THE SUCCESSFUL ORGANIC BANANA CLUSTER OF THE PIURA REGION IN PERU

In 2021 the <u>Organic Banana Cluster of the</u> <u>Piura Region</u>, focused on improving the economic, social and environmental aspects of banana cultivation, is becoming the leading exporter of this fruit in Peru.

The management group of the Organic Banana Cluster includes ten associations involving more than 9,000 banana producers, 40% of the territory. The banana value chain is mostly dominated by small producers and about 80,000 local people also participate directly or indirectly in its activities. The ten producer associations



have Organic Certification and a Carbon Neutral Label to market the fruit on international markets. The Cluster exports 200 containers of organic bananas per week, sent to different markets around the world, earning US\$150 million per year.

In December 2020, the Peruvian press highlighted in different news the extraordinary results achieved in the Piura Region having organized a successful production chain for a typic.al product of the territory, which involves small producers and contributes to the national economy.

<u>Promoted by the international non-profit organization Solidaridad</u>, in partnership with the <u>Universidad Nacional de Piura</u> and the Regional Government, the Organic Banana Cluster Project was among the winners of the 2017 Competition organized by the Cluster Support Projects of *Innóvate Perú*, a programme of the Ministry of Production. In 2019, by receiving <u>financial support from *Innóvate Perú*</u>, the process of organising the cluster started in the Piura Region, with the involvement of the first 1,000 local organic banana producers.

During three years, from 2019 to 2020, the Cluster has worked to identify the gaps, both social and technological, along the organic banana value chain, defining and implementing a concerted strategy of actions to increase the level of production and competitiveness. The NGO Solidaridad has ensured the permanent coordination of the process and the Cluster, having a vision of environmental, social and economic sustainability, has reinforced in particular the following key aspects:

• Expansion and articulation of the Cluster's management group. With the support of the actors that have promoted the process, such as the Regional Government of Piura, the University of Piura, producer associations and *Innóvate Perú*, the Cluster has broadened participation by creating a partnership of producer associations, exporters, importers, certifiers, transport and logistics companies, suppliers, workers' associations, all articulated around the organic banana value chain. This management group defines the strategies in a concerted manner and the activities to be carried out with the participation of all involved actors.



- Strategic differentiation of organic bananas through Carbon Neutral and environmental footprint Certifications, in order to diversify the offer and position the product in new markets. It has also worked to ensure the Organic Certification of the product. Already in 2000, the NGO Solidaridad had created the social enterprise Agrofair, to support the organic certification and the training of small producers' associations, so that they could lead the export market. In 2002 Agrofair had reached an agreement in the Netherlands for the export of the first container of organic bananas from Peru, with the FLO Fairtrade label. This background has been used by the Cluster for the development of its activities.
- Strengthening of organic banana's quality, through a range of projects for training producers to develop their skills, through technical assistance to improve productivity per plot, through research and development initiatives. These strategic projects include the development of adequate structures to improve access to water and logistics. With the funding from *Innóvate Perú*, the Cluster managed to increase the number of 18 kg boxes produced on one hectare per year, to install 10 pilot plots (one hectare each) and to start production of improved organic banana seeds. All producers have also received training in the prevention of the main pest that threatens the crop, the tropical fungus *Fusarium Raza 4*, in order to obtain better harvests. In addition, they have implemented a pilot recycling plant which manages the recovery of plastic packaging used in banana transport, in a circular economy approach.

<u>The NGO Solidaridad</u> has been working for 50 years to develop market solutions to face the challenges of small-scale agriculture and livestock farming in Argentina, Bolivia, Brazil, Colombia, Paraguay and Peru. With a focus on the development of sustainable ecosystems, it supports small farmers to improve the production and commercialisation of different local products such as tea and mate, fruits, cocoa, soy, coffee and bananas.

Innóvate Peru, in the framework of the <u>regional innovation systems</u> initiative and through national competitions, identifies, promotes and co-finances different clusters that strengthen relationships between companies in the same geographical area, creating value chains that associate different actors in the territory. For example, it supports a coffee cluster in Selva Central, a furniture cluster in Lima, a dairy cluster in Cajamarca and a wine cluster in Ica.

Plans for the future of the Piura Organic Banana Cluster are to further expand the alliance of participants and to continue generating shared strategies and actions. In particular they are working to include more institutions, universities, importers and more than 15 associations and companies, reaching 70% of the local producers. Due to climatic and geographical conditions, the organic bananas represent a great potential for the economy of the Piura Region and the country. Organic banana cultivation is not seasonal, it is produced and exported all year round and the production value chain is mostly dominated by small producers.

The Organic Banana Cluster of Piura represents an exemplary and replicable practice, which articulates the support of national institutions and the action of local actors to boost the competitiveness in international markets, while improving the living conditions of producers and generating broader results of economic, social and environmental impact in the territory.



To know more

Clúster Banano Orgánico de la Región de Piura
Clúster Banano Orgánico in Solidaridad website
Clúster Banano Orgánico in innovateperu.org.pe
News in innovateperu.org.pe
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