Development Conditions for Family Farming: Lessons From Brazil

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Summary. — There is a renewed global interest in support of family farming becoming a more competitive sector, contributing to poverty alleviation, food security, and economic growth. This paper explores the development conditions faced by family farmers across Brazil. We not only reveal a potential for development, represented by the great number of family-based rural households, but also present several structural constraints faced by most family farmers, as well as great discrepancies among regions. We argue for encouraging the existing family farming potential by designing policies that consciously target specific regional challenges and avoid excluding segments not fitting into the modernization paradigm.

Key words — rural development, agricultural policies, peasantry, family farming, socio-economic indicators

1. INTRODUCTION

As over 98% of farming holdings worldwide are family-based, their potential for driving agricultural growth is a recurrent issue, particularly in view of the steadily increasing demand for food, employment, and ecosystem services (FAO, 2014; Wiggins, Kirsten, & Llambi, 2010). Some countries have intensified the support to family farmers, either responding to the demands of farmers or by including this issue in their strategic agendas (FAO, 2012). For developing countries as a whole, public spending in agriculture increased 6% annually in the 2000s (IFPRI, 2011). This support is particularly relevant for regions in early development stages, which tend to have fewer alternatives to agriculture (Diao, Hazell, & Thurlow, 2010).

Most investments to support family farming focus on the promotion of modern and competitive business models, seeking integration into the larger economy and global markets to yield benefits in terms of both poverty alleviation and economic growth (De Schutter, 2011; Valdés & Foster, 2014; World Bank, 2007). Programs for agricultural development are often based on a modernization paradigm applied in some Asian countries during the Green Revolution (Birner & Resnick, 2010). More recently, there have been initiatives following new rural development paradigms such as agro-ecovillages, building on off-farm sources of income and access to market niches (Van der Ploeg et al., 2000).

Nevertheless, apart from an increased recognition of the great number of family farmers and of their potential for generating societal benefits (IFAD, 2013), there is still limited knowledge about this highly diverse segment, whose definition is not even commonly agreed (Pokorny & De Jong, 2015). It is also unclear how the specific conditions under which family farmers act in the various regions, favor their development. Studies reveal key structural challenges for rural development such as the need to overcome market failures (Hazell, Poulton, Wiggins, & Dorward, 2010), to establish favorable institutional contexts (Pokorny et al., 2010), and to eliminate poverty traps (Sachs, 2005; Sen, 1999).

This lack of robust consideration of the specific contexts in which family farmers live may lead to two critical shortcomings: it can create misleading expectations of the potentials and capacities of family farming, as well as to derive on the generic policy approaches that insufficiently consider local contexts and dynamics. There is a need to learn and adequately distinguish the specific conditions family farmers face as a basis for designing effective policies targeting concrete problems (Banerjee & Duflo, 2011).

This need is particularly relevant for Brazil where there are 4.3 million family farms involving more than 11 million working people (FAO & INCRA, 2000). Food produced on family farms in Brazil account for 36% of the national food production (Guanziroli & Di Sabbato, 2014) and supplies market chains generating one third of the agricultural and food sector’s GDP (Guilhoto et al., 2007). Moreover, Brazil constitutes an insightful case because of the dense academic debate on the issue of the potential for development of family farming (Section 2), the availability of a comprehensive agricultural census data, the existence of legal definitions of family farming and ongoing government-led efforts to support family farming (França, Del Grossi, & Marques, 2009).

This study analyzes the spatial distribution of development conditions for family farmers in Brazil, discussing the challenges and potential for sound rural development. By using data from the national agricultural census, we characterize the development conditions that correlate with farm performance, and discuss the farmer’s potential for driving rural development under the existing conditions.

Section 2 provides insights into the family farm sector in Brazil. Then, Section 3 reviews the factors shaping farmers’ performance from existing literature. Section 4 describes how the identified development factors have been methodologically assessed and analyzed. In the results, Sec-

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2. FAMILY FARMING IN BRAZIL

In Brazil, family farming encompasses a wide range of actors, from the European-descendant farmers in the South of Brazil (Schneider & Fialho, 2000) to the quilombola communities formed by descendants of former escaped slaves brought from Africa (up to the 19th century) to work on sugar-cane plantations (Marin & Castro, 1998). It also includes the traditional caipiras working on large farms often based on informal agreements (Candido, 1975), assentados settlers that received small pieces of land from the National Institute for Colonization and Land Reform (INCRA) as a result of struggle for land reform (Fernandes, 2000), colonos migrating from other Brazilian regions to agricultural frontiers in the search of better living conditions (Godar, Tizado, Pokorny, & Johnson, 2012), and posseiros which are informal land occupiers that are commonly found in agricultural frontiers as well (Guerra, 2001). The concept also includes the manifold indigenous groups (Posey, 1985) as well as the traditional communities which include riparian villages in the Amazon (Diegues, 2000; Medina & Barbosa, 2015) among others. In spite of differences between all these groups, often they share common characteristics such as social marginalization in relation to large farmers, reliance on family workforce, poverty, isolation, informal land tenure, and high spatial mobility (Wanderley, 1999).

