



APAAM

PERU

Asociación de Productores Agroecológicos del Alto Marañón (APAAM) has been producing and selling plantain and plantain chips in Alto Marañón, Peru, since 2018. The association is composed of 148 smallholder families. In aggregate, the families manage 90 hectares of plantain, constituting an alternative for economic and social development. 100% are recognized as Indigenous peoples (Awajun), and 39% are women.

45 members live in the buffer zone of the Tuntanain Communal Reserve, protected by SERNANP, the National System of Natural Protected Areas in Peru. The Tuntanain Communal Reserve preserves a representative sample of the humid montane and premontane forests of the Tropical Yunga of Peru, where endemic and endangered species of flora and fauna have been used ancestrally, traditionally, and sustainably by native communities. In 2021, the native communities signed a conservation agreement, committing themselves to actions for the protection of the reserve and its wildlife. The SERNANP has recognized that Awajun knowledge and traditions are indispensable to properly conserving and protecting this ecosystem.

The Awajun are Peru's second-largest Indigenous group after the Ashaninka. The Awajun tribe, also known as the Aguaruna, is an indigenous group located in the northern Amazon rainforest of Peru, primarily in the regions along the Marañón and Utcubamba rivers. The Awajun population is estimated to be around 30,000 individuals. Traditionally, they have relied on subsistence farming, with staple crops including yucca, plantains, and bananas. Hunting and fishing also play crucial roles in their economy. Their lifestyle is deeply intertwined with the rainforest, which provides essential resources for food, shelter, and cultural practices. The Awajun have a rich cultural heritage characterized by communal living and a spiritual connection to the natural world.

IMPACT OVERVIEW

Description

Production and commercialization of plantain and plantain chips.

No. of beneficiaries	148 families
% Women	39%

COMMUNITY



Country: Peru

Municipalities:
Condorcanchi

Communities:
Awajun

However, the Awajun tribe faces significant challenges due to external pressures such as deforestation, oil extraction, and mining activities that impact their traditional lands. In recent years, these activities have threatened approximately 10% of their ancestral territory. The tribe has been actively involved in advocacy and legal efforts to protect their environment and land rights. They have negotiated with the Peruvian government and international organizations, aiming to secure their land and preserve their cultural heritage. Their struggle highlights the broader issues indigenous communities face in the Amazon, balancing the need for development with the imperative to protect their traditional ways of life and natural resources.

Plantain crops are cultivated in sandy loam along the Marañon River. It takes one year for a plantain tree to be productive, and it can produce plantains for up to three years. Generally, the river floods the crops, providing a natural fertilizer. Small farmers must remove weeds, move the soil, and plant new seeds. Phytosanitary controls are constant throughout the year.



APAAM's government structure consists of a president, a vice president, and five committees (accounting, administration, legal, commercial, and community relationships). The organization discusses current projects and financial performance quarterly. The associates vote to promote several initiatives, such as the plantain chip plant.

Through the Awajún traditions, such as typical dances (taught to the youth and children) and being bilingual (part of the curriculum of the Ministry of Education), they have integrated technology without excluding knowledge and ancestral and cultural experiences.

APAAM sells fresh plantains in local supermarkets in bulk. The organization sells 60,000 to 80,000 plantains every 20 days. APAAM started a project three years ago to add value to plantains and manufacture plantain chips. Young leaders lead this project in the community. Nugkui (which translates as “mother earth”), the plantain chips brand, uses discarded plantains unsuitable for sale as fresh produce due to aesthetic blemishes. Plantain chip production converts this wasted food, which would otherwise be left to rot, into an additional source of income and employment opportunities. Nugki dehydrates plantains and retails them in bulk through Paravos and Peruinka, two Peruvian food manufacturers promoting sustainable organic products. APAAM has attractive business prospects due to a natural and organic product market trend in Peru and abroad.

Nugkui has a productive infrastructure of 48 square meters. The processing plant has conditioned space for vehicles and cargo vehicles. APAAM has dehydration equipment, product weighing equipment, work tables for plantain slicing, vacuum packing equipment, and a storage area. The entire production line is powered by photovoltaic energy. Nugkui creates 11 jobs for the youth, nine in the production process, and two for the commercial strategy. The drying process is powered by clean technology, guaranteeing the safety of the product and its nutritional value.

