This Rapid Response Special Report highlights 8,932 ha of recent, potentially illegal deforestation in the Paraguayan Chaco in twelve selected cases. Twelve cases were ultimately selected (Table 1), showing 12,007 ha of deforestation between June 2019 and May 2020. Of these, 8,932 ha may have been illegal, i.e. deforestation occurred a) without a license/environmental authorization, b) in breach with the required environmental impact mitigation measures, or c) in a natural forest conservation area or protected area. Deforestation in the Chaco is largely driven by expanding cattle and soy operations, compounded by absent deforestation commitments from key operating stakeholders and loose law enforcement.

Table 1: Twelve cases of deforestation in the Paraguayan Chaco

<table>
<thead>
<tr>
<th>Department</th>
<th>District</th>
<th>Case (ownership)*</th>
<th>Deforestation (ha)</th>
<th>Period of clearing</th>
<th>Status of clearing**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boquerón</td>
<td>Mariscal José Félix Estigarribia</td>
<td>Agropecuaria Moroti SA</td>
<td>2,365</td>
<td>16th Nov 2019 - 25th Mar 2020</td>
<td>Likely illegal - no public license</td>
</tr>
<tr>
<td></td>
<td>Mariscal José Félix Estigarribia</td>
<td>Le Viole S.R.L.</td>
<td>1,390</td>
<td>30th Sept 2019 - 26th Dec 2019</td>
<td>Likely illegal - deforestation in forest reserve</td>
</tr>
<tr>
<td></td>
<td>Mariscal José Félix Estigarribia</td>
<td>Freemont SRL</td>
<td>1,400</td>
<td>20th Jan 2020 - 14th Apr 2020</td>
<td>Likely legal - joint properties can deforest 1,416 ha</td>
</tr>
<tr>
<td></td>
<td>Mariscal José Félix Estigarribia</td>
<td>Toro Mocho</td>
<td>252</td>
<td>15th Jan 2020 - 5th Mar 2020</td>
<td>Likely illegal - no public license</td>
</tr>
<tr>
<td></td>
<td>Mariscal José Félix Estigarribia</td>
<td>Mazuria Inversion SA</td>
<td>338</td>
<td>11th Nov 2019 - 5th Mar 2020</td>
<td>Likely illegal - deforestation in forest reserve</td>
</tr>
<tr>
<td>Alto Paraguay</td>
<td>Bahia Negra/Fuerte Olimpio</td>
<td>Ganadera Cerro Chovoreca</td>
<td>2,874</td>
<td>27th Oct 2019 - 29th Feb 2020</td>
<td>Likely illegal - above authorized amount</td>
</tr>
<tr>
<td></td>
<td>Fuerte Olimpio</td>
<td>Henrique Diniz Junqueira/Agroganadera Aguaray</td>
<td>1,138</td>
<td>24th June 2019 - 12th Oct 2019</td>
<td>Likely legal - joint properties can deforest 2,557 ha</td>
</tr>
<tr>
<td></td>
<td>Bahia Negra</td>
<td>Neufeld &amp; CIA (NESCA)</td>
<td>779</td>
<td>14th Feb 2020 - 29th May 2020</td>
<td>Likely legal - joint properties can deforest 4,620 ha</td>
</tr>
<tr>
<td></td>
<td>Puerto Casado</td>
<td>Cooperativa Chortizer</td>
<td>202</td>
<td>10th Mar 2020 - 24th May 2020</td>
<td>Likely illegal - no public license</td>
</tr>
<tr>
<td>Presidente Hayes</td>
<td>Villa Hayes</td>
<td>Agroganadera Pywthur</td>
<td>400</td>
<td>6th Feb 2020 - 12th Mar 2020</td>
<td>Likely illegal - no public license</td>
</tr>
<tr>
<td></td>
<td>Villa Hayes</td>
<td>Agropecuaria Tabor/Grupo GPSA-Pereira</td>
<td>787</td>
<td>16th Feb 2020 - 11th Apr 2020</td>
<td>Likely illegal - no public license</td>
</tr>
<tr>
<td></td>
<td>Manuel Irala Fernandez</td>
<td>Sanly Funk Siemens</td>
<td>324</td>
<td>2nd Jan 2020 - 26th May 2020</td>
<td>Likely illegal - above authorized amount</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>12,007</td>
<td>June 2019 - May 2020</td>
<td>8,932 ha likely illegal</td>
</tr>
</tbody>
</table>

Source: Compiled by Aidenvironment, based on deforestation, rural cadaster, and environmental permit data. *Selection criteria were 1) the size of deforestation; 2) deforestation hotspots at district level; 3) the period of deforestation; 4) proximity to protected areas/indigenous lands; and 5) the presence of environmental licenses for clearing. **Aidenvironment assumed ‘likely illegal’ clearings when legal compliance with Laws 294/93, 716/96, 264/93, and 422/72 was not met, and when environmental licenses were not found to be publicly available.
Introduction

The Paraguayan Chaco is the farming frontier of Paraguay – one of the world’s largest beef and soy exporters. The tropical dry forests of the Gran Chaco region in Paraguay represent one of the world’s major hotspots of deforestation mainly for expanding cattle ranching, and more recently soy plantations (1). Paraguay is the fourth largest exporter of soy and soy products, and the eighth largest exporter of beef, with the Chaco region regarded as the country’s “new farming frontier” (2).

