

The struggle for agricultural land in South America: companies versus communities, or a possible middle ground? Speyside Insight, November 2009

There are many issues facing the agribusiness sector, the two most talked about in “western” media being the use of biotech, or GM crops, and the debate over agricultural land for food vs. fuel.

While passions still run high over genetically modified foods, the use of GM crops in plant products is now so widespread few would dispute we are on a one-way track. Focus has largely now shifted to regulation, including packaging and labelling of products. It has the feel of yesterday’s battle.

Conversely, the food vs. fuel debate cuts across many of the big issues of the day, from combating hunger in the developing world, to climate change and energy security. Biofuels- ethanol or diesel, made from corn, sugar or soy- are crucial in reducing our dependence on fossil fuels, say supporters, citing the case of Brazil where bio-ethanol from sugar is very widely used. Using agricultural land for bio-fuels reduces food production and increases demand for de-forestation say opponents: at worst, not only reducing the food supply but having a negative impact on CO₂. The debate continues.

But the food vs. fuel debate - like the biotechnology debate - is likely to become less contentious over time: commitments will be made to ensure bio-fuel crops do not contribute to de-forestation and second or third generation bio-fuels from algae will be a lot less land intensive.

There is one issue which has largely stayed off the radar of western news media but has given rise to the largest social protest movement in modern Latin America. This issue should be the number one concern of the large industrial agriculture groups: left unaddressed it is likely to intensify and lead to a regulatory response that will end the current business model of the big, vertically integrated farmers.

The concentration of land ownership is an inevitable consequence of the agribusiness companies seeking to control the whole food-chain, from “farm to fork”. Today’s large-scale industrial farming relies on massive farms, created by displacing or co-opting indigenous farming communities and cultivating vast monocultures of soy, sugarcane or other crops.

In Brazil, where over 50% of farms are now 1000-plus hectares and small farms are rapidly disappearing, the Landless Workers Movement (MST) claims over 1.5 million members in 23 of 26 states. Under the slogan “Occupy, Resist and Produce” they have caused widespread disruption to many industrial farmers, most recently occupying a farm owned by the world’s largest orange-juice producer, Sucocitrico Cutrale Ltda, staying three weeks and damaging an estimated 7000 trees.

The MST and its allies had hoped that the election of President Luiz Inácio Lula da Silva marked a turning point and, indeed, since his election an estimated 519,000 farmers have been given plots. But critics believe these moves are tokenistic: social compensation, rather than real re-distribution.

And here lies the crux of the issue. Regardless of how they act and engage, is it possible for the big agricultural companies ever placate those who feel land concentration and mass-farming has destroyed indigenous farming communities and created modern-day serfdom?

The *raison d’être* of the MST is an ongoing war with the agricultural industry and by their own standards they have been extremely successful. But just as the opinion of factory workers in an industrial dispute is often more moderate and consolatory than their trade union leadership, there are clear signs that the communities affected by industrial farming are open to dialogue.

Companies operating in the sector must differentiate between extreme opponents- who will always oppose- and the local communities for whom ownership and control is secondary to concerns about health, education, housing and good working conditions.

For many of these communities industrial agriculture offers the best chance of sustainable development, with alternative forms of organisation often requiring the involvement of public administration- commonly leading to inefficiency, corruption- or slipping back to subsistence farming.

To identify issues, concerns and make a sustainable contribution to development of the local communities in which they operate companies must start at grassroots level: engaging with the community, understanding local issues and concerns and contributing to community-led initiatives, incl. micro-lending & training facilities, supporting local entrepreneurship.

Engagement should take the form of ongoing dialogue with traditional community leaders- doctors, teachers, church leaders- rather than with political leadership, whether it be the MSP or other bodies.

Such systematic, long-term engagement will not assuage the leadership of the MST but will help to generate local support and goodwill, which in turn will lead to political goodwill and minimise risk of disruption to business operations. Corporate outreach of this kind must be given the highest priority.