



How can countries strengthen family farming while promoting food and nutrition security for the most vulnerable? This new WWP series will show how Brazil's Food Purchase Program (PAA) has tackled these challenges.

Throughout the different texts, you will get a better understanding of how the PAA operates and each of its six modalities, as well as the history of the program and its current institutional arrangement. The annex to this first text brings a reflection on how a public purchase program can also be a tool to drive local development and ensure the human right to adequate food.

This series is organized into four texts:

Text 1 - Brazil's PAA: what it is, goals, target audience and coverage

Text 2 - The six modalities of the PAA

Text 3 - PAA: institutional arrangement and stakeholders involved

Text 4 - History of the Brazilian PAA

BRAZIL'S PAA: WHAT IT IS, GOALS, TARGET AUDIENCE AND COVERAGE

This text is an introduction to the Brazilian Food Purchase Program (PAA). It introduces its main goals, target audience and coverage, and presents coverage data that allows one to gauge the size and scope of the program in Brazil.

The PAA, developed by the Brazilian federal government since 2003, operates on two main fronts: promoting access to food and supporting family farming¹. How are those goals achieved? On the producer end, the PAA purchases products directly from family farmers, waiving bidding requirements². On the consumer end, it donates these products to people under food and nutrition insecurity and to aid beneficiaries of social assistance network entities, food and nutrition facilities (public subsidized restaurants, community kitchens and food banks) and other institutions.

The program's goals also include strengthening local/regional and trade network circuits, the valuation of biodiversity and organic food production, fostering healthy eating habits and encouraging the creation/expansion of cooperatives and associations.

The PAA is an instrument that drives the State's purchasing power in a manner that prioritizes the vulnerable segments of the population. Its cross-cutting interactions with rural poverty and food/nutrition security issues allow it to combine structural measures that encourage production through access to institutional markets and emergency actions to fight hunger.

¹ For texts of this series, the terms "family farming" and "family farmer" refer to the practice (and practitioners) of rural activities in smallholder farms using predominantly family-sourced labor and where income arises primarily from economic activities related to the property itself.

² Providers are chosen through a simplified administrative procedure for selecting proposals called *Public Call*.

Brazilian family farmers have the capacity to produce food, but do not always manage to sell their produce at fair values. The PAA has created ways to bring family farming production to populations at risk of food and nutrition insecurity. It aims to promote the productive inclusion of family farmers and increase their production, market access and incomes, consequently reducing rural poverty.

The purchase of family farming-sourced food in *natura* or subject to little-to-no processing is also used as a means to encourage healthy eating, increasing the availability of foodstuffs that can supply diets more tailored to the characteristics of each locality. As such, the PAA seeks to promote connections between food/nutrition security and agricultural policies.

Main objectives of the PAA

- » Encourage family farming, promoting economic and social inclusion and creating incentives for sustainable production and income generation;
- » Stimulate the consumption of and appreciation for family farming-sourced products.
- » Promote access to food with the quantity, quality and regularity required by persons subject to food and nutrition insecurity;
- » Ensure food supply through government-sourced food purchases, including for school meals;
- » Build public stocks of food produced by family farmers;
- » Strengthen local, regional and trade network circuits;
- » Value biodiversity and organic food production;
- » Encourage healthy eating habits at the local and regional levels; and
- » Incentivize cooperatives and associations.

Modalities of the PAA

The PAA has six different ‘modalities’, which will be detailed in the next article of this series. Just to introduce the topic, Chart 1 below introduces the types and a short description of each modality:

Chart 1: PAA Modalities

MODALITY	GOAL
Purchase with Simultaneous Donation	Purchase of food provided by family farmers to meet the local demands of people at risk of food and nutrition insecurity. The food purchased is automatically distributed to entities that serve these audiences.
Direct Purchase	Purchase of (generally non-perishable) products in order to help maintain the prices paid to farmers. The food purchased under this modality is stored in public stocks and can be used for food programs.
Stock formation	Financial support for family farmer organizations to stock food so as to help add value to production.
Food Purchase Program- Milk	Purchases of cow or goat milk. After pasteurization, the milk is donated to vulnerable families or social assistance entities.
Seed Purchases	Purchase of seeds and seedlings from family farmer organizations based on the demand from federal and state agencies that donate seeds under varied programs.
Institutional Purchase	Allows several public agencies to purchase food using their own funds through “public calls”. This modality is not operated with ministry resources.

