



Photo Constant Piscart

## ***Tara, a small tree with a bright future***

### ***From a local product to fair business?***

***The thorny Tara tree is weathered by the climate of the Peruvian high plateaus. Even before the Inca times its seeds were already used for dyeing fabrics, tanning leather or making medicines. Over the last few years this tree has become part of an impressive boom thanks to the growing demand for natural ingredients and raw materials in the processing industry. For some farmers' organisations in Peru that boom is a boon.***

### **TANNIC ACID AND GUM**

For ages, inhabitants of Peru have used Tara seeds for a broad range of purposes. Today, this traditional know-how is especially applied in the leather and food industry:

The rough skin of the seeds is ground into a fine, white powder from which tannic acid is extracted. Likewise, in our own regions tannic acid was extracted from oak bark for processing hides into leather. The Tara tannin makes leather supple, soft and light of colour. Today it is especially wanted for the production of car seats and shoes. The main advantage of Tara seed tannin is the fact it is a natural product, and so the industrial use of hazardous chrome can be avoided in the tanning process.

Also, **gum** is extracted from the seeds themselves. Because of its high viscosity this gum can be used in food processing as a thickener and stabilizer. Since 1995, Tara gum (E417) is an internationally recognised additive that is used in the production of ice cream, jelly, sauce, yoghurt, and bakery and meat products. It also has huge potential as a replacement of fats in light products. And again, the main advantage is the gum is 100% natural. The cost per kilo is higher than for starch or jelly, but much less of it is needed and it does not affect taste.

After all, Tara gum is colourless and odourless and does not form ice crystals when frozen.

### **BOOMING BUSINESS**

Until about ten years ago the commercialisation of tannic acid and gum from Tara was limited to the local Peruvian market. But demand for these natural products has grown exponentially. And this growth might well continue, because many more applications are possible in the pharmaceutical sector and in the production of cosmetics, paper, fabrics and oils.

The Spanish leather industry (Aqeic) estimated the production of Tara powder in 2012 at 7,188 tons, of which 6,975 tons came from Peru and a limited quantity originated in Ecuador and Bolivia. Exports increased by 11% compared to the year before. The main importers of Tara powder are China, Brazil and Italy. Aqeic expects production will double by 2015. Exports of Tara gum increased in 2012 to 2,800 tons: 114% more than the year before amounting to 8.9 million dollars in revenue for Peru. The main importers of Tara gum are Germany, Argentina and Spain.



## A SUCCESS STORY FOR CAJAMACA

Let us go to northern Peru, to the old Inca town of Cajamarca and the region of the same name, high up in the Andes. The region has been through several months of tensions surrounding the Conga mine project. But Cajamarca first and foremost brings to mind many isolated farming communities with a rural population that is among the poorest in the country. The climate there is mild, dry and sunny and farming is the main source of income for the farmer families. In 2010, 49% of the population lived under the poverty threshold. According to the latest census, in 2011, this even increased to 57%.

Cajamarca is home to the Tara tree, but production and commercialisation of the tree are minimal. Farmers used to collect the seeds on the ground and brought them to the local market, where they were mainly sold for medicinal purposes. This changed when various organisations discovered the tree's potential at the turn of the century. Local farmers were supported in this by the Belgian NGO Autre Terre and by the American organisation I-DEV International.

In a first phase attention mainly focused on improving cultivation techniques and the quality and quantity of seeds. This soon bore fruit, literally and figuratively. According to numbers from I-DEV production per tree increased in a few years by 45% and the daily income of the more than 6,000 producers in the region made a gigantic leap from 0.85 dollar to 3.15 dollars per day.

## THE STRENGTH OF FARMERS' ORGANISATION

Because of increased supply and the growing international demand the Peruvian market was quickly invaded by new players who rarely care about giving a fair share of



Weighing the crop in Ayacucho . Photo Constant Piscart

## Caesalpinia spinosa

Tara belongs to the family of Leguminosae. This shrubby tree can grow up to 8 metres tall. Its flowers are yellow and red, its pods are long and flat and contain between four and seven large black seeds. Usually, the pods are collected manually and sun-dried before being further processed. The tree is native to the Peruvian high plateaus but it can be found throughout South America now. It also prospers in dry regions in Asia and Africa. It is resistant to many pathogens and diseases.



Tara seeds . Photo Constant Piscart

the added value of the product to local farming communities: Middlemen, wholesalers, processors as well as exporters want a share of the business. A large part of the new wealth ended up in the hands of agrobusiness in Lima. In the province of San Marcos, with the help of Autre Terre, farmers tried to resist with the construction of a small processing mill and to keep a significant part of the added value in their own hands. But the price charged for milling increased so much that many farmers preferred to directly sell their harvest to middlemen and the mill had to stop its activities in 2005. So, the income of farmer families increased, but farmers risked remaining the weakest link in the global success story of Tara.

