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Soy's King and Wheat's Queen:
State intervention and the meaning of leading monocultures in Brazilian and Russian agrarian histories

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Abstract

Despite very different agrarian histories, Brazil and Russia have revealed some similarities concerning their insertion into the global food markets. One of these is the fact that both countries are now leading players in two of the most important global commodity chains. Brazil is already the main soy exporter in the world, whereas Russia is now challenging the United States hegemony in wheat production and export. This article combines historical comparative analysis with institutional theory in order to understand how soy and wheat have become so crucial for Brazilian and Russian economies, and, complementarily, with the role of the state in this process. Results highlight how these monocultures are associated to the different strategies these countries have developed in terms a more subordinated-liberal (Brazil) or autonomous-protectionist (Russia) incorporation into global food markets.

Keywords: Commodities, Global food regime, Sociology of Agriculture, Russia, Brazil.

Introduction

Since the end of the nineteenth century, Russian and Brazilian agricultures have undergone substantial reconfigurations. To a great extent, this resulted from the intent by the state to subordinate agriculture to an economic growth strategy that, at least from the 1930s to the early 1980s, focused on industrialization, urbanization, and modernization. This project has profoundly influenced peasant practices, communities' organization and all rural landscape in both countries. However, the main historical convergences ended there. Over time, the trajectories of these countries have become quite singular. Russia experienced seven decades of the 'soviet model', which implied two moments of abrupt reorganization of rural areas concerning the processes of land collectivization (1929-1931) and de-collectivization (1992), whereas Brazil has never promoted any massive agrarian reform. In Brazil, this project was blocked by a military coup d'état that, from 1964 to 1984, pushed this country to a compulsory agricultural modernization, reproducing the American capitalist model (Uzun; Shagaida, 2015; Sauer; Leite, 2012).

In the last two decades, Brazil and Russia have experienced new convergences, which are mainly related to the importance of monocropping for economic development, and, at the same time, to the central role played by the state to make this strategy reliable. Among all agricultural activities, soy and wheat, respectively, have become the most important examples of recent Brazilian and Russia agrarian development (Wegren, 2014; Martinelli *et al*., 2016). Although they are not representatives of the entire agrarian economy of these countries, this article focuses on the state action to support the production and export of these commodities. This choice enables us to compare the strategies that Brazil and Russia have developed not only in domestic market – in terms of the importance of these crops in relation to other economic

activities –, but also in relation to their insertion into the "global food regime" (McMichael, 2005), in which these countries assumed the role of leading exporters. Nevertheless, it is not obvious that this strategy has the same meaning for both countries. The research question that this article aims to answer is precisely about the significance of soy and wheat production and export in each context.

In order to answer this question, we build a critical dialogue with 'food regime analysis, which has been one of the most prominent frameworks used in the sociology of agriculture to discuss 'the role of agriculture in the development of the capitalist world economy, and in the trajectory of the state system' (Friedman; McMichael, 1989, p. 93). Despite this framework having become quite heterogeneous over time, being sometimes confused with a wide platform for renewal of the agrarian critical studies, in the core of the analysis still lies the French regulationist binomial structure: capitalist 'modes of regulation' and 'regimes of accumulation' (Niederle, 2017). Based on this, it identifies three major periods of relative stability of capitalist accumulation processes and inter-state division of political power (McMichael, 2009): Regime I: *Imperial-Colonial* (1870-1920); Regime II: *Mercantile-Industrial* (1940-1970); Regime III: *Neoliberal-Corporate* (1980-now). In this article we are not primarily interested in rebuilding these periods in the same way, even because, as we have just mentioned, the trajectories of Brazilian and Russian agricultures are quite singular. However, food regime literature helps us to analyze the interplay between capitalist accumulation in agriculture and the state action.

Originated from debates in the BRICS[1] Initiative for Critical Agrarian Studies (BICAS), this research was carried out during the last two years as part of a project about the effects of monoculture expansion on socio-economic

[1] BICAS is a network of academic organizations and researchers whose work focuses on understanding the main agrarian transformations in BRICS countries. For additional information, see: https://www.iss.nl/en/research/networks/brics-initiatives-critical-agrarian-studies-bicas.

dynamics of different Brazilian and Russian regions[2]. In the first phase of this project, in November 2017, we observed and interviewed producers, policy-makers and entrepreneurs in the Krasnodar region, the main area of wheat production in Russia. One year later, we did the same in the northwestern region of Rio Grande do Sul, the first one to introduce soy in Brazil. These interviews helped us to identify similar effects of an agricultural commoditization process in both countries: economic concentration, land grabbing, corporate capital expansion, social marginalization, environmental crisis etc. However, as this article highlights, they also demonstrated that, while in Brazil, soy production has become the focus of Brazilian strategy of accumulation in agriculture and this sector plays a central role in national economy, Russian wheat has been primarily oriented towards food sovereignty and the manufacturing sector is so far at the center of the economic growth strategy.

