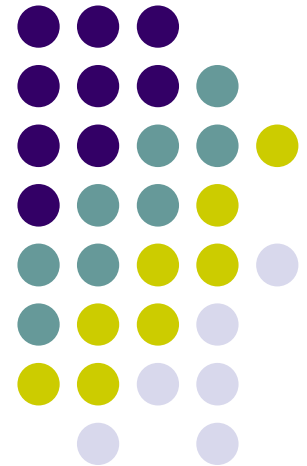


Rural Micro, Small and Medium Companies

Presented by Rafael Mafra
Brazilian Mission to the WTO





Overview

Introductory remarks

Brazilian history of rural MSMEs

Rural MSMEs in Brazil – Numbers

Rural MSMEs in Brazil – Policies

Agtechs

Thoughts on a way forward on Rural MSMEs



Introductory remarks

- Historically, agriculture is ostracized in WTO and GATT.
- MSMEs discussion is a meaningful opportunity to change these dynamics.



Waldo Swiegers/Bloomberg via Getty Images



Introductory remarks

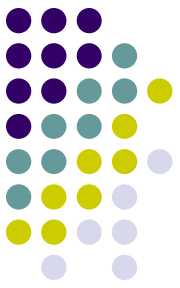
“Agriculture was treated separately in the GATT under a number of headings (...) These exemptions meant that there were few disciplines on agricultural policy, particularly in developed countries.

World agriculture was thrown into disarray.”

R. Sharma

Commodities and Trade Division

FAO



Brazilian history of rural MSMEs

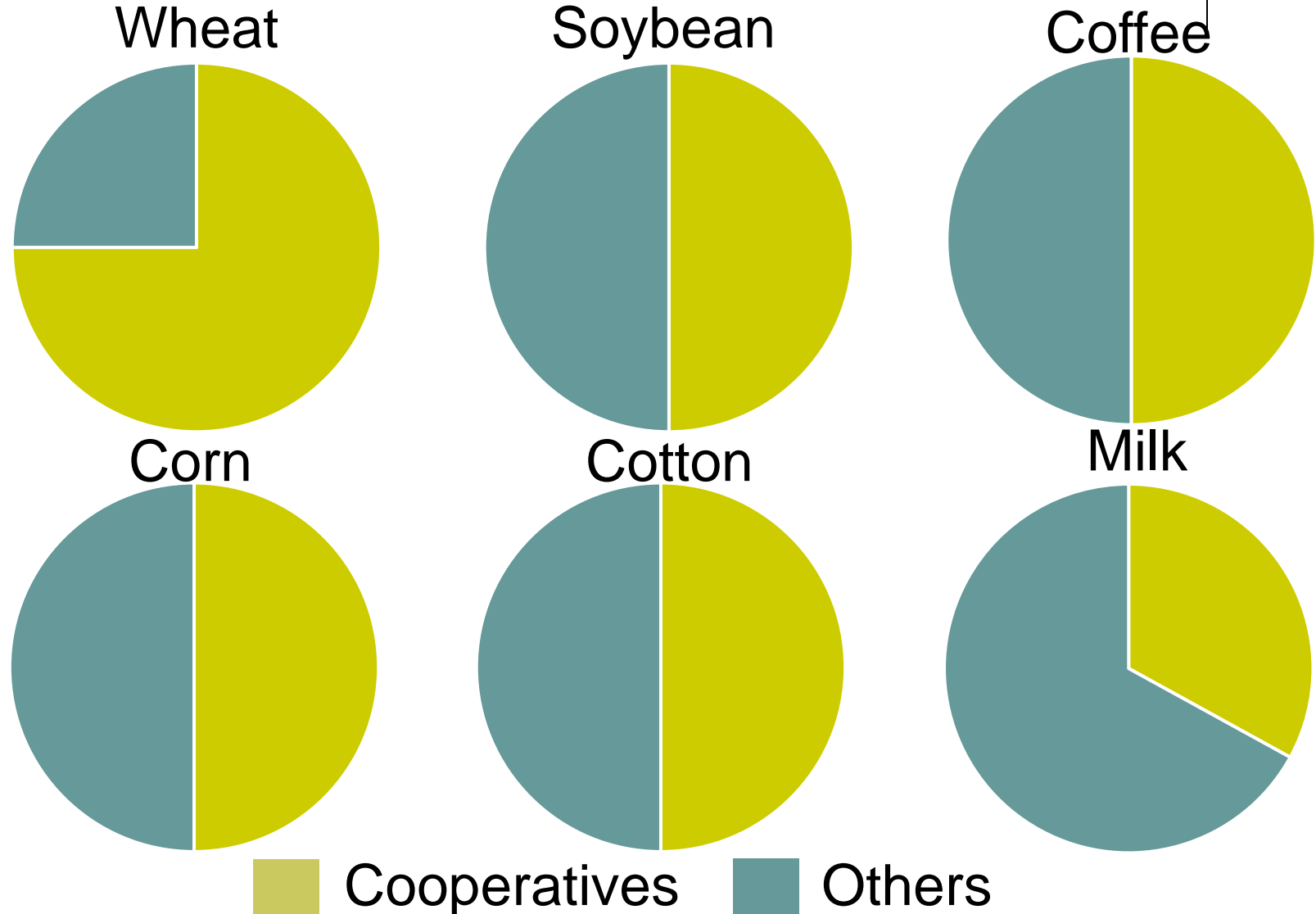
Brazilian agriculture is directly connected to micro and small companies, namely through its cooperatives:

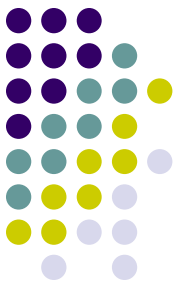


Photo: iStock/Mapa

- First law on cooperatives dating back to 1903
- Better regulated in 1932 – almost a century ago
- Cooperatives: Voluntary producers union for common purposes

Rural MSMEs in Brazil – Numbers

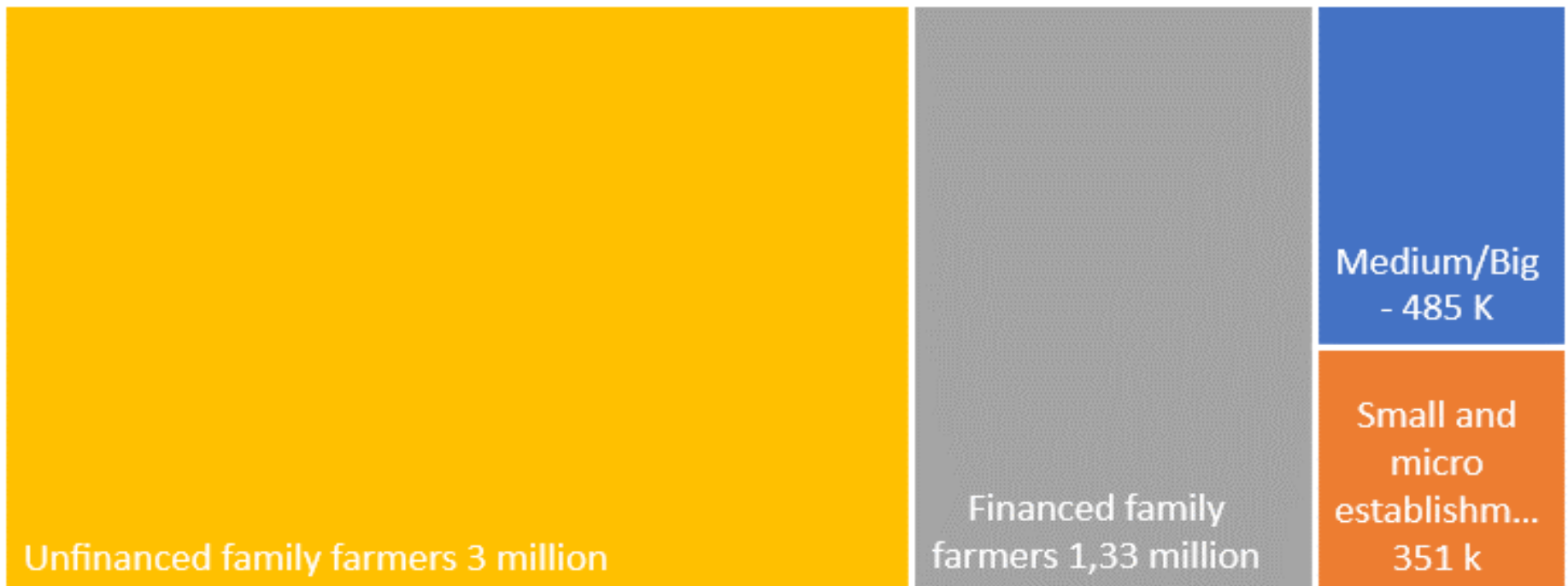




Rural MSMEs in Brazil – Numbers

Number of establishments by size in 2006

- Medium/Big - 485 K
- Small and micro establishments 351 k
- Financed family farmers 1,33 million
- Unfinanced family farmers 3 million

