

## Shanantina



### Executive summary

Shanantina has been adding value to Sacha Inchi, a superfood native to the Peruvian Amazon region for 17 years and exporting to ten countries all around the world. The company purchases Sacha Inchi nuts from over 130 small farmers and indirectly benefits nearly 600 people, as whole families are involved in the production, collection and processing of the nuts. 100% of producers belong to the Quechua and Kichwa indigenous peoples who manage around 140 hectares.

Shanantina empowers women by providing job opportunities in the plant. The company employs 12 permanent people of which 80% are women and 100% are indigenous. Shanantina cares about their employees by providing constant training to operate the different machines they use to manufacture Sacha Inchi-based products. The result: employees have been working for the company for over 10 years. Shanantina also creates around 20 temporary jobs during the peak harvest season.

The Sacha Inchi, or “peanut of the Incas,” originates from the Andes in Peru. This perennial plant produces a star-shaped fruit rich in vegetable oil. Many cooperatives and associations have been created to preserve a production system in harmony with nature. They allow a fair trade that respects the dignity of the producers and protects the planet. Although its raw seeds and leaves contain toxins, these components are safe for consumption after roasting and processing.

Shanantina has requested a USD 54.000 loan to purchase an optical sorting machine that will improve nut selection, a process that is currently done manually. The equipment will boost productivity from 500kg daily to 3.000kg, allowing Shanantina to fulfill purchase orders faster.

**Impact background and delivery**

Shanantina works with over 130 small farmers, all recognized as Indigenous. In 2023, Shanantina purchased over 48.000 kilos, around USD 1.150 per farmer. For 1 liter of oil, Shanantina requires 3,8 to 4 kilos of nuts, and as a by-product, around 900gr of flour are produced. Small farmers supply Sacha Inchi nuts to Shanantina for processing and manage a warehouse where nuts are peeled and stored.



The company pays in cash upon delivery and sometimes one week after delivery if the volume exceeds 300 kilos. However, this rarely happens as the average nut production per farmer is 100 kilos.

The Quechua are native American indigenous peoples in the Andes Mountains and the Amazon. Such ethnic groups are found in Peru, Bolivia, Ecuador, Argentina, Chile, and Colombia. In Peru, around 23% of its population has indigenous roots. The Quechua are recognized for their textile handicrafts, medicinal plant knowledge, and agriculture, which is the basis of their subsistence (Sacha Inchi, quinoa, and potatoes, among others).

On the other hand, the Kichwa are native to the Peruvian and Ecuadorian Amazon regions and are descendants of the Quechua. The Kichwa’s economy and migration patterns were marked by rubber production. Their socioeconomic system is based on patriarchy, where the leader of a community is always a male, and gender defines the economic role of the individual. For instance, women are dedicated to handicrafts and stay home while men work the land or go hunting. Kichwa’s main economic activity is agriculture, including beans, cassava, plantains, coffee, and tobacco.



Shanantina provides technical assistance to small farmers for crop improvement and climate adaptation through workshops and constant monitoring. The company presented a project to Conservation International in 2022, which granted USD 318.000 to purchase equipment, a tractor, and a warehouse. The equipment was for seed peeling, allowing small farmers to add value to a fresh product, and the tractor was required to boost productivity as crop maintenance (cutting weeds) became more manageable and cheaper. Shanantina recognizes this processing step in pricing. The objective of this project was to certify and establish traceability to the initial steps of nut procurement.

As part of Shanantina’s commitment to sustainability, the company has planted seedlings of timber and non-timber species to conserve 62 ha of forest and restore an additional 23 ha in territories overseen by the indigenous communities the company works with. Small farmers helped in the planting process and are currently in charge of protecting the new plantations.

**Outcome**

<i>Improvement of livelihood</i>	<ul style="list-style-type: none"> <li>• Small farmers have a sustainable source of income by selling Sacha Inchi nuts.</li> <li>• Shanantina provides technical assistance for crop maintenance, which translates in higher qualities and secured production volumes.</li> <li>• Sacha Inchi provides a monthly income as it is harvest and sold every 15 to 20 days.</li> </ul>
<i>Cultural preservation</i>	<ul style="list-style-type: none"> <li>• Shanantina helps indigenous communities to preserve an ancestral crop through a sustainable and organic production.</li> </ul>
<i>Environmental preservation</i>	<ul style="list-style-type: none"> <li>• Shanantina allocates part of its profits for conservation and reforestation processes.</li> <li>• Shanantina promotes organic production among the Indigenous farmers it works with.</li> </ul>

## Industry Overview

The European food market presents an opportunity to develop the Sacha Inchi chain. However, one impediment to companies taking advantage of this potential has been the Novel Food regulations, which limit access to food and food ingredients for human consumption that were used before 1997 in the continent. Promperu is working to demonstrate the safety and benefits of Sacha Inchi oil to change this situation, and this has opened new opportunities to export to France, Spain, and Italy.

Today, over 1.500 small producers and collectors have formed nearly 40 organizations to cultivate and collect Sacha Inchi throughout the year in San Martín, where Shanantina operates. Sacha Inchi is cultivated in agroforestry systems, maintaining diverse agriculture based on traditional crops such as cotton, corn, beans, plantain, and cassava.

Among Sacha Inchi's outputs, oil is the most desired good in international markets (60%), followed by flour (8%) and snacks (7%).

The national and international markets are increasingly interested in this product. Its nutritional values and the technology used for its extraction generate a high-quality oil for food and health goods. Its properties also make it an excellent input for the cosmetic industry.

The development of Sacha Inchi's value chain is still emerging. Today, the Sacha Inchi business in San Martín is getting stronger. It provides a viable and sustainable way of living for farmers and collectors in the region due to the crop's profitability and margins compared to other food products.

In 2020, Peruvian exports of Sacha Inchi oil represented USD 3,3M, an increase of over 50% compared to the previous year. Taiwan was the leading destination country for Sacha exports (conventional and organic oil), accounting for nearly 52% of total exports, and Shanantina accounted for one-fourth of these exports. In 2023, exports surpassed USD 5M, and Shanantina expects to be a leading player in the upcoming years.

Sacha Inchi has proven to be a productive chain that promotes development, generates employment for men and women, protects biodiversity, and promotes a healthy lifestyle.