



Brazil's "ZERO HUNGER" Strategy

The right to food and food sovereignty were the cornerstones of Luiz Inácio "Lula" da Silva's presidency. In his inauguration speech, Lula announced that he would consider his life's mission accomplished if every Brazilian were able to have three meals a day by the time he left office. To this end, he launched the "Fome Zero" (Zero Hunger) strategy. Its goal? Eradicate the scourge of hunger and poverty in Brazil, an emerging economic power where nevertheless more than one out of every three households were food and nutrition insecure.

The "Zero Hunger" strategy brought together a set of programs that acted on four pillars: facilitating access to adequate food, agriculture support, income-generating activities, and social participation.

A look back at an initiative that has allowed 20 million Brazilians to climb out of poverty.

CONTENTS

Context: Brazil, an "Unfair Society"

- An Emerging Economic Power
- A Problem of Access to Food
- An Agricultural Giant with Two Faces
- Considerable Inequalities in Access to Land
- Two Ministries for One Agricultural Policy

The Zero Hunger Strategy's Principles

- Strong Political Will: Lula's Arrival
- Combining Social (Relief) Actions and Development
- Connecting the Rural and Urban Worlds and Tailoring Support to These Zones
- The Strategy's Intersectoral Approach
- Steering Under the Sign of Civil Society Participation
- A Territorial and Participatory Approach
- A Sound Legal Framework
- Conditional and Targeted Aid

The "Zero Hunger" Strategy: A Set of Coordinated Programs

- A Family Allowance System: the Bolsa Familia
- A Program to Strengthen Family Farming (via Credit and Insurance): the PRONAF
- A Public Food Acquisition Program: the PAA
- A School Meal Program: the PNAE

The Outcome of the "Zero Hunger" Strategy

- Undeniable Progress
- Still Room for Improvement
- A Cost Deemed Excessive
- Implementation Difficulties: Coordination, Capacities, Corruption

Conclusion: What Does this Strategy Teach Us?

- The Current Brazilian Government Wishes to Continue and Take it Further
- Initiatives to Export the Model
- Can the Brazilian Example Be Replicated?

Context: Brazil, an “Unfair Society”¹

An Emerging Economic Power.

With a population of 192 million and surface area of 8.5 million square kilometers (15 times the size of France), Brazil is a member of the BRICS group that is composed of the five main emerging economic powers (Brazil, Russia, India, China and South Africa).

2010 statistics attest to a GDP of more than \$2,000 billion, annual growth of 7.5%, and a per capita GDP of more than \$11,000. If the country maintains its high growth and continues to advance on the social level, it will rapidly attain the average per capita GDP of OECD countries and enter the “high income country” category.

Brazil Is Not in Difficulty When it Comes to Food Availability.

In 2001, the FAO estimated average food availability in Brazil at 2,960 kcal per person per day, well above the minimum threshold of 1,900 kcal/day.

Yet, the unequal distribution of wealth, poor purchasing power of many households, and unemployment mean that, in 2004, more than one third of households were considered to be food insecure (more than 70 million people).

An Agricultural Giant with Two Faces.

The world’s largest exporter of soy, coffee, cane sugar, orange juice and meat, Brazil is a mainstay of global agriculture and a place where family farming and agribusiness coexist as best they can.

Family farming, which takes up only 24% of farmland, accounts for 38% of national production (in volume) and employs 75% of agricultural labor. No less than 70% of the food consumed by Brazilians comes from family farming in the country.

Brazil has opted to manage this duality, as agribusiness allows it to ensure its position as an international agricultural power while support for family farming is seen as a way to fight rural poverty.

While Brazil has made clear efforts to balance these two models, it has not been simple and, for some, they are contradictory.

Still today we see that 5% of farms produce 79% of the value of agricultural production, tension over resources is not easing, and 25% of rural people are still classified as “very poor.”

Considerable Inequalities in Access to Land.

If Brazil wishes to attain its goal of food security, it must reduce inequalities in access to land. Farms exceeding 1,000 ha make up barely 1% of farms in Brazil but occupy 43% of the country’s farmland. The development of agrofuels is intensifying the phenomenon. The Gini coefficient² for land distribution was 0.872 in 2006, higher than previously (0.85 in 1996³).

Two Ministries for One Agricultural Policy.

Faced with these challenges, Brazil has applied a number of domestic support measures in favor of agriculture, notably granting loans with preferential terms and price stabilization and support mechanisms. Two ministries are in charge of formulating and implementing agricultural policy: the Ministry of Agriculture, Livestock and Food Supply (MAPA, Ministério da Agricultura, Pecuária e Abastecimento), and the Ministry of Agrarian Development (MDA, Ministério do Desenvolvimento Agrário). The National Supply Company (CONAB, Companhia Nacional de Abastecimento), a commercial state enterprise affiliated with the MAPA, is in charge of implementing certain agricultural policies, including those related to minimum prices and storage. The MDA is in charge of policies aiming to ensure sustainable rural development through agrarian reform and the strengthening of family farming.

¹ Former President Cardoso has said that Brazil is no longer an underdeveloped country, merely an unjust one.

² The Gini coefficient measures the “deviation of the distribution of income (or consumption) among individuals or households within a country from a perfectly equal distribution. A value of 0 represents absolute equality, a value of 1 absolute inequality.”

Source: Human Development Report website – <http://hdrstats.undp.org/en/indicators/67106.html>

³ Source: FAOSTAT.

