



“COOPERATIVA AGRARIA DEL VRAEM” (COA) is a cacao cooperative that works with 131 families in the Ene River district in the Junin Region, Peru. The Ene River is a headwater of the Amazon River. The organization was established in 2021, incorporating 15 small farmers. Over 40% of the smallholder families belong to the Ashaninka indigenous peoples, with 31% being women. COA produces and commercializes organic and conventional cacao in the local and international markets.

The Ashaninka represents the largest indigenous Amazonian community in Peru. Their identity is closely related to the territory and its defense. Similarly, the connection with nature and the beings inhabiting it is vital since they recognize that everything around them has life. The Ashaninka also acknowledge the importance of promoting the revaluation of their culture, mainly to transmit traditional knowledge and wisdom, such as language or the use of plants, to new generations. Their principal economic activities are handcrafting, fishing, and agriculture. The Ashaninka’s main crops include cassava, cacao, plantain, maize, and fruits. These activities are for self-sustainability and commercial purposes.

COA secures the market through its commercial agreements with local and international clients. The organization signs contracts to regulate the cacao price and obtain a fair price for small farmers.

COA provides technical assistance to small farmers through workshops, fertilization plans, biofertilizer production, and on-site visits to improve cacao quality and assess productivity. For instance, the fertilization plans have increased yields from 1,200 kg per hectare annually to 2,000 kg. The fertilization plans are carried out through cooperative committees. Nearly 70% of the cacao produced is organic. COA’s technical assistance guides producers from conventional to organic cacao production. The organization expects to produce 100% organic cacao by 2026.

## IMPACT OVERVIEW

Production and commercialization of organic and conventional cacao.

No. of beneficiaries	131 families
% Women	31

## COMMUNITY

	<b>Country:</b> Peru
	<b>Municipalities:</b> Pangoa and Mazari, Junin
	<b>Communities:</b> Ashaninka

Besides technical assistance, the organization also offers transportation services to collect the product at the farm gate. COA also incentivizes small farmers by providing personal protection equipment, school kits, first aid kits, and Christmas baskets. In terms of culture preservation, COA coordinates and develops fellowship and sports events in the community.



COA has a governance structure comprised of administration and management, exporting, accounting, community projects, technical assistance, and logistics. The organization gathers every two months to discuss administrative and commercial matters and design and implement community projects, which are decided democratically.

COA has received support from DEVIDA and the regional government of Junin. DEVIDA has supported formalizing technical assistance services. The organization is implementing a project with Junin’s regional government to install cacao dryers at each farm and standardize quality.

The organization manages 557 hectares. Each producer owns 4,2 hectares, and each hectare yields from 900 to 1,200 kg of cacao. On average, a cacao farmer produces 4,400 kg. COA pays USD 6,17 per kilo, representing a potential yearly income of up to USD 27,148 before crop costs and expenses. The price is determined at market price, and COA pays in cash, depending on the volume delivered by each farmer.

Due to scarce working capital, the organization cannot purchase higher volumes from small cacao producers. In 2023, the organization purchased nearly 270 tons of cacao and paid over USD 679,000 to small farmers. On average, each producer earned USD 5,184 for the 2023 harvest. The remaining yield is sold to intermediaries at a price nearly 10% less than what COA offers.

Still, COA has experienced difficulties paying the total cash value this year because of the increase in the cacao market price. To mitigate this situation, COA offers small farmers the opportunity to deliver the cacao and wait two to three weeks to receive the rest of the money in exchange for a premium of USD 0,27 per kilogram.

COA has one international client, ICAM, an Italian premium chocolate brand that has existed since the 80s. COA has several organic certifications for the export business, such as USDA, Biosuisse, Canada, and the EU. To serve the local market, it has a Peruvian organic certificate. In 2023, the organization exported 25 tons of organic cacao and 150 tons of conventional cacao to Italy, adding up to 8 containers sold to ICAM. In 2024, COA expects to export 22 containers, four to France and the remaining to Italy, representing 550 tons (almost 55% organic). It takes around two weeks for a container to arrive from the port.

We spoke with ICAM, which said it has been working with COA since 2021. It has been fulfilling its contracts on the dates it scheduled its shipments. This year, ICAM signed a contract for 100 tons of conventional cacao. COA requires working capital to fulfill this contract’s orders. ICAM also extended a purchase intention letter in January for three containers for 2024 (75 tons) shipped in May, August, and November and four containers for 2025 (100 tons) shipped in May, July, September, and November. All containers must be fairtrade organic cacao.



The letter also mentions ICAM's intention to purchase more cacao after the next two years.

**Outcome**

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<i>Improvement of livelihood</i>	<ul style="list-style-type: none"><li>• Secures small farmers' income through annual supply contracts and fair prices with local and international clients.</li></ul>
<i>Culture preservation</i>	<ul style="list-style-type: none"><li>• The cooperative carries out the contests of "mazatos" (a cassava-based beverage), dances and ancestral games with the Ashaninka's brothers and sisters to promote their culture.</li></ul>
<i>Environmental preservation</i>	<ul style="list-style-type: none"><li>• Amazon rainforest conservation.</li></ul>

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