

## *Annex. Case study summaries*

### **AAAT**

#### **Context**

AAAT is a handicraft organisation that uses wool from its 150 members living in a remote area, to produce products for the high-end market. The organisation started in 1992 supported by the NGO *Centro de Capacitación Integral de la Mujer Campesina de Tarija* (CCIMCAT). In 2000 they became independent from the NGO but continued to receive support from development cooperation. The organisation owns a shop in the city centre of Tarija and is, therefore, a relatively well-capitalized artisanal organisation. AAAT manages 11 units of production with a decentralised governance system. Each unit of production has a committee that controls quality and decides whether the product is accepted for sale in the shop. Artisans get paid for products sold, every 5<sup>th</sup> day of the month.

#### **Dynamics**

After a surge in turn-over between 2008-2010, the group sales (alpaca weavings) declined recently. The interviews indicate that the main reason for this is the restriction of member supply. Many experienced (male) weavers migrated to Argentina to work as seasonal labourers.

Two of the eleven units of production stopped functioning in 2011 because they lost interest in weaving and pursued other income-generating activities (e.g., quinoa).

During the period 2010-2012, AAAT also participated in a European Union project to increase the quality of the weaving. The project finished in 2012, and therefore the two paid staff members had to be dismissed. All activities are now performed by board members.

#### **Grant influence**

AAAT used one grant in 2007 to equip the shop in Tarija, and a second grant in 2009 to invest in six production units. AAAT invested the 2009 grant in weaving equipment and industrial cookers for dyeing. The investment was meant to reduce the heterogeneity of the weaving material (sheep and lama wool), especially in the production of shawls.

The investments in the production units did not result in increased sales. The loss of EU-support induced the board to take up more responsibilities and created new internal rules and regulations, especially on quality assurance. The FONDOECAS grant contributed to this.

The interviewees in 2013 also indicated a long list of negative factors that affected the business plan, including the role of the NGO, competition of other shops, operating costs, and member commitment. They mention the quality of the products that resulted from the 2011 investments as a positive factor.

#### **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **ADAPICRUZ**

## **Context**

The honey processor ADAPICRUZ (300 members), based in the city of Santa Cruz de la Sierra, has grown very fast in a (niche) market that is constrained. The organisation decided to separate its commercial activities into a separate legal identity, Apicola del Bosque S.A., in which both ADAPICRUZ and individual producers have shares. It is considered a front-runner in developing an adequate formal format for collective marketing that is able to mobilize investments from the membership and to attract credit from banks.

Apicola del Bosque sources honey from smallholders organised in local associations, and also from some larger, specialised individual beekeepers. They sell a fixed amount of honey, approximately US\$15,000 per month, to the governmental nutrition programme for lactating mothers. This generates approximately US\$2,000 net-income per month to pay the processing and organisational costs.

## **Dynamics**

ADAPICRUZ has grown steadily both in member numbers and turnover in the last few years. Due to the strong growth in production capacity, ADAPICRUZ encountered a limit in their ability to sell all honey offered by the farmers. As a result of the growing mismatch between supply and demand, the organisation had to introduce a more stringent system of supply management that, however, generated some frustration in members who had to sell part of the honey on the local market at lower prices. Although access to credit is good for ADAPICRUZ/Apicultores del Bosque, they increasingly face constraints in working capital, aggravated by an increasing passive stock of unsold honey.

Alongside the public procurement, new lucrative complementary niche markets are currently being explored but have only been piloted with piecemeal deliveries (organic honey exports). ADAPICRUZ increasingly emphasis its role as a representative body of beekeepers, leaving the production to the local associations and the processing to the company.

## **Grant influence**

In 2009, ADAPICRUZ invested in a packaging machine (*sachetadora*) for individual portions, demanded by the school meal programme in La Paz. In 2011 they received a second FONDOECAS grant for additional machinery to improve the quality of the processed products and to diversify their range of products, especially for making honey-sesame bars.

ADAPICRUZ increased their sales volume steadily. The first grant made it possible to access the market of school food in La Paz. The second grant is considered by all interviewees to have played an essential role in upgrading their processing capacity to access new markets. We do not have the information to specify how much of the additional sales are due to these new markets, but the positive effect of the grant on market access is clear. The 2013 interviewees only mention positive factors that helped the realisation of the business plan: government procurement and prices paid, price and quality of supply, equipment and role of the board.

## **Outcome summary**

- Increased access to markets for members: Yes
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **AGAYAP**

## **Context**

AGAYAP, located in the Eastern Lowlands, was founded in 2001 . AGAYAP owns and manages a slaughterhouse. When applying for the FONDOECAS grant, it had a membership of 202, largely dairy farmers that deliver milk to the dairy company PIL Andina in Santa Cruz. The members may use the slaughterhouse facilities and sell the meat themselves, paying AGAYAP a service fee, or they delegate the sales to AGAYAP and receive payment per kilo after AGAYAP has sold the meat.

The farm and slaughterhouse represents a huge patrimony. The property rights of this location (500 ha) have been disputed, however- a legal dispute that resulted partly from alleged participation of the former AGAYAP president in party politics, opposed to the current government.

## **Dynamics**

In 2010, the slaughterhouse was shut down, due to a failing supply of cattle. Many members transported their cattle to cities where the meat price was higher (e.g., Cochabamba). Due to this crisis, the economic activities of AGAYAP have been paralysed. According to the 2011 interview, the lack of income to pay for the expenses of the board members created a downward spiral, with the board remaining inactive while action was needed.

The association has a majority of members that in the past received a loan to establish dairy production, and who deliver their milk individually to a dairy company. Many members have defaulted on their loans (young heifers, to be paid back in kind), which limits access of AGAYAP to working capital and has created additional governance problems within the group.

Thanks to a bank loan, AGAYAP has maintained a small-scale dairy production in the area, using a dairy plant in the same locality. The dairy production is principally intended to secure the property title that is under dispute. It is an activity that is unrelated to the core functions of providing butchering services to their members.

## **Grant influence**

AGAYAP invested in a refrigerator van to take meat from the slaughterhouse to distant markets, to comply with the sanitary regulations. The business plan has not translated into any market access. Between 2010 and 2012, the grant-supported business plan was paralysed. They still had some sales turn-over related to dairy production by an external person on their property, and totally unrelated to the business plan supported by the FONDOECAS grant. In their proposal, AGAYAP projected to quadruple turn-over, from US\$70,525 (in 2006) to US\$324,000. We may well consider AGAYAP as an organisation on which the grant has had no positive effect on sales.

The break-down of AGAYAP seems unrelated to the grant investment, but a result of political and legal pressures that affect their property, and increased competition from slaughterhouses closer to the consumer market. In 2013, the interviewed board members identified the following negative factors influencing the business plan: the local government, the quantity of cattle supplied by members, the increased price competition with other slaughterhouses and the operational costs of the slaughterhouse.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **AMAGA**

## **Context**

AMAGA started in 2000 as a small group of 60 dairy farmers that worked in projects to improve cattle farming, supported by funding from the Danish government agency DANIDA, which for many years had stimulated dairy production in the Highlands (PDLA – *Programa de Desarrollo Lechera del Altiplano*). In 2007, they formalised their organisation with 28 members and constructed a small dairy plant, with EU-funding through the Italian organisation *Progettomondo*. In 2010 they received a loan from the BDP to complete investments and for working capital. The municipality of Challapata supported them with the required co-funding to these projects.

## **Dynamics**

AMAGA sources its milk primarily from non-members that are located close to the plant for cost-efficiency reasons. Members still benefit from being member of AMAGA. AMAGA continued to be successful in obtaining support from governmental and non-governmental development programmes (e.g., DETI, APROSAR). However, their milk production is processed on-farm into artisanal cheese, and is not related to the processing activities.

The capacity of the plant is 1000 litres/day, but in 2011 they only used 10% of this capacity. One of the reasons for this was changes in the market conditions. The state enterprise LACTEOBOL started to procure raw milk at artificially high prices, which increased production costs, and several other small dairy plants had started to operate in the municipality that served the same market for quality yoghurt and pasteurised (non-artisanal) cheese.

AMAGA had made efforts to obtain a bank loan to increase working capital and increase the processing of milk but they did not succeed, as they had delayed the repayment of an earlier loan for investment in the plant, because they wanted to recover the investment made from an input provider that had not delivered a technical implement which they had bought with the loan.

In 2011 they got a contract to provide the school food programme in the municipality of Huanuni. However this (yearly) contract was discontinued by the municipality in 2012, and they hoped to be re-contracted again in 2013.

The supplying non-member farmers were willing to become members, but the existing membership decided on a membership fee of US\$1,000 for new members, which was considered too high in relation to the benefits of being a member.

## **Grant influence**

AMAGA invested in a packing machine for yellow cheese, to meet the sanitary regulations necessary to reach more remunerative markets. The effect of the grant on sales is difficult to assess. Packed cheese is only one of the products that they process in the plant. Even when we attribute the increased sales volume to the grant-supported business plan, the average yearly sales effect would be less than US\$3,000. This is very modest, even considering the small number of members.

AMAGA learned to face many new organisational challenges and agency dilemmas after they started processing milk. Many rules and regulations are under discussion. The grant supported this organisational development. Nevertheless it is clear that several issues still need to be resolved for the plant to survive.

