

## **Agribusiness in Brazil: The narrative drives on**

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### **Abstract**

The article constitutes an investigation into the renovation of industrial-scale agriculture in Brazil and the persistence of perverse practices established in earlier politico-economic periods. The steady expansion of agribusiness in the country constitutes a relevant chapter of the world-ecology of neoliberal capitalism that connects, and transforms, national and local forms of socio-ecological interaction. The current text pays particular attention to ideological constructions, hidden tensions and evolving interventions of the state apparatus. It is focused on the frontier of agribusiness expansion, in particular the production of soybean in State of Mato Grosso. Agribusiness has many innovative features when compared with previous and nationalistic phase of agriculture modernisation, but it also betrays the strong elements of social exclusion, authoritarianism and deception. Instead of agrarian reform and local food production, as demanded by large proportions of the Brazilian population, the prevailing solution, jointly promoted by the public and private sector, was to intensify agribusiness activities according to hegemonic, top-down priorities.

**Key words:** Agribusiness; food security; agri-food regime; neoliberalism; Mato Grosso; Brazil.

### **Agronegócio no Brasil: A narrativa que conduz**

#### **Resumo**

O artigo constitui uma investigação sobre a renovação da agricultura em escala industrial no Brasil e sobre a persistência de práticas estabelecidas em períodos político-econômicos anteriores. A expansão do agronegócio no país constitui um capítulo relevante da ecologia-mundial do capitalismo neoliberal, a qual se conecta com, e transforma, formas nacionais e locais de interação sócio-ecológica. O texto baseia-se em uma análise qualitativa e presta especial atenção às construções ideológicas, tensões dissimuladas e intervenções do aparelho de Estado. De modo particular, é discutida a fronteira de expansão do agronegócio e produção de soja no Estado do Mato Grosso. Os resultados deixam evidente que o agronegócio tem muitas características inovadoras quando comparado com a fase nacionalista da modernização da agricultura, mas também revela fortes elementos de exclusão social, autoritarismo e manipulação. Em vez de reforma agrária e produção local de alimentos, como exigido por uma grande parte da população brasileira, a solução preponderante, promovida em conjunto pelo sector público e privado, tem sido intensificar as atividades do agronegócio de acordo com prioridades hegemônicas e centralizadas.

**Palavras-chave:** Agronegócio; segurança alimentar; regime agroalimentar; neoliberalismo; Mato Grosso; Brasil

### **Agronegocio en Brasil: La narrativa que conduce**

#### **Resumen**

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El artículo es una investigación sobre la renovación de la agricultura en escala industrial en Brasil y sobre la persistencia de las prácticas establecidas en tiempos políticos y económicos anteriores. La expansión del agronegocio en el país es un capítulo importante de la ecología-mundo del capitalismo neoliberal, que conecta con, y se transforma, formas nacionales y locales de interacción socio-ecológica. El texto se basa en un análisis cualitativa y presta especial atención a las construcciones ideológicas, las tensiones ocultas y las intervenciones del aparato estatal. En particular, se analiza la expansión del agronegocio de la frontera de la soja y la producción en el estado de Mato Grosso. Los resultados dejar claro que el agronegocio tiene muchas características innovadoras en comparación con la fase nacionalista de la modernización de la agricultura, sino que también revela fuertes elementos de la exclusión social, el autoritarismo y la manipulación. En lugar de la reforma agraria y la producción local de alimentos, como es requerido por una gran parte de la población, la solución predominante, promovido conjuntamente por el sector público y privado, ha sido la intensificación del agronegocio, de acuerdo con las prioridades hegemónicas y centralizadas.

**Palabras-clave:** Agronegocio; seguridad alimentaria; régimen agroalimentario; neoliberalismo; Mato Grosso; Brazil.

“The food system is a battlefield, though few realize quite how many casualties there have been.”  
Raj Patel, *Stuffed and Starved* (2007)

“... never, never in history, has the horizon of the thing whose survival is being celebrated (namely, all the old models of the capitalist and liberal world) been as dark, threatening, and threatened.”  
Jacques Derrida, *Spectres of Marx* (1994)

