“THE DEVIL’S TOTALITY”: PARAGUAY’S STRUGGLE AGAINST AGRIBUSINESS AND MONOCULTURE

After the arrival of monoculture plantations, once-thriving farmlands near them are seeing a near-total loss of crop yields. Photo: Omar T. Yampey

Written by: Omar Yampey, Centro de Estudios
Heñón, Paraguay
Edited by: Ismail Wolff & Chithira Vijayakumar
Design and layout: Chithira Vijayakumar
The Brazilian geographer Milton Santos coined the term “the devil’s totality” to portray a society’s sick, perverse, and detrimental nature when it fails to engage in its country’s development and evolution, instead surrendering to the global structure of the capitalist system. From the Center for Studies and Promotion of Democracy, Human Rights, and Socio-environmental Sustainability (Centro de Estudios Heñói), we perceive the approach and function of reforestation using exotic plant species as part of a broader pattern of false solutions for climate change mitigation and promoting forestry businesses. This is also a reflection of Paraguay’s economic policy, which is subservient to the worldwide demand for biomass. It is a living example of “the devil’s totality” and exemplifies the falsehood of a purported energy transition and a “green economy,” which the Global North has imposed, with active involvement from local and international financial institutions like the Green Climate Fund, the Arbaro Fund, and the Dutch bank FMO, among others.

The forestry business is part of the history of the dispossession of common goods in Paraguay as a result of the agro-export model imposed on the country after the War of the Triple Alliance (1864-1870), first as a tannery and yerba mate enclave, then as a soybean and cattle ranching enclave, resulting in deforestation, pollution, dispossession of lands and communities, reduced food production, food subordination, and impacts on water sources.
The paradigm shift and reorientation of international climate finance is rooted in the 2015 Paris Agreement, encouraging false solutions to climate change. In Paraguay, this translated into the approval and financing of the Green Climate Fund for the Poverty, Reforestation, Energy and Climate Change (PROEZA) project in 2018. The PROEZA model proposes to annex peasant and Indigenous family farmlands to replace it with forestry production, such as eucalyptus plantations. Its ambition is to promote the forestry business through investment credits from the Development Finance Agency (AFD) and guide the State’s institutional policy to generate a good business climate for forestry.

The PROEZA logic was reinforced in 2020 with approval and financing from the Green Climate Fund for eucalyptus plantation projects through the Arbaro Fund. Since its creation, the fund has been questioned by more than one hundred civil society organizations due to the potential negative social, environmental and economic impacts that would result from the extensive planting of monoculture tree plantations for industrial purposes.

The “devil’s totality” in Paraguay extends to the industrial component of the forestry business with the approval of the investment project for the PARACEL pulp mill in 2021, to produce 1.8 million tons of pulp annually and plant 185,000 hectares of eucalyptus. The project was devised and put into action without any proper consultation of the Indigenous population, violating the right to Free, Prior, and Informed Consent (FPIC), as recognised in the UN Declaration on the Rights of Indigenous Peoples. The “totality” is further set out by the government’s “Paraguay forestal para el mundo” (“Paraguay Forestry for the World”) initiative, aimed at attracting national and international investment, and positioning forestry industries and products in foreign trade without the participation of the social sectors.

Dismantling of community capacities and peasant status

In June 2023, Heñói visited communities in the San Pedro region of Paraguay, near monoculture plantations set up by Forestal Apepu, a local portfolio company of the Arbaro Fund. Villagers told us about the productive and economic difficulties they were facing and how these impacts were compelling rural youth to leave their lands and their peasant communities. One inhabitant told us about the case of her son, who “was once cultivating on our land, but has now had to migrate to the Chaco to work as a cook in a rice mill.” In 2021, this young peasant worked on the family farm that is next to the Forestal Apepu plantations. In 2023, they were forced to leave their home and farmland, because nothing they planted turned out well.
The villagers also told us about the threats looming over the peasantry and Indigenous people due to the interests and greed of big businessmen and large landowners. They spoke of how they are now being driven from their previously fertile farmlands, owing to the environmental destruction caused by the eucalyptus plantations. They were being forced to migrate to and were starving in the cities.

One female peasant farmer in her 50s from the Republican community located next to the eucalyptus plantations of Forestal Apepu told us how after the eucalyptus plantations arrived, every crop they planted failed. They tried beans and corn, but nothing would grow.

“The eucalyptus plantations are decomposing everything. My husband also says that; they planted cassava, and everything is ruined . . . It is the eucalyptus plantations that are destroying everything . . . before, our corn was big, beautiful and we planted it and harvested a lot,” she said. “Then everything was ruined, and that is when my husband lost everything. That loss hit him, for all the sacrifices he made. But we still have to keep going, because we have a family.”

But the impacts go beyond the immediate economic and environmental harms. These seeds that do not germinate, that do not become corn, cassava or beans, weaken the food security of the communities and affect the culinary culture of our peoples. Villagers reported that it is no longer possible to make vorí vorí [1], Paraguayan soup, or chipa guasú as before. If food is the first act of primary socialization, by losing the seeds, losing the corn, and losing the culinary culture, the communitarian condition of the peasantry is being lost.

