

**Impact Study:**  
**La Cooperativa Agraria Rodríguez de Mendoza**  
**(COOPARM)**



**Image:** COOPARM farmer Wilmo Rodriguez picks coffee cherries on his farm in Peru.

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### Methodology

This study involved a mixed method of investigation, which included qualitative semi-structured interviews and secondary data collection.

Interviews were carried out with nine individuals in total and were conducted in 2022 and 2024 respectively. Four individuals held key employee roles at COOPARM, including General Manager, Logistics Manager, Delegate and Board President. Meanwhile, interviews were also carried out with five farmers to give a more detailed understanding of their experiences.

Interviews were carried out remotely, using Microsoft Teams video calling, and involved simultaneous interpretation with the support of an interpreter. Interviews were recorded, with the permission of all participants, and later transcribed to enable the extraction of the quotes used in this report. Meanwhile, several conversations were captured on video by in-country photographer and film maker, Angela Ponce, using pre-written questions and approved consent. Video interviews can be watched using the link in the appendices on page 39.

Secondary data collection was also carried out in the form of desktop research to learn more about the commodity, region and context of the co-operative. We have also reviewed all available Shared Interest documentation about COOPARM, such as loan proposals, annual reviews, financial reports and visit reports to support the study and the development of the graphs in this report. A sample of the interview questions can be found in the appendices of this document.

## Why we measure impact

Shared Interest Society is an ethical investment organisation offering fair finance to producers and buyers across the globe. Our model enables over 12,000 individuals to come together and make a positive difference by contributing to social change. These members pool their funds and make a much larger impact than they would be able to achieve individually. Last year, we made disbursements totalling £42.1m to 166 organisations in 47 countries, improving the livelihoods of 412,628 farmers and artisans in some of the world's most disadvantaged communities.

In 2004, Shared Interest Society established a subsidiary, Shared Interest Foundation. The charity delivers technical assistance, business support and climate mitigation and adaptation projects with small-scale producer organisations and community groups across Africa and Latin America.

*Our mission is: 'To provide financial services and business support to make livelihoods and living standards better for people as they trade their way out of poverty. We work collaboratively and innovatively with those who share our commitment to fair and just trade. With a community of investors and the support of our donors and volunteers, we seek to contribute to a world where justice is at the heart of trade finance.'*

Our monitoring and evaluation process involves portfolio-wide social and financial due diligence, and case studies of the organisations we support. Our regional teams maintain regular contact with the producers, organise producer committees and surveys and undertake annual reviews. In 2015, we began to supplement our social and environmental metrics with deeper studies of selected customers and project beneficiaries to evaluate whether and how these businesses support farmer and artisan livelihoods and offer a justifiable account of our contribution to this.

These case studies are primarily intended to demonstrate two levels of impact: that of our financial support to producer organisations, and the wider impact on the livelihoods of the smallholder farmers or artisans they serve. We qualitatively describe other types of impacts on their communities, as well as on the surrounding environment. Finally, we situate these impacts within the broader context of the country and value chain, to illustrate how these businesses, end-buyers and social financiers like Shared Interest work together to grow rural prosperity for smallholder producers and their communities.

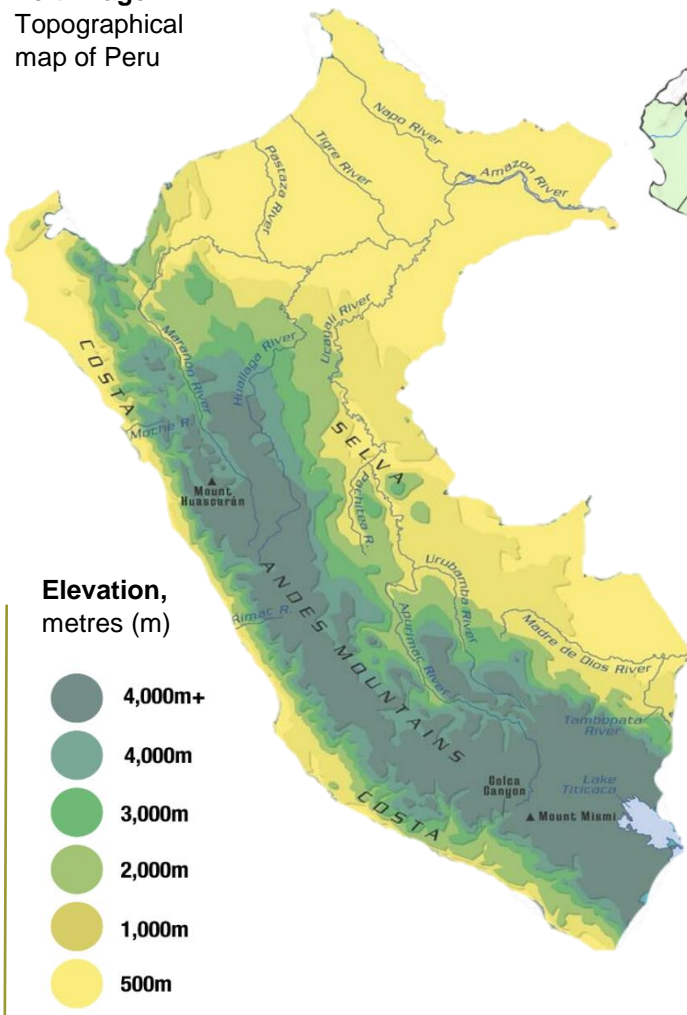
These studies enable us to better understand both levels of impact (enterprise-level and household-level) and provide both Shared Interest and our customers with the information necessary to continuously improve our services. We are grateful to the contributors who share their stories and lived experiences, so that we can understand this impact as fully as possible.

## Background: Coffee and Peru

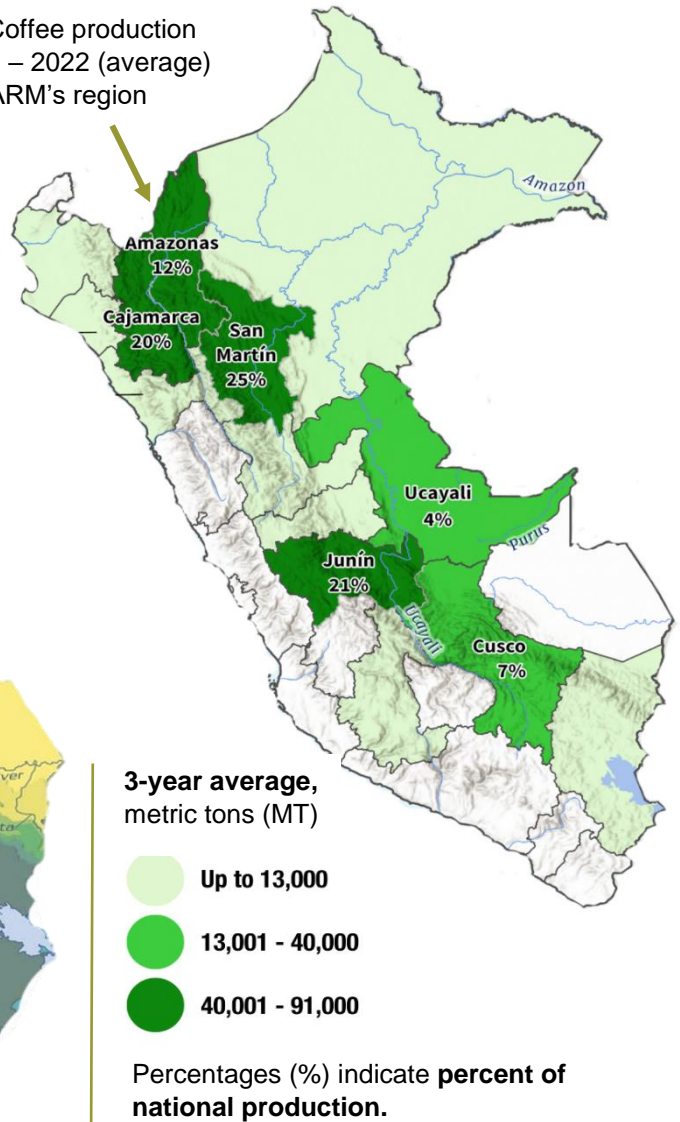
Grown on soaring mountain ranges in rich volcanic soil, or on farms nestled in valleys surrounded by forests, Peruvian coffee is known for its full-bodied aroma and taste. As COOPARM farmer Jairo Rodriguez told us: “COOPARM has 32 different hubs at different altitudes, and it is the mix of the crops from the different altitudes that gives you the high quality ... The higher up you go, the better aroma and better body and flavour you get.”

In Peru, roughly 75% of coffee cultivation takes place between 1,000 and 1,800 metres above sea level, where the ideal coffee growing climate can be characterised by moderate temperatures, high humidity and well-distributed rainfall. This is demonstrated in the topographical map of Peru, below-left<sup>1</sup>. Meanwhile, the map on the right presents the output of Peru’s coffee growing regions<sup>2</sup>. The Amazonas region (shown by the arrow) is one of the main coffee-growing areas in the country and is referred to as ‘the capital of ecological coffee’ due to the high proportion of organic coffee produced there.

**Left image:**  
Topographical map of Peru



**Right Image:** Coffee production by region, 2020 – 2022 (average)  
**Arrow:** COOPARM’s region



<sup>1</sup>Ferandes (2009); Land elevation map of Peru; Accessible at: <https://www.flickr.com/photos/thejourney1972/3474553588>

<sup>2</sup> [https://ipad.fas.usda.gov/countrysummary/images/PE/cropprod/Peru\\_Coffee.jpg](https://ipad.fas.usda.gov/countrysummary/images/PE/cropprod/Peru_Coffee.jpg)

## The history of coffee in Peru

The first commercial coffee plantations were established in the northern regions of Cajamarca and Amazonas, soon after coffee was first introduced to the country in the late 18<sup>th</sup> century by Jesuit missionaries. By the late 19<sup>th</sup> century, coffee had established itself as an essential export crop for Peru, with production growing in the central highlands.

Following a 'golden era' of Peruvian coffee production in the 1950s and 1960s, economic crises and coffee leaf rust disease stunted production and led to a major decline in exports. However, since the 1990s, Peru has worked to revive and modernise its coffee sector with investments, farmer training programmes and a renewed focus on high-quality, specialty coffee.

The Peruvian government have developed initiatives such as the National Coffee Action Plan (Plan Nacional del Café) and the Coffee Renovation Programme (Programa de Renovación Cafetalera), which act to strengthen Peru's position in the global coffee market.

