



Task Force 6
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EVIDENCE AND LESSONS FROM BRAZIL'S FOOD PROCUREMENT PROGRAMME

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Abstract




The COVID-19 pandemic and the war in Ukraine have led to an increase in the number of people suffering from hunger and malnutrition. The war, in particular, has affected countries and commercial partners that rely on agricultural commodities from both Russia and Ukraine as producers face difficulties in commercialising their produce with the increase in agricultural input prices. Brazil's *Programa de Aquisição de Alimentos* (Food Procurement Programme) is a food procurement policy by which the government directly purchases produce from


small-scale/family farmers that are distributed to those who need them most, identified through welfare services. Since 2003, the PAA has guaranteed the commercialisation of family farmer production, ensuring that they have access to regular income. It has also provided adequate and healthy food to families experiencing food insecurity. This Policy Brief recommends the adaptation of *Programa de Aquisição de Alimentos* for other countries as it could accelerate progress towards the Sustainable Development Goals (SDGs).



The Challenge



1



Fast developing technologies over the last few decades have led to the expansion of agricultural systems leading to increase in food production and supply, but food access and nutritional security continues to be a challenge. In 2021, the Food and Agriculture Organization (FAO) estimated that 278 million people in Africa, 425 million in Asia, and 56.5 million in Latin America and the Caribbean were affected by hunger – 20.2, 9.1 and 8.6 percent of the population, respectively.¹ Moreover, according to the FAO, new issues of “overnourishment” and obesity, and the diseases they cause, add to the long list of global challenges. Enhanced costs in production systems, lower


remunerative prices for producers, lowered resource base of natural resources, and ecological imbalances further compound the complexities. Food producers, especially family farmers, are facing difficulties to organise their production with the increase in prices of agricultural inputs such as fertilisers.²

This Policy Brief aims to present the Brazilian food procurement programme, *Programa de Aquisição de Alimentos* (PAA) as a tool to fight hunger and malnutrition and support family farmers. PAA is a public policy instrument that seeks to expand the access of family farmers to markets and promote food security.



The Brazilian Food Procurement Programme: An Overview

2



The Brazilian Food Procurement Programme (PAA in Portuguese) is a public policy whose objective is to promote family farming and combat food insecurity. Through PAA, the government directly and exclusively purchases produce from family farmers and delivers to communities that are in need, as identified by local welfare services.^{3,4}

Before the launch of the programme in 2003, family farmers in Brazil—although they had the largest number of rural farms—occupied a small percentage of the land that had gross production value and faced difficulties accessing the market.⁵ While there were a number of public policies⁶ targeted at them with a view to promoting agriculture, they proved inadequate and insufficient.⁷ These rural farmers lived in conditions of hunger and poverty.⁸

The PAA was created during President Luiz Inacio Lula da Silva's first term and under the government's flagship strategy known as 'Hunger Zero'. The platform integrates in a single public policy aspects from

two different policies: i) creating an institutional demand capable of structuring the production of family farmers, through the guarantee of market by purchasing the products and by promoting food supply through the formation of strategic stocks; and ii) promoting access to food through direct donations for food-insecure families.⁹

The PAA expands the access of family farmers to the market by allowing them to participate in the public food procurement held by the government. As per Brazil's existing law on public procurement, when a government institution needs to purchase any product, it is mandatory¹⁰ to conduct the bidding process. This, however, requires cumbersome bureaucratic work and is costly for family farmers, preventing them from participating. The PAA then waived bidding and also gave autonomy to the newly created PAA management committee (GGPAA in Portuguese) for adapting to productive reality of family farming and local context the methodologies for calculating prices previously aimed at large producers.¹¹

The GGPA is a collegiate body with deliberative function, which defines the guidelines related to the PAA, having been instituted by the same law that created the programme. Its last formation comprised representatives from the Ministry of Social Development, the Ministry of Agriculture, the Ministry of Economy, and the Ministry of Education.¹²


The PAA has two beneficiaries: suppliers, i.e., family farmers who sell their produce to the programme;

and consumers—those who receive the products through donations organised by the welfare services. Family farmers can participate in the programme either individually, or collectively through cooperatives and family farming associations. At present, the programme operates in five modalities, each of them having its own operational rules, implementing agency, annual limit on amounts paid to farmers, and type of access to the programme (see Table 1).

