

Structure of the agro amigo (Pronaf B) in Northeast Brazil

¹CARVALHO, D. M. de, ²COSTA, J. E. da ³ALCANTARA, F. V. de

¹PhD by the Graduate Program in Geography at the Federal University of Sergipe, Itabaiana, Sergipe, Brazil,

²PhD in Geography by the University Paulista State - Campus de Rio Claro (1999) in Space Organization and Post-Doctorate at Federal University of Ceará (2018/2019). Full Professor of the Department of Geography and permanent member of the Post-Graduate Program in Geography at the Federal University of Sergipe, São Cristóvão, Sergipe, Brazil,

³PhD by the Graduate Program in Geography at the Federal University of Sergipe, Vitória da Conquista, Bahia, Brazil,

ABSTRACT: In the last three decades, the Brazilian rural space has undergone several transformations. This action sparked debates around the relationship between State, space and Rural Development, providing new ways to reflect the prism of sustainability in particular, with regard to public policies implemented in family farming. This fact was reentered in 1995, when the National Program for Strengthening Family Agriculture (PRONAF) emerged, aimed at increasing income and improving the quality of life of small producers. After 25 years of execution, there is no longer any doubt about the scope of the program, as it has extended considerably throughout the national territory, in terms of credit, with the development of specificities, such as the *Agroamigo* methodology in Northeast Brazil. *Agroamigo*, an exclusive methodology of Northeast Bank (BNB), has a different model from that offered by most bank branches, with a service concept focused on the Microcredit Advisor. This, in addition to allowing an increase in income, reduces gender inequalities in rural areas and conditions the development of new activities in the countryside, with a non-agricultural trend.

Key-word: Agribusiness, Family Farmer, State and Income

I. INTRODUCTION

In the last three decades, the Brazilian rural space has undergone several transformations (valorization of family agriculture, technology and modernization, etc). This dynamic has stimulated debate and studies around the State/Space/Territory and Rural Development relationship, providing new ways of thinking about the prism of sustainability in particular, regarding public policies implemented in family agriculture. This section, historically excluded from public policies implemented in agriculture over the years, has become within the capitalist dimension of production, a modality considered backward, unproductive and problematic in the Brazilian rural space, but that in order to survive, capitalized agriculture is subordinated.

According to Schneider (2001), the debates about family agriculture come from two odd moments. The first concerns about adoption of the expression "family agriculture" in the conjunction of public policies in the context of rural social movements and rural organizations. In these debates, family agriculture emerges as a new category-synthesis carried out by the National Confederation of Agricultural Workers - CONTAG. The second one stands out after the creation of the National Program for the Strengthening of Family Agriculture - PRONAF, being an affirmation of this new category in the social scenario.

Until 1994, there were no resources directed to the financing of family agriculture in Brazil. The family farmer was included in the category of small producer, or rather, "mini producer" for the purposes of the Rural Credit Manual. The family producer disputed credit with the other producers, facing the same banking routines, following the same procedures, applying the legislation required to obtain financing. Thus, in 1995, the National

Program for the Strengthening of Family Farming (PRONAF) was created, which had been designed for family farmers. This policy was aimed at increasing income and improving the quality of life of family farmers. After 25 years of implementation, there is no doubt about the expressiveness of the program, since it spread considerably throughout the country, in terms of credit, with the development of special programs, assuming the technical assistance and strengthening the infrastructure, both of the farmers themselves and the municipalities served.

In 2005, after a diagnosis of the PRONAF segment was made by Northeast Bank (BNB), the existence of special characteristics and needs for family farmers was observed. This diagnosis highlighted the impacts of the most universal mode of the PRONAF system, mode B (*Agroamigo*) in the northeastern rural space, because it involves very distinct characteristics in relation to the other modalities, due to the social amplitude. Under this condition, any small family-based farmer with an annual income of up to R\$23.000 can have access to financing of up to R\$ 5.000 per operation by *Agroamigo* and R\$ 2.500, without *Agroamigo*, for the development of non-agricultural activities (BNB, 2019).

PRONAF B is also the modality that presents the largest number of contracts aimed at the poor of the Brazilian rural environment. It is characterized as a credit oriented to the application of innovative methodology, particularly for the Northeast region, called *Agroamigo*, which is the Rural Microfinance Program of Northeast Bank (BNB). Such methodology serves, in a pioneering way in Brazil, thousands of family farmers. *Agroamigo* aims to improve the economic and social profiles of the lowest-income family farmer in the Northeast and North of Minas Gerais, through its own methodology, whose main feature is the strong presence of the Rural Microcredit Advisor in the communities, the provision of credit oriented and monitored.

