

Recent Changes in Rural Advisory Services Policy in Brazil

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Abstract

Institutionalized rural advisory services in Brazil emerged during the 1950s and played an important role in the modernization of some sectors of its agriculture. However, they faced many difficulties that resulted in a long term crisis, which only recently began to be solved. Despite the progress of public policies, huge challenges remain in the way of providing quality and continuous services to all farmers.

Introduction

Institutionalized rural advisory services (RAS¹) in Brazil were developed during the second half of the 20th century, initially as private organizations and later nationalized. In association with rural credit and agricultural research public policies, RAS played a significant role in the modernization mainly of larger farms. Alongside other developing countries, the Brazilian RAS system faced increasing crisis during the eighties and nineties and only recently has gained more public support and attention, though it is still facing huge difficulties in providing universal access to family farmers and midsized farms.

This article aims to present the evolution of the main facts in Brazilian RAS and its recent history, focusing on institutional and legal changes, showing some relevant data derived from official sources with support from specialized literature. The first section of the article presents the historical origins of RAS in Brazil. The second section focuses on the crisis of the Brazilian RAS system, and the third on its recovery and reconstruction, followed by some final considerations.

Origins of rural advisory services in Brazil

In Brazil there are records of 19th century laws creating Imperial Institutes of Agriculture in the states of Bahia and Pernambuco in 1859, and in Rio de Janeiro and Sergipe in 1860, which predicted the implementation of agricultural fairs, productivity contests, and publication of journals with resulting agricultural research. However, only in 1906 did the Brazilian legislation public policy present characteristic actions of rural advisory services in the affairs of the Ministry of Agriculture, Industry and Trade, such as information services, advertising, publicity, and diffusion of everything that could be of interest both within agriculture, industry, and trade (Peixoto, 2009).

¹ In Brazil, RAS is named “technical assistance and rural extension” (ATER) services. The usual conceptual difference lies on that “technical assistance” doesn’t embody any educational action, and is limited to the transmission of a technical information. Farmers are not qualified. In contrast, “rural extension” focuses on farmers’ empowerment processes and deals with issues as human health, familiar planning, farm management, farmers organizations, etc.

Several authors have reported on other governmental actions of rural extension in the twentieth century. In the 1940s, according to Olinger (2006), rural events (weeks) were held through cooperation between the Ministry of Agriculture and the Departments of Agriculture of the Brazilian states, when technicians moved to inland cities and ministered lectures; more than 200 agricultural offices were created to organize small demonstrative farms with agricultural technologies. However, mismanaged and with an excess of employees, these offices did not last long, and the last units were donated in 1960 to the municipalities, cooperatives and private companies.

Another RAS initiative was imposed by a Decree Law in 1945, which forced each county to constitute a farmer association whose head office should provide a technical advisory body of local, state, and federal governments. In 1958, there were 1500 Rural Associations registered in the Department of Rural Economy of the Ministry of Agriculture (QUEDA 1987, p.75), but the RAS provided did not last long.

