

# TOWARDS A NEW RURAL DEVELOPMENT IN BRAZIL

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**International Seminar on Rural Development Processes and  
Policy in Brazil, China and the European Union:  
sharing good practices and research items**

**Organized by**

**Rete Rurale Nazionale del Ministero delle Politiche Agricole,  
Alimentari e Forestali MIPAAF (Italy), COHD/CAU, China;  
PGDR/UFRGS, Brazil and WUR, the Netherlands.**

# Summary

- 1. Setting the scene – last 20 years;**
- 2. The “New” Rural Development Approach;**
- 3. What means Rural Development in Brazil?**
- 4. Three Generations of processes, actors and policies**
- 5. Giving some examples...**
- 6. Final remarks**

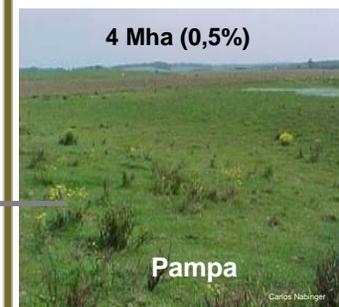
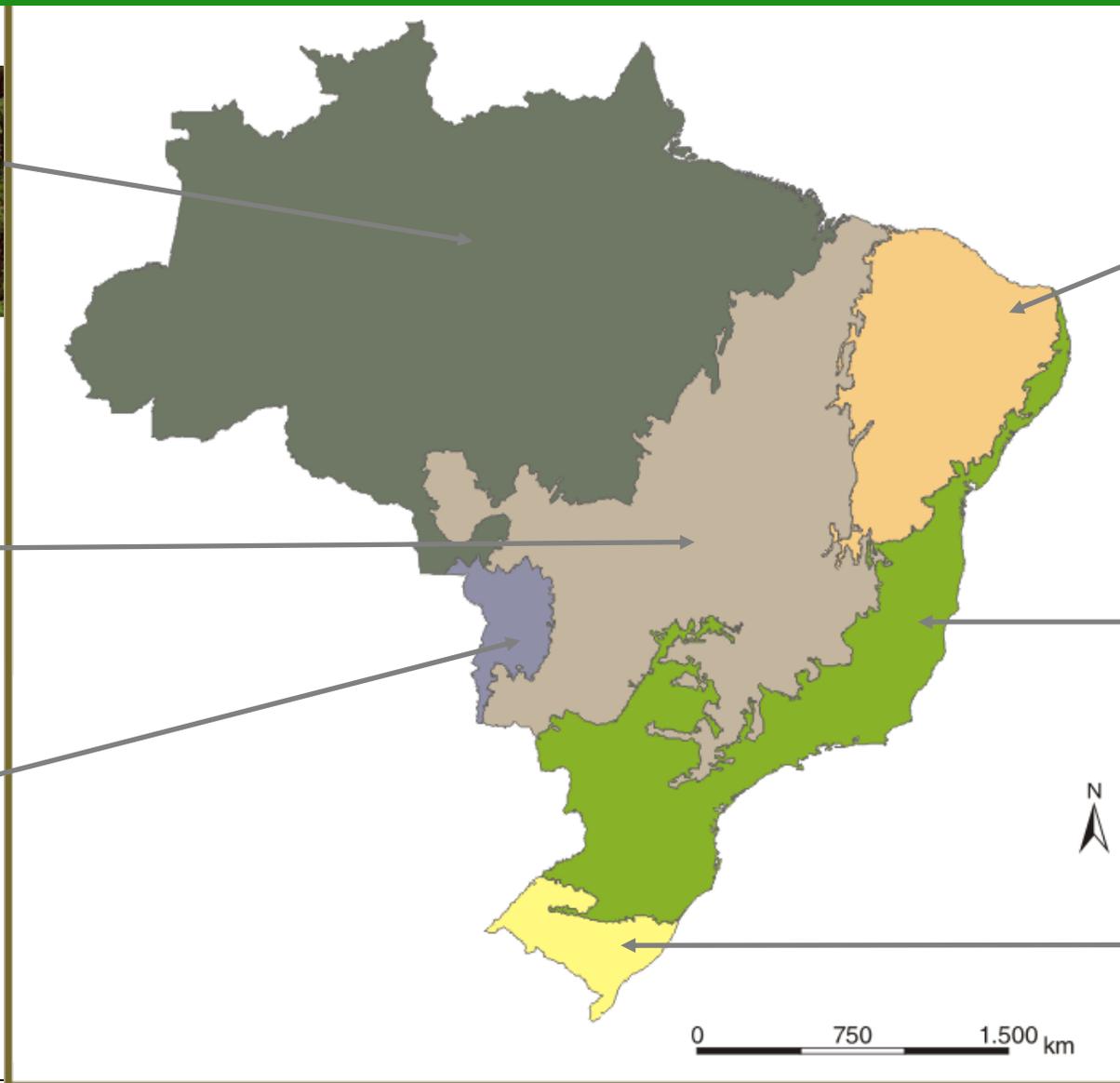
# Brazilian Population – Average 22,11 Hab/Km<sup>2</sup> Total: 188.298.099/hab - Area: 8.514.205 Km<sup>2</sup>



Programa de Pós-Graduação em Desenvolvimento Rural

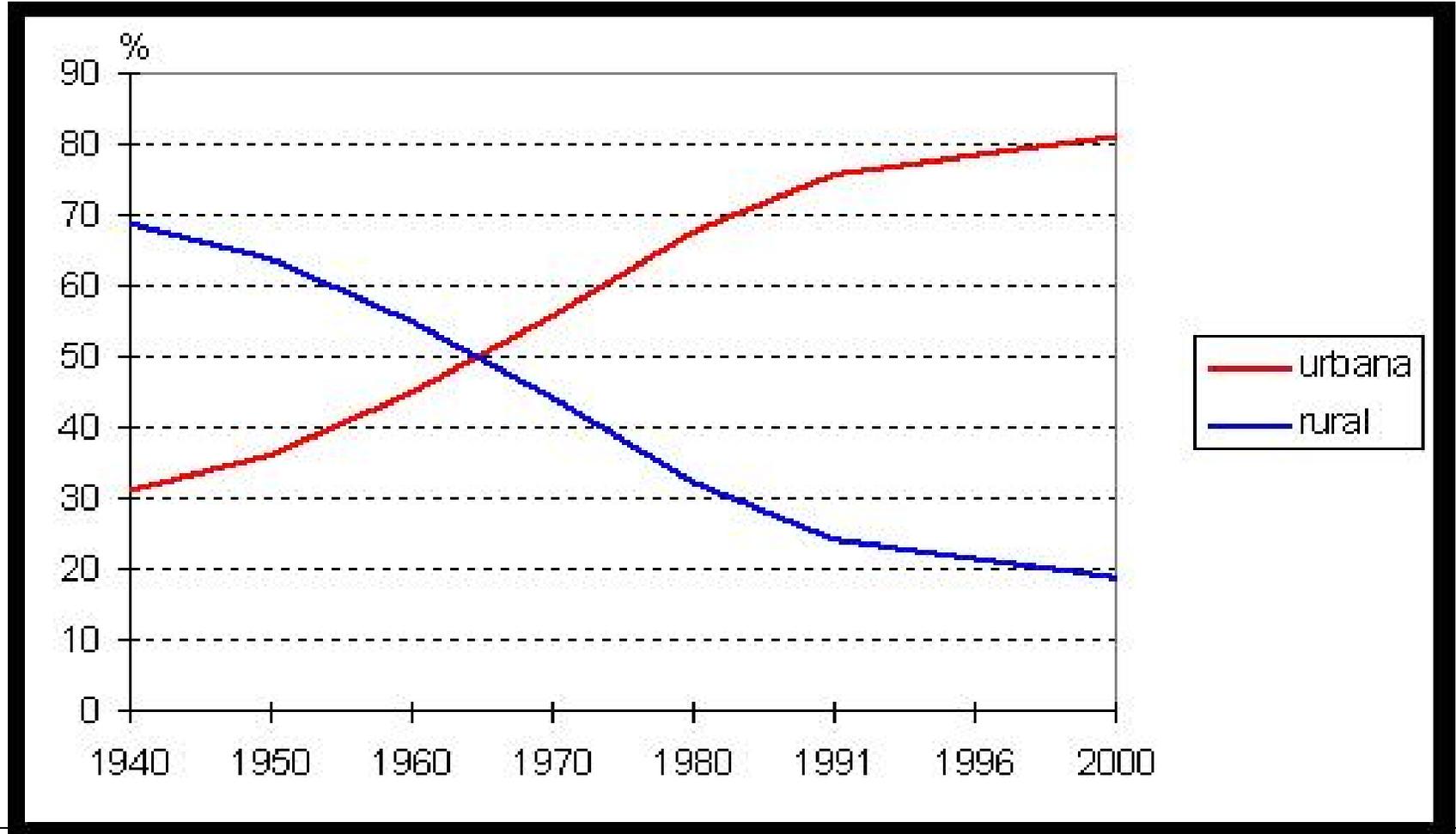
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# Biomas Brasileiros



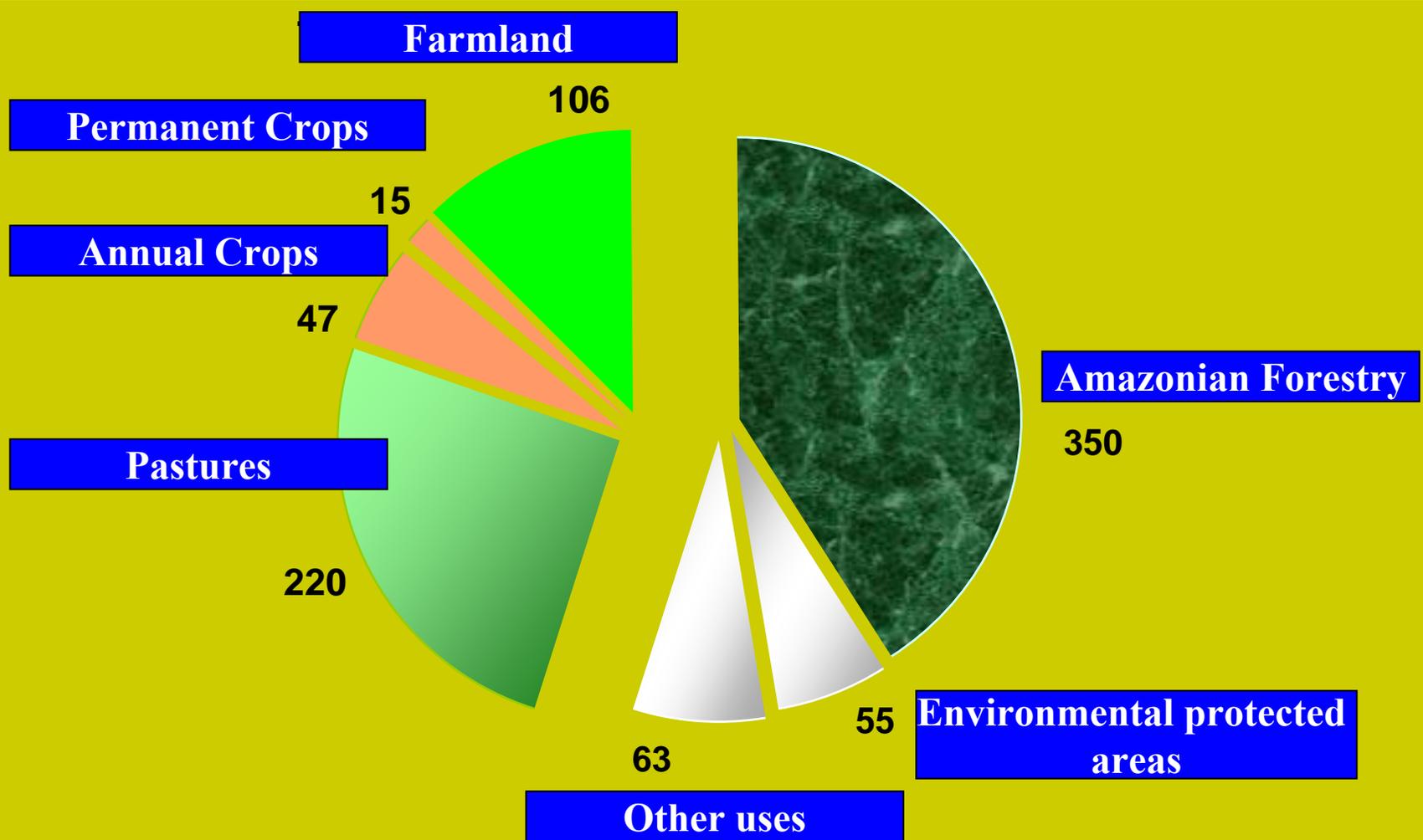
# Evolution of the rural and urban population Brazil, 1940-2000

Total (2006): 188.298.099/hab +- 31.700.000 in rural areas (18,2%)