The studies of the impacts of PRONAF, especially those of modality B, present a diverse set of scientific interpretations. Mattei (2005) analyzes the importance of these studies, when it gathers the main scientific contributions generated from the results of the program throughout Brazil, aggregating thesis, dissertations, scientific articles, books and book chapters, in addition to the research reports.

In the same vein, there are the approaches of Bittencourt (2003;2005) and Abramovay (2001), whose authors analyze the processes of institutional innovation applied to the financing of family agriculture from case studies. In addition, Abramovay (2001) works on proximity finance and its insertion in poor regions of the semi-arid Northeast. Regarding the impacts of PRONAF B (*Agroamigo*) on rural areas in the Northeast region, the research report conducted by SILVA and others (2007), consisting of the institutional arrangement observed in two Northeastern states, as well as the analysis of the perception of borrowers and the positive and negative factors related to this type of financing, is pertinent.

Therefore, it is necessary to analyze the mode of credit PRONAF B, when applying the methodology of the *Agroamigo* Program, demonstrating its form of operation and its preliminary impacts in the Northeast region of Brazil. This analysis will be conducted by reviewing the literature of authors working on issues related to family farming, territorial and sustainable rural development; and of course, the focus on PRONAF as a public policy. Secondary data from the Brazilian Institute of Geography and Statistics (IBGE, 2006/2017) and Northeast Bank (BNB) are also used.

In spite of the loss of representativeness compared to the 2006 Census (IBGE, 2006), when the total number of family farmer establishments in Brazil was 4.367.902; in the 2017 Census (IBGE, 2017), the number dropped to 3.897.408 establishments, representing 76.82% of all establishments in Brazil (5.073.327). The loss in relation to the representativeness of family farming establishments was 10.8% from one census to the other. According to data from the Agricultural Census (IBGE, 2017), the Northeast continues to be the region with the largest number of family units: 1.838.846 (47.2%); in the other regions of the country, the distribution of units is as follows: Southeast 688.945 (17.7%), South 665.767 (17.1%), North 480.575 (12.3%) and Center-West 223.275 (5.7%).

However, 36.20% of Brazilian family farmers own a plot smaller than five hectares. On the other hand, the Northeast region has the largest number of smallholdings, with 51.2% of family units in the extract of less than 5 hectares (IBGE, 2017). According to data catalogued in the Agricultural Census (IBGE, 2017), it is possible to validate the intensification of land concentration in Brazil in large areas, given that only 22.5% of

that area is occupied by family farming owners. In the previous Census (IBGE, 2006), the ownership of family agriculture, in establishments with less than 5 hectares represented 24.3%.

The picture of this concentration is justified in the insecurity of the small farmer to survive in the countryside, not only financially, but also by the increase of violence. Many of them end up migrating to the city, which is more attractive, getting rid of the land and going to cohabit in pockets of poverty, due to the difficulty of inserting themselves in the formal market.

II. Family farming as a focus of Public Policy and Rural Development

Family agriculture is responsible for the production of the main foods consumed by the Brazilian population, besides representing 90% of the national rural labor force occupation. This fact demonstrates the importance of having public policies focused on family farmers, either by the number of rural establishments in this segment, or by the number of Brazilians living in rural areas, or by the importance of family production in relation to the gross value of national agricultural production. This is the context that underlies the social reach of *Agroamigo* (PRONAF B), aimed at these social actors.

As we know, Brazilian agriculture, in colonial times, was basically founded under large property, monoculture and slave labor. These pillars supported the generation of profits that were ceaselessly maximized in order to enable good financial results (PRADO JÚNIOR, 2004).

Based on these variables, sugarcane cultivation was a highly profitable investment, given the high prices of its derivatives in the international market, in view of the fact that the production factors seemed relatively inexpensive. Thus, sugarcane has expanded especially throughout the Northeast region.

Analyzing this issue, it can be seen that Brazilian agriculture has its own peculiar profile, considering that it was constituted, since the times of Colonial Brazil, to serve the foreign market, based on the planting of large crops. This aspect is contrary to that observed among European countries, which since a long time have privileged the small family production.