The 2013 interviewees indicated the technical staff and the government procurement as a positive factors for the development of the business plan, and the role of board and members together with the increased competition for raw milk as the negative factors that constraint success.

The plant started up with grants from different sources, only part of the equipment was bought with the FONDOECAS grant. AMAGA had already good access to grants and loans when they received the grant, and they continue to have these support from other institutions. It is unlikely that the FONDOECAS grant had any influence on this.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **AMDESOY**

## **Context**

AMDESOY started in 2005, and is a women's group that makes products from soya-meal, principally soya milk. They wanted to create value from the second-grade soybeans that the market did not accept. Initially, they were a group of 70 women. AMDESOY does not purchase from members but functions only as a processing unit. The member-workers sell the products directly to consumers in Santa Cruz with a system of door-to-door sales. Most members are not rural. For example, one male member has a lorry and two others are retired school teachers. Two female members emigrated to work in Spain.

They work daily in the soya processing, taking weekly turns with teams of three persons, only in the early morning. They can do the work aside from their other activities and work in the house. Each member sells approximately 50 litres of soy milk per day, with a margin estimated at US\$3,50/day/person. Sometimes they contract a worker to make the soy milk (100 US\$/month).

In 2010 they obtained a contract to provide to the school meal programme in Yapacaní. However, the contract was cancelled some days before the first deliveries, allegedly due to political pressure and corruption, however this was after that they had invested in the required inputs. The contract had been signed by an individual, and not as an organisation, which created internal organisational problems.

## **Dynamics**

The number of members further decreased from 20 in 2010 to only 13 in 2012. They started to make other food products based on soy, including bread, which proved to be a success and sales have been doubling each year between 2010 and 2012. The average income gained by each member-worker is estimated to be US\$120-150/month

## **Grant influence**

The president of AMDESOY had taken part in the municipal government when they received the grant. The proposal for the grant was written by an employee of the municipality. In 2009, AMDESOY invested in a processing infrastructure for food processing (based on soy), to comply with the sanitary requirements. They received a second grant from FONDOECAS, in 2011, to diversify their menu, including the production of bread, and invested in an industrial stove for the bakery.

Being a micro-enterprise that does not source from members, there was no increase in market access of member products. Nor did the grant have influence on their organisational capacities to manage collective activities.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

## **AMLECO**

### **Context**

AMLECO is a dairy association that manages a cooling tank, agricultural machinery and veterinary services, and mainly delivers milk to a large private dairy company, PIL Andina. This large and growing dairy association (353 members) has input provisioning to farmers and contract negotiation with the dairy plant PIL-Andina as their main functions. AMLECO has a steady turnover in the supply of feed and veterinary medicine for their members and manages the logistics around the cooling tanks. The collective processing and marketing of member produce is a new service of AMLECO, but this only uses a small part of the milk produced by the members.

### **Dynamics**

AMLECO started to develop its processing activities in 2012. It managed to equip the plant with funds from a development programme (Vida Campesina). This programme of the French NGO *Vétérinaires Sans Frontières* (AVSF), though co-implemented with CIOEC, initially functioned independently from FONDOECAS. In late 2012, however, they received a grant as well as a loan from FONDOECAS for working capital.

### **Grant influence**

AMLECO received a grant only in 2012 to invest in a cheese and yoghurt processing unit. The FONDOECAS grant had not had any impact as of 2013, as the investments made with it had not been completed by end 2012.

### **Outcome summary**

- Increased access to markets for members: NR
- Increased organisational capacities: NR
- Increased access to loans: NR
- Increased access to grants: NR
- Increased income to pay organisational expenses: NR

# **AOCEMM**

## **Context**

Founded in 1993, AOCEMM's collective marketing experience started with the production and marketing of quality wheat seed. They managed the supply of inputs (fertiliser) to their members.

AOCEMM received ample support from a diversity of European NGOs (MISEREOR, SNV, FOS, SOS FAIM, ACRA). In the late 1990s, AOCEMM concentrated its activities on honey processing and was actively involved in the setting up of the platform of honey associations ACPROABOL, which negotiated the contract with the national nutrition programme for lactating mothers in 2007.

AOCEMM had a professional staff of five persons that made decisions in close coordination with the supporting NGO. By 2010, AOCEMM had broken with the NGO (and coordinator) and the board became more important in coordinating the work. Three persons are employed in AOCEMM (marketing, half-time book-keeping, coordination); they are members of the organisation.

AOCEMM works in nine production units (villages), five of them specialised in honey. AOCEMM has some support activities on fruits and wheat with farmers in the units where honey production is not feasible. Membership fees are only collected from members that benefit from the honey business.

## **Dynamics**

AOCEMM has had a steady increase in associated processing units and group sales volume. More than half of the honey is procured from non-members at a 1% lower price. In 2010, 50% of the membership was actively involved in the production of honey. In 2013, the vast majority (90%) of members was involved in honey production, and AOCEMM is working to include as members eight local honey associations from which they buy. In 2013 they procured 70% of their honey from members. The four units of production where honey production was not feasible left the organisation.

They manage a micro-credit from FONCASOL for working capital. They tried to gain access to a BDP loan to increase trade capital to pay members cash at the moment of supply, but they had not managed to obtain it by June 2013. The loan was pending, to be discussed and approved in their general assembly of members.

They sell almost exclusively to the Programme for Lactating Mothers. However, they plan to diversify their market and coordinate with other economic farmer organisations to offer a diversity of products that could be provided to the local school meal programmes.

## **Grant influence**

FONDOECAS has been the only grant received for the honey processing unit. AOCEMM constructed the processing centre with the margin gained in the honey business. With it, in 2008, AOCEMM refurbished five buying centres for honey as well as purchasing 25 bee hives, ten centrifuges, a wax frame mould, and packaging material to transport honey to the central unit. They also invested in bar-scan technology, required to deliver to the big supermarkets in the five production centres.

The grant served to obtain certification of the Health department (registro sanitario), mandatory for selling to the government. The FONDOECAS grant invested in 2008 made this contract possible. The grant has had a direct effect on market access. The sales effect is estimated in US\$31,030/year, using the baseline volume of honey sales in 2007 of US\$4,150, reported in the grant proposal. The 2013 interviewees only indicate positive factors that influenced the business plan: government procurement at attractive price, quality of the equipment and the role of board and staff.

Though their tension containment capacities did remain stable between 2011 and 2013, the effects of the grant are considered to be positive.

## **Outcome summary**

- Increased access to markets for members: Yes
- Increased organisational capacities: Yes
- Increased access to loans: Yes
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

## **APAM MIZQUE**

### **Context**

Since 1988, APAM MIZQUE started to produce honey in the area, with help from the NGO CEDEAGRO. Later they obtained support from two other NGOs to improve apiculture and they received a revolving fund of US\$5,500 from the Swedish NGO SCC for trade capital. They sell the honey in the consumer market in Cochabamba. APAM has no paid staff. In 2010, APAM MIZQUE had 74 members located in 35 villages in the municipality of Mizque.

### **Dynamics**

The number of honey producers providing honey to APAM is stable (around 50), but the number of members has declined, especially individual producers that produce honey but sell individually.

Sales have increased sharply, principally because of the added value that they could create with better packaging and branding. APAM MIZQUE does not deliver to the nutrition programme for lactating mothers but developed their own local brand and package, gradually replacing sales of unprocessed honey. They see their role primarily as regional price-setters.

APAM introduced more rigid member obligations to purge the association of some members that directly competed with organisation as intermediaries. These intermediaries were paying cash, whereas the organisation had not enough funds to do so.

### **Grant influence**

In 2010 APAM MIZQUE invested the grant in a carpentry centre to produce beehives to expand its production and membership. The investment in machinery was made, but the business plan failed because of lack of skilled carpenters and low demand for hives from members. The 2013 interviews mention the role of board and members as the main factors that negatively influenced the grant-supported business plan.

Interestingly, the regional branch of CIOEC had voiced its concern when the business proposal was submitted, based on technical and ecological concerns (interview with the coordinator of CIOEC-Cochabamba, 19-08-2010). However, the anonymous process of evaluation in the committee did not permit them to influence the awarding process.

It is not sure if the business plan will ever be implemented, although the board indicated in 2013 that they considered the production capacity to be their major constraint and the production of low-cost hives an essential step to resolve this. We consider the sales effect of the grant to be zero.

The organisation increased its tension containment capacities but this has no relation to the FONDOECAS grant.

### **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No



# **APCA**

## **Context**

APCA is an association of Andean camelid herders that covers the indigenous territory of Marka Antaquilla, the territory of eight *ayllus*, indigenous communities. APCA was established in 2000 as economic farmer organisation. APCA has a membership of 242 families. They sell alpaca wool that has been processed into high quality coloured fibres. The company that provided the spinning and colouring services was COPROCA, a company governed by the economic farmer organisation AIGACAA (*Asociación Integral de Ganaderos en Camélidos de los Andes Altos*), also a member of CIOEC. APCA manages a small shop in El Alto to sell the processed wool to consumers (*artisans*).