To achieve this, the initiatives oversee investments in infrastructure, research and development, processing facilities, marketing and provisions of subsidies and technical support to farmers to help manage their coffee trees, adapt to climate change impacts, increase their yields and improve their incomes.

In terms of the type of coffee produced, Arabica makes up over 95% of national production. Typica is the most common Arabica variety (accounting for 70%), followed by Caturra (20%) and Bourbon (10%).



**Image:** COOPARM employees carry sacks of coffee outside the co-operative's warehouse facilities in Rodriguez de Mendoza, Peru.

According to the U.S. Department of Agriculture (2023)<sup>3</sup> 4.06 million 60kg bags of coffee were forecast to be exported from Peru during 2023, a 16% increase from the previous year. Totalling USD 829 million, these exports position the country as the ninth largest coffee producer in the world (Specialty Coffee Association, 2024).<sup>4</sup>

Meanwhile, Peru ranks as the world's largest exporter of organic coffee, with an estimated 90,000 hectares of coffee farmland certified as Organic and this can be largely credited to the scale of smallholder farming. With an average farm size of two to three hectares, it is estimated that there are over 223,000 smallholder coffee farmers in the country who rely on coffee as their primary cash crop and income source (Specialty Coffee Association, 2024).

<sup>3</sup> United States Department of Agriculture (USDA) (2024); Coffee Annual; Accessible at: [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Coffee%20Annual\\_Lima\\_Peru\\_PE2024-0008.pdf](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Coffee%20Annual_Lima_Peru_PE2024-0008.pdf)

<sup>4</sup> Specialty Coffee Association (2024); A Brief History of Peru's Specialty Coffee Production and Consumption; Accessible at: <https://sca.coffee/sca-news/a-brief-history-of-perus-specialty-coffee-production-and-consumption-may-2024>

Whilst Peru is recognised as a global leader in specialty coffee production, the coffee industry continues to face challenges such as infrastructural underdevelopment, market fluctuations, ageing coffee trees and the impacts of climate change. In response, the Peruvian government launched a National Coffee Platform (NAP) in 2017 with the support of the United Nations Development Programme (UNDP).

The NAP hosts multi-stakeholder dialogue, convening changemakers such as the UNDP, the Peruvian Ministry of Agriculture, the National Coffee Council, regional governments, producer associations, civil society and the private sector. The Coffee National Action Plan was designed through the NAP in 2018 as a collaborative initiative between the UNDP's Green Commodities Programme, the Ministry of Agriculture and the National Coffee Council to improve coffee productivity and quality, facilitate access to financial services and enhance commercial positioning (UNDP, 2024)<sup>5</sup>.

### Coffee prices

Although coffee has historically been regarded as a profitable crop because of high prices on the stock exchange, in recent times, coffee prices have been lower and subject to fluctuations due to factors such as a strengthening US Dollar and an oversaturation of the mainstream coffee market. These volatile, low prices, coinciding with higher production costs, threaten the financial stability of Peru's coffee farmers, whose net income derived from coffee production varies between 45% and 90% (Rainforest Alliance, 2021).<sup>6</sup>

Emerging challenges, such as the Covid-19 pandemic and outbreaks of coffee leaf rust, further prompts co-operatives and the farmers they represent to identify alternative sources of income and engage in technical assistance to facilitate crop diversification and reduce their reliance on coffee as a source of income.



**Image:** Copper-coloured powdery lesions reflect symptoms of coffee leaf rust disease. They appear on the underside of coffee tree leaves, signalling spores: the cells of the disease that can reproduce.

The disease thrives under humid conditions and is carried to new leaves mainly by rain, wind or animals. Warm, wet climates help to spread the disease. Drier, cooler climates limit its spread (CABI, 2024).

### The coffee production process

Coffee in Peru is harvested between April and September, with 85% of the crop harvested within the peak season between April and July. Coffee is produced throughout the eastern slope of the Andes and production is concentrated in three main growing areas: Chanchamayo, Cajamarca and Cusco. Uniquely, COOPARM produce coffee year-round, because their members' farms are located at varying altitudes within different valleys – each with distinct microclimates –enabling COOPARM to harvest continuously without compromising coffee quality.

<sup>5</sup> United Nations Development Programme (UNDP) (2024); Peru: Sustainable Coffee; <https://www.undp.org/facs/peru-sustainable-coffee>.

<sup>6</sup> Rainforest Alliance (2021); Origin Issue Assessment: Coffee in Peru; Accessible at: <https://www.rainforest-alliance.org/wp-content/uploads/2021/10/Origin-Issue-Assessment-Peru.pdf>



**Image:** COOPARM farmer Maria Hilmer Acosta picks coffee cherries.

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A COOPARM coffee farmer's day will begin in the early morning. Coffee will be picked and loaded onto a horse, which may be owned by the farmer or shared with a friend. The horse will carry the coffee back to the farmer's home, where it will be processed. At this stage, the ripe coffee cherries will go into a pulping machine, which is similar to a bath. The cherries that are not ripe will float to the top and be removed with a sieve. The remaining coffee cherries are soaked overnight and then de-pulped, which involves removing the outside of the cherry to leave only the coffee bean.



**Image:** COOPARM farmer Maria Hilmer Acosta brings coffee cherries home using a horse.

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The following day, the coffee beans are washed and left out on large trays, exposed to the sun and air. Once dry, the beans will go into sacks that are stored on wooden shelves, to ensure they are not exposed to damp, insects or other contaminants on the ground. These sacks will either be brought directly to COOPARM headquarters or taken to collection centres within the local communities and villages.

## Coffee certifications

In Peru, around 90,000 hectares of land are certified Organic (USDA, 2020). Meanwhile, the entirety of COOPARM's 1,488 hectares of farmland is certified Organic, with the co-operative obtaining Organic (IMOCert) and Fairtrade (FLOCERT) certifications in 2008 and Rainforest Alliance (UTZ) certification in 2018.

In 2021, COOPARM exported 110 coffee containers worth an estimated USD 9.4m. Eighty per cent of these exports corresponded to Fairtrade coffee, which was sold to buyers predominantly in Europe, Canada and New Zealand. As well as bolstering export markets, Fairtrade certification has also enabled COOPARM to pay additional amounts to their members for their produce.



Speaking about the value of the co-operative to its members, Angelica Hernandez, COOPARM Head of Logistics, said: *“The benefits are the regulation of the price. There's a regular price in the market for members, because we have a commitment to respecting the differential and the premium, Fairtrade or Organic.”*

In 2024, Ramiro Bocanegra, General Manager, told us how certifications are impacting the co-operative's production volume. He said: *“Fairtrade prices are high, and some clients ask us for Fairtrade certification and other certification. We sell 100 containers to Fairtrade and Organic, plus another 50 uncertified and Rainforest.”*



**Image:** COOPARM Board President, Maurillo Ocampo (L), sorts coffee sacks with COOPARM employees at the co-operative's headquarters in Rodriguez de Mendoza.

# COOPARM

COOPARM is a coffee producing co-operative located in the province of Rodriguez de Mendoza, in the Amazonas region, north oriental jungle of Peru. The co-operative was founded in 1990 by 100 farmers. In 2011, COOPARM became a Shared Interest customer when we provided finance to support the co-operative in exporting their coffee.

Area map: COOPARM Coffee Production Sectors<sup>7</sup>

**Image:** Map showing COOPARM's production area in Rodriguez de Mendoza.



**Image:** Map of Peru highlighting the Amazonas region.



**Image:** Map of the Amazonas region highlighting the province of Rodriguez de Mendoza.



<sup>7</sup> COOPARM Map; <https://cooparm.org/en/#cooperative>

COOPARM's mission is: *To be a co-operative that sells quality coffee in harmony with nature, satisfying the needs of our partners and meeting the demands of customers.*

COOPARM originated in 1990 as the 'Association of Agricultural Producers Rodríguez de Mendoza' (APARM), a not-for-profit association which was established with the support of a local priest named Father Antonio Rodríguez Arana and a group of 100 Catholic missionaries.

The initiative aimed to challenge unfair local coffee prices by bringing producers together to create a stronger bargaining position for farmers and increase their access to new markets. In an effort to develop the producer group's managerial sustainability, the founders also delivered specialised training and technical assistance to the farmers.

By 2000, farmers received full control of the management of APARM. During this period, the Stock Exchange paid a higher price for Fairtrade and Organic coffee, and these benefits were transferred directly to the members of the association. This encouraged new producers to join, leading to expansion and increased trading volume.

In October 2007, the members decided to change the association's legal status from 'not-for-profit' to 'co-operative'. As a result, farmers and staff belonged to an evolved organisation with a new name: COOPARM. Here, members could distribute profits and own a portion of the shares.

In the following year, COOPARM obtained Organic (IMOCert) and Fairtrade (FLOCERT) certifications. In 2010, the co-operative experienced internal challenges which impacted upon the trust and loyalty of its members, leading to a subsequent reduction in coffee supply. Problems persisted and COOPARM was soon faced with bankruptcy.

In 2014, Father Arana intervened to restructure and revive the co-operative. At this time, he oversaw the recruitment of Ramiro Bocanegra as General Manager. Before his appointment, Ramiro was actively studying to be a Jesuit priest and had studied risk and business administration at a university in Lima. Ramiro had exposure to the coffee sector as a result of his experience working with coffee and cocoa traders at the local Vicariate office in Piura.

Speaking about the reason he joined COOPARM, Ramiro said: *"I was friends with the Jesuits, and they said 'go to the co-op, to help out in any way you can'."*

Ramiro visited Rodríguez de Mendoza to support the co-operative in January and April 2014. In August, he received a call from COOPARM's management, requesting his immediate presence. Ramiro said: *"They took me there to close it. That was the idea. It was too much of a problem. They couldn't handle it. It was too difficult, too problematic."*

Reflecting on Father Arana, COOPARM's founder, Ramiro told us: *"People loved him a lot ... a lot of farmers would go to get help with illness, to ask for food ... And I said, 'don't close the co-op, because if you're getting 20 or 30 farmers a day at the moment, if you close it, you're going to get 100 or 200, because the co-op is the only economic hub (in the region)."*

*"I don't think God will abandon us. And if he decides that it's not to be, it won't be so,' ... So, I said, 'let's go back to the beginning, to when it was founded'. So, I started going to church, going to mass in all the villages, talking about the co-op and how it impacts and supports people's lives, encouraging trust."*

A decade later, COOPARM has grown to support 542 farmer members, producing over 400% more coffee, restoring and reinforcing their position as an economic hub and pillar of social welfare in the region of Rodríguez de Mendoza.

