



## **ICAO ALLEANZA WORKSHOP**

**Best Practices on Fostering Generational  
Change in Agriculture: The Role of  
Cooperatives.**

**Simona Cavazutti, President  
July 10<sup>th</sup>, 2024**

# **CONTEXT:**

# **Paraguayan economy**

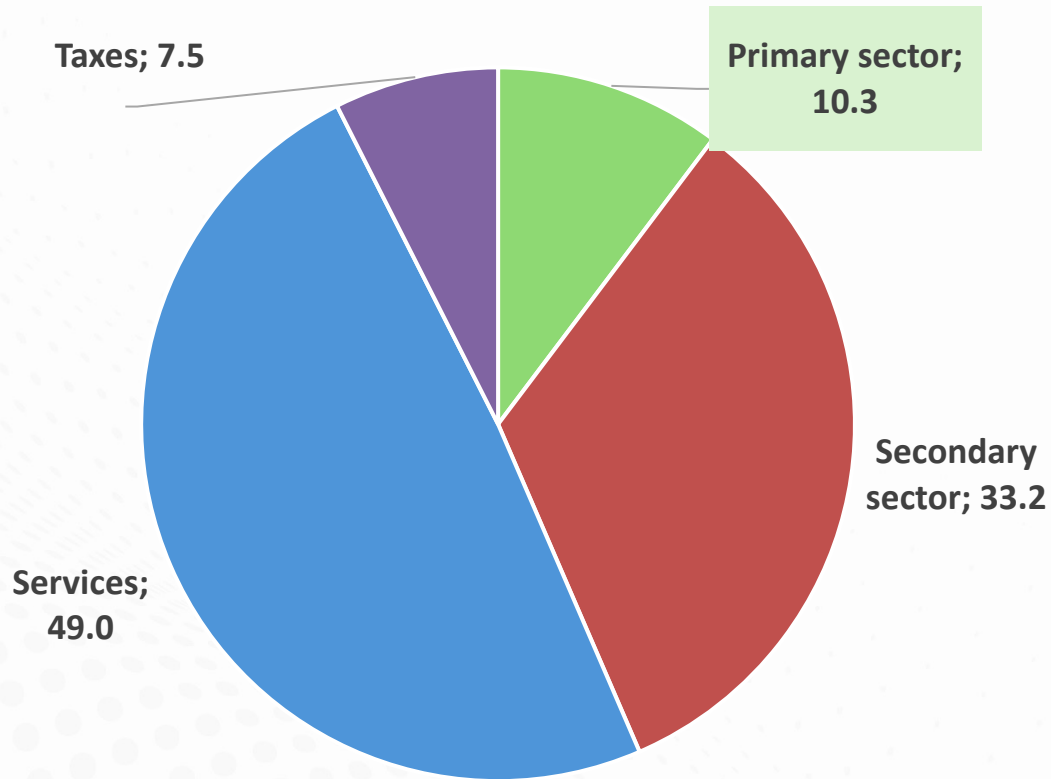
# COOPERATIVES IN THE PARAGUAYAN ECONOMIC AND SOCIAL CONTEXT

**Paraguayan economy is remarkably stable y and has been growing steadily during the past 20 years.**

- Annual inflation 2023: 3,7%
- GDP growth 2023: 4,7%
- International reserves: US\$10.2 billions (June 2024)
- Monetary policy rate: 6,0% (June 2024)
- Unemployment: 6,9% (first quarter 2024)
- Exchange rate: 1 US\$ = ¢7.500 (Almost at the same level of 2003)

