GLOBAL FRESH FRUIT SYSTEM AND SMALL SCALE FARMING. CONTROLS AND RESISTENCES IN AN ARGENTINIAN CASE*

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Abstract

Within the context of globalization, in rural areas of Latin America, agriculture is experiencing accelerated changes characterized by multinational capital domination as indicated by diverse forms of labour flexibilization, increased pluriactivity and deepening of the subordinated articulation of small scale producers to the agro-food chains. These chains are defined by external controls and decisions made mainly by large scale transnational corporations, by the erosion or expulsion of small and medium scale farmers, by the reshaping of territories and by the redefinition of local social actors, among others.

This paper presents the case of restructuring of a fresh fruit agroindustry in Argentina -the pip fruit chain of apple and pear production- located mainly in the north of Patagonia. This agribusiness is considered one of the most dynamic activities of the country, with historically high volumes of exports (8,700 agrarian units, mode of 5-10ha, 70% family work, 6,000 small and medium scale producers).

Production modernization and increasing integration subordinate small scale farming to the industrial and commercial links of the chain, a process that is comparable to others that have taken place in agrofood systems in other regions of the world.

Farmers respond with various strategies: renting fields, selling discarded or residual fruit to industry, taking credits, submitting agriculture contracts, and selling directly to local markets.

Unions, local organizations and social movements also offer resistance in the face of the risk of small scale farmers disappearing as producers. Local demands are set between spaces of competitiveness and the economic viability of the actors in the circuit value chains linking the regional economy and global processes.

We analyze quantitative and qualitative secondary sources (statistics, documents, editorials), primary sources (interviews), and triangulation of the contents of the discourses.

We found that in the local negotiation of sectorial policies, the demands of small farmers are based on the distinction among producers self-defined as viable and nonviable ones. At the same time, differential or alternative policies with regard to globalized modernization have little relevance for a subsector of family farmers with major difficulties in becoming self-supporting.

Key words: small scale farming - global controls - social resistances - public policies

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Globalization, restructuring and controls in the agro-food system

Current capitalist restructuring reaches to the agriculture regions shaping their orientation to the mass food market, quality food markets, remarketing of rural territory through the agriculture industries, and rural tourism, rural restructuring of non-agricultural types (Bonanno, Marsden and Graziano da Silva. 1999).

Technological changes that demand increased flexibility in the enterprise and versatile standards, a higher decentralization of the production and growing condition of international regulations in a framework of more unstable and competitive global markets, characterize agro-food systems today.

Peripheral countries or those of less advanced capitalism tend to prioritize the exports of quality agricultural products, modifying their production as a function of external requirements and competitive criteria (Bendini, 1999).

However, international capital penetrates in heterogeneous ways, depending on the social situation in each area and the different agendas and degrees of mediation of the states in the processes of productive restructuring and local negotiation.

In seeking flexible integration, the process of restructuring production leads to increased levels of concentration and differentiation in the production structure associated with the different patterns of accumulation in the distinct activities and regions. In more developed societies, flexibility is attained fundamentally through the highest technological levels and the alliances among key industries. In developed societies, flexibility is obtained through new mechanisms of mobilization and labor flexibilization (Graziano da Silva, 1999).

In Latin America, the new production webs are asymmetric among enterprises, externalize services, and subcontract labor, based on a logic of cost. The social consequences are exclusion and precariousness of vast production and work sectors (Abramo, 1998).

An agro-food system in the North Argentine Patagonia: apples and pears

We analyze the social actors and the instruments of negotiation in the current restructuring of an agro-food system. We examine the fruit chain, considered one of the most dynamic activities of the country, with historically high volumes of exports of fresh fruit and apple and pear juice concentrate. The economic matrix in which technological modernization operates is conditional by the characteristics of an increased selective set of introduced innovations in the last two decades that are unequally adopted due to the differential appropriation and accumulation capacity of different producers (C. de Grammont et al, 1999). The associated flexibilization appears as a response to the demands of an increasingly competitive market, which requires a quality product that is aesthetically homogeneous in form and color, and the need to reduce production costs (Marsden, Cavalcanti and Ferreira Irmao, 1996).

