Financialization of work, value, and social organization among transnational soy farmers in the Brazilian Cerrado

Andrew L. Ofstehage

Department of Anthropology, University of North Carolina at Chapel Hill, Chapel Hill, NC 27599-3115, USA
Corresponding author: Andrew L. Ofstehage; e-mail: alofstehage@gmail.com

This article describes the financialization of work, value, and social organization in a transnational community of soy farmers in the Brazilian Cerrado. This community originally migrated from the US Midwest to the Brazilian Cerrado in search of large tracts of cheap and productive land. While these farmers migrated to Brazil in pursuit of the reproduction of farming livelihoods and values, they adopted new forms of work, new values of farming, and new social organization on the farm. Based on fourteen months of ethnographic research on two transnational soy-farming communities in Brazil, this article analyzes the operations of capital and the emergence of financialized farming. US family farmers purchased massive tracts of Brazilian farmland for soy production, often financed by neighboring farmer-investors, and transitioned from mid-scale farmers to large-scale farm managers. This transition entailed a shift in forms of work from the field to the office and a corporatization of the farm decision-making process, shifting from family centered to investor centered. Consequently, farmers placed less value on traditional measures of a good farmer, such as yield, and greater value on financialized measures of a good farmer, including return on investment, land acquisition, and accounting practices. This research supports the framework of financialization as a situated process that emerges out of practice and reworks economic and social organization.

Keywords Work; Value; Financialization; Farming; Transnationalism; Brazil; United States

In the late 1980s and early 2000s, dozens of young North American farmers toured Western Bahia, Brazil, in search of farmland. Unable to afford or allocate arable farmland in rural America, unwilling to incur unsustainable levels of debt, and uninterested in off-farm work, they followed rumors of cheap, fertile, and profitable land in Brazil. In Western Bahia, they found cheap labor, cheap land, and a sense of adventure (Ofstehage 2016). They acquired large amounts of capital from investors, or in some cases from the sale of Midwestern farmland, and purchased large tracts of Brazilian land. Backed by American investors, they acquired hundreds to tens of thousands of hectares of farmland; became farm managers; outsourced work to farmworkers; reframed good farming as being economically efficient, profitable, and investor-friendly; and reorganized farm units as corporations. This radical transformation of rural life at times rendered rural life unrecognizable, as became apparent on one eventful day of fieldwork.

I met an American farmer in Barreiras, Bahia, to accompany him on a quick trip to Bom Jesus, Piauí. Chuck began his career as an agricultural economist at a large public university and came to Brazil to start a farm and capitalize on favorable farming conditions in Bahia. Since arriving, he had endured associations with failed farming enterprises and stuck around to salvage his move. At the time of the interview, he owned and operated an English school in Barreiras, owned a small banana farm outside of town managed by an ex–Movimento dos Trabalhadores Rurais Sem Terra worker, and managed a cattle and soy farm in Piauí for a Belgian retiree. We spent the day handling bureaucratic and legal business related to the farm. Chuck and the Belgian landowner had been wresting control of their farm from another North American, Frank, who had first gained the trust of the retiree then allegedly misused farm finances and assets for his own profit. On the side, Frank had allegedly also purchased a plateau of native
Cerrado land to convert to charcoal production without an environmental license. We were in Bom Jesus to dismiss a lawyer who had been working for the Belgian landowner. Chuck suspected the lawyer was working for the interests of Frank. To dismiss the lawyer, Chuck had to file papers in person, have them signed by a judge, and receive a copy of the signed document. Bom Jesus hosted an agrarian court, specifically assigned to handle agrarian court cases, primarily land disputes. Coming from Espírito Santo, the judge had bodyguards and wore a bulletproof vest out of fear of violence, a common precaution in land frontiers of Brazil, where the state has a reduced presence and landowners have competing and overlapping claims on the same parcels of land. Having filed the papers with the young judge, we drove to the land titling office to ask questions related to removing Frank’s name from the company’s documents — an issue that had so far prevented Chuck and the landowner from effectively taking control of their own assets and finances. The government worker explained that he needed to go to the capital, Brasilia, to arrange the paperwork. Chuck countered that he had already been there and they told him to come to Bom Jesus. She offered the name of a specific official in Brasilia, and Chuck was satisfied with that progress. On the return trip, I brought up another farmer’s comment that farmwork in Brazil is 50% office work. Chuck replied that it is more than that, often significantly more (interview, September 22, 2014).

