Peasant communities, the first link of the commodity chain of vicuña fiber

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Peasant communities, the first link of the commodity chain of vicuña fiber

by

Liliana L. Lay Lisung

A thesis submitted to the graduate faculty
in partial fulfillment of the requirements for the degree of

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Program of Study Committee:
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GLOSSARY

“Cardado”: English word: Carding: process by which fibers are opened, cleaned, and straightened in preparation for spinning. The fingers were first used, then a tool of wood or bone shaped like a hand, then two flat pieces of wood (cards) covered with skin set with thorns or teeth.

“Crianza”: English word: Breeding: generally refers to the act of biological reproduction and birthing and caring for young animals.

Camelid: Members of the biological family Camelidae. This species lives in the High Andean Mountains.

“Centro de descerdado”: This center is the facility where vicuña fleece is cleaned; dirt, thick and larger hair, and debris from the ground are pull out. The fleece cleaning center should provide women with tools such as special coat (aprons), covers for the face nose and mouth, and protective eyeglasses. In addition, the fleece cleaning center should provide white, big tables very well illuminated, white light onto the tables, and scales for weighing. Peasant communities have different system that they implement in the fleece cleaning center.

“Centro de Acopio”: It is the place where vicuña fiber is collected, stored, and dispatched to another place before the fiber is sold. Generally, peasant communities use the fleece cleaning center as “centro de acopio” as well.


“CONACS Consejo Nacional de Camelidos Sudamericanos”: National Counsel of South American Camelids.

“Confección”: English word: Construction of a garment: This is the process which transforms textile fabrics into ready-made products.

“Descerdar”: English word: Dehairing: The act of cleaning the vicuña fleece. The dirt, thick and larger hair, and debris from the ground are pulled out. This process separates the coarse fiber from the softer fiber. It all had to be done by hand to reduce the loss of fiber during the process. It will add so much softness to your end product when using the downy-like fiber or thel for further fiber processing. It makes exquisitely soft yarn perfect for next-to-the-skin wear. Fiber also drapes beautifully.
Dehairer machine. This machine dramatically cuts down on processing time and therefore impacts the processing cost. However, the fiber loss is usually around 50%. Moreover, short fiber is difficult to spin, especially into higher quality yarns on the worsted system.

“Escojo”: English word: **Sorting**:

“Esquilar”: English word: **To shear**: the process of removing the fiber from a vicuña.

“Esquilado”: English word: **Shearing**: It is the noun for the process of removing the fiber from a vicuña.

**FAO**: Food and Agriculture Organization from the United Nations

**Fleece**: The complete layer of hair from a vicuña.

**GTZ**: German Agency for Cooperation.

**Guard hair**: Larger and thick hairs from the fleece

“Hilado”: English word: **Spinning**: is the process of creating yarn (or thread, rope, cable) from various raw fiber materials. The fibers may be of animal, vegetable or synthetic origin. In spinning, separate fibers are twisted together to bind them into a long, stronger yarn. Characteristics of the yarn vary based on the material used, fiber length and alignment, quantity of fiber used and degree of twist.

“INIA Instituto Nacional de Investigacion Agraria”: National Institute for Agrarian Research.

**IUCN**: International Union for the Conservation of Nature and Natural Resources.

“Lavado”: English word: **Scouring**: washing to remove loose chemicals and drying to produce a finished fabric or garment.

“Peinado”: English word: **Combing**: the combing process that follows carding in the preparation of fibers for spinning. It lays the fibers parallel and removes noils (short fibers). The modern combing machine is a specialized carding machine. Combing produces a fine sliver suitable for drawing out and spinning into strong, smooth yarn.

Poaching: Individuals or big organizations kill animals, in this case vicuñas, for shearing the fleece and commercializing the fiber. This commerce is done on the black market.
“PROMPERU Comisión de Promoción del Perú para la Exportación y el Turismo”. It includes the Ex Comission for promotion and exports (PROMPEX) and the Ex Comission for promotion of Peru (PROMPERÚ).

“PROMPEX: Peruvian Export Promotion Agency.

“PRONAMACHCS Programa Nacional de Manejo de Cuencas Hidrograficas y Conservacion de Suelos”. English National Program for Watershed Management and Soil Conservation. Currently is being absorbed by SIERRA EXPORTADOR A.

“Puna”: is a type of montane grassland that occurs in the central part of the high Andes, including the Altiplano. Puna is one of the eight physiographic regions of Peru.

Repopulation of vicuñas: Take vicuñas from their current habitat to another location where the environment is positive for raising this species.


“SIERRA EXPORTADOR A”: A national Program that began its activities on November 24, 2006. It is a decentralized public agency (OPD), attached to the PCM, and develops its activities in all regions of the country, which has mountain areas, improving the quality of life of the native inhabitants. Sierra export organizes and coordinates the resources and efforts that the public sector runs in the rural area of the mountain.

Specimen: CITES named “specimen” for one individual from one species.

Teasing (to tease): Women from Lucanas have this method of pulling the individual fibers apart with their fingers to align them and let some of the larger pieces of dirt, grass, and any other type of waste fall out.

“Tejido Plano”: English word: Flat Weaving: involves the interlacing of two sets of threads at right angles to each other: the warp and the weft.
“Tejido a doble punto”: English word: Knitting is a craft by which thread or yarn may be turned into cloth. Knitting consists of loops called stitches pulled through each other. The active stitches are held on a needle until another loop can be passed through them. Knitting may be done by hand or by machine.

“Teñido”: English word: Dyeing: is the process of imparting colour to a textile material in loose fibre, yarn, cloth or garment form by treatment with a dye. Normally vicuña fiber is not dyed.

The International Agreement for Conservation, Management, and Handling of the Vicuña was subscribed in 1969, La Paz; by Peru and Bolivia. Later Argentina (1971), Chile (1973), and Ecuador (1979) subscribed it.

TLC Agreement with Peru: (Tratado de Libre Comercio con Peru – Free Trade Agreement with Peru).

Withers: is the highest point on the back of a non-upright animal, on the ridge between its shoulder blades.
ABSTRACT

Vicuña fiber has a high value in the textile and fashion industry and is seen on the runways of the most selective and luxurious clothing designers in Europe. However, the vicuña fiber process and commodity chain are little known. This thesis presents the commodity chain of vicuña fiber and the positive and negative impacts that vicuña fiber commercialization generates in Peruvian peasant communities. The research, based on in-depth interviews and document analysis, studies the development of this buyer-driven chain, the social actors’ roles, and the policies and legislation implemented to preserve vicuña species. In respond to consumption demands, the marketing departments of transnational core companies create added value with the final product. As a result, Peruvian peasants face different obstacles and benefits in order to sell their fiber within the formal and informal value chains; while they obtain a small profit compared to the manufacturing and retail links overseas.
Vicuña fiber is relatively scarce and has an enormous value in the textile and fashion sector and is seen on the most important runways of selective and expensive clothing designers in Europe. However, there is little knowledge of vicuña fiber processing and its commodity chain. The commodity chain of vicuña fiber starts in the Altiplano region, where poverty is extreme. The quality and its scarcity of the fiber are important features of the expensive price. Vicuña fiber is a difficult product to obtain in large quantities because of the nature of the species; the long period of gestation (11 months) with only one offspring, along with, the small quantity of sheared fiber per vicuña (200 grams/vicuña approximately) create a small offer and scarcity. In addition, the population of vicuña has diminished from the population of two million vicuña during the Empire of the Incas. Vicuñas have suffered extreme poaching and became an endangered species in the past century, because as the finest fiber in the world, those who sold the raw material to processors got a relatively high return.

This study presents the result of field research based on depth interviews with people who are involved in the commodity chain of vicuña fiber, including directors and officers of governmental entities, plus leaders and supervisors of peasant communities. The visits, observations, and depth interviews were conducted in Lima and Ayacucho Departments between April 2007 and June 2007, while the entire research project was developed between February 2007 and December 2007.

There are two major reasons why the study was conducted in Peru. First, Peru has the highest population of vicuñas in the world. Vicuña is a wild animal that lives in the Peruvian High Andean region (Puna or Altiplano) and shares that territory with different peasant communities. According to the census of 2000 by CONACS (National Counsel of South American Camelids), Peru has 118,678 animals, which are distributed from Central Sierra to South Sierra. Ayacucho has the largest vicuña population (34.03%). These Peruvian peasant communities are the poorest in the country.
Second, with authorization of the CITES international regulations (Convention on International Trade in Endangered Species of Wild Fauna and Flora), Peru started the official commercialization of vicuña fiber, being the pioneer country that formally trades this product internationally. Commercialization of vicuña fiber not only involves processing and distribution to the fashion and textile industry but also involves the social and political context, including international and national legislation and policies to protect the species and regulate the sustainable trade of vicuña fiber. Under Peruvian legislation, peasant communities are the first beneficiaries of the vicuña and its sub-products. The profit obtained from the trade of vicuña fiber as a raw material should benefit Peruvian peasant communities who have the custody of the vicuñas that inhabit in the community’s territories. Moreover, peasant communities are responsible for caring the species.

According to CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), after the implementation of rigorous restrictions at national and international levels, the vicuña passed from Appendix I (includes species threatened with extinction and whose trade is permitted only in exceptional situations) to Appendix II (includes species not necessarily endangered but whose trade must be controlled in order to avoid utilization incompatible with their survival). Since 1996, Peru has developed regulations that allow peasant communities to use vicuña fiber in a sustainable manner, such as shearing the fiber from live animals. Peasant communities can only use this benefit with vicuña that inhabit their territory. Moreover, peasant communities must follow certain laws and regulations, and peasants are required to organize in officially recognized committees in order to commercialize the fiber overseas.

Given the responsibilities given to peasant communities: protection of vicuña habitat, protection of vicuña from predators and poachers, and maintaining animal health, what are the benefits received from the commodity chain of vicuña fiber. While the Peruvian State, the market, and the civil society joined together, beginning in the 1990s, to formalize the value chain and increase the income of peasant communities as well as to guarantee the qualities of the fiber, household income from vicuña production is still very low. In general, the impact
of formalizing the sale of vicuña fiber has had a positive result on peasant communities, although some communities can generate more profit than others because of the number of vicuñas that inhabit in the community’s territory.

This study also provides an analysis of the problematic of the uneven development and uneven profit between the periphery and core countries. The commodity chain of vicuña fiber, from the production to the consumption, is a perfect example of the inequality within the world economic system. These peasant communities obtain a small profit compare to the overseas retailers. Name-brand fashion companies and international retails drive the commodity chain of vicuña fiber, offering sumptuous and extravagant garments as luxury articles at prices that are unattainable for most people. When top models exhibit expensive coats of vicuña, probably people do not imagine that there are more than 500 peasants and their communities behind the fabric. However, the profit that peasant communities obtain is insignificant compared to the profit of major designers such as Ermenegildo Zegna and Giorgio Armani, who show these luxury garments on the European runways.

In the global capitalist economy, peasant communities form the first link of the commodity chain of vicuña fiber, however, they still have less profit compare to the international brand-name companies and retails. The difference on profit between peasant communities/raw material producers and the subsequent stages/buyer-driven of the chain could be a response of the influence of globalization, the liberalization of trade, the consumer demand, the higher price for higher quality of the product, and environmental issues. For instance, within the commodity chain of vicuña fiber, aspects in the last stages, such as the style and finalization of the garments, the marketing and distribution processes have more significance and impact in the final price than the peasant producers who provide the raw material and the labor force. Finally, the complex and dynamics of the markets make a strong interdependence among the links of the commodity chain of vicuña fiber.

Therefore, the main focus of this research is to provide responses regarding the commodity chain of vicuña and its development within the world economic system. Section 2 presents
the theoretical framework and insights from previous studies regarding commodity chains within the world economic system. This section illustrates the legislative work of governments and international organization to preserve the vicuña species, hoping to protect by encouraging the commercialization of its fiber. Section 3 explains the methodology used during the field work. The section 4 answers and explains the following research questions: What is the commodity chain of vicuña fiber? What are its links, its production process, and the type of commodity chain: formal and informal? Section 5 presents the positive and negative impacts of participation in the commodity chain on peasant communities within a local, national, and international context. Section 6 presents and evaluates reasons regarding to why peasant communities profit so little compared to the final links of the commodity chain, such as core international textile companies, major designers, and name-brand fashion companies? Section 7 presents my conclusions.
CHAPTER 2
THEORETICAL FRAMEWORK

Theoretical Conceptual Models

Academic literature was examined in order to analyze the commodity chain of vicuña fiber within the world system. My research was interdisciplinary in that I examined literature in the fields of Sociology, Political Science and Textile and Clothing. I found a few articles related to the vicuña fiber commodity chain, mostly related to its environmental impacts and management of vicuña and its fiber. I reviewed literature on other commodity chains, including coffee and alpaca fiber and its sub-products. I hypothesized those commodities could have similarities in the product characteristics and in the production process of vicuña fiber. I examined literature related to inequality in the world, World Economic System Theory and Dependency Theory and the concepts of individualism and globalization. These theories and concepts help explain the impact that the vicuña fiber commodity chain has in Peruvian peasant communities. I employed interdisciplinary tools in my analysis of the vicuña fiber commodity chain. I applied concepts and tools from sociology, political sciences, and textile and clothing. These disciplines and literature enabled me to understand and analyze the needs and requirements at both ends of the vicuña fiber commodity chain.

There are few specific studies regarding vicuña fiber and its commodity chain. Most people who use vicuña garments do not know all the processes that the vicuña fiber is exposed overseas. To start with the analysis of the commodity chain of vicuña fiber, I examined the general concept of commodity chain. A commodity chain, as defined by Hopkins and Wallerstein, is “a network of labor and production processes whose end result is a finished commodity” (1986, p.159). According to Jackson (2006, p.6), while other terms have been developed or changed in the academic literature, the concept of commodity chain has continued in use extensively. According to Fine and Leopold, the interest in food consumption has brought together political economists, political scientists and sociologists to study the politics, sociology and spatiality of food consumption (In Jackson 2006, p.4). The commodity chain involves the complete sequence of activities that starts from the raw
material, and after several stages of transformation, the product is sold to the final consumer. According to Gereffi (1994, p.2), each link in a commodity chain, after its raw material form, acquires value and organizes inputs, labor power, transportation, distribution, and consumption. The term commodity chain is used to name and gather all the elements and/or actors that contribute directly to obtain the final product. The commodity chain concept is related to concept of value chain, as Tallec and Bockel explain in their work for FAO in 2005.

The value chain describes the full range of activities required to bring a product or service from its conception, through the different phases of production, delivery to final consumers…Production *per se* is only one of a number of value links. There are ranges of activities within each link of the chain. Although often depicted as a vertical chain, intra-chain linkages are most often of a two-way nature—for example, specialized design agencies not only influence the nature of the production process and marketing, but also are in turn influenced by the constraints in these downstream links in the chain (2005, p.2).

A commodity chain is classified as a global commodity chain when the stages of production and the selling point are located in different countries. According to Gereffi (1994), the study of the Global Commodity Chain (GCC) originated from political economy analysis includes World System Theory from Wallerstein (1974, 1980, and 1989) and Dependency Theory (advocated by Prebisch R. in 1950 and further developed by Paul Baran) as concepts to understand development and underdevelopment in the world. GCC concept and functions provide a framework to examine the political economy between core and periphery countries within the international trading system. This trade system includes buyers mostly from the core nations and producers mostly from the periphery nations. According to Wallerstein (1974), the interrelation between core (developed countries) and periphery societies (developing countries) causes inequality and dependency within the world economic system.

GCC analysis aims to study the increasing economic integration of international production and marketing chains. In addition, GCC analysis helps to analyze the path of the commodity chain of vicuña fiber from the beginning to the ending links within a world economic system.
and the impact of the globalization in the peasant communities. According to Gereffi (2003, p.3), the GCC concept was developed to understand the impact of globalization within the industrial commodity chains such as garments, footwear, automobiles, and technology. For instance, “Globalization elements in the food processing and distribution are changing conditions in the agro-food sector and influencing also agrarian markets” (Blazkova 2002, p. 293).

GCC analysis helps identify the dominant actor or actors which drive the chain. As said by Gereffi (2003, p. 2) “the global value chain framework will be outlined, with emphasis on the structure and dynamics of buyer-driven chains”. Some characteristics within the buyer-driven chains are the abundant labor force with low wages from the periphery countries and the coordinated process by transnational brand-name companies and international retails located in the core countries. The buyers’ companies establish a strategic contact with factories overseas. According to Mace, the profits of the buyer-driven commodity chains are concentrated in the activities of research, design, sales, marketing, and financial services” (Mace 1998, p.11). Gereffi and Korzeniewicz (Gereffi 2003, p.3 and in Mace 1998, p.11) concluded from their footwear study that core activities such as marketing and retail end of the commodity chain, have the highest profit. According to Gereffi, consumption determines the origin and the way by which production is developed within the buyer-driven commodity chains (Gereffi, 1994, p.99; in Mace 1998, p.11). The apparel and textile industry chain is characterized as a buyer-driven commodity chain; therefore, the commodity chain of vicuña fiber is a buyer-driven chain. The airplane industry is a producer-driven commodity chain that is characterized by the significant role of the producers. Gereffi concluded “in producer-driven value chains, large, usually transnational, manufactures play the central roles in coordinating production networks (including their backward and forward linkages). This is typical of capital (and technology) intensive industries such as automobiles, aircraft, computers, semiconductors and heavy machinery … the producer-driven chains obtain the profit from large sale, volume, and technology advances (Gereffi 2003, p. 3). Moreover, Gereffi affirms “…in the producer-driven the manufacturers are the key economic agents both in terms of their earnings and their ability to control over backward linkages with raw
material and component suppliers, and forward linkages into distribution and retailing. The lead firms in producer-driven chains usually belong to international oligopolies” (Gereffi 2003, p. 3).

As I presented above, in the last decades, the textile and fashion commodity chains have changed significantly because of globalization, technological progress in production, and new ways for trading. The vicuña fiber is not an exception, in the last two decades, the functions and conditions that the commodity chain of vicuña fiber and its market development has changed; not only because the impact of the economic revolution and globalization but also because the legislation provided by governments and CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) for this wild species has improved the international vicuña trade. The commodity chain of vicuña fiber is characterized as a global commodity chain because the product (raw material) is produced and transformed for the periphery nations and mostly consumed by the core nations within the world economic system.

Therefore, this study aims us to know and understand in detail the development of the commodity chain of vicuña fiber, the progress of each link to another, the role of the involved actors, and the policies and legislation implemented at national and international level in order to preserve vicuña species. For instance, the global commodity chain of vicuña fiber in Peru involves the State, peasant communities who are the producers, intermediaries, associations, Agrobanco (the financial entity), research institutions, academic institutions, transnational brand-named manufactory companies, worldwide known fashion designers, and international retails. As the vicuña fiber is under several restrictions by law (at national and international level); if vicuña fiber is sold without complying with all the requirements, the sellers could go to jail for a felony. Moreover, this type of felony could start with stealing or poaching vicuñas and end with selling vicuña fiber on the black market. As a result, the vicuña fiber industry is mostly developed within the formal economy.
Furthermore, this paper presents the comparison between selling vicuña fiber within the formal economy or within the informal economy. Over history, transactions started with informal exchanges. With time, the economic world established rules and requirements for transactions in order to organize product quality and enable businesses grow. Those written rules and standards created a “formal economy” used for impersonal selling products, buying articles, and making profits in the marketplace. The formal economy principles of licensing, formal standards, and official enforcement are used not only in commerce but also at the professional and educational level. On the other hand, informality has emerged more in developing countries than in developed countries because of the difficulty of following the capitalist system. In addition, informality is a result of poverty, global inequality, globalization, underdevelopment, privatization, and migration, among other aspects. As a result, Formal Economy is composed by “firms that provide employment and are subject to governmental monitoring” (Flora 2008, p. 93, 110), while according to Portes (1994); Informal Economy concept is defined as a process of income generation that is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated.

Moreover, it is important to mention that the study of the informal economy has been difficult to define and analyze because of the irregularity of its activities. For instance, the location and the characteristic of an informal enterprise could change depending on the campaign and the day. According to De Soto (1989), an informal economy is a new trend or pattern that is not only growing in developing countries, but also that it is here to stay. Without a doubt, the informal economy exists and is a resource for the poor to survive and to reach basic needs. The informal economy expansion has been developed gradually because of the combination of necessity for survival and creativity to develop and recognize any possible business. However, the popular perception of informality is defined depending on the personal experience. The development of countries, poverty, and wealth of societies will define those differences. In addition, the informal economy is present in goods and services. For instance, in Peru in the early 90s’, the informal economy in the transportation category
controlled 90% of public buses (not counting taxi services); this category managed more than $620 million (Portes: 1993, 33-60).

Another aspect occurs when an entrepreneur tries to trade without following any regulation. This transaction is belonged to an informal business and it is connected to illegality. It must be mentioned that illegality is different from criminality. The term “criminality” infers to operate illegally and commercialize illegal goods or illegal services such as drugs; it is also called “black market”. Since vicuña species is protected by national and internationally legislation, the commercialization of vicuña fiber without following regulations is classified as black market of vicuña fiber. However, it is important to define that informality is not always synonymous to illegality. According to Chen (2005), there must be a distinction between illegal processes or arrangements and illegal goods or services. According to Daza, in industrialized countries, informality is equivalent to illegality, while in developing countries the law is more tolerant.
CHAPTER 3
METHODOLOGY

The research is based on primary and secondary sources. The primary sources are visits, interviews, observations, and revision of primary documents which mostly were in Spanish. The secondary sources are scholarly literature from sociology, political sciences, and textile and clothing disciplines; the literature was presented in English and Spanish languages.

To accomplish the objectives and to answer the research questions of the study, the investigation was developed between February 2007 and December 2007, field work was undertaken between April 2007 and June 2007 in the city of Lima and in the provinces of Ayacucho, Peru. The majority of governmental entities, offices of intermediaries, and research institutions are located in Lima; while most of vicuña’s population and the most successful Peruvian peasant communities that commerce vicuña fiber are in Ayacucho.

My field work included visits to peasant communities and related entities, in-depth interviews, witnessing transactions between seller and buyer, and observing processes from the first point of production to the last point before selling overseas; activities such as management, production, transformation, distribution, and selling of vicuña fiber to international and national companies. I visited the support entities and communities and interviewed the essential people in the communities and organizations to find, analyze, and build the connection among the links within the commodity chain of vicuña fiber. Each link or agent of the commodity chain before the vicuña fiber is distributed overseas was visited (two peasant communities were visited as an examples). After the vicuña fiber is sold to international companies, I analyzed literature related to the topic.

In-Site observations
I visited each agent and observed the entire process in order to understand not only the connections between links but also to identify the agents, their roles and functions in the commercialization of vicuña fiber, and to how each agent followed legislative and textile
quality requirements. The plan of visits included governmental entities such as CONACS, INRENA, Ministry of Agriculture, Palace of Government, PROMPEX, and PROMPERU entities which develop and state legislation. In the academic and research institutions, I visited the National Agrarian University La Molina, INIA, INIAE, IEP, INEI. The mentioned institutions improve the species and influence the commercialization of vicuña fiber through their research. I visited the National Reserve of Pampas Galeras, this reserve is important because it has and cares a great number of vicuña population; moreover, I observed the environment, the vicuña behavior, and the organization of vicuña while the CONACS officials implement the process of caring and custody of the species. I also visited two Peruvian peasant communities in the Ayacucho Department: San Juan de Lucanas and San Cristobal. I visited facilities where most of the process is done. These two communities are examples of good management of vicuña and of success in the vicuña fiber commodity chain. I also visited facilities of the intermediaries such as SNV, ALMAR. Finally, I visited the National Financial Entity Agrobanco and the ALL ALPACA retail located in the Miraflores District.

In-depth interviews
I conducted 26 in-depth interviews. The interviews were designed to understand the negative and positive impacts of the commodity chain of vicuña fiber on peasant communities. The interviewed persons -officers, directors, and leaders of communities- belong to different entities; therefore, each interview was unique. The main focus of each interview was to know the links of the commodity chain of vicuña fiber and its impact in Peruvian peasant communities. In the interviews, the respondents provided multiple and complementary answers. In addition, depending on the research process, some of the directors and officers from governmental entities such as CONACS, INRENA, INIA, Agrobanco, PROMPERU, PROMPEX, were interviewed more than once in order to obtain further information. Some of these public entities have an important role in the decision-making for the development of legislation for the commercialization of vicuña fiber. Some other entities influence the commercialization by internationally promoting vicuña fiber, the tourism of Chaccu (process to shear vicuña) and the vicuña environment.
The in-depth interviewees were asked open-ended; however, when the person interviewed has some difficulties in answering and unfocused from the theme, some options were provided to start the discussion and to continue with the topic. This type of open-ended interviews allowed obtaining important and interesting information, new information that was not found in the reviewed literature. In addition, the interviewees voluntarily provided further information about the vicuña fiber commodity chain, the entire process, needs, and problems that Peruvian peasant communities have in commercialization.

In the beginning of the research, the information that interviewed officers from public entities provided were general and without details. As a snowball, those interviews provided information that informed the next steps and the next links for visits and interviews. Additional appointments for more interviews were arranged in order to obtain further and complementary information from the governmental entities’ officers. I interviewed as many people (even same people) as it was necessary in order to obtain complete information regarding the links and the process of the commodity chain of vicuña fiber. By the end of the research, the obtained information was significant and complete. The key officer for my research belongs to CONACS entity, Eng. Tuppia. Engineer Tuppia put me in contact with peasant communities and intermediaries. At the community locations, I asked permission from the leader of the community or the director of the intermediary to observe the facility and the process. In addition, interviews with leaders and directors took place in the same visits. Leaders and directors of the communities always were very open in showing their facilities and explaining the process of production. Leaders from the peasant communities encourage peasants to provide testimony and to give complementary information.

The essential factor for obtaining significant information, especially regarding the specific role of peasants and the details of the process, was being accompanied and recommended by CONACS Director and officers. This factor facilitated opening peasant facilities; in addition, the peasants open to provide detailed information. I selected people and their entities involved in the trade, production, distribution of vicuña fiber.
Interviewees were selected according to their role and functions within their entities or communities. The place that interviewed people, entities, or communities occupy within the vicuña fiber commodity chain is an important factor for being interviewed. Interviewees were able to provide information on each movement carried out within the vicuña fiber commodity chain. I selected directors, leaders, officers, supervisors, and workers responsible for and involved in the process. Since the workers did not provide information without supervisor’s permission; I interviewed fewer of them. The length of the interview and visits was depended on the person, the information that they could provide us, and the time they could dedicate us. This period could fluctuate from 30 minutes to 3 or 4 hours (if the visit was to peasant communities). Most of the visits, observations, and interviews were recorded.

The methodology described above has some limits, such as the sample size. It is small because I only selected people from the links of the vicuña fiber commodity chain in Peru. The interviewees were selected purposively, not randomly, based on who has better knowledge and exposure in the process of vicuña fiber. Since the research is based on in-depth interviews, I used qualitative instead of statistical or quantitative analysis.

Even with the small sample and, the qualitative method, my research has advantages, such as primary data collection of detailed and significant information. By using an interactive process of interviews and analysis, I was able to clarify each detail of the process. By recording the interviews and observations, I was able to verify my initial responses by re-listening to the responses as necessary.