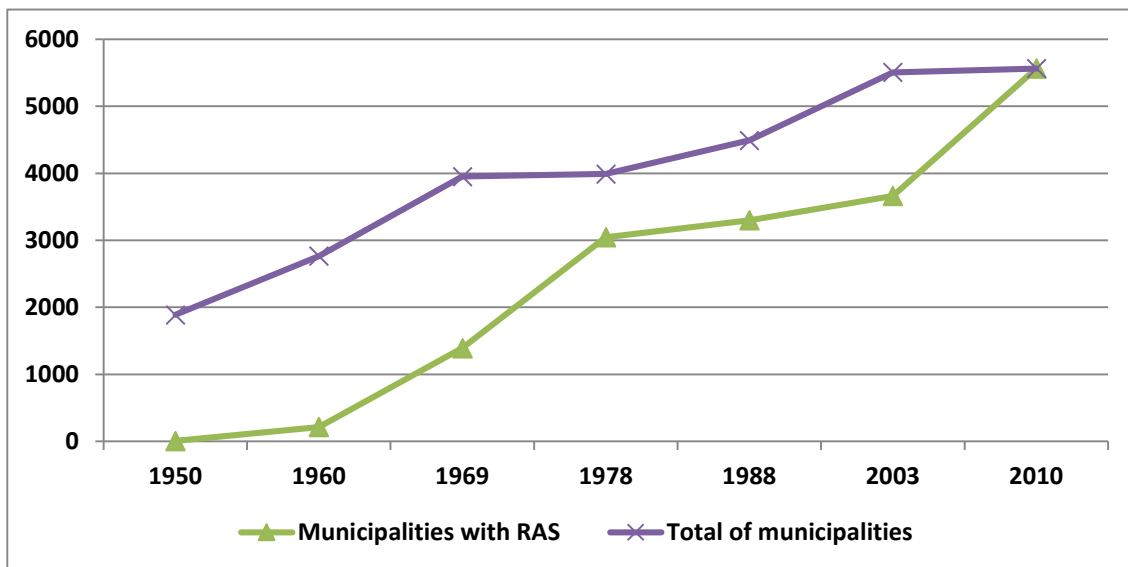
Simultaneous to those initiatives, institutionalized RAS only began to emerge in the 1950s and 1960s, with the creation of the first association of credit and rural assistance (ACAR) in the state of Minas Gerais in 1948, including incentives from Rockefeller Foundation and an agreement with this state government. ACARs were nonprofit civil entities, which provided RAS and preparation of technical projects necessary to obtain credit from financial agents. In the following years until the mid-1970s, all Brazilian states created their ACARs, which were nationally coordinated by the Brazilian Association of Credit and Rural Assistance (ABCAR), created in 1956.

In response to a 1974 federal law, each Brazilian state government absorbed these associations, originating the states' RAS public companies (most named EMATER). The ABCAR was absorbed by Ministry of Agriculture, becoming the Brazilian RAS national public company, named EMBRATER, or the (officially created in 1975). Together, state companies and the federal Embrater constituted the Brazilian RAS system (named SIBRATER). Embrater had amongst its main roles the responsibility to qualify RAS agents and distribute the federal budget to state companies.

So Sibrater, though nationally coordinated by Embrater, already faced in its beginning a high level of decentralization since state companies worked through municipal offices. However, municipal governments were not involved in the RAS system, despite some of them having few technical staff members.

From 1948 to 2010, Sibrater grew slowly, mainly in the northern and north-eastern regions; it currently reaches almost every municipality in Brazil (5.565 in 2010), as shown in the graphic below.

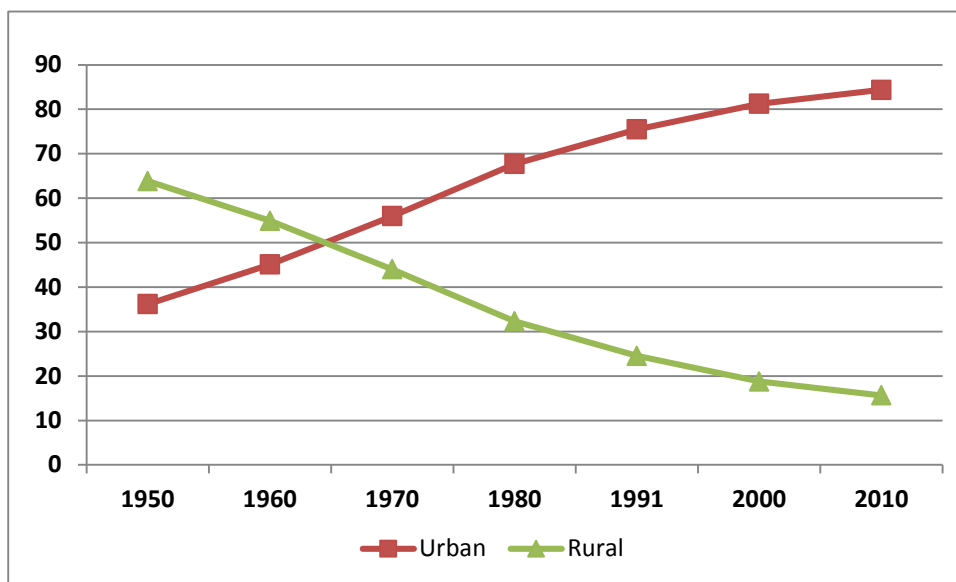
Municipalities with public RAS services in Brazil – 1948-2010