Family Farming in Brazil: Those who Believe in it Too Much, and Those who Do Not Believe in it Enough

At the start of the 1990s, the State's withdrawal from family farming support caused local actors to take the lead. Local initiatives emerged, often under the impetus of NGOs. These peasant movements have, because of their vitality, earned a role as partners with the State in policy establishment processes. In the same wave, the arenas for debate multiplied. Policies addressing family farming (FF) were the subject of much discussion. In this way, FOs supported the establishment of a support program specifically for FF, notably when it comes to credit. This project, promoted during various public consultations, took form and gave rise to the PRONAF (Programa de Fortalecimento da Agricultura Familiar, the National Program for Strengthening Family Farming, which offers low interest loans – see below) as early as 1995, prior to Lula's arrival on the scene.

Initially, the PRONAF only considered family farming qualified as "viable." The program supported the modernization of family farming and the search for profitable modes of production that would have made it possible to earn a living from farming alone. A vision unsuited the reality of family farming in regions such as the Nordeste or the Amazon. Farms qualified as "peripheral" or "stalled" were marginalized, excluded from the PRONAF. It was only after a few years, under the influence of civil society, that the program came to include the diversity of types of family farms.

PRONAF's implementation ran into a few stumbling blocks. Faced with the difficulties many actors encountered to participate effectively in establishing public policies, the State elaborated a territorial development process. This approach should make it possible to facilitate the dialogue among local organizations, civil society, municipalities and the State to ensure better consideration of local dynamics.

Despite these advances, the debate continues on the family farming concept. The most optimist believe in the modernization of family farming able to enter international and local markets, stimulated by initiatives to promote products. Inversely, others maintain that family farming is no longer in the running. Seen as not competitive and permanently left in the dust, it plays a role that is more social than economic.

For more information:

<http://www.inter-reseaux.org/ressources-thematiques/article/societe-civile-et-politiques>

The Zero Hunger Strategy's Principles

Strong Political Will: Lula's Arrival.

Based on these observations, President Lula made food and nutrition security (FNS) a political priority during his election as president of Brazil in 2003. Yet, the context was not in his favor. The country's debt was 57% of GDP, inflation was close to 12%, and unemployment had reached 11.5%. The country was forced to call on the IMF. Surprising everyone, when he took office, Lula promised to lower the debt (he announced a 10% public budget cut). At the same time, he found the means to set up the Zero Hunger strategy, grouping together several existing programs (that were previously not coordinated⁴) around several major goals: strengthening family farming, improving access to food, income-generating activities, and social participation. The reasoning was as follows: to remedy the problem of access to food, it was necessary to cut food prices and better protect populations that were excluded from the food market (the unemployed, children, etc.), which should simultaneously increase demand and therefore offer better outlets for local farming.

⁴ Accordingly, Lula created the Ministry of Social Development and Fight Against Hunger, which coordinated the food and nutrition security policy and acted as a liaison with the other ministries.

Combining Social (Relief) Actions and Development.

The Zero Hunger strategy's main ambition was to combine emergency and long-term measures to attain its objectives. In this sense, we can say that the Zero Hunger strategy was not merely a set of social policies. Indeed, while the government did, for example, set up free distribution of food baskets, structural measures were also set up at the same time (vocational training programs, microcredit, family farming support, etc.) to enable a true exit from the cycle of hunger and poverty.

Connecting the Rural and Urban Worlds and Tailoring Support to These Zones.

In rural areas, the government aligned its action on developing family farming and land tenure. Little by little, rural development policies evolved and acted from all angles on the problem of poverty, hunger and inequalities in rural areas: from producer to consumer, and from supply to demand. In urban areas, the challenge was to set up measures to fight hunger and poverty without triggering dependency.

What is more, Zero Hunger sought to strengthen the ties between rural and urban areas, and between family farmers and urban consumers.

The Strategy's Intersectoral Approach.

Integrating the fact that food security and poverty are multidimensional problems, the Brazilian government bet on a comprehensive and intersectoral strategy: links between programs, coordination between the various ministries in charge. The most telling example is the National School Meal Program (PNAE). This program aims to provide free meals to students in public schools. And 30% of the food purchased for these establishments must come from local family farms. The foodstuffs are purchased through the Food Acquisition Program (PAA). In this way, accomplishing the goal of facilitating access to food makes it possible to support local family farming by ensuring outlets at remunerative prices. In 2008, more than 100,000 farmers sold their crops to the PAA, for nearly 17 million people.

Steering Under the Sign of Civil Society Participation.

Finally, it is impossible to speak of Zero Hunger without mentioning the determination to give an important role to civil society in the strategy. This principle, written into the 1988 Constitution, takes the form of representatives' seats in bodies (such as the local councils, or even the National Council of Food and Nutritional Security (CONSEA), the importance of arenas for discussion and debate, the promotion of civil society initiatives, and municipal, federal and national governance).

More specifically, the National System for Food and Nutrition Security (SISAN) is coordinated by two institutions: CONSEA and CAISAN (the Interministerial Chamber for Food and Nutritional Security), which are based on the deliberations of the National Conferences on Food Security. These conferences are held every four years, involving thousands of people (civil society, private sector) and guiding policy.



The Interministerial Chamber for Food and Nutrition Security – CAISAN

CAISAN's role is to:

- elaborate FNS policies, based on proposals by the National Council on Food and Nutrition Security: orientations, objectives, sources of financing, monitoring-assessment of their implementation;
- coordinate and execute this policy; and
- coordinate and link the various levels for measures: national, federal, local.*

CAISAN is composed of 19 ministries in charge of the Zero Hunger strategy, and coordinated by the Ministry of Social Development and Fight Against Hunger.

The National Council of Food and Nutritional Security – CONSEA

CONSEA, Conselho Nacional de Segurança Alimentar e Nutricional, set up in 2003, is defined as a **coordinating instrument between the government and civil society** for the elaboration of guidelines for actions in the field of food and nutrition. It is made up of 57 advisers, of which 38 representatives of civil society and NGOs (16% of 38 seats), rural unions and FOs (13%), research institutes (16%), networks of associations (27%), community associations (indigenous peoples, Quilombos, etc. – 11%), religious associations (11%), professional agrifood associations (2%), and 19 ministers, along with 28 national and international observers.

