Paraguay: Sustainable Soy and Beef

**At A Glance**

The production of agricultural commodities in Paraguay – while a big contributor to the country’s growing economy – can have a high environmental cost in terms of forest loss. This occurs mainly in areas such as the Alto Paraná Atlantic Forest, located on the border with Brazil, and the Chaco region, the Biosphere Reserve located in northern Paraguay and bordering with Bolivia and Argentina.

The semi-arid Chaco is the second-largest forest ecosystem in Latin America, with great biological diversity.

Paraguay is currently the world’s 8th largest beef exporter and livestock represents 2.1% of the national Gross Domestic Product.

While soybeans are grown on degraded pastures, large soybean plantations, increasingly widespread in Paraguay, have displaced livestock producers to the Chaco region.

Currently, Paraguay is the world’s 6th largest producer of soybeans and the 4th exporter in the world. More than 5 million tons of soybeans are exported per year, equivalent to US $1,963 M.

Paraguay’s agriculture sector, which employs almost half the population, is responsible for 90% of registered exports.

Monitoring of forest reduction in the Chaco is ever more important with the intensification of soybean and other grains’ production during the last decade. Although soybeans are grown on degraded pastures, large soybean plantations, increasingly widespread in Paraguay, have displaced livestock producers to the Chaco region.

The expansion of cattle ranches driven by increasing global demand for beef and dairy products is causing significant land use change in western Paraguay, a region known as the Chaco.

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**Voices from the Field**

**Ariel Oviedo**

“We are committed to keep looking for efficient and effective ways to produce livestock - to balance the environment with sustainable development. I am inspired by producers who intend to conserve more than 50% of their forests. Through platforms, I am sure that we will achieve sustainable development in a coordinated way, for this and for future generations.”

Ariel Oviedo
Minister of the Environment and Sustainable Development
During the South-South Exchange on Sustainable Livestock and Forests - October 2018.

**Denis Lichi**

“Our role is to produce - if we have more people on the planet that means a greater mandate to produce food. But it is also important to take care of our planet; we can all collaborate. Inclusive development is important for our nation.”

Denis Lichi
Minister of the Environment and Sustainable Development
During the South-South Exchange on Sustainable Livestock and Forests - October 2018.

**Héctor Cristaldo**

“We have come a long way – the creation of this Platform has brought together, with much effort, the best expertise, and through it we will keep working on overcoming our differences.”

Héctor Cristaldo
President of Unión de Gremios de la Producción (UGP)
Launch of the National Platform for Sustainable Soy – July 2019

**Marcelo González**

“For our government it is important to grow in competitiveness and sustainability. Paraguay is a country with people committed to the preservation of biodiversity - and we are committed to support them.”

Marcelo González
Vice Minister of Livestock
South-South Exchange on Sustainable Livestock and Forests - October 2018.

**Cristi Zorrilla**

“We small producers are also part of this space – we want to learn how to produce better, but we need training. I believe that capacity building is the key to correct our production processes so we can take care of our natural resources.”

Cristi Zorrilla
Producer
Launch of the National Platform for Sustainable Soy – July 2019

**Bringing Together Key Stakeholders**

The UNDP Green Commodities Programme (GCP) has 10 years of expertise in Multi-Stakeholder Collaboration for Systemic Change (MSCFSC), focused on sustainable commodity production. We accelerate transformational change in the way commodities are being produced by developing, with governments, national-level policy which we connect to actions on the ground at district and landscape level.
In Paraguay, GCP works with Soy and Beef stakeholders to move Paraguay’s sustainability agenda forward with a collective vision for action. Forestland conservation and agricultural expansion do not have to be mutually exclusive: through the different initiatives taking place in the country, GCP aims to minimize environmental degradation with plans that also support economic growth.

GCP is currently facilitating government-led dialogue at national and regional levels throughout Paraguay to establish a consensus on achieving greater sustainability in the country’s soy and beef industries.

Working across sectors, the programme is supporting a systematic rollout of good agricultural practices (GAP) to increase productivity, alongside recommendations for regulatory reform to introduce incentives for good practice, to establish a national sustainability standard and also strengthen the legal framework for responsible land use.

With the support of GCP, Paraguay’s Ministry of Environment and Sustainable Development (MADES) is taking the lead in developing strategies aimed at more sustainable production of soy and beef in the country through:

- **The Green Production Landscapes (PPV) project**, which seeks to protect the Upper Paraná Atlantic Forest eco-region (commonly known as BAAPA) and is aimed at fostering soy and beef producer’s compliance with environmental laws and the creation of financial and market incentives.

- **The Green Chaco project**, which works with beef producers in the Western Region of the country to increase their productivity on existing land while preserving the environment through the application of GAPs.

The Green Production Landscapes (PPV) and Green Chaco projects run on a Platform basis and work together by uniting efforts at the national level through government-led dialogues on beef and soy. Find out more about this in our In Detail guide.

The projects’ key strands:

- **Bringing together** the public sector, private sector, academia, research, civil society, policy makers and indigenous communities to collaborate to achieve systemic change.

- **Providing technical support** to strengthen laws that direct commodity expansion away from forested and conservation areas.

- **Supporting Paraguay’s major banks** in incorporating environmental standards into their lending procedures and developing new credit lines for producers.

- **Providing technical assistance, capacity development and best practice training for farmers.**