**OFFICIAL RURAL CREDIT FOR CACAO IN THE AMAZON: PROBLEM OR SOLUTION?**

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ABSTRACT

The use of public policies with the objective of promoting the development of cacao cultivation in the Amazon and, especially in the state of Pará, must be considered as the starting point in the change of paradigms in this matter, and rural credit was decisive in the establishment of plantations of cocoa trees in their first 15 years of their technological phase (1975 – 1990).

Until the beginning of the 1970s, cacao in the Amazon was considered an extractive crop. It was with the advent of the Initial Cocoa Project, created by the Secretary of Agriculture of the State of Pará, that the cocoa tree entered its technological phase. CEPLAC, considering its expertise in cocoa cultivation, was invited to be the technological advisor for the Project, implementing the technology that was already being implemented in the cocoa trees deployed in Bahia. To support the actions of new cocoa plantations, subsidized rural credit was one of the main elements to support those producers who were motivated to participate in the Project.

Thus, from the mid-1970s with the advent of PROCACAU until its end in 1985, development programs such as PROTERRA and POLOAMAZÔNIA, among other things, entered as providers of financial resources for rural credit. These incentives had a small stoppage between 1985 and 1989, being resumed at the end of 1989 with the implementation of the credit program called Constitutional Funds (North, Northeast and Midwest of Brazil).

However, an issue that has been established for some time is that, even with the availability of financial resources to finance cocoa farming, curiously, what has been seen is the return of these resources to the source of the National Treasury, as farmers apparently, they do not feel encouraged to seek these resources.

In order to try to understand the reasons for such events, a field survey was carried out in some municipalities of the Transamazonica, a region that represents almost 80% of all the movement of production and planted area of cocoa trees in the state of Pará, where farmers report that excessive bureaucracy, lack of information about credit programs and private financing on the part of cocoa buyers are the main reasons for their choice not to seek official credit.

Segundo Amin (1988 p. 13), o fator que mais influenciou no desenvolvimento da cacauicultura na Amazônia foi, sem dúvida alguma, o crédito rural. Sem o apoio financeiro das Instituições bancárias e dos órgãos federais, encarregados de orientar o processo de implantação, o cacau não seria uma das principais fontes de renda do setor rural e uma das mais importantes atividades agrícolas da região Amazônica.

# INTRODUCTION

According to the data described in Table 1, the state of Pará, during the execution of the Program of Guidelines for the Expansion of Cacaoculture National – 1976 to 1985 (PROCACAU), was the one that least used credit in the implantation of cocoa (33.5%). At that time, the Executive Committee of the Cocoa Crop Plan (CEPLAC), through its Regional Superintendence of the Eastern Amazon (SUPOR), worked with only 12 municipalities in the state.

One of the issues that has always concerned the actors responsible for rural development has been the provision of a capable, efficient, and present technical assistance service whenever required. In this context, monitoring the performance of technical assistance, via the technician:producer relationship, has always been an indicator used to measure the degree of presence of this service in the field.

Table 1 PROCACAU 1976 TO 1985 - Cocoa area Implemented with and without funding (R$ 1,00)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **States** | **Finding** | **No finding** | ***Total*** | **F/T %** | **NF/T %** |
| **RO** | 33188,10 | 5187,80 | ***38375,90*** | 86,5 | 13,5 |
| **PA** | 19652,20 | 13525,75 | ***33177,95*** | 59,2 | 40,8 |
| **AC** | 484,50 | 27,00 | ***511,50*** | 94,7 | 5,3 |
| **AM** | 343,00 | 138,00 | ***481,00*** | 71,3 | 28,7 |
| **MT** | 4938,00 | 1391,00 | ***6329,00*** | 78,0 | 22,0 |
| ***Total*** | ***58605,80*** | ***20269,55*** | ***78875,35*** | ***74,3*** | ***25,7*** |

Source: adapted from Amin, 1988.

Amin (Op. Cit.) states that “the Amazon region, due to its very peculiar characteristics, needs specific strategies for technical assistance, rural credit, cooperativism, health education, transport and housing, given the low rate of socioeconomic development of the rural population”.

Using the work carried out by Santos et al. (1982), we have an idea of how the technician:farmers relationship behaved six years after the beginning of PROCACAU (Table 2).

Table 2. Number of farmers planted area and technical personnel involved in rural extension according to the states participating in PROCACAU – 1982.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| State | A | B | C | D | ***C+D/A*** |
| Farmers | Area (ha) | Agronomist | Agricultural Techniciam |
| **PA** | **2585** | **24012** | **15** | **28** | ***60*** |
| AM | 274 | 1476 | 02 | 04 | ***46*** |
| RO | 2438 | 40946 | 13 | 29 | ***58*** |
| MT | 270 | 3331 | 03 | 04 | ***39*** |
| MA | 207 | 2985 | 01 | 03 | ***52*** |
| AC | 13 | 515 | 01 | 01 | ***07*** |
| ***Total*** | ***5787*** | ***73265*** | ***35*** | ***69*** | ***56*** |

Source: Santos *et al.*, 1982.