From a sociological point of view, although this is an exploratory study focused on the historical foundations that shaped Russian and Brazilian societies, the processes we analyze may be considered as part of what the literature calls social modernization. It represents an initial effort to understand rural and agrarian transition processes and the formation of urban and industrialized societies. As this article demonstrates, in their own time and with their own specificities, both Russia and Brazil underwent profound changes throughout the 20th century, which reveal a process of "conservative modernization", a term used by Moore (1966) to characterize the transition from societies in which economic power is based on large estates, and where agrarian elites exert great political influence on the government, to new industrial and urbanized societies. Nevertheless, according to Domingues (2004, p. 187), it is also possible to say that, in both countries, there was a

[2] Financed by Rosa Luxembourg Foundation, this project is coordinated by the Russian Presidential Academy of National Economy and Public Administration (RANEPA) and the Federal University of Rio Grande do Sul (UFRGS). The project also had support of the Brazilian Council of Scientific and Technological Research (CNPq).

"conservative modernization dialectics", given that at the same time as these processes produce structural economic reconfigurations, political and cultural institutions are still embedded in the "old regime" (Hobsbawm; Ranger, 1997; Martins, 1999). Consequently, while economic changes are expressive, the political conservatism survives.

This article is structured in four sections in addition to this introduction. First, it presents the routes Russia and Brazil have taken concerning the agrarian development and their insertion in the global food regime. The second section analyzes the radical changes following the Russian perestroika and the Brazilian re-democratization processes in the late 1980s, and, in both cases, the consolidation of neoliberal policies in the 1990s. The third section focuses on the turn both countries have experienced to a 'developmental state' (Johnson, 1999; Bresser-Pereira, 2016) that, mainly from the 2000s onwards, has strongly supported the agricultural commodity production. In the conclusions, we suggest that, while Russia and Brazil have followed different trajectories over the time, in recent decades they have shown important convergences in terms of state action to boost commodity production. However, the meaning of this strategy is different for each country. Brazilian soy has become an export-oriented commodity, essential to sustain the balance of trade, whereas Russian wheat production is still primarily turned to domestic supply. This difference is directly related to the strategies these countries have developed in terms of a more subordinated-neoliberal (Brazil) or an autonomous-protectionist (Russia) incorporation into the global food regime.

1. A century of agrarian change in Brazil and Russia (1880 – 1980)

Since the Portuguese occupation, Brazil has been incorporated into capitalist systems of land exploitation (Prado Jr., 1979), whereas Russian agriculture historically rested on a feudal system where land and serf peasants

belonged to nobility. Even though Russian serfdom period has formally ended in 1861 with the reforms of emperor Alexander II, this country still remained as a peasant society with peasants comprising more than 90% of the total population. Therefore, peasantry constituted the backbone of Russian agriculture, although aristocratic landownership remained quite substantial even at the beginning of the 20th century. In fact, even after the abolition of serfdom, peasants did not have private ownership of land. Instead, land was a collective property of rural communities which periodically redistributed it among families according to their needs and/or labor capacity.

In terms of food production, traditionally, rye was the vital grain for Russian peasantry, because 'black bread' was the cornerstone of peasants' diet. At the beginning of the 20th century, wheat production was almost twice less than rye, and oat was more popular than wheat as well. However, along with barley, wheat became the most important export commodity of Russia throughout the 19th century, whereas other grains such as rye and oats (used for forage) dominated the production for domestic consumption. It was only in the early 20th century that wheat definitely replaced rye as the main grain crop (Ostrovsky, 2013).

Considering international food markets, Russian participation started in the 18th century, but, at the beginning of the 19th century, grains still constituted less than 10% of total exports. At that moment, most important export products included raw and semi-finished products such as wood, flax, hemp, and fur, as well as sailing cloth and iron. It was only during the last three decades of the 19th century, when was shaped the first global "food regime", under control of the British empire (Friedmann; McMichael, 1989), that the share of grain export reached half of the total Russian exports. Then, wheat and barley became the leading export crops, each one representing 1/3 of the total grain exported (Ostrovsky, 2013). Like other peripheral countries, including Brazil, Russia became an agricultural appendage in the global economy, exporting raw products and importing high value-added products from the industrialized countries.

