

Rural Extension and Agricultural Transformation in Minas Gerais, Brazil, 1948-1960

by Jonathan Coulis

Emory University



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Abstract

This report traces the origin and expansion of the Association of Credit and Rural Assistance (ACAR) in Minas Gerais, Brazil, from the late 1940s to 1960. Created as a joint project between the American International Association (AIA) and the Minas Gerais state government, I highlight how ACAR became a site where international and Brazilian planners adopted rural extension as a method to pursue agricultural transformations. Rural extension provided planners and their cohort of experts a vehicle to convey technology and know-how to farmers in Minas Gerais. While planners and technocrats often critiqued the results of their programmatic efforts, they consistently valorized rural extension over the course of a decade.

In the early 1950s, ACAR's infrastructure rapidly expanded in Minas Gerais. Yet, short-term commitments between the AIA and the Minas Gerais state government caused friction over strategies to promote economic development. Renewed political and economic commitment by both parties in the mid-1950s provided longer-term stability. Further, in 1956, Brazil's federal government launched the ACAR model semi-nationally, endorsing the institution's approach to promote agrarian change. This political decision coincided with the standardization of rural extension and the support for access to credit contracts as common practice across the national network. By the late 1950s, ACAR's initial aims of improving the lives of farming families and improving home economics markedly shifted towards increasing agricultural productivity. In doing so, rural extension offered state planners a malleable method to promote science and technology to intensify farm production, while avoiding calls for large-scale land reform.

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Brazil's agricultural sector experienced dramatic changes during the second half of the twentieth century. Many farmers diversified their crops and adopted technology and techniques intended to boost crop yields, especially in the south and southeast of the country. Crops destined for export markets featured prominently, as Brazil's federal government promoted agricultural modernization as an engine of national economic growth. By the end of the twentieth century, Brazil had solidified its position as a prominent agricultural exporter on the global stage.

Unlike the situation in other Latin American countries, agricultural modernization in Brazil did little to challenge the traditional land ownership structure. Instead, government policies promoted science and technology to intensify agricultural productivity, sometimes called a “conservative modernization.”¹ Historian Herbert Klein and Economist Francisco Vidal Luna emphasize the 1960s as a “take-off” point for an agricultural boom in Brazil.² This report focuses on the preceding decades through the operations of the Association of Credit and Rural Assistance (Associação de Crédito e Assistência Rural—ACAR) in Minas Gerais state, located in southeast Brazil. I examine how international and Brazilian planners and technocrats gradually and procedurally developed a system of rural extension and supervised credit in Minas Gerais to promote a model of agricultural change. Rural extension later became an often-used vehicle by the Brazilian government and its cohort of experts to implement agrarian development programs nationally.

The term “rural extension” generally refers to the conveyance of knowledge, practices, and technical advice from an expert to a farmer. The term “rural” typically referred to regions with agricultural or livestock-rearing activities. Brazilian planners sometimes described rural extension as a service, signifying a laborious process of engagement performed by experts to facilitate access to

technology and know-how. Planners portrayed rural extension as a method to connect research and policy with farmers who grew crops, reared livestock, and managed their farms. Rural extension required experts, most often trained agronomists and technicians, who populated the institutional infrastructure in rural areas. In the case of ACAR, the approaches of experts evolved with institutional aims, as agronomists and technicians sought to diagnose and offer solutions to a variety of perceived problems. Thus, what rural extension entailed in practice remained malleable, since ACAR's policymakers consistently maintained an ambitious but vague rhetorical goal to "intensify" agricultural production and improve the social and economic lives of those in rural Minas Gerais.³