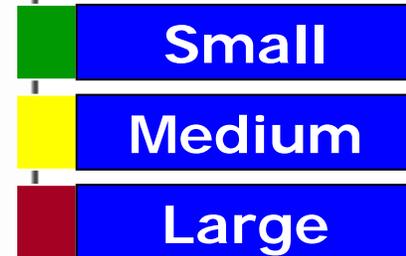
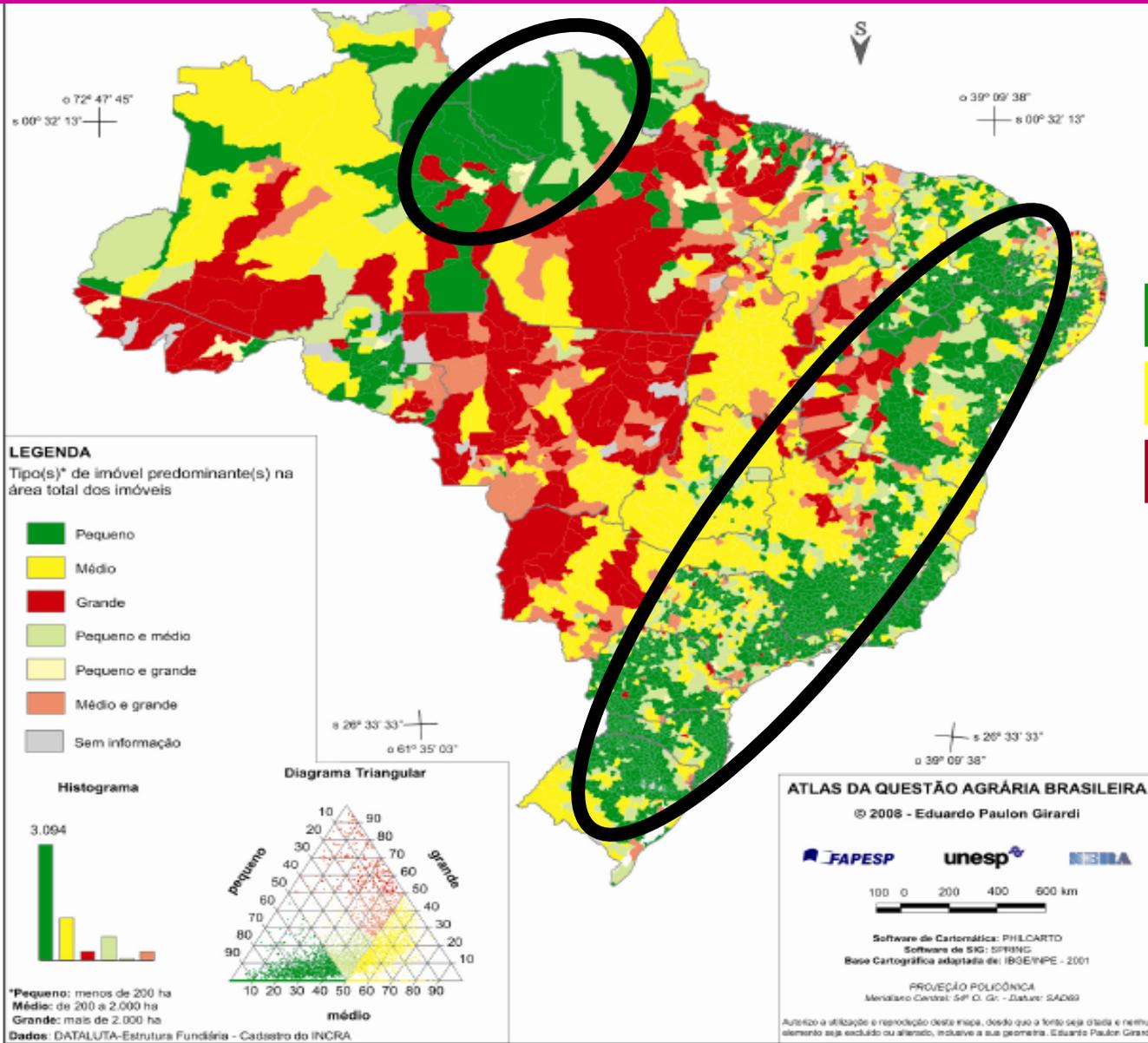


# Rural and Agricultural Profile

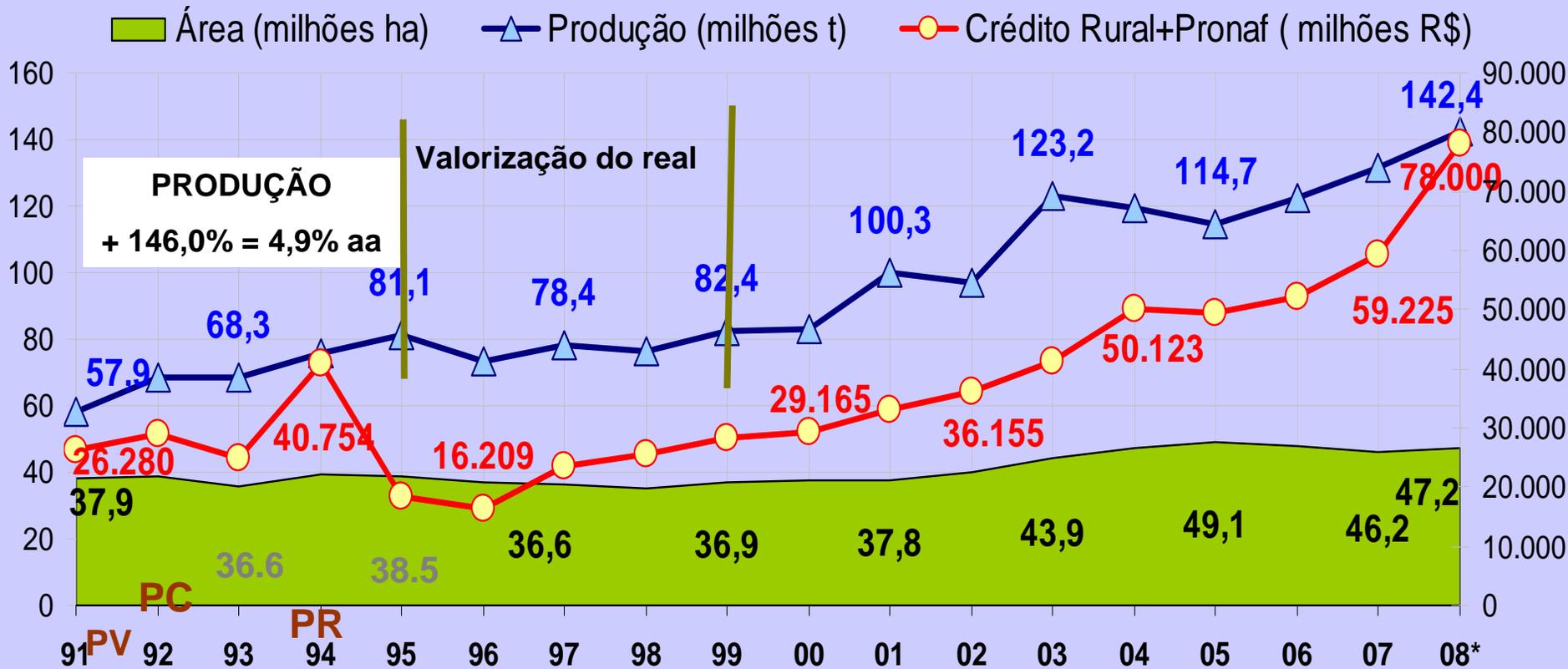
# Brasil – Land Use by Activities – millions of Hectares



# Brasil – Agrarian Structure - farm sizes



# Brasil – Evolutional of Cultivated Area, Agricultural Production and Rural Credit harvest season 1990/91 a 2007/08



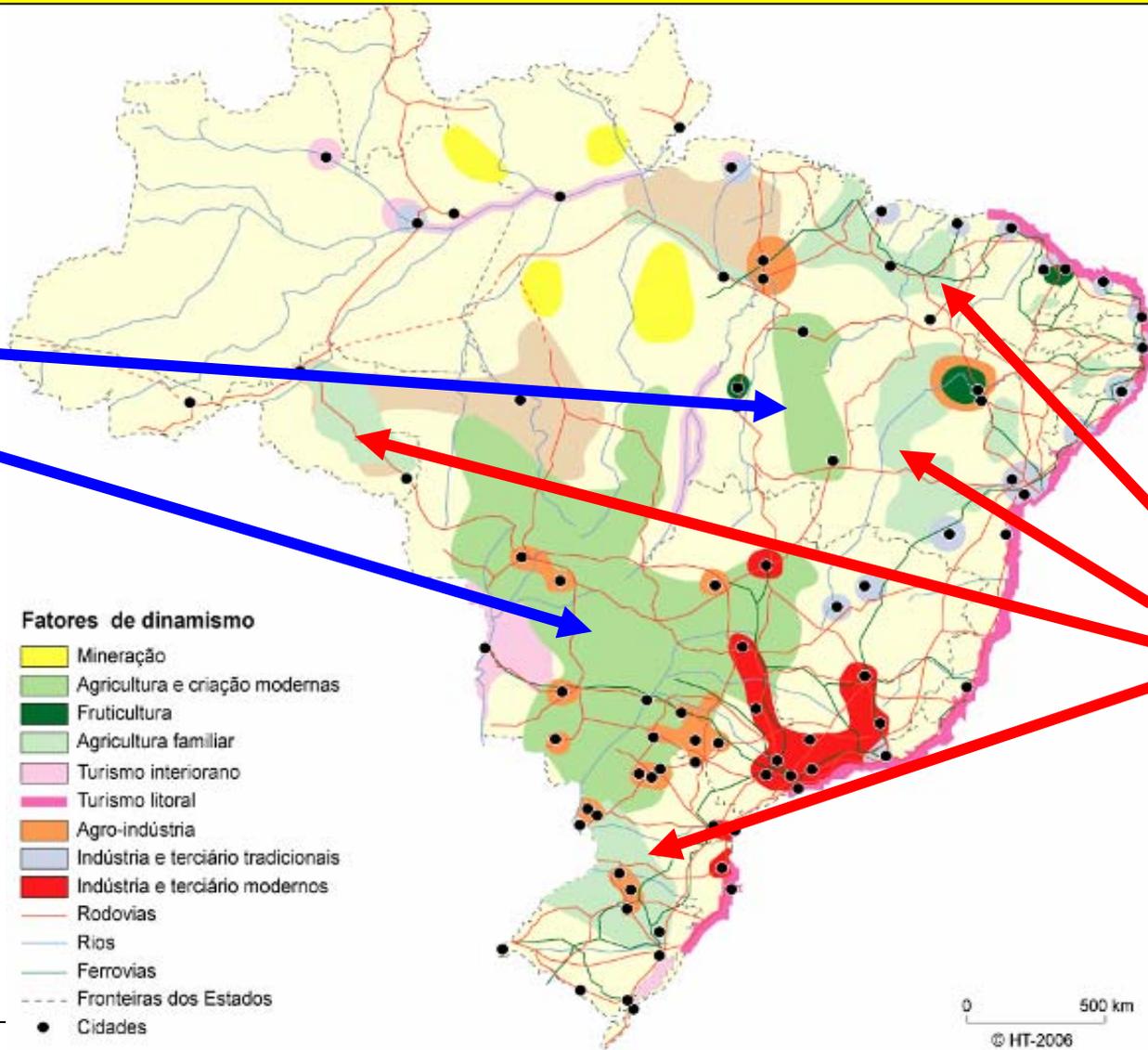
Fonte: CONAB e BCB.

