Quinoa: Exploring the market dynamics of an Andean staple
Case study
Executive summary

Quinoa has been consumed throughout the Andes for several millennia. Consumption in the US and Europe has risen sharply in recent years. This surge in demand has led to a rapid increase in prices and production volumes.

The rise in the price of quinoa has been beneficial for growers in Bolivia. However, it has also created a more competitive business environment and has resulted in the spread of unsustainable agricultural practices, threatening the industry’s long-term viability.

Bolivian stakeholders have made progress in promoting the wider adoption of a sustainable approach. In addition, a number of companies remain committed to sound agricultural practices and are serving as models for the industry.

Irupana Andean Organic Food S.A. (Irupana), a responsAbility investee since 2013, works with over 200 affiliated smallholder producers. The company is seeking to boost local consumption of grain crops grown in the Andes, to increase production of organic and added-value products that give producers access to higher-paying markets and to promote the longterm sustainability of the industry through a commitment to organic and sustainable practices.

responsAbility met with producers who work with Irupana in order to understand the impact that the organization has on their livelihoods. Producers confirmed Irupana’s commitment to sustainable agricultural practices and stated that their trust in Irupana is one of the most important aspects of their business relationship.

Irupana is able to offer producers a good price for their crops and to pay them promptly thanks to its access to financing from partners such as responsAbility. As a result, it can guarantee a higher and more predictable income for suppliers. These are key factors in maintaining its relationship of trust with producers. Irupana also benefits from responsAbility’s flexible collateral requirements and market expertise to address any gaps in liquidity in the course of its operations.

Quinoa: A superfood

Quinoa has far larger quantities of protein, calcium, magnesium, potassium, iron and zinc, and vitamins A and E, than wheat, maize, barley, rice and oats. Furthermore, in addition to being gluten-free, quinoa is the only plant food known to contain all essential amino acids.
# Table of contents

Executive summary ...................................................... 3  
Editorial ..................................................................... 5  
Quinoa: From mother grain to superfood ..................... 6  
Irupana: Committed to sustainability .......................... 9  
New perspectives for quinoa producers ....................... 12  
The role of the financing partner ............................... 16
Since its launch in 2011, the responsAbility fund dedicated to sustainable smallholder agriculture has financed more than 90 organizations that are committed to sustainable practices along the agricultural value chain. While the fund’s investments initially focused on coffee, its exposure to other commodities has increased steadily over time. For instance, the fund’s investments in grains and seeds have more than doubled in relative terms since 2012 and now account for 21.5% of its assets under management. The growth in demand for financing from quinoa organizations in Bolivia and Peru has been an important driver of this trend.

responsAbility is eager to partner with quinoa organizations to meet their growing need for financing – particularly as the boom in quinoa consumption creates opportunities for sustainable production. At the same time, however, we have noted reports that the surge in global demand may also have certain negative impacts.

To determine our investment strategy in the region, there are a number of important points that require clarification. In particular, we need to know whether the hike in quinoa prices has made this staple food unaffordable for low-income families in Bolivia and Peru. There is also the issue of whether the increase in prices is really being passed on to smallholder farmers and whether the rapid expansion of agricultural production poses a threat to the environment and to the industry’s long-term viability.

These questions led our Research team to perform an in-depth study of the global quinoa market. Their research was supplemented by on-site interviews with producers affiliated with the Bolivian quinoa exporter Irupana Andean Organic Food, which has been working with responsAbility since 2013.

This case study aims to show how Irupana’s business model benefits producers while actively countering some of the negative effects associated with the quinoa boom. At the same time, it demonstrates why access to financing facilities from partners such as responsAbility is key to the success of companies such as Irupana.

responsAbility’s investment in Irupana reflects our broader commitment to promoting innovative business models that combine financial sustainability with social and/or environmental objectives.

We hope you enjoy reading the publication.