## Introduction: The significance of Brazilian agribusiness

The celebrated success of the agribusiness sector in Brazil since the late 1990s, after a brief and painful transition period, offers an intriguing case study of the contradictions of intense capitalist agriculture. The intensification of agribusiness – ultimately, the conversion of agri-food activities and different farming approaches into industrial-like agriculture production and commercialisation – has been an important element of the hegemonic response to the multiple crises of capitalist accumulation in the 1980s and of the exhaustion of a model of development largely based on direct state support (from around the middle of the 20<sup>th</sup> Century). The apparatus of the state moved from a position of defender and main financier to become the manager of production chains and of the insertion of Brazilian agribusiness into globalised markets. The current neoliberal-populist state (managed by presidents of the PT party since 2003) has actively promoted agribusiness in partnership with a highly organised productive sector (especially in the so-called soybean complex). The aggressive defence of agribusiness by both the private and public sectors is the result of a well-orchestrated synergy between local scales of interaction and transnational flows of capital. Contemporary rural development has been the result of the influence of transnational corporations, the integration of domestic production into global trade and a number of free trade agreements (particular after the

creation of the World Trade Organisation in 1995). Such complex bases of the agribusiness sector are daily reinforced through various mechanisms of self-justification, together with the condemnation the other rural activities considered archaic or misplaced in time and space. As claimed by the national representation of agribusiness ABAG, “soybean production was born modern” and it is a good example of the best the country can offer to the rest of the world (Furtado, 2002, p.135). Areas directly associated with agribusiness-centred development, as in the case of the states of São Paulo, Mato Grosso and Goiás, are considered examples of ‘the Brazil that is doing well’ [*o Brasil que dá certo*].

However, as in other parts of the globe, the advance of Brazilian agribusiness has sparked huge controversy about the actual beneficiaries, uncertain prospects and mounting socio-ecological impacts. Despite the results in terms of economic growth and the circulation of capital, agribusiness represents also an uncompromising process of land concentration or re-concentration, marginalisation and proletarianisation (Murray, 2006). It has entailed an ambivalent combination of tradition and (conservative) modernity, new social order and old political structures, which is vividly present in the discourse and practice of representative organisation and most influential landowners. The political significance of the agribusiness sector is associated with the systematic fabrication of an image of prosperity, geographical advantages and the supposed competence of the farming sector. On the one hand, the country is increasingly seen as an agricultural powerhouse that has a lot to offer in terms of reducing the prospects of a looming, increasingly global, food crisis. On the other, the geography of agribusiness encapsulates the long, non-linear and continual evolution of a tropical version of capitalist agriculture and its attempt to convert labour and nature into commodities and attract them to commodity relations. It means that the various techno-economic innovations adopted by agribusiness players – including land and gene grabs, biotechnology and genetically modified organisms (GMOs), dispossession of common land, financialisation and administration of production by transnational corporations (TNCs) – are all strategies that emerge from business and political interactions, which combine old and new features of the capitalist economy. In the end, globalised market transactions are now so deeply internalised, as in the case of transnational corporate colonisation of Latin American agriculture, that novel forms of imperialism spread inside every nation (see Robinson, 2008).

This article is intended to offer a brief investigation into the renovation of industrial-scale agriculture in Brazil and the persistence of perverse practices established in earlier politico-economic arrangements. Whereas most reactions to the advance of hegemonic agri-food systems have highlighted the centrality of place-embeddedness and the range of socioecological tensions, this critique is normally unreflexive, too defensive and without a more careful treatment of political networks and ideological constructions in favour of agribusiness. It will be discussed here the way entrepreneurial and innovation discourses appropriated the

language of national development and food security to justify preferential treatment by governments and priority investments by government agencies. Our starting point is the realisation that questioning the transformation of agriculture into agribusiness represents, above all, a critical investigation into the economic possibilities and socioecological limitations of contemporary capitalism. Today's agribusiness needs to be seen as an integral and crucial element of the world-ecology of neoliberal capitalism both in core countries and in the so-called Global South (see Moore, 2010). The very notion of agribusiness, which was originally introduced in the 1950s during the Fordist expansion of American agri-food activities, has mutated and now encapsulates distinctive elements of neoliberal economic thinking (e.g. the key role of transnational corporations and new financial instruments) and more flexible public policies (e.g. space for public-private joint ventures and focus on commodity export at the expense of national food production). The neoliberalisation of food and agriculture was a deliberate attempt to fix the systemic crisis of the Fordist agri-food regime, which nonetheless failed to prevent the re-emergence of instability, protest, socio-ecological degradation and, ultimately, legitimacy deficit (Wolf and Bonanno, 2014). The next two sections will investigate the politico-economic changes and the ideological construction of the Brazilian agribusiness, with a focus on the rapidly evolving expansion of production areas in Mato Grosso, probably the most dynamic hotspot of the globalised agri-food sector nowadays.