However, since the beginning of the 1940's, Caio Prado Junior (2004) registered that, although Brazil had overcome the colonial period, the agrarian conjuncture remained unchanged. This made it difficult for rural workers to access the formal economy, progressively concentrating modernization, land and generating a mass of "landless people".

Furtado (1980), when analyzing this moment in Brazil's economic history, observes that, at that time, the large Brazilian landowners had control of three quarters of the world coffee supply, which enabled them to manage the prices and profitability of this producer, through the production made available to the domestic market.

In the Juscelino Kubitschek Government, another important issue was the deficiencies in the marketing process. This problem was overcome throughout the government with the construction of storage tanks and the expansion of the national road system.

In the Brazilian agriculture, the National System of Rural Credit (SNCR), had great relevance. Created in 1965, through Law n°. 4,829, its objective was the economic strengthening of rural producers, notably the small and medium size ones, when subsidized interest rates were practiced in the country. From the SNCR were defined, together with the Central of Brazil Bank, Bank of Brasil, Northeast Bank (BNB) and Credit of the Amazonia Bank, all linked to Brazilian National Development Bank (BNDES), the rural credit and also the credit society.

Subsidized financing to large producers allowed the unbridled and abusive expansion of chemical inputs, causing waste and environmental degradation, to the detriment of financing other agricultural costing items, such as the acquisition of improved seeds, especially for small and medium rural producers (Sayad, 1984).

There is unanimity among Brazilian authors that rural credit was the most important instrument launched in Brazil to promote the so-called modernization of agricultural activities. However, it has also been

duly emphasized that such credit has benefited large landowners in a rather disproportionate way, constituting one of the most visible faces of the conservative modernization strategy (Szmrecsányi, 1997).

The family farmer was treated in the same way as the large rural producer, facing the same bank bureaucracies and competing for official rural credit with the other producers. Thus, PRONAF breaks this standardization of financing, which even under the *pronaflano* label, actually became public policy.

Family agriculture as a category, according to Abramovay (1992), came from the observation of the intensification of part-time agriculture; cooperative systems; colonization systems; and the organization of rural workers in the face of industrialization advances.

Although Lenin (1982) and Kautsky (1998) ensured the disappearance of the organization of family production, it was possible to see throughout the 20th century that family-based agricultural holdings did not disappear. On the contrary, they adapted to the new forms of production, absorbing the technological innovations spread by the capitalist system. In this wake, Chayanov (1974) demonstrates the potential of family production by adapting to technological advances, creating and recreating survival strategies, from the perspective of utilitarianism.

From this perspective, family farming and its sustainability is presented in a discourse of sustainable development, calling for a productive restructuring based on the fixation and return of man to the countryside. This sustainability in agricultural activities comes from the complementarity in the use of natural resources, associated with the production and the matching of demands for food and raw materials. Sachs (1997) proposes five paradigms to achieve sustainability in the field: social, economic, ecological, cultural and spatial, in a mathematical equation. While Souto (2005, p.8) sought to define sustainability by adding poverty, illiteracy, social injustice and environmental degradation, as a synonym for negative human development. The solution resulting from a new, more balanced rural-urban relationship, would enable a better standard of living for the rural population, if this relationship also includes issues of equal pay, access to land, job opportunities, among others.

An analysis conducted by the Economic Information Center of the Federation of Industries of the State of Sergipe, pointed out that the value of agricultural production in Sergipe has shown great evolution in the last 25 years. Between 1995 and 2017, the value of production in Sergipe's agriculture increased from R\$ 273.5 million to almost R\$ 2 billion, with family farming accounting for almost one million reais (IBGE, 2017). This fact demonstrates the importance of this productive category in the Sergian field.

For authors such as Schroder (2006), Bastos (2006), Mattei (2006); PRONAF B is the result of a set of normative measures taken by the Federal Government, aimed at reducing bureaucratic obstacles and expanding credit. In this respect, a significant number of poor farmers, in accordance with the strategy of social inclusion, guided the social policies of government management. A characteristic of this program would be the materialization of social participation, mainly for PRONAF B, through the conformation of institutional arrangements and which is supported in decisive circumstances.

Magalhães et. al. (2006) listed three crucial circumstances and the importance of this type of credit for the Northeast. First, the government's will to expand the public of the program, in response to the social pressure itself and also of a more general orientation that is related to the increase in the number of beneficiaries of cash transfer programs. In the second place, the work of a group of mediators that build up the clientele of the program, transmitting to them the basic rules, forms of organization of its functioning and that take care of the recovery of the borrowed resources. To these two factors must be added a third: the decisive role of Northeast Bank in creating *Agroamigo*, in order to make local authors aware of the importance of credit allocation to low-income population.

