



Strategies and hybrid dynamics of soy transnational companies in the Southern Cone

Valdemar João Wesz Jr

To cite this article: Valdemar João Wesz Jr (2016) Strategies and hybrid dynamics of soy transnational companies in the Southern Cone, *The Journal of Peasant Studies*, 43:2, 286-312, DOI: [10.1080/03066150.2015.1129496](https://doi.org/10.1080/03066150.2015.1129496)

To link to this article: <http://dx.doi.org/10.1080/03066150.2015.1129496>



Published online: 04 Mar 2016.



Submit your article to this journal [↗](#)



Article views: 100



View related articles [↗](#)



View Crossmark data [↗](#)

Strategies and hybrid dynamics of soy transnational companies in the Southern Cone

Valdemar João Wesz Jr

Economical liberalization, market globalization and soy expansion stimulated the advance of big transnational companies in the Southern Cone countries (Brazil, Argentina, Paraguay and Uruguay). Currently, the main corporations acting on the last links of the productive chain are ADM (Archer Daniels Midland), Bunge, Cargill and Dreyfus (the ABCD firms), global leaders in the soy trade. The objective of this contribution is to analyze the different strategies these companies articulate in the Southern Cone, and their dynamics in local space through market relations with local producers. The results show the rapid and intense process of denationalization of the firms in the soy productive chain as well as the high level of market internationalization and company concentration. In spite of this, this study shows that all transnational power of ABCD firms, which seems so abstract and intimidating when seen in the global scale, depends on its basis of the formation, maintenance and exploration of relations of proximity, trust and reciprocity with local actors (especially rural producers), including family friendship linkages.

Keywords: soy market; agribusiness; transnational companies; ABCD firms; Southern Cone Region; hybrid organizations

Introduction¹

From 1970 onward a new international order started in the political and institutional sphere, characterized by the emergence of a complex reconfiguration of the world's economy and the alteration of the nature and dynamics of production, consumption and markets (Friedmann and McMichael 1989; Santos 2002). In the agricultural and food-production sector, this process is expressed in the liberalization of international commerce and the performance of transnational companies looking to exploit the comparative advantages of this new order (Wilkinson 2009). In this context, heterogeneous and geographically dispersed actors and spaces are connected, and the dynamics of the relations between firms and ways of governance are modified (Gereffi, Humphrey, and Sturgeon 2005; Bonanno and Constance 2008; Clapp and Cohen 2009; Clapp and Fuchs 2009).

In Latin America's Southern Cone², the globalization process was intensified from the 1990s, during which a strong commercial and financial opening occurred, the results of which were the mutation of the companies' patrimonial structure, exemplified by the

¹This contribution presents some of the results of the author's doctoral dissertation (Wesz Jr. 2014).

²In this paper, the Southern Cone includes the following countries: Brazil, Argentina, Paraguay and Uruguay.

expansion of foreign direct investment (FDI) and the increase in the number of mergers and acquisitions (M&A). Also, intensification of the firms' denationalization process, growth of markets' internationalization, business concentration and capital centralization occurred (Benetti 2004; Cohen 2007; De La Torre and Schmukler 2007).

In the soy market, the economic liberalization and market globalization process, and the legume production increase, stimulated the advance of the big transnational companies in the Southern Cone. This way, ADM (Archer Daniels Midland), Bunge, Cargill and Dreyfus, world leaders in agricultural trade, started to play an important role in the region's soy market, from the 1990s onward. It is important to notice that soy is today the main farming activity in economic (export value) and territorial (planted surface) terms in Brazil, Argentina, Paraguay and Uruguay.

The objective of this paper is to analyze the strategies and dynamics of the transnational companies ADM, Bunge, Cargill and Dreyfus (known as the ABCD firms) on the Southern Cone soy productive chain. In this way, it seeks to understand, through the different national and international transformations, the current configuration of the companies related to the region's soy market, which have led the world production of this bean. At the same time, it discusses the dynamics of these firms in the local space related to their commercial relations with rural producers. With this debate it aims at understanding how transnational companies' global practices are shifted, shuffled and adapted, and regain meaning through interactions with actors and the contexts that exist in the different scales (processes that produce hybrid organizations).

Besides using specialized academic literature on the subjects discussed, secondary data research was conducted for the different countries, mainly consulting the Brazilian Association of Vegetable Oils Industries (ABIOVE; Brazil), the Brazilian Institute of Geography and Statistics (IBGE; Brazil), the National Company of Supply (CONAB; Brazil), the Foreign Trade Secretariat (SECEX; Brazil), the Ministry of Agriculture, Livestock and Fishing (MAGyP; Argentina), the National Institute of Statistics and Census (INIDEC; Argentina), the Ministry of Economies and Public Finances (MECON; Argentina), the Ministry of Agriculture and Livestock (MAG; Paraguay), the Paraguayan Assembly of Cereals and Oilseeds Exporters and Traders (CAPECO; Paraguay) and the Ministry of Livestock, Agriculture and Fishing (MGAP; Uruguay). Also, information was collected from the media, especially newspapers and magazines, as well as reports, institutional bulletins and balance sheets of ADM, Bunge, Cargill and Dreyfus. Thirty-six qualitative interviews were held in 2012 and 2013 in Mato Grosso (the main Brazilian state for soy production) with representatives of ABCD companies and with rural producers (with regard to the latter, producers that plant more than 200,000 hectares of soy and farmers in rural settlements that produce the grain on 10 hectares were interviewed).

After this introduction, the soy expansion in the Southern Cone is presented, highlighting this market's features in the four countries. In the following, the presence of ABCD in the region is discussed with special attention in terms of the installed crush capacity and export volume. The main strategies of the ABCD firms are also analyzed. And, before the concluding section, the performance of these companies in the local space related to their commercial relations with rural producers is discussed.

The soy expansion in the Southern Cone

Until the mid part of the twentieth century, soy was an experimental crop in the Southern Cone countries, without economic and territorial importance. Between the 1950s and 1960s there was a first movement to stimulate production, mainly in Brazil, where soy started to be

planted in rotation with wheat (Embrapa 2004). As shown in [Figure 1](#), from 1970 onwards, there is a significant increase in the planted area, led by Brazil and, to a lesser extent, by Argentina. The decades of 1980 and 1990 were characterized by an increase in the planted surface, although there were significant recession periods, especially in Brazil, which entered an economic crisis ([Delgado 2005](#)). By the mid 1990s, what has been called the soy boom took place (in Uruguay this process came later, starting by the 2000s), the main characteristic of which was the high rate of planted area growth, which doubled in less than 10 years. In a general way, this expansion has continued until today, mainly in the Paraguayan and Argentinean cases, where the planted surface has had practically uninterrupted growth during the last 20 years ([Figure 1](#)). Today, the soy-planted area in the Southern Cone equals the sum of the territories of Germany, Portugal and Belgium.

The dynamics of soy in the Southern Cone is linked to the incorporation, on a global scale, of this legume in the production of vegetal oil and proteins for animal feed (swine, birds and cattle) that was boosted mainly by the USA after World War II ([Du Bois, Tan, and Mintz 2008](#)). The growth of the international demand for and the price of the grain, especially from 1973 onwards, stimulated countries in the Southern Cone to invest in the legume for export. It is important to highlight that the national states played a fundamental role in disseminating this harvest when they created several measures to encourage its production. In this sense, policies for the modernization of agriculture were decisive, for they relied on subsidized credit, technological innovation, minimal prices, modernization of the input and processing industry, the creation of new channels for distribution, etc. ([Piñeiro and Moraes 2008](#); [Heredia, Palmeira, and Leite 2010](#); [Gras and Hernández 2013](#)).

In parallel, the soy expansion received strong benefits from migration policies, especially in Brazil and Paraguay. In the former, the military government promoted the ‘occupation of Cerrado’ and the expansion of the agriculture frontier through several public policies (directed at land concession, infrastructure construction, agriculture modernization, territory occupation, fiscal incentives, etc.). One of its main goals was to extend farm production in the region to generate earnings and equalize the commercial balance via the increase of exports ([Fernández 2007](#); [Moreno 2007](#)). In the Paraguayan case, the Stroessner government (1954–1989) tried to consolidate the agroexporting model through the incorporation of Brazilian people in its territory, so that they could extend

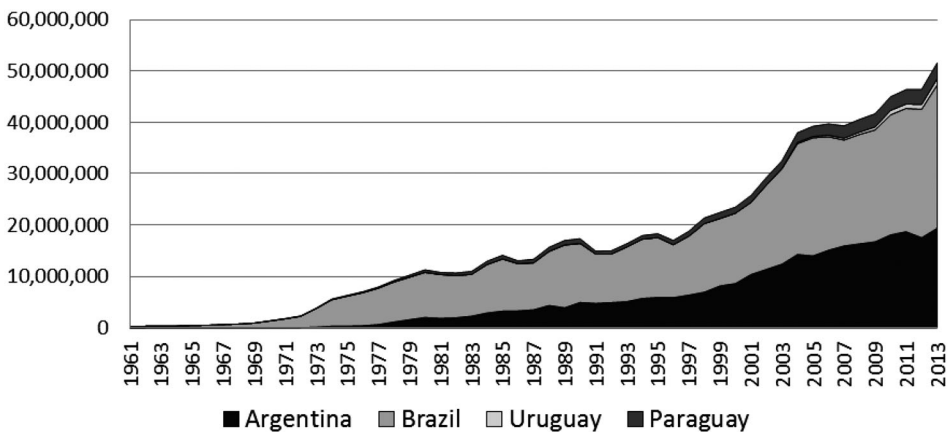


Figure 1. Soy-planted area in the Southern Cone (1961 to 2013).

Source: Faostat ([2014](#)).

areas of plantation destined for export (especially soy and wheat). For such, the law forbidding the acquisition of land by foreigners in the range of 150 kilometres from their borders was abolished, and it facilitated the land concession and financing of agricultural activities (Pappalardo 1995; Albuquerque 2005; Blanc, 2015). Today, it is estimated that 90 percent of Paraguayan soy is produced by Brazilians or their descendants (Revista Exame 2011).

In addition to sectorial actions of the different countries (such as rural credit, price, land and territorial order, agronomic research, technical assistance policies, etc.), a series of instruments were decisive for the construction of an environment favourable to soy expansion (such as labour, environmental, industrial, commercial, fiscal, tributary, energy, infrastructure and services policies, etc.). Still, domestic impulses cannot be analyzed as disconnected actions, but as a set of instruments mobilized to sustain an agroexport model of development that, during the years, has shifted and restructured when faced with the national and international political-economic context (Pires and Santos 2013).

It is necessary to recognize that public policies constructed by the different countries to maintain the agroexport model are linked to the context of economic, commercial and financial globalization, defended and stimulated by international organizations (especially the International Monetary Fund, the World Bank and the World Trade Organization) (Gilpin 2011). In parallel, the transnational companies deepen and intensify the process of market integration, since they are the main locus of accumulation and economic power controlling specific assets (capital, technology and management, organizational and market capacity) and defining private norms for market regulation (Clapp and Fuchs 2009). In brief, it can be said that the expansion of the soy frontier in the Southern Cone has been stimulated by the relations among national governments, transnational companies and institutions of global governance.

Gudynas (2008), Guibert et al. (2011) and Gras and Hernández (2013) also note how technological and socio-organizational transformations were also fundamental for the soy boom. Amongst the technical changes, the authors highlight the importance of direct seeding and transgenic variety introduction, which simplified the planting and management process, reducing implementation costs (despite the payment of royalties and the growing use of agrotoxics). On the socio-organizational front, there were information and communication structures, business management, new financial tools and the organization of the companies on business networks, that allowed the introduction of financial sources coming from other sectors, the expansion of actors' mobility, and the possibility of controlling bigger areas in different regions.

