Urban Food Policies and Rural Sustainability – How the Municipal Government of Belo Horizonte, Brazil is Promoting Rural Sustainability

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1. Introduction

Since 1993, the city of Belo Horizonte, in the state of Minas Gerais, Brazil, has been implementing innovative policies based on the principle of food security as a right of citizenship. The results achieved have been impressive, with programs reaching over 800,000 people daily, or close to 38% of the total municipal population. The city has received Brazilian and international prizes for its initiatives in reducing hunger and malnutrition, as well as the attention of academic studies and popular press throughout the world (see, for example, Aranha, 2000; Cunha et al., 2000; Rocha, 2001; Lappé and Lappé, 2002; Olson, 2002; and Gifford, 2002). The effect that such policies have had, however, goes beyond city limits, impacting also the surrounding rural areas and other municipalities in the state.

In this paper we look at how food security programs developed by the municipal government of Belo Horizonte are contributing to promote sustainable rural production and livelihoods. The paper describes the initiatives within the three main channels through which municipal policies are having a direct impact on rural sustainability: 1) through the promotion of direct links between rural producers and urban consumers; 2) through institutional food purchases for government programs; and 3) through food security and nutrition education. Identifying some of the main factors for the success of such programs, the paper concludes by reflecting on the importance of local governments in protecting the interests of urban populations without jeopardizing the welfare of rural families and the sustainability of rural production.

2. The Food Security Program in Belo Horizonte, Brazil

Belo Horizonte is the fourth largest city in Brazil with a metropolitan population of over 2.2 million. In the early 1990s it was estimated that 38% of families in the region lived below the poverty line (Lopes and Telles, 1996), and 44% of all children lived in poverty (CMCA, 1994). In 1995, close to 20% of children aged 0 to 3 years old showed some degree of malnutrition (SMAB, 1995).

In 1993, the newly elected municipal government of Belo Horizonte initiated a program to develop initiatives to reduce food insecurity in the city. From local public opinion polls, to expert observations and academic studies, the consensus seems to be that the Belo Horizonte program is addressing some of the most significant challenges associated with hunger and malnutrition, and that it could serve as a model for other municipalities in Brazil, in other developing countries, and even in developed countries. Indeed, the recently announced "Zero Hunger" Project by the newly-elected president, Luis Inacio

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Lula da Silva, includes many programs that were initially "tested out" in municipalities such as Belo Horizonte (Instituto Cidadania, 2001).

The key to the Belo Horizonte program is the Municipal Secretariat of Supplies (Secretaria Municipal de Abastecimento - SMAB) created by the City Government to develop and carry out an integrated policy addressing malnutrition and hunger in the area. All the projects designed by the staff at SMAB are guided by the notion of food security, interpreted as a principle: that all citizens have the right to adequate quantity and quality of food throughout their lives, and that it is the duty of governments to guarantee this right (SMAB, n.d.).

The program implemented by SMAB is divided into three main lines of action. The first encompasses policies geared to assist poor families and individuals at risk to supplement their food consumption needs. These are not simply emergency programs, but permanent initiatives whose progress is monitored by civil society groups. The main functions of the Department for Promotion of Food Consumption and Nutrition are to prevent and reduce malnutrition, especially among high-risk groups (children, pregnant and nursing women, and the elderly), and to promote healthy eating habits throughout the Belo Horizonte metropolitan region.

The second line of action in the SMAB program, under the Department for Administration of Food Distribution is directed at the private sector in the food trade. Through partnerships with private food suppliers, SMAB has been able to bring food to areas of the city previously neglected by commercial outlets. It has also adopted policies to regulate prices and control quality of basic staples, fruit and vegetables supplied under its program. Researchers at the Minas Gerais Federal University are monitoring the results obtained under these initiatives.

Attempts to increase food production and supply form the third line of action in the SMAB program. Initiatives under the Department for Incentives to Basic Food Production include technical and financial incentives to small producers, creation of direct links between rural producers and urban consumers, and promotion of community gardens and other forms of "urban agriculture".

