

Bases of Agricultural Policies for Healthy, Sustainable, and Inclusive Food

ARNOLDO DE CAMPOS



APD

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Bases of Agricultural Policies for Healthy, Sustainable, and Inclusive Food

ARNOLDO DE CAMPOS

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ABOUT THIS STUDY

This study is used as a reference document for the **APD** | AGRICULTURAL POLICY DIALOGUE BRAZIL - GERMANY. The content of this study is the sole responsibility of the authors, and any opinions expressed herein are not necessarily representative or endorsed by APD.

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Introduction

Brazil is about to start a new governmental cycle at the national and state levels. The new cycle is determined by a significant shift in the domestic political direction, which is expected to once again prioritize the social agenda, food and nutrition security, climate, and the environment.

In his administration¹, the President-elect, Luís Inácio Lula da Silva, plans to fight hunger and poverty at the core of his work, as an urgent matter, as well as to ensure the rights to food and nutrition security (according to Paragraph 18).

Among the guidelines highlighted in the Plan, we can mention the building of sustainable food systems, including the production and consumption of healthy food. It signals priority support to small and medium rural properties, particularly to family farming (Paragraph 65).

The document also says that (...) ‘strengthening agricultural production in family farming, traditional farming, and sustainable agribusiness, is critical to reflect about the production and consumption models, and the national productive matrix, to provide the population with healthier food. The Brazilian experience has proved this is the path to addressing the food crisis and increasing the production of proper and healthy food, adopting measures to reduce production costs and the prices charged for fresh and quality food, fostering organic and agroecological production, and encouraging food systems that observe sustainability parameters, respect territories, and handle land use and land tenure in a democratic way’ (Paragraph 66).

Those are important signs that indicate the need for adjustments in the Brazilian agricultural policies, which is a great opportunity to reflect and elaborate propositions for innovation in agricultural policies, in a way it can contribute to addressing the challenges listed in the Government Plan.

1 Please refer to DIRETRIZES PARA O PROGRAMA DE RECONSTRUÇÃO E TRANSFORMAÇÃO DO BRASIL (Guidelines to the Plan to Rebuild and Transform Brazil) LULA ALCKMIN 2023-2026 COLIGAÇÃO BRASIL DA ESPERANÇA, available at: https://divulgacandcontas.tse.jus.br/candidaturas/oficial/2022/BR/BR/544/candidatos/893498/5_1659820284477.pdf.

This document starts by providing some context to the Brazilian food system and agriculture. Then, we explain the existing farms according to the Census of Agriculture conducted in 2017.

After that, we show groups that will potentially benefit from agricultural policies. Finally, we present some priority propositions for potential new Brazilian agricultural policies.

1. Overall Context

The agricultural policy revision cannot ignore the current context in which agriculture operates in the country.

Brazilian farms are part of food systems that feel a lot of pressure made by society due to the problems they have caused and the challenges they must overcome.

1.1. Food Systems Challenged

Mainstream food systems in Brazil and all over the world have been challenged on different front lines. There is a confluence of global crises that have food systems at their core, forming the so-called Global Syndemic², consisting of climate change, the pandemics of overweight and chronic non-communicable diseases (NCDs), and hunger, which, along with other phenomena, press for structural changes. Those phenomena are briefly described below.

1.1.1. Food Insecurity and Food Inflation

In a world with growing production of grains, meat, and dairy products, over 800 million people are malnourished (FAO, 2021).

In Brazil, 33 million people are starving, and over half of the population shows some level of food insecurity (Rede Penssan, 2022), in spite of the country being one of the largest food producers in the world.

Current food systems and public policies are not capable of ensuring access to food for more and more people.

The dismantling of public policies, reduction of resources, and institutional disarticulation in recent years have contributed to an increase in this problem in the country.

² SWINBURN et al. The Global Syndemic of Obesity, Undernutrition, and Climate Change: The Lancet Commission Report. 2019. Available at: <https://www.thelancet.com/action/showPdf?pii=S0140-6736%2818%2932822-8>

Food inflation is another global phenomenon at the moment. It contributes to increasing food insecurity, affecting low-income populations, especially in developing countries, and countries with less autonomy in food production.

In Brazil, food inflation has been around for over a decade, strongly undermining the purchasing power of low-income households. It shows to be structurally higher when compared to other groups of products and services covered in inflation indices in the country.

Food price variation has been larger for whole and minimally processed food than for ultra-processed food.³

This process, in addition to undermining the population purchasing power, has favored the consumption of low-nutritional food over healthier options, especially by low-income households. Consequences on the population health and the impact it has on state-owned and private healthcare systems are widely known by public health authorities.

The agricultural policies must be linked to food and nutrition security policies, particularly to actions to fight hunger, so we have supply and availability of food to ensure the population the human right to have access to food.