[1] A traditional soup of Paraguay
The experience of the community located near the plantations of the Forestal Apepu correlates with numerous studies on the impacts and changes in the water cycle generated by eucalyptus monoculture in countries such as Chile, Brazil, Uruguay and South Africa. [2]

The villagers themselves said they have been abandoned in terms of assistance from the state. Equally, they said they had no illusions that promises by Forestal Apepu to provide work and development to their communities would help resolve their difficulties. “Farmers are not prioritized by the State or by the companies, yet we are the ones who produce food for the population. If food production ends, what will happen to all of us? They do not value us,” said one young farmer.

The myriad negative impacts and lack of support or recognition of their suffering are having a severe impact on the communities. “The situation is very bad. Last year it [the growing] went bad, this year, we tried, and it was a great sacrifice. We planted one hectare of cassava and corn; everything was destroyed. This discourages us and takes away our desire to continue working on the farm because everything we tried has been ruined,” said the 50-year-old farmer.

The forestry business: yet another turn of the screw for agribusiness and extractivism

Heñöi highlighted the tendency of the forestry industry to reproduce the predominant agro-export model in Paraguay. Contrary to “greenwashing” marketing campaigns and declarations of good intentions about carbon capture and greenhouse gas reductions, these eucalyptus trees end up largely as charcoal to dry soybeans, corn, wheat and other grains. In fact, after the announcement in 2021 of the construction of the PARACEL pulp mill near Concepcion, in Paraguay, alarms were raised within the business community itself because “its great demand for eucalyptus plantations could affect the silos used to dry corn or soybeans since they use the same energy source.”

Of Paraguay’s total area of eucalyptus, 4.3% of landowners control 84.5% of the planted land. Among these few hands, the local holding companies of the Arbaro Fund stand out: Forestal Apepu controls 9,148 hectares, with 6,059 hectares planted with eucalyptus, while Forestal San Pedro controls 8,000 hectares of eucalyptus. [3] Between these two forestry companies – fully controlled by the Arbaro Fund – they control 41% of all eucalyptus plantations in San Pedro, the department with the highest levels of

[3] In Paraguay there are 206,000 hectares of eucalyptus trees. San Pedro is ranked as the second-largest department with eucalyptus plantations. It represents 18% of the country’s share.
inequality and poverty in Paraguay. In the face of this, the companies promise work and development for the communities, but the reality is more poverty and destruction of their traditional community means of survival.

What we are witnessing in Paraguay with the eucalyptus plantations is the archetypal territorialization of agribusiness, where big agricultural businesses expand their operations and influence into particular geographical areas, leading to the displacement of communities and other harmful impacts. The inhabitants perceive and experience the loss of biodiversity in their communities, where animals, agricultural lands, water, and soil are affected. There are tensions between the expansion logic of the companies and the traditional practices of the local communities.

In the Republicano community bordering Forestal Apepu plantations, we talked with a family engaged in a long-standing land ownership dispute with the company. “We have a land problem with them. This issue is complicated here,” said a female producer, referring to Forestal Apepu. “We have the title to 19.5 hectares, but we use only nine hectares. And what is left, they want to reduce our share more and more; we show them our title, but they do not respect our property.

“If they respected us, they would have had to leave because they know we have the title; they came once to do a judicial survey, and we presented our documents accompanied by the FNC [National Peasant Federation], and it was because of them that they didn’t come as they wanted because otherwise, they would have evicted us from here.”

In the case of Forestal San Pedro, at least one of its units leased for eucalyptus production is in Barbero Kué, an emblematic case of a 17,000-hectare peasant settlement that has no land title and has been locked in conflict over land for decades.

“Barbero is a colony, but it has many communities inside. There is no title here. This ranch has no title or owner, either. It occupies 2,500 hectares. This is the famous land of Italy, which was returned to Paraguay,” [4] one of the settlers said. “The community has no title, either. Those of us from Barbero are just here, we can’t say that it is ours, because we don’t have the documents to prove that it belongs to us. We are in bad shape here.”

Arbaro declares that it does not operate in units that do not have ownership titles or are under dispute. In the case of Forestal San Pedro, the contradiction is that Arbaro operates with a forest management unit that does not have a property title, since no one in Colonia Barbero has property titles.

[4] Barbero Kue is a peasant colony of 17,000 hectares that was donated by Andrés Barbero to the Italian state in 1950. In 2012, the Paraguayan State agreed with Italy to return the land to Paraguay so that it could be used for peasants subject to agrarian reform. Throughout this time, agricultural ranches were established that used the lands without ownership title.
Contrary to the companies’ claims of social commitment and of making improvements in the communities, the villagers report that they do not receive any assistance. They say the plantations provide few jobs, and those that are available are temporary and dangerous, and disassociate the workers from their peasant culture.

“The rich play with the poor. How can we allow this? Here, they are planting a lot of eucalyptus. They say they give aid to the community, but I haven’t heard anything about that, nothing reaches us,” said one female peasant farmer.

