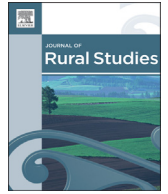




Contents lists available at ScienceDirect

Journal of Rural Studies

journal homepage: [www.elsevier.com/locate/jrurstud](http://www.elsevier.com/locate/jrurstud)

# Riding on self-sufficiency: Grain policy and the rise of agrarian capital in China



Shaohua Zhan

Division of Sociology, Nanyang Technological University, 14 Nanyang Drive, HSS 05-38, 637332, Singapore

## ARTICLE INFO

### Article history:

Received 15 January 2017

Received in revised form

1 May 2017

Accepted 23 June 2017

Available online 8 July 2017

### Keywords:

Food security

Grain self-sufficiency

Agrarian capitalism

China

Grain policy

Rural transformation

## ABSTRACT

Rapid expansion of agrarian capitalism in China has commanded much attention. This paper situates the rise of agrarian capital in the context of fear regarding “Who will feed China?”, demonstrating how the pursuit of grain self-sufficiency in the country has fueled the expansion of agribusiness enterprises and large farms. The policies to increase grain production, including the grain crop subsidy program, the incentive scheme for grain-producing regions, and the policy of nurturing new agricultural units, provide favorable conditions for agrarian capital of both domestic and foreign origins to take root and expand. As a result, the emphasis on self-sufficiency has strengthened the alliance between the state and large capital, and placed small farming households at a disadvantage. The paper draws attention to the interconnections between food politics and rural transformation, and offers an alternative perspective on agrarian capitalism in China.

© 2017 Elsevier Ltd. All rights reserved.

## 1. Introduction

In November 1997, John Holden, the then chairman of Cargill China Ltd., remarked that Cargill was willing to contribute to China's food security (Zhang, 1997). As one of the largest agribusiness corporations, Cargill established its China investments company in 1995, a time when there were few domestic agribusiness enterprises in China, not to speak of foreign conglomerates. In the mid-1990s, the majority of agriculture-related enterprises in China, such as agro-food processors and input suppliers, were small rural enterprises while a few hundred large enterprises were state-owned and originated from the socialist era (1949–1978). These enterprises rarely engaged in agricultural production directly, and land in the countryside was farmed by hundreds of millions of rural households. According to the 1996 rural census, 193 million households were farming land, with 30.3 percent farming less than 3 *mu* (0.2 ha) and 50.1 percent between 3 and 9 *mu* (0.6 ha) (Ministry of Agriculture of China, 1998: 3–5).<sup>1</sup>

John Holden's remark was made at a time when China was under intense scrutiny for its food security situation. In 1994, Lester Brown, the president of the World Watch Institute, released a report entitled *Who Will Feed China*, triggering a firestorm of

skepticism over China's ability to feed its population in the future. The Chinese government has been under pressure ever since to assure the world that China is able to produce sufficient food. In October 1996, it released a white paper declaring that China would produce 95 percent of grain that it consumes (State Council of China, 1996). It should be noted that food security is usually referred to grain security (*liangshi anquan* 粮食安全) in China, where grains are broadly defined to include cereals (rice, wheat and corn), coarse grains, beans (such as soybean) and potato tubers.<sup>2</sup> Grains provide main sources of human food, animal feedstuff and raw materials for processed food products, and thus are essential to food security in China. To avoid confusion, I will use *grain security* when I discuss China's policies and strategies and only employ the term *food security* when the issue appears in the international context. The white paper also laid out specific goals and means to boost grain production. In the key documents issued between 1996 and 1998 the problem of grain security was given top priority.<sup>3</sup> The pressure on China over food security in the late 1990s created a

<sup>2</sup> Soybean is usually classified as an oilseed by international organizations such as OECD and FAO. For more information on the supply and demand of grain in China, see OECD/FAO (2013: 65–104).

<sup>3</sup> These documents include *Ninth Five-Year Plan for National Economy and Social Development and the Long-Term Target for 2010* (March 5, 1996), *Report of the 15th National Congress of CPC* (September 12, 1997), *CCP Central Committee's Decision on Major Issues Concerning Agriculture and Rural Areas* (October 14, 1998).

E-mail address: [shzhan@ntu.edu.sg](mailto:shzhan@ntu.edu.sg).

<sup>1</sup> One mu equals one fifteenth of a hectare.

window of opportunity for agribusiness (for example, Cargill) to lobby for favorable policies by demonstrating their willingness and importance in promoting grain production.

The growth in grain production from 1995 to 1998 partly eased the fear of food shortages. In 1996, China's grain production reached a new height, exceeding 500 million tons. However, the production started to decline in 1999. By 2003, it decreased to only 431 million tons (Fig. 1 below). The decline quickly stirred up fear over food security, forcing the Chinese government to implement a series of policy measures to shore up grain production.

This paper argues that these policies have created favorable conditions for agribusiness and large farms and contributed to their rapid rise in the past two decades. The paper will examine the implementation of three such policies: the grain crop subsidy program, the incentive scheme for grain-producing regions, and the policy of nurturing new agricultural units. The primary goal of these policies is to increase grain production so that China can achieve grain self-sufficiency, and some of the policies, for example, crop subsidies, are aimed to benefit farming households. Ultimately, however, the main beneficiary has been agribusiness and large farms rather than small farming households. The former has received the lion's share of agricultural funds from the Chinese state, and is able to exert a greater control over agricultural production through farmland consolidation and concentration. This has undermined the prospect of small farms.