Our regional analysis shows that the effects of restructuring are heterogeneous. The distinct combinations of efficiency and equity in this fruit system depend on the power relations of diverse social actors, including the state, rather than on a simple and inevitable form structural process.

The fruit valley includes the traditional pip fruit producing Río Negro river, the lower valley of the Limay river, and the Upper Valley of the new areas of expansion in the middle valleys of the Negro and Neuquén rivers. This is a zone of irrigation agriculture with approximately of 135,000 ha in the Provinces of Río Negro and Neuquén, in north Argentine Patagonia. These three valleys constitute a region in which economic and social aspects of its development are strongly associated with the expansion of fruit farming for export.

Fruit production represents more than two-thirds of the sectorial products. The most important crops are apples and pears. The area produces more than four-fifths of the national production of these fruits. Other fruit species, nectarines, peaches, and grapes, are less important.
Approximately seventy percent of the apples produced and eighty percent of the pears produced are exported in the form of fresh fruit and processed products, mainly juices. Restructuring of production and marketing in the different agro-food chains are linked to the process of globalization. However, globalization is not new, as foreign capital seeking to export fruit helped start the fruit agroindustry in the high valley. However, there are new aspects of foreign capital penetration and export orientation:

- The globalization of consumption induced a qualitative jump in the amount of land with fruit trees and technological modernization of their production.
- The increasing globalization and integration of the agroindustrial capital value chains linking agroindustrial and commercial segments of the chains, through coordination of international capitals and local integrated enterprises through joint ventures, which increased commercial concentration.
- The redefinition of the productive positions of the distinct social actors of the chain. The relation of the producers to integrated and industrial packers becomes more asymmetric and compromises the viability of family producers and small and medium packers. In addition, workers are speedily inserted into new modalities of flexible hire and into situations of greater labor risk.

The major integrated enterprises' modification of strategies of accumulation directly impact the rest of the actors with whom they articulate: the family producers that offer their production in an oligopolistic market and the workers whose working conditions are deregulated and whose job security decreases due to new modalities of flexible hiring. From the point of view of the strategies of the integrated agro-food enterprises, the process of restructuring adopts technological changes of form and scale. However, this technology adoption generates a significant level of differentiation, depending on the level of incorporation of up-to-date technologies –complete, partial or null– and with the concentration of the territorial expansion to new fruitculture areas (Tsakoumagkos and Bendini, 2000).

The productive positions of integrated producers and businesses is qualitatively redefined in the current situation, because of new forms of organization and management of production, distribution and commercialization that have international scope. Regional specificity is necessary to explain the different forms of organization and their relation to external controls (Cavalcanti, 1999).

**Economic region and social space**

During recent decades apple and pear production in the region has been one of the most dynamic productive activities of the country. Fruit has experienced a qualitative increase in production and a deepening of the accumulation process through vertical integration and alliances among key industries. This is a process of production industrialization and modernization. Fruit export is further complicated because it takes place in a dependent country and is only part of national agricultural production, and because of growing globalization, with more and more areas entering into international pip fruit markets. The integrated producers articulate to international commerce, a dynamic element of the expansion process.

Beyond the level of pre-existing differentiation, when the production model crystallizes and expands, new processes of social differentiation develop. Social subjects disappear and decompose and new ones arise. In the regional agrarian structure, the historical social subject is the chacarero -family farmer- who initially facilitated the development of the fruit culture. The process of modernization advanced, restricting the chacareros' options of expansion. Modernization and the increased integration of production result in differential subordination of the non-integrated family producers. Although the small producers became capitalized and
modern in the period of fruit general expansion, the rhythm of accumulation was not sufficient to permit a qualitative jump from chacareros to fruticultores -fruit integrated producers-, diminishing the possibilities of incorporating competitively with the process of capitalist expansion. Thus, family farmers are in permanent crisis, successively attempting distinct strategies: renting plots, selling discarded or residual fruit to the industry, diversifying with agriculture on contract, to getting a loan and selling directly to local markets (Bendini, 1999).