Examination of legal documents and primary sources
Finally, primary documents in Spanish were analyzed. These documents were obtained from entities related to the vicuña and its fiber trade. Governmental entities as CONACS, PROMPEX, PROMPERU, Ministry of Agriculture, INRENA, SIERRA EXPORTADORA, Agrobanco, and INEI provide data and important legal documents. Peasant Communities provide data regarding the management, commercialization and trade. Since vicuña species
was endangered CITES and the governments of Latin America provide international regulations and law decrees. In these days, international organizations and governments continue developing regulations not only to conserve vicuña species but also to allow and promote the commercialization of vicuña fiber. Therefore, my research is also based on the analysis of law decrees developed from Peruvian government since 1974 and the analysis of international regulations developed in by CITES Convention on International Trade in Endangered Species of Wild Fauna and Flora since 1973.
CHAPTER 4
VICUÑA BACKGROUND

Vicuña Overview
The vicuña is a wild, graceful, sociable, gregarious, and territorial animal. It cannot be domesticated, because vicuña get stressed easily, which can be fatal. This is one of the reasons for that CITES considers vicuña a wild species. Vicuña is the smallest camelid (members of the biological family camelidae). An adult vicuña weighs between 33 to 55 kg; is between 1.25 to 1.50 meters long; with a height to the withers: 0.75 to 1.00 m. (Ministry of Agriculture, Peru, 2007). Its hooves have very smooth pads (Almohadilladas Plantares) that prevent soil erosion. Likewise, it can reach a speed of up to 45 kilometers per hour (Ministry of Agriculture, Peru, 2007). The period of gestation of a vicuña is eleven months, after which she gives birth to a single offspring. The main period for births is between the February and April. According to CONACS, 80% of births are on sunny days and during the morning hours. This helps the new specimen (CITES named “specimen” for one individual from one species) dry off. Vicuñas are born during rainy period (February-March), but these rains fall in the afternoon hours. Vicuña, like the other camelids, cannot lick its offspring, so these newborn vicuñas need to be dried by their environment (PROMPEX, 2006).

Vicuña is an animal greatly appreciated because the characteristics of its fiber. The cinnamon color of the fleece on the back and lateral portion of the body, along the neck and the back portion of the head are of very high quality. This fiber is very prized in the textile and fashion sector. The hair from the chest, belly, internal part of the legs, and the underparts of the head are whiter and worthless. Vicuña is considered a Peruvian flagship product and national resource. Because of the quality of its fiber, vicuña represents the existence of wildlife wealth in Peruvian territory.

Vicuña shares its habitat with other animals, which in some cases are vicuña predators. On the open plain of the “Puna” it is not easy to hide from enemies such as puma and foxes that mostly attacks vicuña’s offspring, and dogs that are farmer property (farmers must keep their
dogs under control to avoid vicuña’s predation). The condor eats dead vicuñas; therefore, it is not a danger for vicuña species. Nature provided vicuña with characteristics to defend itself from its predictors. The vicuña’s long neck lets it spot its enemies from long distances and its mimetic cinnamon color lets the vicuña blend into the Puna landscape.

Vicuñas are distributed from central to southern South America, although the vicuña’s distribution is restricted to certain biogeographic provinces: “Puneña,” “prepuneña,” and “highland” (altoandina). The vicuña is perfectly adapted to the conditions of the highlands region and has evolved characteristics to prevail in this environment. Vicuña inhabits in the Ecosystem “Altoandino de la Puna” from 3,500 up to the 5,200 meters above sea level. Due to a smaller content of oxygen in the air (hypoxia) because of the altitude of the area (la puna), vicuña blood has near 14 million red cells per milliliter or “hematocitos” by mm³, which allows vicuña to utilize what little oxygen is present. The red cells contain hemoglobin that transports oxygen from the lungs to the cells. The greater the content of hemoglobin, the greater the efficiency in collecting and transporting oxygen (PROMPEX, 2006). The average temperature in this region is between 6ºC and 8ºC, and its rainfall is between 400 mm and 700 mm per year. The vicuña prefers high meadows (INCAE. Brenes, E., September, 2001).

Wild camelids, the vicuña and guanaco, today are distributed in patches, the result of poaching and the deterioration of their natural environment (Ministry of Agriculture, Peru, 2007). Vicuñas live in the following countries: Peru, Chile, Argentina, Bolivia, and now also in Ecuador. Vicuña was extinguished in Ecuador shortly after the conquest, but it was reintroduced and repopulated at the end of the 20th century with animals from Peru and Chile. It is difficult to find updated statistics regarding the population growth of these camelids, because vicuñas as a wild species are not in only one location. Taking into consideration the statistical information from diverse sources and years, it is estimated a population of 188,279 animals, of which 118,678 are found in Peru (Census of vicuñas 2000), 33,844 in Bolivia (Census of vicuñas 1996), 19,848 in Chile (Census of vicuñas 1995), and 15,900 in Argentina (population of protected areas in 1992). (CONACS, 2000).
Moreover, comparing the total population of camelids (7,809,479), vicuñas are 2% (160,700), guanacos are 7.3% (571,200), llamas are 42.2% (3,300,000), and the alpacas are 48% (3,750,000) of the total. For comparison of vicuña population by country see tables 4, 5, 6, and graphic 1. (Appendix B. Table and graphics: South America Population of Andean Camelids 2000, Distribution of Vicuña by country 2000, Distribution of Vicuña by country 2002, and graphic 1 Distribution of Vicuña by country 2002). According to PROMPEX, vicuña population could increase from 11% to 18%, depending on protection from predators and poaching and the conditions of pastures. According to the census of 2000 by CONACS, the vicuña population in Peru is 118,678 animals distributed mostly from Central Sierra to South Sierra of Puno and Tacna, both Departments of Peru. The majority of vicuña population is found in Ayacucho (34.03%), following by Puno (15.26%), Lima (14.91%), Junín (9.61%), Apurímac (8.44%) and Huancavelica (7.37%), (CONACS, 2000). For comparison vicuña population see tables 7, and graphic 2, 3, 4. (Appendix B. Table and graphics: National Population of Vicuñas Census 2000, Evolution of National Vicuñas Population 1980-2001, Graphic of National Population of Vicuñas Census 2000, Vicuña Population Projected in Peru by 2010).

Most of the time, vicuña eat pasture, preferring zones rich in pasture with water. Vicuña eat short grass (“gramíneas cortas”), herbaceous plants, and some succulent plants. Vicuña prefer a special pasture called “Ichu” and rarely eat “hard” pastures (see description and photo below). Occasionally they lop off “Tola” (CONACS, July, 2006).

![Short grass “ichu”](Photo: By the author)

The pastures in the “Puna” are hard with “silice” (element in pasture: silica) that requires the use of incisors. The grazing method of vicuña is not to pull pasture like cows, horses, or sheep do. Vicuña cuts pasture with their incisors. To counteract this use, the incisors grow continually until vicuña is almost 5 years old. This tooth growth is controlled by their constant use for cutting and chewing the dry and hard pasture. Eventually, the growth ceases
and the incisors begin to get smaller. When old animals do not have long enough incisors to graze; they get weak and die. Andean camelids take advantage of the lean pastures from the “Puna” with greater efficiency than the foreign animal species. In the case of alpaca, its digestion of pasture is 22% more efficient to ovine’s digestion (PROMPEX, 2006).

Vicuña research has discovered two possible subspecies:

A. *Vicugna vicugna vicugna* has a greater size and lighter color than the second subspecies and is found south of 18° latitude. Most of that population is in Argentina.

B. *Vicugna vicugna mensalis* is brown, the typical cinnamon color; it has white hair in the chest and is found north of 18° latitude. Most of that population is in Peru and Bolivia.

A tentative geographic limit between the two vicuñas subspecies has been determined. The approximate line that divides the territory between these two subspecies is the southern latitude 18°. Although, research on distribution and boundaries has not finished, it is considered that all vicuñas from Peru, those from north Altiplano, central and south Bolivian Altiplano, and Tarapacá Region in Chile belong to the Northern Subspecies. On the other hand, all the vicuñas from Argentina, the Antofagasta and Atacama Regions in Chile are Southern Subspecies (Ministry of Agriculture, Peru, 2007).

The social organization of the vicuña has the same pattern as the guanaco’s. However, vicuña are more sedentary and territorial than guanaco. Vicuña organization is classified into three groups:

A. *Family groups* constituted by a male (jaiñachu) and an average of 5 to 6 females. The young vicuñas are expelled from the family group when they are around 8 to 9 months of age; thus the crossing among vicuña that are relatives by blood is controlled. The females are integrated into other family groups, and males form groups of single males called “tropillas”.

B. *The second group is called “tropillas”*. This group is composed of male adolescents and those vicuñas that do not belong to any family groups. When these male vicuñas arrive at adulthood (three years old), they fight with an adult male in order to take his family, females, and territory (PROMPEX, 2006).
C. *The third group is called “macho solitario” (lone male)*, that are generally the male adults that lost their family group after fighting with a younger male.

![Family group](image1)
![Tropillas juveniles](image2)
![Macho solitario](image3)

**Historical legislation for conservation and sustainable use (international and national)**

Four decades ago in Peru, vicuña was perhaps the most valuable species of the country and was also an endangered species. This was the result of indiscriminate hunting by unscrupulous people. The Peruvian State saw that the vicuña population was reduced to only five thousand specimens in the world. According to PROMPEX, during the Inca Empire there were an estimated 2 million vicuñas. However, in the 1960s, after big fashion companies discovered the attributes of vicuña fiber, the vicuña population started to diminish. Bands of poachers killed vicuñas for their precious fiber. In 1964, only 5,000 specimens were alive in Peru. It caused alarm in the Peruvian State and in the international society. Consequently, the Peruvian State, represented by the Ministry of Agriculture, together with Peasant Communities of Lucanas created the Pampas Galeras Reserve.

According to CONACS, the vicuña environment is the “Puna” region that includes the Andean regions in Argentina, Bolivia, Chile, Ecuador, and Peru. The majority of the population of vicuñas is in Peru and Bolivia. Therefore, since these two countries have witnessed the exploitation of the species, they decided to join efforts and signed, in 1969, the International Agreement for Conservation and Handling of the Vicuña in La Paz, Bolivia. Later Argentina (1971), Chile (1973), and Ecuador (1979) also signed the agreement. On December 20th, 1979, the five countries ratified the agreement that sets forth the prohibition of the export of fertile vicuñas or any other reproduction material, such as ovum, frozen
embryos, frozen semen, etc. (Llovet, A. 2003). The Agreement for Conservation and Handling of the Vicuña regulates any procedures regarding this species. The agreement declared Peru as fully responsible for the handling of vicuña as a wild species, because Peru has the majority of the vicuña population in the region. The conservation programs that were applied resulted in an increase of the vicuña population, and the Andean plains were repopulated. This was achieved with the aid of the peasants of the regions where the vicuñas lived.

International market, states, and civil society entities also took measures and actions in order to contain the excessive exploitation of vicuña. In the 1970s, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, CITES, supported by United Nations, approved the agreement that regulates and supervises the international trade of wild fauna products. The export of vicuñas - the animal - was forbidden, and they could only be moved from their habitat for research purposes. The agreement was signed on December 3rd, 1973, in Washington DC. The Peruvian government signed the agreement one year later, on December 30th, 1974, in Berne, Switzerland; and became a member of CITES (Decree Law N° 21080). The Convention is the entity that supervises the international commerce in vicuña fiber, allowing its trade to those countries that have accredited populations. It must follow regulations according to what is listed in Appendix II (threatened), but not in Appendix I (endangered). By 2005, Peru and Bolivia were the only vicuña-producing countries that could engage in international trade of vicuña fiber (Appendix II).

The German Agency for Cooperation (GTZ) provided financial support for vicuña protection between 1973 and 1980. By 1977, Pampas Galeras Reserve (75,000 ha.) had 20,000 vicuñas. In 1981, Peru had 75,000 vicuñas. The fast recovery of vicuña, a species that was endangered, was a great success in the world.

In 1987, the 6th Conference of the Parts of the Convention on the International Trade of Threatened Species of Wild Fauna and Flora, CITES (Ottawa, Canada) provided the authorization by which Peru, for the first time, along with other countries, was able to
transform and to market internationally fabrics made industrially with sheared fiber of live vicuñas. Vicuña fiber could be traded under two basic conditions: first, the animal must be sheared alive, second, the product label should include the logo and the end of the fabric must said “VICUÑANDESPERU” or “VICUÑANDESPERU-ARTESANIA” (depending on the country of origin of the fabric or product). In November, 1994, in Fort Lauderdale, Florida, the 9th CITES Convention modified the vicuña regulations for international trade. The sheared fiber from live vicuñas could be commercialized only with the identification logo and registered brand “VICUÑANDESPERU”. By 1995, Peru and the other subscribing countries of the Agreement for the Conservation and Management of the Vicuña began to negotiate for the agreement signed at the 10th Conference of the Parts of CITES (Zimbabwe, 1997), which authorized the transformation and international commercialization of vicuña fiber, as ‘weavings form and sanctuaries’ crafts. As a consequence, the convention reclassified vicuña from Appendix I, which indicated that vicuña is an endangered species—to Appendix II, as a species threatened or vulnerable. Appendix II includes species that are no longer found to be endangered, but whose commerce must be controlled in order to avoid an incompatible use with its survival, as was the vicuña case. Therefore, since June, 1997, Harare, Zimbabwe, the 10th Convention allowed the member countries of the Vicuña Convention also to trade in luxury handicrafts and knitted articles made of wool sheared from live vicuñas from Appendix II populations, and to replace the words "VICUÑANDESCHILE" and "VICUÑANDES-PERU" by the words "VICUÑA-COUNTRY OF ORIGIN". Thus, under strict regulations, Peru can internationally market vicuña wool and its sub-products. In 1997, the FAO declared vicuña as a vulnerable species. Previously, the International Union for the Conservation of Nature and Natural Resources (IUCN) had declared vicuña as a species in danger of extinction (Franklin, 1974 cited by Villalba, 1996). Afterwards, vicuña was included in the 2007 Red List of Threatened Species Lower Risk.

Despite the achievements in the international framework, United States of America has not issued a law that adjusts its local legislation, which dates from 1973 to the CITES conventions. In the United States, the internal norm to eliminate the present restrictions for marketing vicuña fiber and its sub-products is still in process of approval (EL PERUANO,
Toscano, 2002). The Peruvian State also has been developing legislation for the commercialization of vicuña fiber at the national level. The role of the Government of Peru is one of the most important in the commodity chain of vicuña fiber. Even though the Peruvian government gave custody of vicuña to the peasant communities; the vicuña still is property of the State. Therefore, the State, first, has to create laws in order to provide the best environment that protects this species. Second, the government has to develop legislation for a sustainable use that all peasant communities must implement homogeneously, equally, and consistently in order to alleviate their poverty. The Peruvian Government has increased its participation in the promotion of the product. As part of the strategy for selling vicuña fiber, the Peruvian Government promotes vicuña fiber at the international level. Through the time the Peruvian State has developed and improved the legislation for the production and commercialization of vicuña fiber from Peru and it must be accomplished by all actors of the commodity chain. Following, I present chronologically the legislation decreed by the Peruvian State:

### Table 2-1 Peruvian laws regarding vicuña species

<table>
<thead>
<tr>
<th>Date</th>
<th>Law</th>
<th>Law</th>
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<tbody>
<tr>
<td>1975</td>
<td>Decree Law No 21080 Approved on 01/21/1975</td>
<td>Peruvian government subscribed to the Convention on International Trade in Endangered Species of Wild Fauna and Flora-CITES. Berne, Switzerland on 12/30/74. Peru promise to protect certain species of wild flora and fauna from the excessive exploitation because of international commerce.</td>
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<tr>
<td>1979 (same as 1993)</td>
<td>Peruvian Constitution Art. 66, 67</td>
<td>Art. 66 and 67 from Peruvian Constitution considers that guanaco and vicuña are wild fauna resources and National Patrimony. Government gives permission to use those resources to those that are capable of following the regulations</td>
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<tr>
<td>1991</td>
<td>The Legislative Decree Nº 653</td>
<td>Allows the use of the South American Wild Camelids as a modality of custody to anyone whose origin or jurisdiction belongs to the Higher Andean Zones, prioritizing the Peasant Communities (Comunidades Campesinas).</td>
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<tr>
<td>1994</td>
<td>Jefatural Resolution No. 010-94-AG-CONACS</td>
<td>Official recognition of Vicuña Committees of Peasant Communities</td>
</tr>
<tr>
<td>1995</td>
<td>No. 26496 –Vicuña Law</td>
<td>Condition of the property, commercialization, and sanctions for the poaching of the species of vicuña, guanaco and its hybrids. Law was approved. Art. 1: The South American Camelids: vicuña, guanaco and their hybrids, as species of wild fauna which are protected by the State, which will promote the development and the rational use of named species. Art. 2: Gives to the Peasant Communities in whose lands are those</td>
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Table 2-1 Peruvian laws regarding vicuña species (continued)

<table>
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<tr>
<th>Date</th>
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<tr>
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<td>species are found as collective property, the herd of vicuña, guanaco and their hybrids; as well as the products, fiber and sub-products obtained from live animals, the authority to originate its their properly authorized removals. The Executive Power through the Supreme Decree will regulate the exercise of that right.</td>
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<td>Art. 3: Recognizes the Peasant Communities which own the herds of vicuñas, guanaco and their hybrids, directly or through agreements with third parties, as responsible for the conservation, management and rational use of the vicuña in the environment of their jurisdiction.</td>
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<td>Art. 4: Authorized the Peasant communities which owned the animal to collect, transform, and commercialize the fiber and their sub-products be these national or foreign, in strict compliance with the international agreements, under the State supervision.</td>
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<td>Art. 5 The extraction and transfer of vicuñas, guanaco and their hybrids with objective of repopulate, investigation, cultural diffusion is carried out with previous authorization of the Agriculture Ministry.</td>
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<td></td>
<td>Art. 6: Anyone that poaches, captures, subtracts or markets vicuñas, guanacos, their hybrids and sub-products, will be sanctioned with deprivation liberty with no less of two or over five years.</td>
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<td>- When the act is committed with the participation of two or more people, the punishment will deprive them of liberty for no less than three or over six years.</td>
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<td>- When the agent acts as member of an organization to perpetrate these crimes, the punishment will deprive them of liberty for no less than four or over ten years.</td>
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<td>- When the agent poaches, captures, subtracts or markets more than 50 copies, the punishment will deprive them of liberty for no less than four or over ten years.</td>
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<td>- When the agent acts as a leader, leading ringleader of an organization to perpetrate these crimes, the punishment will deprive them of liberty for no less than eight or over fifteen years.</td>
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<td>If the agent is an official or public officer, he/she will be repressed of his/her liberty for no less than eight or over fifteen, with hundred twenty to three hundred sixty-five days-fine and disqualification according to the clauses 1), 2), 4), 6) of the article 36º of the Penal Code.</td>
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<td>Article 7º.- The person that poaches, captures or steals vicuñas, guanacos, hybrids and their descendents, using violence against any person or threatens with an imminent danger against the person’s life or physical integrity, would be deprive of his/her liberty for no less than four and no more than eight years.</td>
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<td>- If the violation of the law is performed with the participation of two or more people or the agent had used any type of weapon causing a significant amount of injury, the private penalty of his/her liberty would be no less than five and no more than fifteen years.</td>
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<td>- If the violation had been performed with cruelty, use of materials, devices, explosives, or physical disability abuse or mental disability abuse of the victim or by using drugs against the victim; the private penalty of liberty would be no less than ten and no more</td>
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Table 2-1 Peruvian laws regarding vicuña species (continued)

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<th>Date</th>
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<tr>
<td>NL 1996</td>
<td>Supreme Decree No. 007-96-AG</td>
<td>Regulation of the Law Nº 26496 of the state of property, commercialization and sanctions for poaching of the vicuña, guanaco and their hybrids species. The Supreme Decree considers the Peasant Communities (Comunidades Campesinas) as the only beneficiaries from the use of the vicuña and guanaco fiber, in relation to the existing species in their territories. Thus, it provides them the right to compile, transform, and commercialize at national level the vicuña fiber under one representative organization “Sociedad Nacional de Criadores de Vicuña”, which, is the only organization authorized to trade, and store the vicuña fiber requiring the usage of the trade mark Vicuña-Peru.</td>
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<tr>
<td>1997</td>
<td>Ministerial Resolution No. 0363-97-AG</td>
<td>Approved the modification and brand for commercialization of products from vicuña fiber. Modification of VICUÑANDES PERU to VICUÑA-PERU using the same logo as well as the use of VICUÑA PERU-ARTESANIA. CONACS must register the brand nationally (Indecopi) and internationally. CONACS is the holder of the brand VICUÑA – PERU, which properly recorded and registered in the National institute of Defense of the Competition and of the Protection of Copyright – INDECOPI, by Certificate N- 047664, Folio No 174,</td>
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than twenty years.
- If the agent acts as the head, facilitator, or director of an organization that is determined to perpetrate this violation, the privative penalty of liberty would be no less than fifteen and no more than twenty-five years.

In the cases in which the violations are performed against the life, body and health, the penalty will apply notwithstanding the damage of any other more serious violation that could correspond to each case. (Penal Code).

Art. 8: A reward of 50% of the imposed fine will be offered to whomever denounces the act of this crime to the competent authority.

Art. 9: It is forbidden the export of vicuñas, guanacos and their hybrids, semen, or another material of reproduction, except those with scientific or cultural research objective, previous authorization by a Ministerial resolution from the Agriculture Sector.

Art. 10: The Department of Agriculture has to regulate the present law, in a maximum time limit of 60 days.

Art. 11: It is derogated and without effect all the resolutions that are opposed to this law.

Art. 12: This law is in effect the following day of its publication in the Official Gazzette “El Peruano”.

* Peasant Communities must be registered and must present the respective map of the region to show the location of the community.
Table 2-1 Peruvian laws regarding vicuña species (continued)

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<th>Date</th>
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<tr>
<td>2000</td>
<td>The Supreme Decree Nº 053 – 2000-AG</td>
<td>Allows the use of the vicuñas and guanacos from individuals whose</td>
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<td>naturalization and jurisdiction differs from Peasant Communities,</td>
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<td>under the modality of custody with main supervision and control of</td>
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<td>the State. The beneficiaries from this modality, Peasant Communities,</td>
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<td>can gather, transform and trade the vicuña fiber. They are authorized</td>
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<td>to use only the trade mark (Vicuña-Peru) for commercialization</td>
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<td>purposes of the fabric.</td>
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<tr>
<td>2004</td>
<td>Supreme Decree No. 008-2004-AG</td>
<td>Modified articles of the Regulation of the Law 26496 of the condition</td>
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<td>of property, commercialization and sanctions for poaching of the</td>
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Source: Interview with CONACS 4/18/07, Ministry of Agriculture (1994-2007)

As illustrated above, in 1975 the State began to protect vicuña species and in 1995 began to regulate and control vicuña commercialization. The State provided peasant communities the custody and benefit of the vicuña resource and gave them the responsibility to continue the increase in the vicuña population. The Peruvian government also develops program for conservation and repopulation of the vicuñas species; those programs are implemented by CONACS, the public entity responsible of the conservation and repopulation of vicuña. For conservation, CONACS provides information, education, and training to peasant communities and peasant communities’ members during the year, so communities can resist any problem of poaching or attacks from natural predators. CONACS is encouraged by the Ministry of Agriculture to enlarge the number of vicuña at national level. The strategy of repopulation is to move some vicuñas at a certain age from their birth place to another
location. The peasant communities from the receiving area are responsible for maintaining and caring those vicuñas, in order to benefit from the production of vicuña fiber.

There are several steps in repopulations. First, CONACS studies different zones in order to provide the vicuña with an appropriate habitat. Second, CONACS must select the type of animal for repopulation. The animal has to have specific characteristics as being adult or young vicuña, no babies; the proportion is 80/20, 80% of males and 20% of females. Third, the transportation to the new site requires a big truck, water, and pasture for the entire journey. A veterinarian should go with the specimens because vicuñas are very easily stressed and could die during the trip. Fifth, since peasant communities are the beneficiaries, the peasant community that receives specimens for repopulation has to pay an amount per animal to the peasant community from where the specimens are originated. Most of the time, the contract explains that amount is for each specimen. For instance, Cajamarca communities plan to repopulate more areas, and they could pay as much as US$ 1000 for each specimen from Peasant Community of “San Juan de Lucanas” (Interview with CONACS 5/9/07 Lima, Peru). For the investment be worth it, those vicuñas must be sheared at least four times and be able to reproduce more vicuñas. Peasant communities sign a contract which establishes the price.

Peasant Communities are supported by diverse non governmental organizations (NGOs). NGOs not only help provide environmental protection and finance resources to purchase tools and devices for the production and harvesting processes, but they also provide education, health, and aid in the implementation of new projects to help insure that Peasant Communities achieve successful commerce. For instance, SOS FAIM, a European Organization, has two local offices in Peru and Bolivia. These two offices developed their Regional Program called Support for the Economic Initiatives and the Organization of the Association of Rural Producers. The financing comes from the European Commission. It provides the 75% (3,925,834 €) of the total amount of 5,234,445 €; peasant communities must find the 25% in order to complete the amount needed. The period of the project is from
01/01/2004 to 12/31/2008. The objective is to strengthen the organizations of the small peasant producers and their economic activities.

SOS FAIM employs a model that they developed themselves. This model is based on giving all the responsibility of the project implementation to the local beneficiary. In the case of Peru, the beneficiaries are SNV (even though the legal claims from Peasant Communities to SNV) and CAPCA.

**Sequence of Repopulation of Vicuñas by CONACS**
CHAPTER 5
COMMODITY CHAIN OF VICUÑA FIBER

The commodity: Vicuña fiber
The vicuña has the finest fiber of animal origin in the world. Vicuña fiber is a very fine and dense, providing high insulation against lower temperatures. This fiber is found in the complete cinnamon fleece that is well appreciated for its quality. One vicuña produces an average of 200 grams of finest fiber (10-12 microns of diameter) every other year (Ministry of Agriculture, Peru, 2007). The second type of vicuña fiber is the white, longer, and larger chest hair that provides an extra layer of insulation to protect vicuña from the cold weather and so it can not be sheared without endangering the animal’s life. The white hair protects the usable fibers from dirt and debris on the animal and covers the front legs when vicuña sleeps on the ground. This type of hair is called “guard hair” and does not have the enough quality for the textile market (Interview with CONACS, 4/12/07 Lima, Peru).

Vicuña fiber is a very distinctive and scarce commodity; and, the demand of this commodity in the textile and fashion market is significant because of the attractive features as fiber. The Peruvian vicuña fiber has as strengths the following attributes (Interview with CONACS, 4/12/07 Lima, Peru):

- Microns. Not only among the South American Camelids but also among all animal fibers in the world, the vicuña has the finest and softest fiber. The diameter of the vicuña fiber is between 10 and 15 microns. Sometimes, it could be 9 microns.
- Quality. The quality is important to be accepted by the international market. Peru has the best quality of vicuña fiber because Peruvian territory provides better habitat, environment, weather conditions, and pasture for vicuña species.
- Peru possesses the majority of vicuña population compared to other South American countries.
- Under international regulations, it is not allowed to move vicuña species from its natural habitat to another. Vicuña only inhabits in the Puna, sharing the environment with Peasant Communities.
- *Scarcity.* It makes the price of vicuña fiber higher.

On the other hand, the vicuña fiber presents certain weaknesses as a commodity within the textile and fashion industry:

- Vicuña, the animal, is still a threatened species and is under supervision of CITES and the States. Therefore, the steps for commercialization are very slow and controlled.
- The current population of vicuña is not able of satisfying a larger international demand of its fiber. Moreover, the slow pace of reproduction and poaching make slow to enlarge the population. A certain period must pass in order to increase vicuña population and obtain increased production that responds a larger demand (Interview with CONACS, 4/12/07 Lima, Peru).
- The scarcity of the product could not motivate some brand-name companies to buy the product, because it could not satisfy their demand.
- The quality of vicuña fiber is not as good as years ago. It is getting thicker over time (Interview with SNV, 4/19/07 Lima, Peru).
- Peasant Communities are poor and most of the time; they do not have the correct tools to maintain the vicuña environment, shear vicuñas, and clean the fleeces.

In the textile and fashion market, the consumer -the high economic class- must be satisfied with the quality of the vicuña fibers. Few recognized fashion companies and designers are demanding this commodity. The vicuña fiber commodity chain has several phases or stages that require close attention because the possible threats during the process. The production process is the first and the most essential stage which impacts peasant communities. This stage is threatened by climate change that could impact the habitat of the vicuña species. It could affect the production of certain peasant communities because vicuñas could be pushed to seek and move to other territory or habitat (Interview with INRENA, 5/17/07 Lima, Peru). In addition, the vicuña fiber production also could be affected by poaching and natural predator’s attacks. Another threat is the indirect competition of vicuña fiber with other animal’s fiber; according to PROMPEX, Alpaca’s fleece weighs 1.6 kilograms and vicuña’s
fleece weighs only 200 grams. Therefore, Alpaca fiber is easier to market because of the weigh of each fleece and its low price by kilogram for acceptable fiber quality. The possible biology project of merging vicuñas and alpacas and creating a new race, pacovicuña could be a threat for the vicuña species and for its fiber. The attractive part of pacovicuña species is that is easy to raise and possesses thinner fiber than alpaca (but thicker than vicuña). It could bring more demand for pacovicuña fiber than vicuña fiber; however, it could be another possibility of commerce for peasant communities (Interview with INEA, 4/26/07 Lima, Peru). Table 11 compares the microns of vicuña fiber to alpaca fiber (baby, sury, superfine), yak fiber, cashmere fiber, and mohair fiber (kid, young, adult). Among these top fibers, the vicuña quality is really high. The vicuña fiber has between 10 to 15 microns and cashmere has between 15 to 19 microns. These 5 microns of difference is an advantage that core companies take to gain more market and profit. (See appendix B: tables and graphics).

