



# ssnup

Smallholder Safety Net  
Upscaling Programme

## IMPROVING THE INVESTABILITY OF PRODUCER ORGANISATIONS AND AN SME IN THE COFFEE SECTOR IN PERU



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

### CONTEXT

Coffee is the most important crop in Peru. Coffee makes up 25% of national agricultural income and supports the livelihood of 223,000 producer families. It is estimated that the coffee industry involves more than 2 million Peruvians in its production chain (UNDP 2023). Local coffee growing is dominated by large exporters focused on the trade in conventional, second-quality and discarded coffee. By contrast, organic, speciality and origin production is dominated by cooperatives and small and medium enterprises. In 2022 the total value of Peruvian coffee exports was about € 1.2 billion (world's top exports 2022).

### CURRENT STATUS OF THE BENEFICIARY ORGANISATIONS

The potential investees of this project are organisations of small coffee producers in Peru legally constituted as 15 cooperatives and 1 SME with export experience of at least one year, who have certified their operations with the fair trade and organic production labels, and have acceptable ratings in credit bureaus and at least 3 years of continuous operations. The 16 organisations, currently non-partners of Oikocredit group 4,595 coffee producers, on average 70% of them manage farms of less than 5 hectares, while 25% are made up of women and indirectly the members hire approximately 9,190 labourers per harvest. The 16 potential investees would represent 2% of the country's producers and 3% of total exports.

### OBJECTIVE OF THE PROJECT

The project aims to accelerate the growth of small producer organisations in the coffee sector and to improve their investability. It will do this by reducing the commercial, pricing and environmental regulatory risks they face; by helping each organisation diversify its buyers and market segments and improve its pricing and inventory management; and by enabling each organisation to manage the environmental impact of its member and supplier operations more effectively.

The expected results of the project are:

- Assess 15 cooperatives and 1 SME in their operations, sustainability, and finances: key gaps/challenges identified and priorities for action established.
- Train 50 collaborators and members of the organisations, including 15 women, in the coffee sector in quality, e-commerce, price risk management, and reforestation projects.
- Provide 16 organisations with access to Beyco, a global independent coffee connection and trading platform on blockchain.

### IMPACT INVESTOR



### BENEFICIARY ORGANISATIONS

15 cooperatives and 1 SME – Peru

### TARGET

4,595 smallholder households and 9,190 labourers

### AGRICULTURAL VALUE CHAIN

Coffee

### STARTING DATE

May 2023

### DURATION

12 months

### TOTAL TA BUDGET

€ 173,954  
Including € 160,004 (92%)  
contribution from SSNUP



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