Gaëlle Bonnieux
Head of Agriculture Debt Financing
Quinoa: From mother grain to superfood

Known as the ‘mother grain’ to the Incas, who considered it to be sacred, quinoa has been cultivated by indigenous Andean populations for thousands of years. The grain played a central role in the religious practices of pre-Columbian societies and, today, remains a major source of nutrition for millions of people in Bolivia, Ecuador, Peru and Chile.

Increasing international demand
Quinoa remained virtually unknown outside the Andean region until the 1970s. A combination of the legacy of Spanish colonization – which marginalized its production at the expense of wheat and barley – a challenging arduous cultivation profile and low producer prices disincentivized its production and consumption elsewhere. In the last few years, however, the global quinoa market has undergone radical changes. The exceptional nutritional properties of quinoa and its resilience and adaptability to adverse climatic and soil conditions have led the United Nation’s Food & Agriculture Organization (FAO) to promote it as an alternative food source for countries suffering from acute food insecurity. At the same time, driven by demand from health-conscious consumers, there was a fourfold increase in exports between 2007 and 2013, with volumes increasing from 12,263 tonnes to 53,813 tonnes over this period. The rise in demand was especially pronounced in 2013, which was named the ‘International Year of Quinoa’ by the United Nations. As these figures demonstrate, quinoa has evolved from an Amerindian staple to an increasingly ubiquitous superfood.

Soaring demand benefits producers
While quinoa consumption has grown rapidly in the US, Canada and Europe, production is still concentrated in the fragile volcanic soils of the Bolivian and Peruvian Highlands. In 2013, these two countries supplied over 95% of the world’s quinoa. Although plans are underway to expand production in other locations, there is unlikely to be any substantial increase in the immediate future. This structural imbalance – with limited supply and soaring demand – is causing prices to rise sharply (see Figure 1).

In 2009, the average price of conventional quinoa was roughly USD 30 per quintal; by December 2013, it had risen to more than USD 300 per quintal, corresponding to a tenfold increase. While this should be seen as an upper price limit – in December 2014, quinoa was trading at between USD 170 and USD 200 per quintal1 – higher prices will be the norm for the medium term. Although production costs have also increased as competition for resources such as labour, pesticides, fertilizers and machinery intensified, quinoa production remains profitable.

The explosion in demand has resulted in substantial income gains for the region’s producers. Nearly 70% of the inhabitants of the Bolivian and Peruvian Highlands – the vast majority of whom are of Amerindian descent – live on less

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than USD 1 per day. Given that quinoa is the primary source of income for many of them, the marked increase in the price of quinoa has generated significant income gains for a large section of this population, allowing many of the local inhabitants to live more comfortable and dignified lives (see pages 12 ff for further details).

**Altered consumption patterns**

Quinoa’s transition from Amerindian staple to superfood has also impacted local consumption patterns. Rising prices have made it difficult for low-income households to afford quinoa. As prices for bread and rice have not increased at the same pace, households are now consuming these products as a more affordable alternative. Producers have also reduced their consumption of quinoa, deciding to take advantage of current prices instead. Given how much more nutritious quinoa is than wheat, maize, barley and rice (see box on page 3) this development has prompted fears that malnutrition will increase as a result.

While this trend requires careful monitoring, research suggests that its negative impact may have been overstated. First, the relative importance of quinoa in the wider Bolivian diet should not be exaggerated: According to the Food and Agriculture Organization, Oruro is the only Bolivian province that takes quinoa into account when calculating its Consumer Price Index (CPI), indicating that on the whole, consumption outside of quinoa-growing regions was very low to begin with. Second, per capita consumption of quinoa in Bolivia has actually increased over the last six years, rising from 0.35 kg per capita in 2008 to 2.00 kg per capita in 2014. This is explained by the fact that as only a portion of the quinoa produced meets export requirements, the surge in production has also led to greater local availability. Third, while it is true that producers are selling more (and therefore consuming less) of their own quinoa crops, this is a perfectly rational choice that reflects new economic opportunities. All producers interviewed said they are now able to afford more meat and vegetables, as well as occasional luxuries.

