



OPPORTUNITIES *for the* MAJORITY

## Manduvira: Supporting Paraguay's Organic Sugar Producers

### Boosting Profits for Paraguay's Organic Sugar Producers

As global consumption of organic food—including organic sugar—has risen, so have prices and demand. Yet small Paraguayan producers in one of the world's main organic sugar production centers lack the capital to invest in infrastructure and training that would allow them to produce more and increase their earnings.

The Inter-American Development Bank's Opportunities for the Majority Initiative (OMJ) is providing an up to US\$3 million loan to Cooperativa de Producción Agroindustrial Manduriva Limitada (CM) to help them build their own organic sugar processing plant.

CM is the only cooperative in Latin America producing organic sugar with fair trade certification, yet its associated members are only just one link in the organic sugar market's value chain. With their own processing plant, CM's approximately 1,700 members will not only grow sugar cane, but they will manufacture organic sugar, value added products, and contribute to the sugar value chain from field through production to sale of processed sugar. They will manage processing, manufacturing and commercial relations, set their own prices and raise their profits.

### One Solution for Higher Productivity and Profits

Paraguay is positioning itself as one of the largest exporters of organic sugar. And CM has more than 15 years of experience growing this product, which it now exports to more than 17 countries in Europe, North America and Asia.

CM's sales have been increasing steadily over the last few years. Yet, financial markets in Paraguay do not offer financing on terms that will allow CM to consolidate their small-scale agricultural model to meet rising demand for their sugar.

Currently, CM producers must transport their sugarcane for processing a considerable distance to a rented plant with limited capacity. This erodes the profit margins of small producers who subsist at the base of the socio-economic pyramid.

With its own plant—partially financed by OMJ's loan—CM will no longer be limited by or dependent on a rented processing plant. The new plant, equipped with state of the art technology, will allow CM to boost sugar production, double output and sales, and raise the incomes of its associated producers. They will also be able to process, market and sell molasses, a by-product of sugar manufacturing, which is not available at the rented plant.

### A Model for Many Countries and Crops

With the new plant, the project will benefit 1,700 small producers and their families, reduce environmental pressure on the land, providing a steady source of income for these farmers. The project will help to sustain communities that remain rooted close to their agricultural land, thereby reducing the need for their need to look for better opportunities outside their ancestral homes.

Additionally, activities at the plant are expected to create new and sustainable jobs for more than 800 families who harvest, process and transport organic sugar and its products and help to operate and manage the plant.



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