**Price received by Peasant Communities and Competition within the international market**

Most of the Peruvian population does not have the capability to be a final consumer because vicuña fiber is a luxury product and its price is very high. Therefore, most of the product is sold internationally (Interview with CONACS, 5/16/07 Lima, Peru). The price of vicuña fiber in the global commodity chain is not established by peasant communities but also by the global commodity chain of vicuña fiber, which has some characteristics of the buyer-driven commodity chain model.

The quality and the cleaning of vicuña fiber are important to establish the price. The quality of vicuña fiber compared to other fibers is the highest. In 2003, the international market price of vicuña fiber was set at US$ 850 per kilogram compared to the next fine fiber, cashmere that was set up in US$ 80 per kilogram. Table 10 describes the quality, price, and kilograms sold each year (See appendix B: tables and graphics). Peasant communities try to negotiate the price, with core buyer companies, depending on the quality and the cleaning of the fiber.
Years ago, communities sold vicuña fiber at a very low price, because the fiber was delivered as it was sheared, with dust, guard hairs, pasture, etc. Through the years, because the CONACS training and generation of employment, communities understood the value of their product, the significance of the adding value to the product, and its impact in the price. Currently, peasant communities such as San Juan de Lucanas and San Cristobal deliver vicuña fiber with value added through dehairing and cleaning (Interview with peasant community San Juan de Lucanas, 5/27/07 Lima, Peru). Price depends on what the customer feels he will profit most from buying, although communities prefer selling cleaned fiber because of the higher price. Buyers can require:

- Dirty fiber
- Pre-Cleaned fiber
- Cleaned fiber

The demand and the offer in the marketplace are also involved in the setting the price. Scarcity compared to the demand also increases price. The quantity of the production of vicuña fiber not always is guaranteed:

- Vicuña fiber comes from a wild animal that is threatened and cannot be domesticated, therefore, the production is not ensured.
- Vicuña can be sheared only once every two years and the length of the fiber must be more than 2.5 centimeters.
- Each vicuña fleece weighs approximately 200 grams.
- A vicuña only gives to birth one offspring and the period of gestation is long (11 months).
- Poaching is always a threat for the vicuña and its fiber production.
- International companies have to wait for the gathering peasant communities’ production in order to do business.

(Interview with CONACS, 5/9/07 Lima, Peru)

To establish the price, the seller (mostly peasant communities), the intermediary, and the buyer (core international companies), sign a contract to define all the conditions from the
seller and the entire requirement from the buyer such as the quality (A or B quality, clean, pre-clean, or dirty fiber), the process of delivery, and the price (Interview with CONACS, 4/12/07 Lima, Peru). The intermediary could also influence the negotiation between peasant communities and core companies; in addition, intermediaries represent peasant communities in some cases. For instance, intermediaries as ALMAR is responsible to establish the price, receive the payment, and accomplish the contract. However, CAPCA intermediary does not receive the payment; Agrobanco receives the payment and delivers the money to peasant communities. Agrobanco and CAPCA negotiate with core companies in order to establish the price. In addition, the intermediary could also establish a different price to the buyer company, increasing the price with a percentage (10% mostly) for its service (Interview with SNV, 4/19/07 Lima, Peru). For instance, ALMAR business sells pre-cleaned vicuña fiber to IVC (Italy vicuña Consortium); the price established by ALMAR is US$ 400 per kilogram (2007). From the US$ 400 per kilogram received from core companies, ALMAR charges approx. 40% of the price/kg (Interview with CONACS, 4/12/07 Lima, Peru). The price that CAPCA established for dirty vicuña fiber to Hinchcliffe & Sons Ltda. in the 2007 contract is US$ 507 per kilogram for dirty fiber. There is a US$ 107 of difference per kilogram between ALMAR and CAPCA prices. CAPCA contract sold the vicuña fiber a higher price than ALMAR even when the required quality is dirty fiber. As a result, peasant communities that use CAPCA services are able to receive more income (The CAPCA service percentage is not available).

At the national level, one of the buy-sell systems to buy vicuña fiber is the “bid system”. When peasant communities do not have enough quantity of vicuña fiber to offer internationally, these communities hold an auction in order to sell their vicuña fiber to national companies. National textile industries such as Incalpaca from Peru send individuals to the auctions in order to obtain vicuña fiber at a low price for its business (Interview with CONACS, 5/18/07 Lima, Peru).

By 2007, the price of vicuña fiber paid to Peruvian peasant communities by the market fluctuated between US$ 400 to US$ 600 per kilogram. Price increases considerably through
the commodity chain as value is added. Garments could weigh more than a kilogram; therefore, the weigh of the garment is one of the aspects that increases the price through the commodity chain. There is a huge different in profits if we compare a vicuña coat from Europe or Japan that could cost US$ 22,000 to the kilogram of vicuña fiber cost around of US$ 507 (2007). The quality of the fiber is important. The price of one kilogram of dirty fiber cannot be the same as the price of one kilogram of washed fiber, because there is a diminishing which it is called “merma”by the peasants. The name of the fashion company will add greater value, from the manager from the retailer. A meter of vicuña fabric in Peru is about US$ 1000, a scarf price is about US$ 450.00 to US$ 400.00, and a vicuña coat made in Peru could cost US$ 8000. In comparison, a vicuña coat made in Europe or Japan could cost three times more. At this time, there is an emerging competition between the vicuña fiber that comes from Peru and Bolivia (Bolivia has also received permission to market vicuña fiber in all forms). Thus, it is possible that the price may diminish as supply increases (Interview with CONACS, 4/12/07 Lima, Peru).

Vicuña fiber, as some other commodities, has two global commodity chains. The first commodity chain is developed within the formal economy, following all legislation, regulations, and parameters established by governments, international organizations, and the textile and fashion market. The formal global vicuña fiber commodity chain could take different systems depending on the type of intermediary that peasant communities choose for the international commercialization: 1) a cooperative society (SNV), 2) a private business (ALMAR), 3) the association (CAPCA) that is allied with the only authorized financial entity (Agrarian Bank), 4) the auction from small peasant communities (only for companies located in Peru), and 5) the local artisans who use low quality and small quantity of fiber to produce garments (not common). The second commodity chain is developed within the informal economy in which the transactions do not follow any legislation or regulations from the governments or international organizations; the informal commodity chain of vicuña fiber, mostly, starts with 1) poaching and the transactions are illegal and fall in the black market, 2) small peasant communities that shear vicuñas and sell the fiber to third parties without registering the transaction and paying taxes.
Formal commodity chain
The formal commerce of vicuña fiber in Peru must follow the legislation decreed by the government. These regulations let Peruvian peasant communities participate as a producer within the global commodity chain of vicuña fiber.

Peruvian Government
The role of the Peruvian Government is to develop legislation in order to protect the vicuña species, control the exploitation and commercialization of vicuña fiber, and encourage sustainable use by peasant communities. The decrees were developed based on CITES Conventions and CITES regulations. The Peruvian Government has increased its involvement in the international promotion of vicuña fiber. Alan Garcia Perez, the current President of Peru was present at the ceremony of the first delivery of vicuña fiber in 2007 to a British Company May 11th, 2007. He recognized the work of the Agrarian Bank, peasant communities, CAPCA, and SNV to promote vicuña fiber in his speech on that occasion.

Another significant strategy is to monitor the vicuña population. In 2002, the proportion of vicuñas that belongs to the State was 5,996 (5.05%) compared to the private management, primarily by peasant communities with 112,668 vicuñas (94.95%). This is an illustration of the opportunity that peasant communities have to develop business and bring wealth to their communities and families as they are the first link of the commodity chain of vicuña fiber (Interview with CONACS, 4/12/07 Lima, Peru).
Peruvian public entities are tasked with enforcing national and international regulations. The highest authority is the Peruvian State, represented by the Ministry of Agriculture which has created some institutions to delegate responsibilities.

- INRENA Instituto de Recursos Naturales.
- NATIONAL AGRARIAN UNIVERSITY LA MOLINA
- INIA has eight divisions. The division responsible for raising camelids is in Puno, because Puno is the region where the greatest number of people lives by raising camelids and Ayacucho region is where the most vicuñas exists. Ayacucho is part of Puno region.
- INIEA.
- SENASA Servicio Nacional de Sanidad Agraria (National Service of Agrarian Sanity).
- PRONAMACHCS, currently is being absorbed by SIERRA EXPORTADORA.
- PROMPEX is responsible for promoting the export of every Peruvian product; however, PROMPEX manages little information about vicuña fiber and its commerce. This is because the promotion of vicuña fiber within the international market is not simple; there are some aspects such as quantities, laws, and the processing of the product that makes its commerce difficult and complex.
- PROMPERU promotes all aspects of Peru, its resources, and tourism at national and international level. Therefore, this entity promotes “el Chaccu” and any tourism events caused by vicuña and its fiber. By 2007, PROMPERU has merged/absorbed PROMPEX.
- CONACS (Consejo Nacional de Camelidos Silvestres)

The National Counsel of South American Camelids (CONACS) is a public decentralized organization. CONACS was created on July 12th, 1992 by D.S. No. 026-92-AG, ratified by D.L.25902 and the Organic Law from Ministry of Agriculture. It is under Ministry of Agriculture’s supervision. In 2006, under the law D.S. 037-2006, CONACS changed its
organization to a more lineal model. CONACS as a decentralized entity provided more responsibilities to the Regional Offices, moving the decision-making of technical coordination closer to the point of service or action. The following illustration is CONACS organization (D.S. 037-2006):

Diagram 4-1 CONACS Organization

Currently, CONACS is being merged/absorbed by INRENA and the General Direction of Agrarian Promotion. However, CONACS continues developing its functions as of December 31st, 2007 as part of INRENA (Interview with INRENA, 5/17/07 Lima, Peru). Therefore, CONACS is still the CITES authority in Peru regarding South American Wild Camelids (DS Nº 010-2005-AG). CONACS is an important agent of the commodity chain of vicuña fiber because it establishes the most legal conditions for commercializing vicuña fiber. Furthermore, in order to meet the regulations, CONACS created a document called TUPA. The Sole Text of Administrative Procedure (TUPA, “Texto Unico de Procedimiento Administrativo”) which gives CONACS supervision and control of activities in the sector. TUPA’s requirements must be followed by any individual who wants to be in the vicuña fiber business; not only peasant communities, but also associated national and international
businesses, have to follow the administrative regulation of TUPA. TUPA does not allow informality in any link of the commodity chain. The following points present and explain CONACS objectives and functions.

- **Vision**

“By 2014, the sector of South American Camelids will achieve a fair and sustainable development with active and democratic participation of its strengthened actors: State, agents of the value chain, and the civil society, as well as the national and international positioning of these species and its sub-products” ([http://www.conacs.gob.pe/web/?articulo=00001](http://www.conacs.gob.pe/web/?articulo=00001))

- **Mission**

“Promoting the sustainable development of the Sector of South American Camelids through the intensification of its productive commodity chains, the improvement of the capacities of its actors, and the rational use of the natural resources, developing a normative, promotional, and rector role within the framework of the regionalization process which priority will be to support the High Andean Societies, alleviating poverty and social alienation.” (Available from: [http://www.conacs.gob.pe/web/?articulo=00001](http://www.conacs.gob.pe/web/?articulo=00001))

- **Functions**

CONACS promotes, advises, supervises, and normalizes the development, conservation, management, improvement, and sustainable use of all species of South American Camelids, including their hybrids, at the national level. Moreover, CONACS coordinates activities between public and private actors regarding vicuña species and is responsible for providing the necessary assistance to the communities.

- **Objectives**

  - Promoting the conservation, management, improvement, and sustainable use of South American Camelids among peasant communities and agrarian organizations of the High Andean zones, following and supervising the compliance with national laws and international agreements.
  
  - Integrating wild species to the economic activities of the national High Andean Population in order to preserve, protect, and use the vicuña fiber rationally.

  - Promoting the repopulation of South American Camelids in other zones of the Peruvian territory to generate reproduction and rational use.
- **Policies**
  - CONACS supports the strengthening and development of technical, organizational, and management capacities, at the local, regional, and national level of the South American Camelids sector.
  - CONACS promotes and supervises protection and sustainable use of natural resources in the high Andean ecosystem.
  - CONACS promotes the development and strengthening of the production chain in the sector.
  - CONACS supports the opening of public or private services for production, commercialization, and transformation of vicuña fiber.
  - CONACS supports development of science, technology, and innovation in the sector
  - CONACS supports cultural and identity affirmation of the local population and its Andean ideology.

In addition, CONACS develops and enforces a shearing chronogram. The annual chronogram of CONACS includes communities and the dates for capture, counting, shearing, weighing, and selling. According to the chronogram, CONACS sends a group of officers to each community on schedule. The officers are responsible to control and supervise the capture, verifying that the each specimen has the specific characteristics to be sheared, counting, shearing, weighing the fiber obtained correctly of each vicuña after the shearing-. The fiber is weighted in order to register the fiber obtained, so that peasant communities will be able to make calculations of the profit, determine if the production has growth during the years, and be more accurate in the quantity of kilograms that they will offer to their buyers, keeping in mind the loss due to ‘the cleaning process’- (Interview with CONACS, 4/12/07 Lima, Peru). Enforcement of the standards avoids the intrusion of the informal market, stealing, or bad management during the process. All vicuñas are registered in the census (last census: 2007). With the census, CONACS classifies and registers live animals to be aware of the number of vicuñas that could be sheared next campaign (next year). In addition, the census also prevents the formation of a black market, informality, stealing and/or adding fiber from other community at the time of shearing.
Peasant Communities

The vicuña was pushed to the Puna region during the colonial period. Since that time, vicuña have shared the habitat with indigenous communities. They are located in one of the most isolated regions of Peru. Lack of transportation results in major communication problems, and there is little access to electricity and basic water and sewer systems. Even though community inhabitants usually have low levels of formal education, they are able to learn business quickly and very well. The State grants peasant communities rights as owners of the vicuñas, which means that the peasants are the beneficiaries of the vicuña and its fiber. The goal is to motive communities to work in a sustainable manner to alleviate their poverty while protecting the species.

If peasant communities want to start business they must be registered with CONACS. The advantage of being registered is that communities pay less tax than do regular businesses (Interview with CONACS, 4/12/07 Lima, Peru). Nevertheless, not all the communities that are registered are active. Poverty prevents some communities from starting or continuing in the business, due to a lack of capital. They are not able to develop the annual plan for capturing, shearing, and selling vicuña fiber because their financial status. Peasant communities need to invest capital up front for the vicuña fiber annual campaign. Often the profit that they will receive for shearing those few vicuñas will not cover the costs of the gathering, the shearing and the cleaning, as most peasant communities have a small number of vicuñas. If there is a profit, it is not enough to maintain and support the community for a year.
CCUSCSS (community committee for sustainable use of wild South American camelids)

Peasant communities should be organized and establish a committee in order to have a good system of work. Every peasant community should have a committee is called CCUSCSS (Comite Communal de Uso Sostenible de Camelidos Sudamericanos Silvestres). CCUSCSS is an organization that organizes peasant communities, associated companies, “natural” people or “juridicas” entities that share territory with vicuña and guanaco species. These groups must protect, preserve, manage, and have sustainable use of the species from the area. CCUSCSS’ major role is to participate as an active manager, protecting and using wild camelids in a sustainable manner. CCUSCSS should contribute to guarantee that the species survives. CCUSCSS is the base entity of the regional associations of vicuña fiber producers and has to develop activities such as capturing, shearing, collecting, transportation, registering, transforming, and commercializing vicuña fiber and its sub-products. Afterwards, CCUSCSS must propose in a general assembly how the profits from vicuña fiber will be invested. The profits should be invested in priorities such as production process (control and capture, shearing, cleaning fiber) and basic needs for the community. To accomplish this, CCUSCSS must develop an annual plan (May-November campaign) for the community and it must be approved by the General Assembly. Furthermore, CCUSCSS must select guards in order to minimize poaching. CONACS’ regional office not only provides training for the elected guards but also recognizes CCUSCSS so it can develop its annual plan. The work of CCUSCSS depends on the decision of the General Assembly, after it leaders can start any activity from the annual plan. The committee also maintains relations with the regional vicuña producers. CCUSCSS consists of 6 members: President, Vice-president, Secretary, Treasurer, Vocal, and Fiscal. (See Appendix C: CCUSCSS AND MEMBERS). (Interview with CONACS, 4/12/07 Lima, Peru).
Peasant Communities are organized for the annual campaign

The Committee is elected by the community members for a three year period and the committee could be renewable if the General Assembly agrees. However, there are three requirements to be a CCUSCSS committee member:

- People (peasants or entities) must be registered in “padrones” (the registry list) for more than three years;
- They can not have any police penalties or judicial processes with the state;
- CCUSCSS membership is limited to peasant organizations, “naturales or juridicas” individuals who live in the same area of wild camelids. Subsequent to the election, CCUSCSS members must be registered in a document and sign it. The document will be used for official CONACS recognition.

The committees must complete all required documents for official recognition. Before the last 30 days of management, the committee carry out elections for the next committee (re-election is only for one more period). If there is any revocation of committee members from CCUSCSS, the regional CONACS office will request the General Assembly to carry out new elections. If there is no revocation, the regional offices will register CCUSCSS and its jurisdiction. Moreover, the Regional Offices must inform CONACS-Lima if the committees are developing actions for protecting, management, and use of vicuña fiber in a sustainable manner; if not, CONACS will cancel the recognition. The regional offices must supervise the elected members to ascertain if they accomplished their requirements. If there are any legal problems or CCUSCSS does not achieve any requirement, CONACS will tell the General Assembly to reject the committee’s recognition and authority.
The following three diagrams present the organizations of peasant communities in CCUSCSS, regional association, and national associations; in order to sell vicuña fiber to international and national companies. In addition, it shows the CONACS role in the commodity chain of vicuña fiber.

**Diagram 4-2 Organization of Peasant Communities for Selling at International Level**

*(With intermediaries)*

Elaborated by the author
Diagram 4-3 Organization of Peasant Communities for Selling at National Level
(With intermediaries)

Diagram 4-4 Organization of Peasant Communities for Selling All Levels

Elaborated by the author
According to KUNA-Alpaca 111, the major textile company from Inca Group, the complete manufacturing process that South American Camelids go through from the beginning (breeding) to the end of the commodity chain (making up before selling to the consumer) is presented below. Through the commodity chain the vicuña fiber, the raw material passes for the following points of manufacturing process in order to sell garments to the final consumer. It important to mention that vicuña is not breed plus mostly vicuña fiber is not dyed because the natural cinnamon color is prized in the textile market; however, there are products in black and blue color. (Visit and interview with KUNA retail 12/10/07 Lima, Peru). The complete process is as follows:

The following diagram illustrates a summary of the organization, chronogram, and roles of the individual within a peasant community:

**Diagram 4-5 Process of camelids fiber**

- **Crianza** - Breeding
- **Esquilado** - Shearing
- **Escojo** - Sorting
- **Descerdado** - Deharing
- **Lavado** - Scouring
- **Cardado** - Carding
- **Peinado** - Combing
- **Teñido** - Dyeing
- **Hilado** - Spinning
- **Tejido de Punto** - Knitting
- **Tejido Plano** - Weaving
- **Confección** - Making up

**Management of Vicuña by Peasant Communities**

- **Counting of vicuñas (Census).** They count and register vicuñas of the community area, usually four times a year. Guards, committee members, and CONACS participate. The counting is in the mornings. The counting methodology is one-by-one; people who are counting are going in line, side-by-side, up to their views reach the area. Binoculars are necessary.

- **Monitoring of birth.** Period: February, March, and April, and often May. During this period, the community should build small and closed shelters at the birthplace so the
guards have a close place for controlling poachers and natural predators. The guards are responsible for the increase of the species.

- Monitoring of procreation time (mating). Period of February to May. It is provided information to the committee regarding the number of births for the next year.
- Sanitary control. This occurs when the vicuña has been captured. It was developed in order to detect and prevent any sickness.
- Predator control. Especially dogs and foxes, which attack offspring vicuñas.
- Pasture. Do fencing, irrigation, and reseeding. (December-April). To create a dam or irrigation system for dry periods.

**Sequence of Management of Vicuña by Peasant Communities**

Photos: By CONACS and the author
Diagram 4-6 Organization and Chronogram for Selling Vicuña Fiber

Elaborated by the author

Production process of vicuña fiber developed by peasant communities

- Capture of vicuñas. This activity uses the data that was collected during the counting process: the quantity and possible location of the vicuñas. In order to know where the fence or barrier will be installed, CCUSCSS must delegate some peasants to verify the vicuña behavior. Vicuñas are verified for 7 days. Thus, peasant communities should be prepared to install the barrier and performance the human fence. Peasants start walking towards the narrow side of the fence, driving vicuñas to the edge where it will be captured and evaluated for a possible shearing.

- Evaluation and identification of the specimens
  - Evaluation. Starting with a health exam to determinate sex and age. Finally, the vicuñas are selected for shearing.
  - Identification. An ear tag is placed on the right ear for males and on the left ear for females. The earring should be aluminum, and not colored or big, in
order not to attract poachers. The specimens must be registered for future control (Interview with CONACS 05/09/07 Lima, Peru).

- Shearing. Good shearing influences the quality of the fiber. The fleece must be sheared from live vicuña. There are two methods for shearing: manual and mechanic (recommended). Tools for shearing include: electricity generators, special shears, combs, scissors, and big blankets (vicuña should not be put on the floor). According to Germán Freyre, General Manager of Inca Alpaca TPX S.A., “sheared vicuñas, saved vicuñas” (“vicuñas esquiladas, vicuñas salvadas”), “if a vicuña is sheared then vicuñas are saved” from poachers who want the finest fiber from vicuñas. Therefore, if poachers find sheared vicuñas they do not kill them. In order to obtain a good fleece and fiber, the vicuña should be sheared on the whole back of the animal, from the spine (the brown part) without cutting the fleece in pieces. If the fleece is not sheared as one piece, it loses quality, and therefore it loses value. Prior the shearing, peasants should check the length of the fiber; it is possible to obtain approximately 200 grams from each vicuña. Each animal is sheared is approximately every two years. Vicuñas can be sheared approximately four times in their life. (For commercial objectives, the industrial quantities must be between 500 and 1,000 kg. In order to obtain this quantity, most communities should participate and compile their production. The vicuña must have the following characteristics to be sheared:
  - No less than 12 months.
  - The fiber must be at least 3 to 4 centimeters long or more.
  - The specimen must be healthy and have good nutrition.

- Classification of the fiber. The fiber must be classified after shearing. The white hair (guard hair) is eliminated from shearing because it does not have quality for selling or any textile value. Also, any other thick heavy piece of hair is eliminated. The complete fleece is separated from the small parts and it is called quality “A” (better quality) and the fiber from the legs is called quality “B” (less quality). However, the price is the same.

- Fleece Cleaning Center. This center is the facility where vicuña fleece is cleaned; dirt, and thicker, larger hair and debris from the ground are pulled out. This activity
usually is done by women because of the care that they put into the cleaning process. They pull out the larger and thicker hair and then pull the individual fibers apart with their fingers to align them and let some of the larger pieces of dirt, grass, and any other waste fall out (teasing). The fleece cleaning center should provide women with tools for self protection, such as special coat (aprons), covers for the face, and protection glasses for the eyes. In addition, the fleece cleaning center should provide big white tables that are well lit with white light onto the table, and scales for weighing. Peasant Communities have different systems that they implement in the fleece cleaning centers, such as the technique for cleaning, the contract with the women, and the payment mode (some PC pay per fleece, others per cleaned kilogram). Most of the fleece cleaning centers allow women to bring their children to work. The youngest children play and the oldest children help their mothers. Women do not receive wages by hour or salary per month. Pay depends on how much a woman can clean. Usually, they are able to clean approximately 30 grams per day or a total of one kilogram per month (Interview with San Cristobal community 05/27/07 Ayacucho, Peru).

- Packing. After cleaning, women pack the fiber, usually in the same fleece cleaning center.

- “Centro de Acopio.” This is the place where vicuña fiber is collected, stored, and dispatched to another place before the fiber is sold. Generally, peasant communities use the fleece cleaning center as “centro de acopio” as well. The Regional Association, National Association (SNV), or CAPCA have their own separate “centro de acopio.”

- Selling. Peasant Communities should look for their buyers in order to sell at a better price. However, several communities just accept the first offer that comes from outside. Sometimes, this occurs because of the pressure to sell in order to bring income to the community, not understanding the value of their product.
Sequence of Managing and Commercialization of Vicuña Fiber

Source: CONACS
Images of the Production process of vicuña fiber developed by peasant communities

Sequence of capture

Sequence of evaluation and identification of vicuñas
Sequence of shearing of vicuña

Sequence of fiber classification. By quality, date of shearing, number, gender, age, weight of fiber

Photos: CONACS and the author
Sequence of fleece cleaning center

Photos: CONACS and the author

“Centro de acopio”

Photos: CONACS and the author
Packing

Selling

Textile industry

Fashion designers

Final consumer
**CHACCU**

Every year, habitants from the Puna revive a ritual celebration from the Empire of the Incas that is more than two thousand years old. Men, women, and children participate excitedly in the capture and shearing of vicuñas. The Incas did the Chaccu every three years. The fiber was for the Inca and the meat for the communities. This indigenous tradition is alive today.

The “Chaccu” or “rodeo” consists in creating a funnel with webs and wires while driving and pushing vicuñas through the small opening of the funnel where the vicuña is captured and sheared. At the opposite side of the funnel are the people: peasants, tourists, authorities, etc., making a human cord. These people hold a long rope that has several plastic lines with many colors in order to prevent the vicuñas from running away. The people responsible make a signal to begin the walking. After two hours, the path is narrow and around 2000 camelids (chaccu in Pampas Galeras Reserve) have been captured. The Chaccu is undertaken in every single peasant community; however, in Pampas Galeras Reserve, Ayacucho, once each year holds the International Vicuña Festival, which is the major event in Peru regarding sustainable use of natural resources. Every year the government passes a law that authorizes Chaccu. For instance, the "XII International Festival of the Vicuña" was authorized by Ministerial Resolution No.0529-2005-AG. The date was June 22nd to 24th, 2005; “Peasant Day (June 24th)”. After the Chaccu Festival, the fertility ritual starts with the shearing of a male and female vicuña and offering the fiber to Wiracocha god (PROMPERU).