The integrated enterprises increase their percentage of production, weakening the power of negotiation of the family farmers, who have no other option than to commercialize their crops in an individual and isolated form in a market. When they sell to oligopolies, they get residual prices and a disadvantageous form of payment. Brokers select the best producers because of the quality requirements of the external market (Bilder and Zambón, 1995). This results in differentiation among primary producers. When the quality requirements increase, those producers, because of insufficient accumulation of capital, cannot purchase quality-assessing technology, starting a process of economic erosion. The current indicators of such erosion are lack of profitability, notable technological delay, and an accentuated process of decapitalization.

Growth in concentration increases the social differentiation at the enterprise level, although not without resistance from unions and organizations of family producers, which include local chapters, producer federations, Mujeres en Lucha -Women in Struggle-, and irrigation consortia.

Local society began to discuss the crisis in the 1980s. The debate intensified in the early 1990s. Conflicts increased, and alliances formed. The frame of the crisis is the growing quality demands of the international market, intensified by the appearance of strong production and marketing competitors, obligating a permanent updating to optimize quality. Constant updating involves deep changes in the enterprises' strategies (Bonanno, Bendini and Pescio, 1994).

The crisis of the fruitculture, acute in the region in 1993 and 1994 after world apple overproduction in 1992, was detonated by the privatization of the irrigation services and the so-called fruit war caused by entry of Chilean apples to the Argentinian market. The opinions of the group of social actors, including the state, coincide in pointing out the limits of the model: “...the harvest of ’93 was the last one of an economic model that has ended,” – declared then Minister of Economy of the Rio Negro Province.

Restructuring of the system was accompanied by positioning and resistances. The most significant conflicts that took place in 1993 and 1994 are known as “...tractorazos” (Bendini and Pescio, 1997), increasing tensions related to the basis of the current economic model of the value chain, between the regional and global economy: “…the tensions between stability and movement in the circulation of capital, between concentration and dispersion, between local embeddedness and global interests, produce great pressure on the organized capacities of capitalism...multinational corporations, for example, have a global perspective but they have to integrate with local circumstances, in a multitude of places...they can widely utilize the local subcontract, and in this way they can participate in a limited way in supporting the local territorial alliance” (Harvey, 1990, 425).

The discourse also expresses the oscillating behavior of the entrepreneurial sector regarding the role of the state in mediating globalization and local restructuring. In contrast with their posturing of the early 1990s, when an interventionist state was interpreted as synonymous with destabilization of current exchange -changing and monetary regimen implanted from 1992 to 2001 consisted of a fixed change rate combined with the requirement of equivalence between the monetary base and almost totality of the reserve in power of the Central Bank-. the integrated enterprises and the producers toward the end of the decade demanded that the
state take a more dynamic role, with requests such as: “...giving up adequate instruments” - alluding to the application of instruments of fiscal and credit policies favorable to the fruitculture producers and exporters- in order to be included in the international system and contribute to the sector competitively. In particular, local producers require a “...healthy participation” of the state to achieve instrumental intervention to guarantee permanence and expansion, disregarding any qualitative alteration to the macroeconomic model (Bendini, 1999).