Table 1. Modalities, Limits on Value, and Participants

Modality	Description
Purchase with Simultaneous Donation (CDS in Portuguese)	Purchase of food for immediate donation to welfare services that cater to the needs of people in situations of food insecurity.
Direct Purchase	Purchase of specific products defined by the PAA management committee when there is no market or price for any of these products.
Stockage	Financial support to farmers' associations and cooperatives for building up food stocks for later commercialisation to obtain a more adequate price for sale.
Incentive to the Production and Consumption of Milk (PAA-Milk)	Purchase of milk in specific regions with large milk production and high levels of rural poverty.
Institutional Purchase	Purchase of family farming products (food and seeds) via public call to meet the demands of the purchasing agency. It can be used to supply channels such as hospitals, military barracks, prisons, and university restaurants.

Source: Perin et al.¹³



The modalities make it possible to implement PAA at the national level. In addition, more than one modality can be implemented at the same time in the same locality as long as the programme criteria are met. Due to this flexibility, more family farmers can sell their produce and more people in situation of food insecurity have access to healthy food. The programme has a complex institutional structure integrating different implementers locally and the local management committee that is in-charge of monitoring the entire process.¹⁴

The prices of produce are set by the National Supply Company (CONAB in the vernacular),¹⁵ which


conducts local surveys to calculate the reference prices that will be valid for one year. Thus, despite the variation in market prices throughout the year, the produce purchased by the PAA will have the same value for the duration of time that the proposal is in force.¹⁶ This element of the policy has provoked complaints from farmers, who argue that at times the price list used by the programme is below the values practiced in the market.¹⁷ However, a study by Cirino and Libânio (2020) have found that the prices paid by the PAA were better (higher) than those observed in the local market—this has led to an increase in demand for participation in the programme under the CDS modality.¹⁸



Opportunities Created by the PAA

3






Since 2003, the PAA has been providing an assured market to family farmers with the guarantee of commercialisation and a regular income that help them plan their production. An impact evaluation carried out by Sambuichi, Paula et al. in 2022 revealed that the PAA CDS modality led to a 13.2-percent increase in the family farmers' incomes between 2009 and 2017. The impact was higher for the poorest family farmers in the 10th income quantile, who experienced an increase of 56.8 percent in their incomes, leading to a reduction in rural poverty.¹⁹

The increase in income is a direct effect of factors such as market guarantee, suitable prices, and crop diversification. For many family farmers, it is common to not be able to sell everything they produce, which may prevent them from investing more as they do not have enough demand. By accessing the PAA and having the guarantee of sales, suppliers start to increase the cultivated area, knowing that those produce already have a guaranteed market.²⁰ Such guarantee leads family farmers to invest in the production of new

and diversified crops to meet PAA institutional demand.²¹ This also results in new investments such as the acquisition of new equipment—either for production or for transportation—as well as improvements in infrastructure and irrigation, and the employment of more animals for farm work. There are also reports from farmers, in a qualitative evaluation conducted by Rocha and Sacco dos Anjos (2016), who used the income from the PAA to improve their quality of life and that of their families through the acquisition of durable goods.²²

The crop diversification fostered by the PAA, in addition to reducing risks and increasing incomes, also contributes to the production of food with greater nutritional value. A study in 2022 by Sambuichi, Moura et al. showed that 97 percent of the produce purchased by the PAA were *in natura*, mainly fruits and vegetables, and minimally processed such as seasonings, beef meat, cassava flour, and pasteurised milk. The produce contribute to food security of its direct beneficiaries and to the promotion of a more sustainable food system.²³ PAA also allows the purchase of processed products such



as jams, fruit pulp, cheese, bread, and cakes produced by farmers, encouraging them to invest in processing to add value to fresh food.²⁴

In some cases, the insertion of regional products in the list of food purchased by the programme stimulated the production and consumption of such types of food, adding value to family farming and local purchases.²⁵ By encouraging trade in products at the local and regional level, PAA encourages short marketing circuits, which reduces distances between family farmers and consumers, thereby reducing transportation costs.²⁶


