



WORLDWIDE  *fruit*

Peru Case Study 3:

A Social Case Study on

Talsa Agroexport

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Context

Worldwide Fruit Limited (WFL) is investing in sustainability across its supply base. As part of their commitment, they are presenting a series of case studies from supplying farms. These case studies aim to raise awareness of the challenges that WFL's growers deal with daily, the solutions implemented to overcome them, and plans for improving sustainability into the future.

This case study represents Talsa Agroexport (TAE), a Peruvian company dedicated to contributing to developing small-scale growers in Peru. WFL has been a valuable supporter of this initiative, with TAE serving as an avocado supplier to WFL.



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1. ABOUT TALSA AGROEXPORT

Talsa created TAE in 2018, and Alejandro Fuentes joined the effort in 2020, playing a crucial role in developing TAE's current business model. This model focuses on contributing to the **development of small-scale agricultural producers** in the highlands of Peru. The company operates under the Ag. Division of Grupo Rocio in Peru.



TAE offers year-round **free** technical **support** to **390** avocado growers.

TAE **operates** mainly in the **highlands** of:

- Lambayeque
- La Libertad
- Ancash
- Lima
- Ica
- Ayacucho
- Apurimac
- Arequipa
- Cusco



TAE employs **120 people** during the avocado season and **18 people** year-round.

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5. FUTURE PLANS FOR TAE

TAE is committed to expanding and enhancing its support for small-scale growers in Peru. The future plans focus on **broadening services, improving access to essential agricultural inputs**, and fostering **financial and technological empowerment**.



TAE supports growers in becoming **GLOBALG.A.P.** and **GRASP** compliant.



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2. CHALLENGES FACED BY GROWERS

Small-scale growers in Peru face many challenges that impede their ability to thrive in the agricultural sector. These difficulties range from **inadequate government support**, and **limited access to modern irrigation technologies**, to **unfair market practices**, creating a hostile environment for them to improve the standard of production and their quality of life.



TAE delivered **792 t of Hass avocado** to WFL in 2024.

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3. TAE'S APPROACH TO GROWERS' CHALLENGES

TAE's innovative approach addresses the numerous challenges small-scale growers face in Peru, providing comprehensive support across various critical areas. By focusing on **technical advice, transparent processing and commercialisation, access to fertilisers and pesticides**, and **advanced irrigation systems**, TAE is revolutionising the agricultural landscape for these farmers.

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4. STORIES OF SUCCESS

While there are many success stories to share, the experiences of **Fundo El Silencio** and **Jhony Espinoza** particularly exemplify the outstanding work accomplished by TAE.

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6. Conclusion

TAE is empowering small-scale growers to achieve greater productivity, profitability, and sustainability. These efforts are contributing to the resilience of Peru's agricultural sector.

1. About Talsa Agroexport

The current business model for Talsa Agroexport (TAE) emerged in 2020 through a collaboration between the Quevedo Family, the sole shareholders of TALSA, and Alejandro Fuentes. Both TAE and TALSA operate under the Ag. Division of Grupo Rocio in Peru.

Drawing from their extensive experience in agricultural exports, they recognised several critical issues:

- Limited technical knowledge leading to low productivity among small-scale avocado and green asparagus growers.
- Substandard cultivation practices due to the absence of certifications like GlobalG.A.P. and GRASP.
- Exploitative practices by intermediaries and export companies, disproportionately impact vulnerable small-scale growers who represent the weakest link in the value chain.

Capitalising on TALSA's expertise in both crops, they identified this unjust scenario as a business opportunity and a means to enhance the quality of life for low-income Peruvians in remote areas. They aimed to leverage TALSA and Alejandro Fuentes' proficiency in production, processing and marketing to effect positive change.

Today, TAE operates primarily in the highlands of various regions. For avocado production, TAE is active in Lambayeque, La Libertad, Ancash, Lima, Ica, Ayacucho, Apurimac, Arequipa, and Cusco. During the avocado season, more than 120 people work for TAE, with 18 employed year-round in technical advice, processing, certification, quality assurance, and administration. They provide support to 390 avocado growers. Technical support is offered free of charge and is provided year-round by an agronomist with at least four years of experience. TAE firmly believes their investment in this service will be recovered through the growers' incremental yield growth.

