



LARGE-SCALE LAND ACQUISITIONS IN PARAGUAY

A COUNTRY PERSPECTIVE

DECEMBER 2020

WHAT IS THE LAND MATRIX?

The Land Matrix is an independent global land monitoring initiative that promotes transparency and accountability in evidence-based decisions over large-scale land acquisitions (LSLAs) in low- and middle-income countries across the world.

These country profiles present national-level data of LSLAs and transactions, including who the investors are, what the land will be used for, and what the potential benefits and impacts of the land deals are.

By making this information available, the Land Matrix aims to enhance broad engagement and data exchange, facilitating the continuous improvement of the data.

Find out more at www.landmatrix.org.

BACKGROUND

The Republic of Paraguay, a developing country in South America, covers an area of 406,757 km², of which 12.1% is arable¹. Although the country boasts high biodiversity in all its six eco-regions², in the last five decades, it has lost almost 90% of its original forest cover³ due to the expansion of agricultural and livestock activities, particularly in the Chaco region.^{4, 5} This expansion has also generated multiple conflicts over land tenure between large local and foreign producers on one side, and indigenous and peasant communities on the other. Indeed, Paraguay has the distinction of having the greatest land inequality in all of Latin America⁶, with clashes over land often resulting in violence and the displacement, or even, death of some community members⁷. By 2012, the situation had boiled over into a full-scale political crisis that led to the removal of the country's president.^{8, 9}

This country profile presents a detailed description of LSLAs in Paraguay based on data extracted from the Land Matrix website using regional filters. In certain cases, deals meeting different criteria to the global database were included, in particular those with a domestic scope. Deals for agricultural, forestry, and many other intended purposes were included, but those for gas, oil, and mining operations were excluded. It is important to note, therefore, that applying different filters on the Paraguay country page may generate a different data set to the one used for this country profile.

WHAT IS A LAND DEAL?

The Land Matrix defines a land deal as any intended, concluded, or failed attempt to acquire land through purchase, lease, or concession in low- and middle-income countries.

To be included in the Land Matrix global database, deals must meet the following criteria:

- Entail a transfer of rights to use, control, or ownership of land through sale, lease or concession;
- Have been initiated since the year 2000;

- Cover an area of 200 ha or more;
- Involve the change of land use (often from extensive or ecosystem service provision to commercial use).

Please note: In certain cases, deals meeting different criteria to the global database are captured at regional and country level. All 35 deals recorded for Paraguay, however, met the global criteria and have therefore been included in this country profile.

For more information about land deals and how data is captured, analysed, and used, browse our frequently asked questions at www.landmatrix.org/faq.

Concluded deals for Paraguay

Top 5 projects:
Location, size, implementation status,
intention of investment

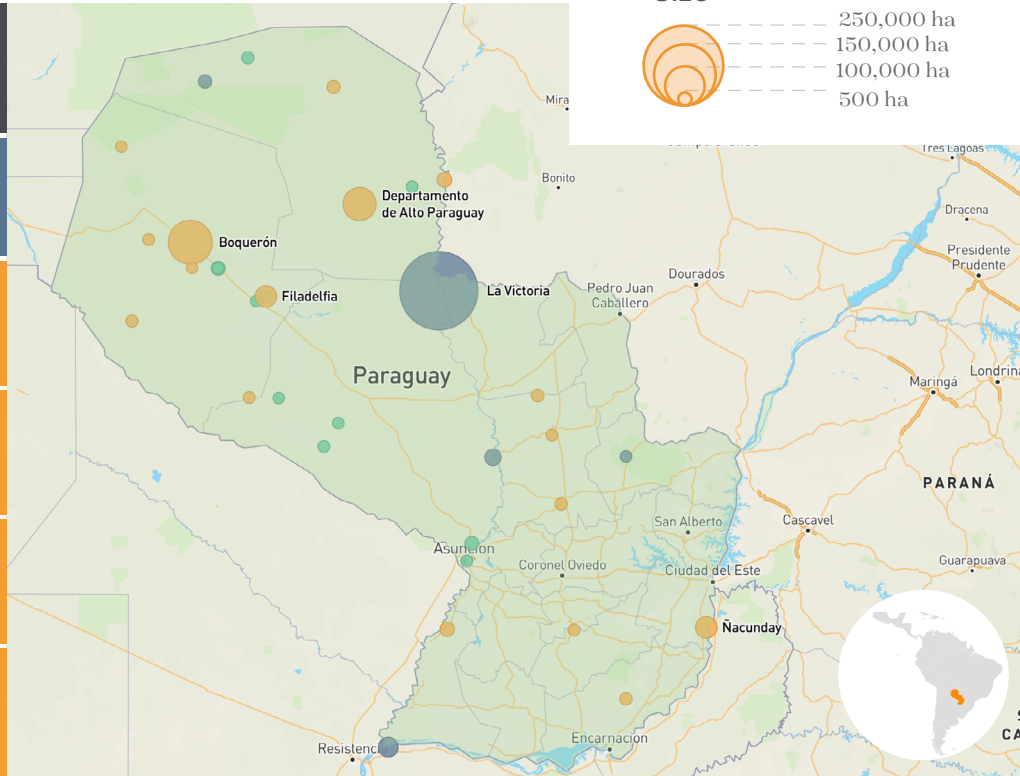
1. La Victoria, **240,000 ha**
Start-up phase (no production)
Agriculture unspecified

