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(Trans)national agribusiness capital and land market dynamics in Mexico

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ABSTRACT This study, carried out in the context of contributing to a better understanding of the global phenomenon of contemporary land grabbing, focuses on the dynamics of Mexico's land market. It examines the dynamics of the circulation of land, distinguishing between agrarian arrangements which alter property rights (inheritance, transfer and sale) from those which affect only land use options such as leasing, sharecropping and lending. Additionally, the study addresses two new areas of land legislation, full ownership and commercial companies, mechanisms that might favour the circulation and concentration of land.

RÉSUMÉ Cette étude porte sur la dynamique du marché foncier mexicain dans le but de comprendre le phénomène mondial d'accaparement des terres. Elle examine divers modes de transmission de la terre afin de distinguer entre des opérations qui transforment les droits de propriété telles que l'héritage, le transfert et la vente et celles qui n'affectent que l'utilisation du sol telles que le fermage, le métayage et le prêt. Elle s'intéresse enfin à deux nouveaux domaines de la législation foncière, la pleine propriété et les compagnies commerciales, qui proposent des mécanismes qui pourraient favoriser les changements de propriétaire et la concentration foncière.

Keywords: land grabbing; land concentration; agrarian capital; contract farming

Introduction[1]

This study analyses Mexico's agrarian structure and the different forms of property rights applied to the country's 196.7 million hectares of land. The need to consider all of the different forms through which land is transferred is due to the existence of numerous legal instruments that regulate property size and the rights of foreigners to own rural land in Mexico. The study also addresses the issue of contract farming. While not directly concerned with the land market, contract farming is a mechanism that allows national and international capital to gain control over large tracts of land by establishing agreements with producers that capture their production or by establishing themselves as a single marketing channel. Mining concessions are also addressed, given their sharp increase and also their tremendous social and environmental impact. Over the last decade, the mining concessions on rural lands have increased significantly and have generated conflicts with landowners. The study also addresses the issue of budget allocations for the rural sector, which have primarily benefited agribusiness and well-capitalised producers. In other words, subsidies have favoured the concentration of land in both direct and indirect ways. Finally, the study looks at the perceptions of rural actors.

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Regulations

Until 1992, the land market in Mexico included areas of private property ownership only (about 70 million hectares); these were the only rural lands where rights to ownership, use or benefit could be legally transferred. In order to incorporate all of the country's rural lands – 195 million hectares – into the land market, the 1992 Agrarian Law was passed, amending Article 27 of the National Constitution. The law's preamble states that restrictions on the circulation of land are a constraint on the modernisation of production, leaving landowners with few options for improving conditions on their productive units (Cámara de Diputados 1992; Ley Agraria 1992).

The Agrarian Law's provisions establish different mechanisms for land circulation, such as inheritance, transfer of full ownership or change of property regime. In Article 17, the *ejido* owner has the power to designate who will inherit his rights to the land and any other rights inherent to his capacity as *ejido* owner,[2] for which he must create a "succession list". Article 45 states that *ejido* lands are subject to any form of use or partnership as determined by the *ejido* owner or through a resolution by the assembly of the population nucleus. Article 46 states that the *ejido*'s population – by resolution of the *ejido* assembly and the individual *ejido* owners – may grant common lands and individual parcels in usufruct. Article 75 states that, in cases of obvious benefit to the *ejido*'s population, it may transmit ownership of common lands to civil or commercial companies. Article 79 states that the *ejido* owner may use his parcel directly or concede its use to other *ejido* owners or third parties through sharecropping agreements such as leasing or any other arrangement not prohibited by law. They may also use their usufruct rights toward the formation of commercial or civil companies. Article 80 grants *ejido* owners the right to dispose of their land rights by selling them to other *ejido* owners or members of the community. Finally, Article 81 (building on Articles 24, 28 and 31) states that the *ejido* assembly will have the power to grant *ejido* owners full legal ownership rights of their lands.

Contracts that modify property rights

The Agrarian Law addresses contracts that modify property rights (direct rights[3]), including *ejidos*, communal property and the civil codes relating to private property. Articles 17 through 19 address the transfer of *ejido* property rights to family members. These articles establish the right of the *ejido* owner to appoint his successor and outline the process for appointing a successor in the absence of a will.

With respect to the sale of *ejido* lands, Article 80 states that the *ejido* owner may transfer his land rights to other *ejido* owners or persons living in the same population nucleus. The family has the right of first refusal and the lands remain in the ownership of the population nucleus. The members of the *Ejido* Commissariat are not authorised to purchase lands. An *ejido* owner cannot have in his possession more than 5 per cent of the total area of the *ejido* nor an area greater than the limit for smallholdings. Transactions must be for the entire property – it cannot be subdivided – and must be outlined in a written contract, signed by the seller and two witnesses. The contract must also be registered with the National Agrarian Registry (RAN). For private property, there are no restrictions on the sale of land, except the will of the parties and the civil code (*código civil*).

Contracts that do not modify property rights

These forms of access to land (known as indirect rights[4]) are governed by the principle of autonomy of the contract parties and supersede any legislative intervention. In other words, a lease is a

consensual contract between two parties who define for themselves the terms and duration of the contract, as long as its content is not in violation of any laws.

The Agrarian Law and the Civil Code contain a number of articles that regulate lease contracts, both fixed rental payments and share tenancy agreements. In accordance with Articles 45, 79 and 100 of the Agrarian Law, *ejidos* and communal lands may be subject to any contract that allows their use. Article 2 states that civil federal law, as well as commercial law, should be applied depending on the specific case (Sánchez Zavala 2002). For leases, sharecropping and usufruct agreements, the federal Civil Code is applied, and for partnership agreements, the General Law of Commercial Companies applies. The legal basis for the former are found in Articles 2398 to 2447, 2454 to 2458, 2483 to 2496 (lease contracts), 2739 to 2751 (sharecropping contracts) and 980 to 1048 (usufruct contracts). The legal basis for the latter is found in Articles 1, 2, 6, 10, 148, 150 and 252 to 259.

The various regulations establish that rent must be paid within the time frame agreed upon or, failing an agreement, semi-annually in arrears. Any profits shall be distributed in the manner agreed upon or, failing an agreement, according to local custom: the rent or price may consist of a sum of money or its equivalent, provided it is certain and specified. If the lease does not establish a specific time frame, its completion will be determined by the parties, upon written notice in the previous year or agricultural cycle. In the case of a sale, preference will be given to the tenant if the tenant has paid on time and has made improvements to the land. With regard to waiving lease registration, registration is advised in order for it to take effect in relation to third parties.

Restrictions in the land market

To avoid the return of large landholdings – known as *latifundio* – in the country, various restrictions were put in place to limit the size of rural property. Currently, Article 27 Section XV of the Constitution and Article 115 of the Agrarian Law define *latifundios* as agricultural, pastoral or forested areas that are owned by a single individual and exceed the limits of smallholdings.

Later in the Constitution, Article 117 defines a small farm or landholding as an agricultural area of irrigable or moist soil that does not exceed the following limitations:

(1) 100 hectares when used for crops other than those specified in sections II and III of Article 117;
(2) 150 hectares when used for the cultivation of cotton; or
(3) 300 hectares when used for the cultivation of bananas, sugarcane, coffee, henequen, rubber, palm, vines, olive, cinchona, vanilla, cacao, agave, cactus (*nopal*) or fruit trees.