TAE's purpose is to enhance the quality of life for small-scale growers in the remote areas of Peru.



TAE supplies Hass avocados to WFL from March to September, with at least 80% sourced from small-scale growers in the highlands. These growers meet stringent standards, including GlobalG.A.P. and GRASP certification, although implementing these standards can be challenging due to the remote locations and limited resources in some areas of operation.

As part of TAE's commitment to ensuring the food safety of their avocados, they conduct rigorous testing for pesticide residues and heavy metals on avocados from every grower. This testing regime, costing more than fifty thousand dollars each season, is a vital component of TAE's cost structure and is non-negotiable.

As seen in Table 1, the number of containers exported by TAE to WFL has grown steadily since 2022.

Table 1. The number of avocados exported by TAE to WFL from 2022 to 2024.

Year	Number of containers	Tonnes
2022	18	432
2023	23	552
2024	33	792

TAE's journey has, however, been filled with challenges, chief among them being the difficulty of cultivating trust with the growers. Years of mistreatment by local middlemen and coastal companies have fostered deep-seated scepticism among growers, posing a significant obstacle for TAE. "After four years of continuous engagement with most growers," reflects Alejandro Fuentes, "we find ourselves still navigating the path toward building trust."



TAE supplies WFL with Hass avocados sourced from small-scale growers in the highlands of Peru.

2. Challenges Faced by Growers

Small-scale growers in Peru face many challenges that impede their ability to thrive in the agricultural sector. These difficulties create a hostile environment for them to improve the standard of production and are as follows:

Inadequate Technical Advice from the Government

One of the most pressing issues is the poor quality of technical advice provided by the government. Growers often rely on this support to enhance their agricultural practices and productivity. However, the technical advice available is either insufficient or outdated, leaving growers without the necessary knowledge to improve their farming methods and yields. This lack of effective guidance hinders their ability to adopt modern agricultural techniques, essential for competing in local and international markets.

Unfair and Non-transparent Processing and Commercial Services

The processing and commercial services available to small-scale growers are often unfair and non-transparent. Middlemen, who play a significant role in the supply chain, frequently exploit growers by offering low prices for their produce while making substantial profits. Most packhouses are at least 12 hours' drive away from the avocado production areas in the highlands, making it almost impossible for growers to see and validate the outcome of the processing of their produce. This exploitation is exacerbated by the lack of transparency in commercial transactions, leaving growers with little bargaining power and financial insecurity.

The Burden of Too Many Middlemen

The presence of too many middlemen in the agricultural supply chain further complicates the situation. These intermediaries inflate costs and reduce the profit margins for small-scale growers. The lengthy chain from farm to market means that the final prices of agricultural products are significantly higher, yet the growers receive only a small fraction of the final sale price.

High Prices and Poor Quality of Fertilisers and Pesticides

Access to essential agricultural inputs such as fertilisers and pesticides is another major challenge. The prices of these inputs are prohibitively high, and when available, the quality is often poor. In many cases, growers cannot access these products at all, severely limiting their ability to protect their crops from pests and diseases and to enhance soil fertility. This situation leads to lower yields and reduced quality produce, further diminishing the profitability of small-scale farming operations.



Outdated Irrigation Infrastructure

Water management is critical for agricultural success, yet small-scale growers in Peru are still reliant on old and inefficient irrigation systems such as flood irrigation. Modern irrigation technologies such as drip irrigation, which are significantly more water-efficient, are largely inaccessible to these growers. The outdated infrastructure not only wastes water but also limits the ability to cultivate crops effectively, particularly in regions where water scarcity is a persistent issue.

Limited Access to Credit

Financial constraints are a general issue for small-scale growers, with only 3% having access to credit. The available credit often comes with excessive interest rates, exceeding 30%. These high costs make it nearly impossible for growers to invest in necessary improvements, such as purchasing better-quality fertilisers or upgrading their irrigation systems. Without affordable credit, small-scale growers remain trapped in a cycle of low productivity and limited economic growth.