1.1.2. Pandemics of Overweight, Obesity, and Chronic Non-Communicable Diseases (NCDs)

At the global level, obesity has had a threefold increase since 1975. Currently, 39% of the population over 18 years old are overweight, and 13% are obese, according to the World Health Organization (WHO, 2021). Still according to WHO, 41 million people die of NCDs every year, which accounts for 71% of all deaths (WHO, 2022).

In Brazil, the number of people over 20 years old with obesity more than doubled between 2003 and 2019, jumping from 12.2% to 26.8% (IBGE, 2019). According to the Ministry of Health, NCDs account for 44% of deaths in females, and 56% in males, and it is the leading cause of death for those between 30 and 69 years old (MS, 2021).

³ Please refer to DINÂMICA E DIFERENÇAS DOS PREÇOS DOS ALIMENTOS SAUDÁVEIS E ULTRAPROCESSADOS NO BRASIL (Dynamics and Differences in Prices of Healthy and Ultra Processed Food in Brazil), available at: https://actbr.org.br/uploads/arquivos/LO_ACT_relatorio-diferenca-e-dinamica-dos-precos_rev-05.pdf.

Those phenomena are closely related to improper eating habits, encouraged by mainstream food systems.

Over the past decades, the agricultural policies have supported and fostered mainstream food systems in Brazil. The challenge now is to reformulate and reorganize these systems and start encouraging food systems capable of promoting health by increasing the supply, availability, and consumption of healthier and affordable food.

In this sense, **the agricultural policies should be associated with policies that promote health encouraging a healthy diet, contributing to a higher supply, availability, and access to healthy food, especially whole and minimally processed food.**

1.1.3. Climate Crisis

The food system is at the core of the climate crisis. Agriculture and deforestation, often linked to the climate crisis, are listed among the major sources of emission of gases that contribute to global warming. In 2018, emissions associated with agriculture and land use change accounted for 17% of total global emissions (FAO, 2018).

In Brazil, emissions have been growing in the sector, particularly due to deforestation, and account for most emissions in the country. The country appears among the three top emitters and accounts for 3/5 of emissions in agriculture and land use at the global level (FAO, 2018).

In the country, agriculture and land use accounted for over 60% of the Brazilian emissions in 2020 (SEEG, 2020), most of it linked to deforestation.

The climate crisis strongly affects productive systems, particularly those that have poor access to technologies, inputs, and instruments to protect production. Family farmers, indigenous peoples, and traditional peoples and communities have become more vulnerable to climate events, such as extended dry periods, floods, and extreme temperature variations.

The agricultural policies should be associated with the environmental and climate policies to encourage the adoption of sustainable production systems that follow natural resource management best practices and increase climate resilience.

1.2. Inequalities and Diversity in Brazilian Agribusiness

Economic inequalities, diversity in production, and social, environmental, and regional aspects are typical characteristics of the Brazilian agrifood system, whether in the agriculture productive basis, industry, or services.

Considering the goal of this paper, we will focus our analysis on understanding those characteristics in the production basis of the domestic agrifood system.

Part of the farms is highly integrated into the markets, making use of high-end technology in their production processes, with access to technical assistance, funding, and other financial instruments. They purchase inputs, use storage and transport infrastructure, are protected by agricultural insurance, and rely on a tax policy that favors them.

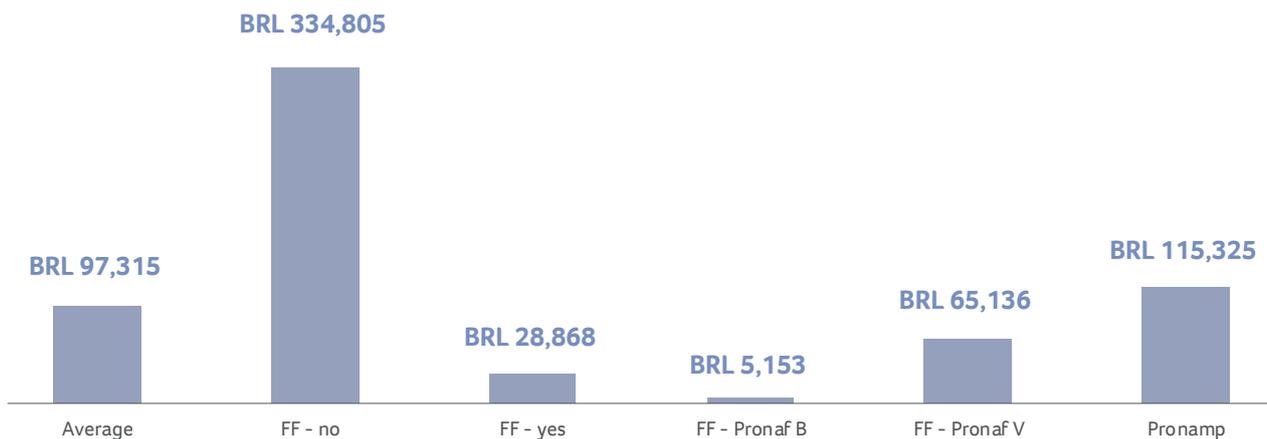
A broad set of public policies, legal frameworks, and institutional mechanisms support, protect, and foster this segment.