CONSEA is **consultative**. Because of its consultative nature, CONSEA does not have the power to determine policy orientations. It can only issue opinions on government proposals. It thus advises the president on the formulation of policies and guidelines to ensure the right to food.

The CONSEA proved its importance during the elaboration and improvement of the SISAN (National System for Food and Nutrition Security). But it has also worked to establish a new point of reference for social participation.

Let us look at the example of the National School Meal Program (PNAE). The CONSEA formed an internal working group, with government advisers and civilians. After a year, it drafted a bill on school meals; this bill envisaged extending the program to secondary school and from 36 to 48 million beneficiary students, proposed that at least 30% of the food purchased in each municipality come from family farming, and demanded that the food provided be healthy and nutritionally appropriate.

The bill's presentation to Congress created uproar, given the reactions of members of congress to the innovations in the bill. Various social movements mobilized to ensure that the bill would be passed. The social participation was remarkable on national level, thanks to CONSEA's involvement; it is said to have been decisive in the bill becoming law in 2009, even though the initial ambitions had to be revised downward.

Zero Hunger is also part of a vaster approach to revising public policies to move toward a **territorial and participatory approach**. This evolution, by creating arenas for collaboration, offers new opportunities for rural development actors such as FOs to participate in public policy, although administrative and political barriers remain.

The Involvement of Farmers' Organizations in the Strategy

The participation of farmers' organizations (FOs) in the Zero Hunger strategy stemmed from their representation on food security councils at various levels (municipal, regional, etc.) and within CONSEA (the National Council of Food and Nutritional Security) on the national level.

CONSEA's members include various national FO groups: the Small Farmers' Movement (MPA), the Women Farmers' Movement (MMC), the National Agriculture Confederation (CNA), the National Confederation of Agricultural Workers (CONTAG), the National Family Farm Workers' Federation (FETRAF), the National Union of Family Farm and Solidarity Economy Cooperatives (UNICAFES). An FO network, the National Articulation on Agroecology (ANA), which brings together most of the organizations mentioned, is also a member. Nearly all of these movements are connected to defending family farming.

FOs also often play a role supporting farmers as part of the Zero Hunger strategy's roll out, helping farmers get organized to participate in government programs, more specifically the PAA (the Food Acquisition Program) and the PRONAF (the National Program for Strengthening Family Farming).

The Small Farmers' Movement's (MPA) Experience

(taken from an interview with Raul Krauser,
from the national MPA coordination,
conducted by Inter-Réseaux).

The MPA's role in Zero Hunger took place in the PAA and PRONAF programs. It has participated in them since they were set up in 2002.

More specifically, the PPA's resources come from the MDS (Ministry of Social Development and Fight Against Hunger) and transit through municipalities and the CONAB (the National Supply Company). The MPA's branches in the states work with city halls and CONAB. In Santa Catarina state, MPA's farmer members produce farmers' seed that is distributed to farmers enrolled in the PAA.

*The MPA plays a real **role of facilitator** of farmers' participation in the programs. In the framework of the PNAE (the National School Meal Program), **it identifies farmers and farmers' organizations as potential program participants, as well as schools and other structures interested in their products, and then elaborates an application packet that is submitted to the CONAB that assess project feasibility.** The MPA also helps farmers organize their participation in programs, notably to meet deadlines and supply volumes.*

***The MPA's participation.** The MPA's secretariat, located in Brasilia, attends meetings with the leaders of CONAB and other bodies that have been set up by the PAA. The MPA is also represented on the PPA's managerial councils and within CONSEA. Activism and mobilization days are also a vector for participation.*

***Obstacles to FOs' involvement.** Despite the good will of program managers, the structure of the government is not designed for this participation. It is lacking arenas for participation. In addition, we currently have a coalition government that must satisfy everyone and it is therefore not easy to make oneself heard.*

A Sound Legal Framework.

Brazil has enacted several laws to solidify the fundamental principles of the strategy and its proper implementation. The National Law on Food and Nutrition Security (LOSAN) guarantees the right to adequate food and lays the basis for SISAN to ensure the realization of this right.

The FNS policy must therefore be elaborated on the principles of the human right to food⁵ and food sovereignty.⁶

⁵ The right to food entails the right to a life free from hunger and malnutrition, and the right to appropriate food.

⁶ The principle of food sovereignty entails peoples' right to determine their policies and strategies when it comes to food production, distribution and consumption.

The Law on Family Farming, which came into force in 2006, gives a **precise definition of the family farming concept**, determining who can and cannot benefit from the programs' support. Under its definition, a family farm must:

- be smaller than 4 fiscal units (1 unit ranging from 5 ha of the most fertile land to 110 ha of Amazonian land);
- employ mainly family labor;
- derive the majority of its income from agricultural production; and
- be run by a member of the family.

Finally, since 2010, the right to food has been part of the Constitution and has become a mandatory government priority.

Conditional and Targeted Aid.

The strategy's feasibility relies on precise targeting of aid recipients (hence the need for a precise definition of what constitutes a family farm, for example). In addition, it is in no way a system of universal social protection (something that can be understood in a context of very large social inequalities). The conditional nature of the aid also gives the strategy leverage: children's enrollment in school is, for example, a condition for the payment of allocations, which triggers a broader development dynamic.

The “Zero Hunger” Strategy: A Set of Coordinated Programs

The strategy is sometimes referred to improperly as the “Zero Hunger program.” Indeed, it is a policy based on roughly thirty programs divided into four pillars: access to food, strengthening family farming, income generation (income-generating activities), and promoting partnership and social mobilization. The following are the most striking programs:

A Family Allowance System: the Bolsa Familia.

