

10-6-2017

Agribusiness Strangles Paraguay's Shrinking Rural Population

Andrés Gaudín

Follow this and additional works at: <https://digitalrepository.unm.edu/notisur>

Recommended Citation

Gaudín, Andrés. "Agribusiness Strangles Paraguay's Shrinking Rural Population." (2017). <https://digitalrepository.unm.edu/notisur/14556>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Agribusiness Strangles Paraguay's Shrinking Rural Population

by Andrés Gaudín

Category/Department: Paraguay

Published: 2017-10-06

Experts have denounced the rural development model that has been in place in Paraguay since the end of the 20th century—a model, based essentially on agribusiness, which eliminates the campesinos (agrarian workers) as the main actors on small farms and in the national economy ([NotiSur Aug. 29, 2003](#), and [May 27, 2016](#)).

Both Miguel Lovera, an agronomist and ecologist, and Ramón Fogel, a sociologist, said that Paraguay lacks food security and food sovereignty and that campesinos and indigenous communities are experiencing hunger. Because production no longer meets local needs, Paraguay must import fruit, vegetables, and other crops and products that were traditionally produced in the country. The researchers, who see a conflict between agribusiness and family farms, with the state siding with large foreign producers, issued a serious warning: Paraguay faces an increasing possibility of a famine.

In just 13 years, the land earmarked for family farms shrank by half. The area used for production of cotton, peanuts, potatoes, cassava, peas, corn, pepper, carrots, and fruits decreased from nearly 700,000 hectares in 2002 to some 330,000 ha. in 2015. In the same period, the area used by agribusiness for soybeans, wheat, corn, sunflowers, sugar cane, and rice—in all cases with genetically modified seeds and an uncontrolled use of agrochemicals that contaminate the air, water, and soil—increased from 2.3 million to 5.4 million ha. While the country's soybean production grew from 6 million tons in 2007 to 9 million tons in 2015, Paraguay increased the value of vegetable and legume imports by about 300% and the value of fruit purchases by 412% in the decade between 2005 and 2015. These figures, released by the Central Bank, show the magnitude of the loss in food sovereignty, Lovera said in an interview published Aug. 8 on the [ea.com.py](#) website.

Monoculture harms crop diversity

Fogel agrees with Lovera that through the expansion of soybean monoculture, the population is deprived of the abundance and quality of the foods it has always counted on, and is forced to consume industrially-processed foods. This phenomenon, both scholars said, means that families must use a good part of their income to buy expensive food that, in many cases, is of questionable quality.

According to the agriculture and cattle ministry, the Ministerio de Agricultura y Ganadería, Paraguay imports basic agricultural products that were traditionally grown at home. In 2015, Argentina and Brazil provided 93% of the onions consumed in Paraguay. Argentina provided nearly all of the potatoes and Brazil, 54% of the peppers. And while South Americans had always associated Paraguay with the best oranges, Argentina now provides the country with 95% of that fruit. It is surprising how Paraguay has come to import products for which it was once famous.

Lovera, who directed the agricultural agency Servicio Nacional de Calidad y Sanidad Vegetal y de Semillas (SENAVE) during the Fernando Lugo administration (2008-2012), said the agrarian crisis

became critical as of 1989 with the dismantling of the cotton fields and the end of cotton as a key export product. Cotton had been synonymous with Paraguay since colonial times.

“With the gradual disappearance of cotton, contemporary capitalist agribusiness began,” said Fogel, who holds a doctorate in sociology from the University of Kansas and is the director of the Centro de Estudios Rurales Interdisciplinarios (Interdisciplinary Rural Studies Center, CERI) in a statement made Aug. 9 to the Base Investigaciones Sociales website. “The campesino fulfilled an irreplaceable role,” Fogel said. “Without campesinos there was no cotton of good quality that could be sold at good prices. The system exploited the campesinos, but kept them going with credit so they could re-start the cycle of production and consumption.”