Source: Peixoto (2009) and ASBRAER (2014) - elaborated by the author

It is noticeable that between 1950 and 2010 the participation of Brazil's rural population in its totality decreased from 63.84% of 52 million inhabitants to 15.64% of 198 million inhabitants. One could say then, that public RAS services in Brazil only reached most municipalities when the rural population represented less than 20% of the total population. This had severe impacts on public RAS that family farmers² could access. In most municipalities, therefore, RAS could not reach most family farmers in a way to help them overcome their situation of poverty.

Situation of population urban x rural in Brazil – 1950-2010 (%)



Source: Brazilian Institute of Geography and Statistics (IBGE) - elaborated by the author

² Brazil has a legal definition of "family farm", that encompasses small farmers and smallholder categories, as the one whose family members represent more than 50% of its farm workers, and whose family income is mostly from farm activities.

In general, the local RAS office provides services only in the municipality where it is situated, but in many cases it acts for more than one municipality. However, how much RAS has spread is not an indicator of its efficiency, and data about public RAS outcomes in Brazil always were very scarce. There is no available data on how many family farmers have received RAS over the past 40 years and there is no data on the outcomes of public RAS work.

Sibrater played an important role in the modernization of Brazilian agriculture, providing the link between rural credit and imported or national agricultural technologies, developed by the Brazilian research system³. From the 1950s to the late 1970s, Brazil faced a huge transition, changing from an agrarian and commodities export-based economy (mainly coffee) to a largely industrial one. During the industrialization process, with the adoption of a rural development model based on the diffusion of modernizing technological packages advocated by the Green Revolution, the modernization of Brazilian agriculture was characterized by the consumption of raw materials (such as fertilizers, pesticides, genetically improved seeds) and industrial equipment. The intensive mechanization freed rural hand labour for industrial and construction sectors. The public policies for agricultural research, rural credit, and RAS all aimed at strengthening this model, while the political-economic structures favored large production of export products or raw material for industrialized goods for domestic consumption.

Public RAS crisis in Brazil

In the 1980s Brazil had already consolidated agroindustry complexes and a significant number of farmers, mostly the big, but also small ones who were integrated within supply chains, increasingly received private RAS associated to inputs and equipment sales or to the purchase of raw material for processing industries, or from agricultural cooperatives, mainly in the more developed south-central regions of the country.

Simultaneously, public RAS in Brazil faced the same obstacles that emerged in other countries around the world, in the 1980s and later the 1990s, such as reducing budgets and accusations of inefficiency mainly for having favored large-scale farmers, lacking sufficient attention to family farmers. To make it worse, there was no available data on the results of RAS that could serve as an argument to the provision of increasing public funds.

Public RAS faced severe constraints in funding, and with the slowing role of rural credit in shaping the path of technological innovations, the public RAS capacity was seriously questioned.

Although Brazil's Constitution of 1988 stated that RAS should be provided through agricultural policies, Embrater was wiped out in 1990 by the federal government as a result of neoliberal reforms. In that same year, forecasting even more difficult times ahead, public state RAS organizations founded a national association (ASBRAER), in order to exert political pressure over the federal government, but failed to do so in the following years. Embrapa legally received the responsibility of coordinating Sibrater, but as a research company, RAS was not included in its core competencies and no significant actions were taken.