\*estimativa. Posição: junho/2008

**Área Plantada**  
24,5% = 1,7% aa

# REGIONAL AGRICULTURAL PROFILE

Agribusiness



Family Farming



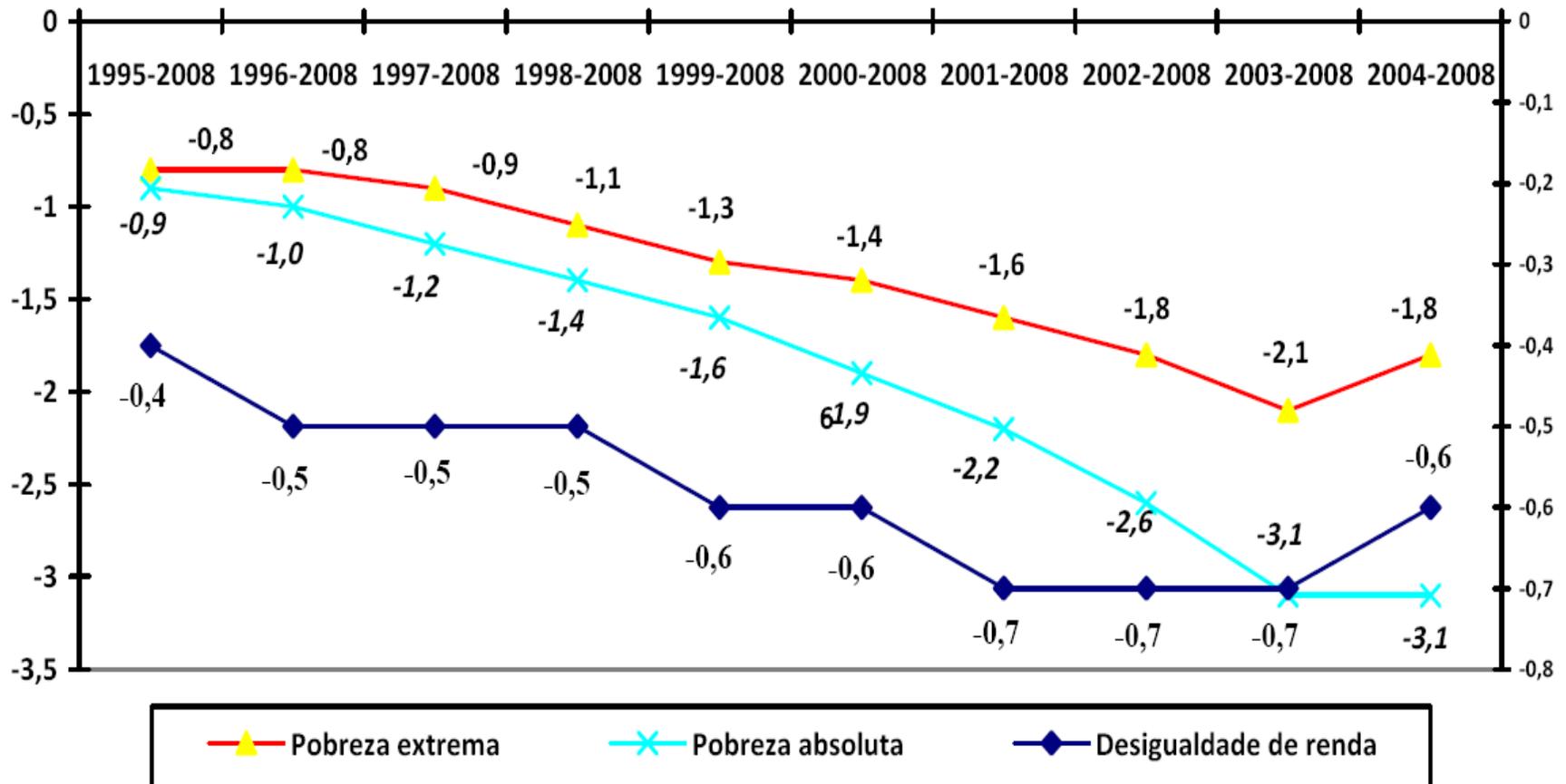






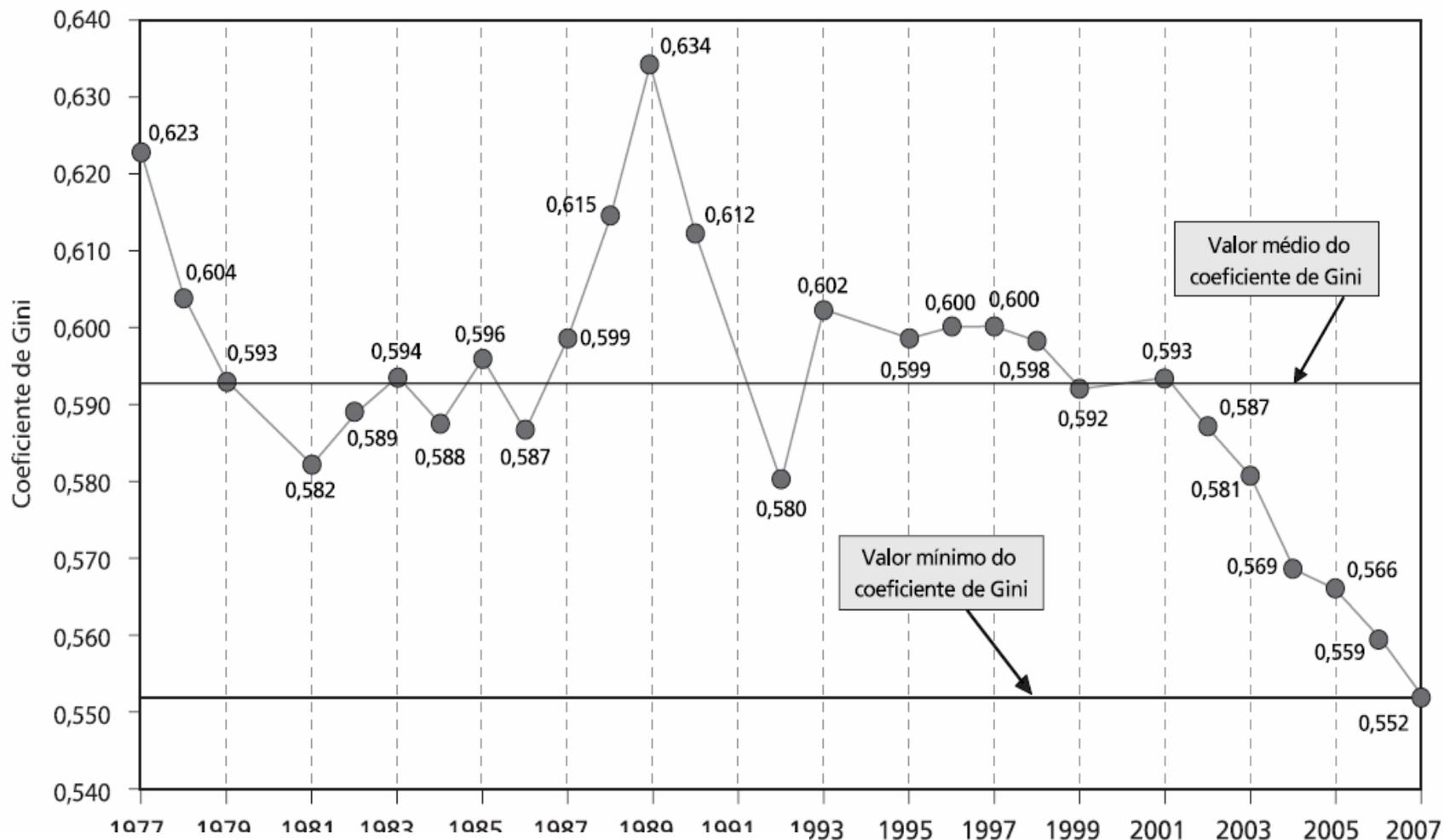
# POVERTY AND SOCIAL INEQUALITY

# Brazil: Reduction of the Gini Index of Revenues Inequality and at the rates of extremely poverty (% of GDP)



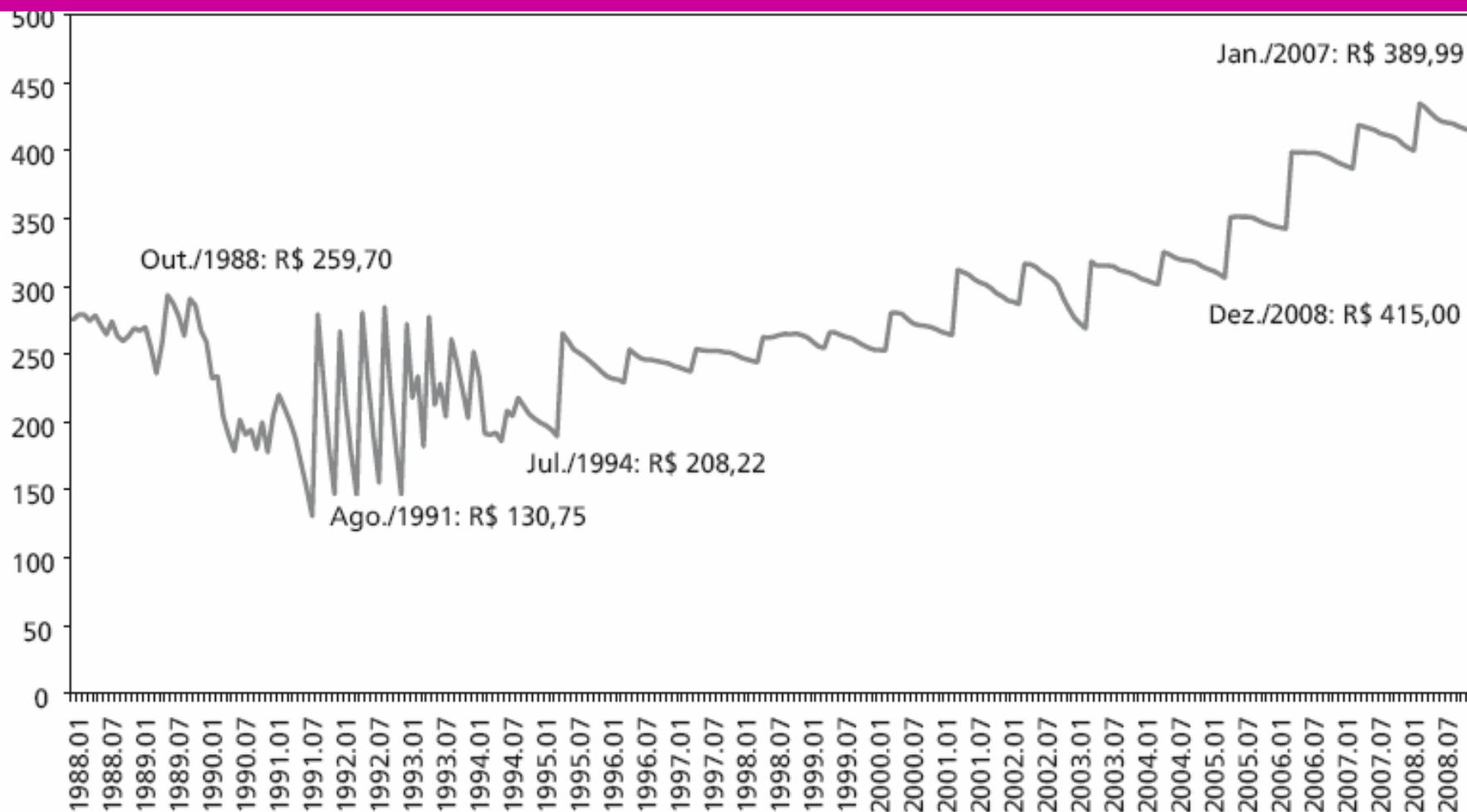
Fonte: IBGE-PNAD (elaboração Ipea)

# Brazil: Reduction at the Inequality of the Family Revenues according to Gini Index (1977 - 2007)



Fonte: *Barros et. al. (2009)*.

# Brazil: Evolution of the Salary Minimum (1988-2008)



Fonte: Ipeadata.

# New rural development in Brazil: recent trends

# General Social Processes that Influenced RD in Brazil – last 20 years

- a) Macro stabilization process after the crises of the 80s, new patterns of State regulation (agencies) and role of the regional states and municipalities;
- b) Civil society actors and new forms of social and political pression – NGOs, trades unions, social movements, etc;
- c) Debates follow the ONU Summit ECO-92 – environment and sustainability concerns;

# The “new” Rural Development debate in the 90s: main influences

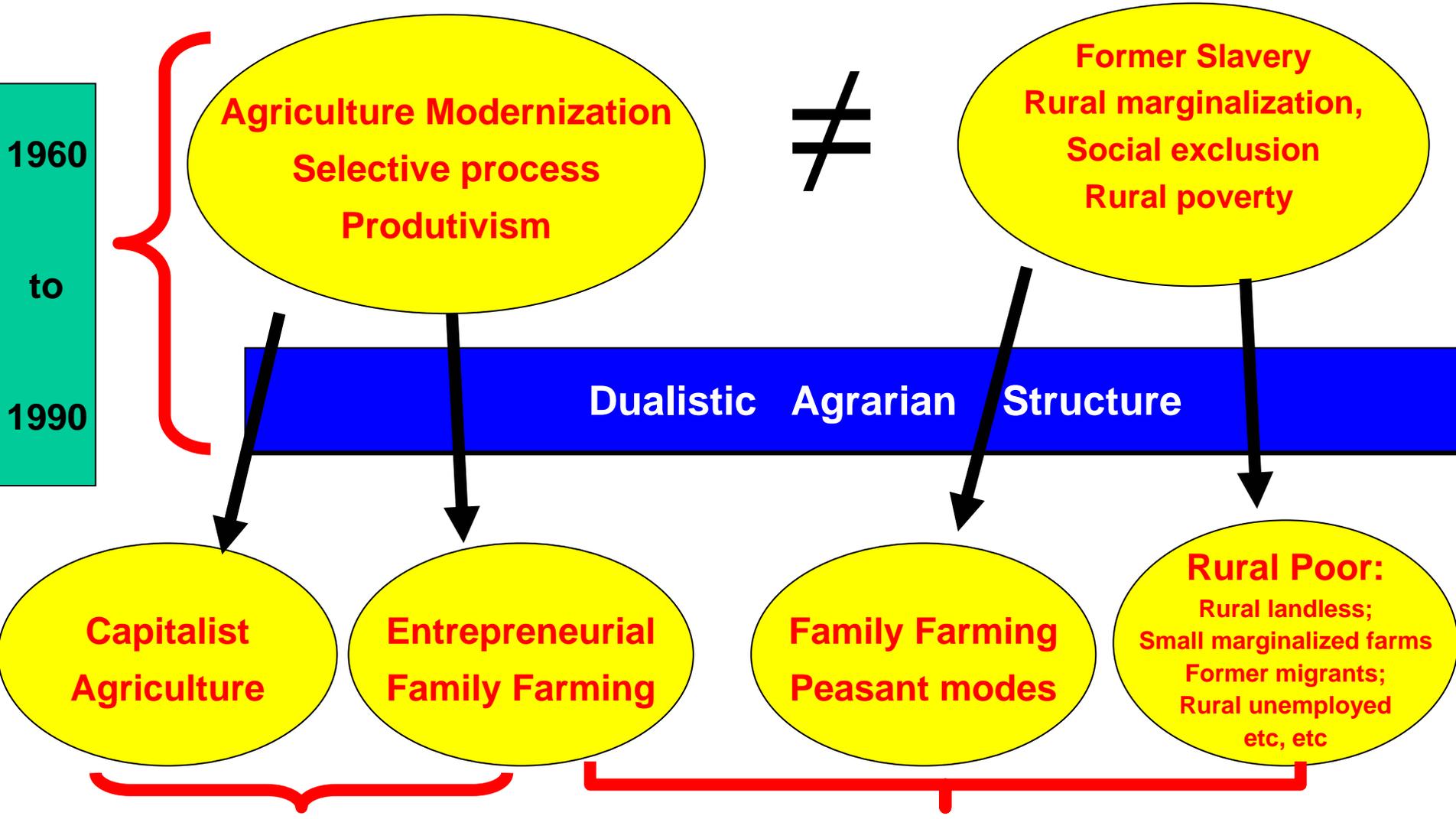
## 1) Comprehensive legitimation of family farming

- Reinforcement of the rural trade unions (CONTAG, FETRAF) vis-à-vis Landless Movement (MST): family farms X farm workers;
- role of the mediators and stakeholders

## 2) New range of State policies – from social assistance to agrarian and rural focus

- land reform policies (massacres of landless people in Pará);
- credit policy for small scale farming (PRONAF);
- creation of Ministry of Agrarian Development – MDA.
- Food security...