The campaign of capturing and shearing of live vicuñas for production, transformation, and commercialization of vicuña fiber is authorized from May 15th to Nov 15th. The “Chaccu” for 2006 was authorized by Jefatural Resolution No. 069-2006-AG-CONACS. The committee of each community organizes their own Chacchu for the shearing. Most of the time, men are responsible for shearing and women are responsible for bringing food. Usually communities develop an annual campaign in which includes: the annual plan, capture, evaluation and identifying the animals, shearing, classification of cleaned fleece, industrial process, and selling. Below are images of the CHACCU festival celebration.
Driving and pushing vicuñas to go through the funnel

Funnel with webs - Peasant, tourist, authorities, etc. making a human cord

Beginning of traditional Inca Ceremony - Presentation of vicuña to the Inca
Peasant Community: San Juan de Lucanas - Ayacucho

The Peasant Community of San Juan de Lucanas started to be populated in 1957. This community was officially recognized in 1994 because of the protection of vicuña. The Lucanas province has a population of 3,000 people and the community has only 380 habitants that participate in caring of the vicuña. San Juan de Lucanas community has the privilege of shearing the vicuñas of Pampas Galeras Reserve. It means that San Juan de Lucanas community is able to manage more vicuñas, more sheared fiber, and therefore, generates more profits and more profits per capita than other communities. The members of the committee, CCUSCSS, are:

Sebastian Montoya, President of the community,
Maximo Rojas, Administrator or manager,
Edgar Pumayauri Espinoza, Secretary

Photo: By the author

CONACS visited the Peasant Community of San Juan de Lucanas in order to get Committee members sign a document that confirmed the participation of the community in the meeting held on April 2007. The delegates who signed the document were: Gladys Cunza (Director of CONACS Lima, 2007), Engineer Pilar Tuppia (CONACS Lima), Sebastian Montoya
(President of the community), Maximo Rojas (Manager), and Edgar Pumayauri Espinoza (Secretary). In addition, the CONACS delegates supervised and controlled the community’s facilities, such as the fleece cleaning center. The fleece cleaning center of San Juan de Lucanas Community is one of the most developed and organized centers. The quality of the dehairing fiber from Lucanas is better than the fiber from other communities. Women acquire experience working with vicuña fiber; then they become experts. Most of the time, women gain knowledge because they start working when they are children, helping their mothers. Lucanas is one of the first communities that developed the strategy of cleaning by hand. This community cleans the fiber in order to add value to the sheared fiber that will be sold internationally. Women with more experience are sent to instruct other communities. Here, women also bring their children to the facility. This way, children start learning the process and the cleaning. In addition, the quality control of the vicuña fiber is done while women are working. Supervisors control the cleaning done by each woman. If the buyer is not satisfied with the quality, the company can return the product for review.

“Before starting cleaning, women from Lucanas classify the fiber in order to pull out any dirt. After, women use oil or water to easily take out the thick hair that is not good. They use black or white (preferably) plastic laminates. Those laminates let them identify easily the larger and thick hair. The community of Lucanas first develops the pre-cleaning in order to do the cleaning; finally, they do the teasing, tizado (“tease” the fleece or tear up the fleece). Women from Lucanas perform this method of pulling the individual fibers apart with their fingers to align them and let some of the larger pieces of dirt, grass, and any other type of waste fall out. This is the process that Lucanas community innovates in order to add value to the fiber before it is sold”. (Interview with Peasant Community San Juan de Lucanas, 5/27/07 Lucanas, Ayacucho, Peru).

The fleece cleaning center of the Lucanas community pays S/. 270 nuevos soles per kilogram (S/. 3.15 x $1, June 2007). Expert women can clean a kilogram per month and new women half of kilogram per month (Interview with Peasant Community San Juan de Lucanas,
5/27/07 Lucanas, Ayacucho, Peru). The cleaning depends on the previous step: the carefulness when the vicuña was sheared. It is important not to mix the fleece with dust, pasture, etc., because it causes more work in the cleaning process. If the shearing is more organized, the cleaning is easier.

The peasant community of San Juan de Lucanas has a larger number of vicuñas. The profit obtained has been used for building schools, facilities for the committee, and a fleece cleaning center. The profits from vicuña fiber have been reinvested in community property. However, the value of kilograms of vicuña fiber that has been sold by San Juan de Lucanas is close to US$ 200,000, registered by CONACS in 2002; the annual sales are around the same amount and the development of the community is not in proportion to its income. The community still needs to cover the basic needs. According to Luis Villagomez (CONACSPuquio), a former CCUSCSS president developed unsuccessful management and took advantage of the position, creating his own business (in another sector: a gas station). In order to establish a business such as gas station, the owner needs to have a great capital; the former CCUSCSS president of Lucanas did not have that capital before starting in the position.

- Pampas Galeras Reserve

The National Reserve of Pampa Galeras was established on May 5, 1967 through Law (R.S.) No. 157-A. Its name was changed by the National Reserve of Pampa Galeras Barbara D'Achille on April 15, 1993 by law (D.S.) No. 017-93-PCM. This reserve has 6,500 hectares which is owned by the peasant community Lucanas located in the department of Ayacucho, province and district of Lucanas. The Peruvian State, represented by the Ministry of Agriculture, jointly with peasant communities of Lucanas, created the Pampas Galeras Reserve. By 1965, a protection program for vicuña started in Peru because of the constant poaching at Pampas Galeras. After 15 years, the reserve had 20,000 specimens (PROMPEX, 2006). This improvement was possible because of a combination of diverse factors, such as better control of poaching, the prohibition of international commerce of vicuña fiber stated by CITES, and technical and financial assistance. Currently, Pampas Galeras Reserve is
under supervision of INRENA, while CONACS is responsible for the fiber commerce. During Toledo’s government, the reserve was entirely supervised by CONACS. In Garcia’s government, the control of the reserve was moved again to INRENA supervision while CONACS is being merged and directed by INRENA. This decree should be accomplished by December 31\textsuperscript{st}, 2007. CONACS is presenting documents in order to neutralize and invalidate this process. The vicuña \textit{(Vicugna vicugna)} is the most representative species in Pampa Galeras and the main purpose of this reserve is to protect vicuña and promote the development of the population settled there. Guanaco \textit{(Lama guanicoe)} lives free in the reserve and is also protected. Pampas Galeras Reserve belongs to the community of San Juan de Lucanas, so the peasant community of San Juan de Lucanas has had more profit from the commerce of vicuña fiber, compared to other poor peasant communities. According to Galvez, president of SNV, the vicuñas from Pampas Galeras have protection from the State and help from international organizations for restoring its population. Besides, the reserve has a larger quantity and bigger and better specimens of vicuña, because of the care that the State provides. In my visit to Pampas Galeras Reserve, I observed the vicuña’s habitat: the type of pasture, weather conditions, and the way that vicuñas make groups for living. Moreover, the reserve is made up of Festuca trees \textit{(Stipa ichu, Calamagrostis sp)}, the Tola \textit{(Lepidophyllum quadrangulare)} and the Senecio sp. and the quishuar (Buddleja sp.). The most impressive bird is the Andean Condor \textit{(Vultor gryphus)}, the Andean fox or “átoc” \textit{(Pseudalopex culpaeus)}, the pissaca \textit{(Nothoprocta ornata)}, and the Kiula \textit{(Tinamotis penhaldii)} live in the reserve as well. (CONACS, 2006).

\textit{Peasant Community: San Cristobal - Ayacucho}

The Peasant Community of San Cristobal has a smaller vicuña population than Lucanas and its income is also smaller. The facilities and tools that workers employ are not very technical and useful for the process. The fleece cleaning center has not been implemented very well because of lack of funds. Nevertheless, the management of the San Cristobal Community has high motivation and a fresh enterprise vision. The committee members organize and record all data on number of vicuñas, income, etc. to use it for planning the next campaign and the
next investment, while they are looking for the best buyer for its fiber. They are an entrepreneurial peasant community.

San Cristobal committee members:

CONACS officers visited the Peasant Community of San Cristobal in order to obtain the Committee members signatures for the document that confirms the participation of the community in the meeting held on April 2007. The Delegates who signed the document were: Gladys Cunza (Director of CONACS Lima, 2007), Engineer Pilar Tuppia (CONACS Lima), Hector Huarcaya (President of the community), Bruno Cabrera (Manager and responsible of “Centro de Acopio”). CONACS delegates went into the community’s facilities to supervise and control the fleece cleaning center as same they supervised Lucanas fleece cleaning center. I found some differences between both communities; San Cristobal uses the center for fleece collection as well, the dehairing process is less intense, as the “tizado” process is not developed, and the fleece cleaning center from San Cristobal only provides its workers with the basic tools required by CONACS; women workers do not use oil or water in the process.

However, San Cristobal has a better management. The entrepreneurial San Cristobal community has created an enterprise called “AVIGSCIA: Association de Vicuñas y Guanacos San Cristobal y Aledaños (Association of Vicuñas and Guanacos of San Cristobal and region). AVIGSCIA is composed of peasant communities from the region. It has three fleece cleaning centers, one inside the San Cristobal community and the additional two fleece
cleaning centers work for San Cristobal community, located in other communities. When the annual campaign starts, these three fleece cleaning centers provide approximately 180 jobs for women of the communities. As of May 27th, 2007, only 60 women were working doing a review (“repaso”), because the buyer returned some fiber for better cleaning. Several women were with their children in the center as well. The women also need to do domestic work at home, take care of their children, and do farm work; therefore, women must organize their time carefully.

“A woman is paid $75 for each kilogram that she cleans. She could clean between 30 to 50 grams. She can clean approximately one kilogram per month (25 days), if she works 8 hours per day. Their supervisor said women are paid in US$ American dollars (Interview with Peasant Community San Cristobal, 5/28/07 Ayacucho, Peru).

The capture, shearing, and cleaning are done during the annual campaign. San Cristobal conducts its campaign from May to November. CCUSCSS should start the capture of the present year, 2007; the fleece cleaning center should be cleaning the fiber sheared during the present campaign in order to sell it. However, there was a delay in the production because the whole process is done by hand, and sometimes there are not enough women who want to work in the center. Subsequent to shearing fleeces, the fleece cleaning center of San Cristobal community classifies fiber A and fiber B. Each quality of fiber must be put in a different plastic bag; then both bags must be put together in another bigger bag. In addition, the bag must have a piece of paper with the information about: sex, age, weight of “A” quality, weight of “B” quality, and the total weight. For the cleaning process, each woman receives a dirty fleece with the specific weight and code. After, they finish cleaning; they must weigh the fiber again in order to calculate the loss. Finally, the fiber is placed in the export plastic bag. Table 9 shows the AVIGSCIA business (San Cristobal community association) chronogram of production of 2006. The data include the date of capture, shearing, the capture location, the sex, the age, the total of sheared vicuñas, and the quantity of fiber that was collected in each shearing (See appendix B: tables and graphics).
SNV National Vicuña Society

The National Vicuña Society (SNV) is a producers’ group which was created under the auspices of the State to market vicuña fiber. In the beginning, SNV not only helped peasant communities to collect and sell the fiber, but also SNV was the only contact that international companies could be in touch in order to buy vicuña fiber. It was impossible for international companies to go to every peasant community to buy fiber in small quantities; core companies need to make transactions and sign contracts with only one party or representative. The State provides by Supreme Decree (30, 31, 32, 33, and 34) exclusivity for commercialization to SNV. The President of the SNV is Guillermo Galvez. He and his son, Antonio Galvez, still manage the association.

Diagram 4-7 Previous Commercialization System

Source: CONACS 2005

The first formal transaction of vicuña fiber commercialization was established between SNV (the seller) and IVC Italy vicuña Consortium (the buyer), the major actors. This exclusive agreement was extended four times between 1996 and 2002. Through this period, the SNV signed an agreement that promised to channel the fiber to IVC (International Vicuña Consortium) (CONACS, 2004). In 2002 the exclusive agreement ended. When SNV was the only intermediary, peasant communities inventoried and grouped their fiber and then peasant communities took their fiber to sell at the Regional Associations of Vicuña Producers.
Subsequently, Regional Associations of Vicuña Producers took the compiled fiber to the SNV (National Vicuña Society). 789 Peasant communities were organized in regional associations. In addition, the SNV and the regional association, each received 10% of the total sale for the service provided (Interview with SNV 4/19/07 and Nota de prensa, 2004 Lima, Peru). The price was established by SNV and IVC. The companies that integrated IVC sold the kilogram of vicuña fiber for more than US$ 800. The IVC had the exclusivity to sell fabric or fiber to the European countries and Japan. The SNV had the power to deal with international business and with peasant communities that sometimes were paid late and some cases they were not paid at all. The pressure and manipulation from the SNV toward the Peasant Communities got increasingly worse every year between 1996 and 2002. For instance, after SNV are paid by Grupo Inca, they should have paid the peasant communities; however, SNV did not pay communities on time because of bureaucracy, corruption, and inefficient management. Some communities still have not been paid (Interview with CONACS 4/18/07 Lima, Peru). In 2004, peasant communities asked to inscribe 2613.39 kg. (46.9% of the total production of fiber, 2003 campaign) in CONACS. However, SNV registered only 1796.46 kg. (29%). In 2004 SNV did not register 1682.64 kg. of fiber. The SNV had created a monopoly for the convenience of their leaders. Peasant communities presented their complaints about the bad administration of the SNV directors to CONACS. In order to eliminate the SNV monopoly, the State (Alejandro Toledo’s Government period) modified the “Vicuña Law” with the Supreme Decree No. 008-2004-AG, which allows that natural and juridical individuals commercialize vicuña fiber. The purpose of the law was to eliminate the limit of the right to free association and free enterprise. The law, published on February 2004, brought several clashes and conflicts among communities and its members. According to Galvez, the Supreme Decree No. 008-2004-AG gives incentives for poaching because if any associations, entities, or intermediaries are able to develop business directly with international companies; more vicuñas will be poached to obtain the quantity of fiber that these new businesses demand. After 2003, SNV began the commercialization of vicuña fiber with other national and international companies. The SNV warehouse is located in Lima. Currently, the SNV is responsible for collecting the fiber before international delivery and for finding the best buyer. Consequently, the SNV must pay each Regional Associations
the correspond amount (charge 10% for service), which in turn must pay the Peasant Communities of its jurisdiction (charge 10% for service). SNV offers the fiber with a specific price (at auction) to national or international business and companies. SNV provides the fiber to the buyers at the same time they receive the payment from them. The fiber is made available at Jorge Chavez International airport (Lima, Peru), where SENASA (Sanity and Health Public Entity) inspects the fiber. After the inspection and the payment, international companies are allowed to transport the product overseas (Interview with SNV 4/19/07 Lima, Peru).

**CAPCA and Agrarian Bank**

CAPCA (Consortium of the Associations of Andean Camelids’ Producers) was established in 2004. The General Manager of CAPCA is Zenon Warton. The State, represented by CONACS, approved the Agreement of Granting the License Use of the brand and logo VICUÑAPERU, which was subscribed to by CONACS and CAPCA TEXTILES ANDINOS on March 19th, 2007, and published on April 3rd, 2007 by Ministerial Resolution N° 297-2007-AG.

CAPCA’s major role is to ensure wool collection, processing, and marketing. It operates as an intermediary that should help peasant communities in their needs for successful sales. CAPCA was awarded a contract from a prestigious international business, Hinchliffe & Sons LTD (2006) from England (the first formal contract). On May 11th, 2007, in the Palace of Government the first delivery to the English Company was made, with the presence of the President Alan Garcia and the British Consul. CAPCA presented a pioneer project to the Agrarian Bank. CAPCA is called an operator by the Agrarian Bank. CAPCA does not receive any payments from the Bank. However, CAPCA should receive compensation from Peasant Communities. Moreover, CAPCA is supported by SOS Faim, Bruxelles (Brussels, Belgium). SOS Faim an entirely independent non-governmental organization founded in 1964. The Agrarian Bank is a public financial entity that began its participation in the global
commodity of vicuña fiber in 2007. It is the only financial entity authorized to commercialize with vicuña fiber.

The Agrarian Bank’s role is to provide financial support (loans) to peasant communities. The percentage of interest that the bank charges their borrowers can fluctuate between 6% and 19%, depending on the risk level of the project. The Agrarian Bank has three types of risks: high, middle, and low. Since vicuña fiber is a product originating from a wild animal, peasant communities do not have to invest much money for raising vicuña, obtaining and processing its fiber. Therefore, according to Cesar Verastegui, officer of the Agrarian Bank, the Agrarian Bank considers vicuña fiber as low risk commerce (Interview with Agrarian Bank 5/7/07 Lima, Peru). The first step for obtaining a loan requires Peasant Communities to have a representative who negotiates contracts with the Agrarian Bank. This representative or intermediary is called by the bank “the operator”. The communities are supervised by their operators until the transaction is completed. The operator is responsible for providing technical assistance for the communities, marketing of vicuña fiber abroad or at national level, organizing peasant communities, and developing the project that will be presented to the Agrarian Bank. After the Bank receives the project; it is analyzed for approval. If the bank determines that the project is a good investment, the loan is approved. It is important to note that peasant communities must meet the CONACS requirements before obtaining a loan. Operators do not receive payments from the Agrarian Bank. The first project presented for approval of the Agrarian Bank, was CAPCA’s project. The Agrarian Bank uses the “warrant model” or system for loans. The community needs to provide a guarantee (which is the fiber) to the Bank. When the guarantee is delivered, peasant communities receive a document that certifies the quantity delivered. This document must be exchanged in the Agrarian Bank offices for the authentic check for the amount of the loan. Agrarian Bank offices provide a check for 60% of the delivered merchandise value to the peasant community. The loan checks are endorsed to the name of each community and the producer (the president of the CCUSCSS). With the loan, communities can continue in business, working and buying resources such as scissors or shearing machines, scales, plastic bags, etc. The Bank provides a warehouse for collecting the vicuña fiber used as the loan guarantee
(collateral). The warehouse used must be accepted by SBS (Superintendencia de Banca y Seguros). For CAPCA agreement (2007 campaign), Agrarian Bank used the Romero Group warehouse located in Ica where most of the textile manufacturers are. Thus, CCUSCSS members must travel to Ica in order to deliver the fiber and receive the document that will be exchanged for loan check. With this method of transaction, the peasant communities and the international companies determine how many deliveries will be made during the year. This clause should be mentioned in the contract. When the peasant community makes the last delivery of fiber, the bank releases the merchandise and makes the last delivery to the core buyers. Thus, the buyers make the payment for 100% of the merchandise value. Subsequently, the Agrarian Bank makes a check to each producer, completing the value of the merchandise left as a guarantee. The bank takes the agreed percentage for the interest on the loan.

Diagram 4-8 System of the Agrarian Bank for selling vicuña fiber

Elaborated by the author
Business: ALMAR Alfonso Martinez

ALMAR is the property of Alfonzo Martinez, who was a CONACS Director during the government of Alberto Fujimori. After Alfonso Martinez finished his term, he established his own business. ALMAR Company sells services to Peasant Communities, which are:

- Capture and shearing
- Pre-cleaning service from its Fleece Cleaning Company. It does not offer cleaning or washing.
- Serving as an intermediary between Peasant Communities and the IVC Italian Consortium. IVC Italian Consortium was an exclusive buyer until 2002 because of a signed contract that extended the agreement until Dec 2002.

Alfonso Martinez has several aspects in his favor that let him continue in the business (Interview with CONACS 5/9/07 Lima, Peru): 1) ALMAR develops a contract with IVC; moreover, this business pays peasant communities when the fiber is sheared. Therefore, peasant communities prefer working with Martinez to obtain the secure payment, even though, he asks for higher percentage. 2) Alfonso Martinez was a CONACS Director; therefore, he understands the value of the product. He knows the laws and takes advantage of the gaps in order to generate more profit for himself. 3) Alfonso Martinez belongs to a Peasant Community (Alfonso Martinez is part of the peasant community of “San Juan de Lucanas”). Therefore, he can legally capture and shear vicuñas that live in the jurisdiction of his community (It must be authorized by the General Assembly, CCUSCSS, and CONACS). Thus, he is benefited from the profit made by the community such as health improvements. The Lucanas community can sell the fiber through ALMAR. 4) ALMAR Company as a business is associated with different communities. Alfonso Martinez provides the capture and shearing service to peasant communities that are part of the association. Being a partner of the communities, ALMAR can avoid compliance several documents, requirements, taxes, and processes that it would have to do as a private company. 5) ALMAR offers the services of its fleece cleaning center, a small site for cleaning fleece. Martinez mentioned that he only offers pre-cleaning service (Interview with ALMAR 5/29/07 Lima, Peru). People are hired and paid per fleece instead of kilogram. The center is very poorly equipped; the place does
not provide white light onto white tables (to make cleaning easier). The women who work cleaning fiber are not protected by using a uniform with special coat (aprons), covers for the face (nose and mouth), or protective eyeglasses, and finally, there is no roof (Visit to ALMAR facilities 5/29/07 Lima, Peru). Martinez said: “they only need sunlight because they work in the morning, which is better…” 6) After ALMAR finishes the pre-cleaning, it collects all vicuña fiber in Alfonso Martinez’s “Centro de Acopio” until the ALMAR Company has the enough quantity to deliver to the international business: IVC Italian Consortium. After ALMAR has the quantity, the fiber is delivered to the buyer. However, several peasant communities have submitted complaints because they have not received any payments from the 2005, 2004, 2003, or even the 2002 Campaigns. By May 27th, 2007, ALMAR Company had collected 1500 kilograms in its “Centro de Acopio” and was waiting to collect the quantity that Italian business required. ALMAR Company pays peasant communities US$ 400 per kilogram after the weighing is done and after the pre-cleaning. It means that peasant communities are not paid for the diminishing (“merma”) of the fiber. In contrast, the English company has signed a contract for US$ 507 per kilogram of dirty fiber (without any cleaning) with CAPCA. Through this type of contract, peasant communities obtain more profit. Communities that use ALMAR's services lose money, because the fiber is weighed after the cleaning; however, the payment is more secure than the SNV system. In summary, ALMAR Company obtains benefits from the fiber of the community that Martinez belongs to, profits from the capture and shearing service to other peasant communities, profits from the fleece cleaning center, and profits from being an intermediary between peasant communities and IVC Italian Consortium.

The previous description is the system that has been used in the last two campaigns, 2005 and 2006. Previously, ALMAR used another method of selling vicuña fiber; the sale, delivery, and export were in small amounts to IVC (instead of waiting for large amount) and the payment to the communities was for the small amount delivered. CONACS Director Gladys Cunza Arana (2007), Engineer Pilar Tuppia from CONACS in Lima, and Supervisor Luis Villagomez Vargas from CONACS Puquio-Ayacucho undertook an inspection of the transactions that ALMAR Company developed. According to CONACS, ALMAR is taking
advantage of the peasant communities mostly because the committee members have a low education level (Interview and visit ALMAR with CONACS 5/29/07 Lima, Peru). Salvador Herrera Rojas, former president of the Peasant Community of “San Juan de Lucanas” denounced serious irregularities in the National Counsel of South American Camelids (CONACS) during the Direction of Alfonso Martínez Vargas, who was even accused of receiving a million and five hundred American Dollars for selling the fiber production of the year 2002. However, "that money never reached the peasant communities," Herrera Rojas said. Nevertheless, Alfonso Martínez said that the use of the vicuña as part of a private business is still an unsolved theme. Therefore, private enterprises do not have green light to exploit it, despite the fact that they also have contributed to the increasing of this sector. "The current administration of CONACS does not resolve this aspect; therefore, the private companies have to find other mechanisms to exploit vicuña fiber” Martínez commented. Moreover, Alfonso Martinez does not want to use financial entities as Agrarian Bank, because it will increase the cost (Interview with ALMAR 5/29/07 Lima, Peru). However, it could bring more legal and clean transactions.

At this moment, peasant communities are free to choose one intermediary from the three mentioned above (SNV, CAPCA, and ALMAR). Peasant communities must evaluate the better contract regarding the price, time of payment, quality of fiber, quantity of fiber, and conditions of work. The intermediaries must find the best buyer for the fiber; the common mode is to make an auction. The textile companies respond to the auction. After the price is approved by peasant communities, intermediary, and textile company; these three agents define the rest points for the contract. Most of the time, the textile manufacturing companies ask to peasant communities, the vicuña fiber with certain level of pre-cleaning and dehairing. The reason of this order is because peasant communities develop the cleaning and dehairing by hand, thus, the quantity of usable fiber after these processes is about 80% of dirty fiber. If the textile manufacturing companies develop the cleaning by machine they only obtain about 65% of dirty fiber (Interview with CONACS 5/9/07 Lima, Peru). Moreover, vicuña fiber is not the main material of the production from buyer companies; however, buying vicuña fiber to produce vicuña fiber garments is a marketing strategy of prestige. Buyer companies make
vicuña garments in order to obtain the prestige in the textile and fashion market. Buyer companies are part of the sustainable and traditional use of vicuña resource and the protection of the environment; these aspects are also positive for the company image. Incalpaca does not obtain much profit from the vicuña garments, however, this company has the prestige to produce garments made from the four South American camelids fiber (Visit and interview with KUNA retail 12/10/07 Lima, Peru). On the other hand, Kuna Company production is based on alpaca fiber; the primary products for selling are alpaca garments. The production of alpaca fiber is higher compared to vicuña fiber production. The competition among alpaca producers is higher because the alpaca can be domesticated and raised; therefore, the actors in the commodity chain of alpaca do not have to follow requirements by law. In addition, alpaca production can be guaranteed because the alpaca fleece is bigger (three times in weigh) and it can be sheared more times. Alpaca garments have an important local market compared to vicuña. The artisans are able to choose between 1) producing (knitting) their garments themselves and selling those into the local market without any intermediary or 2) selling the alpaca fiber as a raw material to textile companies. However, the global commodity chain of alpaca is a buyer-driven chain, and the export business mostly defines the design, quality, and even price (Visit and interview with KUNA retail 10/12/07 Lima, Peru).

Diagram 4-9 Commodity Chain of Alpaca

Source: CONACCS
The demand for vicuña fiber has increased and new Peruvian businesses are entered in the commodity chain to produce, transform, or do commerce. They are under the law: DS Nº 008-2004-AG. The Peruvian textile company with more exposure internationally is Grupo Inca because it has a strategic alliance with the Italian Consortium (IVC); however, the price of Grupo Inca products are one third of the European companies (Visit and interview with KUNA retail 10/12/07 Lima, Peru). The textile manufacturing facility is located in Arequipa. Currently, the businesses that are operating are within the commodity chain of vicuña fiber:

**Peruvian companies:**
- MICHELL & CIA.
- PROSUR S.A.
- GRUPO INCA (IVC partner)- INCALPACA TPX – Kuna Stores

**International companies:**
- LEAF Inc (Japan)
- Johnstone of Elgin (Scotland)
- Z. Hinchliffe & Sons. Ltda. (England)
- IVC International Vicuña Consortium: Loro Piana, Zegna Agnona (Italy). Agnona is one of the top woolen miles; it provides with vicuña knitwear to Calvin Klein and Channel.
- Piacenza and G. Schneider (Italy)

**International companies that buy subproducts of vicuña fiber:**
- Andeans Co. (EEUU)
- Precious Fiber (EEUU)
- Nichikawa Living (Japan)
- OOO Komplex (Russia)
- STL Logistik GMBH (Germany)

The changes caused by globalization make economies more interdependent one to another. The global commodity chains make the core and periphery closer than previous decades. According to the Agrarian Ministry (General Direction of Agrarian Promotion), a productive chain of the vicuña fiber commodity has a group of economic agents interrelated in the market, from the supplies, production, transformation, and commercialization to the final
consumer. There will be a productive chain that could respond rapidly to the changes from the international market, transferring information from the first link of the commodity chain, the producer, to the last link, the consumer; if these economic agents are articulated in terms of product (material), technology, financing, and/or capital under cooperation and equity conditions. Therefore, it is important that the vicuña fiber sector grows in order to peasant communities grow while implementing a sustainable use of it.