The creation of SMAB -- a separate administrative structure, with its own budget -- was necessary to centralize the planning, coordination, and execution of all municipal food security policies. This centralization has allowed for a fundamental review of how nutrition and food-related programs are perceived: from emergency (read “temporary”) and “assistance” (read “marginal”) initiatives to regular policies deserving of the same status as other (more traditional) public policies in areas such as health and education. This, according to its founders and professional staff, has been SMAB’s greatest accomplishment to date: to mainstream food security into municipal public policy (Pessoa and Machado, 1999).
3. Urban Policy and Rural Sustainability

Municipal governments face a jurisdiction problem when attempting to impact populations and areas beyond city limits. Despite the intricate relationship between the well-being of urban dwellers and the social and economic conditions prevailing in rural areas, city governments are constrained on how far they can affect rural conditions. Thus, for example, the steady migration of poor rural families into the cities, swelling the *favelas* (shantytowns), and stretching urban resources to the limit, is frequently left to be dealt with at the point of destination, leaving urban governments few options for addressing the root causes of the problems.

In Brazil, issues of food security (in particular those associated with food accessibility) are intimately linked to the very unequal distribution of income and wealth that prevails in the country. With a Gini coefficient of 0.60 (one of the highest in the world), the 10% richest families in the country control 50% of overall family income, while the 50% poorest families receive only 10% of the total aggregated national family income (Kerstenetzky and Carvalho, 2000). It has been long recognized that agrarian reform must be part of a process to ameliorate the wealth distribution in the country, and to reduce its poverty incidence. Official data indicate that smaller rural establishments (up to 10 hectares) occupy only 2.3% of total agrarian area, although they correspond to half of the number of rural properties. Holdings of over 1,000 hectares represent only 1% of rural properties, but occupy 45% of agricultural area. (Instituto Cidadania, 2001, p. 36)

Although agrarian reform is beyond the scope of municipal governments' policies, many urban programs can have significant impact in supporting small rural producers and improving their livelihoods. Taking a food security approach, the government of Belo Horizonte has designed programs that not only attend to the needs of its citizens, but that have also affected small producers in surrounding rural areas in a very positive way. The key in the success of such approach is to identify where points of synergy in improving both rural and urban lives exist. The market for fresh fruit and vegetables can be one of those points.

Fresh fruit and vegetables compose one of the least commercially developed markets in Brazil (Farina e Machado, 2000). Part of the reason for this is that, until very recently, a large number of households produced fruit, and specially vegetables, for their own consumption. This, however, has been changing rapidly with the very fast pace of urbanization (80% of all Brazilians live in cities), and the lack of resources for, and lack of tradition in, urban agriculture. Another reason for the low development in the fresh fruit and vegetables market is that the production of these foods is still dominated by small and medium-size farmers that have not traditionally been well-organized, and lack the resources to promote an effective marketing for their products.

This situation is aggravated by the relatively low demand for these foods. Studies conducted in the late 1990s suggest that, on a regular basis, only 58% of Brazilians consume fresh vegetables, and only 44% consume fruit (Farina and Machado, 2000, p.163). Part of this low demand is explained by the fact that, in most cities, the
commercialization of fresh fruit and vegetables is increasingly under the control of large supermarkets. This creates a problem of accessibility for low income groups, both due to the relatively high prices for such products in supermarkets, but also due to physical inaccessibility, as many supermarkets do not have outlets in low-income neighbourhoods. Another reason for the low demand for fresh fruit and vegetables is the trend towards more industrialized products in the diets of urban Brazilians.

In the 1980s, many municipal governments in Brazil supported the development of Sacolões ("Large Bags") -- "alternative" fresh fruit and vegetables outlets that sell produce by the kilo for one single price for any product. The Sacolões were created as a social program to encourage the consumption of fresh fruit and vegetables among low-income groups. The quality of their products, and their efficacy in reaching the poor, however, have varied throughout the country.

Today, as a consequence of SMAB's policies and programs, Belo Horizonte is the only major Brazilian city in which the commercialization of fresh fruit and vegetables by "alternative stores" surpasses (by far) the commercialization done through supermarkets (Farina and Machado, 2000, p. 164). To correct the possible problems with the Sacolões, SMAB created the Abastecer and the "Worker's Convoy" ("Comboio do Trabalhador") programs. In these commercial outlets, SMAB licenses private operators to be located in poor regions of the city. Under the Worker's Convoy, outlets are mobile. In exchange for being allowed to operate in more profitable locations, sellers are required to serve periphery neighbourhoods on weekends. SMAB controls the prices of basic food items sold in these stores, as well as the quality of their products.

These programs have certainly increased the accessibility of urban consumers to quality fresh fruit and vegetables. They have also, indirectly, benefited small rural producers to the extent that small farms dominate the production of fresh fruit and vegetables. The benefits to rural producers, however, can be significantly diminished when intermediaries control commercialization of their products. Intermediaries can capture the increased revenues generated in a growing market. Small producers must have more direct control over the commercialization of their goods if they are to benefit from the increasing demand for their products.