### **Agribusiness, the role of the state and growing tensions**

In the last two decades, large sections of the Brazilian landscape have been transformed by the advance of agribusiness due to the intensification, and joint operation, of public and private capital investments, particularly since the second half of the Cardoso administration (1995-2002) responsible for macroeconomic stabilisation and important neoliberalising reforms of the national state. After achieving remarkable rates of growth in the 1960s and 1970s, the state-centralised model of agriculture modernisation started to show its serious limitations due to the debt crisis, escalating rates of inflation and the impacts of escalating macroeconomic instability. The Brazilian agriculture sector suffered a period of turbulence and uncertainty in the 1980s and early 1990s due to the reduction of support schemes (e.g. guaranteed prices), significantly higher interest rates, scarcity of bank loans and devaluation of land prices (e.g. 42% from June 1994 to June 1995). The situation changed dramatically in a matter of a few years and, due to favourable commodity prices in global markets in the 2000s (Richards et al., 2012), agribusiness was again confirmed as one of the most critical economic sectors in the Brazilian economy. Ironically, that was even more the case under the populist governments of Presidents Lula and Dilma since 2003 (Petras and Veltmeyer, 2003). For instance, while public rural credit had reached the low mark of R\$ 15

billion per year in the early 1990s, in 2014, in an attempt to please the agribusiness sector ahead of the presidential elections, the federal government announced an increase from R\$ 136 billion in the previous year to R\$ 156 billion with interest rates around 5%, that is, significantly below what is practiced by commercial banks (O Estado de São Paulo, 2014).

The consequence of determined public policies and favourable commodity markets is that the Brazilian agribusiness now accounts for approximately 25% of GDP, 35% of exports and 40% of national jobs (MAPA, 2012). It has benefited from an accelerated internationalisation of agriculture due to constant technological transfers (e.g. new agrochemicals, genetically modified seeds and sophisticated machinery and digital equipment) and the growing influence of globalised agrifood transactions that connect remote farms with national ports and foreign consumers (often at the expense of traditional, local food production). Brazil is now the main exporter of soybean in the world (contributing with 44 million of the total of 105.1 million tons traded in 2013, cf. CEPEA, 2014) and, according to the Brazilian Ministry of Agriculture (MAPA), by 2019 the country will respond for 40% of the global trade of soybean grains [*soja em grão*] and 73% of soybean meal [*farelo de soja*]. There was a replacement of North-South trade (mainly with the European Union, during the national-developmental phase) with increasingly a South-South interconnection (particularly between Brazil and Asia). Commercial exchanges between BR and China reached US\$ 77 billion in 2011 (i.e. Brazil exported 44.3 billion and imported 32.8 billion; agriculture in particular increased from 1.7 billion in 2003 to 14.6 billion in 2011, according to MAPA (2012)). The addition of the Brazilian economy to the performance and the earnings of agribusiness means that the sector now operates as the 'green anchor' of the national economy (Acsehrad, 2012).

One of the side effects of the growing reliance of agriculture exports is that the Brazilian economy has faced a progressive deindustrialisation, a rising imports of intermediate inputs and capital goods and a dangerous dependence on foreign investments. Between 2000 and 2010, the export of primary goods increased from 25% to 45%, while manufactured goods declined from 56% to 43% (Delgado, 2012). From 2004 to 2013, manufacturing dropped from 55.0% to 38.4% of GDP, while primary production increased from 29.5% to 46.7% (MDIC, 2013). Even when agribusiness grows proportionally less than national economy, its contribution to national surplus (in dollar terms) was proven fundamental. Agriculture exports in 2013 reached US\$ 99.97 billion (4.3% more than the previous year) with a net surplus (i.e. minus imports) of US\$ 82.91 billion (including US\$ 30.96 billion from soybean exports alone); the perspectives for the next few years indicate a continuous increase along the same lines (Agroanalysis, 2014). In 2014 the trade balance showed the worst result since 1998 (deficit of US\$ 4.036 billion in 2014, according to MDIC database) with the agribusiness appearing as one of the main money making sectors.