In the past, APCA provided other services to their members. For example, they worked with a fund from a Canadian NGO to influence the farm-gate price of wool in the area, offering to buy wool as a last-resort buyer at a minimum price. However, this project was discontinued.

The sales process is managed by a contracted coordinator. They adopted the governance system of the local indigenous form of organisations (*marka*), with the appointment of leadership (*mallkus*) based on a two-year rotation between *ayllus*.

## **Dynamics**

APCA (242 members) ceased production at the end of 2012, due to competition from other buyers and the costs of subcontracting the processing to third parties. In 2010, COPROCA raised the price of its services. APCA therefore contracted a Peruvian company for spinning and dyeing the wool. However, in 2012, they ceased to do so, and thereafter only sold unprocessed alpaca wool. In 2013, they even stopped the procurement of wool from their members. In 2013 they started a project (supported by the NGO *Vétérinaires Sans Frontières*) to establish their own wool processing plant.

APCA's governance and membership overlaps completely with the indigenous organisation of the marka. While in 2011 this was considered a way to resolve many problems, in 2013 APCA considered it as a constraint for business development, considering their plan to set up their own processing plant. They started to reorganise and plan to have a reduced membership with more committed, and more alpaca-specialised members.

## **Grant influence**

APCA has invested in computerized fibre measurement equipment to better classify the wool quality in order to negotiate better prices with the companies that process the wool. They evaluate the grant investment as positive, and consider the acquired technology as a positive factor in the business plan. They indicated two factors that negatively influenced the performance of the business plan: the operating costs and the lack of complementary equipment.

The effects of the grant on APCA's performance are difficult to quantify. Most likely, the organisation has sold the fibre at a higher price because of the better classification system. Based on the estimates provided in the business plan, a 20% price difference due to the better classification of the wool is presented as a reasonable estimate. If so, this would have resulted in an estimated yearly sales effect of US\$7,619. This is a very rough estimate, but it is plausible to assume that the grant indeed improved the APCA's group sales turn-over during 2010 and 2012.

For the further development of the business, in 2013 APCA considered it necessary to start a process to better define who is member and who is not. The 'solution' found in 2000 to control several tensions in collective marketing by aligning APCA's board with the 'elders' that rule the indigenous organisation proved insufficient. Due to this reorganisation process, the tension containment capacity score in 2013 is lower than in 2011. When indeed the new venture, APCA's own spinning centre, will have materialised (in some years), this decline may be interpreted as temporal, and part of a learning cycle to which the grant has contributed. However, in 2013, we cannot but consider APCA as one of the grant implementers that suffered a decline in tension containment capacity between 2010 and 2013, especially as a result of ceasing collective marketing activities.

## **Outcome summary**

- Increased access to markets for members: Yes
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: Yes
- Increased income to pay organisational expenses: No

## **APME**

### **Context**

The honey processor, APME, formally established in 2006, has operated since 1998 as a beneficiary group of a vocational training institute working on value chain development (CETHA). APME is a typical example of an NGO-initiated group that gradually gained autonomy, and is learning and experimenting with internal rules to manage its collective marketing operations. In 2009 they started to provide honey on a monthly basis to the national nutrition programme for lactating mothers, as part of the ANPROABOL consortium of honey associations. They have one person paid half-time to organise the logistics and one person half-time to do the processing and packaging.

### **Dynamics**

They deliver most of their honey to the Subsidy for Lactating Mothers programme. In 2011 as result of climatic conditions, they could not satisfy the contract with ANPROABOL completely. They had to complete the order by buying honey from other honey producers in other municipalities. In response they decided that a minimum amount per member had to be supplied each year (70 kg), a system that works fairly well.

Their sales show a steady growth. They also sell honey that is certified as being produced by ecological farmers, following an Bolivian government initiative to label organic production from smallholders for the internal market.

The local government supported APME with the construction of a new enhanced processing centre, open for use to all honey producers in the area, but in practice managed by APME.

APME had 210 registered members in 2010 and 104 in 2012. However, they indicate that the number of active members supplying honey has increased from 50 to 104. In the earlier years many members registered because through APME they could get access to NGO support (PUMA), which constructed bulking centres in each of the villages. However, many of them did not use the centres and did not start to produce honey. In 2011-12, the local government distributed equipment for bee-keeping. APME used that opportunity to visit the villages and check who really produced honey and paid their membership fee (US\$7/year). Only these are now considered members of APME.

Their relation with the municipality is very fluid (the mayor is the former president of APME) and they are looking for ways to supply to the local school food programme.

### **Grant influence**

They started the honey processing plant with support of other donors, including an investment by the local government. APME received a FONDOECAS grant only late in 2012 to invest in bins to comply with sanitary regulations, As the FONDOECAS grant has not yet been operational, no sales effect can be attributed to the grant.

### **Outcome summary**

- Increased access to markets for members: NR
- Increased organisational capacities: NR
- Increased access to loans: NR
- Increased access to grants: NR
- Increased income to pay organisational expenses: NR

# **APROAMOL**

## **Context**

The smaller honey organisation APROAMOL is part of the second-tier municipal honey association APRODAL. It started as a beneficiary group around technical assistance by a technician paid by the PROSAT programme. To access PROSAT funding, the co-funding had been paid by the technician through a reduction in his salary, a practice observed also in other places in Bolivia where co-funding in cash is required to get access to technical assistance (Ton, 2007a).

Most members are diversified farmers who have broad beans as main commercial crop (*habas*), with honey as a complementary activity, and have, therefore, also an affiliation in the farmer organisation ASOHABA that exports dried broad beans. Honey production started after a donation by the municipal government of bee hives, six for each family.

The proposal to FONDOECAS was elaborated and submitted by APRODAL, initially meant to benefit a women's group. They changed the intended beneficiaries during the process, when it became a project to benefit APROAMOL.

## **Dynamics**

In 2010, APROAMOL had a membership of only 15, falling from 49 in 2006. The number of members increased to 20 members in 2012.

The number of hives managed by each member has increased from six to an average of ten hives per member. APROAMOL manages 18 hives as collective production. Nevertheless, production has declined, principally due to climatic reasons.

APROAMOL provides the service of harvesting the honey to the members, operated by its president. The president and vice-president are the ones who do the marketing. They are not paid, but do this as voluntary work for the community. The organisation changed several internal regulations in the last year, e.g., distributing part of the profits made, and maintaining a stricter control on quality.

Half of the harvested honey is sold collectively, the other half is sold by each member individually; the uncommon 'black honey' is generally sold on local markets.

Instead of delivering honey to institutions, they now sell most of the honey through the shop in the CIOEC-Potosí office. Many other honey associations use this shop, which has made them aware of the differences in quality between associations and the importance of complying with the food safety regulations. The shop also provides the opportunity to sell various qualities, including the black honey, while the former institutional buyers needed a uniformly light-coloured honey.

## **Grant influence**

APROAMOL invested the grant in a processing unit for honey, constructed on a site that was bought by funds from the members (US\$100/person). Production level are still low and sales are stagnant. APROAMOL is looking for additional funding to finish their processing unit, comply with the sanitary regulations, raise production levels and enter more lucrative markets. They consider the quality of supply, the cost of processing and the role of the board as positive factors that facilitated the business plan.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **APROQUIRC**

## **Context**

APROQUIRC is a rapidly growing regional branch of ANAPQUI (210 members) producing organic quinoa. It manages one of the quinoa processing plants to prepare for export through ANAPQUI. It also manages agricultural machinery that is rented to members. APROQUIRC uses a system of delayed payment, paying 30% in cash and 70% after ANAPQUI has finished its export sales. The price for organic quinoa is sufficiently high to make sales to ANAPQUI attractive. Production is bought according to a production plan, linked to the organic certification. Quinoa from non-certified plots may be sold individually on the local markets.

APROQUIRC employed one person to assist the board in logistics and technical assistance, and one person to do the book keeping. At peak times, some labourers are contracted to work in the plant.

Through ANAPQUI, members have access to a micro-credit facility, technical assistance and reduced prices for organic agricultural inputs. These services are funded by FAUTAPO, the national quinoa support programme.

## **Dynamics**

Between 2010 and 2012, ANAPQUI managed to get a loan from the development bank, Banco de Desarrollo Productivo, to pay the full price of the quinoa to supplying farmers in cash. This helped resolve the problem of side-selling to other intermediaries. Next to the price effect, volumes of quinoa sourced from members increased sharply between 2010 and 2012.

## **Grant influence**

In 2007, APROQUIRCI invested the grant in two silos, which facilitated an increase in their capacity to source group sales. These silos added to the existing storage capacity of ANAPQUI, which falls short and limits its capacity to grow. ANAPQUI stimulates the construction of additional infrastructure in its departmental branches. According to the information provided in the 2010 interview, the silos would have doubled the processing capacity from 1,660 to 3,550 bushels/year. While it is likely that the silos indeed have increased the sales volume, we have insufficient information to respond to the asses net-effects, as most of the increase in turnover in the years after 2007 is a result of the above-mentioned price and market effects that incentivised quinoa production in the area.

According to the 2010 interviewees, the silos increased the trust and commitment of the members to the organisation and the conviction that APROQUIRC could manage complementary commercial activities a group. In 2013, APROQUIRC considered starting a processing unit to sell added-value products on the local market.