As this experience attests, the everyday realities of American soy farmers in Brazil challenged my conception of farming livelihoods. Farming expertise often referred more to working with or around worker and environmental regulations and bureaucratic processes than to agro-ecological knowledge; farmers worked in air-conditioned offices far from fields of soy, and good farming depended on farmers’ adept negotiation skills much more than on their skills at handling farming equipment. Chuck’s own career intertwined farming and wage labor as he grew up on a Missouri farm, began his career as a university-employed researcher, and then moved to Brazil to farm again. He and his parents hoped that he would eventually take over the Missouri farm.

Chuck weaves together agrarian and financial work and, in so doing, challenges the analytic of “financialization” of ruralities, which centers on the encroachment of outside financial capital into rural communities. Working primarily from the pickup truck and office, farmers manage farm laborers, value work in terms of remuneration, and off-handedly identify other farmers as “good” or “bad” based on the morality of their business practices. Instead of an imposition of capital on farmers from outside, farmers themselves have inserted finance into farming practices, values, and social organization. This article discusses the financialization of practice, value, and social organization in a community of transnational soy farmers in Brazil.  

Professionalization, corporatization, and decoupling of farm and farmer have characterized agrarian change in both Brazil and the United States. Sixty years ago, Walter Goldschmidt (1978) tied agricultural industrialization and the growing predominance of agribusinesses to the declining vibrancy of rural communities in the United States. Scholarship that is more recent builds on this relationship while lending nuance to Goldschmidt’s distinction between industrial and small-scale agriculture. While family farms account for 99% of all US farms and 89% of US agricultural production (Hoppe and MacDonald 2016), the nature of family farming is changing. For example, the workdays of Bobby Trask, a small-scale fruit and vegetable farmer in upstate New York (Gray 2013), and Rob, a medium-scale corn and soybean farmer in Iowa (Bell 2010), reflect an increasing reliance on hired farmworkers. Both occupy themselves in the fields, but neither primarily operates machinery. Rather, they hire farmworkers to carry out the agricultural tasks and concern themselves with checking in on workers and the progress of field tasks. As farmwork has become specialized and professionalized, the value of farming has also shifted. Masculinity on the farm, for example, is increasingly expressed in terms of savvy businessmen working with agribusinesses over rugged yeomen farmers working with neighbors and family in the field (Bell, Hullinger, and Brislen 2015). Accordingly, farm communities become embroiled in relations of competition for scarce land and disappearing profit margins (Bell 2010), decentering family, community, and stewardship in favor of management, science, and rationality (Ramírez-Ferrero 2005), continuing a long trend toward hired farm laborers, class formation, and rational productivism (Mooney 1988). Decoupling the farm from the household (Adams 1988), farm families mirror
Australian and New Zealand farmers in redefining the family farm (Johnsen 2004; Pritchard, Burch, and Lawrence 2007) as a business-driven, if not fully corporate, entity. Small-scale New York farmers struggle to become capitalists and managers, dealing with workers, negotiating pay, and balancing these tasks with their pastoralist ideals (Gray 2013). The United States, it seems, has fallen into a perpetual farm crisis of ever-decreasing farms, ever-increasing farm sizes, and increasing antagonism between neighbors, farmers, and relatives (Bell 2010).

This transformation is perhaps more stark in Brazil, where rural landscapes have seemingly transformed from vast grasslands to monocultures of soy, in which agricultural products are fully commodified, farmers are MBA-holding businesspersons managing farms by e-mail from near or far-off cities, and land is a fully capitalized asset (Gudynas 2008). Yet diverse soy-farming styles coexist in Brazil (Mier y Terán Giménez Cacho 2016), and there is reason to doubt the completeness of this transformation. The Brazilian model of industrial soy production can be characterized by farm managers’ high dependence on advanced technology and machinery and agronomic practices, including zero tillage, high pesticide use, and intense fertilization (Ofstehage, n.d.). Professionalization of farmwork — defined by a class of MBA-holding managers living far away from the site of production and producing soybeans by e-mail (Lapegna 2016), or, as Teubal (2006, 81) writes, “farming without farmers” — characterizes industrial soy production in South America. Similar to shifts toward rationalized business-forward thinking on American farms, Brazilian landscapes are increasingly under the logics of capitalist modernization (dos Santos 2008) as land is reinvented and reimagined as modern (Sauer 2012). Large-scale mechanized soy farmers see themselves as missionaries of modernity who implement widespread improvements to the land to transform “wasteland” to productive farmland. The aesthetics of farming and landscape change are used to legitimize their farmwork and indeed serve as common ground for new farmers in the area and established local farmers. Although they may disagree on certain political issues, they find common ground on discourses of production and development of the land (Adams 2008).

