DISCUSSION STARTER

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What can the world learn from Brazil's support for family farmers?

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Photo credit: Daan Schuttenbelt

Introduction

Brazil has built one of the most comprehensive policy frameworks in the world for supporting smallscale, or "family", farmers. From subsidised credit, public procurement programmes, to school feeding programmes, the country has spent decades developing and refining tools that put food sovereignty and rural livelihoods at the centre of agricultural policy. So what can other countries learn from Brazil's experience?

And where does Brazil itself still have room to grow?

This blog draws on research conducted as part of Clim-Eat's Voices4JRT project, exploring opportunities to repurpose agricultural subsidies to better support smallholder farmers and accelerate a just rural transition, for people, climate, and nature.

Defining the farmer: Brazil's legal framework

A crucial first step in Brazil's approach was creating a clear legal definition of who counts as a "family farmer." Since 2006, Law No. 11,326 defines family farmers as those who: own no more than four fiscal modules of land (the exact size varies by municipality); rely predominantly on family labour; derive most of their income from the farm; and manage the farm themselves.

This legal clarity has been transformative. It enabled the development of targeted policies, from subsidised credit to public procurement, specifically designed for small-scale producers rather than large agribusinesses. Brazil has also established a dedicated Ministry of Agrarian Development (MDA) focused exclusively on the family farming sector, ensuring that smallholder needs remain at the heart of policy design.

One nuance worth noting: while many indigenous communities in Brazil do not identify themselves as "family farmers," they can access certain benefits, such as subsidised Pronaf credit from the National Programme for Strengthening Family Farming (Pronaf) , by registering under this category.

A comprehensive policy toolkit

Brazil's support for family farmers spans four main areas:

- Land reform – implemented through the National Institute for Colonization and Land Reform (INCRA) and the Land Credit programme (Crédito Fundiário), which have helped around one million family farmers, roughly 25% [1] of the total, access land.

- Technical assistance – provided free of charge by state-owned public companies to both settler farmers and those who inherited or purchased land. The technical assistance networks covers all 37 states, and is completed by federal actions that channel resources to civil society organisations.

- Credit – the largest single investment in family farmers. Brazil's benchmark interest rate sits at around 15% per year. Through Pronaf (established in 1996), the government subsidises this down to as low as 0.5–3% for family farmers, depending on the credit line, compared to 8.5–13.5% for large-scale farmers. Approximately US$ 15 billion is allocated annually to this subsidised credit, primarily through national and regional banks.

- Government procurement – two key programmes ensure that public institutions buy directly from family farmers:

  » The Food Acquisition Programme (PAA), launched in 2003 as part of Brazil's Zero Hunger Strategy, earmarks family farmers as the primary suppliers of food to government institutions such as schools and food banks.

  » The National School Feeding Programme (PNAE), formalised in 2009, goes a step further: it is a mandatory law, not dependent on political will, requiring all municipalities and states to source at least 45% of their school food budgets from family farmers (increased from 30% in 2026). This distinction matters: while PAA can fluctuate with government priorities, PNAE is enshrined in law. The national public procurement programmes has now also extended this to oblige other institutions, such as government agencies, universities, hospitals, and prisons, to purchase the minimum established by law.

For farmers in drier, more marginalised regions, particularly the Caatinga, a semi-arid biome with the highest concentration of family farmers and the country's lowest development indicators [3], additional support exists through the Cisternas Programme (which funds household water infrastructure) and Fomento Rural (which provides non-repayable grants to farmers unable to access conventional banking).

Recent progress: expanding access to existing programmes

The headline challenge in Brazil is not the existence of these programmes, it is reach. Only around 15% of family farmers nationally access Pronaf credit, with reach varying per state[4]. Recent policy changes have tried to address this, particularly for the most marginalised farmers.

On credit, the government has made meaningful adjustments to Pronaf B, a microcredit line for the poorest

[1] According to the most recent Agricultural Census (2017), family farmers account for 3,897,408 rural households (76.82% of all rural households). Settler farmers represent approximately 25% of family farmers; the remaining 75% inherited or bought their land privately.

[2] Federal Government of Brazil. Ministério do Desenvolvimento Agrário e Agricultura Familiar (MDA). 2026

[3] da Silva, G.S., Amarante, P.A. and Amarante, J.C.A., 2022.

[4] de Albuquerque, A. et al., 2023.

farmers in the Northeast that does not require collateral. The maximum loan amount has increased to over US$ 3,800, and the income eligibility threshold has risen from US$ 1,100 to US$ 5,000 per year, bringing many more farmers within reach of the programme. First-time borrowers who repay on time are also entitled to a 40% discount. These changes are already showing results, with a growing number of Caatinga farmers adopting the product.

