



Speaker Summary Note

Session: Learning from Country Case Studies

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Title: Fighting Hunger and Poverty in Brazil—The role of agriculture

Introduction

Brazil is a highly urbanized country of 190 million inhabitants and the fifth largest nation on earth. Through decisive government actions, aided by civil society engagement, the country has been rapidly advancing towards the achievement of the Millennium Development Goals (MDGs).

Many of these actions are linked to the Fome Zero (Zero Hunger) strategy, which was designed to ensure the human right to adequate food by promoting food and nutrition security and eradicating extreme poverty with the aim of consolidating rights for the most vulnerable segments of the population.

The overall result of all these social and macroeconomic policies has been a steady reduction in hunger and poverty. The so-called “middle C class,” measured according to levels of income, has increased and now represents more than half of the total population. Almost 30 million citizens were added to this group from 2003 to 2009 as result of economic growth and a myriad of social policies.

As documented by the 2010 National Monitoring Report of MDGs, extreme poverty is less than one-fifth of that recorded in 1990 and inequality, as measured from Gini’s coefficient, was reduced from 0.612 to 0.544 in 2008.

Child and infant mortality have fallen, respectively, from 53.7 and 47.1 deaths per thousand births in 1990 to 19.8 and 19.0 in 2008. Accordingly, maternal mortality ratio has been decrease from 140 per 100 thousand live births to 75 in the same period. Those are just a few of various indicators that are attesting the success of the strategies being carried out.

1. Government policies and the commercial sector

A crucial historical moment in the country was observed in the mid-1990s, when a successful plan of macroeconomic adjustment eventually stabilized a chronic history of high inflation and created solid foundations for economic growth.

Among other relevant measures, two related key elements were of decisive importance for the future of agriculture in the country. Firstly, Brazil liberalized its markets and opened them for foreign competition. Secondly, several predicaments of agricultural policy were implemented, thus clearly establishing a

market-based approach. Over the course of time, several positive results derived from these new policies, from the reduction of government intervention in several markets to the elimination of various forms of subsidies and price controls, apart from a strong incentive to agricultural research.

Taken the 2008 indicators, the country's agriculture and its agro-industrial chains account for 25.6% of the GDP (US\$ 1.6 trillion) and responds for 37% of all jobs in the country and for 36.4% of total exports (an estimated US\$ 198 billion). Agricultural productivity, in turn, is the main drive that stimulates production and accounted for 65% of the total agricultural growth in the period from 1970 to 2006. Its role has been crucial to guarantee low levels of food prices.

The overall performance of Brazilian agriculture transformed the country from an importer of some products in the past to one of the most relevant players in international markets of agricultural commodities. Contini et al (2010) have demonstrated that these are trends resulting mainly from competent farmers, cheap and mechanized land available, agricultural policies, and tropical technology developed by Embrapa, state research agencies and universities under the National Agricultural Research System.

The Federal Government is currently promoting several programs and the "ABC Program" is trying to promote a "low carbon emission" agriculture. It stimulates the adoption of new technologies and systems of land management in order to reach clear goals of GGE reduction. In addition, simulation models have been successfully applied to establish new agricultural zoning, and the forest code is under review in an attempt to combine the preservation of natural resources with the production potentialities of Brazilian agriculture.

2. Government action and small producers

A turning point with regard to small farmers was the "National Program of the Strengthening of Family Farming" (Pronaf), which was established in 1995. It provides a wide array of credit channels for small producers ranked under different criteria and also offers financial support for those poor rural families settled under the National Program of Land Reform.

These credits are subsidized and cover costs of production, investments and commercialization. Gender has been addressed through "Pronaf Woman". This segment also receives specialized technical assistance and rural extension services to attend their particular needs regarding development of family agriculture.

In recent years, Pronaf has been strengthened and aided by other actions. One of them is the Citizenship Territories Program (PTC), which is focused on addressing poverty in rural areas through a sustainable territorial development strategy. Another one, the "More Food" Program was created in order to modernize the productive structure of family farms.

An important program over the years has been the Family Agriculture Food Procurement Program—PAA, which was structured under the well-known "Zero Hunger Program" launched in 2003. PAA promotes the direct purchase of food produced by small farmers in order to guarantee food supply to a chain of social assistance institutions throughout the country, including popular restaurants, "community kitchens" and food banks.

The stocks of food bought by the Government may also be used for special social targets formed of vulnerable families. One of these specific groups is that of school children—since 2009 approximately 30% of all government financial transfers to cover meals served in public schools came from the PAA program. Since 2003, over US\$ 1.4 billion were spent and about 2 million tons of food were acquired by the Government.

Rural poor families have also benefited from other initiatives launched by the Zero Hunger Program. The main one is the "Bolsa Familia" (PBF). It is a cash-conditioned transfer (CCT) type of social program whose financial transfers reach families living in poverty and under extreme poverty. Most of the beneficiaries live in the Northern and Northeastern states of Brazil. From 2004 to 2009, the PBF doubled the number of

beneficiaries (from 6.6 million families to 12.4 million families). In December 2009, it was estimated that this program was benefitting approximately 49 million people.

Social security is another crucial public policy, especially retirement pensions for the rural population entitled to this support. This was a right ensured by the Constitution signed in 1988 but payments started only in the early 1990s and have been growing exponentially since then. In fact, the weight of social security benefits could reach up to one fifth of the total family income, meaning a decisive social achievement and a crucial policy to accelerate social inclusion for the rural poor.

3. Concluding remarks

A robust increase in agricultural productivity resulted in the reduction of food prices and the sum of these trends meant that Brazilian agriculture has been successful in not only fighting hunger in rural and urban areas but also in providing social inclusion and greater prosperity. The recently launched final report of the UK-based foresight project on “The Food of Food and Farming” emphasized “there are causes for optimism that agriculture can become a more powerful force for the reduction of hunger and poverty in the decades ahead.”

Brazil has been strongly exercising this strategy and promoting an array of different policies and incentives to support all types of producers, from small farmers to large-scale agriculture and the total financial support for agriculture jumped from US\$ 14.8 billion in 2002 to US\$ 69.6 billion in 2010.

The combination of entrepreneurship and nationally-developed technologies in tandem with various government policies, have turned Brazilian agriculture into a flourishing economic activity, thus contributing to feed not only its people but also offering an extraordinary contribution to reduce hunger in other countries. The persistent government support to small farmers is gradually encompassing the whole group of producers—including settlers established under the Land Reform Program—to provide them with technological expertise and ensuring their full integration into the economy.

Thus, Brazil is establishing a new model of fight against hunger and poverty in rural and urban areas, leveraging agriculture to conquer nutrition and health for its citizens.

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