Diagram 4-10 Commercialization System in Camelids Sector

According to the diagram illustrated above, among the three general commodity chains of camelids, the third commodity chain model is the most comparable to the commodity chain of vicuña fiber. The third model presents an association which could be represented by SNV or CAPCA. Those associations are linked to the rural agroindustry or to the major buyer-seller which are represented by national or international textile companies. These companies transform the fiber in order to link the next stage such as export businesses, which produce the garments sold at retail where the final consumer is able to acquire the garment (national and international).
Changes in the commodity chain still continue. Vicuña and its fiber have gained prominence not only because their environmental aspects but also because their economic aspect. The formalization of its commodity chain has improved the process, has increased the agents, and the relations of exchange are more guaranteed. For instance, in the last decade (1990), there was an exclusive contract between SNV-IVC. New actors such as CAPCA and Agrobanco have entered into the commodity chain, giving peasant communities more options to sell the vicuña fiber to the best offer. As a result, the relations and the system are also more complex. The following diagram shows more accurately the current interrelations, interdependence, and exchanges that agents develop in the commodity chain of vicuña fiber; it also presents the growth of the global commodity chain of vicuña fiber such as points, actors, and links of the transformation process. Every point is important for the commercialization process, because each single point adds value to the fiber and to the final product; from the caring and protection stages until the final style of the garment.
Diagram 4-12 Commodity Chain of Vicuña for International Selling

Elaborated by the author

If the fiber is sold at national level, the commodity chain of vicuña fiber changes to a short chain with fewer links. There are fewer links and the price is not as expensive as international luxury brands. Even though intermediaries can participate in the commodity chain at national level, most of the time, national textile companies prefer buying the vicuña fiber from the regional associations or even buying raw fiber from small peasant communities using the auctions system. Small peasant communities sell raw fiber at a lower price. The production of vicuña fiber has grown in quantity and quality. By 2004, peasant communities delivered and traded more dirty fiber and pre-cleaned fiber than cleaned fiber. In 2005, peasant communities added more value to the fiber and sold more pre-cleaned fiber than dirty fiber. Graphic 11 evaluates and compares the national production and the different qualities produced during the years 2004 and 2005. Graphic 12 presents the garments exported during 2004 and 2005. It is also displays the variety of final products that were in demand, such as layers, stoles, scarves, jackets, fabric, and gloves lining. In 2004 and 2005,
scarves were the article that had more demand. However, the decrease of sales between these two years demonstrate, first, most Peruvians could not afford vicuña sub-products; second, the pre-cleaned fiber is more valued for export. For instance, table 14 shows the production of 2006 campaign by Departments. Ayacucho Department is the first producer of vicuña fiber with US$ 2,507, 430 kilograms and Lima Department is the location with less production US$70,614 kilograms. The number of shearings in Ayacucho was 299. (See appendix B: tables and graphics). According to CONACS, comparing the 2006 campaign to the projection of production of 2007 campaign, Lima could have an increase in the quantity of kilograms with 375 kg. in total, shearing 1,875 vicuñas. (See appendix B: tables and graphics: table 15).

At the time of the delivery and before the international company take the vicuña fiber to the first destiny over seas, the Peruvian State through CONACS and CITES verifies that the merchandise is of the required weight, measurements, volume, logo, certification, and the seal of RUCSSP (Unique Registration of Wild South American Camelids of Peru - Registro Unico de Camelidos Sudamericanos Silvestre del Peru). These requirements guarantee that the merchandise has not been altered. This process helps to protect the final consumer when they pay for this luxury product. The seal, certification, and the logo are placed in a decorative and delicate tag. This information confirms the legality of vicuña products, while it advertises the place where this product is originated. Any article made of vicuña fiber should have a brochure indicating the logo with the country of origin of the vicuña fiber and the series number. As a diamond, each article has a specific and determined series, which continues the notion of an exclusive and rare fabric.

The stages for a productive chain presented by the State are ample. 1) a chain analysis and 2) dialogues for the actions are aspects that the Peruvian government might implement for the commodity chain of vicuña fiber. Within the chain analysis it must a) establish a pattern or structure of the value chain of vicuña fiber which lets new actors know how to organize themselves in order to start a business. Without a structure new businesses will be not able to know what is their next step or who is the next or prior contact; as a result, new business
must spend time to do research, consequently, the businesses will grow slowly. b) Determining the roles and functions of the actors that appear in the structure of the productive chain are important so agents can focus in their specific functions without wasting time in developing other agents’ functions. In addition, knowing the roles will save time in any project because each agent will know what organization, business, or entity is responsible for each function. c) Define major problems with the objective of letting actors know problems, be prepared to confront them, avoid them, or work to resolve them (Ministry of Agriculture, 2002). As a result, actors could avoid some risks. It is important that after defining the structure, agents, functions, and the problems, actors discuss the management of the process and provide recommendations for improving the process in the value chain. For instance, defining agreements or contracts correctly between sellers and buyers and set up the functions of every leadership position explicitly will avoid corruption into the commodity chain.

Agents such peasant communities integrate and join together an association within the productive chain. Furthermore, after peasant communities organize in regional group, the power of negotiation is more significant; for instance, if this group works together within an association or using an intermediary, they will have a better position to present a petition to the State and will have better results than if each part presents their petition separately. In addition, integration could generate more profit because investing in one transaction (documentation, permissions, and registrations) will diminish cost for the agents. Moreover, more integration among participants involved less risks (working with more communities allow to obtain the asked quantity). Integration between actors also brings easy access to supplies, because integration let to connect and work with many networks; for instance, communities can share equipment for shearing campaign. Integration in networks allows having more financial access and technology access, it will do transactions faster, easier, and successful. As a result, peasant families will have a better income for the manual labor developed by their members.
Informal commodity chain

The informal global commodity chain of vicuña fiber in Peru appears when people use informality for trading, in other words, sellers and buyers do not follow any legislation provided by the State or international requirements by CITES. The informal commodity chain is difficult to study because of the modality of the transactions. There is no accurate records of the fiber shear or sold; however, it is possible to obtain at least the record of the number of vicuñas that have suffered poaching. Therefore, poaching is the beginning of the illegal and informal commodity chain. Not all poached vicuñas have been registered and some peasants try to avoid documentation in the census, and they shear vicuñas and sell the fiber to big communities, intermediaries, or even they make garments and sell those without registering the fiber. Moreover, this mode of transaction provides a secure payment for the fiber in a shorter period of time.

Poaching and Black Market

Vicuña fiber is a very valued product, and in high demand by the high international economic class. Poaching of vicuñas was existed since the middle of the last century. It was a strong activity in Peru between the years 1960 to 1993. People poached vicuñas for its fiber without legal penalty. Poaching is an activity that could be developed by a big organization and by some desperate peasants. Most reasons for poaching are the financial desperation of peasants and their needs. Poaching is an option for obtaining fast money. Peasants could also help poachers with information for money. Peasants that poach would accept even low payments for the vicuña fiber compare to the payment of a formalized price obtained from legal transactions. It happens because they receive the money when they deliver the fiber. Moreover, some of them prefer the easy, fast, and secure money. However, once the fiber is offered overseas, the prices of poached vicuña fiber could be higher than the price from the legal transactions. This transactions result in Black Market.

Poachers that belong to big organizations are very well trained. They have their own system for poaching in diverse areas. Poachers know well the territory where vicuñas are and the shearing campaign periods. In addition, poachers know to evade authority and guards. Most
poachers buy information from community members for few dollars. Members of the communities exchange information for money because of poverty. After poachers kill the animal, they work in caves located inside the mountains where they put together the vicuñas in order to shear them and leave the place rapidly to continue poaching in another region or community. Moreover, poachers know vicuña behavior, so they kill and shear in rapid manner. For instance, poachers prefer hunting family groups because if they shoot the male first, the rest of the group will stand around the dead animal and poachers can shoot the rest of the group easily (Interview with CONACS 5/9/07 Lima, Peru).

Poachers employ diverse type of arms, including firearms with silencers. They start poaching in the central mountains and go toward to the south of the country, finishing in Bolivia. Poachers take vicuña fiber to Bolivia in order to send fiber overseas, because Bolivia has fewer restrictions than Argentina, Chile, and Peru, and poachers can evade authority easier (Interview with CONACS 5/9/07 Lima, Peru).

According to CITES, different offenses to the environment, such as putting a bottle into the sea and killing vicuñas have the same punishment; because in both cases people are damaging the environment (Interview with INRENA 5/5/07 Lima, Peru). The Peruvian State through CONACS sets norms for the protection of vicuña species. (See appendix I). Even though the Peruvian State has developed laws to confront poaching, poachers know where the legislation fails are. For instance, in order for Peruvian State to arrest poachers and make the laws work, the poachers have to be found doing the action; and guards must present proof against guilty party such as picture or video (expensive for most peasant communities). Poaching is a very fast activity and it is difficult to present a proof against to poachers (Interview with CONACS 5/9/07 Lima, Peru). Without proof it would be one testimony against to another. As a result, the time of the process could be long. Even though, Peruvian legislation protect vicuña species, in the reality, only if a human being has been killed or injured by another person who was poaching, does the guilty party go to jail for few hours until the peasant community presents all the proofs to the authorities and the case starts. However, if there is no human victim, there is no punishment for a person who kills vicuñas
at least there are proofs about he/she was found in the act (Interview with CONACS 5/9/07 Lima, Peru).

CONACS has presented a proposal to the Congress in order to include in the Penal Code, within the Title of “crime against ecology,” sanctions for poachers that act against South American Camelids. The table 16 and the graphic 13 (See appendix B: tables and graphics) show data of poaching in Peru. The quantity of poaching has been diminished considerably, from 21,867 vicuñas poached by 1989 to 296 vicuñas poached by 1996. According to CONACS, poaching began to decline in Peru in 1994. If we compare the lost profit that peasant communities have been lost because poaching; in 1989, with 21,867 vicuñas poached by 200 grams (each vicuña fleece approximately) is 4,373.4 kilograms; this amount by U$S 300.00 (the price established in 1994, there is no prior record of the price) is US$ 1’312,020 in vicuña fiber. By 1996, only 296 vicuñas poached were registered; by 200 grams is 59.2 kilograms of fiber and by US$ 400.00 is US$ 23,680 that peasant communities lost because poaching.

According to Galvez from SNV, poaching and a Black Market continued existing after 1996 because of Toledo’s government and legislation. “Toledo decreed a free market and extended the commerce of vicuña fiber to all individuals (natural or companies). This law, without correct supervision and orientation combined with extreme poverty of peasant communities, creates a Black Market. This is a free market for vicuña fiber where any person could commercialize, thus the increase of poaching brought a loss of motivation to several people. Poaching organizations set the price once they have vicuña fiber” (Interview with CONACS 4/19/07 Lima, Peru).
Images of Poaching

In order to control poaching and monitoring, the *Multicomunales* are created. “Multicomunales” are groups of guards that work to prevent and resist poaching. Guards of “Multicomunales” are named by CCUSCSS. Most of the time, guards of “multicomunales” are peasants that belong to the same community. These peasants are trained by CONACS specialists. After the training, guards should know not only how to control poaching but also understand how to apply the law to poachers. In addition, guards also are trained to avoid other natural predators. Some characteristics of “multicomunales” are as follows: 1) CCUSCSS organizes guards, 2) CCUSCSS provides arms, 3) Most of PCs do not pay guards, and 4) most guards are volunteers from PCs.

Images of Multicomunales in training
CHAPTER 6
THE GLOBAL COMMODITY CHAIN OF VICUÑA FIBER AND ITS IMPACTS IN PERUVIAN PEASANT COMMUNITIES

“Vicuña fiber does not give me enough money to feed my children, this job not always exists; here, they give you a job if is campaign period. Therefore, I have to have other jobs. When it is campaign period I come here to work but I am still doing my other jobs. I also work in a small farm when it is harvest time. I also have planted some vegetables at my home so I can eat them. I have to work in many jobs because I have to give food to my children. Here, I receive only US$ 75 per month. It is something but it is not enough. I also have to do the things of my home and care my children. I have to do all at the same time. Therefore, I come to work here because I can bring my children, I cannot do this in some other jobs”. I asked if she has a husband or anybody to help her but she did not want to answer me, she only smiled. (Interview San Cristobal peasant community, 05/27/07, Ayacucho Peru).

Not all community members are satisfied with the profit they receive. Peasants state that the profit from the vicuña fiber trade has not even reflected in the community nor received for peasant workers who are part of vicuña campaign. Some peasants do not see any money. Therefore, the majority of the peasants are losing motivation and some of them do not want to continue working in the vicuña trade. They think that the distribution of the profit should be done individually and equally among all the community members.

Formalization and Legislation
After vicuña was not an endangered species (threatened species), CITES allowed the sale of sheared vicuña fiber that originated from Peruvian peasant communities. It opened a hope for peasants. In the 1960s, there were no rules, legalization, and supervision of sale of vicuña fiber. The use of vicuña species as natural resource was not developed in a sustainable manner. Poaching grew to the highest point of vicuña history, and informality was the most used method for selling vicuña products. As a result, the species became endangered. International organizations, governments, and peasant communities joined efforts in order to
save the species and establish a formal sector. In 2008, we can say that the recovering of the species was successful. The vicuña is one of the more important sources of income for some peasant communities. International organizations and governments developed and continue developing legislation to prompt the sustainable use of the vicuña fiber within the market. The State provided legislation that made possible the formalization of the vicuña fiber trade and diminished poaching. However, poaching is one strong mode in the informal economy of vicuña fiber which brings with it the Black Market. Poaching in Lima Department starts in northeast of the Department (Oyon province, peasant community of Rapaz), poachers continue through Junin Department and enter again to the south of Lima Department (Yauyos province, peasant community of Tomas) (Interview CONACS 5/9/07 Lima, Peru). The peasant communities from Lima provinces suffer most from poaching. As a result, the production of vicuña fiber in this region does not have the same proportion as the national production. There are some points in the legislation that poachers use in his/hers favor. Most of the communities and their guards do not have the technology to present proof of poachers in action such as pictures or videos; for the authorities one testimony against to another (face to face) sometimes is not enough. Poaching organizations know to corrupt the authorities. Poaching is an activity within the informal economy that diminishes the growth of peasant communities’ economy. In addition, poaching could move the vicuña species from threatened classification to endangered position again and peasants will have to stop Chaccu and selling vicuña fiber. In 1996 the Peruvian government established the vicuña law No. 26496. With the vicuña law No. 26496, the Peruvian State encourages peasant communities to use the species in a sustainable manner by shearing vicuña fiber and by promoting tourism as having vicuñas as an attraction. Both manners of exploitation, shearing and tourism do not affect the species population and it could bring commerce, modernization, and wealth to peasant communities. Therefore, the State brought a traditional and historical event to the actuality, the Chaccu ritual. Because the modernization and globalization, it could be a reinterpretation of the real Chaccu. The dates could be different because now communities should follow CONACS chronogram. CONACS taught to peasant communities about the Chaccu, including the tradition, the importance of the identity that it involves, the shearing, and the economic value that vicuña and its fiber have in the world and in the global
textile/fashion industry. The prized value of vicuña fiber is one of the most important factors that motivates the Peruvian government establishes and supports the Chaccu. Peasant communities did not know or remember this tradition. After this receiving this knowledge most peasants believe that vicuña resource will bring wealth to the communities and their families; therefore, peasants get involved in the traditional ritual. Peasants become part of the creation or modification of the Chaccu ritual. As a result, history, identity, and tradition of peasant communities could be modified by political and economic interests of the global economic system. The CONACS and intermediaries speeches for peasant communities contain the message of “the income made by vicuña fiber will let peasants meet basic needs, bring wealth, and alleviate poverty. Therefore, communities must believe in the tradition and develop a good management of the Chaccu ritual”. For instance, the graphics 8 and 9 (See appendix B: tables and graphics) present the history of national production during the periods 1994-2001 and 2000-2004 respectively. During that period, the growth of vicuña fiber commerce brought income to Peruvian peasant communities. Within CITES parameters, the exploitation of this resource is being intensively and peasant communities are adding more value to vicuña fiber such as dehairing. Indeed, the formalization of the selling of vicuña fiber is an opened opportunity for successful business. This natural resource has produced profit in the last decade and it is a source of income for some communities, even though, there is an unequal distribution among all peasants. Formalizing the process of selling vicuña fiber is the best path to grow business and alleviate poverty in peasant communities. Legislation saved the vicuña species and peasant communities can improve their incomes using processing and selling vicuña fiber.

Several changes and advancements in national and international legislation increased the vicuña trade. This improvement has been achieved not only for the arduous work of the peasant communities in each campaign, but also for the progress in the legislation made by States and society. The Peruvian State is the key agent in the international trade of Peruvian vicuña fiber. The Peruvian State is the lead country in selling vicuña fiber; therefore, the conservation, the managing, and the vicuña works –programs, project, and legislation- must be significant in order to improve the sustainable use of vicuña in all South American
Countries. For instance, after vicuña species increases the quantity of specimens, the Peruvian government requests permission from CITES to commercialize vicuña fiber. That permission let peasants initiate in the business, and after 10 years the production is still growing. At national level, the State continues developing laws, programs, and projects in order to support peasant communities in the global commodity chain. For instance, I believe that the most notable and useful law made by the State was the modification of vicuña law No. 26496, regarding to the permission to any natural and juridical person to sell vicuña fiber. This law avoids monopoly and provides peasant communities the opportunity to choose other intermediaries instead of SNV. Thus, peasants will choose the best contract for their trade. Peruvian State also creates a law every year allowing the performance of “Festival del Chaccu” in peasant communities and Pampas Galeras under the supervision of CONACS and PROMPERU (an entity responsible for tourism in Peru). As a result, CCUSCSS members from all peasant communities can use vicuña fiber and tourism (vicuña festival) to bring commerce to their areas. Regarding tourism peasant Communities could exploit Chaccu ritual, ecological tourism, and rural ecotourism so that the visitor could appreciate the attractions of the zone, such as wild animals, the environment, etc. In addition, peasants are able to promote and combine tourism with the preservation of the ecoenvironment. Thus, it could be a sustainable use that helps financially the communities. For instance, the Pampas Galeras Reserve receives national and foreign tourists that visit the Reserve; tourists enjoy seeing wild animals, and the museum that is in the same camping location. Most tourists visit Pampas Galeras Reserve for “The Festival del Chaccu” on June 24th, which is celebrated the “Peasant Day” as well in Peru. An average of 4,000 to 5,000 people from different countries can be seen.
According to Rosa Vento, an expert delegate from INRENA (public entity responsible of natural resources of Peru), one of the aspects that could impact peasant communities negatively is the changes of governments every five years. Most of the time, governments or/and parties have different visions, and each perspective is quiet different from the other. Therefore, the previously work, project, or law developed during a presidential period could be affected, because sometimes one presidential term is not enough time for developing, completing, and implementing. It is probable that the subsequent government period, directed by other party, stops some prior projects, modifies some other projects, and starts another. The South American Camelids is one of those cases. The conservation of South American camelids from Peru was under INRENA Direction (during Fujimori’s government); consecutively, Toledo’s government changed the camelids species conservation and supervision to CONACS Direction. Currently, under the Garcia’s government, camelids supervision and conservation are moving back to INRENA Direction. During the transition, valuable information could be lost. As Rosa Vento said, “Sometimes it is not convenient to start all over, because there will be a loss of time and investment.” Moreover, these public
and decentralized entities establish and develop new rules, requirements, process, documentation, and work plan. Thus, peasant communities must adapt to the new vision of the new government and of the new entity supervision. These changes of vision and processes could confuse peasants, make them to lose interest, and increase the process period. For instance, CONACS is having internal problems such as laying off some professionals who already know the process; those responsibilities are given to some professionals from INRENA who just start studying the process. Moreover, the merging of CONACS to INRENA brings problems such as fewer personnel for the supervision of all regions, all peasant communities, and all campaigns. Less supervision could cause informality in links of the commodity chain such as shearing vicuñas by a peasant individually, without CONACS supervision (vicuña fiber may not accomplish the characteristics to be sheared and the shearing will not be registered), or buying and adding an amount of fiber (under the table) from other peasant community. Those situations could be happened because the need of peasants to support their families. “Now where I have to present the next documents?” asked the San Cristobal leader to CONACS officers (Visit and interview San Cristobal peasant community, 05/27/07, Ayacucho Peru). Moreover, following legislation could be a long process and a high cost to receive a small amount of money; it could be not worth it for peasants. As a result, some peasant communities would likely avoid the process and obtain their profit rapidly. In addition, some peasants use informality or poaching in order to obtain immediate money for their merchandise.

Peasant communities must care for the environment and vicuña habitat. Peasant communities have to confront and be prepared for some nature changes in order to increase vicuña fiber production and commercialization. The environment and pasture must be in optimum scale in order to peasant communities obtain good quality and quantity of fiber production. The first issue is the degradation of the environment such the impoverishing of the pasture. Pasture ‘icchu” decreases its nutrients and there is not enough quantity of pasture in the “puna” of Ayacucho for the vicuña population that inhabits there.
Second, the survival of vicuña is influenced by the same as those that sicken bovines, equines and ovines (cows, horses, and sheep). Peasants shepherd and other animals occupy the same pastures as vicuña, exposing vicuña to those diseases that cross species boundaries. Third, vicuña have to resist low temperatures that sometimes reach -15C, and sometimes they die. Fourth, the long gestation period delivers only one offspring and the natural predators that attack vicuña could put it as endangered species again. These five natural threats bring alarm to peasant communities because less pasture, sickness, low temperatures, long gestation period (one offspring), and natural predators bring fewer vicuñas, less fiber, and less quality of the fiber. Better environment brings more quantity and quality of fiber. The problem is that most peasant communities do not have the capacity to invest in technology such as irrigation systems which could be a solution for improving the pasture or medicine which prevents sickness. Peasant communities only wait for the kindness of the nature to improve the soil or the irrigation or for a solution from the State.

Peasant communities must register every single progress or change they do with vicuña species; peasants are not able to take any action without State knowledge. As a result, the vicuña resource is property of the Peruvian State; it is not really peasant communities’ ownership. Peasant communities are allowed to use the fruit of this resource and receive profit for it. Peasant communities must care and protect the species as an exchange. For instance, graphic 5 (See appendix B: tables and graphics) illustrates the private management versus State management of vicuñas in Peru; it shows the number of vicuñas that belong to private areas and the number of vicuñas that are located in State areas. In 2002, private areas have 112,668 vicuñas (94.95%) and State areas have 5,996 (5.05%). Furthermore, table 8 shows the distribution of vicuñas in private properties (see appendix B: tables and graphics). 71.55% of the distribution belongs completely to peasant communities, 18.14% belongs to rural business, 5.55% belongs to associate businesses that are composed by peasant communities and particular individuals or entities, and 4.76% of this distribution belongs to sole proprietors. This comparison demonstrates that peasant communities have more than 70% of vicuñas fiber to be trade in the commodity chain. The State maintains 5.05% of vicuñas in captivity (large land) for protection and research purposes.
Intermediaries
Globalization and the global commodity chain of vicuña fiber produce different impacts or effect on different groups of peasants. One aspect is the size of the population of vicuñas that each community has; more vicuñas sheared produce more profit. As a result, the community with more vicuñas has more power to negotiate with intermediaries and core textile companies. Moreover, such a community has more access to modernity, including computers, innovations in the cleaning process, and modern tools for business. On the other hand, communities with few vicuñas do not have much profit and have less access to modernization; as a result, these communities sell their fiber to other communities or use it as an exchange for food. Therefore, peasant communities that have more capital produce more profit and communities with little capital obtain less profit. For example, San Juan de Lucanas community, the first producer of vicuña fiber in Peru, has a better position to negotiate with businesses and has more influence in the development of legislation. One of the fleece cleaning center supervisors from the San Juan de Lucanas community says: “We are the best fleece cleaning center, we developed a teasing technique and women experts go to other communities in order to teach dehairing”. “We are improving the cleaning process and implementing new technology”, said the former president of the community (Interview San Juan de Lucanas peasant community, 05/27/07, Ayacucho Peru).

In addition, position within the community impacts people differently. For instance, a community leader receives a different impact than a fleece cleaning center supervisor and than a fleece cleaning center woman worker. Most of the leaders of the communities look for the way to obtain better contracts, technology, and process for shearing. Leaders go out from the community in order to find better negotiation with businesses and more support/training from CONACS. Leaders are more exposed to modernization; most of the time, they are the ones who bring modernization from outside to the community. Therefore, leaders must deal with globalization, industrialization, and capitalism from outside, and with tradition, history, identity, and ecology from inside the community. Leaders must be able to combine those concepts successfully in order to continue the vicuña global trade and improve community
profit. The supervisors of the fleece cleaning center work the most of the year; they are paid for controlling the quality of the dehairing and cleaning of the fiber. Supervisors have a more stable job (depending the size of the center, some communities do not have a center and send their fiber to other communities). However, they are not paid large wages for their services. The women workers from the fleece cleaning center and men in the Chaccu doing the shearing receive the worst impact. They daily have the urgency to feed their families, but their wages do not let them accomplish this. Therefore, peasant workers are losing hopes in the vicuña resource and they have more than one job. Sometimes the reinvestment made with the vicuña fiber profit does not directly help community members. The world economic system concept stated by Wallerstein explains the power of the core nations and the dependence of the periphery nations. In this case, the power is not determined among nations or countries; it was adjusted to be performance for leaders of the peasant communities, intermediaries, and transnational textile companies (the core) and regular peasant members (periphery) from the same community. The peasants prefer that the profits be redistributed equally among all members, even though they receive a small amount of money instead of having a new building (school, church, or assembly community center). Peasants think that it will be fairer and more productive because each peasant knows his/her needs that has to be accomplished and a building is not always used by all members. Moreover, community members think that develop a project for the community is an open opportunity for leaders take advantage or steal money. For instance, the San Juan de Lucanas community, with the profit of the last campaign, upgraded the community center (fleece cleaning center, and CCUSCSS office). “We sold more than US$ 250,000 in vicuña fiber and we upgraded this building, the fleece cleaning center” said the former president of the CCUSCSS of San Juan de Lucanas community (Interview San Juan de Lucanas peasant community, 05/27/07, Ayacucho Peru). The building has two desks, two computers, and some chairs on the first floor; the second floor has the cleaning center. Only the office in the first floor was painted and the rest of the building was in rough cement. Moreover, this former leader of the CCUSCSS established a gas station business in another Department of Peru (Nazca, Ica), far from his community (Lucanas, Ayacucho). I believe that the upgraded building does not cost as much as the total profit that San Juan de Lucanas obtained in the last annual campaign.
Some community members and CONACS officers think the former leader stole money from the last campaign (2006) and invested it in his gas station business.

During my visit to San Cristobal peasant community, I asked to the President of the community if he could provide me a small sample of vicuña fiber. He did. However, while he was providing me the fiber a woman worker look at me very uncomfortably, and while holding her baby, she said to the leader “then it will weigh less, do not tell me that I stole or pay me less because it is not a complete kilogram”. Women workers labor for a month in order to obtain a kilogram of cleaned fiber and so they do not want to lose any fiber. The vicuña fiber is a main income for some peasant communities and the State is promoting the sustainable use and development of this sector. Vicuña fiber is very important for the community economy; it represents a direct source of employment for more than 789 peasant communities and thousands of families (CONACS, 2002). Vicuña fiber global trade provides employment to peasants; however, most of these employees are underpaid. Peasants need to have a second job to be able to support their families financially. Most of the community members do not know where the fiber goes or who is receiving, transforming, selling, or using vicuña garments; they know less about textile manufacturing companies or fashion companies. They were only told by the State, intermediaries, and community leaders that the vicuña resource will help them to out of poverty.