In view of the facts, it is understood that farmers belonging to the Family Farming class and they are recognized by basic characteristics of the system of life and production, among which: 1) Work and management are predominantly family-based; 2) The capital belongs to the family; 3) The wealth and assets are objects of transfer between the family itself; 4) Family members reside in the productive unit itself; 5) The productive units are responsible for the vast majority of basic food production; 6) They live on land with low productivity and usually without title of ownership; 7) Lack of technical assistance and the technologies used by

these families in the production units are low; 8) They do not have the managerial and technological capacity appropriate to their real needs; and, 9) They face problems of difficulty in marketing the food produced.

According to Law n°. 11.326/2006 (BRAZIL, Law n°. 11.326, 2006), a family farmer and a rural interprising are considered to be those who practice activities in the rural environment, and

- 1 - Do not hold, for any reason, an area larger than four fiscal modules;
- 2 - Use predominantly family labor in the economic activities of its rural units or enterprises;
- 3 - Have family income predominantly originated from economic activities related to their own rural unit or enterprise;
- 4 - Run your rural unit or enterprise with your family.

Thus, more than representing categories, Family Agriculture through management, property and family work is considered the basis for the development of a viable economic project for the Brazilian rural space, due to the awareness it may have in some sectors of agricultural supply. This is explained by the fact that its main concern is focused on productive diversification, market demand integration and income generation.

Therefore, family agriculture, associated with the spatial dimension, seeks to guide the functions of agriculture and its consolidation as a supplier of food, raw materials, foreign exchange and environmental sustainability, since it promotes the preservation of the landscape and local culture. As a result of these characteristics, family agriculture can stimulate rural development in a territorial dimension, where agricultural and non-agricultural activities tend to be integrated at the local level, it is enough to have motivation in policies such as PRONAF.

Thus, family agriculture is a social category that in recent years has represented a diverse social set, capable of spatial differentiation, which always shares common attributes, such as the "[...] family as the owner of the means of production, work on the land, modes of production and manifestation of values and traditions (socio-cultural heritage) around and for the family" (TEDESCO, 2001, p.11). This category has manifested in recent years the evolution of social processes, going through changes in the Brazilian rural agricultural environment, including the affirmation, recognition and legitimization of this category together with the Brazilian State, which has shown "faith" in its socioeconomic importance, thus contributing to its appearance in official statistics from 2006.

III. The agroamigo and Credit Qualification of the Pronaf B

The National Program to Strengthen Family Agriculture (PRONAF) was created by Decree No. 1,946 of June 28, 1996 (BRAZIL, Law n°. 1,996, 2012), with its rules consolidated in Resolution n°. 2,310 of August 29, 1996. It is institutionally linked to the Ministry of Agrarian Development (MDA), being at that moment managed by the Ministry of Agriculture, Livestock and Supply (MAPA), through the Secretariat of Family Agriculture and Cooperativism (SAF).

PRONAF persists representing the culmination of a process led by the social organizations of Brazilian rural workers that could materialize in terms of public policy, within the federal government (BRAZIL, Resolution n°. 2.310, 2012). Although since 2019, it has been undergoing changes to stimulate cooperativism, with broader financial aid, including at the individual level, aimed at greater processing of products coming from the land (MAPA, 2019).

In 2006, Law n° 11.326, of 24/07/2006, was sanctioned, establishing the guidelines for the formulation of the National Policy for Family Agriculture and Rural Family Enterprises, recognizing family agriculture as a productive segment, thus guaranteeing the institutionalization of specific public policy for this sector (BRAZIL, Law n°. 11.326, 2012).

PRONAF's purpose is to strengthen family agriculture, through the financing of agricultural production and service infrastructure; and non-agricultural rural activities, with the direct employment of the rural producer's and his family's labor force, aiming at the generation of work and maintenance of the man in the field.

The PRONAF target public is classified by its own groups or modalities regarding interest rates, credit financing limits. For the purpose of classifying family farmers in PRONAF groups, the beneficiaries of social programs and those who receive Rural Welfare benefits are excluded from the family income composition.

