



Country information

Country name

Paraguay

Capital

Asunción

Population

6.5 million (July 2012 est.)

Population below the poverty line

18.8% (2009 est.)

Languages

Spanish (official), Guaraní (official)

Religions

Roman Catholic 89.6%, Protestant 6.2%, other Christian 1.1%, other or unspecified 1.9%, none 1.1% (2002 census)



Cooperativa Manduvirá farmer Eulogio Zaracho at his sugarcane plantation

An organic, fair trade success story

Cooperativa Manduvirá was founded in 1975, and with only 39 members. Today, it has grown to support 1,700 members, more than half of whom produce organic sugarcane, sesame, cotton, stevia, fruit, and vegetables. Protecting the environment and the rights of the small farmers are the main priorities for the cooperative; it boasts organic certification for its agricultural production methods, and carries the official certification of the Fairtrade Labeling Organization since 1999. Oikocredit welcomed Cooperativa Manduvirá as a partner in late 2011, when they received a loan to support their dream: to set up an environmentally-friendly plant to produce organic sugar.



Manduvirá's General Assembly of members

Boosting opportunity for the community

Cooperativa Manduvirá operates in Arroyos y Esteros, an area known as the birthplace of organic sugar, in Paraguay's Cordillera department. Members face unstable markets for their produce which means low prices and limited employment opportunities. Farmers live around 70kms from the closest urban center, meaning they can feel forced to accept low prices offered by wholesalers. Cooperativa Manduvirá creates access to markets and fair prices, so farmers receive adequately remuneration for their produce and can get a real chance to create a better life for themselves. All Cooperativa Manduvirá products carry a fair trade premium, which is usually split equally between one-off payments to cooperative members and funding for community projects including financial, health, and computer education. Members also gain access to savings and credit services through the cooperative.

'The most precious capital we have is the trust of the members,' said Manduvirá's general manager, Andrés González. 'All the producer-members are sure the cooperative will support them and continue to do so.'

Protecting small farmers and the environment

To ensure the environment is a top priority, the cooperative educates members about

organic and industrial production techniques. This ensures both the quality of the product, and the sustainability of the cooperative.

At the end of 2011, Oikocredit approved a US\$ 2.9 million loan to Cooperative Manduvirá to realize its dream of building a factory to produce and export organic sugar. For many years, the cooperative rented a processing plant but now, they will own their own production site. It is forecasted that the new venture will result in reduced costs for the cooperative and an increase in production capacity. The cooperative's employee numbers will almost triple to 170, and an additional 500 farmers will be able to provide raw materials for processing.

'When we started working to make the first part of our dream real, many people thought it was impossible,' said Mr González. 'Seven years later, we export to 19 countries and we are building our own organic sugar factory.'

For Mr González, the cooperative's accomplishments so far are a lesson for all small cooperatives.

'More important than having the money, is the good idea, the vision. Only in the dictionary does the word 'success' come before 'work'. If you are certain of where you wish to go, using determination, work, effort and sacrifice nothing can stop you.'

More information

Oikocredit & Manduvirá loan info

Cooperativa Manduvirá's first loan of US\$ 2.9 million was approved at the end of 2011 and will support the long-term development of an organic sugar production plant. Investors in the project include: Oikocredit US\$ 2.9 million, Responsibility US\$ 2.6 million, Fomin US\$ 1.2 million, OMJ US\$ 2 million, Caja Mutual de Cooperativas US\$ 1 million and Banco Continental US\$ 0.5 million.

Environment a top priority

All of Cooperativa Manduvirá's produce is from organic sugarcane, which means no chemicals are used that could potentially contaminate the environment. This type of agro-industry does not generate solid or liquid residue. Soil management is carried out within the framework of current legal regulations, consequently avoiding environmental contamination and preserving the eco-system.

Oikocredit's approach

Oikocredit is one of the world's largest sources of private funding to the microfinance sector. We provide credit and equity to small businesses through microfinance institutions across the developing world and directly to trade cooperatives, fair trade organizations and small-to-medium enterprises (SMEs).

Oikocredit is privately financed; individuals and organizations invest in Oikocredit. We offer a dual return to our investors: social and financial. In addition to earning modest financial returns, investors are secure in the knowledge their money is being used to fight poverty, promote fair trade and respect our planet's natural resources.

Social performance management is a priority for Oikocredit. We monitor social performance indicators to ensure our partners reach the right target groups and provide services that work towards a positive change in people's lives.