## **Outcome summary**

- Increased access to markets for members: Yes
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **APSU**

## **Context**

APSU is a small handicraft organisation located near the border of Chile, specialized in alpaca weavings with a membership that declined from 60 in 2010 to 32 household members in 2012. It sells part of its products in an alliance with the federation COMART, that manages a shop in La Paz. They also sell their products at a touristic centre/hostel in Livichuco, owned by APSU and intended for agro-tourism. They have some basic equipment. They sometimes obtain contracts, for example to make sportswear (using synthetic fibres).

APSU has a production centre in Challapata, constructed with support from the European Union, and they managed to renew their semi-industrial equipment with support of the PAR programme and co-funding by the municipality and the members (25%). They also procure wool from the members to sell collectively.

The board functions rotate every two years, similar to the governance of the indigenous village organisation (ayllu). APSU invested the grant in equipment for a shop in La Paz, opened in 2009. They hoped to double production and sales through this new outlet. However, they could not pay the rent and had to close down already in 2010. After this, they started to sell their weavings mainly through the second tier organisation COMART.

## **Dynamics**

Sales have declined, especially in 2012. This has led to a stock of unsold products, some of which were returned to the artisan that made them, to be sold independently. They also stopped procuring inputs collectively due to lack of working capital.

## **Grant influence**

APSU invested in furniture in a showroom for the direct sale of their handicraft products. It is clear from the interviews that the business plan to which the grant contributed failed completely.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **ARAO**

## **Context**

ARAO, formed in 1983, and with legal recognition in 1990, is specialized in the production of carpets, sweaters, shawls and ponchos, and has its own shop in Oruro. It uses a system of production planning, pays cash, and offers the possibility to deposit any additional handicraft products in the shop under a system of consignment: the artisan is paid only when the product has been sold. They sell part of their products through COMART (they are one of its members) and have a partnership with INCA PALLAY, which is interested in having a broader assortment of quality weavings in their shops in Sucre and La Paz.

ARAO coordinates the production in by the members according to projected sales. The artisans procure and pay inputs themselves in order to comply with this production plan.

## **Dynamics**

ARAO reduced its membership from 90 members in 2010 to 48 in 2012. The remaining members work more intensively in the production of handicrafts for ARAO, and generate more income from this activity than they did before, with a larger membership.

ARAO improved their turnover between 2010 and 2012. They invested the grant in improved weaving equipment for the production units, which positively affected the quality and marketability of the products. The yearly sales are estimated at US\$10,036, using the sales volume in 2010 as a baseline.

## **Grant influence**

ARAO received two FONDOECAS grants, invested in equipment for several local handicraft production centres (2011) and in furniture to increase the sales in their shop (2012). This made it possible for the individual members to produce more and generate more income from handicrafts than before. This effect is not totally attributable to the FONDOECAS grant but it is considered to have been a contributory factor..

The 2013 interviewees indicate the support of other NGOs and the local government in the success of the business plan, the quality of the equipment bought and the role of the board in managing the projects. As a negative factor they signal problems in the COMART shop, which affected the sales of ARAO's products.

## **Outcome summary**

- Increased access to markets for members: Yes
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **ASAFOP**

## **Context**

ASAFOP is a small organisation with predominantly female members active in food processing. The group started as an informal women's group supported by charity NGOs, with a diversity of training programmes for 'women as mothers,' and was functional in distributing part of the food aid received, especially from the US programme PL-480. When the latter function disappeared in the 1990s, ASAFOP took part in a reforestation project. Based on these experiences, the group started to look for other ways of generating income. In 2004, as one of the first organisations in the country, it managed to get a contract with the municipal government to provision part of the school meals. ASAFOP started its processing activities on a small scale, mixing wheat flour with the local bean karwi. Due to the changing product preferences in the local school food programme, they had to specialise in baked goods, based on inputs bought on the local market.

## **Dynamics**

With significant co-investment in cash from each member, they invested the grant in equipment for the bakery. However, they failed to get the contracts with the Municipality of Sucre after 2010, and managed to get only minor contracts with other institutional buyers. In 2011 and 2012 they managed to win additional contracts in another municipality, Monteagudo, and, in 2013, with the regional hospital in Sucre.

As a result they stopped sourcing from members but continue as a micro-enterprise, with the objective to generate employment for the (female) members of the group. In 2012 they managed to get a subsidy from the Employment programme (PAE) to pay part of the labour costs. All profits are now reserved for future investments and not distributed anymore at the end of the month.

## **Grant influence**

ASAFOP invested the grant in an industrial oven and food mixer to provide to the school feeding programme. However, they did not get the contract and used the equipment to sell directly to consumers, and later to institutional buyers. The FONDOECAS grant has been a key factor in adapting their processing activities to changing product requirements. Without it, they would probably have had to stop operations. However, from an organisation creating market access for agricultural products, they converted into a micro-enterprise. The grant did not help to improve market access for member products.

They consider their dependency to only one buyer as the negative factor that affected the business plan, though they consider the government procurement a positive factor, together with the good quality equipment and the role of members and board. Their tension containment capacities were already quite high in 2010, after having received the grant and having participated in the school meal programme, which helped them to find solutions when the government procurement market was constrained.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **ASAPROF**

## **Context**

ASAPROF is a relatively large organisation that exports beans and sesame, sourced from members and non-members through a contract-farming arrangement. They have a steady number of 300 to 350 farmers that contract with them, of which less than half are formally members. ASAPROF provides them with seeds and inputs as a pre-harvest loan. Many members see ASAPROF as one of the potential buyers of their product. Many farmers have contracts with two or more firms, one of them ASAPROF, and prioritise their sales to the firm that pays the better price, independent of whether this firm has pre-financed the production or not. ASAPROF has good access to trade capital from various financial institutions: FOPREPO, BID, OIKOCREDIT. They have a professional staff of seven persons.

To stimulate the production of sesame (e.g., in a rotation with soya) and stimulate good agricultural practices (reduction of toxic agrochemicals, e.g., to get access to the Japanese market), ASAPROF participates in an extension programme with funding of the International Development Bank in coordination with the sesame export chamber (CABEXSE).

## **Dynamics**

ASOPROF faces problems of disloyal behaviour due to the limited commitment and identification of the members with their organisation. Due to a problem of side-selling and credit default, the organisation has introduced stricter loan conditions, including the requirement of formal guarantees such as machinery or infrastructure.

Exports have been growing steadily between 2010 and 2012, but meanwhile their relations with members have deteriorated. Increasingly, the organisation sources from non-members.

ASOPROF did not access credit from the BDP. They consider this a result of political decisions of the government. Politics is heavily polarised in the Eastern Lowlands between organisations that supported the MAS and those that supported the opposition to the Morales government. ASAPROF explicitly prioritised activities to improve their relations with the government, as they consider public support essential to the expansion of their operations. They also are considering becoming more active in CIOEC. They see CIOEC's role principally to assist in managing the difficult relations with the government, which is necessary for example when exporting to countries such as Cuba and Venezuela, very interesting markets for ASAPROF.

Also, they see a role in CIOEC's Leadership School for improving the commitment of members, as they want to promote a more pro-active participation of the board in decision making. The dominant role of contracted staff in communications with the farmers results in many supplying farmers (even those who are members) viewing the organisation as a private firm.

## **Grant influence**

ASOPROF did not apply for a FONDOECA grant.

## **Outcome summary**

- Increased access to markets for members: NR
- Increased organisational capacities: NR
- Increased access to loans: NR
- Increased access to grants: NR
- Increased income to pay organisational expenses: NR



# **ASOCOM**

## **Context**

ASOCOM is an association that emerged when the community seized a stone mine owned by the former, expelled president Sanchez de Losada. It is an enterprise of 72 members that in 2006 choose the legal identity of an association. They do not really source from members, but work as a collective enterprise with central negotiation of contract and work assignments to mining teams. Most of the stones are sold to pave the urban roads in La Paz.

## **Dynamics**

ASOCOM decided to convert to the legal form of a cooperative in 2011, changing its name to COCACOM. This was more appropriate to the form and function of the organisation, and made it possible to join the organisation of mining cooperatives FEDECOMIN, which could better serve their interests than CIOEC. They adapted their internal regulations concerning the distribution of profits, which is the main difference between the legal forms of association and cooperative. The turn-over is growing steadily, without many changes in the type of buyers.

## **Grant influence**

In 2008 they received a FONDOECAS grant for a compressor to facilitate stone mining. They calculated a service fee to be charged when using the compressor to recover operating costs. However, the equipment proved to be too heavy to handled easily. It needed transport to be moved from one location to another. The group ceased to use it. The increased sales of the group is unrelated to the grant-supported business plan. Nevertheless, the ASOCOM board acknowledges the support of FONDOECAS, as the compressor is until now their only collectively owned asset. The sales effect of the grant can be considered as being zero, even though the total sales of ASOCOM/COCACOM has increased substantially during this period. The grant had, likewise, no effect on the tension containment capacities.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **ASPASA**

## **Context**

ASPASA is a relatively new organisation that started as a dairy association, in 2006, providing technical assistance, but increasingly works with quinoa production and marketing. Dairy is still an important activity of the association. The 37 members started with collective marketing of quinoa because as dairy farmers they paid for dairy inputs and equipment with quinoa, instead of cash. They sold the quinoa through ANAPQUI, becoming one of their regional sourcing centres. This caused an increase in quality requirements, which first created some problems but later was accepted by the members. All activities are performed by unpaid board members. They have several members with professional skills. The president, for example, has a university degree, specialised in quinoa production and skilled in the formulation of projects. They diversified their activities to stimulate quinoa production among members, next to their dairies. For the dairy producers, quinoa is a secondary activity. The average yearly income from quinoa (average production 10 ha) is similar to their monthly income from dairy production. In 2011 they did not have organic certification, even though production took place without chemical inputs.