3. TAE's Approach to Growers' Challenges

TAE's innovative approach addresses the numerous challenges small-scale growers face in Peru, providing comprehensive support across the following critical areas:

Technical Advice

Understanding the importance of informed farming practices, TAE delivers technical advice through multiple accessible channels. Farm visits, webinars, and the Excuale App ensure that growers receive up-to-date information tailored to their needs. Training sessions, technical information dissemination, videos, and visual aids like doodles and whiteboards further enrich this knowledge transfer, enabling farmers to implement best practices effectively. This multi-faceted approach ensures that technical guidance is not only available but also easily understandable and actionable.

Processing and Commercialisation

TAE has established and operates three packhouses strategically located in the highlands of Peru. They own packhouses in Patimbamba, Ayacucho, and Majes, Arequipa, and lease another in Limatambo, Cusco. These facilities offer small-scale growers convenient access to process their produce, gain insights into processing methods, and understand which avocados are suitable for export. This hands-on experience allows growers to verify processing outcomes firsthand.



Technical guidance by experienced agronomists is offered year-round to small-scale growers. The growers are also allowed to visit TAE's packhouse and learn about the processing of avocados.

Recently, WFL Team members, Alison Tagg (Senior Technical Manager) and Mark Everett (Business Unit Director), accompanied TAE to visit small-scale growers in Ayacucho and Cusco. During a Grower's Day event, Alison and Mark presented to the growers about the distribution of their fruit in the UK, highlighting the importance of due diligence, good farming practices, and traceability.



Alison Tagg and Mark Everett from WFL recently accompanied TAE on visits to small-scale growers in Ayacucho and Cusco.

TAE ensures growers receive equitable treatment and the best possible market prices by offering a fair and transparent processing and commercialisation service. Their alliance with a key importer like WFL further enhances this by providing access to premium markets.

Additionally, TAE actively communicates the stories of small growers to clients and consumers, fostering a deeper connection and appreciation for their work.

Access to Fertilizers and Pesticides

TAE addresses the issue of high-priced and poor-quality agricultural inputs by partnering with Agrayu, a proven supplier of fertilisers and pesticides. This alliance has successfully eliminated middlemen, reducing the prices of these essential inputs by at least 10%. By ensuring the availability of high-quality fertilisers and pesticides, TAE significantly improves the productivity and profitability of small-scale growers.

Efficient Irrigation Systems

Water management is crucial, especially for avocado growers in the highlands who face water challenges from September to November. In response, TAE has partnered with Netafim, an Israeli company renowned for its expertise in irrigation systems. Together, they have developed a tailor-made irrigation system specifically for small-scale avocado growers in the highlands of Peru. A trial plot in Patibamba, Ayacucho, showcases this innovative system, demonstrating its benefits to local farmers. Training events further enhance awareness and knowledge about efficient water use and sustainable crop production, ensuring that growers are well-equipped to implement and maintain these advanced systems.



The tailor-made irrigation system developed by Netafim for small-scale growers is showcased to them at the trial plot in Patibamba, Ayacucho.

Access to Credit

In a significant move to support financial stability and growth, TAE actively seeks access to credit for small-scale growers. By partnering with a strategic financial partner, TAE aims to provide working capital at an interest rate of less than 15%. This initiative would not only offer much-needed financial support but also help growers build a credit record and economic identity, paving the way for long-term economic stability and growth.



"After four years of continuous engagement with most growers, we find ourselves still navigating the path toward building trust." - Alejandro Fuentes (left)



Scan the QR code to watch the video showcasing the experiences of producers who trust in TAE's work and efforts to promote transparent and fair agriculture for all Peruvians.

4. Stories of Success

Along TAE's journey, there have been many success stories. The following two stories particularly exemplify the outstanding work accomplished by TAE:



Fundo El Silencio

-Capilla, highlands of Ica

Four years ago, TAE began working with farm manager Piero Cabezudo (see left photo) when he had his first 3 hectares of avocado trees. The initial plantation was based largely on what his neighbours had done, as Piero had limited knowledge of the crop. From the beginning, Piero was keenly interested in TAE's technical advice, processing, and commercialisation support.

