



NICE LITTLE EARNER

What connects the retirement savings of US teachers with inflating land and food prices in Brazil?

Maria Luisa Mendonça and Daniela Stefan explain.

The Cerrado is the most biodiverse savanna in the world, a vast region representing 24 per cent of Brazil's national territory and home to 5 per cent of the planet's biodiversity. Located in Brazil's central plateaus, its deep root systems are adept at retaining water. It is a vital point in the rain-cycles that preserve the Amazon in the north, the Atlantic rainforest in the south and the Pantanal (wetlands).

But this lush and fertile area is also a target for intensive agricultural real estate speculation that has led to a sharp escalation in land and food prices, as well as the dispossession of small-scale farmers. This is where the retirement savings of the more than five million US workers come into the story – in the form of the Teachers Insurance and Annuity Association (TIAA), a financial services company that manages the hard-earned pensions of teachers, healthcare workers and others. To understand how they came to be linked with land grabs in Brazil, we need to go back at least to the 2008 financial crisis when international agribusiness and financial corporations formed alliances with rural elites so they could operate in the Brazilian farmland market.

As the housing 'bubble' burst, investors across the globe explored alternative places to put their money. Private equity fund managers started to look more closely at regions where land prices were relatively low, such as Australia, Sudan, Russia, Zambia or Brazil. They represented an opportunity to cash in on the expectation of long-term rising prices, as well as the short-term gain of renting out land. While previously there had only been a few funds catering to those

wanting to invest in farmland and food production, by 2020 there were more than 300.¹

During this time, the profile of agribusiness in Brazil was transformed as corporations consolidated their interests in order to exert more power – not just through mergers and joint ventures with foreign agricultural corporations, but also with financial groups and oil companies.² For example, in 2010 the largest sugarcane corporation in Brazil, Cosan, merged with the Dutch oil giant Shell, resulting in the formation of the third largest energy company in Brazil, Raízen, and the expansion of sugarcane monoculture for ethanol production.

As companies operating in Brazil concentrated their businesses, the amount and value of their assets – such as land, machinery and subsidiaries – increased, along with the price of their shares. This meant they could access more credit and state subsidies, funding further expansion.

While in the years following the economic crisis the price of agriculture commodities began to fall in most international markets, the price of farmland in Brazil continued to rise and attract international financial corporations. Enter TIAA.

In through the back door

TIAA was the principal source of funding for Radar Agricultural Properties, a rural real-estate company created in 2008 as a joint venture between Cosan and a financial company, Mansilla.³ The value of Radar's portfolio increased by 93 per cent between 2008 and 2011.⁴ Data from 2012 indicates that Radar then controlled 151,468 hectares of farmland in Brazil, worth around \$1 billion. That year, land prices rose by 56 per cent.⁵ Currently ↻

Top: TIAA member Nancy Romer takes part in a protest outside the company's headquarters in 2017. 'TIAA has become a leader in greenwashing investments that are harmful to the climate and communities, their land deals have exacerbated human rights violations, contributed to environmental destruction and enabled unethical or illegal business practices,' Doug Hertzler, a senior policy analyst for ActionAid USA, told New Internationalist. 'We are building on this momentum to continue pushing TIAA to stop buying up farmland and repair the damage they have caused.'

BRANDON WU/ACTIONAID

Bottom: Aerial view of cultivated fields at the heart of Brazilian agribusiness region, 3 August 2012.

VIANA PHOTOGRAPHY/ALAMY

Most pension funds involved in agriculture are headquartered in North America and Europe, but pressure is coming from all sides for them to divest from farmland and instead support small-scale, local and ecological agriculture

Radar owns 555 properties in Brazil with approximately 270,000 hectares of land at a declared value of over \$1 billion.³

Brazilian law limits foreign ownership of farmland, so the public prosecutor's office has been investigating the role of foreign corporations that partner with Brazilian subsidiaries to operate in this market. In 2010, the public prosecutor clarified that this includes companies registered inside Brazil, but controlled by entities based outside of the country.

To operate in Brazil, TIAA uses Brazilian subsidiaries such as Mansilla, Tellus and Nova Gaia Brasil Participações to channel foreign funds. In 2020, the National Land Institute, INCRA, investigated how TIAA acquired farmland and found that the company had violated Brazilian law, as the subsidiaries used were in the same 'financial group' as TIAA. INCRA recommended that all of the land purchases made via TIAA's subsidiaries since 2010 – more than 150,000 hectares – be nullified.⁶

All this talk of markets and ownership chains can sound abstract but for many people in the Cerrado, it is far from it. Agricultural real estate speculation in the region has promoted the expansion of mono-cropping plantations, especially of sugarcane, soy and eucalyptus, and this has had devastating environmental and social impacts.

