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.
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:

- 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

Wheat

Soybean

Coffee

Corn

Cotton

Milk

Cooperatives

Others

Cooperatives

Others
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**

114% bigger in 9 years
Small and micro establishments - 745 k

Unfinanced family farmers - 2,73 million
Financed family farmers 1,33 million
Medium/Big - 423 k
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
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


Thank you!

Rafael d’Aquino Mafra
Agricultural Attaché
Rafael.Mafra@agricultura.gov.br
+ 41 77 914 32 67
+ 41 22 929 09 58