Paradoxically, the Agricultural Act n. 8.171 of 1991 was approved with a specific chapter about RAS⁴. The chapter instituted a unique and public RAS to farmers and their organizations, free

³ Brazilian agriculture research system is composed of Brazilian Agricultural Research Company (EMBRAPA), founded on 1973, and several state agricultural research companies.

⁴ The Agricultural Act n. 8.171 of 1991 can be accessed at http://www.planalto.gov.br/ccivil_03/leis/l8171.htm.

to the smaller ones, imposing that there could not be any similar public or private service. Municipalities were again kept aside from the provision of public RAS.

As a result, the crisis of state RAS organizations persisted during the 1990s, resulting in the disarticulation of the Brazilian RAS System.

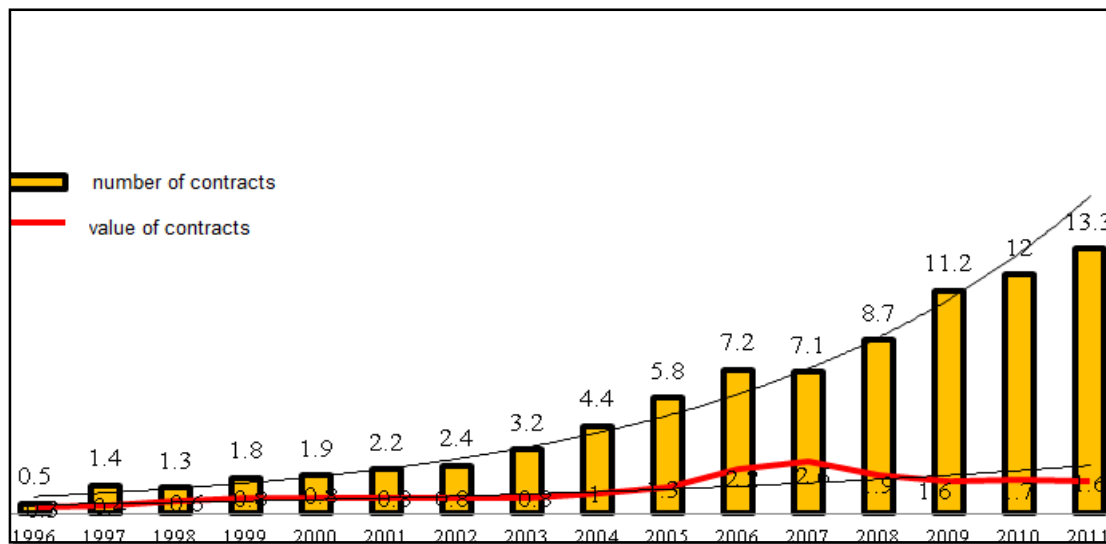
During the 1990s, institutional and legal changes in public RAS provision showed insignificant results. In 1994, a department of RAS (named DATER) was created in the Ministry of Agriculture, but it never lived up to the role once played by the extinct Embrater. Consequently, state RAS organizations continued to be highly dependent on the federal budget (in some cases, more than 90%), and this was clearly insufficient to address these organizations' needs.

Due to the weakness of rural credit mostly benefiting large-scale and mid-sized farmers over the past 30 years, the federal government instituted the National Family Farm Strengthening Program (PRONAF) in 1996; even though the budget increased throughout the decade, it remained largely irrelevant considering the historical needs of family farmers, and public RAS provision still was not a main concern of PRONAF.

Recovery of Brazil's RAS system

As can be seen in the next graphic, PRONAF's funding grew throughout the 2000s and rapidly became the most important public policy for family farmers, who never had such support from the federal government⁵. It should be observed that in the Federal Constitution of Brazil, the federal, state, and municipality governments share the responsibility of promoting agricultural production and organizing the food supply. However, this responsibility has been largely taken over by the federal government, which concentrates most of its income from taxes.

