



Photo: Sofia Naranjo

Outside the Conviver office, farmers arrive with sacks full of produce to be delivered to schools and hospitals through the Food Acquisition Programme.

## Supportive policies secure a future for family farmers

**Mirandiba, in north-eastern Brazil, provides few opportunities for family farmers to make a living. With long dry seasons, few local jobs and poor access to markets, it is difficult to meet a family's needs. Men often migrate in search of work. However most return after finding they are still unable to escape poverty.**

**This situation repeated itself for many generations. Now, an innovative government policy is breaking the cycle by giving family farmers the opportunity to earn a decent livelihood from their independent work in agriculture.**

**Sofia Naranjo**

Located in Pernambuco, Mirandiba is a typical rural municipality that shares many characteristics with other poor rural areas around the developing world. Half of Mirandiba's population of 13 000 people live in the rural area. From the working population, 57 percent are engaged in agricultural activities. In 2000, it was found that 76 percent of the population earned less than the monthly minimum wage. Poor family farmers generally do not own any land and live as

sharecroppers or tenant farmers, whilst also working as casual wage labourers.

In this semi-arid region there are prolonged dry periods of around six months each year, and recurring droughts. Farmers grow their staple food, cowpeas (*Vigna unguiculata*), in a diversified system with maize and other crops like pumpkins and melons. During the short rainy season farmers try to produce the maximum quantity of cowpeas and maize. However they are rarely able to meet their families' yearly food needs. At times they are forced to sell some of their produce in order to buy clothing and medicines. Access to markets, however, is limited, and they must rely on middlemen who pay them low prices. When the farmers' cowpeas reserves start to run out they are forced to buy more, but at higher prices. Consequently, family farmers are not able to be food self-sufficient despite their best efforts, and cannot make a living from selling their products.

Before the new government policy started, the main and often only way farmers in Mirandiba were able to earn an income was working as casual wage labourers for meagre daily rates. Local casual work was irregular and limited to the short growing season, forcing farmers to neglect their own family farm. During the dry season it was commonplace for men to migrate in search of jobs, usually to large irrigated horticultural

plantations. Sometimes entire families would migrate to these plantations for several years and the whole family, including children from the age of ten years, would work. For decades, these families lived in great deprivation. They felt they had no future in agriculture, but no alternative to it either, particularly as the majority of adults are illiterate.

### Local initiatives

It is against this backdrop that the grassroots non-governmental organisation *Conviver no Sertão* (Living Together in the Outback) started its work. This NGO originated from another Brazilian NGO, AS-PTA (*Assessoria e Serviços a Projetos em Agricultura Alternativa*, Consultancy and Services to Projects in Alternative Agriculture). AS-PTA worked in Mirandiba in 1998 for two years. When they left, the local staff formed *Conviver no Sertão*. Successfully securing national and international funding, *Conviver* worked on water resources and home gardens, expanding into new areas. In 2003 *Conviver* set up a small fruit pulp factory and managed to convince farmers from four local communities to collect and process a native plum *umbu* (*Spondias tuberosa*) into pulp.

The aim of the pulp factory was to add value to local products and provide farmers with an alternative income. Unfortunately they did not have a market for the pulp, so it simply accumulated in the freezers. Unwilling to give up, in 2004 *Conviver* secured funding to buy equipment for a larger processing factory. That year they were also able to make a deal with the local town council. The council agreed to buy 300 kg of pulp a month to distribute at local schools to make juice for school dinners. The factory however, was producing far more pulp than was being sold. The town council also started to falter in their agreement by delaying payments or requesting decreasing quantities of pulp each time. By 2005 more family farmers had got involved in the pulp factory, less was being sold to the town council and the stock had built-up to over 12 000 kg with no market to go to.

Fruit pulp production by family farmers had been successful but its commercialisation had not. A tiny town in the remote semi-arid region does not offer a substantial market demand, nor provide easy access to other markets. The answer to their commercialisation problem appeared in 2005 when *Conviver* learned about the Brazilian government's innovative policy, the Food Acquisition Programme (*Programa de Aquisição de Alimentos*) or PAA.