The apparently positive results of the agribusiness sector are far from being unanimously accepted by the wider Brazilian society. On the contrary, there is a general perception among many sectors that agriculture remains too much protected by the government (for instance, the regular failure of a significant proportion of the farmers to pay their debts with public banks) and that the activity is a major cause of deforestation, carbon emissions, biodiversity loss and water pollution. As a result, the sector has strived to lobby and promote its interests, particularly via the Brazilian Agribusiness Association (ABAG), created in 1993. Likewise, technical visits to production areas coordinated by the Round Table on Responsible Soy Association [[www.responsiblesoy.org](http://www.responsiblesoy.org)], established in 2006, have tried to improve the image of the Brazilian agri-food sector with a colourful rhetoric of sustainability, certification and environmental commitment. In a number of TV and radio programmes, agribusiness farmers and their representatives emphasise every day their contribution to regional development and economic growth, but only from the perspective of an intense financialisation of agriculture and the removal of environmental, social and regulatory constraints. However, the discourse of entrepreneurialism, competence and environmental responsibility obscures the fact the results of agribusiness have more to do with the flexibilisation of domestic markets and the deeper insertion of Brazil in global trade. At the same time, the mystification of the success achieved by the agribusiness sector helps to conceal internal disputes, particularly between the majority of the agribusiness farmers and the stronger players (larger farmers and transnational companies).

Bruno (2009) argues that agribusiness is associated with ideas of unity, modernity, wealth creation, valorisation of the sector (at the expense of other forms of agriculture and elimination of alternatives), but behind closed doors there are signs of disunity and often uneasiness with the way farmers are treated by corporations, banks and urban sectors. Although the sector makes use of the appealing symbolism of triumph and modernisation, the evolution of agribusiness served to unify the interests of rural conservative groups and renovate processes of political hegemony and class domination. An important element of the mystification of the apparently positive contribution of agribusiness is the confusion about the role of the national state, which both created additional space for national and international corporations, but also retained the control of a myriad of mechanisms aimed to promote agribusiness. The transformation of the state apparatus under pressures for flexible regulation and lower market constraints led to a new pattern of socionatural interactions, increasingly characterised by associations between state agencies, financial capital and the stronger economic sectors. Large capital has been increasingly present in the Brazilian countryside and dominates the selling of inputs and acquisition of crops after harvest. In addition, a range of novel financial instruments, such as self-financing, private banks, input supplier companies and trading companies filled the gap created by the reduction of the conventional schemes of

the federal government. A notable demonstration of that was the 2004 legislation that created the Agribusiness Receivables Certificates (CRAs), among other titles traded in the São Paulo stock exchange, which is a registered instrument of credit that represents a promise of future payment in cash linked to the debt claim issued by the securitisation company. Until 2013, the amount of traded CRA reached R\$ 1.2 billion (around US\$ 550 million), but there is an expectation that it can increase at 30 times in a few years (IstoÉ Dinheiro, 2103).

Based on the contrast between the rhetoric of efficiency and progress, on the one hand, and the negative image associated with socioecological impacts and state favouring, it is important to reflect on what all that means for the insertion of Brazil into globalised markets and the new geopolitics of 21<sup>st</sup> Century capitalism. Because of the apparently positive results achieved in terms of concessions and policy protection, it seems that the lobbying and blackmailing practiced by the agribusiness sector is even more productive than any technological improvement at the farm level. Among other factors, agribusiness farmers and their representatives emphasise their contribution to regional development and economic growth, but mainly from the perspective of an intense financialisation of agriculture and the removal of environmental, social and regulatory constraints. Senator Kátia Abreu (Secretary of State for Agriculture from January 2015) has repeatedly stated that environmental conservation aggravates the food crisis and that, consequently, climate change deserves less attention from government and society alike (The Guardian, 2014). The agrarian transition to neoliberal agribusiness is highly idiosyncratic in Brazil, given that agriculture does not support the other non-agricultural sectors but is badly needed to buttress macroeconomic instability and offset deindustrialisation. Various types of power work together here, from instrumental and discursive power to structural manifestations of political control deciding what is produced and what sort of food is consumed. Another important result is that, in a matter of few years, there was a massive increase in land prices and intensification of market transactions, especially in areas of agriculture frontier.