This is a “cash transfer” program, in other words benefits conditional on household income and school enrollment (children must attend at least 85% of classes), medical care for children (notably vaccinations), and medical treatment for pregnant women.

This program reaches at least 48 million people (out of nearly 200 million Brazilians). The benefits come to roughly forty euros per month and are distributed only to women.

In the initial formulation of the Zero Hunger project, the Food Card (a predecessor to the Bolsa Familia program) was supported as a way to connect consumers with low purchasing power with local small producers. Yet, this card, distributed in the form of a magnetic card (like a bank card), could ultimately only be used in stores equipped with the appropriate card readers, which meant large supermarkets supplied by the agroindustry. Aware of this impasse, the government set up a cash withdrawal system in banks for the distribution of Bolsa Familia benefits so that the recipients' purchases would not implicitly be steered toward agribusiness. However, the purchases are not regulated: recipients are free to spend the benefits as they wish.

A Program to Strengthen Family Farming (via Credit and Insurance): the PRONAF.

This program subsidizes interest rates for family farmers as long as they meet income criteria and correspond to the legal definition of a family farm. Today, this definition is criticized for allowing many large farmers to obtain these loans at the expense of more needy farmers. Here, we see the ambivalence regarding supporting family farming: should the support be seen as aid for the smallest farms, or should one shift to supporting all types of family farming, including the farms that are least in difficulty, to hope to have a lever effect (despite the risk of land concentration)?

A Public Food Acquisition Program: the PAA.

The State builds stocks of foodstuffs and provides the necessary food to the food access facilitation programs by buying from family farmers. The prices are guaranteed and identical to those on the regional market. Purchasing is done through the CONAB (the National Supply Company), the

government and municipalities, which buy the foodstuffs from farmers. The PAA also allows small family farmers' organizations to build stocks: the CONAB gives them funds with which they can purchase foodstuffs from family farms. Government purchases receive a 30% bonus for crops from agroecology, a sign of the State's determination to encourage this type of farming. All of the sums paid by the State to farmers are capped. Initially, the PAA was capped at 2,500 reals per year per farm, out of fear that the WTO could interpret the measure as price support and sanction it. Under pressure from FOs and social movements, the ceiling was raised to 4,000 reals, although this was not entirely satisfying to ensure decent incomes for farmers. In 2010, only 160,000 farmers sold their crops to the PAA, proof that the program lacked magnitude or that insufficient information had been given to farmers.

A School Meal Program: the PNAE.

The State is committed to providing students in public establishments with a free, healthy meal suited to food habits and traditions. This meal must be made with at least 30% foodstuffs from local family farms purchased through the PAA (here, the principle of intersectorality is applied). According to some, procurement contracts, managed locally, have been attributed by clientelism to this or that farmer in the municipality.

As the following table shows, the "Zero Hunger" strategy goes well beyond the four programs described above, and is composed of a vast range of instruments, including risk management (insurance schemes), the regulation of certain prices, vocational training and capacity building systems for actors, nutritional quality control systems, etc.

<u>List of Programs Included in the "Zero Hunger" Strategy</u>	
<p><i>I – Access to Food</i> Bolsa Familia (BF) National School Meal Program (PNAE) Food for Specific Groups Cisterns People's Restaurants and Community Kitchens Food Banks Urban Agriculture Food and Nutrition Oversight System Vitamin A Distribution Iron Distribution Food and Nutrition for Indigenous Communities Food Consumption and Nutrition Education Promotion of Healthy Consumption Habits Workers' Food Program (PAT) Lowered Taxes on Food Baskets</p>	<p><i>II – Strengthening Family Farming</i> National Program for Strengthening Family Farming (PRONAF) Harvest Insurance Family Farm Insurance Food Acquisition Program (PAA) Price Guarantee Program for Family Farms</p>
<p><i>III – Income Generation</i> Social and Vocational Training Solidarity Economy and Inclusive Growth Food Security and Local Development Partnership Food Security and Nutrition Organization Recyclable Material Collection Cooperatives Microcredit</p>	<p><i>IV – Promotion of Partnership and Social Mobilization</i> Social Assistance Reference Center Social Mobilization and Civic Education Capacity Building for Public and Social Agents Volunteer Work and Grants Partnerships with the Private Sector and NGOs Social Development Councils</p>

The Bolsa Familia

Principle

The Bolsa Familia (family grant) is a **cash transfer program**, a direct family allowance that replaces and brings together the food card, food grant and school grant programs. It was designed to:

- reduce poverty immediately through direct cash transfers;
- guarantee the fundamental rights to education and health; and
- establish, through a system of conditions, ties with other poverty alleviation programs (vocational integration, literacy, identity card delivery programs).

This program has been placed under the responsibility of the Ministry of Social Development and Fight Against Hunger (MDS), but the Ministries of Health and Education are also involved.

Beneficiaries

In 2009, 12 million families were recipients—approximately 48 million people, one third of which living in rural areas, that is to say **one out of every four Brazilians**.

These families receive on average US\$56 per month (from US\$12 to US\$108, depending on the number of children and income level), through a magnetic card distributed to women that can be used in banks. The amount should be enough to purchase a basket of varied, quality food suitable for the size of the family.

The eligibility criteria are:

- the family must have a monthly income of less than US\$82 per person,
- it must have children enrolled in school (who must attend at least 85% of classes),
- children must receive proper medical care (notably in regard to vaccines), and
- pregnant women must receive proper medical care.

This illustrates the multisectoral nature of the measure, as it acts on several components—income transfer, health and education—with the aim of ending the transmission of poverty to future generations.

The beneficiaries are targeted through a computerized register coordinated by the MDS that must be kept up-to-date by city halls.

Budget

The government devotes 2% of its budget to the Bolsa Familia, or 0.4% of GDP. In 2003, this represented 1.9 billion dollars; in 2008, it was raised (to 6 billion dollars) to allow families to overcome the food crisis.

