

## **A collective mark for Peruvian non-certified organic products Smallholder organic market differentiation and product development**

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Key words: collective mark, smallholder market access, product differentiation, organic value chain innovation, food security.

### **Author's Background**

AGROECO Project – *Ecological and socioeconomic intensification of Andean smallholder agriculture*, Peru, led by National Agrarian University La Molina (UNALM), in collaboration with the National Association of Ecological Producers of Peru (ANPE PERU) and supported by the Canadian International Food Security Research Fund (CIFSRF). Summary

### **Summary**

*In order to enhance the integration of non-certified smallholders into improved short value chains, the AGROECO Project supported the National Association of Ecological Farmers of Peru to develop its "Frutos de la tierra" (Fruits of the earth) brand into a multi-product collective mark. The development process and bottlenecks are analyzed as well as suggestions presented.*

### **Background**

To enhance the integration of non-certified ecological smallholders into improved short food supply chains is a strategic objective for the National Association of Ecological Farmers of Peru (ANPE PERU), and until recently has been mainly focused on implementing Participatory Guarantee Systems (PGS) and local ecological farmer's markets that go by the name of *Frutos de la tierra*. Whereas PGS and these local marketing initiatives in the Peruvian context prove to be useful to promote organic farming techniques and establish relations with local authorities, they are not necessarily yielding higher sales volumes or differential pricing. Lack of suitable marketing tools combined with non-acceptance of the PGS as a legally valid organic guarantee scheme, has been limiting better market integration. Therefore, ANPE PERU and the AGROECO project – *Ecological and socioeconomic intensification of Andean smallholder agriculture*, led by National Agrarian University La Molina (UNALM) and financed by the Canadian International Food Security Research Fund (CIFSRF) - joined forces to expand the scope of the *Frutos de la tierra* brand to a legally-approved collective mark in order to improve market differentiation and organic product placement. The paper starts with a short review of the state-of-the-art on intellectual property tools and more specifically some key international cases of collective marks.

### **Main chapter**

While collective marks are an innovative tool for smallholder organic market integration, its implementation poses multiple challenges for farmer organizations to better position their members' products, develop short-chain markets and assure customer trust. This practitioners' paper describes the experience and the challenges of developing and implementing a collective mark for organic smallholder products in the Peruvian local and national markets, from a double-sided perspective: innovation-research and action-development. Being owned and managed by a Peruvian national organic farmers association and its regional chapters, the collective mark *Frutos de la tierra* (Fruits of the earth) as a multi-product mark for organic smallholders – representing family agriculture, biodiversity conservation and farmer associativity as its core values – is a pioneering undertaking by itself. The paper describes the initial stages from brand development and the development of rules of use to awareness raising and capacity building among farmer groups in pilot studies in 4 regions of Peru, finalizing with product selection, evaluation, development and market launch during the largest gastronomic and smallholder fair in Latin America. The continued promotion of *Frutos de la tierra* products in selected local organic value chains and the Project's exit strategy are also discussed.

In order to assess the viability of the collective mark, the following bottlenecks have been identified: i) fragile institutional arrangements and organizational weakness tend to complicate its implementation and raise questions on its sustainability perspective; ii) awareness raising with farmer groups on the importance of protecting the collective mark's quality standards; iii) smallholder farmers need to gradually visualize its positive impact on market participation before deciding to invest in this marketing tool, and; iv) developing realistic rules of use implies balancing the practically feasible with what is ideally desirable to assure transparent communication and customer confidence. The bottlenecks are analyzed and suggestions to tackle them are presented.

### **Core messages and conclusions**

The collective mark is a locally-adapted endeavor with a high potential to: i) improve market differentiation, ii) constitute a powerful and cost-effective marketing instrument for smallholders, iii) raise the standards for cash crop production, and; iv) promote entrepreneurship and product development. Moreover, the inclusion of PGS or other organic guarantee mechanisms in the rules of use, allows for building on organizational progress and social capital in the field of ecological production and certification. Additionally, considering the rise of the gastronomic sector in Peru, it is an interesting instrument to capitalize on the farmer-cook alliance, Peru's 2013 Year for Investments in Food Security and UN's 2014 International Year of Family Farming.

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