# STRUCTURE OF PRAGUAYAN GDP

**GDP STRUCTURE**  
**2023, by sectors, %**



Source: Banco Central del Paraguay

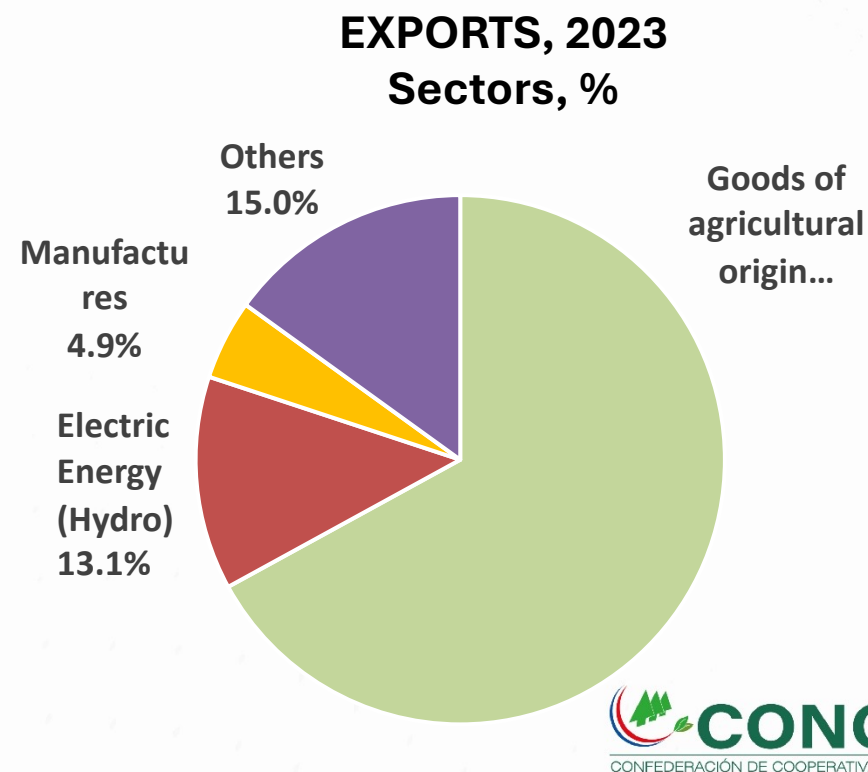
- Primary sector is the foundation of the Paraguayan economy, including agricultural, cattle rising and forestry.
- Contribution of cooperatives:
  - **Soybean complex: 40%** (includes grains, oil and flour)
  - **Beef: 40%**
  - **Milk: 90%**
- Secondary sector includes several agroindustry products.
- An important part of the services sector depends on primary sector, including commerce, transport, logistics, finance, and others.

# PARAGUAYAN EXPORTS

Export item	US\$ Million	%
Cotton	29,7	0,2%
Soybean	3.424,0	28,8%
Soybean oil	516,5	4,4%
Soybean flour	885,1	7,5%
Wheat	67,0	0,6%
Corn	750,7	6,3%
Rice	414,9	3,5%
Beef	1.638,8	13,8%
Leather (cattle)	87,2	0,7%
Woods	94,6	0,8%
Sugar	46,7	0,4%
Electric Energy (hydro)	1.549,1	13,1%
Plastics	85,3	0,7%
Wires and cables (Auto parts)	301,9	2,5%
Garments and other textile articles	191,9	1,6%
Others	1.785,5	15,0%
<b>Total</b>	<b>11.868,9</b>	<b>100%</b>

Source: Banco Central del Paraguay

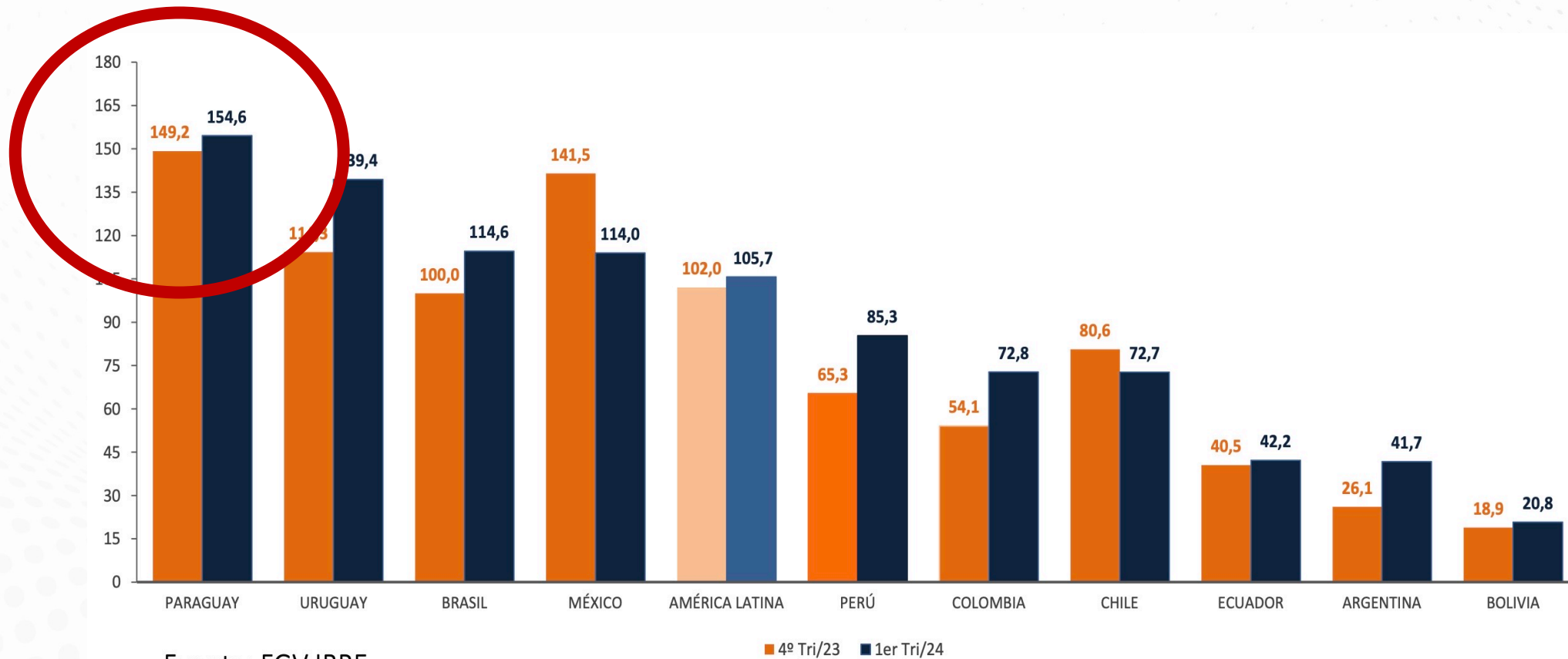
- 67% of Paraguayan exports are produced by the agricultural, cattle rising and forestry sectors.
- In all those sectors, cooperatives have a strong participation





