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UNIDOS DE AMÉRICA



Instrumentos para un crecimiento libre de deforestación en el cacao peruano: la propuesta de la Alianza Cacao Perú

22° Convención Nacional de Café y Cacao
Oportunidades en entornos de crisis

Hotel José Antonio,
Mayo 30, 2019

The Peru Cocoa Alliance (PCA)



- Is a public – private partnership supported by **USAID**.
- Its purpose is to increase economic opportunities for small producers who have abandoned illegal coca planting through the strengthening of the cocoa value chain in the regions of San Martín, Huánuco and Ucayali.
- The Peru Cocoa Alliance is implemented by **The Palladium Group**.

La agricultura, la deforestación y la emisión de Gases Efecto Invernadero



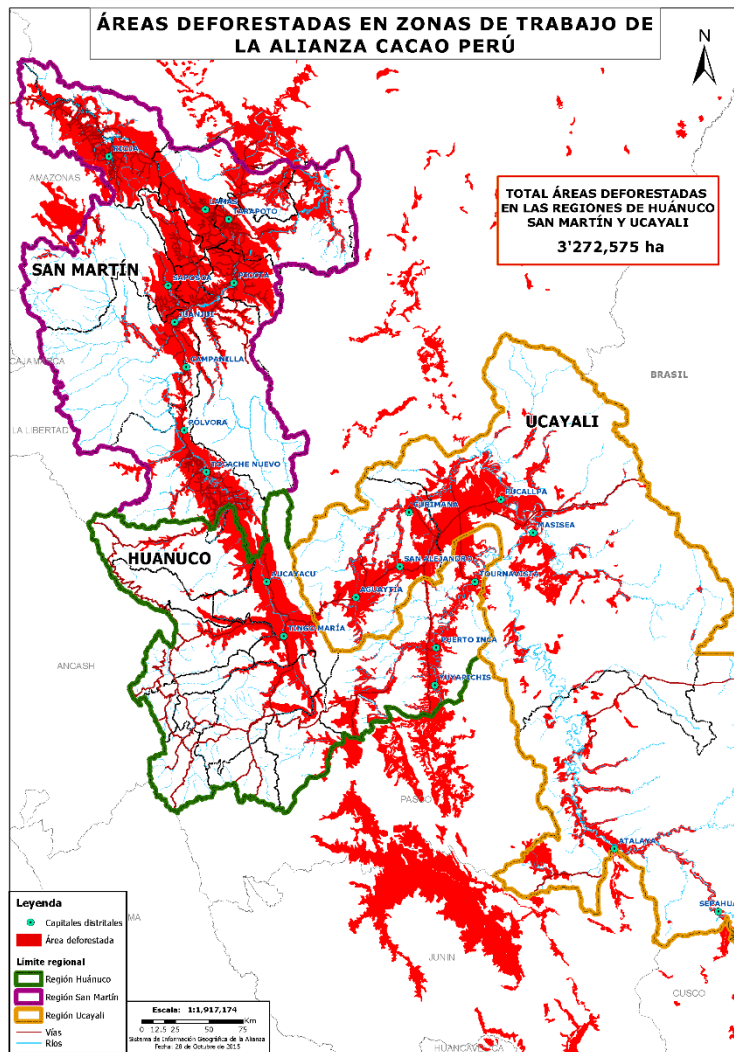
- Según FAO, la agricultura y la deforestación son responsables por al menos el 25% de las emisiones de los Gases de Efecto Invernadero (GEI) en el mundo.
- Tenemos que cambiar el modelo productivo de la agricultura en la Amazonía hacia agricultura sin deforestación y carbono-positiva.