ACAR's Foundation and Initial Operations

ACAR was founded in 1948 as an agrarian development initiative for Minas Gerais state. It emerged as a partnership between Nelson Rockefeller's U.S.-based American International Association (AIA) and the Minas Gerais state government.⁴ ACAR's initial goals aimed to improve the quality of life and increase agricultural productivity in rural Minas Gerais. To do so, ACAR would offer "supervised credit" to small-scale farmers, which typically included facilitating financial loans for projects and providing technical advice. This approach held that increasing productivity would raise farm income and benefit agricultural families and rural communities. But the goals in 1948 extended well beyond productivity. ACAR's founding charter outlined objectives that included providing access to credit, improving home and farm infrastructure and tools, improving health, sanitation, education, domestic industry, nutrition, literacy, and developing an associative spirit.⁵ ACAR summarized these goals in a central phrase: "to help the rural population to help themselves."⁶ But unlike similar self-help rhetoric of earlier periods, ACAR offered an institutional pathway to building relationships.

In addition to providing financial investment to support ACAR, the AIA also sent agronomists and specialists from the U.S. to train Brazilian employees. The AIA

played a crucial role by providing funding, technical knowledge, and stability as a U.S.-based institution that framed itself as apolitical, non-profit, and promoting development. ACAR's structure can be traced to the U.S. Farm Security Administration (1935-1937), which was reformed into the Farmers Home Administration (1937-1942), aimed to educate and advise agriculturalists to resolve the root problems causing rural poverty.⁷ Historian Maria Teresa Lousa da Fonseca notes that "rural extension" in the U.S. did not always include the provision of credit. But when applied to "underdeveloped" countries by U.S. aid organizations, credit played a key role. ACAR merged these approaches into the system of "supervised credit."⁸

The initial leadership of ACAR included a five-member administration board, with two appointed by the Minas Gerais government, two by the AIA, and a fifth proposed by the AIA and approved by the Minas representatives. The Minas government appointed Brazilians Dr. José Barbosa Mello (lawyer and large-scale farmer) and Dr. Paulo Penna de Salvo (agronomist and large-scale farmer); the AIA placed Americans Dr. John B. Griffing (agronomist) and Dr. William H. Alton (lawyer and IBEC consultant in Brazil). They agreed upon American Walter L. Crawford as the fifth member and director of the institution. Crawford previously worked for the Farmers Home Administration in the U.S.⁹ The AIA and its majority American board members wielded considerable influence over the initial activities.

Planners selected the town of Santa Luzia in Minas Gerais for the first local office in January 1949 and expanded to five by March.¹⁰ In addition to providing general advice at the office and through farm visits, ACAR's technicians also drafted agreements for farmers to access supervised credit. In the early 1950s, loans were designed for projects that aimed to improve the economic and social standing of families.¹¹ The state bank of Minas Gerais, Caixa Econômica do Estado de Minas Gerais, partnered with ACAR to issue the loans. The bank relied on ACAR technicians to identify the farmers, create the administration plan detailing the activities, and assess progress on the farms. Caixa Econômica played a crucial role since Minas Gerais' agricultural areas generally lacked access to banks.¹²

Growth and Experimentation in the 1950s

As ACAR continued to establish more local offices, national and Minas Gerais state politics drastically shifted. In 1950, Getúlio Vargas won the presidential election. Juscelino Kubitschek became the governor of Minas Gerais in 1951 on a platform of promoting energy and transportation infrastructure, both of which informed his later federal presidency (1956-1961). Kubitschek did not prioritize agricultural investment.¹³ However, he solidified Minas Gerais state's role in ACAR. The continued commitment of the AIA and its apolitical image likely made ACAR an appealing program for Kubitschek to maintain.¹⁴

In 1952, an internal AIA memo assessed ACAR's credit system as a "major contribution to economic, social and political stability." The idea of stability fit within the AIA's conception of development, whereby "the starting point of progress is production and the first step in economic aid is [to] provide tools of production."¹⁵ The AIA emphasized how agricultural credit would lead to increased production on the farm, and benefit both the borrower and the bank.¹⁶ Yet, this developmental model faced skepticism in Minas Gerais.

