



Agrícola Viñasol S.A. (AVSA)

More than 70 percent of rural Peruvians live in poverty, and a majority of them rely on subsistence agriculture. Agrícola Viñasol (AVSA) is an agricultural company created in 2001 as a commercial arm of the Instituto Rural Valle Grande (IRVG), a Peruvian NGO which works to improve livelihoods of the small farmers in Valle de Cañete through advancing their production techniques. AVSA sells various crops such as snow peas, corn, sweet potato, asparagus, carrots, and apples, which it buys from small scale farmers. All of the participating farmers' land has been organic certified and has passed audits by Apio Inc., Marks & Spenser, Green Giant, and others. In addition, the company holds the GLOBALGAP certification. While the company was originally targeting primarily export markets with its champion product snow pea, it has begun to grow its presence in the local market in 2009, by entering 4 large supermarket chains thanks to the IFC Linkages program. This allowed the company to diversify the portfolio of products it sources from the farmers, providing more continuous income generating opportunities for thousands of small farmers in the area throughout the year, and mitigating soil erosion risk of the high rotation crops. AVSA moves about 7 tons of products per year, with sales reaching US\$4.7M in FY2009.

Partnership with GBF

In 2009, in an attempt to diversify its export portfolio and mitigate market and climate risks, AVSA began producing and exporting fresh asparagus. Since the product is highly perishable, it is necessary for it to undergo a hydro-cooling process before shipment to ensure asparagus stays fresh and endures longer transportation times. **Grassroots Business Fund'S (GBF)** investment of \$200,000 will finance the completion of the cold chamber, the acquisition of the processing equipment, as well as 2 vehicles: to collect products in the field, and to transport products to port.

GBF is also providing a grant to support the Supplier Development Program (SDP) to train farmers in asparagus production and to incorporate them in the AVSA value chain. The company has already begun promoting these courses and classes are expected to start by mid-September. The



program will include:

- **Business training** - Developing an entrepreneurial and social vision, as well as other basic business skills such as cash flow management;
- **Asparagus production training** - Developing production capacity for cultivating asparagus to meet international health, environmental, and quality norms;
- **Basic training** - Strengthening the basic skills of farmers, including literacy and math.

Finally, GBF is currently exploring the supporting the generation of a management dashboard and strengthening the corporate governance at AVSA directly and/or through expert consultants.

AVSA's Social Impact

AVSA generates important economic benefits to three main beneficiary groups:



Asparagus farmers: The farmers own land and receive sustainable income through the sale of asparagus. They are first trained by IRVG and then assisted by AVSA's agronomists throughout the harvest season. Because asparagus is an export crop, the farmers are able to generate considerable incremental income compared to what they would have earned from selling other crops in the local market. AVSA currently employs 108 farmers and their families, and average incremental income to the each family is estimated to be \$2,899.

Field workers: Asparagus is a labor-intensive crop, and spouses and other adult family members often work during the two harvest campaigns, which together last about seven months. Farmers who own larger parcels of land often hire additional seasonal workers. AVSA currently employs 77 field workers.

Factory workers: Asparagus requires a lot of processing time, which includes cleaning, selection, cutting, and packaging. AVSA currently employs 142 factory workers.

Beneficiary Group	2010
Asparagus Farmers and working family members	108
Field workers hired	77
Factory jobs generated	142
TOTAL DIRECT BENEFICIARIES	327

Grassroots Business Fund tracks AVSA's social metrics through quarterly reports on basic social metrics, and below is a table of the number of projected beneficiaries in each category.

AVSA plans to double its beneficiaries by 2014. Through its work with asparagus farmers and processors, AVSA will create sustainable livelihoods for hundreds of people at the base of the economic pyramid.