

Paraguay's Animal Protein Shift

From Beef Exporter to Diversified Food Platform

Paraguay's livestock economy is entering a different phase. Beef remains the dominant export product, but the strategic story is becoming broader: higher-value markets, individual animal traceability, stronger sanitary controls, rapid growth in pork and poultry, and new trade openings in Asia, Europe and North America. For foreign investors, the opportunity is increasingly found not simply in owning cattle, but across the entire animal-protein value chain.

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Paraguay has long had the natural conditions associated with competitive livestock production: extensive grazing areas, a relatively small domestic population, a large agricultural base and a central position between Brazil, Argentina and Bolivia.

For years, however, the international investment case was relatively simple. Produce cattle efficiently, process beef and export primarily to established regional and specialist markets.

That model is changing.

Paraguayan beef generated a record **USD 2.13 billion in export revenue in 2025**, almost 20% more than the previous year even though exported volume increased by less than 1%. Across all animal products and by-products, exports reached approximately USD 2.69 billion.

The significance lies not only in the number.

Revenue grew much faster than physical volume. Paraguay was therefore extracting more value from broadly stable beef shipments rather than depending exclusively on continual expansion in slaughter.

The first half of 2026 reinforced that pattern from the opposite direction. Beef export volume fell substantially to **132.3 million kilograms**, yet the average FOB price rose to approximately **USD 6.81 per kilogram**, cushioning the effect on export earnings. Chile accounted for about 33% of beef exports during the period, followed by Israel at 17%, the United States at 15% and Taiwan at 12%.

For investors, this is important because the next stage of Paraguay's livestock development is likely to depend less on simply increasing the number of animals slaughtered and more on **productivity, market access, traceability, processing and value segmentation**.

Beef remains the anchor — but cattle supply is now a constraint

Paraguay's cattle herd currently stands at approximately **12.77 million head**, according to SENACSA. That is below the levels of nearly 14 million recorded roughly a decade ago.

The decline reflects a combination of climatic pressures, high slaughter rates and herd dynamics. SENACSA reported in April 2026 that cattle numbers appeared to be reaching a floor and that herd rebuilding was beginning, supported partly by lower female slaughter and stronger numbers in younger categories.

This creates an unusual investment environment.

International demand for Paraguayan beef has broadened, export prices are relatively strong, and additional markets are opening. But the immediate supply of cattle is not expanding at the same speed.

That means the investment opportunity is not simply “more slaughter capacity”.

If processing capacity grows faster than the cattle herd, competition for animals increases and processor margins can come under pressure. The strategically important part of the chain therefore begins further upstream.

Breeding efficiency, genetics, pasture productivity, water infrastructure, animal nutrition and reproductive performance become increasingly important.

A national herd of 12.8 million animals does not have to remain static. Higher calving rates, lower mortality, improved genetics and better pasture management can increase beef output without requiring a proportional increase in land use.

This distinction is particularly relevant in the Chaco, where large-scale livestock operations must manage water, heat, transport distances and variable pasture conditions. The region can support significant production, but successful investment depends much more on operational management than on acquiring inexpensive land.

Traceability is changing the economics of cattle production

Perhaps the most important structural reform in Paraguayan livestock production is the **Sistema de Identificación Animal del Paraguay (SIAP)**.

Created by Law No. 7221/2023, SIAP establishes a mandatory system of individual animal identification, beginning with cattle and buffalo. Each animal is identified and registered in a digital system designed to allow traceability through the production chain.

Implementation has been rapid.

By March 2026, Paraguay had individually identified approximately **4 million cattle**, representing around 31% of the national herd. This followed almost 2.8 million animals identified during the initial 2025 implementation phase.

For an investor, traceability should not be viewed merely as another compliance obligation.

It changes the commercial value of information.

An animal that can be traced from origin through movement and slaughter can potentially qualify for markets, certification programmes and customer requirements that anonymous commodity production cannot satisfy.

Paraguay already operated the SITRAP traceability system for farms supplying markets requiring detailed individual information. SIAP goes further by gradually extending individual identification across the national herd.

This can eventually support segmentation.

A producer may be able to distinguish grass-fed production, specific genetics, verified origin, age, sanitary history or production protocol. The meat industry can then sell different products to different buyers rather than treating all cattle as economically equivalent.

That creates opportunities for technology providers as well as livestock investors: identification devices, farm software, data integration, animal-health monitoring and traceability services all become more relevant as the system matures.

Market access is becoming more diversified

Paraguay’s beef export geography has changed considerably.