On the other hand, as was mentioned, community leaders are responsible to contact the intermediary and make a contract; thus, leaders are able to obtain more information about the destiny of their product such as the transformation process, the buyer’s company name, retailers, the price of vicuña garments, or final consumer characteristics. Community leaders need to be aware about the global commodity chain in order to negotiate successfully and obtain a profitable contract. This knowledge must start with the intermediaries. Through the last few years, it appeared competent to the SNV. ALMAR and CAPCA also are intermediaries that sell vicuña fiber to national or international companies. The first years of vicuña fiber trade, the SNV created a good impact in Peruvian peasant communities; the first two years SNV leaders went to each community to performance the Chaccu and enforced the
idea of vicuña resources will bring wealth to the communities. Thus, peasants start to believe in this organization. As a unit, SNV has more power to negotiate the price with textile manufacturing companies and it could influence the State legislation. SNV tries to create a strength network to sell vicuña fiber in order to be more efficient and bring better contracts to the communities; for example, SNV shares tools with communities that need them. The negative impact started when they did not pay to all communities or paid them late. Moreover, SNV charges a large percentage for its service (when SNV was the only intermediary, 10% of the total production was a significant amount). Because of the inefficient administration, SNV has lost credibility, community members think that intermediaries take advantage and steal money from them, and peasants are losing hopes of wealth. I consider that CAPCA is the best intermediary option because is using a financial entity, Agrobanco that at least pays the communities on time. In the last campaign (2007), some communities used the CAPCA and Agrobanco option to sell their fiber. The strategy of introducing the Agrarian Bank into the commodity chain gives more stability to the peasant communities and strength to the total transaction. Peasant communities receive a loan as part of their fiber transaction, so they are able to continue with the business; also buyers feel more secure working with a bank. One of the problems for peasant communities is that they do not have the option to sell their product directly to the textile manufacturing companies because these core companies ask to buy fiber from an intermediary. Intermediaries gather the vicuña fiber from peasant communities and thus are able to provide a larger amount of fiber compared to each peasant community production. Thus, intermediaries make more dependency not only for communities but also for textile manufacturing companies. So far, the intermediaries are an important agent within the global commodity chain; without an intermediary, small or medium peasant communities and even large communities such as San Juan de Lucanas are not able to sell their vicuña fiber to international textile companies. According to CONACS, ALMAR and SNV are taking advantage of peasants; each one in different manner; “let see how CAPCA works” Pilar Tuppia said (Interview CONACS, 05/9/07 Lima, Peru). These two intermediaries accuse CONACS of not providing better and easier processes so that peasant communities can obtain permissions and certifications quickly.
Textile manufacturing companies and the world economic system

Nevertheless, the most profitable use of vicuña is the shearing and selling of its fiber. The vicuña fiber is prized in the textile and fashion industry. In the last year, Peruvian peasant communities are seeing growing competition in vicuña fiber production. The competition comes from other countries such as Bolivia and Chile. Bolivia, by the Decree No. 28593, January 17th, 2006, was allowed to commercialize vicuña fiber as dirty, pre-cleaned, cleaned, thread, or fabric, in the framework of “Conservation Program and Vicuña Management”. In April 2000, Bolivia achieved the approval of the Proposal of Amendment Nº 1128 presented in the XI Convention of the Parts of CITES, for the export of vicuña fabric. In the XII Convention of the Parts of CITES in Chile, November 3rd to 15th, 2002, Bolivia presented a proposal that the vicuña population (of Bolivia) move from Appendix I (endangered) to Appendix II (threatened). The petition was approved, so peasant communities in Bolivia are able to shear all the population of vicuña. It is regulated by Conservation and Management of vicuña in Bolivia (D.S.24529). Moreover, the Chilean public institution responsible for the protection of vicuña is the National Forest Corporation (CONAF - Corporación Nacional Forestal). CONAF established a protection program in the north of Chile in order to prevent poaching and black market sales of vicuña fiber (Torres, 1992). Subsequently, the vicuña population from Chile is recovering. Currently, Chile has changed the strategy from the conservation to the sustainable use of vicuña so Chilean communities can sell the fiber. In the territory of Surire, Chile, people were allowed to invest in supplies such as shears; “it will let us continue growing,” said Gloria Castro. Peasant communities from Chile are very organized. They have developed several projects (such as research on the quality of the fiber) that are being implemented in peasant communities’ territories (CONAF 1991). According to the Chilean Government (Boletín de Camelidos ISSN 0718-0411), the capture and production of vicuña fiber in Chile was registered during the period of 1999 and 2004. In the total period, 1,387 vicuñas were sheared, obtaining 387.2 kilograms and US$ 140,853 (See the table 12 from appendix B: tables and graphics). Furthermore, Argentina is trying to enter in the global commodity chain of vicuña fiber. According to an article published on February 9th, 2004 by “La Nacion” (Argentine newspaper), in Cieneguillas (in northern Argentina) the first capture and shearing of wild vicuñas was developed. This community has 150 people.
Vicuñas were driven toward a funnel with motorcycles, four-wheeled motorcycles, and trucks. The group lead by PhD Bibiana Vila sheared 75 vicuñas. The project obtained 16 kilograms of fiber; however, the fiber sheared was not exported. Ecuador has started to repopulate its territory with vicuñas. The population of vicuña in Ecuador is small (It is classified as an endangered species in Ecuador) thus, they could not export. Graphic 7 (Appendix B) shows the 2001 production of vicuña fiber in the world. By 2001, Peruvian production reached 19,558 kilograms, Chilean production was 200 kilograms, and Argentine production was 100 kilograms. Bolivia recently has been allowed to commercialize fiber. Therefore, Peruvian peasant communities will have more competition in the coming years. In the textile market, peasant communities not only have to compete with other animal fibers such as alpaca, cashmere, and wool, but also compete with natural fibers such as cotton or with synthetic fabrics. Peasants suffer pressure from the competition; it impacts the price of vicuña fiber and consequently the peasants receive less money for their production. The Agrarian University in Peru, in cooperation with some alpaca producers, is developing a project called Pacovicuña. This project is under supervision of the Ministry of Agriculture. Pacovicuña is a fertile hybrid that is 50% alpaca and 50% vicuña genetically. The pacovicuña fiber (its best quality) can be 19 microns compared to 8 -13 microns for vicuña fiber (Company Paco-vicuña Registry, 2007). Some specialists think that pacovicuña is not appropriate to breed, because it could take over the vicuña market and alpaca market, and the prices of both animal fibers could be diminished, impacting negatively on peasant communities’ profits. Another threat is that pacovicuña could be taken to other habitats and then there would be more competition for Peruvian peasant communities. On the other hand, the former Director of CONACS, Eng. Boniccelli, thinks that it could be a great business opportunity for peasant communities.
The changes in the world economic system caused by globalization and capitalism make economies more interdependent upon each other. The competition for gaining markets among businesses seems higher and stronger than in prior decades. The fight for markets is not only between businesses but also among commodities. For instance, sheep or alpaca fiber is a direct competition to vicuña fiber. Moreover, the State should provide economic conditions and protection in order to improve the development of the commodity chain process. The improvements impact every link of the global commodity chains. Therefore, the State tries to integrate and oversee activities from the agrarian production process to the marketing and distribution process, in order to make the commodity chain work as a unit. However, the peasants are still obtaining unequal distribution of the profits even though they are providing added value to the vicuña fiber.

The current situation of the commodity chain of vicuña fiber shows less integration among the actors. They compete among themselves (producers, intermediary, transformation agents, commercialization agents, etc). For instance, some of the national companies send people that act as buyers to participate in the auctions carried out by some peasant communities. National companies such as Incalpaca, ALMAR, and Michell & Cia. could pay US$ 250 per kilogram of dirty fiber to US$ 380 per kilogram for predehaired fiber (Interview with Agrarian Bank 07/09/07 Lima, Peru). Avoiding intermediaries, national companies evade
that cost; as a result, the price of vicuña fiber is less. National companies could use an intermediary in order to develop the transaction, instead of sending buyers to the communities. Including an intermediary in the commodity chain, national companies could provide more employment to peasants (if intermediaries hire peasant to develop the shearing or the cleaning as ALMAR system). Moreover, using an intermediary, some peasant communities such as San Juan de Lucanas could be more powerful in the price negotiation by presenting their offer through its intermediary.

Most peasants do not know the manufacturing process or the final look of the vicuña fiber. Most garments are transformed using the best technology. However, the most important added value is the concept created around the garment. The innovative concept is created by a marketing strategy based on several symbols and concepts; as a result, the vicuña garment is a unique luxury product that combines specific concepts. In the case of vicuña fiber, marketers are using and adapting history, traditionalism, identity, ecology, sustainability, and quality in order to sell vicuña fiber. However, peasant communities do not know that they are part of the concept. Peasants need to adapt in order to successfully incorporate those aspects into the vicuña garment concepts. However, not all community members are able to adapt; leaders are the ones who usually adapt to change better. Vicuña fiber trade is a very special case because peasant communities must keep their traditions, history, identity, and ecology while those aspects are adapted or reinvented in order to sell vicuña products. Peasants must be more modern in order to follow core companies’ requirements such as fiber quality but they cannot modernize their lifestyle or show the modernization to outside consumers because much modernization could frustrate their sales strategy (be a traditional peasant community which maintain their history and identity while inhabits with vicuña and sells vicuña fiber to support their families economically). Furthermore, since these days the nature, environmentalism, conservationism, ecology, green politics, and hand made products are much marketed concepts; peasant communities need to maintain their identity in order to enter in the global economic system. Moreover, peasant traditions and identity are strong and are difficult to change. However, peasants must balance the modernization and tradition when they sell vicuña fiber. They must modernize the way to commercialize fiber improving
the quality and the fiber process while they take advantage of the history and tradition that their community possesses; if not, they will lose the opportunity of selling their product so the economic effect could be more poverty. As a result, if peasant communities adapt to the modernity, the global economic system sure will impact their identity, tradition, and history. The marketing adaptation or invention could threat the real identity, tradition, and history of the peasant community. As a result, peasant communities must sacrifice some aspects to obtain others. The important question is: what are the aspects that peasant communities will sacrifice if they live in poverty?

In this study I saw that most peasant communities have difficulty modernizing, but the rejection of modernization could be good for a community and peasants if they try to maintain their culture, identity, history, a clean environment, and their community. As a result, peasant communities could include those concepts when they try to sell vicuña fiber. However, a negative response to modernity and globalization could also be a reason why these communities are still poor and some of their members are illiterate. If peasant communities enter and follow the world economic system, maybe peasants will be able to leave poverty or at least be less poor. If peasants are isolated from the economic system, they will not obtain any wealth from it. In the end, these peasant communities penetrated somewhat into the global economic system but earned little money. Vicuña resource is a key for peasants to be part of the global economic system without leaving all their culture, traditions, history, and identity. However, peasants adapted those characteristics into a modern system in order to follow the core companies and their rules. As a result, so far, community members only earn a very small amount of money and start losing hopes of wealth. Worse, some communities have stopped working and shearing because it is not worth it. For instance, the profit of a community sometimes is distributed among the stealing by its leader, the advantage taken by intermediaries, and the driven-buyer chain - core international and national companies; while peasants only receive a small wages for their hard work.

Each community and its leaders are having a different appreciation and impacts of the vicuña fiber trade. Moreover, they develop different processes of selling. For instance, depending on
the quantity of vicuñas, I can say that San Juan de Lucanas community, Ayacucho Department, have more opportunities to grow in the business than Tomas peasant community in Lima Department. The shearing workers and the fleece cleaning center workers from San Juan de Lucanas obtain more profit than workers from a small peasant community. Moreover, Lucanas workers are not hired by campaigns because the Chaccu in San Juan de Lucanas is performing all year; therefore, these peasants have work all year so they have a more secure and stable profit. San Cristobal community also has its unique appreciation and impact of vicuña fiber. According to CONACS, the mode of San Cristobal management is more modern, successful, fair and honest. As a result, communities are not equal; some of them are more modern, traditional, entrepreneurial, or poor. The characteristics of the communities change the mode to commerce and the perception that each member has regarding vicuña fiber.
Vicuña fiber is a luxury commodity which obtains added value through every link of its global commodity chain. Is it possible that globalization really increases equality in socio-economic development for everyone using the international trade? The global commodity chain of vicuña fiber is an example of a chain where not all the agents of the chain have an equal distribution or sharing of the profit. The difference in the sharing of profit could be defined by factors such as 1) the advanced level of the techniques of the manufacturing process, 2) the importance of the intellectual-professional work compared to the labor work, and 3) the high significance that activities of research, design, sales, marketing, and financial services have. According to Mace (1998, p.11) the profits of the buyer-driven commodity chains are concentrated in those elements. Gereffi and Korzeniewicz (1994 and in Mace 1998, p.11) concluded that core activities such as marketing and the retail end of the commodity chain have the highest profit.

The global commodity chain of Peruvian vicuña fiber starts with peasant communities who represent the first agent of production and where the raw material is obtained by shearing. Could a vicuña resource - a luxury commodity - create rural development? According to the legislation and its analysis, it is important to conclude that vicuña species are the property of the State and peasant communities have the right to use the fruit of the vicuña which is its fiber. For instance, no peasant can move any vicuña from its habitat or shear an animal without the State’s approval. Moreover, not all peasant communities have the same opportunity within the commodity chain because the amount of production could vary depending on the quantity of vicuñas that each community has. Most of communities do not have enough specimens of this resource yet, so the number of sheared vicuñas and the kilograms of fiber obtained are minimal. For instance, an average community has approximately between 50 and 100 vicuñas. From those vicuñas, a peasant community could shear approximately 30 (vicuñas can only be sheared once every two years and depending on
the length of the fiber, age of the animal, etc). Therefore, the community is able to sell 6 kilograms of fiber (approx. 200 gr./vicuña). If the fiber is sold at 2007 price, $507/ kilogram (pre-cleaned fiber, 2007), the total is $3,042 per year. This amount is not enough for covering all the cost of the annual campaign, even less for supporting the community. Moreover, the community needs to be able to buy arms for protecting the species from poaching. This result is in the best situation when the community received the payment from shearing (some communities wait long periods for being paid and some others have not been paid at all by the intermediary). Hopefully, according to Galvez from SNV, a community could increase the number of vicuñas from 100 to 140 in one year only if the community provides good care to the species. Moreover, the quantity of kilograms of shearing could increase if the management of the shearing is more efficient and if controlling of poaching is appropriate (Interview with SNV, 4/19/07 Lima, Peru). Even though this is a wild natural resource and some people think that this resource is just waiting to beexploited, it is not so simple a process. For instance, the labor of the community members (cleaning fleece center, CCUSCSS members, guardians, and peasants who work in Chaccu process) must be valued and they must receive enough compensation for their work. Thus they will be able to financially support their families and they will see that their work is worth it. As a result, peasants will not look for other jobs. Furthermore, there are other costs such as fences, material/tools for maintaining the pasture, shearing, cleaning, packing, transportation, controlling, monitoring, payments for CONACS documents, and service for contacting buyer companies (intermediaries’ percentage). Therefore, it is difficult for communities that have few vicuñas to grow in the textile business and even less to leave behind their poverty.

On the other hand, there are few peasant communities with enough vicuñas to be able to make some profit from this resource. However, the last campaigns still show some inequality in the sharing of the profit among all the agents of the global commodity chain. For instance, the records of the campaign 2006 define Ayacucho Department as the top producer of vicuña fiber. Peasant communities from that location were able to sell 2,507.430 kilograms of vicuña raw material to IVC for US$ 400/kg. (See Table 14, Production for Campaign 2006). Thus, the total profit for these communities was US$ 1’002,972, (2,507.430 kg. x US$ 400
the average price in 2006). This amount must be divided proportionally to the quantity of fiber that each community from Ayacucho Department has delivered. This way AVIGSCIA, an association of 48 peasant communities and directed by San Cristobal peasant community, must received US$ 203,295.60 as a result of 508,239 kilograms x US$ 400.00 (See Table 9, AVIGSCIA production 2006). The Ruyro Orcco community, one of AVIGSCIA communities, sheared 235 vicuñas and obtained 42.849 kilograms; thus, the community should receive US$ 17,139.60. From this amount, peasant communities must pay the intermediary services that could be 40% using ALMAR system, 20% using SNV system (SNV 10% and Regional Association 10%), or using CAPCA system (CAPCA % + Agrobanco %). If Ruyro Orcco community did choose SNV system, the profit should decrease to US$ 13,711.60 (10% SNV + 10% Regional Assoc., US$ 1,714 x 2 = US$ 3,428). Moreover, the profit that each community received must be used in reinvestment and CONACS documents’ payments, tools, equipment, and community members’ wages (who work in the annual campaign). For instance, in order to develop the annual campaign each community employs around 100 community members (including women for fleece cleaning center and members for chaccu) and six CCUSCSS members (Interview with CONACS, 5/9/07 Lima, Peru) and communities must pay them. However, at this level the distribution is not always made adequately. For instance, because of bureaucracy, inefficiency, and unfair distribution, women workers receive a very low labor wages of US$ 75 per kilogram; most women are able to clean about one kilogram per month (depending on their experience). These women work mostly 8 hours per day, 5 days a week (8 hrs. x 5 days x 20 days); in total, they work 800 hours per month and receive the minimal amount of 0.469 per hour. (US$ 75 / 160 hrs ≈US$ 0.469). If Ruyro Orcco community needed to clean 42.849 kg., this work costs US$ 3,225 to the community. As a result, the community has a profit of US$ 10,486.60 for other costs or payments. Another problem is the lack of accountability program in the communities and in the CCUSCSS organization; an accountability program by the general assembly will bring reinforcement in the community organization, reducing corruption. Thus, the leaders will think twice before embezzling community funds. As a result, the vicuña fiber profit can be used to improve the infrastructure of their communities, such as schools, hospitals, etc.
The national production and the profit of the textile companies need to be compared and analyzed in order to obtain the differences among peasant communities’ profits, profits of textile companies, and retail profits. The national production for the 2006 campaign was 4,634.757 kilograms. The price per kilogram was US$ 400.00. Therefore, the national profit was US$ 1’853,902.8. If peasant communities used the SNV system, they should pay US$ 370,780.56 to this intermediary service (as a result of US$ 185,390.28 x 2; 10% SNV + 10% Regional Association). Therefore, peasant communities received approximately US$ 1’483,122.24.

Textile manufacturing companies and/or retail costs are followed. As mentioned, there is a loss or waste from the raw vicuña fiber. The loss is not always the same. It depends on 1) how efficient the shearing is, 2) who is doing the cleaning and dehairing and if it is done by hand (experts or beginners) or by machine, and 3) if the manufacturing process reuses the fiber from the prior washed fiber. The loss of fiber could be between 20% and 35%. Some contracts of the buyer companies include the fleece cleaning center service from the peasant communities. Buyer companies that buy dirty fiber and clean the fiber by hand have a 20% loss. For instance, 20% of 4,634.757 kg. is 926.9514 kg. Thus, the total loss for textile manufacturing companies is US$ 370,780.56 (the result of 926.9514 kg. x US$ 400). The percentage of fiber that is used for knitting is 80% which in this case is 3,707.8056 kg. According to Kuna retail (Grupo Inca retail), scarves are the vicuña product most sold and the retail price for a man’s scarf is US$ 400.00. Each scarf needs approximately 120 grams of vicuña fiber (Interview with All Alpaca Retail 06/14/07, Lima Peru). Therefore, the textile manufacturing company INCALPACA (from Grupo Inca) is able to produce 30,898 scarves (3,707.8056 kg/ 120grams = 30898.38). As a result, the Grupo Inca profit for the selling of vicuña products in KUNA retail (if is only scarf sales) is about US$ 12’359,352 (30,898 scarves x US$ 400.00). It is important to remember that 30,898 scarves are not made and sold all at once; Incalpaca could use that vicuña fiber for different products and in different periods. From the comparison between Grupo Inca profit with US$ 12’359,352 and the profit of all national peasant communities with US$ 1’483,122; the difference is US$ 10’876,229
(US$ 12’359,352 - US$ 1’483,122). The relative difference is greater when the Grupo Inca profit is compared to each peasant community separately, and even worse if it is compared to the wages of a peasant worker. Indeed, there is a major difference in the comparison of peasant communities’ profits and European textile manufacturing or retail companies’ profits; knowing that European prices are three times more than Grupo Inca – Kuna retail price.

The profit for the peasant communities could also decrease if the price per kilogram is reduced. Some competition factors that could make the price fall are: 1) competition with other types of fiber - from other animals, from other camelids such as alpaca and pacovicuña, or even from other natural resources such as cotton, 2) competition among peasant communities, and 3) competition with Chilean vicuña fiber and Bolivian vicuña fiber. Furthermore, the fiber price that peasant communities received the last two campaigns is about the same; the fluctuations in the price are mostly depending on the intermediary option chosen. However, during the same period the retail prices of the final vicuña products have increased. The increase in the retail prices could be a reflection of the advance in the techniques of manufacturing. Competition in the textile market is increasing all the time. Research and improvements in the manufacturing process are improving the mode of production every day; not only with the implementation of upgrading processes but also with the use of more efficient and faster machines. Those innovative machines produce better and more sophisticated garments; therefore, their prices are higher. Moreover, textile manufacturing companies need to increase the price of their products because the research, upgrades, and improvements are increasing; thus, companies are able to continue innovating in the process. This way, companies are more competitive and are able to stay in the textile market. Furthermore, the increase in manufacturing prices could be different depending on the technology level of the particular company.

Moreover, even in the first two stages of the beginning of the commodity chain there is an inequality of sharing of the profits between peasant producers and their intermediaries. They established a contract and the contract changes depending on the intermediary; each one
develops their own system. The intermediaries obtain a percentage (10% SNV or 40% ALMAR; there is no information about the CAPCA percentage) of the total merchandise sold, which represents a significant amount. For example, the ALMAR business keeps 40% of the sold fiber and in the 2006, peasant communities from Ayacucho sold 1,850.978 kg. of pre-cleaning fiber to IVC Italy and the price was US$ 400.00/kg (See Appendix D). 40% of the value of this sold fiber is US$ 296,156.48 and 60% is US$ 444,234.72. So, Alfonso Martinez, ALMAR owner, gains US$ 296,156.48 without having to share his profit equally with his workers. However, peasant communities must redistribute proportionally the US$ 444,234.72 among themselves and among their community members who work for the campaign. As a result, there is a huge difference between the profit of Alfonso Martinez and a regular peasant worker. This estimate would have similar results if it is made with SNV or CAPCA. After 2007, apparently the best option as an intermediary is CAPCA because Agrobanco participates as a financial entity in its negotiation or contract with communities and so provides more security in the transaction. The bank, at least, makes secure and on-time payments to peasants. The SNV, CAPCA, and ALMAR are contracted by peasant communities to sell vicuña fiber successfully and mostly of these intermediaries recommend and help communities in the organization with the presentation of documents and performance of the campaign. Are the intellectual-professional and technical efforts that intermediaries develop the reason for the difference between the profit of peasant communities and intermediaries? Are those efforts more valuable than the labor of peasant workers? According to Mace (1998), the profit is concentrated in the activities of research, design, sales, marketing, and financial services; therefore, intermediaries obtain more profit than peasant communities. Supporting this premise, textile companies have a higher profit than the intermediaries do. Nevertheless, among textile companies there still are differences in profits and differences between the core and periphery companies’ prices: Why do manufacturing companies from Europe charge a higher price than the Peruvian companies such as Incapaca, if the quality of the vicuña products and the production process is the same as European manufacturing companies? Why do European manufacturers set a price three times higher than Peruvian manufacturers if the process implemented is very successful and their machines are efficient? It is because of the core and periphery locations? Who is still
driven the prices from the commodity chain? For instance, the Peruvian textile companies obtain approximately one third of the profits of European textile and fashion companies. Gereffi (2003, p.15) concludes that the characteristics within the buyer-driven chains are the abundant labor force with low wages from the periphery countries and the coordinated processes by transnational brand-name companies and international retailers located in the core countries. These transnational companies establish a strategic contact with factories overseas in periphery countries. The European companies are located in core countries and have access to higher modernization. Therefore, the price of European companies is higher because they are the ones who really drive the commodity chain of vicuña fiber. Thus, the price of a vicuña scarf produced in Europe companies is three times more than a scarf manufactured in Peru.

Furthermore, the vicuña fiber market is minuscule compared to the total textile market. The production of vicuña fiber by itself is not creating much profit for the textile companies; however, it provides prestige for the name-brand companies. The prestige is the actual marketing strategy of the name-brand companies because it improves the companies’ image and it will increase the companies’ sales. In the end, international core companies gain profit through the prestige of selling vicuña fiber, the finest animal fiber resource. The international companies’ prestige could be obtained by 1) the quality of the vicuña fiber, 2) the added value acquired through the fiber transformation in the manufacturing process in each link of the chain, 3) the added value acquired by marketing strategies; these strategies are based in some concepts such as traditions, history, caring for the environment, and even being a contributor to the peasants’ development. The majority of those concepts exist, but some of them are modified or invented by the marketing departments of the core companies in order to increase consumption and commercialization. Moreover, the truth might be modified and adapted for the convenience of the world economic system. For instance, the perception of buying “a traditional product made by peasant communities” lets the consumer contribute to the Chaccu - the ritual of the Incas Empire. In fact, the position that vicuña had in the history is taken by marketers and transformed into a marketing strategy for increasing the company’s prestige and sales. The cultural identity represented by the performance of the Chaccu - an
Inca Ritual - is also used as a marketing strategy. Thus, marketing departments are able to manage the meaning of the tradition, history, and identity according to the company’s convenience.

In the world economic system, consumption has acquired more power than production. In the commodity chain of vicuña fiber, the high economic core class and its consumption are the reasons for the invented and modified concepts. The marketing departments develop those inventions and modifications in order to influence consumption. Therefore, marketing is the most important key for commercialization and therefore peasant communities’ producers are having the smallest part of the total profit. The high economic class’s consumption is characterized by preferring high quality and distinguished products, many of them scarce. Vicuña fiber possesses both: the best quality of animal fiber and scarcity (natural products such as vicuña fiber have more value). Therefore vicuña products are expensive and prized items. The high economical class also set models for fashion and consumption. The consumption level is a significant piece in the world economic system; it defines the commodities that will continue and grow in the market. The demand and consumption could even move the political rules and governmental statements. For instance, governments began to protect species and forbidden poaching. The reasons for the States’ participation are 1) the decreasing of vicuña population which made an endangered species in the 1960s until the beginning of the 1990s and 2) the high demand for vicuña fiber by the high economic class. As a result, governments are using vicuña as a natural resource in order to improve the economic situation of the poor peasant communities. Thus, conservation and preservation of an endangered species is another marketing strategy for core companies. Today, the importance of caring the planet and ecology is not only the purpose of the environmental organizations but also is a marketing strategy of core companies in order to continue trading commodities. Therefore, core textile and fashion companies conveniently are including in their marketing messages that vicuña was an endangered species but not currently, the importance of vicuña fiber to the peasant communities, and the sustainable process of vicuña fiber; marketing departments also combine the above strategies with the promise of providing
wealth to the poor peasants. Thus, core textile companies sell their images as “sustainable” companies.

Most people believe that the vicuña fiber resource is the promise of development for the textile sector, artisans, and tourism. However, within the commodity chain of vicuña fiber, so far the major profit is obtained by core international companies and peasant communities only receive a small percentage of the sales; where peasant workers are paid ridiculous wages. Therefore, this resource will not take peasants out of poverty, even less help them be wealthy. Moreover, peasant communities are linked to the global commodity chain and they are not isolated at all. Therefore, peasant communities must maintain and promote the prestige of vicuña fiber (nature, tradition, history, identity, ecology, and sustainability) because communities really need to grow in the textile market and obtain income for their families. It will make the vicuña resource worth their work.

The marketing departments of core companies promote and revive the historical Chaccu tradition which involves all these factors (quality, scarcity, history, tradition – a new modified tradition, nature, conservation, preservation, ecology, raw material produced by indigenous people, sustainability, and employment provided to peasants). Without those factors created by marketing departments to sell vicuña products, the products such as a scarf made of vicuña fiber will be a product to be sold with no special attributes. All these concepts add much value to the vicuña fiber products. Without the quality, scarcity, and added values such as history, tradition, and identity of vicuña fiber; peasants, governments, businesses, intermediaries, national and international textile companies could lose the opportunity to profit.
CHAPTER 8
CONCLUSION

Sociological decisions, social actors, politics, political processes, actors, and decisions among with textiles and clothing actors are involved in the vicuña fiber commodity chain. I discovered an incredible interrelation among these actors, their decisions, and processes in addressing my research topic. At one end are the periphery peasant communities that need to alleviate poverty, use vicuña fiber in a sustainable manner, following international and national laws. On the other end of the commodity chain are the core textile-fashion industry and the final consumers; agents that drive the development of the chain. The goal of the textile industry is to make as high profit as possible.

In studying the commodity chain, I learned the importance of national and international regulations - the realm of politics and political processes and decisions. Since 1973, CITES regulates the global commercialization of vicuña products. The Peruvian government created policies and legislation to regulate the commercialization of vicuña fiber originated in Peru. The State created regulations that provide a convenient and regulated system for trading vicuña fiber. Thus, peasant communities are able to do business and alleviate their poverty to some degree.

Politics and social aspects work for the same purpose. For instance, political decisions and sociological factors are inter-related and complement each other. Political sciences and sociology aim to understand how and why the Peruvian State develops policies and laws that fulfill the peasant communities’ needs and possibilities. Before the Peruvian State develops a law, the State should understand the communities’ life, resources, thinking, culture, and needs. Thus, new policies and legislation do not cause a shock in the communities. Moreover, the State must provide elements and policies for training and teaching the system of commercialization and international trade to the communities. Thus, peasant communities are able to trade vicuña products at global level while they alleviate their poverty. Here is when the textile and clothing processes are part of this amalgamation. Peasant communities
need to organize and learn textile processes and governmental regulations in order to accomplish with the legislation and with the quality requirements of the textile and fashion business.