The Bolsa Familia is mainly financed by taxes and levies: tax on the circulation of goods and provision of services, tax on industrial products, tax on services. In this way, the Brazilian society as a whole helps finance the program. The World Bank is also said to finance part of the Bolsa Familia, but to a lesser extent.¹

The government considers that this spending is partially offset by the taxes collected on the purchases made thanks to the revival of consumption among the beneficiary population.

Results and Limits

Studies have shown that this money is spent on food costs by 87% of the families, who devote on average R\$200.00 (US\$118) to food purchases every month, or 56% of their income. In 96.3% of cases, the foodstuffs purchased are local and come from family farms.

Among beneficiary families, we see a 31% reduction in the risk of early childhood undernutrition, and 90% of children eat at least three meals a day. 90% of the beneficiary families feel that their access to food has improved, and 70% have more diverse diets.

The improvement in these families' purchasing power (a 29% increase in their income) has a positive impact on local development by reviving consumption: job creation and income generation, notably for local farmers.

However, the program is not judged to have had an impact on child vaccination. Beneficiary children are less successful than other children in school, and approximately 20% of the beneficiary families are still food insecure.

Criticisms

The government has been criticized for this measure by the press and the opposition. The detractors of the Bolsa Familia say that it is a handout that fosters idleness (however, the activity rate has been measured as being 2.6% higher among beneficiaries). Others accuse it of not tackling the causes of poverty. Finally, some believe that the State is showing too much interventionism.

¹ See: <http://www.worldbank.org/projects/P087713/br-bolsa-familia-1st-apl?lang=en>
<http://www.worldbank.org/projects/P101504/second-bolsa-fam%C3%ADlia?lang=en>

The National Program for Strengthening Family Farming

Principle

The PRONAF is a **low interest loan program** specifically targeting family farms. It also includes a system addressing price insurance, weather hazards, income and technical assistance.

In addition, PRONAF is an incentive program fostering agroecology projects, organic farming, small-scale agroindustry, support for young farmers, and even farmer organization projects.

Beneficiaries

60% of the operations reach poor rural families: small farmers, traditional communities. In the 2009-2010, crop year, 2.2 million farmers benefited from the program.

The eligibility criteria are:

- meet the legal definition of a family farm; and
- have an annual income of less than R\$110,000.

The beneficiaries are, among other things, subdivided into groups according to criteria such as activity, income, economic sector and vulnerability (women, young people, Quilombolas).

The loans are mostly used for small-scale projects: 70% of the loans are for less than €120,000.

How It Works

To overcome the difficulties encountered by certain farmers in obtaining loans from banks, the loans are granted to them at less-than-market rates set by the government. The National Rural Credit System, in charge of distributing funds to farmers, is in charge of implementing this policy. The source of the loans is:

- 55% from private and public banks (both of which are obliged to allocate 25% of their sight deposits¹ to these loans). The loan recipients can be: farmers, cooperatives, or individuals working in the field of agricultural research on farm services.
- Rural savings, constitutional funds, the Workers' Assistance Fund (FAT), and federal agriculture programs managed by the BNDES (Brazilian Development Bank). In this case, the government intervenes to cover the difference between the rate applied and market rates. The recipients are small farmers.

[¹ Sight deposits are ordinary accounts in credit; said of a sum of money deposited in an account that the depositor can withdraw easily. A normal account is a sight deposit. So is a passbook savings account. A sight deposit can earn interest or not (INSEE).]

The rates range from 1.5% to 5.5% to finance production operations and from 1% to 5% for investment operations. The amounts granted to each farmer are capped. The PRONAF includes a Price Guarantee Program for Family Farming (PGPAF): the products financed are assigned a guaranteed price determined when the farmer takes out a loan from the PRONAF. If the sale price has dropped when it is time to repay the loan, the amount to be repaid is reduced. The aid is capped.

The program is run by the Ministry of Agricultural Development.

The PRONAF was launched in 1995 after strong social mobilization by farmers in favor of rural credit measures, initiated in 1992, led above all by the Confederation of Agricultural Workers (CONTAG), and the DNTR-CUT (the National Department of Rural Workers within the United Labor Federation).

Between 1995 and 2010, the program grew in scope: the income limit was raised, interest rates were lowered, the budget was increased, and the number of recipients was increased.

Budget

From 1995 to 2008, more than 14 million loans were granted, for a total of 22 billion dollars.

Results and Limits

- Production and incomes have risen, and the local economy has been boosted.
- In 2006, it is still estimated that 43% of loans (in general, including PRONAF loans) were granted to large farmers, who represent only 1% of all farms. Farms of less than 100 ha (88% of all farms) received only 30% of the loans.
- There has been a lack of information for farmers on their right to take out PRONAF loans.
- Some farmers are struggling to repay their loans.

The Food Acquisition Program

Principle

The government purchases foodstuffs directly from family farms to build food stocks or provide the food necessary for food access facilitation programs.

The PAA's objective is to support family farming (FF) and facilitate access to food for food insecure families. The PAA establishes a link between rising consumption and the local supply. It aims to:

- encourage production by family farms, thereby improving their food security;
- generate income for these farms, by selling their surplus to the government;
- encourage the development of distribution channels;
- increase stores of foodstuffs to ensure sufficient supply for vulnerable populations; and
- strengthen social integration in rural areas.

Some of the products purchased via the PAA are used to supply school restaurants in the framework of the National School Meal Program (30% of purchases must be made from local family farmers) and public establishments (hospitals, food banks, people's restaurants, etc.) and enable the building of stocks and fill food baskets for the most vulnerable. The program's multi-dimensional nature is therefore verified.

The beneficiaries are mainly cooperatives or groups of family farmers **certified** by the MDA (Ministry of Agricultural Development). The recipient farmers must meet the legal definition of a family farm.