## COOPARM business overview

Since 2020, COOPARM's membership has steadily increased, whilst operational investments have improved output by a third. Meanwhile, COOPARM's attendance at global coffee events and regular commercial tours of North America and Europe have strengthened relationships with stakeholders and factored into their growing buyer portfolio.

General Manager Ramiro is responsible for COOPARM's development. His role involves assessing the needs of members and promoting the co-operative in local and international markets. Upon his arrival, Ramiro worked to stabilise COOPARM and restore its trusted relationships with buyers and members by reorganising the co-operative's internal staff, processes and controls and improving the cost-efficiency of its processing plant.

Speaking about the factors which contributed to the growth of the co-operative from that time, Ramiro said: *"What we always had, and continue to have, is a really good working team (and so) we decided to restructure things in in all areas."*

Ramiro also viewed it as imperative that COOPARM farmers became recognised for the quality of their coffee, and that they had the right facilities in place to achieve this. COOPARM headquarters now has its own cupping laboratory, compost plant and warehouse. In addition, there are six collection centres to facilitate the delivery of coffee from farmers, this is especially necessary for those located at higher altitudes.

COOPARM works with coffee farmers throughout a vast area of 1,181 hectares, including 12 districts and 38 production bases. Angelica Hernandez, Logistics Manager, told us: *"We separate the (production) area into three valleys, and in each valley, they have a different season of production and harvesting."*

Farms are located at different altitudes within these valleys, each with distinct microclimates which enable COOPARM to harvest continuously. This unique cycle creates a constant need for finance, so the co-operative uses their Shared Interest facility throughout the year. Ramiro told us: *"The Mendoza valleys are unique. In the first months of the year, we may not have lots of coffee, but there will be cherries because of the geography."*

Armando Chuan is the former President of COOPARM's Board of Directors and currently serves the co-operative as a Delegate. The responsibility of a Delegate is to represent farmers within one of the co-operative's production bases, bringing their voices to the Assembly.

Reflecting on Ramiro's appointment, Armando told us: *"The first difference Ramiro made was the recovery of the trust of the producers in the organization ... the second was new markets, so all of the producers are able to sell all of their produce."*

Since its inception, social impact has been synonymous with COOPARM. Ramiro credits founder Father Arana with purchasing the community's first ambulance, improving local access to water and building roads and schools. Recently, COOPARM has implemented projects which support the livelihoods of farmers and build their resilience to the impacts of climate change.

Read more about how COOPARM is building climate resilience through agroforestry on page 23. Meanwhile, the co-operative is attempting to reverse rural-to-urban migration trends in Peru by empowering its members with training and reframing perspectives of coffee farming, spotlighting its value for farming families. Read more about how COOPARM is mitigating migration to secure the future of coffee on page 25.

## Business growth and sustainability

Shared Interest’s relationship with COOPARM began in 2011, when we were introduced to the co-operative by another producer at the annual Specialty Coffee Association conference (SCA). In 2014, the co-operative had been experiencing internal challenges, resulting in a major restructuring of personnel and a loss of trust amongst farmer members.

Shared Interest Head of Lending, Paul Sablich, was the Regional Development Executive for South America at this time – responsible for building relationships with new businesses in the region. Paul told us: *“...that was the inflection point where many lenders said they didn’t want to work with COOPARM anymore. And I met with Ramiro and decided we should work with COOPARM, because I felt that Ramiro was someone we could trust.”*

In addition, the international coffee prices had reached USD 3,000 per tonne, well above the average of USD 2,000 per tonne seen in previous years. Paul said: *“There was a high need of finance for coffee producers, so there was definitely a case to support COOPARM.”*

The unique geography of COOPARM’s production area also reinforced their need for stable finance options. *“Because of the location of their different farmer members, at different altitudes, they had a longer range of harvest cycle, therefore, they still needed the resources from us, even though it was quite late in the year,”* Paul told us.

### Summary of Shared Interest finance facilities provided to COOPARM

Shared Interest Facilities		
<p><b>2011 (ongoing)</b></p> <p>Export Credit (COEC)</p> <p>USD 300k Increasing to USD 1m in 2019</p>	<p><b>2013 – 2016</b></p> <p>Term Loan (TL)</p> <p>USD 150k Increasing to USD 200k</p>	<p><b>2019 (ongoing)</b></p> <p>Stock Facility (SF)</p> <p>USD 100k Increasing to USD 200k in 2020</p>

In 2011, we provided the co-operative a USD 300k Commercial Order Export Credit (COEC) facility for prefinance, later increasing to USD 1m. The export credit facility enabled the harvest and export of COOPARM’s coffee as prefinance for their Fairtrade coffee contracts, whilst also helping to ensure farmers were paid promptly, supporting the sustainability of the organisation.

We asked Ramiro how the Shared Interest finance was used. He told us: *“It goes into us buying coffee from the farmers. To be able to sell all year. To be able to export all year ... We need money to be able to supply.”*

In 2013, we provided a USD 150k Term Loan (TL) to support the acquisition of an electronic coffee selection machine and related equipment for COOPARM’s dry mill house. In the last stage of coffee processing, those beans that meet the export standard (size and density) go through an electronic selection machine that selects the bean by color, helping to eliminate those with defects. The machine reduced selection costs by USD 15,000 annually and increased production capacity from 900 to 3,700 quintals of exportable coffee per month.

The added precision of the electronic selection machine also improved coffee quality scores. To be classified as specialty coffee, a Q-grader (certified coffee taster) will score five cups of coffee from the same sample and give them a quality score out of 10 based on criteria such as coffee flavour, acidity and body. A cumulative score of 80 or higher on a 100-point specialty scale approves the cup as specialty coffee<sup>8</sup>.



**Image:** COOPARM members Alexon Jimenez and Jose Vela Tello take part in the coffee cupping process in COOPARM's laboratory in Rodriguez de Mendoza, Peru. Cups of coffee are sampled and a quality score out of 10 is provided in criteria such as aroma, flavour, acidity, aftertaste, body, balance, sweetness, flavour uniformity and an overall score.

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Following a visit to Europe to meet with clients and understand their requirements as coffee buyers, Ramiro told us: *"We discovered that it would be very important for us to invest in a lab to meet the requirements of each client in the different countries. Investing in a lab is very expensive, the machinery needs maintenance. But it allowed us to grow and to be able to differentiate and separate the coffees."*

As mentioned, unlike many coffee producers in Peru, COOPARM produces coffee year-round because of the location of its members. For example, 100 members located in the Mashuyacu valley produce coffee when the typical coffee harvest in the north of Peru ends. This unusual production time generally invites skepticism from buyers who presume co-operatives may be tempted to sell them 'old' coffee.

As a result, buyers are not willing to provide contracts during this period, presenting a challenge for COOPARM to acquire sufficient prefinance to gather their coffee. This situation underpins the value of our finance. Since 2019, we have supported COOPARM with an additional Stock Facility (SF) of USD 100k, later increasing to USD 200k, which has helped fund pre-harvest activities and gather coffee whilst contracts are still being negotiated.

Speaking about the impact of Shared Interest finance, Ramiro said: *"Without the support of Shared Interest, we would not have been able to do anything; every year we would not be able to buy and sell coffee."*

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<sup>8</sup> Specialty Coffee Association of America (SCAA) (2016); <https://sca.coffee/value-assessment>

## Production

Graph 1: Production volume (per quintal) from 2011 to 2023



COOPARM's production of coffee has increased by almost 500% since our relationship with the co-operative began in 2011. In 2014, the delivery of coffee into COOPARM from its members reduced by 9,456 tonnes. As a result, Ramiro prioritised speaking with farmers – whether in villages or on their farms – to recover their trust and subsequent supply.

To maintain growth, Shared Interest supported COOPARM with a Stock Facility in 2019. The facility supported pre-harvest activities and coffee gathering, contributing to an increase in production from 3.9 million kilograms to 4.5 million kilograms the following year.

However, low international coffee prices threatened COOPARM's production targets. In response, COOPARM reassured buyers of their reliability, enhancing their coffee quality by implementing closer monitoring of agricultural practices. They also promoted superior coffee varietals and provided technical and financial aid to their members for post-harvest activities.

In Peru, the 2020 harvest coincided with the Covid-19 pandemic, which resulted in complex challenges such as road closures and limited cargo, courier and banking services. The movement of coffee was impeded and coffee shipments were delayed (Sucafina, 2022)<sup>9</sup>. This issue was compounded by an already underdeveloped infrastructural network, which, like many within Peru's coffee industry, remains an ongoing challenge for COOPARM.

Bruno Biaggi Vidal, Shared Interest Lending Manager for South America, told us: *"From a farmland to a 'main road', the way is really bad. In most cases, farmlands are located in mountains; I have visited farmlands where children need to walk one hour down the mountain to a main road, to then wait for transport to go to school."*

Speaking about the process of transporting members' coffee from Mendoza to Paita, the primary port of northern Peru, Angelica Hernandez, Head of Logistics, told us: *"The road is a never-ending problem ... It's difficult to travel along."*

Despite facing these difficulties, COOPARM have continued to increase their production and purchase more coffee from members by facilitating the collection of coffee from communities and securing export contracts.

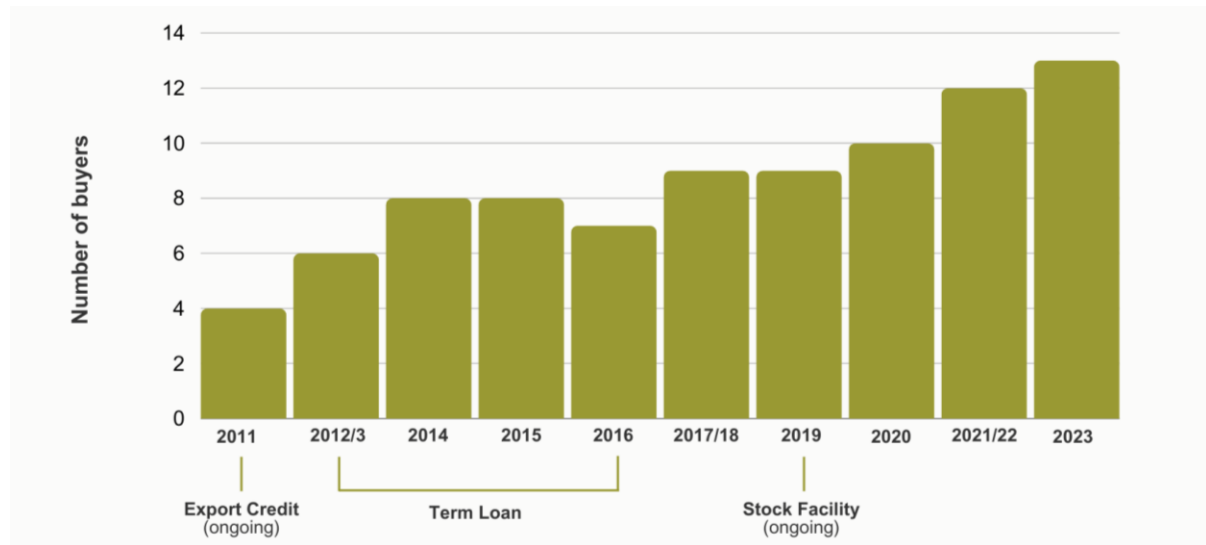
<sup>9</sup> Sucafina (2022); Update on the Peru Harvest; <https://sucafina.com/na/news/update-on-the-peru-harvest>

During 2020 and 2021, the co-operative implemented mobile collection points with owned and rented vehicles. Following co-ordination with members and community leaders, COOPARM continue to pick up coffee at designated collection points almost every day of the week.