Family farming: resistances and public policies

Family farming in the fruit chain

There are almost 8,700 agrarian fruitculture units in the Rio Negro basin (Bendini, M., Tsakoumagkos, P. 2000, according to data Censar ‘93 y Census Fruit-horticulture ‘94). Almost twenty percent of them are of less than five hectares, with the mode between five and ten hectares as the next table shows:

Table 1: Agrarian fruitculture units in different productive areas of Rio Negro (R.N.) and Neuquén (Nqn.) provinces. (In percentages)

<table>
<thead>
<tr>
<th>Productive areas</th>
<th>Agrarian fruitculture units (Size in ha)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Total</td>
<td>100 (8.677 ha)</td>
</tr>
<tr>
<td>Upper Valley (R.N.)</td>
<td>100 (5.757 ha)</td>
</tr>
<tr>
<td>Middle Valley (R.N.)</td>
<td>100 (1.407 ha)</td>
</tr>
<tr>
<td>Upper Valley (Nqn)</td>
<td>100 (1.283 ha)</td>
</tr>
<tr>
<td>Middle Valley (Nqn)</td>
<td>100 (230 ha)</td>
</tr>
</tbody>
</table>


However, 8,700 units does not equate to 8,700 producers, because a significant proportion of businesses have abandoned fruitculture for reasons of profitability, marginal land, crops diversification, or change to livestock production.

In addition, there is subregional differentiation. In the traditional areas, the Upper Valley of Negro river, the mode of agrarian unit size is ten to fifteen hectareas. There is greater size dispersion than in the new areas of expansion –the middle valleys of Neuquén and Negro rivers– and productivity is inferior to that of the regional average. In the new zones, the agrarian units are larger and more homogeneous, similar to the middle valley of the Neuquén river, where the model size is from twenty to fifty hectareas, and where average productivity is greater that the regional average (Radonich and Steimbreger, 2000). The importance and persistace of family labour continue to be expressed in the region. Seventy percent of the labor, the permanent personnel working in the agriculture units, “chacras”, comes from the family, including the producer. In the new areas of expansion, family workers constitute twenty-five percent of the permanent personnel and temporary/permanent personnel have increased considerably (1.52 against the regional average of 0.80) as Table 2 expresses.

Table 2: Permanent workers (family y non family work) and temporary workers during the season of higher requirement of labour force in different productive areas of Río Negro (R.N.) and Neuquén (Nqn) provinces.
<table>
<thead>
<tr>
<th>Productive areas</th>
<th>Permanent workers</th>
<th>Temporary workers</th>
<th>Total workers in higher season</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Family &amp; non family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23.339</td>
<td>18.782</td>
<td>42.121</td>
</tr>
<tr>
<td>Upper Valley (R.N.)</td>
<td>15.649</td>
<td>13.488</td>
<td>29.137</td>
</tr>
<tr>
<td>Middle Valley (R.N.)</td>
<td>3.860</td>
<td>2.006</td>
<td>5.866</td>
</tr>
<tr>
<td>Upper Valley (Nqn)</td>
<td>2.856</td>
<td>1.806</td>
<td>4.662</td>
</tr>
<tr>
<td>Middle Valley (Nqn)</td>
<td>974</td>
<td>1.482</td>
<td>2.456</td>
</tr>
</tbody>
</table>


Based on the census data just given and the exceptions mentioned regarding the abandonment of fruitculture in some units, the family farmer sector in this activity has been estimated (Wood, 1996: 3.4.3) as approximately 6,000 producers, of which seventy-three percent are independent producers and twenty-seven per cent represent diverse levels of integration—linking with individual packers, integrated or members of large enterprises.

Unions and producer groups differentiate two basic types of protagonist social subjects: the fruticultores -the fruit producers- and the chacareros -family farmers. The fruit producers have a united voice in the CAFI (Argentinian Chamber of the Integrated Fruit Producers), an organization that represents the big export enterprises. The Chamber of Producers—locals—integrate family farmers. The Federation of Producers of Fruit of Río Negro and Neuquén Provinces, an organization of the chacareros (independent and integrated producers, not exporters) unites family farmers throughout the region.

However, the chacareros are further differentiated, according to their own Federation, by “subsistence” stratum of fruit culture units, formerly called “rural residents” -pobladores- (Federation of Producers of Fruit of Río Negro and Neuquén Provinces, 2000.12).