The PAA has two basic routes of operation:

- » Through accession agreements or covenants signed between the federal government and states/municipalities. The states/municipalities then coordinate the entire purchasing process directly with each family farmer (typically, a purchase order is issued for a certain kind of food and producers are selected to supply it).
- » Through the National Company for Food Supply (Conab), which operates based on partnerships with family farming organizations. Cooperatives and associations draw up their proposals for the delivery of food to certain social assistance entities.

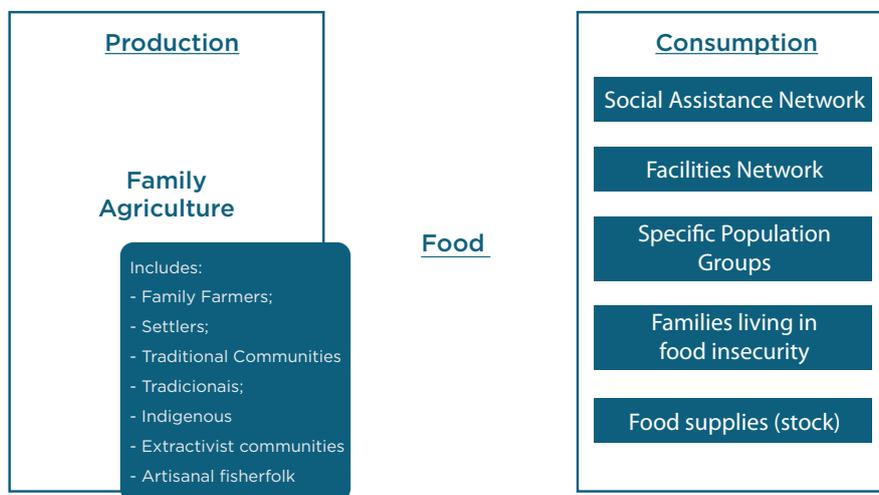
The institutional purchase modality escapes that arrangement in that it is operated directly by public agencies through simplified purchasing processes (called Public Calls). The next text in this series will detail the operation of each modality.

Target audience of the PAA

The program benefits two different target audiences simultaneously: providers (responsible for supplying the food) and consumers (vulnerable or food/nutrition-insecure populations).

On the supply side, the priority is to structure activities based on the production of family farmer and traditional farmer groups. On the demand side, services to vulnerable populations are focused on fighting hunger.

Figure 1: PAA - Production-Consumption Flowchart



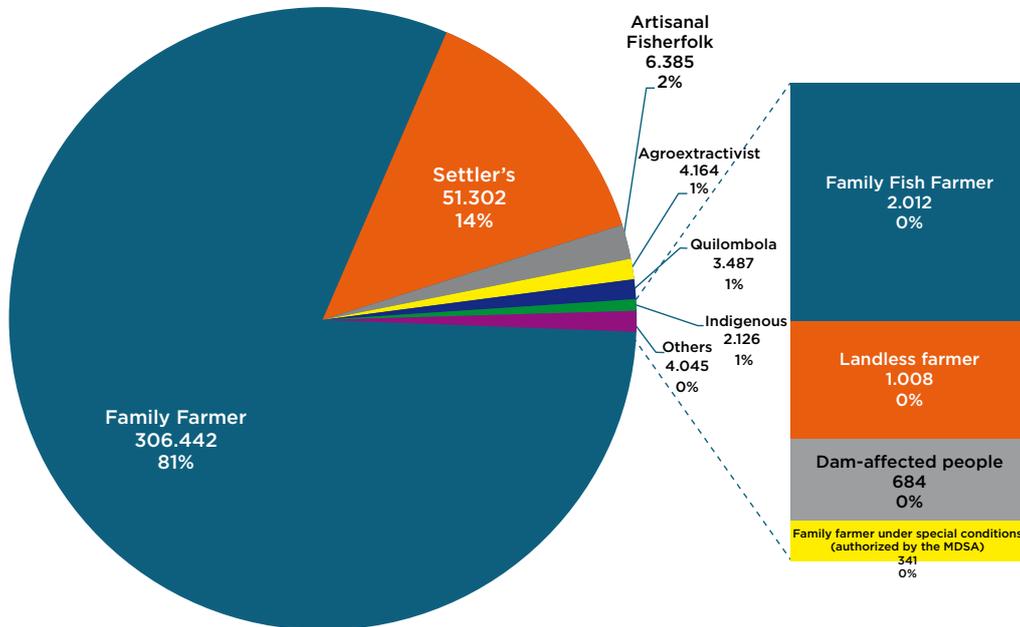
Source: Ministry of Social and Agrarian Development (MDSA)

Providers

The PAA's priority audience on supply side is family farmers who usually need support so that they can develop their capacities and capabilities to produce and market.