APAAM requests a USD 30,000 term loan to upgrade Nugkui's plantain processing facility. The loan will finance new equipment and infrastructure to expand the plant's capacity, complying with sanitary and hygiene protocols. CODESPA, an international NGO present in 11 countries across Africa, Asia, and Latam that provides technical assistance to productive projects, supports APAAM on several fronts. CODESPA is helping the organization structure finance and accounting processes and the design, budgeting, and implementation of the plant's upgrade. Likewise, there are other initiatives that CODESPA supports, such as biofiber production based on plantain leaves and stems

to turn them into strands that are then spun by manual twisting. These become Awajun handicraft products that the ancestors made, which the new generations are responsible for safeguarding.

Impact Background and Delivery

APAAM sells from 60.000 to 80.000 plantain units every 20 days in the local markets. The organization pays, on average, USD 3,2 per “ciento,” which is the unit to denote 100 plantains. The market determines plantain prices. Generally, a farmer sells 50 “cientos” (or 5,000 plantains) every 20 days, generating an average income of USD 160 per delivery and roughly USD 2.880 yearly. In 2023, APAAM bought over 18.600 “cientos” and paid nearly USD 46.400 to small farmers. Only 75% was registered in the accounting system, as the remaining purchases were in cash.



Business informality is abundant in the region, and payment receipts are issued minimally. However, APAAM has registered some invoices for dried plantain sold to a formal company. As B2B is their target market, they plan to implement better accounting and finance practices to meet the requirements of formal companies. Beneficial Returns will keep track of this and establish quarterly reporting. CODESPA will be indispensable to achieve this.

All plantain purchases are made in the main river port of each Native Community. Then, the plantains are transferred in a heavy-load river boat to the main port of the Chapi Community to be conditioned in a vehicle. River transportation is necessary as many production communities don't have road access. The plantains are counted and sorted to determine the payments to each farmer. The plantains are shipped to Chiclayo to sell in local markets in bulk.

APAAM, through its entrepreneurship Nugkui, sells dried plantain chips in three presentations (500 gr, 1 kg, and bulk). Nugkui tackles the lack of opportunities and high unemployment among young people in the province. 11 young people are involved in production, and two commercial promoters for business management. Employees earn around USD 134 monthly. Nugkui's plant can process up to 2.000 kg monthly. Beneficial Returns loan will double its processing capacity (i.e., around 5.000 kg). Nugkui has the sanitary registration and collective mark that guarantee the traceability of the product.

The organization has secured commercial agreements with two domestic supermarket chains to commercialize plantain chips: Peruinka and Paravos. Plantain chip shipments are paid 15 days after delivery. Fresh plantains are sold to Multiservicios Vega, a distributor, and several regional intermediaries, who pay in cash at the moment of delivery. APAAM sold nearly 2.500 kg of dried plantain in 2023 to its two clients, which represented a revenue of USD 2.880. Fresh plantains have an average revenue per kilo of USD 0,16 compared to dried plantain, which is USD 1,15, almost 7x in value.



We spoke with Peruinka and Paravos, who said APAAM has an excellent quality product and has never experienced any setbacks. Both companies expressed interest in purchasing higher volumes when the plant’s capacity is improved. As mentioned, this proposed loan will allow them to respond to the demand for plantain chips and look for more clients. APAAM has identified that plantain chips (or dried plantain) are valuable for the food manufacturing industry. The potential clients the organization has approached confirm their minimum order volume ranges from 5.000 kg to 10.000 kg.

Outcome

Improvement of livelihood

- Income opportunities for the youth and promoting entrepreneurship.
- Income generation for smallholder families with secure markets for fresh plantains and plantain chips.

Cultural preservation

- Promote typical dresses, dance, handicrafts and pottery.
- The farmers live in scattered communities near the rivers for fishing and hunting, activities that are promoted and supported by the organization.

Environmental preservation

- Plantains are native to the Amazon Forest ecosystem and APAAM, through sustainable practices, helps to conserve and protect ecosystem services.
- The forest that has been cut down for agriculture must be reforested with native species or seed trees used for handicrafts.