Many of the farms in Brazil's *chapadas* (high plains) were established after 2008 through the schemes of local land grabbers who negotiated with foreign corporations such as TIAA. The lands in question

are usually public lands that have long been the home of peasant, Indigenous and Quilombola (rural Afro-descendant) communities with the right to stay, but without land titles. Large plots are fenced off and land titles falsified. This illegal practice is known in Brazil as *grilagem*, which means storing counterfeit documents in boxes with crickets (*grilos* in Portuguese). The insects make the documents look older than they are so that they appear to be legitimate.⁵

The growth of industrial farming in the region is proving disastrous. Warning of mass extinctions, in 2019 WWF reported that the Cerrado loses an area of vegetation cover about the size of London every three months.

Land speculation also affects the *baixões* or lowlands, which are primarily where people live and grow food. Less and less land is available for farming, and the pollution caused by the pesticides and other chemicals used on the mega monocrop farms in the chapadas can affect the food production of local communities in the lowlands, polluting river sources. Many rivers have dried up, as their sources were destroyed by the expansion of soybean plantations.

'We used to live off of fishing and farming,' explains a resident of a Quilombola community in the northeastern Brazilian state of Piauí.* 'I can still remember the smell of rice when it was being harvested. But now we can no longer grow our crops.'

'In the river, we see the little fish floating on top of the water, dead,' says

another Piauí resident. 'I didn't see that before. When we go fishing now, if we go in the morning, it takes us until noon to catch a little fish. There are no more fish in the river because of the poison.'

Territorial defence

Indigenous, Quilombola and peasant communities in the Cerrado have been struggling to secure land rights for many generations. But, along with the increase in land speculation came an increase in the violent threats by those who wanted them to leave and make way for agribusiness.

Despite the dangers, people are demanding that corporations give their land back and pay reparations for social and environmental damage. In January 2021 the Acroá Gamela Indigenous community was able to retake their Morro D'Água territory in the municipality of Baixa Grande do Ribeiro, southern Piauí, after a judge ruled in their favour. This was an important victory and a result of collective organizing work in Brazil and internationally.

A few days earlier, another judge had issued an injunction with eviction order in a lawsuit filed by a local man against Indigenous leader Gamela Adaildo José Alves da Silva, whose family has lived in Morro D'Água for almost 100 years. All this in the middle of the Covid-19 pandemic.

One family member explains what happened next: 'The gunmen arrived around 5.00pm and set fire to our house, destroying almost everything inside. Also, we were not able to secure the food we planted, like our beans, corn, rice.'

The Morro D'Água community is now demanding compensation for material and moral damages.

'Many Indigenous peoples are resisting against violence by land grabbers who want to destroy the forest,' explains one Indigenous leader in Piauí. 'We as Indigenous women are in the frontline of this resistance to protect our food, our health, our water, our culture and language.'

'I do everything I can to defend our territory because it is much more than our home, it represents our lives and the lives of our future generations.'

Organize!

Collective land regularization protects communities against financial speculation because small individual farmers

are more vulnerable to these mechanisms. The *ribeirinha-brejeira* (riverside) community of Salto secured collective title over their land in June 2021 and are now helping others to do the same. These titles are an important step for rural communities to protect land rights, livelihoods, ecological food production and river sources. As one person from Salto explains, once they had control over their land, they were able to help it recover: 'We planted trees close to the springs and protected the area. We denounced the fires and the poison from soy plantations of agribusiness. Little by little we are recovering the water, our source of life. Now we have this knowledge that we can share with other people.'

This organizing process allows communities to preserve their territories as a whole, so they maintain collective ways of producing food, keeping animals, collecting fruits and cultivating medicinal plants. This in turn is preserving the Cerrado.

Inhabitants of the Cerrado are organizing to demand that TIAA and other corporations give their land back and pay reparations for social and environmental damage. They are acting as part of an international coalition, alongside workers who are invested in pension funds like TIAA.⁷ Most pension funds involved in agriculture are headquartered in North America and Europe, but pressure is coming from all sides for them to divest from farmland and instead support small-scale, local and ecological agriculture.²

It's not just Brazil where TIAA is implicated. As one of the world's largest owners of farmland and timberland, the company's land acquisitions in the US have also accelerated the corporate capture of farmland. They are also a major investor in fossil fuels.

As University of Iowa professors Laura R Graham and Meena Khandelwal describe, 'TIAA presents itself as a socially responsible investor, but TIAA's increasing farmland acquisitions are contributing to land-grabbing, deforestation and human rights violations'.⁸

In order to expand this movement internationally we need to increase solidarity between rural organizations in the Global North and the Global South, in support of affordable production of healthy food. We need strong social

movement alliances to transform our food systems and to protect land rights of rural communities for generations to come. ●

* Interviews with community members affected by land speculation in the states of Piauí and Bahia were conducted by researchers from Rede Social de Justiça e Direitos Humanos (Network for Social Justice and Human Rights). For the safety of those interviewed, their names are not disclosed.

TIAA is not the only pension funds buying up farmland and forests across the world. Find out more about land speculation and the campaign against it at stoplandgrabs.org/en-us

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