

# "A critique of the political economy of agribusiness"

BRIAN GARVEY

**Review:** MENDONÇA, Maria Luisa. **The political economy of agribusiness:** a critical development perspective. Halifax; Winnipeg: Fernwood Publishing, 2023.

I should begin the review by declaring a measured partiality. Some ten years ago I attended an event in the interior of Sao Paulo state, a region that had reached almost saturation in land cover with sugar cane under the pronounced influence of the companies whose representatives were speaking. After each had spoken proudly on their contributions to the economy, employment, development and tackling climate change, and justified calls for further government assistance, Maria Luisa Mendonça spoke from the floor. I recall the moment -not because she was the only woman to have spoken thus far-but for the manner in which he advised those on the platform that, rather unfortunately for them, science disproved everything they had said. She approached the space that separated the men on the stage from the rural workers in the audience and spoke as someone who had carefully researched the sector as it grew from its origins in slavery, through to powerful landowning families, through to the concurrent phase of mergers, takeover and market concentration. She spoke also, importantly, as someone who had accompanied the peasantry and those made landless by agribusiness; that had witnessed encampments by the roadsides now dominant by harvesting trucks, had interviewed those workers boarding buses on their last day of work as machines rolled in to take their place.

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**BRIAN GARVEY**

Doutor em Geografia pela University of Sheffield. Professor no Departamento de Trabalho, Emprego e Organização da University of Strathclyde.  
E-mail: Brian.garvey@strath.ac.uk

Across the four chapters of *The Political Economy of Agribusiness: a critical development perspective*, Maria Luisa continues this commitment to unveiling the motivations for, questioning the strategies of, and critiquing the inequitable outcomes from agribusiness expansion. The praxis to which she refers is reflected by the manner in which she connects the now global reach of industrialised monocultures and land financialisation to the impacts on the fields and families of the dispossessed. It is the latter's very resistance that draws our attention to the past, current and future conflicts and contradictions of capitalism itself.

The book begins by outlining the conceptual and ideological origins of agribusiness. In doing so the author carefully illustrates how, when and where the now hegemonic model of agribusiness gained traction in policy and corporate circles, how military budgets -whether those of US overseas ventures those of national dictatorships- stimulated the use of chemical and synthetic inputs for of agriculture. This fact-laden treading of the periods between the late 1940s to the present expertly dispels notions of inevitability or 'normality' of large scale, mechanised grain production based of fossil fuel inputs and massive scale state subsidies. Rather, these early chapters chart the advance of the agribusiness from the early test beds of seed homogenisation and production standardisation in Mexico -the forebearers of the now ubiquitous 'technical packets' of seeds, fertilisers and pesticides- through to the commodity export oriented systems in Latin America that connect farmers to processing and logistics companies, to research centres, lending banks and to public-private associations.

With this turn to Latin America, the ideologues of agribusiness would find friends among elites in Brazil, a country with an alleged 'propensity for agriculture'. Mendonça questions this assumption, but arguably more could be made of the extent to which political, technological and financial commitments rather than 'natural' advantage in land, water and sunlight explains Brazil's explanation for its rise to a leading grain and sugar producer (see Hopewell, 2016).

By walking the reader through the political and economic growth of agribusiness, the author brings together various

important dimensions of, for example, so-called primitive accumulation, land capitalisation, food commodification, technological change and financialisation. While these are often treated in isolation in the academic literature, or presented as a latest and 'new' phase of capitalist development, the analyses here shows how the conjunction of scientific, technological, ideological and political innovations serve to increase the market concentration and power of transnational capital over space and time, at the expense of small food producers and the environment. A key contribution of the book is when laying bare the reliance on public funds to incentivise and sustain agroindustrial production, and the ability of powerful companies to leverage further support in times of episodic and recurrent crises. The response to global disruptions such as oil crisis of the 70s, the structural adjustment programmes that opened up markets in the global south under the auspices of IMF and World Bank austerity projects, and the more recent financial crises are explored here. What results is oligarchical and monopolistic control over the stubbornly immobile capital that is land, new mechanisms to trying and overcome market volatility and this problem of fixity of capital in landholdings, while all the while profit rates are falling and debts in the sector are increasing.

