



CEPRO Yanesha is a social enterprise created to improve the conditions of the Yanesha Indigenous community of coffee producers in the Peruvian rainforest of Villa Rica, Pasco.

The company started operations in 2011, focusing on giving fair prices and work-conditions to the Yanesha people, as well as assistance to improve the production and quality of their coffee. Since then, they have obtained three different organic certifications and one certification for Fair Trade commerce.

Impact Background

In Perú, Indigenous people are among the most vulnerable and poor. Forced by their living conditions, a big part of them abandon their lands to go to the capital city looking for job opportunities -despite the bad conditions they also face in the city. Companies like CEPRO Yanesha create well paid jobs in rural areas, so people can live with dignity in all parts of the country, improving tremendously the dynamic of the country.

Impact Delivery

IMPACT OVERVIEW	
Description	
Coffee produced by indigenous communities in Peru	
No. of beneficiaries	112
% Women	32
COMMUNITY	
	Country
	Peru
	Departments
Pasco	
Communities	
Yanesha	

CEPRO Yanasha aims to improve the living conditions of the rainforest people of the Yanasha communities in Peru, by producing a high-quality coffee sold to the international market at a price that allows the company to give a fair price and fair conditions to its producers.

Outcome

<i>Improvement of livelihood</i>	<ul style="list-style-type: none">▪ Fair work conditions and technical assistance to indigenous coffee growers in the Peruvian rainforest▪ Fair prices▪ Reliable income all year long
<i>Environmental preservation</i>	<ul style="list-style-type: none">▪ Coffee production under the terms allowed by the organic certification protects the rainforest area where CEPRO Yanasha works from being deforested or exploited

LOAN OVERVIEW

Loan amount	USD 75,000
Tenor and structure	3-year term loan
Interest rate	8% p.a.

Financial overview

2021 Revenue	USD 2,339k
Outstanding loans as of Dec 2021	USD 207k
Net assets as of Dec 2021	USD 228k

Company information

Legal name	Cooperativa Cafetalera Yanasha	Agraria CEPRO
Incorporation date	November 2011	
Corporate address	Oxapampa, Peru	
Nature of operations	Export of organic coffee	



Transaction Overview

CEPRO Yanasha is seeking \$75,000 to fund the construction of its own green coffee processing facility. This will not only save the cooperative costs, as they move up the value chain, but it will also improve the overall quality of their export products. The total project cost of the plant is \$315,000. 70% of the project cost will be shouldered by the government of Peru’s program, Agroideas.

The Reciprocity Fund has funded similar projects supported by Agroideas, such as Simbiosis. Agroideas has successfully funded its share of the Simbiosis project as of writing.

Financial Overview

CEPRO Yanasha’s consistent growth with increasingly healthy margins makes it a good candidate for The Reciprocity Fund. Their history of repaying other financial obligations as well as Rabo Bank’s growing confidence through its increased credit lines gives assurance that CEPRO Yanasha is poised to take on the next frontier for its growth.

in USDk	2019	2020	2021
Cash	1	67	175
Receivables	6	50	224
Inventory	11	98	0
Other current assets	116	72	389
Current assets	134	285	789
Current liabilities	187	260	669
Working Capital	(53)	26	120
Total assets	212	368	897
Total liabilities	187	260	669
Total equity	26	108	228
Debt-to-Equity (D/E)	7.28x	2.41x	2.94x
Current Ratio	0.72x	1.10x	1.18x

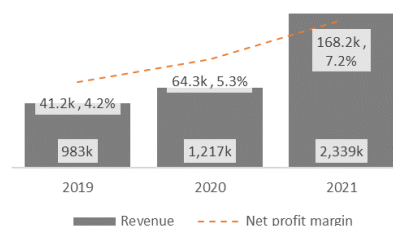


Figure 1 CEPRO Yanasha Financial Performance and Standing

In the last two years, CEPRO Yanasha’s sales grew by an average of 58% annually. Two major customers drive this growth, EFICO NV and InterAmerican Coffee GmbH, each contributing 57% and 37% of sales. While there may be customer concentration risk, these customers have been CEPRO Yanasha’s partners since 2012. They were able to grow revenues while managing operating costs such that net profit margin improved from 4% in 2019 to 7% in 2021.

Together with its improvement on Net Income, CEPRO Yanasha has been improving its financial position. Their working capital improved from a negative position in 2019 to a positive and comfortable level in 2021. CEPRO Yanasha has about \$200,000 outstanding loans from its Rabo Bank credit line. As of writing, CEPRO Yanasha has paid down this balance and is currently processing renewal of the credit line. Even without the improvements due to the new coffee facility, CEPRO Yanasha can comfortably service its debt. 2021 EBITDA is 3.31x debt servicing expenses including the loan from The Reciprocity Fund.