Over these four years, with TAE's guidance, Piero has achieved remarkable progress. He has quintupled the size of his farm (15 Ha), invested in infrastructure to meet GlobalG.A.P. and GRASP certification standards (and soon SMETA), and installed a modern irrigation system. These efforts have significantly increased his productivity, allowing him to harvest approximately 18 tonnes per hectare.



Jhony Espinoza

-Patibamba, Ayacucho

Jhony (see left photo) and his wife manage a 1.5-hectare avocado farm. Their relationship with TAE began three years ago when Jhony visited TAE's packhouse to learn how the avocados were being processed. Impressed by the results, Jhony asked TAE's agronomist to visit his farm, aiming to achieve higher yields and reduce waste, recognising that his farming methods were largely empirical.

Since then, through Jhony's dedication and TAE's support, he has tripled the size of his farm and achieved an impressive yield of 20 tonnes per hectare for two consecutive years, earning him the Golden Avo award. Jhony has also improved the size distribution of his fruit and was selected by Netafim to pilot their irrigation system in the Torobamba Valley.

5. Future Plans for TAE

TAE is committed to expanding and enhancing its support for small-scale growers in Peru. The future plans focus on broadening services, improving access to essential agricultural inputs, and fostering financial and technological empowerment. The following outlines TAE's strategic initiatives:

Enhanced Technical Advice and Knowledge Sharing

TAE aims to broaden its technical advice and knowledge-sharing services by introducing new tools, including the Excuala App. This app will give growers easy access to valuable information and resources, helping them implement best practices and improve their farming techniques.

Access to Better Quality and Lower Cost Fertilizers and Pesticides

Through its alliance with Agrayu, TAE plans to provide growers access to higher-quality fertilisers and pesticides at lower costs. This partnership aims to eliminate middlemen and reduce input prices, ultimately increasing the profitability and productivity of small-scale farms.

Improved Irrigation Systems

TAE will continue to enhance water management for growers by expanding its partnership with Netafim. This alliance will provide access to state-of-the-art irrigation systems, tailored to the specific needs of small-scale avocado growers in the highlands of Peru. Effective irrigation solutions are crucial for overcoming water scarcity and optimising crop yields.

Access to Working Capital

Securing access to working capital at a reasonable interest rate remains a priority for TAE. They are actively seeking a willing Fintech or bank to finance growers at an interest rate of less than 15% per year, with TAE's endorsement. Providing affordable credit is essential for growers to invest in necessary improvements and scale their operations.

Non-Refundable Funds through Non-Profit Organisation

TAE plans to leverage its non-profit organisation to access non-refundable funds. These funds will accelerate the implementation of their initiatives, building on the progress made over the past four years. This financial support will enable TAE to expand its services and rapidly reach more growers.

Partnerships with Other Sectors

Continuing to form partnerships with other sectors, such as mining and construction, is another key strategy for TAE. By collaborating with these industries, TAE aims to support agricultural projects that benefit both the growers and their communities. These partnerships can provide additional resources and expertise, further enhancing the impact of TAE's initiatives.

6. Conclusion

Over the past few years, TAE has come to two major realisations:

Firstly, establishing trust with growers is a lengthy process, especially when working with individuals who have experienced betrayal or scams from other middlemen or agricultural export companies. Having a year-round agronomist available helps build and maintain strong relationships.

Secondly, effective water management is the most significant challenge impacting avocado productivity. Small-scale growers often lack the necessary capabilities and infrastructure to manage water efficiently, highlighting a critical area for support and improvement.

In conclusion, TAE's holistic approach addresses the multifaceted challenges faced by small-scale growers in Peru. By providing comprehensive technical advice, fair processing and commercialisation services, access to affordable and high-quality agricultural inputs, advanced irrigation systems, and financial support, TAE empowers these growers to achieve greater productivity, profitability, and sustainability. Through their efforts, TAE is not only transforming individual livelihoods but also contributing to the overall development and resilience of Peru's agricultural sector.



A Grower's Day featuring Alison Tagg, Senior Technical Manager at WFL, and Mark Everett, Business Unit Director at WFL. During their visit to TAE, they presented to the growers about where their fruit is distributed in the UK and emphasised the importance of due diligence, good farming practices, and traceability.

Sources:

All photos, unless otherwise indicated, were acquired from TAE.