Northeast Bank S.A (BNB), as the main PRONAF financier in the Northeast region, northern Minas Gerais and northern Espirito Santo, operates the program from a rural development perspective. This proposal aims to contribute to improve the articulation of federal government actions, aiming to create and strengthen the conditions for increasing productive capacity in rural areas, improving the quality of life of these farmers, as well as stimulating the exercise of citizenship (Maciel, 2009).

The poorest family farmers, whose gross annual family income did not exceed R\$ 6 thousand reais, were served under PRONAF B until 2004. In that year, this line of credit presented high default rates and frequently operated with projects elaborated in lots, without meeting, therefore, the needs peculiar to the enterprises of each beneficiary family.

According to Guanziroli (2006), PRONAF emerged at a time when high cost and scarcity of credit were the main problems faced by farmers, particularly family members. The essential argument was that family producers, decapitalized and with low productivity, would not be in a position to take resources at market rates to make the investments that would guarantee an increase in productivity. And their income would not be compatible and not sufficient to repay loans taken out on commercial terms.

PRONAF continues to be the main financing instrument for rural producers, especially small producers, traditionally excluded from agricultural credit. This is a significant advance, considering the traditional forms of financing of Brazilian agriculture. Before its creation, financing for small producers was restricted almost exclusively to resources administered by the Special Agrarian Reform Credit Program (Procera), which was intended for beneficiaries of agrarian reform and was extinguished in 1999.

According to the Rural Credit Manual (MCR), the PRONAF is intended to provide financial support for agricultural and nonagricultural activities, exploited through the direct employment of the workforce of family farmers, agrarian reform settlers, quilombolas, artisanal fishermen, fish farmers, mariculturists, extractivists, foresters, riverine and indigenous people. The credits can be destined to individual or collective costing and investment. Non-agricultural activities are understood as services related to rural tourism, artisan production, family agribusiness and other services in the rural environment, which are compatible with the nature of the rural exploitation, the family workforce.

The PRONAF modalities involve four lines of action, according to the Rural Credit Manual and Mattei (2001), which are: 1 - Financing of Municipal Infrastructure and Services - aimed at improving the infrastructure network of municipalities, through the financing of works and services needed to strengthen family agriculture. 2 - Training and Professionalization of Family Farmers and Technicians - aims to provide new knowledge to family farmers and their organizations on the production process and property management. 3 - Financing of Family Farming Production (Rural Credit) - aims to offer financial support to family farmers through specific credit lines of funding and investment.

The resources made available to PRONAF are from the Constitutional Financing Fund of the Northeast (FNE), the Constitutional Financing Fund of the North (FNO), the Constitutional Financing Fund of the Midwest (FCO), the National Treasury Secretariat (STN)/General Budget of the Union (OGU), the Rural Savings, the Banking Requirement, the Workers Support Fund (FAT and the Brazilian National Development Bank (BNDES).

Therefore, PRONAF is divided between costing, with two groups (Pronaf defrayal and Pronaf A/C) and investment, in which there are 14 credit groups (2019), among them: 1-Pronaf Plus Food, 2-Pronaf Agroindustry, 3-Pronaf Forest, 4-Pronaf Semi-arid, 5-Pronaf Woman, 6-Pronaf Young, 7-Pronaf Family Agroindustry Industrialization, 8-Pronaf Quota-Part, 9-Pronaf "B", 10-Pronaf Agroecology, 11-Pronaf ECO Environmental Sustainability, 12-Pronaf A, 13-Pronaf Group A, 14- Pronaf Productive Oriented. Among all these groups and modalities, the study will focus on group B (Agroamigo), in order to be strategic for poor family farmers, by valuing the productive potential of this public and allowing structuring and diversification of the productive unit. It can finance agricultural and non-agricultural activities that generate income.

The target audience of Pronaf B are family farmers with annual gross income of up to R\$ 23,000.00. Credit is up to R\$ 7,500.00 limited to three operations of R\$ 2,500.00; effective interest rates of 0.5% per year. The default bond can be up to 25%, applied in each operation up to the accumulated amount of R\$ 7,5 thousand (R\$ 15 thousand, with PNMPO) or 40% - in the municipalities of the semi-arid area of Sudene, when the PNMPO methodology is adopted, with a payment term of up to 2 years (MAPA, 2019).

PRONAF B, in the Northeast region, has been worked by the Northeast Bank as an *Agroamigo* Program, operated in partnership with Northeast Citizenship Institute (INEC) and through the Secretariat of Family Agriculture and Cooperativism (SAF), linked to the Ministry of Agriculture, Livestock and Supply (MAPA). This is a pioneering initiative in Brazil that aims to grant financing for the rural area, adopting its own service methodology, whose main premise consists in the concession of oriented and accompanied credit.