Coffee farmer Elizabeth Arista Salazar, told us: “A COOPARM truck will come out to collect (the sacks of coffee), which is better for the member as they do not have to pay for transport. That is a facility that the co-operative offers us as producers – we need that help.”

**Graph 2: Number of buyers from 2011 to 2023**

Our data for 2012/13, 2017/18 and 2021/22 year covers a two-year period



Since 2011, COOPARM have grown their buyer portfolio. In 2015, several buyers stopped purchasing coffee from COOPARM in response to the co-operative’s mismanagement.

Centrocafe, a coffee producer and Shared Interest customer, played a vital role during this time to recover and facilitate commercial negotiations between COOPARM and international buyers, helping General Manager Ramiro fulfil his objective of restoring the trust and strength of the co-operative’s trading relationships.

In 2022, the organisation was able to fulfil its signed contracts and exported 118 containers of coffee, despite high price volatility and supply chain challenges. Due to a stable growth outlook for buyers and the acquisition of JAS certification (the agricultural standards of Japan, established by the nation’s Minister of Agriculture), COOPARM expect to reach new markets and achieve a greater production volume in 2023, exporting 146 containers.

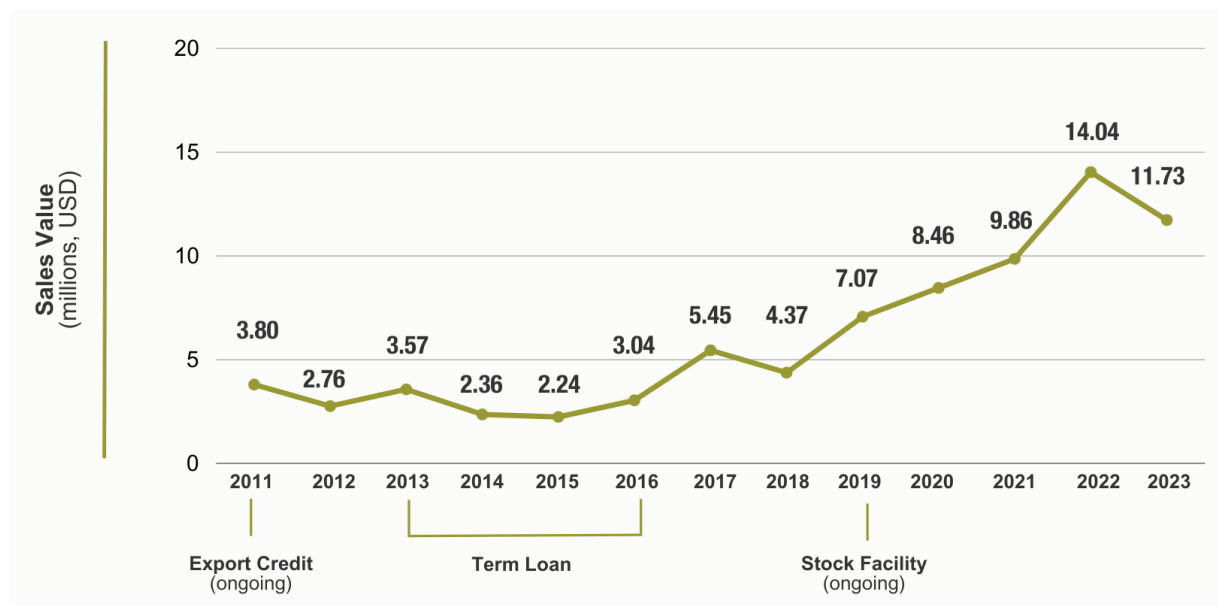


**Image:** Wilmo Rodriguez, COOPARM coffee farmer, holds a packet of organic specialty coffee sold by COOPARM to one of their buyers.



## Sales

Graph 3: Coffee sales value (USD) from 2011 to 2023



In alignment with global coffee price trends, the market price for COOPARM's coffee contracted from USD 315 to USD 218 per quintal in 2012, resulting in a reduced turnover of 26%. Although this market price contraction continued through 2013, demand from buyers increased as a result of the co-operative's satisfactory fulfilment of orders and its availability of coffee.

Since 2014, COOPARM's sales value has increased in line with their production volumes and Fairtrade exports. The recovery of the trust of buyers and producers has been quintessential to the co-operative's continued growth.

Speaking about the factors which have contributed towards COOPARM's positive sales, Paul Sablich, Shared Interest Head of Lending, said: *"Ramiro has been really good at detecting the risk, but also taking advantage of the opportunities. He is also a good networker, and he develops relationships with new buyers and attends various international trade fairs.*

*"He was also focussed on ensuring the quality of the produce so buyers were satisfied with it. The leadership of Ramiro and support of shared interest combined have been two key factors that result in the success that the organisation has achieved."*

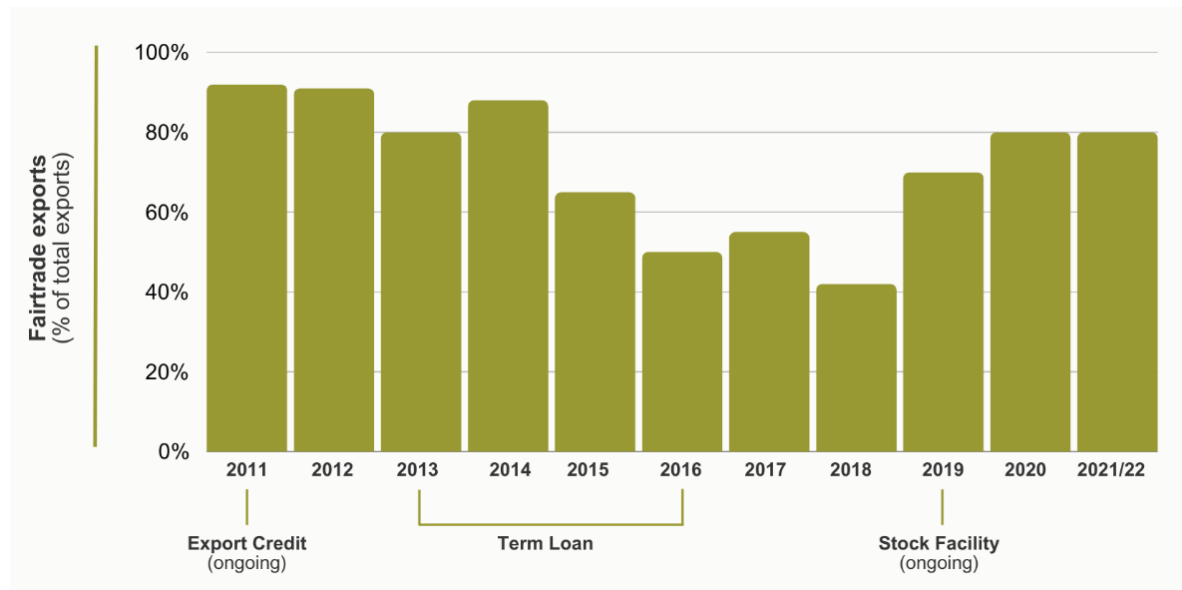
Paul reflected on Shared Interest's support of COOPARM during the difficult stages of restructuring and renegotiation at the time of Ramiro's appointment. He said: *"It is a sort of virtuous cycle ... because we put those foundations in place, other lenders were looking to support the business, and lenders were indispensable to drive the growth of the business."*

Ramiro said: *"The only (social lender) who listened was Shared Interest. In July 2015, it was Shared Interest who got involved ... in the end, it was Shared Interest that restructured and renegotiated. Without Paul, we wouldn't have gotten anywhere at all ... he trusted me (and) gave us USD 300,000 in Shared Interest finance."*

## Fairtrade exports

Graph 4: Fairtrade exports (%) as a percentage of total exports from 2011 to 2022

Our data for 2012/13 and 2021/22 year covers a two-year period



In 2015, Fairtrade exports reduced from 88% to 65% of total exports as a result of a loss of trust from stakeholders due to the co-operative's mismanagement. Members reduced their supply of coffee into COOPARM, whilst several buyers stopped purchasing its coffee.

From 2016 to 2018, Fairtrade exports declined further, to around half of total exports. Ramiro told us: *"We couldn't sell to export because we did not have clients to export to ... we lost two (big) clients."* In response, Ramiro focussed on ensuring COOPARM farmers were supported whilst he forged new relationships with buyers.

He said: *"We couldn't sell (the coffee), but we said, 'we need to buy it off (the farmers), so we'll buy it off them and we'll just sell it locally to big companies in the region.' You don't earn much money doing that, but at least we were able to move the coffee and move the money."*

*"In 2014 and 2015, I went out to get more clients. I went to trade fairs. I went knocking on people's doors. And still, in 2016, we didn't have export clients, but now, for example, we sold 100 containers to 10 Fairtrade and Organic clients in 2023/24."*

Despite a prevalence of certified coffee farming, detections of glyphosate in Organic coffee shipments have questioned Peru's reputability as an origin of Organic coffee (ICAT, 2020).

Paul told us: *"Keeping the Organic production could be a challenge for several of our customers ... There is this use of glyphosate, which is prohibited by the Organic regulations ... if you are a neighbouring farmer and not a member of the coffee co-operative, and use glyphosate or any other prohibited pesticide ... because of the proximity and the way the water moves beneath and between the earth, you could have some cross-contamination."*

In 2022, glyphosate was moved into Fairtrade International's 'red list' of hazardous materials, due to its long-term toxic effects by chronic exposure.