In the last few decades, the Southern Cone has become the main area of expansion of soy plantations (mainly Brazil and Argentina, which dominate more than 90 percent of the regional planted surface of the grain, but with a growing advance over the Paraguayan and the Uruguayan territories³). In 2013 these four countries accounted for more than half of the world's production (52 percent), while in 1970 they represented only 4 percent. From 1970 to 2013, the soy-planted area grew more than 34 times, while in the other producer

³In Bolivia there is a strong process of soy expansion, especially in the department of Santa Cruz, which is similar to the prevailing situation of the Southern Cone. However, Bolivia was not considered in this paper because the ABCD firms do not appear as strong there as they do in the other countries (even with ADM and Cargill acting there). In this country, Bolivian, Peruvian and Venezuelan agroindustries have a major presence (even because the main destination of soy is the Andean countries themselves) (Colque 2013). Besides, there is limited access to data and information on the companies.

countries, this growth was only two times (Faostat 2014). The data show the region's importance and leading role in soy cultivation.

Genok (2012) argues that, associated with this productivity growth through the years, since the 1990s there has been an expansion over native vegetation areas, and over other activities (such as summer cultivation and livestock). The strong hegemony soy has assumed on Southern Cone agriculture can be observed in the control that it exerts on the total arable lands, which has been greater than 40 percent since 2005. Two of every five arable hectares in the region are used for soy (Genok 2012).

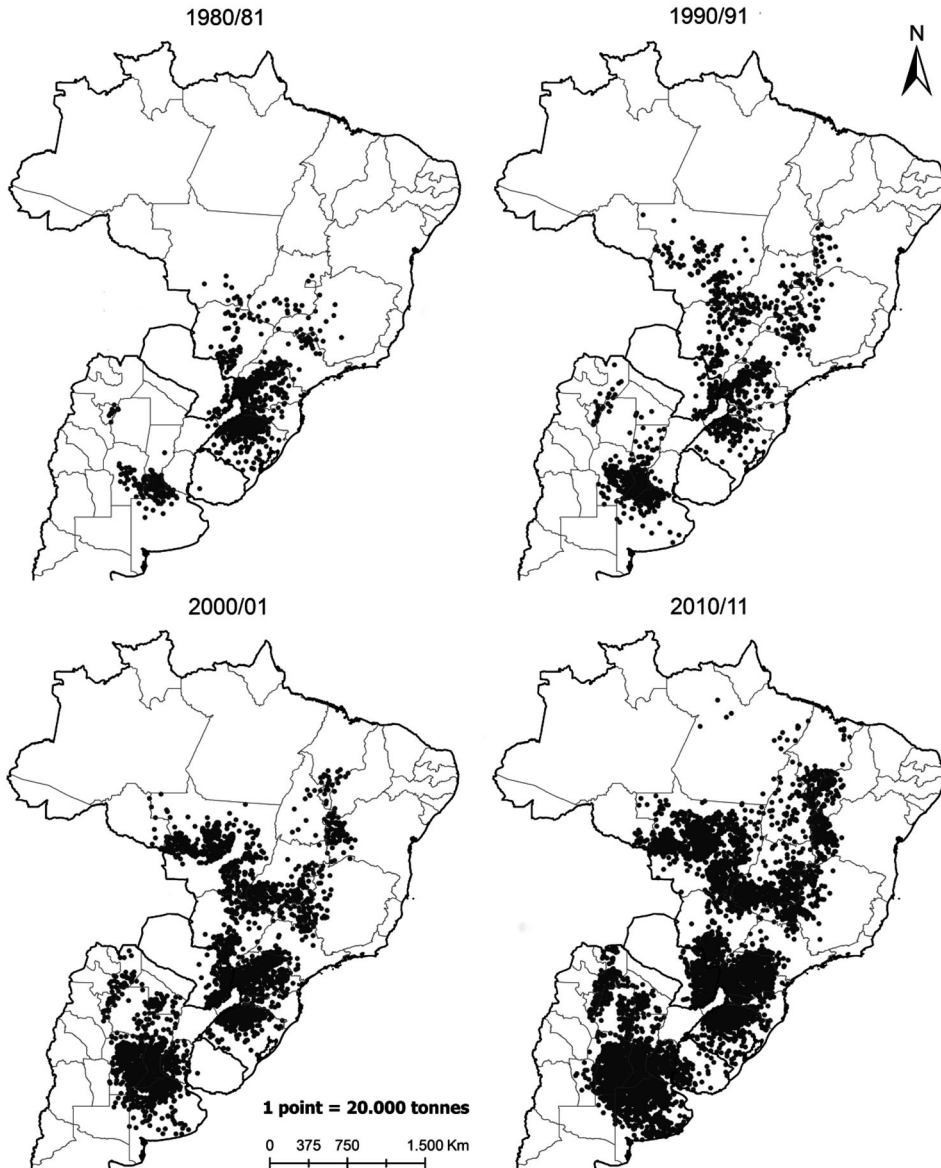


Figure 2. Soy production in the Southern Cone (Brazil, Argentina, Paraguay and Uruguay). Source: IBGE (2013); MAGyP (2013); MAG (2013); Capeco (2013); MGAP (2013), compiled by the author.

The territorial expansion of soy can be observed in [Figure 2](#), which presents the grain production in Brazil, Argentina and Paraguay. This instrument allows us to comprehend, historically and spatially, the expansion of the legume in the different regions of the countries analyzed. While at the beginning of the 1980s, soy was present in a more significant way in the Brazilian South and the humid pampas of Argentina, through the years it is possible to observe the proliferation of new spots, such as the center-north of Brazil and Argentina, the Uruguayan west and the Paraguayan east ([Figure 2⁴](#)).

When analyzing the soy data in each country, the importance it has assumed over the last decade becomes unquestionable. In Brazil's case, the legume occupies a surface that is greater than 50 percent of temporary cultures and accounts for 9.4 percent of total exports. It is also the largest country exporting soy, in grain (CONAB 2013; SECEX 2013). In Argentina, soy has become the main farm activity, surpassing traditional cultures such as wheat, corn and sunflower. Over the last few years the grain has reached 60 percent of farming planted areas and is responsible for 25 percent of the total value of sales to foreign countries, and the country is the world leader in soybean meal and oil exports (INDEC 2013; Faostat 2014). In Paraguay, soy has been identified as 'the backbone of agribusiness', occupying 72 percent of arable lands in the country and accounting for 9.7 percent of national gross domestic product (GDP), and 42 percent of total exports (CIP 2013; Faostat 2014). In Uruguay, the legume took an 'explosive' leading role because it had such little expression in the beginning of the twenty-first century (0.1 percent of exports and 7.7 percent of planted surface), while a decade later it accounted for 16 percent of total exports and 86 percent of the cultivated land during the summer (UruguayXXI 2012; MGAP 2013).

Through the years, the installed capacity of soy agribusinesses grew significantly, especially in Argentina and Brazil, which concentrate an important part of the sector's enterprises. When analyzing the industrial situation of both countries, it is evident that between 1984 and 2010 there was an expressive growth in Argentina (350 percent), while in Brazil this was more modest (75 percent). With this, Argentinean industries practically equaled Brazilian ones in 2010, while by the mid-1980s they had reached only a little more than a third ([Figure 3](#)). In Paraguay and Uruguay, the soy-crushing infrastructure was much smaller than that of the neighbouring countries, because of the smaller production, but also because a big part of this commodity is exported without being processed, as will be shown later in this contribution.

⁴In relation to [Figure 2](#), two comments must be made. First, concerning the spatial unity, where some equivalence between the four countries was sought. This is particularly important to keep proportionality where absolute values are used, instead of average values. For this, the unit 'micro-region' was used in Brazil, and the 'department' in Argentina, Paraguay and Uruguay. The second comment refers to the data, which were built based on different sources: Brazil – agricultural research by municipalities of the Brazilian Institute of Statistics and Economy (IBGE 2013); Argentina – Ministry of Agriculture, Livestock and Fishing (MAGyP 2013); Paraguay – Ministry of Agriculture and Livestock (MAG 2013) and Paraguayan Assembly of Cereal and Oilseeds Exporters and Traders (Capeco 2013); Uruguay – Ministry of Livestock, Agriculture and Fishing (MGAP 2013). In spite of the different statistical sources, the variable 'soy production' did not present comparability problems. As the analysis was made for a 30-year period, in some countries there were no data allowable by department (only national), as in the case of Paraguay (harvest 1980/1981) and Uruguay (harvest 1980/1981 and 1990/1991). In these two countries, the data were estimated from studies and news that portray the soy trajectory in these areas. This way, they are approximations that were made to allow a comparative spatial and historical analysis.

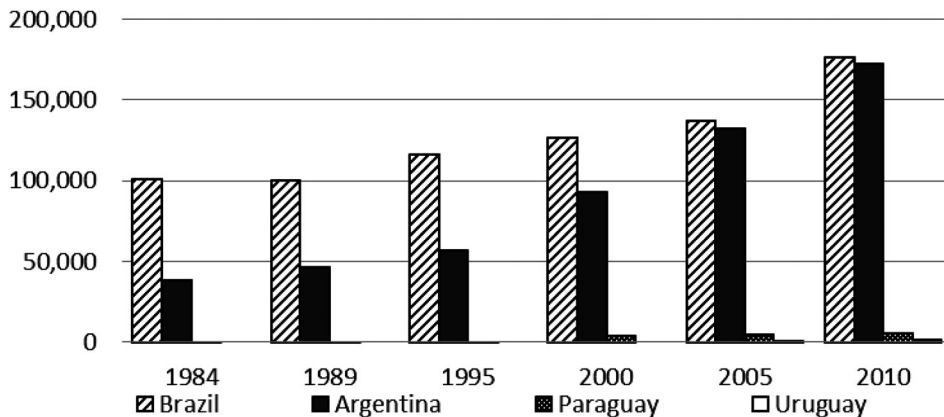


Figure 3. Installed capacity of the soy industry in the Southern Cone.

Note: Since there is no official information on the installed capacity in Paraguay and Uruguay, these data were estimated from studies and news from these countries.

Source: Abiove (2014); Wesz Jr. (2011); Hinrichsen (2013); Barbosa and Nogueira Jr. (2007) and media documents.

The slower pace of Brazilian installed capacity growth is the result, mainly, of the Kandir Law enactment in September 1996, which exonerated raw material exportation from the Tax on Distribution of Goods and Services (ICMS), maintaining the tributary burden on industrialized products. This, on the one side, allowed a greater competitiveness in Brazilian *in natura* farm exports and, on the other, sensibly reduced the viability of the agribusiness production for the external market. The Kandir Law results were immediate and, two years after its enactment, soy passed from 5 to 30 percent of the total exportations of this productive complex (Wesz Jr. 2011). Besides the tributary aspect, enterprises have preferred to invest in Argentina because there is a better infrastructure, especially for crop marketing; a better exchange rate for exports; and a regulatory framework which incentivizes grain processing in the country (Schavarzer and Tavosnanska 2007; INTA 2009).