This privileged group of farms has been able to obtain economic results for production activities. Large landowners, mid-sized farmers, and a portion of family farmers make up this group, which is the most dynamic group at the basis of the Brazilian agrifood system, and one of the most competitive groups worldwide. This group is the one to most feel the pressure to deliver better results, both when it comes to the environment and the quality of food supplied to the population.

On the other hand, we find the majority of farmers, consisting of family farmers, land reform settlers, indigenous peoples, maroon communities, and other traditional peoples and communities. They are poor or extremely poor, are barely integrated, or have no access to the market at all, with hardly or no access to technology. They make hardly or no use of inputs or machinery. They do not have any technical assistance for production, processing, management and trade. They have little or no access to training programs. They have low level of education. They have little or no access to public funding. They are challenged with poor power, water, transport, and communication infrastructure (especially Internet access), among other vulnerabilities that force them into low productivity conditions and low economic return, which contributes to high levels of poverty in rural areas.

Data collected at the 2017 Census of Agriculture enables us to observe those inequalities based on the Gross Production Value (GPV)⁴, as seen in the graph below.

Graph1 – Brazil: Average Gross Production Value (GPV) in Brazilian Farms, according to their types – 2017 Census.



As seen in Graph 1, there is a large variation in average GPV according to the type of farm, from a little over BRL 5,100 for Pronaf B, to over BRL 330,000 for non-family farms.

The average GPV for non-family farms can be up to 65 times higher when compared to family farmers in Pronaf B, which shows the huge dimension of inequalities in the field.

Even when we compare family farms, the differences are great, as seen in the average of BRL 65,100 for those in Pronaf V, a value that is 19 times higher when compared to the average in Pronaf B.

Additionally, data collected in the 2017 Census shows there is a representative medium segment, with productive performance, formed particularly by family farmers in Pronaf V, and mid-sized farmers in Pronamp (National Brazilian Program to Support Mid-Sized Farmers).

⁴ Gross Production Value (GPV) shows the evolution of crop and livestock performance over the year and corresponds to the gross revenue in the farms. The indicator is calculated based on the crop and livestock production for the season in the farms over the year, multiplied by average prices received by farmers. They are the prices in 2017 and cannot be considered current values.

When combined, both segments accounted for 49% of the total GPV calculated by the 2017 Census of Agriculture, 68% of GPV in animal production and permanent crops, 94% in horticulture, and 97% in extraction from native forests⁵.

Table 1 – Relative share of farms in GPV, according to their typologies and type of production (2017 Census)

Typology	Total GPV	Animals	Large Animals	Poultry	Permanent Crops	Temporary Crops	Horticulture	Extraction from Native Forests
Pronamp	26%	37%	43%	16%	33%	19%	31%	22%
FF	23%	31%	34%	23%	35%	14%	62%	75%
FF+Pronamp	49%	68%	77%	39%	68%	33%	94%	97%

Source: 2017 Census of Agriculture. Elaboration: Arnaldo de Campos

There is a constraint in tabulation in Table 1, which could make it difficult to calculate the share of mid-sized farmers, since Pronamp participation criteria, as used in the 2017 Census, is exclusively determined by revenue thresholds, rather than area boundaries, which was once 15 tax modules for Pronamp.

Therefore, many family farmers who have higher revenues end up being classified as mid-sized farmers, as well as many land owners whose revenues fall into Pronamp ranges.

To better understand the dimension of this mid-sized segment, other perspectives can be adopted, such as the size of the area.

For the purpose of this paper, we conducted an assessment exercise, considering small farms those up to 50 hectares, and mid-sized farms those from 50 hectares to 500 hectares.

In this case, data collected at the 2017 Census showed that the GPV share of farms with up to 50 hectares is 24%. In the segment considered family farming by the Census, the share was very similar, 23%.

Now, for farms from 50 to 500 hectares, the Census shows a 26% share, which is close to the data found using Pronamp perspective.

⁵ INSTITUTO BRASILEIRO DE GEOGRAFIA E ESTATÍSTICA - IBGE (Brazilian Institute of Geography and Statistics). Censo Agropecuário 2017 (2017 Census of Agriculture). Available at: <https://sidra.ibge.gov.br/pesquisa/censo-agropecuário/censo-agropecuário-2017#características-produtores>

When both groups, family farmers and mid-sized farmers, are combined, they account for exactly 50% of the total GPV, just about the same result obtained in the previous tabulation (49%).