Literature on financialization richly explains the impact of finance on farmers, land, and the farm sector. Krippner (2011, 4) defines financialization broadly as “the tendency for profit making in the economy to occur increasingly through financial channels rather than through productive activities.” The impacts of agricultural financialization are well documented in terms of the effects on farmers and the farm sector. Agricultural financialization manifests as an increased role of financial investment and logics of finance in the agricultural sector (Sommerville and Magnan 2015), mobilization of financial value and commodification of land (Knuth 2015), and the integration of finance capital and landownership as a financial asset (Gunnøe 2014). Yet, the analytic of “financialization” remains in development (Lawrence 2015). Financialization juxtaposes productive and speculative assets and economic action (Fairbairn 2014) and distances actors and food through food abstraction (Clapp 2014). As the line between food and finance fades, food retailers reinforce their dominance, worker exploitation intensifies, and small-scale farmers are marginalized (Isakson 2014).

The effects of financialization on workers, farmers, land, and flows of capital are well documented, yet the emergence of financialization out of farmer practices and decision-making processes merits further discussion. Stefan Ouma (2016, 83) proposed exploring the “situated modes, processes and practices of financial economization that have reworked organizations, economic relations, labor and nature at specific historical conjunctures.” I use this situated approach to decenter financial investors and structures of finance to engage with the process of financialization at play in farmwork, values, and social organization and to reorient financialization as a livelihood strategy employed by farmers in crisis.

In this article, I contribute to the understanding of farmers’ experiences with financialization by asking why they turned to finance and how this affected their work, agrarian values, and farm and family organization. The process of farm financialization becomes apparent in three tendencies that rework farm life: (a) outsourcing of agricultural tasks and a shift toward management and financial tasks; (b) the social valuation of business and financial work; and (c) the introduction of financial interests into business, family, and wider social relations. This article benefits
from an empirical focus and a comparative aspect. I work toward deep empiricism (Ofstehage 2017b; Sherwood, Arce, and Paredes 2017) by using field research to examine the modalities of financialization.

Courting capital

In the early 2000s, rising farmland values, scarce farmland availability, and high production costs in the US Midwest created a farm crisis, which limited farmland access for new and landless farmers (Ofstehage 2017a). Unsatisfied with seeking out off-farm work and unenthusiastic about incurring large amounts of farm debt, some farmers looked to the utopian fields of the Brazilian Cerrado, which US farm producer magazines such as *Progressive Farmer* and *Successful Farming* and market consultants portrayed as having cheap land, boasting ideal production conditions, and being limited only by infrastructural deficiencies. After taking agricultural tours to observe land clearing, production, infrastructure, and land availability in the Brazilian Cerrado, a few dozen, mostly young American farmers sought out investors, sold off land holdings, or attained capital by other means and bought farmland, purchasing between a few hundred and more than ten thousand hectares.

One farmer, Bill, reported returning from a farm tour of Western Bahia, Brazil, and thinking they could follow the model of ethanol industry companies, which he identified as forming a limited liability corporation (LLC), getting three hundred to four hundred “guys” (i.e., investors) to gather capital, and starting a company (interview, May 25, 2012). They hired a lawyer, consulted an ethanol company president about business structure, and created a private placement offering that raised US$30 million in equity and venture capital from previously known associates (i.e., neighboring farmers, business associates, friends, and family). They also sold Iowa land for US$3,100 per acre—they would later purchase Brazilian land for US$800 per acre. They became operational in April 2004. After not returning any profit to investors in the early years, they turned to a New York investment bank for expansion and “capitalization,” soon after the economic crisis hit and the fund was spent. They then turned to a London agricultural investment company seeking to invest US$250 million in production agriculture. The company bought out the farm’s partners and later grouped the investment with other agricultural investments and went public. At the time of research, Bill was CEO of the company, his son was COO, and they were both board members, while a London agricultural investment company is the sole shareholder. This escalation of financialization from a private placement offering with capital investments from neighbors, associates, and family to a capital injection from an investment bank to outright sale of shares is not a typical trajectory but indicates the diversity of paths toward financialization of transnational farms. Not all American farmers in Brazil have investors. Some funded their farms with lands sales or used family capital, but seventeen of twenty interviewees did follow the ethanol company model of forming an LLC and inviting neighboring farmers to invest, meaning that investment capital came from neighbors, friends, and family.