Currently, the four countries present very different industrialization levels of soy production, the highest percentage being in Argentina where, in the last few years, an average of three quarters of the legume were crushed and converted into oil, meal and other by-products (MAGyP 2013; INDEC 2013). This is the case, when compared with the data from Paraguay (22 percent) and Uruguay (5 percent), because historically, there has been in Argentina a stimulus for the exportation of processed products, since meal and oil foreign sales are less taxed compared to the soybean exports. In Brazil, the industrialization level of soy production has dropped strongly, falling from 95 percent in 1995 to about half of that nowadays (Wesz Jr. 2011). The Kandir Law, described above, is basic to understanding this change in the soy allocation, with the increasing demand from China for the oilseed *in natura*.

Concerning the production allocation, soy keeps being mainly exported in the four countries of the Southern Cone. However, there are three important differences amongst these nations. The first one refers to the weight of domestic consumption over total production, which is larger in Brazil (around 25 percent of the harvest) and smaller in Paraguay and Uruguay (5 percent), while in Argentina there is an intermediate percentage (15 percent) (UruguayXXI 2012; SECEX 2013; INDEC 2013; Capeco 2013). In the Brazilian case, three factors define the high percentage of domestic consumption: (1) a strong influence of the government on the modification of diet and consumers' food habits, with an increased demand for

vegetable oils which substitute animal fats (butter and fat) in the context of a growing population contingency; (2) the biodiesel demand increase since the enactment in 2004 of the National Program of Biodiesel Production and Use (PNPB), which determines a mandatory mix of 6 percent of biodiesel, made mainly from soy, in conventional diesel; (3) an increase in cattle, pig and poultry husbandry, with a growing consumption of soy meal (Wilkinson and Herrera 2010; Wesz Jr. 2011). In the case of Argentina, Uruguay and Paraguay, human consumption of refined soy oil is very low, and soy is used, domestically, for animal feeding (meal), although recently there has been an increase in the raw oil demand for biodiesel, since incentives for production and consumption of renewable energies have also increased (Rojas Villagra 2009; MECON 2011; MGAP 2013).

The second difference is linked to exported by-products, where there are very diverse situations. In Uruguay, 100 percent of the soy is sold *in natura*, which is justifiable because of the recent soy expansion in the country (over a little more than a decade) and because of the destination country, since China is purchasing two thirds of the Uruguayan soy and has a priority for the *in natura* grain to crush it in its own territory (UruguayXXI 2012). In Brazil and Paraguay, there is supremacy of the soybean, although there are oil and, especially, meal exports (SECEX 2013; Capeco 2013). In both countries there is a regulatory framework that favours exports with no aggregated value, because in sales abroad feedstock faces less taxation than manufactured products do (Rojas Villagra 2009; Wesz Jr. 2011). In Argentina, where exports of agroindustrialized products in the soy complex reach 70 percent of the total value (INDEC 2013), the regulatory framework encourages the processing of the grain inside the country, charging more taxes when the product *in natura* is exported (Figure 4; Fernandes Filho and Belik 2010).

The third difference refers to the allocation market of the soy complex, where China assumes a great importance in the total value of Uruguayan (67 percent), Brazilian (50 percent) and Argentinian (25 percent) exports, mainly because of the purchase of the soy *in natura*; in the Paraguayan case, marketing focuses mainly on Europe (which is also the main recipient of Argentinian meal) (UruguayXXI 2012; SECEX 2013; INDEC 2013; Capeco 2013). As it will be shown, this context, which includes different products and market allocations for soy, demands differentiated action strategies by the enterprises according to the country.

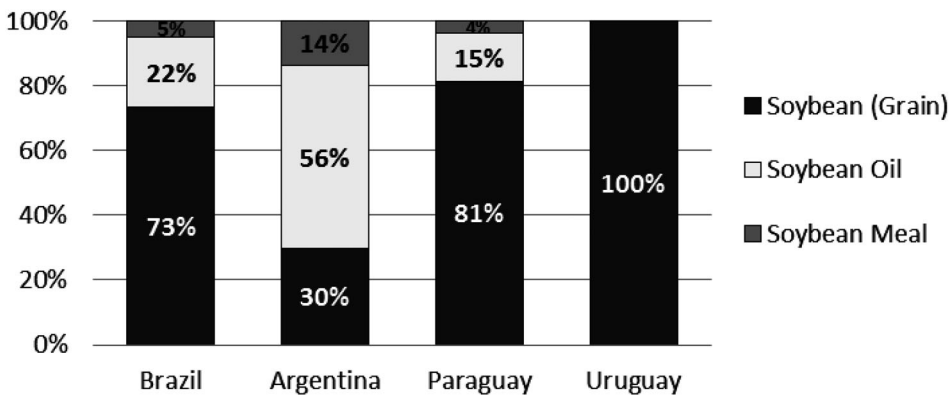


Figure 4. Export value (%) of the soy complex (grain, meal and oil) by country in 2011. Source: UruguayXXI (2012); SECEX (2013); INDEC (2013); Capeco (2013).

ADM, Bunge, Cargill and Dreyfus (the ABCD firms) in the Southern Cone

Nowadays world cereal trade is controlled by four major transnational firms: ADM, Bunge, Cargill and Dreyfus (routinely called ABCD due to the coincidence of their initial letters). ADM (Archer Daniels Midland) began its activities in 1902, but appeared as a global actor in the 1970s. It is based in 75 countries, acting in the production of food ingredients, animal nutrition, and chemical and energy products. Bunge was founded in 1818 in the Netherlands, but in the early twentieth century it expanded to South America (where it is the major trader in cereal and the major producer of the region's fertilizers). It operates about 400 facilities in 40 countries specialized in the production of cereal, oilseed, sugar and ethanol. Cargill, which was founded in 1865 in the United States, controls a wide range of activities (farm services, risk management, food purchase and processing, etc.) in 66 countries. Louis Dreyfus was founded in 1851 in France. It differs from the previous three in that part of the company is still a family property, for they control about 20 percent of the shares. The firm is present in 90 countries, and its main focus is the feedstock and biofuel trade (Arroyo, Rama, and Rello 1985; Murphy, Burch, and Clapp 2012). These four companies are the leaders in the world trade of grain, controlling between 75 percent and 90 percent (The Guardian 2011).

ABCD took the leading role in the Southern Cone from the 1990s onwards, a period characterized by the economic, commercial and financial globalization in the region.⁵ Until 1995, only Cargill and Dreyfus had industrial plants for soy crushing in Brazil and Argentina, controlling less than 10 percent of the installed capacity. From that year on, other companies, like Bunge and ADM, started to invest in industrial plants on the region. An initial strategy, common to both firms and applied in different countries, were mergers and acquisitions, through which they could advance over important companies in operation on the national market, changing the patrimonial structure of the endeavours.

For the ABCD firms, the mergers and acquisitions had as their main advantages: (1) eliminate competition, increasing the presence of the purchasing company on the market; (2) build production scales compatible with the new development standard, highly exigent regarding the permanent incorporation of technology; (3) secure the raw materials supply and the distribution channels of the final goods, already structured by the acquired company; and (4) enter quickly into the domestic markets, taking advantage of the economical context of that time (Benetti 2004). On their side, some national companies were changing the focus of their actions, with an interest in selling their soy businesses, while others were indebted (Castro 2002). In Brazil, the process of mergers and acquisitions was evident when Bunge acquired Ceval, Santista and Incobrasa, Dreyfus bought Gressy Lever, and ADM assumed the industrial soy plants from Sadia⁶ (the same happened between Cargill and Matosul) (Wesz Jr. 2011).

After consolidating their control over a significant part of the market, these big transnational companies started to invest in the expansion of the units already existent and in the

⁵It is important to highlight that at the same time that the movements of globalization favoured the entrance of transnational firms in the Southern Cone, these corporations were one of the key elements in the transformation of the production of food to a financialized, globalized and complex business (McMichael 2009; Giménez and Shattuck 2011; Ahmed, Hamrick, and Gereffi 2014).

⁶It is worth highlighting that Ceval, Santista, Sadia, Incobrasa and Gessy Lever were among the six major food agroindustries in Brazil (Cargill was added to this group) that met 34 percent of the crush capacity in 1995. Therefore, mergers and acquisitions conducted by the ABCD firms happened over the market leaders that were, in most parts, national capital ones.

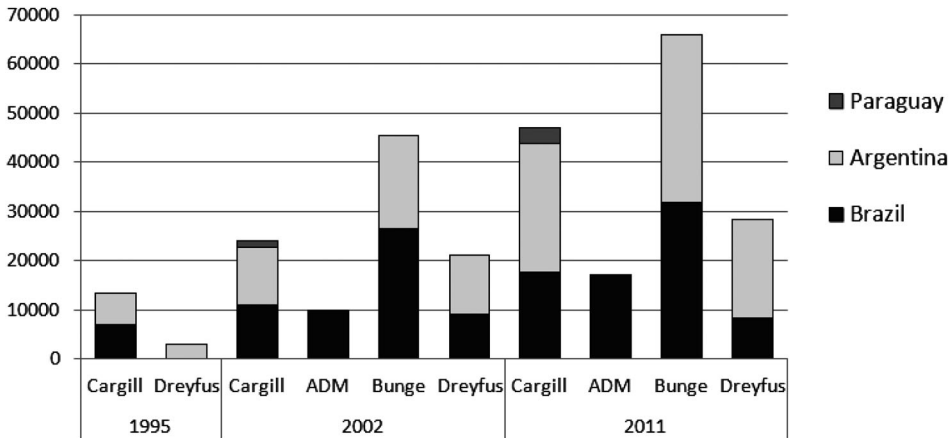


Figure 5. ADM (Archer Daniels Midland), Bunge, Cargill, Dreyfus installed soy-crushing capacity in 1995, 2002 and 2011 in Brazil, Argentina and Paraguay (tons/day).

Source: Wesz Jr. (2011), Hinrichsen (2013), companies' web pages and media documents.

building of endeavours in new areas (Pierri 2008; Rojas Villagra 2009; Wesz Jr. 2011). In 2002 it was already possible to observe the effect of mergers, acquisitions and investments, when Bunge, Cargill, ADM and Dreyfus started to dominate 50 percent of the crushing installed capacity in the Southern Cone, with a control superior to 100,000 tons/day. This process was quick and aggressive if we consider that in 1995 there were only two companies that controlled nine percent of the capacity (16,000 tons/day). In a very short time, in 2002, Bunge became the biggest company amongst the ABCD firms, dominating 20 percent of the processing capacity in the entire Southern Cone, even with a crushing capacity limited to Brazil and Argentina (Figure 5).

Although in the last few years the ABCD firms have expanded, in absolute terms, their installed capacity, reaching almost 180,000 tons/day in 2011, the percentage of industry control has remained at the same level as in 2002 (around 50 percent). The greatest company concentration is in the two countries that produce most part of the region's soy (Brazil and Argentina), while in Paraguay only Cargill has soy-crushing structure – although ADM, Bunge and Dreyfus are currently building industries in this country and, when they finish, the ABCD firms will start to control 80 percent of Paraguay's capacity (Chicago Tribune 2012). In Uruguay, although all of the companies act in the crop marketing, none has a crusher, since only 5 percent of the soy is industrialized in the country, as it was mentioned before.

Among the ABCD firms, Bunge keeps the leading role in crushing capacity, with more than 65,000 tons/day in 2011, followed by Cargill, which is present in Argentina, Brazil and Paraguay – although it is in the two first countries where 90 percent of its industrial structure is concentrated. Dreyfus, in the third position, has a capacity of 28,000 tons/day (with an 880 percent growth compared to 1995) and, like Bunge, only acts in Brazil and Argentina. For its part, ADM crushes soy only in Brazil, reaching 20,000 tons/day (Figure 5).