Article 126 states that civil or commercial companies may not own agricultural, pastoral or forested properties greater than 25 times the limit of small, individual landholdings.

Agrarian structure and circulation of land

The 196.7 million hectares that make up the national territory are distributed as follows: 35.7 per cent in the hands of 1.6 million private owners, with an average of 43.5 hectares per landowner; and 54.1 per cent are agrarian properties distributed among 5.6 million people living in communities, with an average of 18.7 hectares each. National territories cover 7.2 million hectares, divided among 144,000 properties; and finally, 654 agricultural settlement with an area of 3.8 million hectares and an average of 61.7 hectares per settler (see Table 1).

Table 1. Agrarian structure.

Property regime	Population nuclei	Rights holders	%	Area (hectares)	%
Ejidos and communities	31,518	5,653,726	75.7	105,949,097	54.1
Private property		1,606,573	21.5	70,014,724	35.7
Settlements (*colonias*)	654	62,346	0.8	3,847,792	2.0
National lands		144,000	1.9	7,200,000	3.7
Other			–	8,892,832	4.5
Total	32,172	7,466,645	100	195,904,445	

Source: Compiled by the author, based on information from the National Agrarian Registry (RAN 2006, 2008) and the National Institute of Statistics and Geography (INEGI 2007a).

Sale and purchase of land

An analysis of the Fourth *Ejido* Census of 2007 showed that land sales existed in two out of three agrarian nuclei (INEGI 2007a). Of the 20,990 *ejidos* that reported the sale of lands, 17,308 (82.4%) of sales occurred among *ejido* members and 11,361 (54.1%) occurred as transactions with individuals outside the *ejido.* In the last 10 years, the sale of lands reached 3,097,000 hectares. Notably, in one-third of the agrarian nuclei there were no land sales. While there is a tendency to generalise transaction sales within the *ejido* or community, this does not necessarily translate, according to the census, to a concentration of land or to an end to *minifundio* (smallholdings). On the contrary, it is likely that the sale of lands indicates a tendency toward the fragmentation of landholdings. Additionally, Morett and Ruiz Celsa (2006) note a 7 per cent increase in the sale of lands to individuals outside the agrarian nucleus (see Table 2).

In analysing the National Agrarian Registry's (RAN) data, we find an increasing trend regarding the transfer of land rights. In 2000, there were 35,803 registered land transfers, and in 2008 that number increased to 62,055, a growth of 73.3 per cent.[5] Land sales were concentrated in eight states (see Table 3).

Regarding the sale of land for tourism and urban projects, investors are not interested in partnering with land owners, but rather in buying their lands at low prices and selling them for inflated sums. In many cases, tourism projects, especially on the coast, have affected important natural resources, such as mangroves and rainforest.[6] For example, in Loreto, Baja California Sur, full service vacation homes (*villas*) were marketed to foreigners starting at US$300,000. Sobeida Romanos (2010) notes that in the municipalities of La Paz, Los Cabos and Loreto, roads and tourism properties are being developed by *ejido* owners, foreign companies and various government agencies, including vast tracts of lands being grabbed by the former governor.

Table 2. Agrarian nuclei where land sales occurred.

Concept	2001 (number)	2007 (number)	2001–2007 (number)
Ejidos and communities	30,305	31,518	1,213
With sale of *ejido* lands	19,202	20,990	1,788
With sale of *ejido* lands to *ejido* owners	17,026	17,308	282
With neighbours or *ejido* occupants		11,447	
With persons outside the *ejido*	11,061	11,361	300
Area sold over the last 10 years (hectares)		3,097,959	
Do not report any sales	11,103	10,528	–575

Source: INEGI, fourth and eighth *ejido* censuses (2001, 2007b).

Table 3. Registered land transfers, by state.

State	Registered (hectares)	%	State	Registered (hectares)	%
Veracruz	40,332.0	9.0	México	11,894.0	2.7
Sinaloa	34,974.0	7.8	Tlaxcala	10,664.0	2.4
Tabasco	28,669.0	6.4	Nuevo León	8,059.0	1.8
Puebla	28,175.0	6.3	Nayarit	8,040.0	1.8
Michoacán	25,850.0	5.8	Aguascalientes	6,258.0	1.4
Durango	25,711.0	5.7	Morelos	5,600.0	1.2
Tamaulipas	24,110.0	5.4	Colima	5,273.0	1.2
Oaxaca	22,057.0	4.9	Yucatán	5,145.0	1.1
Guanajuato	17,257.0	3.8	Querétaro	4,442.0	1.0
Jalisco	16,610.0	3.7	Guerrero	4,130.0	0.9
Zacatecas	16,339.0	3.6	Campeche	3,591.0	0.8
Sonora	16,193.0	3.6	Baja California	2,972.0	0.7
San Luis Potosí	15,955.0	3.6	Baja California Sur	1,923.0	0.4
Chiapas	15,841.0	3.5	Quintana Roo	1,828.0	0.4
Chihuahua	14,135.0	3.2	Distrito Federal	25.0	0.0
Coahuila	13,402.0	3.0			
Hidalgo	12,791.0	2.9	National	448,245.0	100

Source: Office of the Registrar (RAN 2008).

Leasing, sharecropping and lending

The Eighth Agricultural Census (INEGI 2007a) finds that there are 2,667,000 hectares of rented land, 1,557,000 hectares of lent land, 677,000 hectares of land under sharecropping agreements, and 1,435,000 hectares of land other tenure arrangements. In total, 6.3 million hectares of land are under some form of usufruct. This is not a negligible sum. Previously, there were 31 million hectares of land in production in the country. In recent years that number has decreased to 22 million hectares, which meant that the amount of land under usufruct agreements amounts to 28.8 per cent of land in production in recent years.

Census data highlights that the majority of land transactions involving usufruct agreements occur in the north of the country, which constitute 62.3 per cent of the area transferred via leasing, sharecropping, lending or other forms of usufruct (see Table 4).

The Support and Services Agency for Agricultural Marketing (ASERCA by its Spanish acronym) – under the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) – indicates that of the 300,000 hectares of *ejido* lands in the state of Sinaloa, only 50,000 are cultivated by the *ejido* owners themselves; the remainder is leased. In a report titled "Mexico's Agro-Food Sector: Evolution, Challenges and Perspectives", SAGARPA notes that "the leasing of land intensifies during the fall-winter season, in which an estimated 50 percent of productive lands, most of which are irrigated, is leased".[7] In other cases, land leasing is associated with national and international agribusiness. For example, 13 years ago, a group of Vietnamese American entrepreneurs established themselves in Santiago Ixcuintla in the state of Nayarit, promising to pay *ejido* owners and farmworkers in US dollars in exchange for producing exotic vegetables for export to the United States. Their company Triple Ocho, formed in June 1996, now leases 450 hectares for 3,000 pesos.[8]

Full ownership

According to RAN, by 21 December 2008, full ownership rights were adopted on a total area of 1,934,000 hectares, which amounts to 2.2 per cent of the 89,403,000 hectares of registered *ejido*

Table 4. Land area under usufruct agreements.