ACAR's efforts to engage agricultural families in Minas Gerais provoked some internal criticism. Brazilian Geraldo Oscar Domingues Machado, a professor of agronomy at the Rural University of Minas Gerais who also worked with ACAR, doubted the application of the U.S. approach. Machado contextualized the differences between "underdeveloped" poverty in Minas Gerais and "developed" poverty in the United States. Rather than lacking cars or refrigerators, Brazilians instead lacked the essentials including food, medicine and clothing.¹⁷ Herein lay the friction of applying the U.S. model to promote rapid agricultural change in Minas Gerais where families lacked basic resources. Specializing in one crop or activity meant less diversification among crops that sustained the family, which increased risk and reliance on market prices. In this vein, Machado encouraged farmers to diversify and plant basic food crops for consumption, explicitly opposing "the trend towards monoculture" in place of an "equilibrium" in farm production.¹⁸

Despite expanding its methods to reach farmers, ACAR viewed its future as depending on the renewal of short-term contracts between the Minas Gerais government and Rockefeller's AIA. In July 1954, Brazilian João Napoleão de Andrade, the president of ACAR's administrative group, wrote directly to Nelson Rockefeller and the AIA to lobby for a new three-year contract. Not signing the contract, wrote Andrade, would leave "ACAR in a weakened position...that would reduce their operations or kill it outright."¹⁹ Andrade feared uncertain political support with the upcoming Minas Gerais state elections. He assumed that a longer-term commitment from the AIA would incentivize the next government to continue supporting ACAR. Andrade's efforts proved fruitful and Rockefeller authorized a new contract with the AIA in the same year.

Equipped with renewed stability, ACAR's planners sought to convey a more uniform internal message for its employees. In March 1955, the institution launched a newsletter, the first of which framed ACAR's work in Brazil and in international context. The articles valorized the institution's technicians as "pioneers" and "missionaries," contributing to a "unifying spirit of extension" necessary to change the activities of the "Caboclo or Caipira."²⁰ In this case used as a derogatory term, "Caboclo" generally referred to indigenous characteristics by descent or the adoption of indigenous cultural practices. Less racialized, the term "Caipira" typically depicted a rural inhabitant who was uneducated, irrational, and often impoverished.²¹ The newsletter likely identified these politically and economically marginalized groups as a representation of social backwardness that ACAR targeted for change, rather than the more capitalized small-scale farmers they preferred for the program. Nevertheless, by the mid-1950s, ACAR solidified the idea of rural extension as the vehicle to reach rural participants, but also identified that overly structural and paternalistic approaches failed to generate desired results.

After President Vargas committed suicide in 1954, Vice President João Café Filho assumed the presidency until Juscelino Kubitschek won the federal election the following year. Kubitschek's plan for national economic development crystalized in the ambitious Targets Plan to strengthen the government's role in planning, regulation, and finance, especially regarding industrialization.²² His prior support

for ACAR as Minas Gerais governor continued into his presidency. Once in office, Kubitschek proposed the creation of a national “ACAR of Brazil” in partnership with the AIA. After meeting with Kubitschek, AIA administrator Henry Bagley expressed his skepticism, noting that “ACAR and AIA people know well that he [Kubitschek] never understood what ACAR is, though he has given it full support.”²³ Bagley worried that a federal program would be expensive and inefficient, and most significantly “serve regions without need for ACAR type work.”²⁴ Bagley did not detail the types of regions he believed were in need.