How and why this happens is theorised at the beginning of Chapter 2. Those not so familiar with Capital and the finer debates around Marx's theory of rent and labour theory of value might find this particular section on the dialectic materialist method tough going. True to the method, a concrete example alongside the necessary abstraction in these earlier passages would assist the explanation of this section that is key to understanding the chapters that follow.

That said, the subsequent passages bring into sharp relief the constitutive link between crisis and accumulation, and the author does a remarkable job of quantifying the reliance of the agroindustrial sector in Brazil on the forgiveness of loans, fresh streams of credit and of new mergers to incorporate and rollover existing debts such as those accrued through excessive gambling on the futures markets. Amidst powerful discourses -or 'myths' -regarding development, feeding the globe, green energy forms, progress

and regulation, Mendonça illustrates how agribusiness inflates its claims of GDP contributions. The balance sheet for the sugar cane/ethanol sector on Brazil, for example, displays an overall negative contribution to the Brazilian economy once the public subsidies and forgiven debts are tallied.

In the second part of the book, attention shifts to more recent speculation of agricultural lands, again with a particular focus in Brazil. Following the financial crises and the run on the banks, many speculators sought safer locations for their liquid capital. Again, with commendable attention to the key local and international actors, and the sums of money involved, Maria Luisa demonstrates convincingly how new mergers have facilitated international pensions funds, such as the US-based *Teachers Insurance and Annuity Association*, to profit from the expropriation of lands in some of the globe's most important biomes.

The financialisation of these spaces seeks to 'free' capital from its relative fixity in land and enhance its circulation to the benefit of shareholders. Mendonça, however, follows this money to the source of value appropriation in the grabbed lands of the Cerrado in northern Brazil. Here, in the Matopiba region, we learn of those violently dispossessed of their lands; the immediate and more gradual loss of livelihoods through eviction, arson, and the pollution of air and waterways as soya plantations encroach. The peasantry, introduced to us in the earlier chapters, speak here of the challenges and of their resistance. In an earlier section Mendonça quotes Marx's use of the term 'so-called primitive accumulation' by which he was denouncing the violence of the continuous forms of dispossession that precludes subsequent accumulation so beloved by economists (see also Angus, 2023). The accounts presented here, gleaned from years of consistent work with the agrarian, indigenous and African-enslaved descendent quilombolas in different regions of Brazil underscore myriad forms of violence and dispossession that are endured and confronted by these communities. The alarming statistics of attacks on rural workers, landless populations, indigenous and quilombola peoples are accompanied by first hand accounts of those who lost land and found little option

but to take up work on encroaching cane fields. The slave like labour, and vulnerability of migrant workers -profoundly gendered- in the sugar cane industry contrasts with corporate national and international obligations to human rights and dignified work.

The severity of the situation facing rural populations who bear the health and environmental costs of agribusiness, and the particular injustice endured by women in the situations outlined by the author, calls for a globalised feminist and grassroots response that is the focus of the concluding chapter. Mendonça reminds us that women peasants and farmworkers produce more than 50 percent of the world's food yet only own 2 percent of farmland and represent 70 percent of those without adequate access to food. With more and more land being attributed to monocultures and energy (flex) crops, the current reality and heightened risk of future food scarcity is driving new agroecological experiments, political lobbies and incentivising social movements. Brazil's Landless Workers Movement is singled out for its commitment to food production involving almost half a million families and its distribution of non-toxic food to thousands of low-income families in urban peripheries. Maria Luisa Mendonça concludes that it is critically important to understand the political economy of agribusiness if we are to challenge and replace it. This book is offered and deserves to be received as a highly important contribution to this task, bringing together as it does history, method and practice. At a time of enhanced geopolitical tensions between major trading blocs, future analyses will need to grapple with China's increasing hegemony in land and grain dealings. And, as I write, extant war -where food itself is weaponised as it is currently in Gaza- underscores painfully why the commitment to land and food justice, that is apparent throughout this very impressive book, is ever more necessary.

## REFERENCES

ANGUS, I. The meaning of “so-called primitive accumulation”. **Monthly Review**, 2023, p. 54-58.

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