The problem and the challenge

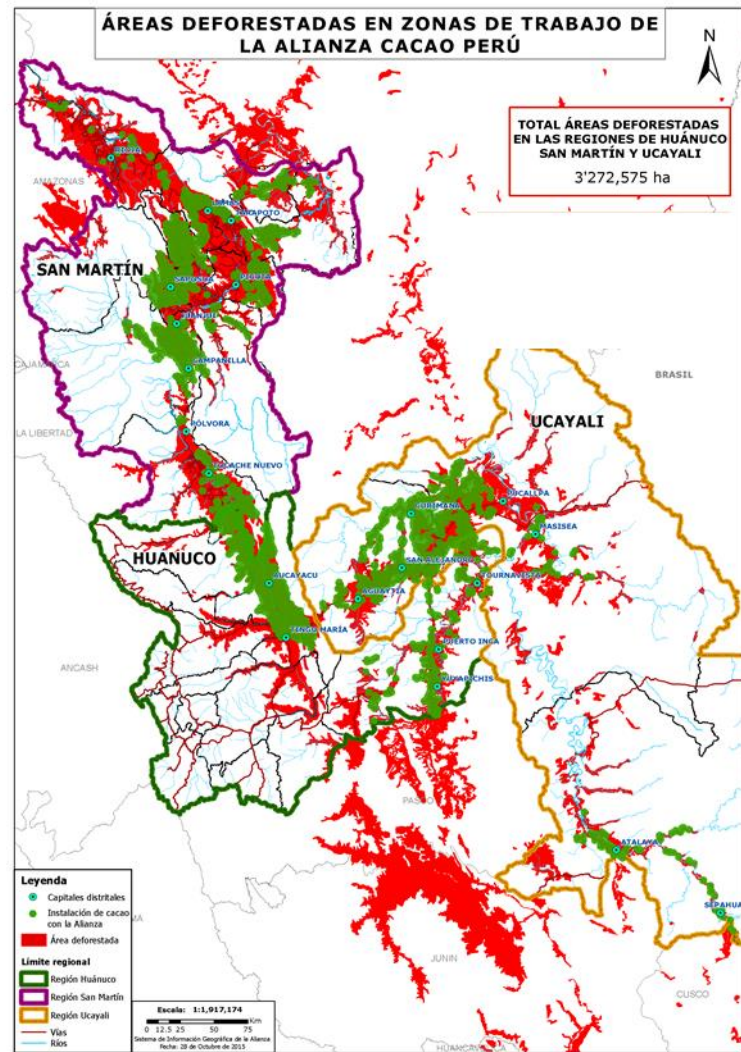


- 3,2 million hectares deforested and degraded in San Martín, Huánuco and Ucayali regions.
- At least 180,000 small producers live there.
- They need a business model to overcome poverty and simultaneously restore landscape...

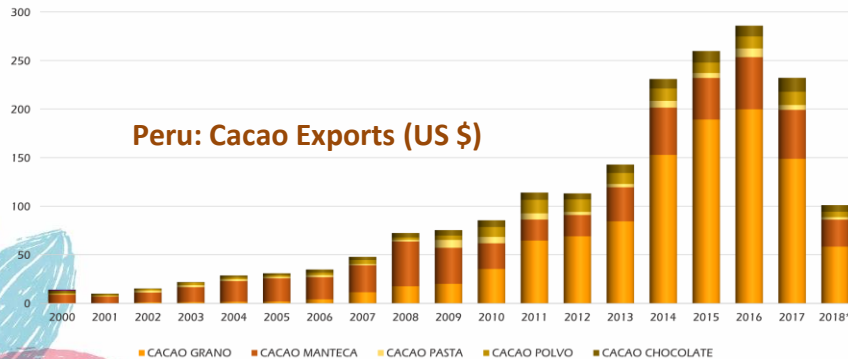
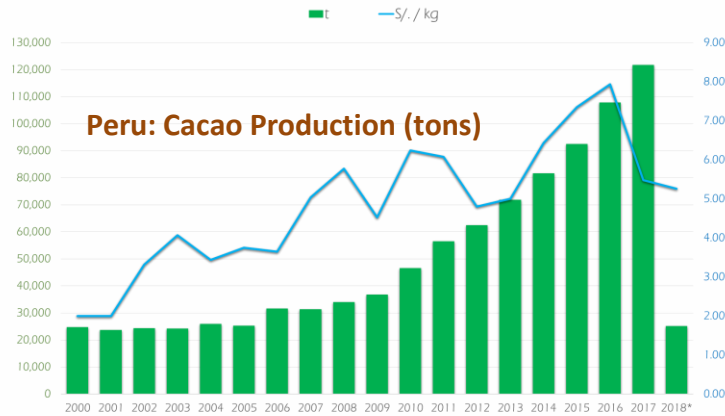
ÁREAS DEFORESTADAS EN ZONAS DE TRABAJO DE LA ALIANZA CACAO PERÚ



ÁREAS DEFORESTADAS EN ZONAS DE TRABAJO DE LA ALIANZA CACAO PERÚ



Peru: Some Cocoa Statistics



- Production (2000) : 20,000 tons
- Production (2017) : 120,000 tons
- Exports (2000) : US \$ 13 MM
- Exports (2017) : US \$ 250 MM
- Cacao farmers: 90,000 families
- Cacao hectáreas: 160,000 ha
- Average: 2 ha/farmer
- Average Yield: 700 k/ha
- 2.5% of world cacao production
- Still 40% of the peruvian cocoa farmers are poor.

PCA Agroforestry System Business Model's Five Principles

- **Market concept:** “market niche” = differentiation by cocoa unique flavors, “market driven” = direct contact with chocolate makers.
- **Biodiversity as competitive advantage:** 7 varietal species of fine flavor cocoa in PCA model.
- **High yields model:** combine “sexual intercompatibility” among varietal species of fine flavor cocoa to reach high yields.
- **“Climate change resilient model”:** restoring the landscape incorporating timber species as a source of long term income and CO2 sequestration.
- **Small farmer associativity and private partnership:** to reduce transactions costs and to take advantage from the “private know how”.

