

Mate on the Market: Fair Trade and the Gaucho's 'Liquid Vegetable'

Part two in a series

By Teo Ballvé

WHEN EUGENIO KASALABA AWOKE ON March 24, 1976, in Argentina's north-eastern-most province of Misiones, he and his father began the day with their usual routine of heating water and turning on the radio. But instead of the expected news program or an old tango, they heard an unmistakable sign of the coming terror: "Avenida de las Camelias," the Argentine military's favorite marching-band song, all across the radio dial, the same song. Stunned, Kasalaba muttered, "Papá, el golpe, el golpe" (Dad, the coup, the coup). Without taking his eyes off the radio, his father replied, "Come, let's have a mate."

Even in the worst of times—or especially in the worst of times—drinking an infusion of yerba mate (pronounced yer-bah MAH-tay) is a fixture of daily life for many in Argentina, Chile, Paraguay, Uruguay, and southern Brazil. Drinking the bitter, tealike beverage is usually a collective ritual, a chance to relax and socialize. In some areas, people carry thermoses of hot or cold water for it like extra appendages. The water is poured into a mate-filled cup usually made from a small, dried gourd, a serving method first passed on by indigenous groups to the gauchos, the mestizo cowboys of Argentina's rugged frontier days. The gauchos were the first to popularize mate, which they called their "liquid vegetable."

That morning when Kasalaba heard the dictatorship's broadcast, he was a young member of the Misiones Agrarian Movement (MAM), an organization representing mate growers based in the town of Oberá. The military dictatorship's first communiqué in the area called for the arrest of Pedro Oreste Peczak, the MAM's secretary-general, and his wife. Anyone found aiding the couple, the announcement added, would be arrested. Eight months later, members of the MAM

went to the morgue to identify their leader's mutilated body. Kasalaba now holds the post once occupied by Peczak. His biggest fear is no longer the military; it's the market.

In the last 15 years, mate has quietly bloomed into a multimillion-dollar global industry, with a growing consumer base in Asia, Europe, North America, and the Middle East. International sellers are trying to position mate—packed with vitamins and minerals, including more antioxidants than green tea—as a healthy alternative to coffee, with a milder caffeine buzz. Meanwhile, a handful of initiatives are banking on the organic and fair trade markets as a way for small-scale mate producers to make a sustainable living without damaging the environment.

Since commercial mate cultivation began in the early 1900s, growers in Argentina, Brazil, and Paraguay—the only countries where it is grown—enjoyed hefty government support. As far back as 1935, the Argentine government began instating production controls, fixed prices, subsidies, and other assistance through the Yerba Mate Regulatory Commission (Comisión Reguladora de la Yerba Mate, or CRYM). For decades the CRYM provided a steady balance between large and small producers. In 1991, however, the radical free market reforms introduced by President Carlos Menem liberalized the mate industry and dissolved the CRYM.

Suddenly unfettered, large mate companies seized the opportunity and dramatically increased production. The lack of government regulation, together with overproduction, caused a precipitous drop in prices. Before the 1991 reforms, a campesino with 25 acres could make about \$10,000 from the yearly mate harvest, but by 2001 the same yield garnered only \$1,000.

In the last 15 years, mate has quietly bloomed into a multimillion-dollar global industry.

Teo Ballvé is NACLA's Web editor. A journalist based in Colombia, he edited, with Vijay Prashad, *Dispatches From Latin America: On the Frontlines Against Neoliberalism* (South End Press, 2006).

“In a lot of ways, the 1990s were worse for the MAM than the dictatorship,” says Ramón Martín Enríquez, a MAM member and former detainee. In what he calls a mass exodus, economically displaced campesinos sold their family farms to large mate companies, which were better equipped to absorb the economic shock. Although increasing concentration of the mate industry began in the 1980s, the neoliberal reforms were a tipping point. Today, four companies control 80% of the national market.

In 2001, members of the MAM launched their own mate brand using the organization’s commercial arm, the Cooperativa Río Paraná, which groups together 50 mate-growing families. They named it Titrayju, an abbreviated combination of *tierra, trabajo, y justicia* (land, work, and justice). Along with providing a living to its members, Titrayju also tries to make a minimal environmental impact through organic production and other eco-friendly farming methods—careful soil preservation, not cutting down trees, and traditional processing—which are critically important in Misiones, a biodiversity hotspot. A third of the province has been deforested by clear-cutting, overgrazing, intensive agriculture, and heavy rains; most of the deforested area is now permanently unproductive.