Crucially, the new phase of rural development based on globalised agribusiness since 1990 has maintained the state firmly in charge of leading the process of economic flexibilisation and coordinating the contribution of firms, experts and organisations (Schneider, 2010). It has happened regardless of the criticism of the unnecessary size and high cost of the state apparatus that permeates the discourse in defence of agribusiness (like the publications of ABAG, FIESP and other similar entities). But there is a fundamental and decisive difference between those two historical periods: the Brazilian state is also increasingly dependent on the economic surplus generated by growing agriculture exports and is hostage to the aura of undisputed success associated with agribusiness. In that context, it is emblematic that President Lula started his first term in office with the 'Zero Hunger' platform and ended his second term in 2010 openly defending agribusiness and making momentous concessions

regarding environmental legislation, the introduction of GMOs and the operation of transnational corporations. The political representation of agribusiness has cleverly crafted an image of prosperity and accomplishment that is explained by the geographical advantages of Brazil and the competence of the farming sector. For example, during the international fair Agrishow, in April 2014, a private jet worth US\$ 1.4 was sold to an (anonymous) agribusiness magnate (Moreira, 2014). In the end, agribusiness continues to be enacted in the localised context of farms and regions, but management, technologies and trade relations increasingly happen in accordance to globalised, transnational interactions and priorities. Some of the most dynamic and disputed areas of agribusiness expansion in Brazil are in the State of Mato Grosso.

### **Mato Grosso and the moving frontier of agribusiness**

The fast evolving history of agribusiness describes an even more remarkable trajectory in the State of Mato Grosso, in the hinterland of Brazil. Mato Grosso (henceforth 'MT') represents an active spatial frontier where the boundaries of neoliberal capitalism are being pushed forward. Soybean is certainly the main crop of the Brazilian agribusiness and has proven to be extremely well adapted to the bioclimatic and edaphic conditions of MT. In the year 2000 the state became the main producer of soybean in the country. This expansion did not happen only horizontally, but there are also a distinct trend of agriculture intensification (i.e. field productivity has increased steadily for the past 20 years) and the practice of double cropping (e.g. succession of soybean-maize or soybean-cotton/sorghum), especially in the farming areas with better access to the transportation network. The volume of MT exports (almost exclusively agriculture commodities) jumped from US\$ 254 million to 8.5 billion between 1990 and 2009 (Pereira, 2012). The value of crop export from MT has, since 2000, responded for approximately 10% of the national trade balance surplus. One main consequence is that the vivid symbolism of the lucrative activities related to the export of soybean from MT conveys the image of economic success and of the belated arrival of modernity and globalisation in the region. The growing decoupling of world market prices and regional production costs (i.e. commodity prices increased significantly since 2003 compared to the relatively lower production costs in MT) resulted in ostensive signs of wealth by soybean producers. The symbolic component of agribusiness – in itself, a clear evidence of mystification – is praised by political and economic leaders as the redemption of the region from a past of isolation and backwardness.

However, beyond the easy language of economic modernity and commercial success, the triumph of agribusiness in MT is actually the result of the strategic articulation between macroeconomic priorities, globalised markets and an opportunistic behaviour of the



emerging landed elite. The agents of agribusiness are mostly descendents of small farmers from the South of Brazil who have migrated to MT with the prospect of acquiring much larger properties. In that context, it was a very profitable business for many private companies to assist the state government in the process of colonisation (i.e. purchasing public land and then reselling it to colonists coming from the southern part of Brazil). In the 1950-1960s colonisation companies could acquire land from the state by Cr\$ 7 to 10 per hectare and then resell for Cr\$ 100 to 300 (Moreno, 2007). [Cr\$ is the abbreviation of cruzeiro, the currency then in use in Brazil]. The 'occupation' of MT took a new turn under the military dictatorship (1964-1985), which increased the colonisation in the Amazon Basin through the construction of roads (e.g. motorways BR-163 and BR-364) and other necessary infrastructure. The selling of public land to migrants and companies of other parts of Brazil assumed epical proportions not just because of the vastness of the territory but also due to the level of corruption and violence involved. It should be highlighted that, despite official claims of an 'empty territory', publicly owned land was typically occupied by poor families or indigenous groups. Corruption of the responsible agencies was magnified by the widespread practices of land grabbing involving false documents and the fraudulent occupation of vast tracts of common land held by the state.