Number and value of contracts of PRONAF – 1996 - 2011

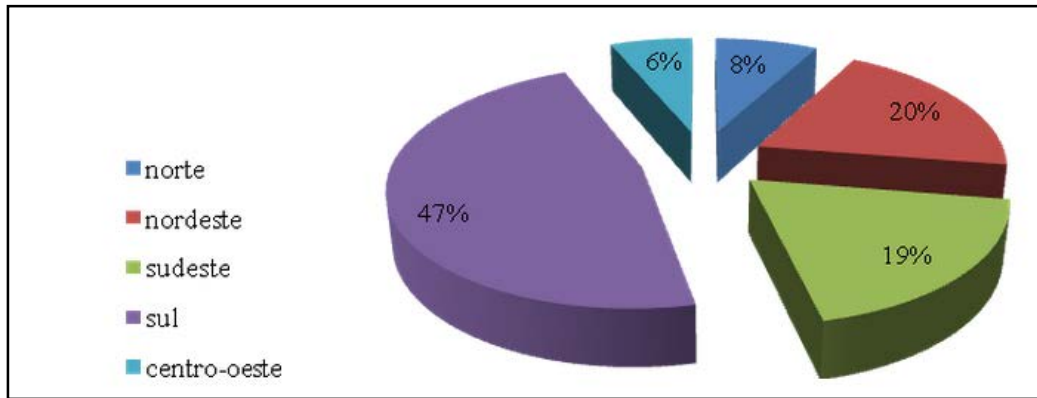


Source: University of Brasília (UnB). Available at www.reformaagrariaemdados.org.br/realidade/3-cr%C3%A9dito-pronaf

⁵ In the Family Farm Harvest Plan for 2014/2015, R\$ 24,1 billion (approximately US\$ 9 billion) shall be provided by the federal government (available in Portuguese at www.mda.gov.br/plano_safr). In comparison, the Agricultural and Livestock Plan for 2014/2015 will provide R\$ 156,1 billion to all categories of farmers, mainly big and medium (available at www.agricultura.gov.br/pap).

However, the distribution of funds has been unequal among different regions of Brazil: the southern region received almost half of PRONAF's resources between 1996 and 2008, while the northeast and southeast regions, which concentrate most of the poor Brazilian family farmers, received about 20% of the total allocated in that period, as shown in the next graphic.

Regional distribution of resources from Pronaf – 1996-2008



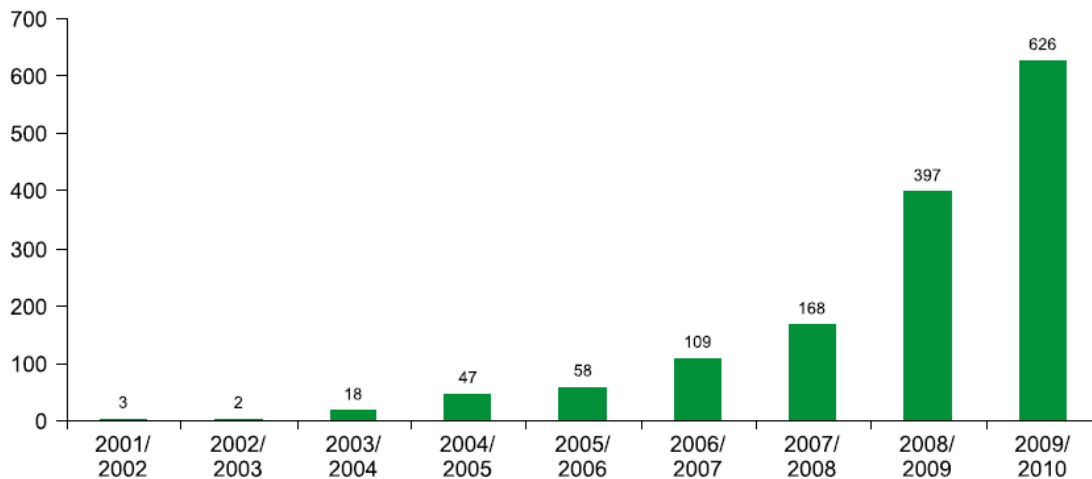
Source: www.bcb.gov.br/htms/CreditoRural/2010/rel521.pdf

