



Feature No. 36: Ouro Verde Amazônia



In 2002, an adventurous professor from the University of Sao Paulo and his wife moved to the rural southern region of the Amazon. They took with them little more than seed financing from the Brazilian government and a dream of helping to reverse the resource extraction practices that threatened the rainforests. Five years later, Luiz Fernando Laranja da Fonseca is the director of a company that has helped to revitalize the declining Brazil nut industry of Mato Grosso in a way that protects the valuable regional ecosystem services and generates income for local farmers.

The name of Luiz's company, Ouro Verde, literally translates to "Green Gold," an apt title given the value his company has found in sustainably harvesting the Brazil nut. This highly versatile food product is native to the region of Mato Grosso, where Ouro Verde's primary operations are located. The company gives local farmers a viable alternative to the practice of unsustainable logging – suppliers harvest the Brazil nut which Ouro Verde is able to buy at a premium, adding value to the product by manufacturing Brazil nut-based cooking oils, butters and granulated powders. Ouro Verde goes further to ensure that a significant portion of its profits are shared with producers and reinvested in the community, as it has effectively cut out expensive middlemen by creating partnerships with local municipal governments to provide transportation and direct market access.

Aside from the clear social and environmental benefits Ouro Verde generates through its fair trade practices, Luiz adds that his company is expanding rapidly as it has tapped into a profitable and growing niche market of health conscious consumers. His company's market research has found that consumers prefer Brazil nut products as a healthy, omega 3 rich substitute for conventional cooking oils and food products. Despite the difficulties many Brazilian entrepreneurs face in trying to start up a business, Ouro Verde has been able to successfully create a presence in key markets. In Brasilia for example, Ouro Verde products were bought by vendors at 30 points of sale within the first three months of its arrival in the city. Ouro Verde products are now sold in over 100 stores throughout the country, and after being awarded as a winning enterprise of the New Ventures Brazil Investor Forum in 2006, the company has gained interest from a number of potential investors.



Luiz is now seeking a US\$1 million investment over the next three years to help Ouro Verde scale up and begin exporting its growing selection of foods. The company aims to ambitiously expand into international markets this year, and is currently in discussions with potential buyers in Canada, China and the US, where its products recently gained FDA approval. Luiz is also looking to Europe as an important market particularly as organic certification from Ecocert will help his enterprise tap into the region's mature consumer demand for sustainable goods.

When Luiz and his wife, Ana Luisa, named their business Ouro Verde in 2002, they did not imagine how fitting that brand would later become. Five years later, as the company has produced substantial triple bottom-line benefits for consumers and the communities of Mato Grosso, it is clear that the two have indeed made the simple Brazil nut into "Green Gold."

For more information on Ouro Verde, please visit www.new-ventures.org.

Written by Derek Newberry, World Resources Institute ©2007 – The Rising Ventures Series features articles, announcements and profiles of investors and entrepreneurs related to the theme of innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These business models have been identified through the New Ventures (www.new-ventures.org) and Development through Enterprise (www.nextbillion.net) projects. To view other Features in the Series, visit <http://www.new-ventures.org/risingventures>.