In the 1980s, the MT state administration aggressively promoted new rounds of colonisation and land selling (benefiting from the developmentalist policies of the federal government and new agriculture technologies, particularly for soybean production). Between 1983 and 1986 more than four million hectares were titled, out of the totality of around 90 million hectares in the state (Moreno, 2007, p.248). The main objective was to maintain agrarian confusion in order to concede land according to old and new political agendas. Agribusiness farmers had to necessarily operate in close alliance with the traditional farming oligarchy, historically dedicated to cattle production and land speculation. This intensive process of (both regular and irregular) land acquisition paved the road for the consolidation of agribusiness in MT in the following decades. The advance of agribusiness, which produced additional displacement of peasants and Indians, was only the most recent episode in the long trend of violence against the territory and its peoples that characterised the history of MT since the turn of the Twentieth Century. The swift expansion of agribusiness in MT was not only on of the last chapters of the (Fordist) Green Revolution but it was also the coming back of old, vicious practices (that actually never departed) introduced in colonial times whenever profit and gain were in sight. Similar to the neoliberalising experience elsewhere in the world, the rising agribusiness elite of MT managed to secure important concessions from the state apparatus (at the provincial and national levels). The agribusiness sector has demanded 'less state and more markets', without every really abandoning the request for more state protection, in particular, forgiveness of debts with public banks and the offer of new bank loans (Bruno, 2009). At the same time, agribusiness increasingly dominates the public sector agenda in

Brazil and, because of its growing political power, has pushed for the spread of neoliberalisation in other areas and services. An evocative example was the privatisation, in 2013, of 851 kilometres of the motorway BR-163 (which crosses the main production areas in MT) that were transferred to a private operator (Odebrechet).

If sectoral and spatial forms of displacement are rampant in the MT frontier, the impact of transnationalisation serves to subvert absolute distances and costs. Because of the growing demand for soybean by China and other countries, the perceived remoteness of MT was not an obstacle for the establishment of strong commercial ties with the rest of the world. It is true that agribusiness farmers frequently complain about the price to transport grains to the international ports in the southeast of Brazil (around R\$ 330 or US\$ 120/ton), but high transportation costs have not prevented the profitability and the perennial search for new, more distant production areas. Since April 2014, fluvial ports in the Amazon became a viable alternative for the export of soybean coming from Mato Grosso and other Brazilian states. Interestingly, production costs are relatively low in MT (if compared to other large production areas in South and North America) not only because of the availability of suitable land, good climate and growing transport infrastructure, as typically argued by the agribusiness sector, but it is also directly related to the over-exploitation of the rural workforce. There has been a progressive reduction of the people involved in farming activities and it can be seen in Because of heaving machinery, it is possible to cultivate very large tracts of land (many thousands of hectares) with a handful of permanent and temporary workers. This is obviously part of the extraction of surplus-value and the mitigation of the rising organic composition of capital in the form of additional farmland. The consequence of growing exploitation of the employees is that labour only counts for around 2.6% of the production costs (that is the case for both for conventional and transgenic soybean production), whilst seed, fertilizer and agrochemicals – conspicuously sold by transnational companies – represent 55% of the total costs (that is the case in the production season 2014/15). This is an incontestable demonstration of the neoliberal nature of agribusiness, which is intended to produce more and more food, energy and raw materials with less and less labour (Moore, 2010).

The acquisition of large tracts of land and super-exploitation of the workforce in MT are helped by the relative low resistance by local opposition groups at the frontier of neoliberalism. However, other forms of extra-human resistance were normally higher (e.g. insects such as *Helicoverpa armigera*, a caterpillar that is now causing billions of dollars of damage in soybean fields, and agroclimatic changes such as excessively rainy summer in the production season 2013/2014, which affected soybean harvest and transportation), which only add to uncertain and turbulent prospects of agribusiness in MT. In effect, the environmental impacts and risks associated with agribusiness represent some of its main operational and political challenges. Notwithstanding claims that the MT agribusiness is now 'decoupled' from

