

# The Impact of Brazil's Agricultural Export Boom on Domestic Food Security

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doi:10.56397/LE.2025.01.05

## Abstract

Brazil has become a global leader in agricultural exports, supplying major commodities such as soybeans, beef, corn, and sugarcane to international markets, particularly China, the European Union, and the United States. While this export-driven agricultural boom has contributed significantly to economic growth, trade surpluses, and rural employment, it has also raised serious concerns about domestic food security, environmental sustainability, and social inequality. The shift toward large-scale agribusiness and monoculture farming has led to deforestation, displacement of small-scale farmers, increased food prices, and reduced access to staple foods for low-income populations. This paper examines the drivers, consequences, and policy responses related to Brazil's agricultural export expansion. It analyzes how export prioritization has reduced the availability of domestically consumed staple foods, leading to food inflation and nutritional insecurity. It also explores the environmental costs of farmland expansion, including deforestation in the Amazon and Cerrado regions, soil degradation, and water overuse. Social consequences, such as the marginalization of small farmers, rising rural unemployment, and widening economic inequalities, are also discussed. In response to these challenges, the Brazilian government has implemented various policy measures, including food price stabilization programs, land-use regulations, and social assistance initiatives like Bolsa Família and the National School Feeding Program. However, the effectiveness of these strategies remains mixed, as agribusiness interests continue to dominate policy decisions. The paper concludes by evaluating potential solutions, such as stricter environmental protections, incentives for sustainable farming, and trade policies that ensure sufficient domestic food supply while maintaining Brazil's position as a major agricultural exporter.

**Keywords:** agricultural exports, food security, Brazil agribusiness, deforestation, rural inequality, land-use policies, small farmers, food inflation, soybean trade

## 1. Introduction

Brazil has emerged as a global agricultural powerhouse, ranking among the world's top producers and exporters of key agricultural commodities such as soybeans, beef, corn, sugar, poultry, and coffee. The country's agricultural expansion has been driven by a combination of natural advantages, technological advancements, and government policies that promote large-scale agribusiness development. With vast fertile land, a favorable tropical climate, and a well-developed agribusiness sector, Brazil has successfully positioned itself as one of the most competitive players in global food markets. Over the past few decades, Brazil's agricultural industry has transitioned from being primarily focused on domestic food production to an export-driven model, significantly increasing its role in global food supply chains.

The scale of Brazil's agricultural exports is unparalleled in many key sectors. The country is the world's largest soybean exporter, supplying over 50% of global soybean trade, with China alone purchasing nearly 70% of Brazil's soybean exports to feed its massive livestock industry. Brazil is also the leading global exporter of beef, surpassing Australia and the United States in volume, with major markets including China, the European Union,

and the Middle East. Additionally, corn exports have surged, with Brazil becoming the second-largest corn exporter after the U.S., largely due to rising international demand for livestock feed and biofuels. Other key export products include sugarcane, coffee, poultry, and citrus fruits, all of which contribute significantly to Brazil's agricultural trade surplus.

The rapid expansion of Brazil's agricultural exports has been fueled by several factors, including trade liberalization, investment in large-scale agribusiness, and improvements in farming technology. Over the past two decades, government policies have encouraged agribusiness expansion through credit incentives, tax exemptions, and infrastructure development, making it easier for producers to scale up their operations and reach global markets. Technological innovations such as genetically modified (GM) crops, precision farming, and improved irrigation techniques have boosted productivity, enabling Brazil to maintain high yields at competitive prices. Additionally, bilateral trade agreements with major economies like China, the EU, and the U.S. have opened new markets and further incentivized export growth. These factors combined have solidified Brazil's reputation as an agricultural superpower.

However, while Brazil's agricultural export boom has driven economic growth, created jobs, and strengthened trade relations, it has also raised serious concerns about domestic food security. As the country prioritizes export-oriented agribusiness, many local communities and low-income populations are struggling with rising food prices and limited access to staple foods. The shift toward producing cash crops for export—such as soybeans and beef—has reduced the availability of traditional food crops like rice, beans, and cassava, which are staples for Brazilian households. Additionally, large agribusiness firms control a significant portion of farmland, leading to the displacement of smallholder farmers, who traditionally played a key role in domestic food production. This trend has resulted in greater dependency on imports for certain staple foods, a paradox for a nation that is a global leader in agricultural production.