Three channels through which SMAB's programs are more directly supporting small rural producers are briefly described below.

3.1 Producers-Consumers Links
Two of the most important programs developed under SMAB's Department for Incentives to Basic Food Production are the "Straight from the Country" ("Direto da Roça") and the "Harvest Campaign" ("Campanha da Safra"). These programs aim at facilitating direct interaction between small rural producers and urban consumers. By eliminating the private and often oligopolistic intermediaries (atravessadores) that normally operate in bringing the products of small rural producers to urban markets, SMAB can increase the income of small farmers and still offer high quality products to consumers at lower prices.
Rural producers selected through a public process are assigned fixed sale points throughout the city. As it happens in all other sale outlets under SMAB’s programs, sellers in Straight from the Country and Harvest Campaign programs have their prices and the quality of their products closely regulated. In 1999, 36 rural producers from 10 different jurisdictions around Belo Horizonte participated in these programs. They offered a variety of fresh leaf vegetables, roots, and fruits at lower prices than in other outlets.

SMAB has also been facilitating the links between urban consumers and small rural producers by subsidizing the presence of small producers in the "City Supplies Centre" ("Central de Abastecimento Municipal"). This is a "fixed farmers' market", covering an area of 10,000 square meters, where farmers trade 40,000 tons of horticultural commodities per year, through both retail and wholesale transactions. SMAB's "Green Basket" ("Bolsa Verde") program goes a little further in serving as an intermediary between private hospitals, restaurants and other institutional customers willing to buy vegetables and fruit directly from small rural producers.

Another SMAB program that has been successful in supporting income-generating activities in rural areas is the "Country General Store" ("Armazém da Roça"). These are fixed and mobile outlets (mobile outlets are stands set up by the government at special events) that commercialize crafts and homemade products for small producers from the countryside. Forty-five of such stores throughout the city generates over 380 direct employment posts in 32 different jurisdictions in the interior of the state (SMAB, 2002).

The most recent program created by SMAB in directly linking consumers and small producers is the “Organic Farmers Market” ("Feira Orgânica") in operation since September 2001. In partnership with the Minas Association for Protection of the Environment (Associação Mineira de Defesa do Meio Ambiente) and EMATER/MG (the state technical assistance and rural extension program), SMAB provides the urban space and logistic support to 10 certified organic producers, who sell their products twice a week in the city. This program generated 48 direct jobs in agriculture in 2002 (SMAB, 2002).

The success of the programs linking small rural producers directly to urban consumers can be attributed to three factors: competitive prices, high quality of the products, and convenience through good locations of the outlets -- all guaranteed by SMAB.

3.2 Institutional Food Purchases
Governments are also important buyers. SMAB capitalizes on this fact by using its power as a strong institutional buyer of foodstuff to support small and local producers whenever possible. Under the Department for Promotion of Food Consumption and Nutrition, three programs have significantly contributed to having the municipal government as a major consumer of food produced by small farmers and rural workers: "Preventing and Fighting Malnutrition", "School Meals", and the "Popular Restaurant".
"Preventing and Fighting Malnutrition" ("Prevenção e Combate à Desnutrição") is based on the free distribution of "enriched flour", a mix of wheat flour, corn flour, wheat bran, ground eggshells and manioc leaf powder, rich in vitamins and minerals. The distribution is done mostly through public health clinics to mothers of young children, and pregnant and nursing women. In 1999, 19,658 children aged 0 – 5 years old were registered in the program. Among pregnant and nursing women, 3,000 received the enriched flour packages through public health clinics (Secretaria Municipal de Saúde, 1999). The enriched flour is also distributed to municipal public schools (as part of the School Meals program), and to day-care centres, nursing homes and hospitals that are run by charitable organizations. In 1999, 242 daycare centres participated in the program, reaching over 34,000 children.

The ground eggshells and manioc leaves that go into the manufacturing of the enriched flour bought by SMAB are supplied by 550 families from 60 towns in one of the poorest regions of the state of Minas Gerais (the Jequitinhonha Valley). These families were organized by a non-governmental organization (Pastoral da Criança) for this income-generating project, which now provides each household close to the equivalent of the official minimum salary.

