

Wageningen University and Research Centre

# The gift of the middleman

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An ethnography of quinoa trading  
networks in Los Lipez of Bolivia

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## **My greatest appreciation...**

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## **Executive summary**

This paper is a response to the lack of in-depth understanding of local context within political economy perspectives. The regional quinoa economy is ethnographically researched to identify the intra-communal differentiation amongst actors to demonstrate that actors make market decisions based on their personal values, economic return, personal desires, and life strategy. In addition to addressing the over-generalised history of political economy, this study supports the movement towards an anthropology of development; an anthropology in which research is carried not only for the benefit of anthropological knowledge, but for a real contribution to knowledge of development policies and projects outcomes.

It is found that following harvest, quinoa farmers are faced with the possibility of selling to several possible buyers. Farmers weigh economic outcomes against non-market interests in making their decisions. Producers do not strictly follow standard micro-economic logic, but consider other factors such as personal history with the buyer, provision of services (including the possibility of bartering, provision of credit, and timeliness of payment), personal attachment to the quinoa, and standards demanded by buyers. Due to the advantages and disadvantages of each buyer and the differing values and resources of each farmer, the final picture is quite complex; buyers and sellers are engaged in a seemingly endless dance in which partners are traded and tempos are in flux.

The evidence shows that quinoa is purchased in San Agustin (the community researched) by intermediaries, cooperatives, and local companies. The local companies process quinoa to be sold locally and internationally and the cooperatives take the purchased quinoa to their processing facilities in Uyuni or Challapata to be processed and exported. Intermediaries bring quinoa to Challapata, the central quinoa market of Bolivia, where it is sold to other intermediaries. Challapata-based intermediaries then either sell directly to companies or bring quinoa to markets in Bolivia (Cochabamba, Sucre, La Paz, El Alto, Potosi, and Oruro) and on the border with Peru (Desaguadero). Most quinoa at the Challapata market comes from a different quinoa growing region, Salinas, and the majority of quinoa from Los Lipez is sold to cooperatives.

## The Gift of the Middleman

This research shows the importance of social themes in economic transactions: Farmers consider the life-story of quinoa when making market decisions, do not sell to cooperatives because of strict rules, and sell at lower prices to intermediaries because of services rendered. On the theme of regional economies, it is demonstrated that an interesting result of the commercialisation of quinoa has been the increasing importance of and pride in the Los Lipez region to Lipeño products.

It is also apparent from field research that quinoa is not only a commodity, but can be considered in some sense to be more closely related to Marcel Mauss' idea of "The Gift" economy. Though not a pure gift economy any more than a pure market economy, some farmers are attached to their quinoa and this relationship extends past its sale to the final consumer. A certain group of producers choose not to sell to intermediaries because the quinoa would eventually be sold in Peru as Peruvian quinoa while others will not sell to cooperatives because their quinoa would be mixed with Salinas quinoa and sold as "Bolivian" rather than "*Lipeña*."

It is concluded that quinoa farmers receive various benefits from the different buyers and that each farmer makes selling decisions based on these benefits weighed against his own values and resources. Those who sell to intermediaries are not considered to be exploited or oppressed, but making a conscious decision to sell. Equally, those who are selling to cooperatives are not considered to be better off solely based on this fact, rather they live in a different context than other farmers. Finally, it is suggested that intermediary-based trade is a welcome trade for consumers who are able to buy quinoa at a cheaper rate than if they were to purchase from quinoa companies in Bolivia. It is also interesting that the regional quinoa economy is based on intermediary trade while the international trade is governed by cooperatives and international companies; this fact may complicate ideas of a more just local economy juxtaposed against an opposition of middlemen.

## Chapter One: Introduction

### Introduction

Following the rise of organic, slow food, and fair trade movements the market for commodities has become more complex. Consumers can now purchase products based on more than just price. A shopper may prefer apples grown locally or bananas grown organically. But what of the producer? A farmer also has a choice of what to produce, how to produce it, and how to market their product. The central theme of this thesis is that farmers are in fact continuously making these decisions based on their desires, needs, and resources and they utilise multiple logics to defend their decisions. A decision is not based only on the market, but a wider context that includes relationships and regionality. This thesis will analyse the domestic market for quinoa in Bolivia from the perspective of one town located in the southwest of the country. In ethnographically researching this situation I have removed stereotypes of communities as cohesive units and of intermediaries as predatory actors.

The intermediary in commodity trade is often portrayed, particularly in fair trade literature, as a deceptive and cunning figure who takes advantage of underprivileged farmers. The intermediary is depicted as an entity that must be removed from the commodity network to improve the position of farmers and to “cut the links” of the commodity chain. Removing the intermediary from trade is championed as a solution to low commodity prices, increasing farmer independence and removing an unsavoury character from commodity trade (Daviron and Ponte, 2005; Reynolds, 2002). Policies have been put in place to create direct trade between consumers and producers (Leon et al, 2003). The perception of intermediaries as “coyotes” can be based on previous generalisations or upon specific instances that lead to sweeping statements. Regardless of the origin, these perceptions lead policy makers to believe that intermediaries must be “cut out” –a direct reference to commodity chains, I believe - so that farmers will be more directly associated with consumers. I contend that the situation is not quite so simple and the concept of the intermediary goes beyond a link in a commodity chain. This thesis shows that one cannot take a global view on topics that vary from locality to locality. The impact of and reason for intermediaries cannot be viewed as a global issue,

but must be seen as a question of the local context in which actors are imbedded. It is too simplistic to make assumptions of the local based on a global situation (if the concept of a global situation indeed exists); let this be a call for a more complex and realistic analysis of the local context of situations and not a field of blanket assumptions.

The role of intermediaries is too often tied up in their place within the commodity chain, as procurers and sellers of goods. Is it possible to consider them as negotiators between different production and consumption spheres? As in the case of Ecuadorian art intermediaries (Collredo-Mansfeld, 2009), middlemen can act as conveyers of material things and of cultural value from one sphere to another; these intermediaries purchase in the local market and then sell to tourists at markets in Quito. The artwork is effectively removed from the local sphere and brought into an entirely different one in Quito. There is a similar situation in Bolivia. Intermediaries may purchase in a small town in southwestern Bolivia and then sell the quinoa in Challapata. From a supply chain perspective it is apparent that intermediaries are suppliers of goods to actors further “up” on the chain. Alternatively, one can imagine these men and women as translating goods from one sphere to another. They do their purchasing in one context, then sell in another. These two acts are not necessarily part of an organised chain, but rather a transfer of goods and in some cases social value from the sphere of farmers or artists to the sphere of cities or towns. In this line of thought, the intermediary becomes the consumer in the farmer’s context and the producer according to urban consumers and is no longer a link in the chain. This research seeks to study actors in the context of quinoa trade as active participants in the quinoa life-sphere. This entails taking actors as subjects in the study, not as anonymous people. The individuals have unique life-stories and struggles that they deal with from day to day and the struggle for the attainment of their needs and desires affect their economic and social decisions in a way that they may not understand as either social or economic. It is an “entanglement of social logics” (Olivier de Sardan, 2005) which actors consider in charting their own path through life. This paper will therefore take actors on as subjects and objects within their own life-spheres.

It is evident from existing research that intermediaries play an important role in commodity trade in Bolivia. Arce (2009a) and Collredo-Mansfeld (2010) have presented evidence of farmers and craftsmen who value the role of intermediaries within

communities, but more evidence can be useful to dispelling prevailing assumptions towards intermediaries. This role is not only that of buyer of commodities, but as creditor and trader, roles of great importance in the more isolated of Bolivian communities (Pinget and van der Heyden, 1994; León and Vázquez, 2003). In addition to this, intermediaries commonly have origins in the communities in which they purchase quinoa (León et al, 2003; Egoavil Arce, 1983). Perhaps not unrelated to this, in lieu of the term coyote, intermediaries are often referred to as *rescatiris*, a term that can be translated as someone who trades or barter for gold or other expensive goods (Real Academia Espanola, 2007). One may infer from this that *rescatiris* are not perceived to be as malicious as in other contexts (such as coffee middlemen in Central America) or one may even question the attitude of farmers towards middlemen in these situations (see Arce, 2009a). A more nuanced account of them and the markets in which they operate is necessary to account for the role of the intermediary. This ethnographic study on the markets and actors involved in the domestic trade of quinoa was aimed at de-mystifying the intermediary, presenting an account of the intricacies of quinoa trade and advocating for an anthropological focus of commodity studies. This research is also intended to provide much needed information regarding quinoa markets for policy planners at non-governmental organisations, producer cooperatives and governmental bodies; the most recent study on this subject dates to 1994 (Pinget and van der Heyden) and is in need of updating to reflect the changing quinoa market and other contexts.

Despite a round of critiques (Arce and Marsden, 1993; Raynolds, 2002; Busch and Juska, 1997; Goodman and Dupuis, 2002), political economists' perspectives remain dominant in the field of commodity studies. Political economy has neglected the significance of local context in favour of a global perspective which is dominated by a single market. I shall argue, in agreement with Miller (2002), Arce (2009a), and Curry (2003), that commodity trade cannot be viewed solely from the perspective of the market, but must account for actors as individuals who perform according to their own struggles and desires with consideration for the values (economic or otherwise) that they apply to their lives. In this sense, this paper is an argument for the anthropological study of markets as a compliment to economic studies. Commodity studies can no longer afford to make assumptions encompassing global and national markets. Differentiation among



actors must be considered among even the smallest cohesive groups. Differentiation is an important aspect of many economic studies which focus on how an actor finds a niche and exploits it for the greatest profit; I seek a new understanding. Differentiation amongst actors exists not only for the achievement of greater profits, but often to accomplish diverse desires and hopes. An actor may take action in an irrational manner in regards to the market – selling at a cheaper price or choosing not to “add value” to a product – but act according to alternative logics. A farmer may prefer to sell to a certain business because she gets along well with the buyer or a consumer may choose to buy higher-priced corn because the package has an attractive label. These decisions are, strictly speaking, not rational economic decisions; they are based on logic alternative to the market. This study takes into account this model of the rational actor and recognises that actors may belong to different networks because such networks satisfy their desires and needs. Differentiation is not always done with a goal of “modernising” or “adding value.”

This investigation of southern Bolivian quinoa trade presents not only the current state of trade in the region, but also its historical underpinnings. A community of actors are no longer to be considered to be a static structure, but as a series of ever-changing groups, actors and networks. As Arce (2009a) has shown, a community is not immune to change and cannot be assumed to be functioning as a plural entity. This critical study of the trading network between quinoa farmers and intermediaries includes strategies of buying-selling, importance of relationship between actors, and the history of trade and of the community.

### **Anthropology of development**

This essay is a response to Arce and Long’s call for a “close-up investigation of the struggles, negotiations, contestations and accommodations that take place between differently located actors who draw upon different repertoires of assets, values and sets of social relations” (p. 5, 2010). What Arce and Long term “anthropology for development” is a means of using anthropological methods and theories to research the implications of public policies and situations of development; to provide information to improve livelihoods of the subjects of the research. These studies can also be used to further

develop anthropological methods and theories, as any other anthropological study would. Anthropology of development is moving past anthropology for the sake of knowledge to include anthropology for the purpose of utilization. The goal of this branch of anthropology is not to convert anthropologists into development workers. Policy makers are those who are likely to take action based on the findings, not anthropologists. Rather, the purpose is to focus research on the ethnographic study of outcomes and impacts of policies and projects. In regards to an anthropology of development, my research investigates the consequences of regional and intermediary-based trade for the actors involved (including producers, intermediaries and consumers).

A critical and even-handed review of the consequences of trade can be decisive in governmental and non-governmental policy formation. In past instances (Leon et al, 2003) governments have enacted projects aimed at cutting out intermediaries without fully understanding *why* farmers chose to sell to intermediaries or what role intermediaries played in the trade of commodities. Intermediary practices and the nature of quinoa trade must be understood in order to review past policies, react to current policies, and plan future policies. What I refer to in this paper as “policies” refers to a broad sense of the term. I take policy to be a term with which to conceptualise situations in which actors live. The case of intermediary-based trade, for example, is not a policy dictated by a government or an NGO, but can be read as a policy of reality. Rather, it is governed by the actors involved (farmers, intermediaries, market vendors, and consumers) and can be studied in the same way that a government imposed policy could be. This study also has implications for the future and necessity of fair trade quinoa, which is still in its infancy. As Olivier de Sardan (2005) suggests, anthropologists can analyse the impacts of development policies, projects, and situations, something development workers are often ill-equipped to do on their own. In this thesis I investigate the “entanglement of social logics” that gives context to the domestic quinoa market in Bolivia to better understand the farmers’ use of various market channels. The results can be used by policy makers to design policies that take into account farmers’ needs and desires.

In relation to this, I would contend that, in support of recent work by David Graeber (2009), anthropology cannot remain a neutral and antiseptic science. It is a

science that can and should be used for the betterment of the oppressed, suffering and “under-developed.” As Paulo Friere wrote, “Washing one’s hands of the conflict between the powerful and the powerless means to side with the powerful, not to be neutral” (1998). This is not to say that the anthropologist has a unique knowledge of who is the oppressed and the oppressor or to say that the anthropologist is somehow able to rise above the fray to “see the truth” of the situation. An anthropologist must be aware of how one’s work will be used following publication. A responsible anthropologist should orient her research towards benevolent means, not perform research for the single goal of knowledge. As Arce and Long have argued (2010), one no longer must separate knowledge for understanding and knowledge for action, but pursue the attainment of the two.

## **Current state of commodity studies**

### **Political economy**

Political economy, an approach exemplified in the work of Harriet Friedmann, takes the world market for a specific commodity or a broad range of commodities as a research unit. Within the broad frame of the global economy, a political economist finds differentiation in broad categories, such as *époques* of certain production regimes or rich and poor societies. In this manner, it is often observed how global structures (the market, etc) and processes (globalisation, etc) have affected production through years or decades. It is implied that the market is a deterministic structure which imposes its will upon actors. In addition to this, political policies are understood to determine the affects of the market, in this sense, one can conceptualise political economy as a comparative study on forms of government and a critique or appraisal of the market. The actor is conspicuously absent. Arce and Long (2010) draw an interesting remark comparing the seemingly diametrically opposed modernisation and Marxist theories; though they argue opposite conclusions, they do this from the same foundation – world system theory (what I refer to as political economy).<sup>1</sup> Marxism and modernisation theories essentially claim

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<sup>1</sup> This debate between world system theory or political economy and actor-oriented perspectives is a debate between structuralism and post-structuralism. This researcher follows the Wageningen actor-oriented tradition of post-structuralism in saying that grand social structures are not what drive actors’ lives, but that

that actors are part of a system in which they have little input towards their own fate. Their life is determined by factors outside of their control and any change in their lives requires a change in the system. Actor-oriented theorists suggest that actors are influenced by outside factors, but do have agency to determine how they will live.

Friedmann (1982) recounts the effects of low post-war grain prices in the “Third World” as a result of USA grain exports in a prominent essay on the “world food order.” The author describes economic consequences of cheap grain prices in a number of countries and describes changes in the internal structure of societies. The result is the sentiment that little social change or individual agency is possible in the global South without change in the political policy of the United States. Therefore, the actor’s decisions are determined in Washington, the only location of significant potential for change. In Friedmann’s study and its theoretical descendents, the global economy of goods is given singular importance in actor lifeworlds; in this manner non-economic values are completely disregarded and issues such as gender, social justice and environment are of little consideration. Political economists also assume all too easily that actors are homogenous within communities, states and societies – an assumption which allows researchers to make the aforementioned generalisations regarding actor decisions. The economic policies of the United States are influential and have enormously destructive potential, but this should not be assumed to have an all-encompassing effect on farmers worldwide. Farmers’ lives include more than market prices for commodities and their production and consumption decisions reflect this. It is my contention, with the support of fellow sceptics, that a new path can be found in which to approach commodity studies. This path must provide for differentiation, other logics than the strictly market-oriented and a greater importance of individual agency.

### **Supply chain management**

Responding to the broad focus of political economy, Lawrence Busch (2007) does away with macro and micro economics in favour of the supply chain as the unit of analysis. Busch avoids referring to terms such as the state, the corporation, and so forth,

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actors root their decisions in their immediate lived-in situations. In this manner, I refute the fact that a society or community can be based on community or based on the market. One cannot distill a complex situation into such a simple and comprehensive formula.

preferring to speak of individuals; for instance “the president of Corporation A said this” rather than “Corporation A said this.” Busch advocates following a single commodity from production to consumption, but focuses more on the object itself as well as the politics of the actors within the commodity chain. For instance, he states that political economy loses sight of nature and the environment by considering only economics. In one study, Canadian rapeseed has undergone a modification through its relationship with scientists, enabling a reduction in the level of acid in the seed and enabling its consumption (Busch and Juska, 1997). Their portrayal of seeds and scientists working collaboratively as actors draws on the work of Michel Callon (1986) and his work on French scallops and fishermen. Busch and Juska bring nature back into the study by considering the rapeseed as another actor, much as can be seen in the work of Callon.

In Busch’s own words, supply chain management is “performed on a stage in which the set, the actors, the actions, the theatre and even the audience are constantly under (re)construction, much as in the case of ‘improv’ theatre” (2007, pp. 460). Taken in this sense, intermediaries can be seen in a different light than that of political economy. They become actors within the supply chain and not cast off as externalities; Busch uses this perspective to deconstruct assumptions made in previous studies. Busch and Juska (1997), for example, demonstrate how Juan Valdez, the fictitious representative of the Colombian Coffee Growers Association, has been represented both as an idealistic version of a coffee farmer benefiting from the coffee trade and as an oppressed producer, but that in reality (or fictional reality) he is an actor who makes choices based upon the (limited) opportunities available to him.

Supply chain management is an essential step away from pure supply and demand economics, but it leaves some questions unanswered. Value remains dominantly economical, neglecting the impact of things such as social relations and non-economic values. In the case of Bolivian quinoa, it has been shown that familial and friendship relations may have much effect upon trading relations, even in the case of cash sales. Leon et al. (2003) have been shown that prices can depend upon familial and friendship relations with preferential prices and products available to relatives and friends. An intermediary can, in effect, ask for lower prices or higher quality goods because (s)he may be a godfather of a farmer’s son, in this light, Busch’s approach may be too focused

upon the individuals. In Busch's adherence to the actor network theory it is quite difficult to see the impact of family and community on social change and vice-versa. The result of this type of study is a snapshot, not a video of the whole. Also, as argued by Arce and Long (2010), the supply chain management approach depends too greatly on a linear representation of the market, as we also see in global value chain approaches (Daviron and Ponte, 2005). Presenting a linear market can dilute the importance of other routes or paths of commodities. To take the example of quinoa, an investigation into only intermediary-based trade would neglect both consumption of quinoa by farmers, the role of producer organisations, and the relation between them. Dismissing these commodity paths would disregard two prominent and provocative aspects of the domestic quinoa market in Bolivia.

### **Commodity network theory**

Commodity networks, building upon Appadurai's work on the "social life of things" (1986), the actor oriented approach (see Long, 1992) and the actor-network theory (see Latour, 1986), are a conceptualisation of commodities as socially constructed and politically dependent forms of social organisation and coordination (Arce and Marsden, 1993). A commodity network analysis begins with a specific commodity, the researcher then investigates the network of actors much as in the case of Appadurai's "social life of things" or Busch's supply chain management, the difference is the focus on political and social life of individuals; it also has a broader focus. Commodity networks tend to focus upon countertendencies, social and natural context of networks and struggles within networks. They take as primary importance "actors' social practices, everyday experiences and actions" and take as implicit "socially mediated processes of production and consumption...interfaces of different values...internalisation of new cultural perceptions of health and the environment...and unintended consequences of production and consumption" (Arce and Marsden, 1993, pp. 308-309). Critics of commodity networks include an overly anthropocentric focus, denying the importance of nature (Busch and Juska, 1997) and a lack of attention paid to feminist perspectives. These worries can possibly be overcome by remaining aware of the environmental factors and maintaining a critical consciousness of gender. This approach is unique in its

potential to conceptualise the life worlds of actors, social change and inter- and intra-network processes.

I have adopted a regional focus as a theoretical basis for my research to accomplish the goals of this paper. Arce and Marsden's commodity network approach may be too broad for the type of study necessary. The seminal paper on commodity networks recounts a study on the banana trade (bananas produced in the Caribbean and consumed in the United Kingdom), but much more attention is paid to the politics of the food networks (by the authors' intention, I believe) than to the farmers, traders and consumers involved. The commodity network approach can be a fantastic method of researching the political aspects of commodity studies, but has less to offer in terms of understanding social change as it is occurring at the family, community and individual level. For this aspect, I look to Storper and more recent work by Arce.

## **Regional commodity networks**

### **Regional worlds**

I concur completely with Richard Fardon's (1995) critique of political economist's attempt to research global processes and deducting local conditions. Instead, Fardon argues for a focus upon researching local processes and practices to make informed conclusions regarding global processes. Michael Storper's theory of "regional worlds," "the world as regions" and "regions as worlds" (1997) states that regions are made up of unique organisations, territories and technologies which facilitate regional development. Regional worlds of production are stated to be spatial regions in which producers have an advantage over their competitors directly due to their spatial connectedness. Advantages of regionalisation include shared knowledge, development of regional standards and inter-firm and familial relations (Storper, 1997, Storper, 2009). James T. Murphy, a colleague of Storper's at Clark University, adds to this the importance of trust in regional trade (2002). Murphy describes trust as a principle working on different levels and between different networks and having the potential to increase information exchange, but possibly limiting opportunities outside of the social network. Murphy explains three levels of trust. Macro-level trust is based on broad conceptions of goodwill. Meso-level trust is that which is based on generalisations of

community such as race, religion, community, shared experiences and history, and cultural influences. Micro-level trust is based on real shared experience between actors and requires time to build. Micro-level trust is a “higher level of trust” that enables greater sharing of experiences and knowledge.

Storper’s “regional worlds of production” is an economic theory in which he states that markets are “arbiters of what is legitimate collective action” (1997, pp. 48); this statement neglects much of actors’ experiences and desires outside of the market. Storper’s theory of regionalisation has previously been criticised for lacking cultural, ecological and political logic as compliments to economic logic (Morgan et al, 2006). To this I would add that the significance of face-to-face interactions and relationships can be complex and multi-faceted. Although economic efficiency and greater innovation could be a result, the opposite could as well. For example, Pinget and van der Heyden (1994) suggest that purchasers and sellers of Bolivian quinoa often give preferential prices and quality to friends and relatives. This is clearly not in conformance to common economic theory and cannot be said to be economically efficient. In another case, intermediaries and farmers are shown to manipulate social relations to their personal gain, contrary to the rules of the market (León et al, 2002). Trade is performed according to economic *and* social logics, not one or the other. Storper and Murphy place the importance of a region on the greater presence of actor-interfaces, knowledge exchange and trust. I propose that the consequences of this modified economy are diverse and based upon multiple logics.

### **Social change an regional commodity networks**

Arce (2009a) approaches regional commodity studies from the perspective of political networks. It is this post-pluralist concept (Arce, 2010) of social change within communities and families that is important in understanding social change through commodity trade. In his study of a fair trade and other coffee markets in Loma Linda, Guatemalan he shows how actors divide themselves into various networks according to their resources, abilities, experiences and knowledges. The community is not taken as a homogenous group, but as a collection of actor lifeworlds reconstituted as social and trading networks. Loma Linda itself fractures into separate but entangled networks of



commodity trade. In this case there are conflicts between actors with different goals or strategies and not in a plural world of mutual acceptance of each other's differences. This study highlights the importance of differentiation rather than homogenisation of actor practices. Among other themes presented by Arce are intra-communal tensions, consequences of trade, social division, social change within communities and families, complimentary and supplementary<sup>2</sup> and face-to-face interactions. While most studies on fair trade explore only the positive aspects of higher prices and community organisation, this study critiques the effects on the community and the greater social change initiated by fair trade policies. By studying a specific community, Arce is able to fully research the social networks and different market flows, linking Loma Linda with other life-spheres. Arce has shown the politics of food can be brought to the local or regional level and one can gain the necessary attention upon social networks and social change.

The fracture and re-constitution of the community in question is a major theme of Arce's and my own study. For example, farmers continually develop new channels of trade according to their personal motivations or resources; this fracturing of a unitary market into a number of channels (roasted and packaged coffee sold to supermarkets, fair trade and organic coffee sold to cooperatives and conventional coffee sold to intermediaries) allows one to see that several markets exist, not only the New York Board of Trade stock price. One may conceive of this as the farmers all finding their place in the market or, from another point of view, as each buyer catering to the needs of the farmer. A key point in this seemingly pointless contradiction is the concept of farmers pulling the strings or of buyers pulling the strings. Of course, one could argue (as I shall) that neither is pulling the strings, but that the actors are coordinating their collective actions in order to tailor the market to their own needs.

Arce and Long's concept of "life-spheres" (2010) as "entities whose composition, mixture, and aggregation convey the idea of unity without them constituting a 'totalitarian' whole" (p. 6) is critical to my understanding of community and networks. The novelty (compared with lifeworlds, social fields, etc) is that actors within a life-sphere are autonomous beings with creativity to act, rather than simple coordination (and

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<sup>2</sup> Complimentary relations are those which compete with each other for the same resource and supplementary relations exist between firms which compete for different goods in a way that covers a wider range than complimentary competition. I provide a less crude definition later in this paper.

subjection of agency) with other actors. A life-sphere is an entity whose unity is incomplete as there exists change and differentiation of members within the entity. In this thesis I will use the idea of a life-sphere to conceptualise the actors within the quinoa production and consumption networks. Understanding that actors, organisations, and commodities are not total and homogeneous groups, I have researched the life-spheres of production in San Agustín, trading in Challapata, and trading in other markets around the country. I have analysed internal differentiation and contradiction of life-spheres and the transfer of quinoa between spheres. I consider this process the quinoa life-sphere – an entity that encompasses the entire life<sup>3</sup> of quinoa from production, to transfer, to trading, to consumption.

## **Of other logics**

Olivier de Sardan (2005) promotes an anthropology of development in which neither a clear post-structuralist nor structuralist vision is apparent, but something that he calls the “entangled social logic approach.” This approach, elaborated with examples from the actor-oriented school at Wageningen University and the Euro-African Association for the Anthropology of Social Change and Development (APAD), is to understand that individuals do act according to certain logics, but these logics are neither universal nor final. An actor may be influenced by multiple logics (i.e. market logic and value judgements) and actively make decisions based on personal experience, knowledge and different rationale. Just the same, I write this thesis understanding that farmers in San Agustín can use several logics, the gift (relationships) and the market, simultaneously. I do not seek to find a sort of psychological understanding of how decisions are made; I seek only to make clear that actors use a variety of logics, applying each as they see fit.

## **The social life of things**

Appadurai defines a commodity as “anything exchanged” (1986, p. 9). Things have a life-history in which they can move in and out of the commodity state; this life-history or “social life” can be studied to better understand social organisation and

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<sup>3</sup> I focus on the entire domestic life-sphere, with little reference to the international quinoa market.

## The Gift of the Middleman

coordination, modes of consumption and production, and social changes occurring in and around the influence of commoditisation. Things are commoditised by actors in response to either crisis (a marriage to pay for, for example) or creativity (electing to sell at the market for additional income, for example). This is a direct conflict with Callon's (1986) suggestion of submission as a necessity for coordination; instead suggesting producers can choose to commoditise things as well. This concept of a commodity allows a researcher to follow the network of actors involved in the process of production, procurement, transportation and consumption as well as focus upon the commodity itself. It also allows an understanding of value contestations along the path from producer to consumer and the face-to-face interactions during this process.

