Chaguaya is a small town in southwestern Tarja, 60 km south of the city of San Bernardo de Tarja, at the edge of the border with Argentina and Paraguay. In Chaguaya there is the Shrine of the "Virgen de Chaguaya" (Virgin of Chaguaya). The name "Chaguaya" or "chaguaya" derives from the Quechua or Aymara word meaning "to order milk for household or commercial use".

In 1750 two shepherds returning from the pasture were lamenting about the severe drought that had struck those places, commenting that rain would have been the only salvation for the animals and the harvest. Suddenly, not very far from them, they saw a glow and thus they headed towards it. As they were approaching the rays of multicolored light became intensified forming a marvelous vision from which soon emerged a statue of the Virgin Mary on top of a pepper tree, typical plant of the area. They took the statue and brought it home notifying everyone of the miraculous event. Upon arriving home they placed it on a niche to expose it to the veneration of all. They fell on their knees and raised the ground exclaiming: "My Lady, thanks be to God!" The news soon spread and some people began to haste to it but the two peasants realized that the image had mysteriously disappeared from the niche. The following day, at the first light of dawn, they returned again to the place of the apparition and there they found again the image of Our Lady. A little later they were joined by a great number of people who also were witnesses of the miracle. Then it was decided to build immediately a small chapel in honor of the event. The miraculous statue, known by the name of Virgen de Chaguaya (Virgin of Chaguaya), became always more famous for the miracles that it performed. In 1980 the current shrine was built around the old chapel, which by then had become too small to hold many people.