2. Boquerón, **117,307 ha**
In operation
Food crops, Livestock

3. Departamento de Alto Paraguay, **78,500 ha**,
In operation - Livestock, Conservation

4. Ñacunday, **37,500 ha**
In operation
Food crops

5. Filadelfia, **37,000 ha**
In operation
Livestock



Project not started

Start-up phase

In operation

Paraguay investment profile

Total number of concluded deals

33

Total size of concluded deals

673,259 ha

Implementation status
(according to contract size)

In operation

330,964 ha

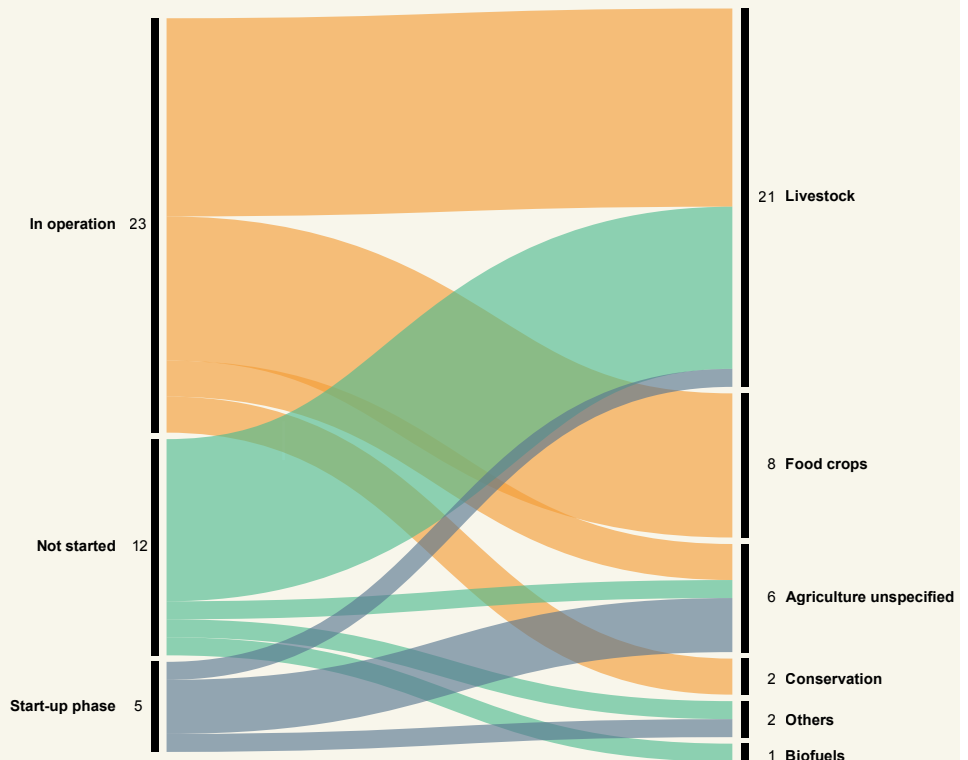
Start-up phase

299,533 ha

Project not started

42,762 ha

Intention of investment for concluded deals
(according to number of concluded deals)*



* This figure lists the intention of investments per negotiation status. Please note, a deal may have more than one intention. In Paraguay, there are 40 different investment intentions for 33 concluded deals.