### **Reciprocity and the gift**

Based upon the political economy approach, the farmer is imagined as a typical *Homo economicus*, someone concerned for profit maximisation with little other interests. In opposition to this concept, I strongly agree with Daniel Miller (2002) in arguing for a movement away from actors as "rational" economic actors and towards a conceptualisation of the socially embedded market. The market is an externality to actors' livelihoods and not a disembodied market in which livelihoods are externalities to the market. In Marcel Mauss' "The Gift" (2002), originally published in 1923 under the name *Essai sur le don: Forme et raison de l'échange dans les sociétés archaïques*, the author states that things are traded through non-economic means as well as economic. Mauss argues that the gift (as reciprocity) is an important sector of the economy and without it "society" will suffer. Reciprocity is therefore necessary for social production and reproduction. According to Rosalind Eyben, two contemporary understandings of the gift exist (2006). The first is that of a means of receiving something else in exchange or in other words, not a free gift, but reciprocal exchange. These interactions exist in the place of an economic system. The second understanding of a gift is as an expression of a relationship. For example, one gives to another because one values their relationship. Both examples are apparent in the work of Herrmann (1997) when she uses the gift to investigate the trade of goods through the American garage sale. She describes how the existence of relationships between neighbours or friends can reduce the price of a good;

essentially creating a hybrid good which is partially a commodity (based on market prices and sold for profit) and partially a gift (based on social relationships and reciprocity). Herrmann also describes situations in which the giver may consider a transaction to be a gift while the receiver considers it to be a fully commoditised transaction. A man, for example, may be offended if his neighbour sells a used set of shoes for ten dollars when the year before he sold the neighbour a television for five dollars. The man believes that his generosity the year before should be returned while the neighbour is selling the shoes based on what she believes to be fair market price.

I have sought to relate the conceptualisation of the partial gift in my research. For instance, when an intermediary gives a preferential price to a farmer who happens to be the father of his god-child, it may be considered a partial gift. Equally, if a farmer gives the intermediary high-quality quinoa for the same reason, it may be considered a gift. This theme has special importance in the context of Quechua communities for the importance of reciprocity and the use of *ayni* (Spedding, 1994). The concept of the gift is useful in imagining a world in which market values are not the only influence upon farmers, intermediaries or consumers. This concept fits well with Appadurai's concept of a commodity.

## **Bolivian quinoa<sup>4</sup>**

### **Production**

*Quinoa real* (royal quinoa) is a variety of quinoa produced in the Salar region of Bolivia. Royal quinoa production is concentrated around the salt flats of Uyuni in the Potosi Department and the salt flats of Garcia Mendoza in the Oruro Department of southern Bolivia. Quinoa is one of very few crops (also including kañiwa and potatoes) that is able to thrive in the sandy and salty soils of the arid and chilly Salar region of Bolivia (Rojas et al, 2004). Besides salt tolerance, quinoa is a suitable crop because of relatively low production costs, no large infrastructure is needed for on-farm processing,

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<sup>4</sup> This overview of quinoa production, procurement, and consumption in Bolivia provides general context for the reader. It is intended as a literature review of previous studies, not necessarily supported or refuted by my own research.

little manual labour is needed and water use is low (Brenes et al, 2001).<sup>5</sup> It is also frost resistant (Montoya Choque, 2007).

Quinoa is known for its outstanding nutritional and medicinal qualities (Rojas et al, 2004) as well as its rapid rise as a global commodity (Laguna, 2000). The former has made quinoa popular in health food and gourmet food circles while the latter has made quinoa an interesting case in which to study the impact of globalisation and commoditisation. Studies (Laguna, 2000 and Laguna et al., 2006) have demonstrated the impacts of global markets for quinoa on its producers; however little scholarly work has been done on local and regional quinoa networks or the intermediaries who are operating within these networks. Domestic and regional consumption represent important segments of the quinoa market and are not insignificant in the determination of price. Peru and Bolivia are dominant consumers of quinoa and Brazil has been mentioned as a growing market for traded quinoa as well. Regardless of market share or global prices, domestically traded quinoa is a unique process and must be investigated in its own right. Important aspects of this network include active involvement of intermediaries and a large impact of familial and other relations.

In response to the increased demand for quinoa, prices increased steadily beginning in the mid-1980s (Rojas et al, 2004). The increased incentive for production had a significant effect on quinoa production in the southern Bolivian Altiplano. In most regions quinoa was grown using the *aynuqa* system of collective and synchronised crop and land management. *Aynuqa* was designed to protect crops from pastoral animals, save labour and reduce the amount of individual parcels of land. This system is essentially a rotation of land between potatoes, quinoa and extensive fallow time to recover soil fertility and ground moisture. *Aynuqa* was administered through *ayllu*, a political-ritual organisation which managed access to land, enforced norms and rules and organised collective labour. Following the boom in the quinoa market, many farmers began cultivating the plains where the *ayllu* had little authority (Laguna, 2000).

Quinoa and potato production was supplemented with pastoralism on the pampa. Pastoralism included llamas, donkeys and sheep. Animal husbandry was regulated by

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<sup>5</sup> Although little manual labour is needed for production, processing, which the farmers may or may not do themselves, is quite labour intensive.

*arkata*, a social organisation similar to ayllu. Land was rotated between grazing and fallow to encourage soil fertility and manure was transported by donkey or llama to fertilise quinoa and potato production land (Laguna, 2000).

Increasing prices have encouraged intensification and mechanisation. Mechanisation made cultivation of the pampa more attractive and this intensified both quinoa production and pastoralism. Some producers, predominantly the small-land holders, maintained diverse farming and non-farming activities and some, predominantly larger-land holders, specialised in monoculture quinoa farming. Whereas potatoes are still grown for consumption, most quinoa is sold at market and cheaper cereals such as wheat and rice are purchased, except for in periods of low quinoa prices. In effect, this means the rising prices of quinoa may be reducing the nutritive quality of the diets of farmers and their families (Laguna, 2000).

Intensification of quinoa production, in combination with the closing of a number of state mines, has increased migration of people into quinoa producing regions and led to the formation of governmental and producer institutions. All of these changes have reduced the influence of “traditional” institutions such as the ayllu and the use of both *aynuqas* and *arkatas* as tools to distribute and maintain natural resources. Although rotation similar to the *aynuqa* is now used on the pampa, communal labour is no longer common. Reduced use of communal man-power has increased the use of chemical fertilisers and pesticides and contributed to mechanisation of production. This has also diminished the raising of livestock (Laguna, 2000; Felix, 2008).

All in all, the expansion of quinoa production has led to an increasing specialisation in quinoa production, an increasingly market-oriented production, reduced self-consumption (other than potatoes), and variable responses by farmers to these changes (Laguna, 2000).<sup>6</sup>

### **Domestic trade<sup>7</sup>**

The most recent and comprehensive information regarding the complex network of channels of the quinoa trade come from a pair of studies performed in 1991 (IICA) and

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<sup>6</sup> See Rojas et al (2004) for a much more detailed presentation of quinoa production practices.

<sup>7</sup> See Figure 4 for a map of Bolivia, which can be helpful throughout this section.

1994 (Pinget and van der Heyden). Based on these studies, collection of quinoa from farmers depends greatly on the location of communities. In communities with access to markets there is a larger importance on cash sales to collectors (both private and cooperative-based), in more isolated communities there is a greater dependence on barter for food-stuffs and other materials and in communities near market centres, direct trade is a greater possibility. Quinoa collectors purchase with cash or goods and then sell to cooperatives, market vendors, processing companies or other intermediaries. Quinoa cooperatives are quite active in the region; the two largest cooperatives are ANAPQUI and CECAOT. These cooperatives and quinoa export corporations export organic quinoa to Europe and the United States, although a very small amount of conventional quinoa is sold domestically.<sup>8</sup> Intermediaries who buy quinoa are divided into two levels. *Minoristas* collect quinoa from farming communities and bring the product to market in Uyuni or Challapata. From there *Mayoristas* collect the quinoa in large quantities and sell in larger markets or export the quinoa. A sizable amount of quinoa also remains in the Uyuni region in the form of self-consumption. Domestic consumers primarily purchase quinoa from markets and *ferias* (weekly markets), but also from supermarkets and micro-markets. Quinoa destined for the US and Europe is mostly exported via Arica or Iquique, Chile and exports to Peru, legal and illegal, are primarily transported via Desaguadero, Bolivia.

The price received by farmers for their product depends on a number of factors. The farmers and purchasers use knowledge of previous transactions, prices in Challapata (where a quinoa feria is located) and to a small degree production costs. Caceres et al. (2007) claim that national and international prices are determined in the Challapata *feria* (weekly market), while others (Pinget and van der Heyden, 1994) state that Desaguadero is the most important quinoa market. Transactions have also been shown to be dependent upon kinship and friendship relations (Pinget and van der Heyden, 1994). Thus, a transaction depends not only on supply and demand, but location, relations and (dis)information.

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<sup>8</sup> See Ton and Bijman (2006) for a greater review of the active producer organisations involved in quinoa and Laguna (2008) for an analysis of ANAPQUI.

Little current information is available regarding intermediaries in quinoa trade, but some assumptions can be based on a 2003 study regarding vegetable farmers markets in nearby Oruro (León et al). This study is also demonstrative of the political perception of intermediaries in Bolivia. In the 1970's, a policy of promoting farmers markets throughout Bolivia was adopted to cut out middlemen who were considered to be a substantial hindrance for farmers.<sup>9</sup> The policy was meant to increase farmer incomes, create a market space for farmers and increase the supply of fresh fruits and vegetables to urban spaces. An analysis of the Kantuta market in Oruro written two years later concluded that it was impossible to break the system of intermediary trade because of lack of producer experience in selling, a small quantity of product, and high individual costs of transportation to the market. Producers are presented as market oriented in their ability to adjust production to the demand of consumers and social network oriented in their use of friends and family to obtain information on markets and prices. They are also shown to give preferential prices to intermediaries from their own social circles. Intermediaries purchase vegetables, usually working in the communities in which they live, to sell the product in Oruro to market vendors. They use lack of information to their advantage; in one case they pay farmers low prices for potatoes because they are dirty and difficult to sell, but the same potatoes are sold at higher prices in Oruro because of a perceived better taste in the city. Intermediaries also use relationships such as family and friendship to gain an advantage in negotiations. Access to credit and goods (such as fruits, coca, drinks, bread, rice and noodles) are also key advantages for intermediaries. Market vendors were also found to use similar methods to gain advantage over consumers and presumably intermediaries. The government has continued the policy without significant change with similar results.

Another interesting aspect of the producer-intermediary relationship is the role of mythology. Two communities in the region are the birthplace of the majority of intermediaries who work in Oruro. People explain this using a myth in which the son of a god and a local woman was killed and people returned to their villages with parts of his body as keepsakes. The head was taken to Llica and for that the people of Llica are known for their intelligence (to this day, Llica is home to a teacher's college). His feet

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<sup>9</sup> This assumption had roots in discourses dating to the Agricultural Reform of 1953.



were taken to Huachacalla and Sabuya, for this they are known for their mobility and are prominent intermediaries. Finally, families involved in intermediary trade often pass down the business as an inheritance or legacy to their children.

The above-mentioned paper is an example of researching not only the economics of markets and intermediaries, but also social change of kinship and communal relations as a consequence of trade. Because of this it is also considered pertinent to anthropology of development, as advocated by Arce and Long (2010). In analysing the state policy of initiating and supporting farmers markets, this study has not only presented an evaluation with great depth, but given an analysis of historical and social networks that are operating and changing in the region. The market is shown to be not only for economic production, but for social and cultural production and reproduction in which the vendors, producers and intermediaries interact daily.

## **Consumption**

According to a study performed in 1990 (Pinget and Van der Heyden, 1994), fifty-three percent of the quinoa grown in Bolivia was consumed domestically.<sup>10</sup> A portion of this is purchased by food aid programs, both international and national and the majority is consumed by individuals or prepared in restaurants. Most quinoa is purchased in grain form, without further processing into, for example, quinoa pasta noodles, quinoa snacks and so on. Between 1990 and 1999, quinoa consumption increased by nearly fourteen percent in Bolivia, but by factoring in a two percent population growth, this represents a per capita reduction in consumption (Callao Perez, 2001). This is relatively low, especially in urban areas compared to rice or pasta noodles which are significantly lower in nutritional quality (Pinget and Van der Heyden, 1994). At the time of research, quinoa was sold for 800 Bolivianos<sup>11</sup> per quintal<sup>12</sup> while rice was sold for 200 Bolivianos<sup>13</sup> per quintal and pasta noodles for 300 Bolivianos<sup>14</sup> per quintal, though these numbers vary monthly.

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<sup>10</sup> This figure seems to discount the quinoa consumed by quinoa growers and includes only quinoa which is sold.

<sup>11</sup> Approximately 114 United States Dollars.

<sup>12</sup> One quintal is 100 pounds or forty-five kilograms.

<sup>13</sup> Approximately twenty-nine United States Dollars.

<sup>14</sup> Approximately forty-three United States Dollars.

Quinoa is purchased from a variety of sources, including markets, ferias, supermarkets and mini-markets (Callao Perez, 2001). Self-consumption of quinoa by farmers is estimated to be around twelve to fourteen percent of production, higher in more isolated communities with less exposure to markets (Laguna, 2008). Consumption of quinoa is highest in the urban areas of Potosi, Oruro and El Alto and is lower in the Eastern part of the country and in valleys (Pinget and Van der Heyden, 1994).<sup>15</sup> Most quinoa is consumed over lunch as quinoa soup and in other forms, although certain products are now being introduced in processed form such as quinoa beer, quinoa snacks and a quinoa and chocolate breakfast drink.

According to a qualitative study by Montoya (2007), Orureños (people from Oruro) consume sixteen pounds of quinoa per year per person compared to forty-nine pounds of rice and thirty-six pounds of pasta noodles. Over ninety percent of Orureños purchase quinoa at least periodically, mostly as granular quinoa. The various channels of quinoa from production to Oruro include buying direct from producers, producing one's own quinoa, buying from producer organisations, buying from private companies, or buying from *comerciantes* (market vendors) or intermediaries at a market. Intermediaries and comerciantes sell from fixed stores or from markets and ferias. In Potosi, sixty-five percent of inhabitants purchase quinoa. Of these, seventy-five percent purchase quinoa for its high nutritive qualities and fifteen percent purchase it because of its taste. Most Potosinos purchase quinoa from comerciantes at ferias and markets. The average Potosino consumes five pounds of quinoa per year, forty-two pounds of rice and twenty-eight pounds of pasta noodles (Borja and Soraide, 2007).

## **The quinoa life-sphere**

The unit of analysis for this research project is the domestic portion of the quinoa life-sphere. This includes the transfer of quinoa from San Agustin to markets and cooperatives around Bolivia and is focused upon the relationships between actors involved in this process. The entire study is considered in terms of life-spheres of quinoa and the translation between spheres. The idea of life-spheres is used to maintain a

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<sup>15</sup> Imigrants from the Altiplano are expected to continue relatively high levels of consumption when living in urban areas.

concept of a group or collective entity without losing sight of individual creativity and agency. I have researched the social life of the quinoa in its path from production, to its sale to intermediaries, to transport to urban centres, through its sale to market vendors and finally to its final consumption. Consumption of quinoa by farmers, sales to producer cooperatives, and sales to agri-businesses are also of interest. I have also researched the social consequence of intermediary trade, social change within communities and families and the reasons for the dominance of intermediary trade in quinoa. I have done this by ethnographically investigating the social networks of actors acting within the trading network and how kinship, community, and other social relationships influence the trade of quinoa and how quinoa trade affects them. Mauss' "gift" (2002) has been used as a conceptual tool to understand reciprocity within the trading network and the importance of non-economic factors in the trade and production of quinoa. Finally, I have observed how the intermediary trading network may reflect solidarity and social justice ideals. It is understood by many that intermediaries are harbingers of injustice and inequality in contradiction to the common portrayal of middlemen.

This study, beyond providing information regarding the intermediary quinoa trading network, advocates for a new field of commodity studies in which the dominance of economic logic is re-conceptualised, the global focus is refocused (not reduced) to regional networks, and actors are given credit for the agency which they act upon. I also intend for this paper to contribute to the field of anthropology of development.

### **Research objective**

Therefore, my research objective is: to research the regional quinoa network to improve knowledge on regional trading networks, to better understand intermediaries in the network and to advocate for a kind of commodity study in which local context, relationships, and social differentiation are given due importance.

### **Research questions**

My original main research questions were the following:

1) How is quinoa traded?

This general question is more elaborately broken down into several sub-questions that focus on the channels or markets available to farmers of quinoa in San Agustin and how these channels are used by the farmers. This includes: how prices are determined, what the relationship is between buyers and sellers at each point of sale, what are the standards of exchange, how quinoa is transported, and how do intermediaries compete with each other and with other buyers. A sum of the entire question is, “Where does quinoa come from, where does it go, and how does it get there?”

2) What are the consequences of trade?

This is to ask, why do farmers sell to intermediaries and what may be the benefits or drawbacks of selling to middlemen. Tied into this is the issue of why do they not sell to cooperatives. How does the idea of reciprocity influence farmers’ choices of who to sell to and who not to sell? This question also addresses the possibility that farmers either sell to intermediaries because of relations or as part of a reciprocal exchange.

3) How is the community changing?

Rather than see quinoa markets as universally viewed in the same way by all farmers, this question points to the fact that life is not static and communities do not act universally. Life is under flux and although people may act communally, they are also individuals and should be seen as such. The first sub-question, reflecting on observations of the Guatemalan coffee-producing (and processing) community, is how does a community fracture and re-constitute itself as networks? How have roles and livelihoods of actors changed through the years and how are kinship and community relations also changing? Finally, the research question asks, what is the future of intermediary-based quinoa markets in San Agustin?

4) What is the importance of reciprocity?

Coming back to reciprocity and the gift, the final research question asks, is trading of quinoa is based on the market alone, or does reciprocity in fact play an

important role in this process. The question is asking, what is the importance of relations in trade and what is the importance of trade in relations?

Trade is necessarily a social interaction between actors, but what is the influence of this social interaction on trade? Neo-liberalists may believe that trade has no social dimension, this paper analyses the contrary.

As so often occurs, I was forced to re-think these questions as some appeared unimportant or simply uninteresting and new questions came to light. In this spirit I have chosen to re-tool the research with small changes to produce a more effective, enlightening and, I do hope, interesting work for the reader and researcher. Briefly, the main changes have been to focus less on change of community and kinship relations due to a lack of historical data and fill this open space with a deeper analysis of the various “factions” of producers, in other words, to analyse the relations between those who sell to intermediaries, those who sell to cooperatives, and those who sell to both. These groups will be broken down as I demonstrate the ambiguity of a community. I have also added a section on the theme of regionality in this context as a response to work done by Storper and Arce, in this section I provide theoretical observations towards the advancement of this research theme.

## **Methodology**

I have adopted the actor-oriented approach as a methodology for this study. This school of thought was developed at Wageningen University as a post-structuralism method of conceptualising and prioritising actors’ agency, knowledge and power (Long, 1993). It considers actors not only to be individuals; organisations and groups of people can collective act as actors. The methodology bases research upon actor-defined issues, prioritises differentiation, focuses on organising processes, explores critical interfaces, and places great importance upon ethnographies (Long, 2001). In relation to theory building, actor-oriented theories come from below, not above. In this sense I will build theory from empirical findings rather than find empirical findings to support theory. In light of this and the nature of my research subject, I will perform ethnography of the regional quinoa network.

## Methods

I have performed this study using a variety of methods including interviews, participant observation, and observations of expressions. I began research during the final weeks of an internship with the NGO Chakana in La Paz which concluded in November of 2009. During my initial trip to Uyuni I met with a very important contact with whom I had a discussion and then a quick introduction to a number of intermediaries and organisations working in the small town. This served essentially as a means of facilitating the first weeks of research later on. In late January of 2010 I began research in earnest by conducting interviews with contacts at SOPROQUI, an ANAPQUI-affiliated quinoa farmers' cooperative, and CECAOT, a national farmers' organisation which is composed of several affiliates. I also spoke to a number of intermediaries and market vendors based in Uyuni. After the first weeks in Uyuni I began to travel around Bolivia to visit markets and interview market vendors. Market visits began soon after I arrived in Uyuni and continued until the final weeks of research. I visited Challapata numerous times and several cities and communities (Oruro, Cochabamba, Sucre and Potosi) one to three times each. Each market visit included three to fifteen short interviews and observation of the market activity and environment. At the Challapata market I would often also speak with farmers or intermediaries who had brought quinoa to sell.

Throughout the first two months of my research I was continually in contact with intermediaries as I attempted to arrange to accompany them as they went to the small towns to buy quinoa. These negotiations paid off in the end of March when an intermediary allowed me to accompany her as she bought quinoa in several towns. During this trip I observed her transactions, conversations and activities as well as those of the quinoa sellers and spoke with many farmers extensively. Roughly a month later I followed up the intermediary trip with a visit to interview farmers and cooperative workers in one of the towns, San Agustin, in which the intermediary buys quinoa. During this visit I had a number of problems arranging interviews because many farmers were not living in town at the time; they were living in their *chacras* (small farms) where they were harvesting quinoa. I managed to have a number of productive interviews despite this hurdle.

My interviews with intermediaries, cooperative representatives and farmers varied greatly in their level of formality and openness. Many conversations were spontaneous, for instance sitting on a bus next to a quinoa farmer or meeting an intermediary at a market place and questions were usually conversational and casual. For interviews with farmer organisation presidents I prepared questions more fully and tailored the interview more completely. Interviews also varied greatly in length and this also depended on to whom I was speaking and their interest in me and the topic; some would pull me aside for a conversation while others brushed me aside as they were too busy or just not interested. Conversations could last from ten minutes to two or three hours, the average was around a half hour long.

A key aspect of the data collection and analysis, specifically related to participant observation, has been the use of situational analysis. Situational analysis, made famous in Max Gluckman's colloquially titled "The Bridge" (1958), is a foundation of the so-called Manchester School of anthropology. Gluckman spent a day observing the formal and informal ceremonies and interactions (or lack thereof) surrounding the opening of a bridge in colonial Zululand (modern day South Africa). Gluckman documented the activities involved in the opening of the bridge and the interactions between the various groups of Zulu and colonial officials. This situation is then used to interpret the larger context of the history of relations between the group and theoretical understanding of social change and societal cleavages. In a similar vein, I have observed a variety of social situations (market interactions, arrival of intermediaries in towns and the purchasing of quinoa from producers) and based my theoretical positions on these observations.

### **By way of conclusion**

The political economy approach towards commodity studies has obscured local processes and practices, this research advocates for a greater focus on actor and local-level processes and practices. By researching the development and practices of intermediary quinoa networks this study will shed light upon the domestic trade of quinoa and contribute to a framework to investigate the trade of things. Knowledge of intermediary networks in Bolivia can contribute to policy planning for producer

organisations, governmental organisations, and non-governmental organisations by providing a better understanding of domestic Bolivian markets. Communities and groups of actors were not considered homogenous groups, within these socially-constructed groups it is understood that much differentiation exists. A more accurate approach is the concept of networks as groups of actors who are not coordinated by familial or communal relations, but by participation in the production, transportation and selling of a commodity. Communal and familial relations operate within networks as well, but only as parts of the whole of farmers' rationale. Considering post-pluralist discourses, this research will investigate not only how quinoa trade has changed communities of actors, but if communities have fractured or transplanted themselves into networks. A purpose of this new framework is to look beyond economic determinations in actor lifeworlds and towards a social understanding of how livelihoods, personal relationships, knowledges and experiences affect actor decisions and actions. This approach provides a more nuanced perception of intermediaries, domestic trade, and commoditisation as well as the policies, practices, and processes involved in the trade of quinoa in Bolivia.

This paper is divided into six chapters. The first three (after the introduction) cover the flow of quinoa from San Agustin to markets throughout Bolivia, analysis of several theoretical issues of interest, and reflections on an anthropology of development. This section begins with a situational analysis of a buying trip taken by an intermediary buying in San Agustin. This leads to an analysis of the various buyers of San Agustin quinoa and to the city where the quinoa is sold, Challapata. After describing the activity and business in Challapata, the story will continue as the quinoa is sold around the country and a portion crosses the border into Peru. The fifth chapter discusses regionalisation, fracture of communities, and the consequence of and reasons for intermediary-based trade. It will be argued that regional economies must be understood for what they are: something greater than pure economics. A study on local and regional economies and cannot stop at observing economic impacts, but must also observe how a regional economy affects people in non-market terms and is impacted by the history of a region and the people living in the region. The thesis will finish by describing and reflecting on the methodology used. The final chapter argues that an analysis of policy implications cannot be done from an economics standpoint alone, but must utilize



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ethnology to observe the various effects on various groups and sub-groups of people. An anthropology of development is necessary to move past political economy of the world or of large regions; an anthropology of development brings this type of study to a local level where real change and real differentiation among actors is observable. Actors must be understood to have independent and unique lives in which they make decisions based not only on the market, but also on their resources, values, desires and strategies. An anthropology of development must consider that a community cannot be assumed to be homogeneous and that actors are not subjected to the whims of the market, but use the market as one input amongst others.

## Chapter Two: Isabella goes to San Agustin

### San Agustin and Los Lipez

San Agustin is a quiet municipality in the Potosi Department of Bolivia; the population is 1,640 Quechua and/or Spanish speaking people (INE/PNUD, 2005). Enrique Baldivieso, the province in which San Agustin is located, has a sparse population with 0.57 persons per square kilometre. Population density is roughly the same as the average in quinoa producing provinces in the Potosi Department, but half of the overall average for royal quinoa producing regions (Calos-Aroni et al, 2009). The population in 2001 was 1,313. Within this population there were 435 quinoa producing families; of this number 254 were permanent and 181 temporary residents (Carlos-Aroni et al, 2009).<sup>16</sup> The small town is economically supported primarily by the few tourist companies that pass through, llama husbandry (llama meat and wool are sold) and quinoa production. San Agustin is connected to electricity, though it is only available for two hours each day due to delays in construction and the situation has changed little since 2001 when more than ninety-nine percent of residents reported not having electricity (Carlos-Aroni et al, 2009). The town also has little transportation access to the main commercial centre of the region, Uyuni. Public transportation is five hours to Uyuni, leaving San Agustin every Wednesday and returning every Friday, although one may hitch the odd ride with an occasional group of teachers going to Uyuni to pick up pay checks or tour groups passing through on the last day of the four-day salt flat tour. The departmental capitol is another five to six hours by bus or up to eleven hours by truck and La Paz is another ten to twelve hours by bus and train from Uyuni via Oruro. Mobile phone service is nonexistent at the time of research (a tower is under construction, due to be in service by next year) and few have access to sanitation. In a few words, San Agustin is not well connected to the rest of Bolivia and lacks many basic services that other Bolivian towns enjoy.

Los Lipez is an ‘ethnically and culturally distinct’ (Bautista-Muraña et al, 2006, p. 10) region within the Potosi Department of Bolivia that has archaeological evidence of

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<sup>16</sup> A permanent resident is defined as a family which lives in the location throughout the quinoa-growing season and a temporary family is one which migrates at least temporarily out of the locality.

settlements dating to pre-Columbian times, the region is made up of what are now eight municipalities and parts of three provinces (Nor Lipez, Enrique Baldivieso and Daniel Campos). The region became a province of Bolivia in 1885, sixty years after Bolivian independence from the Spanish Crown. In the early twentieth century the economy of Los Lipez was based primarily on llama meat and wool, but also included the extraction of salt and collection of firewood<sup>17</sup>. Agricultural production was limited to quinoa and potatoes in many parts, but barley, onion, *habba* (a type of edible bean), and other vegetables were produced in regions with irrigation. The northern section of Lipez was dedicated to agricultural production and the south towards animal husbandry, which included llama, sheep and donkeys. Many products were taken to the valleys of Tarija or Tupiza to be traded for goods, mostly corn; there also existed temporal migration to Chile or Argentina for work or *al interior* (to the interior of Bolivia) for manual labour. After the 1920s the region focused more on mineral extraction and this is said to be the introduction of the market to the region. Despite this, Lipeños maintained their trading relations with Tupiza and Tarija, based on *trueque* (barter).

Following the 1952 Agrarian Revolution a process of integration of communities for educational development began and the local mines were nationalised, but there was little land redistribution in Los Lipez as in other regions of the country. Nationalisation of the mines contributed to a migration of farmers to the mines for work and this helped link the countryside to the mines and provided a small market for quinoa. This led to a slight increase in production without a significant change in production practices. Llama husbandry continued to be the most important source of income other than income sent home from miners.

### **Commercialisation of quinoa and the rise of cooperatives**

The 1970s saw a number of changes to the local economy of Lipez. In this decade a pair of Belgian bishops initiated a programme which distributed tractors to farmers which began a period of expansion and mechanisation of quinoa production. Soon after, many farmers realised that they were using more chemicals each year and

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<sup>17</sup> This history is written using much information from Muraña et al, 2006 and Victor-Ragonese and Quisbert-Salinas, 2005.

some were even falling ill from chemical intoxication. The chemicals used were mostly insecticides now banned by the Stockholm Convention, including DDT. Farmers reported the necessity of using more and more chemicals as “natural friends”<sup>18</sup> began to disappear. In response to the rising cost of using increasing amounts of pesticides and the rising physical costs to farmers, they began looking for other options to reduce plagues without over-use of pesticides.