	Area according to land rights (hectares)							
State	Total land area	Owned	Leased	Share-cropped	Lent	Other	Total	%
Chihuahua	18,755,619	17,858,934	469,373	50,953	127,152	249,208	896,686	14.1
Sonora	11,810,931	11,036,985	377,761	48,184	121,755	226,246	773,946	12.2
Jalisco	5,320,657	4,847,576	220,664	24,981	152,252	75,185	473,082	7.5
Zacatecas	4,904,244	4,432,422	84,049	186,774	146,755	54,244	471,822	7.4
Coahuila	10,264,745	9,876,248	143,751	4,854	107,382	132,510	388,497	6.1
Sinaloa	2,644,829	2,301,764	281,416	9,691	29,763	22,195	343,065	5.4
Durango	4,107,953	3,792,202	76,757	85,759	98,597	54,638	315,751	5.0
Tamaulipas	5,729,461	5,443,007	162,156	13,395	50,112	60,791	286,454	4.5
Michoacán	3,556,427	3,310,487	74,490	25,194	120,556	25,699	245,939	3.9
Guanajuato	2,147,885	1,912,772	57,941	56,386	81,161	39,625	235,113	3.7
Veracruz	6,213,303	5,985,407	92,990	10,493	69,498	54,915	227,896	3.6
Puebla	2,520,412	2,303,961	59,632	50,834	48,799	57,186	216,451	3.4
Nuevo León	4,298,338	4,117,335	38,037	10,014	59,798	73,154	181,003	2.9
Guerrero	3,395,497	3,234,234	54,929	5,688	76,155	24,491	161,263	2.5
Baja California	3,289,431	3,145,161	98,515	6,458	3,773	35,524	144,270	2.3
Nayarit	1,276,491	1,133,793	66,292	3,084	34,457	38,865	142,698	2.3
San Luis Potosí	2,754,443	2,626,350	24,580	14,856	43,649	45,007	128,092	2.0
Chiapas	3,972,673	3,883,543	50,720	2,380	20,135	15,896	89,131	1.4
México	1,273,554	1,192,818	43,392	6,884	25,850	4,610	80,736	1.3
Oaxaca	2,460,550	2,384,939	29,571	13,717	19,005	13,317	75,610	1.2
Baja California Sur	1,860,658	1,789,996	15,509	8,819	24,331	22,003	70,662	1.1
Hidalgo	1,147,601	1,079,498	30,540	17,279	12,361	7,923	68,103	1.1
Campeche	2,146,429	2,087,223	21,721	801	11,030	25,654	59,206	0.9
Colima	426,801	383,241	14,602	1,124	16,849	10,984	43,559	0.7
Yucatán	2,180,746	2,138,260	8,935	1,540	13,112	18,900	42,487	0.7
Querétaro	672,203	630,952	7,275	6,152	6,846	20,977	41,250	0.7
Aguascalientes	356,192	320,939	10,772	2,511	14,531	7,438	35,252	0.6
Morelos	250,632	218,564	22,251	1,054	6,979	1,784	32,068	0.5
Tlaxcala	265,769	237,261	16,046	6,356	3,382	2,723	28,507	0.4
Tabasco	1,734,541	1,713,888	8,194	959	5,989	5,510	20,652	0.3
Quintana Roo	977,662	963,074	2,057	337	4,393	7,801	14,588	0.2
Distrito Federal	26,571	22,884	2,539	146	882	121	3,688	0.1
National	112,743,248	106,405,718	2,667,459	677,656	1,557,289	1,435,125	6,337,529	100

Source: INEGI (2007a).

and community lands. These figures reflect the low expectations of *ejido* owners regarding the economic benefits or tenure security provided by full ownership. The data also suggest that such rights are concentrated in the north of the country. Six out of ten hectares converted to private property were located in only four states (Baja California, Coahuila, Sonora and Chihuahua; see Table 5).

Civil and commercial companies

In 1992, the creation of commercial companies was promoted as a way of overcoming the constraints of smallholdings and creating larger scale units of production, capable of being integrated in national and international markets. The preamble stated that:

Table 5. Land area converted to *dominio pleno*.

State	*Dominio pleno* (hectares)	%	State	*Dominio pleno* (hectares)	%
Baja California	433,535.081700	22.4	San Luis Potosí	18,896.007200	1.0
Coahuila	338,283.813500	17.5	Nayarit	17,579.472000	0.9
Sonora	218,363.826200	11.3	Hidalgo	13,965.956800	0.7
Chihuahua	198,170.725100	10.2	Puebla	13,409.007500	0.7
Nuevo León	109,479.638500	5.7	Tabasco	13,248.220000	0.7
Tamaulipas	89,971.680000	4.7	Michoacán	12,488.790000	0.6
Baja California Sur	85,706.154500	4.4	Colima	12,091.744500	0.6
Durango	57,583.405200	3.0	México	10,659.888500	0.6
Sinaloa	50,236.602200	2.6	Campeche	9,884.290000	0.5
Jalisco	35,972.888800	1.9	Tlaxcala	6,982.316800	0.4
Guanajuato	33,975.383200	1.8	Zacatecas	6,458.920000	0.3
Veracruz	30,513.628800	1.6	Guerrero	5,922.270200	0.3
Quintana Roo	30,199.110000	1.6	Oaxaca	4,221.520000	0.2
Yucatán	27,934.981000	1.4	Chiapas	3,389.900000	0.2
Aguascalientes	23,251.552800	1.2	Morelos	2,971.980000	0.2
Querétaro	19,183.760000	1.0	Distrito Federal	25.290000	0.0
			National	1,934,557.805000	100

Source: RAN (2008).

> the limits of small properties shall be maintained, but the productive limitations shall be overcome through partnerships that create economies of scale. Therefore, impediments on the creation of commercial companies shall be removed to grant producers the ability to join together in response to market conditions.

This has not resulted in the kind of market dynamism that was expected. In 16 years, only 68 of such companies have been formed, comprising 437 agrarian nuclei and a land area of 183,713 hectares, of which 6,434 are communal lands. It should be noted that most of the companies were created in order to incorporate rural land into urban developments, and not for larger-scale agricultural activities, as envisioned by the reforms. In sum, the new partnership schemes did little to contribute to productive development and actually undermined the *ejidos* and communities as organisational spaces. As in previous cases, these companies are concentrated in the north of the country: 63.2 per cent of the land area is located in three states (Nuevo León Coahuila and Sonora; see Table 6).

Promotion of public and private investment in rural property

Through the agrarian attorney general (*procuraduría agraria*), the current administration (2006–2012) carries out the Promotion of Public and Private Investment in Rural Property programme (FIPP). The purpose of FIPP is to promote the most efficient and productive use of land, promote co-investments and create greater legal security for rural investment. As of June 2010, 2,905 *ejidos* and communities had applied to be part of the FIPP programme. According to FIPP, 809 projects were approved in 2009, amounting to 31,806,000 pesos, aiming to improve 206,595 hectares of land and benefitting 51,900 *ejido* owners. By 2010, there were 178 investment projects, totaling 23,619,000 pesos and benefiting 21,620 individuals.

Assessment of land circulation

In analysing information from each of these areas individually, it would appear that the circulation of land is a marginal phenomenon. However, if we look at land sales together with contracts involving usufruct, *dominio pleno* (freehold) and the formation of commercial companies, we come up

Table 6. Companies owning rural property registered between 1992 and 2008.