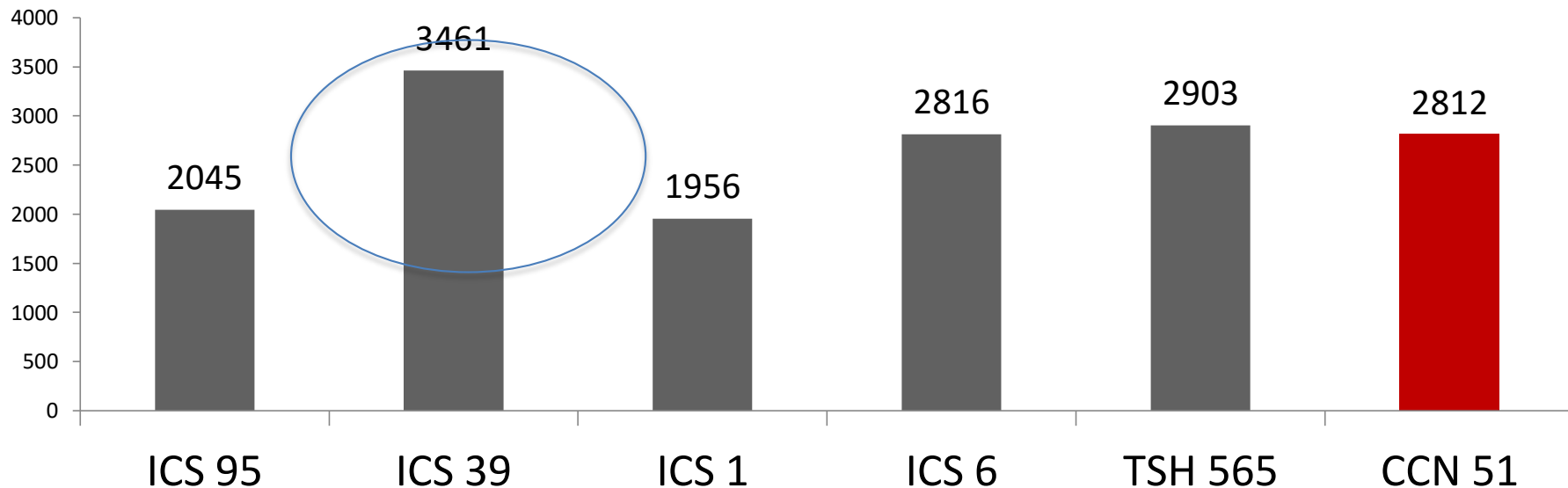
Trinitario hybrid cocoa selected by the Peru Cocoa Alliance for its arrangements.



The Alliance has selected seven trinitario clones that comply with the fine flavor characteristics:

1. ICS1
2. ICS6
3. ICS39
4. ICS95
5. TSH565
6. UF 667
7. IMC 67

Fine Flavor Cocoa Yield Potential (kg/ha, dry bean)



Source: García Carrión (2012), "Catálogo de Cultivares de Cacao del Perú," published by MINAGRI and DEVIDA.

Peru Cacao Alliance I Achievements

Región	Cacao Instalado (ha)	N° productores con cacao instalado	Cacao injertado con cacao fino de aroma (ha)	Cacao en sistemas agro-forestales (ha)	Cacao fino de aroma georreferenciado (ha)
HUANUCO	9,200	5,498	8,075	5,297	7,758
SAN MARTIN	9,928	6,647	9,034	7,674	9,001
UCAYALI	11,287	6,291	8,079	4,763	7,690
Total	30,392	18,436	25,187	17,733	24,450
Fuente: Sistema de Monitoreo y Evaluación					
Datos actualizados Abril 2017					

The Alliance's Agroforestry System

Ejemplo de diseño de una parcela de cacao bajo sistema agroforestal:

DISEÑO Y DISTRIBUCIÓN DE ESPECIES SAF PARA ZONAS CON TERRENOS PLANOS



Sistema de siembra: Tres Bolillos

—	Línea base	
	Madera	Distancia de 4 m entre plantas y 24.5 m entre surcos sencillos (Bolaina ó Capirona).
	Cacao	Surcos sencillos en bloque de 4 surcos, a 3 m entre surcos y 3 m entre plantas.
	Plátano	Surcos sencillos a 3 m entre surcos y 3.5 m entre plantas.