The impact of export-driven agriculture on food affordability has been particularly evident in recent years. Between 2019 and 2023, food prices in Brazil surged by over 30%, with staples such as beef, dairy products, and grains experiencing the sharpest increases. The inflation in food costs has disproportionately affected lower-income populations, many of whom spend a large share of their income on food. According to data from Brazil's Institute of Geography and Statistics (IBGE), nearly 33 million Brazilians faced food insecurity in 2022, a stark contrast to the country's reputation as an agricultural giant. This contradiction highlights the challenges of balancing export priorities with the need to ensure stable and affordable food supplies for the domestic population.

Another key concern is the impact of agribusiness expansion on land use and environmental sustainability. The aggressive expansion of soybean plantations and cattle ranching has led to deforestation, soil degradation, and water resource depletion, particularly in the Amazon Rainforest and Cerrado regions. The clearing of land for export crops has reduced the amount of arable land available for small-scale food farming, further impacting local food production. Additionally, industrialized farming methods have led to higher pesticide and fertilizer use, raising concerns about long-term soil fertility and food safety.

This paper seeks to explore the various drivers and consequences of Brazil's agricultural export boom, focusing on its impact on domestic food security, economic disparities, and environmental sustainability. By examining the structural challenges posed by export-oriented agriculture, this study aims to assess how Brazil can balance its position as a leading food exporter with the need to ensure stable, affordable food supplies for its own population. The paper will also evaluate policy responses and potential solutions, including land-use regulations, food price stabilization programs, and sustainable agricultural practices, to address these critical issues.

As Brazil continues to expand its role in the global agricultural market, finding a sustainable model that benefits both international trade and domestic food security will be essential for the country's long-term economic and social stability. Through a detailed analysis of trade policies, environmental consequences, and economic inequalities, this research will contribute to a broader understanding of how export-driven agriculture can be managed in a way that ensures equitable food access for all Brazilians.

## **2. Drivers of Brazil's Agricultural Export Boom**

Brazil's rise as a global agricultural powerhouse has been driven by a combination of market forces, technological progress, and government support. The country has leveraged its vast arable land, favorable climate, and modernized agribusiness sector to meet surging global demand for key agricultural commodities. Over the past two decades, Brazil's agricultural exports—particularly soybeans, beef, and corn—have expanded rapidly, strengthening its trade relationships with major markets such as China, the European Union (EU), and the United States. This export-driven growth has been further accelerated by technological advancements, large-scale agribusiness investment, and government policies that prioritize international trade competitiveness.

One of the most significant factors behind Brazil's agricultural boom is the expansion of soybean, beef, and corn

exports, which have become the backbone of the country's agribusiness sector. Soybeans, in particular, have played a dominant role, with Brazil surpassing the United States as the world's largest soybean exporter. In 2023 alone, Brazil exported more than 100 million metric tons of soybeans, accounting for over 50% of global trade in the crop. The majority of these soybeans are exported to China, where they are used as livestock feed for the country's expanding pork and poultry industries. The strong demand from China has significantly influenced Brazil's agricultural policies, leading to an expansion of soybean plantations, particularly in the Cerrado and Amazon regions.

The beef industry has also experienced remarkable growth, with Brazil consistently ranking as the world's largest beef exporter. Major buyers include China, the Middle East, and the European Union, with China alone accounting for over 40% of Brazil's beef exports. The growing middle class in these markets has fueled higher meat consumption, prompting Brazil to expand its cattle ranching operations. This has led to a significant increase in deforestation, as forests are cleared to make way for pastureland.

Similarly, corn exports have surged, with Brazil now competing closely with the United States as a top corn supplier. The expansion of corn production has been driven by global demand for animal feed and ethanol production, with key importers including China, Japan, and Mexico. The country's high-yield corn production, supported by genetically modified (GM) seeds and advanced farming techniques, has made it a preferred supplier in global markets.