This analysis is important because RAS is strategic to the implementation of many important social and economic public policies that support the development of family farmers, and destining insufficient resources to less developed regions may be a severe constraint to RAS results, as in these regions RAS is mostly provided by states governments and is the unique public service available and responsible to implement such policies in rural areas.

Despite the inequalities commented above, during the 2000s, family farmers and other civil organisations progressively realized that the deficiency of RAS provision was a restraint for the efficient use of financial resources driven to family farmers and, alongside Asbraer, began to pressure government authorities to raise the provision of funds to public RAS.

Through many discussion forums, those social actors succeeded in their intentions and the federal budget directly set to public RAS raised from an insignificant R\$3 million in 2002, to a reasonable R\$626 million in 2010 (state governments allocated in total about R\$1.2 billion). This amount from the federal government shall reach R\$1.3 billion in 2014. It is important to say that public RAS actions are dispersed in many different public institutions that indirectly provide RAS through their actions even though it is not their institutional mission.

Evolution of funds to RAS actions by Brazilian federal government – 2002-2010



Source: adapted by author from Pettan (2010)

Brazil's 2006 Agricultural Census showed that 78% of 5.1 million rural farmers declared that did not receive any kind of RAS during that year, and another 13% declared that they received RAS only occasionally. The remaining 9% fit among the biggest and more developed farmers that get RAS from private providers. This information shows that it is still a huge challenge for Brazil to deliver quality and continued RAS to all farmers in the short term (VIEIRA FILHO, 2010).

It is assumed that this data has not changed too much since 2006. However, Brazil still lacks official statistical data on RAS provision, so it is very difficult to measure what has changed in the recent years. The federal government announced budget supply to implant the Agricultural Census only in 2016⁶.

This leads us to other demands in publicly funded RAS in Brazil that have not been met, including the lack of oversight and accountability on the amount of public expenditures and the data on the results achieved.

In 2003 Dater was transferred from the Ministry of Agriculture, Livestock and Supply to the Ministry of Agrarian Development (MDA). After many meetings and seminars involving farmers and extension agents throughout the country, in a collective construction of a new national RAS policy, MDA instituted a National Policy on RAS for Family Farmers and Land Reform (named PNATER). But such policy faced difficulties in its implementation due to an absence of legal support regarding the processes of public expenditures. Then, in 2009, after years of social pressures, the federal government sent a draft bill to the National Congress under an urgency regime of political processing (which demands only 90 days to be approved by deputies and senators).

The new Law n. 12.188 (named General RAS Law) was approved in January 2010. Among others, it institutionalises the monitoring and evaluation of results. However, this policy has faced countless problems in its implementation, including insufficient funds to extend access

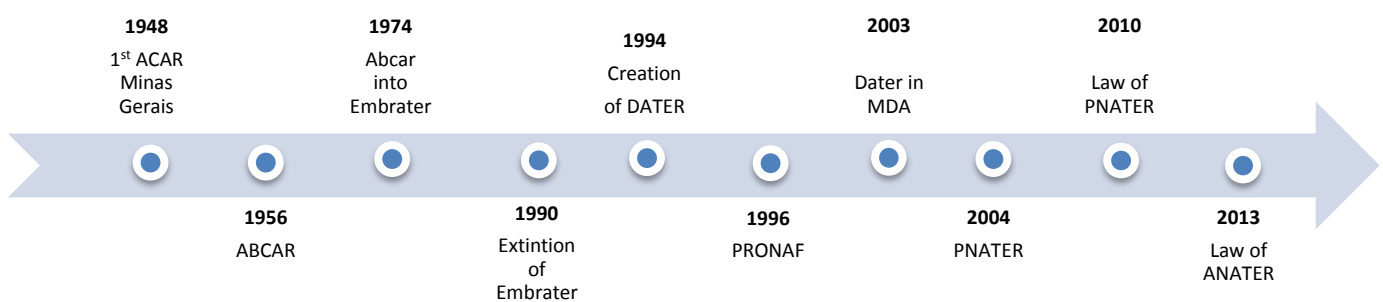
⁶ The data of Agricultural Census of 2006 were only officially released in 2009. But it is expected that the evolution of information and communication technologies will speed up the results of the 2016 Census.