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Spread of unsustainable agricultural practices

The quinoa boom has also led to a more competitive and uncertain business climate as the number of farmers and private firms battling for market share has increased. This has accelerated the spread of unsustainable agricultural practices that could threaten the long-term productivity of the ecosystem.

Quinoa cultivation in the Bolivian Highlands is expanding very rapidly: It has increased from 51,000 hectares in 2009 to 120,000 hectares in 2014. Production has shifted from the hillsides of the Andes to its flatlands, which contain lower amounts of clay, organic matter and nutrients. Fallow periods of six to eight years have been replaced, in some areas, by almost continuous production, and the use of disk ploughs and heavy machinery – which are ill-suited to the region’s fragile, sandy and volcanic soils – has increased. These trends have been inadvertently intensified by the government, which places a strong focus on industrialization as part of its National Quinoa Development Plan.

Additionally, while the cultivation of quinoa was largely a pastoral activity until the 1980s, families have since started selling their llamas and sheep in order to purchase equipment and expand production onto grazing lands. This trend has accelerated in recent years, leading to a sharp drop in the availability of natural fertilizers and a greater reliance on inferior alternatives. Combined, these practices have raised concerns over the long-term impact on soil fertility, which directly imperils the industry’s sustainability. As quinoa represents the main source of income for most of its growers, this development could have serious consequences for local populations.

Despite these challenges, there are plenty of reasons to remain optimistic. First, Bolivia has been researching technologies and practices that can increase the sector’s efficiency and reduce its environmental impact. Several stakeholders – including producer cooperatives, international lenders, the Centro de Tecnologías Sostenibles and private companies – are working together to transform the way in which quinoa is grown. They hope to preserve the income gains that small-scale organic quinoa farmers are generating while reducing, and potentially even reversing, the impact on the environment. Second, a number of companies remain committed to sound agricultural practices and are serving as models for the industry. Irupana – a responsAbility investee since 2013 – provides a case in point.

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Irupana: Committed to sustainability

Irupana Andean Organic Food was founded in 1985 by Javier Hurtado Mercado, a political activist and regional pioneer of organic farming methods. He sought to empower indigenous communities in his native Bolivia while restoring pride in the local food culture. Hurtado worked to develop new markets for these agricultural products, generating new economic opportunities for producers in the process. In 1990, he was joined by Martha Cordero Llanos, a professor and nutritional specialist, who oversees the company's operations today.

What began as a small direct coffee-buying operation has developed into one of the country’s premier natural and organic food companies – supplying both local and international markets with a wide variety of Andean foods such as quinoa, amaranth, cañahua and tarhui.

Hurtado and Cordero’s in-depth knowledge of the country’s ecology, their ability to build relationships of trust with producers and their commitment to superior quality organic products laid the foundation for the company’s success.

Since 2013/2014, Irupana has sourced high-quality quinoa from a core group of over 200 affiliated producers, most of whom are smallholders who each cultivate less than five acres of land. As a testament to the company’s powerful and enduring impact on the lives of these producers, Irupana was recognised as one of the world’s leading social businesses by the Schwab Foundation for Social Entrepreneurship in 2002.

Focus on improving food security

Over the years, Irupana has demonstrated its commitment to improving local food security, as evidenced by its participation in several of the Bolivian government’s nutritional outreach programs. In 2002, for example, the company developed a recipe for bread enriched with Andean cereals and legumes that became the model for the government’s national school breakfast program. As the recipe was chosen by the students themselves in a national tender, it represented an important milestone in Irupana’s efforts to generate an appreciation for local ingredients.
In 2007, Irupana applied and was selected to produce cereal bars and breastfeeding formulas under the government’s expanded school breakfast and maternal health programmes. In connection with these programmes, Irupana today produces 160,000 to 180,000 cereal bars and 60,000 portions of formula per month, helping to combat the decrease in local quinoa consumption across potentially vulnerable sections of the population.