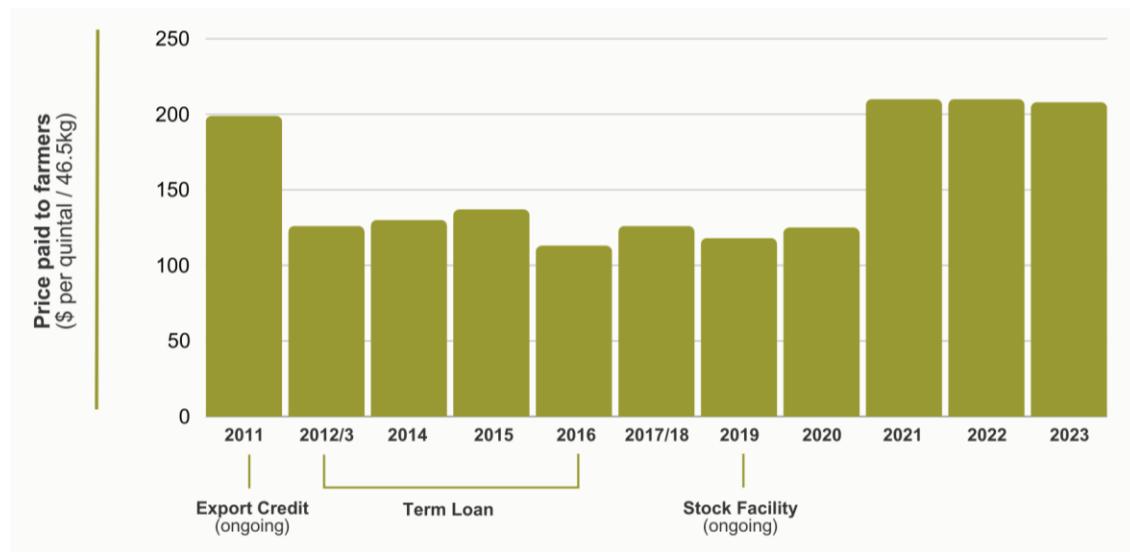
Use of materials in the red list is prohibited under Fairtrade Standards and must not be used by producers when handling certified Fairtrade products. Fairtrade exports have accounted for 80% of COOPARM's total exports in the last four years, highlighting the need to adhere to Fairtrade standards and controls.

COOPARM are mitigating the risk of contamination from prohibited substances such as glyphosate, by testing coffee lots in independent local laboratories before buyers receive samples. Members are monitored and sanctions applied for non-compliance with controls.

### Price paid to farmers

**Graph 5: Price paid to farmers (USD / quintal) from 2011 to 2023**

Our data for 2012/13, 2017/18 and 2021/22 covers a two-year period



Since 2017, the price paid to farmers includes a levelling-off price, which distributes profits generated at the year-end to benefit as many farmers as possible for the coffee they have delivered. In 2021, 61% of COOPARM's USD 316k total Fairtrade Premium earned was used to pay members this bonus amount for their produce. The growth in the volume of production has enabled COOPARM to sell more coffee, including Fairtrade exports.

The generated profits are then passed on fairly to farmers through the levelling off price. This is reflected in the increase in the price paid to farmers since 2020, which aligns with an increase in Fairtrade exports and production volume, as well as a cumulative increase in sales value. In 2023, the price paid to members was USD 208 per quintal or USD 2.08 per kilogram, above the average coffee price of USD 200 per quintal in Peru (Algrano, 2023)<sup>10</sup>.

Licely Vela Collantes, COOPARM farmer, told us: *“We can sell our coffee at a stable price and a good price relative to other associations. It's another USD 0.20 per kilo with COOPARM. Yes. USD 0.20 more per kilo than you would get in the open market.”*

<sup>10</sup> Algrano (2023); Peru Supply Chain; <https://blog.algrano.com/peru-coffee-harvest-2023#:~:text=Domestic%20prices%20dropped%20around%20US,or%20730%20Peruvian%20soles%2Fquintal>

## Social impact

Upon his appointment as General Manager of COOPARM in 2014, Ramiro Bocanegra spoke with Father Arana about the challenges faced by the organisation. Ramiro told Father Arana: *“The co-op is the only source of economic support in the town ... Let's see what we can do. Let's try and help people.”*

### Community

This socially responsible approach to business remains evident today, as Angelica Hernandez, Head of Logistics, told us: *“Ramiro has a very firm social programme policy. He says, ‘if we are not doing it for social reasons, what are we doing it for?’”*

Licely Vela Collantes, COOPARM farmer, told us that COOPARM regularly support her community, which is home to around 20 families. She said: *“There’s a bridge (the community uses) to get to work, which COOPARM help to maintain ... at the school, which is where we live, there is a football pitch. The co-operative brings us together and we cut the grass there to make sure that it is clear and usable.”*

Regarding the impact this has had on her community, Licely said: *“People are more united. There have been improvements in collaboration.”*

In addition, COOPARM has held coffee cupping workshops with local communities to encourage the consumption of coffee and increase the knowledge of the commodity, such as its characteristics and roasting processes.

### Professional development

COOPARM has assisted in the renewal of 400 hectares of coffee fields – growing 750,000 coffee plants – to improve production levels for producers. Meanwhile, technicians and engineers of the co-operative have delivered technical assistance to members directly on their farms, involving talks and practical guidance on topics such as pruning, fertiliser application and organic practices.

The need for technical assistance is highlighted by the impacts of climate change, which are increasingly affecting crop health. COOPARM Delegate, Armando Chuan, said: *“We try to mitigate this with good farming and Organic practices, to counteract the pests and illnesses that the crops can suffer from.”*

Since 2019, a project focussed on improving post-harvest processes has also equipped over 50 members from the Omia and Shihua districts with equipment such as solar dryers and water tanks for drying and washing coffee.

### Environment

Improving water and waste management systems is another objective for COOPARM. The co-operative has conducted workshops to promote balanced use of water resources, as well as to encourage the conservation of headwaters.

COOPARM have introduced water treatment projects, involving the construction of disposal pits to enable the filtration and purification of coffee wastewater. Members benefit from a dedicated technical area to support activities such as the treatment of coffee wastewater – a bittersweet by-product of the coffee washing process – which represents 25% of the post-harvest contaminant load and, if left untreated, threatens coffee farm ecosystems.

COOPARM members also receive direct support for the treatment of waste. Through awareness campaigns, the co-operative has increased members' understanding of waste collection and classification systems. Meanwhile, all members are required to have their own composters to facilitate the decomposition of organic waste into organic fertiliser. This fertiliser helps to replenish the soil with essential nutrients that are lost during harvest and through processes, such as runoff, leaching and volatilisation.

For example, coffee pulp is rich in potassium and can supply the nutrient requirements of coffee plants through all stages of growth. When combined with a reduction in the use of inorganic fertilisers – which are inherently expensive and emissions-intensive to produce – Organic fertilisers, including bio-fertilisers, can strengthen producers' resilience to climate change whilst reducing the carbon footprint of their coffee production.

COOPARM Delegate, Armando Chuan, told us: *“It is very difficult now to get fertiliser. We used to get this from a government department who would provide this. Now we have started to produce our own to make good use of the organic material we have.”*

Meanwhile, compost generated from local waste streams are integral inputs for soil health, as they improve water retention, buffer soil pH, provide an energy source for soil biota and can help to suppress soil-borne plant pathogens<sup>11</sup>.

Jairo Rodriguez, COOPARM coffee farmer, said: *“We have been able to buy fertiliser and improve our composting system with the Fairtrade Premium. COOPARM buys Organic fertiliser with it every year, which they store and is for the use of all the members.”*

Poor crop management is an ongoing challenge in the coffee industry. In some cases, farmers do not know what their soils need and they lack technical assistance. Particularly, soil degradation affects the long-term viability of coffee production as the soil is unable to produce healthy, resilient crops. This is exacerbated by the impacts of climate change.

Conversely, healthy soils help to use mineral fertilisers more efficiently, foster pest and disease control, improve water retention and store soil carbon. COOPARM have conducted soil fertility conservation activities, such as establishing dead barriers, windbreaks, terraces, hedges and planting techniques. Armando Chuan, COOPARM Delegate, told us: *“...we have to maintain soil quality. That makes a big difference to the coffee growers.”*

Maurillo Ocampo, former Board President of COOPARM, said: *“From our side, as managers of the co-operative and as representatives of our producers, in every campaign – every year – we are committing even more to improve the quality of our product.”*



**Image:** Maurillo Ocampo, former President of COOPARM's Board of Directors, holds coffee beans at the co-operative's processing facility in Rodriguez de Mendoza.

<sup>11</sup> Pulleman et al (2023); Regenerative agriculture for low-carbon and resilient coffee farms: A practical guidebook; <https://cgspace.cgiar.org/items/b5862bfa-9799-4167-b1cf-76f0f4ea1e18>

## Gender equity

In Peru, gender inequality marks the coffee sector. Women engage in 55% of coffee production tasks, yet own 15% of farmland and receive 5% of relevant training available<sup>12</sup>. Speaking about life in her community, Elizabeth Arista Salazar, COOPARM farmer, told us: *“People do what suits them best ... We are very united, rural people and the men and the women support each other equally if anyone needs help.”*

This equitable communal landscape is embodied through the co-operative. COOPARM farmer, Jairo Rodriguez Vargas, said: *“(All spouses) are considered part of the organisation. My wife is active in production, processing and drying, she is a part of all of those things ... Women and men carry out basically the same duties.”*



**Image:** Elizabeth Arista Salazar, COOPARM farmer and President of the Women’s Committee and one of its 500 members.

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COOPARM also have a Women’s Committee which promotes and supports the voices and activities of female members. In addition to farming, Elizabeth is the President of the Women’s Committee. Regarding the Women’s Committee, Elizabeth said: *“This is my second year as President ... During the pandemic, the committees couldn’t work at all, so we are putting a lot of extra effort into getting coordinated to share information and skills.”*

COOPARM farmer Jairo Rodriguez Vargas said: *“(The Women’s Committee) focuses on the work of female members, as well as the wives and partners of male members. It carries out training in livestock management, such as raising chickens to collect eggs.”*

The Women’s Committee receives a small amount of Fairtrade Premium each year. Elizabeth said: *“We meet to decide what to do with it. We might buy seeds. We might use the money to support a female member who is ill or who is in particular need at any time.”*

*“The main vision for the Women’s Committee is that we are given visibility of women’s issues and women’s needs - as mothers, as well as producers ... We don’t have much in the way of resources ourselves ... We are the people who select the grains to get a good harvest. In this area, women have a very important role ... here, we do not have a gender distinction, we work hard and do incredible things.”*

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<sup>12</sup> Quandt et al (2023); Climate Change Adaptation through Agroforestry:  
<https://www.sciencedirect.com/science/article/pii/S1877343522000963>

## Climate resilience: How COOPARM are advancing through agroforestry

Agroforestry involves the interaction of agriculture and trees. Practiced in Peru for centuries, agroforestry techniques “help (to protect) soil, animals, crops and homes, improving farm production, securing sustainable incomes, improving biodiversity and reducing greenhouse gas emissions” (Fairtrade International, 2024)<sup>13</sup>.

