

3. South American experiences

3.1 Linking town and country: public policy as a tool to promote family farming, food security and market regulation

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Summary

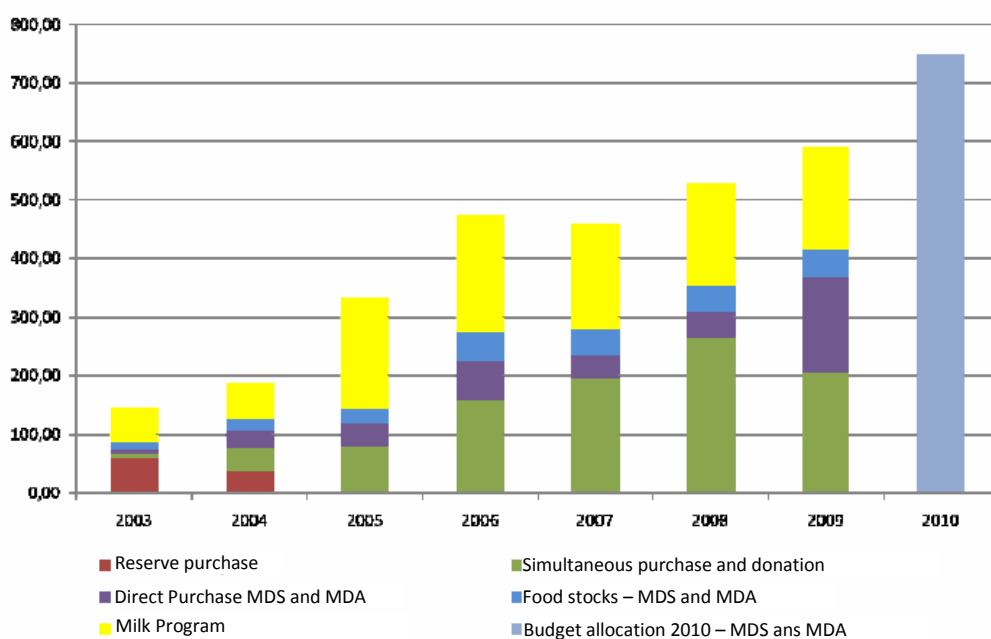
What has been done? Created in 2003, the Family Farming Food Acquisition Program (PAA) aims to support family farms and encourage them to market to vulnerable populations facing food insecurity. The PAA uses four instruments: (i) Direct purchase of foodstuffs from family farmers (CDAF), whereby the government purchases produce from farmers at subsidized or market prices to supply populations facing food insecurity. (ii) A guaranteed purchasing contract for family farmers (CGCAF). Farmers' groups stock part of their production in exchange for a promissory note (CPR) that provides individual farmers access to financial resources. (iii) Direct local purchase of family farm production (CDLAF), whereby farmers' groups signed an agreement with one or more entities that serve vulnerable populations (e.g., charities, hospitals, public schools) to provide foodstuffs. The agreement defines the quality, quantity, value and delivery of the foodstuffs. The agreements in turn facilitates farmers' access to credit, for an amount that corresponds to the negotiated value placed on deposit with the national supply company (CONAB). (iv) Incentive program for milk production and consumption (IPCL): Based on the principle of sectoral preference, this instrument allows vulnerable populations to purchase milk directly from producers.

How has it been implemented? Brazilian agricultural policy is two-pronged. The Ministry of Agriculture mainly addresses export-oriented agribusinesses, while the relatively recent Ministry of Agrarian Development supports family farming and addresses issues of food security. The four mechanisms of the PAA are implemented by CONAB, based on an agreement with the Ministry of Social Development and Fight Against Hunger (MDS), the Ministry of Agrarian Development, state and local governments. The mechanisms are managed locally by family farmers' associations and civil society organizations. To participate, farmers must meet the criteria of the National Program to Strengthen Family Agriculture (PRONAF). Finally, there are caps on the amount of production each farmer can market through the PAA, to avoid supply surplus and inequality among beneficiaries.

What were the effects? The program has increased incomes of family farmers and improved food security of vulnerable populations. Thanks to increased consumption of fresh local produce and decreased consumption of processed products, dietary habits have improved. In addition, the program has resulted in a number of positive

externalities: quality and hygiene standards that sometimes extend to all local production and improve the nutritional value of foodstuffs as well as the health of non-direct beneficiaries; stronger ties between the town and country; and women’s empowerment through processing activities. The PAA has faced some challenges. Outreach is limited due to financial constraints (less than 5% of family farmers are involved) and bureaucratic delays are common, due to a management structure that involves three levels of government. Finally, the program is simply an initiative of the current government, and has not yet been institutionalized as a formal policy.

Figure 5 : Trends in the growth of the PAA per instrument



What recommendations could be derived? The Brazilian experience is an example for countries with similar characteristics, i.e., a family farming sector with great production potential and a large segment of vulnerable consumers. In this context, food policies that aim to increase incomes/market access for family farmers and improve food security of vulnerable populations through social policies, can serve to rationalize resources and lay the groundwork for efficiency gains in the long term. Furthermore, the existence of two Ministries with different objectives allows for interventionist measures in favor of vulnerable populations, despite the hegemonic liberal discourse of Brazilian agribusiness.