Lovera noted that the state’s role in agriculture ended when the agribusiness model was introduced during the government of Gen. Andrés Rodríguez (1989-1993), a business partner and relative by marriage of Gen. Alfredo Stroessner (1954-1989). Rodríguez betrayed and overthrew Stroessner in a bloodless military coup.

“The goal of agribusiness, the economic model planned in the Rockefeller Foundation idea factory and brought to Paraguay by Gen. Rodríguez, involved getting rid of the campesinos, paying them a pittance for their lands, and letting them flee to the cities where they would be exploited in another way,” Lovera said. “Under this model, the campesino, who needs a government that guarantees alimentary sovereignty to develop projects, becomes an enemy to be exterminated. Thus, small family farms disappear and large soy fields are born, bringing in Brazilians without Paraguayan national identity. They are the ‘Brasiguayos’ who settle in the northern and eastern Paraguay and develop their businesses without caring about the cultural roots of the campesinos and indigenous peoples they displace when they set up their corporations owned by unknown people” ([NotiSur, Feb. 17, 2012](#)).

The advance of soybeans—an oilseed crop, almost all of which is sent to China for animal feed—accelerated the exodus of people from rural areas in Paraguay as it did in Argentina, Uruguay, and southern Brazil. According to the governmental census bureau, the Dirección General de Estadística, Encuestas y Censos (DGEEC), approximately 10,000 families have migrated from rural to urban areas annually for the past 15 years. The progressive deterioration of living conditions in the countryside and the constant absorption of small family properties by the Brazilian settlers or rich Paraguayan and Argentine landowners caused the reduction in the number of producers, and as a result, a decline in food production for domestic consumption.

Famine a 'possibility'

“There is hunger in the countryside, and famine is a possibility,” Lovera repeated in his interview with [www.ea.com.py](#). “A famine would hit the urban population hard, because the urban population does not produce food, it only consumes; it is too vulnerable. It will be very difficult to maintain the rule of law in such a situation.”

The situation is aggravated because a high index of the campesino population is composed of children, who also make up a large part of the rural labor force. In a June 2015 report, the DGEEC said that 23.5% of Paraguayans between the ages of five and 17 (slightly over 436,000) were engaged in some sort of economic activity, mostly in rural areas. At that time, a study by the peace group Servicio Paz y Justicia (SERPAJ) connected child labor to poverty fueled by rural emigration and

the system of land tenure, in which foreign participation stands out. Some sources estimate that foreigners own more than 20% of the arable land in Paraguay.

The study arrived at the revealing conclusion that, with nearly 18 million hectares used for pastures and a cattle census of 10.5 million head, each animal occupies 1.7 ha., while more than 310,000 families don't even have one, and others emigrated to urban areas where they lack a roof over their heads. In 1970, Paraguay's population was mostly rural. Of the total population, 37% lived in urban areas, while the other 63% was concentrated in the countryside. In four decades, SERPAJ noted, this situation has practically reversed: Last year, urban dwellers represented nearly 60% of the country's population.

The report indicated that the rural-urban migration flow had also triggered other major changes in occupation and work activity for adults as well as a deepening of child labor practices. By the middle of the last century, 49.5% of the economically active population was engaged in livestock and agriculture, and 28% in service and commerce. Since 2015, the indexes have reversed: livestock and agriculture comprises 26.7% of the economically active population, while service and commerce climbed to 52.4%. SERPAJ figures showed that the process of transformation from a peasant to an urban country was not accompanied by industrialization, which would have created jobs in the manufacturing sector.

According to official 2013 statistics, more than 600,000 families lived in the countryside, of which 310,000 did not own enough land for cultivation. The problem of land ownership has historical roots, and its consequences, so far, are dire. The civil governments in power since the 1989 overthrow of the Stroessner dictatorship have not provided any answers. Lovera and Fogel recalled that in an October 2015 report, the UN's Food and Agriculture Organization (FAO) already estimated that 25% of the Paraguayan population suffered from hunger, mostly in rural areas and among indigenous communities.

-- End --