Land in the Chaco is largely controlled by Brazilian nationals and Mennonite cooperatives. Brazilian nationals are estimated to own 3 million ha and large Mennonite families and their powerful cooperative farm groups are estimated to control about 2 million ha (3). For instance, in department Boquerón, most land is owned by Brazilians with land plots of 5,000 to 100,000 ha. Only small parts of the land are developed, with the land primarily operating as “capital investment and is retained for speculative businesses.” (4)

Absent zero-deforestation commitments and lax law enforcement drive deforestation in Paraguay. None of the eight main beef exporters of Paraguay, who together account for 95 percent of exports (5), has a public policy to protect forests in the Chaco (6). They include the three largest Mennonite cooperatives operating in the Chaco, Chortizer (98,636 ha), Neuland (76,472 ha) (7), and Fernheim (ha unknown.) Moreover, the largest meatpacking company, Minerva, still needs to expand its zero-deforestation policy to its operations in Paraguay (6).

The “relatively lax” enforcement of the Paraguayan Forestry Law drives deforestation (8). In 2018, one third of the native vegetation in the Paraguayan Chaco had already been deforested and converted to grassland, of which the environmental organization Guyra estimated that nearly 50 percent of deforestation was illegal [later adjusted to 43 percent] (9). The law requires that any property in the Chaco larger than 20 ha must preserve between 40 and 45 percent of its native vegetation: 25 percent of native forest, 15 percent of conservation borders, and another 5 percent of riparian forests to protect riverbeds (10). However, legally, roughly 7 million ha could still be legally cleared in Paraguay (11). Contrary to the ‘fishbone’ pattern of deforestation in the Amazon, deforestation in the Gran Chaco “tends to leave large rectangular clearings that reflect careful surveying by large-scale cattle-ranching operations” (12).

This report combined deforestation, cadaster, and environmental license data to uncover illegal clearing. Rapid Response used a geographic information system (QGIS) to combine deforestation data (13) in the Paraguayan Gran Chaco between 1st March 2020-15th May 2020, cadaster data from the National Cadastre Service (14), data on environmental permissions for clearing native vegetation from the Ministry of Environment and Sustainable Development - Ministerio del Ambiente y Desarrollo Sostenible (MADES) (15), and data on protected areas and indigenous land through the SIIDit Chaco platform (16). The deforestation alerts were confirmed using EO Sentinel Hub (17). The period for deforestation monitoring was dependent on the start, active period, and end of deforestation events. The deforestation per Chaco district was calculated and ranked, and the cases with the highest amount of deforestation were selected from the three largest deforested districts. A further six cases showing the largest deforestation were then selected without the district filter. In the selection process, Rapid Response checked the presence of environmental licenses from MADES for the clearings. We assumed illegal clearings when this data was not publicly available, but at the same time recognize that they could be missing, in progress, or registered under different ownership. Hence, deforestation is “likely” illegal. Moreover, the total land portfolio by producers/companies was estimated from this license data, but could be larger in reality.

Out of 22 cases, a total of twelve cases were eventually selected based on the selection criteria (Table 1).
Rapid Response: Special Report Paraguay

(1) https://data.globalforestwatch.org/datasets/gran-chaco-deforestation
(2) https://www.ft.com/content/7a25413c-56d3-11e9-8b71-5b0066105fe
(3) https://www.theguardian.com/world/2010/oct/05/chaco-paraguay-deforestation
(4) http://mades.gov.py/sites/default/files/users/control/mazuria_r.villalba.pdf
(5) https://trase.earth/flows?toolLayout=1&countries=176&commodities=46&mapView=-20.80%2C55.56%2C&selectedColumnsIds=0_231_342_283_33
(12) https://earthobservatory.nasa.gov/images/92078/deforestation-in-paraguay
(13) data.globalforestwatch.org/datasets/glad-alerts-footprint
(14) http://www.mades.gov.py/servicio-linea/#/consulta-publica/cuentas-rurales
(15) https://www.sentinel-hub.com/explore/eobrowser/
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Property Location

Yellow border – boundary of Mariscal José Félix Estigarribia (Boquerón)/ White border – boundary of Agropecuaria Moroti SA – Fazenda Marangatu y Udra/ Red dot – location of cleared area

Alert Imagery (before and after clearance)

**November 16, 2019**

![Image of November 16, 2019 alert imagery]

**May 29, 2020**

![Image of May 29, 2020 alert imagery]

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
Rapid Response detected 2,365 ha of deforestation between November 16, 2019 and May 29, 2020 in three registered properties of Fazenda Marangatu y Udra in the town of Mariscal José Félix Estigarribia in Boquerón. Agropecuaria Moroti, a wholly owned subsidiary of the publicly traded Brazilian farmland investor and soy producer BrasilAgro (1, 2), owns the property (3). BrasilAgro’s land portfolio in Paraguay consists of 59,585 ha of land in the central Chaco, used for grain cultivation and pasture (4).