In recent times, there has been a new regionalization of the ABCD agroindustries, with a migration of production zones in Brazil and in Argentina to areas close to export channels. In the Brazilian case, the agribusiness dislocation from the South and Southeast to the country's Central-North is associated with the legume production increase in these new areas.

However, there are other reasons for this relocation, such as the fiscal incentive that is offered when feedstock is industrialized within the boundaries of the state that produced it (Kandir Law). Furthermore, companies' decisions are affected by the organization of the regional transportation system and the presence of a local demand for soy meal for livestock (Wesz Jr. 2011). In Argentina, the crushing capacity has concentrated close to seaports, mainly in Santa Fe Province, where the main cultivation area is located. Since most of the soy is exported and production and marketing areas are close, it is viable to concentrate the agribusiness in the port zones (Schavarzer and Tavosnanska 2007). In Paraguay, as well as in Argentina, the units are currently being built close to the port that is relatively close to the production region.

In terms of sales to foreign trade, there has been a significant increase during the last years. Between 2005 and 2011 exports increased from USD 12.2 to 33.6 billion FOB (Free On Board) (growing 174 percent), while the rest of the sales in the four countries increased at a slower pace (102 percent) (SECEX 2013; INDEC 2013; Capeco 2013; COMEX 2013). Figure 6 shows an important growth in these firms' exports from 2005 to 2007, but the downturn of international soy prices reduced the value in 2008, which grew again in the following years.

Although ADM and Dreyfus presented higher export growth, exceeding 200 percent between 2005 and 2011, Bunge and Cargill are the ones who dominate almost two thirds of the ABCD companies' total exports in the four countries (Figure 6). Brazil and Argentina represent a greater share of these companies' foreign trade, but in the last few years there has been a reduction in their share: in 2005 they accounted for 95 percent, and this fell to 91 percent in 2011. The greatest value mobilized by one company was that of Bunge in Brazil, which reached USD 6.5 billion FOB in 2011 (SECEX 2013), exceeding Paraguay's total exportations that same year, which reached USD 5.5 billion FOB (CIP 2013).

Although soy oil and meal exports are important for the ABCD companies, the *in natura* sales have gained much attention in recent years, mainly because of China's

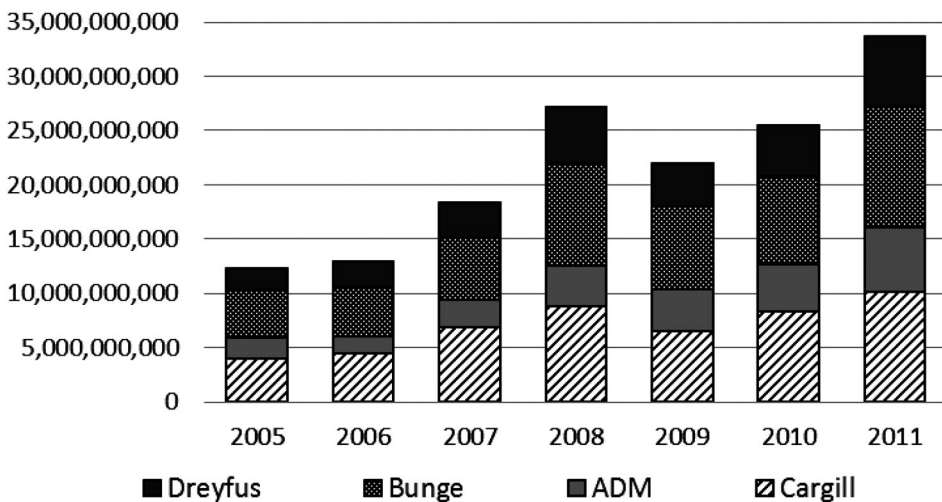


Figure 6. ADM (Archer Daniels Midland), Bunge, Cargill, Dreyfus total exports in the Southern Cone (in USD) – 2005 to 2011.

Source: SECEX (2013); INDEC (2013); Capeco (2013); COMEX (2013).

growing demand for the grain. Currently, it is estimated that Bunge, Cargill, ADM and Dreyfus control 85 percent of the total *in natura* soy exports in the Southern Cone (Wesz Jr. 2011; INDEC 2013; Capeco 2013; CIP 2013; COMEX 2013). In fact, this has been, during recent years, one of the main focuses of the companies, made possible by some countries' regulatory frameworks, as it happens in Brazil in Paraguay. This more attractive situation for *in natura* exports helps to explain the maintenance, in relative terms, of the ABCD companies' control on crushing capacity – which has remained around 50 percent for the last 10 years – while at the turn of the century, the necessity for industrial structure control was greater. In sum, *in natura* exports have gained importance for transnational companies because, besides reducing fixed capital investments, they have a growing demand and a favourable regulatory framework.

The participation that Bunge, Cargill, ADM and Dreyfus exercise on the Southern Cone total export value grew significantly through the years, passing from 6.8 percent in 2006 to 10 percent in 2011. This shows the strong marketing and economic power of the four transnational companies on the countries analyzed, which occurred rapidly, since until 1995 they presented a very modest action in the region. Being amongst the first exporters at the global level, it is evident that these companies not only have sectorial power (in the soy complex), but they are very important in foreign trade as a whole, including surplus generation.

Analyzing the Paraguayan case in isolation, the dimension that ABCD has assumed in this country is overwhelming. In 2006, these four transnational companies were responsible for 29 percent of the total exports, which was already a high value, but which grew more in recent years, reaching 47.2 percent in 2012 (CIP 2013). With this, almost half of the country's exports are controlled by a small number of multinational firms, who act principally in the soy market but also in other agricultural markets. The effect of the companies on economic stability and surplus generation is an important triumph of the companies when negotiating public investments in agribusinesses' strategic areas (plots for industrial plant building, infrastructure for production marketing, tax incentives, etc.). In this sense, these companies' economic and productive importance ends up turning the Paraguayan government into a trading hostage, using the conjuncture to negotiate public resources which contribute to their profits and their expansion in the grain market.

The main strategies of the ABCD companies in the Southern Cone

The increased control of ABCD companies over soy production in the Southern Cone as well as the increasing export value reflect the different strategies developed by these companies. In this direction, their consolidation and strengthening are linked to the distinct initiatives articulated by these actors in their contexts. It is important to notice that it is about not only a strategy, but several intrinsically articulated instruments that overlap and significantly reinforce each other.

One of the main strategies of ABCD companies is vertical integration, the main feature of which is the appropriation of different stages of the chain by only one company. This means that only one firm will be acting in the several phases of the productive process in a coordinated way – differing from previous times when that firm was only involved with one of the processes, such as the crushing or trade of the commodity. This strategy is linked to increasing investments that Bunge, Cargill, ADM and Dreyfus have made in different processes of the productive chain, such as the production and sales of inputs, financing and farm insurance services, technical advisory

services, purchase of the beans, storage, transportation, industrialization and trade⁷ (Pierri 2006; Souza 2007; INTA 2009; Rojas Villagra 2009; Oyhantçabal and Narbondo 2011; Wesz Jr. 2011).

To consolidate the verticalization strategy, the firms purchased large companies in the fertilization sector, through fusions and acquisitions, such as happened in the crushing segment. Simultaneously, ABCD firms continue their strong investments in the storage of soy through the purchase or leasing of warehouses that are usually located near the main areas of production or distribution. Besides, companies maintain major inversions in logistics and infrastructure with special attention to the construction and amplification of ports, waterways and railroads connecting regions that produce soy with the international market.

In some specific sectors, where ABCD companies do not have a major presence, they end up cooperating with other companies, as in the branch of seeds and pesticides. This was the case in partnerships established between Cargill and Monsanto, Bunge and DuPont, ADM and Syngenta, and Dreyfus and Genética Don Mario (partially purchased by Dow), among others. This way, with their own companies and partners, they can act on every segment of the productive chain.

Murphy, Burch, and Clapp (2012) argue that the presence of the same company in complementary sectors of agricultural production ends up performing a central role in decisions taken by the producers (what to grow, when, how, what amount and for which market). Verticalization allows these companies to monitor and participate in all farming processes, such as costing, providing inputs, capital and information, going through trade, industrialization and distribution of the production (Souza 2007). This kind of negotiation ends up making producers very dependent on the agroindustries, because a single actor becomes the main financial agent, input distributor, technical assistance agent and buyer of the product. Consequentially, the producer becomes 'immobilized' faced with the company's interests, creating a permanent relationship between them and preventing more independent actions by the soy producers (Rodrigues et al. 2009). And the more firm dependent producers become, the less farmer friendly contracts established with the companies will be, involving differences in interests rates, inputs' prices, deadlines for delivery of goods, and the general conditions of the contracts (Fernández 2009).

Analyzing the advantages of vertical integration for the ABCD firms, Souza (2007) points out that one of their motivations in maintaining and expanding this strategy is linked with financial issues. Gaspari (2004), in his turn, realizes a technological and marketing complementarity among the segments up and down the productive chain, which makes bigger returns through economies of scale and scope. Other operational advantages that stimulate verticalization are the achievement of synergies in transportation resulting from

⁷Stimulating these different sectors on a global scale demands large resources. In addition to directing an important share of profitability in these activities, companies mobilize resources from the financial market for such aims. This process, which has been called 'financialization', happens when private investment funds, companies of asset management, commercial banks and other financial institutions invest in futures markets of commodities, farmlands and agricultural production. ABCD firms buy and sell in the futures market and make use of financial instruments to mobilize resources, manage risks and increase their profits. For a deep analysis of this process, see Murphy, Burch, and Clapp (2012) and Salerno (2014).

guarantees of the return freight (when the vehicle that delivers the fertilizers returns with grains or industrialized products for exports). Besides, Farina and Zylbersztajn (1998) argue that companies take advantage of extra profits generated by governmental subsidies (exemption of taxation, for example).

Therefore, verticalization is one of ways the companies have found to increase their control over the chain participating in the different stages of the production process, increasing their profit margin, reducing production and transaction costs, minimizing risks and generating complementarities and synergies among the different sectors (Hendrickson, James, and Heffernan 2013). Even though this strategy is present in all the Southern Cone, results can be seen more distinctly in the Brazilian case, where ABCD firms controlled, in 2010, 65 percent of the national fertilizer production, 80 percent of the funding granted by the *tradings* for soy cultivation, 50 percent of the oilseed crushing capacity and 85 percent of the beans traded in the country (through purchase from the producers, cooperatives, input resales and minor companies) (Wesz Jr. 2011).

Another relevant strategy is about the production destination. As mentioned above, being able to unite domestic and international markets is very convenient, as well as the option of trading *in natura* and agroindustrialized goods (oil and soybean meals). These alternatives allow the increase of the companies' profitability because they expand their room for manoeuvre and make options according to the context assessment. In addition to these possibilities, ABCD firms have diversified their current strategic field, including the energy sector (Borras Jr., McMichael, and Scoones 2010; Fernandes, Welch, and Gonçalves 2010). This market's growth, good future perspectives and the use of soy as the main feedstock in the production of biodiesel in the Southern Cone are the main conditioning factors for investments in this activity. Besides, countries have already approved laws that establish a minimal percentage for the biodiesel and diesel mix (5 percent in Paraguay and Uruguay, 6 percent in Brazil and 9 percent in Argentina for 2014), guaranteeing a safe and structured market for the companies. In parallel, other public instruments for firms dedicated to agrofuel production were developed, such as tax-distinction/exemption, reduction in export rates, better financing conditions and the secured participation in auctions for sales. In the case of Brazil, these advantages are expanded when family farming is present in the productive chain (Wilkinson and Herrera 2010). In addition to the economic advantages the energy production aggregates, the involvement with this market allows the company to bring closer to its image themes of sustainability, green economy, social inclusion of family farming, etc. (McMichael 2010). In addition to biodiesel industries (concentrated in Brazil and Argentina), ABCD companies started investing in sugarcane ethanol, especially in Brazil (BiodieselBR 2013).