The farmer cooperative CECAOT was founded in 1975 and followed by the formation of “councils in defence of quinoa” in many communities starting in 1981. The cooperative and quinoa defence councils were founded to respond to the monopoly that intermediaries had on the market at that time. While controlling the market they could dictate the terms of transactions with little concern for competition. The committees functioned independently from each other, but many imposed small taxes on intermediaries who came to buy quinoa, attempted to put minimum prices into affect and sponsored councils to search for markets. One such example of the search for markets is the story of two men who travel to Arequipa, Peru to find out where their quinoa goes and how they could sell directly. They were directed to Lima where they met a buyer who agreed to buy 500 quintals of quinoa on the spot and 1500 more when it could be brought. The two men had most of the money confiscated at the border on their return trip, but made an important step towards bypassing intermediaries. From the mid-1970s onward, much action within cooperatives and communities was an effort to achieve a higher price for quinoa and, in general, avoid intermediaries. In 1982 SOPROQUI was founded to act as a regional quinoa cooperative in Sur Lipez and two years later a national cooperative, ANAPQUI, was founded to unite four existing cooperatives and to establish new organisations. ANAPQUI, like other cooperatives, was founded to find markets and achieve higher quinoa prices for farmers. One of the cooperatives founded by ANAPQUI was CEDEINKU, which would be based in San Agustin and purchase quinoa from the Enrique Baldivieso province of Bolivia which lies within Los Lipez.

The many cooperatives set out to find markets in the North (United States and Europe) and to achieve a monopoly on the market to shut out intermediaries and attain a fair price for quinoa. The timing of the founding of many of the organisation coincided,

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<sup>18</sup> Insects that attack pests, known as natural enemies to most plant protection researchers.

not coincidentally, with the fall of the Banzer regime which had limited such syndicalist organisation.

Cooperatives encouraged organic production, primarily due to the demand for organic quinoa in Northern markets, but presumably also for the safety of the producers and the environmental consequences of pesticide use as well as the economic savings. At present, many cooperative-affiliated farmers continue to use pesticides, but exclusively natural types that are allowed under organic labelling certifications; an example is extract of pyrethroid which is used as a preventative chemical. Those who do not use pyrethroid extracts may use a number of other organic solutions such as hot pepper ash mixed with water or plant extracts, others may not have problems with pests because of the altitude or temperature of growing conditions.

The activities of the cooperatives served to limit the intermediary circuit<sup>19</sup> and the communities gained a certain amount of control over the price. A full monopoly of the market was considered to be the goal by many; as long as other exporters could undercut prices it would be difficult to control the price without a total monopoly of the market.

### **Political activism**

One can consider the activities of the cooperatives, the organisation of people, to have been the catalyst of further political action. In 1985 the people in the region blockaded a train passing through to demand for greater passenger rights. The protesters complained that there was no time to alight the train in Julaca (though their luggage was swiftly taken out), they were treated poorly by train workers, and at times they were charged excessively for luggage. They also asked for more tractors, a road to Uyuni, and an ambulance. After days of train stoppage, the train company agreed to the demands, though the train company did not completely follow through with this commitment; the passengers were reserved a car on the train, but this was discontinued several months later and the road to Uyuni was not completed for many years.

Several years later, the people again protested and blockaded a train believed to be carrying toxic chemicals that would be disposed of in Los Lipez; the train was turned

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<sup>19</sup> Intermediaries at that time bought in Los Lipez and sold in Challapata, other intermediaries brought the quinoa to La Paz from where it was transferred to Peru via Desaguadero. It was then sold in Arequipa or Lima, Peru.

back after several days of resistance. In 1990, Lipeños protested the actions of Lithco, a lithium extraction company, saying that they (the Lipeños) had the right to extract salt for their own purposes, that the company should pay for water used, and that there should be more local benefits of this company's presence. A similar protest occurred during my time of fieldwork. Citizens from throughout Los Lipez united in the border town of Avaroa to blockade a train carrying minerals extracted in San Cristobal and bound for Chile. The complaints ranged from failures of local benefit (towns had only two hours of electricity per day, poor roads, little water and no mobile-phone service) to failures of the Japanese-owned company (contamination, unlimited use of water and exportation of revenues). The blockade lasted for nearly two weeks before the three parties (protestors, the extraction company and the Bolivian government) met to negotiate, the results of this negotiation are still unclear, but it is quite clear that the people are not afraid to protest for their environmental, economic and social rights.

In 2002, the region suffered a terrible snowstorm that left much damage and images were broadcast across Bolivia showing how poor Lipeños were and how many were beggars in the larger cities. This event was a catalyst for a movement towards a re-appreciation of Los Lipez by Lipeños. In December 2003, eight municipalities joined together in founding the *Mancomunidad Gran Tierra de Lipez* (Commonwealth of the Great Land of Lipez). This community included the historical boundaries of Los Lipez and overlapped between several provinces. Soon after, Consorcio Lipez was founded as an arm of *Mancomunidad Gran Tierra de Lipez* to develop markets, produce finished products, and promote sustainable products from the region. It also initiated the process of the *Marca de Lipez* (Mark of Lipez), a denomination of origin, similar to that of the Champagne denomination in France. This mark was created to certify the origin, process, sustainability, and quality of product from Lipez and to market them as such; this is the beginning of the movement towards becoming independent of cooperatives and intermediaries and exporting Lipeño products directly. Though clearly done for economic reasons as well, I will argue that this certification was done and is being developed for other reasons; this argument will serve as a backbone of a new concept of regional economies.

## Harvesting in the hills

Following the customary greetings and handshakes it is quite likely that the first topic of conversation for anyone studying quinoa in San Agustin is the fact that Lipeña quinoa is not the same as quinoa from Salinas or any quinoa real producing region outside of Los Lipez. Lipeña quinoa, they say, is produced more naturally, it's produced using more man labour and it's much better quality than any other quinoa. We will address these one at a time, but first the production of Lipeña quinoa.<sup>20</sup>

As explained by the farmers, quinoa is planted into holes, prepared weeks or months before with llama manure, in August to September before the coming and hoped for rains. Planting is done by hand, placing a few seeds in each hole, rather than with the use of machines. Fields are usually planted by groups of families, first seeding one family's plots then the others'. It can take a day and eight kilograms of seed for eight workers to plant a hectare of quinoa. Following this a number of actions can be taken against pre-harvest damage. Many build fences to keep out wildlife and some hang compact discs which reflect the sunlight to scare off birds. Most use organic pesticides made from herbs to prevent infestations and diseases, but probably the most powerful preventative is the environment. At more than 4,000 meters above sea level, the environment in San Agustin is harsh and many plant diseases and plant pests are unable to cause serious damage to plants at the altitude. With little responsibility to the quinoa after seeding it and before harvesting it, many farmers either concentrate fully on raising llamas and, to a lesser extent, sheep and donkeys or migrate to Bolivian cities, coca producing regions of Bolivia, or to nearby Chile to work until harvest. Though migration is often seasonal, many expressed worry over the increasing exodus of youth from San Agustin to Chile for permanent work.

The farmers begin the harvest once the quinoa grain is drying down and has turned from green to white, black, red, or the many shades other shades of ripe quinoa.

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<sup>20</sup> The focus of my research was not on quinoa production, but on the trading of quinoa and I gave this topic little research time. I was also performing research during the harvest period and therefore was unable to witness production practices first hand, only harvesting practices. Because of this shortfall I may present an overly simplified idea of production in San Agustin. I do not intend to present the following as the practices of all quinoa farmers in San Agustin, but rather those of the farmers with whom I spoke. Furthermore, this cannot be taken as a presentation of practices in Los Lipez, to do so would be to make the same mistake as considering production to be the same in Los Lipez as it is in Salinas.

Quinoa is harvested by cutting or pulling the stalk out of the ground; the stalk is then piled according to colour in a large stack and left in the field to dry. Besides the impossibility of using a tractor in this terrain, it is seen as an advantage to cut the quinoa by hand to reduce soil disturbance as much as possible. The soil in San Agustín is quite light and can easily be taken by the wind if it is disturbed. The cutting is usually done by families and a hectare or so can be cut in a day. The only food the farmers usually bring is coca leaves to chew (which provide energy and reduce hunger), alcohol to drink, and *pito* (ground quinoa that is roasted three times and is mixed with water and sugar to make a refreshing drink). Chewing coca leaves may reduce feelings of hunger and provide energy, but the most useful property may be its pain-killing ability; a long day of harvesting quinoa by hand under a hot sun can be brutal for farmers, especially the elderly<sup>21</sup>.

After drying in the field for several weeks, the heads of the plant are cut from the stalks and placed on a mat together. A farmer then beats the heads of quinoa with a large mallet to free the seeds.<sup>22</sup> The large pieces of stalk are taken out of the pile and what is left in a pile is quinoa, chaff and small pieces of stalk. This mixture is separated using a large sieve that allows smaller pieces to fall through while holding larger pieces, but there still remains small pieces of stalk and lots of chaff, the remainder is removed using wind. Picking up the mixture with a pan, shovel or dish, the farmer simply pours the quinoa down onto the pile while a wind blows through it. The wind takes the lighter chaff and pieces of stalk with it and leaves the heavier quinoa to fall safely back onto the pile, thereby separating quinoa from chaff and stalks. This requires a specific type of wind that's not so strong that it would take away the quinoa and not so weak that it would not take anything with it, this process is called *ventear*, or "to vent." Following the first venting, the quinoa is brought back to the house in the chacra or the house in San Agustín. The chaff and stems are saved to be re-integrated into the soil later in the year to conserve soil fertility and structure.

After the quinoa is mostly separated and brought to the home, it is separated again into different classes. The quinoa that falls directly down is the heaviest and called

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<sup>21</sup> Just a few minutes of this work was enough for this twenty-six year-old farmer's son.

<sup>22</sup> In the Salinas and other quinoa growing regions, the quinoa is usually separated by driving over the heads with a car or tractor.





**Figure 1: Quinoa field in the hills above San Agustín** middlemen or kept for consumption. Contrary to findings in other quinoa-growing regions<sup>23</sup> of Bolivia where little quinoa is consumed, all families responded that they ate quinoa at least once a week and many consume quinoa once a day. The classes are progressively smaller and less pure; while *primera* is the largest grains of quinoa and has little other matter besides small pebbles, *segunda* is smaller grains and *tercera* is even smaller and often contains an amount of chaff and pieces of stem. The separated quinoa is either sold directly or kept in storage. Seed for the coming year is also selected from the largest grains in the field, picked directly from the quinoa plants.

*primera* (first-class), this is saved to be sold to farmer cooperatives for exportation. The second heaviest, that which is carried slightly farther, is called *segunda* (second-class) and is often sold to middlemen. The other portions of quinoa, *tercera* (third-class) and lower qualities are sold to

According to informants, agricultural production hasn't changed in San Agustín as it has in the Intersalar region of Bolivia and the other quinoa-producing regions north of Los Lipez. It is these changes in the other quinoa-producing regions that have drawn much attention from researchers in relation to the process of mechanisation and industrialisation of the once ecological and natural production of quinoa. Agronomes et Vétérinaires sans Frontière, a French non-governmental organisation, is currently carrying out a program to reduce overuse of tractors and chemicals and to return production practices to a more ecological and communal activity (Felix and Villca, 2009). In San Agustín, however, little need for such a program exists. Farmers continue to use limited amounts of communal labour, especially at the time of quinoa seeding and, whether it is certified or not, the production is mostly organic. The fact that Lipeños

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<sup>23</sup> Other royal quinoa-growing regions will be referred to as “Salinas,” or the “Intersalar region” throughout this paper. The region is based around Lake Poopó and the Salinas de Garcia Mendoza, both found in the Oruro Department of Bolivia. Most producers in San Agustín referred to the region as “Salinas” and many academic papers refer to the region as the “Intersalar region,” I will use the terms interchangeably.

focus more on hillside production partially explains the discrepancy between production practices. The elevation and colder temperatures act as natural deterrents to pest infestations and reduce the need for chemicals, note that in the history of Lipez chemical use only began to expand after farmers began to till the *pampas* (flatlands), though Lipeños also till the pampa, it is on a much smaller scale. The landscape of the hillsides also makes any use of a tractor difficult, if not impossible, and the distance is also quite great for the transportation of heavy machinery. Another likely explanation is the difference in land holdings. In Los Lipez the average holding is only a fraction of those found in Salinas or the Intersalar region and this would make individual possession of heavy machinery difficult. Production practices do vary among farmers, some using the occasional chemical treatment and others not, but they also vary from site to site; many farmers cultivate land both on the flatland in the valley of San Agustín where the climate is warmer and the soil more sandy and on the hillsides where the air is brisk and the soil more fertile. The quinoa grown at the lower altitudes could possibly be farmed by tractor and can be susceptible to plagues which require pesticides, although most claim to use organic pesticides if anything. The quinoa grown on the hillsides very rarely or never requires pesticides and can be nearly impossible to cultivate by tractor.

Even quinoa grown at the same altitude and in very close proximity can vary. During one visit by motorbike to a pair of fields, I observed two fields separated by just 100 metres; one had tall quinoa plants with full, ripe, un-infested heads of seed ready to be harvested, the other had small, sparse plants, some ready for harvest and others far from it, the field was also infested with insects. The difference could be due to production practices or possibly to small agro-ecological differences. In Copacabana I saw a field on a foothill that ended at a small stream; near to the stream the quinoa was tall and productive, farther up the hill there was none growing, though the entire plot had obviously been tilled and seeded. Climatic conditions can also vary within a small region. At times one side of a hill were said to have adequate water and quinoa was growing well and on the other no rain had fallen and the quinoa would not be productive.

An intriguing process that has been developing in the last few years as a result of the droughts is the increasing importance of quinoa production in the hillsides. An important and often highlighted aspect of agricultural change in the Intersalar region has

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been the movement of quinoa production from the hillsides to the pampas, or flatlands. This can be partially or wholly blamed for the increased use of tractors and pesticides and the reduced importance of animal (llama) manure use in fields. In contrast to this situation, the lack of precipitation in San Agustín has raised the importance of production on hillsides because of the greater ability of the soils on hillsides to retain moisture. So, as the importance of hillside production is falling continuously in the Intersalar region, it seems to be as important as ever in San Agustín. Many times when I asked about production in the fields on the flatland the farmers would say, “Production is low here and it won’t be a good year, but you (I) need to go to the hills, that’s where the quinoa is!”

Weather is of primary importance in this semi-arid region and the only type of irrigation is a few pump-wells for individual irrigation. Although quinoa is uniquely durable against drought and cold weather, it also has certain limits and these limits have been breached in recent years. The past three years, including the 2009-2010 season, some communities in the region have had no harvests because of intense drought and this season also saw some drought in patches of the region. The prevailing wisdom says that in typical dry years the production in the hills will be okay because of the soil’s ability to retain water and the production at lower elevations may be lower because of the sandy soil. In a typical wet year the production will often be higher in the lower lands because the quinoa on the hillsides is more susceptible to freezing. In this way the ownership of land in the flat, lowlands and on the hillsides can be a kind of insurance against bad harvests. In the year of research, rains came quite late after planting and this caused a serious delay in maturation of many of the plots of land, some were unaffected while others severely affected. The average month in which farmers begin harvesting is March and this year it was delayed until April and even then some fields remained full of green heads which could not yet be harvested and the lowland fields often had very low yields. This was compounded by the fact that regions farther north and farther east had very good harvests and this prevented the price of quinoa from rising significantly. The drought was serious enough to lead workers of CECAOT to consider not paying for organic certification for one year because the amount of quinoa purchased and sold was not expected to pay for certification costs. This idea was abandoned because it would

require beginning the certification process again and waiting the required three years before full certification. The vice-president of another cooperative, SOPROQUI, an affiliate of ANAPQUI, also expressed worry over the coming season, saying that they are thinking of other strategies to make up for the shortfall. An intermediary, Isabella, expressed the possibility of leaving the business of buying quinoa altogether if production didn't increase in the coming years. Thankfully for the farmers, few producers rely completely on quinoa production and most have livestock as well which, unlike the drought of 2008-2009, were not affected.

Following the planting, protecting, harvesting, and separating of quinoa, it is ready to be transported from San Agustin to the rest of Bolivia. I remind the reader that this thesis follows quinoa from production to the domestic market in Bolivia, not further abroad.

## **The social situation**

The following passage is an analysis of social situation or situational analysis, made known by Max Gluckman and the Manchester School of Anthropology. Quite simply, a situational analysis is a presentation of a series of events which demonstrates a theory in action or a wider set of data in action. It is through analysing a situation that a researcher can show not only facts and people, but demonstrate interactions between various people and groups. Many researchers of the Manchester School also use this writing method to allow more space for the reader to form his personal opinions based on the data presented; by including more raw data, it is said, the reader is given a chance to consider the significance and meaning of the piece more or less independently. Of course, the writer has already written the field notes that she thought pertinent and included the piece for the writer's own reasons and so it should not be assumed that the reader has an unbiased presentation of the situation.

Here I present a day in the life of an intermediary, Isabella<sup>24</sup>, as she visits San Agustin to purchase quinoa and sell various goods. I present this social situation in this manner for a number of reasons; 1) I want to demonstrate the interaction between

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<sup>24</sup> According to standard protocol, I have replaced names of contacts with arbitrary names; public figures will be referred to as their proper names and non-public figures will be given pseudonyms throughout this paper.

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intermediaries and farmers in the most realistic manner, 2) I want to show the variety of relations that the intermediary has with different farmers and 3) I believe this can allow the reader to more easily see the intermediary, the farmers and the researcher as actors who are all in a state of decision making and interaction based upon their immediate contexts and situations. I also appreciate greatly the idea of presenting as much field data as possible and hoping that the reader will bring new conclusions to light upon their reading of the text.

The following is taken as completely from the researcher's field notes as possible with added information to present a more complete picture and minimal editing to create a readable text. This is taken from a day in late March beginning in the early morning and concluding late at night, mostly written in San Agustín on the day of the event except for the closing hours which were written the next morning.

### **A day in the life of a middle(wo)man**

Isabella doesn't sleep well and rises early to prepare breakfast; I get up a bit later. It's 5:30 AM and we've just awoken to our third day on the road. We left Uyuni two days earlier under the cover of night and arrived in Colcha "K" very early in the morning. After a short night's sleep in the back of the *camion* (truck) we got up to trade, buying quinoa and selling nearly everything else until night fell, and we left for San Agustín. We spent the night at a friend of Isabella's, Isabella and her daughter slept on the single bed, the driver slept in the cab of the truck, and I on the dirt floor in my sleeping bag. I've slept well under a warm roof and the morning is brisk, but not too cold. Before



**Figure 2: Isabella's mobile store and quinoa pick-up centre.**

breakfast I go for a walk around town and see that they have a few dozen family-sized gardens near the town; they produce onion, carrot, alfalfa, Swiss chard and quinoa in their gardens. They also have sheep hides hanging to dry and llama meat drying in the sun to be made into jerky. We

eat a simple soup early at six and then the driver and I immediately unload the truck. The small town is already bustling with a half-dozen people talking with Isabella and looking through the goods that are laid out on the ground, but not yet organised properly. Straight away a woman trades a few pounds of quinoa primera for grapes, noodles, soap, and cooking oil. Another two people come but we're not quite ready for them yet. The quinoa is selling for five Bolivianos per pound or 500 Bolivianos<sup>25</sup> per *quintal*<sup>26</sup>. When goods are traded for quinoa, it is not bartering in the strict sense of the term. Rather than trading goods as units of utility, of equal utilitarian value, this trade is done according to market value for each product. For example, when trading quinoa for noodles, the intermediary calculates the value of the quinoa and then offers an equivalent value of noodles in exchange; If a woman brought six pounds of quinoa primera (at five Bolivianos per pound) she could receive a four-kilo bag of noodles (twenty-seven Bolivianos per bag) and three Bolivianos in cash. Customers can also take cash or a mix of product and cash, alternatively they can simply purchase the goods without selling any quinoa.

Isabella is a woman in her mid-fifties, though she looks younger, and originally from San Pedro de Quilmes, a town within Los Lipéz on the border with Chile and a popular spot for Salar de Uyuni tours to pass through. Isabella is a conservative and religious woman, sometimes combining criticism of the President Evo Morales with critiques of the lack of devoutness of many Bolivians. She married young and she and her young husband had little in their first years together. They would buy a few kilos of rice or noodles to eat when they could and lived very simply.

She had always enjoyed working and visiting people and so she started selling things in the countryside. She would take transportation out to the region where she grew up and bring some foods (sausage, cookies, and crackers) to sell; she made decent profit and soon bought a small thirty-eight year old truck. With her small truck she would buy llama meat and sell anything that people would want, if they asked for it she'd bring it the next time and if they didn't buy it she would stop bringing it; she even brought a home-made soup to sell from time to time. She says she was never afraid to sell to the people,

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<sup>25</sup> At the time of writing, 1 Boliviano is equal to 0.14 United States Dollars and 1 United States Dollar is equal to 7.02 Bolivianos.

<sup>26</sup> 1 quintal is equal to 100 pounds; 1 pound is equal to 0.45 kilos and 1 kilo is equal to 2.2 pounds.

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to offer things to the people. She enjoyed going to the region to speak with people and even better if she came home with a nice profit, which she usually did. She would speak with the people and they would confide in her about their troubles, economic woes, family problems, anything. She says her character is important to the people in the country, trust between her and the farmers is important to her business.

In 1986, three years after buying her first truck, she began selling used American clothes and buying quinoa. At that time she didn't know much about the market, she would sell to shops who bought quinoa, then later began selling at Challapata where she would sell quinoa about twice per month. She and her husband upgraded cars as time passed and had three kids. She learned Quechua for her business; she could speak and understand what she needed to and this helped her to converse with those who knew little Spanish or felt more comfortable speaking their native tongue. In 1995, she and her husband divorced and for two years she stopped buying and selling in the communities to focus on raising her children, when she began again in 1997 with the help of her brother. Now with the lack of quinoa caused by the drought this year and last, high investment costs, and having to pay for her kids through school in Sucre, she has to expand to other forms of transportation (fuel transportation). At one point in our conversations she mentions that if production isn't better in the coming years she may have to become a transporter exclusively and give up being a comerciante and intermediary.

She now buys from ten communities including San Agustin, all within Los Lipéz and within relative proximity to her hometown, San Pedro de Quilmes. Throughout the year she travels to the communities once per month or twice if there is more quinoa available; she goes according to demand, when people are ready to sell or have a need for cash or goods. For instance, communities have celebrations throughout the year for local, national and religious holidays; in the run up to these holidays families are often in need of cash for the celebration and Isabella often schedules her visits around such festivities. When possible and convenient, she buys cheaper and fresher fruits and vegetables in Oruro to trade with producers; Uyuni is rather isolated and fruits and vegetables are often both expensive and of lesser quality than in other cities. She also gets noodles in Potosí and flour from Argentina. Other goods are purchased for resale from Oruro at the markets and fairs. She says that one has to bring lots of things; if you bring just one thing

they won't want it, the farmers demand variety that one could find in a store. She mostly uses *trueque* (exchange) because that's what the farmers prefer and it's what she usually offers. She concludes one of our conversations by saying, "La quinua ha sido todo para mí, con quinua nos hemos todo, la casa, el carro, tengo mi casa en Sucre, todo. Todo es quinua, no más." "Quinoa has made everything, with quinoa we've done everything, my house, the car, I have a house in Sucre, everything. Everything is quinoa, nothing more."

Looking at the quinoa she's just purchased, Isabella says that quinoa is always good here in San Agustín. She mentions that in Copacabana the quinoa is *medio malo* (half bad).

Isabella and her daughter sort the boxes of goods all out and open the boxes to get ready for people to come. We have a wide variety of products for trade and for sale. She carries fruits including: oranges, grapes, bananas, tomatoes, *locoto* (a Bolivian hot pepper), pomegranates, peaches and prickly pear. She also sells candy, cleaning supplies, toilet paper, tampons, cooking pans, school supplies, canned foods, eggs, potatoes, sugar, corn, pasta, lettuce, onion, rice, corn meal, stickers, plastic dishware and a few others things. The products are laid out as one would expect in a store. On the far right the fruits are spread out to entice the customer towards the store with their colours and smells and next to them on the left are more food products including crackers, chocolates and sweets. After the food products one finds school supplies and stickers and then finally on the far left are the cleaning supplies plus some cooking pots and pans. This is all laid out beside the truck; inside the truck are the heavier and bulkier items such as large bags of noodles and sacks of sugar, corn, flour, potatoes, onions and rice. We're all set up now; organised and waiting.

Isabella explains the prices of her goods, saying that they're the same price as Uyuni, pronouncing some things to be *baratísimo* (very cheap) and others *ricísimo* (very tasty). A woman comes to see Isabella and the goods, she says she hasn't harvested quinoa in two years and so she has nothing to trade. The driver tells her anyways that a bag of corn is traded with quinoa two to one (two pounds of corn for one pound of quinoa) and another man comes to buy *locoto* and bananas.

It now gets a lot busier, people buying oranges, papas, bananas, rice, and stickers. Some are selling small quantities of quinoa primera, but mostly people are here to buy.



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People aren't happy about the price of quinoa; they first express surprise to hear the price, and then complain about it. Up until recently the price has been seven Bolivianos per pound, two more than the current price and the local cooperative, CEDEINKU (an affiliate of ANAPQUI) is still offering seven Bolivianos per pound. The price has fallen in response to the sell-off of quinoa in storage by many farmers to make space for the coming harvest; the farmers in more productive regions are especially doing this. Although the harvest has only begun, the supply is already rising rapidly and price falling in Challapata as well as in San Agustín. The farmers don't have much bargaining power in this transaction; the price is non-negotiable, take it or leave it. Despite their disappointment, people here are quite happy to sit down and chat with Isabella and many do so for a few minutes to more than an hour.

After a brief lull, it gets busy again around eight o'clock. People are selling small quantities (two to fifteen pounds) of quinoa primera and buying potatoes, pasta, bananas, stickers, grapes, *tuna* (a species of prickly pear), and peaches. Many seem to be selling just enough quinoa to pay for the goods that they need. When selling to other intermediaries and cooperatives the farmers are often required to sell quinoa in units of quintals or at least in units of arrobas<sup>27</sup>. This common rule among quinoa buyers is meant to simplify the buying process and to have as uniform samples as possible. They prefer to have bags of a few types of quinoa that are filled rather than having a few pounds of several types to transport back to Challapata. Isabella considers her purchasing of small quantities as a service that can "endear" her to her customers; by purchasing small quantities she is providing a favour to the producers. Isabella is also giving away some bruised and damaged fruit with purchases; if someone buys a pound of bananas they may get two damaged bananas thrown in. Compared to Colcha "K," the town we purchased quinoa in the day before, there is much more business today and people are buying much more fruit and foods than sweets. Buyers in Colcha "K" were mostly construction workers from Potosí buying chocolate and candy. The interest in fruit bodes well for Isabella who needs to sell it all off before it spoils.

Around nine o'clock, we've managed to collect a few sacks of quinoa although all farmers have sold very small quantities except for one elderly couple who brought fifty-

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<sup>27</sup> 1 arroba is equal to 25 pounds or ¼ quintal.

eight pounds of quinoa primera. There remains a good amount of excitement around the small plaza where the “shop” is set up, people checking out goods, talking, buying things, and selling quinoa. Women are speaking mostly Quechua, which Isabella speaks fluently, including a few jokes at the researcher’s expense. There are jokes about how Isabella managed to hire a gringo to drive or to work for her and the researcher responds that this is just how bad the American economy is these days.

One woman stops and begins buying large amounts of several basic foodstuffs such as pasta, potatoes, rice, sugar, and wheat flour. She is a *comerciante* (vendor or store owner) in town and buying to sell later on to people in town. She doesn’t receive any discount for buying in bulk and so one can assume that this will be marked up further. In this case, the goods were purchased by a comerciante in Uyuni from another part of Bolivia, sold to Isabella, sold to the local comerciante and then will be sold to a consumer. The goods sold at the San Agustin store have passed through the hands of at least four intermediaries, reprehensible from a global supply chain standpoint, but this is the only permanent supply of many products to the town.

