



Report on the Anapati Pangoa Mission Project

October 2017

Introduction

Since the last report on the farm project in December 2015, the condition of the farm has improved considerably under the management of Jorge Ayala. In early 2016, Jorge located, evaluated, and enlisted the assistance of a competent agricultural engineer, Elmer Quispe Salcedo, to consult with us on the farm project. The long-term farm workers, who are responsible for the regular maintenance and caretaking of the farm, have been stable and performing their duties adequately. There have been a few changes in personnel due to family issues, but these changes did not interfere with the routine work of the farm.

The physical plant has been improved slightly, as well. An additional structure has been added for lodging temporary workers. Minimal electrification has been accomplished through the use of solar energy. The cacao dryer project has been advanced significantly, as well. Topographic information has been collected and will be used for design of future improvements, such as a clean water supply. The road and transportation situation has improved, and work continues on the road improvements.

The ministry initiatives continue to grow under the direction of Jorge Ayala and David Vargas. New leaders have been trained among the Ashaninka, and more people are involved. In collaboration with the community, a school for the children has been started in Pachacutec, the community where the farm is located. Contacts have been developed in an Ashaninka community close to the farm, Tinkaveni, that has been very resistant to the Gospel. The work with the Ashaninka has resulted in a new work starting among a different ethnic group, the Shipibo Conivo, further to the north in the Pucallpa region.

Cacao (Cocoa)

The maintenance of the farm has been performed by Lucio Pérez Ramos, Sr. and his sons, Marcos and Jorge. Occasionally, Jackson Perez Ramos, who lives in Puerto Ananpati approximately 25 kilometers away, joins them in the work along with some of our national missionaries. They have done a good job of removing the undergrowth and maintaining the areas around the cacao plants clean. The control of undergrowth has been accomplished using mechanical equipment in combination with appropriate herbicides. The control of the undergrowth has allowed for better plant development.

The current farm team consists of Lucio Pérez Ramos, his wife, Judith, his sons Jorge and his wife Jennifer, Marcos, and four of Lucio's grandchildren, Esefora, Tracy, Caleb, and Manuel. Jorge Ayala spends a lot of his time on the farm as the manager, also. Temporary workers

include the national missionaries from Puerto Anapati, some workers from the Ashaninka community of Tinkaveni, and local workers from the area around the farm. The children attend the local school and help Judith around the house.



Work to control undergrowth during the rainy season in early 2016.



Jorge clearing undergrowth.



Jackson performing weed control and maintenance.



Typical condition of the farm in early 2016.



Typical condition of the farm in early 2016.

The trees have been fertilized and treated against disease on a regular basis. Pruning and removal of unproductive parts of the trees is now routine. All of the existing trees are now controlled by the grafted portions and the common cacao trunks removed. The predominant plant is now the grafted species of CNN51. These grafted species are expected to start producing between November 2017 through January 2018.



Cacao pods on trees to be harvested in late 2017.

The engineer, Elmer Quispe, has projected the harvest to be approximately 50 kilograms per hectare, or approximately 400 kilograms. The production is not large but will be the first significant harvest from the grafted plants. The engineer is expecting an increase to 400 kilograms per hectare for the harvest period of July through August 2018. These quantities are expected to continue to increase as the grafted plants mature.

A GPS Survey by Arthur and Jorge in October 2016 revealed an additional deficiency left by the previous farm managers. They had reported that 10 hectares of cacao had been planted, but the survey revealed that it was only 8 hectares. The areas that were not actually planted were identified. Jorge has now cleared the areas for planting and currently has corn planted in them. He has 5000 cacao plants in the greenhouse that have been grafted and will be ready for transplant to these areas in November 2017. Some of these plants will be used to replace trees that have died or are not producing. The areas to be planted will increase the area of cacao to approximately 10.6 hectares.



Plants in greenhouse prepared for transplant.

A Peruvian company, Machu Picchu Foods, has approached us about purchasing the cacao. They are interested in purchasing all that we produce. This company produces a wide variety of chocolate products. They offer a slightly higher price than the local market, and receive the product at the farm eliminating transportation costs for us. They examined some of our recently harvested and prepared beans and were impressed by the quality. They were able to tell that our drying method was different than the common method used in the region and that it produced a higher quality product. This appears to be an opportunity sent by the Lord Jesus, and we will continue to pursue this relationship.

Coffee Project

In order to use the land more effectively and to provide more direct funding for the Anapati Discipleship Project, Jorge Ayala has cleared approximately 8 hectares of the farm land and planted coffee. The coffee is approximately 1.5 years old and is expected to start producing at about 2.5 years of age. The first harvest would be in the July 2018 time period. The plants are being cared for and have been fertilized and treated to protect them from disease.

This project employs 3 to 4 workers on a regular basis. The workers come from the Ashaninka community of Tinkaveni and the surrounding communities.



Workers clearing undergrowth from coffee.



Coffee plants in southeast sector.



Coffee plants



Coffee plant with flower buds on stems.