In spite of the vertical integration movements, ABCD companies are developing partnerships to expand even further their power and market share. Several examples of cooperation among ABCD can be mentioned, such as the articulation of Bunge, Cargill and Bunge (in addition to Brazilian Amaggi) in the constitution of a logistics company intending to participate in Brazil's railroads concession auctions, in order to build and operate new lines of distribution of the production (Estadão 2014). Another partnership was established between Bunge and Cargill to quadruple the embark capacity of soy and derivatives in Ilhéus, Bahia (Valor Econômico 2014). Another example is the joint venture between Bunge and Dreyfus in Paraguay; the companies united to build an agroindustry for processing soy in Villeta, with processing capacity of 3000 tons per day (Bunge 2010).

These partnerships are being established with large national companies, such as the joint venture between Dreyfus and Amaggi⁸ to act with soy in some Brazilian states (Bahia, Maranhão, Piauí and Tocantins). In parallel, they are partners in the Terminal de Grãos do Maranhão (Tegram), in Itaqui Port (Brazil). Bunge and Amaggi, in addition to being partners in the project of the Terminal Graneleiro de Grãos (TGG) in Santos/São Paulo, signed a contract in 2003 that allows Amaggi to rent a share of its capacity at the Itacoatiara/Amazonas port to Bunge, enabling the transnational to distribute its products in Northern Brazil. By the end of 2013, both companies had released a new joint venture (Navegações Unidas Tapajós Ltda. – Unitapajós) that will be responsible for the distribution of grains from Mato Grosso by the waterway Tapajós-Amazonas up to Santarém/Pará (Valor Econômico 2014). In Argentina such partnerships are also happening, such as the union between Bunge and Aceitera General Deheza⁹ in the construction of a corn-based ethanol plant (Bunge 2012). In Uruguay, Cargill and national Cereoil¹⁰ formed a joint venture, becoming Crop Uruguay SA (Menéndez and Gulla 2013).

These partnerships among transnational and national leader companies show a shift in the relationship among firms: since the middle 2000s the former acquired or merged with the latter, and currently there are cooperation strategies (such as joint ventures). These examples show that in spite of ‘disputing’ the same market, some strategies of common interest end up being implemented collectively, expanding the large corporations’ power in the face of the producers and minor companies. As the president of Amaggi Group stated in the journal *Valor Econômico* (2014), ‘nowadays we are more ready to establish partnerships. In spite of being a family company, we have learned to deal with the competition’.

On the local level, these partnerships become even more evident. With this market strongly concentrated in a reduced number of firms, this situation enables cooperative relations among the different leader tradings. During field research in Mato Grosso (Brazil), it was possible to see that the exchange of information among the managers of different companies is very frequent and aims at mapping the amount produced in the domain of the companies, the individual demand of firms and the contracts each one of them has established with the producers. In this way, they build a framework with the available amount and its demand. Even though it was not possible to investigate this theme further, there are indications that these companies ‘fraction’ among themselves the local production based on the specific necessity of each one of them to achieve their goals, avoiding an increase in the product’s regional price.

Besides, each firm has a register of the economic situation of the farmer (debts, payment conditions, creditors, regularity of loan payments, financial situation, real guarantees, etc.). This register is circulated among the companies. The negotiation with the producers only

⁸The Amaggi Group is a Brazilian company that started its activities in Paraná in 1977. Today it is the main firm with national capital in the soy market. The group is involved in different stages of the productive chain: agriculture (it planted 225,000 hectares for the 2012/2013 harvest), seed production, fertilizer distribution, crushing, trade, water transport and energy production. In addition to Brazil, it acts in Argentina, Paraguay, Switzerland, the Netherlands and Norway (Amaggi 2014). Blairo Maggi, the group’s founder’s son, was the governor of Mato Grosso state between 2013 and 2010, and was later elected senator.

⁹Aceitera General Deheza (AGD), created in Argentina in 1948, has industries for the production of oil, soybean meal and biodiesel, and also warehouses and port terminals aimed at exporting (AGD 2014).

¹⁰Cereoil was started in Uruguay by the 2000s, and its main business activities are the purchase of cereal and its exportation (Menéndez and Gulla 2013).

happens after they map the producer's background and other available information, as will be shown in the next section. There is also a blacklist that circulates among the firms' local managers, in which they track the farmers considered 'problematic' – that is, 'those that did not meet the contracts with tradings, diverting the production, questioning contracts, etc.' (Fernández 2009, 88).

As the regional manager of a large transnational company stated, 'the producer thinks we are enemies that also buy grain. But no. [...] We help ourselves so that we don't fall with a problematic producer'. Another manager stated: 'what doesn't fit me, doesn't fit my competitor either'. To broaden relations among the ABCD firms' employees in the municipalities, they organize 'soccer games only with the companies that buy soy and corn, without [the presence of] the producer and the [input] salesmen'. The statements make clear the different local initiatives of cooperation and partnerships that are developed among the tradings so that the price of the product they purchase does not increase, as well as protecting themselves from 'dishonest' strategies of the rural producers.

Neil Fligstein (1996, 2001), based on a political-instrumental perspective, states that in order to reduce the risk of competition for prices, actors use integration and diversification. Integration can be vertical (mergers with buyers or suppliers) or horizontal (fusion with competitor firms). It provides control of the market by a reduced number of companies and it eliminates a meaningful share of the threat of price decrease. Diversification, in its turn, seeks to minimize the dependency from a single product, expanding their means for survival. As highlighted earlier, these movements have occurred intensely during the last 20 years through vertical and horizontal integration of the soy market, and the firms have diversified their products (*in natura*, soybean meal, oil for human meals, biodiesel, etc.) and their destination (domestic market and exports).

Another important way to reduce the risk of competition by prices, argued by Fligstein (1996, 2001), is through cooperation among competitor companies, in such a way that they share markets. This presupposition breaks with the perspective of anonymous actors and indicates that stability can only be reached if they consider one another, understanding each other's goals, interests and values. The author denominates this strategy 'non-competitive forms of competition', considering that the major companies defend this position, most of the time, with collective and cooperated strategies – as could be seen in the partnerships among tradings. In this sense, ABCD firms try to create stable worlds through social solutions for competition.

To broaden even further their control over the cereal trade, ABCD firms search to influence and control the agrofood sector regulatory framework. According to Murphy, Burch, and Clapp (2012), companies do this via different channels, with direct pressure over governments (putting senior employees in high positions with an elevated degree of decision-taking, and/or employing those people to lobby for them). Besides, the companies are part of the Round Table on Responsible Soy Association (RTRS) that was started in 2004, and was intended to be a global platform composed of the main interested parties in the soy value chain. In it, ADM, Bunge, Cargill and Dreyfus try to lay down private rules and norms for soy (Wilkinson 2011). As in the case of biofuels, firms use their participation in RTRS to link their image with good farming practices, better work conditions, environmental responsibility, etc. Because it is an arena that also aggregates civil society and rural producers, they also try to show their predisposition to discuss strategic themes with other actors involved with and impacted by soy.

In sum, ADM, Bunge, Cargill and Dreyfus seek to control farming produce, prices, trade, logistics, financial inputs and regulatory framework as much as they can, defending

themselves against future uncertainties. Beyond the already mentioned strategies, access to inside information results in an important asset. The fact that these firms control a large share of the world trade guarantees access to data they need (offers, demands, risks, etc.) while they promote a regulatory framework that benefits their business. It is important to highlight that when there is privileged knowledge about future situations, price volatility ends up being positive for companies that have access to that information (Murphy, Burch, and Clapp 2012).

Finally, it is important to highlight that most of the ABCD companies' strategies are exclusive to neither the Southern Cone nor the soy productive chain. On the contrary, they refer to initiatives and actions that are present in the different countries and sectors in which ADM, Bunge, Cargill and Dreyfus are involved.

In the next section, the insertion and performance of these firms in the local space is discussed, understanding that some processes can only be perceived, diagnosed and problematized in this field of analysis (Raynolds 2014). As such, it is approached by studying the way that the trade relations are constructed and maintained among ABCD companies and rural producers. This debates seeks to understand how global practices are adapted at different scales, forming hybrid organizations.

Trade relations among ABCD companies and rural producers

As could be seen above, a large part of the strategies developed by ABCD companies are similar. During field research in Mato Grosso, the companies themselves recognized that 'the credit policy is the same, the interest rate is the same and the soy price changes little, sometimes is higher, sometimes other companies' are higher. [...] Everything is very similar, not many things change'. This similarity between the companies' actions (added to the fact that soy is a commodity, has a reduced differentiation in its products and presents an internationally standardized price) raises a question: what makes a rural producer choose between one or another company when he sells his soy, for example?

The vertical integration, commented on in the previous section, ends up being decisive in this choice because it is an alternative that the company constructs and that aims, among other goals, at reducing the options for rural producers, making them depend on a single firm to keep a continuous relationship between them and not enabling more independent actions by the soy producers. In spite of this, vertical integration does not eliminate options for the producers, especially at the beginning of a new harvest.

For some authors (Paes Leme and Zylbersztajn 2008; Mazzoleni and Medeiros 2011; Monteiro et al. 2012, among others), closer to the transaction costs economics, the producer selects the firm basically by the price and by the conditions and terms of the contract (payment forms, deadlines, guarantees, etc.). However other studies have pointed that the relations built among different actors in the commodities market are much more complex and include, in addition to legal and economic elements, social, cultural, political, historic and spatial aspects (Smith 1985; Adams 2010; Hoelle 2012; Ofstehage 2013). In the interviews with soy producers the following question was asked: Why do you deal with company X? The answers were multiple. Most of the time, they didn't cite price and terms of the contract as the main motivation, or when these came up initially they were accompanied by other variables.

Among these variables, trust came up in all of the interviews, and the necessity for it was justified in the face of a previous context marked by several problems (not meeting previous agreements, default risks, etc.). According to a trading manager,

At many times, when we trust the producer, some three days before the distribution I pay 100% of the production. When it's near the distribution and he needs some money, you can pay and send the money straight to his account. But what about the guarantee? '*É no bigode*' [a local expression meaning that he trusts his/her word], you only call to deposit, write a promissory note, and that's it. [...] It took the document [formal contract] four months to be ready, but the producer already had his money.

It is a consensus, however, that the appearance of legal instruments (contracts) has also brought more stability to the relationship between suppliers and clients. Still, there are transactions of an elevated financial value that are not made without the use of contracts, and there are actors who do not deal with some specific people or companies even with the whole contract apparatus formalized. In this sense, it takes more than a contract to implement the deal, and trust and mutual creditability relations are always considered and appreciated by both parties. As Weber (1978 [1922]) stated, the importance of legal rules (contracts) when conducting economic transactions must not be exaggerated because sometimes it has less strength than social convention and moral rules. Therefore, the relationship between producers and companies is not limited by a written legality, occurring as a kind of interplay of mutual obligations based on trust between producers and certain company directors.