Although they are a priority audience according to the regulations of the program, participation by specific groups such as *quilombolas* (descendants of former refugee slaves), indigenous populations and other traditional peoples is still numerically small: 5%. Between 2011 and 2015, 95% of PAA participants were family farmers and agrarian reform settlers (Chart 1).

Figure 1: PAA participant breakdown (according to farmer registration information) - January 2011 to June 2015



Source: SAGI/PAA Portal, broken down by form of access to the PAA-Milk, Conab, States and Municipalities

In order for audiences to adequately selected for the PAA, it is necessary that a system is in place to register family farmers. In Brazil, the criterion adopted for participation is that farmers have an Eligibility Declaration to the National Program for Strengthening Family Agriculture (called DAP in the Portuguese acronym). The document was created to identify family farmers as members of the program. The DAP also allows farmers to have access to agricultural credit and insurance policies.

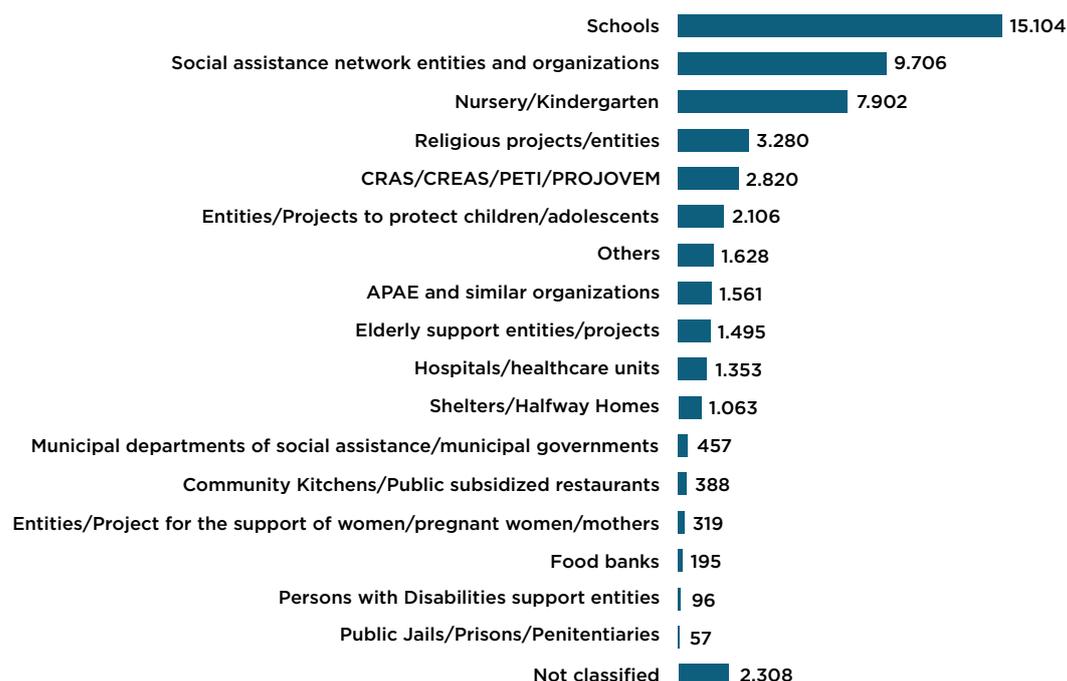
A major challenge to the program is precisely to ensure that the poorest farmers and specific population groups can have access to the DAP. For much of that audience, the PAA makes it easier for them to have access to family farming strengthening policies. Despite efforts taken at the federal level to include these groups, there are still reports of lack of access due to bureaucratic and operational barriers to obtaining the DAP.

Consumers

The consumers of PAA purchases are mainly groups at risk of food insecurity, who have access to food through entities that are part of the social assistance network, food and nutrition facilities (public subsidized restaurants, community kitchens and food banks) and other public institutions.

