



Book Review

The Political Economy of Agribusiness: A Critical Development Perspective

By Maria Luisa Mendonça

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Review by Nil Alt*

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Maria Luisa Mendonça's *The Political Economy of Agribusiness: A Critical Development Perspective*, published by Fernwood Publishing in 2023, is a significant contribution to our understanding of the concrete historical developments that underpin the concept of agribusiness. Locating the birth of the agribusiness concept in the US food and farm policy landscape of the late 1950s, Mendonça challenges the idea that “transformation of agriculture into ‘business’ [is] an evolutionary and inevitable process caused by ongoing technological development” (p.31), popularized by Davis and Goldberg in their influential book *A Concept of Agribusiness* (1957). Rather, Mendonça regards agribusiness as a historical development rooted in capitalism and colonial patterns. Therefore, instead of taking the model as given, the author proposes that we disentangle and evaluate its consequences from a Marxist

political economy perspective, drawing attention to the uneven nature of such “development” and the dependencies created among farming communities of the economic south (pp.54-56), particularly in Brazil.

In the first chapter, Mendonça criticizes the expansion of the agribusiness model in Latin America, which was facilitated by government subsidies to multinational corporations at the expense of small farmers. According to Mendonça, the internationalization of the agribusiness model, carried out in the name of the “green revolution,” forced small farmers to spend a significant portion of their resources on commercial inputs, such as mechanization and petrochemicals, due to the so-called developmentalist state policies and market pressures, damaging soil health and productivity. Small farmers, burdened by debt and facing declining productivity due to reliance on

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commercial inputs, often lose their land. Many become low-wage farm workers on large plantations owned by transnational corporations or serve as contract producers, whose surplus labour is exploited and who bear the risks associated with agriculture and volatile global markets.

The second chapter shifts its focus to land as the key analytic of economic and geopolitical consequences of agribusiness internationally. Theoretically, the chapter focusses on Marx's land rent theory as scaffolded by other key Marxian concepts including commodity fetishism and primitive accumulation. Taken together, commodity fetishism and primitive accumulation "enable capital reproduction through the appropriation of abstract labour converted into land rent" (p.41), and this process is presented as central to the current dynamics of the crisis of overaccumulation (p.42). Mendonça also unpacks the historical and dialectical materialist perspective and highlights its methodological significance for understanding the theoretical foundations of modern, capital-intensive industrial agriculture and its cyclical relationship between accumulation and crisis within the global food system. The most important takeaway from this chapter is that the deregulation of financial markets since the 1980s allowed financial capital to circulate in the periphery of the global economy, where land is increasingly seen as a commodity that can be bought, sold, and traded. This shift has led to the creation of financial mechanisms that separate the value of land from its physical existence, allowing for the free circulation of value around the globe.

Chapter three explains how the flow of financial capital into farmland markets not only leads to the dramatically escalating land and food prices, but it also allows for land grabs by financial tools such as international pension funds. Since the 2008 global economic crisis, pension funds have become a major

source of capital for agribusiness corporations in Brazil, particularly as financial capital's role in farmland markets has intensified. Despite the growing debt of these corporations due to financial capital's increased mobility, the Brazilian state continues to provide them with cheap loans, allowing for the deepening of labour exploitation and predatory use of natural resources in the country. As illustrated by the violence against rural communities in the fertile Cerrado region, concentration of land (and hence power) in the hands of agribusiness corporations wreaks havoc on Brazil's socio-economic and environmental systems as well as the country's capacity to feed itself.

The last chapter uses the example of ethanol production to highlight the role of agrofuels in the globalization of land speculation and the significant role of international financial capital in driving the expansion of industrial and export-oriented agriculture in Brazil, including sugarcane plantations and the ethanol industry. Pension funds from various European and North American countries including Canada, have invested heavily in the Brazilian agrofuel industry. Consequently, the influx of foreign financial capital into the Brazilian agribusiness landscape has led to concentration of land and power in the hands of a few large corporations. More specifically, financial investors' purchase of large tracts of farmland (land grabbing) has displaced and proletarianized Indigenous and peasant communities. In addition, the volatility of financial markets has created unprecedented levels of uncertainty for farmers, making it difficult for them to plan as farmland prices fluctuate significantly.

The last two chapters effectively contrast the negative consequences of financialized agriculture on rural communities in Brazil with the involvement of Canadian pension funds in Brazilian agribusiness. Here, Mendonça does a great job of demonstrating the highly uneven and interconnected nature of the contemporary global food

system. The link between the exploitation of rural communities and workers in Brazil and the Canadian pension fund investments (financial capital) in farmland markets suggest that Canadian food scholarship and activism can benefit from having more conversations at the global scale about the role and responsibilities bound up with pension funds.

The book's dense theoretical discussions may be challenging for some readers, but its comprehensive review of key Marxist agrarian political economy concepts offers valuable insights for academic audiences. The empirical evidence from Brazil, illustrating the detrimental impacts of land grabbing on rural

communities and the environment, is particularly noteworthy. While the book provides examples of resistance strategies and the potential for agroecological transitions, further elaboration on the steps towards implementing agroecology and integrating it into the broader food policy landscape would be beneficial. This would help readers think about the practical challenges and opportunities associated with transitioning to more sustainable agricultural systems in Brazil and elsewhere.

Nil Alt received her master's degree in Geography, Planning and Environment from Concordia University, Montreal in 2017. In the same year, she started her doctoral studies in Human Geography in the Department of Geography & Planning at the University of Toronto. Her doctoral research focusses on uneven development, political economy of food and agriculture, rural change, and feminist labour studies.