A man comes with a potato bag of red and white quinoa. The driver meets the man and, without much talk between the two of them, weighs the quinoa with a small hand-held scale hooked to the bag. Larger quantities require a larger scale held by a pole which is held by a person on each side. It weighs ten pounds, a tenth of what the cooperatives and many intermediaries normally purchase. Isabella takes a look to judge the quality and offers a price; he agrees to the price and takes corn, flour, rice, fruit and a small amount of cash in exchange for his quinoa. It’s a very quick transaction; they weigh it, grade the quinoa, announce a price, and transfer it to their own bags; all within three to five minutes. The buyer then either takes cash, products or the two. As Doña Isabella buys ten more pounds of quinoa she seems quite pleased with the day’s work. We’ve purchased much more quinoa and sold much more goods than in Colcha K as well. As she said the day before, the quinoa is also of good quality here; most of the quinoa purchased has been primera. As I write this we buy seven, eleven and four pounds more of primera quinoa. The price offered in the last two days has not wavered. No friends or family have received any sort of discount and there is no difference

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between those trading or taking cash; the price is fixed on quality and type of quinoa, nothing more.

A teacher stops to chat before taking the bus to Uyuni. I ask if many intermediaries come here and he says this is the first since January (about two months). He says more middlemen will come during and after the quinoa harvest.

At around ten o'clock business is getting quiet. There is a drunken man (Isabella's brother-in-law) and he's the only activity or entertainment in town. Many of the townspeople are either tending to their livestock and harvesting quinoa in their chacras or still working in Chile or in the interior of Bolivia.

As the hot Altiplano sun rises above the buildings and its light settles on our perishables, I help put up the tents to block the sun and now we're just waiting for customers.

It's very quiet now (10:45). A bus left for Uyuni about an hour ago and likely took some customers with it. Since 10 o'clock there has only been one customer, a woman selling thirty pounds of primera. The drunks (there are two now) are going to get a little more to drink when a woman separates them to avoid this. One isn't happy about it and starts lecturing about politics in a very loud voice. Regional and local elections are coming in one week and, judging by his lecture subject, he is certainly concerned about this. He's not talking to anyone in particular, just yelling propaganda.

A group of women approaches, one sells a few pounds of quinoa, another sells fifteen pounds. Still another asks to read my notes; the second person to ask about them today. I translate the two notes just above and she seems quite unimpressed by my observations.

After we trade fruit for fifteen pounds of primera, I notice that at this point yesterday we'd eaten three times and today only once. It seems that when we're not busy we feast and when we are doing brisk business we go without. This links with something I'd read in *Mercado Kantuta* (Leon et al, 2003) in which market vendors in Oruro would typically eat well on slow days because they had time to eat and this treat would make up for their disappointment. On busy days, however, there would be no time for them to eat and they would sacrifice their meal to pay greater attention to their sales.

It's starting to pick up again as a woman brings seven pounds of primera. As always, it's weighed, graded and sold or traded. Another brings twenty pounds of primera and another is a mix of primera and *verdes* (greens). The verdes are also quinoa, but are immature and therefore have no value. It receives a very low price because it is roughly the same size and weight as primera and must be separated by hand. Another woman sells seventeen pounds of *Pisankalla* (quinoa with a red skin that washes off during the washing and appears white afterwards). It has a very high demand for use in *pipoca* (popped quinoa) and other snack foods such as energy bars.

We've now almost finished the fruit, the only immediately perishable product we have and therefore the only thing that Isabella can't store and sell at a later date.

Students are starting to show up now as they're out of class and, in contrast to Colcha "K," a lot of them look for fruit, although some also come to buy sweets or stickers.

A girl and two women each bring about five pounds each. One sample is primera and the other two are segunda; one takes cash and the others take goods. They are followed by a couple who bring 160 pounds of segunda; they take a dozen bananas and cash. Soon after, a young girl brings five pounds of quinoa to trade for fruit.

Around one o'clock, a woman brings us a maize soup; she's a good friend of Isabella's and they stop to chat for a few minutes. Before leaving she buys some fruit and other things and pays the same price as everyone, although later on Isabella gives her a pound of peaches in appreciation for the tasty soup.

After lunch a woman brings three pounds of quinoa for fifteen Bolivianos and takes fruit in exchange. She's followed by a girl who brings eighty-five pounds of *blanca* (white quinoa) primera and ninety-two of *rosada* (pink quinoa) primera. Then, a woman takes fruit for nine pounds of quinoa primera. A young boy sells a pound of cuarta (fourth-class quinoa). This sample is quite distinct from the near-pristine quinoa that the cooperatives purchase. It looks quite poor; lots of stones, sticks, and the quinoa grains are tiny. Cooperatives accept almost exclusively quinoa primera as it is the only quinoa that is usually exported.<sup>28</sup> Intermediaries vary in their practices in this regard and as will be demonstrated later in this article, other types are much less available at markets. The

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<sup>28</sup> Andean Naturals is an exception.

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difference in price between different classes is quite significant. Isabella is offering 500 Bolivianos per quintal for primera, 150 Bolivianos per quintal for segunda, 80 Bolivianos for tercera and 50 Bolivianos for cuarta. CECAOT, just days before our trip, quoted prices of 620 Bolivianos for primera from *particulares* (non-members) and 700 Bolivianos for organic primera purchased from *socios* (farmer-members). Nearly all quinoa produced in the community is organic; a basic qualification for membership in the two major producer cooperatives in the area, but quinoa purchased by Isabella is not certified as such. In Challapata, much quinoa is sold as organic, although, like the quinoa purchased today, it doesn't carry certification and is nearly untraceable. Isabella considers her purchases of segunda and especially of tercera and cuarta as favours or services for the customers; the lower quality quinoa requires much more man-labour to sort out and process and the profit per pound decreases as the quality declines. Markets demand pure, first-class quinoa and Isabella always prefers it over segunda and other lower-class types of quinoa. Purchasing lower-class quinoa is a way for Isabella to gain confidence and loyalty from farmers as well as a way to sell more goods to those who want to trade quinoa.

At this point we've already collected much more quinoa than the day before.

Isabella speaks with most women in Quechua, she's fluent in the language and this vastly improves her ability to socialize with the people. Socialising is quite a prominent activity here, many people discuss things with Isabella while shopping and some even stop just to chat for thirty to sixty minutes. There is an obvious familiarity between Isabella and the farmers and genuine friendship between her and others.

A woman sells fifty pounds of primera, then another brings bags of twelve and twenty-eight pounds of primera and a sample of tercera to ask if Isabella will buy it. She hasn't refused any quinoa yet and won't now. Another woman comes and trades twenty-two pounds of primera for some goods she took earlier.

The woman who brought soup earlier brings an eight pound bag of quinoa and exchanges it for coca. The woman who asked earlier about a sample of tercera brings the rest to sell (twenty pounds) and is followed by a couple who sell fifty-four pounds of primera and take a wide range of things including cooking pans, fruit, and noodles. A

girl then comes with four pounds which I am allowed to weigh and grade, after being checked of course.

Around four o'clock a woman brings seven pounds of primera before things begin to slow down for the next half an hour until a woman brings five bags of five types and qualities of quinoa. They weigh twenty-eight, twenty-five, twenty, twelve, and ten pounds each. She comes back shortly to sell another seven pounds. She takes a very wide array of goods and foods in exchange. After this sale, business slows down and becomes very quiet until six o'clock when a woman brings fifty pounds of a variety of types and qualities of quinoa. She trades for rice, corn, noodles, cooking oil, and other things. Then an older gentleman comes with two pounds of primera and trades for bananas, candles, and some crackers. The crackers are used quite often as change – if Isabella owes fifty cents, she throws in a package of crackers.

A woman comes and asks to change a 200 Boliviano note, considering the impossibility of using large bills in Bolivia this is surely an important task especially in a small, isolated town. Isabella changes the bill with no problem. The day before a man had asked for her to change some US Dollars into Bolivianos, also not a problem for Isabella. In these instances she was working essentially as a moving bank, changing money and converting currency with little problem. In times of relatively high prices, Isabella also offers to buy future harvests on credit. She typically does this in the months before harvest as a means to capturing an amount of quinoa; she also earns interest on these loans, though not much. The farmers accept this deal when they have a need for cash and no quinoa to sell; there are few other methods of achieving loans in the region and the nearest bank is in Uyuni, five hours away.

Two girls come with a few pounds of primera and take fruit. When told how much the quinoa is worth, one says “¿*Asi no más?*” (“That’s it?”). She’s not too happy with the price. We all have a good laugh about her reaction once she’s around the corner.

A middle-aged couple brings eighty pounds of primera and then another couple brings eighty pounds segunda. The second takes noodles, rice, and other things. A woman then arrives and sells thirty pounds of segunda and another brings a few pounds to trade for fruit.

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It's now around seven o'clock. It's our scheduled departure not only because business is expected to be slower at night, but because the darkness makes weighing and grading of quinoa very difficult, no easier is it for customers to find their goods. Thus, the fall of night only contributes to general chaos. On cue, at seven o'clock a man brings



**Figure 3: Isabella's truck and my hotel for two nights.**

112 pounds of primera and fifty pounds of segunda and begins a seven o'clock rush. People are now coming from every corner. Several have brought quinoa to be weighed and graded and they then wait to pick out their products that they'll exchange for. More

people come to just buy goods and several more are milling about and conversing with Isabella, asking when she will return. We weigh, grade, calculate and negotiate; all with the light of a small flashlight. People are all asking questions about prices, asking to see goods and making conversation and this mixed with the weighing of quinoa and buying of goods makes for a chaotic atmosphere. At eight o'clock we wrap up business in San Agustin and leave for Copacabana. The trip takes probably an hour or so, not long on a decent road. At the onset of the trip we offer coca and alcohol to Pachamama to ensure our safe passage and hopefully good business in Copacabana. Isabella says (jokingly) to be sure to put that in my notes, already done. We arrive late so the driver and I sleep outside again, in the back of the truck using bags of quinoa as bed mats and pillows and the stars as night-lights. This night it's not quite as cold as the night in Colcha K and I indeed sleep quite well.

### **The rest of the trip**

In its entirety, the purchasing trip lasted four days, after San Agustin we spent most of the next day in Copacabana before packing up and buying a few more quintals of quinoa in San Agustin on the road back to Uyuni. Business the next day was not good

because many of the farmers were living in their chacras at the time, tending to their livestock, and the town was nearly deserted. The researcher was surprised to learn that Isabella did not know of this situation and had come on a Sunday, a day when everyone returns to Copacabana to attend church and rest. She did make a note of this and planned to arrive next time on a Sunday.

Quinoa purchased in Colcha “K,” the first town on our trip, was mostly segunda and tercera, poorer quality than that purchased in San Agustín; quinoa purchased in Copacabana was of variable quality. The average quality of quinoa in Copacabana was better than that of Colcha “K” and worse than that of San Agustín, but some sold there was truly poor quality. Upon our departure a woman flagged the truck down and brought us to her house where she sold four quintals of mostly dust and stems; there was very little quinoa (in quantity and in size). No cooperative and few other intermediaries would have touched this.

Quinoa processing would begin soon after arrival in Uyuni. Because Isabella is a small-scale intermediary, she has low-capacity processing machines and she uses much hand-labour to separate and clean the quinoa. The amount of processing depends on the quality of the seed. Isabella processes quinoa on the ground level of her house in Uyuni, beginning with a scarification that is meant to remove some of the skin on seeds which contains saponin, a bitter substance, and is then washed to remove any remaining saponin away. After drying out, the quinoa is hand-separated to remove any small rocks, green seeds or other plant seeds. It is not necessary to blow the quinoa to separate into first, second and third class as this is already done by the farmers.

## **Reflections**

Isabella cannot be labelled simply as an intermediary, middlewoman, or rescatiri; her economic life has many branches, even on a short trip. The main purpose of the trip was to purchase quinoa and she bought a large amount of quinoa, around fifty quintals in total. To assume that this activity defined the trip, however, would be a mistake; while buying quinoa Isabella was selling (or bartering) a large quantity of goods. Whether trading goods for quinoa or selling them outright she charged slightly more than the price charged in Uyuni; she doesn't sell goods for humanitarian reasons or simply to have



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something to trade, she does this for profit. In an interview she stated that if no quinoa was available she could still take a truck out to sell vegetables, fruit, and other goods in the communities and would make enough to pay for the trip and return a profit. Even when performing trueque Isabella cannot be considered to be only an intermediary or a comerciante, she performs both roles simultaneously. As mentioned earlier the transaction is not done as a straight barter, but the goods are valued by their market value; one can then understand the transaction to be two separate transactions. The first is buying the quinoa from the producer and the second is selling goods to the producer. There is no special price for individuals; it is the same price regardless of transaction, kinship, friendship, or business relation. Isabella also performed a role as banker during her time in the field, though this was done for hardly any profit. She changed large Bolivian bills for smaller ones and traded US Dollars for Bolivianos.

The trip cannot be considered a purely business trip. At times Isabella would chat with farmers and community members for hours without a single transaction and this was not only making conversation; she had a genuine interest in the people and the feeling was mutual. One woman in Copacabana was obviously a long-time friend and Isabella's daughter acted the same than any young Dutchman or North American would when meeting an older friend or relative of his or her parents. The child is first shy, the older relative wants to hug or kiss the child and the child is then embarrassed. Finally the older relative kisses the child's cheek anyways and the child accepts this. Of course Isabella would not make this trip solely for the social interaction, but it is indeed enjoyable for her. She has even learned Quechua to improve her ability to speak with all members of the community, especially the women who are often those who sell the quinoa and those who speak the least amount of Spanish (because of less young girls going to school in the past and likely in the present). Critically, this can be seen as a strategy of Isabella's.

While the dominant discourse surrounding intermediaries is focused on their unscrupulous business actions, Isabella is actively working against this narrative. She buys in small quantities which very few other intermediaries do so that she can gain a foothold and gain the patronage of farmers. She brings food and goods so that people can find cheaper (often half of local prices) options and avoid long trips to Uyuni; this is appreciated by the farmers as well as teachers and construction workers in the

community. Isabella also comes when the people need her to and doesn't impose restrictions on production practices (conventional v. organic, for example). Unlike many economists, quinoa farmers in San Agustin are quite aware that each middleman is a unique individual and that each middleman has an accompanied reputation. When an intermediary arrives in a community he or she is confronted with the fact that farmers may or may not sell their quinoa based on his or her reputation of cheating or of fair business dealings. While experiencing fair trade coffee in Northern Peru a number of years ago, I observed that a strong complaint against intermediaries was the fact that they had near complete control, they would come sporadically to a community and with few other options, the producers would sell to the intermediaries. In San Agustin the situation is quite different, many intermediaries come and there is also the possibility to sell to the cooperative; this allows quinoa growers to pick and choose to whom they want to sell their quinoa. While one cannot honestly say that power is in the hands of the farmers alone, it appears to be a more equal situation between buyer and seller than in other situations. Isabella uses her good personal reputation and her relationship with customers to gain a sort of patronage from them, she offers services and a reputation for honesty and they return the favour by not refusing to sell to her. Note that this does not mean that they will obligatorily sell to her, only that she won't be blacklisted. These tactics can be seen as techniques to gain the trust of buyers and sellers in the communities and by virtue a way of securing a share of the market in these communities.

Isabella's role of intermediary is presently ambiguous, she is not always acting as an intermediary, but this is a very important role of hers and the people in the community did indeed recognise her primarily as an intermediary. The process of her becoming an intermediary was also not in an "A" to "B" direction, but an occupation that slowly developed as her life did. She may have started at A, but she never had B in mind as a destination; that's not to say that she had C or D in mind either. Her path wasn't planned nor was it predictable.

She began buying selling goods in the countryside as much as a hobby as for profit. Her profits were not much, but at that time her husband supported her and the family. As she continued to sell goods, she realised that she could be buying goods and bringing them back to sell in Uyuni. She began by purchasing llama meat and wool and

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then as the market for quinoa began and continued to grow she began to purchase more and more quinoa, what is now her main source of income used to only be a side-project to have something to bring back to Uyuni to sell. As her business grew she upgraded vehicles and began bringing quinoa to the Challapata market; it was a longer trip but paid better than Uyuni. In the mid 1990s her divorce brought a halt to her business as she focused on her kids and worked to keep her family together. Interestingly, while many ethnographic tales describe how a family contributes to the growth of a business, this is a case of the opposite. The break-up of the family leads to the breakup of the business. Two years later Isabella re-started her business with the help of her brother and has continued to work as a comerciante and intermediary since then. The business now ebbs and flows with quinoa production, in years of low production she doesn't travel to other regions to make up for the shortfall, she just buys less quinoa. Confronted by three straight years of sub-par harvests in Los Lipez, Isabella mentioned once that she had joined a transport syndicate in San Cristobal (a mining centre in the region). The transport syndicate was a temporary diversification of income and a possible long or short-term alternative to trading quinoa. Despite her years of investment in the job, she is willing (reluctantly) to change her main profession if quinoa becomes unprofitable or unable to support her and her family. In other words, Isabella cannot, in good judgement, be identified as only an intermediary; a more accurate representation is that of an individual or entrepreneur. Isabella is not only an intermediary, she is not only a comerciante, she is not only a transporter; all of these are inaccurate and over-simplified labels for a woman who has not always been any of these labels. She is Isabella, a woman who has oriented her economic activity around her lived-in situation and, although I refer to her as an intermediary for simplicity (I hope not unnecessarily), she is unique.

Isabella only works in Los Lipez, near to her hometown, San Pedro de Quilmes. This includes ten communities which she prefers to visit in circuits. Each time she travels into the region she visits several towns rather than visiting every community. Her choice of where to travel to also depends on her company. On the occasion of our trip, she brought her daughter because no one was available to watch her at home. Had the daughter not been in our company, we would have extended the trip to visit two or three

more communities to make up for the poor day in Copacabana. As it stood, the girl wanted to be back in school the next day (as a young boy I certainly would have preferred to continue the trip) and this limited our options for continuing. Tempted to link this to Isabella's history in the region, I asked why the preference for this region. She answered matter-of-factly: the other regions are so close to Uyuni or Challapata that they can easily bring their own quinoa to market or already have too many intermediaries buying the quinoa. She also complains that the producers in Salinas don't prefer to do trueque and Isabella prefers this type of business to buying with cash. The profit is much greater in Los Lipez because the people have less opportunity to sell directly in markets and the distance limits the operation of other intermediaries in the region. I suspect though, that Isabella's history and relations in the region do have an influence on her decisions as well. She has invested years into improving and solidifying her reputation as an upstanding businesswoman and Lipeña and this is a valuable asset that should not be under appreciated. She has also gained a good deal of knowledge of local festivals, the schedules and calendars of people and the various qualities of quinoa in regions. While buying in Colcha "K," I had been asking about the segunda and tercera we were buying and she said that San Agustin always has better quinoa, always the best, but that Copacabana's quinoa was "medio malo" (half-bad). I would not suggest that the intermediary business is a capital intensive exercise, but it certainly is time and knowledge intensive. After more than two decades in the business Isabella continues to learn on the job and react to changes in the communities.

The role of Isabella in the local context is that of someone who purchases the qualities (segunda, tercera, etc.) and quantities (less than one arroba) of quinoa that no one else is willing to buy. She is also a source of cash flow that is available both when the cooperatives are not buying and when they are buying, but delaying payment. She supplies the town with food and supplies more cheaply and conveniently than comerciantes or buying trips are able and she brings a little excitement to the town. The minute we pulled in to San Agustin the people began to congregate; they were interested in what she had to sell, how her family was, who I was and much more. San Agustin is a very quiet place on any given day and any comerciante passing through can offer a slice of excitement.

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Not all are pleased with doing business, however. In Colcha “K,” I had a conversation with a man who had just bought an arroba of potatoes and we spoke about the presence of intermediaries. He said that it was a shame that so many people sold to intermediaries, he sold all of his quinoa to CECAOT because then it would be exported as *Bolivian* quinoa. When other producers sell to intermediaries, he complained, those intermediaries take the quinoa to the border where they sell to Peruvians who would contentiously pass the quinoa off as Peruvian. He blames producers for not knowing about this. The fact that Bolivian quinoa could be sold as Peruvian is the only complaint he brought up against intermediaries. He does not protest of the use of bad scales, low prices, or any other practice by intermediaries; only that Lipeña quinoa could be sold and the final consumer would believe that it was Peruvian. Peru and Bolivia have a difficult and contentious history together and this is likely a sticking point in this man’s complaint, but I think it goes far beyond this. I think that, much as American farmers often claim to be “feeding the world” because much of American grains go towards “humanitarian aid,” Lipeños place a good deal of emphasis on what is done with their quinoa, in other words this cannot be considered a simple transaction in which the quinoa leaves the farmers hands and all ties are cut, but the link between farmer and quinoa remains. Whether the quinoa is sold as Peruvian, Bolivian, or, for that matter, Lipeña; it is not an insignificant matter to these farmers.

Before recounting the rest of the journey of Isabella’s quinoa, I intend to outline the various other channels of quinoa out of San Agustin to provide a more comprehensive and complex picture of the flows of quinoa from production to market. It is with this demonstration of flow that I propose to make clear the variety of options available to producers.

## Chapter Three: Isabella's Contemporaries

### The quinoa buyers in San Agustin

Accounting for the great demand for quinoa and its very limited supply, there exists a plethora of buyers, all of whom are trying to defend their purchases economically (through purchasing price) and morally (according to relationships with the farmers and fair trade ideals). Farmers, for their part, manipulate the field of choices to find the option that will best fit their desires and needs. Contrary to producers searching for buyers, it seemed at times during research that the farmers were able to relax in their community and wait for the buyers to make their best sales pitch, bustling around the region to buy up as much quinoa as possible. Of course this is a simplified idea and neglects the differing power relations between buyers and sellers, but it demonstrates, quite rudely, that there are many buyers for a limited supply of quinoa.

### Other rescatiris, *se vende se compra se va*

Isabella is not alone as an independent quinoa buyer, or rescatiri, in San Agustin. Estimates of the number of intermediaries working in San Agustin vary between five and ten, but this number changes from year to year. Take the example of Eduardo Mamani; Don Mamani owns a small shop in Uyuni and worked as an intermediary in the Lipez region for several years before leaving the business due to low profits. In recent years, he says, demand has grown for organic quinoa for export and he has no resources to certify the small amount of quinoa that he used to buy. He could not compete with the organic prices paid by cooperatives in the area and was unable to earn a profit on the quinoa purchased. Profits on conventional quinoa were also tightened because a greater number of intermediaries began working in the area. Competition rose as more middlemen began to buy in the Lipez region and he could not compete with the other intermediaries. In the 2008/2009 season he was able to continue buying only because of the drought that increased prices. This year will also be a poor year for production, but high yields in other regions have more than made up for any shortfall and prices have not increased.

Don Mamani and Isabella differ greatly in their buying strategies. While Isabella spends much of her time in the field talking with quinoa farmers and has friendship and

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familial relations with many of them, Don Mamani does not. He said once, “*Se vende, se compra, se va*” (“One buys, one sells, one goes”). Ambivalence towards relationships may have little significance when no competition exists, but it can be a crucial problem when competition is high for quinoa. Don Mamani does, however, plan on returning to buy quinoa if it once again becomes profitable. As in the case of Isabella’s exit from the business and contemplation of leaving once again, the role of intermediary is not a fixed one. The role changes as intermediaries’ opportunities and plans develop. What should be clear from this is that intermediaries have neither an unchanging belonging to their identity as intermediaries nor a homogeneity of practices and strategies.

Intermediaries buying quinoa in San Agustin have essentially the same processing system as Isabella. The machines and techniques can be different, but most quinoa will not have to be vented and the intermediaries must decide to wash it or sell it unwashed. Unwashed quinoa receives a lower price, but requires less work and less investment for the intermediaries. In some cases an intermediary may wash the quinoa when business is slow and sell it unwashed when business is good to save labour. They could opt to wash only a portion of the quinoa or to sell all of it unwashed.

Although the basic practices seem quite similar (buying in the community, processing the quinoa, and selling in Challapata), intermediaries are not homogenous in their strategies of buying, Isabella actively cultivates a sense of trust between her and quinoa farmers. She buys quinoa in small quantities, brings goods to sell or trade, and provides banking services (currency exchange and exchange of large bills for small). She also has claims of friendship with many of the farmers and blood-relations with others. Using these relations, which she has worked for through social interaction and enhanced by learning Quechua, she has gained the trust of many farmers, in contrast to the common narrative of the middleman as a swindler. All cooperative management personnel interviewed followed this narrative of the middlemen as unsavory characters who cheat the farmers and this was indeed one of the key reasons for the founding of these very institutions. It must be understood that the concept of fair or unfair intermediaries is not contradictory, but only different strategies. Isabella places a great deal of importance on her standing in the communities in which she buys quinoa, but others, such as Don Mamani, do not place emphasis on these relations. To speculate would be irresponsible

as I never directly observed any cheating by intermediaries; suffice it to say that some intermediaries surely cheat the quinoa sellers by using unfavourable scales or quoting unfavourable prices while others do not. When asked if the farmers knew when they were being cheated, all interviewees responded in the affirmative; one can assume that, considering the high number of intermediaries and the high competition between them, a dishonest intermediary would find difficulty purchasing quinoa if suspected of dishonesty.

Intermediaries were found to be providing a number of services to the farmers that are otherwise unavailable. They provide cash or goods, both of high value, purchase quinoa qualities and quantities that other entities refuse to purchase, are flexible in pick-up dates, and provide banking services. It should also be made clear that intermediaries perform an important role in the circulation of quinoa domestically. Nearly all of the quinoa sold by cooperatives is exported and much of the quinoa purchased by companies is as well; quinoa purchased by intermediaries, however, often ends up in markets within Bolivia. In the context of the high nutritional value of quinoa, this is not a frivolous point.

Familial and friendship ties between intermediaries and farmers are important, but should not be overstressed. Intermediaries seldom give special deals to friends and families and neither do the farmers. Relationships are important in gaining trust with the farmers and in knowing when to come to communities. It is quite important to know when a festival is due to arrive or if the cooperative hasn't collected quinoa in some time and familiarity with a region or town will aid in this. I do not believe that farmers reserve high quality quinoa for some intermediaries who they favour; they sell what they need to whoever they choose to sell. First-class quinoa often goes first to cooperatives and the remainder (*segunda* and *tercera*) is sold to intermediaries or kept for consumption and seed.

A major point of contention brought to my attention by a few quinoa producers was their concern with the trafficking of quinoa across the border to Peru. This, I would say, was the primary complaint against intermediaries. Untrue scales were not brought up except by management at cooperatives, low prices were accepted as a reality of selling to intermediaries, and there was no mention of intermediaries exploiting farmers, but the



fact that Bolivian quinoa in general and Lipeña quinoa in particular was being sold in Peru and called Peruvian quinoa was considered a great injustice. I will return to this subject later in this chapter, but what is important to know for this section is that a large amount of quinoa is exported as contraband to Peru where it is either consumed by Peruvians or exported<sup>29</sup>. Farmers of San Agustín complain that once this quinoa crosses the border to Peru it is often said to be Peruvian, claiming that it was produced in the Puno region or other quinoa producing regions of Peru. The idea that the quinoa produced in Los Lipez can be considered Peruvian is deeply felt by several of my contacts and some said that they would not sell to intermediaries because of that, and neither should their neighbours.

Returning to the complaints by cooperative management, most referred to poor scales (underweighting the quinoa) and one worker for CECAOT summarised a common situation in this way,

*‘What the producers don’t take into account is, let’s say an intermediary goes, let’s say today, to a community. CECAOT buys quinoa at 700 Bolivianos per quintal and tomorrow or the same day an intermediary buys a quintal for 720 Bolivianos (per quintal) (the people) know that it’s (the price is) a little more, but don’t know that, for example, the scale that they use is very ... overweight. It’s the same in the end, that they’re selling CECAOT a quintal for 700 (Bolivianos) and, I don’t know, a quintal and ten pounds for 720 Bolivianos.*

In this case, intermediaries may convince a producer to sell quinoa by offering a higher price than what is offered by cooperatives, but, by using an overweight scale, the intermediary pays the same or a little less per pound. Other cooperative management echoed the use of higher prices, saying intermediaries would often go into the field just after the cooperative and offer five to ten Bolivianos more per quintal in an effort to undermine the efforts towards monopolisation by cooperatives. Simply put, cooperatives depend on the loyal patronage of their farmer-members and selling to intermediaries in

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<sup>29</sup> Most quinoa exported is consumed in Peru (Soriano, 2006).

great quantities could be a real threat to this. Apparently, some intermediaries use higher prices to drum up sales, and others, Isabella for example, offer lower prices than cooperatives.

