



The Brazilian Program of Production and Use of Biodiesel, Family Farming and the interfaces with the 2030 Agenda

The biodiesel production, its connection with family farming through PNPB¹ and its positive role in advancing the Sustainable Development Goals (SDGs) under the 2030 Agenda.

¹National Program for the Production and Use of Biodiesel



Family Farming

- FAO² estimates that there are 608 million farms worldwide, more than 90% of which are classified as family farming.
- They occupy between 70% and 80% of the world's rural areas and are responsible for producing about 80% of the food yield.
- 84% of these farms are managed by smallholders (with less than two hectares).

²Food and Agriculture Organization of the United Nations.

According to Law No 11,326/2006, a family farmer is defined as someone working in rural areas who meets the following requirements:

- Owns an area up to four fiscal modules³;
- Predominantly uses Family labor;
- Derives a percentage of their income from the rural enterprise;
- Runs the establishment with their family.

³The size of the fiscal module varies by municipality, depending on factors such as land use, income generated, and the degree of land utilization, among others.



- In Brazil, there are around 5 million agricultural establishments⁴, 77% of which are classified as family farming, accounting for 80.9 million hectares and representing 23% of the total area.
- Family farming constitutes the economic basis of 90% of Brazilian municipalities with up to 20,000 inhabitants (68.3% of all municipalities).
- Besides, family farming is the primary source of food production in Brazil. It accounts for 70% of the food consumed and engage 70% of all personnel in agricultural activities.
- Family farming represents an important link in social protection and can contribute to combating hunger and food insecurity in Brazil.

⁴According to the latest agricultural census, conducted by IBGE in 2017.



For more information on cooperative actions in 2025: [click here.](#)

The mandatory addition of biodiesel to fossil diesel, starting in 2008, has played a crucial role in promoting and developing family farming.
Law nº 11.097/2005

Goals

- Introduce biodiesel into the energy matrix.
- Reduce dependence on fossil fuels.
- Include family farmers in the production chain.

SBS
Social Biofuel Seal

What is the PNPB?



National Program for the Production and Use of Biodiesel

Launched by President Lula in 2004

The program is based on 3 pillars:

- Mechanism for including family farming in the PNPB
- Granted and monitored by the Ministry of Agrarian Development and Family Agriculture (MDA).
- Tax incentives for companies purchasing from family farming. The more diversified the raw materials (RMs) and the regions, the greater the tax benefit. Priority is given to RMs other than soy and corn and/or originating from the Northeast and Semi-Arid regions.
- Defines the rules governing the relationship between biodiesel-producing companies and raw material producers.
- According to current regulations, 80% of the biodiesel used in the blend with diesel must come from companies holding the SBS certification.

Biodiesel-producing companies

Must make minimum expenditures in family farming, such as purchasing a minimum percentage of RMs from families and/or intermediaries, establish advance contracts, and provide technical assistance to farmers.

Raw material-producing families

Must be enrolled in the National Program for Strengthening Family Farming (Pronaf) and registered in the Rural Environmental Registry (CAR).



Social

Regional development
Employment and income generation



Environmental

Reduces greenhouse gases and harmful pollutants
Increases renewability of the national energy matrix



Economic

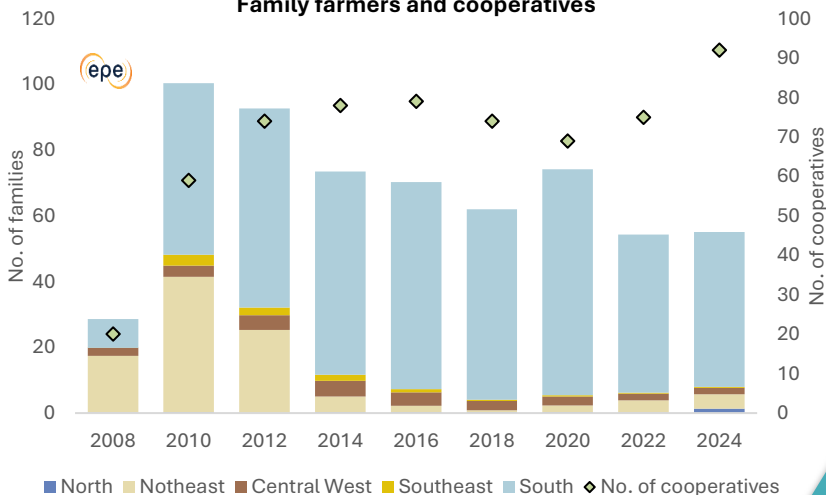
Mitigation of diesel oil imports

Specific family farming policies generally include three types of instruments: credit, technical assistance, and organizational support. The PNPB has promoted the use of these instruments and has proven to be a successful policy, as evidenced by socioeconomic indicators.



PNPB socioeconomic indicators

Family farmers and cooperatives



Source: EPE based on MDA

The number of beneficiary families has fluctuated since the launch of the PNPB, reaching in 2024 almost twice the level recorded in 2008.

The number of cooperatives has also fluctuated, showing significant growth in 2024, when it reached its peak.

Over the years, the South Region has gained prominence and currently accounts for approximately 90% of the families, with an agrarian settlement model based on small and medium-sized properties that favors land management by family farmers.

Recommendation to promote greater regional diversification*

Although the initially proposed crop mix was diverse, the vertical integration of soybean cultivation increased its competitiveness compared to other crops, and this oilseed has taken on a prominent role.

Brazil is the world's largest soybean producer, with the highest global productivity and planted area.

- The most widely grown crop in the country with a consistent supply
- Consolidated and technologically mature production chain
- Cultivated across all Brazilian regions
- Supported by legal framework that monitors its expansion boundaries



Recommendation to increase raw material diversification**

The income earned by families participating in the program has grown significantly, indicating the success of this initiative.