Farmer-investors got involved for a variety of reasons. Farmers see production agriculture as both a safe investment and one that makes sense to them; investing in Brazilian soy farms can provide them with insider information on the climate and market in Brazil; and, from producer magazines, Brazilian soy can appear to be an inevitable out-competitor of American soy and investing in it is seen as a way to ameliorate this loss (Hecht and Mann 2008). In a Skype interview, an investor reported hearing and enjoying a farmer’s investment presentation in Chicago and finding appeal in the honest and forthright communication style. He invested a small amount for multiple reasons: to stay informed about production costs and the production environment, to gain contacts with American and Brazilian farmers in Brazil, and to gain profit (interview, October 13, 2014). Another investor, whom I met by chance on a rural bus on his way back from an American’s Mato Grosso farm where he works a couple times per year, also suggested that farmers’ investment presentations informed investment decisions. Speaking of one infamous farmer, he scoffed, “He’s a smooth, sharp talker, [who] says you’d have to be stupid not to invest, with how good ag is in Brazil, how cheap land and labor are, there’s no downside” (Glenn, interview, August 20, 2015).
A small town newspaper (Zippay 2003) reported the reasoning and process of another farmer-investor’s decision to become a “pioneer” in international farming. While doing missionary work in Brazil, the family had met an American farmer who operated a farm for profit, had passion for farming, and could access Brazilian farmers for Christian evangelization. Encouraged by the farmer’s qualifications and Christian work ethic, and assured that they would not “take down the rain forest for farms” (Zippay 2003), the family visited and then invested.

Taking on financial capital, either through farmer-investors, in most cases, or through selling shares of the company to investment banks, provides access to capital without incurring unsustainable levels of debt, perhaps a lesson learned from the 1980s US farm crisis. Catalyzed by land inaccessibility and barriers to farming in the United States as well as desires to farm, to maintain semiautonomy, and even a sense of adventure and bravado, farmers mobilized from the United States to Brazil. In the late 1980s and again in the early 2000s, thirty to forty North American farmers migrated to Brazil, primarily to Western Bahia. The farmers’ turn to finance differs from the general field of farm financialization in two ways. First, the farmers themselves seek out finance rather than becoming engulfed by it. Second, the investors themselves are generally farmers interested in profit, but also in information and security, and place great importance on trust. Young farmers turned to finance, sourced primarily from neighboring farmers, to fund their transnational farming ventures. In the following sections, I detail how financialization affects their work, values, and social relations.

**Farmwork: Managing workers and investors**

The everyday routine of Midwestern farmers in the Brazilian Cerrado is centered in Luis Eduardo Magalhães, the “City of Agribusiness.” Living in town, Midwestern farmers in Bahia either work in farm offices or commute to their farms, up to a two-hour drive or, for one farmer, a forty-five-minute flight on his privately owned plane. On the farm, their work consists primarily of checking in on workers in the field, inspecting machinery, and meeting with managers. A typical corn and soybean farm in the Midwest incorporates primarily the farm family’s own labor, with some additional hired labor during peak seasonal work (Hoppe 2014). Conversely, American-owned farms in Bahia depend on hired farmworkers year-round.

Farmers often visit their farms a few times per week, except during planting or harvesting, when they visit more frequently. The following account by Mark, a young Iowan, typifies the emerging everyday routines of farmwork. On the long drive on a well-paved highway, passing and being passed by semitrucks laden with cotton for export, cottonseeds for chicken feed, or soy, he made and received phone calls. At the farm, he drove from field to field checking on the progress of work. He would stop to notify a combine operator that the machine was emitting black smoke, check the seed depth of a planter, or stop to enforce compliance with a number of worker regulations (such as wearing protective clothing while spraying pesticides). Work on Mark’s farm was divided hierarchically and by task. Team leaders managed farmworkers and reported to Mark’s lead agronomy teams. He had approximately sixty workers. On the farm, Mark’s primary work tasks were to manage laborers and managers, ensure compliance with governmental regulations, and generally check in on farm functions. Although rarely directly doing in-field tasks, Mark was not reluctant to exit his pickup to help perform certain tasks when necessary. A farmworker found this tendency of American farmers amusing, comparing American farmers’ work and dress to Brazilians: “Brazilian farmers are poor but look rich, American farmers are rich but look poor” (interview, November 6, 2014).