## **CEDEINKU**

CEDEINKU (Proyecto del Centro de Desarrollo Integral K'uichi) is a San Agustín-based affiliate of the national quinoa cooperative ANAPQUI (Asociación Nacional de Productores de Quínoa). CEDEINKU purchases from 200 farmers in the Los Lipez region, forty percent of which are not members of the cooperative and sell as non-members. ANAPQUI is the largest national quinoa cooperative in Bolivia. It is made up of several affiliates throughout the quinoa growing regions and the organisation is based in La Paz while its main collection and processing centre is in Challapata.

CEDEINKU collects quinoa using a truck whenever producers express a demand for this service (typically once a month, but more frequently in the months of June, July, and August); farmers are also welcome to bring quinoa directly to the office. CEDEINKU prefers to purchase quinoa by the quintal and not in smaller quantities, although they will purchase quinoa in arrobas if a quintal is also sold. For instance, they will not purchase one arroba by itself, but will buy one arroba plus one quintal. At the time of research the organisation was purchasing quinoa completely on credit because of a shortfall of cash; meaning that while many of the intermediaries offer credit to farmers, the farmers are essentially offering credit to ANAPQUI. What typically occurs is that quinoa is graded and weighed and the farmer is given a certificate. When the organisation has cash at hand farmers come to the office to collect or wait for the accountant to deliver the money to them in person. The producer presents his certificate and the accountant pays for the amount purchased, without interest. Many cooperatives, especially those trading in fair trade products, pay only a portion of the price upfront and pay the remainder after the product is sold, but CEDEINKU pays *no* money until they sell the quinoa to ANAPQUI. This is essentially a credit without interest, the farmer “pays” the quinoa to the cooperative in advance (as an intermediary might pay a farmer in advance) and the cooperative pays for the quinoa after time (as a farmer would provide the quinoa to an intermediary). The only real difference is that intermediaries charge

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interest and farmers do not. This was a sticking point for many producers and they complained a good deal over the fact that they were not paid at the time of the sale. I spent one day of fieldwork in the accountant's office of CEDEINKU in San Agustin and it was busy. He had just collected money from a sale to ANAPQUI and now had money to pay farmers for quinoa "purchased" as much as three months before. As each farmer arrived, he would bring a slip with the price and quantity of quinoa sold and the accountant would confirm this with his records, once confirmed he would pay in cash. From the quantity paid, the amount of quinoa sold had been quite significant for some farmers: in a short afternoon the accountant paid between seven thousand Bolivianos<sup>30</sup> and twenty-six thousand Bolivianos<sup>31</sup> to various farmers. When he has money to pay farmers, the accountant may be the most wanted man in San Agustin, and when he doesn't he is quite less popular, but he is always the most searched-for man in town. When I was in town with little to do one day, because nearly everyone had left to support a blockade in Avaroa, I had many visitors asking for the accountant.

Forty percent of producers in San Agustin sell to CEDEINKU, but are not members; why is this? Farmers in this group do not join for two general reasons and likely a number of personal reasons. The two most general reasons are a dislike of the many *normas* (regulations and rules) of the organisation and low amount of production that is not reliable enough for contracts. The various *normas* of CEDEINKU were brought up by many, even cooperative management, as a point of discontent. Members cannot use synthetic pesticides nor synthetic fertilisers, they must sell the large majority (based on whatever their contract states) of their quinoa to the cooperative, they must be a continuous member or risk being de-certified as an organic producer, and they must allow inspectors to examine their farms, practices, and lives. Farmers may have different reason for not wanting to follow these rules. Some may not because they don't have livestock to produce natural fertiliser or the man labour to transport manure from the pastures to the field. Others may want to use pesticides, regularly or periodically and are worried about not having this option. Some simply feel the rules are an intrusion on their right to decide what's best for their farm. Another group produces only a small amount

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<sup>30</sup> Using the price of 700 Bolivianos per pound, this is payment for ten quintals of quinoa.

<sup>31</sup> Using the same figure, this is payment for thirty-seven quintals of quinoa.

of quinoa, just enough for consumption and to sell a small amount to an intermediary for cash or goods. These very small-scale producers are not able to guarantee the delivery of a quantity of quinoa to cooperatives and cooperatives are likely not interested in such small quantities.

CEDEINKU has the technical capacity to wash its own quinoa to remove saponin, but have a lack of sufficient water or a system that would capture enough water to allow for them to do this regularly. The organisation is able to wash a small amount of quinoa, but most is sold to the national cooperative as unwashed, which is sold for ten Bolivianos per quintal less than washed quinoa. All quinoa purchased by CEDEINKU is sold to ANAPQUI who then manages the marketing and selling of the quinoa from that point forward; if CEDEINKU were to export quinoa directly it would surely need to be washed before exportation as this is the form in which quinoa is nearly always exported.

#### *Divergence between Lipez and Salinas*

Many of those interviewed expressed regret that their quinoa is sold without differentiation to that of the other quinoa growing areas. The first complaint is that their quinoa should be given a different price than quinoa from the Intersalar region because Lipeña quinoa is produced more traditionally and ecologically (using less chemicals and machines), has a larger grain size, is more nutritious and has a lower yield than other regions.<sup>32</sup> Nearly all informants described how quinoa was produced in other regions using more tractor power, more use of chemicals and much less man-labour and expressed the unfairness of the fact that both regions' quinoa was sold as organic. Lipeña quinoa, they argued, was much *more* organic than the other quinoa and should not be mixed with the other types. They argue from the standpoint that the greater "organicness" of their quinoa deserved a higher price for the quality and for its ecological qualifications.

Another contentious issue is the amount of labour invested in quinoa production. In the Salinas, one farmer can seed or harvest many hectares each day by him or herself while in Lipez seeding takes eight farmers working communally a day to plant one hectare; harvest is a laborious task done by individual families and also takes much labour. Even the separation of quinoa from stalk takes more work; in Salinas this is done

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<sup>32</sup> Although studies have shown average yields in San Agustín, thirteen quintals per hectare, to be *more* than averages in most regions (Carlos Aroni et al, 2009).

with machines or more commonly by driving a car over the quinoa and in Lipez one beats the quinoa with a heavy mallet. It is argued that this greater amount of labour should translate to a greater amount of compensation. As it is, Salinas workers are being paid much more *per hour* than Lipeño farmers<sup>33</sup>.

The third major argument was that the Lipeña quinoa is of greater physical quality. Studies have shown a greater nutritional content of Lipeña quinoa and it is common knowledge that the grain's is larger compared with other regions that produce royal quinoa. It is argued that these two facts make the quinoa from Lipez much more marketable in Northern markets and therefore should attract a greater price. It was claimed by a number of informants that the national cooperative, ANAPQUI, mixes Lipeña quinoa with quinoa from other regions to create a mix that would be more marketable; this charge is denied by the president of ANAPQUI who says that a container of CEDEINKU is exported as CEDEINKU quinoa, without mixing it.

The social (amount of labour used, production practices), physical (quality of grain), economic (yield per hectare, amount of labour) and ecological (production practices) factors of Lipeña quinoa allow farmers to argue for a greater price for their quinoa; this differentiation leads some farmers to argue for a complete separation from ANAPQUI in order to guarantee the complete purity of their quinoa. This topic will be covered in more depth in this chapter under "Consorcio de Lipez" and in the following chapter.

These major complaints can be seen as a call for a two-channel system within ANAPQUI. One channel would be open to Intersalar quinoa and the other to Lipeña quinoa. This would allow Lipeña quinoa to earn a higher price and assurance that the quinoa would not be mixed. This would also allow for CEDEINKU to avoid becoming independent of ANAPQUI. Several informants, including all of the management team of CEDEINKU, expressed a desire to split apart from ANAPQUI and the rest of its affiliates in order to export directly to the United States and Europe. This also addresses a final complaint; the regret or dismay over the fact that quinoa from San Agustín goes to Challapata before going to Chile to be exported. "Why not skip the second step and

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<sup>33</sup> Graeber (2006) would likely disagree with this line of reasoning entirely. Some San Agustín farmers have based their demands for higher payments upon a desire to be paid per hour of work, demonstrating a strong familiarity with the commercialisation of labour.

export directly from San Agustin?" some would ask. Of course there are many obstacles to cross for this to happen. The president of ANAPQUI has stated a lukewarm acceptance of this possibility, but claims to not understand the meaning behind it. Without the connections that ANAPQUI has formed with importers around the country, CEDEINKU would have to begin from nearly nothing in a very competitive market.

In the minds of a number of farmers, ANAPQUI is an entity that governs from far away and is virtually unrelated to their lives, to others it is an organisation with which they've been affiliated for thirty years and a large player in the increasing profitability of quinoa. Many farmers who have lived in the region for many years have a fond opinion of ANAPQUI as a champion of quinoa farmers and are as much tied to the organisation as they are to a friend or family member. To others, it is simply another economic actor and one which acts as an intermediary, performing a function that they believe can be done by themselves or by CEDEINKU. This has led to an interesting movement towards the founding of a regional denomination of origin for Lipeña quinoa, something more common among high-priced European goods such as Champaign and Roquefort cheese. A later chapter will examine more fully the different positions in this debate within San Agustin.

Nearly all farmers sell at least a portion of their crop to CEDEINKU. Members of CEDEINKU, like members of other cooperatives, sign three-year contracts that state the percentage of their production that they'll sell to the cooperative, the percentage is often very high, but leaves room for farmers to sell a certain amount to intermediaries and enough to consume and use as seed for the next year. Of course, cooperatives are flexible in poor years when a percentage of a small harvest would not be sufficient for consumption. Representatives of cooperatives unanimously reported that they would not make a farmer sell quinoa that would otherwise be used for consumption.

The price offered by CEDEINKU is more stable and at times much higher than the price offered by intermediaries. This price is adjusted periodically, approximately once every three months, but this time-span varies. Intermediaries do sometimes offer slightly higher prices, coming soon after the cooperative at times with a price of five to twenty Bolivianos more than the price given by cooperatives. During one of Isabella's buying trips she offered 500 Bolivianos for a quintal of quinoa, at the same time

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CEDEINKU offered 700 Bolivianos for members and 680 Bolivianos for non-members. A difference is in the collection of quinoa and delivery of money. Intermediaries always bring cash to pay directly and quite often offer goods to exchange or credit with which to buy future production; CEDEINKU often takes the quinoa to sell and pays farmers only after weeks or months of waiting. In a region with no banks within a five hour drive, intermediaries such as Isabella act as banks not only in their provision of credit, but as a kind of automatic teller, bringing cash conveniently to the farmers and especially at times of particular need for cash (festivals for example).

### **CECAOT**

CECAOT (Central de Cooperativas Agropecuarias "Operación Tierra" Limitada) is known as the first quinoa cooperative, founded in 1975, and now buys in thirteen communities including San Agustín. CECAOT is based in Uyuni and, like ANAPQUI, exports nearly all of their quinoa. What is purchased from particulares as conventional quinoa is mostly sold at local markets or exported to Chile. CECAOT collects from all the communities it purchases from, sending trucks out to collect whenever producers express their desire to sell, approximately once every two or three months. Typically a truck will start in the extreme north or south of the buying region and go from town to town until the truck is full, then return to Uyuni. The next truck would start from where the first stopped and so on. Though CEDEINKU has a very strong presence in San Agustín, CECAOT also has some members in the community and these farmers are expected to sell the majority of their production to CECAOT unless a disaster reduces production significantly. Some members of CEDEINKU or farmers who have no affiliation will sell to CECAOT, but they receive a lower price due to not being on the organic registry, which is expensive for non-members. In contradistinction to CEDEINKU, CECAOT is able to purchase a farmer's harvest on credit, two to three months before harvest. This can be a valuable service if a farmer is running short of money nearly a year after the last harvest. The cooperative also provides low-interest credit to farmers who are members.

CEDEINKU has a much stronger presence in San Agustín, but CECAOT also provides a source of cash flow to the town and is a regular buyer there, despite most farmers not being members.

*Fair trade?*

Three years ago, CECAOT embarked on an experiment with the newly organised fair trade certification of quinoa, seeking to further improve the social and economic welfare of its members. Fair trade, more commonly associated with coffee, cacao, tea, and bananas, is available for a wealth of other products and quinoa has recently been added to this list. CECAOT enthusiastically joined the certification scheme with hopes of opening a more just market to their farmers and obtaining the fair trade minimum price for quinoa. When the cooperative began its participation with fair trade, average quinoa prices were twelve and one-half United States Dollars per quintal and fair trade offered a minimum of forty US Dollars, a positive difference of twenty-seven and one-half US Dollars per quintal. Immediately they encountered a problem with this scheme, they had paid farmers the fair trade price for the harvest, but then couldn't find a market for that quinoa and sold it at the market price for organic quinoa, taking a significant loss in the process. At the time of research the problem had reversed itself; in 2010 the fair trade price of quinoa is so much below market price, sixty US Dollars *under* the market price of 100 US Dollars, that there was little benefit in selling quinoa as fair trade and there still remained a relative lack of interest in fair trade quinoa from Northern buyers. I cannot pretend to put the matter more precisely than an informant from CECAOT put it to me, "The problem with fair trade is that it isn't fair trade." She added later, "It's been two years since we've had fair trade," meaning they've had fair trade, but that it's been two years since it actually was fair. As of today, CECAOT maintains the fair trade certification of its farmers and Fairtrade Labelling Organisations continues to carry out periodic inspections of the organisation and of the farmers' production practices.

The organisation is a part of two current movements to correct the so-called unfairness of fair trade. The first is to appeal to Fairtrade Labelling Organisations to raise the minimum price and increase the profitability of producing quinoa according to fair trade standards and selling the quinoa to fair trade markets. Several organisations are involved in this process and negotiations are ongoing. The second movement is led by



CADEQUIR (Cámara Departamental de la Quinoa Real de Departamento de Potosí), a regional representative of quinoa farmers, as well as CECAOT and ANAPQUI. This movement seeks to establish a national fair trade price which would set a minimum price for all (legal) quinoa exports from Bolivia. A national quinoa price is not only seen as a way of obtaining a better price, but as a reduction in the ability of exporting companies to competitively lower export prices which reduces the power of cooperatives to drive market prices. Both processes are ongoing and should be given due attention as they will have some impact on quinoa market opportunities in the coming years.

### **Real Andina**

Founded in 2004 by an ex-president of ANAPQUI, Real Andina is based in Uyuni and purchases a small amount of quinoa for exportation and for sale within Bolivia to quinoa-processing companies. Real Andina does not purchase much quinoa from San Agustín and is an illustrative case for precisely this reason. Real Andina periodically sends trucks out to buy quinoa in various communities, but the bulk of their purchases come from farmers who bring their quinoa directly to their compound. Most who bring quinoa are farmers who own a truck and bring their own quinoa along with some of their neighbours to be sold and then distribute the money upon their return to the town; others purchase the quinoa in the communities and then sell it for profit in Uyuni. Real Andina has fifty organically-certified members and another forty in the process of certification, the rest of sales are from particulares. Real Andina sells conventional quinoa in Bolivia and organic quinoa is sold to exporters.

The case of Real Andina demonstrates how a channel can be completely excluded from a community on the basis of logistics. Real Andina serves a valuable function for the towns nearby Uyuni as a buyer of organic quinoa, but communities farther away from Uyuni, such as San Agustín, do not benefit much from this service. Real Andina is available for the near-Uyuni market and is not considered an option in San Agustín simply because of the distance. This theme will come again into play in Challapata.

### **Consortio de Lipez**

Founded in December 2004 by Mancomunidad Gran Tierra de Lipez, *Consortio de Lipez* (Consortium of Lipez) is an organisation that promotes products from the Los Lipez region, develops finished products for sale, and is involved in the development of the *Marca de Lipez* (Mark of Lipez), a denomination of origin for the region. Currently, *Consortio de Lipez* sells a range of products, elaborated in Alota, including: washed quinoa grain, Quincoa (a quinoa and chocolate drink mix), *pipoca* (popped quinoa, plain or chocolate covered), quinoa-based energy bars, boxes of herbal teas derived from wild plants in the region, alpaca yarn, llama jerky, and more. These are mostly sold in health food stores around Bolivia and in the *Consortio de Lipez* store in Uyuni; some is exported to Europe.

An important and interesting aspect of *Consortio de Lipez* is its role in the founding and promotion of the Mark of Lipez, an origin of denomination similar to Champagne. The label is an effort to achieve a greater price for Lipeña quinoa, in comparison with quinoa from Salinas and to *independizarse* (become independent) from cooperatives, intermediaries and companies. As I have shown above, many producers from San Agustín believe that ANAPQUI, of which CEDEINKU is an affiliate, doesn't appreciate the difference between production practice and qualities of quinoa produced in Lipez and many don't understand why they must go through this "intermediary" to reach foreign markets. Others are reluctant to *independizarse* from ANAPQUI because of a sense of patrimony: ANAPQUI has a large role in the commercialisation of quinoa and the relative success of this venture; many members have been affiliates since the beginning and are reluctant to leave the organisation after more than twenty years of relationship. The efforts of the management of *Consortio de Lipez* will pay off in approximately July of 2011 when the label of origin should be ready for wider usage, until then it remains a buyer of a relatively small amount of quinoa and an advocate of "independence" from ANAPQUI.

### **So many choices...**

Quinoa farmers of San Agustín find themselves in a situation similar to that of Guatemalan coffee producers (Arce, 2009a); it is a context in which many market channels are available for producers and they are able to choose one that best meets their

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needs and desires. Intermediaries are not capitalising on a market in which they are the only buyers, but are involved in a complex network of buyers who are continuously positioning themselves to purchase quinoa. Intermediaries are competing with cooperatives, private companies, and each other using social and economic grounds. The effects of this competition on intermediaries, and other buyers, and quinoa farmers will be analysed in greater detail in the fifth chapter. In the subsequent chapter we return to the intermediary-based trade of quinoa, following the quinoa from San Agustin to Challapata and beyond.

## Chapter Four: To Challapata and Further Afield

Whether purchased by intermediaries or by cooperatives, most quinoa from San Agustín makes its way to Challapata. A very small amount stays in the Uyuni market for local consumption. Intermediaries transport quinoa to Challapata whenever they have a full truck to take, they leave on Friday to reach the Saturday and Sunday market early. After taking poor roads for ten to fourteen hours they will reach the small market town that is known for its used-Chilean-car market and its quinoa market. It is found in the Oruro Department of Bolivia, north of Uyuni and a two to three hour bus ride south of Oruro.

### The Challapata Market

Upon arriving at the Challapata market, one's senses are immediately awakened by the smell of fresh coca radiating from the large sacks of the green leaf, the smell of the dirt on so many types of potatoes, women yelling 'Hay salchipapa! Hay salchipapa!' and bus drivers calling, 'Oruroruro!' Women are sleeping amongst their products or chatting and others are clamouring for attention from potential customers. It is what one would expect from a busy market offering clothes, vegetables, fruits, meals, meat, furs, and quinoa and it's the type of action or excitement that one may only find at a busy market. The town is a small one though it seems larger than Uyuni. The streets are alive with customers shopping, travellers alighting and boarding buses, and comerciantes selling their wares. Although seemingly disorganised, the market has a certain level of clarity. Up the hill from the bus stops one finds a row of women selling meat and potato dishes throughout the day, next is a group of bread and cake stands opposite of the men selling coca and tobacco. Turning left to walk down the hill, one will find vegetables and potatoes along the street. Straight ahead there are used and new clothes for sale. To the right of the main square is a mix of stands carrying a variety of tools, locks and anything you could find in a hardware store, continuing this way there is a row of fruit stands and then turning right the market becomes more spread out as the road widens. Along this road are skinned sheep, sheep skins, the offices of ANAPQUI with a sign stating "*Peso exacto*" ("exact weight" or in other words, "we use fair scales"), and further down the hill the intermediaries who buy and sell quinoa.

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Each intermediary has a small space in which he has a number of quintal sacks of quinoa, a hand-held scale and usually one or two companions helping out. As the intermediaries from all quinoa growing regions come with quinoa to sell, the process is essentially the same as when farmers sell to intermediaries. First the quinoa is graded, its class is determined as well as how much other seeds and small stones are in the sample and, after the two agree to a price per pound, the quinoa is weighed, transferred to the buyer's bag, and sold; quinoa is sold for cash, there is no or very little trueque at the Challapata market. At market, quinoa can only be bought and sold by the quintal or sometimes the arroba. Once the quinoa is sold, the intermediary who sold it returns home, probably after making some purchases at the market, and the one who bought it goes back to sitting atop the quinoa and waiting for more sellers to come. Most quinoa in Challapata comes from the growing regions closer by than San Agustin; Challapata is much closer to the Intersalar region in which much quinoa is produced and, because of this, the market is more accessible to intermediaries and farmers from there. Besides intermediaries, some truck-owning producers will periodically take quinoa from their community to Challapata to sell directly. These people can either purchase the quinoa from the other farmers and then take the profit, or take the quinoa and then pay them after selling the quinoa in Challapata. Either way, this is something that would be nearly impossible for farmers from San Agustin to do. Due to the presence of larger farms that are more common in the Intersalar region, it can be expected, though not confirmed, that some large-scale farmers have the capacity to bring their own quinoa directly to market as well.

Intermediaries at the market live in Challapata and some have alternate residences elsewhere. Few collect quinoa in the countryside, but rather wait in Challapata for intermediaries to come to them. Two classes of intermediaries can be delineated, these being Mayoristas and Minoristas. Minoristas are far more numerous, amounting to around twenty, depending on the day and season. They deal with smaller amounts and may or may not own a truck. Oftentimes, a number of minoristas will coordinate with each other and bring all of their quinoa to Desaguadero in one truck, other times one minorista will save up quinoa from numerous market days to fill a truck to take to market. Mayoristas, however, all own their truck. There are three Mayoristas by my

count, all based in Challapata and all specialising in selling at Desaguadero for the Peruvian market. Mayoristas are more likely to have agreements with other intermediaries to buy quinoa, giving the intermediary a sure and stable market and the mayorista a sure and stable supply. They also buy from any intermediaries who happen to come. Mayoristas usually go to the Desaguadero market each week, some operating several trucks full of quinoa.

Prices in Challapata are normally ten Bolivianos greater per quintal than in communities, this of course varies with the distance to market and the quality of quinoa. At one time during research, Isabella purchased quinoa for 400 Bolivianos per quintal and sold for 500 Bolivianos per quintal in Challapata. In a study by PROQUIPO (Programa Quinoa de Potosi) in 1994, the channel of producer selling to intermediary, intermediary selling to comerciante in Challapata and comerciante selling in Desaguadero broke down as follows: the producer kept sixty-seven and one-half percent of the final price, the intermediary who purchased from the farmer and sold in Challapata after washing the quinoa kept nine percent of the final price, and the final twenty-two and one-half percent went to the comerciante who bought in Challapata and sold in Desaguadero. Most quinoa sold is primera, or first-class and white and the large majority of it is washed.

Buyers at the Challapata market wait at the market until around four o'clock on Saturday and Sunday and then wash the quinoa if it is purchased unwashed. The quinoa then moves further abroad through various channels.

## **Out of Challapata**

With many intermediaries and many strategies, there are many channels of quinoa coming out of Challapata. The most important by volume is the Desaguadero market. The majority of quinoa purchased in Challapata is taken to Desaguadero by intermediaries. Quinoa is transported according to supplies of quinoa; intermediaries who do more business may travel to Desaguadero once a week while small-scale intermediaries travel once per month. Intermediaries leave on Thursday to reach the Friday market on the Bolivian side of Desaguadero and sell there; any unsold quinoa may be sold the next day on the Peruvian side or stored for the coming week. This quinoa, in

addition to Peruvian-grown quinoa, satisfies the huge demand for quinoa in Peru. Though statistics are difficult to find on the subject, one paper estimates demand for quinoa in Peru to be between 35,000 and 40,000 metric tons and Peruvian production is just 23,000 to 30,000 metric tons; the shortfall is covered by 5,000 to 10,000 metric tons of Bolivian quinoa. This represents seventeen to thirty percent of total Bolivian quinoa production. The flow of quinoa to Desaguadero and beyond is of significant importance to a better understanding of the many quinoa networks in Bolivia, but as a consequence of limited time in the field and difficulty of gaining a working relationship with exporting intermediaries at the border, this was not a subject of the current thesis. It is, however, a topic that requires further research.

Although many intermediaries focus on one city or another, selling exclusively in Desaguadero for example, some choose to diversify by making circuits through the country. One intermediary at Challapata sold in La Paz, Copacabana and Desaguadero, markets that are all relatively near to each other, allowing her to combine several markets into one transportation circuit. Some don't leave Challapata at all, one intermediary sold to a small company that processed the quinoa and exported it to Peru, the United States, and Chile.

The second type of route of quinoa out of Challapata is to markets throughout the country. My research time allowed for me to collect data on a large number of markets, but this is not to be considered comprehensive. The following is an overview of the markets throughout Bolivia.

### **Oruro**

Oruro, a two to three hour bus ride north of Challapata, is the nearest town to the quinoa trading centre. It is also situated only hours from the quinoa producing regions near Challapata, close enough that I had the experience of meeting a quinoa farmer carrying a whole quinoa plant through downtown Oruro on his way to ask the Departmental authorities about a disease affecting his field. A farmer from San Agustin, in comparison, would take at least twelve hours to go to Uyuni and then the Departmental capital of Potosi or at least fifteen hours to travel to Oruro. It would be prohibitively far to travel for a simple question. Because of the proximity there exists an interesting mix

of sources of quinoa for the markets in Oruro. Of the many markets in Oruro, I was able to visit two, Mercado Bolivar and Mercado Kantuta.

Mercado Bolivar is a fixed market, operating every day of the week, in central Oruro. It is based in a covered centre which covers a block, but in practice it spreads out along the streets for several blocks in either direction. Within the building is mostly fruit, vegetable, and bread stands and outside on the streets is much more mixed market. There is an area for used and new clothes, another for clothing menders, another where juice stands can be found (selling carrot juice for \$0.25), and in one corner, after passing the pasta and vegetable oil stands, one finds the quinoa vendors. I visited this market several times and the number of quinoa vendors varied from two to four. Within this small sample there existed quite a lot of variability. One woman interviewed bought quinoa from producers from the south, though she did not have the time to answer any further questions. Her quinoa (all royal quinoa) was not as pure and clean as the majority of quinoa sold in markets, it contained some small pebbles as well as a good deal of chaff and pieces of stem that are usually blown off in the field before selling. It was unwashed as well, meaning that consumers would have to wash at home – quite a time-consuming process which requires up to ten washings before the bitter saponin is washed away. Another woman sold both quinoa real and the quinoa menuda which is grown at lower elevations. Quinoa real is the only type normally exported and is produced only in the proximity of the salt flats. Farther afield, one finds the smaller grained seed that is grown at high altitudes and is not exportable; this is almost entirely for the domestic market. In addition to having both types of quinoa, this woman sold segunda (second-class) quinoa which also isn't normally exported. The second woman also personally purchased her quinoa in communities, bypassing both intermediaries (though she herself is an intermediary) and the Challapata market. Partially explaining the varying number of vendors at the Bolivar Market, this vendor sells quinoa at several markets in Oruro. A third vendor, several blocks away, sold washed royal quinoa, and toasted quinoa (a cooking method to bring out a nuttier flavour). The toasted and untoasted quinoa cost ten Bolivianos per pound, three Bolivianos more than the price in Challapata at that time. This woman, in contrast to the other two, purchases her quinoa at the Challapata market. She sets up a stall with the other intermediaries and buys from intermediaries and farmers



who come from the field. Finally, one vendor at Bolivar Market sold *pito*. Pito is toasted quinoa, ground like flour, toasted again, and then mixed with water and sugar for a healthy and satisfying drink. Farmers in San Agustin would often bring pito to the field when working and survive on pito, coca leaves and alcohol.<sup>34</sup> Pito sold for ten Bolivianos for half a pound.