The "School Meals" ("Merenda Escolar") program provides nutritious meals to children (ages 6 to 14) enrolled in the public municipal school system. In 2002, 181 schools participated in the program, benefiting on average 159,460 children per day. Weekly menus are centrally planned according to nutritional guidelines, and meals are prepared by cooking staff trained by SMAB.

The "Popular Restaurant" ("Restaurante Popular") is a modern, cafeteria-style, government-run restaurant, which provides nutritious meals at affordable prices. It is located in a busy, central area of the city, close to bus and subway terminals. Its meals are planned by SMAB’s nutritionists and prepared by trained staff. At lunch it offers a meal of rice, beans, vegetables, salads, meat (or chicken or fish), juice and fruit at R$1.00 (around CDN$0.50). At dinnertime it offers soup (beans, vegetable, manioc, chicken, or meat) at R$0.50. By 2002 the restaurant was operating at full capacity, serving an average of 4,800 meals a day.

As an institutional buyer, SMAB was able to establish some principles in the purchase of foodstuff for the School Meals program and the Popular Restaurant that have led not only to lower costs and higher nutritional quality, but also to support of small local suppliers and rural producers. It has increased the variety of purchased foods, and diversified the menus, adding, as much as possible, recipes typical of that region and that use locally grown products. It minimizes the use of industrialized foods, in favour of fresh fruit, vegetables, eggs, chicken and meat that can be often supplied by small producers.

3.3 Education and Information
An important part of SMAB’s programs involves education and information. SMAB promotes workshops and training for practitioners in the health and education areas, as
well as for the general public, in nutrition and the use of "alternative foods" (the use of peels, seeds, leaves, and other plant parts that contain high nutritional value, but are not traditionally used in diets). The "Education and Organization for Food Consumption Program" ("Programa de Educação e Organização para o Consumo Alimentar") produces a number of educational material (booklets, pamphlets, newspaper articles) on the nutritional value of different foods, how to make full use of them, where to buy them, their prices, and which products are in season. SMAB also produces a radio show, "Food Citizenship" ("Cidadania Alimentar") which covers nutritional issues, food handling and safety, and current prices of basic food items. The radio show also serves to promote SMAB's programs and food security as a right of citizenship.

Valuing popular knowledge and homegrown recipes, the Education and Organization for Food Consumption Program invites the general public to contribute to new editions of the educational material and radio shows. This not only provides valuable information to consumers, but also validates the worth of many local customs, which are in danger of disappearing as urban diets turn to more processed and industrialized foods. Promoting the higher consumption of fresh fruit and vegetables in general, and in particular fruit and vegetables typical of the region, SMAB, in a "social marketing" process, is caring for the health of urban citizens while, at the same time, helping create a greater market for the foods produced by small farmers in rural areas surrounding Belo Horizonte.

4. Undervaluation Bias versus Sustainability

Governments of large metropolis may not have jurisdiction over rural areas. But their policies can have significant impact on rural lives. Quite often, in many parts of the world, guaranteeing affordable food for urban consumers has come at the expense of small family farms. Indeed, an “undervaluation bias” against the work of small rural producers has characterized food policies in many countries where governments try to please urban consumers and industrial employers by keeping the prices of basic food items artificially low (Tietenberg, 2000, p. 242). This undervaluation leads to market distortions, which prevent small farmers from being compensated in accordance to the true economic value of their work. As a consequence, small family farms tend to slowly disappear.

This undervaluation bias also leads to the perception that there is a trade-off between the health and well-being of poor urban residents and the well-being of poor rural farmers. In this view, preserving a healthy small farm economy would cost too much in terms of higher food costs for poor urban consumers. Either governments favour the urban poor or they favour the rural poor.

The policies adopted by the government in Belo Horizonte, however, suggest that this may not always be the case, if ever. SMAB’s programs have increased the accessibility of poor urban consumers to quality foods while, at the same time, supporting small family farms. They have done so not by artificially lowering food prices, but by reducing some of the “distortions” present in the food system (such as the oligopolistic power of
intermediaries). By correctly identifying where such market failures exist, SMAB was able to create programs to counteract them and forge opportunities for benefits to both urban consumers and rural producers.

Urban policies and programs that also benefit small rural producers and workers can only be developed if governments reject the short-run, myopic view of a trade-off between the welfare of the urban poor and that of the rural poor. It is such short-sighted perspective that leads to undervaluation biases. Taking a food security perspective, the government of Belo Horizonte has recognized that small family farms are an important component in a healthy, sustainable food system, and hence, an important contributor to the welfare of urban residents for the long run.

References


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