Titrayju’s debut coincided with the dramatic collapse of Argentina’s neoliberal political and economic system. Yet the following years proved to be boom times for the brand. The unprecedented network of social movements that exploded across the country after the collapse—including neighbor-



Tending to mate seedlings in Argentina

hood assemblies, worker-run factories, community dining halls, and barter clubs—became its consumer base. The social upheaval allowed Titrayju to easily fulfill its strategy of circumventing all intermediaries and selling a value-added, finished product directly to the consumer. The result was grassroots, word-of-mouth marketing. Titrayju soon became known as the “yerba of the *piqueteros*,” as Argentina’s militant unemployed workers are known.

“I guess you can say that with the 2001 crisis, Titrayju became fashionable,” Enríquez says, chuckling. “Social organizations appropriated it as a symbol.” He adds that Titrayju encouraged the movements to resell it to “make a few cents” for themselves.

But since the election of left-leaning president Néstor Kirchner, Titrayju has fallen on hard times. “It’s been really hard for us lately, because all those organizations that supported us so much simply disappeared,” Enríquez laments. Today,

most sales are limited to socially oriented markets and fairs or specialty stores. When the Buenos Aires city government offered to buy 2,000 pounds of mate in 2003, Titrayju lost the sale to a large company that offered the same amount for a few cents less per pound. “Sometimes consumers are unwitting accomplices to the exploitation hidden behind lower prices,” a MAM representative told a Buenos Aires newspaper.

Kasalaba says small-scale agricultural producers ought to establish a national organization capable of regulating prices and providing financial and technical support to farmers. He adds that the government should institute a “social quota” by signing a minimum number of procurement contracts with organizations representing small producers.

Until that happens, Titrayju is intent on winning over Argentine customers with what its producers say is a superior, albeit slightly more expensive, product. And although Titrayju’s mate follows the social and environmental prescriptions of international organic and fair trade standards, it is not officially certified as such. When asked if they have considered selling Titrayju abroad, Kasalaba and Enríquez wave their hands dismissively. They have a hard enough time reaching Argentine consumers, Enríquez says, and international sales involve too much bureaucracy and expensive certifications.

YERBA MATE (*Ilex paraguariensis*) is a shrubby tree, not an herb, as the Spanish word *yerba* in its name would suggest. It is native to the south Atlantic rain forest, a once

UPDATE

vast chain of ecosystems on the eastern fringe of South America that covered 5 million square miles. Only 8% of the forest remains intact.

In the 17th century, the Guaraní and smaller indigenous groups introduced mate to Jesuit missionaries, who initially spurned the drink and banned it. Later realizing they could profit from mate, the Jesuits encouraged its cultivation in their missions, which dotted the modern-day tri-border region shared by Argentina, Brazil, and Paraguay—the heart of the Guaraní's historic territory and the center of the modern mate industry.

A small company called Guayakí leads one of the pioneering fair trade and organic mate efforts in the area. The founders named the company after the local Aché Guayakí, a tiny indigenous group on the Paraguayan side of the border. In 1996, Argentine Alex Pryor was still a food science major at Cal Poly university in San Luis Obispo, California, when he met Californian David Karr, who studied business. Pryor persuaded his friend to help him build a mate company.

From its humble start in a Volkswagen van, Guayakí has expanded across the hemisphere. It has a Buenos Aires office in charge of purchasing the mate as well as the company's social and environmental initiatives. Its other office in San Luis Obispo takes charge of processing, packaging, sales, and marketing. Although its products are available only in North America, Guayakí is hoping to expand into Europe soon. The company caters to North American palates with a creative product line, including flavored iced mate in bottles, as well as Mate Latté



New Age appeal: Guayakí mate is aimed at wealthy, health-conscious North Americans, with flavors like Pure Mind and Empower Mint.

and Mate Chai Latté concentrates. Its marketing relies heavily on New Age appeal with drink names like Pure Mind and Empower Mint.

In its promotional material, Guayakí calls itself a “mission-driven” company that “strives to work directly with growers” in creating “economic models that drive rainforest restoration while paying a living wage.” The company owns no land, relying on a handful of growers in Argentina, Brazil, and Paraguay who earn twice the going market rate for conventionally grown mate. It also pays all its growers’ organic and fair trade certification costs. At harvest time, the company holds workshops to train field workers in organic methods, and it requires insurance and social security benefits for any contracted workers.

In Andresito, a tiny Argentine town near the Brazilian border, mate farmer Alfonso Werle and his family greet Guayakí's quality-control specialist, Raúl Bernardo Kölln, who has

come to pay a visit, with a huge lunch of various barbecued meats. Werle, with his white-blond hair and deep blue eyes, looks typical of the northern European-descended settlers of Argentina's old northeastern frontier. When the Werle family began working with Guayakí in 2002, they started transforming their farm into a shade-grown mate producer, a process that will continue for three more years.