All comerciantes in Oruro had a similar set up with small variations; this basic pattern is found in markets throughout Bolivia. A typical stand will have a number of sacks of quinoa (different classes or types), along with similar products such as rice, couscous, sorghum, and wheat; I say similar because they are all cooked in a similar way and often used in similar dishes. In addition to this basic mix some sell a variety of spices or a greater variety of foods which may include types of beans and peas (typical varieties or toasted *habba*, a type of bean) and many sell pastas and cooking oil. Some, of course, specialise in just quinoa. The market location is oddly similar as well. Nearly all markets visited had vegetables and fruit in the centre and on the periphery were the meat and pasta stands, usually just past the pasta one could find the quinoa. I very rarely had to ask where the quinoa was, I would just look for the pasta or meat and find my way from there.

On the periphery of Oruro one finds Mercado Kantuta or Kantuta Market (Kantuta is the national flower of Bolivia, coloured with the colours of the flag). Kantuta Market is essentially three markets, one is permanent and covered under an airplane-hanger-like building, selling basic food stuffs, another section is held only on Thursdays and Sundays and was founded to be a farmers' market where producers can bring their goods to sell, and the third section is for used-clothes, sold as individual articles or in large bundles. I attended on a Sunday and so spent my time at the farmers' market (the covered market is essentially closed on Sundays). At the farmers' market one can find potatoes, *chuño* (a freeze-dried potato that can last for twenty-five years), carrots, beets, lettuce, spinach, wheatgrass, alfalfa, donkey milk (very fresh donkey milk, from the udder to the glass) and more. I found only one vendor selling quinoa. The vendor and his wife sold their own production. They had a small bag which probably held less than

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<sup>34</sup> 194 proof!

an arroba (twenty-five pounds) of quinoa. Their quinoa was the same price as what I had found at the Bolivar Market.

Vendors in Oruro, other than the woman who sold toasted quinoa, charged seven Bolivianos per pound for quinoa, the same price as in Challapata at the time of research. This may seem surprising as one would assume that the main market would have the lowest price and all other markets would fall in behind with increasing prices as distance increases from Challapata. In the case of Oruro though, the proximity to Challapata and the quinoa producing regions allows for a surprising situation. Market vendors in Oruro had three identifiable strategies. These strategies were: 1) purchasing direct from farmers in their communities, 2) purchasing from farmers and intermediaries in Challapata and 3) selling one's own quinoa directly. The first two groups are made up of *comerciantes* (market vendors) who take advantage of relative proximity to buy directly from farmers or intermediaries. In the second group the quinoa comes from mostly Salinas and Intersalar regions because that is the quinoa that mostly finds its way to Challapata and the quinoa comes exclusively from the nearest locations to Oruro, far from San Agustin. The third group also takes advantage of the proximity, but this group is made up of farmers who have access to transport. The family interviewed arrived along with fellow members of their community in a truck owned by one of the group. The price of the quinoa was equal in these groups, aside from the toasted quinoa, and one can ascertain that the farmers who brought their quinoa to Mercado Kantuta made off the best because they had less travel to pay for and did not pay any intermediaries. This option is not a possibility for a San Agustin farmer. A bus ticket to Oruro from San Agustin would cost the equivalent of seven pounds of quinoa itself, using the most favourable prices.

Oruro is an interesting case because its proximity to Challapata and to quinoa producers allows for a myriad of possibilities for *comerciantes* and consumers. To provide a contrast I will now discuss Sucre, a town far from royal quinoa production, but with a proximity to quinoa *dulce* (sweet quinoa). Quinoa dulce is produced at lower altitudes than royal quinoa and contains much less saponin. It is of much smaller size and studies show it to be of lower nutritional quality than royal quinoa.

## **Sucre**

Sucre, the White City of Bolivia is located in the Chuquisaca Department of Bolivia. It is a city with a rich history as a Revolutionary centre and former Bolivian capital. It remains the centre of the Supreme Court and, in fact, its citizens still refer to it as the capitol of Bolivia, though it is no longer the seat of the Bolivian government. Located in a fertile valley, Sucre is well supplied with fruits and vegetables produced in the surrounding area, but it is several bus trips away from the quinoa real growing regions. There is a small amount of production of more local types that thrive at lower altitudes, but this quinoa is exclusively for the domestic market and is not considered to be of as high quality as royal quinoa. I visited Mercado Central (Central Market) to see what quinoa was available and speak with the comerciantes. I found two vendors selling quinoa and, luckily, both were interested in my research as much as I was interested in them and we had a pleasant conversation, rather than an interview.

Both women sold the “Principe” brand of quinoa, packaged in La Paz. The kilo package sold for twenty-five Bolivianos<sup>35</sup>. The quinoa in packages was washed and ready to eat, was also royal quinoa. They also sold quinoa flakes (a product similar to oatmeal) in packages which sold for twenty Bolivianos per pound. One of the comerciantes also had quinoa in bulk which appeared much smaller than the quinoa I’d seen in Oruro or Challapata; this was a local variety of quinoa. She purchases it from intermediaries who bring quinoa from the countryside to the market. This quinoa can be eaten as any other, it is just smaller. Some shoppers come to buy one Boliviano of quinoa, one Boliviano of corn, and one Boliviano of beans to plant in their gardens. Once washed, quinoa can’t be planted, but this was sold unwashed, for five Bolivianos per pound, two less Bolivianos per pound than the royal quinoa in Challapata at the time. After visiting the market, I visited a small health food store near the touristic historic centre and found several quinoa products. They stocked quinoa cookies, popped quinoa, Quincoa (a chocolate breakfast drink made with quinoa), quinoa flour, and, of course, plain quinoa. The quinoa was packaged in La Paz and came with a package stating its organic and fair trade provenance. A Bolivian consumer would pay twenty-two Bolivianos per pound for this washed royal quinoa.

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<sup>35</sup> 11.36 Bolivianos per pound

Finding just one booth which supplied quinoa in bulk (not pre-packaged) is quite a difference compared with the Oruro market which had several qualities and locations to buy royal quinoa. All packaged quinoa was more expensive than the bulk quinoa in Oruro and the organic quinoa from the health food store was significantly more expensive; this points to two possible explanations. First, the distance from Sucre to the Challapata market, measured more accurately in time than in real distance, makes the transport of quinoa more difficult and expensive. It may be more profitable to buy quinoa from La Paz than to buy from Challapata or intermediaries from Challapata. The second explanation could be a lower demand in Sucre for quinoa. This would also make the transport less profitable and would possibly be easier to bring a small amount of packaged quinoa along with other products purchased from La Paz. Regardless of the reasons, the difference in packaged and bulk quinoa is clearly in the price and this will make quinoa less available to consumers. The availability of the local, smaller-grained quinoa is, however, positive for these consumers as a supply of nutritious and comparatively inexpensive food.

### **Cochabamba**

The last and arguably most interesting case of a market in Bolivia is that of Cochabamba. Cochabamba is south of La Paz and approximately four hours by bus east of Oruro. Like Sucre, Cochabamba is found in a valley. It also is located near the Chapare region, a source of fresh fruit and vegetables for the city. The main Cochabamba market, *La Cancha*, is one of the largest in Bolivia and also one of the most exciting. Many anthropological manuals state that an anthropologist must go through a period of disorientation before putting things together; La Cancha is a perfect place for this. Upon entering the market which is spread across many city blocks one is confronted with a maze of small streets, booths and people. In one direction is a new clothes market that stretches through a covered building with hundreds of stands and seemingly no exits, in another direction is a seemingly endless row of pastry stands offering the tastiest of Bolivia, and in one building is the latest in televisions, DVD players and computers. In this environment my usual ability to find quinoa was completely absent, after asking a

number of people I did finally find quinoa, after the meat stands and amongst the other dry grains.

I spoke to eight vendors at La Cancha, all of whom were quite happy to talk with me. All but one sold quinoa as a product amongst a larger selection of grains and spices, the eighth sold only quinoa. Most had a selection of both royal quinoa and menudo quinoa and they all had both washed and unwashed quinoa. Menudo (small) quinoa cost six Bolivianos per pound and royal quinoa cost two Bolivianos more, one more Boliviano than the price in Challapata at that time. One vendor sold packaged quinoa from La Paz for twenty Bolivianos per pound; she sold two types, one for soup and the other to be eaten like rice. Six of the women purchased from intermediaries who came from Challapata and one, who grew up in Challapata, travels periodically to Challapata to buy quinoa and bring it to Cochabamba to sell.

Other than the women who purchase and sell packaged quinoa, all quinoa at the Cochabamba market was brought from the market in Challapata and most of this was bought from intermediaries who purchase from farmers and other intermediaries. Only one vendor bought directly from intermediaries and farmers bringing quinoa from the countryside in Challapata. The smaller quinoa was sourced from intermediaries who brought quinoa from the area between Oruro and Cochabamba where the smaller variety of quinoa is grown. Though this quinoa has much less demand on international markets, the price was only two Bolivianos<sup>36</sup> less than royal quinoa. This would suggest to me a certain importance of the local market in determining quinoa prices rather than an exclusive importance of the Desaguadero market. This statement requires a separate study for corroboration. Quite comfortably, one can say that the presence of eight vendors at the market selling quinoa is a sign of a healthy market for quinoa in Cochabamba.

In the case of Cochabamba, most quinoa is brought directly by intermediaries using their own transportation. A small amount is collected personally by a market vendor, something made easier by her roots in Challapata and doubtless connections with locals which allow for simpler lodging and storage possibilities there.

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<sup>36</sup> A little more than \$0.25.

## **From San Agustin to the markets**

Though I hope this research shows that one “big picture” need not be the goal of this type of research, I would like to attempt to summarise the intermediary-based route of quinoa from San Agustin to the markets around Bolivia. Following the reaping and separation of quinoa in San Agustin, quinoa is either sold to the local cooperative, CEDEINKU, kept for seed and consumption, or sold to intermediaries. What is sold to intermediaries is about half primera (first-class) and half segunda (second-class) and almost all is sold in quantities of less than a quintal. Segunda is very rarely purchased and never exported by cooperatives and they prefer to purchase in quantities of quintals or, at least, arrobas. Intermediaries come to San Agustin throughout the year, but concentrate visits on the months of harvest and post-harvest (May, June and July) and the weeks of local festivals. Intermediaries can purchase quinoa on the spot or can provide credit to purchase future harvests and pay with either goods or cash. Goods are often preferred because of the distance from San Agustin to the closest commercial town (Uyuni), but cash is needed at times as well. Intermediaries often, but not always, have friendship and familial ties to the communities where they purchase quinoa and this does not necessarily alter prices or quality of quinoa sold.

Intermediaries<sup>37</sup> bring quinoa back to Uyuni or Challapata and usually clean it and take out most small rocks and other seeds; many also wash the quinoa. Quinoa is then brought to Challapata where it is sold to intermediaries who set up stands to buy quinoa and then travel further afield to sell it. The Challapata is dominated by the more regionally near Salinas and Intersalar regions that also produce quinoa; little Lipeña (from the Lipez region) quinoa is present at the market. The intermediaries then either travel independently or share transportation with other intermediaries to take the quinoa to other markets. Most quinoa is taken by middlemen to Desaguadero on the border with Peru where it is transported to Arequipa or Lima, Peru. The remainder is taken to open markets around Bolivia and sold to companies around Bolivia. Some market vendors in other markets also buy quinoa in Challapata. At markets customers purchase quinoa by the pound and prepare it in their homes.

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<sup>37</sup> A graphical representation of this network can be found in the Appendix.

## The Gift of the Middleman

## **Chapter Five: What does this all mean, theoretically?**

Apart from tracking and analysing the networks and routes of quinoa from San Agustín throughout Bolivia, this thesis was performed to further a number of research agendas and theories. This section is dedicated to this endeavour. An anthropological work need not be solely “applied” or solely “theoretical,” but can be used for an in-depth analysis for the purposes of furthering a research agenda as well as a hope of improving livelihoods. Observations made in the second part can be used for policy planners while this section is intended to apply the findings to the theoretical world of anthropology. I will comment on the applications for an understanding of the process of regionalisation, the idea of a fractured and heterogeneous community, the application of the gift towards understanding markets, and the social and economic consequences of intermediary-based trade of quinoa.

### **Regionalisation of Los Lipez**

In the introduction I present two theoretical positions: that of Storper and his colleagues and that of Arce. Storper’s theory on regionalisation is rooted in Marshallian economics, which is based on the communally or regionally based economy. Storper and his colleagues opine that a regionally-based economy has primarily economic advantages in cost and revenues because of a higher level of integration between actors. The proximity of buyers and sellers increases shared knowledge amongst them, results in higher trust between them, and allows a region to increase its market share through a higher degree of competition. This approach is clearly rooted in economics, stating that, while based on greater social integration of actors and face-to-face interaction, the advantages are economic in nature and should be measured as such. Arce, on the other hand, takes a more “social” view on the regional economy and investigates the effect of regional-based initiatives with a critical eye on positive and negative results as well as the fact that not all community members are affected in the same way or have the same viewpoint on the developments. In the following paragraphs, I analyse my findings with these viewpoints in mind and provide my own observations.

### **The socially constructed region that socially constructs**



## The Gift of the Middleman

Storper and his colleagues root their understanding of the regional economy on Marshallian economics which is based on the advantages of the community-based economy. These advantages include a great integration and sharing of knowledge, natural advantages of location and environment, and a greater importance of trust. These advantages are expected to increase the profitability of a market by reducing costs, increasing efficiency and even creating a regional brand, but the importance rests here, solely on the economic perspective. It is clear, upon analysing my own field data that the advantages and disadvantages are far more complex than this and also expand into other territories.

When considering regional economies, Isabella may be just what Storper had had in mind. She operates in a knowledge-intensive business that is naturally focused on one region. Royal quinoa is only produced in the Salinas and Lipez regions of Bolivia. Because few Lipeño farmers are able to bring their quinoa to Challapata as many Salinas producers do, intermediaries have a strong control over the channel of quinoa from San Agustín to Challapata; producer cooperatives share that power. Isabella can also only perform trueque in this region where most producers are more than happy, if not obliged by isolation, to perform this trade. She benefits from the shared knowledge between herself, the quinoa producers, and the comerciantes in Challapata. Through face-to-face interaction she has detailed and experience-laden knowledge of seasonal and yearly price fluctuations, strategies for selling and buying that work (and knowing with whom these strategies work), the dates of local festivals, and even the specific goods that producers want her to bring. Unlike many transactions, she buys and sells face-to-face, allowing her a certain amount of intimacy that a bill of sale from La Paz wouldn't provide. Her ability as an intermediary is surely buoyed by her knowledge of what works in the trade and what doesn't, coupled with a knowledge of when to come to the field and when not to.

According to Murphy's writings on the role of trust in trade, the trust between Isabella and the farmers is on the micro-level; it's based on years of face-to-face interaction and is between two people, or in this case, many people and one person. As per Murphy's theory, a greater level of trust is undoubtedly important to intermediaries. In a case where an intermediary is found or suspected to be a cheat, a producer would be

less than willing to agree to another transaction with said intermediary. It is very important to have a level of trust that would allow producers to believe they are receiving a fair price. During my trip with Isabella only one family really looked at the scale as she weighed, most took her or the driver's word for it. Isabella has strengthened her ties to the region through years of business and with a certain dedication to having an honest name. On our first interview this is the point she pounded upon, her strategy is not a higher price, but that the producers can trust in her and her good name.

Contrary to Murphy's writings is the finding that a high level of trust between Isabella and the producers does not cut off other channels for the producers. Although the producers seem to respect and trust Isabella they do not sell exclusively to her, this trust lets her in as a buyer but does not guarantee any kind of monopoly. Just as Isabella gives no special prices to her friends or family, they do not provide any special quinoa to her nor do they sell to her for a lower price than their neighbours do. A certain level of trust is important for an intermediary to get any business at all, but does not guarantee anything or cut any other intermediary out of doing the same business.

Face-to-face interaction is an exchange of experiences and knowledge between two actors, but face-to-face interaction is complex and takes many forms. It is not always a positive experience for both sides and rarely an equal relationship. Intermediary-based trade involves a great deal of face-to-face interaction, but this interaction is rarely between actors with equal power. An intermediary often comes to a community with a convivial spirit, but it is clear that her price is a final one, that she is able to dictate the terms of the trade to the sellers. Of course farmers have the choice of not selling to her, but this is their only choice. Just the same, a farmer who walks into the cooperative offices is greeted as an equal, but has little power to demand immediate payment. The power of the farmers is in their ability to sell to whom they choose, and this is significant in a context of high demand and little supply. Face-to-face interaction should not be expected to translate into a definable result, but should be understood to lead to diverse and interesting consequences; consequences that will vary from interaction to interaction.

A significant inconsistency between the ideas of Storper and the findings of this research is the scale or level of importance of regionalisation, I will contend that the

## The Gift of the Middleman

significance of regionalisation is not only in the economic field, but is more broadly political, that is to say, social.

The region's claim to the highest quality quinoa is apparent in the legend of Nusta Jaira<sup>38</sup>. In this legend, Mama Thunupa, the supreme god of the people populating Western Bolivia at the time, sends down a female deity to relieve a terrible drought that is affecting them. There is nothing to eat, the potatoes are not growing and many are starving so the female deity, Nusta Jaira, is tasked with distributing a plant that is tolerant to the drought and cold temperatures of the area and is also nutritional enough to stave off starvation. She embarks on her tour in the region around Lake Titicaca where she preaches about her mission to stop the drought, cure a sickness spreading through the region, and remedy all other ills sent by Pachamama (the Earth Mother). She continues her tour south and at all stops she is met by multitudes that come to hear her speak, but few believe that she really is a god sent by Mama Thunupa until she arrives in Lipez. In Lipez she is received as a god, given everything expected for a god and the faith of the people. She said,

*For all the places I've walked, a plant very resistant to cold and frosts will have a very long height and its fruit will have an extraordinary ability to combat hunger, cure sicknesses and will be resistant to droughts.*

With this proclamation a white cloud appeared above and she ascended with it, leaving quinoa, as she said, in all places where she walked. But in the north, near Lake Titicaca where she had been coldly received the quinoa grew short and the seeds were small, farther south where more hospitality, if not faith, was shown, the quinoa was slightly taller. In Lipez, however, the population was rewarded for their faith and philanthropy towards Nusta Jaira by the gift of the tallest growing plant with the largest seeded and most nutritious quinoa of all the land she crossed.

The legend points to two aspects of regionalization that continue to exist today, the first is the fact that quinoa continues to be produced in a very small region (it is focused in Bolivia, Peru and Ecuador with very little production in other countries; the

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<sup>38</sup> There are several legends recounting the birth of quinoa, this is one of the many.

second is the special nature of Lipez quinoa. This story is not just an interesting tale of gods and quinoa, but a sign of a great appreciation for the region of Los Lipez.

The regional identity of Los Lipez is not a static sense of self, but an idea that ebbs and flows with the context in which Lipeños live. Since Republican times<sup>39</sup> the region of Lipez has conceded most of its governing power to the Bolivian state, whether it be in the form of national or regional bodies. With this change, the region has fallen in importance as it has had no real power over its citizens; it has had no visible presence in the region. An account of the changes in quinoa production in the Intersalar region (Felix, 2008) touches on the falling importance and authority of ayllus in the context of the movement of quinoa production from the hills and hillsides to the plains. The aynuqa is part of the ayllu and is a socio-political organisation that regulates and governs, among other things, the production practices of quinoa through communal authority. Ayllus only have jurisdiction over traditional areas of production, however, and with growing production in non-traditional areas quinoa production became ungoverned. As this happened, the importance of the ayllu fell in the same way the importance of Los Lipez fell as the region broke into smaller provinces and municipalities and became increasingly governed by local, regional and national governments. With the formation of regionally based cooperatives, however, the regional identity found a new source or basis: quinoa. The rising importance of quinoa on the national and international market gave Lipeños something to be proud of; something to say, “Yes, that’s from Los Lipez and the people of United States and Europe will pay anything to buy it.” It was no longer considered an “Indian” food, but a food for the rich, the discerning consumer in the North. Through quinoa, Lipeños could re-energise their sense of being a Lipeños.

A sense of rivalry with the Salinas region seems to fuel this sense of what Lipez is. Invariably Lipeño producers found a way to bring up the differences between them and the producers of Salinas. “Lipeña quinoa is more nutritious and has a larger grain size than any other quinoa,” they would say. “Lipeño producers use traditional and ecological practices and in Salinas they all use tractors and chemicals, but are *still* certified as organic.” “One producer from Salinas can seed an entire field in a day and this would take many days for an entire group of Lipeños working together.” These

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<sup>39</sup> The Republican Era began after independence from Spain in 1825.

claims are supported by a compilation of data by Fundación Autapo (Carlos-Aroni et al, 2009). This paper can be quite illustrative of the differences between the regions. The Salinas are grouped together under the Department of Oruro in the paper and include: Santuario de Quillacas, Santiago de Huari, Salinas de Garci Mendoza, and Pampa Aullagas. In the Oruro region there are nineteen producing families for every tractor, in Enrique Baldivieso (the province in which San Agustín is located) there are 109 producing families for every tractor. Seventy-six percent of Orureño production is based on the often more intensively farmed flatlands, in San Agustín this percentage is seventy. Twelve percent of San Agustín farmers mechanically plant their fields and eighty-two percent of Oruro farmers use tractors to plant; threshing is quite similar. In San Agustín seventy percent of threshing is done manually and in the provinces of Oruro five to twenty-six percent do so. Seventy-nine percent of Oruro farmers use motors or semi-mechanised tools to vent their quinoa and in San Agustín ninety-two percent manually vent the quinoa. Somewhat surprisingly, Oruro production is sixty-four percent organic and quinoa grown in Potosí (the department in which San Agustín is located) is thirty-three percent organic and twelve percent of quinoa in Oruro and twenty-seven percent of quinoa in Potosí is in transition to organic certification; the remainder is conventional.

The statistics show that the Salinas producers do indeed use more tractor power than San Agustín farmers, but surprisingly also have a larger percentage of their quinoa certified organic. This may be due to a lesser presence of quinoa cooperatives in the Potosí region or some other factor. Of course, these are all statistics and it would be foolish of me to take any real conclusion from this without stepping foot in a single field in Salinas; this is not the point of my argument. The point of my argument is the pride that Lipeños have in their quinoa and themselves and the relation between this and regionalisation.

The claims of a more traditionally produced quinoa as well as the better quality of Lipeña quinoa point to a certain consequence of regionalisation that goes mostly unnoticed by Storper. Storper and other regional economy or regional study theorists seem to agree that a region is essentially socially constructed and that it may be formed in part by political borders or by natural factors, but a certain social sense of region is necessary to form a region. This idea may be based on a more or less shared history, ethnicity or

life-sphere, and this is generally agreed to. What I argue is that while the region is socially constructed, it (regionality) can also have an effect on the actors. Though I do not consider myself an Actor-Network-Theorist, I may very well be a sympathiser of the school and I believe that a concept like a region is used by actors in their lives in a meaningful way. The results of a regionalisation of an economy may have certain economic effects such as more trust between actors, more shared knowledge, and greater efficiency, but this data shows that regionalisation can also have a social effect on the people within the region.

As described earlier, the history of the region shows a certain decline of the importance of the Los Lipez region and a subsequent strengthening following the commercialisation of quinoa beginning in the 1970s. With the rise of quinoa as a tradeable commodity, Lipeños increasingly had a product to be proud of, even more, the way that it is produced is a matter of pride. Several farmers expressed the shame of their quinoa being sold without the consumer knowing that it was produced ecologically in Los Lipez, or even worse that some producers may think that the quinoa had been produced in Peru. This seemed to be the worst offence of intermediaries and a spirited criticism of ANAPQUI and its mixing of different quinoa types. The presence of cooperatives is likely to be another source of political power and political awareness in the region, but I would argue that the rise of quinoa and the special nature of quinoa in Lipez is a certain source of pride that is now improving the livelihoods of farmers. Farmers are using this pride in region to initiate more and more strikes and blockades to bring attention from La Paz to their causes and are beginning initiatives to become independent from intermediaries and cooperatives and allow themselves to export directly to consumers. This would, of course, allow the consumer to know exactly where the quinoa was produced and how it was produced. The quinoa of Lipez is also a source of joy for many producers, many of whom never ceased to brag about their quinoa and compare it to Salinas quinoa.

As quoted earlier, Storper says that the market is arbitrator of any economic transaction, or that as long as a transaction is done within the confines of market principles it will be accepted. This conflicts with my field data. It was shown in a number of incidences that members would not only have to economically defend a

transaction by buying and selling at market prices, but would have to defend their transaction as suitably regional. Several farmers mentioned that no Lipeño should sell to intermediaries because this quinoa would not be sold to Peruvians as Lipeña quinoa, but as Peruvian quinoa, and to do otherwise was at least a loss of marketing for the area and at most a betrayal of the community. Cooperatives are also under judgement. The movement towards independence from the national cooperative is spurred on by not only a desire for a greater premium for Lipez quinoa, but for a valuation of what Lipez quinoa represents; that being traditional, organic production by small-scale farmers and a superior physical product with a larger size and greater nutritional content. The Lipeño quinoa farmers are not looking to the market as an arbitrator of what transactions they should make, but many of them are taking into account what Appadurai calls the “social life” of quinoa, including where it’s consumed and what the consumer knows about Lipez, its people, and the quinoa from the region.

ANAPQUI is a bulwark of the economy and has a good amount of responsibility for the international commercialisation of quinoa. For this, most Lipez farmers are thankful and respectful, but many no longer accept ANAPQUI as a local or regional entity; it has become a kind of foreign organisation more influenced by producers from Salinas than from Lipez. ANAPQUI has a claim on being a regional organisation through its direct links with local affiliates and the fact that all members are partial owners of the organisation, but the distance from San Agustín to Challapata where the quinoa is processed and to La Paz where the cooperative offices are coupled with the fact that quinoa is not differentiated between Salinas and Lipez are enough for San Agustín farmers to want something different.

I am arguing for a kind of regionality in which the concept is not only socially constructed, but socially constructs the world around it. It is not only a result of the closeness of actors and the benefits of face-to-face interaction, but it creates opportunities for farmers and generates a standard by which actors must conform. The standard is one in which other actors should know *how* the product is produced, *who* produces it, and *what* makes it special. Regional economies are not only a product of economics but should now be brought into the realm of sociology and anthropology as an alternative standard to that of the market. As suggested by Arce (e-mail to author, 21 July, 2010)

this is like a kind of “regional life-world.” A region is not an actor in the sense that it acts on its own or in fact exists in its own right, but the presence of a regional identity does act on the livelihoods of those who subscribe to that identity. Some farmers in San Agustin do not claim their regional identity as a reason for their selling decisions and other do. For those who do, their belief in that identity provides them opportunities (a certain pride in their career and in the product of their labour) and denies them others (selling to intermediaries without concern of the quinoa’s destination). The region in this sense is constructing those who subscribe to be part of it, by influencing (not dictating) their decisions. Furthermore, it is constructed from the shared history and collective identity of its constituents. This argument may lead to a classic question of “the chicken or the egg,” does the region constitute the people or do the people constitute the region. My answer is simple. The construction of a region is a living idea, one that ebbs and flows with time, while it is being constructed it also constructs and vice versa. So the answer to the question is that the chicken and egg continually reproduce one another.

The effects of regionalisation will continue to change and the concept of the region itself will be altered as the context of the region continues to develop and as several initiatives advance or subside. Regionalisation is an economic, natural and possibly more than all, social process that is dynamic and changing. It should be understood on the footing of the market, as an entity that is created by certain factors and that influences actors’ day-to-day decisions to a certain degree. It is not something that *determines* decisions as the market is viewed to be by many economists; it is one factor amongst others to be considered and its importance varies from actor to actor.

### **The communities of San Agustin**

It should now be clear that the Lipez region and the Salinas region cannot be assumed to have the same characteristics; it should also be clear that one cannot vaguely speak of quinoa producers as a single community. Although the Fautapo paper cited above does delineate between the two regions, it does follow the assumption of a singular context in several sections. At one point it speaks of the development of pesticide use, though this is also variable through different regions and communities and in another section it describes the percent of quinoa value kept by various actors along the chain



without regard to provenance. Though there are a number of instances like this, in general the paper does pay attention to differentiating between the general regions and even between municipalities. The authors have done the best job of delineating the information using the data available and with the consideration that they have a quinoa producing region-wide focus. Slightly more disappointing is the case of a study by *Agronomes et Vétérinaires sans Frontières* (Victor-Ragonese and Quisbert-Salinas 2009) in which the consequences of fair trade are studied region-wide without concern for local differentiations. In the case of the study by *Agronomes et Vétérinaires sans Frontières* there is no real recognition of the difference between communities and regions and this is sure to present a reality that is not felt by many of the producers (Conversation with Pablo Laguna). I hope the above section has clearly indicated the difference between the regions and municipalities; now I intend to further develop the case for an actor-oriented approach and argue that a single community cannot be considered to be of one context, but must be analysed as various groups of actors within the community.