In spite of the trust in the company, the main locus of creditability is the figure of the manager, the technicians and the salesmen. Even though these employees have to know and obey the firm's conditions, they have some room for manoeuvre. Specific actions escape the normativity of the companies, creating informal rules that, rather than following the bureaucracy, adopt alternative paths through which oral compromises gain much importance because it is personalized trust relation in which the guarantee of someone 'giving their word' reinforces the credibility of the involved parties (Almeida 2013). In sum, it is about direct relationships based on personal/social guarantee (or, as an interviewed manager said, '*é no bigode*').

This trust relation, in some moments, ends up becoming a friendship because the company representatives build strategies to be closer to the farmers and to create a certain link, through fishing activities, cards and soccer games, field days, home visits, etc. According to Almeida (2013), salespeople are conscious that their personal behaviour results in business dividends, and they spare no effort in visiting their clients. Besides, the managers frequently visit technical commercial events as well as commemorative parties of the city's anniversary. They also participate in parties held in rural communities, donating resources for the promotion of events.

Boundaries between business and friendship are very sinuous in the relationships among producers and companies. But, in addition to friendships, family links gain importance because some negotiations occur due to some relative who works in the company. This makes part of the purchases or sales occur through the firm.

Besides, there is a kind of reciprocity logic among soy farmers and companies/managers/technicians. For a transnational company representative, 'there are many producers that keep the same company because it helped him or her in a difficult time, some moment of crisis'. The company, in its turn, values loyal producers, showing recognition and respect in this commercial relation. These elements, commonly called 'help', are very valued by both parties. But as soon as the producer stops selling his produce to the company, this creates resentment. In this sense, there is moral compromise and loyalty that must be cultivated during the years.

In this way, the history of the relationship is an important element in negotiations. In some cases, the sale of soy, for example, is immersed in a context of continuous interaction between producer and company, because frequently this relationship has lasted more than 30 years (it occurred via some national company, acquired by ADM, Bunge, Cargill or Dreyfus, but one that maintained the same manager who made relationships last for decades). It is interesting that this link is maintained even when some producers move from their region, and it also transcends generations: ‘there are producers whose father we worked with in Paraná and when they came to Mato Grosso they kept selling to us’. These are links that are built and maintained during the years in spite of time and spatial shifts.

It also seemed fundamental for some producers that companies, managers and/or technicians value transparency (clarity in the business deals of the companies) and honesty (meeting pre-established agreements, independently of the institutionalization of the contract). The conditions of the service are also important, where the company needs to understand the features of each producer and his or her preferences and priorities to create a personalized relationship. Still related to the service conditions, producers cited ease and convenience as elements they consider relevant to define who to deal with, especially due to obtained benefits (less bureaucracy in access to funding), transaction simplification (verbally defined agreements with contract signature only occurring later on) and the possibility of getting more financial returns (better prices when a large volume of production is delivered).

The status that a certain relationship offers is also an important aspect in soy farmers choosing a firm. This can be seen when some companies give a prize for their ‘best clients’ (for their productivity, respect for the companies’ norms, purchase of total amounts of inputs from the same firm, etc.) with a trip (frequently to the United States so that they can visit a region known for soy production) or with some hobby activities (in Mato Grosso, they are generally fishing activities). In this context, to receive a ‘prize’ aggregates a distinction in face of producers ‘who were not selected for it’. In this sense, these are activities that give prestige to chosen farmers.

ABCD companies were also asked about the presence of a soy farmer profile that is more suitable to deal with and the criteria for selecting them (especially in the case of funding and early sale of products and services, the more risky transactions¹¹). The main aspects that came up in the interviews related to the economic situation of the producer, presence of machinery and land property (the size of the area must meet the volume of resources involved in the transaction). These dimensions are analyzed so that companies are secured when there is a problem in the relationship, having real guarantees. Soil and climate conditions are also checked, prioritizing flat, fertile areas with a good rate of rainfall because these features interfere in the development of the farm activity. Companies are also concerned with the background of the producer as regards the payment of debts, meeting contracts, etc. Besides, negotiations are built and assessed based on trust and reciprocity relations, the history of the relationship with the client, and their moral behaviour (honesty, loyalty, seriousness, etc.). In all interviews, the claim ‘we don’t deal with people we don’t know’ was unanimous.

In spite of soy being characterized as a standardized market (commodity), with an internationally established price, based on a global trade, dominated by transnational companies

¹¹Obviously when the negotiation is specific as with prompt payment, the criteria do not gain relevance. However, most transactions do not occur this way currently.

and meaningful participation of large rural producers, this does not mean that this market is protected from local dynamics and immune to the influence and interference of social, historical, political and cultural issues. As several authors have pointed out (Gudynas 2008; Adams 2010; Peine 2010; Hoelle 2012), the soy market is not unrelated to social relations, cultural meanings, and ethical and moral values. Ofstehage (2013), analyzing the production of this grain by North American producers in Brazil, also highlights the importance of values, practices and social relations in the intensive, technified and financialized contemporary agriculture.¹²

The fact that the ABCD transnational corporations are linked with global strategies of their head offices, acting in different countries to maximize their final profitability, does not entail a complete disembeddedness of their actions. On the contrary, so that higher financial returns and incomes may be achieved, it is fundamental for these companies to be on a local basis through their affiliates. This presence occurs in different manners, from the physical presence (storage, silos, logistic structure, etc.) up to the employment of workers who are known in the regions and who have a large network of contacts, giving the company a good reputation. Not less important is the participation of technicians and managers in fairs, parties, balls, etc. In sum, the transnational firms themselves need to act locally to feed their high degree of insertion in global markets. The power of the large companies is, precisely, in articulating their strategies of accumulation in different scales, something that is difficult to achieve for small firms acting only at local and province levels.

This discussion brings us to the debate of 'hybrid organizations',¹³ that has as one of its main focuses the understanding of how the transnational companies' global practices are mixed, modified and adapted, and gain new meanings when interactions between actors and the contexts present in different scales occur (Shimoni 2008). In this sense, this literature covers the governance models used by the companies and how specific patterns and norms, when implemented and disseminated, are influenced by the local reality composing hybrid forms (Wood Jr. 2010). Therefore, this framework searches to understand precisely this 'adjustment' of companies, especially the transnational ones, in activities, regions and cultures that are far from their local origin, implying, almost invariably, the adaptation of forms of governance (Brandsen, Karre, and Helderma 2009; Islam 2012).

The analysis of the 'adjustment' and 'immersion' of the transnational companies in the social local basis is interesting precisely because it shows contexts and situations that are very specific, creating norms and strategies in determined regions. An example of this is the criteria established by the ABCD companies for producers to access credit or to early-purchase inputs (when the deadline for payment is during the harvest). In a general way, companies have prerequisites that are similar in the different countries where they are located, and these are based, almost invariably, in tangible assets: the economic situation of the producer, presence of machinery, land property, etc.

However, a large number of local managers end up aggregating new criteria and they start selecting their clients based on local reputation, so that they avoid market relations with an eventual 'problematic client'. In the case of Mato Grosso, criteria that boost the

¹²This relation of interdependency between economic actions and other dimensions of society is close to discussions brought by classic authors in sociology (Weber 1978 [1922]; Durkheim 2014 [1893]), and by those from the new economic sociology (Granovetter 1985; Zelizer 1997; Fligstein 2001, among others).

¹³In the agrarian theme, the debate around hybrid livelihoods has gained attention focused especially on the relation of producers and rural families with the urban space, labour market, and global capital logics (Fairbairn et al. 2014; Hecht 2014; Toit and Neves 2014).

'good client' label were linked with the fact that he or she comes from a known family (as an interviewed person stated 'seriousness and honesty come from the cradle'); comes from the South of the country (which supposes some knowledge about market and production techniques); is loyal to deadlines, agreements and a single firm (not shifting to other companies frequently); is not involved in fights and problems in the community; participates in local events; and does not engage in morally reprehensible procedures, from financial investments (such as building a house before paying the creditors) to having addictions, etc.

For the ABCD firms' local representatives, the partial meeting of the requirements, as well as the trust relations among the involved parties, allows the establishment of verbal contracts (that are later 'legalized' to meet the demands imposed by the company's head office). In this sense, perceptions, values, qualifications and reputations based on multiple components are reflected in the way that business is held, carried out, and maintained on a local basis. And, more than rules, standards and concepts defined by the companies, these are the technicians', managers' and salespeople's perceptions and viewpoints in each region. The fact that the ABCD transnational companies are in dialogue with the values present in local social structures and with the daily practices of their clients points to the hybridity of these firms, whose negotiations are built in accordance with the social and cultural relations specific to each context.

Final comments

The results of this research show how quickly and intensely ADM, Bunge, Cargill and Dreyfus expanded throughout Brazil, Argentina, Paraguay and Uruguay. While at the beginning of the 1990s these four companies still had a small share in the south American market, they are currently the main firms, dominating around 50 percent of the four countries' installed crushing capacity and 85 percent of the soybean exportation (and 10 percent of the value of total exports in the Southern Cone). In the export sector, although processed products (oil and meal) are marketed, their major power is in grain sales, of which they control around 85 percent of the total. In addition, they account for 10 percent of the Southern Cone total sports. These numbers show the rapid and intense denationalization process of the firms in the soy productive chain, as well as the level of market internationalization and business concentration.

Through the last two decades, there has been a rapid and intense reconfiguration in soy agribusinesses, which reached a magnitude, proportion and dimension unknown in the last stages of the chain on the Southern Cone. In this scenario, Bunge, Cargill, ADM and Dreyfus became the four major grain crushers, besides acting in input production and sales, financial offers, technical advice, grain purchase, storage, industrialization, exports and domestic market sales. The proportion assumed by the companies of the different segments of the productive process suggests the constitution of a 'chain oligopoly' – that is, a small group of firms' control over a set of consecutive stages in the same sector (soy complex). To sustain and make moves in this 'oligopoly in chain' on a global scale, they have appealed to resources in the financial market. Another strategy that draws attention is the initiatives of partnerships among the ABCD firms, in addition to the cooperation with leader national companies. Another line of action is the agrofood sector regulatory framework, which they try to influence and control in different ways.

In sum, these are firms with a global presence, whose productive processes are internationalized, and whose organization is structured in corporations or conglomerates around the world. In spite of this, this work sought to show the centrality that local scale performs

(and shall continue to perform) in ABCD companies' strategies, because it is where the relation between firms and producers (especially via technicians and managers) is built, maintained and feedbacked. In this space, in addition to the price and terms of the contract, the soy market is based on structures of regular interaction supported by trust, reciprocity, family links, friendship, loyalty and mutual compromise – even because, in the case of Mato Grosso, since there are small municipalities, this is an activity that has great visibility and 'everybody knows everybody'.

In spite of the movements of globalization, financialization and foreignization of the agrofood commodities markets, local space remains a strategic locus for the functioning of these economic activities. Besides, this study shows that all transnational power of the ABCD companies, which seems to be so abstract and intimidating when seen in global scale, depends, in its basis, on the formation, maintenance and exploration of a relation of proximity, trust and reciprocity with local actors (especially rural producers), going through family and friendship links.

With the current sectorial context – characterized by the increase in Southern Cone soy production, a growing international demand and a price higher than the historical average – it is most likely that the ABCD companies' power remains strong, and is even intensified with the processes of market internationalization, business concentration and firms' denationalization in the soy productive chain.