In June 1956, Kubitschek announced the creation of the Brazilian Credit and Rural Assistance Association (Associação Brasileira de Crédito e Assistência Rural—ABCAR).²⁵ State-based organizations operated as independent initiatives, linked by ABCAR’s administration in Rio de Janeiro. The AIA doubled the financial contribution earmarked for ACAR to support the national network, while maintaining clear prioritization of the Minas Gerais system. The states of Minas Gerais, Santa Catarina, Paraná, Rio de Janeiro, Espírito Santo, and joint programs in the northeast supported institutions similar to ACAR by the end of 1956.²⁶

Brazilian, U.S., and international experts met throughout 1957 to define internal practices for the national network. Planners concretized the philosophy and principles of rural extension and supervised credit at one gathering. The meeting included representatives from ABCAR and ACAR, from Brazilian universities, and from the federally-operated Bank of Brazil. International representation included the AIA and the United Nations Food and Agriculture Organization (FAO). The inclusion of the FAO reflected the significance of the national network and potential multilateral partnerships. At the meeting, planners outlined ABCAR’s aim to “elevate the living conditions for rural populations through a program of joint rural extension and supervised credit,” and to spur development in the rural areas.²⁷ They standardized the use of the terms “rural extension” and “rural supervised credit.” Rural extension included the process of building relations, establishing programs and educating growers, followed by supervised credit that involved financial borrowing and rural administration.²⁸ This two-step process, whereby supervised credit proceeded after a period of rural extension, became the

established method.

The continued expansion of ABCAR and ACAR's operations in the late 1950s corresponded with celebrations of rural extension work. In 1959, ACAR published a detailed reflection on its previous ten years in Minas Gerais. It described its "extensionists" (practitioners of rural extension) as "empowered and conscious of their mission to bring the rural families the conquests of modern science, the research from experimentation in agriculture and the home economy."²⁹ This type of rhetoric differed from the original language of alleviating poverty and helping farmers help themselves. ACAR's priorities can be seen in the financial breakdown of credit contracts. Over 85 percent of approved financing was earmarked for aspects of production, including animals, labor, tools, and fertilizers, while 12 percent corresponded with projects to improve the home and domestic economy.³⁰ A clear prioritization developed towards farm production over domestic projects.

Walter Crawford's dual role as ACAR president and AIA employee required that he send reports to the AIA's New York office. In these reports, Crawford painted a more measured assessment than ACAR's official publications. In 1959, he wrote that "the formula of rural extension tied to supervised credit is generally recognized throughout the country (Brazil) as a practical method of raising the rural standard of living."³¹ However, he questioned future stability: "the plant needs continued good nourishment if it is to resist the shocks of inexperience, personal ambitions, political pressures, technical weaknesses, inflation and other threats."³² The issue of uncertain Brazilian political support surfaced once again, as well as concerns about a lack of resources and trained personnel. Crawford also lamented that most increases in farm output were the products of putting more land under use, rather than increasing worker output and productivity.³³ His concerns about ACAR, the largest network of local and regional offices, likely provided a similar measure of the national program.

ABCAR's Integration with the Brazilian Government

In 1960, ABCAR published a mild critique of the credit programs over the preceding decade. The institution recognized that extension agents encouraged technology dispersion without comprehending the problems or determining the economics. Yet, planners remained steadfast in valorizing the model, and in stating the benefits of rural extension to spur rural development.³⁴ Perhaps in response to the national assessment, ACAR launched new efforts to increase training and sharpen their outreach through a broadening web of partnerships. For the first time, the Brazilian federal government provided funds to expand ACAR's operations, yet new partnerships and investment did little to change ACAR's approach to agrarian transformation. In 1960, agronomist José Paulo Ribeiro became the executive director and stressed the priority of strengthening rural extension to provide “indispensable technological knowledge” that would “solve the problems impeding rising income” and improve the lives of those who participated in the program.³⁵

The Brazilian government's heightened influence over ABCAR shaped the institution's objectives and coincided with declining AIA investment. ABCAR continued to celebrate the values of rural extension, but its goals increasingly framed agrarian development as integral to national economic and industrial growth. In Minas Gerais, ACAR responded to the shifting political landscape by trumpeting the importance of its activities. In their 1961 annual assessment, ACAR's policy makers stated: “we are living in one of the most dangerous, exciting, and significant periods of the world...development is more important now than ever. The rural people are not equally participating with the larger sectors in the results of economic and social advancement.”³⁶ ACAR's assessment of agricultural change in the state remained staunchly critical of agrarian actors, rather than their own efforts, describing a “static rural population,” steeped in older practices. ACAR stressed the need “to promote changes in knowledge, habit and attitudes” of rural people.³⁷