Diseño en bloques / ha:		4.2
Distancia entre bloques:		24.5
DESCRIPCIÓN	Nº de Plantas/Bloque	Nº de Plantas/4 Bloques
Cacao	264	1056
Plátano	198	917
Maderable	196	909
Plantas/ha	2,882	

Nº Plantas	1040	260	260	260	128	132
%	100%	25%	25%	25%	12%	13%

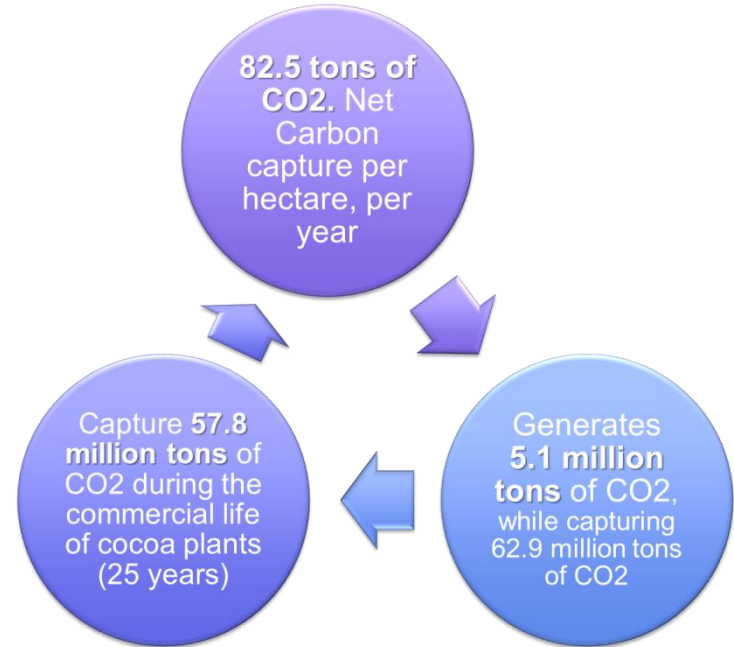
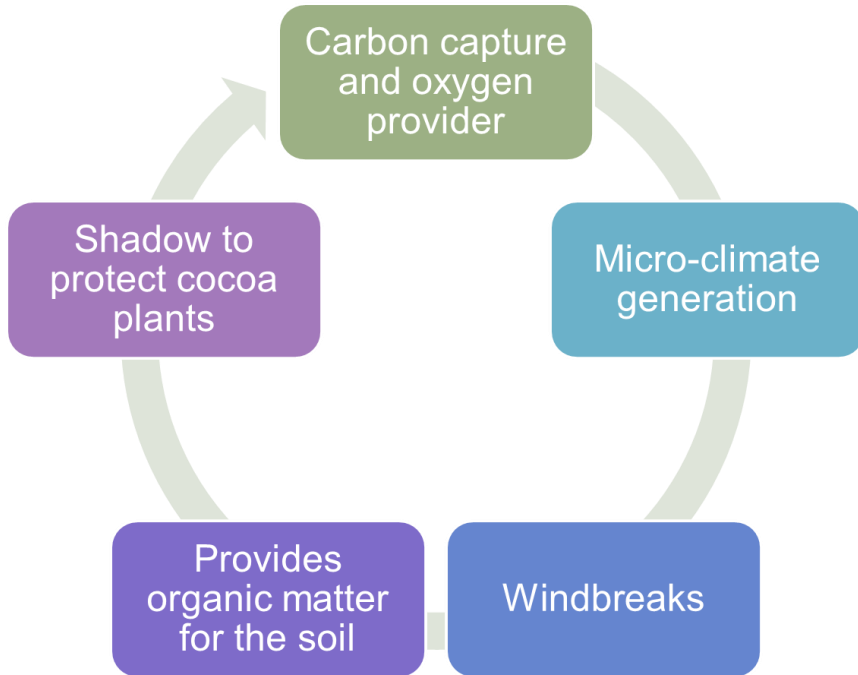
recuerda que

De acuerdo a las características de tu terreno, el técnico de tu zona te recomendará cuál de los diseños es el que más te conviene.



Rol and Impact of the forestry species

Carbon emission and carbon capture of 28,000 hectares of fine flavor cocoa under agroforestry systems



Forestry species are key elements within the cocoa agroforestry systems



ALIANZA
CACAO
PERÚ

Fino de Aroma:
altamente rentable,
inclusivo y
sostenible

Man speaking, wearing a white vest with 'CACAO PERU' logo.

Man in orange shirt and blue cap taking a photo.

Man in red shirt standing in the background.

Table with cacao beans and pods, labeled with 'IMC-51', 'ICS-95', and 'ICS-39'. There are also stacks of brochures on the table.







ICS 95

Nom bre commun : Balain
Nom bre scientifique : Couratoua crinita









Radiography of the small cocoa farmer in Peru



- Current yields: 600 - 700 k / ha
- Potential: 2500 to 3000 k / ha
- Only 2 out of 10 manure and fertilize.
- Only 4 of 10 prune
- Only 1 of 400 have irrigation systems
- Only 2 out of 10 receive credit
- Only 2 out of 10 receive technical assistance
- Only 2 out of 10 belong to any farmer or entrepreneurial organization.