Despite the ABCD supremacy, some nationally owned firms have maintained and, in smaller numbers, have expanded their business, appearing amongst the main companies in the soy complex. This is the case for: (1) Aceitera General Deheza (AGD), Molinos Rio de la Plata and Vicentin in Argentina, which owns 22.7 percent of the crushing capacity and is responsible for more than 30 percent of oil and meal exports (Hinrichsen 2013; MAGyP 2013); (2) Barranca Erro and Cereoil in Uruguay, which in the last few years has controlled around 30 percent of the soy exports (COMEX 2013); (3) Amaggi and, to a lesser extent, Caramuru and Imcopa in Brazil, which own 10 percent of the soy-crushing capacity (Abiove 2014). The only exception happens in Paraguay, where the soy complex is dominated by the leader transnational companies and by Brazilian and Argentinean groups (Rojas Villagra 2009). However, as this paper highlighted, the presence of important national capital firms does not mean, necessarily, a free competition with ABCD companies for the same market, because the construction of cooperated initiatives in specific sectors and regions ends up limiting the entrance or growth of other companies.

Despite this, there is a growth of Asian investments in the last links of the soy chain – although these have not reached the current ABCD level in the Southern Cone (Oliveira and Schneider 2014). The Chinese state company Cofco, which since the beginning of 2014 has had a majority control of Noble and Nidera, is expanding in the four analyzed countries, especially in Argentina, where the sum of the values of these two companies corresponds to 10.7 percent of the installed crushing capacity, and an important part of the exports (10 percent of meal, 13 percent of oil and 15 percent of grain) (INDEC 2013; CIARA 2014). At the same time, there was an entry of Japanese trading to the sector, mainly in Brazil, such as Marubeni (through Gaviion), Sojitz (through CGG Trading and Cantagalo), Mitsui (through Multigrain) and Mitsubishi (through Ceagro and Sollus), which perform in the last links as well as in agricultural production, controlling more than 300,00 hectares of arable land (Valor Econômico 2014).

Another novelty is the capitalization of soy producers in the last few years, stimulated by the meaningful increase in the farm commodities price and by the financialization of agribusiness activities. This enabled some producers to invest and act more and more in activities out of the farm, such as the production and/or sale of inputs, storage, processing,

trade, funding, etc. (Gudynas 2008; Deininger, Nizalov, and Singh 2013; Wilkinson and Pereira 2014). This applies to large groups of producers, as in the case of El Tejar, Los Grobos, Adecoagro, MSU and Cresud that controlled more than 2.5 million hectares in Brazil, Argentina, Paraguay, Bolivia and Uruguay, whose largest share of areas was destined for soy cultivation (Wesz Jr. 2014). These groups, because they mobilize a large volume of production, export directly through their own companies, not passing through ABCD (Guibert et al. 2011; Gras and Hernández 2013). In Mato Grosso, this strategy has also grown with the major rural producers' cooperatives that sell their produce to Asian buyers directly, even undertaking the logistic and transportation responsibility. In this sense, a process of verticalization of agriculture actors is evident, since they are searching to broaden their power and create more independence from the tradings, undertaking functions that were dominated almost exclusively by ABCD.

Finally, it is important to highlight that, even though this was not the focus in this work, different themes (food distribution, access to land, natural resources degradation, climate change, work conditions, environmental laws, agriculture price volatility, maintenance of family farming in the rural milieu, etc.) are directly affected by the distinct activities and strategies of the ABCD firms. In this sense, when thinking of rural development and food sovereignty, it is fundamental to bring to the debate the functioning of the current agro-food system, where ADM, Bunge, Cargill and Dreyfus play a central role.

Acknowledgements

This contribution presents some of the results of my doctoral dissertation (Wesz Jr. 2014). I would like to thank the National Counsel of Technological and Scientific Development (CNPq) and the Foundation for Research Support of the State of Rio de Janeiro (Faperj) for a scholarship and Sergio Pereira Leite by orientation for the supervision. I would also like to thank Susanna Hecht, Gustavo Oliveira and the reviewers who commented on this paper. Finally, I thank Ana Isabel Márquez Pérez and Bruno Azevedo Prado for translating the paper.

Disclosure statement

No potential conflict of interest was reported by the author.

References

- Abiove – Associação Brasileira das Indústrias de Óleos Vegetais. 2014. *Capacidade Instalada da Indústria de Óleos Vegetais*. <http://www.abiove.com.br>
- Adams, R. 2010. *Elite landowners in Santarém: ranchers, gaúchos and the arrival of soybeans in the Amazon*. PhD diss., Indiana University.
- AGD – Aceitera General Deheza. 2014. *Nuestra identidad: história*. <http://www.agd.com.ar/es/home.htm>
- Ahmed, G., D. Hamrick, and G. Gereffi. 2014. *Shifting governance structures in the wheat value chain: implications for food security in the Middle East and North Africa*. Center on Globalization, Governance & Competitiveness, Durham: Duke University.
- Albuquerque, J.L.C. 2005. *Fronteiras em movimento e identidades nacionais: a imigração brasileira no Paraguai*. PhD diss., Universidade Federal do Ceará, Fortaleza.
- Almeida, L. S. 2013. *Gaúchos, festas e negócios: o agronegócio da soja no Meio-Norte matogrossense*. PhD diss., Universidade Federal do Rio de Janeiro.
- Amaggi. 2014. *Sobre o Grupo Amaggi*. <http://www.grupoandremaggi.com.br>
- Arroyo, G., R. Rama, and F. Rello. 1985. *Agricultura y alimentos en América Latina: el poder de las transnacionales*. México D.C.: Universidad Nacional Autónoma del México.
- Barbosa, M.Z. and S. Nogueira Jr. 2007. *As simetrias entre as agroindústrias de soja no Brasil e na Argentina*. *Revista de Economia Agrícola, São Paulo* 54: 87–107.

- Benetti, M.D. 2004. Globalização e desnacionalização do agronegócio brasileiro no pós 1990. *Documentos FEE*, 61. Porto Alegre: FEE.
- BiodieselBR. 2013. Notícias. <http://www.biodieselbr.com/>
- Blanc, J. 2015. Enclaves of inequality: Brasiguaios and the transformation of the Brazil-Paraguay borderlands. *The Journal of Peasant Studies* 42, no. 1: 145–58.
- Bonanno, A. and D.H. Constance. 2008. *Stories of globalization: transnational corporations, resistance and the corporate state*. University Park, PA: Pennsylvania State University Press.
- Borras Jr., S., P. McMichael, and I. Scoones. 2010. The politics of biofuels, land, and agrarian change: editors introduction. *Journal of Peasant Studies* 37, no. 4: 575–92.
- Branden, T., P. Karre, and J. K. Helderman. 2009. *The risks of hybrid organizations: expectations and evidence*. NISPACEE Conference. Budva.
- Bunge. 2010. *Bunge y Louis Dreyfus Commodities anuncian una inversión conjunta*. http://www.bungeuruguay.com/ing/images/Prensa_Nov3_2010.pdf
- Bunge. 2012. *Promaiz S.A.* <http://www.bungeargentina.com/site/es/novedades/promaiz-sa>
- Capeco – Camara Paraguaia de Exportadores y Comercializadores de Cereales y Oleaginosas. 2013. *Estadísticas*. <http://www.tera.com.py/capeco>.
- Castro, A.C. 2002. *Localização e identificação das empresas processadoras de soja, suas áreas de influência, preços e custos de transporte relacionados*. Rio de Janeiro: CPDA/UFRRJ.
- Ciara – Camara de la Industria Aceitera de la Republica Argentina. 2014. *Estadísticas del Sector*. <http://www.ciaracec.com.ar/ciara/bd/index.php>
- CIP – Centro de Importadores del Paraguay. 2013. *Ranking de exportadores e importadores*. <http://www.cip.org.py/>
- Clapp, J. and M.J. Cohen, eds. 2009. *The global food crisis: Governance challenges and opportunities*. Waterloo, Ontario: Wilfrid Laurier Univ. Press.
- Clapp, J. and D. Fuchs, eds. 2009. *Corporate power in global agrifood governance*. Boston: MIT Press.
- Cohen, S.D. 2007. *Multinational corporations and foreign direct investment: avoiding simplicity, embracing complexity*. New York: OUP Catalogue.
- Colque, G. 2013. *Land appropriation on the frontier: changes in and struggles for access to land in Bolivia*. PhD diss., International Institute of Social Studies.
- Comex. 2013. *Relatórios de Comércio Exterior*. <http://trade.nosis.com/pt/Comex>.
- Conab – Companhia Nacional de Abastecimento. 2013. *Série Histórica de Produção*. <http://www.conab.gov.br>
- De La Torre, A. and S.L. Schmukler, eds. 2007. *Emerging capital markets and globalization: the Latin American experience*. Washington, DC: World Bank Publications.
- Deininger, K., D. Nizalov, and S.K. Singh. 2013. Are mega-farms the future of global agriculture? Exploring the farm size-productivity relationship for large commercial farms in Ukraine. Policy Research Working Paper 6544, The World Bank.
- Delgado, G.C. 2005. A questão agrária no Brasil, 1950–2003. In *Questão social e políticas sociais no Brasil contemporâneo*, ed. L. Jaccoud, 51–90. Brasília: IPEA.
- Du Bois, C., C.B. Tan, and S. Mintz, eds. 2008. *The world of soy*. Urbana: University of Illinois Press.
- Durkheim, E. 2014 [1983]. *The division of labor in society*. New York: Simon and Schuster.
- Embrapa – Empresa Brasileira de Pesquisa Agropecuária. 2004. *Sistema de Produção 6*. <http://www.cnpso.embrapa.br/download/publicacao>.
- Estadão. 2014. *Gigantes do agronegócio se unem para investir nas novas ferrovias*. <http://economia.estadao.com.br/noticias/geral/gigantes-do-agronegocio-se-unem-para-investir-nas-novas-ferrovias-imp-,1144031>
- Fairbairn, M. et al. 2014. Introduction: New directions in agrarian political economy. *Journal of Peasant Studies* 41, no. 5: 653–66.
- Faostat – División de Estadísticas de la Organización de las Naciones Unidas para la Alimentación y la Agricultura. 2014. *Estadísticas generales*. <http://faostat.fao.org/>
- Farina, E.M.M.Q. and D. Zylbersztajn. 1998. *Competitividade no Agribusiness Brasileiro*. São Paulo: IPEA.
- Fernandes Filho, J.F. and Belik, W. 2010. *A política de tributação na exportação do complexo soja pelo Brasil: transformação e resultados*. Paper presented at the annual meeting for the Brazilian Society of Economics, Business and Rural Sociology, in Campo Grande, Brazil.
- Fernandes, B.M., C.A. Welch, and E.C. Gonçalves. 2010. Agrofuel policies in Brazil: paradigmatic and territorial disputes. *Journal of Peasant Studies* 37, no. 4: 793–819.