# Historical Roots of Brazilian Agrarian and Rural Development



**“Agronegócio” – Agribusiness - MAPA**  
Ministry of Agriculture, Livestock and Food Provision

**Rural Development**  
Ministry of Agrarian Development – MDA

# How to Make Governance with Antipode Actors ?

- **MAPA X MDA – two Ministries**

# The Agribusiness Apparatus

- **Ministry of Agriculture, Livestock and Food Provision - MAPA;**
  - Dedicated to ‘export drive’ in the agricultural sector;
  - Receive 80% of total agricultural credit ( $\approx$  \$29 bi dollars) 2007/08.
  - Control the Health, Inspection, Supervision and Food Supply services – different companies;
  - Science and Technology for Agricultural Production (EMBRAPA);
- **The Actors Which Support:**
  - National Confederation of Farmers (CNA);
  - Brazilian Agribusiness Association (ABAG);
  - Brazilian Organization of Entrepreneurial Cooperatives (OCB);
  - Brazilian Rural Society (SRB) and Democratic Rural Union (UDR);
  - Breed Unions + Agroquimical Companies + Scholars + Parliamentarians, etc
- **Main Goals:**
  - Enhance agricultural productivity;
  - Defending the use of Genetic Modified Seeds;
  - Broadening international political and commercial room – Doha Round;
  - Reducing subsidies of develop countries (USA and EU);
  - Heavily involved with Entrepreneurial Bio-Energie from sugar cane



# The rural development framework:

- **The Ministry of Agrarian Development - MDA;**
  - Created in 1996 by FHC: to control and managed rural social movements;
  - Dedicated to:
    - a) Land reform, settlements and agrarian matters;
    - b) Control the family farming credit program – PRONAF;
  - Execute rural development policies like:
    - a) Territorial approach to local/regional development;
    - b) Alternative production: small agroindustries; agroecology, etc,
  - Set of new programmes:
    - a) Alternative Bioenergie: from small farmers;
    - b) Social policies for: former slavers + gender + young people credit support;
    - c) Local buying food program (PAA) and School Feeding program (PNAE);
  - Receive 20% of total agricultural credit ( ≈ \$ 6 bi dollars) 2007/08;
- **Supported by Actors as**
  - CONTAG – National Confederation of Rural Workers – from de 1960s
  - FETRAF – National Federation of Family Farming – created in 2006 !
  - MST – National Landless Workers Movement – created in the 80s
  - UNICAF – National Union of the Family Farming Cooperatives - 2005
- **Main Goals**
  - Empowerment of family farming – credit !
  - Land reform and land settlements
  - Rural social policies and land based social rights: former slaves communities, woman, young people
  - Strong related with rural social movements and NGOs in rural areas....

# **Three Generations of Processes, Actors Actions and State Policies in Brazilian Rural Development**

# “New” Rural Development in Brazil

## 1993 onwards...

**1ª Generation:**  
Agrarian and  
Agricultural Driven

**1993 - 1998**

**2ª Generation:**  
Social and assistance  
Driven

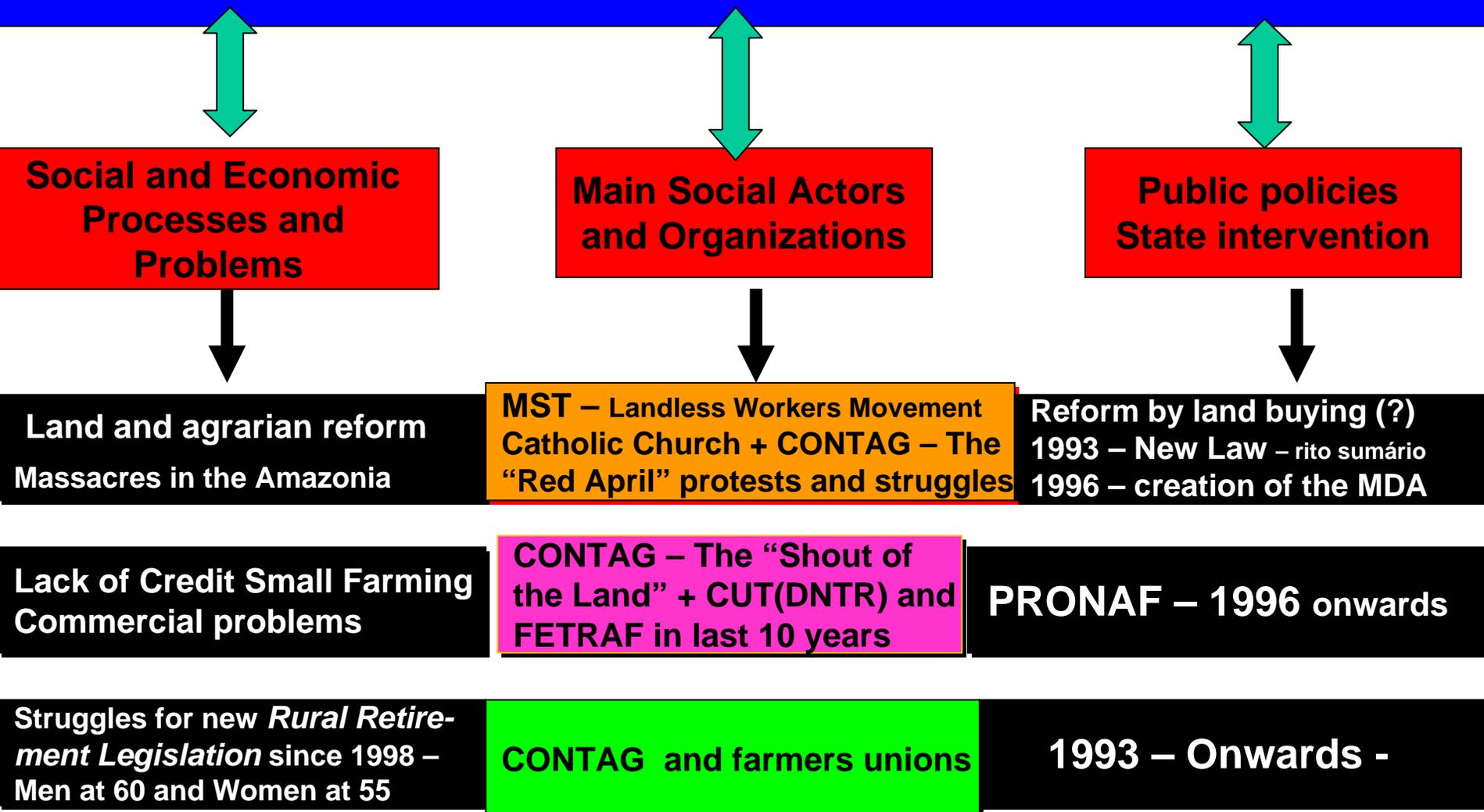
**1998 -2004/5**

**3ª Generation:**  
Construction of markets  
for food security and  
environmental  
sustainability

**2004 - today**

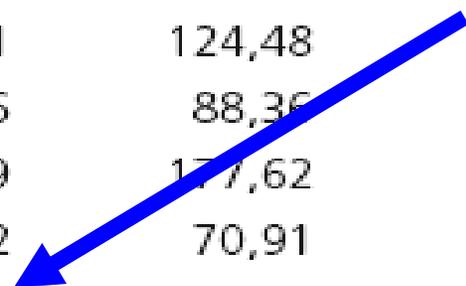
# 1<sup>a</sup> Generation:

## Agrarian and Agricultural Driven Policies- 1993 – 1998



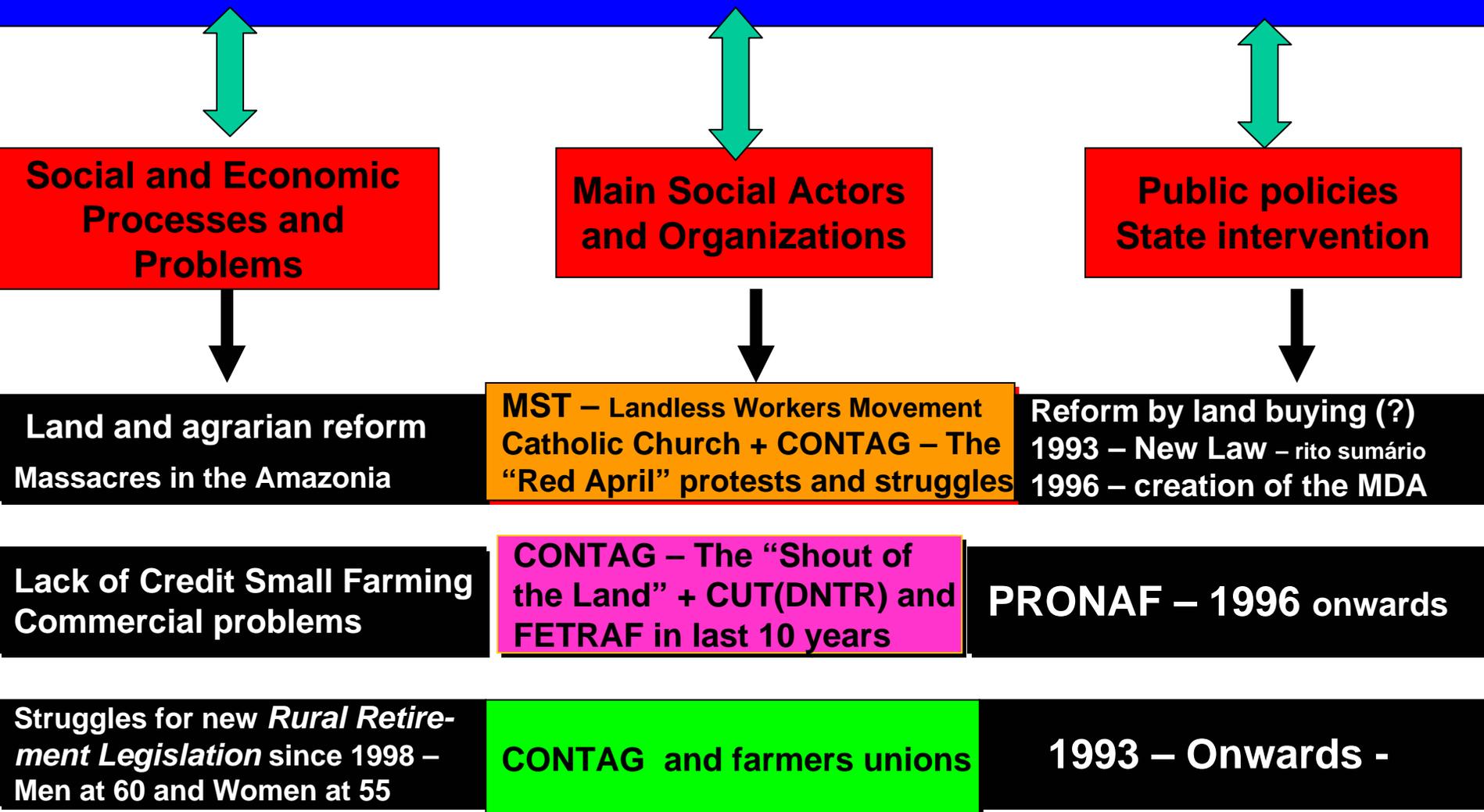
## Number of Families Settled Through the Land Reform Policy in Brazil – 1985 – 2007 (number of families)

Período/ano de criação do projeto	Número de projetos	Área (em ha)	Famílias assentadas	Área média por lote (A/B) (ha)
1900 a 1994	936	16.453.204,61	161.573	64,01
1995	392	2.621.537,98	52.892	43,93
1996	467	2.573.420,07	56.695	41,17
1997	714	4.238.175,18	82.680	44,18
1998	755	3.002.052,86	71.669	37,47
1999	670	2.282.104,84	51.059	40,60
2000	422	2.153.736,90	33.928	55,11
2001	477	1.898.903,71	33.542	50,44
2002	382	2.400.928,16	25.281	85,41
2003	322	4.600.033,85	29.367	148,34
2004	456	4.677.217,45	36.229	114,58
2005	873	13.911.971,27	101.141	124,48
2006	704	9.311.088,32	87.496	88,36
2007	394	6.399.765,81	29.119	177,62
2008	326	4.121.812,45	21.452	70,91
<b>Total</b>	<b>8.290</b>	<b>80.645.953,45</b>	<b>874.123</b>	<b>73,35</b>



# 1<sup>a</sup> Generation:

## Agrarian and Agricultural Driven Policies- 1993 – 1998



# PRONAF – Credit for Enhance Small Family Farming

Ano	Contratos	Montante (R\$ 1,00)
1998/1999	174.286	416.368.553,83
1999/2000	926.422	2.149.434.466,14
2000/2001	893.112	2.168.486.228,50
2001/2002	932.927	2.189.275.083,64
2002/2003	904.214	2.376.465.864,08
2003/2004	1.390.168	4.490.478.228,25
2004/2005	1.635.051	6.131.600.933,40
2005/2006	1.913.043	7.611.929.143,94
2006/2007	1.692.516	8.433.207.648,22
2007/2008	1.645.701	8.997.904.044,63
2008/2009*	693.608	4.287.465.194,36
<b>Total:</b>	<b>12.801.048</b>	<b>49.252.615.388,99</b>

FONTE: BACEN (Somente Exigibilidade Bancária), BAN  
BNDES.

