

ARATEX ORGANICA

QUALITY EVERY STEP OF THE WAY

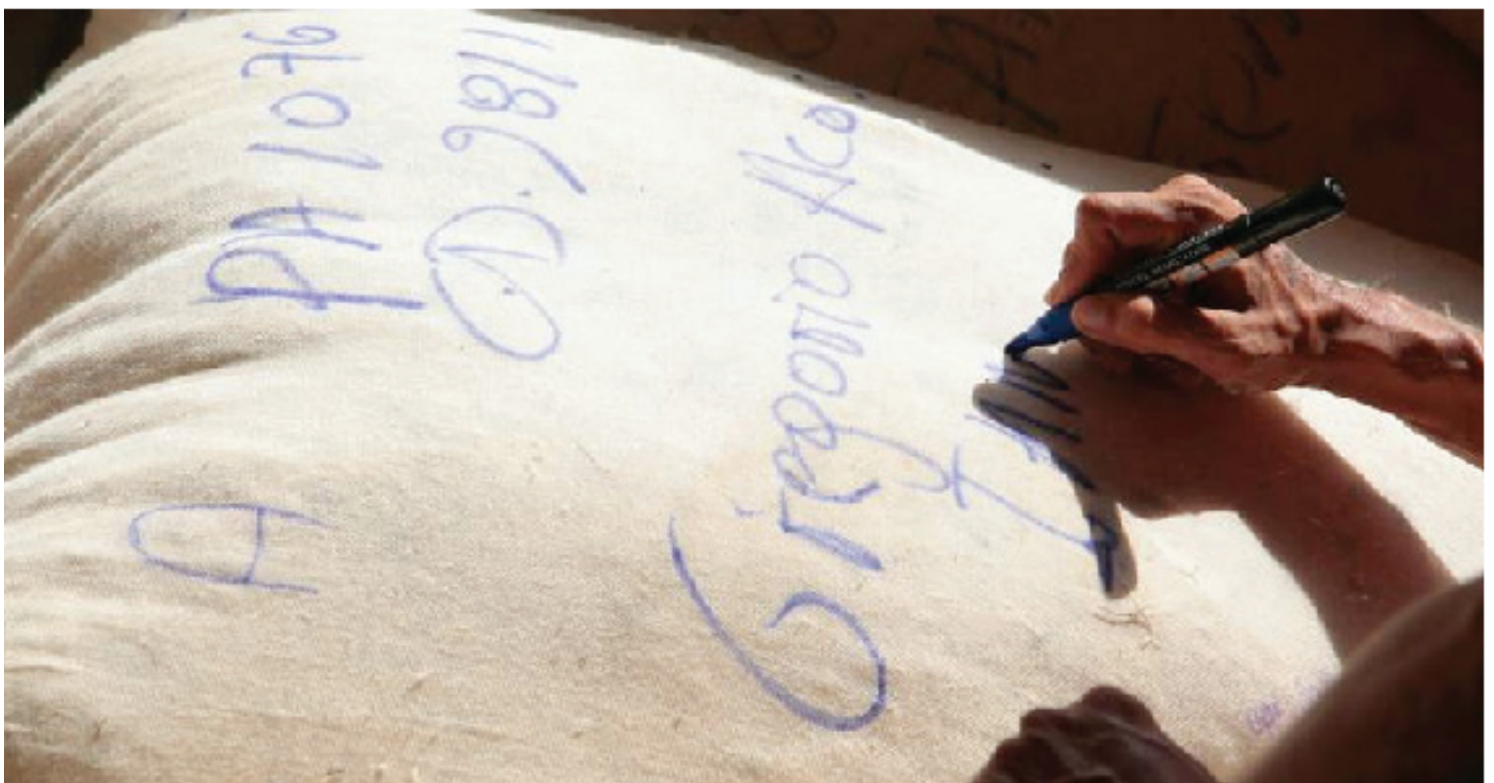
The Aratex vision is to develop a sustainable agro business, with social and environmental responsibility. The company, which was established in 2008, coordinates and controls the whole cotton supply chain, from the seed production, through to finished garments. Aratex promotes organic production of cotton by offering better prices, support for crop diversification and subsistence production as well as offering technical assistance and organic seeds at low cost. Fiber, yarn, fabric, garments are exported to Italy, Germany, Switzerland, Spain, UK, Slovenia, USA, Argentina and Brazil. In Paraguay, products are sold from stores located in Asunción.



Aratex Orgánica was established in 2008. However, it was back in 2002 that S.A. Arasay Orgánica – the company that founded Aratex – first began producing organic cotton in Paraguay. This first stage began with 25 small farmers located in just one county of the country. The management of the cotton supply chain began with a focus on seed production through a breeding programme with small scale farmers certified by IMO-Control in Switzerland. It took one year to begin the industrial

processing and just two years later garment manufacturing commenced.

In January 2008 the business unit related to the organic cotton production was sold to Promover S.A. and from this moment started the new name Aratex Orgánica. Nowadays Promover S.A. continues the farm production, industrial processing, garment making and commercialization of all the organic cotton products under the new brand Aratex.