## **Dynamics**

ASPASA grew to a membership of 52 families in 2012, many of them quinoa producers without dairy production. They are close to being certified as organic quinoa producers, which would need a stricter planning of production and can increase the price of their product. Twenty-five members are in the final stages of being certified by BIO LATINA for organic exports. For the local market, they are working with the government to be recognised as ecological producers, following a new legal regulation.

Through the higher margin on certified organic quinoa, ASPASA plans to introduce a system of levies to pay for some staff and other organisational costs, now paid by the board members themselves.

They increased the volume of quinoa sold from 1,000 bushels in 2010 to 5,000 bushels in 2012, partly sourced from non-members. Most is channelled through ANAPQUI but, using a loan from FONDOECAS to increase their working capital, they also started to supply to other buyers who offered higher prices for first-quality quinoa grains. APASA could serve this more demanding market and sold the smaller grains (second grade) to other buyers. They opened a website to interest buyers through a web-portal developed by CIOEC.

They managed to get a long-term loan from BDP to buy six tractors. The loan is individual but the group did the work to channel the support. They also managed to get micro-irrigation equipment from the innovation platform Fundación Altiplano, which is rented out as a service to members.

## **Grant influence**

ASPASA never received a FONDOECAS grant. However, in 2012, a FONDOECAS loan permitted increased sourcing of quinoa and cash payment to members. This undoubtedly increased the price of the quinoa received from this alternative buyer. However, logically, there is no sales effect due to the grant, as no grant was provided by FONDOECAS but a loan.

## **Outcome summary**

- Increased access to markets for members: NR
- Increased organisational capacities: NR
- Increased access to loans: NR
- Increased access to grants: NR
- Increased income to pay organisational expenses: NR

# **CECAOT**

## **Context**

CECAOT is a federation of 13 local cooperatives that produce quinoa for export and processes quinoa products for the local market. One of the oldest OECAs in Bolivia, founded in 1974, and initially supported by the Belgian development cooperation, IAF and BID (Healy, 2001). CECAOT started to export quinoa in 1984 to the EU. CECAOT can be considered as the pioneer of quinoa marketing at a time that quinoa was still considered an inferior 'backward' grain by urban consumers .

CECAOT has an industrial processing plant and owns some machinery, rented out as a service to farmers. CECAOT used the grant to repair the optic sensor of the selection machine necessary to meet uniform export quality of quinoa grains. However, the optic sensor only worked for one year after being repaired. As a result, the removal of black-pointed-quinoa, not allowed in exports, continued manually by workers in the plant.

## **Dynamics**

In 2010, CECAOT lost a traditional client in the EU and, without this forward sales contract, could not access a loan for trade capital. As result they could not buy much quinoa. Due to the rising quinoa prices, turnover remained stable, but volumes declined. This caused a decline in membership, which recovered in 2012. CECAOT suffered from competition of other buyers who paid farmers in cash. In 2012 they managed to get a loan which enabled them to pay cash at the moment of sourcing from members, which caused a sharp increase in turnover from 1,800 bushels in 2011 to 7,000 bushels in 2012.

The sale of processed quinoa is considered to be a promising complementary activity. In 2012 they managed to gain the contract to supply to the local school meal programme in the municipality of Colcha 'K' (Uyuni). This caused an increase in the turnover of processed products.

## **Grant influence**

CECAOT used their first FONDOECAS grant, in 2009, to repair an optical quality control unit in their plant, to limit labour costs in the plant. The maximum amount available from FONDOECAS (US\$10,000) motivated them to repair the equipment instead of buying a completely new machine (US\$40,000). However, the equipment broke down again in 2010, partly due to improper handling. The optic sensor has not been repaired anymore due to the high costs. Instead, CECAOT considered buying a completely new optical sensor, which they did not do however, partly due to the crisis and resulting internal organisational problems in 2011 which resulted from the failure to get a pre-harvest sales contract.

CECAOT benefited from a second grant, in 2012, intended to strengthen their quinoa processing activities and diversifying the range of processed products offered. International buyers indicated demand for quinoa meal. The implementation of the grant-funded business was still ongoing in 2013, and had therefore not yet influenced the group sales.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

## **CELCCAR**

### **Context**

CELCCAR, founded in 1965, specialises in organic coffee, generally marketed under the Fair Trade label. The Fair Trade premium is divided between CELCCAR and the member cooperatives, and is generally used as co-funding for support projects rather than distributed. CELCCAR has a membership of 11 cooperatives, three of which joined in 2011. Only four of these cooperatives are specialised in coffee. Other cooperatives produce stevia, citrus fruits and the natural colouring *achiote*. CELCCAR's prime collective marketing activity is the export of coffee for their member cooperatives. The cooperatives pay farmers 40% of the price in cash at the moment of delivery, and complete the payment five months later, when the processing and export process has been completed by CELCCAR. CELCCAR managed a program to expand production with new coffee shrubs, two hectares per member. This programme was supported by the Swedish NGO SCC, who paid the salaries of five technical staff. Board members receive a daily allowance of US\$10 when they work for the organisation. CELCCAR also managed an Internet café and rented out shops to cover part of the organisational costs of the organisation.

### **Dynamics**

Three cooperative are specialised in citrus fruits. CELCCAR used the FONDOECAS grant to invest in juice processing equipment, installed in one of these cooperatives. With SCC, they invested in a processing unit for the natural sweetener stevia. Export of coffee by CELCCAR has been growing steadily between 2010-2012, even though coffee prices declined between 2011 and 2012.

### **Grant influence**

CELCCAR channelled the FONDOECAS grant to one of its member cooperatives. They experimented with fruit processing on a pilot scale. They mention internal organisational problems and lack of complementary equipment as the major factors that negatively affected the business plan. The capacity of the equipment was considered by the 2013 interviewees to be too low to seriously create market access. The juice produced was made traditionally, without using the machinery bought with the grant, had only been used for internal consumption and sales in the Internet café. The yearly sales effect of this pilot experience, estimated in US\$952, has been very small in relation to the number of members. An expansion of production capacity is needed to obtain real access to the market. The maximum amount of support provided by FONDOECAS, approximately US\$10,000, could well be the reason for this under-scaled investment.

Because they managed the business without making use of the grant investment and because they already had a high tension containment capacity (and declined between 2011 and 2013), we consider that the grant cannot be considered a contributory factor to an increase in organisational capacities.

### **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **CEMUR**

## **Context**

CEMUR is an association of women's groups organised around capacity building and business development. It manages collective production units to sell products to their members. It has around 150 women as members. CEMUR develops many activities to stimulate employment and income for the women, but does not procure agricultural products from their members.

CEMUR has a large patrimony and a diversity of social and economic activities with women groups (Clubes de Madres). As part of CEMUR, they manage intensive husbandry, poultry and pig farming, they have 16,000 hens for egg production, manage a small slaughterhouse and sell animal feed. All these activities have the objective to generate employment for women and income for CEMUR.

In addition to animal production, they organise activities to stimulate economic activities by women in their own farm or house. This did however never result in a production that was collectively marketed. The only link between CEMUR and the farming system of members is for the production of the animal feed, where CEMUR tries to buy preferentially cereal from members. However, due to quality and logistics, only 20% of the cereals needed could be sourced from members.

CEMUR also provides many social services, such as legal assistance, capacity building and education. These activities are supported by NGOs that use CEMUR as their outreach structure to rural women.

## **Dynamics**

CEMUR worked for many years more as a development NGO than as a farmer-led organisation. In decision-making, the director had a dominant role and the board members had little influence. In 2012, the organisation started a process to change its internal governance system and make it more member-driven. One of the intentions was to make a distinction in economic and social activities in the internal bookkeeping and financial management. They discussed the possibility of passing the production-related patrimony to a new legal entity, with participation only of the women's groups engaged in economic activities. However, during the period 2010-2013 this process had not yet been completed.

## **Grant influence**

The growth in turn-over was generated by several production lines (broiler hens, pigs, animal feed). The FONDOECAS grant supported the development of a semi-industrial production line in meat processing (*embutidos*) for which sales were low. One reason for this was the incomplete infrastructure, which did not comply with the food-safety requirements. Registration is needed to make it possible to sell to supermarkets and institutional buyers, and this leaves them with an abundant supply of very cheap meat products for the informal market. Production stayed far below capacity and the products were sold exclusively to the women in the member groups. Four persons worked part-time in the activity, while they had planned to have 20 persons involved. The 2013 interviewees indicated internal organisational problems and price competition in the consumer markets as the negative factors and the quality of the equipment as the positive factor that influenced the development of the business plan

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **CEPLACH**

## **Context**

CEPLACH is a small women's association of dairy processors, founded in 2001. It specialises in the production of yoghurt and cheese, whenever there is a sales opportunity for the products. Its main objective is the generation of part-time employment and complementary cash income for the female worker-members. CEPLACH also creates market access for a minority of the members who supply milk, selling in the city of Oruro and on regional markets. In the past they were one of the first farmer associations in Bolivia to supply the school meal programme. When delivering on a daily basis to this school food programme (in 2002, 2003, and 2008), the various teams within the association took turns, each team delivering products for one week.