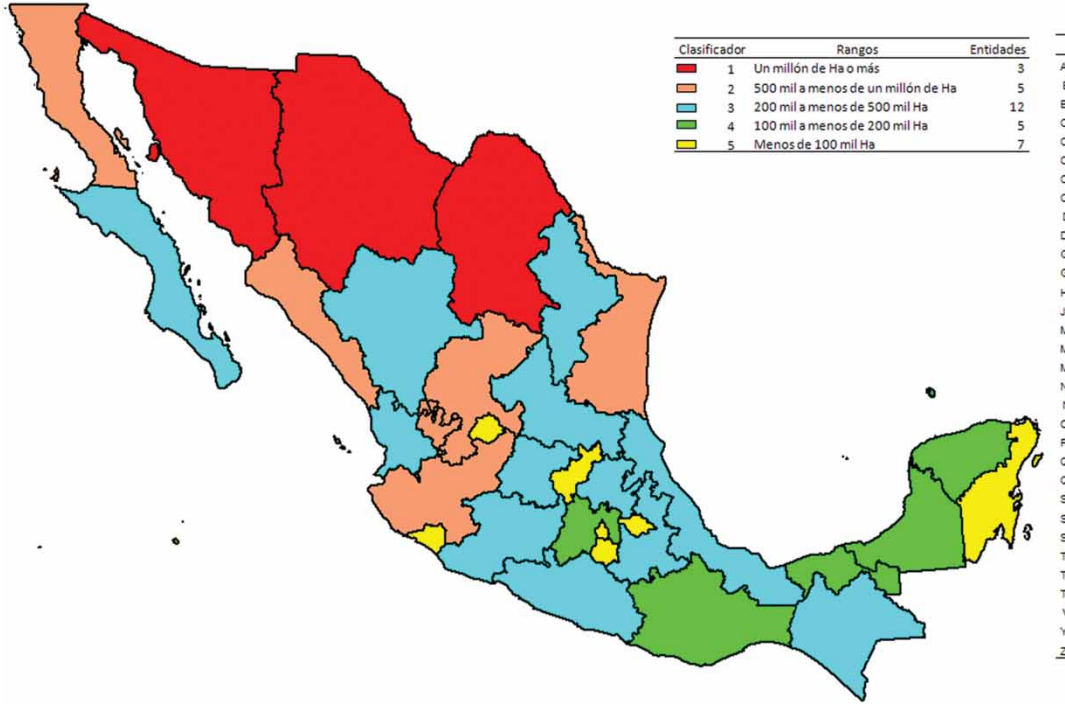
State	Companies	Hectares	%
Nuevo León[c]	8	63,465.937839	34.5
Coahuila	2	28,501.753300	15.5
Sonora	9	24,337.050353	13.2
Campeche	2	20,591.489200	11.2
Zacatecas	2	16,985.658000	9.2
Chihuahua	2	5,672.288200	3.1
Guanajuato	7	5,143.031405	2.8
Veracruz[d]	4	3,978.052073	2.2
Distrito Federal[b]	8	3,958.247339	2.2
Baja California[a]	3	3,082.964311	1.7
Durango	3	2,886.512900	1.6
Puebla	4	1,896.368128	1.0
Yucatán	1	1,036.179743	0.6
Chiapas	6	975.507600	0.5
Tamaulipas	1	507.687900	0.3
Nayarit	1	290.400000	0.2
Sinaloa	2	263.930796	0.1
Oaxaca	1	140.699100	0.1
Colima	1		
Jalisco	1		
National	68	183,713.758187	100

Source: RAN (2008).
Notes: [a]94-55-73.61 hectares are located in the state of Sonora. [b]204-76-25.849 hectares are located in the state of Querétaro, 2,291-63-76.12 in Chiapas, 1,382-00-00 in Yucatán and 79-84-71.42 in the state of México. [c]7,152-59-15 hectares are located in the state of Veracruz, 151-67-87 in Chiapas, 529-28-56.97 in Sonora, 737-12-61 in Sinaloa, 50-44-05 in Baja California Sur, 652-15-86 in San Luis Potosí and 53,343-56-85.14 in Coahuila. [d]115-13-75 hectares are located in the state of Puebla and 2,447-19-16 in Campeche.

with 11,553,000 hectares of land. This is far from insignificant, as it represents 6.5 per cent of the rural land area and 36.7 per cent of the cultivated land in the country. Considering that, in recent years, 22 million hectares have been cultivated, the percentage would increase to 52.3 per cent.

We can also observe that these practices are more widespread in the north of the country. Six out of ten hectares sold in the land market were located in nine northern states (Figure 1). These lands have the following characteristics: many have water for irrigation; farms are larger than five hectares; and they produce corn for export, which has had favourable market prices in recent years. In addition, those who buy or lease these lands tend to capture government subsidies, such as marketing support, fuel subsidies and Procampo subsidies.[9] It is also worth noting that there is a strong land market in all of the states bordering the United States, with the exception of Nuevo León. This correlation requires further research.

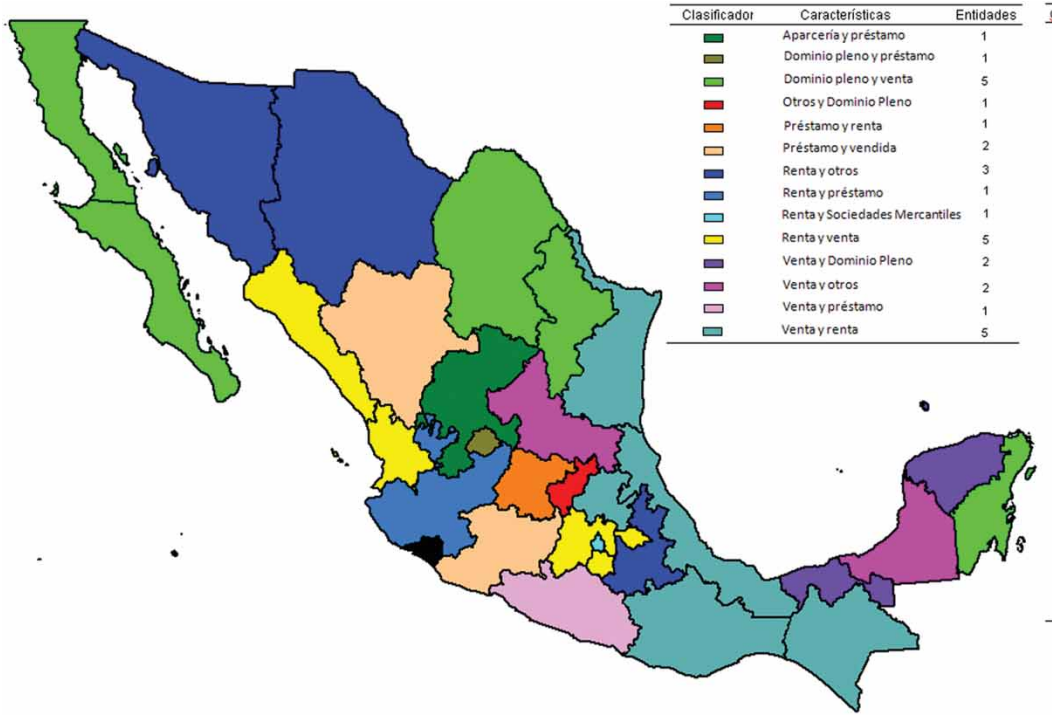
If we conduct an analysis based on the type of land deal, the results will be quite varied. In states with irrigation (Sinaloa, Sonora, Tamaulipas, Jalisco, Nayarit, Morelos), land sales and land leases constitute the most frequent types of land deals. In states with high levels of migration (Zacatecas, Michoacán and Jalisco), land lending predominates, confirming that this type of land deal is associated with displaced producers searching for work. In states with high population densities or tourism hubs (Aguascalientes, Baja California, Baja California Sur, Coahuila, Nuevo León, Quintana Roo, Yucatán), we mostly see land sales and *dominio pleno*, due to tourism and urban developers' need for secure property rights. Finally, sharecropping does not appear to be dominant in any state except Zacatecas, indicating that this type of land deal is dispersed throughout the country (Figure 2).