There is still an intermediary group between family farmers and mid-sized farmers, on one side, and large landowners, those who have over a thousand hectares, on the other. That intermediary group is represented in the range from 500 to 1,000 hectares. The group has about 50,000 farms and accounts for about 10% of the total GPV.

In the large landowners group (those with over 1,000 hectares), there are 46,600 farms, 79% of which are dedicated to livestock (73% large animals), 42% to temporary crops, and 30% to permanent crops.

The share of this group in total GPV is 41%. Farms with over 1,000 hectares account for 23% of GPV in livestock, 15% in permanent crops, and 58% in temporary crops (their greatest strength).

Table 2 – Share of farms in GPV, according to the size of the area (2017 Census)

Size of the Area	Total	Animals	Large Animals	Poultry	Permanent Crops	Temporary Crops	Horticulture	Extraction from Native Forests
Up to 50 ha	24%	34%	25%	58%	40%	12%	82%	66%
From 50 to 500 ha	26%	34%	35%	31%	36%	20%	13%	20%
From 500 to 1.000 ha	10%	9%	11%	5%	9%	10%	2%	8%
Over 1.000 ha	41%	23%	29%	5%	15%	58%	3%	6%

Source: 2017 Census. Elaboration: Arnaldo de Campos

Table 3 – Number of farms that have informed their GPV, according to the size of the area (2017 Census)

Size of the Area	Total	Animals	Large Animals	Poultry	Permanent Crops	Temporary Crops	Horticulture	Extraction from Native Forests
Up to 50 ha	3,877,250	2,686,724	1,337,291	1,984,113	739,525	2,590,250	316,537	385,857
From 50 to 500 ha	703,692	599,893	499,458	332,773	92,781	348,578	17,273	59,320
From 500 to 1.000 ha	50,456	42,692	38,919	18,070	3,182	20,550	518	2,771
Over 1.000 ha	46,634	37,004	34,249	13,851	1,845	19,422	337	1,904

Source: 2017 Census. Elaboration: Arnaldo de Campos

Table 4 – Average GPV of farms, according to the size of the area (2017 Census)

Size of the Area	Total	Animals	Large Animals	Poultry	Permanent Crops	Temporary Crops	Horticulture	Extraction from Native Forests
Up to 50 ha	28,335	20,008	20,581	8,832	21,277	10,671	21,679	4,069
From 50 to 500 ha	168,507	89,399	78,460	28,105	150,187	134,388	62,913	7,827
From 500 to 1.000 ha	860,551	333,111	298,211	83,565	1,159,443	1,187,672	282,666	15,568
Over 1.000 ha	4,067,317	962,605	952,663	113,506	3,082,731	7,090,502	677,306	69,784

Source: 2017 Census. Elaboration: Arnaldo de Campos

Tables 3 and 4 provide information on the number of farms and average GPV, according to the size of the area, showing the size of the types and disparities in average GPV. The average GPV in farms up to 50 hectares is BRL 28,300. At the other end of the scale, the average GPV in farms with over 1,000 hectares is over BRL 4.0 million.

Please refer to the definition of Farm Typologies used by IBGE 2017 Census of Agriculture.

Family Farming - The formal definition of family farming in Brazil can be found in Law nº 11,326, as of July 24th, 2006, regulated by Ordinance nº 9,064, as of May 31st, 2017.

Pronaf B – Farms belonging to family farmers with annual gross revenue up to BRL 20,000.

Pronaf V – Farms belonging to family farmers with annual gross revenue over BRL 23,000 up to BRL 360,000.

Pronamp – Farms under the National Brazilian Program to Support Mid-sized Farmers, whose annual gross revenue is over BRL 360,000 up to BRL 1.76 million.

The tables show significant differences between small and mid-sized farmers when compared to large farms.

While the former dedicate mainly to staple food, such as fruit, greeneries, vegetables, roots, tubers, beans, meat, and dairy products, the latter stands out in temporary crops, especially commodities, such as soybeans, corn, and cotton.



Different characteristics of farm groups should contribute to defining the farm groups and the priorities of the agricultural policies, which should focus on groups according to the results expected from each one of them.

Then, we show propositions to group the farms according to the challenges to be addressed by the agricultural policies.

2. Potential Players in the New Brazilian Agricultural Policies

Based on the challenges indicated in the Guidelines for the Government Plan of the President-Elect and the Census data analysis, we suggest three large groups of farmers for a potential revision of the Brazilian agricultural policies. We intend to have them subjected to specific approaches under the agricultural policies, as we will propose later, enabling management of tools focused on them and on the results they may bring to the country, considering their common characteristics, challenges and potentialities.

Because of the magnitude of the agricultural sector, its distribution throughout the large territory, and its diversity, whether economic, cultural, regional, or environmental, the groups proposed should not be treated as homogeneous. They can be further divided and work with differentiated and contextualized approaches.