Agropecuaria Moroti was founded on February 9, 2018 to acquire the assets (including farmlands) and debts owned by Cresca S.A., a joint venture between BrasilAgro and Carlos Casado S.A. in Paraguay (5). The company Palmeiras S.A. was also created to acquire the cattle, stocks and contracts previously owned by Cresca. Both companies are managed by Carlos Augusto Passerini, one of the main advocates for soy cultivation in the Chaco region (6) (7). Owned by the Spanish group San Jose, Carlos Casado S.A. has owned farmland in the Chaco since 1883, when, after the War of the Triple Alliance/Paraguayan War, the company seized 5,625,000 ha of public lands previously known as Estancias de la Patria (8). In 2012, Carlos Casado was denounced by the NGO Survival International for the deforestation of areas inhabited by the indigenous group Ayoreo (9).

For Agropecuária Moroti’s registries 7187 and 7205 (together with registries 3355-3365; 3368-3373; 7188; 7206; 7553; 7790-7791), MADES approved the land use of 5,200 ha for agriculture and 3,000 ha for cattle raising in 2019 (10). Between November 16, 2019 and March 25, 2020, 2,365 ha were cleared on the 14,591 ha farm, followed by fires in registry 7187 on May 24th, 2020 (11). The remaining land should be preserved as reserves, forest, and borders (12). However, such a publicly available approved environmental impact declaration was not identified for the recent clearing of 613 ha in registry 7190 (13). Clearing lines in the farm visible in June 2020 imply that more deforestation will occur in this registry. Bunge, Cargill, Louis Dreyfus, and Amaggi, all buyers of grains from BrasilAgro in 2019 (14), have zero-deforestation policies (15). Banks with financial ties to BrasilAgro, such as Rabobank and Santander (16), have zero-deforestation policies. Other financiers of BrasilAgro, such as Itaú BBA (16), do not have formal policies to address deforestation risks (17). In 2019, the majority of livestock in Mariscal José Félix Estigarribia that went directly to slaughterhouses ended up in the processing facilities of Frigo Chaco - Cooperative Fernheim (32 percent) and Frigo Chorti-Chortizer Cooperative (16 percent) (18).

<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>7187, 7190, and 7205</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>3,094, 3,179 and 2,988</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>2,365</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>November 16, 2019 - March 25, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>3355-3365; 3368-3373; 7187-7188; 7205-7206; 7553; 7790-7791; 6247-6250; 7202; 7522; 7527; 7530 (all in Mariscal José Félix Estigarribia, Boquerón)</td>
</tr>
<tr>
<td>Total land portfolio Paraguay (PY) (ha)</td>
<td>59,585</td>
</tr>
<tr>
<td>Commodity</td>
<td>Grain and cattle</td>
</tr>
</tbody>
</table>
1. Agropecuaria Moroti SA – Fazenda Marangatu y Udra (Mariscal José Félix Estigarribia)  Boquerón


(3) https://www.catastro.gov.py/servicio-linea/#!/consulta-publica/cuentas-rurales


(9) https://www.elmundo.es/america/2012/09/03/noticias/1346629755.html


(11) https://apps.sentinel-hub.com/eo-browser/?zoom=10&lat=41.9&lng=12.5&themeId=DEFAULT-THEME


(13) http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ampliamental/


(18) https://informacionpublica.paraguay.gov.py/portal/#!/ciudadano/solicitud/29227
2. Le Viole - Estancia Safari *(Mariscal José Félix Estigarribia)*

**Property Location**

Yellow border – boundary of Mariscal José Félix Estigarribia (Boquerón) / White border – boundary of Le Viole – Estancia Safari / Red dot – location of cleared area

**Alert Imagery (before and after clearance)**

**September 30, 2019**

![Image of satellite imagery on September 30, 2019]

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser

**December 26, 2019**

![Image of satellite imagery on December 26, 2019]

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
Company Le Viole S.R.L. owns registry 7261 where 1,390 ha of deforestation took place (1). This company is among the largest landowners in Paraguay (2). Le Viole’s Safari III farm appears in list of cattle suppliers that supply the Republic of Chile (3).

MADES approved an (adjusted) land use plan submitted by Le Viole in June 2019 for the clearing of 1,638 ha for agricultural expansion in registry 962, which is part of farm Estancia Safari (Finca nº 21.075) (4). The farm primarily produces crops, livestock, and forestry (5). Registry 962 is located in Pedro P. Pena, Boquerón (4). Moreover, it also approved a land use plan in February 2019 to clear 2,020 ha on the same farm (6). This registry is also under number 962, but in the Mariscal José Félix Estigarribia district in Boquerón. Considering shifts in district boundaries, size of the property in both documents (20,000 ha), and the expedient numbers of registries 962 and 7261 (under alert), both numbers likely refer to the same registry (7). This would imply that the recent clearing of 1,390 ha in registry 7261/962 was within the maximum limits of the authorized clearing. However, it seems that the deforestation took place in an area that is or was destined as a forest reserve (8). It cannot be derived from the 2019 environmental authorization public documents (4) (6) whether this destination plan of 2015 (5), that was approved in May 2016 (9), has been changed.