The expansion of these key agricultural exports has been made possible by trade agreements and growing foreign demand, particularly from China, the European Union, and the U.S.. China, as the largest consumer of Brazilian agricultural products, has played a crucial role in shaping Brazil's export strategies. The 2001 Brazil-China trade partnership marked a turning point, as China became the leading buyer of Brazilian soybeans, beef, and corn. In addition, Brazil has negotiated favorable trade agreements with the European Union and the U.S., securing low tariffs and priority market access.

Beyond trade agreements, foreign direct investment (FDI) in Brazil's agribusiness sector has further fueled export growth. Multinational corporations and Chinese state-backed agribusiness firms have invested heavily in Brazil's soybean processing plants, storage facilities, and port infrastructure, ensuring a streamlined supply chain for agricultural exports. This foreign investment has strengthened Brazil's position in global markets, while also shaping domestic agricultural policies to align with international trade priorities.

In addition to trade agreements and foreign demand, the role of technology and agribusiness expansion has been a crucial driver of Brazil's agricultural export boom. Over the past two decades, Brazilian farmers have adopted cutting-edge agricultural technologies, including genetically modified (GM) crops, no-till farming, precision agriculture, and high-efficiency irrigation systems. These advancements have increased crop yields, reduced production costs, and enhanced soil fertility, allowing Brazil to meet growing global food demands while maintaining competitive pricing.

The expansion of large-scale agribusiness has also played a major role in boosting export capacity. Brazil's agricultural sector is dominated by large agribusiness firms, many of which control massive tracts of farmland, mechanized farming operations, and advanced supply chains. These firms, which include multinational giants like Cargill, Bunge, and JBS, have streamlined production, processing, and export logistics, making Brazil's agricultural sector highly efficient and globally competitive. However, the growth of large agribusiness conglomerates has come at a cost, particularly for smallholder farmers, who struggle to compete with large-scale producers.

Government policies and incentives have further accelerated Brazil's agricultural expansion, as policymakers have prioritized export growth and agribusiness profitability. Over the years, the Brazilian government has provided subsidies, tax exemptions, and credit programs to support large-scale commercial farming. Institutions such as the Brazilian Development Bank (BNDES) have funded agricultural expansion projects, while state-backed research organizations like Embrapa (Brazilian Agricultural Research Corporation) have spearheaded innovations in crop breeding, soil management, and pest control.

In addition to financial support, infrastructure development has played a crucial role in facilitating exports. Major investments in roads, railways, and ports have improved logistics efficiency, reducing transportation costs and increasing the speed of agricultural shipments to global markets. The construction of grain terminals and export hubs in key regions like Mato Grosso and Pará has allowed Brazil to expand its agricultural frontiers, opening new areas for commercial farming and export-oriented production.

However, while these government policies have successfully positioned Brazil as an agricultural superpower, they have also sparked controversy regarding their environmental and social impacts. Critics argue that pro-business policies have prioritized exports over food security, contributing to rising domestic food prices and land conflicts. Additionally, policies that favor large agribusiness firms over small-scale farmers have led to

consolidation in the agricultural sector, reducing opportunities for rural communities and increasing social inequalities.

Brazil's agricultural export boom is the result of multiple intersecting factors, including expanding soybean, beef, and corn production, trade agreements with major economies, technological advancements, and strong government support. The country's ability to meet global food demand while maintaining competitive prices has made it a key player in international food markets. However, the rapid expansion of agribusiness has also raised concerns about food security, environmental sustainability, and rural livelihoods.

As Brazil continues to expand its agricultural exports, policymakers will need to address critical challenges, including balancing export growth with domestic food needs, implementing sustainable farming practices, and ensuring that small-scale farmers are not marginalized. While trade liberalization and agribusiness development have fueled Brazil's economic growth, it remains crucial to assess how these policies impact domestic food security, environmental conservation, and long-term agricultural resilience.

### **3. Effects on Domestic Food Prices and Availability**

The rapid expansion of Brazil's agricultural exports has created significant economic benefits, but it has also contributed to domestic food security challenges. As agribusiness prioritizes high-value commodities for international markets, the availability of staple foods for domestic consumption has been affected, leading to price volatility and growing disparities in food access. The consequences of these trends are particularly severe for low-income populations and rural communities, who face higher food costs and reduced availability of affordable, locally produced staples.