The social aspect includes the way the peasants and their communities are organized. Every single community develops their own production and commercialization systems. They are organized according to their potentialities; thus, some systems are more effective and efficient. A few communities have a successful system to their annual campaign (capture and shearing vicuñas). These communities are those that have a large quantity of vicuñas. Indeed, more vicuñas brings more profit into the community. Therefore, these communities are able to acquire more resources for continuing to do business. However, small communities with few vicuñas are unable to continue and persist in the business because they do not receive enough profit to reinvest. Therefore, the possibility of growth is not given similarly to all communities.

It is important to note that although most people from peasant communities do not have high school or even elementary education, these individuals learn the textile system rapidly. Community members are elected to a committee responsible for any matter related to vicuña. This committee works to trade vicuña fiber in accordance with the requirements. Even though some of the leaders start in their positions with only elementary education, they learn to develop and implement projects and to communicate not only with their community, but also with the Peruvian government, international organizations, the textile and clothing industry, and the fashion business. In the end, these people can bring new ideas, projects, solutions, profits, and hopes of growth to their communities. The profits can be reinvested or used for primary services such as schools, water, and electricity in order to provide a better life to the community members. Some of these community leaders are continuing helping not only their own communities but also are presenting solutions and improvements to other communities, governments, and international business.
Textiles and clothing is the last but not least important aspect. Committees and all peasant community members learn, in their unique mode, how to obtain the vicuña fiber from live animals. Through the complete commodity chain, peasants not only care for vicuñas but also manage the capturing, shearing, cleaning, and selling. In other words, communities’ leaders learn every single step of vicuña fiber production up to selling the fiber to the textile industry. For successful trade, committee members also need to learn about business, such as knowing the quality requirements and conditions that the textile industry and luxury fashion business require. Subsequently, they are able to achieve the quality that the industry demands. Moreover, government requirements must be accomplished as well.

The interaction of social, political, and textile actors is interesting. For instance, there were women who work in a fleece cleaning center with their children around them. Children younger than 10 years old were playing as if they were in a regular childcare center. If children are over 10 years old, they are able to work and help their mothers with the cleaning and thus the family could have more income. Peasant women and children learn the textile process and obtain income. But government intervention and oversight is needed to protect these peasants and their communities from exploitation by intermediaries in Peru and the core economies. The State promotes vicuña fiber internationally. There is no doubt that understanding of this global commodity chain is increased by the successful merger of interdisciplinary tools. The points presented above show that the international vicuña fiber trade and its commodity chain are trying to develop a sustainable system in order to bring more wealth to peasants.

Moreover, the Chaccu adds a prized economic value to vicuña and its fiber that is such a luxury product in the global textile and fashion industry. Being the finest animal fiber is one of the most important factors that motivates the Peruvian government to establish and support the Chaccu. This traditional and historical event was not known by peasant communities. Peasants started to believe that participating in the vicuña fiber trade will bring wealth to the entire community and to their families. Therefore, peasant communities get involved in the Chaccu ritual and became part of the product through the re-invention or
modification of their history, identity, and tradition. The adaptation of those aspects is the result of political and economic interests within the world economic system. Therefore, legislation was the key that opened this new income opportunity to peasant communities. This resource is being well protected by international organizations such as CITES and by South American governments as well. Indeed, the formalization of the selling of vicuña fiber has produced profit in the last decade and it is a source of income for some communities, even though there is an unequal distribution within the global commodity chain. After formalization and legislation of the vicuña fiber trade, some of the communities’ enterprises have grown and they were able to diminish poverty. Legislation has saved the vicuña species and has implemented a sustainable method for improving peasant communities’ incomes. The sale of semi-processed vicuña fiber has been significant not only for peasant communities but also for the textile/fashion industry. The global commodity chain has experienced growth in the production and in the price; moreover, more actors are involved in the process: peasant communities, intermediaries, the Agrarian Bank, industries of textile and clothing, fashion companies, and retailers.

Peruvian legislation allowed peasant communities to use the fruit of this resource (fiber) and commercialize it in the global textile industry. However, peasant communities must register every single move or change that they make with the vicuña species. Therefore, I conclude that the vicuña resource is actually the property of the Peruvian State and it is not really under peasant communities’ ownership. Moreover, peasant communities must care and protect the species as an exchange for the vicuña fiber profit obtained. Another positive step made by the Peruvian legislation was the strategy of introducing and allowing the Agrarian Bank participation; this generates more stability for the peasant communities into the total transaction. For instance, peasant communities receive a loan for their fiber and as a result, they are able to continue with their business. Also, buyers feel more secure to be working with a bank. The core companies require buying fiber only from an intermediary; this desire makes peasant communities more dependable to intermediaries and intermediaries stronger.
Despite all the benefits that peasant communities have received through this natural resource; there are some problems in the actual legislation that are causing delays in the peasant communities’ growth and are keeping peasants in poverty. These problems include the difficulty of following the requirements by peasants and the gaps open to misinterpretation. Some of the legislation is not very explicit, nor realistic, nor protective to peasants. For instance, poachers, some intermediaries, and some businesses take advantage of peasant communities without being punished. The State has not developed legislation for economic protection to peasant communities and so peasant communities work with unfair contracts and agreements. As a result, peasant communities are exploited and gain a small part of the profit while buyers companies always gain the majority of the profit. Moreover, the lack of accountability programs in the communities and in the CCUSCSS organization (by the General Assembly) caused corruption and embezzlement of community funds. Therefore, the profit from vicuña fiber is not reflected in the communities. After shearing, the selling of the fiber is the responsibility of the peasant communities as a private business. The State is responsible for vicuña as a species. Thus, the intervention of the State and the development of an accountability program are not developed yet. For instance, peasant communities have the right to avoid inspections or supervision from the State (in the reinvestment of the income). Establishing an accountability program developed by the State will need a large investment.

On the other hand, all activities developed by peasant communities are not only to help alleviate the poverty of Peruvian peasants (the major factor) but also to respond the demand of international textile consumption.

I conclude that global consumption is the major factor which generates the global commodity chain of vicuña fiber. Therefore, consumption causes an impact within the global commodity chain. The impacts produce effects not only in the vicuña species population but also in the society, in Peruvian peasant communities, and in governments. Moreover, modernization and globalization also impact the performance of the global commodity chain in worldwide and local communities. For instance, there are effects within the peasant communities such as the
modification or invention of the Chaccu ritual. The modification and adaptation of the tradition, history, identity, and culture of peasant communities are gathered in the “new Chaccu ritual” in order to add value to the vicuña products. Peasants need to modernize and adapt their traditions, culture, identity, and history in order to sell successfully their products and obtain wealth from the fiber sale and tourism. The core companies and their marketing departments have taken the role of creating and adapting all those abstract concepts in order to maximize the profit to their companies. The vicuña fiber is a commodity, whether the Chaccu ritual is invented or modified, and the focus of the marketing strategy is based on the abstract concepts that marketing departments are able to incorporate into the vicuña fiber value. Even though vicuña fiber is the finest animal fiber in the world, it would not be the same prized luxury product without the tradition, identity, history, culture, sustainability, and nature concepts - added values that marketing inserts into the final vicuña products. The combination of high quality, great design, and good marketing plans provide and deliver a final product with uniqueness and scarcity whose attributes are acceptable to and prized by worldwide consumers.

The global commodity chain of vicuña fiber has come to be a congregation of agents motivated by specific interests. As Gereffi (1994, p.2) concluded, each link in a commodity chain, from the raw material form, acquires value and organizes inputs, labor power, transportation, distribution, and consumption. The GCC gathers all the elements and/or actors that contribute directly to obtain the final product. Individual agents such as core textile companies are interested in increasing their profit and motivated by capitalism try to exploit concepts that involve the peasant communities’ identity, tradition, and history. Moreover, peasant communities’ interest is to obtain wealth for their communities and families; therefore, peasants work as a group to adapt and modernize their beliefs, history, tradition, and identity in order to bring modernization and wealth to their communities. Peasants understand that those concepts are the vicuña fiber added value; that as a result, this added value is an important key to increase their vicuña fiber sale and to grow in the business. However, compared to core individualist textile companies, these peasant communities are able to obtain only a little profit and maybe bring a little modernization to their communities.
Indeed, peasant communities with more vicuñas have more options to obtain higher profit and more exposure to modernity and globalization. As Gereffi (2003, p.15) states that within the buyer-driven chains are the abundant labor force with low wages from the periphery countries and the coordinated process by transnational brand-name companies and international retailers located in the core countries. The commodity chain of vicuña fiber is part of the apparel and textile industry that is characterized as a buyer-driven commodity chain. In the end, peasants from the periphery have to modernize their tradition, identity, and history since outsider consumers from the core want to obtain the “new” tradition, identity, and history of local communities. Thus, there are local communities that want to penetrate into global capitalism and individuals that want to come into a local culture. I could conclude that the commodity chain of vicuña fiber is moving in two directions; and now peasant communities are far from being isolated.

One of the obstacles in vicuña fiber production is the small population of this wild threatened species; the majority of peasant communities have an average of 50 vicuñas and they can shear approximately 30 of them. This quantity of vicuña fiber does not provide wealth to their members. In addition, the caring for the vicuña and its environment (such as maintaining the pasture) is a high investment for peasant communities since most communities do not obtain a high profit for the sale of vicuña fiber. Moreover, it is impossible that peasants breed vicuña in order to increase their fiber production because of the species’ wildness. Even though peasants desire to increase the vicuña fiber production in the future; it could not be possible without redefining the marketing plan. The scarcity and the tradition of the Chaccu are concepts in the actual marketing plan that let the price of vicuña products be higher. If the concepts change, the selling of vicuña fiber could diminish. Therefore, the competition with fiber from other countries such as Chile and Bolivia, along with the competition of other animal fibers such as pacovicuna and alpaca could make the price decrease as well.

In conclusion, the global commodity chain of vicuña fiber is another example of how globalization and the world economic system are shaping concepts and products in order to
generate the maximum profit for the core companies. The impacts in the global commodity chain are reflected in the vicuña species population. For instance, peasant communities jointly with CONACS are installing fences in order to maintain the “wild” vicuña species in a specific geography. In addition, the impacts also are reflected in the peasant communities’ lives. Wallerstein (1974) affirms that the interrelation between core (developed countries) and periphery societies (developing countries) causes inequality and dependency within the world economic system. I conclude that the agents or links of the global commodity chain of vicuña fiber are not at the same level of globalization and modernization; agents belong to core and periphery levels differentially. Therefore, the profit gained in the commodity chain will never be distributed equally among the agents. Worse, this inequality - such as poor peasant women who work in the fleece cleaning center - is part of the strategic message of the marketing department to sell the vicuña fiber in a very high price. As a result, this inequality exists in order to keep the global commodity chain developing. Moreover, the success of the global commodity chain depends on the tradition, identity, history, and culture from peasant communities combined with the marketing plans elaborated by core companies.
## APPENDIX A: INTERNATIONAL AND PERUVIAN POLICIES

<table>
<thead>
<tr>
<th>Nat./Inter. Level</th>
<th>Date</th>
<th>Law</th>
<th>Law – English</th>
<th>Law – Spanish</th>
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<tbody>
<tr>
<td>International level - CITES</td>
<td>12/30/74</td>
<td>Appendix II of the Convention on international trade of Endanger Species of Wild Fauna and Flora - CITES</td>
<td>Approval of the Convention on International Trade in Endangered Species of Wild Fauna and Flora- CITES. It was signed in Washington DC on December 3\textsuperscript{rd}, 1973. It was subscribed by Peru on December 30\textsuperscript{th}, 1974 in Berne, Switzerland. It includes species that no longer are in danger extinction, but whose commerce must be controlled in order to avoid utilization incompatible with its survival, as is the vicuña case.</td>
<td>Se aprueba la Convención sobre el Comercio Internacional de Especies Amenazadas de Flora y Fauna Silvestres – CITES. Suscrita en Washington DC el 3 de marzo de 1973. Suscrita por Perú el 30 de diciembre de 1974 en Berna, Suiza. Incluye a las especies que ya no se encuentran necesariamente en peligro de extinción, pero cuyo comercio debe controlarse a fin de evitar una utilización incompatible con su supervivencia, como es el caso de la vicuña.</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>01/21/75</td>
<td>Decreto Ley No 21080 It was approved on 01/21/1975</td>
<td>Peruvian government subscribed to the Convention on International Trade in Endangered Species of Wild Fauna and Flora- CITES. Berne, Switzerland on 12/30/74. Peru promised to protect certain species of wild flora and fauna from excessive exploitation because of international commerce.</td>
<td>El gobierno Peruano firma para la Convención sobre el Comercio Internacional de Especies Amenazadas de Flora y Fauna Silvestres – CITES. Berna, Suiza el 30/12/74. Perú se compromete a proteger ciertas especies de flora y fauna silvestre de su explotación excesiva mediante el comercio internacional.</td>
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<tr>
<td>National - Peruvian Government</td>
<td>1977</td>
<td>No. 25902 Supreme Decree No. 158-77-AG</td>
<td>Organic Law made by Ministry of Agriculture - CONACS was established as a decentralized public organism to represent the country in front of international organizations regarding South American Camelids, and to promote supervise and norm the development of conservation, management, and use of South American Camelids and their hybrids in the country.</td>
<td>Ley Orgánica del Ministerio de Agricultura - Se crea CONACS organismo público descentralizado del Ministerio de Agricultura y se establece que tiene como funciones representar al país ante los organismos internacionales en los asuntos concernientes a los camélidos sudamericanos, además, de promover, supervisar y normar el desarrollo de la conservación, manejo y aprovechamiento de las especies que conforman los camélidos sudamericanos</td>
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<tr>
<td>National - Peruvian Government</td>
<td>1979</td>
<td>Peruvian Constitution Art. 66, 67</td>
<td>Art. 66 and 67 from Peruvian Constitution considers that guanaco and vicuña are wild fauna resources and National Patrimony. Government gives permission to use those resources to those that are capable of following the regulations.</td>
<td>incluyendo sus híbridos en el país.</td>
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<tr>
<td>National - Peruvian Government</td>
<td>1991</td>
<td>The Legislative Decree Nº 653</td>
<td>Allows the utilization of the South American Wild Camelids as a modality of custody to anyone whose origin or jurisdiction belongs to the Higher Andeans Zone prioritizing the Peasant Communities (Comunidades Campesinas).</td>
<td>Permite el uso de Camelidos Sudamericanos como modalidad de custodia a quien sea de origen o sea perteneciente a la juridiccion de la zona Alto Andina priorizando a las comunidades campesinas</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Decree No. 026-92-AG</td>
<td>- CONACS, public organism, not centralized was created to represent the country before international organizations regarding topics of South American Camelids, besides, promoting, supervising and norm the development of conservation, management, and use of South American Camelids and its hybrids from the country.</td>
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<tr>
<td>National - Peruvian Government</td>
<td>NL 19940623</td>
<td>Supreme Decree No. 35-94-AG</td>
<td>CONACS stock of fabric is transferred to Peasant Communities represented by SNCV.</td>
<td>Se transfiere a favor de las Comunidades Campesinas representadas por SNCV el stock de telas que tiene en su poder CONACS</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>1994</td>
<td>Resolución Jefatural No. 010-94-AG-CONACS</td>
<td>Official recognition of Vicuña’s Committees of Peasant Communities</td>
<td>Reconocimiento oficial a los Comités Comunales de la Vicuña</td>
</tr>
<tr>
<td>International level - CITES</td>
<td>9º. Conventio n Nov 1994</td>
<td>Appendix II</td>
<td>The sheared fiber of vicuñas that are alive can be commercialized only with logo identification and registered brand “VICUÑANDESPERU”</td>
<td>La fibra esquilada de vicuñas vivas se pueden comercializar únicamente mediante la identificación del logotipo y la marca registrada “VICUÑANDESPERU”</td>
</tr>
<tr>
<td>National - Peruvian</td>
<td>NL 19950711</td>
<td>No. 26496 – Vicuña Law</td>
<td>State of the property, commercialization, and</td>
<td>Aprueba Régimen de la propiedad, comercialización, y</td>
</tr>
</tbody>
</table>
| Government | 19950623 | sanctions by the poaching of the species of vicuña, guanaco and its hybrids.  
Art. 1 The South American camélidos: vicuña, guanaco and their hybrids, as species of wild fauna which are protected by the State, which will promote the development and the rational use of named species.  
Art. 2 Gives to the Peasant Communities in whose lands are those species are found as collective property, the herds of vicuña, guanaco and their hybrids, as well as the products; fiber and sub-products obtained from live animals, the authority to originate their properly authorized removals. The Executive Power through the Supreme Decree will regulate the exercise of that right.  
Art. 3 Recognizes the Peasant Communities which own the herds of vicuñas, guanaco and their hybrids, directly or through agreements with third parties, as responsible for the conservation, management and rational use of the vicuña in their jurisdiction.  
Art. 4 Authorized the Peasant communities which owned the animal to collect, transform, and commercialize the fiber and their sub-products be these national or foreign, in strict compliance with the international agreements, under the State supervision.  
Art. 5 The extraction and transfer of vicuñas, guanaco and their hybrids with objective of repopulate, investigation, sanciones por la caza de las especies de vicuña, guanaco y sus híbridos (11/07/95). Se aprobó ley.  
Art. 1: Declarase a los camélidos sudamericanos: vicuña, guanaco y sus híbridos, como especies de fauna silvestre sujeta a protección por el Estado, el mismo que promoverá el desarrollo y el aprovechamiento racional de dichas especies.  
Art. 2: Otórguese la propiedad de los hatos de vicuña, guanaco y sus híbridos, así como lo de los productos; fibra y derivados que se obtengan de animales vivos, los provenientes de la saca debidamente autorizada y los incautados, a las comunidades campesinas* en cuyas tierras se hallen dichas especies. El Poder Ejecutivo mediante Decreto Supremo regulará el ejercicio de ese derecho.  
Art. 3: Reconózcase a las Comunidades Campesinas, como responsables de las actividades de conservación, manejo y aprovechamiento racional de la vicuña en el ámbito de su jurisdicción.  
Art. 4: Autorizase las actividades de acopio, transformación, comercialización de la fibra y sus derivados, a las Comunidad Campesinas propietarias de los hatos de vicuñas, guanaco y sus híbridos, directamente o a través de convenios con terceros, sean estos nacionales o extranjeros, en estricto cumplimiento con los convenios internacionales, bajo la supervisión del Estado.  
Art. 5: La extracción y traslado de vicuñas, guanaco y sus híbridos con fines de repoblamiento, investigación, difusión cultural, se realiza previa autorización del Sector Agricultura.  
Art. 6: El que caza, captura, sustrae o comercializa vicuñas,
cultural diffusion, is carried out with previous authorization of the Agriculture Sector.

Art. 6: Anyone that poaches, captures, subtracts or markets vicuñas, guanacos, their hybrids and sub-products, will be sanctioned with deprivation of liberty with no less of two or over five years.
- When the act is committed with the contest of two or more people the punishment will deprive them liberty no less of three or over six years.
- When the agent acts as member of an organization destined to perpetrate these crimes, the punishment will deprive them liberty no less of four or over ten years.
- When the agent poaches, captures, subtracts or markets more than 50 copies the punishment will deprive them liberty no less of four or over ten years.
- When the agent acts as leader, leading ringleader of an organization destined to perpetrate these crimes, the punishment will deprive liberty no less of eight or over fifteen years. If the agent is an official or public functionary, he/she will be repressed of his/her liberty no les of eight or over fifteen, with hundred twenty to three hundred sixty-five days-fine and disqualification according to the clauses 1), 2), 4), 6) of the article 36º of the Penal Code.

Art. 7º: The person that poaches, captures, or steals vicuñas, guanacos, hybrids and their descendents, using violence against any person or threats with an

| Art. 7º: El que caza, captura o sustrae vicuñas, guanacos, sus híbridos y derivados, será sancionado con pena privativa de libertad no menor de dos o mayor de cinco años. |
| Si el agente es funcionario o servidor publico será reprimido con pena privativa de libertad no menor de ocho ni mayor de quince, con ciento veinte a trescientos sesenta y cinco dias-multa e inhabilitación conforme a los incisos 1), 2), 4), 6) del artículo 36º del Código Penal. |
| Art. 7: El que caza, captura o sustrae vicuñas, guanacos, sus híbridos y derivados, empleando violencia contra la persona o amenazándola con un peligro inminente para su vida o integridad física, será reprimido con pena privativa de libertad no menor de cuatro ni mayor de ocho años. |
| - Cuando el hecho es cometido con el concurso de dos o más personas la pena será privativa de libertad no menor de tres ni mayor de seis años. |
| - Cuando el agente actúa en calidad de integrante de una organización destinada a perpetrar estos delitos, la pena será privativa de libertad no menor de cuatro ni mayor de diez años. |
| - Cuando el agente caza, captura, sustrae o comercializa más de 50 ejemplares la pena será privativa de libertad no menor de cuatro ni mayor de diez años. |
| - Cuando el agente actúa en calidad de jefe, cabecilla dirigente de una organización destinada a perpetrar estos delitos, la pena será privativa de libertad no menor de ocho ni mayor de quince años. |
imminent danger against the person’s life or physical integrity, would be deprive of his/her liberty no less than four and no more than eight years.
- If the violation of the law is performed by the participation of two or more people or the agent had used any type of weapon causing a significant amount injury, the private penalty of liberty would be no less than five and no more than fifteen years.
- If the violation had been performed with cruelty, use of materials, devices, explosives; or physical disability abuse or mental disability abuse of the victim or by using drugs against the victim; the private penalty of liberty would be no less than ten and no more than twenty years.
- If the agent acts as the head, facilitator, or director of an organization that is determined to perpetrate this violation, the private penalty of liberty would be no less than fifteen and no more than twenty-five years.

In the cases in which the violations are performed against the life, body and health, the penalty will apply without damage of other more serious than it could correspond in each case (Penal Code).

Art. 8: A reward of 50% of the imposed fine will be offered to whomever denounces the act of this crime to the competent authority.

Art. 9: It is forbidden the export of vicuñas, guanacos and their hybrids, semen or other material of reproduction, salvo a aquellos con fines de investigación científica y/o cultura, previa autorización mediante resolución Ministerial del Sector Agricultura.
<p>| National - Peruvian Government | NL 19960222 | Ministerial Resolution No. 0142-96-AG | Authorized the Society of Criadores de Vicuña to export fiber of vicuña to Italy. Art 1: authorized that the SNCV can export 1000 kilograms of dirty vicuña fiber to the, International Vicuña Consortium from Italy. Art. 2: SNCV should carry out the required documentation with INRENA Art. 3: INRENA is the entity responsible for verifying the compliance of the present Ministerial Resolution | Art. 10: Encárguese al Ministerio de Agricultura reglamentar la presente ley, en un plazo máximo de 60 días. Art. 11: Deróguese y déjese sin efecto todas las disposiciones que se opongan a la presente ley. Art. 12: Esta ley entra en vigencia al día siguiente de su publicación en el Diario Oficial El Peruano. * Las Comunidades Campesinas deben de estar registradas y presentar los respectivos planos de la región para demostrar la ubicación de la misma. |
| National - Peruvian Government | NL 19960309 NL 19960304 | Jefatural Resolution No. 012-96-AG-CONACS | They authorize communities and rural businesses to initiate the annual campaign of capture and shearing of vicuñas. Art. 1: Between May 15th | Autorizan a la Sociedad de Criadores de Vicuña para que exporte fibra de vicuña a Italia Art 1: Autorizan a la SNCV exportar 1000 kilos de fibra sucia de vicuña a con fines comerciales. Destino International Vicuña Consortium. Art. 2: SNCV deberá realizar la documentación necesaria con INRENA Art. 3: INRENA es el ente encargado de verificar el cumplimiento de la presente Resolución Ministerial |</p>
<table>
<thead>
<tr>
<th>National - Peruvian Government</th>
<th>Published NL 19960516 NL 19960514</th>
<th>Ministerial Resolution No. 0372-96-AG</th>
<th>Approved the donation of 3 small Toyota trucks by the International Vicuña Consortium to the National Society of Vicuña of Peru.</th>
</tr>
</thead>
<tbody>
<tr>
<td>National - Peruvian Government</td>
<td>NL 19960607</td>
<td>Ministerial Resolution No. 0425-96-AG</td>
<td>Recognized the III International Festival of the Vicuña, to be developed in Ayacucho. June 23rd to 25th, 1996. Place: National Reserves of Pampas Galeras – Ayacucho. For traditional Chaku</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 19960609</td>
<td>Supreme Decree No. 007-96-AG</td>
<td>Regulation of the Law Nº 26496 of the state of property, commercialization and sanctions for poaching of vicuña, guanaco and their hybrids. The Supreme Decree considers the Communities Farmers (Comunidades Campesinas) as the only beneficiaries from the utilization of the vicuña and guanaco fiber in relation to the existing species in there territories. Thus, it provides them the right to compile, to transform and</td>
</tr>
</tbody>
</table>

Art. 2: SNCV encargada del acopio, registro, transformación y comercialización.
Art. 3: SNCV son los únicos y exclusivos representantes de las comunidades campesinas para gestionar comercio
Art. 4: CONACS es encargado de supervisar, asesorar, dirigir la captura y esquila de vicuñas vivas
Art. 5: Autoriza a SNCV la inscripción y registro de la producción de fibra

Art. 2: SNCV responsible for the collection, registration, transformation, and commercialization.
Art. 3: SNCV are the unique and exclusive representatives of peasant communities to negotiate and do commerce
Art. 4: CONACS responsible for supervising, advising, directing the capture and shearing of vicuñas alive
Art. 5: It authorizes SNCV the inscription and registration of the fiber production

Aprueban donación efectuada a favor de la Sociedad Nacional de Criadores de Vicuña del Perú por el International Vicuña Consortium: 3 camionetas Toyota

Oficializan el III Festival Internacional de la Vicuña, a realizarse en Ayacucho. 23 al 25 de junio de 1996. Lugar: Reserva Nacional de Pampas Galeras – Ayacucho. Rescatar tradición del Chaku

<table>
<thead>
<tr>
<th>National - Peruvian Government</th>
<th>Published by NL 19960626 19960411</th>
<th>Jefatural Resolution No. 013-96-AG-CONACS</th>
<th>Commercialize at a national level the vicuña fiber under one representative organization “La Sociedad Nacional de Criadores de Vicuña”, which, is the only organization authorized to trade, and store the vicuña fiber requiring the usage of the trade mark Vicuña-Peru. Title I: of the sustainable use of the Wild Camélids. Cáp. I: Role of the State Cáp. II: Role of the Private Sector Title II: Of the Protection of the South American Wild Camelids. Cáp. I: Guardianship Cáp. II: Penal processing Transitory Dispositions</th>
</tr>
</thead>
<tbody>
<tr>
<td>National - Peruvian Government</td>
<td>Published by NL 19960703 19960702</td>
<td>Ministerial Resolution No. 0468-96-AG</td>
<td>Officially recognized officially the communal committees of the vicuña of diverse associations of peasant communities: Committees of 137 peasant communities were recognized.</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Published by NL 19960626 19960411</td>
<td>Jefatural Resolution No. 013-96-AG-CONACS</td>
<td>Authorizes the National Society of Vicuña to export fiber of vicuña to Italy. 720 kilograms of a stock of 2640 kilograms by confiscation. The SNCV must obtain the permission of CITES through INRENA in order to export.</td>
</tr>
<tr>
<td>International level - CITES</td>
<td>10º. Conventio n 9-20 June 1997</td>
<td>Appendix II</td>
<td>Vicuñas that are included in Appendix II was amended to allow countries members of the Vicuña Convention to trade in luxury handicrafts and knitted articles made of wool sheared from live vicuñas from Appendix-II populations, and to replace the words VICUÑANDES-CHILE&quot; and VICUÑANDES-PERU&quot; by the words VICUÑACOUNTRY OF ORIGIN&quot;. Fue aprovada la modificacion de la marca para comercializacion</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Published by NL 19970207 19970206</td>
<td>Ministerial Resolution No. 0032-97-AG</td>
<td>VICUÑACOUNTRY OF ORIGIN™. Modification and Brand for commercialization of products from vicuña fiber. Modification from VICUÑANDES PERU to VICUÑA PERU utilizing the same logo was approved, along with. VICUÑA PERU ARTESANIA.</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 19970524</td>
<td>Jefatural Resolution No. 011-97-AG-CONACS</td>
<td>It authorizes the communities and/or associative rural businesses the start of the annual campaign of capture and shearing of alive vicuñas</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Published by NL 19970613 19970610</td>
<td>Ministerial Resolution No. 0246-97-AG</td>
<td>Made official the IV International Festival of the Vicuña in Ayacucho. June 22nd to 25th, 1997, National Reserve Pampas Galeras – Ayacucho. CONACS will present report</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Published NL 19970906 19970829</td>
<td>Ministerial Resolution No. 0363-97-AG</td>
<td>Approved the modification and brand for commercialization of products from vicuña fiber. Modification of VICUÑANDES PERU to VICUÑA PERU utilizing the same logo as well as the use of VICUÑA PERU ARTESANIA. CONACS must register the brand nationally (Indecopi) and internationally. CONACS is the holder of the brand VICUÑA – PERU, which properly recorded and registered in the National institute of Defense of Competition and of the Protection of the Copyright – INDECOPI, by the Certificate N-047664, sheet No 174, Expedient</td>
</tr>
<tr>
<td>National -</td>
<td>Ministry</td>
<td>Resolution</td>
<td>Action</td>
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</tr>
<tr>
<td>Peruvian</td>
<td>Resolution No. 0447-97-AG</td>
<td>Approved the donation of a small Toyota truck Association of Vicuñas of the Lima region by SNCV.</td>
<td>1998/008848-1998/OSD-INDECOPI, aprobada por Resolución Ministerial No. 0363-97-AG</td>
</tr>
<tr>
<td>Government</td>
<td>NL 19971114 19971111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National -</td>
<td>Resolution No. 013-98-AG - CONACS</td>
<td>Authorized the start of campaign of capture and shearing of live vicuñas with to transform and commercialize vicuña fiber. May 15th to Nov 15th, 1998. Center of collection the SNCV, CONACS supervises</td>
<td>Autorizan el inicio de Campana de Captura y Esquila de Vicuñas vivas con fines de transformación y comercialización de fibra de vicuña. 15 de mayo al 15 de noviembre de 1998. Centro de acopio la SNCV, CONACS supervisa</td>
</tr>
<tr>
<td>Peruvian</td>
<td>NL 19980522 19980505</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National -</td>
<td>Resolution No. 0510-98-AG</td>
<td>Made official the meeting of technical administrator commission of the XVIII Agreement for the Conservation and Management of the Vicuña in Huancayo</td>
<td>Oficializan reunión de comisión técnica administradora del XVIII Convenio para la Conservación y Manejo de la Vicuña, a realizarse en Huancayo</td>
</tr>
<tr>
<td>Peruvian</td>
<td>NL 19980604 19980528</td>
<td></td>
<td></td>
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<tr>
<td>Peruvian</td>
<td>NL 19990126 19991125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>The Supreme Decree No. 053-2000-AG</td>
<td>Allows the utilization of the vicuñas and guanacos from individuals whose naturalization and jurisdiction differs from Peasant Communities, under the modality of custody with major supervision and control of the State. The beneficiaries</td>
<td>Permite el uso de vicuñas y guanacos de individuos que tienen la naturalizacion y jurisdicción diferente de las comunidades campesinas, bajo la supervicion y control del Estado. Los beneficiados de esta modalidad, comunidades campesinas, pueden acopiar, transformar y comercializar la</td>
</tr>
</tbody>
</table>
from this modality, Peasant Communities, can gather, transform, and commercially trade the vicuña fiber. They are authorized to only use the trade mark (Vicuña-Peru) for commercialization purposes of the fabric.