Current legal representatives in Paraguay are defined as “directors in the case of stock corporations, or as general manager in the case of a Limited Liability Company” (10.) In this case, the legal representatives of Estancia Safari are Juan Pablo Cartes Montaña and Sofia Cartes Montaña (11). They are the children of Paraguay’s former President Horacio Cartes (2013-2018). His ‘Grupo Cartes’ is the largest business group in Paraguay, with +30 companies and 34,400 ha of farmland in the Chaco region (12). In 2017, he issued decree 7702/17 that freed cattle ranchers to clear all remaining vegetation on their farms. Investigation revealed that Cartes used the decree to clear forest on his own cattle ranch (13). In Brazil, several investigations and lawsuits are active against the former President (14) (15). An earlier license issued by MADES, as well as the Environmental Impact Report (RIMA) of Estancia Safari names Alessandra Crocco as the previous owner of Le Viole S.R.L. (5, 16). It is likely that she sold Estancia Safari to the Cartes Montaña children somewhere between 2016 and 2019. Alessandra Crocco is the widow of Elio Massagrande, an Italian fascist leader and founder of Internazionale Nera, who found refuge in Paraguay during Alfredo Stroessner’s dictatorship after being detained in Madrid in 1977 for manufacturing arms for neofascist movements (17)(18)(19).
2. Le Viole – Estancia Safari *(Mariscal José Félix Estigarribia)*

(1) https://www.catastro.gob.py/servicio-linea/#/consulta-publica/cuentas-rurales
(2) https://d1tnyj7z9qfdh.cloudfront.net/sdfs-public/file_attachments/vyy_jara_informe_oxfamenparaguay.pdf
(3) https://studylib.es/doc/6932805/lista-de-establecimientos-ganaderos-habilitados-como-
(7) https://www.catastro.gob.py/servicio-linea/#/consulta-publica/seguiimiento-
(8) https://www.ellipsis-earth.com
(9) http://www.mades.gov.py/expediente/plan-de-uso-explotacion-agropecuaria/
(12) https://www.oxfam.org/es/informes/paraguay-informe-de-distribucion-de-la-tierra
(15) http://www.stj.jus.br/sites/portalp/Paginas/Comunicacao/Noticias/Ministro-suspende-ordem-de-prisao-contra-ex-
(16) http://www.mades.gov.py/expediente/plan-de-uso-explotacion-agropecuaria/
(17) http://www.researchgate.net/publication/338689915_Il_neofascismo_italiano_nel_Paraguay_di_Stroessner_L\'asilo-
(18) https://issuu.com/diario6deburgos/docs/diario_16_21-7-1977
3. Freemont SRL (Mariscal José Félix Estigarribia)

Property Location

Yellow border – boundary of Mariscal José Félix Estigarribia (Boquerón) / White border – boundary of Freemont SRL farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

January 20, 2020

April 14, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
### 3. Freemont SRL (Mariscal José Félix Estigarribia)

<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>279</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>5,356</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>1,400</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>January 20, 2020 - April 14, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>5906; 5907 (total 10,197 ha) 5489 (6,000 ha) 3602-3609; 4680;5340 (15,567 ha) 279; 5481 (8,000 ha) (All in Mariscal José Félix Estigarribia, Boquerón)</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>39,764</td>
</tr>
<tr>
<td>Commodity</td>
<td>Cattle</td>
</tr>
</tbody>
</table>

This registry is owned by Freemont SRL (1), a company based in Mariscal José Félix Estigarribia, Boquerón. The legal representative of the most recently submitted land use plans of Freemont SRL to MADES is Helmut Klassen Toews (2). Therefore, this case may be connected to the Neufeld-Toews Mennonites Colony. See the below cases involving Neufeld & CIA and Cooperativa Chortizer Ltda for more information. Freemont appears to operate at least two cattle ranches in Mariscal Estigarribia: La Tranguera and Rancha Cuatro (3). In 2017, MADES approved the clearing of 1,416 ha in registries 5481 (2,515 ha) and 279 (5,356 ha) (4). The latter registry shows deforestation of approximately 1,400 ha since the approval in 2017. Furthermore, no deforestation was identified in registry 5481. The deforestation in the joint registries did not exceed the 1,416 ha-limit, so the deforestation is likely legal.

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(1) [https://www.catastro.gov.py/servicio-linea/#!/consulta-publica/cuentas-rurales](https://www.catastro.gov.py/servicio-linea/#!/consulta-publica/cuentas-rurales)
(3) [https://docplayer.es/9650934-Codigo-sigor-del-prop-de-estab-nombre-del-propietario-del-establecimiento.html](https://docplayer.es/9650934-Codigo-sigor-del-prop-de-estab-nombre-del-propietario-del-establecimiento.html)
4. Toro Mocho (Mariscal José Félix Estigarribia)

Boquerón

Property Location

Yellow border – boundary of Mariscal José Félix Estigarribia (Boquerón) / White border – boundary of Toro Mocho farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

January 15, 2020

[Image of January 15, 2020 alert imagery]

March 5, 2020

[Image of March 5, 2020 alert imagery]

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>7333</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>10,465</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>252</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>January 15, 2020 – March 5, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>7334 (7,846 ha)</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>18,311</td>
</tr>
<tr>
<td>Commodity</td>
<td>Likely cattle</td>
</tr>
</tbody>
</table>

This registry shows deforestation overlapping the boundary of the natural reserve Toro Mocho. Little information was identified on the owner of the registry, Toro Mocho S.A (1). There seems to be no publicly available environmental permit for recent deforestation of 252 (2). However, in 2018, MADES approved the clearing of 363 ha in a 13,573-ha registry in the same district (registry no 5246), but this registry was listed under Toro Blanco S.A (3) and is thus likely a different owner.