#### *3.1 Impact of Export Prioritization on Staple Food Availability*

The emphasis on export-oriented agriculture has led to a shift in land use and production priorities, reducing the availability of staple foods for domestic consumption. Crops such as soybeans, corn, and sugarcane dominate Brazilian farmland, with much of the production dedicated to export markets or industrial uses, such as biofuel production. This shift has resulted in less land and resources being allocated to traditional food crops, including rice, beans, cassava, and vegetables, which are essential components of the Brazilian diet.

Between 2010 and 2022, the production of staple crops for local consumption stagnated or declined, while export crops expanded rapidly. For example, soybean production increased by over 100%, reaching more than 150 million metric tons in 2023, while rice production fell by nearly 30% during the same period. Similarly, the area dedicated to cassava farming shrank by 20%, as more land was converted for soybean monoculture and cattle ranching. As a result, domestic food supply chains have become increasingly dependent on imports, despite Brazil's position as a leading food producer.

In addition to reduced staple crop availability, livestock production has also been affected. While Brazil is the world's largest beef exporter, the domestic supply of affordable meat has diminished, driving up prices for consumers. Beef consumption among Brazilians declined by 20% between 2015 and 2023, as rising export demand and limited local supply pushed prices beyond the reach of lower-income households. This has led many consumers to substitute beef with cheaper protein sources, such as poultry and eggs, altering traditional dietary patterns.

The shift toward export-oriented agribusiness has also led to market concentration, where large multinational corporations control a significant share of food production and distribution. This has weakened local food systems, reducing opportunities for small-scale farmers who traditionally supplied domestic markets with fresh produce. As a result, urban areas have become increasingly reliant on industrialized, mass-produced foods, while rural communities face limited access to affordable, locally sourced staples.

#### *3.2 Price Volatility and Affordability of Essential Food Products*

The export boom has contributed to food price volatility, as domestic food prices become increasingly linked to global commodity markets. When demand for Brazilian soybeans, beef, or corn rises internationally, domestic prices tend to increase, making it harder for low-income consumers to afford essential food products.

Between 2019 and 2023, food prices in Brazil rose by more than 30%, with certain products experiencing even sharper increases. According to data from Brazil's Institute of Geography and Statistics (IBGE), between 2021 and 2023:

- Rice prices increased by 40%, as lower domestic production led to higher import dependency.
- Beef prices surged by 50%, driven by soaring export demand, especially from China.
- Vegetable oil prices climbed by 60%, largely due to increased soybean exports for biodiesel production.

Price spikes have had disproportionate effects on lower-income households, who spend a larger share of their income on food. In response, many families have been forced to change their dietary habits, reducing

consumption of high-protein and nutrient-rich foods and shifting toward cheaper, processed alternatives. This has raised concerns about nutritional security, particularly among children and vulnerable populations.

Another challenge is the impact of currency fluctuations on food affordability. As the Brazilian real depreciates against the U.S. dollar, agricultural exports become more profitable, incentivizing producers to prioritize international markets over domestic sales. This means that even when Brazil experiences bumper harvests, local consumers do not necessarily benefit from lower prices, as much of the production is allocated for export.

Government intervention has attempted to stabilize food prices through price control measures and social welfare programs. However, these efforts have been limited in effectiveness, as they do not address the structural imbalance between export growth and domestic food supply.

### *3.3 Regional Disparities in Food Access (Urban vs. Rural)*

The effects of Brazil's agricultural export expansion on food security are not evenly distributed, with significant disparities between urban and rural areas. While urban consumers face higher prices and increased reliance on imported staples, rural communities struggle with limited food availability and weakened local food systems.

In major metropolitan areas such as São Paulo, Rio de Janeiro, and Brasília, high food costs and income inequality have made it difficult for low-income families to afford nutritious meals. Rising transportation and distribution costs have further contributed to urban food price inflation, as fresh produce and staple foods must be transported over long distances. Additionally, market consolidation has led to large supermarket chains dominating food distribution, reducing competition and keeping prices elevated.

In contrast, rural and agricultural regions face different food security challenges. Despite being close to food production centers, many rural communities lack direct access to affordable, locally grown food. This is due to several factors:

- Export-oriented agribusiness models prioritize large-scale production for global markets, rather than local food distribution.
- Smallholder farmers are increasingly displaced by large agribusiness firms, reducing local food production.
- Inadequate infrastructure and transportation networks make it difficult for rural residents to access markets, forcing them to rely on imported processed foods rather than locally sourced produce.