While Figure 2 shows a widely diverse set of beneficiaries of PAA purchases, there is a marked concentration of schools and institutions of the social assistance network: together, these two categories account for 50% of all organizations served by food purchased through the PAA. If daycare centers and preschools are added to the mix, the total share rises to about two thirds of participant organizations. Between 2011 and 2015, over 50,000 institutions participated in the program.

Figure 2: Number of entities served by type of institution (from January 2011 to June 2015)



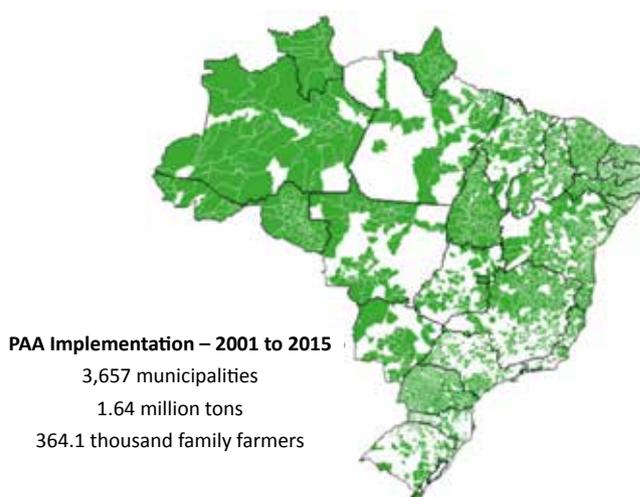
Source: SAGI/PAA Portal, broken down by form of access to the PAA-Milk, Conab, States and Municipalities

It is worth noting that the data presented in Figure 2 refers only to the number of institutions, not the amount of food received.

Coverage

Data on the implementation of the PAA for the 2011-2015 period shows wide coverage throughout the country, as can be seen in Figure 3. In this period, the program served all Brazilian states and two thirds of its municipalities³ (3,657 of a total 5,570).

Figure 3: Number of municipalities with PAA presence between 2011 and 2015

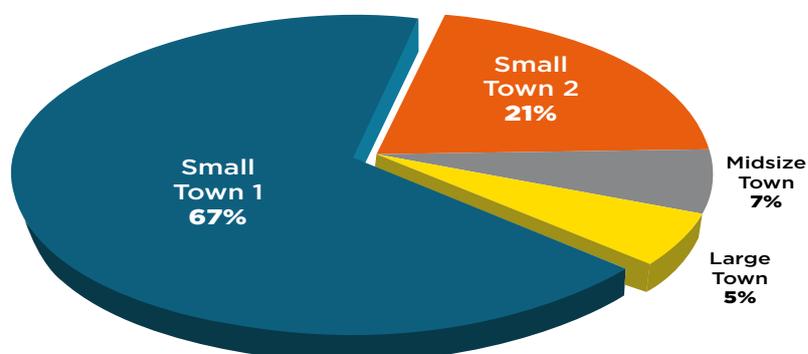


Source: Data obtained at the SAGI/PAA portal, broken down by form of access to the PAA-Milk, Conab, States and Municipalities

³ This finding does not mean that all municipalities continuously participated in the PAA throughout the period studied. The number refers to the total number of municipalities served: some were included over the four-year period, while others left the program after 2011.

Figure 4 indicates strong presence of the PAA in municipalities with up to 20,000 inhabitants (67% of participants and 46% of the total funds invested in the period). The average amount invested (R\$ 479,000 per municipality of this size) is significant, which reinforces the PAA's importance for family farming and local economies.

Figure 4: Breakdown of participant municipalities by size - 2011 to 2015.



Source: Data obtained at the SAGI/PAA portal, broken down by form of access to the PAA

* As defined by the Brazilian Institute of Geography and Statistics (IBGE) for the 2010 Census:

- a) Small Town 1: up to 20,000 inhabitants
- b) Small Town 2: from 20,001 to 50,000 inhabitants
- c) Midsize Town: from 50,001 to 100,000 inhabitants
- d) Large Town: 100,001 inhabitants or more

Over the past four years, the PAA concentrated 41% of its implementation in the Northeast region - the country's poorest and the one with the largest number of family farmers -, which shows consistency between allocation of resources and needs. The Southeast region has the second highest rate of coverage, with the north of Minas Gerais showing the strongest presence (the area concentrates the region's poorest municipalities). Table 1 offers a per-year breakdown of the number of participant farmers and amount of food purchased.