Blooms on coffee plant.

Additional Property

The property to the west of the farm was offered to us at a very good price. A donation from a supporter made the purchase of this additional property possible. This purchase added an additional 23.2 hectares to the property bringing the total property size to approximately 89 hectares.

Additional Structure

In September 2016, we constructed an additional structure to house temporary workers. This brings the number of structures to three: the original farm house, a kitchen and dining structure, and the new dormitory structure. The kitchen and dormitory structure consist of an elevated floor and roof. The original house is the only structure with walls. The new dormitory structure can house approximately 6 to 8 people at a time.



New dormitory structure with kitchen and farm house behind it.

Cacao Dryers

After the design and development of a prototype of a passive solar dryer to dry cacao was completed, the prototype was installed on the farm in May 2016 for further testing and drying of cacao. Based on these results modifications were made, and a final design was produced.



Prototype dryer installed at farm.

The final design incorporated the information obtained from the field study as well as efforts to minimize material waste in the construction process. The construction process was modified to prefabricate the dryer components in the shop (Iveys' house) in Huancayo, so as to minimize time and effort in the installation process. The first four production model dryers were fabricated during January through March of 2017 with plans to install them in April 2017. Due to excessive rains and flooding throughout Peru, we were not able to transport the dryers to the farm until July 2017.

In August Moises Garcia and Arthur traveled to the farm to install the dryers. The installation time for four dryers was only 2.5 weeks. This is less time than it took to install the single original prototype. The dryers were producing significantly more heat than the prototype. The first cacao dried in the production dryers was evaluated very positively by a Machu Picchu Foods representative.

The excessive flooding that occurred during the rainy season caused one high water event on the farm that raised the water level of the nearby stream by 3.5 meters (11.5 feet). The flooding left the collector of the prototype dryer covered with mud. As a result the decision was made to dismantle it for cleaning and to rebuild it at a later date. The space it occupied will be used to install two more production dryers when they are ready.



Installation of 4 production cacao dryers.

Road

The road conditions continue to improve. Travel time from San Martin de Pangoa to the farm in dry weather is now only 3.5 hours. This is a reduction of approximately 2 hours in travel time. The stabilization of the road surface has reached the Rio Saigon, which is approximately 2 kilometers from the farm. A number of bridges have been built in route to the farm, but several are still lacking. It will probably be the end of 2018 before the remaining bridges are completed.



Bridge construction.



Road surface stabilization.



Typical road stabilization and new bridge.

The company doing the road work requested that we grant access to the Anapati River so that they could take stone from the river for stabilizing the road surface. They would have to cross a portion of our property between the road and the river, which borders the south side of the farm. We granted this access as it is not only favorable to us from the road standpoint, but it gives us a good access to the river for our own purposes as well. This access will probably be constructed in the near future. As part of the agreement, the road construction company will also cut a track from the road to the northern end of our property, which will give us vehicle access to the upper portion of the farm. This work may be completed this year, depending on the rainy season.

The road currently connects San Martin de Pangoa to Puerto Anapati and continues on to the Rio Ene where a ferry has been installed to carry vehicles to the other side of the river. The road then continues past Yoyato and goes on to Pichari in the Cusco region. This road is programmed to be a part of the transcontinental road that will cross Brazil and end at the Atlantic Ocean.

Electricity and Water

There is a stream that flows through the property that is currently used for all water needs: drinking, washing and bathing. The stream is located approximately 45 meters from the house

and is accessed by a path. Water for use at the house has to be carried from the stream. This is the stream that reached 3.5 meters deep during the last rainy season.



Stream near house during dry season.

Previous studies of this stream showed that development of the stream to produce electricity would be cost prohibitive. The use of solar energy is becoming much more common in this region. We currently have installed a small solar panel with its battery and charging system that provides enough energy for a couple of lights at night and for charging some electronic devices. The current system is not sufficient to support a small refrigerator and other kitchen appliances. Investigation of available solar systems in nearby Satipo revealed that we could obtain a 0.5 kilowatt plant for around \$1000.00, a 2 kilowatt system for around \$2500.00 or a 5 kilowatt system for \$8200.00. We estimate that a 2 kilowatt system would be necessary for running a refrigerator and other very basic needs, but we want to investigate these issues in greater detail before making a final decision.

During the dry season of 2016 there was an extended period of drought. During this period we discovered a seep that was producing water in spite of the drought conditions. The seep was located approximately 100 meters west of the house with an elevation of 22 vertical meters higher than the house. The spring was inspected again in August of 2017 while topographic survey data was being collected, and its size had increased significantly.

Topographic data was collected on approximately 4 acres around the house including the spring area. This was made possible by a donation of surveying equipment by two donors from Missouri. This data will allow better design procedure for developing this spring as a clean water source for the farm and for future development of the farm facilities. Based on the topographic data a preliminary design has been developed and a trip planned for November 2017

to do some additional subsurface investigation for the further development of the design of the water capture system. We would really like to start development of the seep early next year as weather, time, and funding allow.