# Business Climate Indicator

- **Paraguay** provides the best economic climate for investments in the Latin American Region, according to the Latin American Economic Survey prepared by **FGV Brasil**.



Fuente: FGV IBRE

# Beef, Pork Poultry

- Paraguay is specializing in the conversion of plant-based protein into animal protein.
- This allows a growing participation in international markets.
- Beef exports register constant growth. In this area, there is a strong participation of the cooperative sector.
- Cooperatives also participate in the production of pork, which registers increasing levels of exports.
- Poultry, in whose production the cooperative sector has recently participated, registers increased exports.

**Annual Exports, US\$ Millions**

Year	BEEF	PORK	POULTRY	TOTAL
2013	1.052,1	6,8	0,0	1.058,9
2014	1.360,0	9,6	0,0	1.369,6
2015	1.173,9	6,1	0,2	1.180,2
2016	1.148,5	5,0	2,0	1.155,5
2017	1.203,0	7,2	4,6	1.214,8
2018	1.160,6	11,8	5,7	1.178,1
2019	1.077,2	9,6	5,2	1.092,0
2020	1.170,8	8,7	4,5	1.183,9
2021	1.639,4	8,6	5,2	1.653,2
2022	1.816,1	5,4	9,9	1.831,3
2023	1.590,9	20,1	13,7	1.624,7

*Source: Banco Central del Paraguay*

# DAIRY PRODUCTS

- The cooperative sector has a 90% of participation in the industrial dairy production.
- The growing exports of dairy products are led by the cooperative sector (100% of exports), which offers competitive products in quality and prices to the international market.

**Dairy products exports. US\$ millions**

Año	Milk	Dairy products	Total
2013	10,7	3,2	13,9
2014	6,4	3,3	9,6
2015	3,8	2,9	6,7
2016	3,8	2,4	6,1
2017	2,5	3,5	6,1
2018	9,8	3,4	13,2
2019	21,3	3,2	24,6
2020	22,7	3,8	26,5
2021	22,6	5,2	27,8
2022	38,3	7,1	45,4



# PARAGUAYAN COOPERATIVE SECTOR

## PARAGUAYAN COOPERATIVE SECTOR

- **Cooperative members:**
  - 2,0 million (a third of the national population).
- **Number of cooperatives: 638**
  - Production: 132
  - Savings & Credits: 400
  - Other: 106
- **Assets of Cooperative sector:**
  - 17,6% of total financial sector's assets.

## CONCOPAR Ltda.

### CONFEDERATION OF RURAL COOPERATIVES

(Confederación de Cooperativas Rurales del Paraguay)

**9 members**

**8 CENTRALS + 1 Federation**

**Number of Cooperatives: 83**

**Members: 500.000**

## FECOPROD Ltda.

### FEDERATION OF PRODUCTION COOPERATIVES

(Federación de Cooperativas de Producción)