Table 1: PAA - Number of supplier farmers and amount of food purchased (2003-2015)

YEAR	NUMBER OF PARTICIPATING FARMERS	PURCHASED FOOD (TONS)
2003	42.077	135.864
2004	68.576	339.925
2005	87.292	341.755
2006	147.488	466.337
2007	138.900	440.837
2008	168.548	403.155
2009	137.185	509.955
2010	155.166	462.429
2011	160.011	517.922
2012	185.979	529.033
2013	96.912	280.175
2014	113.727	336.156
2015	95.860	289.827
Grand total	N/A*	5.053.370
2004 - 2014	122.901,6	388.720,8
Average		

Source: For 2003 to 2010 - Food Purchase Program (PAA) Implementation Assessment Report - 2003-2010; for 2011-2015 - data obtained at the SAGI/PAA portal, broken down by form of access to the PAA-Milk, Conab, States and Municipalities

*It is not possible to provide a grand total number of farmers because many would be double-counted.

An important fact worth noting is that the annual average number of participating farmers represents but a tiny fraction (approximately 3%) of the Brazilian family farming sector, which comprises over five million establishments.

The PAA does not have the goal of expanding its scope in order to serve the entirety of the family farming segment. One of its challenges is to give family farmers access to other public and private markets based on the experience accumulated through the program.

The Annex brings a reflection of how a public purchase program can drive local development and ensure the human right to adequate food.

More details on the six modalities of the PAA will be covered in the next text of the series.

ANNEX: WHY DEVELOP A PUBLIC FOOD PURCHASE PROGRAM?

This text discusses strategic concepts that ground the use of public purchases as part of the poverty eradication agenda. Brazil's lessons learned from the implementation of the PAA allow for a better discussion of possible forms of innovation on traditional public policies, as well as the challenges that must be overcome.

Throughout the text, the reader will understand how a public food purchase program can be an important tool for the development of family farming and to promote food/nutritional security, foster local development and ensure the human right to adequate food.

In developing countries, poverty and its core element - hunger - are mostly concentrated in rural areas, which reinforces the need for programs and activities that can foster agricultural production and promote a more continuous inflow of income to farmers.

Public purchases of food made directly from family farmers can stimulate domestic production, develop local economies, provide diversified food to consumers and promote healthy eating. In addition, they serve as a reference for the implementation of other policies geared towards poor populations in rural areas.

Many of the PAA's features, such as its priority focus on the most vulnerable, decentralized management, solid legal framework, active seeking of integrated actions and relationship between public agencies and farmers' organizations, are all innovations that can serve as a reference for other countries that wish to create similar programs.

Before exploring the matter in-depth, however, it is important to outline some important concepts, such as the human right to adequate food, local development, access to institutional markets and other elements, that interconnect to support the implementation of a public purchase program.

THE HUMAN RIGHT TO ADEQUATE FOOD AND IMPROVING FOOD AND NUTRITION SECURITY

It is not recommended that a family farming purchase program be implemented as an isolated, singular endeavor, without links to food security and nutrition strategies and to the principles of the human right to adequate food. Public purchases must be inserted into a policy context of promoting healthy eating habits and ensuring regular and permanent access to quality food in sufficient quantity.

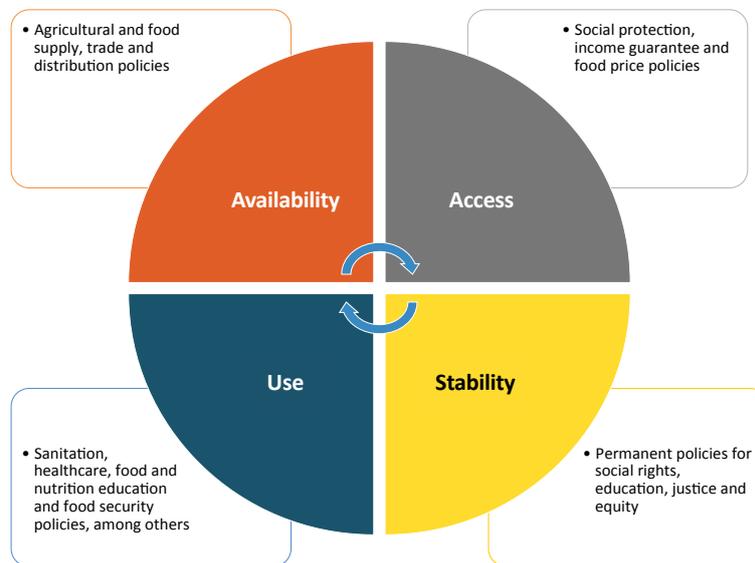
The human right to adequate food consists of physical and economic access by all people to food and to resources (such as employment or land) that can ensure such access continuously. It is important that this right be treated as a priority matter in the government agenda when developing strategies to ensure food and nutritional security for the population, especially among the poorest urban and rural areas. Public purchases of family farming-sourced products reinforce healthy eating concepts and the appreciation of food traditions that can promote adequate eating habits, creating synergies between the various strategies for food and nutrition security.