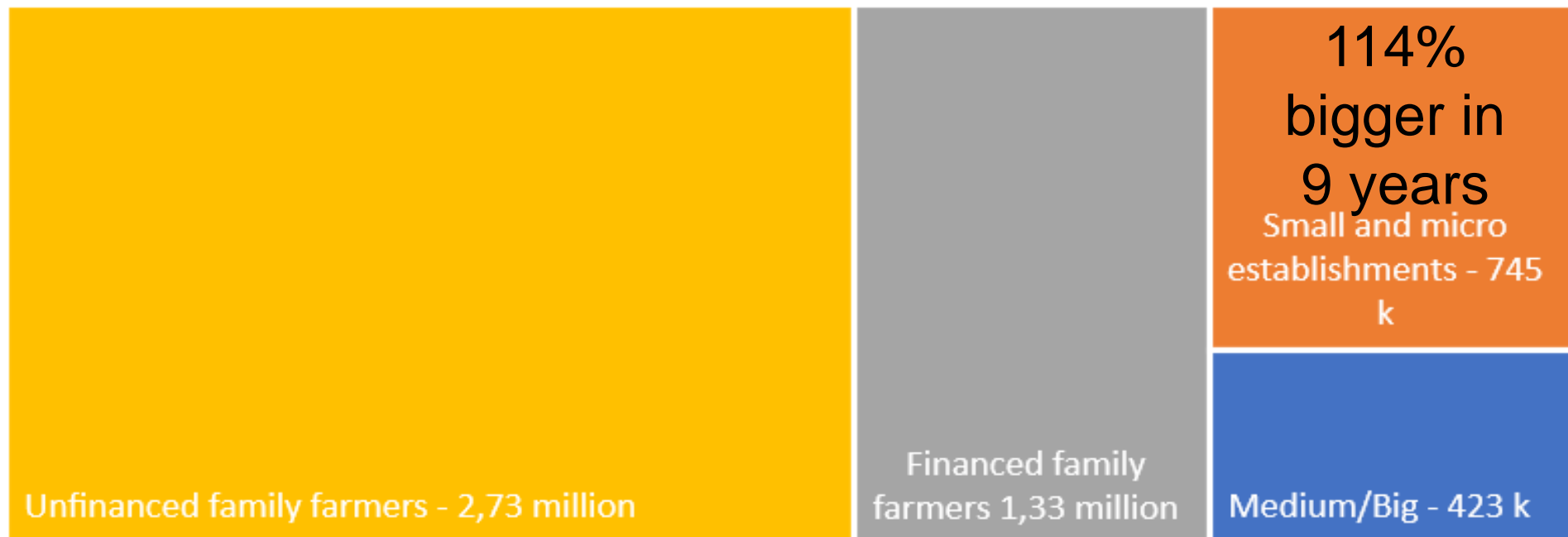




Rural MSMEs in Brazil – Numbers

Number of establishments by size in 2017

- Medium/Big - 423 k
- Small and micro establishments - 745 k
- Financed family farmers 1,33 million
- Unfinanced family farmers - 2,73 million



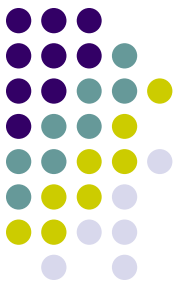


Brazilian history of rural MSMEs

- Credit – Plano Safra and Insurance Program
- Technology and sustainability – The Brazilian Agricultural Research Corporation (Embrapa) and municipal and state level technical assistance
- Market access – Purchase by government institutions



SENAR/Sergipe



Agtechs

- Companies in search for technological solutions in agriculture;
- Better efficiency on resources use;
- It can be adapted for different contexts;
- Brazil:
 - 1.125 startups in agriculture in 2019
 - 2.402 startups in agriculture in 2020

Thoughts on a way forward on Rural MSMEs



- Database for exchanging rural MSMEs policies and results, including agtechs (Annex 1 of the package);
- Dialogue with Trade Facilitation for Rural MSMEs exports (Annex 3 of the package);
- Platform for technical assistance for rural MSMEs;



Sources

<https://www.gov.br/agricultura/pt-br/assuntos/agricultura-familiar>

Economia e Organização da Agricultura Brasileira –
Fabio CHADDAD – Gen. Atlas - 2017

Thank you!

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