

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Colombia

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Colombian Government Plans to Restructure the Agricultural Program

Report Categories:

Agricultural Situation

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Report Highlights:

The Government of Colombia (GOC) is planning to restructure the AIS (Agricultural Secure Income) program to increase its support to small and medium size farmers. The GOC's objective is to alleviate the financial situation of small producers who are expected to be adversely affected by Colombia's rapid implementation of free trade agreements.

General Information:

Since 2007, the Government of Colombia (GOC) created the AIS program as a policy aimed at endowing Colombian agriculture with the appropriate tools to improve competitiveness of the agricultural sector. The AIS's program promotes sustainable rural development that will provide the conditions to increase income for rural producers that could be negatively affected by the implementation of Colombia's recently negotiated free trade agreements. Since its creation, the program has received around \$1 billion to subsidize interest rates of agricultural project loans, irrigation and drainage projects, and technical assistance.

AIS Annual Budget and Projects Funded

	2007	2008	2009	2010*	Total
Annual Budget (\$million)	222	278	308	273	1,081
Projects Funded	22,070	44,034	56,055	29,463	151,622

Source: Colombian Ministry of Agriculture

* By June/2010

In 2009, the AIS's program received several allegations by the Colombian press about the possible deviation of resources to benefit large-scale farmers. The major criticism of the program was that it did not properly involve small and medium size farmers who are considered the most vulnerable population in the country, because of the Colombian economic internationalization and forced displacement phenomenon. The GOC is currently investigating AIS's irrigation and drainage program beneficiaries in order to determine if the program was used inadequately.

The new Minister of Agriculture, Juan Camilo Restrepo, intends to restructure the AIS program by 2011. His goal is to eliminate the program's lack of reliability and instead enhance sustainable rural development. The main adjustment is to distribute the resources (\$250 million per year) among the small and the medium size farmers. The Minister of Agriculture plans to encourage associative models for the small and the medium size farmers through technical support, financial assistance and subsidies in order to increase competitiveness and generate a strong impact on the rural sector.