(1) [https://www.catastro.gov.py/servicio-linea/#!/consulta-publica/cuentas-rurales](https://www.catastro.gov.py/servicio-linea/#!/consulta-publica/cuentas-rurales)
(2) [http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ambiental](http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ambiental)
5. Mazuría Inversion(es) – Estancia La Cumbreña (Mariscal José Félix Estigarribia)

Property Location

Yellow border – boundary of Mariscal José Félix Estigarribia (Boquerón) / White border – boundary of Estancia La Cumbreña / Red dot – location of cleared area

Alert Imagery (before and after clearance)

November 11, 2019

March 5, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
5. Mazuria Inversion(es) – Estancia La Cumbreña (Mariscal José Félix Estigarribia)

<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>711</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>15,445</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>338</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>November 11, 2019 - March 5, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>-</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>15,445</td>
</tr>
<tr>
<td>Commodity</td>
<td>Cattle and timber</td>
</tr>
</tbody>
</table>

This registry is listed under the ownership of Mazuria Inversion S.A. (1). The company’s revenue totaled $25,166 USD in 2018, and it currently employs 5 people (2). In November 2018, MADES approved the total clearing of 4,535 ha in this 15,445-ha registry in Mariscal José Félix Estigarribia (3) for the expansion of livestock and timber production (4). However, it appears that recent deforestation of 338 ha took place partly (approximately 170 ha) in an area that is destined as a forest reserve (5), which makes these clearings likely illegal. A company also called Mazuria Inversion S.A. (incorporated in December 2001) was registered and now dissolved in Panama, with Antonia Gonzalez Perez listed as the director of the company (5). It remains unclear if this is the same company that invested in land in the Chaco. The Paraguayan Mazuria Inversion is legally represented by Atilio Heisecke (7), former vice minister of Public Works (Ministerio de Obras Públicas y Comunicaciones – MOPC). Paraguay’s Contraloría General de la República questioned his continuation in the position due to a conflict of interest, as his company Constructora Heisecke S.A. maintained contracts with the government during his tenure (8).

(1) https://www.catastro.gov.py/servicio-linea/#!/consulta-publica/cuentas-rurales
(2) https://orbis.bvdinfo.com/
(4) http://mades.gov.py/sites/default/files/users/control/mazuria_r.villalba.pdf
(5) https://siidit.ellipsis-earth.com
(6) https://opencorporates.com/companies/pa/409077
6. Ganadera Cerro Chovoreca – Estancia La Esperanza (Fuerte Olimpo/Bahia Negra)

Property Location

Yellow border – boundary of Fuerte Olimpo and Bahia Negra (Alto Paraguay) / White border – boundary of Estancia La Esperanza / Red dot – location of cleared area

Alert Imagery (before and after clearance)

October 27, 2019

February 29, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
6. Ganadera Cerro Chovoreca – Estancia La Esperanza (Fuerte Olimpo/Bahia Negra)

<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>1752; 1753; 1754; 1755 (Fuerte Olimpo, Alto Paraguay); 513 (Bahia Negra, Alto Paraguay)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>27,942</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>2,874</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>October 27, 2019 - February 29, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>-</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>27,942</td>
</tr>
<tr>
<td>Commodity</td>
<td>Cattle and timber</td>
</tr>
</tbody>
</table>

Ganadera Cerro Chovoreca, owner of the registries with deforestation (1), was granted authorization in October 2019 to clear 2,747 ha in its farm registries in Bahia Negra (513) and Fuerte Olimpo (1752-1755) (2). According to the land use plan, the clearing of 2,747 ha (in the original plan 2,757 ha) on the total 27,942 ha farm will expand the pasture area for livestock production to 15,650 ha (3). The area with remaining vegetation cover (“seasonally saturated semi-deciduous dense forest” and “dense semi-deciduous dense xerophytic forest”) is 12,093 ha, or 43.3 percent of the total area of the property. Land development on this property is also for timber and coal production (3).

Deforestation began at the end of October 2019 and totaled 2,874 ha in June 2020, above the authorized amount of 2,747 ha, and therefore likely illegal. The clearing seems to have slowed and stopped sometime between early March and June 2020 (4).

Ganadera Cerro Chovoreca is listed in Oxfam’s Yvy Jara report as one of the largest landowners in Paraguay (5). Legal representative of the farm, Benjamin Piveta Assunção (6), is originally from Brazil and together with his son own at least 33 registries of land in Brazil alone (7). One of these properties is Fazenda Leticia in Rio Verde de Mato Grosso in Mato Grosso do Sul (8, 9) located next to Alto Paraguay. This farm directly supplied cattle to a JBS slaughterhouse in Campo Grande in 2019. The Cerro Chovoreca farm under alert appears in a list of cattle suppliers for beef processors that export to the Republic of Chile (10). Moreover, Estancia La Esperanza is included in the Paraguay’s cattle traceability system in 2020 (11).