Dados atualizados até BACEN: Até 06/2008; BANCOOB  
SICREDI: Até 12/2008; BASA: Até 11/2008; BB: Até 11/  
Ultimos 3 meses sujeitos á alterações.

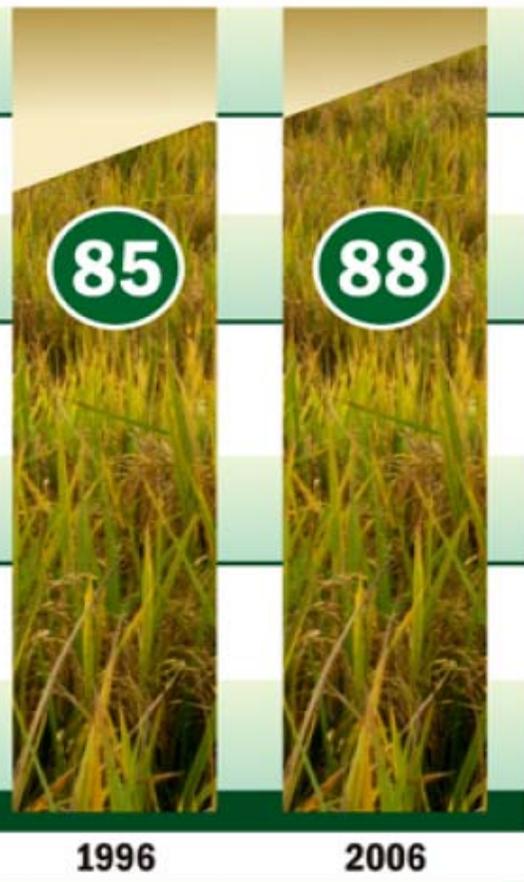
\* Até a Data da Impressão: 15/02/2009 20:47:03

**10 Years**  
**Around €18,5 billions of Euros**  
**€1,00 = R\$ 2,65**

# The Economic Profile of Family Farming in Brazil

Last Census - 2006

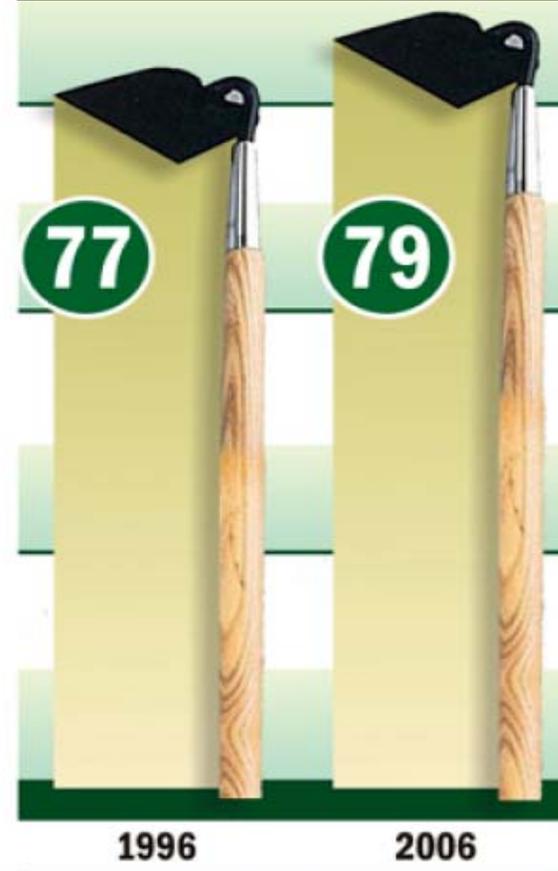
Nº of Units – in %



Total Area – in %



People Occupied %



Fonte: MDA/SAF (2009)

# The Economic Profile of Family Farming in Brazil

Last Census – 2006

## % of participation of FA at the Gross Value Production



Fonte: MDA/SAF (2009)

# The Contribution of Family Farming to Food Production

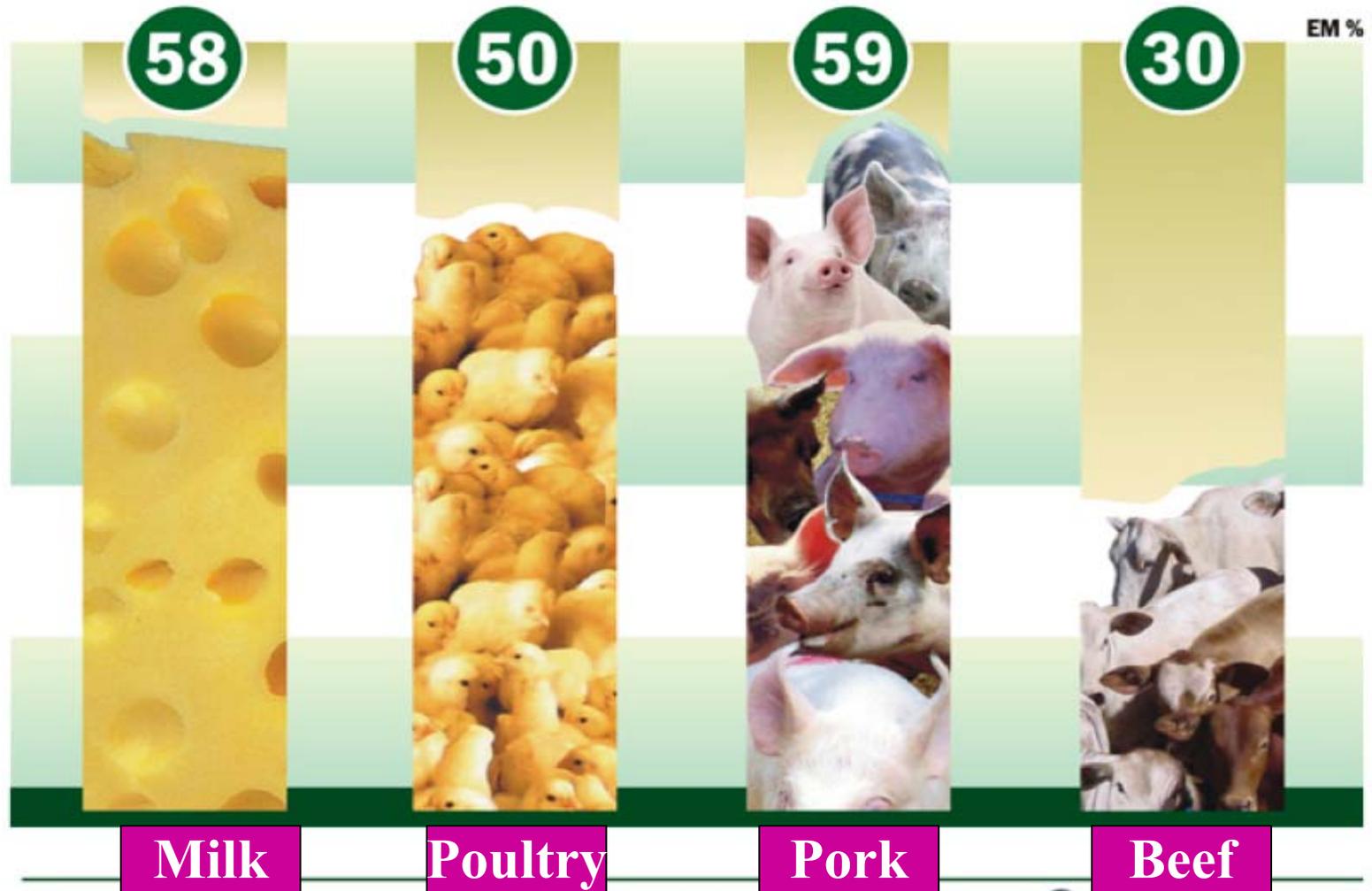
Last Census – 2006 - %



Fonte: MDA/SAF (2009)