Resistances, alliances and social differentiation.

Global controls have led to local resistances (Bonanno, Bendini and Pescio, 1994) and chacarero’ production strategies such as renting of fields, selling discarded or residual fruit to industry, diversification with agriculture of contract, and selling directly to local markets. Sectorial proposals and the implemented policies are related to direct actions in the form of public demonstrations -downtown streets and highways- that began with the fruit crisis of ’92 ’94. The farmers demands and proposals we here analyze are referred to the document Bases and Conditions to a Fruitculture Program 2000, of the Federation of Producers of Fruit of Río Negro and Neuquén Provinces; the Provincial Table of Fruitculture Concertation called in 2000 by the government of Río Negro Province to approve by consensus actions with the whole system; and the Table of Precompetitive Agreement of the Chain of Apples and Pears called in 2001 by the national government in the frame of the policies of actions of improvement of the competitiveness and of the generation of employment.

Demands of chacareros have two axes, determined fundamentally by the particular situation of family producers. These demands include refinancing bank debts and reducing the taxes and worker benefits. The purpose is to decrease the pressure from the high cost of private debt and generate immediate impact on profitability through a decrease of the tributary components of the cost. There are less strident diverse demands for assistance in adopting the technology necessary for the reconversion. The priority that family farmers assign to their demands depends on their personal urgency as they produce and sell their fruit.
Resistance in the form of direct action occurs in a variety of ways. As early as the ’80s, the *chacareros* sporadically took their tractors and other agriculture machinery downtown to call public attention to their debt problems. However, in the beginning of the ’90s this resistance acquired the character of collective action associated with tactical alliances of all the members of the system. Although the triggering motivation of these demonstrations, called “tractorazos”, continued to be bank indebtedness and the decline of profitability, they can be interpreted as a response to the differential modernization of fruit production (Bendini and Pescio, 1997). In recent years, these direct actions have become more frequent, even though the previous alliances are no longer mobilized. Recent actions have been triggered by difficulties in the implementation of agreements reached in both Convenings (The Provincial Convening on Negotiation and the National Convening on Competitiveness), as well as aggravation of economic conditions in which family farmers managed their activities in the persistently recessive context of the Argentina economy. Further, these actions have found dramatic expression in transit interruptions on major transportation routes, carried out by groups of producers belonging to local chambers.

These actions are similar to those implemented by unemployed groups in other parts of the country, which people call “piquetes” - interruption of streets or highways by groups of people, vehicles, saw horses, tractors, buring tires, etc., by picketers as an extension of the term originally applied to striking workers - and the same term is used for the *chacareros*’s. However, these *piquetes* do not demand subsidies to the unemployment, but ask for the implementation agreements arrived at during the Convenings, which are echoed in statements by governmental authorities (Bendini, 2000). Furthermore, organizational changes have been implemented in the Producers Federation because of the demands of the Local Chambers that compose it, reshaping the social consciousness of these organizations.

The inivation to the Provincial Convening on Negotiation and the call to the National Convening on Competitiveness have different origens. The provincial convening is a response of the local government to the sectorial demands and demonstrations, while the national convening is framed macroeconomic politically in direct response to the profound recession of the Argentinian economy.

Family farmers, *chacareros*, participating in collective actions express internal differentiation. They take a position (self-defined) as viable producers in the economic model of the restructuring and of the production reconversion, in contrast to the so-called “rural residents”, *pobladores*.

From the perspective of these members of the Federation, the fruit production structure is differentiated into three subsectors: fruit producers, family farmers -*chacareros*, and rural residents -*pobladores*. This differentiation in the agrarian structure should not, however, hide the social heterogeneity within the *chacareros* themselves, which complicates the possibility of viable insertion of the whole group.