Upon the advice of I-DEV, the groups that were also involved in the mill project started to get organised and fought back. At the San Marcos level Small Farmers Associations (SFAs) were established. They are responsible for the quality of the crop and the first processing of Tara seeds. They sell their harvest to the newly established cupola organisation, the Asociación de Productores de Tara de San Marcos (APT), which is responsible for negotiations with commercial buyers. And it does so





*IDESI support producer organizations in Ayacucho  
Photo Constant Piscart*

successfully. Today, APT is a major player on the Peruvian market also because of a lucrative contract concluded with an American food industry company. APT reinvests the revenues in projects, for instance to strengthen new producers' organisations or to build warehouses.

## **A NEW STORY IN SOUTHERN PERU**

Meanwhile, Autre Terre works in the south of Peru towards commercialising Tara, in particular in the Ayacucho region. Cooperation goes through the local NGO, IDESI, and aims to strengthen farmers' organisations. Tara plays a major part in generating revenue, but also other traditional crops like prickly pears and avocado are valued again. IDESI supports 30 small producers' organisations, which amounts to almost 400 farmer families. In 2011, 411 tons of Tara were sold; in the first half of 2012, already 336 tons were sold. The producers' organisations, like APT, have established the CEPROTARA (Central de Productores Organizados de Tara de la Región de Ayacucho) cooperative. In 2013, it will take on commercialisation. That way, also in this region, farmers want to join forces and establish a social and supportive economy.

Also a project of the Belgian Development Cooperation, the Programa de Centros de Servicios Empresariales No Financieros en el Corredor Económico Ayacucho – Apurímac – Huancavelica, which was concluded at the end of 2012 operated in this value chain alongside these various initiatives. Again with very encouraging results, in particular an obviously better than expected turnover, an overall profitability of 334% (!) and significant (production and commercialisation) capacity development among the 370 producers who are brought together by 15 organisations, one of which is a cooperative.

According to Constant Piscart, who works for Autre Terre in Peru, farmers can plan for a better future thanks to Tara. "It is a sustainable crop, demand increases and quality and production steadily improve. But no doubt other players and competitors will appear on the market in future. Acreage will increase in both Peru and other countries. Big capital players have already started Tara plantations. Once

these reach full yield, they will no doubt influence the market and prices. Also disease and epidemic control will influence the volume produced and consequently affect the Tara market. To counter such threats it is of essential importance for the farmers to further strengthen their organisation and to advocate fair prices. That is why it is a challenge for us to support APT and to continue growing and to support CEPROTARA while it enters the Tara market."



*ATP farmers in a meeting. Photo Constant Piscart*

## **FAIR TRADE?**

Peru has strong farmers' organisations and a sustainable export product and opportunities of development in their own region. Could the conditions for having Tara gum and Tara powder fair trade certified be met? Right now, there is little chance for this to happen. Constant Piscart: "Since Tara is only an aid in the processing, it will never make up more than 1% of the end product. The question is whether processors want to pay a fair trade supplement if it does not bring much to them. We have talked about the matter with FLO-Peru. First, market research should be conducted to find out whether there is sufficient interest on both the supply and demand side. Only then could Tara be added to the FLO product list."



*Tara, a tree in the future radiu ? Photo Constant Piscart*



## OR ORGANIC?

Demand for natural products is on the rise. But organic certification faces the same problem as fair trade certification. Again Constant Piscart warns: "For the same reason, namely the minute quantity of gum or powder in the final product, the question is whether the investments and efforts for organic certification are worthwhile. After all, this requires strong capital input and a complete internal control system. Some companies in Lima are looking into this option, but first a market study must be conducted to get to know the real potential of organic Tara."

## ASSETS FOR THE FUTUR

It seems Tara is a tree with a bright future. The natural gum and powder have many assets to become a valid competitor for harmful and more expensive products that are being used in today's processing industry. Unlike many other cases, this story holds opportunities for small producers who take their own future in their hands and have their own say. Yet, according to Autre Terre one condition must be met first: Farmers' organisations must get organised to face other players on the market.

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APT store in Cajamarca . Photo Constant Piscart

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## SOURCES

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Autre Terre ASBL : [www.autreterre.org](http://www.autreterre.org), subdivision du Groupe Terre, actif dans l'économie sociale, [www.terre.be](http://www.terre.be)

I-DEV International : Project tara Cajamarca case study, [www.idevinternational.com](http://www.idevinternational.com)