In 2012, Assunção was investigated by the State Attorney of Mato Grosso do Sul (MPMS) for the deforestation of 587,007 ha in Fazenda Aguas Vivas without an environmental license (12). Assunção also owns Agroganadera Agua Dulce S.A., which operates Fazenda Agua Dulce in Bahia Negra, Alto Paraguay, and received a license to extensively expand cattle production in the area (13). Ganadera Cerro Chocoreca also had a credit agreement with Banco Itaú in Paraguay in 2012 (14).
6. Ganadera Cerro Chovoreca – Estancia La Esperanza (Fuerte Olimpo/Bahia Negra)

(4) https://apps.sentinel-hub.com/eo-browser/?zoom=10&lat=41.9&lng=12.5&themeId=DEFAULT-THEME
(5) https://www.oxfam.org/es/informes/paraguay-informe-de-distribucion-de-la-tierra
(10) https://studylib.es/doc/6952805/lista-de-establecimientos-ganaderos-habilitados-como
(12) https://www.mpms.mp.br/domp/2015/07/10
7. Henrique Diniz Junqueira/Agroganadera Aguaray (Fuerte Olimpo)

Property Location

Yellow border – boundary of Fuerte Olimpo (Alto Paraguay) / White border – boundary of Henrique Diniz Junqueira/Agroganadera Aguaray farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

June 24, 2019

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser

October 12, 2019

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
Henrique co-owns Agroganadera Aguaray with his father-in-law, Evaldo Emílio de Araújo. Only 28,066 out of 30,588 ha on Agroganadera Aguaray’s farmlands had property titles in 2009 in General Resquín, San Pedro. According to the Comisión Sintierras de Aguaray, the remaining 2,491 ha were to be transferred to landless workers for agrarian reform. However, the case was closed after the judge allowed the company to incorporate the land valued at $15 million USD (6). The company has also been accused of using agrochemicals that negatively impacted neighboring peasant communities (7).

In Brazil, Henrique also owns Bela Vista Agropecuária that operates in Minas Gerais, Pará, Mato Grosso do Sul and São Paulo. The company was prosecuted for provoking illegal fires in an Atlantic rainforest conservation unit (8). Henrique’s brother, Gustavo Diniz Junqueira is Secretary of Agriculture in the state of São Paulo (2018-present) and the former president of Brazilian Rural Society (SRB) (9).

While Fazenda Estrellita got its start in livestock production in 1974, in 2020 the farm reportedly grew about 13,500 hectares of soybeans while operating 8,000 ha of pasture with about 20,000 heads of cattle. Fazenda Estrellita gets some of its animal feed from Cargill-Nutron (10). Estrellita is also covered in a 2010 list of properties eligible for export by the National Service for Quality and Animal Health (SENASA) (11).

Agroganadera Aguaray has made several approved requests in 2019 for the clearance of native vegetation in registries 321, 895, and 951 (totaling 15,796 ha), all in General Isidoro Resquín, San Pedro (12). In 2018, MADES approved the clearing of 2,557 ha in the 6,015 ha farm dubbed Estancia Moneda (13). Therefore, the recent deforestation of 1,138 ha likely represents legal deforestation. Contrary to the rural cadaster SNC website, in the 2018 environmental declaration, the farm is registered under the name of José Reis Pereira Filho. He is also a family member of the Evaldo Emílio de Araújo - Henrique Diniz Junqueira ranchers (14).

More than a third of this 3,015-ha registry owned by Henrique Diniz Junqueira (1) was cleared between June 24, 2019 and October 12, 2019. Henrique is a Brazilian national that operates the cattle ranch ‘La Moneda’ in Fuerto Olimpo (2) and farm Estrellita in San Pedro department, which is part of Agroganadera Aguaray’s 30,588 hectares on the Paraguayan side (3, 4). The La Moneda farm is likely the same as registry 1392 under alert (5). In February 2019 an abandoned plane, presumably a ‘narco-plane’, was found on the runway of the La Moneda farm (2).
7. Henrique Diniz Junqueira/Agroganadera Aguaray - Estancia La Moneda (Fuerte Olimpo)

(2) https://www.ultimahora.com/hallan-avioneta-abandonada-una-estancia-del-chaco-n2798278.html
(3) https://deolhonosruralistas.com.br/deolhonoparaguai/2018/08/30/assassinatos-de-camponeses-e-crimes-ambientais-marcam-trajetoria-de-ivaldo-emidio-de-araujo-no-paraguai
(7) https://www.hoy.com.py/nacionales/ministro-de-agricultura-ofrecio-a-campesinos-una-reunion
(8) http://g1.globo.com/Noticias/SaoPaulo/0,,MUL152086-5605,00.html
(11) http://vastrate.com/strategies-para-la-intensificacion-de-la-recia-y-engorde-en-ganaderia-de-carni/
(12) http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ambiental/
(13) http://www.mades.gov.py/expediente/explotacion-agropecuaria-7/
(14) https://deolhonosruralistas.com.br/deolhonoparaguai/2018/08/30/assassinatos-de-camponeses-e-crimes-ambientais-marcam-trajetoria-de-ivaldo-emidio-de-araujo-no-paraguai/
Property Location

Yellow border – boundary of Bahia Negra (Alto Paraguay) / White border – boundary of Neufeld CIA SA (NECSA) farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