As shown by Arce in his study of a coffee producing and processing community in Guatemala, a community is often populated by actors with different agendas, resources and experiences and this leads to variable responses to the market. Arce's paper shows that some farmers believe a coffee exporting cooperative is the best route for coffee and others choose to sell independently to intermediaries while a women's group elects to roast coffee for export to the United States.<sup>40</sup> This situation is instructive in understanding that the old model of performing an ethnography of a community to track its changes and understand its people is more than a little nonsensical. One can no better understand a community as a single group than understand a nation-state as a homogeneous group. On another front, intra-community variation is a great support to Fardon's suggestion (1995) that one must research the local situation and scale up results to the global level rather than study global situations and make local assumptions.

The following sub-sections will delineate several divergences of quinoa producers within San Agustin. I will do this according to particular issues, members of the cooperative and non-members for example, but do not suggest that these are the only points of difference amongst the farmers.

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<sup>40</sup> For a much more detailed account see Arce (2009a).

## **Socios and particulares**

CEDEINKU has a tremendous presence in the quinoa market of San Agustín. Most farmers sell to the cooperative and more than half of those who sell to the cooperative are members. But why are some members and some not?

*Socios* (members) are affiliated to CEDEINKU for a number of reasons: they receive a greater price than when selling to intermediaries, they have a steady and stable market to which to sell, and many appreciate the long-term presence and work of the cooperative. The CEDEINKU price difference compared to intermediaries varies throughout the year according to fluctuations of the market, but while I was doing research in the town the CEDEINKU price as 700 Bolivianos per quintal while intermediaries paid 500 Bolivianos per quintal. When market prices go up the difference is less, for example in April the difference was only 100 Bolivianos. One-hundred Bolivianos still makes quite a difference. The difference in price paid by CEDEINKU to members and non-members is also significant; at the time of research members were paid 700 and non-members were paid 680. CEDEINKU cannot guarantee that they will buy from *particulares*, purchasing from non-members is only a service provided to the community and they are not obligated to do this because *particulares* are not members and do not enjoy the rights of members. This is quite similar to any farmers' cooperative in the Midwest United States where a cooperative provides variable prices to members and non-members, but extends more service and rights to those who are members. Members often speak of CEDEINKU with a certain fondness. It is an institution that's been operating for more than two decades and since its founding it has been working with local farmers on a personal base to find markets and improve prices. Many producers remember the prices paid in the 1970s and early 1980s when a quintal of rice would cost two quintals of quinoa and reflect that they now receive two quintals of rice for one of quinoa. It is not a foreign business. Management is made up of members, except for the accountant, and each member has a stake in ownership. Members enjoy higher prices, a fixed market for their quinoa and a historical and personal relationship with the cooperative. Non-members are not illogical farmers who choose not to enjoy these benefits, so why do they not partake in the cooperative?

## The Gift of the Middleman

Many farmers simply have too little production to consider signing a contract with CEDEINKU. They may have a fourth of a hectare or less and produce mainly for their own consumption, as most people (not just farmers) in San Agustin continue to eat quinoa several times per week or in some cases several times per day. Most producers in this group also keep a small amount to sell to intermediaries in exchange for goods. Considering the likelihood that no quinoa would be left to sell to CEDEINKU after consumption and selling to intermediaries, neither CEDEINKU nor these farmers are interested in signing a contract to sell a percentage of the harvest; it would simply be impractical.

Other farmers are wary of the many rules and meetings of CEDEINKU. The organisation's members must produce according to organic certification and allow inspectors to enter their homes and fields periodically for inspections. Farmers are prohibited from using chemicals in their field and although they seldom apply chemicals, they often prefer to have that option in case they have an infestation of pests or are unable to dedicate enough man-labour due to sickness or other circumstances. It is difficult for these people to declare that they will not ever use chemicals in their field. There is also a sense of independence to this side, saying in a way, "This is my field and my quinoa, I'll farm it the way I want." There are also the periodic meetings which members are expected to attend which may be difficult for those living outside of San Agustin and impossible for those who temporarily migrate to Chile, Argentina, or the interior of Bolivia. There is little that needs to be done in a quinoa field between seeding and harvest so many prefer to find work elsewhere during this time. The meetings are not only an inconvenience, but are another case of the cooperative demanding something of members and, as in the case of organic practices, many simply don't want to be told what to do.

The payment system is probably the most serious critique of CEDEINKU and is shared by members and non-members alike. As stated earlier, CEDEINKU pays producers several weeks or months after the sale because of financing problems. In a town with no bank and a large distance to Uyuni, this cash flow is necessary for farmers and many sell when they need money, not when they think they'll need it several months in the future. This was a serious complaint of members as well and understandably so.

The farmers are essentially offering an interest-free loan in the form of quinoa to the cooperative and have no choice; non-members easily look to intermediaries as a quick source of cash and even credit when needed. This does seem to be more of a temporary problem, affecting this year and last year's harvest because of problems of forecasting quinoa prices and production levels. I would consider the governance of production practices to be the primary reason for non-alignment with cooperatives and small farm size to be significant as well.

Despite the security and economic benefits of cooperative membership, many have chosen not to become members because of concerns over governance of their practices and of committing their harvest to an entity without knowing what their harvest will be. The payment problem is also holding many non-members back from becoming a member. I will discuss the issue more extensively in later sections as it relates to non-market factors in the decision making of farmers.

Members of CEDEINKU are divided amongst themselves on the issue of non-members. Around half<sup>41</sup> agree that the cooperative should be buying from particulares and the other half think that particulares should become members if they want to sell to CEDEINKU. This is a problem of all cooperatives; all have to consider the so-called "free-rider" problem of non-members benefitting from the cooperative without making the sacrifices that members do. There is not likely to be any change to the policy of buying from particulares and it's unlikely that those with concerns will force the issue, but it is significant that within the membership there is a disagreement over the role of non-members.

### **To sell to Isabella or not?**

The disagreement over selling to Isabella and other intermediaries is essentially a moral issue. Few disagree with the need for the goods and fast cash that Isabella brings to the community; even those who disagree with selling to intermediaries are likely to purchase goods from her. The utility of Isabella is almost universally recognised, but many disagree with intermediary-based trade on the basis of what happens to the quinoa after it is sold.

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<sup>41</sup> According to interviews with the cooperative president, not formal surveys.

## The Gift of the Middleman

Isabella and other intermediaries provide a service to farmers by providing goods which would otherwise cost double if purchased locally or cost a long trip if purchased in Uyuni. Middlemen also bring cash that can fill gaps for those waiting for a CEDINKU payment or those who are entering a festival or time of economic hardship without available cash. Most intermediaries provide credit for future harvests as well. Standards for sales are usually much lower than that of cooperatives. Isabella purchases quinoa of lower quantities (less than an arroba) and lower qualities (second-class, third-class, and lower). Intermediaries have no real restriction on production practices and although they discount for impurities, they will often buy any quinoa available. Despite the services offered and lower quality standards, a certain group of farmers refuse to sell any quantity of their quinoa to intermediaries.

Although most complaints of dishonest intermediaries using bad scales come from cooperative management, some producers complained of this as well. I never heard of anyone saying that they wouldn't sell to *any* intermediaries; I assume that while they suspect one intermediary of being dishonest, they may trust another. This was a major reason for the founding of farmer cooperatives and the suspicion of intermediaries likely still exists. I do suspect that very few farmers outright refuse to sell to any intermediaries because of this.

The most common complaint against intermediaries was the destination of quinoa. A number of farmers protested that any quinoa sold to intermediaries would end up being sold in Peru as Peruvian quinoa, not only betraying the fact that it is from Lipez, but even denying that it is Bolivian. As stated above, many Lipeños have great pride in their grain and are indeed concerned that a consumer may eat it and not know where it comes from or how it was produced; some are concerned enough about this to refuse to sell to intermediaries. A man in Colcha "K" indeed purchased potatoes from Isabella but informed me that he had no intention of selling to her because of his concern that it would be sold as contraband. This view is most common amongst those who want to become independent from ANAPQUI and export quinoa directly as *Lipeña* (from Lipez).

The farmers who sell to intermediaries have no real conflict with those who don't, but those who oppose selling to intermediaries because of concerns about exportation to Peru are certainly not pleased with those who sell to intermediaries. They consider the

sale of Lipeña quinoa to intermediaries as both a lost opportunity to sell that quinoa as Lipeña quinoa and improve the presence of that name on the market and they may see it more harshly as a betrayal of the work done to make a name for their quinoa. Making a name for the local quinoa, they would argue, is not an easy task and will take the solidarity of all the farmers to sell quinoa strategically as Lipeña to improve the name and advance the movement. Also, each time a Peruvian eats Lipeña quinoa and believes it to be Peruvian it is one more person who does not have the opportunity to appreciate quinoa produced in Lipez and the farmers who produced it. The importance of the valuation of local quinoa gives an importance to each sale made, not economically, but morally. A call is rising in San Agustín for no more quinoa to be sold to intermediaries for this reason and because of this there is a conflict between these two groups.

### **Stay with ANAPQUI or become independent?**

The last differentiation between farmers' strategies that recognised is between those who want to stay with ANAPQUI, the national quinoa cooperative, and those who want to *independizarse* (become independent). Like the conflict between those who don't want to sell to intermediaries and those who do, this is a question of the social life of quinoa, but with a component of economics.

ANAPQUI helped found CEDEINKU shortly after ANAPQUI itself was founded by a group of smaller cooperatives. Since its founding it has had an active and prominent role in the community as the buyer of CEDEINKU's quinoa. Many producers remember the role that ANAPQUI played in the founding of CEDEINKU and the result that this brought in increased access to markets, more stable prices and higher prices. For some there is a long relationship with CEDEINKU that stretches back two decades, to before quinoa was widely commercialised. Now, ANAPQUI has a much smaller role in the local economy. It is the principle buyer of CEDEINKU quinoa and also provides a number of *capacitaciones* (agricultural extension meetings) in Challapata to farmers on organic practices, although Lipeño farmers say that these are for Salinas producers and any Lipeño already knows how to produce organically. People are comfortable with their history with ANAPQUI, continue to support the organisation, and recognise its historical importance in the region.

Of course, the other side doesn't see ANAPQUI in this light. Considering the differences between the Lipez region and the Salinas region outlined in the previous section, many CEDEINKU members would prefer to leave ANAPQUI altogether and export independently. This move would ensure a direct path from Lipez to Iquique, Chile (from where ANAPQUI normally exports) and would guarantee that quinoa is exported and consumed as Lipez quinoa, not Bolivian quinoa.

Farmers reported the oddity of transporting quinoa to Challapata, northeast of San Agustin, and then transporting it to Iquique, southwest of both Challapata and San Agustin; saying that it would be much more logical to transport directly to Iquique from San Agustin. The role of the producer cooperatives is, perhaps surprisingly, compared to the role of an intermediary as an unnecessary step between production and consumption. Of course, as I have demonstrated, the role of an intermediary is not in fact unnecessary and the role of the cooperative also has its purpose. However, this is not the view of a number of farmers.

Complaints against ANAPQUI are not only logistical. Many farmers of San Agustin want direct access to Northern markets for economic reasons and moral reasons. The economic reasons are fairly obvious; direct access would both reduce overhead by eliminating costs associated with ANAPQUI and would cut down on transportation costs. They would also hope for a higher price due to the greater physical quality of the quinoa and the way in which quinoa is produced. It is assumed that in addition to higher quality quinoa, Northern buyers are willing to pay for the story behind quinoa (how it is produced, who produces it, and the history of the region in which it's produced), and for the ecological attributes of Lipez quinoa. Looking at a box of quinoa on the shelves of a Boston organic grocery store one finds conflicting evidence of this. Every box includes the history of quinoa, using terms like "golden grain of the Incas," sometimes the legends of quinoa, and usually the natural or traditional cropping techniques of farmers. Each label, however, refers to quinoa producers in the whole, never farmers from Lipez, or from Salinas and only rarely even does it explain that the quinoa is from Bolivia. It is recognised that northern buyers often prefer larger grains and do rely on the story of quinoa; these two factors are favourable for the direct export of quinoa by CEDEINKU.

In addition to the economic factors, many farmers demand direct export in order to quarantine their quinoa and separate it from inferior quinoa. This is necessary from a practical standpoint; a commodity must be separated from the “other” to become well known. Champagne, for example, is separated by its location, grape variety, and wine-making practices. Lipez quinoa must be separated, not mixed as Lipeños often accuse ANPQUI of doing, to be given its due chance to become renowned. To address the accusation of mixing, the president of ANAPQUI claims this practice doesn’t exist and all quinoa is exported with the label of the affiliate (e.g. CEDEINKU or SOPROQUI). Interestingly there is a similar claim against intermediaries who are said to mix Bolivian quinoa with Peruvian quinoa to create three classes; one is pure Bolivian, another is pure Peruvian, and the middle-class quinoa is a mix of the Peruvian and Bolivian quinoa.

Separating the channels of quinoa from production to consumption is not only considered necessary for the purposes of making a name and for increasing prices, but as a moral imperative to get Lipeña quinoa to consumers and for those consumers to know the story and the provenance of that quinoa. Many farmers maintain a certain attachment to the quinoa even after it is sold and are disappointed when this attachment is not felt at the other end of the channel. This may sound very much like one fair trade credo that calls for a long-term relationship between farmers and consumers; this is indeed an important goal of many farmers in San Agustín. Quinoa, in the mind of some farmers, is not a commodity that leaves their hands and is no longer their concern; it is an aspect of their lives that has its own life. Those who are concerned about their quinoa being mixed with other types and therefore losing its identity as Lipeña are concerned with what happens to the quinoa post-sale, what could be considered to be part of the social life of the quinoa. The quinoa in this case is given an identity and its transactions are followed by the farmers and given importance. Should quinoa be sold as conventional Peruvian, it would be a shame for the farmer because the identity of the grain was lost and the final consumer of the quinoa would be unaware of the actual identity and life of the quinoa he eats.

ANAPQUI is seen by many farmers as a distant organisation. The organisation has offices in Challapata and La Paz and San Agustín farmers consider it to be dedicated to the farmers of Salinas who are more numerous than Lipeño producers, closer to the



offices of ANAPQUI than San Agustin, and produce more quinoa annually than Lipeños. Communication is also difficult without mobile service in San Agustin, making the physical distance seem even greater. For a group of people who have been neglected at times by the national government (this was a major complaint during the blockade of Avaroa in April 2010) ANAPQUI may also be considered as a distant governing body with little understanding of life in San Agustin.

In short, those who want to become independent from ANAPQUI want to do so to increase the amount of money paid directly to farmers and to value the quinoa properly according to its differences compared to Salinas quinoa. Those who want to stay with ANAPQUI often do so because of a feeling of patronage towards the organisation based on its long history in the area. A certain number of farmers fear corruption or cronyism should CEDEINKU find itself in a position of greater power and less oversight by ANAPQUI. Some farmers do want to become independent of ANAPQUI, but prefer not to completely align with CEDEINKU, preferring instead to sell a greater amount to national and international companies as well as Consorcio de Lipez.

Those who want to remain with ANAPQUI and those who want independence are essentially divided by their beliefs on the importance of ANAPQUI and the attachment to the region and its quinoa. To date, there is little conflict related to this theme as there has yet to be any real action towards separation. I do believe that once a decision is made or a vote called for on the issue there will be very real conflicts between the groups. Judging by the people of the area I would doubt very much any violence occurring, but rifts between families or within families may be quite likely. This is yet to be seen and would warrant a sincere investigation to observe how the actors in San Agustin would react to such a change.

### **One community and many channels**

It should be clear from the data that one community cannot be considered as one set of shared beliefs, goals and histories, but one in which actors vary in their strategies and livelihoods. Only by taking this difference into account can one see the more complete and complex picture of the world in which actors live. Implications for this may include a re-consideration of the utility of global value chains and political economy

approaches and a greater attention to local detail. As Fardon has suggested, let us forget about studying the global to know about the local and turn this idea on its head. By studying the quinoa channels out of San Agustín, certain observations can be made towards the global understanding of markets. The importance of non-market factors in the decisions of producers or the possibility of no consensus being reached by actors in a community can be useful ideas to researchers investigating the impact of certain commodity markets. Fair trade policy makers can consider the importance of intermediaries in this situation or government officials can ponder the implications of a distant relation between the governing institution (ANAPQUI) and the governed (Lipeño farmers). It is not my intention to analyse possible conclusions extensively, only to suggest that it is possible to follow Fardon's suggestion.

The differentiation within San Agustín supports the concept of a social process of decision making in which economic factors are not the only points of reference. A decision to sell is based on social relations, history, connection with a commodity and resources available in the community. Marcel Mauss' concept of the gift may be of tremendous use to conceptualising this point.

### **The soul of quinoa**

Mauss' "gift" is a multi-faceted theory of exchange among "archaic" societies; the main tenets of the theory are a system of exchange that is outside of the market in which a gift is always returned with another gift of equal or greater value. The return of a gift is obligatory and obliged by social control, if one does not reciprocate a gift he or she is shunned as a dishonourable person; in some societies analysed in the original book, reciprocation of a gift is obliged by the soul of a thing that compels the owner to re-gift it or to return something in exchange. The gift is an answer to the purely market system in which transactions are determined by supply and demand and nothing more. A basic premise is that goods can be circulated through a community or society without the use of a market, but with the use of the circulation of gifts throughout.

As so often happens, the researcher's desk research did not match reality as much as expected. To learn, one must challenge one's self and things sometimes just don't fit. It was not found that a gift economy was present in the form described in most of Mauss'

## The Gift of the Middleman

short (yet superb) book. Goods are exchanged on market prices regardless of whether quinoa is sold outright or is traded for other goods. Producers and intermediaries (as far as the researcher saw) were not seen to be using special relationships as a way to gain access to the high quality quinoa or to obtain a better price for themselves; prices were equal for family, friends and everyone else. It seems that the theories of Dr. Mauss do not apply to this case as a rule, but certain points of “The Gift” do apply to this situation.

The exchange of services is one debatable case. I argue that Isabella and other intermediaries offer services (such as bringing goods to sell, coming conveniently to communities, paying directly, offering credit, and paying for any quantity or quality of quinoa) and this constitutes a non-market aspect of trade. Farmers sell to Isabella because she satisfies certain needs of theirs; if they based trade on only price they would be selling only to the cooperative. I do appreciate another side of this argument, which may state that Isabella provides these services as a natural part of the market economy in which competition is strong between actors and anything that one can do to increase sales is a function of the market. Taking a separate case, a mobile phone provider may offer customers free calls within the network. Is this a case of the gift or a case of market competition? Is this a distribution of services based on reciprocity (if the mobile phone company offers free long distance, the customer is obligated to remain a long-term customer) or a case of market competition (by offering free long-distance the company is effectively competing with other actors)? I believe that intermediaries provide these services as an effort towards differentiation between themselves and their competitors, but it is a different kind of competition. It is competition that is focused on the actors instead of the product. This kind of differentiation is an effort to improve the social relations between buyers and sellers and indeed demonstrates that relationships are an important part of this economy.

Quinoa farmers in San Agustin paid much attention to the relationship they had with various buyers and this did affect their decisions. Under a purely market-based system one would expect the only variable to be price. Intermediaries do not give special prices to relatives and farmers do not necessarily provide the best quality quinoa to their favourite intermediaries, but relationships and reputations do hold significance. Between farmers and intermediaries a reputation is quite influential in a decision making process.

This is one reason that Isabella focused so much of her energy on creating and maintaining a good respectable reputation with quinoa farmers. She did this knowing that if she were to have a reputation of using underweight scales she would find buying in communities quite difficult. Farmers pay attention to the history they have with intermediaries and act accordingly. The case of ANAPQUI is also of interest; a certain group of farmers want to stay as affiliates of ANAPQUI because of their history with the organisation and because of the role played by ANAPQUI in the development of the quinoa market. In both cases, farmers selling to Isabella and farmers selling to ANAPQUI, one can see a correlation with Mauss' ideas on the gift as a confirmation of a close personal relationship. Farmers may choose to sell to Isabella because they trust her to a certain extent and may sell to ANAPQUI because they appreciate the relationship that they have with the organisation. It is not a clear example of an obligation to sell, but is a situation in which a relationship is indeed an important factor.

Mauss states, "Things sold still have a soul," and that things are still "followed around by their former owner and they follow him also." (2002, p. 66) San Agustin farmers clearly follow their quinoa as much as their quinoa follows them. The fate of quinoa is of great concern to a number of producers. They ask, "Is it sold as Lipeña quinoa?" They worry about whether it is mixed with other types of quinoa or not and they refuse to sell to intermediaries at times to avoid illegally exported quinoa to Peru. They do not forget about the quinoa as soon as it leaves their sight, but follow it to its consumer, hoping that it arrives with their (the farmers') identity attached and the quinoa's provenance intact as well. There is a certain pride of self and pride of the commodity that leads a farmer to attach himself to the product. An attachment to quinoa certainly affects the reality of quinoa markets in San Agustin, it affects decisions based on what the end product of each chain might be and may lead a farmer to choose to sell to a cooperative instead of an intermediary or to become independent of the cooperative and sell independently. Mauss remains an influential source despite the years since his main work was published, but this aspect of his most renowned work is given little attention. In addition to the importance of the relationship between people in trade, this research shows that actors may have a certain relationship with things and this does affect trade.

The main point of Mauss' "Gift," in my opinion, is that there are logics other than market logic and that personal relationships are important in the negotiation of trade and my research has shown that relationships remain important in a "market" economy. The relationships between buyers and sellers are of great importance in this network and farmers' attachment to their quinoa may play a role in their decision making. The quinoa market in San Agustin is determined not *by* the market, but by farmers *using* the market as one logic amongst others. As Daniel Miller (2002) has suggested, the market need not be thought of as something that controls actors, but rather as something used by actors. The importance of relationships in San Agustin isn't exactly as Mauss had written and doesn't equal his hopes for an economy based solely on relationships, but there is a significant consequence of relationships, whether they be between farmers and intermediaries, farmers and cooperatives, or farmers and their quinoa. Relationships can make a transaction valid or not just as the market can be used in this way. In opposition to Storper's statement on the market as an "arbiter" of valid transactions, actors judge the validity of a transaction based on their own values and what they deem to be important or valid to the transaction. Besides being economically valid a transaction must be morally and ethically valid.

### **Social and economic consequences of intermediary-based quinoa trade**

A principle motivation for this paper was to see first why farmers sold to intermediaries instead of cooperatives and consequently what the effects of this are. The consequences of trade are quite complicated and difficult to understand in such a limited amount of time in the field, but the following should be viewed as a basic analysis of the causes of and effects of intermediary-based trade for producers, consumers and intermediaries.

#### **Why do producers sell to intermediaries?**

As I have shown, the reasons for intermediaries are many and may be real for some producers but not for others. The logic behind selling to intermediaries does not apply universally to farmers who sell to intermediaries; some sell for one reason and others for a different reason.

Located five to six hours from Uyuni on a mostly dirt road, San Agustin has little access to common goods that are brought from other parts of the country. Some vegetables are produced in town, some in gardens and the rest under small greenhouses, and they raise sheep and llamas, but besides this production most things must be transported into San Agustin. Rice and noodles are staples of the Bolivian diet and are consumed in San Agustin as well. As neither rice nor wheat for noodles can be produced locally, these must be brought in from other parts of Bolivia. In the few stores in San Agustin rice costs around double that of the market price in Uyuni and it's the same for noodles. When an intermediary brings these products it's often at a significant discount from local prices. Rice can even be sold for quinoa at a rate of two to one, or two quintals of rice for one quintal of quinoa, this allows the family to eat twice as many meals without spending any money. Other products brought by intermediaries are completely inaccessible; fresh fruit, for example, is nearly impossible to find locally. Fresh fruit is an important part of any diet and is very sought after in many of the quinoa-producing communities. In addition to fruit, noodles and rice, intermediaries sell onions, carrots, lettuce and an array of school products, cleaning products, and sweets. In a cash strapped town, trading quinoa for these goods is an attractive option to conveniently and cheaply purchase goods.

As a result of the relative isolation of San Agustin and of the policies of CEDEINKU, there exists a general problem of access to money. CEDEINKU policies on quinoa collection and payment are quite inconvenient for most producers; collection is done once a month or maybe twice per month and payment is even less frequent. The long periods of time between payments create monetary shortfalls for many producers and they may require cash from other sources to support their families. They are often unable to go quickly to the bank or may not even use the banks in Uyuni and so this money must come from selling to intermediaries. In contrast to the delayed payments of many cooperatives, all intermediaries pay upfront and many will pay for future harvests months in advance – both services are valuable to farmers. During the four-day buying trip in which I accompanied Isabella most farmers chose to trade for goods rather than take cash, but cash is also necessary for certain services or goods that Isabella does not provide. Transportation to Uyuni, for example, must be paid in cash, money to buy from

local comerciantes is also important when a farmer doesn't know when the next intermediary will come or when the next CEDEINKU payment will be.

CEDEINKU exports the majority of their quinoa with organic certification and contracts specific percentages of each producer's harvest; this translates to a need for strict adherence to organic production rules as well as adherence to signed contracts. Some producers in San Agustín have chosen not to become members of CEDEINKU for this very reason. Some do not want to follow organic regulations because of worries about pest outbreaks and others because they want to farm the way that they choose, not to be governed by an organisation. Those who do not want to sign a contract may do so to keep their options open or because they have a small amount of production and their overall harvest may be quite variable; they want to ensure that they have enough quinoa to eat before worrying about selling it. Intermediaries offer a very flexible alternative; they do not have contracts except when offering credit and there are no standards regarding production practices. There are no farm inspections, no rules, and no contracts; in other words, intermediary trade is flexible in the areas in which CEDEINKU is strict.

Related to this is the CEDEINKU policy of buying only first-class quinoa and only in quantities measured in quintals (or in arrobas if at least one quintal)<sup>42</sup>. At times farmers want to sell only a small amount of quinoa, enough to pay for this or that, or have a small quantity left of the harvest and want to sell that. CEDEINKU will not buy these small quantities. Additionally, after venting quinoa a producer is left with first-class, second-class and third-class quinoa, of which CEDEINKU will only purchase the first-class. Though many farmers still consume quinoa in the region, there remains a large amount of second-class and third-class quinoa and this cannot be sold to CEDEINKU; intermediaries, however, are quite willing to pay for this quinoa.

Rather than think of CEDEINKU and intermediaries competing it can be useful to understand their relationship to be supplementary<sup>43</sup> in some cases. Regarding the various

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<sup>42</sup> For example, a cooperative may be willing to purchase 1 quintal and 1 arroba, but not 1 arroba alone.

<sup>43</sup> Complimentary and supplementary relations are a way of describing the relation between actors in a situation of competition. Complimentary relations are those in which two competitors are seeking to buy the same thing and therefore there is one scenario (the competitors want the same thing) and multiple competitors. A supplementary relation is one in which two competitors are seeking different thing and together they cover a wider frame. For instance, intermediaries and cooperatives both buy quinoa, but buy different classes and qualities; to the farmers perspective they are supplementary in that one purchases quinoa that the other is not interested in buying.

classes of quinoa, a producer may sell the first-class portion to the cooperative and then sell the second and third class portions to intermediaries. The farmer doesn't have an "either this or that" situation, but can sell a portion of the harvest to one buyer and another portion to the other. The farmers are using CEDEINKU as a buyer for first-class quinoa and selling the rest to intermediaries. Intermediaries offer a valuable service by buying the quinoa that is not exportable and fill a gap left by the producer organisations. In fact, during fieldwork I often found myself picturing the quinoa trading network as a group of buyers frantically finding ways to buy quinoa. Intermediaries, businesses, and producer organisations are all finding strategies to find and purchase quinoa and the farmers are in a situation where they only need to pick who they will sell to.