It is worth mentioning that *Agroamigo's* client farmers may develop any income generating activity in the countryside or in a nearby urban agglomeration, whether agricultural, livestock or other nonagricultural activities in rural areas, such as rural tourism, agribusiness, fishing, rural services and handicrafts.

This methodology serves, in a pioneering way in Brazil, thousands of family farmers classified as PRONAF B, that is, who obtained gross income in the last 12 months of up to R\$ 23 thousand reais, explore an area of up to four rural modules and use family labor. For this group, the financing goes up to R\$ 5,000.00. In 2012, *Agroamigo* began to expand the microcredit methodology to other PRONAF Groups and Lines, with the exception of Groups A and A/C.

In this regard, PRONAF beneficiaries would be the producers who make up the family units of rural production and who prove their framework by submitting the Declaration of Aptitude to PRONAF (DAP), issued by the official technical assistance bodies of the states or by the Rural Workers' Unions.

Thus, the respective rural microfinance program is a central element of public policies for access to credit for the most vulnerable sections of the rural population, who has always been on the margins of the banking system.

Bittencourt (2003, p. 9), referring to the rural credit policy historically adopted by Brazil, notes that, unlike other countries that have used credit subsidies to reduce poverty, Brazil's central objectives have been to increase food supply and modernize agriculture, favoring small farmers and reducing rural poverty.

The integration of *Agroamigo* with the programs of the Federal Government has underpinned the access of family farmers to banking products and services, marketing channels and sustainability of enterprises. Among the programs that work together the cause of family farming are:

1) Food Acquisition Program - PAA, established by Law No. 10696 of 2003. Through this program, the government purchases food from family farmers and donates part of it to people at risk of food, through recognized institutions, in addition to forming stocks.

2) School Meals - In the National School Meals Program - PNAE, the Federal Government's resources are transferred to the States, Federal District, and Municipalities for the acquisition of food for school meals for students in the public school system. Law No. 11,947 of 2009 determines that at least 30% of the resources must be used for the acquisition of food directly from family agriculture.

3) Agricultural Zoning - The Agricultural Zoning for Climate Risk is an instrument of agricultural policy and risk management in agriculture, planting cycle, with the objective of minimizing the risks related to climate phenomena, such as frost and water shortage, for example, allowing each municipality to identify the best time to plant crops.

4) *Proagro* More - Government program that aims to amortize agricultural costing operations and indemnify a portion of the income that would be generated in the event of an adverse event of nature affecting crops. On the other hand, *Proagro* More Investment ensures additional coverage for payment of agricultural investment parcels to family farmers who have an agricultural costing operation covered by *Proagro* More.

5) Price Guarantee Program for Family Agriculture - PGPAF - Consists in granting a bonus to family farmers who contract investment financing or funding, when the market price of the financed product is below the production cost (guarantee price). The adhesion is made automatically at the moment of the contracting of the financing of funding.

According to Maciel (2009, p.16), the difficulties encountered in PRONAF B, before the creation of Agroamigo, were attributed:

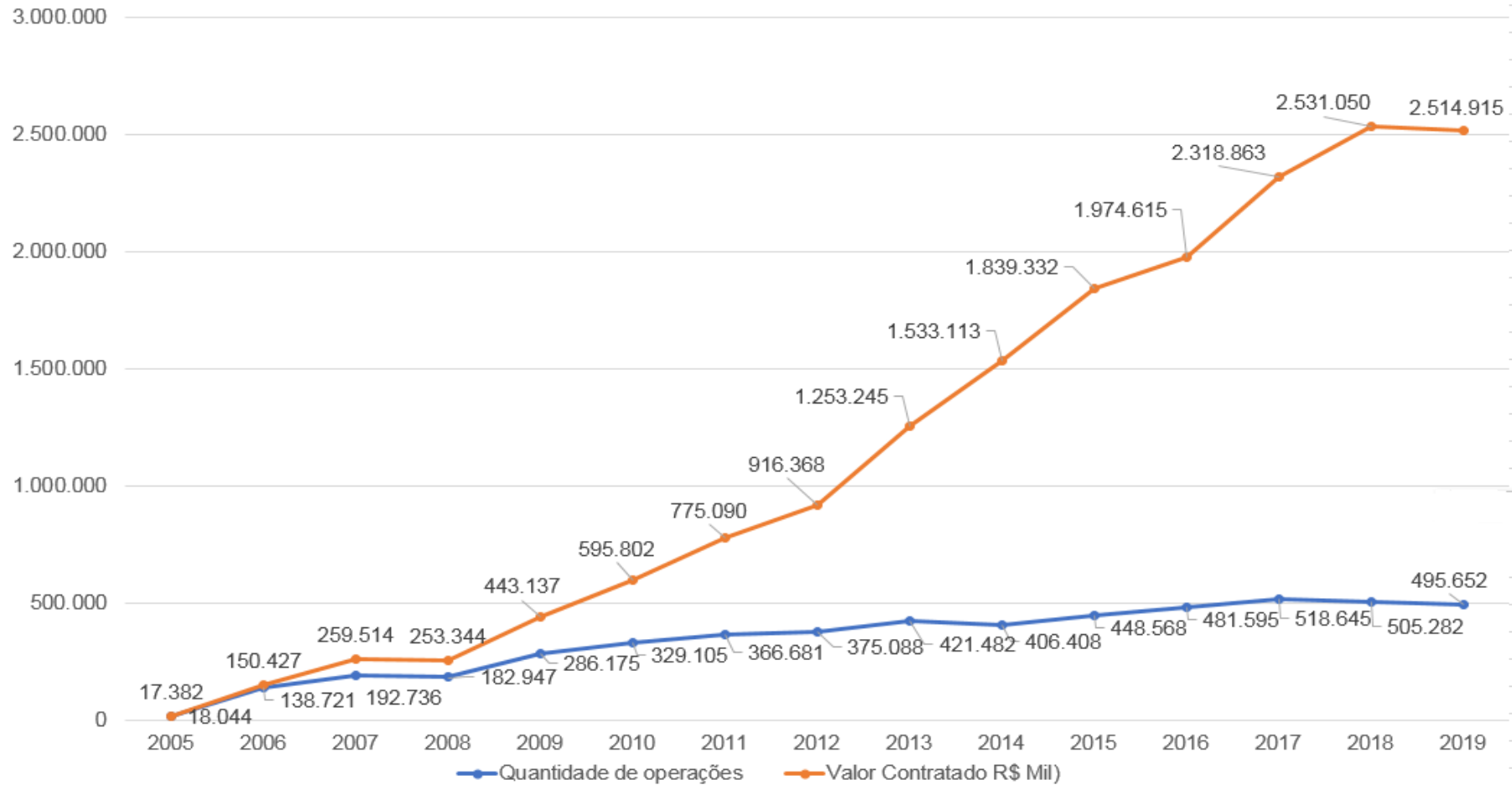
[...] to the standardization of projects: financing proposals were formulated in the absence of the peculiarities of each farmer and of the activity carried out by him, in a scenario of lack of follow-up and high incidence of credit deflection. In addition to these factors, the waiting time incidence of credit diversion. In addition to these factors, the waiting time between the request and the release of credit exceeded one year. The cost of the transaction to the farmer was high, mainly due to successive trips to the program mediating institutions. The lack of information and even of documents such as ID cards and Personal Taxpayer Registry (CPF) aggravated this situation.

For Abramovay (2005,p.57),

There is a radical difference between the way Pronaf resources are allocated and the experience of Northeast Bank with microcredit. Northeast Bank operates with a credit advisor who is responsible for the quality of a given credit portfolio. He knows his clients and ensures not only that resources reach them, but above all the return of the money applied and, therefore, the ability of this money to effectively translate into income generation and fight poverty.

Considering the evolution of operations and the amount released by the *Agroamigo* program in 2005 to 2019, 5,167,129 operations were contracted, totaling more than R\$ 17.3 million in amounts invested in the Brazilian Northeast (Figura 01).

Figure 01. Agroamigo - Amount of Operations and Value Hired (R\$ 1,000).



Source: Northeast Bank Microfinance Programs Report (BNB, 2019).

The accumulated balance of *Agroamigo* operations up to December 2019, regarding the quantity of operations, is distributed in the following sectors: Agriculture (13%), Livestock (82%), Extrativism (1%), in addition to nonagricultural activities, the case of the service sector (4%) developed in rural areas, exemplified in the provision of beauty services, both for men and women (Tabela 01). Thus, there is a large number of operations in the livestock activity, justified by the persistent tradition in the region.