The Peru Cocoa Alliance: 2016 -2021

- **Objective:**
30% increase in the family income of 20,000 households in San Martín, Huánuco and Ucayali.
- **How? : generating more value from the plot ... through:**
 - I. Increase Productivity
 - II. Increase quality (post harvest)
 - III. Access high-value differentiated markets
 - IV. Facilitate access to financing and promote private investment



Areas of intervention of the Peru Cocoa Alliance: 54% of the total peruvian cocoa production



PCA Private Partners: Building a “Colaborative Business Model” for the Peru Cacao and Chocolate Value Chain

Mercado	Agregadores	Tecnología	Financiamiento
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Knowledge grows



Cooperativa Agraria Central de Cacao Aroma de Tocache LTDA



A JAIN IRRIGATION COMPANY



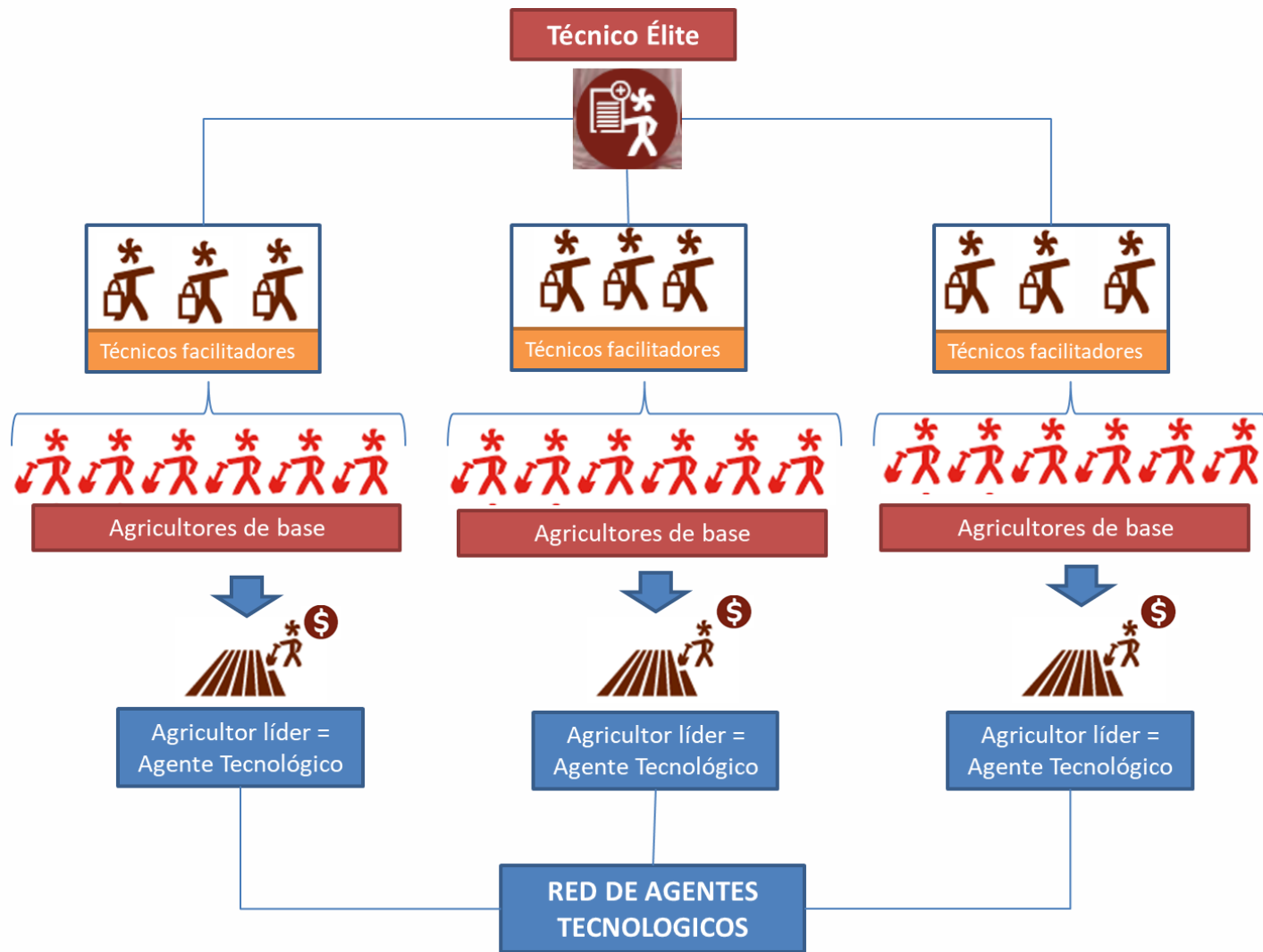
1st Session of the Private Sector Partnership Committee of the Perú Cocoa Alliance II