At that moment, Russian state started to extract resources from agriculture for the needs of industrialization. Peasants were the main losers of a dual unfavorable exchange: between the agrarian Russia and the industrialized Western economies, and between the domestic industrial and agrarian sectors. Ironically, the rise of grain export coincided with peasant impoverishment, economic differentiation and rural overpopulation. Along with other factors, including the participation in World War I, these effects resulted in rebellions (1905-1917) and in the civil war (1917-1922)[3]. Only when these conflicts ended, the problem of industrialization came back to the agenda, but now for Soviet government. Initially, Stalin pushed the modernization following the same strategy previously used by the monarchy, i.e. by increasing grain exports (mainly wheat) and adopting nonequivalent exchange between agriculture and industry. At the same time, collectivization campaign became an instrument for industrialization by means of noneconomic extraction of resources from peasantry communities.

In the postwar Soviet Union, wheat lost its importance as export crop. This grain started to be used mainly for domestic consumption and as forage for animal breeding. Unlike Imperial Russia, in this period Soviet agriculture produced substantial volumes of meat and milk, although with low economic efficiency. Because of that, government created policies that dramatically changed agricultural systems, supporting the expansion of mechanized large state and collective farms. This process responded to the project of an industrialized and urbanized Soviet society. It means that, ultimately, the imagined future for socialist agriculture referred to the similar technological aspects of modernity as the American capitalist model.

[3] The role of peasants in Russian revolution in 1917 is a very complicated and controversial issue. Although important, a further development of this debate is beyond the scope of this paper, so we just refer this issue, indicating some literature, both Marxist and populist (Shanin, 1986; Lenin, 1973; Bernstein, 2018).

Modernization policies led peasants to disappear as a class in the soviet agriculture[4]. Small producers survived, though changing their nature. Along with large state and collective farms, peasant practices have survived inside small household plots, which remained responsible for substantial share of Soviet food, mainly vegetables, fruits, and milk. These households combined labor on collective farms and on their own plots. Besides, similarly to Brazilian peasants in the coffee plantation (Prado Jr., 1979), they used resources from the large farms for their own family production, establishing an asymmetrical symbiosis between large and small agricultural producers (Nikulin, 1999). However, from this period onwards, households have never been engaged in grain production. This would always be the domain of large modernized farms. Nonetheless, despite the Soviet government efforts to promote these farms, grain shortage became a huge headache. In the 1960s the Soviet Union started to import grain and did it until its collapse (Nikonov, 1995).

While wheat has been a central component of Russian (agri)cultural history for many centuries, this grain was introduced in Brazil only at the end of the 19th century, when Brazilian export agriculture was completely dominated by coffee, which represented about 65% of all exports in terms of value. Indeed, despite the fact that domestic agriculture was much more diversified – bean and maize being even more significant than coffee in terms of area – the historical strategy of economic growth by means of commodity exports made coffee the most important and long-lived king of Brazilian agrarian economy, succeeding sugarcane, cotton, rubber, and forest (Niederle; Wesz Jr., 2018). Nevertheless, this reign started to collapse after the global crisis that followed the 1929's stock markets crash, which defined the end of the first global food regime and revealed the fragility not only of the Brazilian economy, but also of all those depending on the international demand for agricultural commodities (Bresser-Pereira, 2008).

[4] Although this claim may seem arguable, since smallholders are still playing an important role in Russian agriculture, we think that traditional Russian peasantry, as we know it, does not exist anymore since mass collectivization.

The global crisis exacerbated economic and social inequalities, amplified the hunger problem, which had already been defying political stability since the end of the 19th century, and created the 'opportunity window' for the ascension of a new political coalition. Led by Getúlio Vargas, this coalition took control of the state for fifteen years (1930-1945), period during which government made his first effort of 'import substitution industrialization', internalizing the production of inputs and capital goods. This strategy, however, was partially blocked by the global economic retraction, forcing the government to strength the domestic market, mainly through policies to expand industrial and urban consumption. During this period, while coffee remained the most important export commodity, wheat became one of the most important economic problems.

The competition with the Argentinean wheat has historically been a factor of instability for Brazilian economy. In 1930, in order to solve this problem, Brazilian government started to induce the creation of wheat production cooperatives. The results have never accomplished the initial expectations, but, from 1960 onwards, these cooperatives became central actors in the dissemination of soy production, which emerged as an alternative of diversification that answered two main objectives. On the one hand, soy became an option for crop rotation that the government 'offered' to wheat producers in order to raise their weak economic gains and keep them in the activity, and, at the same time, as an option of crop substitution for coffee producers, which had never really completely recovered their gains after the global crisis. On the other hand, following the recovery of global economy in the post-war, soy export would become one of the main sources of currency to finance a new wave of industrialization.