When not in the field, Mark and other American farmers could usually be found in their staffed offices in Luis Eduardo Magalhães. Here they talked to concerned investors, wrote investor reports, filed paperwork, and managed farm resources—workers, inputs, and farm assets—by e-mail, phone, or Skype. Farmers reported spending 50%–60% of their time in the office performing these tasks, aided by accountants, lawyers, human resources staff, and even, in a few cases, public relations staff. They often explained this by way of their biggest challenge as farmers in Brazil: governmental regulations.
Farmers nearly universally reported governmental regulations as one of their major challenges, while a few included agronomic matters. These challenges are indicative of their role and work on the farm. Complaints about workers and regulations are expected for farmers becoming capitalists and are common in both Brazilian and American farming contexts. Small-scale New York farmers’ most salient challenges include “establishing wage levels, the cost of maintaining employee housing, and the exhausting task of dealing with government labor regulations,” in addition to sourcing and maintaining a reliable workforce (Gray 2013, 82). Likewise, Brazilian soybean farmers in Bolivia regard labor relations as not only unnecessary and inefficient but also destructive of close reciprocal worker relations (Valdivia 2010).

North American soy farmers’ work overlaps with models for industrial soy production in Brazil as well as the tendency for large-scale US farms to depend on farmworkers and decry workers and labor regulations. Yet, looking at their on-the-ground practices reveals an even further distancing from farmer and farmwork (Clapp 2014). It is useful here to distinguish between productive work and financial work. I define productive work as work related to managing the farm, such as directing machinery, planting, applying agro-chemicals, and harvesting. Financial work, conversely, is work related to managing capital. Clapp identifies the distancing of farm and labor as an aspect of farm financialization. Yet here is not just a process of distancing farmer from labor, but also a recentering of work around finance work—filing updates, communicating with investors, and managing investment funds.

Farmers regularly send investors agronomic updates on field conditions, rotation decisions, planting or harvesting progress, and pest pressure; economic updates that cover markets, politics, and infrastructure; and general farm updates on decisions about land sales or purchases and calls for investment. For example, a 2010 memo began with a detailed summary of new machinery purchases with reasoning for their necessity, a new hire for the operational management team, and personnel changes at their cotton gin. The next section described field conditions for soybeans and cotton, detailed pest pressure, crop stands, required replanting, and general conditions, illustrated with photos and a chart of recorded rainfall. The update ended with charts on market prices in Brazil compared to the United States, estimated yields compared to past years, and information on upcoming travel plans for the family. Other farmers manage blogs to keep their investors updated, which also may raise their public profile and aid in courting investors. Besides this work of reporting up to investors, farmers make investment pitches, host farm tours, respond to newspaper reporters, manage websites, and formalize mission-vision statements. The farmers are not likely to be removed from their position by investors given that they usually have controlling stakes in the farm, yet poor attention to the interests of investors risks losing those investors to other transnational farms, ethanol companies, or other potential investments. Thus competition between farmers for reputation and investor capital is ever present in conversations and rumors.

American farmers adopted corporatized managerial practices similar to the Brazilian model and to large-scale farms in the United States, but also devoted time to tending to investors and capital. It is a mix of both productive (checking seed depth and choosing seeds) and financial (talking with investors and writing farm updates), just as farmland is at once a productive asset and a speculative one (Fairbairn 2014). Financialized work practices now more directly reflect the pursuit of capital accumulation. Farmers abandon the tractor seat in favor of a pickup cab or swiveling desk chair as they manage workers and handle bureaucratic and logistical matters to keep the farm in operation. While traditional notions of family farming can be framed as self-exploitation as farmers tighten their
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belts, reduce profit margins, and endure hard times, this work is more clearly characterized as the exploitation of farmworkers’ labor. They also become capitalists in the political and economic senses as they come to see their role of providing work as a rejected gift, sometimes taking an opposition role to workers who produce the capital (Ofstehage 2016). They have also restructured organizational hierarchies, which place financiers in a position to be reported to. Thus, farmers must report to them, court them, and compete for them.