Historically, rural Brazil is dominated by large farmers belonging to traditional economic elites (Martins, 1999). Until today, there is a steady process of land consolidation by large market-oriented farmers, which, in turn, often drive family farming expansion toward marginal areas (Godar, Tizado, Pokorny, & Johnson, 2012). Many studies highlight the importance of reforms particularly regarding a more equal distribution of land tenure (Martins, 1999), but in Brazil, radical land reforms have never been implemented (Navarro, 2001; Stedile & Estevam, 2005). Instead, particularly from the 1960’s to the 1980’s, a “conservative modernization” of the countryside has been observed (Graziano da Silva, 1999). The outcome of this process is an agricultural sector with modern large farms tightly linked to global markets and, in the marginal areas, a poorly developed family farming sector, which recently has been targeted by social policies (Graziano da Silva, 1999; Navarro & Campos, 2013).

Particularly inspired by family farming systems in Europe, scholars have argued for the great potential represented by family farmers to contribute to Brazilian rural development (Veiga, 2001) and the crucial role of the State in designing agricultural policies that support family farmers-led rural development (Abramovay, 1992). This philosophy has been very influential on the Ministry for Agrarian Development (MDA) that established in 2006 the National Policy of Family Farming (Law number 11.326) to support family farmers with credits, technical assistance, and the commercialization of their production. This law also defines family farmers according to the following four criteria: (1) they own no more than four fiscal modules, whose area varies according to the municipality and is defined by Law 6746/1979, (2) their workforce consists mainly of family members; (3) their income derives predominantly from the farm and (4) the farm is managed by the family.

With these criteria, the government aggregated all the categories of small rural households under the single concept of family farms as a mean for promoting a modern and competitive sector, well integrated into national and global markets (Abramovay, 1992; Lamarche, 1993). In this sense, a family farm can be defined as a politically forged concept to promote political mobilization and also to target an ideal type of farming system (Neves, 2007).

However, recent studies highlight that the agricultural policies need to consider, more consciously, the high heterogeneity among family farmers, with contrasting performances, capacities, and productive vocation (Guanziroli & Di Sabbato, 2014; Sober, 2014). According to Alves and Rocha (2010) less than 10% of the farmers in Brazil play a significant role in agricultural production, while the vast majority has a very limited income from agricultural production (Alves & Rocha, 2010). Over the last decade only 452,750 wealthy family farms, out of 4.3 million in total, have managed to increase participation in total production, while the poorer segments have only grown in absolute numbers, without a concomitant increase in production (Guanziroli, Buainain, & Sabbato, 2013). Based on this, scholars agree that only a limited proportion of family farmers would be able to become competitive food producers (Buainain & Garcia, 2013), fitting into the promoted modern and market-oriented production schemes. There is, however, no clear alternative for the vast majority of families that do not fit into the modern paradigm but tend to remain in the countryside.

3. CRITICAL FEATURES OF FAMILY FARMING

Achieving sustainable rural development requires adequate conditions for family farmers. These conditions are intrinsically heterogeneous in space, especially so in Brazil with its continental-size scale, socio-environmental diversity and differential regional development paths (Brandão, 2007). This section discusses key factors that determine the conditions contributing to success of family farming. For the sake of clarity we distinguish three general factors: the assets available to farmers, context conditions, and farmers’ strategies to respond to emerging opportunities.

(a) Assets

In classic economic thinking, it is land, labor, and capital that essentially define the fate of family farming (Costa, 1995). Availability of these assets is associated with autonomy, resilience, and freedom (Sen, 1999).

With respect to land, particularly two aspects are considered fundamental: the tenure regime and the size of the farmed property. Since the historical studies on the importance of enclosures in England (Mazoyer & Roudart, 2010), land tenure, meaning clearly defined formal ownership of land, is generally understood as a fundamental precondition for any type of investment (Hardin, 1968). More recently, heterodox economists also showed that, under certain conditions, the effective management of commonly owned land is possible (Ostrom, 1990). In Brazil, land struggles and land reform demands are at the spotlight of national debates, both because of the precarious situation of farmers under informal tenure regimes and of the extreme unequal land distribution (Fernandes, 2000). Studies also suggest the importance of farm size for achieving sufficient economies of scale to facilitate investments in technology (Mazoyer & Roudart, 2010). Brazil