**34 members**

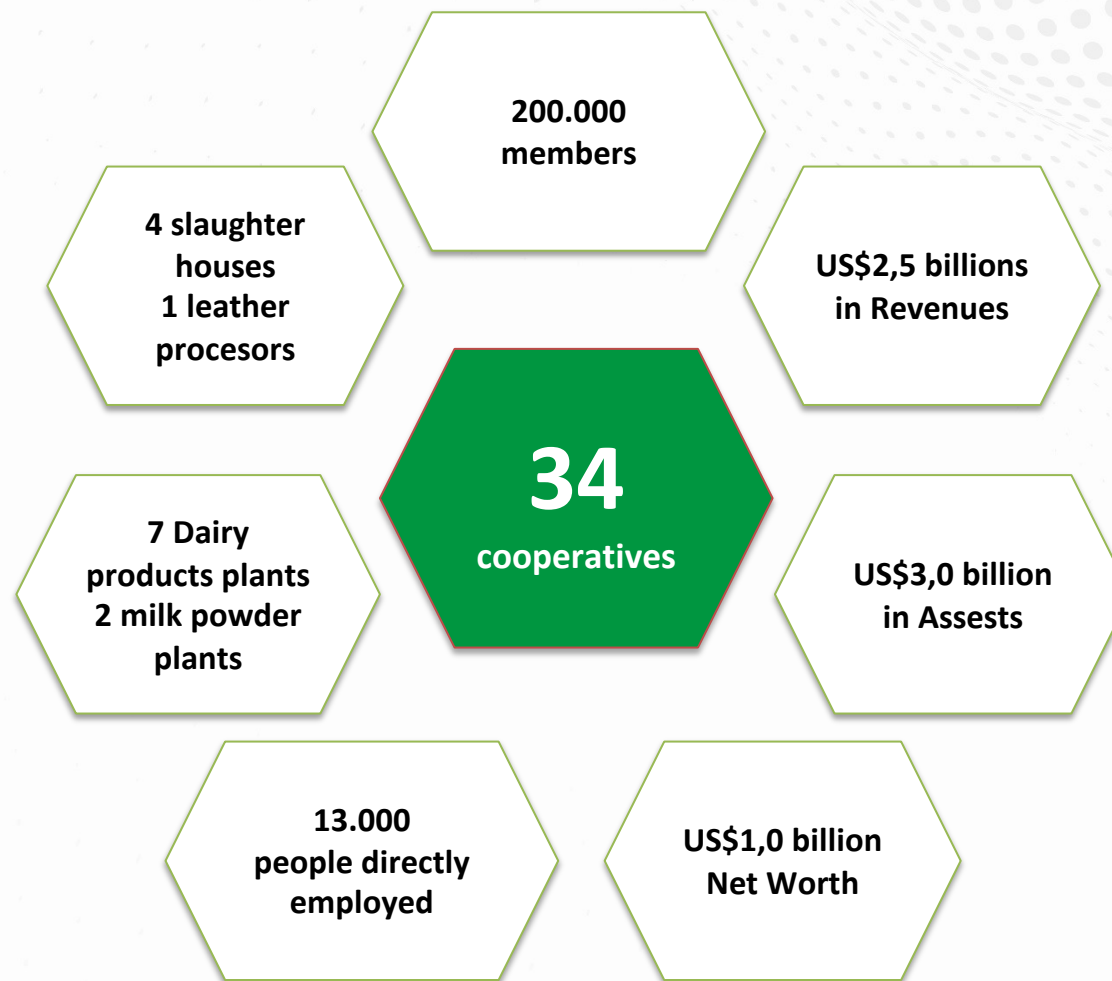
**Production Cooperatives: 28**

**Savings and Credits Cooperatives: 6**

# PRODUCTION COOPERATIVES GROUP



## FECOPROD LTDA.



# Participation of the Production Cooperatives in the Paraguayan total agricultural production

**Soybean: 40%**



**Wheat: 39%**



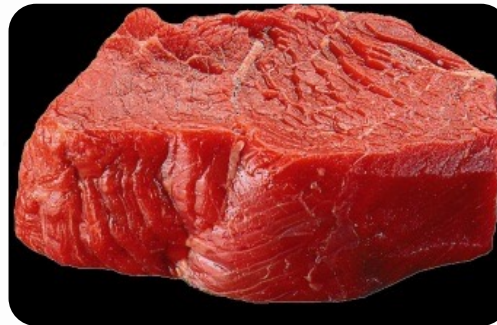