**Transforming the perception of quinoa**

These activities not only make good business sense: they are also at the heart of Irupana’s mission to challenge discriminatory views surrounding the consumption of local produce. As Martha Cordero explains: “In Bolivia, some people use the phrase ‘comida de indios’ (‘food for Indians’) to denigrate quinoa. The association of the indigenous identity with negative prejudice is deeply problematic, and every day we work to change this perception. We seek to rebrand quinoa locally and make Bolivians proud of their national heritage.”

In addition to these national programmes, Irupana has 17 local retail outlets that sell value-added products such as cereal bars, milk and flour. These stores provide Irupana with a large platform to combat the negative stereotypes associated with quinoa and ensure a stable market for its products. To guarantee that its products reflect local tastes, the manager of the company travels regularly throughout the Highlands to engage with local inhabitants, exchanging ideas on new ways of preparing quinoa. While quinoa exports now account for the majority of Irupana’s revenues, the company remains committed to ensuring that the country’s impressive food culture is also enjoyed locally.

**Focus on organic and sustainable practices**

Irupana has been committed to sustainable organic production from the beginning, considering it to be an integral part of its philosophy and central to the long-term success of its business model. In addition to participating in the government programmes referred to above, Irupana adheres to ecological principles across its entire value chain. As Martha Cordero states: “We believe that all agricultural production can and should be based on organic and sustainable principles and on the idea that the relationship between man and nature should
In addition to reducing the impact of production on the environment, organic certification gives producers access to more stable, higher-paying markets. One local producer, Freddy, who has worked with Irupana for almost 20 years, states: “Producers know what they are doing. It’s natural for them to do all that they can to maximize production right now: quinoa has never sold for this much and many fear that the high prices will not last. This is where Irupana comes in though. It persuades them of the long-term view, giving them confidence that they will be better off by committing to more sustainable practices because they have a long-term partner in Irupana.”

Freddy gained extensive knowledge of organic production methods through his time at Irupana. Today, in addition to being one of the company’s most reliable producers, he manages an organization called AYNI that provides technical assistance on organic production to five different quinoa-growing associations, each with more than 30 producers. He explains: “Much of what I now know about organic production I learned from Irupana and the company’s founder, Javier Hurtado.”

Persuading producers to remain committed to organic methods can, however, prove difficult in the current environment, where the prices for conventional quinoa are high – meaning there is only a small premium for organic quinoa, which is much more expensive to produce. Irupana has adopted a three-pronged strategy to encourage organic production among its suppliers. First, it partially subsidizes the purchase of organic pesticides, fertilizers and farming equipment. Second, it provides extensive technical assistance, organizing two-day seminars on organic production three times a year for each of its producer groups. Third, it pays all of the costs associated with the organic certification process for all of its producers; this represents a significant investment and the process takes at least three years to complete. According to Primo, an agronomist employed by Irupana, the typical timeline for conversion to organic production is as follows:

**Timeline to convert from conventional to organic production**

<table>
<thead>
<tr>
<th>YEAR 1</th>
<th>Switch inputs and clear land of conventional residue</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 2</td>
<td>Maintain land free of chemicals and other impurities</td>
</tr>
<tr>
<td>YEAR 3</td>
<td>Finalize transition, keep land free from chemical residue</td>
</tr>
<tr>
<td>YEAR 4</td>
<td>Have land assessed and receive organic certification</td>
</tr>
</tbody>
</table>

Source: Irupana 2014

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* Mission and Vision, Irupana (see www.irupanabio.com).
New perspectives for quinoa producers

As mentioned earlier, Irupana sources its high-quality quinoa from a core group of over 200 affiliated producers, most of whom are smallholders cultivating on less than five acres of land. This section examines the quinoa boom’s impact on their incomes, highlighting how Irupana’s producers are particularly well positioned.

