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## Agricultural Cooperatives to Reduce Rural Poverty in NE-Brazil

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### Abstract

Although Brazil's government scored success in reducing poverty in the last two decades rural poverty is still pervasive. With about 67% of its rural population living in poverty, Brazil's Northeast is considered as one of the poorest and least developed regions in Latin America. In the course of the construction of the Itaparica dam and reservoir at the São Francisco river basin, irrigation projects were established to ensure the livelihood of the local population. Insufficient infrastructure and low market power of smallholders result in high purchase prices of means of production, lack of access to credits, and low producer prices. As a consequence many smallholders and livestock owners live in poverty. Agricultural cooperatives are considered to be a key factor to improve food security and to guarantee a safe income for smallholders. Especially by increasing smallholders' market power, cooperatives can improve their living conditions. Therefore the objectives of this study were to assess and analyse the history, the actual situation, and the potentials of agricultural and livestock cooperatives in the Itaparica reservoir region. Data were collected by 24 qualitative in-depth expert interviews and analysed using coding, categorising, and qualitative content analysis techniques. Interviewees were chosen from local authorities, chairmen and members of agricultural cooperatives and cooperative unions, agricultural consultants, local farmers, and scientists. Based on previous investigations within the INNOVATE project, interviews were held from March to May 2013 in the four main irrigation projects at the reservoir which differ significantly in history, farm size, infrastructure, and production methods. Though the dam operator promoted the implementation of cooperatives and there is a basic willingness of smallholders to cooperate, there are as yet no efficient agricultural or livestock cooperatives. Lack of financial support, organisation, knowledge about and trust in cooperatives caused the failure of most cooperatives. Still there exist efficient ones in fishery and apiculture. The success of these cooperatives provides an example for prospective agricultural and livestock cooperatives. Due to its peasant production structure the study region is particularly suitable for agricultural and livestock cooperatives. Main problems of local farmers could be moderated significantly by cooperative action.

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