Below, you will find the three groups proposed, which can be subjected to a potential revision of the Brazilian agricultural policies, each one having its specificities and potentialities.

2.1. Productive and Economic Inclusion Group

As seen in the contextualization section, there is a significant portion of farms with low income, and little or no access to technologies, equipment, funding, inputs, etc.

They primarily consist of family farmers, indigenous peoples, maroon communities, and other traditional peoples and communities. In the Census, this group is identified as Pronaf B, with an average GPV of BRL 5,100 per year, which represents an average gross value equivalent to less than BRL 500 per month.

There are 2.7 million farms in this group, accounting for more than half of the total farms in the country, which are over 5 million.

It is a group that requires measures in the social arena, such as access to healthcare, education, social protection, revenue transfer, and also rural infrastructure, such as water, power, transport, and communication, among others.

Some of those farms have really small areas, and the most appropriate economic inclusion may not be agricultural inclusion. In case it is, they depend on access to land to have a feasible productive unit.

Some other farms are dedicated to the production of staple food and sociobiodiversity products, with the potential to improve their production performance and step up to Pronaf V.

Expansion of production capacity and access to markets will contribute to improving revenues and the compensation of people working in those farms, and may enable a fast reduction of poverty.

To achieve that, it is **critical to extend access to technical service**, professional qualification, training, formal education, **and training programs, technologies to adopt production best practices, and improve the organization ability for the market and management of projects, whether they are individual, collective (cooperatives and associations), or integration systems.**

They should be able to **access support and credit** for investments in production infrastructures, such as water and power, work automation, and higher productivity of their productive systems.

Land tenure regularization and access to land are relevant issues to this group, as well as environmental regularization (CAR issuance and validation for individual and collective areas), adoption of production and environmental resource management best practices, and extended climate resilience.

Important portions of populations who live in areas of great environmental interest are included in that group, in indigenous lands, extractive reserves, conservation and sustainable use units, sustainable settlements, marine areas, lakes, and rivers.

Support for economic organization, creation and strengthening of cooperatives and trade associations, and **access to markets** are critical to enable community and territory scale gains, as well as to foster partnerships with existing projects in the territories, whether they

are cooperatives or private businesses operating in the territories where they are located. Because they have already organized local production bases and worked in the markets, those enterprises can anchor part of the business of the supported producer communities.

Rural succession and masculinization require targeted actions to value and encourage greater engagement of young people and women, as well as proper approaches according to regional and cultural scenarios, observing and valuing traditional knowledge from indigenous peoples, maroon communities, and other traditional peoples and communities that form this group.

To provide this group with access to public policies, it is recommended to align Family Farming Records (CAF) and/or the Declaration of Eligibility to Pronaf (DAP) with the information in the Single Registry of Social Policies and in the National Rural Environmental Registry System (SICAR), adopting perspectives to address this group and potentially meet their needs for economic and productive inclusion.

2.2. Food Basket Producers Group

The second group consists of family farmers in Pronaf V, and mid-sized farmers in Pronamp, who are primarily dedicated to producing staple food included in the Food Basket.

As shown in the 2017 Census, this group is the main one responsible for the production of staple food in Brazil, such as vegetables, fruit, roots, tubers, beans, as well as meat and milk. Those farms form the production basis of food that most affected inflation in the country in the past few years. This group is also relevant for the export of many products, such as coffee, meat, honey, biodiversity products, among others.

To better focus on the group, the area boundary criterion could be adopted, using the 15 tax modules that used to prevail in Pronamp in the past.

It is a significant group in terms of farms and GPV share. Family farmers at Pronaf V account for over 1.1 million farms, with a more developed production performance, and more integrated production to the market. Combined with mid-sized farmers (from 50 to 500 ha), 700,000 farms, both types form a production base that significantly collaborates with the production of staple food. They account for almost half of GPV in the Brazilian agriculture, over 2/3 of the GPV in animal production and permanent crops, and over 90% of the GPV in vegetables and extraction from native forests.



Land tenure issues and especially environmental issues are very relevant to that group. Productive systems, often intensive in the use of chemical inputs, especially oil-based pesticides, are feeling the **pressure of costs, environmental, and health-related issues.**

It is a group that can **potentially** improve production and environmental performance, expand healthy food production, create new jobs, and grow revenues. Any **policy targeting food security, food price stability, and sustainable production would find in this group its key segment.**

Given the numbers involved and the great regional diversity, this group encompasses distinct scenarios, with significant disparities in the extreme ends when it comes to access to technologies, machinery, productivity, financial services, technical assistance, professional qualification, training, communication (especially access to the Internet), among other specificities.

This group also faces **challenges in rural succession and gender inequality**, and there are good production references and access to the market that attract indigenous peoples, maroon communities, and other traditional peoples and communities to that group.

