

THE COOPECAN COOPERATIVE MANAGING THE SUSTAINABLE PRODUCTION CHAIN OF ALPACA FIBER IN PERU

The Coopecan Cooperative that operates in Peru developing the overall production chain of alpaca and vicuñas fibers continues working with all its members to improve their income by strengthening the success already obtained.

The Coopecan Cooperative has succeeded in introducing its high-quality products into the competitive international market for natural fibers of animal origin in Europe, Switzerland, the United States, Canada, China and in electronic commerce, ensuring direct benefits to its members and at the same time improving the high Andean ecosystem with its agroecological practices.

In particular, Coopecan focuses on three points that it considers central in the management of the cooperative, which have been essential to transfer well-being to its alpaca members, and even more for its consolidation and growth: firstly, the governance and best management of the cooperative; secondly, technological improvement in the production of alpaca fiber; and thirdly, industrialization and articulation with the external market.

The Coopecan Perú Special Production and Services Cooperative was created in 2008 by a group of about 1,000 alpaca producers and vicuña handlers from four regions of the country (Ayacucho, Apurímac, Arequipa and Cusco), to achieve fairer and more competitive prices for their alpaca and vicuña fibers.

Currently, the Cooperative associates 17 organizations that group together approximately 1,500 direct farmers and 5,000 small producers from the aforementioned regions of the Andes mountains. Coopecan currently has a wide range of products related to alpaca and vicuña fibers and promotes the association of producers to achieve the commercial supply volumes and quality that the national and world market demands.

In 2008, when Coopecan was founded, all producers delivered their alpaca fiber to three large companies that controlled 90% of the market in Peru and the basic purpose of the Cooperative was to be able to directly negotiate with international purchasing companies, to achieve better prices and help families escape their situation of poverty.

With a joint analysis work, however, the producers came to the conclusion that the price represented only one aspect of the problem and that to ensure long-term sustainability the Cooperative should define a commercial model adding value to the fibre products, by integrating the primary production with manufacturing, a stronger quality control and by taking in charge the direct commercialization within the international market.



This strategy was implemented by undertaking several stages, combining a series of innovations: in the Cooperative's governance model to achieve a high level of professionalism among its members in management; in the management of natural resources (water and pastures) by improving feeding, health, alpaca reproduction and water management practices; in the fiber processing and marketing capabilities.

In particular, [the cooperative provides a series of technical assistance services to its members and training in the field on the entire production process](#), which includes shearing, sorting, work done by hand by expert women, taking into account the defined technical standards and the transformation process, carried out strictly taking into account the duly certified protocols and using clean technologies to obtain an eco-friendly product (solar energy, biodegradable inputs and strict control of water resources).

[The technological development designed and implemented by Coopecan addresses all stages of the production process, starting with pastures](#). The cooperative seeks to change traditional open-field grazing to raise alpacas in areas with cultivated and improved pastures, irrigated with water from springs, accumulated in small reservoirs and by sprinkler irrigation using the difference in height. One hectare of natural pastures can provide food for one alpaca per year. One hectare of improved pasture can feed fifty alpacas per year. The improvement in feeding is complemented by the implementation of electric fences (powered by solar energy) to protect the animals from predators, and sheds to protect the herds from frost, among other complementary improvements.

The technologies implemented by Coopecan partners through training processes supported by a program from the IDB-Inter-American Development Bank have allowed a significant increase in income, and in 2015 the cooperative systematized the experience. In a scenario prior to the project, with an average herd of 150 alpacas, the annual income per producer averaged US\$ 1.5 thousand per year. With the improvement in fiber management and the price differential that the cooperative could pay, income increased to an average of US\$ 5.4 thousand per year.

The process of industrializing the fiber and of gaining direct articulation with buyers in Europe, in USA and China represents the other central aspect of Coopecan's work. As mentioned, in 2008 three companies, Grupo Michell, Incalpaca and Claser de Lanac Macedo, led the alpaca market in the country. The Coopecan cooperative intervened in this highly concentrated market, which in 2021 with its total sales of more than US\$ 4MM, became the fourth most important player in the alpaca export sector in Peru.

The cooperative now has a new industrial plant in Arequipa and is modernizing the machinery it uses. It has successfully passed the [RAS \(Responsible Alpaca Standard\)](#) certification audit and is awaiting the formal issuing of the certification, which allows it to reach differentiated markets. It has developed a blockchain-based traceability system (also with support from the IDB) that allows buyers to identify the alpaca farmers which provide the fiber used to make the alpaca products they purchase. The economic benefits of industrialization and export are transferred to the member alpaca farmers, who receive prices that can usually be 20% to 25% higher than those they receive from collectors.

[In 2013 the Cooperative designed and registered the Pachaqaytu brand](#) for artisanal yarns produced in their own workshop, as well as the Coonuna brand for handmade yarns.



The Coopecan Cooperative develops the entire camelid fiber production chain by combining funds from international cooperation, national financial institutions and micro-finance institutions that provide loans for working capital and investment. [In 2011, the Agriterra Organization of the Netherlands established a cooperation with Coopecan](#), providing them with funds and technical assistance to support different aspects of its innovative process and also contributing with opportunities and alliances for international marketing initiatives. [In November 2018, Coopecan was recognized by FAO as one of the 10 innovative and scalable initiatives for Sustainable Rural Development in Latin America and the Caribbean](#). Coopecan is also one of the successful experiences presented in the [Coop Storis publication of the International Cooperative Alliance ICA](#).

Coopecan is headquartered in Lima with a commercial office, two fiber collection centers and a processing plant in Arequipa. According to 2016 data, the Cooperative generates 67 permanent direct jobs, more than 100 temporary jobs and the income generated by direct sales of products significantly impacts the income of its members.

The Coopecan Cooperative has managed to introduce its high-quality products into the competitive international market for natural fibers of animal origin and into electronic commerce, ensuring direct benefits to its members and improving the high Andean ecosystem with its agroecological practices.

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[Coopecan 2023 – Certification RAS in Youtube](#)

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[Tesis sobre Coopecan en pucp.edu.pe Pontificia Universidad](#)



[Catolica de Peru](#)

[Responsible Alpaca Standard in textile.exchange.org](#)

[Article in humundi.org 2023](#)

[With camelids into a sustainable future. IYRP.org](#)

[Article about Camelid value chain in Rural 21](#)

[Article in Alpaca Global Store.com](#)

