



Business with social responsibility: Launch, Growth and Challenges of Native Andean Potatoes

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ABSTRACT

Since we gave birth to the Native Andean potato industry in Ecuador in 2010, we have been able to significantly multiply them and now export to 30 countries in 5 continents. This has been the process of hard and collaborative work between development organizations such as the International Potato Center (CIP), the public sector represented by National Institute of Agricultural Research (INIAP) in Ecuador, farmers associations mostly Agropapa in Ecuador, and the private sector represented by our company Inalproces. This has clearly been an example where development organizations, the public and the private sector have worked to achieve a shared common goal and in the process raised income for low-income farmers.

We have won several awards for innovation such as the ones we have received in the biggest food shows in the world such as Anuga, SIAL and Gulf Foods. And given our work with our friends from Agropapa association in Ecuador, and the fact that these potatoes are the single best alternative in terms of cost-benefit for low-income farmers living above 11,000 feet above sea level, we have also won several awards on social responsibility. We have sold the KIWA Native Andean potato chips to retailers worldwide in sizes ranging from vending machines to Club sizes, to retailers such as Costco in Canada and SnR in Philippines, and in the process have had a tremendous and quick know-how process, although it is still not enough. We still have issues mainly with changes in climate, particularly in September and October in the Ecuadorian Andes mountain-range, that have killed 80% of our harvests both in 2014 and 2017. And we still need to increase income and productivity of farmers in our supply chain.

The National Program for Roots and Tubers of INIAP with the active participation of the Consortium of small potato farmers (CONPAPA), between 2006 and 2009 evaluated 20 promising clones / native varieties with pulp colors in 14 locations, in 2010 they were tested at plant level with the private company and in 2011, the first varieties of colored pulp were officially released. INIAP- Puca Shungo (red pulp), INIAP-Yana Shungo (purple pulp). INIAP together with INALPROCES continues to evaluate new genotypes in order to select promising clones that have better agronomic characteristics and post-harvest quality than the INIAP-Yana Shungo and INIAP-Puca Shungo variety. At the moment the INIAP has 5 promising clones a period of dormancy greater than 40 days, dry matter contents between 21 and 22% and that did not discolour when subjected to the cooking process.

Last year, thanks to a project we had with the Inter-American Development Bank we were able to directly lend Agropapa and its farmers at an 11% annual interest rate, when some of them had been paying 5 to 10% MONTHLY interest rates.

Our social impact with these farmers has allowed us to get awards such as the i3latam.com where they selected Kiwa as one of the Top 10 Social Enterprises in Latin America in 2014. In terms of social impact we have been able to provide our farmers with seeds, technical assistance, training and even financing. Most of them belong to Agropapa even today.

Our farmers harvest the Native Andean potatoes as a small part of their total harvest, no more than 20% of their total crops. These potatoes become like a bond in a well-crafted portfolio where they have the regular potatoes which resemble Equity, since they don't know what they will get when they finally go to the market to sell. With these Bond, the farmer knows exactly what they will get in terms of return for investment, or better said, payment.

Through our technical assistance we have seen them raise productivity from 1 to 6 to 1 to 11, almost doubling their output. That means that for every potato they harvest they get 11 as output today, still way behind the 1 to 35 that a large farmer of regular potatoes gets. Our goal is that in the next 2 years the productivity will be 1 to 15, depending on the weather and climate change of course. We will achieve this growth in productivity thanks to partnerships, mostly with academic institutions such as Stanford University which sent us a team earlier in 2017 that helped us develop a harvesting tool of less than \$500 that will allow our farmers to increase yields by 30% and reduce costs, mostly of labor during harvesting, by 40%.

We want to present our story with the hope that Native Andean Potatoes, particularly in Ecuador, are valued, respected, and protected more than what they are today. This story will hopefully motivate more low-income farmers at high altitudes to harvest, more companies to process them, more organizations to partner looking for a common goal, and more consumers to demand them locally, and internationally.