INTRODUCTION

To date, registered LSLAs that involve an area of 673,259 hectares (ha) have been recorded in the Land Matrix database¹⁰. This may represent just 1.6% of the country's total area, however, it covers 16.7% of all its arable land, and is therefore significant. These LSLAs were distributed from 2000 to 2016, with the highest number recorded in 2015 and smaller peaks in 2005 and 2008. The largest areas were reported in 2000 and 2013. The absence of transactions in the last four years could be due to the dynamics of the global land market, as well as to changes in the prices of agricultural commodities.

LSLAs by negotiation status

	Number of deals	Size under contract (hectares)	Intended size (hectares)
CONCLUDED			
Contract signed	33	673,259	0
Oral agreement	0	0	0
Total	33	673,259	0
INTENDED			
Expression of interest	1	0	8,000
Under negotiation	1	0	4,856
Total	2	0	12,856
FAILED			
Negotiations failed	0	0	0
Contract cancelled	0	0	0
Total	0	0	0

CASE STUDY

THE UNEARTHED OF THE CHACO REGION

The leaders of the Ayoreo Totobiegosode indigenous people of Paraguay have called in 2011 on the government to prevent cattle ranchers from destroying the forests on which their lives depend, petitioning for the banning of deforestation and punishment of perpetrators.¹¹ In fact, the Ayoreos have been demanding restitution of their ancestral and traditional territory since 1993, and while a part of it was given back to the community in 1997, a vital portion is still controlled by private companies, such as River Plate S.A., BBC S.A., Yaguareté Porá S.A., and Carlos Casado S.A.¹² In 2002, for instance, 30,783 ha in the Chaco region were bought by two of these companies, ensuing in socio-environmental conflicts in 2011 when the companies illegally deforested 4,000 ha of the acquired land. In an attempt to solve these conflicts, the Paraguayan state bought 18,000 ha from livestock companies that was to be transferred first to the Paraguayan Indigenous Institute (INDI), and then to the Ayoreos. However, the companies refused to return this land unless the state allowed them to deforest adjacent areas that were also under their ownership¹³, and it remains under the control of these companies to this day.

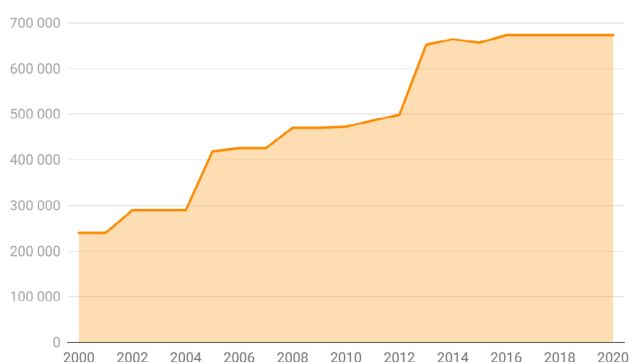
Deforestation has significant consequences for the indigenous population, particularly isolated communities and uncontacted peoples. The Ayoreos are among the last uncontacted indigenous peoples outside the Amazon and continue their struggle to legally own their land. The presence of uncontacted peoples in land owned by livestock companies was confirmed by the INDI and by already contacted members of this indigenous people based on tracks and other evidence found in the area¹⁴. In order to defend and protect their territories, indigenous communities thus formed the Payipie Ichadie Totobiegosode Organization (OPIT) and, together with the Paraguayan non-governmental organisation Gente, Ambiente y Territorio (GAT) and the office of indigenous cultures of the National Secretariat of Culture, are carrying out a project for the protection of the Ayoreo Totobiegosode natural and cultural heritage.¹⁵

More information on this LSLA can be found in the Land Matrix database (see deal [#879](#)).