Chile remains the principal market, but the United States has become increasingly relevant following the reopening of the US market to Paraguayan beef in late 2023 after a 25-year absence. In 2025 Paraguay also began shipping kosher beef to the United States.

Israel remains an important destination, while Taiwan has become strategically significant across several Paraguayan meat categories.

Europe remains smaller in volume but important in value and standards.

In February 2025, the European Commission's Directorate-General for Health and Food Safety successfully concluded its evaluation of Paraguay's official control and certification systems for beef and offal destined for the European Union, following an audit conducted in 2024.

The EU-Mercosur agreement could create additional opportunities, although investors should understand its limitations.

The European framework provides for a Mercosur-wide beef quota eventually reaching **99,000 tonnes at a 7.5% tariff**, of which 55% is intended for fresh or chilled beef and 45% for frozen meat. The quota applies to Mercosur as a bloc rather than to Paraguay individually.

This has already generated an intra-Mercosur issue.

In July 2026 Paraguay publicly called for a more balanced allocation of the initial beef quotas among the four member states, arguing that the absence of a predetermined national distribution could disadvantage a smaller exporter competing with Brazil and Argentina.

For investors, the lesson is that tariff access is valuable, but commercial advantage will still depend on quota management, certification and the ability to supply premium segments.

Turkey and Japan illustrate the next stage of market diversification

Market diversification is not limited to the EU.

In June 2026, Turkey approved Paraguay as an eligible country for exports of beef and live cattle following a technical audit. Establishment-level evaluation and final operational approvals remain part of the process before meaningful trade can develop.

Asia may ultimately be even more important.

Paraguay does not currently export beef to every major Asian market, but the direction of policy is clear. In June 2026, Mercosur and Japan formally launched negotiations for an Economic Partnership Agreement. Japan is one of the world's most sophisticated food-import markets, and expanded agricultural access would be strategically significant for Paraguay if negotiations eventually produce meaningful tariff concessions.

This is precisely where individual traceability, sanitary control and consistent carcass quality become commercially relevant.

Market access alone does not create premium pricing. Producers must be capable of supplying the specification the market requires.

Pork is emerging as a second export story

One of the most interesting developments is taking place outside the beef sector.

Paraguayan pork exports increased **54% in volume during 2025**, while export revenue rose almost 67% to approximately **USD 55.8 million**. Taiwan became the principal destination.

Growth continued in 2026.

During the first four months of the year, pork export volume was up approximately 34% and revenue almost 47% compared with the same period of 2025. By the first half of 2026, Taiwan was absorbing roughly 86% of Paraguayan pork exports.

In July, Paraguay made its **first pork shipment to the Philippines**, sending more than 27 tonnes of bone-in baby back ribs.

The numbers remain small relative to beef, but the investment implications are different.

Pig production uses land very differently from cattle ranching. It depends more heavily on feed conversion, genetics, climate-controlled facilities, veterinary management and integrated processing.

Paraguay has an obvious feed advantage because it is already a large producer of maize and soybeans.

This creates the possibility of converting agricultural commodities into higher-value animal protein before export rather than exporting the feed ingredients themselves.

For investors, pork therefore connects three existing Paraguayan strengths: grain production, relatively low operating costs and expanding access to Asian markets.

Poultry may follow the same route

Poultry is developing from an even smaller export base, but the speed of market opening is noteworthy.

During the first half of 2026, poultry exports increased approximately **74% by volume** compared with the same period of 2025. Iraq was the principal destination, followed by Vietnam, Kosovo and Albania.

A further step occurred in July when Paraguay shipped its **first poultry container to Taiwan**, shortly after the Taiwanese market was formally opened to Paraguayan chicken.

The initial shipment involved 150 tonnes, and the exporting company indicated that it ultimately aimed to increase shipments towards 500 tonnes per month. Taiwan imports more than 250,000 tonnes of chicken annually, according to figures cited during the launch.

Again, the absolute numbers are still modest.

But the direction matters.

Paraguay is beginning to move from a livestock-export model dominated almost entirely by cattle toward a broader **animal-protein platform**.

That diversification reduces reliance on cattle cycles and allows the country to use grain production more intensively.

It also creates demand for feed mills, hatcheries, genetics, veterinary products, cold storage, slaughtering, packaging and logistics.

The sanitary system is part of the investment infrastructure

Foreign investors often focus heavily on tax rates, electricity prices and labour costs.

In food exports, sanitary infrastructure can be just as important.

SENACSA reported that Paraguay has access to more than **100 international markets for animal products and by-products**, while continuing negotiations for additional openings.

That market access depends on inspection capacity, laboratories, epidemiological surveillance and disease-control systems.