Incorporating the human right to adequate food into food security and nutrition strategies fulfills multiple goals: it places the individual as a subject endowed with rights, at the same time lending permanence to a State's challenge of serving these individuals through a summation of efforts from different levels of government and society in general.

When introduced into a country's legislation, the legal frameworks that ensure the human right to adequate food facilitate the implementation of several actions (among which public purchases). These frameworks allow that a program's scope be understood as the achievement by its beneficiaries of the conditions to eat well, which must rise above any other concern.

The human right to adequate food is outlined in Article 25 of the 1948 Universal Declaration of Human Rights. In Brazil, the right to food was included in Article 6 of the Federal Constitution through Constitutional Amendment No. 64. Food and nutritional security policies focusing on the human right to adequate food must be dynamic and interdisciplinary, aiming to meet four dimensions simultaneously: availability, access, utilization and stability, in addition to being coordinated with other public policies (Figure 2).

Figure 2: The dimensions of food and nutrition security and coordination with public policies



Source: Ministry of Social and Agrarian Development (MDSA)

FIGHTING HUNGER IN BRAZIL

Several studies show that Brazil has expressively reduced hunger, malnutrition and undernourishment levels in recent years. Such accomplishment cannot be attributed to a single program, but rather to a combined strategy that involves food and nutrition security, agricultural production development, productive inclusion and income transfer initiatives. Data from the National Household Sample Survey conducted by the Brazilian Institute of Geography and Statistics (IBGE) shows that severe food insecurity fell by half between 2004 and 2013.

PRIORITY TO THE MOST VULNERABLE

Encouraging family farming is an important strategy in the fight against poverty in most developing countries: poverty is generally more prevalent on small farmer and agricultural worker populations, who often have precarious occupations, are severely underpaid or lack any form of income-generating occupation. Of the global population considered to be living under the international poverty line of US\$ 1.90 per day in 2013 - about 767 million people - 80% lived in rural areas and 64% worked in agriculture (World Bank, 2016).

Public purchases can accelerate the fight against hunger by driving the local circulation of food and focusing on ensuring consumption for the most vulnerable. They can both ensure the basic needs for these populations and (more crucially) insert them in virtuous economic and social cycles.

Poverty does not happen in a vacuum. By taking into account that it is at the local level that economic dynamism takes place, family farming-sourced purchases made in these municipalities can encourage better organization at the local level, help the development of better production techniques, improve access to markets and aid the consequent overcoming of poverty.

Purchases of family farming products can create stable markets and regulate minimum prices, which in turn allows for a better planning of production and higher levels of economic organization. The experience accumulated with the PAA reveals the importance of family farming as a productive, social and economic sector, demonstrating that even the poorest family farmers can produce if properly supported.

Significant challenges for a public purchases program include reaching those who have less to sell, concentrating its focus on smaller family farming economic organizations, supporting the strengthening of these organizations and at the same time seeking new markets so as not to avoid dependency relationships. It is also important that their implementation be seen as an opportunity, a path towards productive inclusion, and not a 'favor' to farmers.

To expand the quality and effectiveness of social spending, it is important that these actions be planned with flexibility so they can better fulfill their dual role in the supply and consumption sides, allowing for a common agenda to exist between institutions and avoiding segmentation and lack of coordination. Since public policies are often more easily appropriated by more organized segments, it is necessary to develop strategies that can prevent resources from being focused mainly on better-structured farmers. The PAA has targets for the participation of low-income farmers who are enrolled in the Unified Registry (Brazil's single registry of social program beneficiaries) or belong to traditional communities (indigenous and quilombolas, for example), as well as female farmers.