**17 private
companies
present, ROMEX
Auditorium,
Lima, December
15, 2016**



In the forefront José San Martín, Chairman of the ACP Private Sector Partners Committee

How to Inject Technology to Cocoa Agriculture?: “The Technological Agents Model”



Farmers

TECHNOLOGICAL
AGENTS

PRIVATE PARTNERS



Agente Tecnológico



NAANDANJAIN
A JAIN IRRIGATION COMPANY



Agente Tecnológico



mallki



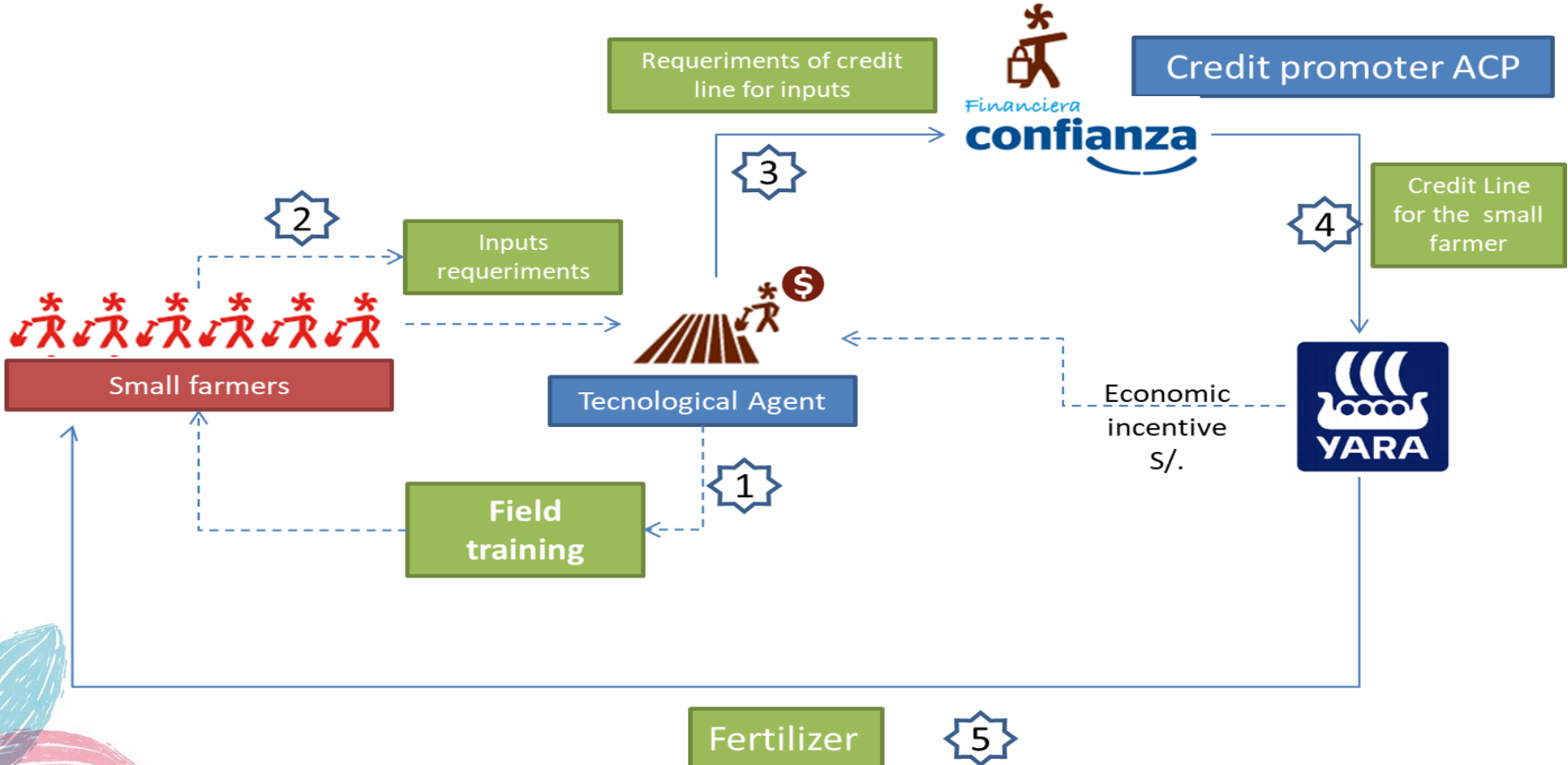
Agente Tecnológico



La Positiva
Seguros



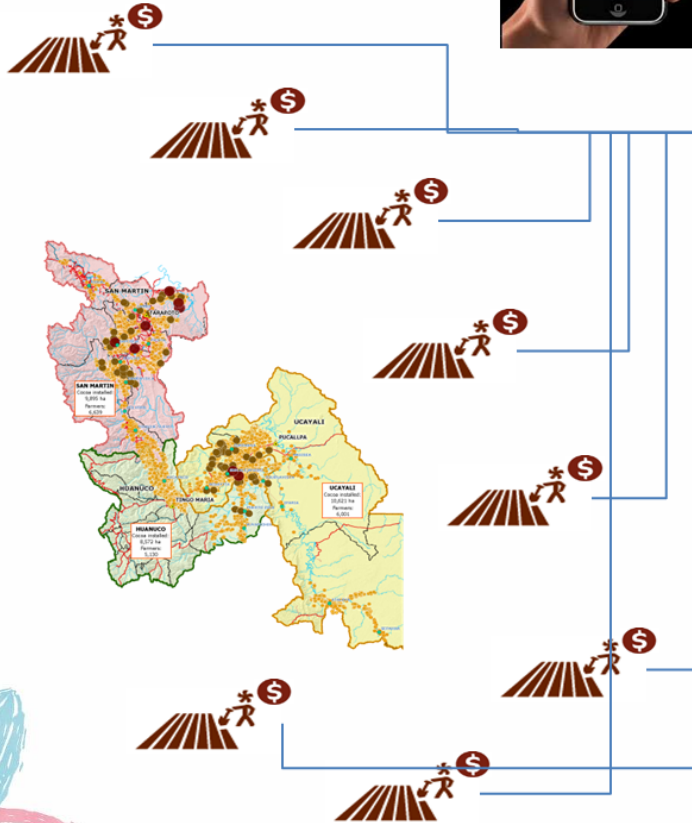
How is the Flow of Incentives Between the Technological Agents and the Private Sector for Sustainability?



Virtual Network of Technological Agents



- Make inquiries online
- Place orders
- Online payments
- Electronic Wallet



VIRTUAL NETWORK OF TECHNOLOGY AGENTS - CACAO ONLINE - M & E ACP II

Red de Telecentros de CEDRO



Marten Pinedo: Technological Agent, San Martín Region




Marten Pinedo Warehouse, San Martín Region




Marten Pinedo: 26 clients, Oct. '17; 110 clients, July '18




 Asunto: **INGRESO DE PRODUCTOS YARA**
 Fecha: **costos.**

MES 2017	PRODUCTOS	Costos
ABRIL	Integrada U. Haber	3,240. =
MAYO	Integrada U. Haber	2,160. =
JUNIO	Integrada N. Haber	1,255. =
	Integrada U. Haber	1,600. =
10	Integrada U. Haber	3,980. =