“Our mate fields had been totally abandoned for years, because mate wasn't worth anything, so it was organic by default, but worthless,” Werle remembers. “Then Alex [Pryor] came with his offer.” The family maintains a meticulous handwritten

log that documents, parcel by parcel, the native trees they've planted over the years. “We're really helping the environment by having native trees shadow our mate,” Werle says. “And economically, at least so far, we've done pretty good.”

The 60-acre farm lies within El Yaguareté Wildlife Refuge established by the Fundación Vida Silvestre Argentina, a local affiliate of the World Wildlife Fund. El Yaguareté, which means jaguar in Guaraní, buffers the Argentine side of the park made famous by the massive Iguazú Falls. Guayakí prefers working with growers in areas near national parks and wildlife preserves—zones considered high priority for conservation. By providing an economic incentive for reforestation and conservation to its mate growers, the company tries to create buffer zones and wildlife corridors near ecologically sensitive areas.

The Werles' first organic harvest came in 2004. With the money, they

bought a pickup truck and later took a vacation—their first—to Buenos Aires. Alfonso's wife, Gladys, proudly shows a small photo album of the family vacation in "the big city." Turning to the last page, she adds, "The next harvest money is mine. This time, I've decided we need a new house."

ABOUT 240 MILES ACROSS THE border from the Werles, in eastern Paraguay, lies Kue-Tuvy, an Aché Guayakí community of 40 families on the edge of the Mbaracayú Biosphere Preserve. Five years ago, after Kue-Tuvy's residents broke away from a larger group of Aché families, Guayakí representatives approached the community with a proposal for them to organically cultivate mate beneath the rainforest canopy. According to Nelson Garay, Guayakí's head of production in Paraguay, "They left the other group because these Aché [from Kue-Tuvy] wanted to be more traditional, to take better care of the environment. They didn't agree with selling timber to loggers."

The community has since planted 40 acres of mate without cutting down a single tree. The coming harvests will yield badly needed income for the Kue-Tuvy Aché, who are predominantly hunter-gatherers. "It provides an alternative to the monoculture you can see all around us: soy, cotton, corn," Garay says.

Indeed, Kue-Tuvy's lush 12,000 acres is a rainforest island amid an agro-industrial sea of soy. Over the decades, through a cycle of agricultural booms, eastern Paraguay has progressively lost its native forest to monoculture—almost 23 million acres since 1940. Soy is the latest boom. Acreage devoted to it grew fivefold in the last decade, and soy agribusiness now accounts for half the country's exports and 10% of its GDP. The eastern half of the coun-

try is paved with more than 5 million acres of it.

The Kue-Tuvy Aché have exclusive hunting rights inside the Mbaracayú preserve, and they use the forest for most of their subsistence needs. But they still need cash for buying finished products and for making community improvements. The Guayakí project is intended to provide a revenue stream that does not require the Aché to leave the community.

Although cultivating mate is new to Kue-Tuvy, the plant has long been part of the Aché's ethobotanical repertoire. Their first mate harvest will not be for another two years, but already the question of how the profits will be spent is causing controversy in the community. When Guayakí's Garay recently visited Kue-Tuvy, most of the community was out in the jungle hunting, trailed by a documentary film crew. Chachugi, a community leader not closely involved with the Guayakí project, complained to Garay that he feared the two community members hired by Guayakí to lead the mate project would squander or steal the money. Garay tried to assuage his concerns and promised to return when the entire community was present to hold a meeting about managing the funds.

"But I'm not here to tell them how to spend the money," Garay says. "I'm not here to act like their father. I am just going to suggest ways to make sure the money is spent in a transparent manner so that the entire community benefits and has a say."

According to Raúl Kölln of Guayakí, despite a number of fair trade and organic mate projects in the area, their collective market share is merely "a grain of sand, a tiny one, in a huge market." He continues, "It's a niche that is just beginning, but we're betting that it will keep growing and that organic will take a larger share."

Guayakí has concentrated its efforts on a still expanding base of international consumers. In North America and Europe, the company is trying to tap an existing base of wealthy, health-conscious buyers who are accustomed to paying a premium. The company's concern for small producers and the environment seems genuine, if a bit romanticized and purposefully exotic for marketing to foreigners. When asked why they don't also sell their products locally, Kölln responds, "Consumers in Argentina don't have that culture of paying more for something because it was produced in a certain way."

Titrayju is realizing this the hard way. Since most social organizations created during the 2002 upheaval have either dissolved or been co-opted by the government, the small company is struggling to stay afloat. In its heyday, Titrayju's cooperative was arguably helping far more families than Guayakí, but it has come up against that ever-stubborn guardian of capitalist economics: price. With the spirit of solidarity now a faint memory, most Argentine consumers still follow the bottom line. **□**



Investigación Periodística
para el Desarrollo Sostenible

This article originated from a winning proposal for the AVINA Investigative Journalism Grant. The AVINA Foundation assumes no responsibility for its contents.