Fact File:

- Eight hundred small farmer families, from which 600 have the Aratex certification, benefit from the support and assistance Aratex provide.
- Total certified area reaches 4,500 ha, from which 500 ha are designated to organic cotton production.
- Production is being carried out in several Paraguayan counties: Guairá, Caaguazú, Caazapá, Paraguari, Misiones, Itapúa and Ñeembucú.
- Aratex Organica is responsible for the planning and design of products from cotton planting to finished products.
- Aratex has the organic certification NOP/GOTS with IMO-Control Switzerland, along with the Social Responsibility standard “Fair for Life”.
- Aratex coordinates and controls the whole cotton supply chain, seed production, ginning, carding, bleaching, dyeing, manufacturing, and outsources the services of the best factories and manufacturers in Paraguay.
- The range of products includes: fibre, bleached cotton (for personal and health care), yarn, woven and knitting fabrics, garments, sheets, and bags.

Success Factors:

- **Protecting from GMO and developing high yields -** Aratex provides organic seeds at low costs and places high importance on genetic development
- **The Synergy Between Quality and Sustainability** - As part of their philosophy, Aratex develops sustainable agro-business with a “total quality” from seed to final product. “Comprehensive Quality” includes the economic, technical, social, environmental and cultural.
- **Investment in research and competitive edge -** Aratex make advances in-house rather than rely on external developments.
- **Diversifying markets -** by establishing a presence in both export and domestic markets Aratex spread their business risk.

Farmer benefits

Working closely with farmers - Technical Assistance

In addition to purchase safety, long-term business relationship, payment of a premium over the conventional price Aratex also offers producers support through training programs. Aratex offers free capacity building workshops and agricultural technical assistance during the whole year, covering issues such as, soil management, fertilization, crop diversification, harvest and post harvest management. The technical assistance to farmers is carried out by technicians working for Aratex, and also by technicians who belongs to another 12 allies: 4 NGO; 2 companies and 6 cooperatives and farmer associations. This collaborative approach ensures that all farmers are able to access services and support during harvest time which begins in July with the production planning and is followed in September-

November by seed distribution and sowing and finishes in March- June with harvest and bulking times.

Crop diversification and subsistence production

Aratex also provides support for the development of other crops on the farms. Diversification and additional food items on the farm contributes to food security and opens up opportunities for commercialisation of additional crops produced on the farm.

“The greatest benefit of growing organic is not having to use poison in the field. Growing different crops – sugarcane, corn and beans as well as the cotton – means we have food for our family and a second stream of income from the sugar cane.”

Apolonio Ríos -organic cotton farmer for Aratex and father of five.

This began at a small scale with stevia and lemon verbena; for the 2010/2011 crop Aratex is encouraging farmers to work with sesame seed and coconuts as additional cash crops, but ultimately, the decision rests with the farmers.

Continuous improvement

Aratex dedicate their efforts and energy on continuous improvement in all areas; agricultural yields and quality and efficiency in production and industrial processes.

Aratex is currently working on debugging a very suitable seed for the organic crop – the seed REBA ARATEX. This comes from the mother seed REBA P279, a variety that adapts quite well to the Paraguayan microclimate, offering a middle/long staple of very high quality, very resistant to pest and climate change, as well as providing better performance and high yields.

“Through the development of our supply chain we achieve a broad and comprehensive whole process:

- *We are part of the story behind each of our products.*
- *We want this story to reach the consumer, for he too is part of it.*

We want to unite the producer with the consumer, giving Soul to a product”.

Olga Segovia, Aratex Orgánica

Customers

Aratex pride themselves on dealing with customers and suppliers with an open mind and the best disposition, believing this is the foundation for growing together and exploring new business alternatives.

Products

Aratex coordinates and controls the whole cotton supply chain, from the seed production, including stages such as: ginning, carding, bleaching, dyeing, manufacturing, outsourcing the service of the best factories and manufactures from Paraguay. The range of products includes: fibre, bleached cotton (for personal and health care), yarn, woven and knitting fabrics, garments, sheets, and bags.

Fiber, yarn, fabric, garments are exported to Italy, Germany, Switzerland, Spain, UK, Slovenia, USA, Argentina and Brazil. In Paraguay, products are sold from stores located in Asunción.

For more information on Aratex please visit: <http://www.promover.com.py/ingles/html/empresa.htm>



Farmer training



Farming with livestock



Organic seed cotton



Aratex Products



A Unique Focus on the Entire Value Chain - Improving the Lives of Over One Million People

Through the work of Textile Exchange, and funding from our key partner ICCO, we now positively affect the lives of over 220,000 organic cotton farmers worldwide. Conservative estimates show that each farmer in the Global South has responsibility for a household of five people. This means that TE programs have directly and positively impacted the lives of over 1,110,000 people in developing countries.

TE's methodology is unique and innovative in many respects, including:

- Textile Exchange takes a global approach to developing markets. This is particularly effective given the global nature of cotton production and consumption.
- We build demand and supply simultaneously. Engaging with farmers through to brand and retailers to help increase fiber production and enables suppliers to create short- and long-term production schedules. Our efforts culminate in consumer education, highlighting farmers and farming innovations, beautiful yarns and fabrics, and highly desirable products.
- TE is unique in that we focus on the entire value chain, from seed procurement through to retail. We provide models and tools for collaborative planning, problem solving, product development, and point of purchase materials.