The surge in demand for quinoa has had a direct and powerful impact on producer incomes. At current prices and production costs, a smallholder with one hectare of land can generate a net profit of between USD 1,470 and USD 2,780 per year. This means that with a parcel of two hectares of land a smallholder can earn close to 1.5 times the country’s minimum annual wage, which was raised to USD 2,500 in April 2014. Furthermore, at current production costs, prices would need to drop below USD 80 per quintal for production to become unprofitable. Several studies as well as interviews conducted by the author support the view that producers’ net incomes are substantially higher than in years past (see Figure 2).

Figure 2: Profitability of quinoa cultivation (per hectare), at 2014 price range*

At 2014 prices, a smallholder farmer with 2 hectares of land can earn 1.5 times the minimum annual wage.

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9 This is in line with a 2011 study by Katherine Antonio that estimated a net gain of USD 1,137 per hectare at a sales price of USD 95 per quintal. See Antonio, K. ‘The Challenges of Developing a Sustainable Agro-Industry in Bolivia: the Quinoa Market’, Duke University (2011), pp.23–25.

Furthermore, Irupana’s producers are in a particularly good position. First, Irupana pays its core producers a loyalty premium of USD 7 to USD 15 per quintal, meaning that they can earn an additional USD 110 to USD 240 per hectare (assuming they produce 16 quintals per hectare, in line with the national average). Second, by supporting their growers’ production of organic quinoa, Irupana helps them generate additional income as organic quinoa sells for more than the conventional product. Third, with its state-of-the-art washing, drying and sorting machinery – designed and built in Bolivia by the Centro de Producción de Tecnologías Sostenibles – Irupana can process larger quantities of organic quinoa for export. This allows producers to sell a larger share of their harvest at higher prices. Finally, Irupana’s strong relationships with international buyers provide stable market access to its producers, rendering longer-term planning horizons possible.

One producer’s experience of the quinoa boom

Max is a 27-year-old quinoa producer from Challapata in Bolivia. For as long as he can remember, he has planted, tended and harvested quinoa – following in the footsteps of his parents and grandparents. Sitting in the small convenience store in the centre of Challapata that his family now owns, Max explains how the recent surge in quinoa prices has altered his life.

“There is a clear before and after period in my life as a quinoa producer. When I was young, we struggled to make ends meet on quinoa sales alone. I remember working at the Oruro bus terminal and selling water to earn money. While I was growing up, many of my friends and relatives went to La Paz to look for work. I stayed with my parents, however, and we made ends meet.

Since then, Challapata has undergone substantial changes. There are more cars and trucks, and we can afford certain luxuries now, such as vacations on the shores of Lake Titicaca. While quinoa production costs have risen a lot in recent years – with the price of organic fertilizer increasing nearly tenfold, for example – we have more income left over after the harvest than we used to. I was recently able to buy a trailer to help transport my quinoa from field to market, and our convenience store is doing well.

The surge in prices has, however, also brought with it a number of problems. First, many of the people who left the area when I was young are now returning and claiming their right to farm the land. While we do not want to fight, this creates resentment among those of us who stayed – and there have been conflicts. Also, there is more and more contraband quinoa coming from Peru, which is causing prices in Challapata to drop. Finally, new private companies are also being established, many of which we do not know or trust.

In this increasingly uncertain climate, our relationship with Irupana feels especially important. I have been selling quinoa to Martha Cordero for over 13 years. She knows me and my family, and I know her. We also know Primo (the company’s agronomist) and Nikode (the company’s head of procurement), both of whom live here in Challapata. I know that if I deliver my product to them, I will be paid well and on time.”