According to the Planning Office of CEPLAC in the Amazon (1986), updating data from Santos et al. (Op. Cit.) until 1985, accounted for the State of Pará a total of 2,663 assisted farmers for 33,822.7 hectares implanted. The personnel involved with rural extension totaled 49 people: 19 extension workers and 30 agricultural technicians. This amount represented a technician:producer ratio of 1:54.

One issue that cannot be lost sight of is the pioneering spirit that circumscribed all PROCACAU actions in the state of Pará. After all, it was yet another attempt to implement a Perennial Crops Program in the Amazon capable of filling its large demographic voids, fixing man to the land and, at the same time, guaranteeing income for those who arrived there. This characteristic would not allow any other form than full and constant technical assistance.

# EVOLUTION OF RURAL CREDIT IN THE STATE OF PARÁ

Since the closure of PROCACAU at the end of 1985 and, more particularly, from 1982 until the advent of the Constitutional Funds in 1989, no credit program had been implemented with a view to the development of the Amazon.

With the arrival of the FNO, new credit demands became part of the planning of CEPLAC's extension offices in the Eastern Amazon. This encouragement to the rural producer, even considering its initial phase of quantitative and qualitative adjustments, catches CEPLAC in a process of depression in its human resources framework (the last official contraction of technicians for the rural extension service took place in 1987).

In Table 3 in ten years (1990 to 1999), the number of rural credit projects contracted and managed by CEPLAC/SUPOR's Rural Extension offices grew at an extremely high rate, while the personnel available for technical assistance decreased by in relation to Eng. Agronomists and remained stable among Agricultural Technicians. In 1998 and 1999, given the complete bottleneck in operational capacity, technical cooperation agreements between CEPLAC and the municipal governments involved with the Program were resorted to, when technicians were made available to the extension service to carry out this task activity.

Table 3. Evolution of projects prepared and contracted, personnel available in rural extension, number of farmers assisted in cocoa activities and crop diversification and technician/producer relationship (1990 to 1999) involved by CEPLAC/SUPOR.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year | PROJECTS | | PEOPLE | | | Nº farmers | | Tec / Agricultural |
| Elaboreted | Contratcts | Agro-nomist | Tec. Agricultural | Total | Cocoa | Diver-sification |
| 1990 | 13 | 0 | 17 | 33 | 50 | 4926 | - | 1:98 |
| 1991 | 86 | 19 | 15 | 31 | 46 | 4885 | - | 1:106 |
| 1992 | 68 | 1 | 16 | 29 | 45 | 4809 | - | 1:107 |
| 1993 | 297 | 243 | 12 | 31 | 43 | 4836 | 498 | 1:124 |
| 1994 | 3165 | 1361 | 12 | 31 | 43 | 4766 | 1196 | 1:138 |
| 1995 | 1187 | 778 | 12 | 31 | 43 | 5034 | 3336 | 1:194 |
| 1996 | 648 | 510 | 12 | 31 | 43 | 5368 | 4149 | 1:252 |
| 1997 | 389 | 335 | 14 | 29 | 43 | 5347 | 5484 | 1:252 |
| 1998 | - | 917 | 15+2 | 28+28 | 73 | 5664 | 5988 | 1:160 |
| 1999 | - | 1759 | 14+2 | 28+35 | 79 | 5560 | 5461 | 1:140 |

Source: CEPLAC/SEREX

Another aggravating factor in this cumulative system of technical assistance that CEPLAC finds itself in is the increase in the number of producers served. In addition to the 5,560 producers assisted in the Cocoa Program, there are also 5,461 assisted in the Cocoa Property Agroeconomic Diversification Program. Since 1993, when CEPLAC included Diversification among its work programs, the technician:producer ratio jumped from an average of 1:104 when serving only cocoa (between 1990 and 1993), to 1:150 after the inclusion diversification producers. It should be noted that the assignment of technicians to CEPLAC via the City Hall has no security, given the temporary nature and limited to the political options of the municipal manager; at any time, this staff ceases to exist, returning the ratio to a level of 1:252.

In this context, one must consider the fact of the large contingent of new farmers incorporated into CEPLAC/SUPOR Programs in recent years. This obviously implies the need for closer monitoring of the entire process of installation and orientation of contracted projects. That is, regardless of any new measure to be implemented, there is a fundamental point: there is no longer any room for a methodological stance that is basically guided by individualized visits.

Brazil, since the beginning of the year 2000, with the objective of strengthening, stimulating the expansion and modernization of Brazilian agriculture and livestock, creating an environment conducive to investments in the country's rural activity, generating more jobs, adding income to the rural environment, fostering investments, increasing competitiveness, in addition to increasing and diversifying our exports, launched the Agricultural and Livestock Plan (currently known as the Crop Plan) as a development program, where financial resources would be made available to support this sector in Brazil.

Year after year, the Ministry of Agriculture, Livestock and Supply (MAPA) has increased its efforts to give structural conditions to Brazilian agriculture, making government financial resources available to rural credit agents, to promote agriculture in Brazil.

A little more than 20 years have passed since the beginning of the Brazilian agricultural financing program, what has been seen lately is the smaller and smaller participation of small rural producers in taking credit for investment purposes or agricultural funding.