Seep location in October 2016

After the discovery of the seep during the October 2016 investigation, two test holes were placed in the spring area. Both test holes produced water immediately, and after 24 hours were full of water and actually overflowing. This seep offers the best hope for low cost and low maintenance for clean water for the farm.



Water entering test hole in seep.



Water flowing from test hole 24 hours after excavation.



Seep during August 2017 survey.

Ministry

The Lord Jesus has been blessing the ministry in this region. Our team of national missionaries stationed in Puerto Anapati, continues to minister to the Ashaninka and colonial people in this region. The current team consists of David Vargas (team leader), Julio Cesar Huaman, Jackson Perez, Percy Carerra, and Katy Jara. Percy and Katy are a couple, which is an answer to prayer as this provides greater flexibility for the ministry.

The work continues in the Ashaninka communities of Boca Anapati, Camantavishi, Pajonal, and Yoyato, and the colonial communities of Puerto Anapati and Chapo. In these communities the team disciples 66 men and 68 women. The national missionary team has developed leaders from these communities. These leaders are Bernabe and his wife Olga, Mauro, Carmen, and Gilberto from Boca Anapati, Andres and Felipe from Camantavishi, Maria and Rogelio from Pajonal, Alexander and Aurelio from Yoyato, and Yovana, David, Efrain and Dina from Puerto Anapati.

Each week Kid's Clubs are held in the schools in Boca Anapati, Yoyato, and Camantavishi. These Kid's Clubs are designed as a discipleship tool for children. All of the children in the schools participate in these events. Among the six communities the team ministers to 170 or more children on a regular basis.

Leadership workshops for both the basic and intermediate levels were held in April of 2016 in Puerto Anapati, and Bernabe and Olga participated in an advanced leadership training in Huancayo in July 2017. We held basic and intermediate level workshops in Pucallpa for the Shipibo community in September of 2016. We have two more workshops planned for the Shipibo Conivo group in October of 2017.



Leadership workshop in Puerto Anapati.



Group from Shipibo workshop in Pucallpa.

The work in Pucallpa is an extension of the work in the Anapati region and is among the Shipibo Conivo people group. Josue and Bani, who worked with our team in Puerto Anapati, returned to their people group near Pucallpa to start discipleship there. They now have two groups in the Pucallpa area and another in a community approximately 5 hours by river outside of Pucallpa. We have a medical mission planned among this people group for June 2018.

Since we are developing contacts in the Ashaninka community of Tinkaveni near the farm, we would like to start ministry there. We unfortunately suffer from the Biblical problem of having a harvest without enough workers.

In addition to the ministry work of the team, we participated in the establishment of a school in Pachacutec where the farm is. The school now has 4 grades and adds additional grades each year. The grandchildren of our farm workers, Lucio Sr., and Judith, study at this school, as well as other children from the community.



School building in Pachacutec.



Children attending school in Pachacutec.

Due to the expansion of the work, we promoted Jorge to regional coordinator. In addition to managing the farm project, he coordinates the work in both the Anapati region and the Pucallpa region. David Vargas and Josué Ramírez now report to Jorge. Jorge is doing an excellent job so far. Please pray that the Lord Jesus will continue to give him wisdom and strength.

In addition to the medical mission to the Shipibo in June of 2018, we are hoping to hold medical missions in Libertad de Anapati, a community about 16 kilometers before arriving at the farm and Yoyato, on the other side of the Rio Ene from Puerto Anapati. .

Summary

With respect to the cacao production, we are still behind our original schedule due to the damage done by the first two farm managers. We estimate that we have recovered to approximately 85% of where we should be at this time and with the grace of the Lord Jesus, we hope to be fully recovered and back on track soon. We hope to see some production from the cacao in late 2017 and early 2018 with production increasing from that point into the future. The coffee project is off to a very good start. We hope to see production from this part of the project in approximately 1 to 1 1/2 years as the plants begin to mature.

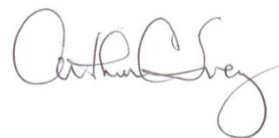
We hope to make additional improvements during 2018, which could include an improved electrical system and water system. These improvements will depend on time and resources. We would like to build and install four additional dryers and fermentation structures for the cacao. Thanks to the Lord Jesus and some generous donors, we have the resources for the dryers.

The ministry side of the work is growing well. Our biggest obstacle to greater growth is a lack of workers. As our local leaders take on more responsibility, the national missionaries will be free to expand to other communities. We are planning additional workshops for the local leaders in both Anapati and Pucallpa. At this time we are not planning any more medical missions to this area beyond 2018, but are waiting on the Lord Jesus for his direction on this issue.

Thank you for your generous support of this project. We are grateful for your partnership in this Kingdom endeavor. We are excited about what the Lord Jesus will do through this project for the future expansion of His Kingdom, both in Peru and possibly abroad.

If you have questions, please don't hesitate to contact me. May God bless you

Respectfully submitted,



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