Speaking about the impacts of climate change on coffee farms, Paul Sablich, Shared Interest Head of Lending, told us: *“Now, there are different rain patterns, different temperatures, different weather conditions that causes volatility in the yields of the farms and the potential apparition of new plant diseases.”*



**Image:** Candelaria Culquihaman takes care of COOPARM’s coffee seed nursery in Rodriguez de Mendoza, Peru.

We spoke to Ramiro about how climate change is impacting COOPARM. He told us that now, good quality coffee grows up to 2,200 metres in altitude, compared to previous standards of 2,000 metres. He said: *“You get good coffee at that height, which never happened before ... and lower down, the quality is increasingly poor. So, the growing range is going up. The other thing is plant diseases ... We realised that we must do something, and that is why we started investing increasingly in reforestation.”*

Armando Chuan, COOPARM Delegate (Assembly representative of one of COOPARM’s 38 production bases), said: *“The most noticeable thing is the change in rainfall. It is not the traditional pattern of rainfall but much more sudden now. If we reduce the tree cover, that brings more rain and it also allows more pests that affect coffee and other crops.”*

In response to how climate change is affecting her farm, COOPARM farmer Licely Vela Collantes reaffirmed this issue. She said: *“What else you get is plant diseases appearing.”* Globally, coffee leaf rust is considered the most destructive disease affecting Arabica coffee, with disastrous economic implications for farmers and long-term impacts on crop yield.

Agroforestry initiatives, such as reducing deforestation and forest degradation by retaining and replanting trees in coffee landscapes, are recognised as critical strategies to build the resilience of farmers to the impacts of climate change<sup>14</sup>. However, smallholder farmers lack sufficient resources, knowledge and support to implement these projects.

<sup>13</sup> Fairtrade International (2024); Climate and Environment

<sup>14</sup> USAID (2023); Peru Climate Change Country Profile: <https://www.usaid.gov/climate/country-profiles/peru#:~:text=Efforts%20to%20reduce%20deforestation%20and%20forest%20degradation%20in%20the%20Amazon,fi oods%2C%20droughts%2C%20and%20landslides.>

For example, designing and structuring coffee agroforestry is complex, requiring expertise to set up and training to manage. However, COOPARM members have had the opportunity to engage in agroforestry projects and develop their understanding of climate change impacts.

In December 2022, COOPARM launched two environmental projects for the renovation of 580 hectares of land suitable for planting trees. The projects involved replacing diseased coffee trees with improved coffee varieties, and benefitted at least 89 members of the cooperative from the Omia, Shiua, Tuemal, Mito and San Juan de Oquish districts.

In 2017, COOPARM introduced an agroforestry programme in collaboration with the Peruvian Ministry of Agriculture. The programme involved planting 100,000 trees within coffee farms to provide shade for plants, whilst offering access to wood markets in the mid-term. Pests, such as the coffee cherry borer, have lower incidence in shaded coffee plantations. Meanwhile, shade trees reduce the amount of rain falling on coffee cherries, limiting the spread of invasive fungal spores which can kill the plant.

Armando Chuan expanded on the necessity of these projects. He told us: “We need to make sure we don’t damage or destroy woodland. We keep a percentage of shade, avoid cutting the forest for timber and allow as much flora and fauna as possible.”

To support the renovation of farms within the region, COOPARM has produced seedling coffee plants and sold them to their members and local farmers at low prices. The cooperative's efforts to involve communities in agroforestry is considered crucial for its successful implementation among smallholders.

COOPARM have also developed forest tree nurseries to improve quality of life for their members. Elizabeth Arista Salazar, COOPARM farmer, told us: “It is very important for us as farmers to work with nature and the environment. To breathe clean air. Looking after the trees boosts morale. We plant them around the area we want to plant our crop – so, slowly, the idea is to make the place look better.”

In addition to providing awareness workshops for wildlife conservation and prohibiting the retention of animals in captivity, COOPARM have also determined areas in which members cannot perform agricultural labour or tree-cutting, as part of their efforts to conserve wildlife and habitats. COOPARM Delegate, Armando said: “*If we removed the trees, there would be no food for wild animals ... we are raising awareness of this with our members, to make sure that we all keep up the correct management of these aspects.*”



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**Image:** A COOPARM member holds a crop growing in the co-operative's coffee seed nursery in Rodriguez de Mendoza, Peru.



## Mitigating migration: How COOPARM are securing their future coffee production

In Peru, internal rural-to-urban migration of indigenous people has increased since the 1980s<sup>15</sup>. Today, four in five Peruvians reside in and around urban areas<sup>16</sup>. A lack of opportunity for people in rural areas remains the main driver of mass migration to urban centres, whilst rural development is constrained by limited access to markets, financial services and public goods.

Elizabeth Arista Salazar has been a member of COOPARM since 2012. She lives in Rodriguez de Mendoza with her husband and three daughters. She said: *“It is hard for us ... the children have to go into the city to study, we do not have a university in our province. They need to go away to study, to better themselves.”*

Climate resilience mechanisms such as agroforestry are difficult to implement at scale without local support. Demographic and socio-economic pressures such as migration subsequently contribute to changes in landscape such as deforestation, increased cropping intensity and changes in land use, adversely affecting the larger ecosystem.

COOPARM have acknowledged this challenge by developing training facilities and initiatives for their members. Armando Chuan, COOPARM Delegate, said: *“We have to motivate families to encourage future generations to carry on.”*

*“We have focused on involving farmers in production processes and how the businesses work ... We have improved post-harvest processes and implemented training on this, and it has had a positive outcome as members understand how to complete this themselves.”*



**Image:** COOPARM farmer Wilmo Rodriguez with his wife, Lili Tafur, at their home in Rodriguez de Mendoza, Peru.

<sup>15</sup> Carrillo-Larco et al (2021); Peru – Progress in Health and Sciences in 200 years of Independence; [https://www.thelancet.com/journals/lanam/article/PIIS2667-193X\(21\)00144-7/fulltext](https://www.thelancet.com/journals/lanam/article/PIIS2667-193X(21)00144-7/fulltext)

<sup>16</sup> World Bank (2022); Rising Strong: Peru Poverty and Equity Assessment; Accessible at: <https://www.worldbank.org/en/country/peru/publication/resurgir-fortalecidos-evaluacion-de-pobreza-y-eguidad-en-el-peru#:~:text=As%20a%20result%2C%20the%20national.of%202012%20and%202015%2C%20respectively.>

Angelica Hernandez, Head of Logistics, has been involved in the co-operative's training activities. Speaking about her experience when joining COOPARM, she said: *“I was able to learn more about sales and harvesting in coffee, and to visit also the processing plants and to learn about those systems as well. And so, I gradually received better and better roles and more training and then I moved into logistics, alongside Ramiro, as the Commercial Manager.”*

Meanwhile, COOPARM farmer Jairo Rodriguez Vargas told us: *“The technical team for each area gives training in how to use fungicide and COOPARM provides the equipment needed for the whole group.”*

Maria Hilmer Acosta, COOPARM farmer, said: *“There is support from technical staff who visit us in the field and give us training. The main aim is to increase production ... It has been a great experience advancing the co-op as responsible members and learning everything the technical staff train us and support us in to improve the crop ... We have recently started selling crop to Switzerland and this is a big inspiration to the producers.”*

As a result of their investments in the personal and professional development of their members, COOPARM aim to raise awareness of the importance of agriculture and reframe the perspective of the life of a farmer for younger generations.

General Manager, Ramiro, said: *“Because of the co-op, these farmers’ children have been able to go to university. And a lot of those children have come back to coffee, to growing coffee, and now see it as a good thing to farm. Agriculture is a good thing.”*

Ramiro reinstated the importance of training local workers. He said: *“I think we can’t move ahead unless members know about these things. I go out to meetings in villages and I think it’s very, very important. It’s the most important thing, but it’s one of the things that gives the least results. Because members are often people who don’t have high levels of education at all, and you have to keep telling them, keep teaching them, keep showing them.”*

COOPARM’s person-centered approach has created a culture of hope, community and opportunity at its core. The results are the retention of farming families and the economic empowerment of local communities which ultimately challenges the disparity that exists between Peru’s rural and urban economy.

COOPARM farmer Jairo Rodriguez Vargas said: *“Being part of the co-op means that we are organised, and we feel a part of something, like being with family. Life has changed a lot because now we have training on best practice.”*



**Image:** COOPARM farmer Maria Hilmer Acosta, at home with her husband in the province of Rodriguez de Mendoza.



## My Story: Ramiro Bocanegra

Ramiro Bocanegra took on the role of General Manager of COOPARM in 2014. His immediate priority was to renegotiate with financial institutions. In doing so, he spoke with Paul Sablich, who was the Regional Development Executive of Shared Interest at the time.

Ramiro told us: *“I was very honest. I said, ‘we’re in a critical state.’ And Paul said, ‘well, let’s sit down and see if and how we can help (the co-op) to reopen.’ And he sat with me for a whole day, he went right through all our books, and he said, you need to do this and you need to do that. So, Paul helped restructure it. I knew him from university in Lima and he knew the Jesuit priest. So, it seems like an Angel put the three of us together.”*

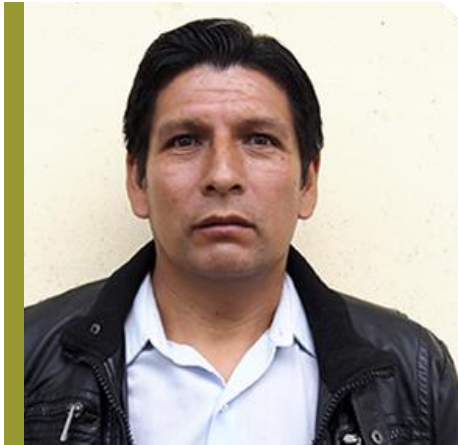
Ramiro spoke to us about the motivations behind his work. He told us: *“I will say that with my work, I’m paid my salary to listen to people ... the rest of my work is going out into the country, visiting and meeting people. I always like to meet people in school, in small groups, face to face; go out and look at the crops with them. I like to meet all sectors.”*

Ramiro compared his role to his previous experience with the Jesuits: *“I used to go out to spread the good news, and nowadays, I go out there talking to people. I consider my job is to accompany people.”*

Speaking about the connection that COOPARM members share with the lands they farm, Ramiro said: *“Let’s look back to the start. The members, the way they saw it was that God had made the co-op. The first places of harvest collection were inside churches. On one side of the church, inside, people would come and bring their coffee and that would be the collection point for the harvest. Meanwhile, on the other side of the church would be the service, the liturgy and the religious celebrations.”*

*“This co-op is here because God is in the people. God is manifested in the people. And you can see that in them, he is present.”*

Speaking to Shared Interest investors, Ramiro said: *“Each year in Peru, there are no investments in agriculture. So, for you to invest in agriculture in South America is very important. So, thank you, because you enable us to buy and export coffee.”*



## My Story: Armando Chuan

COOPARM's Board is comprised of five members, each elected for a three-year term. They carry responsibilities to support everyday activities – particularly during the harvest peak. Armando served as the Board President of COOPARM between 2018 and 2022. He currently serves as the co-operative's Delegate.