Similarly, a resident of the Republicano community, adjacent to Forestal Apepu plantations, said: “They don’t give us benefits or help with the orchards, but they attack us for our lands. They don’t give us any help. The eucalyptus plantation does not give us any benefit. The companies do not look at the poor. Nor did we ever, ever get any help. We should have been the first.

“And now the eucalyptus has come in, and they say that it will bring benefits, but on the contrary, there is not a single beneficiary here, not a single benefit for the poor or for the community. They say they are going to make the community grow, but it is only harm, instead of helping. They want to take our land.

“From the ranches [5], there is no help, no benefits, nothing at all. Besides, they are large estancias, and in the face of that, it is difficult for the poor to resist or stop their expansion. And so far, we are very much alone, we have no organization or commissions. We don’t receive any social assistance from the ranches.”

A member of the Immaculada community of Colonia Barbero said: “Last year, the workers were let go because they said they had run out of work. Some did pruning, others did rolls, and others did harvesting. Some were from the community, but most were from elsewhere. To tell the truth, they never helped us.”

One employee at Forestal Apepu talking about rights and job security said: “You work, but they hire you for six months, then they let you go, release you, and then they grab you again so you don’t have seniority, so as not to claim job security or severance pay.” They also said that commitments to providing work insurance and social security payments were never fulfilled by Forestal Apepu.

In our dialogue with the employees and neighbors of the Julián Portillo Community in Santaní District of San Pedro, adjacent to Forestal Apepu plantations, one of the neighbors mentioned the situation of landless youth in the communities and that the operator himself is one of them.

[5] The San Pedro foreisy, unlike the Apepu Foreisy, rents the ranches where the eucalyptus trees are planted. One of those ranches that it rents is in the Barbero Kue peasant colony.
To this, he added that although a few may have access to temporary work on the ranches, this alienates people from their traditions and peasant culture of work and production on the farm. This older tradition of work is what gives identity and true roots to its members, as well as being a source of income for them. With their lands taken away, the youth are left with few options. “The disappearance of small producers is already underway. Too many young people in these settlements are landless. There are more or less 150, 200 landless here. And they are disappearing,” one of the community members said. Their options are limited – either become employees of Forestal Apepu, or fight for access to farmland.

Speculation in the forestry business [6], profit maximization to the detriment of communities and the environment, false promises of development and solutions to climate change, and the expansion of industrial tree monoculture have been the common pattern in countries where these false solutions have been imposed. This is evidenced by studies and reports from the World Rainforest Movement (WRM), Global Forest Coalition (GFC) and the Centro de Estudios Heñói. A recent investigation led by Lighthouse Reports together with five global media partners uncovered how European development finance institutions fund forestry businesses where agrochemicals banned by the European Union itself are used.

[6] It is estimated that the management team of the Arbaro Fund with an initial investment of 4 million dollars would earn 26.7 million dollars over 15 years. Regardless of the economic success or failure of the local portfolio companies in which it invests, which in the Paraguayan case are Forestal Apepu and Forestal San Pedro, and the negative impacts of industrial tree monocultures on communities and the environment, the Arbaro Fund is already assured of its profit.
The forestry business: yet another turn of the screw for agribusiness and extractivism

Despite warnings and complaints about the impacts of industrial monoculture tree plantations, the Paraguayan State is at the forefront of promoting the forestry business. At his swearing in ceremony in August 2023, the new president, Santiago Peña, emphatically stated that “climate change is real, it is a great planetary challenge, and we must take rigorous measures to avoid further damage to the planet.” However, in one of his first public statements a few days after being elected, referring to his government’s position on the “climate change dogma” promoted by multilateral credit agencies, NGOs and what he called a “globalist agenda,” he maintained that the environmental damage of the agribusiness model is part of productive development and that Paraguay was not part of the problem of environment and carbon emissions, but rather the solution, given the potential it has in the forestry business and the pulp and paper industry.

For the president-elect, Paraguay “is on the threshold of making one of the biggest leaps in cellulose production in the history of the world.” According to President Santiago Peña, Paraguay is eyeing the development of three cellulose plants over the next few years, generating almost 12% of additional GDP. If this were to happen, monoculture plantations in Paraguay would grow nearly four-fold, from 233,000 to over a million hectares. This would exacerbate the existing issues already highlighted and be a death knell for many communities and Indigenous peoples already suffering under a forestry industry veiled as the green economy and a solution to the climate crisis.
To crown the economic policy of the Paraguayan State in terms of the forestry business, in the first days of September, the National Forestry Institute also presented to the President the “Paraguay Forestry for the World” plan, with the aim of attracting both national and international investment in plantations and the installation of forestry industries.

With this thinking at the highest levels of the State, Paraguay, like many other countries of the Global South, continues to be a laboratory where economic gains are prioritized to the detriment of the environment and peasant and Indigenous communities.

In the face of false solutions such as monoculture tree plantations promoted by external financing, private companies and the government, it is evermore urgent to raise awareness and promote and support community organizing and actions for rights-based, real solutions capable of addressing the growing impacts of the climate crisis. A unified and informed resistance is required to halt the march of false solutions and ensure a symbiotic co-existence of people and forest ecosystems for a sustainable quality of life for existing and future generations.