# The Contribution of Family Farming to Food Production

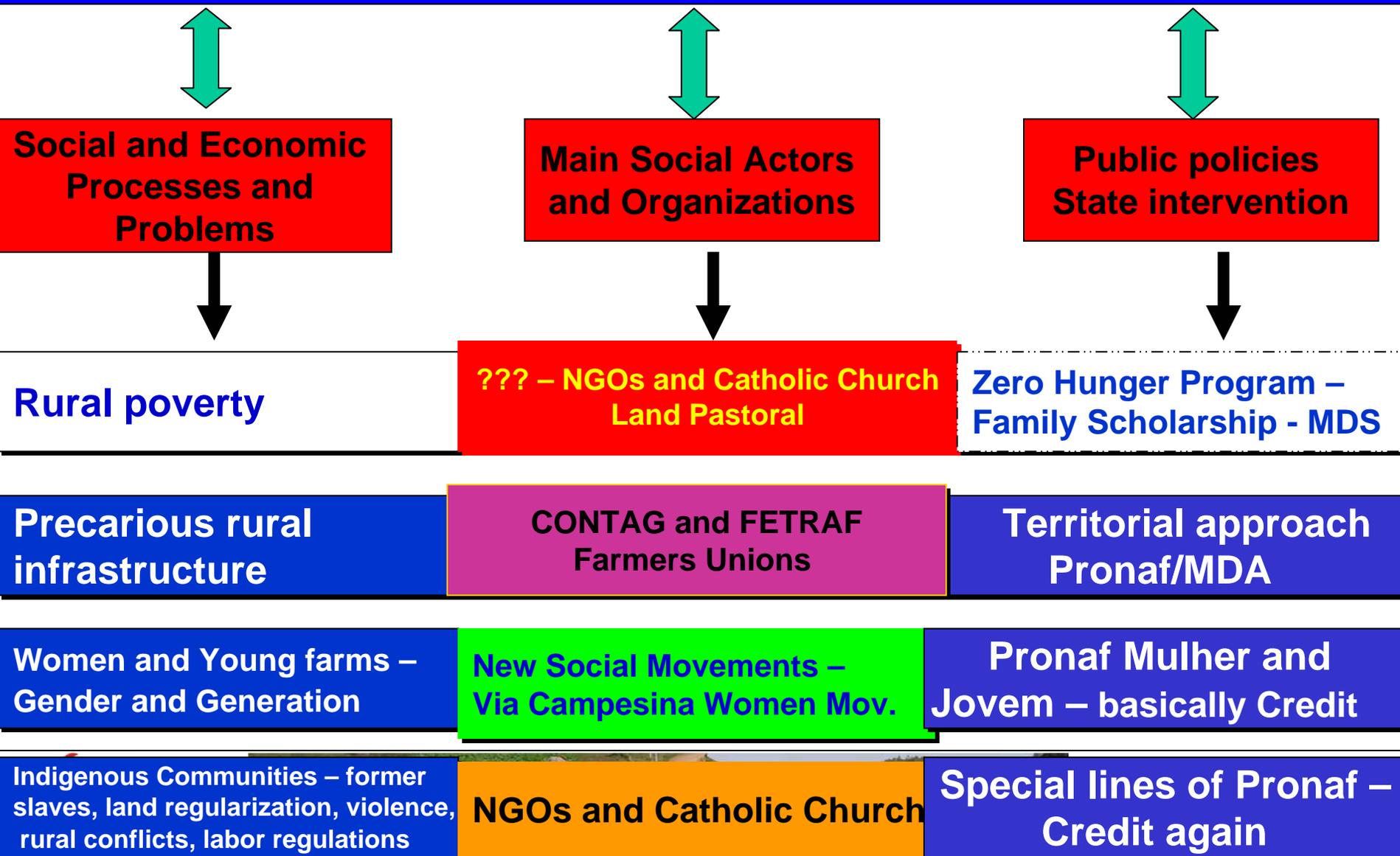
Last Census – 2006 - %



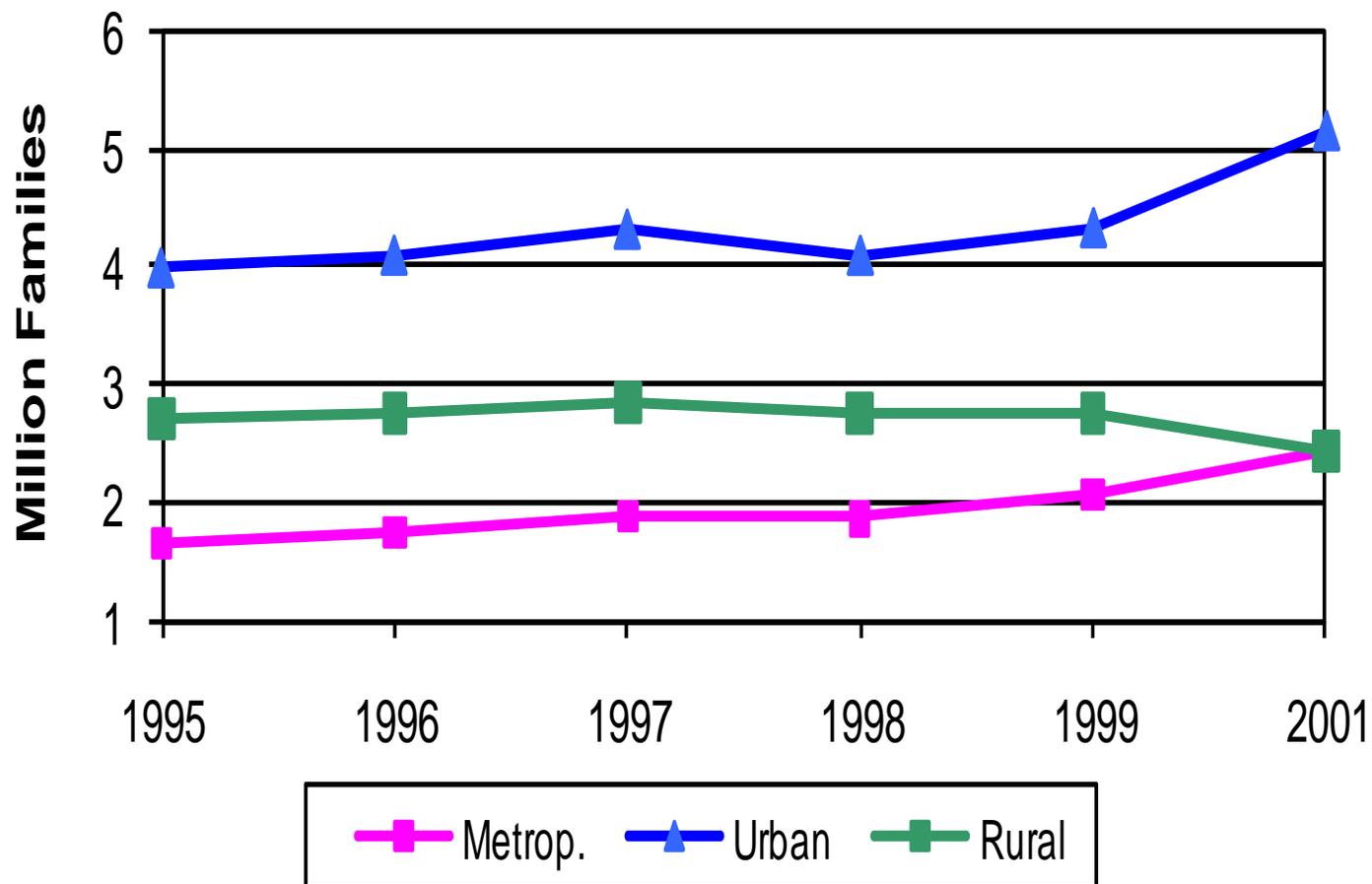
Fonte: MDA/SAF (2009)

# 2<sup>a</sup> Generation:

**Social Policies - compensation and affirmative set of new of rights  
1998 – 2004/5**



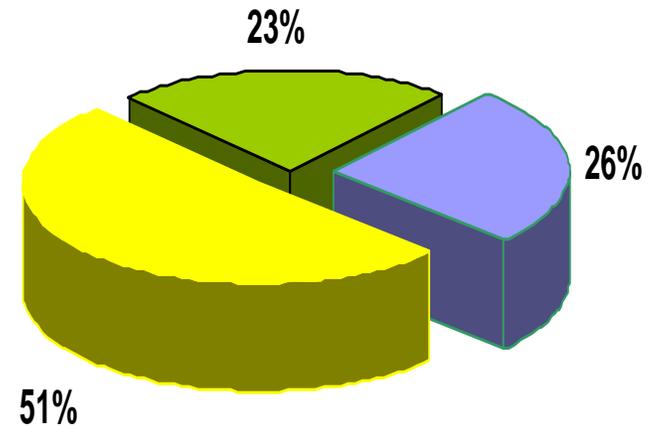
# Evolution of Poverty in Brazil



# Last Decade Numbers

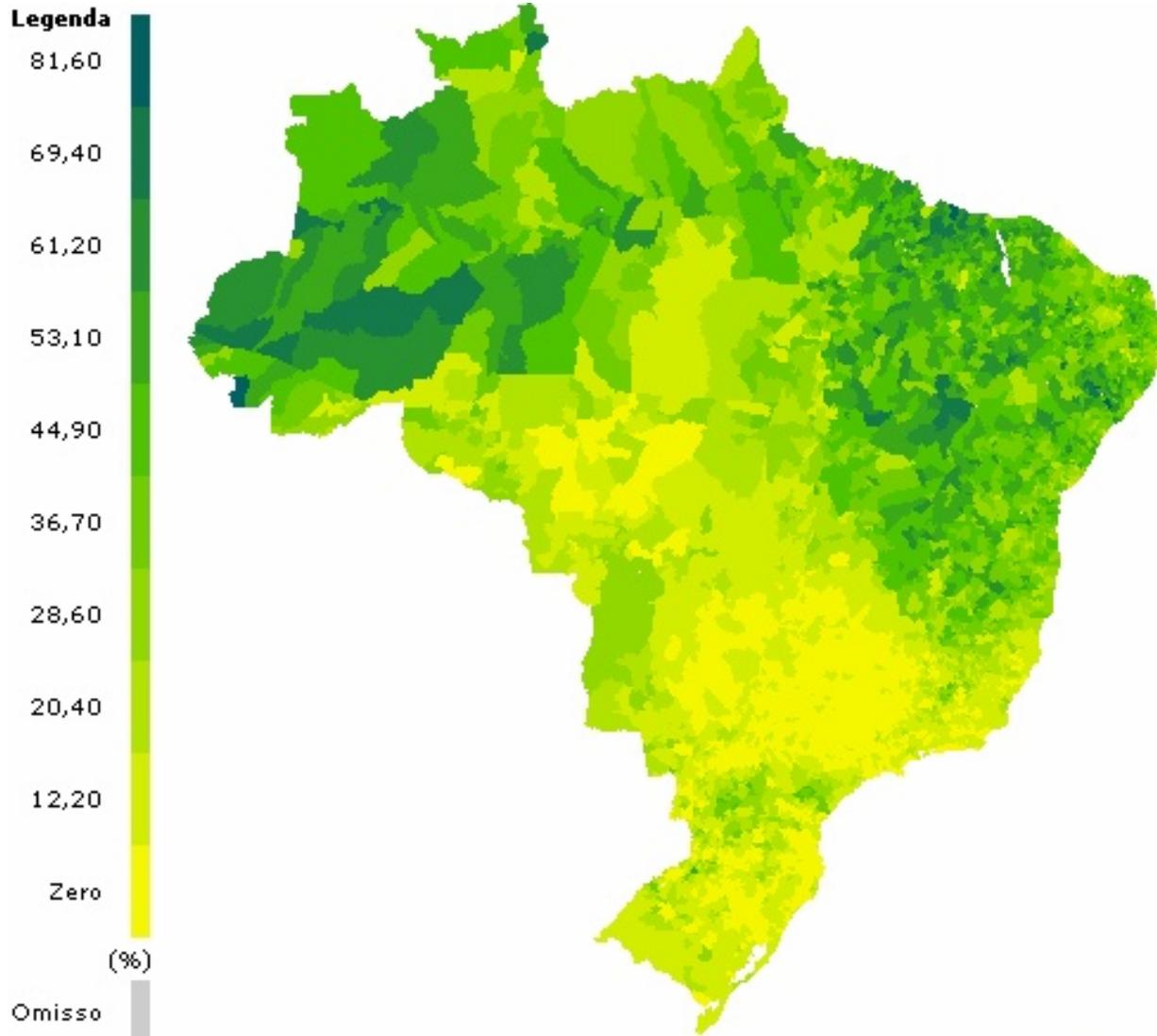
- 10 million households (21%) or 46 million individuals (27%) in destitution in Brazil earning less than the poverty line (R\$71,53 / month in 2001).
- Distribution: 47% in the North-east, 30% in the South-east, 10% in the South, 7% in the North and 6% in the Center West.

Distribution of Poverty in Brazil, 2001



■ Urban Metropolitan ■ Urban non Metropolitan ■ Rural

# Poverty in Brazil, 2000



Brasil -- Pobreza - pessoas indigentes (P0) - 2000(Malha Municipal)

ipeadata



Programa de Pós-Graduação em Desenvolvimento Rural  
% individuals below the poverty line in each municipality

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# Hunger Diagnosis

- ✓ **Poverty and hunger in Brazil and in the rest of the world wasn't decreased in a desirable pace.**
- ✓ **Hunger in Brazil is not caused by lack of food** (*According to FAO the availability per capita of 2.960 kcal/person/day was above the minimum of 1.900 kcal/person/day*) **but by the insufficient income of almost 1/3 of our population**
- ✓ **Hunger was increasing in the metropolitan areas.**

# Food and Nutritional Security Policy

## Fundamental Principles

- Focus on the Human rights
- Decent alimentation is a right which has to be guaranteed by State
- The elimination of hunger should not be separated from the economic and social development
- Food Policy must associates the hunger causes (which demand structural policies) to emergency food assistance
- Local development
- Active participation of the society

# Zero Hunger: An Integrated Policy of Food Security

**25** Policies

**40** Programs regarding improve the quality, quantity and regularity of Brazilian alimentation

# Integrated Policy to Banish Hunger

- **Structural Policies:** related to employment and the extension of social rights to whole population
- **Specific Policies:** in order to promote food security and the access to nutritious food for the neediest segment of the population.
- **Local Policies:** partnership with municipalities and society to assure the community food security

## Main Activities within Zero Hunger

### Structural and Long Term Policies

- Generation of income and jobs
- Universal social protection
- Incentives for small-scale farming
- Intensification of agrarian reform
- Minimum wages
- Educational incentives

### Specific Targeted Policies

- Food ration program
- Emergency food baskets
- Maintenance of food-security stocks
- Safety and quality of food products
- Workers food program (PAT)
- Maternal / infant nutrition
- School meals

### Local Policies

#### Rural areas

- Support to small-scale farming
- Support for local production and consumption

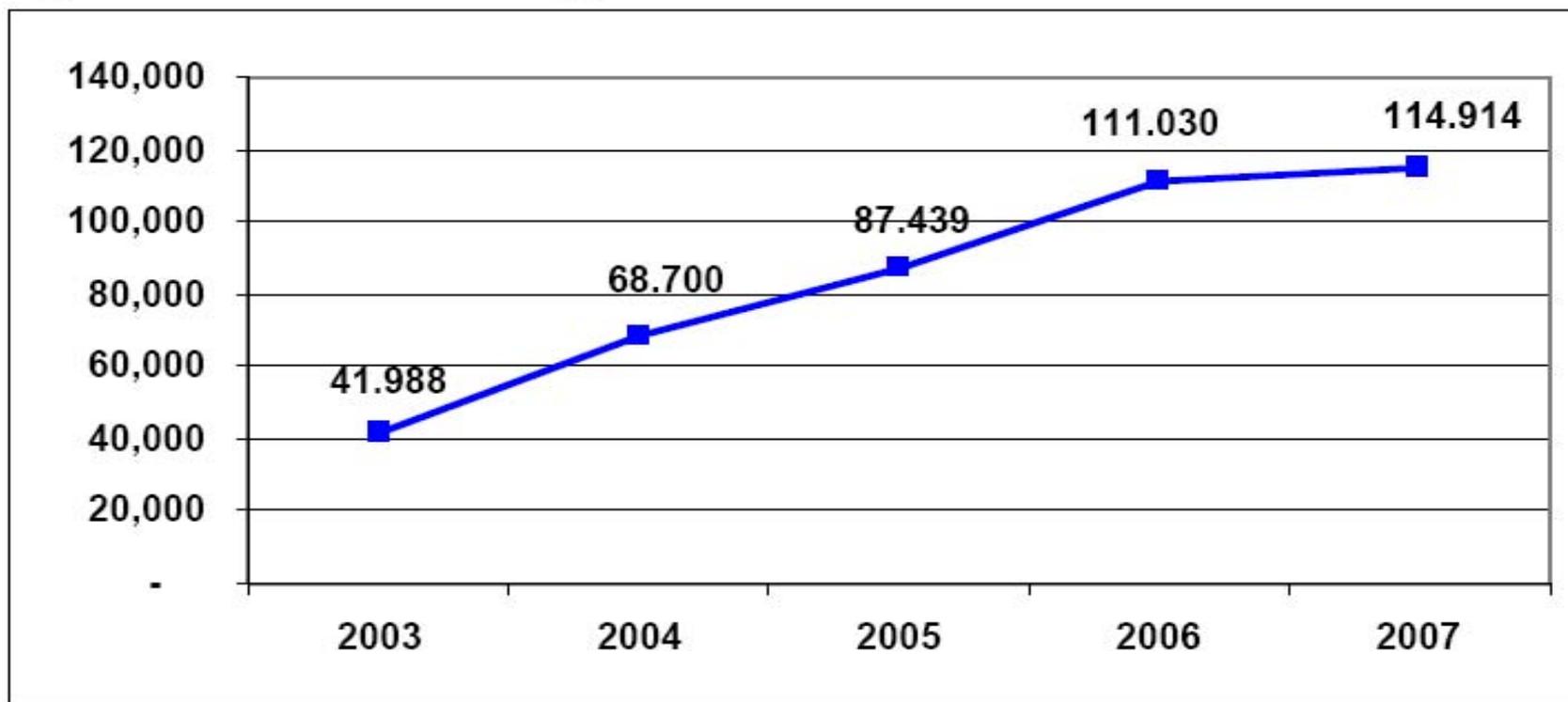
#### Small and medium cities

- Central food bank
- Urban agriculture
- Partnerships with retailers
- Modernization of food supply systems