It should be noted that the grain self-sufficiency policy was not new. China had mainly relied on domestic grain supply in the socialist era (1949–1978) as well as in the early reform period (1978–1995) (Bramall, 2009: 226–231, 339–341; Christiansen, 2009). The difference is that the renewed push for grain self-sufficiency occurred at a time when China sought to further integrate itself into the world economy while accelerating its transition to a market economy through privatization and deregulation. These factors together created a favorable environment for agrarian capital. In addition, this paper is not intended to criticize the goal of grain self-sufficiency but to reveal how it has been used to empower and enrich large agrarian capital. As the most populous country in the world, China should produce most of its grains. However, this does not follow that agriculture and food production must be organized in a way which favors large agrarian capital. The goal of self-sufficiency was achieved through collective farming in the socialist era and household farming in the early reform period.

Scholars paid much attention to both food security and agrarian capitalism in China. However, literature revolving around these two aspects focuses on separate domains. Research on food security in China is centered on the contradictions between food supply and demand, continuing and extending Brown's analysis of China's food problems by taking into account available resources and technologies, growing food demand, international food trade, and overseas agricultural investments (Chen, 2007; Christiansen, 2009; Huang, 2016; Khan et al., 2009; Nath et al., 2015; Piao et al., 2010; Schneider, 2014). There has been increasing consensus that agrarian capitalism expanded rapidly in the Chinese countryside. Past research examined lead agricultural enterprises (called "dragonhead enterprises" in China) in contract farming, ground-up capitalization by large farms, land transfer and concentration, and large agribusiness enterprises in the meat industry (Schneider, 2017; Yan and Chen, 2015; Ye, 2015; Zhang, 2012; Zhang and Donaldson, 2008). A few studies focused on agrarian capital with respect to grain crops. For example, Gong and Zhang (2017) found that a county government in Hunan Province relied on an agribusiness enterprise to promote double-cropping rice. Yan et al. (2016) investigated the decline of soybean farming in China and the dominance of foreign agribusiness in the soybean industry (for example, soybean trade and oil crushing). However, few studies

paid close attention to the interactions between China's grain policy and agrarian capitalism.

Critical agrarian studies have long been interested in the relationship between food and agrarian capitalism. For instance, the food regime analysis, pioneered by Harriet Friedmann and Philip McMichael, underlined the pivotal role of food in capital accumulation across time and space and examined geopolitical food order in successive periods of historical capitalism (Friedmann, 1982, 2005; Friedmann and McMichael, 1989; McMichael, 2009). Philip McMichael argues (2005; 2009) that a new food regime, which he calls "corporate, or neoliberal, food regime," has been emerging in the past three decades.<sup>4</sup> By prioritizing "free" trade and the market supply of food, this food regime has further strengthened the power of transnational agribusiness corporations, resulting in the destruction of small-scale, indigenous systems of food production and distribution. However, China has been ostensibly absent from this critical analysis, though it is among the largest food producers and consumers in the world. This is perhaps because China had been relying on non-capitalist ways of food provision until recently. In the socialist era (1949–1976), rural collectives such as communes, brigades and production teams were main units of food production, and the supply of food in the city was rationed by the state (Bramall, 2009: 213–218). From the 1980s to the mid-1990s, farming was carried out by hundreds of millions of households. However, this has changed over the past two decades. Accession to the WTO in 2001 led to the further integration of China into the world capitalist economy, with its food sectors, from crop growing to food processing and marketing, being opened up to domestic and foreign investments. This has brought China into the orbit of the global capitalist food system.

This paper highlights the interconnections between food politics and agrarian capitalism, and shows how the concern for food security in China has worked to the advantage of large agrarian capital. Specifically, under the pressure from "who will feed China," the Chinese state adopted a grain self-sufficiency strategy and rolled out a series of policies that aim to increase grain production. It has poured enormous resources into sectors producing and processing grains. Agrarian capital, with its accrued political influence and control of agricultural technology and market networks, has captured most of the benefits. In addition, the Chinese state has adopted a modernist approach toward grain security, which emphasizes large farm size, agricultural technologies and a free-market doctrine. All elements in this modernist approach favor large agrarian capital. In short, agrarian capital has been riding on these grain security measures to a rapid rise.

Data in this paper derive from two sources. The first source is government statistics and documents on crop subsidies, agricultural investment, farm funds, and grain production. The second source is my fieldwork in several provinces including Hunan, Sichuan, Inner Mongolia and Heilongjiang between 2006 and 2016, all of which are major grain-producing regions. I conducted more than 200 interviews with government officials, managers of agribusiness companies, farming households and large farm owners.

The next section reviews the literature on the relations between agrarian capitalism and food security and locates China in the global context. The following two sections examine three grain policies respectively—the grain crop subsidy program, the

<sup>4</sup> Harriet Friedmann is less certain on whether a new regime has been emerging. She suggests that a "corporate-environmental food regime" might be arising as a response to the pressures by social movements. The new regime represents "a convergence of environmental politics and retail-led reorganization of food supply chains" (2005, 251). It is a consequence of "very specific and unequal compromises among social movements, states and powerful agrofood corporations" (OECD/FAO (2013, 228).

Download English Version:

<https://daneshyari.com/en/article/6460033>

Download Persian Version:

<https://daneshyari.com/article/6460033>

[Daneshyari.com](https://daneshyari.com)