This group has **go-to-market challenges.** They are not necessarily well organized and they struggle with intermediation systems, which often do not benefit them. So, they require public policies and regulations to improve their go-to-market strategies. It is crucial to support their economic organization, strengthening and improving the management of their cooperatives and trade unions, and establishing partnerships with local, regional or larger businesses to create integration systems.

Topics such as **tax regulation, sanitary legislation, financing, and integration systems are relevant** to this group.

Access to the Internet, storage and transport infrastructures, and access to technologies, among other topics, are also relevant, as well as land tenure and environmental regularization, and extended climate resilience.

Similarly to the previous group, climate, economic, regional, culture, gender, and generation scenarios are relevant and **require targeted approaches by public policies.**

Why are food basket producers important?

The Food Basket was introduced in 1938, by then President Getúlio Vargas, through Ordinance 399/1938, which also established minimum wages.

The Ordinance established that the value of the minimum wage should be sufficient to, among other things, meet the feeding needs of workers. To determine those feeding needs, they created a list of provisions necessary for feeding, currently known as Food Basket.

The list of provisions is divided into groups of food, such as cereals, vegetables, flour, roots, fruit, greeneries, meat, eggs, dairy products, oils, and sugars. The groups are further divided into products. In the original version, which is effective up to this date, there is no ultra-processed food listed.

There are various policies linked to the Food Basket and its items are included in inflation indices, having significant weight because of their relevance in Brazilian food consumption.

The Brazilian food basket contains essential items for the population food and nutrition security, and its production and consumption should be encouraged.

Therefore, it is critical that the agricultural policies care for food basket producers and production chains.

2.3. Commodities Producers Group

The third group consists of large commodity producers, particularly soybeans, corn, and cotton. They are also relevant in the production of sugarcane and orange, for instance.

Combining all farms larger than 500 hectares, this group accounts for almost 100,000 farms and 51% of the GPV. Combining only those that are larger than 1,000 hectares, there are almost 47,000 farms, which account for 41% of the GPV. It is the group that makes more intensive use of technologies, inputs, machinery, and productive infrastructure (2017 Census).

The strength of this group lies in the production of temporary crops, with 68% of the total GPV. Among temporary crops, the extended group accounts for 99% of herbaceous cotton GPV, 72% of soybeans GPV, and 64% of corn GPV. In all other types of



production, this group is a minority, even in animal production. The group has little share in the GPV of most basic foods, except for rice, potato, and Pinto beans.

The group **is highly relevant for agribusiness exports, definitely contributing to the balance of payments** in the country.

On the other hand, **the group feels internal and external pressures related to environmental issues, climate change, and conventional production systems, which make intensive use of chemical inputs, pesticides, and oil. Additionally, they are questioned about their relevant share in ultra-processed food chains.**

Given the goal of this paper, potential public policies targeting this group will not be developed in this document.

3. Propositions to Revise the Agricultural Policies

The Brazilian agricultural policies need to be revised in light of the new current challenges.

It is necessary to revise the Brazilian **agricultural policies** to face current challenges, such as **fighting hunger and extreme poverty**, combating **climate change**, and fostering a **healthy diet**.

The agricultural policies **can no longer** be **exclusive sector policies**, with limited perspectives. The agricultural policies need to be **associated with other policies**, such as **food and nutrition security, climate and environmental policies, policies for health, social development, and the fight against poverty**.

It is worth noting, however, that the agricultural policies in this new cycle will be elaborated and deployed in the **context of tax restriction**, a situation that is not expected to significantly change in a near future.

Thus, the scenario becomes even more challenging, especially when it comes to the need of **innovating to attract investments** beyond those related to the public budget. It is critical to design solutions that enable using **different sources**, not only federal resources but funds from other levels of government, international cooperation (i.e.; the Amazon Fund), as well as non-governmental and private sector investments.

Agricultural policy **tools** should be redesigned to reach farmers, their organizations, and other key players with more synergy, integration, agility, and coordination. Credit, insurance, technical assistance, professional qualification, training, access to formal and vocational education, research, innovation, incentives, support to trade and investments in infrastructure should reach the territories, farmers, their organizations and their priority production chains in a more integrated and coordinated manner, breaking up the parallelism and sector culture of these tools.



Transversal topics, such as women, the youth, the fight against racism, and native peoples and traditional communities should be taken into account, enabling contextualized approaches and customized adjustments in the tool to match different scenarios.

3.1. Potential Priority Lines of Action for the New Agricultural Policies

Considering the priorities listed in the Guidelines for the Government Plan, based on the context described in this document and the data found in the Census, we suggest the following priority lines of action for the new agricultural policies in the next term:

3.1.1 Foster production and supply of food to the Brazilian food basket (market)

3.1.2 Foster sustainable production and extended climate resilience (climate)

3.1.3 Fight poverty, through rural economic and productive inclusion (social)

Below, we delve deeper into each line of action, highlighting their potential goals, expected results and actions needed.