#### Large cities

- "People's restaurants"
- De-centralized food banks
- Partnerships with retailers
- Modernization of food supply systems

# Number of Family Farmers Benefited by the Food Procurement Program- PAA



# THE PROGRAM OF DIRECT BUYING FOOD FROM SMALL FAMILY FARMS - PAA

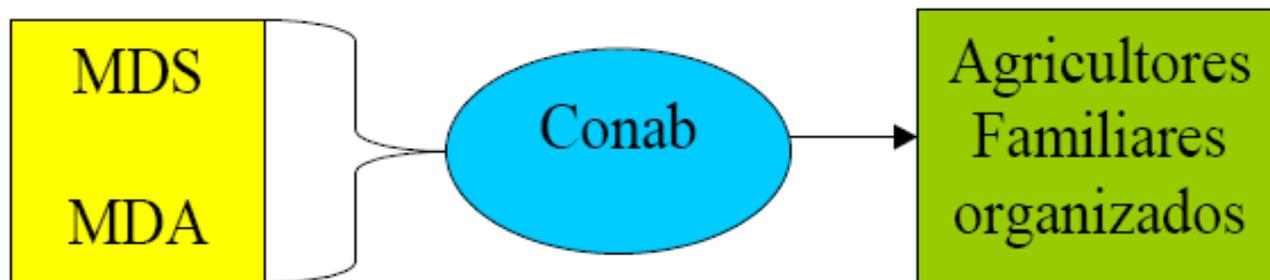
1) operações via prefeituras e governos estaduais  
instrumentos: Compra Direta Local e PAA-Leite

Lei Nº 10.696 de 02/07/2003 - Art. 19º,



2) operações via Conab

instrumentos: MDA (Compra Direta e CPR-Estoque) e MDS (Compra Direta, CPR-Doação e CPR-Estoque)



## CONSUMERS:

- Schools;
- Public supported restaurants;
- Hospitals;
- Urban poor people
- Indians;
- etc

# THE NATIONAL SCHOOL FEEDING PROGRAMME

## PUBLIC FOOD PROCUREMENT

<b>Ano</b>	<b>Recursos financeiros (em milhões de R\$)</b>	<b>Alunos atendidos (em milhão)</b>
<b>1995</b>	<b>590,1</b>	<b>33,2</b>
<b>1996</b>	<b>454,1</b>	<b>30,5</b>
<b>1997</b>	<b>672,8</b>	<b>35,1</b>
<b>1998</b>	<b>785,3</b>	<b>35,3</b>
<b>1999</b>	<b>871,7</b>	<b>36,9</b>
<b>2000</b>	<b>901,7</b>	<b>37,1</b>
<b>2001</b>	<b>920,2</b>	<b>37,1</b>
<b>2002</b>	<b>848,6</b>	<b>36,9</b>
<b>2003</b>	<b>954,2</b>	<b>37,3</b>
<b>2004</b>	<b>1.025</b>	<b>37,8</b>
<b>2005</b>	<b>1.266</b>	<b>36,4</b>
<b>2006</b>	<b>1.500</b>	<b>36,3</b>

# THE NATIONAL SCHOOL FEEDING PROGRAMME

## PUBLIC FOOD PROCUREMENT

2003



TOTAL: R\$ 954.200.000

Around  
€500.000.000  
and 30% of this  
COULD go to  
direct buying  
from A.F. by New  
Law

2007



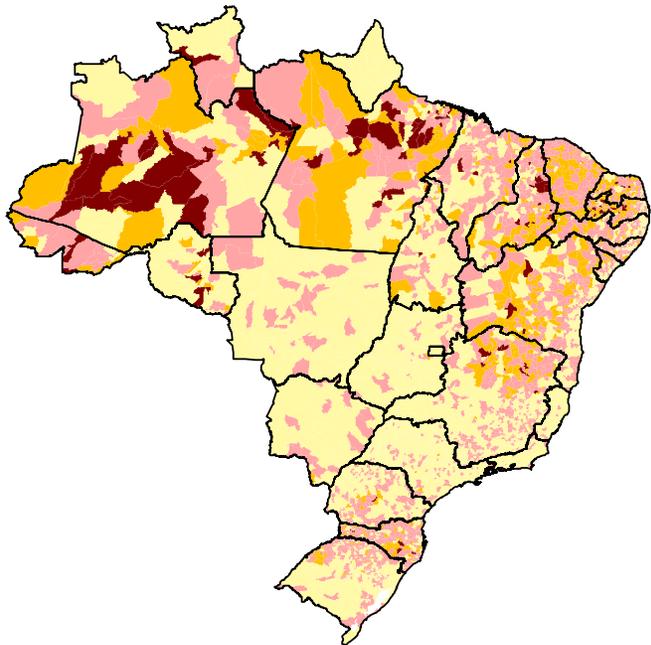
TOTAL: R\$ 1.600.000.000

Aumento de 67%!!

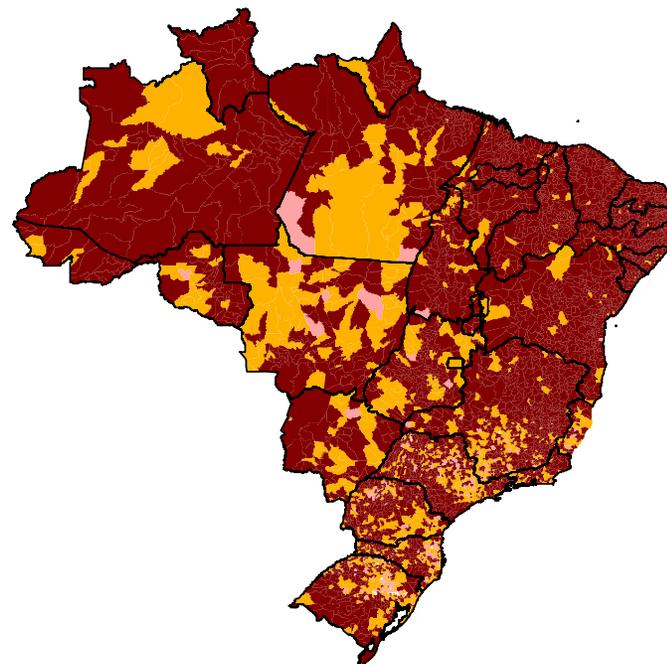
35,5 MILHÕES DE ALUNOS !!!



# Coverage of Bolsa Família



• 3,6 million beneficiaries **Nov 2003**



• 11,5 million of beneficiaries **June 2009**



# Hunger Zero Budget 2009

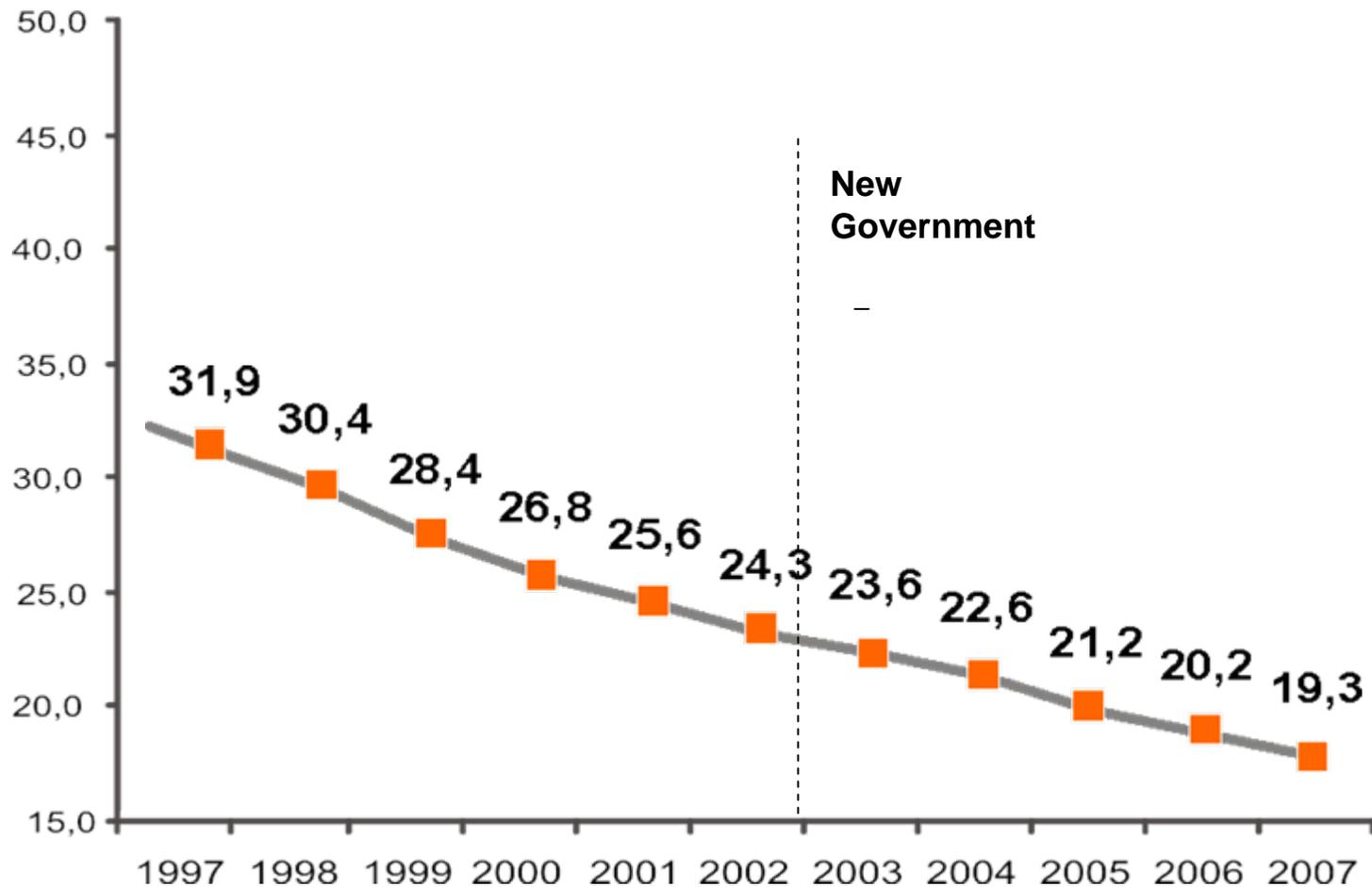
Federal Offices

Whole Budget to Hunger Zero  
Programs US\$ 10<sup>6</sup>

President's Office	82
Ministry of Economy	1228
Ministry of Education	1169
Ministry of Health	35
Ministry of Labour	124
Ministry of Agrarian Development	448
Ministry of Social Affairs and Combat to Hunger	7660

**Total US\$ 10.8 billion**

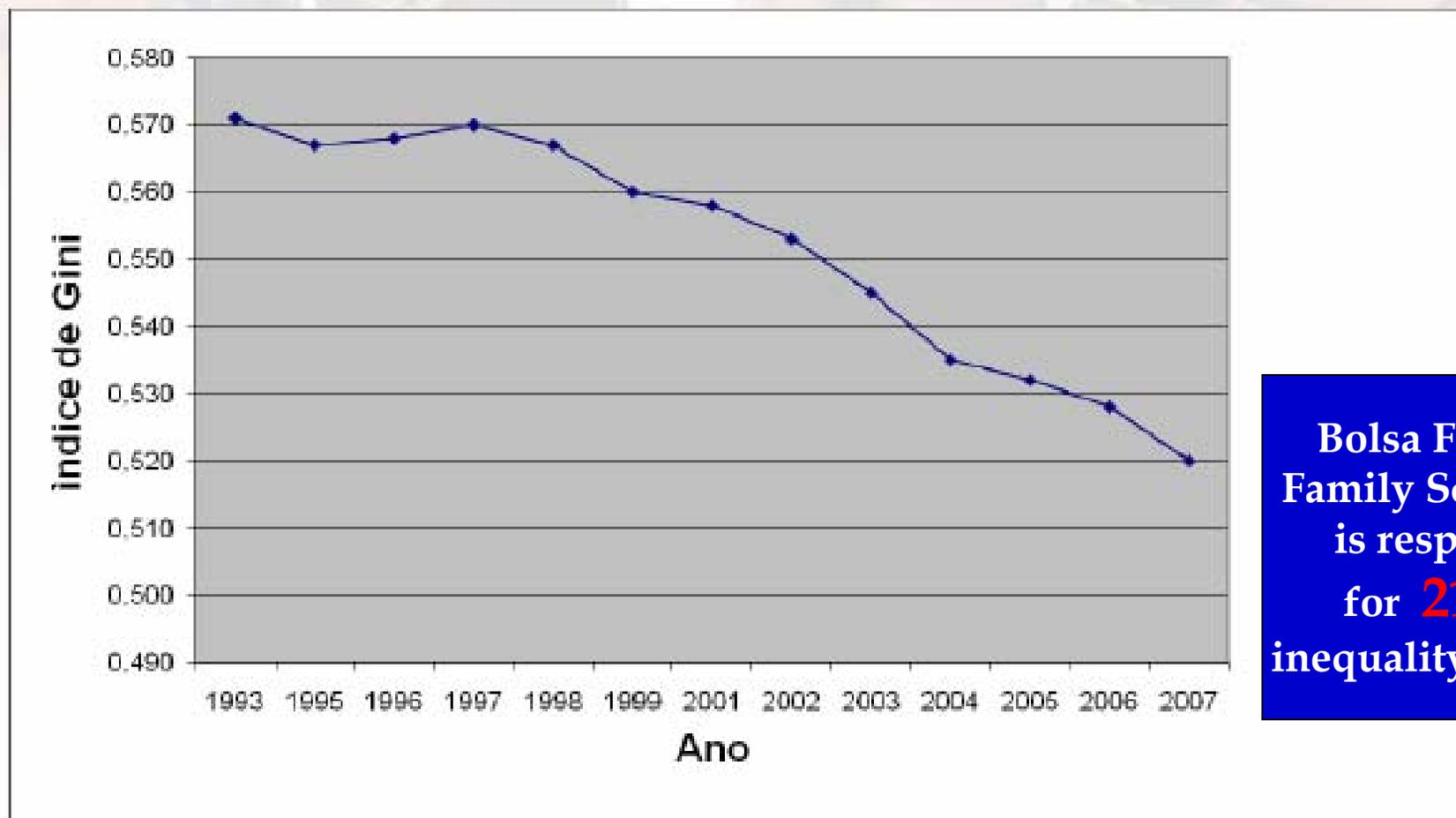
# Brazil: Infant Mortality Rate (\*)



(\*) per 1000

Source: MS/SVS.