- Fernández, A.J.C. 2007. *Do Cerrado à Amazônia: as estruturas sociais da economia da soja em Mato Grosso*. PhD diss., Universidade Federal do Rio Grande do Sul.
- Fernández, A.J.C. 2009. *Sociedade e economia do agronegócio: estudo exploratório do estado de Mato Grosso*. Rio de Janeiro: CPDA/UFRRJ.
- Fligstein, N. 1996. *Markets as politics: a political-cultural approach to market institutions*. *American Sociological Review* 61: 656–73.
- Fligstein, N. 2001. *The architecture of markets: an economic sociology of 21st century capitalist societies*. Princeton: Princeton University Press.
- Friedmann, H. and P. McMichael. 1989. Agriculture and the state system: the rise and decline of national agricultures, 1870 to the present. *Sociologia Ruralis* 29, no. 2: 93–117.
- Gaspari, C.A. 2004. *O paradigma biotecnológico e o processo de reestruturação das grandes empresas: o movimento das bioindústrias na agroindústria brasileira*. PhD diss., Universidade Estadual de Maringá.
- Genok. 2012. *Producción de soya en las Américas: actualización sobre el uso de tierras y pesticidas*. Cochabamba: Virmegraf.
- Gereffi, G., J. Humphrey, and T. Sturgeon. 2005. The Governance of Global Value Chains. *Review of International Political Economy* 12, no. 1: 78–104.
- Gilpin, R. 2011. *Global political economy: Understanding the international economic order*. Princeton: Princeton University Press.
- Giménez, E.H. and A. Shattuck. 2011. Food crises, food regimes and food movements: rumblings of reform or tides of transformation? *Journal of Peasant Studies* 38, no. 1: 109–44.
- Granovetter, M. 1985. Economic action and social structure: the problem of embeddedness. *American Journal of Sociology* 91, no. 3: 481–510.
- Gras, C. and V. Hernández. 2013. Los pilares del modelo agribusiness y sus estilos empresariales. In *El agro como negocio: producción, sociedad y territorios en la globalización*, ed. C. Gras and V. Hernández, 17–48. Buenos Aires: Biblios.
- Gudynas, E. 2008. The new bonfire of vanities: soybean cultivation and globalization in South America. *Development* 51, no. 4: 512–18.
- Guibert, M. et al. 2011. De Argentina a Uruguay: espacios y actores en una nueva lógica de producción agrícola. *Pampa* 7: 13–88.
- Hecht, S.B. 2014. Forests lost and found in tropical Latin America: the woodland ‘green revolution’. *Journal of Peasant Studies* 41, no. 5: 877–909.
- Hendrickson, M., H. James, and W. D. Heffernan. 2013. Vertical integration and concentration in US agriculture. *Encyclopedia of Food and Agricultural Ethics* 1, 1–10.
- Heredia, B.M.A., M. Palmeira, and S.P. Leite. 2010. Sociedade e Economia do “Agronegócio” no Brasil. *Revista Brasileira de Ciências Sociais* 25: 159–76.
- Hinrichsen, J. J. 2013. *Annual Yearbook on Oilseeds Markets*. Buenos Aires, Argentina: Hinrichsen.
- Hoelle, J. 2012. Black hats and smooth hands: elite status, environmentalism and work among the ranchers of Acre, Brazil. *Anthropology of Work Review* 33, no. 2: 60–72.
- IBGE – Instituto Brasileiro de Economia e Estatística. 2013. Banco de dados agregados. <http://www.sidra.ibge.gov.br>.
- Indec – Instituto Nacional de Estadística y Censos. 2013. Agricultura. <http://www.indec.gov.ar/agropecuaria/>.
- INTA – Instituto Nacional de Tecnología Agropecuária. 2009. *Análisis de la cadena de la soja en la Argentina*. Buenos Aires: INTA.
- Islam, G. 2012. Can the subaltern eat? Anthropophagic culture as a Brazilian lens on post-colonial theory. *Organization* 19, no. 2: 159–80.
- MAG – Ministerio de Agricultura y Ganadería. 2013. *Series Históricas de Cultivos Temporales*. <http://www.mag.gov.py>.
- MAGyP – Ministerio de Agricultura, Ganadería y Pesca. 2013. Sistema integrado de información agropecuaria. <http://www.siaa.gov.ar/index.php>.
- Mazzoleni, E. M. and J. J. Medeiros. 2011. Governança e coordenação em cadeias de suprimento: proposta de um modelo tecnológico-relacional para análise no agronegócio. Paper presented at the annual meeting for the Brazilian Society of Economics, Business and Rural Sociology, Belo Horizonte, Brazil.
- McMichael, P. 2009. A food regime analysis of the ‘world food crisis’. *Agriculture and Human Values* 26, no. 4: 281–95.
- McMichael, P. 2010. Agrofuels in the food regime, *Journal of Peasant Studies* 37, no. 4: 609–29.

- Mecon – Ministerio de Economía y Finanzas Públicas. 2011. *Complexo oleaginoso. Serie Producción Regional por Complejos Productivos*. http://www.mecon.gob.ar/peconomica/docs/Complejo_Oleaginoso.pdf.
- Menéndez, V. and J.C. Gulla. 2013. Cadenas Globales de Valor: los casos de la soja y el trigo. Documento de Trabajo, 89, Núcleo de Estudios Sociales Agrarios, Montevideo.
- MGAP – Ministerio de Ganadería, Agricultura y Pesca. 2013. Estadísticas Agropecuarias (DIEA). <http://www.mgap.gub.uy/>.
- Monteiro, G. F. A. et al. 2012. The role of empirical research in the study of complex forms of governance in agroindustrial systems. *Revista de Economía e Sociología Rural* 50, no. 4: 667–82.
- Moreno, G. 2007. *Terra e poder em Mato Grosso: política e mecanismo de burla (1892 a 1992)*. Cuiabá/MT: Entrelinhas e EDUFMT.
- Murphy, S., D. Burch, and J. Clapp. 2012. *Cereal secrets: the world's largest grain traders and global agriculture*. Oxfam Research Report. Oxford: Oxfam.
- Ofstehage, A. 2013. *Development and dispossession in Soylandia: quotidian realities of the transnational corporate food regime*. Society for Economic Anthropology Conference, St. Louis, USA.
- Oliveira, G.L.T., and M. Schneider. 2014. The politics of flexing soybeans in China and Brazil. *Think Piece Series On Flex Crops & Commodities* 3: 1–20.
- Oyhantçabal, G. and I. Narbondo. 2011. *Radiografía del agronegocio sojero: descripción de los principales actores y los impactos socioeconómicos en Uruguay*. Montevideo: Redes.
- Paes Leme, M. F. and D. Zylbersztajn. 2008. Determinantes da escolha de arranjos institucionais: evidências na comercialização de fertilizantes para soja. *Revista de Economia e Sociologia Rural* 46, no. 2: 517–46.
- Pappalardo, C. 1995. *Estrategias y políticas de desarrollo rural*. Asunción: El Lector.
- Peine, E. 2010. Corporate mobilization on the soybean frontier of Mato Grosso, Brazil. In *Contesting development: critical struggles for social change*, ed. P. McMichael, 132–46. New York: Routledge.
- Pierri, J. 2006. El boom de la soja. Un retorno al pasado? *Realidad Económica* 219: 53–63.
- Pierri, J. 2008. El desempeño de las grandes empresas y las cooperativas en la “sojización”. Los casos de Cargill y de la Asociación de Cooperativas Agrarias. *Documentos del CIEA*, Facultad de Ciencias Económicas de la UBA 3: 69–95.
- Piñeiro, D. and M.I. Moraes. 2008. Los cambios en la sociedad rural durante el siglo XX. *El Uruguay del Siglo XX: La sociedad*. Ediciones de la Banda Oriental, Montevideo, 105–136.
- Pires, M.J.S. and G.R. Santos. 2013. *Modelo agroexportador, política macroeconômica e a supremacia do mercado: uma visão do modelo brasileiro de exportação de commodities*. Brasília: IPEA.
- Raynolds, L. T. 2014. Fairtrade, certification, and labor: global and local tensions in improving conditions for agricultural workers. *Agriculture and Human Values* 31, no. 3: 499–511.
- Revista Exame. 2011. *O Paraguai é movido a soja*. <http://exame.abril.com.br/revista-exame/edicoes/0986/noticias/movido-a-soja>
- Rodrigues, W. et al. 2009. Análise das estratégias de financiamento/comercialização dos produtores de soja da região de Santa Rosa do Tocantins. Paper presented at the annual meeting for the Brazilian Society of Economics, Business and Rural Sociology, in Porto Alegre, Brazil.
- Rojas Villagra, L. 2009. *Actores del agronegocio en Paraguay*. Asunción: BASE Investigaciones Sociales y Diakonia – Acción EcuMénica Sueca.
- Salerno, T. 2014. Capitalising on the financialisation of agriculture: Cargill's land investment techniques in the Philippines. *Third World Quarterly* 35, no. 9: 1709–27.
- Santos, B.S. 2002. Os processos da globalização. In *A globalização e as ciências sociais*, ed. B. S. Santos, 2° ed., 25–104. São Paulo: Cortez.
- Schavarzer, J. and A. Tavosnanska. 2007. El complejo sojero argentino. Evolución y perspectivas. *Documento de Trabajo*, 10, Centro de Estudios de la Situación y Perspectivas de la Argentina.
- Secex - Secretaría de Comercio Exterior. 2013. *Indicadores e Estatísticas de Comércio Exterior*. <http://www2.desenvolvimento.gov.br/sitio/secex/secex>
- Shimoni, B. 2008. Separation, emulation and competition: hybridization styles of management cultures in Thailand, Mexico and Israel. *Journal of Organizational Change*, v. 21, n. 1, 107–119.
- Smith, G. 1985. Reflections on the social relations of simple commodity production. *The Journal of Peasant Studies* 13, no. 1: 99–108.
- Souza, J.F.D. 2007. *Integração vertical e financeirização: o caso da agroindústria processadora de grãos no Brasil*. Msc. diss., Universidade de São Paulo.

- The Guardian. 2011. *The global food crisis: ABCD of food – how the multinationals dominate trade*. <http://www.theguardian.com/global-development/poverty-matters/2011/jun/02/abcd-food-giants-dominate-trade>.
- Toit, A. and D. Neves. 2014. The government of poverty and the arts of survival: mobile and recombinant strategies at the margins of the South African economy. *Journal of Peasant Studies* 41, no. 5: 833–53.
- UruguayXXI. 2012. *Trigo y oleaginosas*. Montevideo: Departamento de Inteligencia Competitiva.
- Valor Econômico. 2014. Notícias. <http://www.valor.com.br>
- Weber, M. 1978 [1922]. *Economy and society: an outline of interpretive sociology*. Berkeley: University of California Press.
- Wesz Jr., V.J. 2011. *Dinâmicas e estratégias das agroindústrias de soja no Brasil*. Rio de Janeiro: E-papers.
- Wesz Jr., V.J. 2014. *O mercado da soja e as relações de troca entre produtores rurais e empresas no Sudeste de Mato Grosso (Brasil)*. PhD diss., Universidade Federal Rural do Rio de Janeiro.
- Wilkinson, J. 2009. Globalization of agribusiness & developing world food systems. *Monthly Review* 61: 38–49.
- Wilkinson, J. 2011. From fair trade to responsible soy: social movements and the qualification of agrofood markets. *Environment and Planning A* 43: 2012–26.
- Wilkinson, J. and S. Herrera. 2010. Biofuels in Brazil: debates and impacts. *The Journal of Peasant Studies* 37, no. 4: 749–68.
- Wilkinson, J. and P. Pereira. 2014. Brazilian soy: new patters of investment, finance and regulation. In: *Finance, Food and Farmland International Conference*, ISS and CESTRAD. The Hague, Holland.
- Wood Jr., T. 2010. Organizações híbridas. *Revista de Administração de Empresas* 50, no. 2: 241–47.
- Zelizer, V. A. R. 1997. *The social meaning of money*. Princeton: Princeton University Press.

Valdemar João Wesz Jr is a professor at the Federal University of Latin American Integration (UNILA) and a researcher at the Observatory on Public Policies for Agriculture (OPPA/CPDA/UFRRJ). He has master's and PhD degrees in social science in development, agriculture and society from the Federal Rural University of Rio de Janeiro (CPDA/UFRRJ), with undergraduate studies in rural development and agribusiness management at the State University of Rio Grande do Sul (UERGS). Email: jwesz@yahoo.com.br