February 14, 2020

May 29, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>589; 588; 574</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>12,000</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>779 (4,450 ha between Jul 2018 - Jul 2020)</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>February 14, 2020 - May 29, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>541 (10 ha); 3161 (Loma Plata, Boquerón); 6055-6057; 6059-6064; 1021; 1050; 1057-1058; 1089 (under Froese Wiebe Ferdinand) (Mariscal José Félix Estigarribia, Boquerón): total 5,762 ha 2076 (Presidente Hayes)</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>At least 17,772</td>
</tr>
<tr>
<td>Commodity</td>
<td>Fuel, lubricants, cattle</td>
</tr>
</tbody>
</table>

The owner of the registries showing recent deforestation is Neufeld & CIA S.A. (NESCA) (1), a fuel and lubricants company established in 2002 by the Neufeld family. Andreas Neufeld Toews, one of the partners of NESCA, may have shares in at least four other companies: Inmobilaria El Sol SRL, Orgalco SRL, construction company Neufeld, and Sociedad Cooperativa Chortizer Komitee (2). Andreas was the president of the Cooperativa Chortizer Ltda in 2012 (see next case) (3). NESCA also operates service station Petrobras, located at a property (registry 2076) owned by the Civil Society Chortizer Committee (4). In his time as Vice Minister of Taxation (2004 - 2007), NESCA allegedly closed four contracts with the Paraguayan government worth $1,706 million PY between 2005-2006 (2).

Several registries linked to NESCA seem to have approved land use plans for land development (5, 6, 7). There is also an adjusted environmental declaration plan from July 2018 that approves the clearing of 4,620 ha on the 12,000 ha farm of Neufeld & CIA that covers registries 574, 588, and 589 in Bahia Negra, Alto Paraguay (8). With 4,450 ha of deforestation detected between July 2018 and July 2020, this deforestation remains within the maximum approved limits and can therefore likely be considered legal deforestation.

9. Cooperativa Chortizer (Puerto Casado)

Property Location

Yellow border – boundary of Puerto Casado (Alto Paraguay) / White border – boundary of Cooperativa Chortizer farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

March 10, 2020

May 24, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
9. Cooperativa Chortizer (Puerto Casado)

<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>1292</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>7,500</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>202</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>March 10, 2020 - May 24, 2020</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>98,636</td>
</tr>
<tr>
<td>Commodity</td>
<td>Cattle (beef and dairy products), edible oils, cotton, grains (e.g. soy, corn, wheat), nuts and seeds (e.g. peanuts, sesame)</td>
</tr>
</tbody>
</table>

The owner of the registry where the deforestation occurred is Cooperativa Chortizer (1). This cooperative is one of the three largest Mennonite cooperatives in Paraguay, with a total landbank estimated at 98,636 ha (2). In 2013, Gustav Sawatzky Toews succeeded Andreas Neufeld Toews as the elected president of the company. The company was formally incorporated in 1962, and its main services include credit and loan administration, trade and commerce, livestock trade, import/export; fodder, dairy and beef production (3). Its main branches, Lácteos Trebol and FrigoChorti, are producing dairy and beef, respectively. FrigoChorti reportedly "slaughters more than 200,000 heads of cattle per year and positions itself as an important Paraguayan exporter to the world market" (4). The majority of slaughtered cattle go to exports (70 percent), mainly to Chile (42 percent) and Russia (24 percent.) The remaining 30 percent is for the local market (5). In January and February 2020, the 29,775 animals transported to the Frigo Chorti slaughterhouse in Boquerón originated from departments PDTE Hayes (30 percent), Alto Paraguay (34 percent) and Boquerón (35 percent). Top supplying districts per department were Paratodo, Campo Boreal, and Col. Menno respectively (6). Cooperativa Chortizer is included in the 2020 cattle traceability system of Paraguay (7).

In 2006, Cooperativa Chortizer was accused of tax evasion (8). Reported total assets of the company reached $2.097 billion PYG, and net equity reached $903,607 million PYG in September 2017 (9). Together with Eaton y Cía S.A, Cooperativa Chortizer was the occupier of the traditional territory of the Sanapaná people. The court case Indigenous Community Xákmok Kásek vs State of Paraguay (10) in the Inter-American Court of Human Rights resulted in the resettlement of the community after 30 years in exile (11).
While land use plans for the clearing of native vegetation, mainly for the exploitation of livestock, were approved in district Puerto Casado between 2017-2019 for registries 427, 35, and 1907 (12, 13,14), no publicly available plan was identified for registry 1292 (15). Between March 10, 2020 and May 24, 2020, 202 ha were cleared on this registry. Cooperativa Chortizer has no public policy to protect forest in the Chaco (16).

(2) https://ditgrv79z0dh.cloudflare.net/sqs-public/fileAttachments/vv_jara_informe_oxamenparaguay.pdf
(4) http://www.frigochorti.com.py
(6) http://informacionpublica.paraguay.gov.py/portal#!ciudadano/solicitud/29227
(8) https://www.abc.com.py/edicion-impresa/economia/acusan-a-neufeld-de-encubrir-evasion-de-cooperativa-de-la-que-fue-gerente-886468.html
(10) http://www.corteidh.or.cr/docs/casos/articulos/seriec_214_ing.pdf
(12) http://www.mades.gov.py/expediente/plan-de-uso-de-la-tierra-explotacion-ganadera-43/
(13) http://www.mades.gov.py/expediente/plan-de-uso-de-la-tierra-explotacion-ganadera-19/
(14) http://www.mades.gov.py/expediente/estacion-de-servicios-para-expendio-de-combustibles-y-venta-de-lubricantes-ecop-las-palmas/
(15) http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ambiental/
10. Agroganadera Pyvithur (Villa Hayes)