*Armando told us: "I have been a member of COOPARM since 2015. In 2018, I was elected to the Board of Directors until March 2022; I stayed longer than usual in this role due to the pandemic. During this time, we grew with Ramiro leading the co-operative and have been able to support producers in growing and harvesting. We are now in a very favourable position as an organisation with clients who are very happy with our product."*

Armando told us about the challenges faced by COOPARM during his tenure as Board President, and the approach the co-operative took to overcome them: *"We faced an economic crisis in 2015 ... One of the main priorities we had was to bridge the gap between us and the producer. At the start of the pandemic, it was very hard for farmers to get harvested produce to us. We helped by providing vehicles to transport the produce ... we have continued to do this for farmers. It also means that we can keep to delivery dates agreed with clients."*

*"COOPARM has a good name, nationally and internationally, for delivering on time with quality produce. With the help of social lenders, we can ensure producers are paid on time. The producers now identify with the organisation and they trust in its transparency and efficiency – and that is because of Ramiro."*

Speaking about the impact of the Fairtrade Premium, Armando said: *"The producers have a better standard of living and are better able to meet their own needs and production processes and have also been able to improve their plot ... Before the co-operative was organised, the traders used to name whatever price they wanted to. Now, we can export directly and get a fair price for ourselves, and that goes straight back to the producer. That has allowed us to progress as farmers ... to grow and become more competitive."*



## My Story: Lically Vela Collantes

Lically is a farmer and member of COOPARM, working on over 12 hectares of land with her husband in Omia, Peru. She told us: *“I’ve been a member of COOPARM since 2012 and I’ve always worked since a girl in coffee. My parents didn’t work in coffee, but I worked as an assistant helping on other people’s farms. When I got married, my husband and I decided to dedicate ourselves to coffee and to get a piece of land for ourselves.”*

Lically told us her typical day involves maintaining their farm, their animals and caring for their two children. Speaking on the impact of the co-operative in her life, she said: *“It makes me very happy to be a member of COOPARM ... Through their support, we’ve had access to fertilisers, to water tanks to improve the quality of the water that we’re getting, and also technical help (with) the management of the coffee.”*

*“COOPARM have also done maintenance on a storage house for coffee, they maintain that well. Where I live, the community works together, they do communal projects themselves.”*

Regarding the changes she has observed within her community, Lically told us: *“There have been changes. People are more united. There have been improvements in collaboration. But it’s small where we are, with around 20 families, so it generally stays the same.”*

Lically told us about how climate change was affecting her farm and the role the co-operative has played in addressing these challenges.

She said: *“The sun is stronger than it was before and it rains more often. In May, in the past, there generally wasn’t much rain. People would be harvesting their coffee right now. What else you get is plant diseases appearing. When the sun does come out, it is very strong and it burns the plants ... COOPARM supports me with responding to climate change with technical assistance and training.”*



## My Story: Angelica Hernandez

Angelica joined COOPARM as Treasurer in 2015. Speaking about her journey to becoming the co-operative's current Head of Logistics, Angelica said: *"Before 2015, I was a university student in international business studies ... In Peru, it is hard to get a job (and to be) certainly well paid. But I knew I needed to get started, to show some skills and get ahead. Thank goodness, I found a company that allowed me to do that."*

*"(In 2015) the situation of COOPARM was that it was in decline, Ramiro had only been in the General Manager role for a year and there wasn't very much to do, because as Treasurer, we didn't have any money. But during that time, I learned about coffee, about tasting and production ... Ramiro is always supporting and encouraging people in their professional development ... You can do training, you can increase your skills, and if you're a trustworthy person, if you work faithfully, honestly and transparently, yes, you can develop."*

Speaking about her role, Angelica said: *"My daily responsibilities are directing people, making sure samples are sent, making sure all exports happen, dealing with buyers and traceability. It's a chain of command ... In Mendoza, we have a lot of diversified production ... we separate the area into three valleys. In each valley, they have a different season of production and harvesting. It's difficult to unify and connect those three systems."*

*"The roads aren't good. Communications can be difficult. We've got the climate and weather to deal with. We've got a variety of soils in different places that affect production ... There is also the rain (which causes) blockages and in 2021 there was an earthquake that took the road out ... We are constantly battling all of these things ... the government isn't particularly efficient and processes tend to be tedious and long and expensive."*

However, Angelica believes COOPARM is prepared to deal with these challenges. She told us: *"Ramiro's policy is to preempt situations ... we need look after the growth of our company. We need to look after our clients as well, so we will always be working ahead of schedule whenever possible"*

Looking to the future, Angelica said: *"Personally, I'd like to be responsible for the whole chain as COOPARM grows from the 120 containers that we deliver now, to the 500 that we hope to deliver in 10 years."*

*"I'd be delighted; I'd be the happiest person in the world if I could be looking after those deliveries and those contracts and the quality of that coffee. It's very difficult as well to unlink yourself from a co-op that you've worked with so closely and that you've got so much love for."*

## Plans for the future

Moving forward, COOPARM are employing a product diversification strategy to build its resilience to external challenges. Armando said: *“If the price of coffee goes down too much, families would need to look at alternative products. We have always looked for possible eventual alternatives, such as keeping livestock and producing vegetable oil.”*

Meanwhile, COOPARM plan to continue empowering and incentivising local producers with new skills and stable incomes, with the objective of increasing its membership to meet production demands for the growing Organic specialty coffee market.

Armando said: *“What we always have in mind is that the co-op should keep on growing, with the succession of producers through families ... the key thing is to keep that growth and motivation going.”*



**Image:** Angelica Hernandez, COOPARM Head of Logistics, at the co-operative’s processing plant in Rodriguez de Mendoza, Peru.

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Angelica said: *“In terms of professional development, we want to grow the number of producers, as well as the number of farmers we have.”*



**Image:** Ramiro Bocanegra, COOPARM General Manager.

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Ramiro told us that in the next five-to-ten years, he would like more people to comprehend the value of agriculture – and the extent to which COOPARM supports farmers within the region.

Ramiro said: *“For example, because of COOPARM, these farmers’ children have been able to go to university. And a lot of those children have come back to coffee, to growing coffee, and now see it as a good thing to farm. Agriculture is a good thing.”*

Reforestation is another focus for COOPARM’s future. Ramiro shared with us that the co-operative is spearheading a pilot reforestation project, in collaboration with another social lender, to reforest their members’ farms.

## Conclusion

Since its origination as an association of coffee producers, COOPARM has continued to evolve, forging fresh and fruitful relationships with a growing network of global buyers and local producers, whilst retaining a focus on the sustainability of their governance, membership and environment.

As well as being a pillar of support for its 542 members, COOPARM also represents a beacon of resilience for coffee co-operatives far and wide. Under the leadership of General Manager Ramiro, long-standing challenges such as infrastructural underdevelopment and emerging threats such as the Covid-19 pandemic have been met and mitigated with proactive and pre-emptive decision making.

All aspects of the organisation's supply chain have been strengthened – from the renovation of farm plots to the streamlining of coffee collection activities – to improve operational efficiency and productivity. Meanwhile, farmers have been empowered with access to training, stable incomes, an above-market price for their coffee and an effective management, which intently listens and responds to their needs.

The achievements of COOPARM underscore the transformative and dynamic role of Shared Interest finance in reinforcing agricultural enterprises at their core. Our credit facilities have enabled COOPARM to invest in machinery quintessential to the growth of the co-operative's production volume, whilst also enabling farmers to be paid upon delivery – when they need it most – at a time when contracts with buyers are still being negotiated as a result of the co-operative's unique harvest cycle.

Driven by faith and united by community, COOPARM continues to support the welfare of the region's farming families, serving as an 'economic hub' at the heart of the Peruvian Amazon as it did under the direction of Father Arana in 1990.

Looking ahead, COOPARM plan to sustain the growth of their producer membership by reaching and supporting as many farming families as possible within Rodriguez de Mendoza. Meanwhile, COOPARM will lead reforestation and training projects which build upon the capacity of the co-operative to meet the increased demands of its buyers on the global stage.



## Glossary

**Agroforestry:** Agroforestry is a land management approach with multiple benefits. Planting trees and shrubs on farms can give healthier soil, reduce pests and give higher yields – not to mention creating vital homes for wildlife.

**Buffer Soil pH:** Buffering soil pH measures the soil's reserve acidity, or how much acidity is neutralised by lime to raise the pH. It's also known as the soil buffer index. Buffer pH is determined by adding a pH 7.5 solution to a soil sample and measuring the pH change. A higher pH after adding the buffer solution indicates that the soil pH will adjust well.

**Climate adaptation:** Adapting to the effects / impacts of climate change this could be changing farming methods, growing different crops or managing water sources for example.

**Climate mitigation:** Avoiding and reducing the emission of greenhouse gases into the atmosphere to prevent the planet from warming. This includes improvement of agricultural practices and the application of new technologies such as solar.

**Coffee cherry borer:** The coffee berry borer (*Hypothenemus hampei*) is a small insect that is considered to be one of the most significant pests of coffee crops worldwide. It is a beetle that feeds on the coffee cherry, causing damage to the coffee beans and reducing the yield of the crop.

**Coffee Leaf Rust:** Coffee leaf rust– scientific name *hemileia vastatrix*; Spanish name 'la roya' – is a fungus that develops on the leaves of the coffee bush. If not identified and treated, the fungus spreads, blocks photosynthesis and reduces the plant to a skeleton within a couple of weeks.

Light infections can result in the loss of leaves. Severe infestations may cause twigs to die back from the tips. Eventually entire trees can die.