## **Dynamics**

The women work in the processing of yoghurt and cheese, in addition to their housekeeping. The earnings (approximately US\$70/week) are modest compared to the time needed to work in the processing. This situation demotivated some of the members. In 2010 they had 40 members and in 2013 they were a group only 20, with ten more women hoping to join the group.

One of the benefits of being a member of CEPLACH is the access to micro-credit and other support from development institutions. For example, the members gained access to the micro-finance institution CRECER because the infrastructure of CEPLACH could serve as collateral.

In 2011-12, sales decreased partly because of a relocation of their main selling point, and partly because they suffered increasing costs due to higher prices paid for raw milk by LACTEOBOL, which affected the profit margin when selling on the (low-price) informal market.

## **Grant influence**

CEPLACH used the FONDOECAS grant to buy a site to install their activities instead of renting it. They also invested in a new product based on whey, as a by-product in cheese production (*Chicolac*).

Their sales declined as a result of the relocation of their plant, and was a direct result of the grant-supported business plan. The negative sales growth can, therefore be attributed to the grant.

Nevertheless, they are positive about the grant, as the fact that they did not have to pay rent increased the profit margin on their products: more income with fewer sales. They point to competition in the market and lack of complementary equipment as factors that negatively influenced their business, and considered the support of NGOs, the quality of their product and the role of the board as positive factors.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: Yes
- Increased access to grants: Yes
- Increased income to pay organisational expenses: Yes

# **CIAPEC**

## **Context**

CIAPEC is a relatively young organisation (2003) and has a direct membership of persons who formerly belonged to other cooperatives but left as a result of disagreement about the price-determination system. CIAPEC started with significant member contribution and took several decisions to organize itself differently from other cooperatives, e.g., those related to profit distribution and capitalisation. They employ three permanent staff and 20 persons in their processing unit. They export organic coffee, principally to Germany. In 2010, they paid 30% at the moment of purchase from members and complement the 70% after the export sales have been finished at the price level of the transaction and have been paid by the German buyer. They rent a small plant in El Alto to process coffee before export, and were preparing to build one themselves. With support of USAID, they also managed a rejuvenating programme for specialty coffee in 2009-2010, and in 2011 they started with a project supported by PAR to invest in natural control of coffee pests.

In 2008, they changed the pre-processing system to provide the plant with dried coffee. Before, they mixed de-pulped fermented coffee from different farmers at the drying centre before transporting it to El Alto for final processing. Now, each individual farmer is responsible for the quality of his or her coffee, which is paid once the whole processing is finished and the quality of the coffee provided by the farmer is determined by the taster (catador). These quality points depend on altitude, soil type, plant variety and post-harvest handling (Kawai, 2011).

## **Dynamics**

The export volume and turn-over of CIAPEC grew steadily between 2010 and 2012. They managed to construct and open their own processing plant in El Alto in 2011. Just like most other cooperatives, they suffered problems in 2010 due to the rise in world coffee prices. They had contracted an export volume with a predetermined price some months pre-harvest, before actual procurement from the farmers. They had problems purchasing enough coffee because members side-sold the coffee that they produced to private buyers that offered a higher price and cash payment. Because of this, almost half of the members left the cooperative.

CIAPEC increase the price paid to farmers up to 50% of the price at the time of delivery. To withstand competition from intermediaries who pay cash, they provide access to credit for their members, based on a loan obtained from FINCAFE, the financial institution of coffee cooperatives. As an additional service to members, CIAPEC facilitates using equipment of the cooperative for private use. Access to training on coffee-growing practices is another service provided to raise the commitment of farmers to their organisation..

## **Grant influence**

CIAPEC wanted to develop a production line for roasted coffee for the national market in La Paz, including expectations for export. It started to experiment with roasting and packaging but the production capacity was lower than expected and they experienced technical problems with the equipment after only one year of operation. They consider the equipment not suitable for processing on an industrial scale. CIAPEC planned to buy new equipment using their own resources. The lower coffee price in 2013 was considered an opportunity to upscale the processing business. At the moment, the yearly sales of processed coffee is estimated to be US\$2,856. This sales volume is insignificant in relation to their overall sales volume.

Nevertheless, the coffee roasting pilots were considered by the interviewed board members to have served as a learning experience about the technical and administrative needs incurred in the domestic consumer market of coffee. However, the capacity, access to finance and patrimony of CIAPEC is such that they could have developed the activity themselves with their own resources, had they considered it a promising business opportunity (Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio, 2010)(Prudencio Böhr, 2010)(Prudencio Böhr, 2010)(Prudencio Böhr, 2010)(Prudencio Böhr, 2010)(Prudencio Böhr, 2010)(Prudencio Böhr, 2010). They also did not mention any positive factor for the development of the business plan; they mention technical and organisational issues as major factors that negatively affected the business opportunity.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No





# **COAINE**

## **Context**

COAINE manages several coffee processing facilities for pulping and removal of mucilage and parchment. COAINE was the first Bolivian organisation to export organic coffee, and it sells most of the coffee under the Fair Trade label to the Netherlands. COAINE employs four permanent staff and approximately 30 persons who work in the drying and parchment centres. They have access to various credit lines (including a large loan from the BDP) that permit 40-50% advance payments to farmers. The business plan submitted to FONDOECAS consisted of roasting equipment to access the national market with a finished product. Most of their coffee is exported. COAINE wanted to grow in the national market to improve the visibility and recognition of COAINE as a cooperative with a quality product.

Most of the coffee farmers dry their coffee themselves and sell directly to COAINE's plant in El Alto. One member organisation uses a centralised system for de-pulping and drying coffee berries, which generates a more uniform quality of coffee beans (Kawai, 2011).

## **Dynamics**

Due to the steep increase in international coffee prices between 2008 and 2011, roasted coffee processing relied on second-quality coffee not suitable for export to the Fair Trade market. COAINE used to contract the exports with a predetermined price some months before shipment. With this contract, the organisation could access credit for trade capital to pay the farmers. However, due to price hikes in the months before the actual shipment, they had problems purchasing enough coffee because members side-sold the coffee that they produced to private buyers that offered a higher price. In response, they had to complete shipments by buying coffee at a higher price than they could sell it, both from members and non-members. This was aggravated by a local incident some months later. The person responsible for the finances of one of the Colonias was robbed and killed at his home and the money to pay the coffee producers in this Colonia disappeared. The colonial committee had already paid the producers 40% in total amount in advance, so the amount of 60% was ready to pay in cash. This theft affected the internal organisation of COAINE, reducing trust in the collective marketing process.

With the FONDOECAS grant, COAINE wanted to establish a production line for roasted coffee for the national market (Cafe COAINE), a service that previously had to be externally contracted to a private roaster. In 2009, it started to process roasted coffee on a pilot scale and worked with the Health authorities to get their food safety certification, which would allow them to access the market. By 2013, COAINE had not yet managed to obtain the certificate and coffee roasting was limited to the supply for internal consumption, and sales at sporadic festive events (ferias). The equipment is sometimes provided as a free service to members to roast coffee for individual consumption.

## **Grant influence**

The grant proposal of COAINE was rejected twice in the FONDOECAS grant system. At the third attempt, in 2009, COAINE improved the proposal with the help of a technician from CIOEC headquarters. They had preferential access to this skilled support because a member of COAINE was treasurer in the national board of CIOEC at that time.

The equipment bought with the grant was far too small for the use that COAINE projected. COAINE considers the service provided to members as positive. However, additional access to markets has not been created, nor has COAINE visibility in the market been enhanced by the grant. The average yearly turnover of processed coffee was only US\$1,393 for COAINE, an insignificant amount when compared to the size of the total turnover and size of membership. The interviewees mentioned competition in the market and the role of board and technical staff as key factors that negatively influenced the development of the business plan.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **COMART**

## **Context**

COMART is a second-tier artisan organisation (1,200 members in 32 affiliate organisations), founded in 1997. They originally targeted the Fair Trade export market. However, in practice they depend on the national tourist market. Exports require volume of uniform quality, which is a challenge when working with small artisan associations as members.

COMART has four shops to sell handicrafts. To increase the capacity of their showroom, they invested in furniture for one of their shops, and remodelled all four shops. COMART has a coordinator and employs vendors in their shops. After experimenting some years with having board members as salespersons in the shop, they reverted to professional vendors, although this resulted in additional operational costs. Part of these staff costs are covered by support from the Belgian development organisation SOS FAIM.