Property Location

Yellow border – boundary of Villa Hayes (Presidente Hayes) / White border – boundary of Agroganadera Pyvithur farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

February 6, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser

March 12, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
### 10. Agroganaderasa Pyvithur (Villa Hayes)

<table>
<thead>
<tr>
<th>Registration (padrón)</th>
<th>4971</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm size(s) (ha)</td>
<td>9,618</td>
</tr>
<tr>
<td>Deforestation (ha)</td>
<td>400</td>
</tr>
<tr>
<td>Period of clearing</td>
<td>February 6, 2020 - March 12, 2020</td>
</tr>
<tr>
<td>Other registrations (padrón)</td>
<td>5256; 6395; 5574 (all in Mariscal José Félix Estigarribia)</td>
</tr>
<tr>
<td>Total land portfolio PY (ha)</td>
<td>24,618</td>
</tr>
<tr>
<td>Commodity</td>
<td>Cattle</td>
</tr>
</tbody>
</table>

Between February 6, 2020, and March 12, 2020, 171 ha of native vegetation was cleared on registry 4971, owned by Agroganaderasa Pyvithur SA. The property was likely bought in 2019 (1). Details on the ownership of this company could not be found.

While MADES approved several requests for clearing native vegetation by this company, these were not for the registry in question 4971, but rather for registries 6395 and 5256 in 2016 and 2018, and for registry 5574 in 2019 for 5,000 ha each in Mariscal Estigarribia, Boquerón (1, 2). The clearings were meant expand pasture area in the northern-central part of the Chaco, specifically for beef production (3). The farm is likely called Estancia Teniente (TTE) Prieto and is included in the cattle traceability system of Paraguay in 2020 (4).

Any publicly available approval for the recent deforestation of 400 ha in registry 4971 in Villa Hayes was not found (2). This registry borders indigenous land Enxet Sur belonging to the Makxawaya community (5). In 2018, 72 percent of the 39,829 MT beef trade volume exported from Villa Hayes was exported by Minerva (6).

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(2) http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ambiental/
(6) https://trase.earth/
Property Location

Yellow border – boundary of Villa Hayes (Presidente Hayes) / White border – boundary of Agropecuária Tabor/Grupo GP-Pereira farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

February 16, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser

April 11, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
Registry 15977 where 787 ha of deforestation was detected belongs to Agropecuária Tabor SA (1), which is linked to a Brazilian landowner with large tracts of land in the Paraguayan Chaco – Graciano Pereira Parini (2). He is the president of Grupo GPSA/Pereira (3), which produces soy, rice, and wheat (4). Other companies linked to Grupo GPSA/Pereira include Arrozales del Chaco SA (rice), Agrosan/Syngenta (agricultural inputs), GPSA (financial and technical support to producers), Lacto Sur (milk), and Agricola Santa Ana (ANA) (soy, wheat, corn). Agropecuária Tabor is linked to meat production certified for export (5). One farm of Agropecuária GP is called Estancia Santa Emilia (registry 9660; 1,999 ha) and is included in the cattle traceability system of Paraguay in 2020. Also farm Estancia La Paz produces cattle (registry 5070; 7,500 ha) (6, 7). MADES approved the land use proposed by Agropecuaria GP for 4,122 ha for cattle raising in 2019 for a 7,500-ha farm with registry 5040 in Villa Hayes, Presidente Hayes (8). Moreover, there is a 2015 land use plan for rice production, a grain storage silo, shipping port and charcoal production for registries 2596, 2848, 1412, and 2515, totaling 24,766 ha in the same district as registry 15977 (9). However, such a land use plan was not found to be publicly available for the registry in question in this report – 15977 (10).

In June 2020, the company was denounced by smallholders for the invasion of 900 ha in Villa Hayes, occupied by 60 peasant families for the past 50 years (11). In 2016, Grupo GPSA was one of the clients of Alpax, an investment bank based in Miami (12).

10. http://www.mades.gov.py/areas-tematicas/control-de-los-recursos-naturales/evaluacion-de-impacto/declaracion-de-impacto-ambiental/
12. Sanly Funk Siemens (Manuel Irala Fernández)

Property Location

Yellow border – boundary of Manuel Irala Fernández (Presidente Hayes) / White border – boundary of Sanly Funk Siemens farm / Red dot – location of cleared area

Alert Imagery (before and after clearance)

January 2, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser

May 26, 2020

Source: European Union, contains modified Copernicus Sentinel data 2020, processed with EO Browser
In 2019, the owner of this registry, Sanly Funk Siemens (1), was granted permission to clear 281 ha of land for livestock expansion. The remaining area is should be conserved as reserves (190 ha), borders (72 ha), and area for natural regeneration (12 ha), next to an existing pasture area (105 ha), chopping area (2 ha) and road infrastructure (8 ha) (2, 3). However, Rapid Response analysis on the registry points to deforestation of 324 ha of land between January 2, 2020, and May 26, 2020. Thus, 43 ha of forest appear to have been cleared without authorization.