

Poster presentation

## **POTENTIAL EFFECTS OF THE BRAZILIAN BIODIESEL AND PALM OIL PROGRAM ON SOCIOECONOMIC INSERTION OF FAMILY FARMING<sup>i</sup>**

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The objective of this paper is to provide an approach to family farming insertion regarding the production of raw material for bioenergy production, with focus on Palm Oil. The socioeconomic insertion lies within Brazil's National Production and Use Biodiesel Program (PNPB) and the Sustainable Oil Palm Production Program which both allow the participation of family farming with special subsidies and warranties.

The approach consists of a qualitative analysis concerning the review of the public policy and its instruments along with the literature of the effects of contract farming on the quality of life of participant farmers.

The paper enhances the role of public policy in economic development and in inequality reduction, through the participation of the private sector by means of contractual relationships between the latter and the family farmers in Brazil.

The literature review suggests that benefits of contractual forms on family farming insertion are apparent as the gap between the market (the agro industry in this case) and the farmers is reduced, enabling the elevation of their life quality standards and their economic reproduction. Public policy (the government) here allows this gap closure through the institution of instruments that go from agroecological zoning, the "social label", credit, tax reduction and warranted industrial demand for biodiesel, to the creation of production conglomerates.

Recent evaluation from the Ministry of Agrarian Development (MDA) shows effective insertion of family farmers into the Biodiesel Program, specifically with oleaginous seeds as soybean and castor seed. As for oil palm, the recent Oil Palm program (from 2010) has yet to progress due to the long pre-production crop period (3 years). Brazil is aiming to diversify the sources in order to make space for small farm agriculture in the Biodiesel scenario.

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