Gross income⁵ reached its peak in 2024.

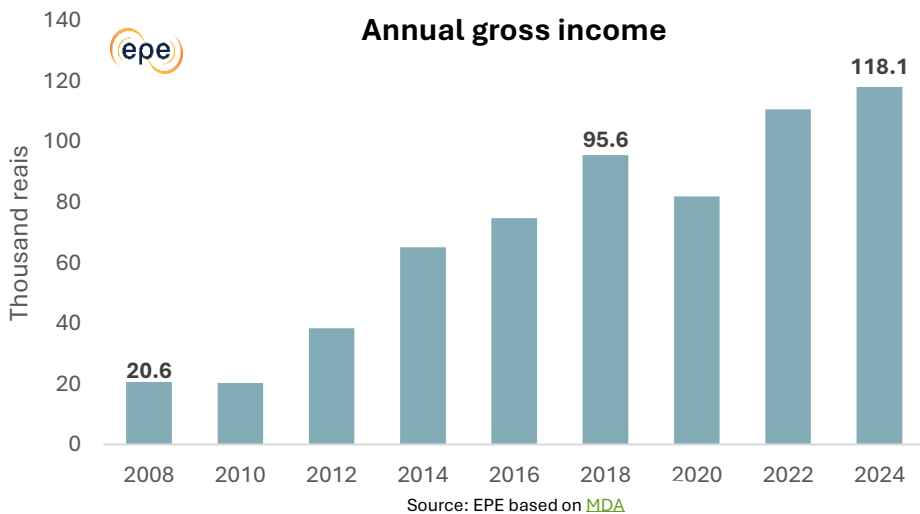
The decentralized generation of employment and income acts as a driver of related activities in the areas where these families live.

⁵It is important to note that this income refers only to that obtained from raw materials for biodiesel production, and families may have additional sources of income from other activities.

Based on I-O⁶ methodology:

Biodiesel produced by family farming generates 5.4 times more jobs than fossil diesel.

⁶Input-Output (I-O) Matrix: A methodology that summarizes all monetary interactions of a given country or region, highlighting the demand for technical inputs and the supply of products from all sectors of that country or region.



Source: EPE based on MDA

6.5

R\$ billions

Sales value

Commercialized volume

2.8

Million tons

55,128

Families

Cooperatives

92



SBS statistics in family farming

2024

Key Regulations

Regional and Raw Material Diversification

MME/MDA Ordinance No. 02/2023

Incentive mechanisms and acquisitions from Family Farming for the PNPB in the North, Northeast, and Semi-Arid regions.

**MDA Ordinance No. 28/2024

Criteria for granting and maintaining the SBS, fostering greater diversification of raw materials and promoting new mechanisms for social inclusion.

*Decree No. 11,902/2024

It expanded the possibilities for acquiring products from family farming, allowing companies to account for purchases of items outside the direct biodiesel supply chain, especially in the North, Northeast, and Semi-Arid regions.

MDA Ordinance No. 36/2025

Family farming promotion projects carried out by biodiesel manufacturers, as required by the SBS, now require prior evaluation by the Secretariat of Family Farming and Agroecology.



Sustainable Development Goals (SDG)

2030 Agenda



Established by the United Nations General Assembly

A framework of 17 global goals to be achieved by 2030

Defined and agreed upon at the UN Sustainable Development Summit in 2015.



SDGs that reflect the interfaces between Family Farming, the PNPB, and the 2030 Agenda



No Poverty

Family farmers make a significant contribution to Brazil's food supply. Increasing food availability can help reduce food insecurity.

Family farming supplies food products, while the PNPB supports small producers through infrastructure development and income generation.



Zero Hunger

Family farmers can partner with programs that provide school meals, thus supporting the achievement of the 2030 Agenda SDGs.



Quality Education

Promotes renewable energy sources, such as biodiesel



Affordable and Clean Energy



Decent Work and Economic Growth

Job creation and strengthening of the local economy.

The adoption of renewable sources for biofuel production enhances the sustainability of the national energy matrix and helps reduce greenhouse gas emissions.



Climate Action



Final Remarks

PNPB

+

Family Farming

+

2030 Agenda

Replicating the PNPB model for new biofuels is planting the seeds for a fairer and more sustainable future for all!

The PNPB plays a central role in promoting family farming and in the socioeconomic integration of small producers into the biodiesel supply chain. It is considered a benchmark model for public policies aimed at productive inclusion of family farming, focused on a fair and inclusive energy transition. Its application to new biofuels and other sectors is recommended for evaluation.

Technical assistance and rural extension activities contribute to farmers' technical training and boost economic activity, creating jobs, increasing income, and improving quality of life. They also support biofuel production, enhancing the sustainability of the national energy matrix.



These indicators are linked, in various ways, to several of the United Nations Sustainable Development Goals of the 2030 Agenda.

Social Biofuel Seal is an unprecedented instrument in the international context, standing out for promoting effective integration between energy and food security through a more equitable distribution of the economic benefits generated by biodiesel production chain.

President

Thiago Prado

Director

Heloisa Borges Bastos Esteves

Technical Coordination

Angela Oliveira da Costa

Technical Team

Dan Abensur Gandelman

Danielle Borher de Andrade

Euler João Geraldo da Silva

Juliana Rangel do Nascimento

Leônidas Bially O. dos Santos

Marina Damião B. Ribeiro

Paula I. da Costa Barbosa

Rachel Martins Henriques

Rafael Barros Araujo

For more information:

[Biofuels Current Outlook](#)

[Ten-Year Energy Expansion Plan](#)

EPE assumes no responsibility for decisions or actions taken based on the information contained in this report, nor for any misuse of such information.