**Corn: 18%**



**Cattle: 20% (of national herd)**



**Beef: 41%**



**Milk (raw): 55%**





# Participation of the Production Cooperatives in the Paraguayan TOTAL EXPORTS

**Soybean: 12%**



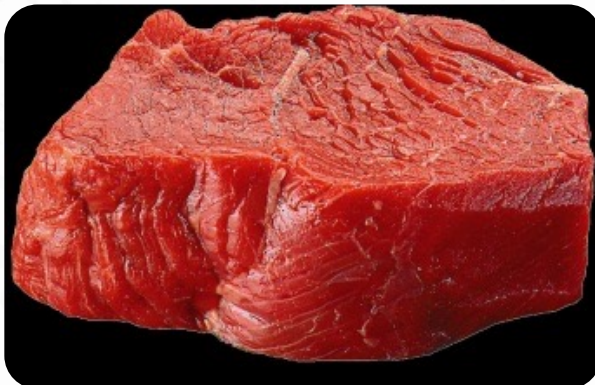
**Wheat: 37%**



**Corn: 6%**



**Beef: 20%**



**Milk (processed): 100%**

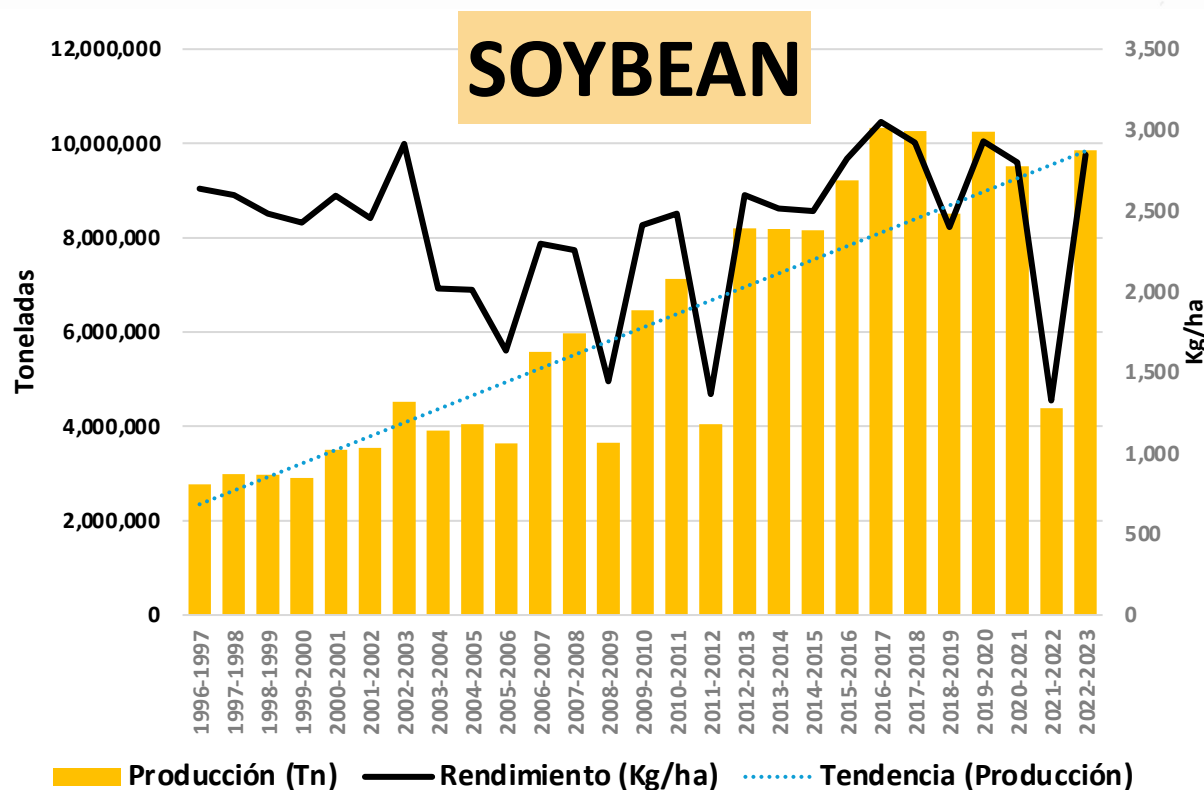


Other:

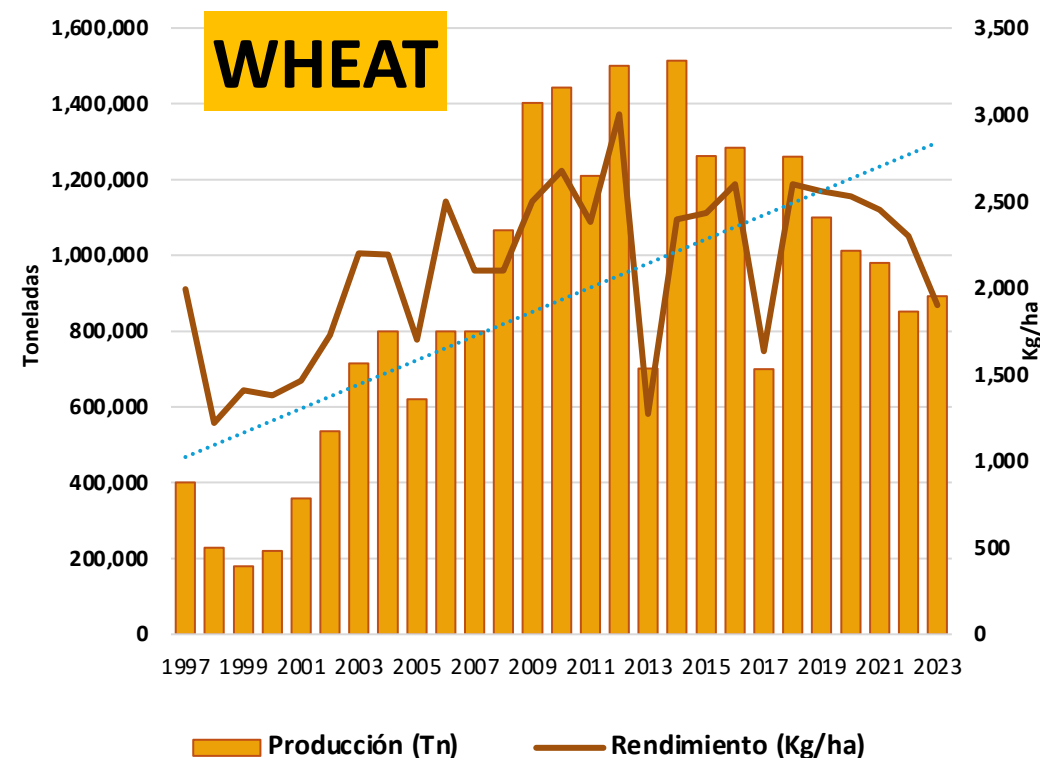
- Cotton
- Peanut
- Sesame seeds
- Sunflower