Clasificador	Rangos	Entidades
1	Un millón de Ha o más	3
2	500 mil a menos de un millón de Ha	5
3	200 mil a menos de 500 mil Ha	12
4	100 mil a menos de 200 mil Ha	5
5	Menos de 100 mil Ha	7

Estado	Superficie (ha)	Clasificador
Aguascalientes	72.139	5
Baja California	720.201	2
Baja California Sur	218.578	3
Campeche	187.827	4
Coahuila	1.069.506	1
Colima	81.752	5
Chiapas	225.811	3
Chihuahua	1.246.300	1
Distrito Federal	7.982	5
Durango	459.989	3
Guanajuato	310.126	3
Guerrero	253.624	3
Hidalgo	403.228	3
Jalisco	612.396	2
México	132.834	4
Michoacán	370.185	3
Morelos	43.756	5
Nayarit	206.976	3
Nuevo León	437.934	3
Oaxaca	166.336	4
Puebla	265.551	3
Querétaro	72.651	5
Quintana Roo	72.038	5
San Luis Potosí	217.537	3
Sinaloa	572.938	2
Sonora	1.217.707	1
Tabasco	137.032	4
Tamaulipas	552.031	2
Tlaxcala	42.470	5
Veracruz	443.759	3
Yucatán	160.563	4
Zacatecas	571.998	2

Figure 1. [Colour online] Total number of hectares in Mexico's land market, by state.
Source: Elaborated by the author, with data from INEGI (2007a) and RAN (2008).



Clasificador	Características	Entidades
	Aparcería y préstamo	1
	Dominio pleno y préstamo	1
	Dominio pleno y venta	5
	Otros y Dominio Pleno	1
	Préstamo y renta	1
	Préstamo y vendida	2
	Renta y otros	3
	Renta y préstamo	1
	Renta y Sociedades Mercantiles	1
	Renta y venta	5
	Venta y Dominio Pleno	2
	Venta y otros	2
	Venta y préstamo	1
	Venta y renta	5

Cve	Estado	Tratos predominantes
1	Aguascalientes	Dominio pleno y préstamo
2	Baja California	Dominio pleno y venta
3	Baja California Sur	Dominio pleno y venta
4	Campeche	Venta y otros
5	Coahuila	Dominio pleno y venta
6	Colima	Venta y préstamo
7	Chiapas	Venta y renta
8	Chihuahua	Renta y otros
9	Distrito Federal	Renta y Sociedades Mercantiles
10	Durango	Préstamo y vendida
11	Guanajuato	Préstamo y renta
12	Guerrero	Venta y préstamo
13	Hidalgo	Venta y renta
14	Jalisco	Renta y préstamo
15	México	Renta y venta
16	Michoacán	Préstamo y vendida
17	Morelos	Renta y venta
18	Nayarit	Renta y venta
19	Nuevo León	Dominio pleno y venta
20	Oaxaca	Venta y renta
21	Puebla	Renta y otros
22	Querétaro	Otros y Dominio Pleno
23	Quintana Roo	Dominio Pleno y Venta
24	San Luis Potosí	Venta y otros
25	Sinaloa	Renta y venta
26	Sonora	Renta y otros
27	Tabasco	Venta y Dominio Pleno
28	Tamaulipas	Venta y renta
29	Tlaxcala	Renta y venta
30	Veracruz	Venta y renta
31	Yucatán	Venta y Dominio Pleno
32	Zacatecas	Aparcería y préstamo

Figure 2. [Colour online] Main types of land deals in Mexico, by state.
Source: Elaborated by the author, with data from INEGI (2007a) and RAN (2008).

Contract farming

Classic studies of land markets do not generally include contract farming, since it is not seen as affecting property rights. Rather, it is seen as an "unequal" partnership between agribusiness – which requires raw materials – and the producers who supply them. However, the topic is relevant, because it constitutes a way of concentrating large amounts of land (Mackinlay Grohmann 1999). This type of agreement is used in activities requiring a steady supply of raw materials with specific characteristics and activities that use expensive technologies, the cost of which could not be borne by small farmers.

Agribusiness plays an important role in the country's economy, at 25.7 per cent of manufacturing and 5 per cent of the gross domestic product (GDP). In 2006, the industry reached a value of US$42,350,000,000. It has grown at an average rate of 3.2 per cent over the last five years, higher than the average rate of population growth, which was 1 per cent during the same period. In 2006, agribusiness employed 686,828 people in Mexico, or 16.6 per cent of the workers employed in manufacturing (Gobierno de Nuevo León 2007; see Table 7).

In Mexico, commercially-oriented, family farming exists side by side with foreign-owned agribusiness, but over time it is more difficult to sustain. According to the 2004 Economic Census, a total of 101,395 economic units were engaged in commercial agriculture. Of these, 63 per cent employed up to two people, 27 per cent employed three to five people and 10 per cent employed more than six people (INEGI 2004).

Corn

Corn is the country's most important crop, with 7,726,000 hectares planted for grain, representing 35.4 per cent of the area planted in an agricultural year. Seven out of ten productive farming units in Mexico are dedicated to growing corn, or a total of 2,627,000 production units. 80 per cent of the volume of production corresponds to white corn and the remaining 20 per cent to yellow corn. Additionally, Mexico is considered the centre of origin and domestication of this crop, and possesses the greatest degree of genetic diversity in corn. While the crop is found throughout the national territory, the main producer states are Jalisco, Sinaloa, Guanajuato, Michoacán, Chihuahua, Chiapas and Mexico.

Despite the importance of this crop for the country, recent trade policies have not favoured the majority of corn producers, but rather a handful of large-scale agribusinesses. According to Ana

Table 7. Land area planted and number of companies per product.

Product	Hectares	%	Number of companies
Fruit	1,360,140	34.9	6
Sugarcane	719,000	18.4	12
Coffee	680,000	17.4	5
Vegetables	642,417	16.5	22
Barley	329,853	8.5	2
Tequila	165,475	4.2	4
Tobacco	4,327	0.1	3
Total	3,901,212	100	
Maize			6
Milk			5
Poultry			3

Source: Compiled by the author, with information from INEGI (2007) and SIAP-SAGARPA (2010).

de Ita (2007), the disappearance of Conasupo (the National Company for Popular Subsistence) left producers at the mercy of a few transnational corporations as the only remaining buyers of their crop: Maseca, Minsa, Cargill, Arancia and Archer Daniels Midland (ADM). These corporations are also the major importers and exporters for the United States. Cargill, ADM and Zen Noh, for instance, control 81 per cent of US corn exports.