From the late 1950s to early 1960s, Brazilian state started structural reforms to boost the economy, including a program of agrarian reform. However, in 1964 this strategy was completely redefined by a civil-military coup d'état. The military dictatorship (1964-1984) intensified a very unequal and

authoritarian strategy of economic growth, centralizing resources in the hands of the national oligarchy whose investments were benefitted from subsidized public credit (borrowed from U.S. banks). In agriculture, this strategy included policies privileging the largest farms of the southern region, where soy started to replace coffee in the throne of the economy. The gradual ascension of the new king was assured by new modernization policies created from 1965 to 1974 to solve different farmers' problems: subsidized agricultural credit, price control, risk assurance, agricultural research, and rural extension services (Leite, 2001).

Along with the general economic strategy, these policies started to disintegrate in the late 1970s, following the international oil price shocks and debt crisis. The breakdown was not instantaneous, and the agrarian elite continued to receive strong support from a government interested in its own reproduction. The consequence was a serious state indebtedness that, in the mid-1980s, led the government to completely lose capacity to regulate economy, promote economic growth, and control social conflicts. After that, the strengthening of a neoliberal narrative sustaining that the state was the responsible for the crisis led to abrupt adjustments, mainly transferring policies to private actors. Banks, agricultural corporations and supermarkets started to control the mechanisms of credit, research, technical assistance, food supply, and price regulation, opening a new moment for the Brazilian agriculture, with deep effects on soy economy.

2. Agricultural reforms in the Post-Soviet Russian and Neoliberal Brazilian States

After the demise of the Soviet Union, from 1992 to 1995 Russian agriculture faced radical market reforms, which included privatization of the land and assets of *kolkhozes* and *sovkhozes*. Most of these collective and state farms were transformed in private enterprises with various organizational

forms, such as cooperatives, limited liability companies, and joint-stock companies (Wegren, 2009; Uzun; Shagaida, 2015). Although this process quite often represented nothing but the change of the nameplate keeping the same actors and activities, it caused a huge downfall in agricultural production. The effects were so remarkable that, until now, some indicators of agricultural production have not yet recovered the level of the soviet period.

Furthermore, the Russian liberal reforms also contributed to corrode the welfare policies previously assured by the Soviet state (Kurakin, 2015). Suddenly, people found themselves in a completely new system, in which they should become responsible for their own life conditions, including food supply. Because of that, contrasting to downfall of agricultural production in the large farm enterprises (LFEs), household plots increased food production by intensifying family labor (Pallot; Nefedova, 2007). This was not only a way to maintain traditional food diets and practices, but, above all, a need imposed by the economic and social crisis that followed the definitive entrance in the capitalist regime. Anyhow, while in this period households produced over half of the total agricultural Gross Domestic Product (GDP) they did not affect wheat production, as they were nor engaged in it.

In the 1990s, president Yeltsin's de-collectivization reforms created a third actor – private individual/family farmers – who joined the Soviet bimodal agrarian structure (collective farms and household plots). The establishment of this class of family farmers was one of the primary goals of the liberal agrarian reforms and intended to improve food supply conditions. The first results were modest, but over the recent years this group has demonstrated increasing importance, being today responsible for almost 15% of the agricultural GDP. For instance, Wegren (2011) argues that the possibilities for further growth of family farmers still exist and that they have promising perspectives. Contrasting the household plots, however, these family farmers are occupying and disputing the same sectors in which LFEs operate – a fact one can also observe among the most capitalized Brazilian family farmers producing soy, wheat and maize, mostly in southern regions.

As in the Russian case, in Brazil, the late 1980s were defined by deep adjustments in the state action. Solve the economic crisis required two unavailable things: money and institutions to boost up a new cycle of development. The post-military government tried to handle this problem by means of several economic plans, but all of them became ineffective and, in some cases, made the crisis even worse. For instance, while annual inflation accelerated, employment and FDI rapidly decreased. Regardless the exacerbation of the social catastrophe (poverty, hunger, violence etc.), the reactions of the Brazilian elites blocked any attempt to build a new version of welfare state. Instead, they pressed government to design a shift towards neoliberal policies (Sallum Jr., 2003). The subsequent decade was characterized by privatization and extinction of state enterprises and agencies, as well as the creation of institutional conditions to attract international capital and recover the balance of payments, which also implied trade liberalization, deregulation, salary reduction and high interest rates.