# PRODUCTION & YIELDS

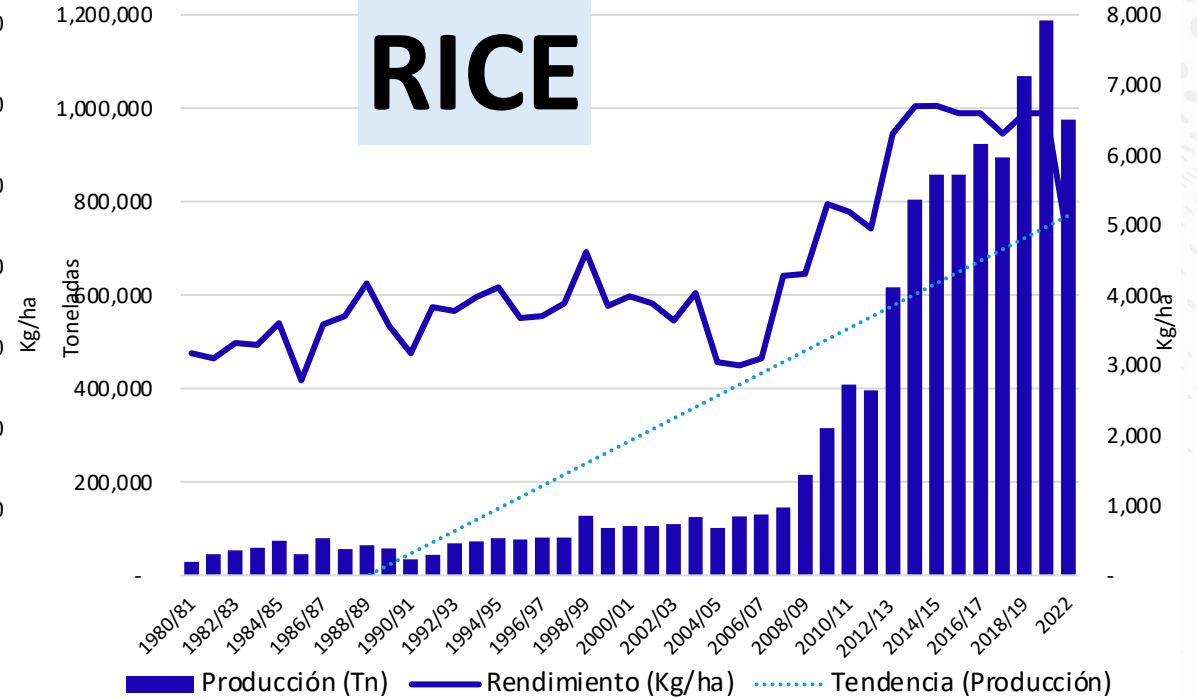
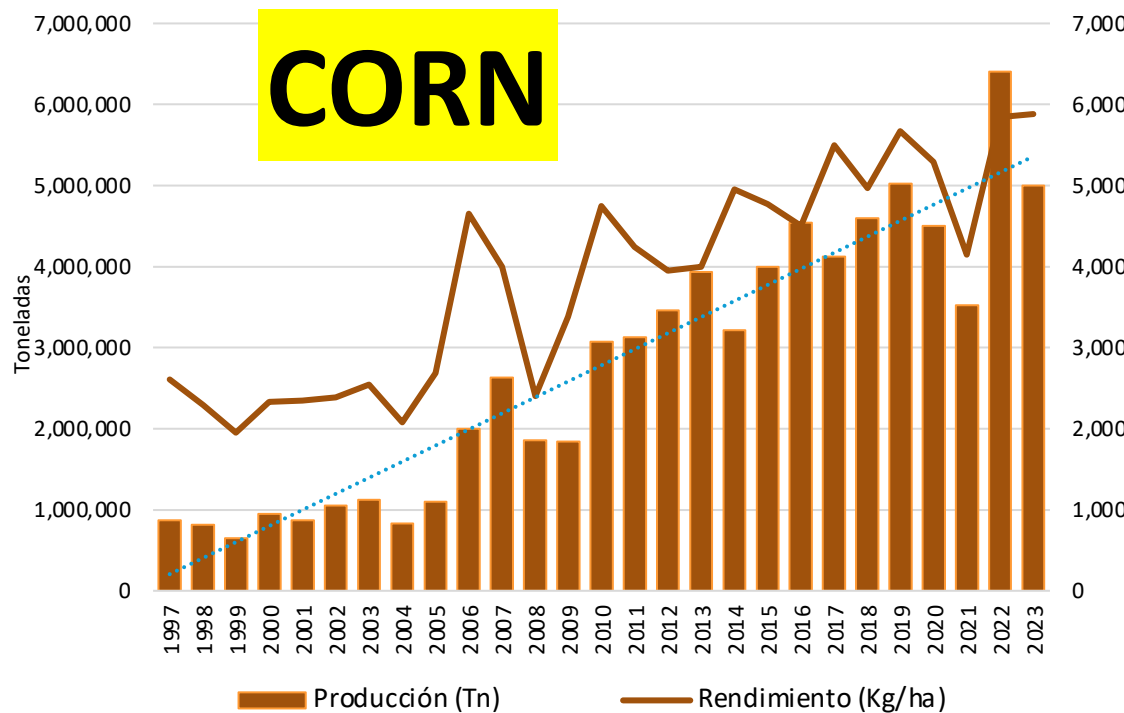


