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Public Programs and their Influence on Agricultural Production and Practices: Evidences from Rural Brazil

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Abstract

Agriculture is one of the core activities characterising livelihood strategies of smallholder farmers in the developing world. Agricultural practices and production are partly facilitated and mediated by public policies implemented in rural areas, in general by loosening investment constraints and by granting market access to agricultural producers. Program outcomes on rural households may vary, as public policies vary in scope and objectives. As an example, the outcomes produced by rural credit and cash transfer programs, concomitantly implemented in Brazilian rural areas, are not very clear. On the one hand, PRONAF, a credit programme giving annual crop and investment loans for smallholder farmers, has participation biased towards asset-rich wealthier households involved in the production of cash crops, especially soybeans and maize. On the other hand, Bolsa Familia, a conditional cash transfer programme for poor and extreme poor households, especially supports asset-poor rural households involved in subsistence agriculture. Yet, the question remains to what extent the concomitant implementation of public programs in a rural village shape overall agricultural production and agricultural practices, and how it influences household's choice of livelihood strategy. We propose to assess household livelihood strategies based on their agricultural production activities and to explore their determinants with a focus on the role of public programs. As such, we aim at unveiling the role of concomitant public programme implementation in shaping agricultural production in rural areas, thus influencing household economic benefits from programme participation. An activity-based two-step cluster analysis will be conducted to identify different livelihood clusters, and regression models are performed to determine the major factor affecting the choice of livelihood strategies. The analysis uses survey data from 2017 of 101 households of a rural village in Southern Brazil. The results are expected to show the importance of rural credit and conditional cash transfer for smallholder farmers in influencing their livelihood strategy, and the factors affecting their livelihood choice. The findings of this study shed light on the role public programs play in determining agricultural production and their role in households' livelihood strategy, thus informing pathways out of poverty for smallholder food producers in southern Brazil.

Keywords: Livelihood strategies, public programs, smallholder farmers