Based on the respective data, the use of *Agroamigo* in non-farming activities is validated, changing the maximizing profile of rural agricultural production in many localities and adding differentiated income to the budget of family farmers. This phenomenon, which has been called pluriactivity, is of particular importance in a scenario of declining agricultural production for the poorest farmers (GROSSI, SILVA, 2002).

According to the *Agroamigo* methodology, one of the premises for assisting family farmers is the granting of credit in a guided, gradual and successive manner, within a process of financial education. This process has been pursued, since the amounts hired are divided into six ranges of values, with emphasis on hiring in the ranges of R\$ 4,000.01 to R\$ 10,000.00 and R\$ 2,001.00 to R\$ 3,000.00 with participation of 62% and 18% respectively (Tabela 02).

In this perspective, the payment period should be appropriate to the activity carried out by the family farmer, within a period of up to two years for payment. It should be informed that, in the traditional model of operation of PRONAF B, this period is normally standardized the always two years. The same, in 2019, added a 95.16% compliance rate, at a time that included 158,145 new contractors (BNB, 2019).

Another aspect to be remembered is the participation of women in the active portfolio of *Agroamigo*. In 2005, women contributed with 43% of hiring, evolving to 48% in 2019. Thus, it is clear that *Agroamigo* has in fact contributed to women's access to credit policies in rural areas.

Tabela 01. Agroamigo - Quantity Operations per Sector of Activity

Sector of Activity	Representation (%)
Agricultura	13
Pecuária	82
Extrativismo	1
Serviços	4

Source: Northeast Bank Microfinance Programs Report (BNB, 2019).

Tabela 02. Hiring by Range of Values Hired.

Values in Reais (R\$)	%
R\$ 1.000,00	2
1.000,01 a 2.000,00	6
2.000,01 a 3.000,00	18
3.000,01 a 4.000,00	8
4.000,01 a 10.000,00	62
10000,01 a 15.000,00	4

Source: Northeast Bank Microfinance Programs Report (BNB, 2019).

According to Magalhães and Abramovay (2006, p. 17),

Financing traditional women's activities ends up being a stimulus to diversification and market insertion of products and services that were not part of the markets in most of the Northeastern hinterlands. It is in the valorization of the "invisible work" that the few, yet expressive experiences of innovation occur.

Thus, the large participation of women, within the *Agroamigo*, in addition to enabling the reduction of gender inequalities in rural areas, allows the diversification of non-agricultural activities in rural areas.

IV. CONSIDERATIONS

PRONAF has been an important instrument for the financing of family agriculture and plays a very important role in the dynamisation of the northeastern countryside and the establishment of relations with the urban area. This aspect contributes to the production of food that serves the population of the country, allows a more balanced demographic distribution, in order to fix family farmers and their families in the countryside.

For family agriculture to be more dynamic in production systems, it is necessary to invest in technical assistance, management, marketing and in the associative relations of these farmers. In this sense, it is necessary to encourage the extension and involvement of family farmers in the social and political direction of PRONAF, especially between settlements and rural communities, aiming at compensatory returns that ensure quality of life for farmers and their families. This will require involvement in municipal and state councils, associations, cooperatives to oversee and collect better distribution of public policies to their localities.

It is possible to say that the PRONAF B (*Agroamigo*), is a line of micro-credit created with the objective of fighting rural poverty, which has been an important strategy for the program. Thus, PRONAF B (*Agroamigo*) has grown significantly, despite variations year by year, both in volume of resources financed and in quantities of contracts signed.

Agroamigo has a different model from the traditional model provided by most bank branches, with a service concept focused on the Microcredit Advisor, preferably Agricultural Technician. The methodology used, exclusively by Northeast Bank (BNB), offers subsidies for the improvement of the program, either in preparation or implementation, from the perspective of political and social effectiveness of family farmers.

Due to its significant participation in the financing of family agriculture, BNB has established itself as an important partner of the Federal Government in the implementation of policies to support family agriculture in the Northeast. Thus, the Bank has been operating the National Program to Strengthen Family Agriculture (PRONAF) since its creation in 1996.

Therefore, the need for new analyses on the subject from the socioeconomic perspective of the process of organizing family agriculture becomes evident, taking into consideration new elements that integrate this credit modality. Therefore, the proposal is that this work unfolds in new perspectives and new analytical possibilities, contributing to the analytical eclecticism of the impacts of rural micro-credit in the northeastern rural space.

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