- Paraguay is the 6<sup>th</sup> producer and the 3<sup>rd</sup> or 4<sup>th</sup> bigger global exporter of soybean.
- Cooperatives produce a third, and export 12% of Paraguayan soybeans.



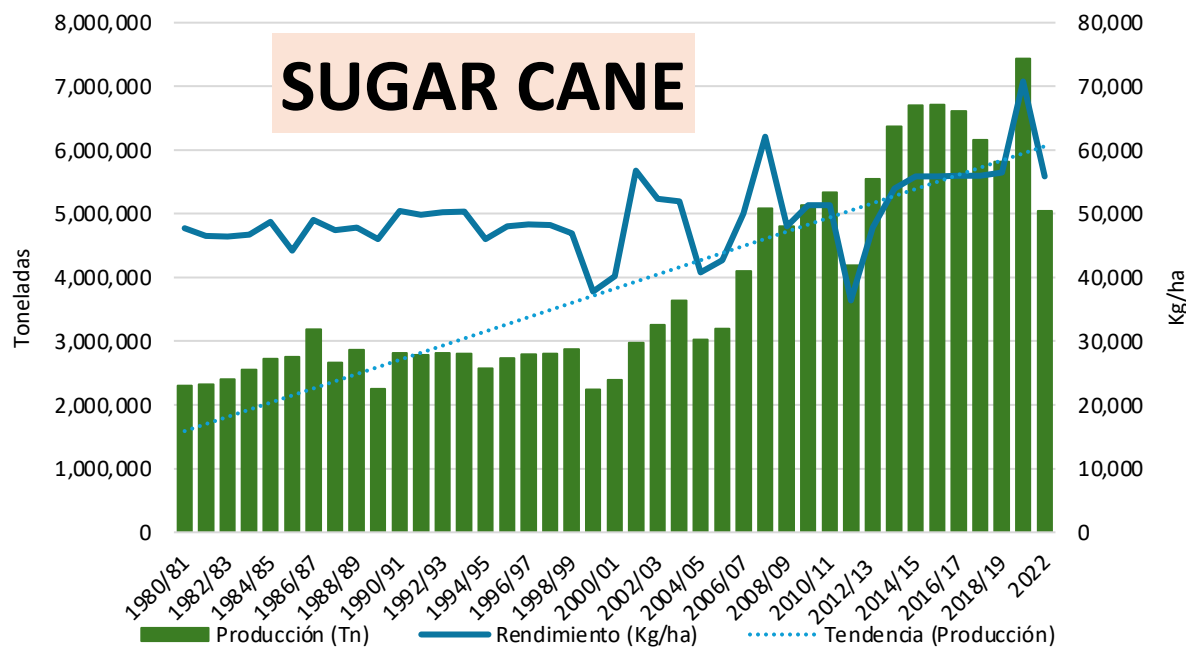
- Paraguay is one of the few subtropical countries that exports wheat in the world.
- The cooperative sector produces and exports more than a third of Paraguayan wheat.