	Integrada U. Haber	1,788. =
Agosto	Integrada N. Haber	1,734. =
	Integrada U. Haber	2,550. =
	S/	17,287

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 Asunto: **SALIDA DE PRODUCTOS**
 Fecha:

Nombre Productor	Secky	Ha.	Costo S/.
1. Lino Montalvan	Sang.	0.5	310. =
2. Elias Salcedo C.	Longo	0.5	360. =
3. Victoriano Maldon	Sang.	2.0	140. =
4. Emigdio Alegria	Dobell	1.0	140. =
5. Humberto Pinedo	Sang.	2.0	930. =
6. Milton Flores	Sang.	1.0	620. =
7. Kella Pinedo	Sang.	1.0	620. =
8. Marten Pinedo	Sang.	0.5	380. =
9. Humberto Sang.	Dobell	1.5	1,080. =
10. Tomas Lavina	Sang.	1.0	620. =
11. Dany Irene	Sang.	1.5	740. =
12. Tomas Santiago	Sang.	1.0	480. =
13. Santos Dagnia	Sang.	1.0	480. =
14. Samuel Salas	Sang.	0.5	310. =
15. Eduardo Soto	Sang.	0.5	310. =
16. Armin Jajal	Sang.	0.5	310. =
17. Viviano Sang.	Sang.	0.5	380. =
18. Oly Colloso	Sang.	1.5	310. =
19. Soliman Delgado	Sang.	1.0	930. =
20. Ramonito Tapoli	Sang.	3.0	620. =
21. Pava Reynan	Sang.	0.5	2180. =
22. Eclimar Delgado	Sang.	2.0	190. =
23. Adriel Garcia	Sang.	2.0	1240. =
24. Andres Paredon	Sang.	2.0	1240. =
25. Nax Davin (Duro)	Sang.	1.0	1216. =
26. Oly fernandez	Sang.	1.0	480. =
		315	16,826. =

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Marten Pinedo in a training day in the field with his clients