deforestation, the original *cerrado* and forest vegetation is under serious threat. Only between 2001 and 2004 more than 540,000 ha of forest were directly converted into cropland without the more conventional implementation of pastures as an intermediary step (Morton et al., 2006). Satellite data show that soybean yields are positively associated with the cultivated area, which implies that policies that stimulate productivity could easily lead to the expansion of land use (Garrett et al., 2013). Between 2006 and 2014, it was agreed a 'moratorium' that tries to impede the commercialisation of soybean from production areas opened after 2006. This tacit 'moratorium' has not avoided the encroachment (legal and illegal) upon forested areas, and NGOs such as ICV protested that, in 2013 alone, deforestation increased 52% in MT which is obscured by the lack of transparency by the state government. With the end of the moratorium in 2014, and the deterioration of national trade balance and the need to boost soybean exports, it is very likely that stronger deforestation pressures will resume. It is quite misleading, thus, to argue that high productivity contributes to environmental conservation, given that agribusiness in MT clearly betrays a Jevons Paradox situation in the sense that increasing the productivity of land leads to its increased, rather than decreased, use (Ceddia et al., 2013).

These negative consequences of agribusiness are, nonetheless, systematically minimised, as in the discourse of the regional association of soybean producers (APROSOJA-MT). The uncomfortable position of making money while causing a number of socioecological impacts prompted the association to appropriate the language of sustainability and environmental conservation. APROSOJA-MT spokespersons make reference to the 'green passport' of agribusiness in MT, basically because of the adoption of no-tillage technology and gains of productivity (supposedly preventing the opening of new areas). Even more remarkably, in a talk at the Wilson Centre, in Washington DC, in 2008, the then state Governor Blairo Maggi (2003-2010) provided a textbook defence of the ecological credentials of agribusiness. The leader of a family business established by his father a few decades earlier, when the clan moved from the south of Brazil to Mato Grosso, Maggi became the owner of one of the larger soybean companies in the world. With the aura of his success as a businessman (responsible for around 5% of the total soybean produced in the country and increasingly involved in large public infrastructure, transnational trade and financial services), he repeatedly claimed to be running the state administration as a business enterprise. He also played a key role in the consolidation and defence of agribusiness (including a new legislation that institutes the transfer of public funds to support APROSOJA-MT, making it the strongest and most active representation of soybean producers in the country).

At the Wilson Centre, instead of speech about public policies and wider social demands, the governor candidly acted like a farmer campaigning for additional concessions from the federal government and against the fierce attacks of environmental activists (Maggi

was awarded the sarcastic ‘Golden Chainsaw’ trophy by Greenpeace in 2005 as the Brazilian person who most contributed to Amazon destruction). After explaining the historical evolution of the agriculture frontier and heroic achievements of his father’s generation, Maggi used his training as agronomist to explain why the current technology protects the environment. With the explicit use of the ecological modernisation discourse, the governor describes the risks of anthropogenic climate change and the need to act “not because of the environmentalists, but because the scientists are now telling us the urgency and relevance of such issues”. It was not by chance that Maggi made reference in his talk, as well as in many later interviews, to the payment for ecosystem services and, in particular, to the Reduce Emissions from Deforestation and Degradation (REDD) scheme advanced by the United Nations. One of the prominent features of the payment for ecosystem services is exactly the mystification of the causes of environmental problems and the formulation of technocratic responses based on market-like mechanisms of environmental conservation. The preference for self-regulating and market-based approaches by the political leaders of MT reflects the wider agribusiness responses to the opportunities and pressures from an emerging global environmental awareness (Jansen and Vellema, 2004). After becoming senator in 2010, Maggi was one of the main advocates of the reform of the Forest Code – eventually approved in 2012 after a lengthy controversy and with detailed regulation introduced in 2014 – needed to flexibilise the previous requirement to maintain a fraction of the property with natural vegetation. It means that it is now possible to compensate the deforestation of the rural property with another forested area elsewhere, which in practice ‘creates’ more cropland.