Finding value in transnational farming

As farmwork came to resemble management, the value of farmwork and of “good farmers” also changed, supporting Graeber’s (2001) theory that value reflects socially valued action. The dramatic changes in farmwork led farmers to rethink notions of good and bad farming and, through that, good and bad farmers. Values of farming hardly resemble the productivist markers of good farming, which include straight rows, “clean” fields, and an ever-present farmer in the field (Burton 2004).

Barlett’s (1993) account of agrarian change in Georgia (US) during the 1980s farm crisis paints a vivid picture of shifting practices and values of agriculture—a shift from yeomen farmers to entrepreneurial farmers. Mooney (1988) makes similar claims, writing of farmers’ adoption of hiring out farmwork and coming to value rational farming over traditional farming, mirroring more recent shifts in ideals of masculinity on the farm (Bell 2010; Bell, Hullinger, and Brislen 2015). This reframing of the good farmer narrative is also present in the ethnographic work of Hoelle (2015) and Adams (2008), who find that Brazilian farmers and ranchers claim credit as evangelists of capitalism and modernity.

While describing how a soy farm in the Brazilian Cerrado fit into the legacy of his Illinois family farm, Austin explained that his grandpa, uncle, and father saw the farm as a legacy for the grandkids to continue, because they would and should be stronger together as a farm family (interview, August 4, 2012). However, in his opinion, they had to learn to distinguish the farming lifestyle from the farming business:

You know, my dad and uncle, they are … have very like-minded, both have the same goals in mind, both work as hard as they can to buy more, own more farm ground. … I like being here ‘cause I’m the boss and I can say what we’re gonna do, but up there, they’ve never agreed well I’m responsible for this and you’re responsible for that and you know, and let’s measure the performance. … You know it works to a point, but to reach the next step, if you run this thing like a business, ‘cause that’s what the competitors are doing, and so you have to make that decision, is this a lifestyle or is it a business? (interview, August 4, 2012)

I asked about how the older generations felt about this new farming lifestyle:

I did all that like my dad and uncle, I drove the tractors and I understand the agronomic side, I can do all those things, but I decided my time is better spent on the management side. … I’ve probably spent, uh, no more than five days a year in a tractor now. I don’t have the, I don’t have a passion for tractor driving like my uncle and dad do, doesn’t, like what really makes them feel good to go out and turn the dirt and stuff, I don’t get the feeling that they do. (interview, August 4, 2012)

He added that the business-like farming he saw in Brazil, using workers for labor and basing farming decisions on profit margins rather than emotions, portended changes to come in US agriculture. These Brazilian farms, he admired, “are more like a business” (interview, August 4, 2012).

Farmers like Austin often framed their work and business as progressive and forward thinking in distinction to the romantic and naive way farming is done “back home.” They argue that farming is a business, not a lifestyle, and thus a good farmer is one who efficiently and profitably manages the business. However, the concept of a good farmer in Luis Eduardo moves beyond local gossip on yields and straight rows. While tasked with ensuring timely
planting and harvest, managing pests, and keeping in line with governmental regulations, farmers must also satisfy investors, lest they lose their investment or, worse, have their investment moved to a competing farm.

One farmer explained his good treatment of workers as something demanded by investors:

Many investors would be upset, angry if you mistreated workers. They prefer better people, better pay, to maintain workers and reduce turnover. [You] can’t afford not to — to have too much mobility, turnover. Investors aren’t necessarily interested in the workers’ improvement, but in the negative — do no harm. You also have to maintain a good reputation to reduce turnover, attract better workers. (Chad, interview, August 1, 2012)

“Investors,” Chad said, “need to see return on investment, but they are also interested in yield as a benchmark, cost structure, critical success factors … they want to do things the right way” (interview, August 1, 2012). The farm is not run only as a business but also as a financial asset to satisfy investors. Farmers are in direct competition with each other not only for land but also for capital, and they compete by demonstrating their ability as managers of capital.

From family and community to employees and investors

Regardless of the persistence of family farms, farm families and rural communities have long been recognized as becoming subordinate to capital (Hedley 1981). Changing social relations during the 1980s farm crisis reinforced bifurcation of farmers into capitalist and yeomen groups (Barlett 1993) and sowed division within rural communities as farmers became victims of foreclosure, dispossession, public shaming, and suicide (Dudley 2000). Farmers compete for productive farmland, pitting neighbors against each other as they balance accumulation and farm survival (Bell 2010). At the family level, the dynamic of decoupling farms from families (Adams 1988) has reshaped the family farm itself (Johnsen 2004), particularly in transnational (Cheshire, Meurk, and Woods 2013) and corporatized farms (Pritchard, Burch, and Lawrence 2007). In Brazil, too, despite the continued existence of reciprocal economic relations at even the most capital-driven agribusinesses (Wesz Junior 2016), unincorporated farms are rare along rural roadways.