to RAS to all family farmers, and as of now available data regarding the outcomes or its implementation is still lacking.

Moreover, as the Agricultural Law of 1991 requests that public RAS funded through the federal budget needs to be provided without charge, the process of accreditation and contracting public (states) and nongovernmental (NGOs) RAS providers is totally controlled by the federal government. However, federal government institutions (such as Dater) have no structural conditions or enough bureaucrats to perform their duties well.

Because of this, and despite the increase in public funds for public RAS, debates were raised on the necessity of the creation and empowerment of a national organisation to coordinate the reconstruction of Sibrater (similarly to Embrater in the past). In 2013 the federal government sent a draft bill to the National Congress to create the National Agency for RAS (named ANATER⁷), with the responsibility to coordinate the RAS National System. The new Law n. 12.897 was approved on the end of 2013, but the Agency does not have any structure, budget, or bureaucracy yet. It is expected to begin its activities by 2015 or 2016, so it will take some years until we may have any information about its development and the public RAS policy within its responsibility (Peixoto 2014).

The timeline below shows the most important events throughout RAS history in Brazil:



Final considerations

Summarising, this article shows Brazilian's recent experience, how society debates and political pressure, involving diverse organisations and social movements resulted in an effective commitment of authorities in renewing the existing public policies on RAS. However, even this new policy doesn't take proper account of international trends in RAS policies, like pluralisation of RAS providers and cost of a recovery system.

Brazil's agriculture has an enormous heterogeneity of social and economic actors, and even among family farmers there are big differences that imply different strategies in funding and providing RAS. That is why some important draft bills that are being processed at the National Congress should get attention from government policy makers, RAS providers, and farmers. These drafts change the public credit law and policies to enforce the federal government to provide public funds for contracting RAS private providers directly by farmers on the market. The eventually resultant laws could provide necessary cost recovery strategies and would decentralise and reduce the government tutelage of farmers for contracting RAS. The imposing of free RAS impedes even access to knowledge on innovations that do not require any input or equipment, but result in significant improvements for rural activities, such as managerial and organisational changes.

⁷ Anater is not a regulation agency, but an economic promotion one.

It is quite early to judge if the current public RAS policy of Brazil will be effective, but it is not likely to be able to provide access in the short-run to RAS for all family and mid-sized farmers, which respectively amount to 4.36 and 0.81 million farmers.

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Biography

Marcus Peixoto graduated from Agronomy at Federal University of Viçosa (UFV, 1987). Worked as rural extensionist at the Technical Assistance and Rural Extension Company of Rio de Janeiro (EMATER-RIO, 1988/89), and as professor of Rural Extension at Federal Rural University of Rio de Janeiro (UFRRJ, 1990/2005). Reached his M.Sc. (1997) and D.Sc. (2009) degrees at the Post-Graduation Course in Agricultural Development (CPDA/UFRRJ), and is currently a Pos-Doctorate researcher at the Public Policies, Development and Strategies Post-Graduation Program of Institute of Economics of Federal University of Rio de Janeiro (PPED/IE/UFRRJ, 2014/15). Since 2006 is legislative advisor in the Agricultural Policies Area at the [Legislative Advisory Service](#) of the Federal Senate of Brazil.