3.1.1. Foster Production and Supply of Food to the Brazilian Food Basket

The overall goal of this priority line of action is to have the agricultural policies contribute to extending the supply, availability and consumption of healthy food at affordable prices.

Based on this overall goal, the agricultural policies should be adjusted to deliver the following expected results:

- **Extend the supply** of food included in the food basket, especially whole and minimally processed food.
- Implement **supply strategies** to help increase the availability and consumption of the food basket, especially whole and minimally processed food.
- Contribute to keeping basic food **price stability**.
- Ensure food and nutrition-insecure households have **access to basic and healthy food**.

To properly focus the agricultural policy tools on these results, the government could open room for producers of food baskets, a category consisting of farmers that fall into the existing criteria for traditional lines, but who are also mostly dedicated to the production of food included in the food basket.

Pronaf and Pronamp credit lines should charge these farmers **lower interest rates**; also, crop and climate **insurance** fees should be lower, with larger premiums.

Instruments to **support trade**, with minimum prices, formation of buffer stocks, and the premiums to sell the production should be revised to better protect farmers and offer enhanced stability for prices.

Technical assistance, professional qualification, formal and vocational education, and training should be offered as a priority to those farmers, both on the production basis and in support to enhance management and the organization for the market. This can occur through associations, cooperatives, and partnerships with businesses that are committed with social and environmental best practices.

Additionally, the **tax policy should be improved** to relieve the production, processing and trade of the food that is included in the food basket.

Incentives should be created to also benefit companies that are part of the food system, whether in processing, distribution, wholesale or retail, capable of contributing to extending the supply and availability of staple food baskets, to favor more direct relationships with farmers or their economic organizations and better intermediation in the food basket chains.

3.1.2. Foster Sustainable Production and Extended Climate Resilience

The overall goal of this priority line of action would be to implement **best practices in environmental management** and extend climate resilience in Brazilian farms.

That line of action should be **integrated and coordinated with the environmental and climate policies**.

The agricultural policies to foster sustainable production and extend climate resilience should be adjusted and coordinated to deliver the following expected **results**:



- Farms, and economic and productive organizations that apply best practices for environmental management and increased climate resilience, particularly family farmers, indigenous peoples, maroon communities, and other traditional peoples and communities.
- Farms belonging to family farmers, indigenous peoples, maroon communities, and other traditional peoples and communities with Rural Environmental Registry, duly issued and validated, whether for individual or collective areas.
- Farms belonging to family farmers, indigenous peoples, maroon communities, and other traditional peoples and communities providing paid environmental services.
- Increase the supply, availability, and consumption of organic, agroecological, and social and biodiverse food.
- Reduce illegal deforestation in areas of family farming, land reform, indigenous peoples, maroon communities, and other traditional peoples and communities.
- Develop solutions to expand public, non-governmental and private investments in production systems, processing and trade of healthy and sustainable food, and products related to bioeconomy and bioenergy.

To properly focus the agricultural policy tools on the results listed above, specific categories could be created according to the expected results. Farms that adopt organic or agroecological production systems, manage social and biodiversity products, or make use of social and environmental best practices, or environmental resource management best practices could be acknowledged and have differentiated access to the agricultural policy instruments.

Pronaf and **Pronamp** credit lines, for instance, should have the **lowest interest rates** for investments and payment of sustainable productive systems, bioinput production, and renewable energy.

Instruments to support trade, such as minimum prices, formation of buffer stocks, and premiums to sell the production should be revised to incorporate **payment for environmental services**, whenever applicable. The same measures should be applied to production protection tools, such as climate insurance and crop insurance, which could also incorporate payment for environmental services, whenever applicable.

Technical assistance and training programs should be prioritized for those farmers, to support the adoption of environmental and climate resilience best practices. The 2017 Census showed a positive relationship between technical assistance and agricultural best practices.

Complementary, the tax policy can be enhanced, to relieve the production, processing and trade of food produced sustainably.

Transversal attention should be paid to foster and value organic, social and biodiverse food.

3.1.3. Fight Rural Poverty through Rural Economic and Productive Inclusion

The overall goal of this priority line of action would be to increase the revenue of poor rural households through agricultural and non-agricultural economic and productive inclusion.

Agricultural policy tools should be linked to policies for social development and anti-poverty policies to deliver the following expected results:

- Extend access to markets of procurement in the public and private sectors for products and services offered by poor rural households.
- Extend access to formal employment for members of poor rural households.
- Extend capabilities and skills for work, entrepreneurship, and economic and productive organization.
- Extend access to technical support services, and training programs, including professional qualification, support and funding for production activities, projects, and economic and productive organizations.
- Extend access to communication, including the Internet, water and sanitation, power and other infrastructures for poor rural households.

