

ECOENTERPRISES FUND

FONDO ECOEMPRESAS, S.A.

Loofah, S.A.

www.loofahshop.com

Established in 2002 in Paraguay, Loofah, S.A. (Loofah) crafts sponges into colorful, unique shapes for use in the kitchen and bath. Made from the dried fibers of the luffa gourd, this natural sponge lasts longer and is more hygienic than plastic sponge. Loofah purchases its sponge from nearby communities and sells the value-added products locally and abroad.

With poverty widespread in Paraguay, cultivating luffa provides a low-impact, sustainable activity that offers small producers 50 times more income than traditional cotton and grain harvesting. Additionally, the cultivation of luffa has no associated health risks because no chemicals are used. Over 11,000 families in rural areas benefit from the sale of their sponge to Loofah, which pays the best prices in the area. Loofah has employed up to 50 artisans who craft the products. Employment at Loofah is sought after since earnings are higher and steadier than agricultural labor.

The producer families are members of three Paraguayan nongovernmental organizations, Organización Pro Inversión Comercio y Medio Ambiente (OIPIC), Asociación de Productores Agropecuarios Campesinos de Caaguazú, and Madre Tierra. These organizations help promote the production and sale of luffa sponge and provide invaluable technical assistance to the growers. Working with Loofah, the organizations are coordinating organic certification, which will increase access to the European market.

For more than a decade, OIPIC has fostered environmentally-friendly business development in Paraguay and was one of the first organizations to encourage the cultivation of luffa on a large scale. Loofah, S.A. is an outgrowth of this innovative community project.

EcoEnterprises Fund financed this project with founding principal and entrepreneur, Brigitte Kreller.

Date Invested: November 3, 2003

Current Status as of December 2008: In operation. The loan was repaid in January 2005.