The links in the global food chain that are the most heavily concentrated are grain distribution and primary processing. Three of the world's largest commercial grain cartels operate in Mexico: Cargill-Continental, ADM-Maseca, and Minsa-Arancia-Corn Products International. Additionally, Diconsa often imports through ADM.

Sugarcane

Unlike in countries such as Guatemala, Brazil, Colombia and the United States, the sugar mill owners in Mexico do not own the land, according to Mertens and Wilde (2001). Thus, they have to deal with about 160,000 small sugarcane producers; 142,000 units of production, according to the Eighth Census (INEGI 2007a). These authors also note that some mills are beginning to expand by buying or leasing lands, but this is still an insignificant trend. Currently, the sugar industry is a highly-integrated supply chain that spans from production to the processing of raw sugar to the manufacturing of alcohol. There are a total of 60 mills operating in the country, most belonging to 12 industrial groups.

These companies are supplied by 719,000 hectares of sugarcane, an area only slightly larger than in 1990 (678,000 hectares). The crop is produced by smallholders (with an average of five hectares) in 15 states. The primary producer states are Veracruz (36.6%), Jalisco (9.8%), San Luis Potosí (9.4%), Tamaulipas (8.2%) and Oaxaca (7.8%; INEGI 2007a). The sector employs around 90,000 day labourers to cut the sugarcane following the pre-harvest burn.

Fruits and vegetables

According to Macías (2006):

> Fruit and vegetable production has existed in Mexico since the early twentieth century, but acquired great dynamism in the 1950s, when US companies began promoting large scale horticultural production for the US winter market, when US production is insufficient to meet its demand. Thus, US companies sought out regions conducive to this kind of counter-seasonal production: states like Sinaloa, Sonora, Michoacán, Tamaulipas, Morelos, Guanajuato, Guerrero and Jalisco, among others. In the 1970s, the Mexican government strongly promoted these crops, arguing that the country had comparative advantage over the US's other major trading partners; and also that these products had higher value-added potential, which would raise the living standard of producers.

According to Martínez Huerta (2009), there are 100,000 registered producers of fruits and vegetables in the country. Of this total, 30 families in the state of Guanajuato dominate production for export. Around 120 companies in Sinaloa dedicate their productive resources to the production, packaging, distribution and marketing of fruits and vegetables, primarily for export to the United States.

Horticultural producers have an average of six hectares, although there is a great diversity among them.

- Smallholders with less than two hectares. These producers use basic technologies and primarily sell their products on the farm itself or in local or regional markets. They are located in the central and southern regions.

- Smallholders with 5–10 hectares. These producers differ from those above because of their higher use of technology. They sell their products to agribusiness companies through supply contracts. They are located in the central and western regions (Guanajuato, Jalisco, Michoacán).
- Large producers with over 10 hectares. With a high level of technology use, these producers are family-owned companies or members of large agribusiness firms that export directly, allowing them to obtain better prices. They are located mainly in the north (Sinaloa, Sonora, Tamaulipas; Martínez Huerta 2009).

There are 22 large transnational companies involved in horticulture, primarily from the United States, although there are four from Switzerland, one from France and two companies with partial state ownership. All of these companies arrived in Mexico before 1974 – including Herdez SA de CV, which is about to celebrate 100 years in Mexico – confirming that the growth and consolidation of agribusiness happened prior to the structural changes carried out in 1980 (see Table 8).

Mexico is also a major producer of temperate, tropical and subtropical fruits. In 1990, 982,192 hectares were planted of mango, lemon, orange, avocado, walnut, banana, cocoa, apple, pear, peach, pineapple, grape, guava, mandarin, grapefruit, papaya, tangerine, plum and coconut. By 2009, this area reached 1,360,000 hectares, representing a 52.2 per cent increase in harvested area and a 70.2 per cent increase in production (SIAP-SAGARPA 2010).

As with vegetable production, fruit production occurs primarily at a small scale. For example, oranges are grown on plots averaging 3.1 hectares; avocados 2.07 hectares; cocoa 2.2 hectares; coconut 3.3 hectares; lemon 3.0 hectares; mango 3.6 hectares; and banana 5.0 hectares. Of course, there are also producers with large landholdings and high levels of technology use that have created companies for processing and distributing their products, for example the apple growers of Ciudad Cuauhtémoc, Chihuahua, the orange growers of Montemorelos, Nuevo León or Martínez de la Torre, Veracruz, and the mango growers of Sinaloa, who formed the company Diazteca SA.

These producers supply about 250 manufacturers of juices, nectars and concentrates. The main companies are: Jumex, with approximately 31 per cent market share; Del Valle (24%); Boing/Pascual (10%); Lala (5%); Florida 7 (4%); Valle Redondo (2.4%); and other brands (17.2%). Other companies in the market include Prolesa Group, Nestlé, Giaja Foods, Orizaba Foods and Beverages, Frutas Frescas, Herdez, Parmalat, Mundet, Campbell, Concordia Foods, Talayeros Industries, Zano Foods and Sandy's Concentrates. In fact, among the 500 largest companies in Mexico, five are juice producers: Nestlé (in 26th place), Lala Group (55th), Prolesa Group (74th), Herdez Group (97th) and Jugos del Valle (117th) (Agrolinea.com.mx 2001).

Coffee

Coffee production holds great importance for Mexico, as the following statistics reflect: 349,701 units of production engaged in coffee; 509,817 producers according to the census; 680,000 hectares planted, according to Fomento Café (FC); and an average production of 4.7 million bags of 60 kilograms each. Mexico is the sixth largest producer in the world and first in organic production; 486,339 heads of families work in coffee; the sector generates 4.5 million jobs; and 960 municipalities produce coffee (although it is only an important crop in 236 of them) in 15 states (Robles 2011).

As in the above-mentioned crops, coffee is dominated by small-scale producers. According to the census, each unit of production engaged in coffee has an average of 1.94 hectares. Overall, 82 per cent of coffee growers have two hectares or less and own 47.2 per cent of the land (planted to

Table 8. Transnational companies in the Mexican horticultural sector.

Company	Established in Mexico	Origin of capital	Notes
Herdez SA de CV	1914	100% USA	Publicly traded company
Anderson Clayton & Co SA de CV	1922	97% USA and 3% Switzerland	Subsidiary of Unilever
Productos de maíz SA de CV	1930	100% USA	Subsidiary of CPC Internacional Inc. Aerobal SA
Casa Cuervo SA de CV	1935	100% USA	
Formez Ybarra SA de CV	1943		
Productos Gerber SA de CV	1956	49% USA	Subsidiary of Gamesa SA de CV Subsidiary of Pepsico SA de CV
Campbells de México SA de CV	1959	100% USA	Subsidiary of Campbell Soup Company
Nestle SA de CV	1960	100% Switzerland	
Industrias Alimenticias Club SA de CV	1961	100% Switzerland	Subsidiary of Nestle
Productos del Monte SA de CV	1962	100% USA	
Kraft General Fondos de México SA de CV	1963	99% USA	General Foods acquired Kraft in 1990
Sabritas SA de CV	1968	100% USA	Subsidiary of Pepsico SA de CV
Danone SA de CV	1974	100% France	
Gigante Verde SA de CV	1983	100% USA	Subsidiary of Grand Metropolitan Pillsbury Company
Industria Horticolas de Montemorelos SA de CV		20% state ownership	
Yavaro Industrial SA de CV		15% state ownership	
Jugos del Valle SA de CV	1947		
Conserva La Costeña SA de CV	1948		Belongs to the Jumex Group
Frigoríficos La Huerta SA de CV	1957		Publicly traded company
Conservas La Torres SA de CV	1964		
Alimentos Del Fuerte SA de CV	1973	State and individual ownership	
Export SA de CV Carmel	1974		Belongs to the Bimbo Group

Source: Industridata Empresas AA (1994/2005).

coffee), while only 416 producers (0.08%) have 50 hectares or more and own 8.2 per cent of the land planted to coffee.