How It Works

Its implementation has been placed under the responsibility of an **interministerial** group coordinated by the MDS, in which the ministers of the budget, finance, agriculture, rural develop and education participate. This program managing group issues resolutions that define the PAA's application.

Program execution is **decentralized** and local councils provide social oversight.

PAA management is therefore as follows:

Budget	Ministry of Social Development and Fight Against Hunger – MDS Ministry of Agrarian Development – MDA
Managing Group	Ministry of Social Development and Fight Against Hunger – MDS Ministry of Agrarian Development – MDA Ministry of Agriculture, Livestock and Food Supply – MAPA Ministry of Finances – MF Ministry of Planning, Budget and Management – MPOG Ministry of Education – MEC
Execution	Federal Level: National Supply Company – CONAB State Level: State Governments Municipal Level: Municipal Governments
Social Oversight	National Council of Food and Nutritional Security – CONSEA State Councils Municipal Councils

Source: PPT Presentation of the Brazilian PPA by the MDS during the workshop on the PAA program in Africa organized by the Brazilian government (CGFome end MDS), the WFP Centre of Excellence, and the FAO Brazil on July 2 to 6, 2012, in Brasilia and Arapiraca:

<http://www.slideshare.net/WFPCentre/paa-africa-programme-inception-workshop-local-food-purchase>

The CONAB (National Supply Company), states and municipalities purchase foodstuffs from farmers registered with the program, in the amount of up to R\$4,000 per farmer per year. The prices are guaranteed and indexed to regional market prices. An annual contract is drawn up between the two parties: the farmers must plan volumes and production periods throughout the year. The accounts are done every week (deliveries are made by farmers themselves), and payment is monthly. Farmers' organizations must ensure that quality and quantity criteria are met.

The PAA also offers small farmers' organizations the possibility of building their own stocks: the CONAB gives them a sum of money (not to exceed R\$1.5 million per year per organization) with which they can purchase foodstuffs from FF. The existence of several modalities for purchases through the PAA allows it to extend its reach.

List of All PPA Sub-Programs

Sub-Program	Objectives and Modalities	Ceiling per year and per farmer	Buyers
Milk	<ul style="list-style-type: none"> - increase vulnerable households' milk consumption - encourage FF dairy production - program only active in the Minas Gerais and Nordeste regions 	100 L/day	Superintendency for the Development of the Nordeste
Direct Local Purchase with Simultaneous Donation	<ul style="list-style-type: none"> - purchase from farmers, individually - supply government programs - food sent to local distribution centers, then used in people's restaurants, community kitchens, food banks (i.e. "donation") 	R\$4,500 i.e. €1,800€	States and Municipalities
Purchase with Simultaneous Donation	<ul style="list-style-type: none"> - purchase from farmers' groups - some of the purchases go to the CONAB's centers, the rest is used in government programs (i.e. "donation") 	R\$4,500 i.e. €1,800€	CONAB
Stock Accumulation	<ul style="list-style-type: none"> - addresses farmers' groups - builds their production and marketing capacities - provision of funds to purchase foodstuffs from FF so that FOs accumulate stocks that will then be sold 	R\$8,000 i.e. €3,150€	CONAB
Direct Purchase	<ul style="list-style-type: none"> - purchase of food stocks for distribution programs or accumulation of government stores 	R\$8,000 i.e. €3,150€	CONAB
PNAE	<ul style="list-style-type: none"> - 30% of the food purchased for school meals must come from local FF 	R\$9,000 i.e. €3,550€	Ministry of Education

Source: From *Food Security to Food Sovereignty: The Fome Zero Food Acquisition Program in the Pontal do Paranapanema, Brazil* Anton S., 2011, 106p.

Contracting

The opening of new procurement contracts is published on Internet, specifying which products are sought, what they will be used for, and at what price they will be purchased. In order to participate in the PPA, farmers and FOs must hold a DAP (declaration of aptitude from the PRONAF, the credit program.) To obtain a DAP, one must provide:

- the farmer's social security number, and
- farm information: surface area, number of residents, number of workers, income, address.
- FOs must provide:
 - o information on the FO's objectives, and
 - o an additional certificate: inscription in the national register of legal activities.

Budget

The funds come from the MDS (Ministry of Social Development and Fight against Hunger) and the MDA. From 2003 to 2008, US\$1.18 billion were spent, for 2 million tons of food bought.

Results and Limits

The PAA has helped increase farmers' incomes. The guarantee of stable income fosters investments in improving production. An effort can be seen among farmers to adapt to commercial demands (quality, health) hence the opening of new distribution channels. Small farmers often need to be supported in these efforts.

One can also see foodstuff prices aligning themselves with the prices paid by the program, to the benefit of farmers.

However, purchases are capped, which makes it impossible to ensure consequential economic impact on farms.

In addition, the program makes it possible to revive local economies by stimulating the production and consumption of FF products. FF has a better image among the population, and people are rediscovering products and diversifying their consumption.

In 2011, more than 160,000 farmers sold their crops to the PAA, for nearly 16.8 million people. The supply from FF is therefore smaller than it could be. The PAA needs to be extended and farmers' organizations need to be strengthened to facilitate purchases and ensure sufficient supply in both quantity and quality.

Other critics regret that the PAA does not finance the costs generated for FOs and that it is still limited to a small number of products.

Deficiencies are evoked on the institutional level, in the operation of the Municipal Councils (clientelism, corruption).

The National School Meal Program

Principle

The PNAE aims to promote healthy food in public schools. Set up in the 1950s, it was remodeled through its inclusion in the Zero Hunger strategy.

It provides free meals to students in public establishments. These meals must be: healthy, respectful of food habits and traditions, and partially composed of ingredients from local family farms.