11 This is a deeply controversial issue, with the Peruvian and Bolivian authorities each accusing the other of being the origin of the contraband. However, recent reports about the Challapata market seem to confirm Max’s words, since the price of quinoa has dropped significantly in the last few months due to a surge in contraband produce from Peru. For further information, see Valdez, C. ‘Influx of cheap Peruvian quinoa riles Bolivia’, Associated Press, 21 November 2014, and other literature.
Access to pre-harvest financing

In addition to these benefits, Irupana remains the only source of pre-harvest financing for most of its producers. While a decree\(^\text{12}\) calls on the financial system to increase lending to the agricultural sector, small and medium-sized quinoa growers will not see gains in terms of financial inclusion any time soon. The quinoa sector remains too fragmented, artisanal and volatile to attract mainstream financial institutions. Given the small size of the smallholders’ loan requests and the high operational costs involved in processing them (often entailing lengthy travel to rural areas to verify income-generating activities and collateral), outreach is too risky and unprofitable. As a result, banks have expanded lending to larger agricultural companies and organizations while leaving smallholders vastly underserved. This represents a serious disadvantage as smallholders desperately need more pre-harvest financing to improve their harvest yields and quality.

Irupana invests considerable time and resources in helping its producers fill out the loan application forms, collecting the required documents and accompanying them on bank visits. As Martha Cordero explains: “Beyond the personal interest in helping people we care for, the company benefits if our producers have more access to pre-harvest financing. It gives us greater confidence that we will have sufficient high-quality produce to meet our pre-established contracts with buyers.” Given the bottlenecks impeding banks from engaging quinoa growers more directly, Irupana will remain the sole access to pre-harvest financing for most of its producers in the near to medium term.

A relationship built on trust

Beyond benefits relating to income, technical assistance and access to financing, the factor that producers mentioned the most when describing why their relationship with Irupana was important was trust. As discussed previously, the increase in the number of farmers and private firms wanting to expand their market share has made the business more competitive and uncertain. As another local producer, Doña Ronaldina, explains: “There are so many intermediaries and companies passing through Challapata now and, as some are here today

\(^{12}\) Asamblea Legislativa Plurinacional de Bolivia. ‘Ley 393: Ley de Servicios Financieros’, 2013.
and gone tomorrow, we can’t trust them. One of my friends was fooled out of several quintals of quinoa by one of these companies. The buyer came to her farm – saving her the cost and hassle of transporting her quinoa to Challapata – and offered her a high price. Then he came again next week, and the week after, and the one after, for four straight weeks. On the fifth week, however, he loaded her quinoa and promised he would be right back with payment. He never returned. This is why trust is so important. We have been selling quinoa to Martha and Nikode (the company’s head of procurement) for over 11 years now and have always been paid well and on time.”

To maintain their producers’ trust, Irupana needs to be able to pay them up front. In their study of the Bolivian quinoa value chain, Laguna et al. found that under contract systems – which are used by most private firms – producers sometimes have to wait several months before receiving full payment. This reflects the asymmetrical bargaining positions of the company and producers and is often deeply frustrating for the latter. During interviews, producers frequently praised Irupana for not making them wait for payment. Irupana has confirmed that this practice applies to most of its producer relationships. However, maintaining the necessary liquidity to pay producers upon delivery is difficult. This is where responsAbility’s relationship with Irupana is of key importance.

Irupana is committed to treating producers fairly; this includes paying them promptly for their produce.

The influx of players with significant financial resources and a single bottom line have put companies such as Irupana under pressure. Before working with responsAbility, the limited availability of local financing meant that Irupana found it difficult to pay producers up front. As a result, it had no choice other than to pay them once it had itself been paid by importers, often three to six months later. This dynamic threatens Irupana’s social and financial objectives in two different ways. First, it undermines its producers’ wellbeing as quinoa is, for most, their only source of income. Delays in payment disrupt producers’ daily lives and prevent them from investing in the inputs and labour needed to improve the productivity of their land. Second, if Irupana’s relationships with its producers are undermined, it becomes harder for the company to obtain the product it needs to meet its local and international obligations.