As such, public purchases from family farmers represent an important innovation on the supply side, creating the conditions for purchases from the poorest producer segments, who face greater difficulties in structuring their production and gaining access to markets. It also innovates on the demand side, allowing those suffering with food insecurity to receive better-quality products in larger quantities.

OPENING MARKETS AND LOCAL DEVELOPMENT

Public purchases of family farming-sourced products also help create capacities at the local level. When implemented in a coordinated and integrated manner involving the federal government, regions, municipalities and other local instances, these purchases can drive decentralized development strategies and bring food and nutrition security to the center of discussions, with the added benefit of inevitably increasing the perceived importance of a historically excluded segment: family farmers. The men and women of the field - who already play a crucial role in the food supply of local markets - can now contribute to better nutrition in their own community and elsewhere as they overcome the food insecurity issues that often victimize their own families.

Public programs and institutions that routinely consume food - such as schools, hospitals and shelters - operate with considerable budgets, and there has been increasing willingness to use this spending as an instrument to drive family farming and local development. Thus, the program must adapt to the challenge of meeting significantly varying conditions, including the peculiarities of the target audience, the type and quantity of food required and the frequency of deliveries. Therefore, it is necessary to develop diversified arrangements for the coordination of suppliers, regions, resources etc.

It is important that the implementation of a public purchases program can clearly demonstrate its contribution to local development, especially focusing on its role as a conduit for better planning and increased productivity for family farmers and economic dynamism in the rural areas covered. Three aspects are fundamental in ensuring this is the case:

- » Definition of exclusive supply quotas for family farmers;
- » The origins of production;
- » The types of products that will be purchased.

Allocating a quota of purchases to be served exclusively by family farmers from the outset makes it possible to establish rules that can prevent unfair competition with companies specialized in this type of supply. Public purchases can ensure a continuous flow of funds to rural populations, contributing to the reduction of social inequalities. The formulation of local production plans aimed at meeting the established quotas increases the demand of farming families for inputs, jobs and services. Moreover, these families use the increased income to acquire more consumer goods, boosting the circulation of goods and services. The process increases local economic dynamism, promoting more inclusive and democratic development.

Another important factor in driving production is the preference given to nationally-sourced (preferably locally-sourced) products. The demand for fresh, diversified food (the typical specialty of family farming) is a stimulus that can lead to increased food production in each country, with different systems and investments generating dynamism in rural areas through the opening of an attractive institutional market for food.

The small supply circuits created by public purchases offer fresh food that is produced close to the place of consumption, thereby reducing transport costs and consequent greenhouse gas emissions. As such, family farming becomes a protagonist player in the fight against hunger and the drive for sustainable local development.

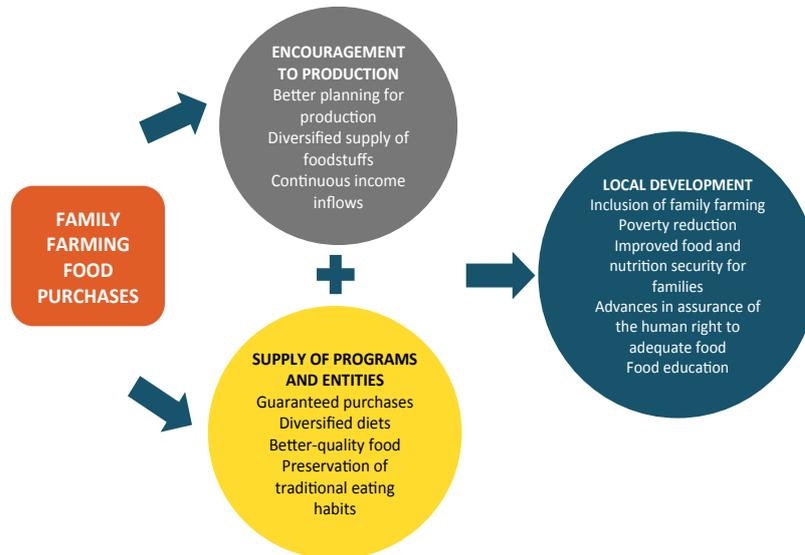
HOW THE PAA INCREASED FAMILY FARMERS' ACCESS TO INSTITUTIONAL MARKETS

The Brazilian PAA was a precursor mechanism for the opening of public institution markets to family farming. Because of the advances the program provided, Brazil has adapted its school meals legislation to require that at least 30% of all federal funds for the meals be used to purchase food from family farmers.