The repeated critique by ACAR's policy makers towards farmers' resistance to abandon practices and adopt new ones indicated a disconnect on the ground. It is unlikely that farmers who participated in ACAR's programs were able to reach the institution's lofty expectations. The goals of education and development were distinctly vague and often changed. Furthermore, soaring inflation in the late 1950s and early 1960s likely diminished the value of credit contracts and profitability for small farmers. It seems, however, that after more than a decade of effort, ACAR recognized the complexity of its endeavor, especially compared to their lofty goals. The institution's 1961-1962 assessment described its work as "agitating in isolation, searching to resolve this or that problem. The reality is that agrarian problems are complex, inter-related, and interdependent."³⁸ Despite recognizing their limits, planners continued to endorse rural extension as a valued program with the potential to bring about measurable changes.

Final Considerations

The ongoing criticism of farmers in Minas Gerais stemmed from two interwoven factors. First, ACAR and the national ABCAR network frequently enhanced their goals as funding and the technical networks expanded. They also critiqued the "rural" as a singular rather than only those who partnered with the institutions—this blanket assessment justified continual institutional expansion. Second, the frequent assessment that farmers failed to fully embrace the model provided evidence that social and cultural change required long-term partnerships, educational in nature and reliant on technological and administrative adoption. This view justified planners' continued pursuit of development, and investment in rural extension as a vehicle to achieve it.

Documents from the Rockefeller Archive Center offered a valuable perspective on the AIA's role in ACAR's operations. The correspondence between AIA officials who worked with ACAR in Brazil provided essential counterpoints to ACAR's official documentation, revealing considerable negotiation in how planners adapted programs to reach farmers in agrarian regions of Minas Gerais, and through ABCAR. The AIA reports also reveal the broad and multi-polar support

for the use of rural extension in ACAR's operations, even as what it entailed frequently changed over the 1950s. Furthermore, the decline in the AIA's participation in ACAR and ABCAR coincided with increasing integration of agrarian development programs within Brazil's federal government, a trend that dramatically accelerated into the 1960s and 1970s.

¹ Herbert S. Klein and Francisco Vidal Luna, *Feeding the World: Brazil's Transformation into a Modern Agricultural Economy* (Cambridge: Cambridge University Press, 2019), 2.

² Klein and Luna, *Feeding the World*, 2.

³ Minas Gerais State Government, *Lei Registro numero 12.854, Convênio celebrado entre o Governo do Estado de Minas Gerais e a Associação Internacional Americana* (Belo Horizonte: 6 December, 1948), 1.

⁴ Minas Gerais State Government, *Convênio celebrado*, 1.

⁵ Minas Gerais State Government, *Convênio celebrado*, 1.

⁶ Associação de Crédito e Assistência Rural (ACAR), *Relatório 1950/1951* (Belo Horizonte, 1951), 3.

⁷ Gabriel N. Rosenberg, *The 4-H Harvest: Sexuality and the State in Rural America* (Philadelphia: University of Pennsylvania Press, 2015), 177.

⁸ Maria Teresa Lousa da Fonseca, *A extensão rural no Brasil, um projeto educativo para o capital* (São Paulo: Edições Loyola, 1985) 82.

⁹ José Paulo Ribeiro, *A saga da extensão rural em Minas Gerais* (São Paulo: Annablume Editora, 2000), 27.

¹⁰ Ribeiro, *A saga da extensão*, 95.

¹¹ Ribeiro, *A saga da extensão*, 95.

¹² Associação Brasileira de Crédito e Assistência Rural (ABCAR), *Reformulação da política de aplicação do crédito rural em articulação com a extensão rural* (Rio de Janeiro, 1960).