To enable Irupana to close its short-term liquidity gap and ensure that it could pay its producers up front, responsAbility provided it with a working capital loan of USD 1 million in August 2013. According to Martha Cordero: “Without responsAbility’s loan we would have been unable to pay our producers on time at the prices they deserve. Given how competitive the market has become, this would have caused us to lose certain producers to other competitors that do not share our social and environmental objectives.”

Flexible collateral requirements satisfy acute lending gap
Martha Cordero added that the company had tried to apply for a working capital loan but that its application was rejected due to a lack of suitable collateral. Since local lenders accept only fixed assets or mortgages as collateral – which Irupana had already pledged in order to expand its processing capacity – it had no other means of securing the necessary financing. responsAbility’s loan – which uses the export contracts agreed by Irupana with US or European importers as collateral – provided a critical alternative. It ensured that Irupana could pay its producers immediately, strengthening its relationships and securing high-quality product in the process.

Irupana is currently expanding its processing capacity, seeking to capitalize on the rise in demand from both local and international markets for value-added goods. responsAbility remains a committed partner to Irupana as it undergoes this exciting transformation.

A representative relationship
responsAbility’s relationship with Irupana is representative of its broader commitment to invest in financially successful entities that, through their products and services, improve the lives of broad sections of society. In addition to contributing to improved production processes, access to markets, trading relationships and bargaining positions for smallholder producers, responsAbility’s investment criteria are geared exclusively towards organizations in development-related sectors that are committed to socially and environmentally responsible practices. Given the extreme pressures that the quinoa boom is placing on the
social and environmental fabric of communities in the Bolivian Highlands, these criteria are extremely important. In view of our concerns about soil degradation and its impact on the industry’s long-term viability, responsAbility has established additional eligibility criteria that exclude investments in any Bolivian quinoa producer, processor or exporter that does not commit to organic and sustainable practices. We believe that this is essential to ensure that quinoa remains a stable source of nutrition and income for smallholder producers in the long term.

**Conclusion**

Quinoa’s reputation as one of the world’s most nutritious foods will continue driving demand for this product, leading to an expansion of the boundaries of the agricultural area in which it is produced. While quinoa is a resilient and adaptable crop – meaning that other countries will eventually develop and commercialise varieties suited to their own ecosystems – production will remain concentrated in Bolivia and Peru for the foreseeable future. Given the significant risks to the local food culture, producer wellbeing and environmental sustainability that could result from this expansion in production, it is critical for international stakeholders to support initiatives and business models that actively counter these risks. By investing in companies like Irupana, responsAbility supports the development of sustainable livelihoods for quinoa growers while improving the long-term outlook for the industry.
About responsAbility

responsAbility Investments AG is one of the world’s leading asset managers specializing in development-related sectors of emerging economies. They comprise the areas of finance, agriculture, energy, healthcare and education. responsAbility provides debt and equity financing to non-listed companies with business models that target the lower-income section of the population and can thus drive economic growth and social progress. responsAbility offers professionally-managed investment solutions to both institutional and private investors.

Founded in 2003, responsAbility currently has USD 2.6 billion of assets under management, which are invested in over 530 companies in more than 90 countries. responsAbility is headquartered in Zurich and has local offices in Hong Kong, Lima, Luxembourg, Mumbai, Nairobi, Oslo and Paris. Its shareholders include a broad range of reputable institutions in the Swiss financial market as well as its own employees. responsAbility is regulated by FINMA.

Through its agriculture fund, responsAbility invests across the agricultural value chain, focusing on organizations that display a strong commitment to sustainable trade and/or production. The majority of investments are made in developing economies and emerging markets and are diversified over more than 30 agricultural commodities. The fund currently manages more than USD 80 million invested in 76 organizations in 37 countries. This strong growth and diversification was achieved as a result of the increased presence of dedicated agriculture investment officers across different continents. Factors that contributed to this successful expansion include active portfolio management and the efficiency of the fund’s joint investment process.

Further information
This case study can be found at www.responsAbility.com/multimedia/en together with all responsAbility research studies, publications and webcasts.

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