<table>
<thead>
<tr>
<th>National - Peruvian Government</th>
<th>NL 20000322 20000316</th>
<th>Ministerial Resolution No. 0146-2000-AG</th>
<th>Authorized CONACS to enumerate the national population of vicuñas, starting in May and conducted jointly with the SNCV with signed agreement. INRENA supervises</th>
</tr>
</thead>
<tbody>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20010419</td>
<td>Supreme Decree No. 020-2001-AG</td>
<td>Approved the regulation of the organization and functions of CONACS</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20020517 20020502</td>
<td>Ministerial Resolution No. 0447-2002-AG</td>
<td>Made official the &quot;IX International Festival of the Vicuña&quot; and “X National Chaccu of Vicuña” in Ayacucho. June 22nd to 24th, 2002</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20031026 20031020</td>
<td>Jefatural Resolution No. 115-2003-AG-CONACS</td>
<td>Updated the panel for Control and Guarding of the South American wild camélids, Vicuña and Guanaco. The panel included CONACS, Interior Ministry, Defense, Economy and Finances, Foreign Affairs, Education, Public, the Judicial Power, the National Supervision of Tax Administration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nacional - Gobierno Peruano</th>
<th>NL 20000322 20000316</th>
<th>Resolución Ministerial No. 0146-2000-AG</th>
<th>Autorizan al CONACS para que realice evaluación poblacional de vicuñas existentes a nivel nacional. La segunda. En 3 meses a partir de mayo y conjuntamente con la SNCV mediante un convenio. INRENA supervisará.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nacional - Gobierno Peruano</td>
<td>NL 20010419</td>
<td>Decreto Supremo No. 020-2001-AG</td>
<td>Se aprueba el reglamento de organización y funciones del CONACS</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Supreme Decree No. 004-2004-AG</td>
<td>Recognized promotion of vicuña fiber production as in the national interest as is anything regarding VICUÑA - PERU and VICUÑA PERU – ARTESANIA sign</td>
<td></td>
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</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Supreme Decree No. 008-2004-AG</td>
<td>Modified articles of the Regulation of the Law 26496 of the state of property, commercialization and sanctions for poaching of the species of vicuña, guanaco and its hybrids. Law 26496. Articles that are modified: 4, (to reinforce coordination between CONACS and INRENA); 22, 30, 31, 32, 33, 34, that limit the right to free association and to free enterprise, eliminated some types of monopoly by the SNCV. The State will provide for a specific limited time the liberty to use the brand VICUÑA PERU and/or VICUÑA PERU - ARTESANIA to the transforming businesses and commerce business of vicuña products</td>
<td></td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Ministerial Resolution No. 0304-2004-AG</td>
<td>Made official the &quot;XI International Festival of the Vicuña&quot; and “XII National CHACCU of Vicuñas” to be carried out in National Reserve Pampas Galeras-Ayacucho. June 22nd to 24th, 2004</td>
<td></td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 22050125</td>
<td>Supreme Decree No. 006-2005-AG</td>
<td>Modified Art. 30 of the Regulation of the Law of the state of property, commercialization and sanctions for poaching of the species of vicuña, guanaco and their hybrids. Law 26496. Art. 30: Licensed the following brands: VICUÑA – PERU to the industrial textile businesses, VICUÑA PERU – ARTESANIA to craft businesses. Both must comply with the CONACS requirements and CONACS must verify them to approve them. For a specific period, by a specific limited time</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20050301 20050224</td>
<td>Ministerial Resolution No. 0241-2005-AG</td>
<td>Approved the Agreement for Use License of VICUÑA – PERU brand, signed by between CONACS and the business Incalpaca TPX INC from February 8, 2005, until June 7, 2007</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>Supreme Decree No. 052-2005-PCM</td>
<td>The Sectorial Competitiveness Transfer Plan to the 2005 Regional and Local Governments was approved. It transferred the functions</td>
<td>Se aprobó el Plan de Transferencia de Competencias Sectoriales a los Gobiernos Regionales y Locales del año 2005. Debe transferirse las funciones</td>
</tr>
<tr>
<td>Source</td>
<td>Date</td>
<td>Document Type</td>
<td>Title</td>
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<tr>
<td>National - Peruvian Government</td>
<td>NL 20060706</td>
<td>Supreme Decree No. 037-2006-AG No longer active</td>
<td>Approved the Regulation of Organization and Functions of the National Counsel of South American Camelids CONACS. Revocation the Supreme Decree No. 020-2001-AG and the articles 3, 4, 5, 6 and 7 of the Supreme Decree No. 026-92-AG and everything that is not included in the present Supreme Decree</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20060727 20060717</td>
<td>Jefatural Resolution No. 108-2006-AG-CONACS</td>
<td>Exonerated of selection processes the eucalyptus posts acquisition for construction of vicuñas fences in the Peasant Communities of Colca and Huaroccoy</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20060824 20060823</td>
<td>Ministerial Resolution No. 1111-2006-AG</td>
<td>Established the main institutional headquarters of the National Counsel of South American Camelids CONACS in the city of Puno to improve the development of its mission</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 2006 Supreme Decree No. 068-2006-AG</td>
<td>Established that the transfer of the specific functions, funds, programs, and projects to the regional governments must be completed by December 31st, 2007.</td>
<td>Establece que al 31 de diciembre del 2007 debe culminarse con la transferencia de las funciones específicas, fondos, programas y proyectos a los gobiernos regionales</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20070222 Supreme Decree No. 012-2007-AG</td>
<td>Fused the General Direction of Agrarian Promotion and in the INRENA diverse Directions and Units of the National Counsel of South American Camelds CONACS in response to the Law of Modernization of State Management No. 27658 Art. 6. Time limit of 60 days from the present norm.</td>
<td>Fusionan en la Dirección General de Promoción Agraria y en el INRENA diversas Direcciones y Unidades del Consejo Nacional de Camélidos Sudamericanos CONACS. Por Ley de Modernización de la Gestión del Estado No. 27658 Art. 6. Plazo de 60 días a partir de la presente norma.</td>
</tr>
<tr>
<td>National - Peruvian Government</td>
<td>NL 20070303 Supreme Decree No. 014-2007-AG</td>
<td>Named the functions of entities involved in the fusion by absorption of CONACS with the General</td>
<td>Precisan funciones de entidades involucradas en la fusión por absorción del CONACS con la Dirección</td>
</tr>
</tbody>
</table>
Direction of Agrarian Promotion that took charge of promoting and supervising the processes and the activities related to the production, improvement, transformation and commercialization of the South American domestic camelids. INRENA that will assume the management of the Units of the CONACS responsible for establishing norms for, to advice, to arrange and to supervise the activities and procedures related to the conservation and sustainable use of the South American wild camelids. Also, INRENA will return to be take charge of CITES administration and to represent the country. It should not exceed of October 31, 2007

| National - Peruvian Government | Ministerial Resolution No. 297-2007-AG | Approved the Agreement for Use License of VICUÑA – PERU brand, subscribed between CONACS and CAPCA TEXTILES ANDINOS. Agreement beginning March 19, 2007. There is no limit time in the document |
---|---|---|
| | | General de Promoción Agraria, que se encargara de promover y supervisar los procesos y las actividades relacionadas con la producción, mejoramiento, transformación y comercialización de los camélidos sudamericanos domésticos; y el INRENA asumirá las Direcciones y Unidades del CONACS encargada de normar, asesorar, concertar y supervisar las actividades y procedimientos relacionados a la conservación y aprovechamiento sostenible de los camélidos sudamericanos silvestres. Por ser camélidos silvestres. También INRENA volverá hacerse cargo de administrar CITES y representar al país. No debe exceder del 31 de octubre del 2007 |

Aprueban Convenio de otorgamiento de Licencia de Uso de marca VICUÑA- PERU, suscrito entre el CONACS y CAPCA TEXTILES ANDINOS (Consortio de Asociaciones de Productores de Camélidos Andinos). Convenio suscrito el 19 de marzo del 2007. No se expresa fecha límite.
| Agrarian Promotion of the Department of Agriculture, the functions of Executive President of the National Counsel of South American Camelids – CONACS until appoint the holder | funciones de Presidente Ejecutivo del Consejo Nacional de Camélidos Sudamericanos – CONACS hasta que designe el titular |
APPENDIX B. GRAPHICS AND TABLES

Table 4: South America: Population of Andean Camelids (2000)

<table>
<thead>
<tr>
<th>Species</th>
<th>Estimated Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpaca</td>
<td>3,750,000</td>
</tr>
<tr>
<td>Llama</td>
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Source: CONACS, 2000

Table 5: Distribution of Vicuña by country 2000

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Source: CONACS, 2000

Table 6: Distribution of Vicuña by country 2002

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Source: CONACS, 2002
Graphic 1: Distribution of Vicuña by country 2002

Source: CONACS, 2002

Table 7: National Population of Vicuñas: Census 2000

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Source: CONACS, 2000

Source: CONACS, 2002


Source: CONACS, 2000
Graphic 4: Vicuña Population Projected in Peru by 2010

Source: Census of vicuñas, 2000. CONACS

Graphic 5: Private versus State Location of Vicuñas in Peru

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Source: CONACS 2002
Table 8: Distribution of Vicuñas in Private Properties

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Source: CONACS 2002

Graphic 6: Distribution of Vicuñas in Private Properties

Source: CONACS 2002
Table 9: AVIGSCIA Production 2006

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<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/2/2006</td>
<td>Llullucha</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/3/2006</td>
<td>Huaraya</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>10/4/2006</td>
<td>Masccontayocc</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/5/2006</td>
<td>Paltarami</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/12/2006</td>
<td>Achiyocc</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>14</td>
<td>2.816</td>
</tr>
<tr>
<td>8/19/2006</td>
<td>Huaylla Pampa</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/14/2006</td>
<td>Casco Chico</td>
<td>4</td>
<td>6</td>
<td>10</td>
<td>2</td>
<td>0</td>
<td>12</td>
<td>20</td>
<td>2.083</td>
</tr>
<tr>
<td>10/15/2006</td>
<td>C.P. Lucanilla</td>
<td>38</td>
<td>18</td>
<td>56</td>
<td>109</td>
<td>10</td>
<td>119</td>
<td>175</td>
<td>36.542</td>
</tr>
<tr>
<td>10/16/2006</td>
<td>Vacahuasi</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/18/2006</td>
<td>Patanumi</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td>10/19/2006</td>
<td>Antapampa</td>
<td>5</td>
<td>3</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>14</td>
<td>2.330</td>
</tr>
<tr>
<td>10/20/2006</td>
<td>Esquina Corral</td>
<td>5</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>0</td>
<td>13</td>
<td>13</td>
<td>2.444</td>
</tr>
<tr>
<td>8/25/2006</td>
<td>Jassu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>949</td>
<td>428</td>
<td>1377</td>
<td>1049</td>
<td>286</td>
<td>1335</td>
<td>2712</td>
<td>508.239</td>
</tr>
</tbody>
</table>

Source: Peasant Community of San Cristobal
Legend:
V.M.A. Esq. = Adult male vicuña sheared
V.M.J. Esq. = Young male vicuña Sheared
Total V.M. Esq. = Total male vicuña Sheared
V.H.A. Esq. = Adult female vicuña Sheared
V.H.J. Esq. = Young female vicuña Sheared
Total V. H. Esq. = Total female vicuña sheared
Total V. Esp. = Total vicuña sheared
### Table 10: Historical Data of Commerce (1994-2002)

<table>
<thead>
<tr>
<th>Year</th>
<th>Association Participation Agreement</th>
<th>Fiber Agreement for selling (Kg)</th>
<th>Fiber</th>
<th>Price (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>SNV and IVC</td>
<td>2000</td>
<td>Dirty</td>
<td>300</td>
</tr>
<tr>
<td>1994</td>
<td>SNV and IVC</td>
<td>400</td>
<td>Fabric</td>
<td>200</td>
</tr>
<tr>
<td>1995</td>
<td>SNV and IVC Primer Addendum</td>
<td>100</td>
<td>Cleaned and washed fiber (Include US$10 for cleaning process and/or US$ 68 for cleaning and washed process)</td>
<td>434</td>
</tr>
<tr>
<td>1995</td>
<td>SNV and IVC</td>
<td>50</td>
<td>SNV and IVC 918 (1994) Vicuña fiber (additional of US$ 68 for cleaned and/or washed each kg.)</td>
<td>434</td>
</tr>
<tr>
<td>1995</td>
<td>SNV and IVC</td>
<td>1500 (1995)</td>
<td>SNV and IVC 918 (1994) Vicuña fiber (additional of US$ 68 for cleaned and/or washed each kg.)</td>
<td>434</td>
</tr>
<tr>
<td>1998</td>
<td>SNV and IVC Third Addendum</td>
<td>1534, 408 (1996, 1997)</td>
<td>Pre-cleaning fiber</td>
<td>308</td>
</tr>
<tr>
<td>1998</td>
<td>SNV and IVC</td>
<td>2500 (1998)</td>
<td>Pre-cleaning fiber ( is paid 115.95% of the base price plus the hand work US$60)</td>
<td>308</td>
</tr>
<tr>
<td>2002</td>
<td>SNV and IVC Fourth Addendum</td>
<td>All production of the campaign 2001 to 2003</td>
<td>Pre-cleaning fiber (include the additional of US$60 for each kg. of pre-cleaning fiber)</td>
<td>385</td>
</tr>
</tbody>
</table>

Source: CONACS 2005

### Table 11: Characteristics of Top fibers

<table>
<thead>
<tr>
<th>Fiber</th>
<th>Microns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vicuña</td>
<td>10-15</td>
</tr>
<tr>
<td>Alpaca Baby</td>
<td>22,5</td>
</tr>
<tr>
<td>Alpaca Suri</td>
<td>26</td>
</tr>
<tr>
<td>Alpaca Superfina</td>
<td>26,5</td>
</tr>
<tr>
<td>Yak</td>
<td>19-21</td>
</tr>
<tr>
<td>Cashmere</td>
<td>15-19</td>
</tr>
<tr>
<td>Mohair Kid</td>
<td>25</td>
</tr>
<tr>
<td>Mohair Young</td>
<td>28</td>
</tr>
<tr>
<td>Mohair Adult</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Maximize, 2003 used by CONACS
Table 12: Annual Registry of Capture and Production of vicuña fiber in Chile (1999-2004)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sheared Vicuñas</th>
<th>Production of fiber (Kg)</th>
<th>Profit (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>86</td>
<td>17,7</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>147</td>
<td>24,6</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>185</td>
<td>58,6</td>
<td>45,693*</td>
</tr>
<tr>
<td>2002</td>
<td>243</td>
<td>74,1</td>
<td>37,160</td>
</tr>
<tr>
<td>2003</td>
<td>392</td>
<td>113,1</td>
<td>58,000</td>
</tr>
<tr>
<td>2004</td>
<td>334</td>
<td>99,1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,387</td>
<td>387,2</td>
<td>140,853</td>
</tr>
</tbody>
</table>

*Selling Total: 1999 al 2001


Graphic 7: Production of Vicuña Fiber in the World in 2001 (kilograms)

Source: CONACS
Table 13: Prices of Top Fibers

<table>
<thead>
<tr>
<th>Fiber</th>
<th>Microns</th>
<th>Top Price/ (US$/Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vicuña</td>
<td>10-15</td>
<td>850</td>
</tr>
<tr>
<td>Alpaca Baby</td>
<td>22.5</td>
<td>14.0</td>
</tr>
<tr>
<td>Alpaca Suri</td>
<td>26</td>
<td>13.0</td>
</tr>
<tr>
<td>Alpaca Superfina</td>
<td>26.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Yak</td>
<td>19-21</td>
<td>19.0</td>
</tr>
<tr>
<td>Cashmere</td>
<td>15-19</td>
<td>80.0</td>
</tr>
<tr>
<td>Mohair Kid</td>
<td>25</td>
<td>27.0</td>
</tr>
<tr>
<td>Mohair Young</td>
<td>28</td>
<td>21.0</td>
</tr>
<tr>
<td>Mohair Adult</td>
<td>35</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Source: Maximize, 2003 used by CONACS

Graphic 8: History of National Production 1994 to 2001

Source: CONACS
Graphic 9: History of National Production 2000 to 2004

Source: CONACS

Graphic 10: History of Production in Lima 1995 to 2005

Source: CONACS

<table>
<thead>
<tr>
<th>Fiber</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>0.000</td>
<td>277.872</td>
</tr>
<tr>
<td>Dirty</td>
<td>2401.675</td>
<td>178.235</td>
</tr>
<tr>
<td>Pre-cleaning</td>
<td>1613.684</td>
<td>1025.579</td>
</tr>
<tr>
<td>Cleaning</td>
<td>100.000</td>
<td>6.352</td>
</tr>
</tbody>
</table>


Graphic 12: Garments for Export 2004 - 2005

<table>
<thead>
<tr>
<th>Product</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layer Capas</td>
<td>65</td>
<td>39</td>
</tr>
<tr>
<td>Jacket Casacas</td>
<td>8</td>
<td>103</td>
</tr>
<tr>
<td>Scarf Bufandas</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Stole Estolas</td>
<td>76</td>
<td>6</td>
</tr>
<tr>
<td>Fabric</td>
<td>65</td>
<td>43</td>
</tr>
<tr>
<td>Gloves Lining</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Table 14: Production for Campaign 2006

<table>
<thead>
<tr>
<th>Nº</th>
<th>Region</th>
<th>Operatives</th>
<th>Captured Vicuñas</th>
<th>Sheared Vicuñas</th>
<th>Weigh (Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apurimac</td>
<td>25</td>
<td>1530</td>
<td>458</td>
<td>141.090</td>
</tr>
<tr>
<td>2</td>
<td>Arequipa</td>
<td>35</td>
<td>2605</td>
<td>1038</td>
<td>205.294</td>
</tr>
<tr>
<td>3</td>
<td>Ayacucho</td>
<td>299</td>
<td>33469</td>
<td>12750</td>
<td>2507.430</td>
</tr>
<tr>
<td>4</td>
<td>Cuzco</td>
<td>35</td>
<td>1147</td>
<td>616</td>
<td>128.169</td>
</tr>
<tr>
<td>5</td>
<td>Junin</td>
<td>55</td>
<td>5967</td>
<td>3075</td>
<td>457.425</td>
</tr>
<tr>
<td>6</td>
<td>Huancavelica-Ica</td>
<td>34</td>
<td>3965</td>
<td>1808</td>
<td>332.091</td>
</tr>
<tr>
<td>7</td>
<td>Puno</td>
<td>86</td>
<td>12303</td>
<td>4342</td>
<td>792.644</td>
</tr>
<tr>
<td>8</td>
<td>Coordination of Lima</td>
<td>14</td>
<td>807</td>
<td>380</td>
<td>70.614</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>583</strong></td>
<td><strong>61793</strong></td>
<td><strong>24467</strong></td>
<td><strong>4634.757</strong></td>
</tr>
</tbody>
</table>

Source: CONACS

### Table 15: Projection of the Production for Campaign 2007

<table>
<thead>
<tr>
<th>REGION</th>
<th>CUSCSS Nº</th>
<th>Fiber Production Kg.</th>
<th>Vicuñas for shearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANCASH</td>
<td>2</td>
<td>50</td>
<td>200</td>
</tr>
<tr>
<td>LA LIBERTAD</td>
<td>3</td>
<td>75</td>
<td>300</td>
</tr>
<tr>
<td>CAJAMARCA</td>
<td>3</td>
<td>75</td>
<td>300</td>
</tr>
<tr>
<td>LIMA</td>
<td>25</td>
<td>375</td>
<td>1875</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>33</strong></td>
<td><strong>575</strong></td>
<td><strong>2,675</strong></td>
</tr>
</tbody>
</table>

Source: CONACS
Table 16: Poaching of Vicuña (1989-2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Poaching</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>21867</td>
</tr>
<tr>
<td>1990</td>
<td>20346</td>
</tr>
<tr>
<td>1991</td>
<td>18822</td>
</tr>
<tr>
<td>1992</td>
<td>17301</td>
</tr>
<tr>
<td>1993</td>
<td>15780</td>
</tr>
<tr>
<td>1994</td>
<td>145</td>
</tr>
<tr>
<td>1995</td>
<td>1186</td>
</tr>
<tr>
<td>1996</td>
<td>791</td>
</tr>
<tr>
<td>1997</td>
<td>501</td>
</tr>
<tr>
<td>1998</td>
<td>296</td>
</tr>
<tr>
<td>1999</td>
<td>319</td>
</tr>
<tr>
<td>2000</td>
<td>357</td>
</tr>
<tr>
<td>2001</td>
<td>423</td>
</tr>
<tr>
<td>2002</td>
<td>960</td>
</tr>
<tr>
<td>2003</td>
<td>620</td>
</tr>
<tr>
<td>2004</td>
<td>1305</td>
</tr>
<tr>
<td>2005</td>
<td>239</td>
</tr>
</tbody>
</table>

Source: CONACS


Source: CONACS
APPENDIX C: CCUSCSS AND MEMBERS

A. President:
   
   - Can be a man or a woman. The president is the official representative of the CCUSCSS before governmental and non-governmental organizations.
   
   - He/she will manage CCUSCSS and organize the general assembly, including public and private institutions and the Regional Committee of Vicuña Fiber Producers in order to present protections, actions, management, and use of wild camelids in the territory of the jurisdiction of the committee.
   
   - He/she should be able to strengthen the capacity of the organization, management of the business, use and transfer of technology, plans of management, etc. in order to bring benefits to the families of the community.
   
   - The president must present the annual plan to the general assembly to be approved.
   
   - The annual plan should present control and caution actions, mode of fiber commercialization, training, technical assistance, and reinvestment of the profit.
   
   - He/she should enter into agreements and contracts in order to strengthen the rural institutions for preserving, managing, and using the species.
   
   - He/she must inform the General Assembly periodically on the actions and management carried out.
   
   - He/she must request the official recognition of the committee from CONACS.
   
   - He/she must accomplish all the tasks and functions that the General Assembly delegates.

B. Vice-president: He/she must replace the president if it is needed.

C. Secretary
   
   - He/she must keep in custody the minute’s book of the committee and it must be legalized.
   
   - He/she must register every meeting and organize it.
   
   - He/she must keep agreements, minutes, contracts, and all documents from the committee.
- He/she must read the last minutes for approval and signature of the members.
- He/she must follow orders from the committee’s president.

D. Treasurer
- He/she manages economically and financially the committee’s funds
- He/she must register in a legalized book all movements of income and expenses of the committee
- He/she with committee’s president should open an account for transparent management
- He/she must present the economic status and the balance to the General Assembly or when it is required, for their knowledge and approval.
- He/she must deposit income that committee assigns, those could come from commercialized fiber, donations, or legacies from public or private entities
- He/she must use money for protection, management, and sustainable use of vicuña
- He/she must follow the committee president’s or the General Assembly’s arrangements

E. Vocal
- He/she must assume any role or position and its functions if it is the case that the official member is not present or was removed from the position. The assembly will assign a new member, if it is the case, and the new member will have the position until the period finishes

F. Fiscal
- He/she must control, supervise, and audit the committee and its members’ actions
- He/she must inform the General Assembly on the committee management, periodically

He/she must develop all the functions entrusted by the Assembly and the President.
APPENDIX D. CAMPAIGNS OF COMMODITY CHAIN OF VICUÑA FIBER

Campaign 2006: Vicuña fiber sold

- SVA – Ayacucho: 1,850.978 kg. of pre-cleaning fiber: $400.00/kg. (IVC Italy).
- SAIS Tupac Amaru: 68.205 kg. of pre-cleaning fiber: $400.00/kg. (IVC-Italy)
- PROSUR: 380.292 kg. of pre-cleaning fiber: $507.00/kg. (Shneider-Italy). 277.872 kg. of short fiber: $70.00/kg.

Campaign 2007: Projection of Vicuña Fiber Sold

- SVA – Ayacucho: 825.102 kg. of vicuña fiber, pre-cleaning: $400.00/kg (IVC Italy).
- CAPCA: 70.457 kg. of pre-cleaning fiber: $507.00/kg (Luc Italy). 409 kg. of dirty fiber: $437.00/kg. (Z. Hinchlife-England)
APPENDIX E. PROPOSAL FOR PROVINCES OF LIMA

- Multicomunal 1: Tupe, Cachuy, Pampas.
- Multicomunal 2: Rapaz, Huancahuasi
- Multicomunal 3: Utcas, Cajamarquilla, Cochas
- Multicomunal 4: Florida, Ortigal, Viñac, Tayamarca
- Multicomunal 5: Cochamarca, Yarucaya, Navan, Caujul.
- Multicomunal 6: Tauripampa, Allauca, Aucampi, Porococha.
- Multicomunal 7: Pilas, Ayaviri, Quinches, Huañec
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