Debates around good farming extend beyond internal debates and boardroom negotiations and affect community relations as farmers debate terms of success and good farming. According to Chuck, whose story opened this article, American farmers in Bahia are more concerned about being perceived as naïve than about being perceived as kind. Much of our discussion on the trip to and back from Piauí centered around three men with whom he was in conflict: a Brazilian landowner, an American farmer, and an American ex-farmer. One of the individuals has fallen out of favor with Chuck and the Belgian landowner but retains control over farm bank accounts, thus no money can be drawn from the accounts to pay for materials or work on the farm. Work on the farm is at a standstill, and there is no money to pay for inputs or wages. The workers, Fernando and Luis, are allowed to accept cows as payment with the promise that they will be paid when possible. They also have a garden that they maintain and food paid for by Chuck. Much of the work is just to keep the cattle and horses alive and maintain possession of the farm.

Chuck sees this conflict as indicative of the community of American farmers in Bahia. When he warns investors and other farmers of scams, people laugh at him and say “he’s stupid” or “naïve” and “just doesn’t understand how it’s done” or, reflecting perceptions of masculinity and farming, “is too much of a pussy to do things how they are done in Brazil” (interview, July 26, 2012). Currently the four embroiled in this conflict are all suing each other over land disputes at and near the farm in Piauí. Chuck is also working to get the other’s name off the legal documents and remove him as the named manager of the farm. Until then, they have little control over the finances. This farmer has been confronted by the Belgian landowner and Chuck, but he still maintains control of the bank account. Local communities have also confronted him about an illicit charcoal venture at a protected nature preserve, which drew protests over his illegal charcoal production and road construction. Chuck has thought of leaving everything behind and creating a new company to gain rights over their accounts again, though it would mean losing the old ones.
“Americans screw each other over here,” he remarked. “No cooperatives, no hanging out, not like other immigrant communities” (interview, September 22, 2014). He feels more a part of the Brazilian community, with his English-language school, going to weddings and funerals, and being friendly with workers. He expected more community with other American farmers here. He used to ask people if he could bring anything back, but nobody responded. He brought back maple syrup, until someone reminded him that nobody does that for him. Chuck also mentioned that there is not much community action here—no neighborhood watch, nothing like that. As Chuck noted, there is no community among the American expatriates. The following description of a prominent ongoing litigation perhaps best summarizes the state of social organization within the family farming community in Bahia.

In one prominent and oft discussed case, a farmer once located in Luis Eduardo Magalhães was being sued by investors, which were predominantly friends, family, neighbors, and acquaintances. Plaintiffs alleged that the farmer misrepresented costs and returns in making an investment pitch, providing low estimates for rental contracts, materials, and fertilizer. While soliciting US$5–10 million, the farmer raised US$1.3 million but did not communicate this to investors. In investment pitches, the farmer identified the main risks to investment as political risk, currency fluctuations, and weather, before countering that Brazil is stable and pro-agriculture, that it maintains controls over inflation, and that weather is not a factor in production. Projected returns of 25%–40% and possible returns of up to 50%–60% were calculated, plaintiffs allege, without a full accounting of costs of production and risks of farming in Brazil. After the first year of production, investors received high returns on investment, though the plaintiffs believe that payments were made from new investment monies, not from profit from actual farm operations. Investors in the second call for investment were paid in turn, plaintiffs argue, by a third call for investment instead of with profits from farm operations. Plaintiffs argue that these investment cycles amounted to a pyramid scheme, caged in misinformation about profits, costs, risks, and production.

This ongoing lawsuit indicates a number of phenomena in the family farming community. It shows the growing antagonism and distrust within the community of farmers and investors, the shift toward legal means of settling internal disputes, and the primacy of capital in creating and dissolving community connections.