A situation of economic and political stability was not achieved until mid-1990s with the Real Plan. The new president, Fernando Henrique Cardoso (FHC), defined his historical task as "*to eliminate a piece of our past that still clutters the present and slows the advancement of society*", which was "*the legacy of the Vargas era, with his autarchic development model and its interventionist state*" (*apud* Bastos, 2012, p. 780). This plan focused on appreciation of the currency (Real) to control the inflation, reduction of customs tariffs, end of restrictions on FDI, and a privatization program to reduce the public debt. The positive result was the reduction of the inflation, which fell from 631% per year at the beginning of 1995 to 9.56% at the end of 1996. However, it was only possible due to the increase of the basic interest rate (60% per year in 1995), producing economic stagnation, unemployment and a huge social crisis (Sallum Jr.; Goulart, 2016).

Trade liberalization also put in danger the domestic industrial and agricultural production, which had to compete with cheaper imported products.

The result was a crisis in the trade balance, which became negative in 1995 and worsened in the following years. Concerning the agricultural sector, while commodities export faced problems due to the artificial appreciation of the currency, domestic agriculture faced the competition of imported products, mainly those originated from Mercosur region (milk, wheat, meat, wine). Then, the agrarian elite forced government to create policies compensating commodity producers' losses. One of the most controversial until now is the tax benefit (Kandir Law) for export of commodities such as minerals and soy.

Despite the expansion of soy production during this period of transition from military to neoliberal governments, in the mid-1990s it was still impossible to envision the importance this crop would acquire in the subsequent years. From 1985 to 1995, the cultivated area of soy increased only from 9.44 to 9.48 million hectares, while production augmented from 16.7 to 21.6 million tons. Nonetheless, a comparison with other products, such as cotton, maize, beans and rice during this period, shows that most of them lost area and/or production, revealing a crisis in the whole agricultural sector (Niederle; Wesz Jr., 2018).

The 1997 Asian economic crisis and, one year later, the Russian crisis, produced an abrupt fall in the prices of the main commodities exported by Brazil and, at the same time, a reduction of the FDI and foreign currency available in financial markets. Associated to the artificial appreciation of the Brazilian currency, these factors generated an unsustainable economic situation. The stroke of mercy to this model happened in 1999, when a huge foreign exchange crisis forced the government to promote a quick devaluation of the currency. Then, the state strategy started to shift to an export-oriented economy, where agribusiness would become responsible for sustaining the balance of payment. Indeed, exports of primary products began to react, changing the trade balance from a US$ 11.6 billion in deficit, in 1995, to a surplus of US$ 7.2 billion, in 2002. Despite the fact that it was

insufficient to solve the economic crisis, to assure the continuity of the same political coalition in the control of the state, and to refrain the increasing criticisms to the neoliberal paradigm, this commercial "success" allowed agribusiness to build its image as the most dynamic Brazilian economic sector.

On the other hand, reacting to the escalating violence in countryside related to land property concentration, as well as the rising of social problems such as unemployment and food insecurity, Brazilian government was forced by the increasing political power of social movements and unions to create public policies for family farmers, which represented 85% of all rural establishments. The main justifications to support this group were and still are related to its contribution to reduce food prices in domestic markets, keep people employed in rural areas and reduce social conflicts. Accordingly, while the export-oriented agribusiness consolidated its economic and political hegemony in Brazil, family farming also established itself as an important coalition challenging the narrative supported by the large farms' representatives about a presumed vocation of a country aimed at export commodities – even though the most capitalized family farmers have also been incorporated to the global commodities chains, frequently by intermediation of cooperatives.

3. Agrarian change in contemporary Russia and Brazil

In the 1990s, the most attractive lands of the Southern Russia became targets for land grabbing by former *kolkhoz* and *sovkhoz* elites (chairpersons, directors, managers). However, from the 2000s onwards, the global race for cheap land arrived in Russia, mainly in this same region of very productive soils. Investments in agriculture were carried out by domestic nonagricultural (oil, gas, steel etc.) and foreign capital (Visser *et al*., 2012), but also with support of the Russian government. The first Putin's presidential term (2000-2004)

started with the accomplishment of the preceding liberal reforms, mainly the adoption of the New Land Code (2001) and the Law on Agricultural Land (2003), institutional tools that enabled the expansion of private capital in agriculture. While in 1990 there were around 25,000 collective farms in Russia, in 2015 there were 285,000 private farms, about 40 out of which are agroholdings with more than 100,000 hectares each one.

Putin's first and second terms gave rise to the emergence of a strong export-oriented agriculture in Russia, in which wheat became the main export crop. Accordingly, the historical Russian insertion in food regime reversed. The late Soviet Union imported grain to meet the needs of domestic livestock and did not export substantial volumes. In the 1990s, the post-soviet state started to import animal products trying to find supply alternatives to a domestic production that had been almost destroyed during the Russian capitalist transition. In another way, Putin's era improved grain production and began to combine grain export and meat/milk import. At the same time, the state program "The development of agro-industrial complex: 2006-2007" (so-called 'national project') started to recover livestock production, resulting in an expressive reduction of meat import from 2006 onwards.