Beneficiaries

Since 2009, the PNAE has targeted all students attending public school 200 days a year, or 47 million children (previously, it was 37 million children under the age of 14).

Conditions

70% of the municipalities' supplies must be unprocessed foods.

Since 2009, 30% of the purchases must come from local family farms (from the same commune as the school, whenever possible; when not possible, from the region, territory, state or country, in that order of priority). This is what makes the PNAE a model of multisectorality: the PNAE establishes a link between supporting family farming and food security.

How It Works

The resources needed for the PNAE are part of the national budget. They are transmitted every month to the executive authorities (states, districts, municipalities) by the FNDE (the National Foundation for Educational Development) in specific accounts. The funds are supplemented by these decentralized authorities.

To receive the PNAE, schools must be registered in a national registry and keep the information on purchasing contracts up to date in the registry.

The PNAE is placed under the responsibility of the Ministry of Education, but program management is highly decentralized:

- Each municipality receives a grant for each child attending school for more than 200 days a year. This money can only be used to purchase food, the rest (cooks' salaries, running the cafeteria, etc.) must be covered by city halls.
- The municipality and state education secretaries are in charge of implementing the PNAE and managing the federal budgets.
- School food committees (members of the local administration, civil society, members of parliament, parents, teachers) oversee meal composition and supply, and ensure the transfer of federal funds to the municipalities.

Budget

In 2003, the budget came to US\$310 million for 37 million recipients, or \$0.06 per student per day, \$0.16 in indigenous and Quilombolas (descendants of escaped slaves) communities for food suited to their needs.

The budget was adjusted upward with the expansion of the program. In 2010, it reached US\$1.75 billion, or \$0.14 per student per day, \$0.32 in indigenous and Quilombolas communities.

Municipalities and parent teacher associations often supplement these federal funds.

Results and Limits

Every year, more than 280 million dollars are spent on FF (if we assume that municipalities do not spend more than the mandatory 30% on FF purchases), thus stimulating local production. But the supply from FF is less than it could be: farmers' organizations must be strengthened to increase their participation in the programs.

Only 15% of daily nutritional and energy requirements are covered by this meal.

The participation of civil society and the program's decentralized management are sometimes a problem. Indeed, the municipal councils have a hard time playing their role of social oversight. In addition, the school food committees may show favoritism to certain supply companies (in conjunction with local politicians).

The Outcome of the “Zero Hunger” Strategy

Undeniable Progress. In 2009 it was estimated that 20 million Brazilians climbed out of poverty following the implementation of this policy. There were 15.4% of Brazilians living in poverty in 2009, compared to 27.8% in 1999. The country has thus attained the Millennium Development Goal of halving poverty.

The country's Gini coefficient, which measures income inequalities, had fallen from 0.595 in 1995 to 0.539 in 2009, proof of a rapid reduction in inequalities, even though they are still among the highest in the world.

Food security has improved overall: in 2009, 30.2% of households were food insecure (34.8% in 2004). Early childhood malnutrition fell by 61% between 2003 and 2009.

The socioprofessional category of small farmer saw its poverty rate fall from 41% to 24% between 2003 and 2009. The amount of loans granted has increased eightfold. Farmers' incomes have risen by 58%. This is above all due to an increase in income from their work, proof that the virtuous circle of income generation has been entered. The cash transfer programs (the Bolsa Familia) were a triggering element for this trend: by improving the poorest families' purchasing power, they were able to revive demand on local markets.

In addition, Brazil resisted the food and financial crises of 2008 fairly well, because of its family farming protection and food access facilitation measures.

Still Room for Improvement. One cannot be content with knowing that 29.6 million Brazilians still live under the poverty line. Huge problems with income inequalities persist: the Gini coefficient remains high (0.539 in 2009, whereas it was 0.327 in France in 2008⁷).

Millions of households do not have access to public programs.

Despite the efforts made in regard to sustainable development and resource sharing, conflicts between family farming and agribusiness persist, and land concentration is a large problem (2% of farms of more than 500 ha occupy 55% of cultivated land).

A Cost Deemed Excessive. Complaints have been raised about Zero Hunger's cost. The PRONAF's budget has increased sevenfold, and the PNAE's budget tripled (from €450 million to €1.4 billion) between 2003 and 2010. The spending by the Bolsa Familia accounts for 2% of the federal budget. While on the contrary, some raise the problem of under-funding that limited its scope (due to budgetary restrictions in 2003 and insufficient outside aid). Others believe that the government has set up handout measures without attacking the underlying causes of poverty (unemployment, redistribution, etc.). In this way, the Bolsa Familia is accused of not encouraging the recipients of this benefit to improve their situation, to which the government replies that, on the contrary, the benefits provide the households emergency relief, thereby giving them the ability to seek jobs, for example.

Implementation Difficulties: Coordination, Capacities, Corruption.

Implementation of the strategy has run into difficulties: problems with coordination among the various ministries, unsuitable regulations sometimes making participation in the programs impossible. There is also the ambiguity of the Brazilian government, which supports family farming while promoting the cultivation of biofuels and soy. Finally, while social participation happens on the national level, it is sometimes more of an issue on the local level: need to improve the capacities of society's representatives, problems of corruption and clientelism in the Zero Hunger's local management bodies.

⁷ Source: CIA.

Conclusion: What Does this Strategy Teach Us?

The Current Brazilian Government Wishes to Continue and Take it Further. Dilma Rousseff, who took over as president in 2011, has acknowledged the limitations of the policies set up. There is still a large number of Brazilians living in abject poverty, which leads one to believe that the existing policies are not yet effective enough and have difficulty reaching the most fragile populations. The current president of Brazil declared, when he took office, that the government would step up its efforts to fight poverty. In 2011, the “Brazil without Poverty” Plan was launched, and is supposed to perfect institutions’ operations and extend the reach of the programs already in place to the poorest people. It is still too soon to reach any conclusions on this initiative, however.

