

# PERU COCOA ALLIANCE

A public-private partnership supported by USAID



**Traceable Cocoa. Sustainable Impact.**



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**The Future of sustainable, traceable, fine flavor cocoa.**

A photograph of a cocoa tree with several large, red, elongated pods hanging from its branches. The leaves are green and have a prominent vein pattern. The background is a dense thicket of similar foliage.

# Cocoa industry challenges

Demand for chocolate is growing by 6% annually and consumers are demanding responsibly sourced products. To meet demand, cocoa suppliers must improve quality, transparency and volume. Top priorities include:

- Meeting unmet demand for fine flavor cocoa
- Reliable, high quality cocoa beans
- Safe, just working conditions
- Supply chain transparency
- Unstable environments in sourcing countries
- Environmental conservation
- Improved farmer livelihoods
- Diversification and security of supply chains
- Standardization and professionalization of cocoa production



# The Peru Cocoa Alliance is providing solutions

The **Peru Cocoa Alliance** is an **innovative public-private partnership** to catalyze high-value agricultural production in former coca-growing areas in Peru. The Alliance will strengthen Peru as a market leader in fine flavor, traceable cocoa.

We work with major national and international investors to connect small farmers to buyers, **increasing productivity and quality with technology**, finance and technical assistance.

Over **\$144 million dollars** have been committed so far by partners in the cocoa industry, donor community, government of Peru, financial sector and by farmers themselves.

The Peru Cocoa Alliance currently works in **three key departments** of the Peruvian Amazon: **Huánuco, Ucayali and San Martín**.



# Our model is comprehensive



The **Peru Cocoa Alliance** benefits from long-standing local relationships with local actors which allow us to directly support thousands of vulnerable, small scale farmers. Currently, the Alliance works with over **80 farmer organizations**. Our model directly provides farmers with the key elements to modernize and improve cocoa production. Interventions include:

- A **GIS-based traceability system** allows buyers to track purchases back to the farmers and facilitates cost-effective third party certification (Utz, Rainforest Alliance, Fair Trade etc.).
- Integration of small farmers into high-tech, high-value supply chains.
- Improving genetic material through careful selection of **fine flavor cocoa varieties**.
- Facilitating long-term, **direct commercial relationships** between buyers and producers.
- **Technical training** to farmers tailored to specific manufacturer preferences.
- Channeling investment into **post-harvest technology** to ensure product quality.
- An integrated **agro-forestry model** that preserves the richness of Peruvian biodiversity while providing farmers with diverse income streams from short cycle crops (plantains, peppers, passion fruit, papaya) and trees.
- Facilitating farmer **access to credit** to finance expansion, application of quality inputs and post-harvest technology.



# The Peru Cocoa Alliance is generating impact

By 2016 we will achieve:

- 28,000 hectares of new cocoa production across 3 departments of Peru.
- 23,000 households integrated into international supply chains
- 18,000 jobs generated
- 5,000 new members incorporated into producer associations
- 10,000 farm households with access to credit
- 50% improvement in farmer yields
- Farmer incomes reach up to \$4000 USD per hectare
- Peace and stability promoted in previous drug trafficking regions
- Increased gender equality and inclusion of native communities

# Be a Part of the Future of Cocoa



## What the Alliance can do for you:

- Facilitate direct access to fine flavor, traceable, sustainable Peruvian cocoa.
- Secure long term sources in a stable environment with huge growth potential.
- Foster a positive corporate image before conscious consumers.
- Customize programs to meet unique needs in terms of clonal varieties, flavor profiles and certifications.

## What you can do for the Alliance:

- Sponsor cocoa expansion for a specific farmer group or region of Peru.
- Sponsor technical assistance to farmers.
- Invest in technology such as traceability or post-harvest systems.
- Contribute guidance on adapting production to changing markets.
- Provide financing for development of sustainable agriculture.

## Want to Learn More?

We are always looking to expand our partnerships. There are many more ways to get involved!

## Contact us at:

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# Our partners and their roles

**USAID.** The United States Agency for International Development (USAID) supports the **Peru Cocoa Alliance** both technically and financially aiming at replicating and guaranteeing the sustainability and success of alternative development programs.

**DEVIDA.** The National Commission for Development and Life without Drugs (DEVIDA) is a decentralized public agency of the Peruvian Government that supports the Peru Cocoa Alliance with outreach and co-investment.

**CARANA Corporation.** CARANA designs and implements solutions to transform supply chains, enhance productivity and facilitate product differentiation to benefit all actors. CARANA is responsible for overall program management of the Alliance.

**Source Trust.** Source Trust is an NGO established by Armajaro Trading Ltd, responsible for implementing technical assistance and technology transfer to help farmers increase productivity and quality. They are supported by Colombian chocolate company, Casa Luker, and traceability technology provider, Geo-Traceability.

## Corporate Sponsors

**Armajaro Trading Ltd.,** one of the world's leading cocoa, coffee and sugar traders. Armajaro is the leading corporate sponsor of the Peru Cocoa Alliance.

**Romex Trading,** a Peruvian trader of cocoa and coffee, is developing commercial scale cocoa while also strengthening the capacity of small scale suppliers.

**Other corporate partners include:** Casa Luker, Inka Crops, Pro Aji, Patt Fresh and Misti Fertilizers.

**Peruvian farmer organizations:** ACOPAGRO, Naranjillo, Oro Verde, among many more.

**AZMJ.** AZMJ is a small woman-owned firm that specializes in facilitating access to financial services and will link small producers to major international investors.