State intervention proceeded in the subsequent public programs for agriculture, keeping focus on a strategy of import substitution. These measures resulted in a rapid growth of chicken and pig production by large farms, whereas cattle breeding still remained problematic. Nevertheless, the recovery of livestock production did not reduce the rise of grain export. In fact, it led to a new import-export structure, combining the increasing of grain export with the reduction of other foods import. This new structure has clear political roots. As early as 2010, government adopted the national 'Doctrine of Food Security', giving a very particular sense to this expression. Food security was defined as independence, sovereignty or self-maintenance, which means that the focus is not on quality, affordability and healthy food, but on providing the conditions to reduce the import dependency on basic food items (Wegren, 2014; Nikulin *et al.*, 2018).

The most impressive data concern wheat production, which jumped from 41.5 to 85.8 KMT (kilo metric tons) from 2010 to 2017, while wheat area increased 'only' from 26.6 to 27.9 million hectares. This production that, today, represents almost 70% of Russian total grain production is concentrated in the Southern (Krasnodar, Rostov, Stavropol), Central Black Earth (Voronezh, Belgorod, Kursk, Tambov), Volga (Tatarstan, Saratov, Volgograd) and Southern Siberia (Altai) regions. Moreover, wheat exports represented 36.0 KMT in 2018, a volume that moves Russia to the number one position in global wheat chain, but that does not represent more than 42% of all wheat production[5]. The major buyers are countries of Middle East (Turkey, Azerbaijan, Iran, Lebanon) and Northern Africa (Egypt, Sudan, Morocco), yet, recently, Russian grain exporters are also trying to enter new markets such as Bangladesh and Nigeria.

Retrospectively, we could say that Russian government, making efforts to reduce the dependency from global food markets, anticipated the upcoming political confrontation with United States and European Union. In 2014, when these conflicts intensified, Russian government imposed the "food embargo" as a counter-sanction policy to the European and North American commercial measures (Wegren; Nikulin; Trotsuk, 2017). It weakened the competition in domestic market and had positive effects on the rise of agricultural production. The group most benefitted has been the largest corporate farms. In fact, not only due to the embargo, but also as an effect of all policy choices, while agro-holdings became the major economic actor in Russian agriculture, the productive role of household plots has steadily declined. At the same time, individual/family farms are also slowly moving towards classic capitalist enterprises, competing with corporate farms in grain production.

[5] Although the United States still exports the highest dollar value worth of wheat (US$ 6.1 billion or 15.7% of total global wheat exports; compared to US$ 5.8 billion by Russia), Russia presents the highest positive net exports, which means the value of a country's total exports minus the value of its total imports for the same product: US$5.8 billion (compared to $5.4 billion of United States).

Even knowing that this is a very risky strategy, they are trying to benefit from the State support for these commodities [6]. Differently from Brazil, however, these family farmers did not benefit from strong agricultural cooperatives. Until now, most state top-down efforts to move in this direction had very modest results (Kurakin; Visser, 2017).

On the other side of the world, from 2003 to 2016, during Workers' Party governments, Brazil witnessed a turn from the previous neoliberal state to a new configuration in which the state took a major role in supporting economic growth. The so-called 'neo-developmental state' – or 'socio-developmental state' on account of the active policies against poverty and hunger – tried to conciliate an orthodox macroeconomic policy, maintaining the monetary instruments of the neoliberal governments, and a developmental strategy of public incentives to private investment and consumption (Bresser-Pereira, 2016). In the political realm, this state was also associated with a governance system shaped by "government of coalitions", which means an endless need for compromising actors with very divergent interests (Sallum Jr., 2003).

Concerning the rural development strategy, government tried to conciliate investments in production and export of primary commodities, increasing capital concentration, with policies that aimed to reduce poverty and food insecurity. Some authors suggest that this model of government produces a "compensatory state" (Gudynas, 2012), in which the money from commodities export is used to promote social policies that focus on alleviating problems that are frequently created by the very model of economic accumulation. They also suggest a similar paradox related to environmental issues. While developmental state was relatively successful in reducing deforestation,

[6] In recent years, Russia has also seeking to ramp up soy production, which, because of the global market expansion, has become matter of interest for the largest Russian agricultural producers. In 2018, soy production represented 3.8 KMT, which is 8.2% higher than in the previous year. Soy production area increased 2.8 million hectares, 7.5% year on year, and a jump of 27% regarding the previous year (USDA, 2018).

the agricultural policies that promote grain production have increased land, water and green grabbing (Borras *et al*., 2016; Sauer; Leite, 2012). Soy cropping and cattle breeding expansion in Amazonia and Cerrado have been the main responsible for these problems (Ioris, 2017; Martinelli et al., 2017).