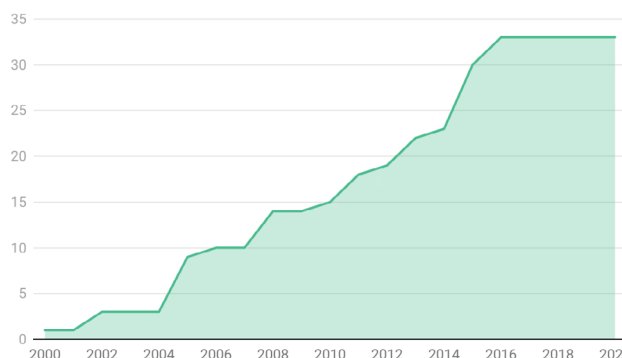
Among the 33 concluded deals, 51% are in operation and represent 49% of the total registered area, while the five transactions in start-up phase involve 44% of the total area. This is mainly due to transaction [#3928](#), which involves an area of 240,000 ha and is the largest transaction area in the country, even including an entire town (Puerto Casado). There are no failed deals in this country and only two intended deals: one under negotiation ([#875](#)) and the other as a preliminary expression of interest ([#880](#)).

Concluded deals over time (2000 - 2019)

Cumulative size under contract



Cumulative number of deals

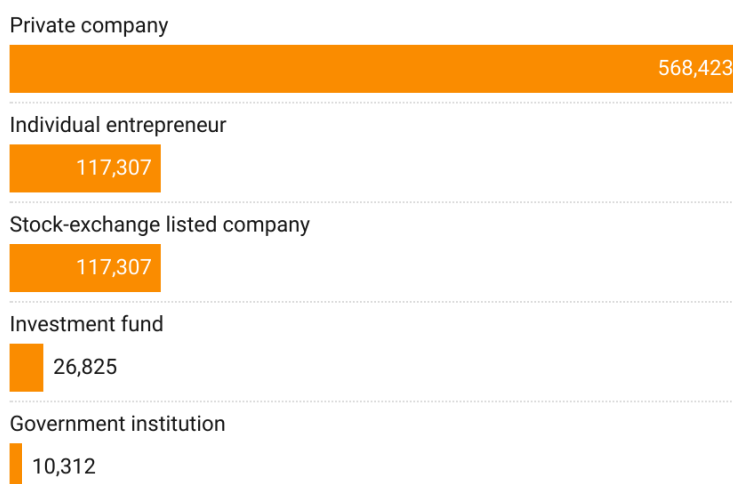


Note: This graph shows changes in size under contract, including for abandoned deals with contracts still in place. Thus, the number of deals can remain the same even if the size increases/decreases.

FOREIGN INVESTOR COUNTRY INVOLVEMENTS

National investors play a substantial role in Paraguay, as in other countries in Latin America and the Caribbean. Regional investors such as Argentina and Brazil also stand out, with 30.7% and 22.9% of the total area under contract, respectively. The Republic of Korea is the largest foreign investor, with 28.6% of the area under contract. Of note, of the nine deals recorded in the Land Matrix database where lack of consultation with indigenous communities or outright rejection of these projects has been reported, five involve investors from Brazil, one from the Republic of Korea, and the remaining three are domestic investors. Some of these deals also reflect emblematic land conflicts such as the “Curuguay massacre” (see deal [#4023](#)) or the loss of territory of indigenous peoples, as illustrated in the case study, among others.