A 2020 study showed that the introduction of food received by the PAA in school meals promoted changes in the performance of students, resulting in higher attendance rates and improvements in overall health due to greater intake of fruits, vegetables, and meat, and replacing nutritionally poor ultra-processed food (Machado et al., 2020). Another study, this time in 2016, found that PAA provided people with the regular intake of food items that they would otherwise not be able to consume due

to higher cost, such as tilapia fish, cashew nuts, yogurt, and meat.²⁷

Since 2004, the programme has been purchasing organic products, which are priced up to 30-percent higher for having the ‘organic’ certificate. However, not many families benefit from it due to the high direct and indirect cost of obtaining the certificate. The certificate requires a great degree of technical knowledge and organisation of the farming activity. To be sure, even without such certificate, family farmers deliver produce that is grown without pesticides or chemical/synthetic fertilisers; they do not, however, receive the additional 30 percent in value.²⁸

The participation in some PAA modalities requires suppliers to be officially organised in cooperatives or farmers’ associations. This has incentivised the creation of associations and strengthened those that already existed.²⁹

The CDS modality intends to have a minimum percentage of 40 percent of women from the total number of




supplier beneficiaries and 30 percent in the PAA-Milk modality. This quota has helped increase the participation of women, giving them visibility, as often they were participating in the programme by supporting with


production and marketing but were not being recognised as participants. A study by Cunha, Freitas and Salgado (2017) has found that there has been an increase in their income, autonomy, and self-esteem.³⁰



Recommendations to the G20


4





Brazil's Programa de Aquisição de Alimentos has proven itself a successful public food procurement programme over the past 20 years, and its goals are aligned with the 2030 Agenda for sustainable development. This policy brief recommends the implementation of PAA's design to other contexts and outlines the following specific elements.

- **Implement a public food procurement programme for family farming.** It will work as a guaranteed market for the purchase of produce from family farmers, which will help address two challenges: the lack of access to an adequate market for family farmers to sell their produce, and the lack of access to healthy food in adequate quantity and quality for people experiencing food insecurity.
- **Clarify the scope of 'family farmers'.** In Brazil, the Law nº 11.326, of 24 July 2006, defines a 'family farmer' as someone who works in rural areas and simultaneously meeting the following requirements:
 - o *Maximum cultivated area is four (4) fiscal modules (these modules vary by region);*
 - o *Use predominantly family's own labour force in economic activities of the farm;*
 - o *Have a minimum percentage of family income originating from economic activities of its farm; and*
 - o *Manage the establishment with his/her own family support.*
- **Prioritise women as suppliers.** Recognise the role of women in agriculture. Women are already very active in the process of production and commercialisation, and a PAA-like food procurement programme will give them the opportunity to earn their own income. This, in turn, raises their sense of autonomy and self-esteem.

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- **Decentralise the preparation and implementation of proposals.** Although there are some standard requirements, it is important to give autonomy for local governments that will implement the programme to define jointly with family farmers and representatives of beneficiary welfare services which products will be produced, how they will be delivered, and the calendar and frequency. Proper arrangements can then be made to meet each specific target.
 - **Stimulate the participation of cooperatives and associations of family farmers.** Allow suppliers to participate in the programme also when organised in cooperatives or associations and stipulate a higher sale limit than when they participate individually. Reliance on the cooperative's infrastructure can help family farmers to better manage and plan their production, share transportation cost, fill out documents to participate in other public policies, and have access to specialised technical assistance and extension services.
 - **Favour local food procurement and local distribution.** Promote short circuits where family farmers sell their produce in the municipality where they live or nearby, reducing their transportation costs and promoting local development as the supply chains are shortened as well as the distances between producers and consumers. This contributes to the sustainability of the agrifood system.
 - **Create financial incentives for the farming of organic produce.** The PAA pays family farmers up to 30-percent higher for produce that are certified as organic.
 - **Prioritise the purchase of regional produce.** Facilitate consumer acceptance because they are already familiar with the products. This strategy helps stimulate the preservation of regional food cultures.

Endnotes

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