For indigenous communities and traditional farming regions, the situation is even more severe. Many indigenous territories have been encroached upon by industrialized agriculture, limiting their ability to grow subsistence crops. Additionally, rural food insecurity is exacerbated by land conflicts, environmental degradation, and limited government support for small-scale farmers.

Government programs such as Bolsa Família and food assistance initiatives have attempted to mitigate these disparities, but their reach remains limited, especially in remote regions. Without stronger policies to support local food production and distribution, the divide between food-secure and food-insecure populations is likely to widen further.

The prioritization of export-driven agriculture in Brazil has had profound consequences for domestic food security, affecting staple food availability, price stability, and regional access to essential food products. While agribusiness expansion has fueled economic growth, it has also contributed to rising food costs and reduced access to affordable, nutritious food for millions of Brazilians.

Moving forward, it is crucial for policymakers to strike a balance between export growth and domestic food security. Measures such as regulating land use, incentivizing local food production, and stabilizing food prices could help mitigate the negative effects of export-driven agriculture. Without intervention, the risks of worsening food inequality and nutritional insecurity will continue to pose major challenges for Brazil's long-term economic and social stability.

## **4. Environmental and Land Use Consequences**

The expansion of Brazil's agricultural exports has significantly altered the country's landscape, ecosystems, and natural resources, raising serious environmental and sustainability concerns. While agribusiness has driven economic growth and trade surpluses, it has also contributed to deforestation, biodiversity loss, and resource depletion, particularly in the Amazon Rainforest and the Cerrado savanna. The competition between export-oriented cash crops and staple food crops has further intensified land-use conflicts, while soil degradation, excessive water consumption, and climate change effects pose additional risks to long-term agricultural productivity and food security.

### *4.1 Expansion of Farmland and Deforestation Risks*

The expansion of export-driven agriculture has been one of the leading causes of deforestation in Brazil, particularly in the Amazon Rainforest and the Cerrado biome. As global demand for soybeans, beef, and corn has surged, agribusiness firms and large landowners have converted vast areas of natural forests into farmland and pastureland, accelerating deforestation at an alarming rate.

Between 2000 and 2023, Brazil lost approximately 17% of its Amazon rainforest due to agricultural expansion, with the rate of deforestation increasing in recent years. In 2022 alone, over 11,500 square kilometers of Amazon rainforest were cleared, primarily for cattle ranching and soybean cultivation. The Cerrado, Brazil's second-largest biome, has also experienced severe habitat destruction, with half of its native vegetation lost to soybean plantations and livestock farming.

The main drivers of deforestation include:

- **Cattle ranching:** Approximately 80% of Amazon deforestation is linked to cattle grazing, as landowners clear forests to expand pastures for beef production. With Brazil being the world's largest beef exporter, international demand—especially from China, the EU, and the Middle East—has incentivized further land clearing.
- **Soybean monoculture:** The rapid expansion of soybean farming, particularly for Chinese and European markets, has led to the conversion of forests, wetlands, and savannas into vast monoculture farms.
- **Infrastructure development:** New roads, highways, and storage facilities have been built to support agribusiness expansion, opening previously untouched areas to illegal land grabbing and deforestation.

The environmental consequences of deforestation are severe. The loss of trees reduces carbon sequestration, making Brazil a major contributor to global carbon emissions. Additionally, deforestation disrupts local climate patterns, increasing the frequency of droughts, heat waves, and unpredictable rainfall, which in turn negatively affects agricultural productivity.

#### *4.2 Competition Between Export Crops and Food Crops for Domestic Consumption*

The dominance of export-oriented agriculture has created a land-use imbalance, where crops grown for international markets take precedence over food crops meant for local consumption. As farmland is increasingly dedicated to cash crops such as soybeans, sugarcane, and corn, the production of traditional food staples like rice, beans, cassava, and fresh vegetables has been marginalized, contributing to higher food prices and supply shortages.