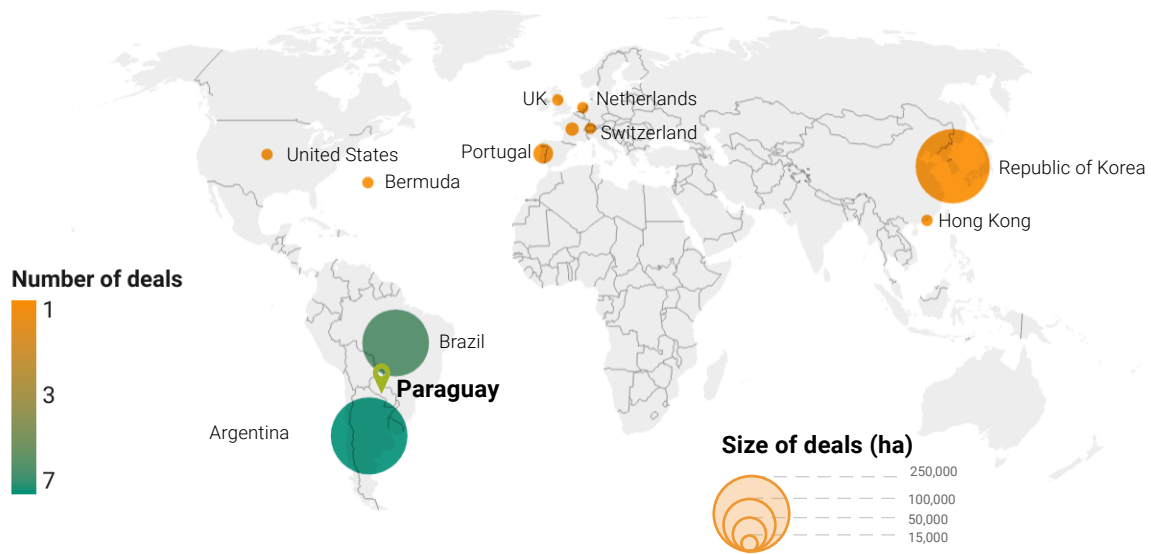
Deals by investor type (in hectares)



Only five types of investors are present in the country, with private companies being the most representative, both in current area under contract and in the number of deals. Stock-exchange listed companies and individual



Foreign investor countries



entrepreneurs rank second and third, respectively, in terms of area, with one land deal each, but investment funds and government institutions are also present.

Domestic and transnational investors may or may not be affected by the same variables or guided by the same motivations when deciding on a land investment. More research is therefore needed on the different drivers behind LSLAs in order to better describe and understand the diversity of private and public actors currently active in land investments in Paraguay and the broader region.

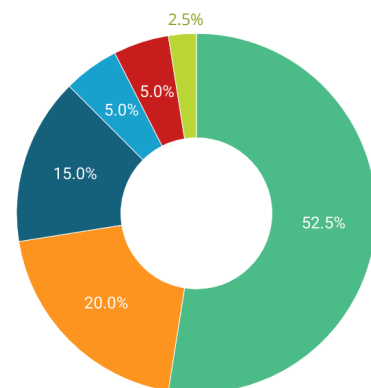
DRIVERS AND AIMS OF PRODUCTION

The vast majority of LSLAs in Paraguay (93%) are destined for agricultural production and involve 75% of the total area under contract. These deals are mainly intended for livestock, agriculture in general (without specifying crops), and food crops in particular, specifically soybean, corn, and sunflower. The “others” category, which has no specific intention, is the third largest in terms of the current size under contract (18%).

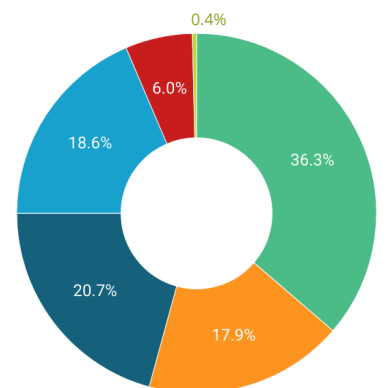
It is important to note that, as a deal may have more than one intention, the total number of intentions is usually larger than the total number of deals. In the case of Paraguay, 40 investment intentions were

Land acquisitions by category of production

- Livestock
- Food crops
- Agriculture unspecified
- Others
- Conservation
- Various intentions



Number of deals per category of production, represented as a percentage of total concluded deals



Size under contract per category of production, represented as a percentage of total concluded size

reported for the 33 concluded deals recorded. In addition, because aggregation of size is difficult when more than one intention is listed for a particular deal, the size under contract is equally divided by the number of different intentions listed. By adopting this criterion, the total area covered by all intentions will always be equal to the total area under contract (in the case of Paraguay, 673,259 ha). However, the area devoted to specific intentions will not be accurate for some deals with more than one intention. For example, the area for some monocultures, such as soybean, will likely be underestimated because they are often the main intention of LSLAs.