# PRODUCTION & YIELDS

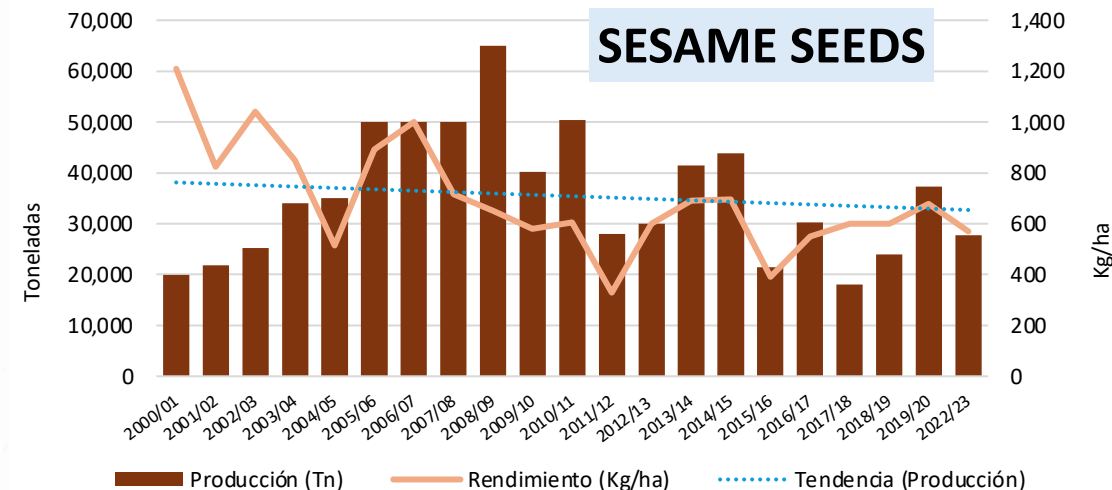
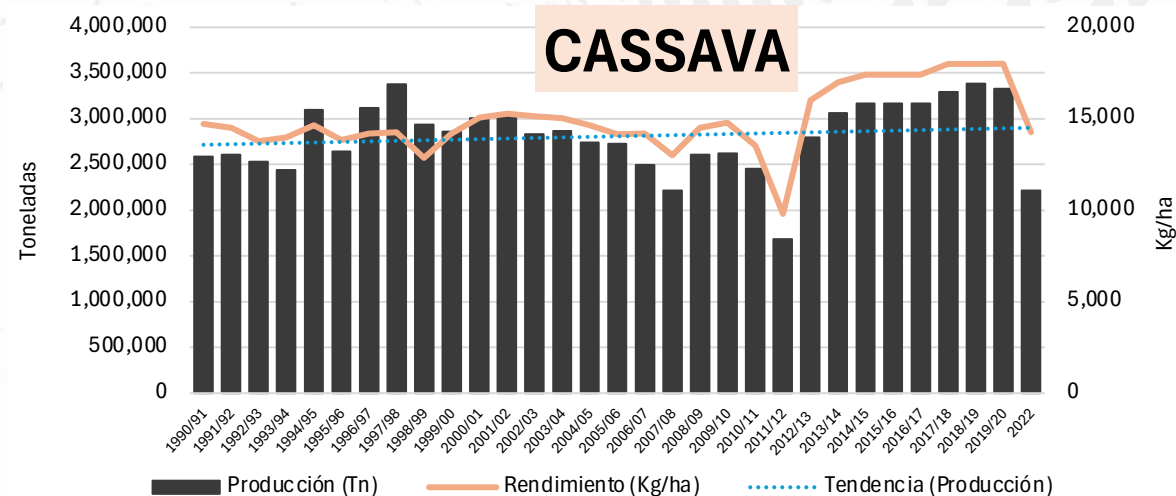


- The increase in productivity is based on research and investments in technology promoted by cooperatives and the private sector.
- An important part of corn and soybeans is used to produce balanced foods. This allows Paraguay to be one of the largest beef exporters in the world.
- In addition, there is significant growth in exports of pork and poultry.

## PRODUCTION & YIELDS small-scale producers



- Paraguay is one of the largest international producers and exporters of ORGANIC SUGAR.
- The Paraguayan cooperative sector has an important participation in this area.



- Slow growth or reduction in yields of items related to small scale producers.

# **FOSTERING GENERATIONAL CHANGE IN AGRICULTURE**

**CONCOPAR promotes several initiatives aimed at encouraging the participation of young people and promoting generational change.**

### **CONCOPAR's Youth Committee:**

- **Social activities:**

- Integration program between young people from all over the country.
- “Saving Lives Program” (prevention against violence and bullying)

- **Educational activities:**

- Financial education
- Environmental education, including the cleaning of stream basins (Project “25 thousand kilos less garbage”).
- Cash donations to nursing homes
- Donation of food, toys and candy to children



# Agricultural Vocational Training, based on the Dual System



**Training and Technology Center (CTT): Agreement among CETAPAR and New Holland Agriculture.**



# OTHER INITIATIVES

- Promotion of **cooperative education** at all educational stages.
- Formal education through **the Transformative Leadership Academy (ALT)**
- **Technological initiatives:** Technological Consortium for software development (with FECOPROD Ltda.)
- **Guarantee Fund** to protect the savings of cooperative members
- **Strengthening the Cooperatives Integration Entities (Centrales)**
- **Promotion of initiatives for rural development**, with own resources and funds from international cooperation.





**THANKS A LOT!!!**