This trend has been driven by several factors:

- **Higher profitability of export crops:** Soybeans and corn, largely exported as livestock feed, generate significantly higher revenue than crops grown for domestic consumption. As a result, many farmers prefer to cultivate export crops rather than staple foods.
- **Government incentives and trade policies:** Policies that favor agribusiness expansion have led to large-scale investments in export crop production, often at the expense of local food systems.
- **Land concentration by agribusiness firms:** Large corporations dominate Brazil's farmland ownership, often prioritizing industrialized agriculture for exports rather than diversified farming for domestic markets.

As a result, smallholder farmers, who traditionally supplied local markets with fresh fruits, vegetables, and grains, have been increasingly displaced. Many have been forced to sell their land or transition to working for agribusiness corporations, reducing their ability to produce food for local communities.

The imbalance between export crops and food crops has created severe supply chain vulnerabilities, making Brazil increasingly reliant on food imports, despite being a leading global agricultural producer. This paradox highlights the risks of over-prioritizing exports at the expense of food security, as domestic markets remain at the mercy of global commodity price fluctuations and supply shocks.

#### *4.3 Soil Degradation, Water Usage, and Climate Change Implications*

The expansion of large-scale monoculture farming and intensive livestock production has led to severe environmental degradation, affecting soil quality, water availability, and overall ecosystem health.

##### **Soil Degradation**

Brazil's heavy reliance on monoculture farming, particularly for soybeans and sugarcane, has depleted soil nutrients, increased erosion, and reduced land fertility. The excessive use of chemical fertilizers and pesticides further depletes soil health, leading to long-term productivity declines. Studies indicate that:

- Over 40% of Brazil's agricultural land has experienced some form of soil degradation, reducing crop yields.

- The Cerrado region, once a highly fertile ecosystem, now faces increased desertification due to deforestation and unsustainable farming practices.
- The expansion of cattle ranching contributes to soil compaction and loss of organic matter, making it difficult to restore the land for future agricultural use.

### **Water Usage and Scarcity**

Agriculture accounts for over 70% of Brazil's freshwater consumption, with irrigation-intensive farming placing severe pressure on water resources. The demand for water has been exacerbated by climate change, leading to longer drought periods and reduced river flow in critical agricultural regions. Key issues include:

- Soybean and sugarcane farming require extensive irrigation, depleting groundwater reserves and affecting rural communities' access to drinking water.
- Large-scale cattle ranching contributes to water pollution, as animal waste runoff contaminates rivers and wetlands, affecting both biodiversity and human populations.
- Hydropower generation, which supplies a significant portion of Brazil's electricity, has been impacted by reduced river flow, leading to energy shortages that further threaten agricultural sustainability.

### **Climate Change Implications**

The environmental consequences of deforestation, land degradation, and water overuse have made Brazil's agricultural sector highly vulnerable to climate change. Rising temperatures, shifting rainfall patterns, and extreme weather events threaten crop yields and food security. Some emerging risks include:

- Increased droughts in key agricultural regions, reducing productivity for soybeans, corn, and coffee.
- More frequent heat waves and storms, damaging infrastructure and disrupting supply chains.
- Loss of biodiversity, as deforestation destroys critical habitats, affecting pollination and soil regeneration cycles.

Brazil's agricultural export boom has significantly reshaped the country's land use and environmental landscape, driving deforestation, resource depletion, and ecological imbalance. While agribusiness has boosted trade and economic growth, it has also created long-term sustainability risks, threatening both domestic food security and environmental resilience.

Moving forward, policymakers must adopt stricter regulations to protect forests, promote sustainable farming, and balance export priorities with local food needs. Solutions such as agroecological farming, reforestation programs, and improved water management can help mitigate environmental damage while maintaining Brazil's global agricultural leadership. However, without urgent intervention, the long-term viability of Brazil's agricultural sector—and the country's ability to feed both global and domestic populations—will remain in jeopardy.

## **5. Social and Economic Impacts on Small Farmers and Consumers**

The rapid expansion of Brazil's agricultural exports has reshaped the country's rural economy, labor markets, and food accessibility, bringing both economic benefits and deepening social inequalities. While large agribusiness corporations have thrived, small-scale farmers have faced land dispossession, declining competitiveness, and economic marginalization. Additionally, shifts in employment patterns, rural wages, and food prices have disproportionately affected low-income populations, exacerbating nutritional insecurity and social disparities. These transformations raise serious questions about who truly benefits from Brazil's agricultural success and whether the country's policies adequately protect vulnerable communities from the negative consequences of an export-driven economy.