Underestimation of the area covered by some monocultures is not a neutral decision, and could misleadingly suggest that these monocultures, and their potential social and environmental impacts, are less widespread than they really are in the region. An alternative criterion would be to assign the whole size under contract to all intentions. In this case, the total area under contract would clearly be overestimated, as demonstrated by the hypothetical area this would come to in Paraguay (1,131,237 ha), which would mean an overestimation of 68% of the total area under contract. Yet, as discussed above, this overestimation may be closer to the reality on the ground in some specific cases.

Information about the destination of the products or export countries is scarce. Only four deals explicitly report export as one of the main goals of the land acquisition, without even mentioning the country or countries of destination.

FIND OUT MORE ABOUT LAND DEALS IN LATIN AMERICA

We are continuously updating our data about land investments in Latin America. To find out more about which countries we cover, our data collection and verification process, and how you can add your contributions, please browse our frequently asked questions at www.landmatrix.org/faq and visit our regional page at <https://landmatrix.org/region/latin-america/> or the Spanish-language website at www.landmatrix-lac.org.

This country profile was prepared by the Latin America Regional Focal Point, hosted by the [Foundation for Development in Justice and Peace \(FUNDAPAZ\)](http://www.fundapaz.org), based in Argentina.

ENDNOTES

¹ <https://datos.bancomundial.org/indicador/AG.LND.ARBL.ZS?locations=PY>.

² https://es.wikipedia.org/wiki/Paraguay#cite_note-archivo.abc.com.py-89.

³ http://www.soitu.es/soitu/2008/08/04/medioambiente/1217841167_579525.html.

⁴ <https://www.lanacion.com.py/pais/2020/06/15/paraguay-es-el-segundo-pais-mas-deforestador-de-sudamerica/>.

⁵ Baumann, M., Israel, C., Piquer-Rodríguez, M., Gavier-Pizarro, G., Volante, J.N. y Kuemmerle, T. (2017). Deforestation and cattle expansion in the Paraguayan Chaco 1987-2012. *Regional Environmental Change* 17, 1179-1191.

⁶ Oxfam (2016). *Unearthed: land, power and inequality in Latin America*. Oxford, UK: Oxfam.

⁷ <https://www.oxfam.org/es/paraguay-el-pais-donde-la-soja-mata>.

⁸ Correia, J.E. (2019). Soy states: resource politics, violent environments and soybean territorialization in Paraguay. *The Journal of Peasant Studies* 46(2), 316-336.

⁹ https://www.grain.org/es/bulletin_board/entries/4533-agronegocios-acaparamiento-de-tierras-y-transgenicos-detras-del-golpe-de-estado-en-paraguay.

¹⁵ <http://www.cultura.gov.py/2011/07/se-inicio-el-proyecto-proteccion-del-patrimonio-natural-y-cultural-ayoreo-totobiegosode/>.

¹⁰ Database downloaded on 28 August 2020.

¹¹ <https://www.survival.es/noticias/8142>.

¹² https://lib.ohchr.org/HRBodies/UPR/Documents/Session10/PY/OPIT-GAT_JointSubmission5_S.pdf.

¹³ http://ea.com.py/empresas-imputadas-por-tala-ilegal-presionan-por-licencias-para-seguir-deforestando/?doing_wp_cron=1607008565.6191589832305908203125.

¹⁴ <https://www.survival.es/noticias/7849>.

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Available at www.landmatrix.org.

¹ INENCO (Instituto de Investigaciones en Energía No Convencional). CONICET (Consejo Nacional de Investigaciones Científicas y Técnicas) - UNSa (Universidad Nacional de Salta), Argentina

² Land Matrix Ph.D. Programme

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