As capital finance has taken on a greater role in farmwork and values, it has also gained importance in terms of decision-making, community relations, and family relations. Family-centered decision-making is both a stated (Barlett 1993) and implied aspect of family farms, as is the family as central to operations of capital flow. Under financialized farms, these notions are reworked. Capital flows to families, but only in terms of wages and dividends. Wives may receive hourly wages for their work just as the farmworkers do, and decisions are rarely made in the confines of a family home. Investors can oppose decisions on farmland rentals, purchases, or sales. Thus the family loses some control over executive decision-making and capital flow while gaining access to steady wages and benefits. For example, an American farmer in Roraima, Brazil, found himself at a crossroads when his family wanted to change the farm business structure, purchase more machinery, and expand their area under cultivation, but many of their aging investors “want[ed] out” (Stan, interview, June 25, 2012). At the time of the research, he was considering his options, including selling the farm and starting his own farm without investors or finding wage labor. While a transition to a corporatized or managerial farmwork entails a hierarchization of farmer and worker, financialization further hierarchizes by placing the farmer in a dependent relationship with investors, unable to make major decisions autonomously.

Modalities of financialization

US family farmers in Bahia have introduced financiers into their farms, and this has enacted changes in their farmwork, value, and organization. Farmers engage with work through their position as managers rather than as tillers of the soil, value work in financialized terms of efficiency and profit, and even financialize relationships as investors gain power over decision-making and family members become laborers.
Work, value, and social organization are the situated sites of financialization. For the large-scale, capitalized American farmers in Bahia, this means the financialization of the means of production; the financialization of their farming careers; and a reorientation of farm, family, and community around finance. First, farmers have adopted new forms of work, which are centered on farm management and logistics more than on in-field work. Labor itself has become commodified and defined in terms of relative profit margin rather than in terms of land stewardship, farming heritage, or “good farming.” The same can be said for both land and crop. The figure of a farmer conjures notions of deep connections with the land, yet farmers here are tied to the land only insofar as it remains profitable. It is a means of production and a speculative asset, but little more. Similarly, the soybean plants carry little significance beyond their commodity value.

Second, farmers have taken on financialized career paths. When asked about their future plans, I heard two dominant narratives. In one, the farm family planned to leave Brazil, either liquidating their assets or managing the farm by e-mail from the United States. This path included returning to farming in the United States, but not just as they had left it. They would bring the new farming and business practices implemented in the Cerrado to make new American farms more productive, profitable, and forward thinking. A second plan was to sell now expensive land in Bahia to buy new cheaper land in current frontier regions in Piauí or Tocantins, encouraged by dreams of speculative and productive profits on the soy frontier.

Third, farmers reoriented rural life around finance. Farms became economic assets, in distinction to an integrated site of family reproduction, agricultural production, and economic profit. Few children play on the American farms in the Cerrado. The family, likewise, has taken on greater financial meaning as spouses receive wages, relatives become stakeholders or board members, and siblings become business partners. Finally, the American farming community in Bahia has become an antagonistic environment in which lawsuits and gossip emerge out of contentious interpersonal and business interactions.

Perhaps financialization of farming conjures images of Wall Street bankers speculating on Iowa farmland, Monsanto gaining undue control over seed distribution, or the domination of the chicken industry by vertically integrated corporations; this case shows a different side of financialization. Supporting Magnan’s (2012) observations of the paradox of family farm corporations, these transnational farms occupy an awkward position. The narrative of the loss of family farms to financialization signifies a dichotomy of powerful and powerless, so how does family farms’ use of finance to weather crisis modify this narrative?

The less fortunate are no longer the only ones who experience precarity (Tsing 2015). The migration of North American farmers to Brazil indeed constitutes exploitation and expropriation of Cerrado land and fits into narratives of the global land grab and settler colonialism, but we cannot ignore that it was a response to a farm crisis in the United States. What separated them from other precarious farmers was their privileged position with access to capital and a willingness to mobilize. In becoming “flexible farmers” (Ofstehage, forthcoming) decoupled from land, labor, and crops, they courted finance, corporatized family farms, and redefined good farmers as good businesspersons.

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Notes
1 All names are pseudonyms to protect interviewees’ confidentiality.
2 In conducting participant observation and extensive interviews with large-scale landowners, I found my avenues for research with farmworkers and local communities limited. My identity as a white male from North America researching white male farmers from North America marked these interactions as
risky business for the precarious position of farmworkers. For in-depth analyses of the exploitation of local communities by large-scale soy farmers in Brazil, see Silva Coutinho, Germani, and Oliveira (2013), Diniz (1984), Gudynas (2008), and Top‘Tiro (2009).

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A. L. Ofstehage