Women and young people should have priority in rural economic and productive inclusion actions, along with indigenous peoples, maroon communities, and other traditional peoples and communities, with contextual approaches in rural economic and productive inclusion actions.



4. Conclusions

It is necessary and urgent to transform the food systems, and there are plenty of reasons to justify that statement, as pointed out at the beginning of this document.

We are experiencing a climate emergency, which will not be addressed without changing the ways we produce food. There is a food crisis demanding those systems ensure the human right to food as one of their fundamental assumptions. Additionally, there is a pandemic of NCDs, which kills more than starvation, wars and urban violence, and is closely related to malnutrition.

Transforming food systems, on the other hand, poses a great opportunity, particularly for Brazil, because of its characteristics, potentialities and challenges.

In addition to addressing climate and environmental challenges, fighting hunger and promoting health, through a healthy diet, the transformation of food systems represents a great opportunity to reduce poverty, create more and better jobs, promote regional development, value cultural and gastronomic heritage, develop technologies and innovation, and add value to the reputation of the country, its products and services, whether in the domestic or in the external market.

In other words, transforming food systems is a very timely and convenient measure. But it is no easy task.

Current food systems are rooted in economics, food culture, the media, legal framework, education, science and technology systems, politics, and government programs and structures.

The federal administration was shaped to promote, foster and protect those mainstream models.

In Brazil, it is true to say food systems are the result of the federal administration work, which stressed the deployment of the so-called 'Green Revolution', the foundation of this system.

It is also true to say that the way the federal administration worked was innovative, integrated and coordinated, since it developed and offered an array of instruments to be deployed by the current food systems.

Those instruments were complementary and integrated, such as the colonization policies in the 1970s and 80s, lots of credits and subsidies from state-owned banks, technical assistance, rural research and extension, also funded by the state, transport and storage infrastructure, subsidies for trade and guaranteed prices, sanitary and tax legislation, among others.

Many of those institutional structures, programs and legal instruments are still effective. MAPA, for instance, is a ministry with over 100 years. It counts with structures that have been pretty much observing the same laws and regulations for over 50 years, as in the case of the sanitary legislation and the institutional structure responsible for enforcing it.

In this context, it is a great challenge to reshape, reorganize, and redirect the work of the federal administration, its structures, legal and programmatic framework. This requires redirecting, revising and creating public policy instruments to start a transition from mainstream models to different forms of organization and operation of food systems.

In this document, we showed the need to revise the Brazilian agricultural policies. The revision should be done by integrating and coordinating the agricultural policies with other policies that are gaining momentum in the country, such as climate and environmental policies, health, nutrition and the fight against hunger, social development and reduction of inequalities and poverty.

The President-Elect signals his commitment to this agenda. His challenge now is to organize governance and management work groups around those major topics, as he has been stating he will do concerning the climate. Those work groups should have a mandate to manage, articulate, coordinate and interact with key players inside and outside government. They should be able to communicate, mobilize, engage and involve society and the private sector with these agendas.

Transforming food systems is one of those topics that require governance and intersectional management structure, participation, mobilization, and social and private commitment. That mandate could be within a structure closely linked to the Presidency, as if it managed presidential goals, or it could be established as a special function of sector ministries, which would combine their conventional roles with new intersectional coordinating roles.

The agricultural policies, in this context, are one of the instruments to be used in the transformation of food systems, to make them healthier and more sustainable, and

should be reestablished in the country, with revised up-to-date structuring and guiding legal framework.

It is necessary to apply new institutional and programmatic structures. For institutional structures, to some extent, the new administration has the chance to implement revisions. Right afterward, it should revise the programmatic foundation, based on the new multiannual budget cycle, which will be prepared in the first months of the new administration.

The way of looking at the productive basis of the food system should also be revised. Rural areas experience new and old challenges, they are going through a quick and deep transformation, they have been affected by current trends, and their reproduction dynamics have been changing.

The agricultural policies can be organized around the three major groups suggested, and thus allow a stronger focus on its instruments to deliver the expected results.

The agricultural policies must adopt a perspective of economic and productive inclusion. It must acknowledge that part of the productive basis in the field needs to be developed and included in the economy, production, processing, services and employment.

It is necessary to adopt an articulate, integrated and coordinated approach to field segments capable of responding to stimuli to extend the production of healthy, sustainable and affordable food, with higher quality and price stability.

Brazil has a capillary productive basis, distributed all over the country, and it can be mobilized and organized in regional groups.

The new institutions need to rely on structures to coordinate this process.

The agricultural policies can also be a key instrument to reduce emissions in the agricultural sector, reduce deforestation, and promote the best practices in environmental management, natural resources and biodiversity.

Who knows, maybe the new agricultural policies will be launched with the first Harvest Plan for Healthy and Sustainable Food...

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