Intermediaries offer convenience by bringing cash and products directly to towns and flexibility in the production of quinoa, quality of quinoa, and quantity of quinoa sold. Their flexibility and convenience have allowed them to capture a portion of San Agustin quinoa. Farmers are willing participants in this trade, but what are the consequences of their trade with intermediaries?

The role of CEDEINKU is very important and it is a tremendous resource for Lipeño quinoa farmers, but this should not be read as it being the only best option. There exists a situation in San Agustin in which many buyers and many sellers are coordinating with themselves to appeal to each other's needs. CEDEINKU purchases first-class quinoa from its members, intermediaries purchase from non-members and purchase from CEDEINKU members who want to sell lower-quality quinoa or who want to have cash or goods in hand. The situation would be incomplete without the cooperative, with no advocate for farmers and no representative to look for markets (besides Consorcio de Lipez), but it would be equally incomplete without intermediaries. Consorcio de Lipez also plays an important role through its advocacy for Lipeño farmers and in its search for markets. There are several channels of quinoa out of San Agustin and each exists for a reason. If one channel was eliminated through circumstances or policy, a gap would be created and would need to be filled; alternatively if one determines the need for closing a channel, one would need to consider the implications of this. The various channels supplement each other by offering their own advantages. Producers may choose to sacrifice the higher price offered by CEDEINKU for the relative flexibility and freedom



of trading with intermediaries, others choose CEDEINKU and many choose to use both intermediaries and CEDEINKU, taking the best of both. As relates to fair trade literature, I believe it would be a mistake to “cut out” the intermediary from the trading network without replacing the services provided by intermediaries.

### **Quinoa producers as quinoa consumers**

In contrast to coffee (Arce, 2009a) or broccoli farmers (Fischer and Benson, 2006) in Guatemala and many quinoa farmers in the Salinas region of Bolivia, many quinoa farmers in Los Lipez consume the product that they grow regularly. Farmers responded with unanimity that they consumed quinoa at least once per week and many consumed it more frequently. Several grew only enough for consumption and had none or little left to sell to either cooperatives or intermediaries. It appears that Lipeño farmers are acting contrary to the common belief that globalisation and commercialisation will drastically alter food systems. Blum (1995) previously wrote on the survival of some level of subsistence farming after the commercialisation of a food product, saying that non-market logics to production can remain alongside the insertion of a commodity into the market. Laguna (2000) has shown that in some areas of Bolivia, subsistence production has completely or almost completely been done away with in favour of total commercialisation of quinoa production. My research has shown that a subsistence economy can indeed exist alongside a commercialised channel of quinoa (though Laguna never said that this was impossible, only that this did not occur at his research site). Quinoa consumption may even be a reason for farmers to not affiliate with cooperatives; those who produce for themselves may worry of being forced to sell their quinoa with subsequent effect on their diet. Contrasting the work of Laguna and my own, one can also see the importance of researching on the community level and the fact that one community varies from the next in various and perhaps unexpected ways.

### **Consequences for consumers**

Studies such as this one often focus only on production and the producers and neglect the effect of policies and of producer decisions on consumers. Though not a focus of this study, there are certain valuable lessons that can be drawn with regards to

the welfare of consumers. First, it is important to consider the nutritional quality of quinoa as has been stressed by the United Nations and NASA; it contains all essential amino acids, a high portion of protein, minerals and fibre, and contains no fat. According to many informants it's an injustice that a food of such nutritional quality is mostly exported out of the country and consumed by Peruvians, North Americans, and Europeans while few Bolivians eat quinoa.

Cooperatives export nearly all of the quinoa they purchase and quinoa companies in Bolivia also usually export the quinoa and when they sell domestically it is for a far higher price than bulk quinoa. Intermediaries are the actors who bring cheaper quinoa that is of high quality to markets throughout Bolivia. Of course, the majority of quinoa sold by intermediaries is also sold in Peru, but what they do sell in Bolivia is sold at a discount of thirty percent or more compared to national companies who sell packaged quinoa. In a country where quinoa consumption is still growing and falls quite short of that in Peru, the cheaper quinoa available at markets provides a valuable service as a relatively inexpensive source of a nutritionally beneficial, locally produced food. One should consider what the result of a complete monopoly by the cooperatives would be. I believe one would be higher domestic prices and a greater difficulty of increasing domestic quinoa production.

The relation between quinoa intermediaries and the regional food network is especially enlightening considering current debate on local food and fair trade. Local food is often touted as a response to the real or perceived benefits of buying locally sourced foods. One particular argument is that local foods are a more direct link between farmer and consumer. Of course these farmer-consumer relationships are also an important aspect of fair trade; to reinforce the relationship between farmer and consumer is to somehow make the commodity less of a commodity. What has been shown here, however, is that the local food systems are dominated by the actor who is most vilified under fair trade rhetoric, the poor intermediary. In the case of Bolivian quinoa farmers, cooperatives provide a direct link between producers and Northern consumers, but generally bypass domestic consumers. It is the intermediaries who supply quinoa to Bolivians around the country and therefore the intermediaries who make eating local products possible. This is further evidence that intermediaries are not wholly unsavoury

characters, but morally complicated actors within the network. As stated by Born and Purcell (2006), one cannot base conclusions upon stereotypes or upon assumptions, but must undertake real ethnographic research to uncover the reality of a social situation.

### **Reflections on Isabella**

Intermediaries' role in supplementarity to other buyers (e.g. buying what cooperatives and companies are not interested in buying) can be interpreted by economists and anthropologists according to their own backgrounds. An economist would see that the intermediaries are finding a niche in the market and exploiting it for economic gain. By doing this they are taking advantage of supply and demand of the inferior product. An anthropologist, on the other hand, is perhaps more interested in other aspects of this situation. The case of Isabella is demonstrative of the importance of life spheres of actors and commodities. As demonstrated earlier, Isabella has taken to buying quinoa for a several personal reasons as well as for economic profit. She began selling goods in San Agustín and other communities in the 1980s because it was appealing to her to go out to the communities and talk with people; of course she was able to bring some profit home as well. A short time later she responded to the growing market for quinoa by purchasing a small quantity on her trips. Her buying was not a direct consequence of finding an economic niche, but also of her interest in visiting towns, re-connecting with friends and family, and a unique chance (the sudden profitability of dealing with quinoa). One cannot pretend to understand the role of the intermediary by considering only the economic reasons for her buying quinoa for this is just a portion of her logic (or business plan?) and one would be mistaken to consider her identity as intermediary to be based solely on economic profit. I don't present this case as an aberration, but rather suggest that this is indicative of the quinoa trading network and likely all commodity trading networks are constructed of actors who are participating for the satisfaction of their personal needs and desires, not least of which are those that are non-market-based in nature. In showing the life-history and day-to-day life of Isabella I have not only sought to bring colour and narrative to an otherwise bland story, but I have provided the context of Isabella's situation to demonstrate how a "system" of actors seemingly surrendering their agency to the group is not a system at all. Individuals

order their activities around their personal ideals and values in such a way that each individual is acting according to a different set of rules. This is not to say that there is no social action – the demonstration of the importance of the region and maintaining the perception of high-quality Lipeña quinoa is indicative of this – I only claim that while actors consider social action in their decisions they do so at their own choosing.

As are the reasons for Isabella's involvement in the quinoa trade, her participation in buying second-class, third-class, and even fourth-class quinoa is also seemingly contrary to common economic thought. While the cooperatives have mastered the art of seeking out the first-class quinoa because of its marketability as an exportable good, Isabella is buying mostly second, third, and fourth-class quinoa, all of which are much less profitable. She is also doing quite little to find the first-class quinoa; she didn't refuse to buy any class of quinoa and she never asked a farmer to bring first-class. She simply waited for what they brought and paid according to her pre-determined prices. Why doesn't Isabella develop her business by purchasing only primera, or, why not become a full-fledged exporter of quinoa to the United States? Rather than a lack of credit or a lack of interest, I believe Isabella is simply accepting her current role. Her children are infinitely important to her and she would not benefit from spending a great amount of time away from them. She also seems to understand that cooperatives will continue to source the highest value and most profitable quinoa. She is satisfied with this and her needs and those of her family continue to be met. This is not only a differentiation of market strategies. There is a real separation of life strategies and livelihoods – Isabella has chosen to purchase any class of quinoa for a number of reasons, not all related to economic output. She is not seeking the highest economic development of her business by ruthlessly dealing with farmers and other intermediaries. Rather, she has chosen to do small favours for her customers and to deal with any quinoa that she could buy because this is the path she's chosen for her family.

## Chapter Six: Reflections

### Methodological reflections

This work has many themes: to provide empirical evidence on the intermediary-based and domestic trade of quinoa in Bolivia, to reflect on the theoretical relevance of this situation, and to support a methodology of an anthropology of development. As stated in the introduction, an anthropology of development is a method of studying policies or situations using anthropological methods and theories to provide an analysis of the situation and for the further development of theory. The analysis of development projects and policies can be applied by policy planners to learn lessons which can guide future plans. In the case of Los Lipez quinoa I have attempted to show the route of quinoa from Lipez to markets in Bolivia so that this knowledge can be made available to the government of Bolivia, producer organisations, and non-governmental organisations working in the area; this was also done for the benefit of other researchers working on the subject. I provided an analysis of *why* producers sell to intermediaries in order to demonstrate the utility of intermediaries to producers and the idea that producers have different resources and needs, leading to different priorities and therefore different selling strategies. I have also shown that a policy must be conceived with concern for various groups of farmers. Not only do farmers of different regions belong to different life-spheres, but farmers within a single community are not homogeneous among themselves. The following is a reflection on the methodology as it relates to future studies and the development of this line of research.

### Change and flow

A study on development must first take into account the very nature of the word; “development” signifies a continued change, a movement from one situation to another. This is often construed as a linear movement, moving from a bad situation to a better one rather than a continuous change in which the outcome varies for each actor, but it should be understood that change is neither linear nor towards an end goal. The relation between farmers and intermediaries has changed since the commercialisation of quinoa and the rising power of producer cooperatives. Intermediaries now have less power in

controlling prices and have no monopoly power; this translates into a need for them to adjust their practices in order to attract clients. The focus of producer cooperatives in the 1970s was to increase the price of quinoa and to find markets for producers. Now that this has been accomplished, the role of intermediaries is quite different. The rising power of cooperatives in the international quinoa market has forced intermediaries to re-think their strategies and focus on different aspects of the quinoa market. Intermediaries are now mindful of their interactions with farmers and cheating the farmers with over-weight scales and under-paying farmers could result in an intermediary being refused business, while socialising with customers and providing needed services are likely to increase business (although surely there is no guarantee). Additionally, some intermediaries are accepting their role as buyers of second-class quinoa and the lower profit that comes with it. Rather than competing with farmers' cooperatives directly, they have lowered their standards and are accepting any type of quinoa. Many also buy mostly with goods, trading one for the other, as a way of increasing the profitability of a sale. As farmer cooperatives have gained a hold on the quinoa market, intermediaries have adjusted – an excellent example of the flow of actors.

Returning to the theme of development, it is clear development exists in San Agustín. Intermediaries are developing into specialists in short-chain transfer of all classes of quinoa, farmers are developing into experts at manipulating the various buyers and meeting their needs and desires, and cooperatives are developing into specialists of quinoa exportation. Individuals are acting and reacting to the context around them to meet their wants and needs and as the situation changes and develops so will their behaviours. In the economic or “modern” sense, intermediaries have perhaps regressed from their coveted position of monopolists in the 1970s when they controlled the market, but in the sense of the word that I seek to promote, they have “developed” into what they are as a reaction to the changing market and their (the intermediaries’) changing needs and wants.

As situations change, so do actors and vice versa. Marilyn Strathern (1992) wrote of the flow of people in her critique of food network studies, saying that this change can be equally important as the flow of commodities. A primary goal of this research was to track the movement of quinoa, however, another interesting trend is the movement of

people in and out of the network. Over the past forty years the actors involved in the quinoa life-sphere have changed in composition and in their relations. Intermediaries such as Don Mamani have left the business for one reason or another and others like Isabella may be contemplating leaving as well. Farmers too enter and exit. As mines have closed in the Potosi Department, some farmers have returned to once abandoned quinoa fields which have been taken through usufruct land rights by other members of the community, causing conflicts. New organisations such as the Consorcio de Lipez joined the network and affect the situation uniquely, creating or eliminating opportunities for farmers and intermediaries. Indeed these factors are intertwined and one cannot assume that a commodity flows without understanding that the actors involved in trading commodities also join and exit the network.

Exactly what flows within the network is quite important to note, but ethnographically speaking it may be more important to note *how* things flow. This paper has detailed how quinoa flows from San Agustin to the markets around Bolivia, but also how actors have flowed. In addition to the case of Don Mamani who left the quinoa-trading business because of low profits, I have described how Isabella became an intermediary by turning a hobby (selling goods in communities primarily as an excuse to visit friends and family) into her primary business. As Isabella's life flowed and her needs and desires changed, her role as an intermediary developed from something that satisfied her need for socialising into a career that also met her family's monetary needs. This information is important for an understanding of the food life-sphere. Knowledge about the flow of actors shows how the actors within a life-sphere enter and exit or change their role within the entity and why they do so. In this paper, Isabella's case demonstrates how a person can become an intermediary for social (desire to socialise and visit) and economic (monetary profit) reasons and the distinction between social and economic logic is blurred by Isabella's current role as an intermediary who enjoys the social aspects of visiting communities.

### **Differentiation**

Related to the continuous change of communities and actors involved in trading networks is the concept of a fractured community. A community can no longer be

confused for a group of actors who act with the same set of desires, resources, and knowledges; a community is made up of many intertwined networks of people working towards their own ideas of progress. In this case I have shown that different quinoa farmers in San Agustin have vastly different logical reasoning that drives their selling behaviour. Some sell based on the social life of the quinoa, others on the price, and still others sell based upon the standards demanded by buyers. The different parts of this community exist peacefully amongst each other despite any disagreements regarding selling strategies. It should be clear that a decision by one farmer can negatively affect another. A farmer who believes that quinoa should be sold direct to northern consumers will be discouraged by seeing her neighbours selling to an intermediary and her platform of solidarity in selling direct will be weakened.

The idea of communities as identifiable and homogeneous groups is no longer a viable one, based on evidence of this paper and others (Colloredo-Mansfeld, 2009 and Arce, 2009a amongst others). A study in which a community, region, or global food system is assumed to be homogeneous is bound to lead to misguided conclusions. One must first understand that there are different groups within a food network and then understand that the each group will be affected in their own way by policy and will have different needs from each other. If a policy is directed towards one group in a network, a policy maker should at the least consider the affect that it will have on other groups. There may be little action that can be taken, but one is morally obligated to critically consider the consequences.

A social researcher need not discard any ideas of social entities. This paper has utilised the idea of networks and, more precisely, the concept of life-spheres to show that people can be involved in a kind of cooperation with other actors towards a task and in doing so are a social entity. The life-sphere as a concept offers the possibility of speaking of groups of people without assuming total ideas, for instance, one can consider quinoa farmers of San Agustin as belonging to a life-sphere without implying that they share the same identity. While occupying the same context as quinoa farmers in a community they differ according to their strategies of selling quinoa; strategies which are based on their beliefs, desires, and resources.<sup>44</sup>

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<sup>44</sup> Of course they differ in other manners as well.



### **Alternative paths to “development”**

Regions can be quite different from each other and individual actors surely are different and this should be reflected in future studies. It is for primarily “social” reasons that differentiation of people and region occurs. According to economic logic, a seller will sell a good for the highest possible price and a buyer will purchase for the lowest, this is the nature of economic competition. It is apparent, however, that actors have other logics than just economic. There are farmers who turn down the higher prices of cooperatives because they prefer more freedom regarding production decisions while others choose not to sell to intermediaries due to concerns for the name and reputation of Lipez quinoa and there are intermediaries who offer services that do not contribute to the bottom line, but promote their reputation in the community. This differentiation between actors makes the study of food networks an inherently social undertaking and well-suited for ethnographic study. Ethnographic methods such as long, semi-structured interviews and extended participant observation uncovered differentiation between farmers clearly and exposed the various reasons for differences. As Miller has so aptly pointed out, a researcher is no longer served by investigating how the market is affecting producers, but more appropriately how actors use the market as one input among many. The market is not an all-encompassing entity that arbitrates each transaction as acceptable or not.

Actors in San Agustin are not following the typical path towards development or modernity in which the highest degree of economic value is the end goal; they are following their own paths without consideration for what is the ideal end-point. As one might expect, the managers and workers at ANAPQUI, CEDEINKU, and CECAOT have pursued a career towards the monopolisation of the quinoa market and towards the buying and selling of the most valuable type of quinoa. They have also practised a policy of adding value by developing various final consumer goods like pasta, with varying levels of success. Intermediaries on the other hand have specialised in second and third-class quinoa and have achieved little horizontal business integration (minus a number of mayoristas based in Challapata) and virtually no vertical integration; the cooperatives have achieved a good amount of success in both areas. Instead of integrating businesses, adding significant value, or specialising in high-value classes of quinoa, most intermediaries have fit their career path into their situation. They have accepted that they

can no longer dictate the terms of trade nor carry on business without a concern for the perceptions of the quinoa farmers. Many also consider other aspects, such as Isabella's foregoing of additional days on her buying trip because her daughter wanted to go home. This phenomenon is strange to the economic mind, but a model of how actors do indeed differentiate in a way that is contrary to "niche" markets.

### **Regionalisation**

The region and regional economics are also largely social concepts, borrowing more from history and the ideas of people in the region than from hopes of greater knowledge sharing or integration. The most apparent sign of the regional economy in Los Lipez was the significance of the region and the need to be recognised monetarily and non-monetarily for the relative superiority of Lipeña quinoa and Lipeño producers. While most researchers would concur that regions are a socially-constructed idea that is born out of history and a sense of shared values or shared identity, I would suggest that the idea of a region also affects the actors within the region. The members of the Los Lipez region have based decisions upon the significance of their region – refusing to sell to an intermediary for fear of betraying the Lipez identity is one such case. This isn't to say that a region is equipped with agency, but that the idea can become a factor that impacts actor decisions and therefore not only is socially constructed – it also socially constructs.

A regional market should not be considered solely an economic sphere, but a social one in which actors respond differently to the idea of the region. Contrary to the theories of Storper and Murphy, the significance of face-to-face contact between actors in a regional context is not consistently economically beneficial to actors, nor can one assume that a greater amount of information and knowledge is exchanged. A face-to-face relationship cannot be assumed to be an equal one between equal partners. Regional economies are not always more sustainable or more fair than long-distance markets. In San Agustin, cooperatives who are the champion of the fair trade movement are involved primarily in the export of quinoa while intermediaries are involved in local trade. Further complicating traditional ideas of fair trade is the fact that much of intermediary trade supplies quinoa consumers in Bolivia – not an insignificant point in a nation with

considerable levels of malnutrition – while cooperatives export quinoa to food-rich nations in the global North. I do not seek to demonise cooperatives; they are a force working for the welfare of their member-owners. I only intend to state that one would be mistaken to believe that intermediaries are universally bad and that cooperatives are universally good.

The study of regional economies and regional food networks remains an important focus to anthropology and to the anthropology of development in particular. As Fardon (1995) suggested, the best possible answer to concerns about over-generalisation of political economy is to turn things around. Rather than researching a global economy and making prognostications or conclusions based on this information, Fardon argues that we as anthropologists can research locally and make conclusions for larger processes. I could have researched the entire quinoa market from Bolivia to the United States and provided information on the quantity of quinoa produced, transported, consumed in Bolivia, Peru, and the United States and this information could be used by governmental and non-governmental agencies to act locally. The problem with this is that it would be too general to base any real conclusions on; it would lead readers to assume that all quinoa farmers are the same, all intermediaries are the same, and so on.

I chose instead to research the regional food network in Bolivia to provide real context of what is going on in a specific case and to show that there is differentiation amongst actors. This information is useful locally as evidence of the impact of and reasons for intermediary trade, but can also be used in the context of global fair trade as a lesson in why farmers may continue to sell to intermediaries or it could be useful to economists who may study why consumers or producers respond differently to policies. This information could also be used at a more local level in similar situations as this much as I have used Arce's study (2009a) as an aid in this research. Regional economies and local food networks are a unique opportunity for anthropologists as they can be studied in one place and do not require the time or money that following coffee from Brazil to Germany would. This type of study also is a chance to witness a greater amount of face-to-face interaction between actors which is imperative to seeing how they interact. As this study has shown, a study which seeks to observe non-market logic to trade is well-served by witnessing the interaction between actors and comparing actions

and reactions; the proximity of actors in a local food network is encouraging to greater interaction.

### **The non-market economy**

It is recommended that future studies take into account the importance of pride in commodities and attachment to them which are possibly as important as the economic advantages of regionalisation. The people of San Agustin have given considerable value to the meaning of quinoa and the immaterial qualities of quinoa – qualities like production practices and provenance are indeed important to producers just as much as they are important to many consumers who seek out organic and fair trade products. Many consumers buy fair trade and organic products not only because they are thought to be better for the environment and offer farmers a higher price, but also because they represent something else – a different way than the market, a path cleared by ideas of solidarity with farmers, valuation of “traditional” farming practices, and the non-commodity value of products.

Daniel Miller (2009) has shown that materials are not without social qualities. Miller describes a woman who chooses to take her daughter to McDonalds not despite its reputation for making cookie-cutter hamburgers and its relative plainness, but because of it. She takes her children there because McDonalds represents the opposite of an establishment where her parents (whose parenting skills she seeks to contrast completely) would have taken her. She values the Kid’s meals at McDonalds and her children enjoy the playhouse and chance to play with the toys with their mother for a short time. In another case in the book, a couple seeks to buy antique Fisher Price toys on EBAY for their child to play with, but also so that they can experience being children together, the only chapter in their lives in which they were apart. Miller vividly demonstrates that things have social meaning.

Quinoa also demonstrates something of quinoa farmers. Quinoa can be seen as a cause of regional pride and regional solidarity in the Los Lipez region, but perhaps it is also a demonstration of an already existing pride. Lipeña quinoa is not a source of pride because of purely natural reasons, not only because it is the largest size of quinoa and the most nutritious, but because it comes from Lipez. Lipez has a long history as an

ethnically and culturally similar region and although the sense of solidarity seems to have grown in recent decades, it was present throughout the Republican era. Lipeños already had pride in place but needed an outward expression of this and quinoa was a perfect vehicle for this. Rather than seeing quinoa as a cause of pride, maybe quinoa is an expression of a seemingly dormant pride that was never completely forgotten. I am not yet equipped with enough research to answer this question, but my point is that quinoa is not a simple commodity to the people of Los Lipez; it represents a part of who they are. The movement towards exporting directly does not encompass the entire community, but it does show that there is not one path of commercialisation and not one logic to be followed. Commercialisation is neither a destination nor a distinct path, it is a multifaceted concept that is interpreted differently by different actors. The market is not the arbiter of what transactions are desirable, but one of many sources of information that guide actors in making their own decisions. In short, things are deeply social and should be understood as such.

Future commodity studies must acknowledge that things are not only commodities to be studied to understand a market, but that people can be better understood through research of things. Conversely, one can better understand a thing by researching the buyers and sellers of that thing. By ethnographically researching the quinoa trading network of Los Lipez, I have meant to provide conclusions regarding the livelihoods of farmers, but this research has also provided valuable observations of the people of Los Lipez.

## **Conclusion**

Using ethnographic techniques, this research has followed quinoa from San Agustin to markets throughout Bolivia and detailed the interactions and transaction at each node of the networks. This has not been done with an idea of identifying the entire network, but with an attention to the actors and differentiated groups of people within the network. By conceptualising actors, communities, and regions I have attempted to avoid the trap of assuming homogeneity in favour of valuing difference among actors. An ethnographic focus is meant to have given importance to non-economic terms of value. While a typical economic paper may focus only on price, value margins, supply, and

demand, this paper also considered pride, solidarity, value of services, and personal strategies.

Let this paper join the call for an anthropology of development, an anthropology in which researchers investigate policies and projects to provide discussion on the effectiveness and the consequences of such programmes. This research can improve policy decisions using input from those who are affected most by such policies. It can further develop anthropological and sociological theories as well; a focus on practical issues need not distract from the theoretical side of anthropology. It is this marriage of development and theory that can avoid the classical situation in which an anthropologist uses local informants to write a book and the informants are left only with a few bottles of Coca-Cola left behind by the anthropologist. This new anthropology can be a source of hope for both anthropologist and informants.

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## Appendix



Figure 4: Map of Bolivia (courtesy of [www.travel-bolivia.com](http://www.travel-bolivia.com), Challapata and San Agustín added by author)

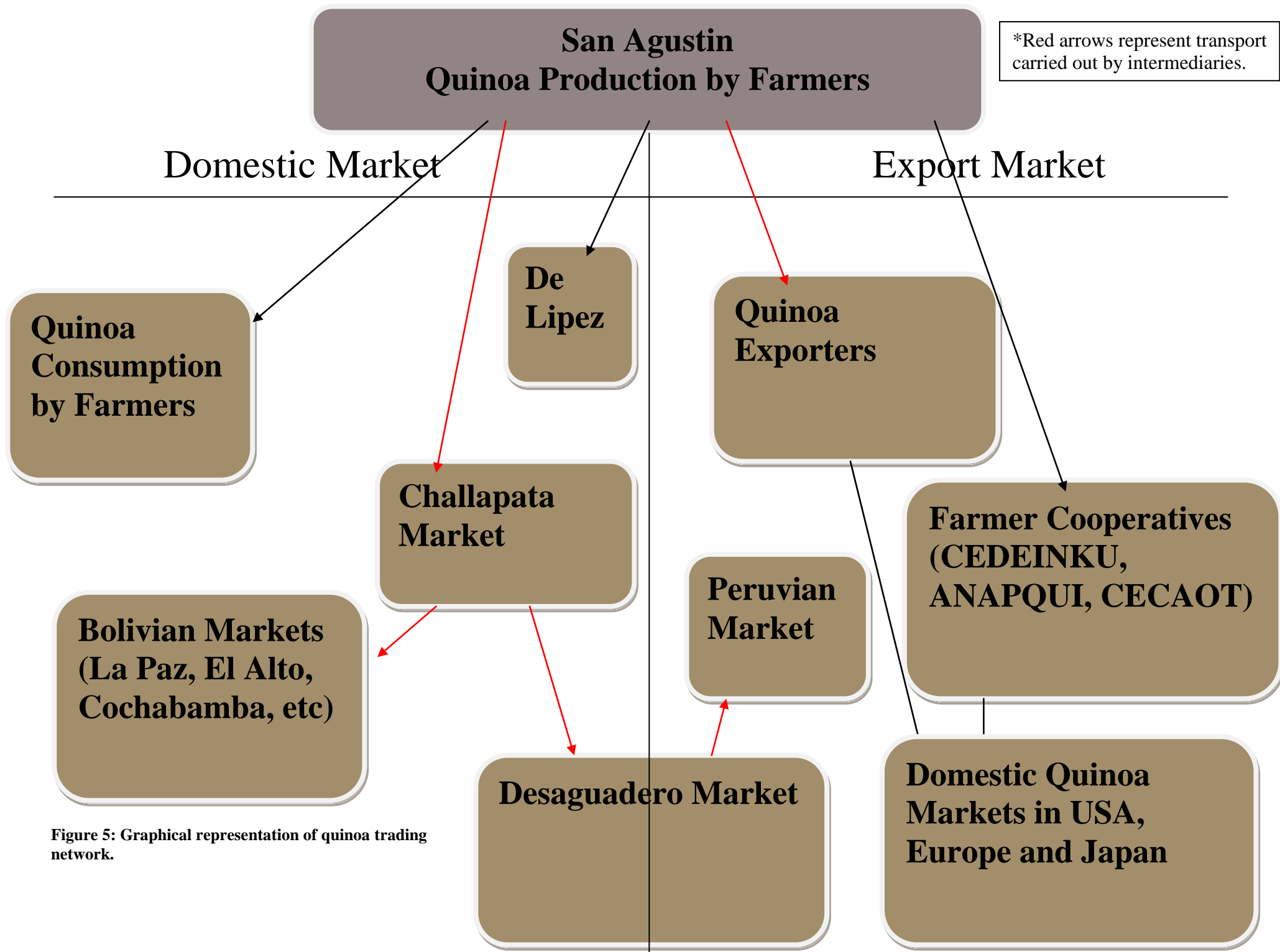


Figure 5: Graphical representation of quinoa trading network.