While the number of soy producers decreased between 1975 and 2017 from 487 to 235 thousand, in this period the harvested volume raised from 8.7 to 113 KMT. Most of this expansion happened after 2006, when the number of producers was 217 thousand and production reached only 46.1 KMT. This demonstrates important gains of productivity, but also a process of land concentration. According to the last agricultural census (IBGE, 2018), between 2006 and 2017 the area occupied by agricultural establishments in Brazil grew from 333.7 to 350.3 million hectares. Nonetheless, there was a 2% reduction in the number of establishments, from 5.17 to 5.07 million units. In relation to the size of the properties, 50.8 thousand units with 1,000 hectares or more (around 1% of the total) increased their control on the total agricultural area from 45% to 47.5%. Furthermore, the percentage of units with rented land decreased from 6.5% in 2006 to 6.3% in 2017, but the amount of rented areas increased from 4.5% to 8.6% of the total area. According to Wesz Jr. (2016), this demonstrates foreign agro-holdings interest in soy production yet avoiding fixed investments in land acquisition.

In the mid-2000s, while the global crisis affected the profitability of other economic sectors, agriculture became one of the safest ports for the financial capital inversions. Nevertheless, from 2012 onwards, the boom of commodities prices decelerated, and, at the same time, agricultural costs have quickly increased. The decline of the Chinese demand – that, in 2017, answered for 57% of all Brazilian soy export in terms of value – revealed the main problem of Brazilian dependency on commodity export. Nowadays, soy represents, in terms of value, 20% of all exported products and half of the agribusiness sector. In terms of volume, 63.5% of all Brazilian soy is exported in grains with no value-added by processing. In 2017, although Brazil was not

yet the global leader in production (114 KMT, or 31%, against 33% of US), the country was already the biggest soy global exporter (68 KMT, or 42.5%, against 39% of United States).

After a period of tolerant coexistence among these contradictory strategies, the coalitions and their political compromises collapsed. In order to keep the gains, representatives of large farms started to press the state for more flexible regulation on land, work, and environment, as well as new measures to alleviate private debts. Although some of these demands were met by the Workers' Party government in an attempt to calm down the increasing political tension with the export-oriented agribusiness, they were considered unsatisfactory, and this group became one of the forces demanding impeachment of the President Dilma Roussef and, afterward, supporting Michel Temer and Jair Bolsonaro's liberal and autocratic governments. However, instead of a new development strategy, the first evidences of the new governments (2016-2019) point to a deepening of Brazilian economic primarization, which means even more support for commodity production and export. The only thing that has radically changed is the political compromises that, from mid-1990s onwards have assured public policies for family farming and now have come to an end.

Conclusions

This article sought to contribute with comparative studies on agrarian transitions. In this sense, while recognizing several commonalities between Brazil and Russia, we highlighted the main differences concerning the role of the state and the meaning of the leading monocultures in each country. Initially, we demonstrated that Brazilian coffee production was strongly connected to the global economy, whereas the Russian Empire held a very specific position, remaining on the borders of the emerging global food regime, since its agriculture, still based on traditional peasants, was not sufficiently productive to compete abroad. Over time, however, owing to the opening of the

European markets for the North American wheat, Russia also took this opportunity and started to export wheat, although the country was not really an inherent part of a global food regime neither transformed domestic agriculture according to its dynamic.

In the post-war period, Brazil was again closer and subordinated to the (new) center of global power, adapting its agriculture to the North American modernization project, whereas the Soviet Union took another conflicting position in the international geopolitics. Even so, we can recognize common dynamics. For instance, Brazil and Russia underwent periods of forced agricultural modernization greatly influenced by state policies. In Russia, the most impressive example was land collectivization (*kolkhozes* and *sovkhozes*), which combined the communist ideology with the switch towards large and mechanized agricultural enterprises. In Brazil, it was the case during the military dictatorship, responsible for a compulsory process of capitalist agrarian development. Thus, following different ideological perspectives, in both countries the modernization of agriculture was largely driven by the state until the late 1970s, what is also highlighted by Friedmann and McMichael's (1989) food regime analysis.

In the 1980s, both countries faced the consequences of the debt crises, which ruined the state capacity to sustain the previous model of agrarian development. The economic and political reforms they incorporated have completely changed the regime of accumulation and the forms of regulation in agriculture. In Brazil, the 1990s were characterized by the consolidation of a liberal agenda that opened markets for foreign capital and promoted an export-oriented agriculture. The post-soviet Russia also introduced a pro-market economy joining the neoliberal order. Nevertheless, Russia did not start a project supporting an export-oriented agriculture and did not really attract foreign investors.