**Coffee cupping:** A method of evaluating different characteristics of a particular coffee bean. It is the practice of observing the tastes and aromas of brewed coffee.

**Dead barrier:** Cut material, gathered from activities such as pruning or clearing, can be used as dead barriers (piles of branches, foliage and twigs that form a barrier), to protect new growth and provide temporary wildlife cover.

**Disbursement:** This describes any payment advanced to a customer.

**Diversification:** Diversification is a corporate strategy to enter into or start new product outputs or product lines, new services or new markets.

**Equitable:** Something that is equitable is fair and reasonable in a way that gives equal treatment to everyone.

**EUR, GBP, USD:** The main currencies in which Shared Interest lends - EUR: Euros; GBP: Pounds Sterling; USD: US Dollars.

**Export Credit:** Financial product designed for producer organisations to provide them with sufficient working capital or harvest finance to complete and deliver new orders or contracts.

**Facility:** A facility is the customers account with a borrowing limit.

**Fairtrade:** Fairtrade is used to denote the product certification system operated by Fairtrade International. When a product carries the FAIRTRADE Mark it means the producers and traders have met Fairtrade Standards.

**Fair trade:** Fair trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers.

**Fairtrade International/FLO:** The organisation that co-ordinates Fairtrade labelling at an international level (formerly known as FLO). Fairtrade's mission is 'to connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.'

**Fairtrade Premium:** An extra sum of money paid on top of the selling price that farmers or workers invest in projects of their choice.

**FLOCERT:** Fairtrade FLOCERT is an independent, ISO 17065-accredited certification body that audits and certifies Fairtrade supply chains. FLOCERT is owned by Fairtrade International, an umbrella organization for all National Fairtrade Organizations (NFOs).

**Forest tree nurseries:** Forest nurseries are production units that grow planting stock (seedlings and saplings) of forest trees and shrubs.

**Fungicide:** Fungicides are pesticides that kill or prevent the growth of fungi and their spores. They can be used to control fungi that damage plants, including rusts, mildews and blights. They might also be used to control mould and mildew in other settings.

**Gender equity:** Gender equity is when people of all genders have equal rights, responsibilities and opportunities.

**Glyphosate:** Glyphosate is a non-selective herbicide, meaning it will kill most plants. It prevents the plants from making certain proteins that are needed for plant growth. Glyphosate stops a specific enzyme pathway, the shikimic acid pathway. The shikimic acid pathway is necessary for plants and some microorganisms.

**Greenhouse Gas Emissions (GHGs):** Greenhouse gases (also known as GHGs) are gases in the earth's atmosphere that trap heat. The GHG inventory covers the seven direct greenhouse gases under the Kyoto Protocol: Carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF<sub>6</sub>) and Nitrogen trifluoride (NF<sub>3</sub>).

**Hazardous Materials List:** The Fairtrade International Red List is a prohibited list of highly hazardous pesticides that cannot be used on Fairtrade products. The Red List is part of the Fairtrade Hazardous Materials List (HML), which also includes restricted and flagged lists. The HML applies to all Fairtrade certified producers and traders and came into effect on January 1, 2018.

**Headwaters:** Headwaters are the source of a stream or river. They are located at the furthest point from where the water body empties or merges with another.

**IMOCert:** IMOCert Latinoamérica Ltda. (IMOCert) is a certification body in Latin America that offers inspection and certification services for organic, social, and sustainable products. IMOCert monitors the supply chain, including production, processing, and marketing, for agricultural, livestock, forestry, and other sectors.

**Japanese Agricultural Standards (JAS):** JAS are the Japanese national standards established by the Minister of Agriculture, Forestry and Fisheries in the fields of food, agriculture, forestry and fisheries.

**Jesuit missionaries:** Jesuit missionaries are a Roman Catholic order of priests founded by St. Ignatius of Loyola in 1534. Jesuits are known for their missionary nature, with a dedication to finding God in all things, the greater glory of God, the good of humanity and global justice, peace, and dialogue.

**Leaching:** Leaching occurs as excess water removes water-soluble nutrients out of the soil, by runoff or drainage. Leaching is an environmental problem for agricultural professionals whether chemical-heavy fertilisers or chemicals are swept out and find their way into water bodies.

**Logistics:** Logistics is the part of supply chain management that deals with the efficient forward and reverse flow of goods, services, and related information from the point of origin to the point of consumption according to the needs of customers.

**Peru's National Coffee Platform:** The Peruvian National Coffee Platform (NAP) was established in 2002, approved in 2012 and implemented in 2015. The NAP is part of a multi-stakeholder platform process developed by the United Nations Development Programme, convening the Ministry of Agriculture and Irrigation, the National Coffee Board, the Peruvian Chamber of Coffee and Cocoa and regional governments, producer associations, civil society, international cooperation agencies and the private sector.

**Peru's National Coffee Action Plan:** The National Coffee Action Plan was established in 2016 and, through the National Coffee Platform, incorporated stakeholders from 50 organisations, spanning the coffee value chain, to analyse and assess the needs of the coffee sector and support the well-being of 223,000 Peruvian farming families. In 2018, a plan was legalised to increase competitiveness and sustainability in the sector, involving increasing crop productivity, marketing and increasing producers' access to necessary financial services.

**Post-harvest contaminant load:** Coffee can be contaminated by a variety of substances during post-harvest processing, which is the care and handling of coffee beans after they are picked: Coffee can be contaminated by bacteria, yeast, and fungal filaments during processing. Poor storage and drying coffee on the ground may increase bacterial contamination.

**Post-harvest processes:** The postharvest processing of coffee cherries involves dry or wet processing, grading, sorting, marketing, blending, and roasting.

**Prefinance:** Prefinance takes place when Shared Interest advances funds to a customer based on proven orders from buyers. The customer usually requires the funding in order to produce and supply the goods. One of the key reasons for prefinance is so that the customer has sufficient working capital to enable them to complete and deliver new orders or contracts.

**Producer customers:** Businesses that supply products and have a contract with Shared Interest to borrow money in order to finance that trade. Traditionally, these businesses are located in developing countries.

**Quintal:** A quintal is a measurement of weight. Depending on where you are in the world it can either be 100kg or 100lb (45.36 kg). In coffee terms, a quintal is usually used to describe 100lbs of coffee that is still in parchment (pergamino).

**Rainforest Alliance:** Rainforest Alliance works to solve urgent environmental and social challenges such as climate resilience, biodiversity conservation, rural prosperity and human rights by accelerating and scaling up the social and market forces that protect, restore and regenerate critical ecosystems.

**Renovation:** Renovation infers the removal of old trees and addition of new material to increase the production of a farming area.

**Runoff:** Chemical buildup in soils and loss of forest shade are consequences of mass coffee production. This leads to chemical runoff polluting rivers, land and aquatic wildlife dying, soil eroding, and land degradation.

**Rural-to-urban migration:** Rural-to-urban migration refers to the physical movement of people from a less populated area to more densely populated areas, which often present more work opportunities, better pay, or a better quality of life.

**SCA:** The Specialty Coffee Association (SCA) is a trade association, whose headquarters are based in the USA. They hold an annual fair in the US.

**Specialty coffee:** Specialty coffee is a term for the highest grade of coffee available, typically relating to the entire supply chain, using single-origin or single-estate coffee.

**Soil Biota:** Soil biota is a general term for all the organisms that live in or on soil, including microorganisms, soil animals, and plants.

**Soil-borne Plant Pathogens:** Soil-borne plant pathogens are microorganisms that live in soil and can cause disease in plants. They can affect plant health and reduce crop yields. These pathogens can include fungi, oomycetes, nematodes, viruses, bacteria, protozoa, and mesobiotic entities like viroids.

**Stock Facility:** A type of loan from Shared Interest to secure stock when harvests are unpredictable and contracts have not been finalised.

**Supply chain:** A system of organisations, people, activities, information and resources involved in producing and moving goods or services.

**Technical Assistance:** The process of providing targeted support to an organisation with a development need or problem, which is typically delivered over an extended period of time by Shared Interest Foundation.

**Term Loan:** A loan from Shared Interest for a specific amount that has a specified repayment schedule longer than one year, but not exceeding five years.

**United Nations Development Programme:** The United Nations Development Programme is a United Nations agency tasked with helping countries eliminate poverty and achieve sustainable economic growth and human development. The UNDP emphasizes on developing local capacity towards long-term self-sufficiency and prosperity.

**UNDP Green Commodities Programme:** The United Nations Development Programme's (UNDP) Green Commodities Programme aims to improve the sustainability of agricultural commodity sectors for the economy, society, and the environment. The program was launched in 2010 to recognize the importance of agricultural commodities in achieving the Sustainable Development Goals (SDGs).

**Value chain:** This is the full lifecycle of a product or process, including material sourcing, production, consumption and disposal/recycling processes.

**Vicariate Office:** A vicariate office can refer to the office or jurisdiction of a vicar, or the office or district of a governmental administrative deputy. In the Roman Catholic Church, a vicariate is a group of parishes within a diocese or archdiocese that are organized by geographic region for administration and support.

**Volatilisation:** Volatilisation is the loss of nitrogen through the conversion of ammonium to ammonia gas, which is released to the atmosphere. The volatilization losses increase at higher soil pH and conditions that favour evaporation (e.g. hot and windy)

**Yield:** The harvested production of a crop.

## Appendices

### Video interviews

Recorded with COOPARM members Ramiro Bocanegra, Maria Acosta, Elizabeth Salazar, Maurilio Ocampo and Wilmo Rodriguez, accessible on YouTube.



Link: <https://www.youtube.com/watch?v=WPn-jriIQXE>

## Sample of Interview Questions

### **Questions for COOPARM General Manager, Ramiro Bocanegra**

#### Questions about you (Ramiro)

1. You took the role of General Manager of COOPARM in 2014, can you tell us about your work before that and what brought you to the role?
2. What were your immediate priorities when you joined the co-operative and why?
3. What are some motivations behind your work?
4. What would you like to achieve with COOPARM in the next 5 years?

#### Questions about your organisation (COOPARM)

1. We believe you have upgraded COOPARM's cupping facilities, can you explain why this is important?
2. If applicable, how is climate change affecting your business and how do you expect it to impact COOPARM in the next five years?
3. On that note, what support has the government put in place to protect coffee producers against the impacts of climate change?
4. Has COOPARM implemented any new technological solutions in its operations?
5. What makes COOPARM different from other coffee co-operatives in Peru?
6. What do you want COOPARM to be known for in the next 5 to 10 years.

#### Questions about COOPARM's relationship with Shared Interest

1. Can you explain more about what the Shared Interest loan is used for?
2. Do you have a message for Shared Interest investors?