Paraguay is also preparing a long-term transition towards recognition as a country free from foot-and-mouth disease without vaccination. In 2026 SENACSA created a management structure for the transition and conducted emergency-response exercises with technical support from the Pan American Foot-and-Mouth Disease Center.

This is a technically demanding process.

Paraguay currently protects its cattle population through vaccination. During the first 2026 vaccination period, approximately **12.74 million cattle – 99.7% of the herd – were vaccinated.**

Moving eventually towards non-vaccination status could improve access to certain high-value markets, but only if surveillance and emergency-response capacity are sufficiently robust.

Investors should therefore view animal-health institutions as part of Paraguay's productive infrastructure in the same way they would evaluate electricity, roads or ports.

The investment opportunities are broader than ranch ownership

The most obvious foreign investment in Paraguayan livestock is the acquisition or development of ranches.

That remains relevant, particularly in the Chaco and other established cattle regions.

But the strongest long-term opportunities may increasingly lie elsewhere in the chain.

Higher productivity requires better genetics, reproductive technology, pasture management, water systems and animal-health services.

Traceability requires digital infrastructure and farm-management systems.

Export diversification requires processing facilities able to produce different cuts, packaging formats and certifications for different markets.

Growth in pork and poultry requires feed manufacturing, climate-controlled production, breeding stock and integrated veterinary services.

All meat exports require reliable refrigerated logistics.

As export destinations become geographically more diverse, cold-chain management becomes increasingly sophisticated. Shipping chilled beef to Chile is operationally different from supplying frozen kosher meat to the United States or pork to Taiwan.

The emergence of the Bioceanic Corridor could eventually add another dimension by improving road access from productive areas in western Paraguay towards Brazil and Pacific routes, although border efficiency and completion of remaining infrastructure will determine the practical value for refrigerated cargo.

The value chain is therefore becoming deeper.

That is normally a more attractive environment for foreign investment than one based principally on land appreciation and commodity volume.

Environmental due diligence will become more important, not less

Livestock investors also need to treat land-use regulation and environmental compliance as core project issues.

The Paraguayan Chaco has experienced substantial agricultural expansion and international scrutiny over land conversion. Access to European markets in particular increasingly involves requirements extending beyond conventional veterinary certification.

EU food-safety rules continue to apply fully to Mercosur imports under the EU–Mercosur agreement, while sustainability obligations are also becoming more relevant in international agricultural trade.

The practical implication is straightforward.

An investor buying a ranch should not analyse only soil, pasture, water and carrying capacity. Legal title, permitted land use, existing forest obligations, historical land conversion and traceability of production are increasingly part of the commercial value of the asset.

A cheaper property with uncertain environmental or documentary history may ultimately be less valuable than a more expensive operation capable of supplying demanding export markets.

The sector's next constraint is productivity

Paraguay does not need to choose between extensive cattle production and modern agribusiness.

The real challenge is increasing output and value from the existing productive base.

A cattle herd of roughly 12.8 million head, stronger international prices, broader market access and expanding individual traceability create favourable conditions. But they also expose the limits of a strategy based mainly on increasing slaughter.

Herd rebuilding takes time.

The faster route to higher output is productivity: more calves per breeding cow, higher daily weight gain, shorter finishing periods, better genetics and lower mortality.

In pork and poultry, the equivalent variables are feed conversion, disease control, genetics and plant utilisation.

This is why foreign capital with technical expertise may matter as much as foreign capital itself.

The next phase of Paraguayan animal protein is likely to reward investors who bring production systems, technology, processing knowledge and access to customers rather than simply financial resources.

Conclusion: from cattle country to protein exporter

Paraguay will remain fundamentally important as a beef producer.

But describing the country only through cattle increasingly misses the direction of change.

Beef export revenues reached record levels in 2025 even without substantial volume growth. Individual cattle identification is expanding rapidly. The United States has returned as a major market. European certification remains in place, while EU–Mercosur implementation could gradually improve access. Turkey has moved towards opening its market, and Japan has entered formal trade negotiations with Mercosur.

At the same time, pork exports are expanding quickly, poultry is entering new Asian markets and the broader livestock industry is beginning to diversify beyond cattle.

For international investors, this changes the question.

The opportunity is no longer simply whether Paraguayan land can produce cattle cheaply.

It is whether Paraguay can convert **grain, pasture, animal health, traceability and processing capacity into higher-value protein for a growing range of international markets.**

The evidence from 2025 and 2026 suggests that this transition is already under way.

Sources

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5. **SENACSA / Agencia IP:** Turkey market-opening process for Paraguayan beef and live cattle.

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