Access to larger Pronaf credit lines, known as Pronaf V (variable lines), which can finance up to US$ 48,000, remains more difficult, as these require both repayment and collateral, putting them out of reach for many smallholders. There have been some attempts at remedying this, including allowing production cooperatives to access the programme and pass on the benefits to their members, under the same conditions as their individual credits.

On school feeding, from 2026 Brazilian municipalities are required to allocate at least 45% of their federal PNAE funds to family farmers, up from 30%. However, participating in PNAE requires a level of organisational capacity that many small-scale farmers lack: in practice, it usually means forming or joining a cooperative that can enter into formal contracts with government buyers. Strengthening this organisational infrastructure, particularly in underserved regions like the Caatinga, remains a key challenge. The Brazilian government also provides support programmes to cooperatives, offering management, training, and structuring for their agro-industries, focusing heavily on strengthening a national network of cooperatives to serve millions of farmers.

An emerging opportunity: bio-inputs

One of the most promising emerging areas is the promotion of biological inputs as a more sustainable and climate-resilient alternative to agrochemicals. Brazilian farmers are already global leaders in the use of both bionutrients and biocontrols. The adoption of bionutrients is rooted in a long history of using inoculants[5], while biocontrols, used by 61% of Brazilian farmers, have been widely adopted to manage diseases and pests such as nematodes that are difficult to treat with conventional chemicals[6].

Innovations continue to emerge from Brazilian research. For example, a bacterium, isolated by the national research institute Embrapa from a Caatinga cactus, can enhance plant resilience to water scarcity by forming a biofilm on root systems.

Despite this, family farmers have largely been left out of the bio-inputs revolution. Companies that produce biological inputs typically bundle their products with technical assistance, which makes sense economically, but pushes them to focus on large-scale farms where the per-farmer cost of field support can be justified[7]. To close this gap, the Brazilian government has begun developing credit lines to make bio-inputs more accessible for both large and small producers. This is an area with significant potential for repurposing public support.

Where the money goes: the case for repurposing

Brazil allocates approximately US$ 92 billion per year to agricultural subsidies, predominantly in the form of subsidised credit. The split is stark: roughly US$ 77 billion flows to large-scale farmers, while only US$ 15 billion (16%) reaches family farmers through Pronaf. The table below gives an overview of the main programmes.

Table 1: Estimated budget of the main policies in favour of farmers in

Programme	Annual budget (estimated)
Credit for large farmers	US$ 77 billion
Pronaf (family farmer credit)	**US$ 15 billion total (US$ 2.8 billion in government expenditure to subsidise interest rates; US$ 12.2 billion of bank capital)**
PNAE (school feeding)	US$ 1.28 billion total, of which ~US$ 0.58 billion (45%) goes to family farmers
PAA (food acquisition)	US$ 0.17 billion
Cisternas (water infrastructure, Caatinga)	US$ 0.09 billion
Fomento Rural (non-repayable support)	US$ 0.02 billion

[5] Marks, Bettina Berquó, Marco Antonio Nogueira, and Mariangela Hungria. 2025.

[6] Goehring, David, Vasanth Ganesan, and Maria-Pia Hope. "Global Farmer Insights 2024

[7] Medina, Gabriel da Silva, Fernando Augusto da Silveira, Elis Marina de Freitas, Vitor Hugo Souza Resende, and Éder de Souza Martins. 2026