## **Dynamics**

COMART suffered a reduction in members due to changing social and economic conditions. In 2010 they had 42 affiliated grassroots organisations and in 2012 this was reduced to 32. After 2009, their total sales started to decline, increased competition being the major cause of this decline. The private handicraft shops in La Paz have improved the quality of their products. Private shops are now partly sourcing from COMART's member organisations, paying them cash at the moment of delivery. Due to working capital constraints COMART must use a system of consignment, in which the product is paid to the artisan only after having been sold, with a percentage retained to pay for COMART's intermediation. To improve sales in the shops, they started a strategy of making commercial alliances with other artisan groups, allowing them shelf space in the COMART shops.

## **Grant influence**

COMART received two grants. In 2009 they invested in the equipment for a new shop, and in 2011 they used a second grant to improve working conditions in 20 member organisations. In 2012, the newly furnished shop had to close down, due to a reduction in sales and an increase in competition of other shops entering the market of quality weavings.

The decline in total sales, an average of US\$14,286 per year, cannot reasonably be attributed to the two FONDOECAS grants. Without the grant investments, this decline would probably also have taken place. Nevertheless, we consider that the grant to COMART did not result in a positive sales effect.

The investments with the 2011 grant did improve the relations with their member organisations and helped to dissipate some tensions within the membership around the collective marketing. However, one of the reasons for success was the fact that they could divide the 2011 grant over all members instead of targeting a subgroup or more focussed business opportunity, which may indicate that the grant was only a short-term solution to one of the (non-core) agency dilemmas in collective marketing.

The 2013 interviewees considered the role of the board and staff, and the support of NGOs to be positive factors that helped in the effective implementation of the grant-supported business plan.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

## ***COPROQUINACC-T***

### **Context**

COPROQUINACC-T is the smallest regional organisation that is part of ANAPQUI. It started in 1998, but only in 2006 did they manage to obtain legal status, with 60 members. Its activities are principally the bulking of quinoa that is transferred to ANAPQUI for processing.

### **Dynamics**

The organisation is growing in membership and registered 130 members in 2013. The volume of quinoa bulked for ANAPQUI increased from 3,000 bushels in 2008 to 7,000 in 2012.

In 2007, COPROQUINACC started a project to build a processing unit for which they used the FONDOECAS grant. However, they needed to change the location of the plant due to shortage of electricity and water in their current locality. In 2012, they asked for a second grant to finish the project, which was however rejected by FONDOECAS technical committee.

### **Grant influence**

COPROQUINACC-T used the grant to prepare for a relocation of the processing plant. They invested in additional equipment to streamline the processing process in the new location, which however were not operational yet in 2013. The 2013 interviews blame the (former) board and members for neglect in resolving these issues and implementing the project. There is no relation between the large increase in the volume of sales and the grant-supported business plan.

COPROQUINACC-T arranged their legal status to gain access to the FONDOECAS grant. The project was formulated with the support of a professional of the NGO Buena Vida. The equipment bought with grant is the only patrimony owned by the group. The process for getting the FONDOECAS grant may have helped to organise the group, even though the business plan did not prosper, but rules and regulations about collective marketing activities have not changed much in response to the grant, as they are principally discussed and defined in ANAPQUI.

### **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **FENCA**

## **Context**

FENCA, Federación Nacional de Cooperativas Arroceras de Bolivia), the oldest organisation in the sample (formed in 1964), is a federation of sixty rice cooperatives in the lowland area of Santa Cruz, with an estimated membership of 1,200 members, 500 of whom are considered to be active members (2011). FENCA's members are the relatively small and medium producers in the Eastern Lowlands. FENCA manages a rice mill and sells white rice on the national market. FENCA realises its logistic activities as a first-tier organisation directly with the individual producer, as their member organisations do not count on working capital and facilities for processing. Next to this processing service, the rice farmers are given a registration card which they can use to access a preferential credit line from the governmental Banco de Desarrollo Productivo (BDP).

For many years, most of their organisational expenses could be paid with the levy per bushel of rice transported from the centre of production, Ichilo province, to the rest of Bolivia. However, due to political pressures of competing farmer unions (the ones that supported the Morales government), the operations of the road blocks had been disrupted for several years, and, since 2010, the authorisation to raise these taxes had not been renewed. In addition to their services in processing, FENCA managed a programme on seed improvement and technical assistance provided by the Centro Internacional de Agricultura Tropical (CIAT) through external funding from the Fondo Latinoamericano de Arroz de Riego (FLAR). In the absence of sufficient group income, the required co-funding for this programme has been paid with public funds from the regional government.

## **Dynamics**

In 2011-2012, the rice cooperative FENCA lost its role in collective marketing as a result of the emergence of parallel groups initiated by the government-managed EMAPA. In 2013, it intended to re-establish itself as a representative sector organisation, to regain recognition by the government as a representative body of rice farmers. Overall, their capacities to manage collective marketing decreased between 2010 and 2013: many internal regulations needed to be re-worked. It is not sure if FENCA will be able to recover its market share with its activities in processing and collective marketing, due to the continued presence of government-induced initiatives by EMAPA (Cordoba, 2014; Cordoba and Jansen, 2013). EMAPA works with a large sector of rice producers, including most of FENCA's members, and provided similar services to its constituents, such as input credits and preferential prices. FENCA will continue as an organisation. They prioritise their role as a representative body of rice producers to advocate for enabling policies and support programmes. Some of their traditional members moved away from rice to produce other crops such as sugarcane, and a large portion of rice farmers has settled in the new agricultural frontier. They decided to turn to a direct membership organisation, (re-) affiliating individual rice producers. In the absence of collective marketing activities, they have sought other ways to generate income to pay their recurrent organisational costs. In 2013, they used existing funds (part of their patrimony), income from consultancy services provided by FENCA staff, and they started to get a cash income out of their re-affiliation process (US\$1 per hectare, approximately US\$20-30 per member).

## **Grant influence**

FENCA has a strong political network in the region, including active participation in the powerful association of commercial farmers in the Eastern Lowlands, CAO. This makes CIOEC less important as their representative body, and as broker for support. They were active in the re-founding process of CIOEC in 2002-2002, but currently only participate in the Leadership School to prepare high-potential members for leadership positions.

FENCA has not applied for a FONDOECAS grant.

Their mill is only working at low capacity, to provide rice for special markets, such as the procurement for the police in 2011. The mill needs a significant investment to reopen, and FENCA needs trade capital to manage it. The amount available with a FONDOECAS grant is far too low to be of interest to FENCA. In 2013, FENCA was negotiating a loan of US\$500,000 with the BDP to do so.

## **Outcome summary**

- Increased access to markets for members: NR
- Increased organisational capacities: NR
- Increased access to loans: NR
- Increased access to grants: NR
- Increased income to pay organisational expenses: NR

# **INCA PALLAY**

## **Context**

INCA PALLAY is a direct-membership organisation that manages various production units within two geographically separated cultural regions, east and north of the city of Sucre. INCA PALLAY coordinates the production plans with the representatives of the production units but buys directly from the individual artisans, paying in cash at the moment of purchase.

It is specialised in weaving art targeted to tourists and high-end markets. It has shops in Sucre and La Paz, and a museum-shop near the tourist market of Tarabuco. To diversify the offer to clients, they have partnerships with other economic farmer organisations such as COMART and ARAO.

Five persons work full-time in INCA PALLAY, plus a Belgian volunteer. INCA PALLAY has support from various NGOs in the salary costs of the coordinator (SNV, SOS FAIM).

## **Dynamics**

INCA PALLAY showed a steady but slow increase in sales, with fluctuations principally related to political unrest that affected the flow of tourists to Bolivia. They changed from working with a professional vendor to working with one of the women in the board to directly communicate with potential buyers in the shop, and considered this to result positively in sales, and positive also for raising the commitment of members to their organisation. Several other buyers compete with INCA PALLAY in procuring the highest quality weavings from the women in the area of production.

Sales in Sucre are growing, but stagnating in La Paz, where competition with private handicraft shops is tough due to the better quality products that these are selling. It is exploring possibilities to access the Fair Trade market in Europe, supported in this initiative by a Belgian volunteer. However, this has not resulted in significant sales.

Membership is stable, though some women leave and others enter the association. Due to a constraint on the market for the weavings, they decided not to accept new members in 2013.

## **Grant influence**

INCA PALLAY invested the grant in a production unit, a weaving and dyeing centre, in one of the production areas (Paredón). The investment gave the group a place to work and keep their material. The members can more easily operate and organise themselves without interference of the village authorities. The effects of the grant are social and political rather than economic. Nevertheless, the number of weavers in this production centre has been declining due to more lucrative other income sources (road construction, dairy).

The investments were made in 2007. Compared with the sales volume in 2006 reported in the grant proposal, the sales in 2008-2012 only increased with a modest US\$681/year. It is clear that there is no sales effect due to the better conditions in this peculiar production unit, as weaving is generally an in-house activity. Though it is unlikely that there had been an influence of this investment in INCA PALLAY's core tension containment capacity, it may well have improved for the concerned unit of production. Internal organisational issues were considered to have negatively affected the development of the business plan.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: Yes
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# OMCSA

## Context

OMCSA started in 1994 as wheat-seed producers, with an impulse from the development NGO ACLO. Wheat seed was a high-value niche product that received significant governmental support (through USAID PL-480) during the 1980s and 1990s. The high altitudes of the Andean Valleys were conducive to the multiplication of virus-free seeds to be used in the extensive agriculture in the Lowlands of Santa Cruz. Technical possibilities for reproduction changed, however, and the market collapsed around the year 2000. In the same year, the NGO ACLO also stopped their support activities in the area. OMCSA tried to find alternatives products for collective marketing, such as other quality seeds, including certified potato seeds. In 2007 OMCSA wanted to restart the wheat seed production, but the state enterprise EMAPA imposed a direct contractual arrangement with the farmers, not through the existing associations of farmers.