In 2015, a new regulation went beyond school meals: a presidential decree made it mandatory that all agencies of the federal government purchase at least 30% of their foodstuffs directly from family farms, further expanding the potential of the sector

Figure 3 illustrates the development process stimulated by government purchases of family farming products. On the one hand, there is the development of rural economies through production; on the other, the supply of government programs improves.

Figure 3: Family farming purchases and local development



Source: Ministry of Social and Agrarian Development (MDSA)

Better food

Public purchase programs have also given the State instruments to improve the diets of its population. When developed with a focus on food and nutrition education processes, these program can be used to emphasize balanced diets, encourage the discovery of different flavors and textures and increase the acceptance of certain foods. They create opportunities to highlight healthy eating habits and warn of the risks of high intake of ultra-processed products (those ready or almost ready for consumption and containing high contents of refined substances, chemical additives, salt, sugar and fat) and their negative effects on health.

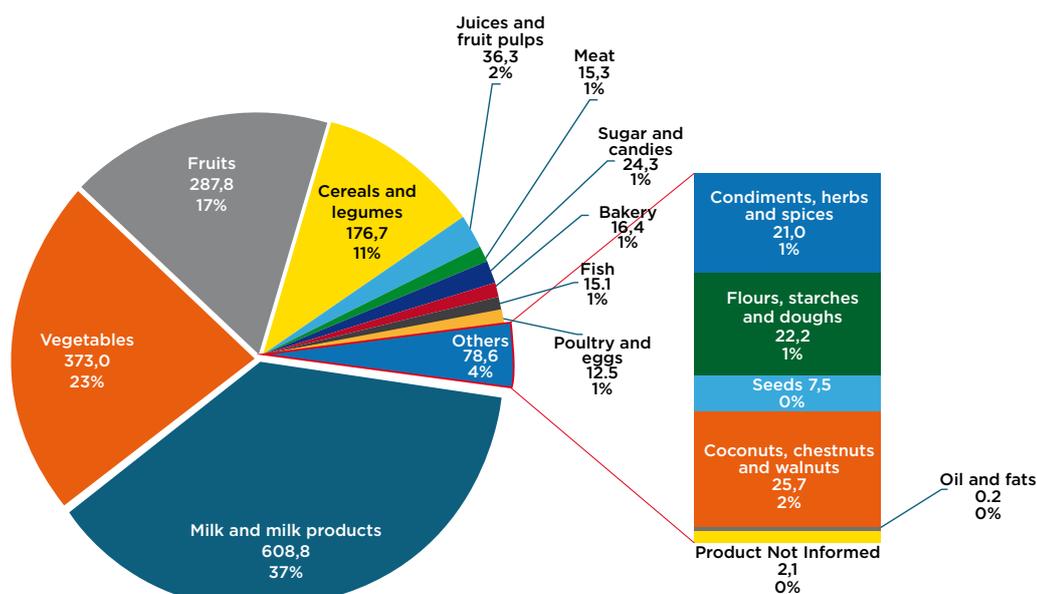
In the medium and long term, public purchases can contribute to generate major changes in the lifestyles and consumption habits of people. The use of family farming products on a wider scale is also well in line with the perspectives of current times, as people become increasingly aware of the need for healthy eating habits, preserving local food traditions and producing with low environmental impact.

HOW THE PAA PROMOTES DIVERSIFIED DIETS

The menus of beneficiaries are influenced by the diversity of products offered by the PAA, which encourages the improvement of their eating habits (especially children). Many of the products in the PAA 'basket' used to the so-called "backyard" products, i.e. without economic value in certain locations. This production also had its value recognized by the program, contributing to the preservation of regional food crops.

The diversity provided by the PAA can be seen in Figure 4. There is a predominance of milk and dairy consumption in the PAA, which can be explained by the existence of a specific modality for milk purchases (*Food Purchase Program - Milk*) in the Northeast. Milk and dairy represent 37% of the total volume purchased (and 26.7% of investments), followed by vegetables, fruit and an extensive list of 16 different groups and 677 different foodstuffs.

Figure 4: Brazil. Volume of products purchased through the PAA per type of product - 2010-2015 (million tons)



Source: Data obtained at the SAGI/PAA portal, broken down by form of access to the PAA-Milk, Conab, States and Municipalities