China and Brazil in African Agriculture

Presentation for FAC Policy Dialogue, ODI, September 2014
Brazilian Cooperation
Source: ABC, 2003-2010 average
20 + organisations

Instituto Brasileiro do Algodão
Empresa de Assistência Técnica e Extensão Rural (EMATER)
Ministério do Desenvolvimento Agrário (MDA)
Serviço Nacional de Aprendizagem Rural (SENAR)
Companhia de Desenvolvimento do Vale de São Francisco
Ministério da Agricultura, Pecuária e Abastecimento (MAPA)
Instituto Agronômico de Pernambuco
Universidade Federal de São Carlos
UNESP – Departamento de Aquicultura em Jaboticabal
Universidade Católica de Petrópolis
EMBRAPA
Associação Brasileira das Entidades Estaduais de Assistência Técnica e Extensão Rural (ASBRAER)
Empresa Baiana de Desenvolvimento Agrícola
Serviço Nacional de Aprendizagem e Corporativismo
Universidade Federal de Viçosa
Ministério de Educação – Secretaria de Educação Profissional e Tecnológica
Movimento Camponês Popular
Secretaria Geral da Presidência
Instituto Brasileiro de Análises Sociais e Econômicas (IBASE)
Movimento das Mulheres Camponesas
Comissão Executiva do Plano da Lavoura Cacauêira (CEPLAC)
Ministério do Desenvolvimento Social (MDS)
Fundação Getúlio Vargas Projetos
Brazilian Cooperation

• **Significance** – relatively minor player in ‘ODA’ terms but compelling success stories across a range of development issues and symbolic value as a ‘Southern’ power

• **Drivers** – development cooperation as instrument of foreign policy with strong impulse from Lula (“Presidential diplomacy”)

• **Cooperation Principles** – Moving towards China’s mixture of aid, trade and investment. Otherwise, no imposition of conditions, no interference in domestic affairs, demand-driven action, etc.

• **Claimed comparative advantages** – the South-South horizontality and mutual advantage discourse, plus some Brazilian nuances (affinities, particularly with Africa)
Chinese Cooperation
Chinese aid projects up to 2009

- Economic Infrastructure, 390
- Public Facilities, 670
- Industry, 635
- Agriculture, 215
- Others, 115

Source: ‘China’s Foreign Aid’ China State Council, 2011

Agricultural FDI Flows in 2009

- Africa, 9%
- EU, 17%
- USA, 5%
- Russia, 20%
- ASEAN, 32%
- LAC & Other, 17%

Sources: MOFCOM 2010 Statistical Bulletin of China's Outward Foreign Direct Investment; FOCAC 2009 documents
Agricultural Technology Demonstration Centres

Chinese Cooperation

• **History** – Over 40 years of relations. Liberation struggles, solidarity

• **Significance** – Rapid growth in aid, trade and investment in past 10 years.
  – Trade reaching USD 198 billion (MOFCOM).
  – Investment stock was at $16 billion and flows were at $3 billion in 50 countries from over 2000 enterprises (UNCTAD)
  – Aid flows not transparent: estimated at US$ 1-1.5 billion

• **Agriculture small but ‘focus’ sector for future strategy** – 3.1% of investments in Africa in 2009, 5.7% in 2012

• Key promoters of ‘**South-South’ collaboration**, emphasizing long history of ‘Chinese African friendship.’
From rhetoric to reality....

• How do political/commercial interests, social imaginaries, plans and policies get renegotiated in Africa?

• Development ‘encounters’, and the politics of knowledge....
Key questions

• What Brazilian/Chinese ag investments are occurring? Scale? Type? Focus? Patterns? [MAP]
• Domestic politics and history in China and Brazil and models of development/cooperation [POLICY]
• A “new paradigm” in development cooperation? Implications? [SYNTHESIS]
CBAA project partners

- **China** (Chinese Agricultural University)
- **Brazil** (Univ of Brasilia, Sao Paulo)
- **Ethiopia** (EARI), **Ghana** (UG Legon), **Mozambique** (IESE) and **Zimbabwe** (RDT)
- **UK** (IDS, IIED, ODI)
Can China and Brazil help Africa feed itself?

Africa can learn important lessons from the development successes and challenges of other Southern Nations. South-South partnerships on common challenges such as agriculture, adapted to climate change, water and health can lead to huge strides forward in reducing poverty. Growth in the agricultural sector in many Asian and Latin American countries, including China and Brazil, has prompted growth in other sectors and helped reduce poverty. As these examples show, there is no one route for countries to move from an agrarian to an industrialised and higher income economy. Understanding the different routes, and the opportunities, can help African nations grow.

— CAADP: Building South-South Link

China and Brazil can feed itself, can be a more development-related assistance crisis. But the major players in agricultural research, and African countries.

China has been engaged in economic development in Africa since the mid-1960s. Infrastructure, placement of experts, agricultural development programmes, much earlier through trade and politics, has also been from China's interest in demand for natural resources to fuel its green economy – designated as resource diplomacy.

Brazil and China scramble for agricultural influence in Africa

China and Brazil have identified agriculture as central to their development efforts, with a focus on Africa. They believe that this can make valuable contributions to food security. The trade between South America and Africa has grown significantly over the past decade, from 1.8% of the global total in 2000 to 3.3% in 2011. Trade in agricultural products is a major component of this growth, with Brazil and China both seeking to increase their share of the market.

China is the world's largest importer of soybeans, with Brazil being the top supplier. The country is also a major importer of Brazil's corn and soybeans. Brazil, on the other hand, is the world's largest exporter of coffee, tea, and sugar, and a key supplier of oilseeds to China. As both countries increase their exports, they are looking to Africa as a potential market.

Agriculture experts from China offer tips on rice planting to farmers in Dakar, Senegal. Photograph: Zheng Zhong/Vista
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Case: Zimbabwe

- Long-term links with China, less Brazil
- Isolation from West post 2000, ‘Look East’ policy. FOCAC and China-Africa links accelerate. Also Brazil and Lula’s African diplomacy
- Chinese involvement in a range of sectors, especially mining. Strong business-political links. Interest in agriculture, esp tobacco. Also agricultural machinery.
- Brazilian business interest in agricultural machinery. MDA interest in land reform and production.
Agric initiatives: 2000-2014

China
• Exim bank loans for machinery imports; tractors as patronage. Also some food aid.
• ATDC agreement – centre opened 2013
• Expert exchange and training for Min of Ag
• Contract farming for tobacco, Tianze. Also Sino-Zim cotton.

Brazil
• More Food Africa/International tractor (plus irrigation imports). Solidarity support for land reform
• Expert exchange visits (Embrapa), and diplomatic support
Challenges

China

• Tobacco success story, but focus on larger farms. Now more competition.
• ATDC – business model challenge, limited training, inappropriate technology
• Exchange visits and training – positive, but challenges

Brazil

• Waiting for the tractors.... Diplomatic words, little action. Post Lula political economy in Brazil. MDA/MFA programme
• ‘South-South’ cooperation in post-adjustment Africa: the political economy of new ‘partnerships’, beyond the rhetoric. African agency, developmental states and room for manoeuvre in negotiated development encounters

• Domestic political economy as framing development cooperation strategies: imagining Africa: contrasting agricultural development policy narratives, from state, business and civil society actors.

• State-business interactions in development cooperation. Aid, training, exchange as a basis for business, and diplomatic relations in new globalised economy.

• Politics of science and technology: the limits of ‘transfers’ and ‘models’. What is appropriate for a ‘small’ farm?

A new paradigm, or more of the same? Lessons for OECD