A major consequence of agribusiness expansion has been the displacement of small-scale farmers, many of whom lack the financial resources and political power to compete with large agricultural corporations. As global demand for soybeans, beef, and corn has surged, commercial agribusiness firms have acquired vast tracts of land, often through legal loopholes, land speculation, or questionable property claims. This has led to the displacement of traditional farming communities, forcing thousands of small farmers to abandon their land and migrate to urban areas in search of alternative livelihoods. Between 2000 and 2023, Brazil lost over 2 million smallholder farms, with land ownership becoming increasingly concentrated in the hands of large agribusiness conglomerates. This trend has eroded rural food sovereignty, reducing the diversity of local food production and increasing dependence on industrialized agriculture.

The consolidation of farmland under corporate ownership has also reshaped rural employment, with a shift toward mechanized, high-efficiency farming that requires fewer workers. While agribusiness has contributed to export-driven job creation, many of these positions are seasonal, low-paying, and unstable, offering little job

security for rural laborers. In contrast, smallholder farming traditionally provided steady employment for rural families, fostering community-based economies and stable incomes. The rise of large-scale monoculture farming has disrupted traditional employment patterns, leading to higher rural unemployment rates and worsening income disparities.

Data from Brazil's National Household Sample Survey (PNAD) indicate that rural unemployment increased by 15% between 2015 and 2022, as family-owned farms declined and agribusiness mechanization reduced labor demand. Additionally, wages for rural workers have stagnated, with many employees earning below the minimum wage, particularly in the northeast and central-west regions, where agribusiness expansion has been most aggressive. In some areas, displaced farmers have migrated to urban slums, where they face high living costs, precarious employment, and food insecurity, further deepening social inequality.

Beyond its effects on rural livelihoods, Brazil's export-driven agricultural model has also worsened food accessibility for lower-income populations, leading to higher food prices and declining nutritional security. While Brazil is one of the largest food producers in the world, its prioritization of export crops over staple foods has disrupted local food markets, making it more difficult for consumers—especially low-income families—to afford nutritious meals.

Between 2019 and 2023, food inflation in Brazil exceeded 30%, with meat, dairy, and grain prices increasing significantly due to higher export demand and limited domestic supply. For example, beef prices rose by over 50% during this period, making high-protein diets unaffordable for many Brazilian households. Similarly, rice, beans, and fresh vegetables—which form the foundation of traditional Brazilian diets—became more expensive and less accessible, forcing many families to rely on cheaper, processed foods with lower nutritional value.

As a result, food insecurity has surged, with an estimated 33 million Brazilians facing hunger as of 2022, according to data from the Brazilian Research Network on Food and Nutrition Security. The impact has been particularly severe for children, pregnant women, and elderly populations, who require nutrient-dense diets for healthy development and disease prevention. Rising food costs have also affected public nutrition programs, limiting the government's ability to provide subsidized meals in schools and low-income communities.

Despite government efforts to mitigate food insecurity through social programs like Bolsa Família, these interventions have not been sufficient to counteract the structural inequalities created by Brazil's agricultural export policies. Critics argue that the government has favored agribusiness profits over public welfare, failing to implement policies that balance export priorities with domestic food needs. For example, stronger land-use regulations, price stabilization policies, and subsidies for local food production could help ensure affordable food access without sacrificing economic growth.

In summary, while Brazil's agricultural expansion has brought economic benefits, it has also worsened inequalities in land ownership, employment, and food accessibility. The displacement of small farmers, rising rural unemployment, and soaring food prices highlight the social costs of an export-driven agricultural model. Moving forward, policymakers must rethink Brazil's agricultural strategy, ensuring that economic gains do not come at the expense of rural communities and food security. Without intervention, the risks of deepening poverty, worsening malnutrition, and growing rural-urban divides will continue to threaten Brazil's long-term social and economic stability.