In the new century, Brazil preserved an export-oriented agrarian development, but moved towards a more coordinated economy, in which the

state played a central role in boosting agribusiness. This trajectory was not radically different from the previous decade, even though from 2003 to 2016 the neoliberal narrative was partially replaced by a neo-developmental one. In fact, over the last three decades, all Brazilian governments, from the most liberal to the most developmentalist, have contributed to a process of economic "regressive specialization", which means an increasing dependency on basic commodity production and export. However, a political compromise between, on the one hand, the economic elite and, on the other, left-wing parties and unions, also assured the consolidation of family farming in this period. This contributed to assure food security and sovereignty, but also favored the export-oriented agribusiness, considering that many family farmers have also been encouraged by the state to join commodity production.

During the same period, Russia developed a specific variety of agricultural modernization, which combined an emergent export-oriented grain sector and an orientation towards protectionism and food independence. Putin's version of developmental state also favored the expansion of private corporations, leading the country to become a major player in the global wheat market. Nonetheless, if financial and transnational capitals have been an important force in Brazilian agriculture since the 1990s, the main drivers of Russian post-soviet agrarian dynamics have still been the domestic capital and national oligarchy. Besides, wheat production is still associated to a protectionist policy that has privileged domestic food independence, a choice that became stronger after the food embargo.

Both countries have also become the main competitors of the U.S. on the global food markets. While Brazil wants to be the new soy's king, Russia challenges North American reign in wheat production and export. However, as Brazil soy export competes with the U.S. in the same markets, essentially for the Chinese demand, which in 2017 accounted for 57% of Brazilian and 60% of U.S. soy exports, Russia and U.S. still have different

markets for wheat. Russia wheat exports are mostly concentrated in Middle East and Northern Africa regions, whilst the top buyers of American wheat are Far East, South East Asia and Central America. Yet, in the last years, Russia has pushed U.S. out from the Northern Africa markets by winning price competition (Newman; Parkin, 2017).

Marson (2018) has suggested that "*the growing Russian competition is one more pressure point threatening American farming, which is facing the biggest wave of farm closures in the U.S. since the 1980s*". We could say the same regarding the position that Brazil has occupied not only in soy production but also in the meat complex. This suggests the emergence of a multi-driven global food regime, which is different from the previous configuration largely dominated by Great Britain and United States. While some may say that this is the consequence of a food system now controlled by transnational corporations and financial capital, Brazilian and Russian experiences have shown that we still have to pay attention to the role played by states – and here we should also consider the importance of Chinese state-owned companies (Escher; Schneider; Ye, 2017). Moreover, the strategies both states have developed in the last years – Russia taking a more protectionist perspective and Brazil turning back to neoliberalism – only add one more piece to the confusing puzzle that the contemporary global food economy is.

Soy and wheat histories in both countries also refer to the longstanding debate between Byres (1996; 2016) and Bernstein (1996; 2017) about internal and external sources of agrarian change. While Byres identifies several paths of agrarian transition to capitalism, exemplified by certain countries, Bernstein stresses that early capitalist transitions completely differ from the possibilities of agrarian change in modern globalized world economy, thus advocating the food regime approach. Although this debate considers the big topic of agrarian question and capitalist agrarian transition, our small cases bring additional controversy to the debate. While the first rise of wheat in late Imperial Russia and early soviet Russia\USSR clearly refers to

the agrarian question of accumulation (Byres' agrarian transition), the emergence of soy production in Brazil happened in an already established capitalist economy and majorly reflected the demand of globalized food market. The second rise of wheat in post-soviet Russia occurred from the ruins of socialist agriculture and was influenced by the global market, as well as by a protectionist state policy.

Briefly, while soy history in Brazil does not refer to the transition to capitalism in agriculture but refers to the dynamics of capitalist agriculture, Russian case is even more unorthodox in terms of both agrarian capitalistic transition and the role of global agrarian capital (international food regime). If we accept that the agrarian question (in any of its dimensions – politics, production, accumulation) is relevant to all stages of capitalism, then the triumph of soy and wheat represents advances in productivity and accumulation via participation in the global food chains. However, the transition itself was not an automatic adjustment to the signals of the global agrarian capital. If we take in a very broad (not historical) meaning the notions of 'capitalism from above' and 'capitalism from below' used by Lenin and then by Byres, our article shows the specific Brazilian and Russian paths to monocroping as mixtures (of 'above', 'below' and beyond) of national and transnational agrarian capital, state policies, foreign affairs, and political struggle.

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