This perception has drawn the attention of many researchers in the area of agricultural development, seeking to understand the reasons why these borrowers do not go to bank branches to finance their agricultural activities, given the strong subsidies in interest rates.

With regard to cocoa farming, the behavior has not been different: the accumulated data from the application of this program in this activity has been smaller and smaller.

Thus, the idea is to seek to understand this process in the region with the greatest development of cocoa farming in the state of Pará - the Transamazônica - and a stimulated survey was carried out in a sample of cocoa producers to capture how cocoa producers perceive credit rural areas for this agricultural activity.

# METHODOLOGY

This research was carried out in the region of the Transamazônica Highway, in the following municipalities: Altamira, Aveiro, Rurópolis, Uruará, Vitória do Xingu, Brasil Novo and Senador José Porfírio (see map below). An interview was carried out with 160 cocoa producers from the respective Municipalities about their knowledge and difficulties in acquiring rural credit.

# RESULTS

The trajectory of rural credit applied to family farming in Brazil took place through conservative modernization, where the fixation of men in the countryside was the main concern, taking on greater proportions in 1990, with the creation of the National Program for financing Family Agriculture (PRONAF), providing new forms of financing for small properties.

Since its inception, access to rural credit has had the same setbacks as the current ones, such as lack of documentation on the part of producers and excessive bureaucracy for registering contracts at notary offices (SOUZA; CAUME, 2008).

It is undeniable that there have been advances in the acquisition of credit by the small rural producer, however one cannot ignore the mishaps that a portion of these producers face and even exclude themselves from programs that would improve the quality of life of these producers.

The survey revealed an older population with difficulty accessing information regarding the requirements for accessing rural credit, with an average age group of respondents between 50 and 60 years.

Of these producers, the average area per property is 7 hectares, configuring it as a crop developed essentially by family farmers and the average age of plantations is 15 years, plantations that are already consolidated and productive.

All producers revealed having a bank account, however only 36.3% said they had already had some contact with the bank manager.

The main factor that hinders the search for rural credit, according to the interviewed producers, is the excess of bureaucracy, followed by the lack of information about the acquisition of credit. In Cazella's work (2020), the main causes of non-access to credit were divided into three aspects: lack of knowledge, lack of demand and failure to receive credit, these classifications corroborate the present research.

Even when questioned about the interest rate, 36.9% of the interviewees declared that they consider it low.

Quando questionados sobre a procura de empréstimos para o cultivo e manejo da plantação, os agricultores declararam que recorrem, em sua maioria, aos atravessadores que compram as amêndoas de cacau, os demais: 12,5% aos bancos: 3,1% ao crédito corporativo; 1,2% às cooperativas; 7,5% recursos próprios.

Of the interviewed cocoa farmers, 15.6% do not have a bank account. Of the 63.7% who have bank accounts, they do not know the manager of the bank they have a relationship with.

The use of digital communication systems to reach rural producers must be evaluated in terms of their efficiency, given that 24% of respondents do not have any means of digital communication (landline/cell phone, computers/internet). Furthermore, 55.6% of this producer is over 50 years old, that is, their motivation to learn something about digital communication does not stimulate them. In addition, the digital infrastructure installed in rural areas is non-existent or very precarious.

There is a potential demand for cocoa financing, mainly with regard to agricultural financing, which needs to be sought: 86.9% of the cocoa planted areas have been in the field for more than 3 years, that is, they are already in the of production; 70% of cocoa cultivation areas belong to small family producers, with an average area of 10 ha.

Excessive bureaucracy to access rural credit justifies the information given by 30% of respondents who prefer to turn to cocoa buyers for money, given that cultural treatments cannot wait, under penalty of losing part of their production.

Only 12.5% reported that they use official banks to obtain credit for agricultural financing. Of the 31.2% that obtained financing for cocoa, only 28.1% had technical guidance for applying the credit cost.

# CONCLUSION

1. 15.6% of cocoa farmers do not have a bank account. Of the 63.7% who have bank accounts, they do not know the bank manager.

2. The use of digital communication systems to reach rural producers must be evaluated in terms of their efficiency, given that 24% of respondents do not have any means of digital communication (landline/cell phones, computers/internet). In addition, 55.6% of this respondent is over 50 years old, that is, their motivation to learn something about digital communication does not stimulate them. In addition, the digital infrastructure installed in rural areas is non-existent or very bad.

3. there is a potential demand for financing cocoa, mainly regarding agricultural funding, which needs to be accessed: 86.9% of the cocoa planted areas have been in the field for more than 3 years, that is, they are already in the production phase; 70% of the cocoa-growing areas belong to small family producers, with an average area of ​​10 ha.

4. Excessive bureaucracy to access rural credit, justifies the information given by 30% of respondents who prefer to turn to cocoa buyers to have money, as cultural treatments cannot wait, under penalty of losing part of their production. Only 12.5% ​​reported that they use official banks to obtain credit for agricultural funding.

5. 68.8% of cocoa producers did not have bank financing. Of the 31.2% that had financing for cocoa, only 28.1% had technical guidance for applying cost credit.

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