# Income Inequality Evolution – Gini Index 1993 - 2007

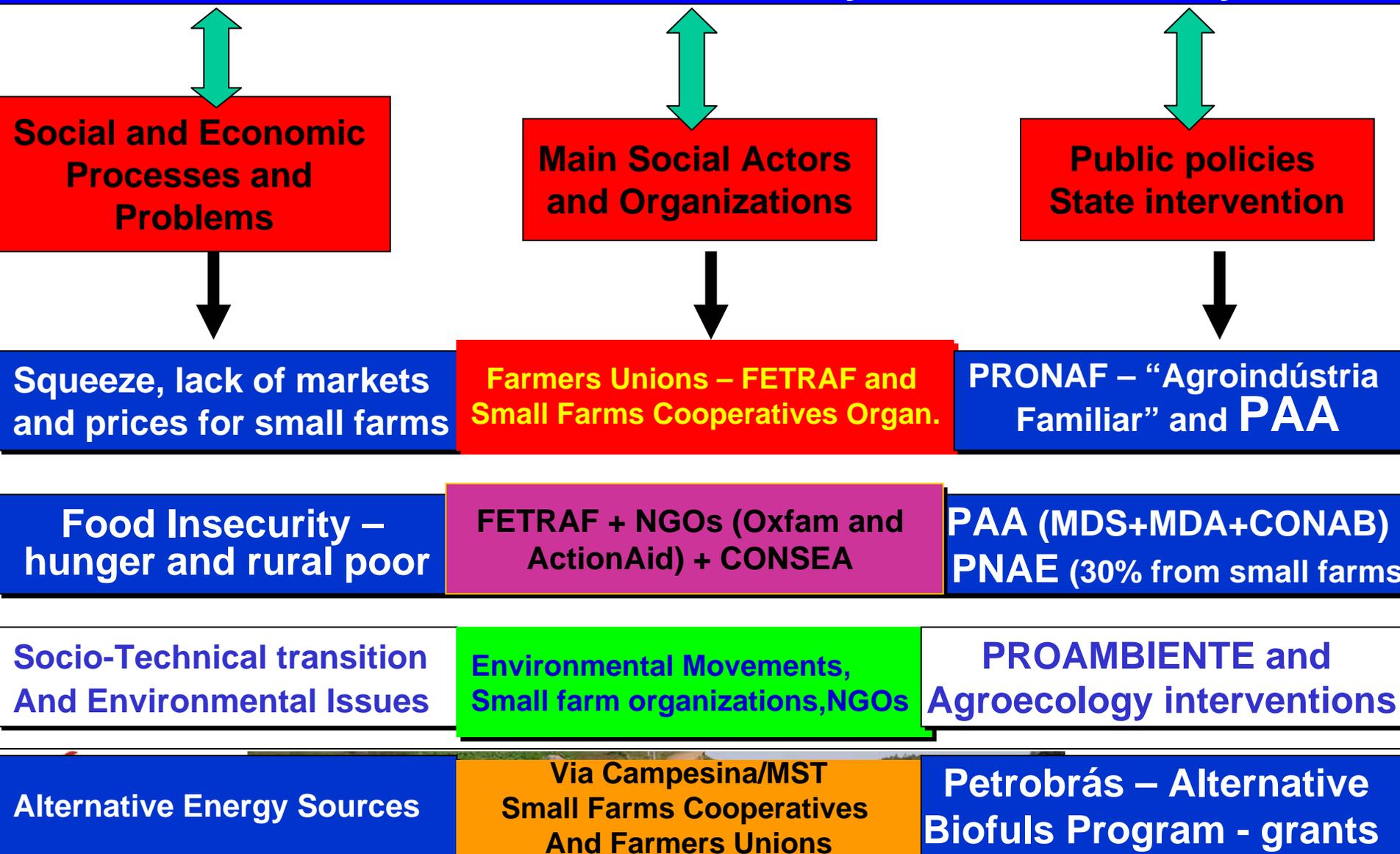


Bolsa Família –  
Family Scholarship  
is responsible  
for **21%** of  
inequality reduction

Source: CPS/BRE/FGV using HH Survey (Pnad/IBGE)

# 3<sup>a</sup> Generation:

## Construction of markets for food security and environmental sustainability - 2004/5 – Today



# **FROM ENVIRONMENTALISM (Preservation of Pristine Nature – without Human Society) TO CONSERVATIONISM (Biodiversity and sustainable use of Natural Resources).**

## **1) Growing relevance of the environmental sustainability**

- Critics to the conventional modernised agriculture in Centre-South Brazil and more attention to organic and agroecology alternatives;**

## **2) Amazon region as New Agricultural Frontier:**

- Initiated by the military government in the 1970s with Transamazonica Road and Colonisation Programme (Land settlement in Public Lands)**
- Project oriented migrants from the South (gauchos) and Northeast (poor peasants)**
- Voluntary migrants, especially from the South – land grabbers and squatters**
- Traditional agriculture – staplefood and cattle ranching**

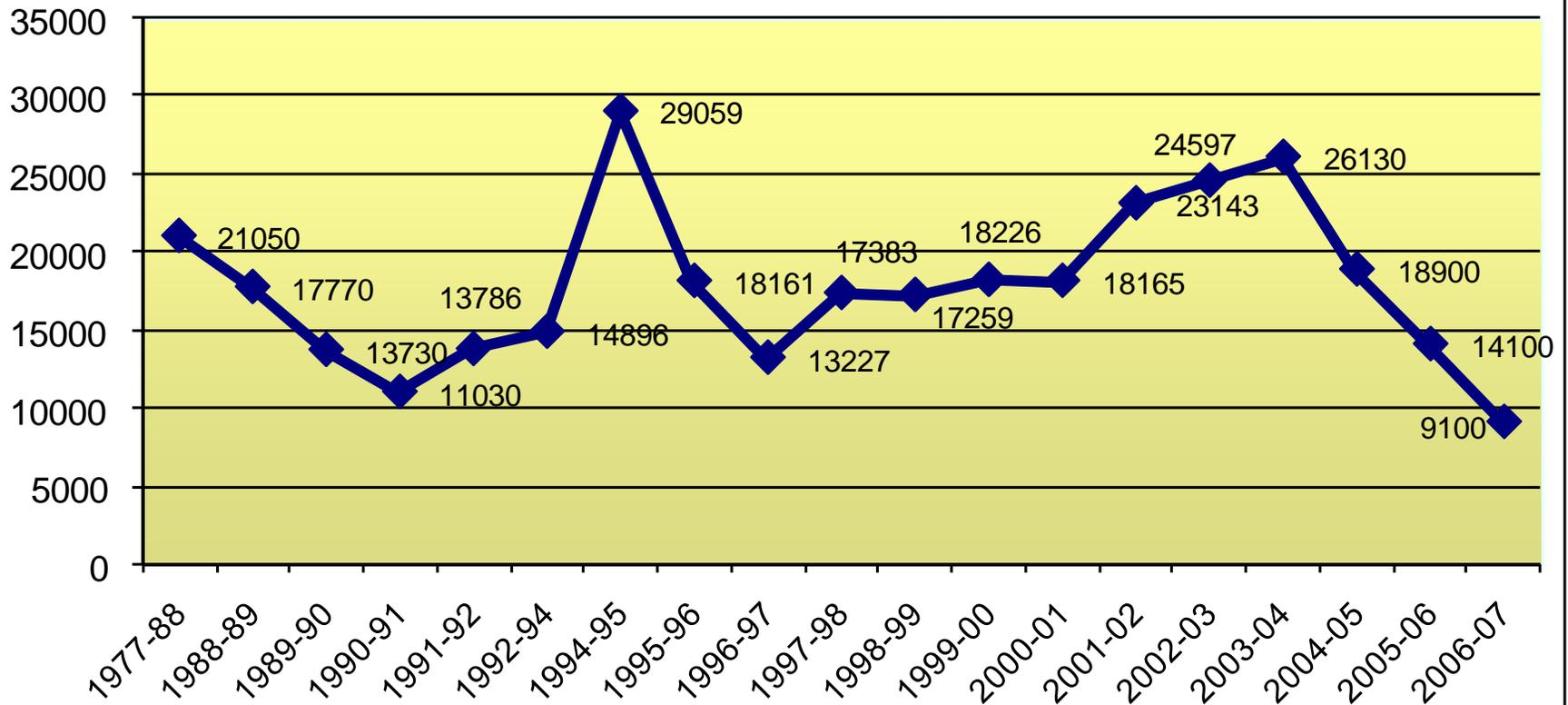
## **3. Deforestation – major environmental problem in Brazil – 75% of GHG emissions comes from LULUCF (land use and land use change)**

- Major Policy target: curbe deforestation rate**

# Cattle Production in Amazonian Region



# Deforestation in the Amazon Region, in Km<sup>2</sup>



# Environmental Policy and Rural Development

Criticisms to the conventional (modernised, input intensive) agriculture in Centre-South Brazil and more attention to organic and agroecology farming alternatives;

Criticisms to Agricultural frontier policy of former military government (deforestation) and the response – amendment in the Forestry Code: – preservation of 80% of the land (private or public) as Legal reserve area in the Amazon; 20% in other biomes.

International Pressure for Conservation on Amazon Tropical Rainforest – EnvNGOs, G7, World Bank

# Sustainable Rural Development

**PROAMBIENTE as a case of enormous potential for new markets:**

- **Devised by Brazilian social organizations:**
  - CONTAG Regional – National Confederation of Agricultural workers)
  - GTA – Amazonian socioenvironmental NGO;
  - CNS – National Council of Rubber Tappers
  - IPAM – Environmental NGO;
  - COIAB – Northern indigenous people’s organisation.
- **Autonomous governance structure:**
  - Local Steering Committee for each pilot project
  - Local Integrated operational arrangements (Embrapa, Municipalities, local worker union associations, private technical assistance funded by MDA)
- **Promotion of agroecological production practices – agroforestry.**
- **Exploring the biodiversity and “naturalness” – non-timber forest products: woodcrafts, fiber, and cosmetic, food and medicinal ingredients**

# New Markets in Development Proambiente and other programmes (PDA)

- Food: Açaí, Guaraná, Cocoa, Cupuaçu (juice, ice cream), Pupunha (palm heart), Pirarucu (fish), Brazil nuts
- Cosmetics: Local lotions, soaps, perfumes, ingredients from palm nuts
- Medicinal ingredients: Andiroba (oil), fava, frogs (Katukina indigenous knowledge).
- Fiber: juta, palm fibers
- Local energy input material: babaçu palm oil (aviation kerosene), biodiesel for thermoelectric plant
- Environmental Services Market:
  - Carbon storage – CDM and voluntary carbon market
  - Payments for environmental Services Schemes (regulations being prepared)

# Proambiente: agroecological production system



# THE SOCIAL ENVIRONMENTAL PROGRAMME FOR RURAL FAMILY PRODUCTION (PROAMBIENTE), Pilot Experience- SDRS/MMA

## Payments for Environmental Services for Forest Dwellers (Indigenous People) and Small Family Farmer



# Final remarks

## a) In Brazil rural development means:

- An ongoing process that star in the last 15 or 20 years;
- Political mobilization was important in order to the State recognize the sense of the new RD
- There is still a controversial and misunderstanding between the relation among RD approach and agribusiness !!
- RD is giving and substantial contribution in the fight against poverty and social inequality

## b) The new RD policies:

- RD policies are a wide range of actions and initiatives, not always articulated, for instance, environment and family farming;
- They deal with old and consolidate markets but they perform better when new markets are constructed (PAA and PSA)!!

**Thanks !!**

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**BRASIL**