## Dynamics

OMCSA's main role between 2010 and 2012 was to continue looking for business opportunities and projects to create markets and employment in their local area. OMCSA had only one staff member, who worked as coordinator and developer of projects. He was hired because of his previous experience in working in another economic farmer organisation in the area, AOCEMM. In addition to the two projects funded by FONDOECAS, OMCSA also worked with the French NGO Vétérinaires Sans Frontières to develop and expand their processing activities. The idea for a business plan submitted to FONDOECAS in 2009 emerged from a participatory planning process with the municipal authorities to define the local economic development plan. The business plan had been presented that year, 2006, for municipal funding but was not considered as a priority. Subsequently, the project had been submitted the same proposal to FONDOECAS in 2009. With a second FONDOECAS grant, received in 2011, OMCSA invested in a processing unit to provide wheat popcorn and sesame bars to the school food programme. However, the business was not yet operational in 2013. In 2013, the coordinator left and OMCSA activities became entirely managed by board members. The board decided to rent the bakery out to a private baker. In 2013, OMCSA functioned as a social organisation without collective marketing activities, although having some income from the renting out of the productive infrastructure (bakery, silos) that was originally intended to be operated as collective marketing activity. June 2013, the interviewed board members mentioned the role of the coordinator as a positive factor in the implementation of the business plan and acknowledged the role of the (former) board and the role of the members as factors that hindered the development of the business, along with adverse market conditions. In the 2011 interview, the board already admitted that the plan had been formulated without a proper market analysis.

## Grant influence

The bakery business was planned to involve 61 members. These members all signed the proposal, a standard eligibility requirement of FONDOECAS. The business never prospered as expected, and, in 2012, its operations involved only a group of 35 active members. Initially, when they made the proposal, they also wanted to create employment opportunities for members. But when implementing the bakery they decided to work with skilled labour from Tarija instead. In 2013, they rented all infrastructure to an external baker, who pays a monthly rent (US\$100) that serves to cover the organisational expenses of the board.

The sales volume of wheat through the bakery was rather insignificant in relation to the number of farmers that they represent. Based on the data provided, and even attributing the sales of processed products completely to the FONDOECAS grant, the estimated average yearly sales effect would be only US\$ 1,193.

The bakery activities were operational in 2011, with high expectation for expansion, which is reflected in a relatively high tension containment capacity at the 2011 measurement. In 2013, most of the tensions were considered to be irrelevant by the interviewed board members and local researcher, which resulted in a low TCC-score. The externalisation of the activities may also be considered as an effective solution to resolve some of the tensions in collective marketing, and the 2013 of zero points might thus be an underestimate. In any case, we consider OMCSA as an organisation that has a far lower tension containment capacity in 2013 than in 2011.

## Outcome summary

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: Yes

# **ORLIPA**

## **Context**

ORLIPA (Líderes Productivos Agropecuarios Pampajasi) is an association of livestock herders initiated in 2004 by ten farmers, who had been trained as veterinary promoters, and provide services to the rest of the members. They were formalised as an association in 2007, and in 2008 they grew to 54 members. They manage several services to support and improve cattle herding by their members. As a collective marketing activity, ORLIPA manages a slaughterhouse, a cereal thresher, a milling machine, and a solar drier. Members pay a fee when they use these services. Members use or sell their own products after having them processed. As a group they sell processed products whenever they can get a contract with an institution. In these cases, they use a system of delayed payment. They are located close to the Peruvian border, which means that currency rates influence cattle and meat prices as well as the demand for their services.

## **Dynamics**

With the support of FONDOECAS in 2009, they started to experiment with the production of various meat products (sausages, etc.). In 2010, 42 of the members were actively involved in starting up these activities. ORLIPA has no staff; most of the work was done by the president of the association. After two years of pilot production, without having a collective market for their goods, they started to deliver products to the school food program of the municipality of Humanata in 2012. In addition to their own products, they were required to deliver other food items (quinoa, biscuits, yoghurt, etc.), which they had to buy elsewhere. However, the contract was changed just before they started to deliver, and excluded the product that ORLIPA processed using equipment bought with FONDOECAS grant. In 2013 the contract was discontinued by the municipality. Moreover, the price received was not attractive, and the members had to wait too long before ORLIPA could pay for their supplies. With a loan from FONDOECAS they managed to resolve the latter. In spite of this experience, at the time of the interview in September 2013, they had not managed to arrange a new contract. They continued providing services to members through the slaughterhouse, thresher and motorised mill, and were working with the authorities on food safety regulations to become a certified slaughterhouse. In 2012, they changed leadership and the newly elected president was later also elected as secretary-general of the communal organisation. By 2013, he had not yet dedicated himself to the re-launching of the collective commercial activities, and the business done with the school feeding programme had not yet been properly evaluated by the members. It is clear that the revenue was less than had been expected by the members. The members pressed for distribution of the margin gained in the business, paying only for ORLIPA's operational costs but leaving nothing for reinvestment. In the 2013 interview, the president and board member who operated the slaughterhouse mentioned the internal organisational issues as negative factors, together with the operational costs of the equipment.

## **Grant influence**

ORLIPA invested in meat processing equipment to sell boiled dried meat (*charque*) combined with beans (*haba*) or maize in pre-cooked meals, and to enter the market of the school meal programme. In 2012 they managed to get the contract, complying with the quality requirements. The activities were further facilitated by a FONDOECAS loan to resolve payment delays in the contract with the local government. However, at the moment of actual contracting, the product that they intended to sell was removed from the specifications. Most products that remained on the list were grocery products. Therefore, the increased group sales in that year cannot be attributed to the grant-supported business plan. The impact on their organisational capacities is ambiguous. ORLIPA formalised its organisation in 2006-2007, and explicitly mentioned that this was done in view of the opportunity of a FONDOECAS grant. They developed the technical proposal with the help of the NGO CUNA and supported by CIOEC-La Paz. The grant worked as a mechanism to define internal organisational issues around collective marketing. At the time of the first interview, they had just started to implement the business plan, with some pilot products to test the equipment, and low sales of processed products. In the second interview, ORLIPA had gained experience with the implementation of the business. However, in 2013 they did not continue the processing activities, and several tensions were therefore considered to be less relevant. The tension containment score in 2013 was far lower than in 2010 and we consider that the intended outcome of organisational strengthening did not materialise.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No

# **SOPROQUI**

## **Context**

SOPROQUI is one of the nine regional organisations that are members of the national quinoa organisation, ANAPQUI. These regional associations procure quinoa for processing and export by ANAPQUI, which manages an industrial processing plant to clean the quinoa seeds of saponin, a substance which results in a bitter taste. The members of SOPROQUI are those quinoa producers in the area that are certified as organic producers (BOLICERT), or those that are in transition to becoming certified. ANAPQUI has one person that works with SOPROQUI to organise logistics and provide technical assistance, largely funded through the quinoa programme in FAUTAPO, supported by the Dutch Embassy. Through this programme, members can also access some support in production (organic fertiliser, small implements, etc.). Farmers tend to sell only part of the quinoa at harvest time, selling bit-by-bit during the rest of the year, whenever they have need cash.

In addition to their core business of procuring quinoa for ANAPQUI, SOPROQUI managed a shop where members can get basic supplies of food, with a credit facility to pay with quinoa at the time of harvest. In 2008, they started to pilot quinoa processing for quinoa popcorn (*pipocas, estrusados*) and quinoa soup, with a view to accessing the local school meal programme.

## **Dynamics**

Between 2007 and 2010, they grew from 150 to 260 members. Volumes of quinoa declined in 2009-2010 due to adverse climatic conditions, but prices of quinoa in the world market began to rise to unprecedented heights. Between 2010 and 2012, the price of quinoa in the international market continued to rise. Many traders compete with SOPROQUI to source quinoa in their area of influence. Because of the high processing costs, working capital became a constraint. However, through ANAPQUI the quinoa organisation managed to get access to a loan from the BDP. They can pay farmers cash in hand when they sell their quinoa to SOPROQUI/ANAPQUI.

## **Grant influence**

SOPROQUI benefited from a FONDOECAS grant in 2008. It wanted to invest in processing and packaging equipment to supply processed quinoa products (quinoa popcorn, quinoa soup) to the market, including the school meal programmes. They projected a turnover of US\$20,000. However, the equipment was never properly delivered and installed. The FONDOECAS grant was one of the motivations to start with this new business activity, next to their core business, but the project never took off. The current board members do consider quinoa processing still as an interesting business opportunity but indicate that other machinery and skilled personnel is needed to start doing so. The increased sales effect is considered to be zero.

## **Outcome summary**

- Increased access to markets for members: No
- Increased organisational capacities: No
- Increased access to loans: No
- Increased access to grants: No
- Increased income to pay organisational expenses: No