



The story behind the tiny lanterns

The Trade for Development Centre supports Peruvian physalis producers

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You have undoubtedly noticed them on supermarket shelves in the exotic fruit section: boxes of bright orange berries crowned by green-brown, papery sepals. Where do they come from and what is the story behind these 'lanterns'? And where can we find organic and fair trade ones? We found answers to these questions in Colombia and Peru.

Inca berries

Few plants have as many enticing names as the tens of species of *Physalis*. A commonly heard name is Chinese lantern plant. The 'lantern plant' (*Physalis alkekengi*) is also called Jewish cherry, allegedly after its resemblance to medieval Jewish hats. This ornamental plant is the only one of the genus that is also found in Europe. The most famous edible species are the tomatillo or Mexican Husk Tomato (*Physalis philadelphica*) and the golden berry or Inca berry (*Physalis peruviana*). In Great Britain the latter is often called Cape gooseberry. The British introduced it around 1800 at Cape of Good Hope as a source of vitamin against scurvy.

Inca berries are bright yellow to orange in colour and full of vitamins and antioxidants. The fruit pulp has many tiny seeds and is sweet when ripe, with a characteristic, mildly tart flavour. The sepals form the familiar dried papery cover extending the fruit's shelf life after harvest.

Colombia

For the indigenous peoples in the Andes the Inca berry has always been an important source of vitamins. But since foreign demand has grown, the plant has increasingly become a commercial commodity.

With 90% of worldwide production, Colombia is obviously the first exporter. Nowhere are the berries larger or do the berries taste better than in the Boyacá and Cundinamarca departments near Bogotá. Conditions there are ideal because the plant grows best between 1800 and 2300 metres of altitude, sheltered from frost, droughts or strong winds. In theory the berries can be harvested throughout the year, even though October and November are the best months. Other emerging production countries are Peru, Ecuador, South Africa, Madagascar, Kenya, New Zealand and recently Portugal. The offer in European supermarkets peaks at year's end, even though some shops offer the berries throughout the year.

Uchuva

The *uchuva* – as Colombians call the Inca berry – appeared on the world market in the early 1990s. A few large Colombian fruit exporters tried to create 'plantations' to meet growing international demand but they underestimated the know-how and experience needed for this crop.



Lantern plant flower © Soleilium

A lot of research also had to be done into the best way to store the delicate berries for export. Yet, in twenty years the Inca berry has become the second most important export product of the Colombian fruit sector, well behind the banana, but still generating 30 million dollars of revenue. And exports increase by approximately 10% every year.

The main difficulty in trading Inca berries is quality. It has to be excellent to 'survive' transport to Europe. That is why the fruit is selected very carefully and categorised for quality in terms of size, colour and ripeness. Profitability largely depends on the percentage of the crop that is approved for exports. After all, the remainder must be sold at far lower prices on the domestic market.

The European market is by far the most important. Not until the summer of 2014 did the United States drop the cold chain imports condition for physalis which was considered necessary to keep out fruit fly larvae. This decision considerably reduced costs for exporting *uchuva* and the Colombians hope to sell even more of their "next big super fruit to hit the market" as fruit exporter Robinson Martinez calls it.



Physalis is full of vitamins and antioxidants © Mark Seton

However, conventional physalis is imported through the ports of Rotterdam or Antwerp after an 18-day marine journey whereas organic physalis can only be 'shipped' by plane.

Aguaymanto

In neighbouring Peru, commercial cultivation is far more recent. Here, mainly smallholder farmers grow the *aguaymanto* – as the Inca berry is known locally – on a commercial basis. Yields per hectare are much lower, but Peruvian exporters who work with the farmers try to boost production using Colombian know-how. Also, the government sees an opportunity in exporting exotic fruit and targets the organic market by, among others, establishing test plots in several regions.

Because access to the remote Andes regions is problematic, Peruvian exporters focus on exporting dried Inca berries. Drying fruit in the sun to preserve the fruit longer is an age-old technique, also in Inca culture. Dried fruit keeps most of the fruit's nutritional value and is easy to store while the risk of losses due to a lack of quality is minor.

Fair trade

In 2010 physalis was included in the Fairtrade International (FI) register and the fair trade premium for both dried and fresh and for organic and conventional physalis was set at 0.10 dollar cents per kilo. Meanwhile five producers' groups have been certified – four in Colombia and one in Uganda – as well as eleven traders – three in Colombia and eight in Europe. Fair for Life also certified one Colombian and two European traders.



Physalis harvesting in Colombia © Gerhard Fischer

The Colombian government and a number of major exporters encourage this process. "The market and the consumer are becoming more and more demanding. Colombia is ready to respond to this," a Proexport Colombia representative declared proudly when announcing the first certifications for the country. The fair trade berries do well in Switzerland, but have a harder time finding their way to other European markets. In Belgium, currently only Delhaize offers labelled fresh physalis from Colombia.



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"It is a new as well as a niche product," says Raf Van den Bruel of Fairtrade Belgium. "Because of the limited volumes, costs for certification and auditing are relatively high. That is why the first cooperatives have reinvested their premium in their own organisation, for instance in the construction of a storage room or in improved internal monitoring."

A quick market survey by the Trade for Development Centre of the main importers on the Belgian market shows that physalis sales are on the rise, but not as spectacularly as for avocado or mango. For new players it is not self-evident to compete with conventional or with fair trade physalis from Colombia. According to the respondents the organic market offers more potential for growth.

AgroAndino

Lima-based AgroAndino has a production unit in San Pablo, where, beside *aguaymanto*, mangos, bananas, pineapples and pomegranates are also dried. "Farmers in this remote region have a very hard time bringing their produce to the market.

Since 2008, we offer farmers technical support, from planting to harvesting, which has boosted productivity. In the future, we hope we can guarantee a fair price to these farmers via organic and fair trade certification. Our dried fruit production line, which employs women mainly, was set up here on purpose to keep the added value with the local community," says Reinhard Schedlbauer, AgroAndino's Operations.

Project support

At the end of 2013, the Trade for Development Centre decided to support a project in the San Pablo province in Peru's northern highlands. Even though the region is home to Latin America's largest gold mine, the benefits do not trickle down to the *indígenas*. The small farm communities survive on traditional crops that they sell on the local market or consume themselves.

The company that submitted the project, AgroAndino, hopes that planting 30 hectares with *aguaymanto* will provide these communities with revenue and a future. An extra strength is that the local variety of the Inca berry has an excellent sweet-sour taste.



Dried physalis
© AgroAndino



Ambitions

To give the project a sustainable basis, AgroAndino pays great attention to involving the farmers. For that reason, the existing *Asociaciones de Productores* in the various communities must be strengthened.

A sociologist is involved in the project to ensure the process respects indigenous traditions. In addition, investments are made in high-quality seeds, in agronomists who provide technical assistance to the farmers and in quality control systems to ensure organic certification. The aim is that this functions as a model for other farmers in the region.

While AgroAndino used to solely sell dried physalis, it now also wants to venture into fresh organic berries. For the local market, investments are planned in derived products such as sauces and jams, which will create additional jobs.

The projects of AgroAndino and the farmers of San Pablo perfectly meet the Trade for Development Centre's target: a strong commitment and great potential for development through trade, but a lack of resources. It is a story of opportunities for small producers who want to get a larger share of a sustainable commodity chain. How this story will evolve will be determined by many players in this chain, and eventually also by consumers.



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Peruvian cooperative sells its harvest to market in Lima © Supayfotos/APEGA

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