Marten Pinedo in a training day in the field with his clients



Rosel Acosta, Technological Agent from Tocache, San Martín



Graduation of Technological Agents in Tocache, San Martín



Graduation of Technological Agents in Tingo María, Huánuco



Graduation of Technological Agents, Barranquita, San Martín



Training Day in the Field (Día de Campo), San Alejandro-Ucayali, led by a Technological Agent

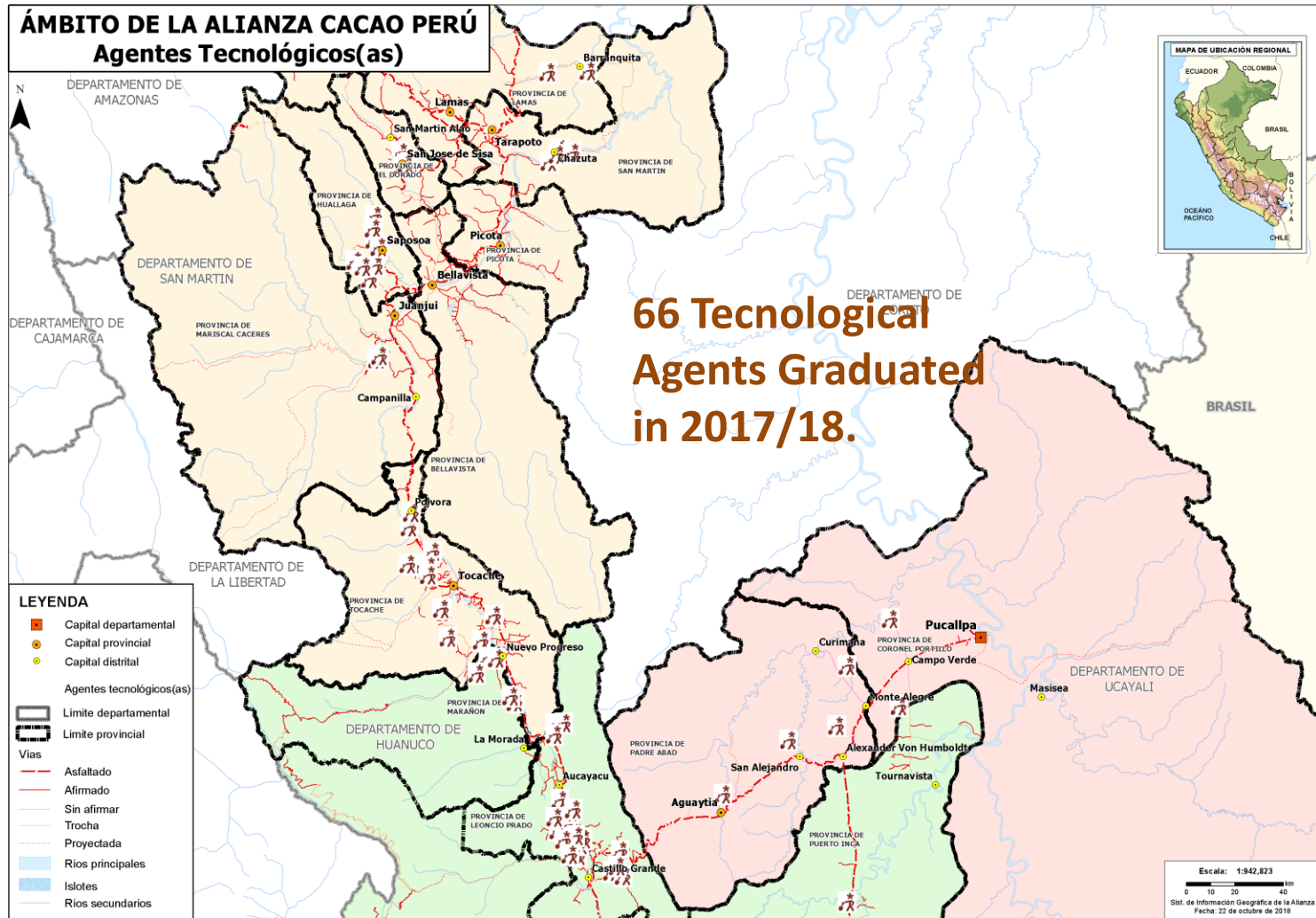


Hamilton Gonzales, Technological Agent (Integrated Pest Management) from Huallaga, San Martín



ÁMBITO DE LA ALIANZA CACAO PERÚ

Agentes Tecnológicos(as)



Results Oct. 2016 – Mar. 2019



- Number of the families assisted by the PCA: 22,025.
- Number of the hectares assisted by the PCA: 56,423.
- Amount (US \$) of private credit placed only by PCA private partners: US \$ 10.1 MM
- Amount of PCA farmers partners receiving private credit (all sources): 7,400 farmers (36%).
- Amount of people using electronic wallet: 6,855.
- Leverage from the private sector: US \$ 28.1 MM (private investment in the value chain).



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