Pérez Grovas (n.d.) notes that producers supply green coffee to five transnational companies: Nestlé; Café California (Neumann); Becaficsa (Volkaffe); Espograno (Cargill); and Agroindustrias de México (AMSA-ECOM), who buy pergamino coffee and damaged coffee (fermented, overdried) since there is a strong domestic market for this kind of coffee. The 32 largest companies that sell instant, roasted and ground, and decaffeinated coffee now constitute the National Coffee Industry Association (ANACAFE AC by its Spanish acronym).

Instead of trying to obtain a higher price by separating the coffee by quality, these companies deal in high volumes. Producers are thus paid the same price for their pergamino coffee regardless of quality. The companies mix coffees from different altitudes, humidity levels and degrees of maturity.

In response to unjust price setting practices, many producers' organisations in Mexico joined the fair trade movement to demand more equitable international trade. Mexico now has its own institution, Fair Trade Mexico (CJM), responsible for defining domestic fair trade policies and promoting fair trade commerce within the country. A number of organisations emerged at the end of the twentieth century from the history of alternative coffee production systems such as the Union of Indigenous Communities of the Isthmus Region (UCIRI), the ISMAM coffee cooperative, the Network of Oaxacan Coffee Producers (CEPCO), and the Tosepan Titataniske cooperative.

Barley

In 2009, 329,000 hectares in the country were planted to barley for grain, on approximately 31,651 units of production. Each producer has an average of 6.4 hectares. The main barley producing states are Guanajuato, Hidalgo, Tlaxcala, Mexico, Puebla and Michoacán.

The industry is controlled by a transnational duopoly consisting of Grupo Modelo, 100 per cent owned by the US company Anheuser-Busch, and FEMSA, 30 per cent of which is owned by the Canadian company Labatt. In Mexico, Impulsora Agrícola S.A. acts as an intermediary between barley producers and the beer-brewing industry, granting collateral loans to buy seeds, fungicides and other inputs, which they supply to the producers who pay this back on delivery of their crop, establishing in this way control of 90 per cent of small farmers' production.

There are three types of producers associated with this crop: 10 per cent are large producers with over 100 hectares of land and sophisticated, imported machinery for the production, harvesting and post-harvest handling of grain; 25 per cent of producers plant between 26 and 100 hectares and own some basic machinery for planting and cultivation, but primarily cultivate with rented machinery; and 65 per cent are small producers who grow between one and 25 hectares, using rented machinery for both planting and cultivation.

Tequila

Tequila is a Mexican spirit protected by designation of origin (*denominación de origen*), which is produced in the states of Jalisco, Michoacán, Guanajuato, Nayarit and Tamaulipas. According to SAGARPA, in 2009, 165,475 hectares were planted to the crop (blue agave), a 359.2 per cent increase over 1990 and a 118.1 per cent increase over 2000. This increase is due to the increased demand for the drink, both in national and international markets. Currently, 200 million litres of tequila are produced each year.

Macías (2006) notes:

> The dynamism in the demand for tequila in recent years is due to the entry of a large number of companies and brands in the industry. While there were 31 companies producing tequila in 1992, the number of companies registered with the Tequila Regulatory Council (*Consejo Regulador del Tequila*) rose to 40 by 1997 and 73 by 2000. These companies produce 607 brands for national consumption and 167 brands for foreign consumption.

In the last three years, the number of companies in this industry has increased by 83 per cent. The four main companies are: Cuervo (which partners with other foreign wine companies), Sauza (in partnership with the Spanish company Pedro Domecq), Orendain and Herradura.

Tobacco

Tobacco is currently produced by more than 4,000 farmers in eight states, with 80 per cent of production concentrated in the state of Nayarit. Tobacco production is carried out by smallholders

with an average of two hectares. The area planted to this crop has declined in recent years: in 1990, 21,000 hectares were cultivated, whereas in 2009 there were only 4,327 hectares.

Meneses-González et al. (2002) indicate that the tobacco industry in Mexico has gone through a process of concentration and monopolisation. In 1900, the industry consisted of 743 registered tobacco companies; by 1975, this number had decreased to six companies (La Moderna, El Águila, Tabacalera Mexicana, Fábrica de Cigarrillos Baloyán, Fábrica de Cigarrillos La Libertad and Cigarrera Nacional). By the end of the twentieth century, the industry consisted of only three companies: Cigarrera La Moderna (Cigamod), Cigarrera La Tabacalera Mexicana (Cigatam) and La Libertad. The first two control 99 per cent of the market, classifying the industry as a duopoly. Beginning in 1997, the leading tobacco companies went from being controlled by national capital to international capital, namely two of the most important tobacco companies in the world: Cigamod by British American Tobacco and Cigatam by Philip Morris.

Beef

According to Gallardo Nieto (2006), beef consumption in Mexico has become the central driver of demand and market prices for all other meat products. Beef is the most important livestock produced in the country due to its high value, amounting to 38.3 per cent of meat carcass (*carne en canal*) production. Beef contributes 1.2 per cent to the GDP, and includes 200,000 producers and 92,000 middlemen. Only 7.6 per cent of beef producers have permits to export to the United States and Canada.

According to Guerrero and León (1996, 7), from the time of collecting the calf to the feedlot to the marketing of meat cuts to the consumer, the process goes through 5–10 different intermediaries. The duration of each step in the supply chain varies from one day (in the case of wholesalers and butchers) to 4–18 months (in the case of breeders and feeders). The distribution of income in the supply chain is unfavourable to producers and feeders.

According to the last economic census (Grupo de Economistas Asociados 2003), the meat processing industry consists of 4,739 companies, 74.5 per cent of which correspond to slaughterhouses (of large livestock and poultry), 4.5 per cent to packaging of fresh and frozen meat, and 21 per cent to preserved meat products and sausages. Most of the industry consists of small businesses: 91 per cent have less than 10 employees.

Milk

According to Gallardo Nieto (2005), the major national companies in the milk sector are Lala, Alpura, Ciudad Juarez, Lechera GDL, and San Marcos. In the wake of globalisation, the industrial milk-collecting companies have been forced to seek greater integration with producers in order to exert increased control over the productive process and ensure a higher quality supply. At one point, they promoted the organisation of producers into groups, in order to cool their milk together. Then they pressured producers to increase the quality and safety of their product through a system of penalties and incentives. Recently, they have moved towards expanding the cold supply chain, signing agreements with producers, offering them a better price if they install individual cooling tanks and deliver a minimum of 300 litres per day.

Gallardo Nieto (2005) identifies three types of producer: a technology-intensive segment, with an average productivity of 24 litres, generating half of the country's milk production, with herds averaging 350, comprising 17 per cent of the national herd; 62 per cent of the sector is characterised by double-purpose production systems (producing both milk and meat) based in pasturage with an average production of 7 litres, characteristic of the tropical zones and made up of small firms with low investment per cow and low costs of production; the third segment is

Table 9. Mining concessions 2000–2010.

