for Life certification, which means that workers have fair and safe working conditions, are paid decent wages and benefit from improved living conditions, such as access to health care, at the local level.

Our services

Together, the project partners have produced training materials and held local workshops. A key role in the project implementation at the local level was played by AgroAndino, a Peruvian company with many years of experience in working with farmers' cooperatives and other regional stakeholders. It hosted some of the training workshops on certification. AgroAndino's employees learned how to grow and process physalis in compliance with the required food hygiene and organic standards. They are now sharing these skills with local farmers who supply them with the product. In addition, with funding from the project, AgroAndino was able to purchase essential equipment and build a new processing and storage facility. Trainee food technologists and engineers are also benefiting from the project: at the local technical college in San Pablo, training modules on organic and food hygiene standards were introduced as part of the food technology course. Farmers participating in the project have set up 15 cooperatives. 'This enables members to share information and support each other more effectively,' says Susann Gerlach.

Impacts and results

- A total of 350 farms more than three times the original target of 100 farms – are now certified in accordance with international food hygiene standards and the EU's organic farming standards.
- Many farms have lifted themselves out of subsistence agriculture and are now microenterprises. They are producing surpluses and generating enough income for farmers to send their children to school.
- AgroAndino is utilising the drying and processing equipment funded by the project for other products such as mangoes, bananas and chia seeds too, thus increasing regional value added.
- Flores Farm purchases 20 tonnes of organic dried fruit from the project region annually and markets it independently or sells it to mymuesli.
- Flores Farm and mymuesli publicise their compliance with organic and social standards in order to signal their corporate commitment to fair supplier relations and sustainability.

| At a glance | 2 | | |
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| Duration | 15 April 2012 – 14 April 2014 | | |
| Country | Peru | | |
| Objective | Organic, food hygiene and social standards for fair trade in the Peruvian Andes. | | |
| Partners | Flores Farm, mymuesli and sequa | | |
| Results | 350 farms have achieved certification. Many farmers are producing surpluses and generating higher incomes. Regional value added has been increased. Flores Farm and mymuesli purchase 20 tonnes of high-quality organic physalis annually. | | |

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