¹³ Juscelino Kubischek, "Governor's Speech 1953," Found in Marshal Eakin, *Tropical Capitalism: The Industrialization of Belo Horizonte, Brazil* (New York: Palgrave, 2001), 115.

¹⁴ Antônio Pedro Tota, *O Amigo Americano: Nelson Rockefeller e o Brasil* (São Paulo: Companhia das Letras, 2014), introduction.

¹⁵ Internal Memo, AIA, July 22, 1952, Series B, Box 1, Folder 1, Nelson A. Rockefeller Personal Papers AIA-IBEC, Rockefeller Archive Center, Sleepy Hollow, NY.

¹⁶ Internal Memo, AIA, July 22, 1952, Nelson A. Rockefeller Personal Papers AIA-IBEC.

¹⁷ Geraldo Oscar Domingues Machado, *A pobreza rural em Minas Gerais* (Belo Horizonte, 1953), 14.

¹⁸ Machado, *A Pobreza Rural*, 16.

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- ¹⁹ João Napoleão de Andrade, "President of the Junta Administrative of ACAR to Nelson Rockefeller," July 22, 1954, Series B, Box 1, Folder 1, Nelson A. Rockefeller Personal Papers AIA-IBEC, The Rockefeller Archive Center, Sleepy Hollow, NY.
- ²⁰ ACAR, *Boletim Informativo* (March 1955), 1.
- ²¹ Antônio Cândido, *Os parceiros do Rio Bonito: estudo sobre o caipira paulista e a transformação dos seus meios de vida* (São Paulo: Livraria Duas Cidades, 1979), Chapter 1.
- ²² Ioris, *Transforming Brazil*, 4.
- ²³ Letter from Henry Bagley to Francis A. Jamieson of the International Basic Economy Corporation, February 29, 1956, Series B, Box 1, Folder 7A, Nelson A. Rockefeller Personal Papers AIA-IBEC, The Rockefeller Archive Center, Sleepy Hollow, NY, 1.
- ²⁴ Letter Bagley to Jamieson, 1956, Nelson A. Rockefeller Personal Papers AIA-IBEC, 1.
- ²⁵ Fonseca, *A extensão rural no Brasil*, 110.
- ²⁶ Ribeiro, *A saga da extensão*, 107..
- ²⁷ ABCAR, *2 Reunião de Técnicos em Extensão Rural e Crédito Supervisionado* (Belo Horizonte, October 1957), 1.
- ²⁸ ABCAR, *2 Reunião de Técnicos*, 1.
- ²⁹ ACAR, *Dez anos a serviço do povo rural de Minas Gerais, 1959* (Belo Horizonte, 1959), 6.
- ³⁰ ACAR, *Dez anos*, 28.
- ³¹ Memorandum from Walter Crawford and Henry Bagley to the Board of Directors of the AIA, Rio de Janeiro, June 8, 1959, Series B, Box 1, Folder 7A, Nelson A. Rockefeller Personal Papers AIA-IBEC, The Rockefeller Archive Center, Sleepy Hollow, NY, 1.
- ³² Memorandum from Crawford and Bagley, June 8, 1959, Nelson A. Rockefeller Personal Papers AIA-IBEC, 1.
- ³³ Memorandum from Crawford and Bagley, June 8, 1959, Nelson A. Rockefeller Personal Papers AIA-IBEC, 2.
- ³⁴ ABCAR, *Reformulação da política de aplicação do credito rural em articulação com a extensão rural* (Rio de Janeiro, 1960), 46.
- ³⁵ ACAR, *Programa para o ano agrícola, 1960-1961* (Belo Horizonte, 1960), 2.
- ³⁶ ACAR, *Programa para o ano agrícola, 1960-1961*, 4-5.
- ³⁷ ACAR, *Programa para o ano agrícola, 1960-1961*, 4-5.
- ³⁸ ACAR, *Programa 1961-1962*, 2.