“Economic heterogeneity” or “pluri-insertability” of the production units scales of agriculture and livestock production (Tsakoumagkos, 2000:114) helps explain the internal differentiation and the specific dynamic of this family farming subsector. In the identification of economic heterogeneity or “pluri-insertability”, it is possible to distinguish two strata inside of the small agriculture and livestock enterprises: the lower stratum of small landholdings and the upper stratum or “peak” of small agriculture and livestock enterprises.

The upper stratum, determined by level and type of agrarian development, is located in some parts of the pampas, Patagonian oases (the basin of the Negro river) and *cuyanos* oases -from Cuyo region which includes Mendoza, San Juan and San Luis provinces, in the middles west of Argentina-, agriculture of the northeast, also such as in Tucuman, etc. Census data and surveys allow us to characterize them as family farmers with limited access to capital, who
find it difficult or impossible to invest to increase their productivity. That group constitutes a significant category within the agriculture and livestock production sector in Argentina, as is also the case in this fruitculture dynamic region (Tsakoumagkos, 2000: 114-122).

This social category is insignificant or transitional within the conceptual frame of the “competitive optimum” of the contemporary neoliberal paradigm. In fact, according to this frame, such farmers constitute deviation or distance from the optimum, eliminated through the competitive functioning of the markets. Nevertheless, a conceptualization of this type introduces strong limitations to the design and implementation of specific public policies to a sector that is neither “viable” nor “non viable”.

It is remarkable that in this order of the ideas, the sectorial demands described refer to policies that will permit the “modern and globalized reconversion” of a group of “viable” family farmers, whereas in another order they refer to social policies directed to the rural residents -pobladores- as referring in the paper presented by the Federation of Producers of Fruits of Rio Negro and Neuquen Provinces to the Provincial Negociation Convening in terms of “non viable” subsistence producers As referring in the paper presented by the Federation of Producers of Fruits of Rio Negro and Neuquen Provinces to the Provincial Negociation Convening.

Accordingly, the actual structure of agriculture has little relevance to the alternative policies proposed by the subsector of familiar units which limited access to capital or with difficulty or impossibility of self-sustaining a process of capitalization, although they are in the market, capitalized and partially modernized. This corresponds to the lack and absence of offers of public policies for this type of producers, given the theoretical and practical limitations of the dominant paradigm to design them, which was the center of discussion at the Convening on Negotiation and Fruit Competitiveness.

Some final considerations

The nature of the restructuring of the fruitcultural system in the Northern Argentinian Patagonia will mark the beginning of a qualitative historical change in development of the activities of valley inhabitants and the modification of accumulation strategies, with consequent redefinition of the productive positions of the social actors. The fruit chain increases its integration and expands its territory, with growing levels of concentration and transnationalization. New technologies facilitate flexibility and strategic alliances, in which new variants of insertion emerge in which the producers are one of the subordinate sectors. These tendencies are expressed in controls and resistances in which the state participates as mediator during the years 2000 and 2001 in the Convenings on Negotiation and on Competitiveness.

In this region that exports to quality markets, the new world economic conditions, the growing levels of competition and the orientation of public policies, economic and social, reshape the societal space. In the case of regional economies and territorial configuration where the studied fruitcultural activity is framed, the state responses of social commitment are not consistent, creating gaps in the social agenda. Priorities need to be reorganized, and the agrarian development strategy must incorporate the increasing restructuring, as well as social diversity and productive heterogeneity.

The resistance of family farmers alters the form of production strategies, sectorial demands and direct actions in diverse types of tactical alliances. Regarding local negotiation of sectorial policies, the demands of the family farmers are sustained in the distinction between chacareros, self-defined as viable, and pobladores defined by the federation of family farmers as non viable. At the same time, the alternative policies have small relevance to the subsector of family producers experiencing greater difficulties of self-sustaining their globalized
modernization. The dominant neoliberal paradigm defines these people as a deviation from optimum competition. That paradigm does not offer conditions for designing policies to remedy their situation.

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