Initiatives to Export the Model. Internationally, Brazil promotes the principles of the right to food and societal participation in intersectoral policies, the protection of family farming, and international cooperation. The country wants to share its experience with policies to fight hunger and poverty. This has notably taken the form of south-south cooperation between Brazil and Latin American and African countries in the areas of agricultural development, research, technology transfer and technical cooperation.

For example, Brazil supports a local foodstuff purchase program in Africa carried by the FAO and WFP in line with the P4P “Purchase for Progress” program.

Other Latin American countries have taken steps similar to those in the Zero Hunger strategy. For instance, Peru has set up a public program of food purchases from Peruvian farmers. Nicaragua has had a food and nutrition security policy since 2000.

The Zero Hunger strategy is also getting attention in international organizations and from ECOWAS decision-makers.

Very recently, at the Rio+20 Summit, United Nations Secretary-General Ban Ki-moon launched a “Zero Hunger” challenge for the world, the objectives of which are: ensure constant access to food for everyone; eradicate malnutrition in pregnancy and early childhood; make all food systems sustainable; increase growth in the productivity and incomes of smallholders (particularly women); and eliminate all food losses and waste.

Another strong symbol of the esteem for Brazil’s experiment is the election of José Graziano da Silva, former head of Zero Hunger conception and implementation, to the head of the FAO.

Can the Brazilian Example Be Replicated (Notably in Africa)? Brazil has one of the largest economies in the world. While the “Zero Hunger” concept seems to appeal to many countries, it nevertheless requires several conditions be present:

- **Strong political determination.**
- **Financial capacity for public intervention.** José Graziano da Silva himself admits that the \$2 billion that the Brazilian government invested in launching Zero Hunger in 2003 represents an amount four times greater than the FAO’s annual budget. How many developing countries can currently invest that kind of money in their public policies?
Zero Hunger is a government strategy, and the nearly all the funds used therefore come from the Brazilian government budget. Consequently, taxes make up the majority of the programs’ resources.
Some sources in research say that Brazil does not receive any international financial aid to implement this strategy. As for the participation of the Brazilian private sector (companies), they are said to account for an infinitely small share of the finance (less than 1%). On the contrary, it is said that the private sector is generally opposed to Zero Hunger.
Other sources say that international organizations (such as the FAO and World Bank) participate in financing Zero Hunger.
- **Solid financial and fiscal mechanisms**, notably to ensure a sustainable system.
- **Infrastructures** needed prior to the implementation of these measures: Graziano also thinks that measures such as the Bolsa Familia were able to be effective in Brazil thanks to an already organized State and the presence of a banking system. There are countries where these conditions are sometimes no where near present.
- The possibility of **real participatory democracy**.
- **Effective governance:** Can a similar strategy be imagined in a regional context such as West Africa, for example? Brazil is a country, West Africa is a region. West Africa will only be able to ramp up its fight against hunger if it sets up coordination taking a **regional approach** on all levels (resources, institutions, etc.).

- **An administration “free to act”:** The weakness of African States necessitates a different balance among the various actors than the one established in Brazil. The role of the technical and financial partners, whether bi- or multilateral, is felt much more strongly in West Africa. Brazil, as an entity, had the advantage of having one and only one administrative approach.
 - **An “acrobatic” balance between family farming and agribusiness:** Is this possible and desirable anywhere other than Brazil? Inequalities are less gaping in West African farming than they are in Brazil. There is no comparable agribusiness context in West Africa. Thus, countries such as Niger or Mali could not set up similar resource redistribution systems. Rather, intersectoral redistribution (for example with the oil sector) would need to be envisaged in Africa.
- These reflections are not exhaustive, and the question of whether the model can be replicated has not been answered definitively. We hope these elements can fuel the discussions on elaborating and implementing effective policies to develop the agricultural economy, support smallholder farming, and alleviate poverty.

Bibliography

This briefing was drawn from documents collected and presented in a brief available online from Inter-Réseaux’s website:

Part 1: <http://www.inter-reseaux.org/bulletin-de-veille/article/bulletin-de-veille-special-faim>

Part 2: <http://www.inter-reseaux.org/bulletin-de-veille/article/bulletin-de-veille-special-faim-8042>

Briefing written by Marine Raffray and coordinated by Vital Pelon.

Special thanks to: ASSIM, Sébastien Bainville (SupAgro), Frédéric Bazin (IRAM), Laurent Biot (SOS Faim), Roger Blein (ISSALA), Philippe Bonnal (CIRAD), Nicolas Bricas (CIRAD), Kátia Regina Celuppi (UNICAFES), Jean René Cuzon (AFD), Laurent Delcourt (CETRI), Freddy Destrait (SOS Faim), the DIAL teams, François Doligez (IRAM), Jaap Van Doorn (TRIAS), Carlos Eduardo Fonseca (CONSEA), Marta Fraticelli (aGter), Sandrine Fréguin (CIRAD), Marcelo Goncalves da Silva (CONSEA), Oswaldo Gonçalves Junior (FCLAR/UNESP), Laurence Grandchamp-Florentino (University of Strasbourg), Raul Krauser (MPA), Steven Le Faou (AFDI), Eric Léonard (IRD), Renato Maluf (CPDA/UFRRJ), Gilles Massardier (CIRAD), Imma de Miguel (Oxfam), Frédéric Mousseau (Oakland Institute), Flore Musson (CFSI), Francisco Perez (Instituto de Nitalapan), François Polet (CETRI), Luciana Rosa de Souza (UNICAMP), Eric Sabourin (CIRAD), Bio Goura Soulé (LARES), James Tiburcio (University of Brasília), and Silvia Zimmermann (OPPA).

Produced with the support of the AFD.