### The Food Acquisition Programme

The PAA was created in 2003 to address hunger and poverty by buying products directly from family farmers at prices that would benefit them and using these products to feed people in schools, nurseries, care homes, hospitals and other social service institutions. Funds come from two Brazilian ministries: the Ministry for Social Development and Fighting Hunger (*Ministério do Desenvolvimento Social e Combate à Fome - MDS*) and the Ministry for Agrarian Development (*Ministério do Desenvolvimento Agrário - MDA*). The agencies in charge of purchasing the products are the MDS in some cases and the Brazilian National Agricultural Supply Company (*Companhia Nacional de Abastecimento - CONAB*) in others. There are five different arrangements through which these agencies can buy from family farmers. CONAB manages one of the arrangements which was created in 2003 and re-named in 2006 as "Purchase from Family Agriculture with Simultaneous Donation" (*Compra da Agricultura Familiar com Doação Simultânea - CPR-doação*).

The way the CPR-doação works is simple. Associations or cooperatives of family farmers must first establish a contract



Photo: Sofia Naranjo

Vitoria, Eliana and Edeneide (from left to right) - the whole family gets involved in the home gardens and fruit orchards.

with CONAB. This specifies which farmers will participate, which products they will produce and in what form (raw or processed). They also note which social institutions will benefit from the donations. The prices for all products are negotiated and agreed in advance, a total value for the contract is settled and resources earmarked for it. The farmers have a year to produce and deliver the products until they reach the total value of the contract. Once the goods are delivered to the social institutions the funds are released and the family farmers receive their payment on a monthly basis. This way the farmers have a previously established contract, a guaranteed purchase at defined prices, and a major incentive to produce. The PAA promotes agroecology through a price increase of 30 percent to farmer associations that prove they employ agroecological farming methods. Since August 2006 the maximum amount a family farmer is allowed to earn through the PAA is 3500 reais (R\$) a year (approximately US\$ 2065), equal to the Brazilian minimum wage at the time (previously the limit was R\$ 2500 a year).

### Encouraging participation through success

*Conviver* found out about the PAA in 2004 and immediately went to meet with CONAB of the state of Pernambuco. They set up a contract worth R\$ 250 000 (close to US\$ 150 000) as they aimed to include 100 farmers. However it was difficult to convince enough farmers to join. They were reluctant to produce and deliver products in advance, based on the trust that the government would eventually pay them. As a result only 82 family farmers from eight farming communities

in Mirandiba joined. Since Conviver had the pulp factory running for over a year they were able to include fruit pulp in the contract, and being a value-added product, it received a high price. Pulp production extended to other fruits aside from *umbu*, for example papaya, mango, acerola (*Malpighia glabra*), caju (*Anacardium occidentale*) and caxi (*Lagenaria siceraria*). Conviver knew some farmers produced a few of these fruits and distributed tree seedlings to those who did not. The PAA offered the opportunity to market other products as well. Therefore Conviver included in the contract vegetables that the farmers had been growing in their home gardens (green pepper, aubergine, lettuce, coriander and beetroot) as well as products that farmers produced traditionally (pumpkin, cassava, sweet potato and goat meat). The products were taken to the Conviver office by the farmers and delivered in local schools, nurseries and homes for the elderly. Product deliveries began in February 2005 but by the time the contract period was over, they had not managed to reach the total value of the contract. Fortunately CONAB allowed them an extra six months and the farmers were able to achieve the contract value by the end of June 2006.

As commercialisation proved to be successful and others saw the participating farmers were being paid regularly and receiving good prices, interest in joining the PAA grew enormously: a total of 240 families got involved in the second contract. Although it took six months for CONAB to officially approve the contract, the farmers were enthusiastic about this new entrepreneurial opportunity and a large number continued producing and delivering products despite having no guarantee of payment. In December 2006 the contract was approved for a value of R\$ 760 000 (around US\$ 450 000) which amounted to 371 tonnes of food products delivered from July 2006 to November 2007. For the third contract, which commenced in December 2007, 393 farmers from 18 farming communities in Mirandiba signed up.