### **Conclusion: Agribusiness needs Brazil to drive the narrative on**

The previous pages sketchily revisited the relevance of agribusiness for the expansion of neoliberalising institutional reforms and the repercussions of intense agribusiness in Brazil. The apparent success of the sector has actually represented an example of the deliberate attempt to temporarily placate the structural contradictions of capitalist agriculture (in particular, the need to produce cheap food to sustain accumulation in other economic sectors, but at the same generate profit from agriculture itself) while novel tensions and contradictions become apparent (such as the virtual ‘blackmailing’ of the national economy by agri-food exports and mounting rates of environmental degradation and social conflicts). Instead of agrarian reform and local food, as demanded by large proportions of the Brazilian population, the hegemonic solution was to intensify and update production according to neo-conservative priorities. The agribusiness sector has in effect represented the frontier not only of agriculture, but of wider neoliberal economics in the country. Questioning the transformation of agriculture into agribusiness represents, above all, a critical investigation into the economic

possibilities and socioecological limitations of contemporary capitalism. The advance of agribusiness has been the embodiment of the most technologically advanced and socio-ecologically regressive elements of a national economy in the periphery of globalised capitalism. Agribusiness has many innovative features when compared with previous, nationalistic agriculture modernisation (such as more space for market forces and instrumentalised environmental concerns), but it also betrays the strong elements of social exclusion, authoritarianism and deception.

The image of success is daily reaffirmed by sector representatives and endorsed by the national government that relies heavily on political support and export revenues generated by agribusiness. Actually one of the more relevant aspects of the Brazilian experience is the changing role of the state apparatus as it is now dependent upon something that it previously tried so hard to nurture through regional development policies and related interventions since the 1970s. At face value, it seems that the expansion and success of agribusiness can be explained by the use of sophisticated technologies and the acute entrepreneurialism of present-day farmers. However, against this rhetoric of progress and creativity, there are alternative options that critically question the actual contribution of agribusiness for the local and national economy. The result is a nuanced and highly contested situation that connects, often in unexpected ways, different scales, sectors and public policies. That intricate complexity requires a more effective interpretation focused on the idiosyncratic combination of incremental innovations in a context of hegemonic globalisation of the markets that leaves limited space for farmers to depart from pre-established production packages.

It is in areas of frontier, as in Mato Grosso, that agribusiness makes more evident its most profound abilities, contradictions and, ultimately, failures. Agribusiness is especially successful at the agriculture frontier because it is in itself an economic, ecological and ethical frontier. It constitutes a privileged arena for the rehearsal the flexible mechanisms of accumulation and regulation required by neoliberal activities, at the same time that this frontier is significantly shaped by the market liberties, low moral standards and associated forms of violence. The advance of agribusiness depends on the perpetual re-enactment of dreams (merged with novels forms of violence and frustrations) related to the promises of rapid enrichment and social prestige. High expectations are needed to motive the conquest and transformation of the territory to give way to crop production. The peculiar dialectics taking place at the frontier, including processes of transnationalization, deception and displacement, are firmly mediated by structures inherited from the past, which create a complex pattern that are spatially and temporally heterogeneous. The curious attacks on the apparatus of the state by agribusiness farmers – who have been major beneficiaries of state investments and regional development policies – are emblematic examples of an inbuilt opportunism and

peculiar production rationality located in-between the demands of the state and transnational corporations.

The frontier of agribusiness in MT has been an important edge of both the renovation of capitalist institutions (i.e. globalised transactions, maximised use of territorial resources, novel forms of political legitimisation) and the reintroduction or reinforcement of old practices of the pre-industrial or early industrial phase of capitalism (i.e. brutal appropriation of the commons, commodification of features previously beyond market transactions and even cases of 21<sup>st</sup> Century slavery). At the frontier, the politico-economic institutions of neoliberalism can expand and have, in some measure, a life of its own. The consolidation of agribusiness in MT involved constant innovation and new players, who retained old, vicious practices that never disappeared. Martins (2009) argues that this is a human frontier shaped by the false dichotomy between civilisation and non-civilisation, because it constitutes a degraded but comprehensive reality, one of the most brutal chapters of economic development in Brazil, where the main protagonists are exactly the victims (indigenous groups and poor peasants). The frontier in MT is in this case a real “territory of death” and the place where the most inhuman archaisms are reborn; the frontier is “exactly the opposite than its imaginary proclaims” (Martins, 2009, p.13-14). In that sense, the totality of the frontier, as a space fraught with politico-economic and socioecological tensions, must be seen as a peculiar locus of intolerance, ambition, all too often tragedy, but also some fragmented elements of hope that stubbornly emerge from time to time.

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