



Feature No.9: Primar

The success of this small aquaculture enterprise is a testament to the challenges SMEs often face but also a prime example of their tenacity and ability to adapt to changing circumstances. This is because in 2002, nine years after its founding, Primar's management faced the very real prospect of failure. At the time, the company focused on raising shrimp through conventional methods, but when international prices dropped suddenly, the management team faced a decision between drastically altering its strategy or going out of business. Primar emerged as a leader in organic aquaculture and now has solid footing in the market, but the path to stability was not without its challenges, as co-founder Alexandre Wainberg recounts.



The reinvention of Primar displays the advantage of flexibility SMEs have over larger corporations. The quick decision-making ability of a traditional "family-owned Brazilian business" allowed Primar to switch all of its operations to obtain organic certification. The company was the first to enter this sector, a smart move in retrospect as organic shrimp are worth twice as much as conventional shrimp on the open market, but a risky one at the time as this was a completely new and unproven product. The gamble paid off for Primar as its quality shrimp have been picked up this year by

supermarkets including Carrefour and WalMart in addition to the traditional clients in the restaurant and catering industries. Primar's outstanding reputation has spurred heavy demand, causing the company to plan on tripling production by 2008 from 50 tons to 150 tons per year.

Being trained as a marine biologist, Alexandre explains that the move to organic was not simply a financial decision but a personal obligation as well. He has written numerous articles detailing the environmental impact of conventional shrimp farms that destroy coastal ecosystems and limit biodiversity. Primar farms are made to recreate the natural habitat of Brazilian marine life, thus preserving species while breeding high quality shrimp that are free of pesticides, hormones and pollutants.

The road to success was laden with challenges for Alexandre and his colleagues. They ventured into an unknown market with no predecessors, defied most of the competition by insisting on operating within the confines of the law and worked through a failed attempt to organize other small shrimp producers into a larger trade group. The persistence of this family-owned enterprise has been rewarded as the company pushes to expand quickly to keep up with demand for its products. Primar is further entrenching itself as a leader in aquaculture by being the first producer of organic oysters this year, and will begin incorporating fish into the product line by 2008. Through its pragmatic approach and emphasis on quality, Primar is an excellent illustration of the ability of SMEs to innovate and pioneer new trends. For more information on Primar, please visit www.primarorganica.com.br or view the extended company profile available at www.new-ventures.org.

Written by Derek Newberry, World Resources Institute ©2006 - The Rising Ventures Series features innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These businesses 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>.