### Increased food self-sufficiency and better livelihoods

Research in two participating communities found that for the majority of farmers, their situation started to improve around 2004. This was due to various social policies implemented by the Lula government, such as the *Bolsa Familia* (Family Bursary) and the retirement pension. The Bolsa Familia provides funds for bringing up children. The maximum a family can get is R\$ 122 (US\$ 72) a month but on average they tend to receive around R\$ 95 a month. The pension provides a minimum wage (R\$ 380 a month) to the elderly. These policies raised the income of farming families. However, they were solely assistencialist; they did not require or give an incentive for families to work and simply provided money. The PAA, on the other hand, required farmers to produce in order for them to increase their income and improve their living conditions. Furthermore, it was an incentive for hundreds of farmers to get involved in local commercialisation. The 240 farmers who participated in the second contract earned on average R\$ 106 a month, an amount comparable and often higher than the amount provided by the Bolsa Familia. These farmers had never had access to a market that allowed them to make a decent livelihood from selling their own produce. Even the few farmers who engaged in a small agroecological fair in the town of Mirandiba found that the income and benefits they got from the PAA were far more significant than those from the fair. In general, the farmers perceived the PAA as a guaranteed unlimited market that would buy any amount they produced; therefore they felt encouraged to increase their output as much as possible in order to maximise their earnings.

The PAA also enabled farming families in Mirandiba to be more food self-sufficient. The families claimed that their higher

income permitted them to reduce substantially, or eliminate completely, their need to work as casual wage labourers or to migrate in search for jobs. This meant that farmers had more time to dedicate to their family farm, increasing their production for consumption and for commercialisation through the PAA. As they ate more food from their own production, they spent less of their limited cash on purchasing food, freeing up money for other important uses. Even during the dry season farmers who had access to water preferred to stay in their communities and continue producing vegetables for the PAA instead of migrating.

A crucial impact of the PAA is that it gave farmers renewed hope and enthusiasm to make a living from independent family farming whilst at the same time increasing their self-esteem and happiness. The setting up and running of PAA contracts was led by a few hardworking, ambitious farmers who encouraged others in their communities to participate. The PAA provided the opportunity for several farmers to acquire or improve a range of business and managerial skills and to take on new responsibilities and jobs. Although not all participating farmers fully embraced the PAA and a small number actually abandoned the contract, in general the PAA has enabled hundreds of farmers to flourish – especially those who were willing to put in the effort. It has renewed their enthusiasm for family farming and awakened an entrepreneurial spirit, encouraging farmers to dedicate more time and make investments in their farms and home gardens. Many farmers expressed their joy of being independent family farmers and claimed they wanted to continue farming for the rest of their lives as now they felt they have a future in it.

### Sustaining the benefits for the future

Despite the substantial improvements these farmers have experienced, they are not blinded by success and are fully aware that the PAA might change or end at any point. This is why the farmers' associations from the 18 communities involved in the third contract formed a large co-operative. This co-operative has two aims: to facilitate the management of future PAA contracts, and more importantly, to search for alternative markets to the PAA so they are able to continue living off their independent agricultural production even if the PAA is discontinued.

The PAA is a telling example of how a government policy, that provides a guaranteed institutional market to poor family farmers, can significantly improve their lives and allow them to continue farming. The PAA has enabled hundreds of farming families in Mirandiba to leave the cycle of poverty behind, and allowed them to survive and progress as independent family farmers. Several governments throughout the world, as well as some development agencies, have school feeding programmes and similar projects to provide food to populations in need. If this food were purchased from local family farmers, then both farmers and consumers would benefit. In a world where industrial agriculture and globalised food markets offer little hope and opportunity for poor family farmers, such institutional markets could provide them with a feasible and effective alternative which enables them to stay on the land and have a future as independent and diversified family farmers. ■

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