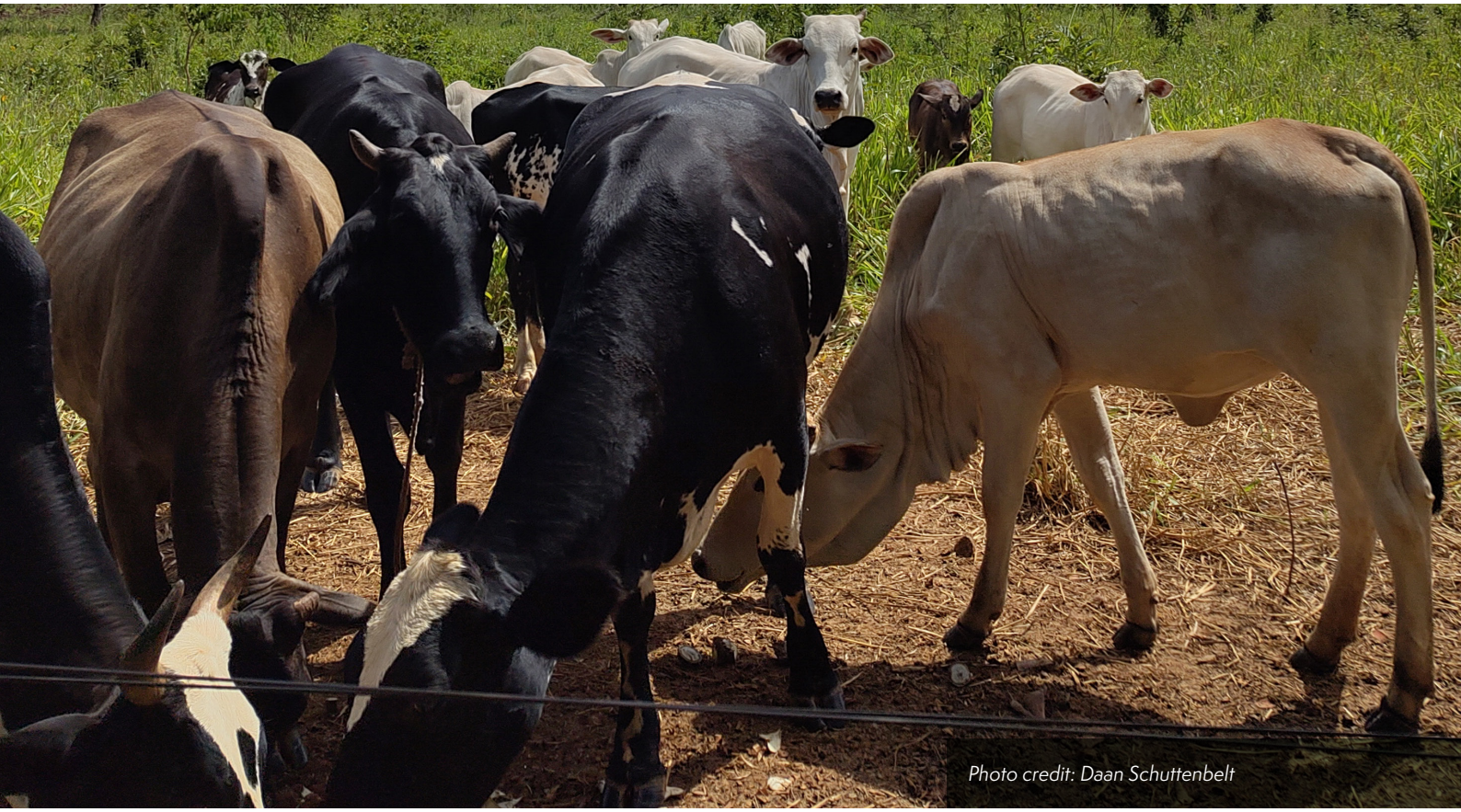

Photo credit: Daan Schuttenbelt

These numbers tell an important story: the vast majority of agricultural subsidies in Brazil still favour large commercial farming operations, while the most vulnerable smallholders, those who need non-repayable grants like Fomento Rural or water infrastructure through Cisternas, receive a tiny fraction of the total. Emerging innovations like bio-inputs receive virtually no public subsidy at all.

This points to a clear opportunity: repurposing even a small share of the credit subsidies currently directed at large farmers could meaningfully expand access for family farmers, fund emerging sustainable technologies, and strengthen the programmes, like PNAE and PAA, that create market access for the poorest producers.

Key takeaways

Brazil's experience offers a rich set of lessons for countries looking to reform agricultural subsidies in support of smallholder farmers and a just rural transition:

- A clear legal definition of "family farmer" creates the foundation for targeted, effective policy.
- Mandatory procurement laws (like PNAE) are more resilient than discretionary programmes (like PAA) because they are not subject to shifting political priorities.
- Access is the critical challenge. Brazil has the programmes; the gap is in reaching the most marginalised farmers.
- Regional diversity matters. A policy that works for family farmers in São Paulo may be inaccessible in the Caatinga without additional adaptation and support.
- Emerging innovations, from bio-inputs to bioeconomy products like the native umbu fruit, represent untapped opportunities for sustainable subsidy repurposing. Brazil is placing family farmers at the forefront of biofuel production, such as in the biodiesel programme, which directly involves family farmers and their cooperatives in the production of raw materials and their commercialization with industries in the sector. Furthermore, photovoltaic energy production is expanding rapidly through subsidized credit for family farming.

Despite the lessons we can learn, the points above highlight several opportunities for repurposing and re-targeting public support in Brazil as well. A current global push for the repurposing of subsidies, together with Brazil's recent leadership role in climate, provides a key moment for such reforms to be fleshed out.

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