## **6. Policy Responses and Strategies for Balancing Exports and Food Security**

The expansion of Brazil's agricultural exports has generated substantial economic benefits, but it has also created serious food security challenges for the domestic population. The government has attempted to balance the competing demands of global trade and local food supply through a range of policy interventions, land-use regulations, social assistance programs, and trade strategies. However, the effectiveness of these measures remains a subject of debate, as structural inequalities in food access and agricultural land distribution persist. To ensure sustainable food security while maintaining Brazil's position as a leading agricultural exporter, policymakers must strengthen and refine existing strategies, focusing on price stability, land protection, food assistance, and trade regulations.

One of the most critical government interventions has been efforts to stabilize food prices and ensure a reliable food supply for domestic consumers. Given the volatility of global commodity markets, fluctuations in soybean, corn, and beef exports often lead to price spikes in staple foods, making basic nutrition unaffordable for low-income populations. To counteract this, the Brazilian government has periodically implemented price controls, import subsidies, and strategic food stockpiling to prevent domestic shortages. For example, in 2020, the government temporarily removed import tariffs on rice to mitigate rising food prices after domestic production declined. Similarly, subsidies have been introduced for small farmers producing staple crops, encouraging them to maintain local food production despite market pressures to switch to cash crops for export.

However, price stabilization policies alone do not address the root causes of food insecurity, particularly land-use



competition between export crops and domestic food production. To combat this issue, Brazil has introduced land-use policies aimed at protecting domestic agriculture and preventing excessive farmland concentration in the hands of large agribusiness corporations. Programs such as Terra Legal, a land regularization initiative, aim to redistribute land to small-scale farmers, promoting diversified food production rather than large-scale monoculture. Additionally, land reserves and indigenous territories have been legally protected to prevent illegal land grabs and deforestation by commercial agribusiness firms.

Despite these policies, enforcement remains a major challenge, as powerful agribusiness interests continue to lobby for land deregulation and expanded soybean and cattle production. In some cases, land-use laws are poorly implemented, allowing deforestation and land conflicts to persist, especially in the Amazon and Cerrado regions. Strengthening land governance and ensuring that agricultural policies prioritize both exports and food security is essential to maintaining a balanced and equitable agricultural sector.

In addition to land protection, the Brazilian government has expanded social programs to address food insecurity and support low-income families struggling with rising food prices. Initiatives like Bolsa Família, Brazil's flagship conditional cash transfer program, provide financial assistance to millions of poor households, helping them afford essential food products. Other food security programs, such as the National School Feeding Program (PNAE), ensure that children receive nutritious meals in public schools, reducing the impact of food inflation on vulnerable communities.

Moreover, the Food Acquisition Program (PAA) supports smallholder farmers by purchasing their crops for distribution in public food programs and community kitchens. This dual-purpose initiative not only improves food access for low-income populations but also creates stable markets for small farmers, making it more viable for them to grow staple crops rather than export-oriented commodities.

While these programs have helped mitigate food insecurity, they do not directly regulate Brazil's agricultural trade policies, which remain heavily oriented toward export growth. One potential solution would be the implementation of trade regulations or export quotas on essential food products, ensuring that a portion of domestically produced staples remains available for local consumption. Some policymakers have proposed export restrictions on rice, beans, and beef during periods of high food price inflation, but these measures are often controversial due to potential trade disruptions and resistance from agribusiness exporters.

A more balanced approach could involve incentivizing agribusiness firms to allocate a percentage of their production for domestic markets, rather than outright restricting exports. This could be achieved through tax incentives, preferential market access, or public-private partnerships aimed at ensuring that food security concerns are integrated into Brazil's export policies. Additionally, investing in local food distribution networks—such as farmer cooperatives, urban agriculture programs, and direct-to-consumer markets—could help reduce reliance on large agribusiness supply chains, making food more accessible and affordable for Brazilian consumers.

Brazil's agricultural policies must strike a careful balance between supporting export growth and protecting domestic food security. While government interventions, land-use regulations, and social programs have played an important role in reducing food insecurity, challenges remain in ensuring fair land distribution, stabilizing food prices, and regulating trade practices. Strengthening enforcement of land protection laws, expanding sustainable farming incentives, and integrating food security priorities into export policies are essential steps toward creating a more resilient and equitable food system. Without a coordinated and long-term strategy, Brazil risks deepening economic inequalities and undermining its own food security, even as it continues to thrive as a global agricultural powerhouse.

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