Year	Land area	Number of concessions	Number in exploration	Number in operation
2000	4,557,421.1313	1,861	1,234	627
2001	2,559,444.7210	2,170	1,719	451
2002	5,643,609.2331	3,761	2,545	1,216
2003	2,378,271.1637	2,560	1,683	877
2004	3,140,303.9741	2,195	1,608	587
2005	6,632,537.1804	2,896	2,121	775
2006	4,213,512.5522	2,128		
2007	8,377,896.7696	2,423		
2008	4,557,421.1313	1,861		
2009	7,411,637.5104	2,327		
Total	49,472,055.3671	24,182	10,910	4,533

Source: López Bárcenas (2010).

made up of in-family farms and peasant systems with 3 to 20 cows, which depend upon their own resources, labour, fodder and crop residues.

Poultry

Within the livestock sector, poultry is the only product to experience an increase (53.4%) between 1991 and 2007. This growth is due to the increase in technology-intensive, foreign-owned poultry farms for meat and egg production. Three companies – Bachoco, Pylgrim and Tyson – control 55 per cent of the country's chicken production (Rudiño 2010).

According to Delgado Cantú (2003), poultry production is characterised by three types of producers.

(1) Large-scale, integrated companies that constitute 7.3 per cent of producers and supply 74 per cent of domestic meat production, handling 100,000 birds or more per cycle. These producers control strategic inputs such as animal feed or pharmaceutical products.
(2) Poultry farmers who produce 50,000 birds or more per cycle and depend upon the first group for access to strategic inputs, but have a certain degree of autonomy with respect to financing and marketing
(3) The last group represents 73 per cent of domestic producers and contributes 15 per cent of total production, with volumes less than 50,000 birds per cycle. These producers are dependent on large companies for marketing and inputs, and do not have their own sources of financing.

The land market and mining concessions

Natural resources are the property of the state and can only be used by individuals through a state concession. López Bárcenas (2011) notes that "through this process, the country has promoted the mining industry, granting 24,182 concessions by 2010, covering 49,472,055 hectares of land, most of which consisted of social (*ejido*) property".

Lease or purchase agreements associated with mining are generally characterised by an unequal relationship between mining companies and landowners: very low rent compared to the income generated by mining; agreements commonly breached; degradation of productive land; and government protection given to the mining companies based on the Mining Law.

Data from the Office for the Promotion of Mining and Projects of the Ministry of Economy gives us an idea of the possible extent of conflicts involving mining companies. During the first half of 2009, 263 foreign-owned mining companies operated in Mexico, with a portfolio of 677 projects. Of these companies, 198 are from Canada (75%); 39 from the US (15%); seven from the United Kingdom (3%), five from Australia (2%); three from Japan (1%); two from both China and Korea (around 1% each); and one company each from Switzerland, Luxembourg, Chile, India, Italy, Netherlands and Peru (see Table 9).[10]

Rural subsidies favour concentration

In recent years, there has been a debate in Mexico over budget allocations and the efficiency and effectiveness of rural policies, especially those concerning financing and subsidies. A number of arguments are commonly heard: that the resources invested in the countryside are inadequate; that

Table 10. Approaches to the land market.

Party or organisation	Approach
PRI-CNC	Promote the integration of rural associations and the formation of economic units that keep a balance between maintaining forms of agricultural organisation and achieving economic objectives; promote the joint use of land and promote their physical restructuring to form continuous areas; promote contract farming schemes that link companies and producers.
The Government and PAN	Eliminate the Ministry of Agrarian Reform; facilitate processes for expanding full ownership land rights; promote the joint use of land.
PRD	Continue the distribution of land; restore the *ejido* to its original and inalienable form. Restrict the expansion of private property. Eliminate the right of commercial companies to own productive land. Limit land rental.
ANEC	Reorient agrarian policy to focus primarily on small producers; approve the proposed Law for Food Sovereignty, Security and Nutrition.
UNORCA	Declare the lands of *ejido* owners and community members to be "family titles" (*patrimonio familiar*); create a fund for the recuperation of leased lands.
CNPA	Preserve and strengthen *ejido* and communal properties and stop the grabbing of cultivable lands.
Union of Popular and Peasant Organisations (COCYP)	Land should not be used as collateral because it is a family asset; the law should protect the country's mangroves and coastal areas; the law should also defend and protect indigenous territories.
Chamber of Mining (Cámara Minera)	Oppose the powers granted to the agrarian courts to hear cases related to the contamination or violation of *ejido* land rights by third parties.
National Agricultural Council (CNA) and the National Confederation of Small Landowners (CNPP)	An end to the implementation of agricultural activities. Stop government actions that grant access to land because they involve a return to land distribution; facilitate processes for expanding full legal ownership rights.

the regulatory framework impedes access to the resources available; that support often arrives late and benefits certain sectors of the rural population, which are not always those most in need; that some efforts are redundant; and that the Special Concerted Programme for Rural Sustainable Development (PEC) has not achieved its desired results. Fox and Haight (2010, 7) note:

> In the distribution of Procampo benefits, there is a bias in favour of large and medium producers that is present in almost all of Mexico's (numerous) programs [...] After Procampo, the next two most important programs focus on subsidizing productive investment and marketing, primarily in the northern states. Both of these programs specifically target the most privileged producers. Target income (*Ingreso Objetivo*), for instance – the third most important program – directly subsidises production for a small number of the largest farmers in the country. It also grants marketing support for large processors and distributers, including transnational corporations like Cargill and Maseca. As a recent World Bank report indicates, "spending on agriculture is so regressive that it cancels out about half of the redistributive effects of spending on rural development [...]"

Likewise, Díaz (2008, 28) reports that the

> top 10 companies control, hoard, market, resell and make millions in profits from the food industry. What's more, official data reveals that they receive millions in subsidies from the federal government, amounts above and beyond what is given to peasants and farmers' organisations throughout Mexico [...] In the first five months of this year, the Ministry of Agriculture distributed subsidies to 300 companies and organisations, 43 per cent of which went to only 10 companies. These 10 companies took home 550 million of the 1.282 billion pesos in subsidies allocated to the agribusiness sector from January to May of 2008.

Perception of social actors

In the last five years there have been three bills proposing changes to the structure of the Agrarian Law but not to the Constitution, seeking, therefore, to reform and not to abolish regulations concerning the formation of commercial companies, the establishment of full rights to land and the leasing and sale of land. In other words, new regulations proposed to limit the land market but not to eliminate it.

The proposed Federal Agrarian Reform Law was introduced on 30 March 2005 by Manuel García Corpus, president of the Land Reform Commission and member of the Institutional Revolutionary Party (PRI). With regard to the land market, the law proposed that:

- the duration of contracts with third parties be determined according to the corresponding project, which should be written into the contract along with the reasons for nullification;
- in cases where the project demonstrates clear benefit to the agrarian nucleus, the right to transfer usufruct rights to commercial companies should be established;
- for the development of natural resources, title should only be transferred when justified by the project;
- commercial companies should not be suppressed, but may be limited in two ways: they must invest in productive activities and must not maintain idle lands for more than two years;
- as *ejido* lands have been, in many cases, sold by the *ejido*-owner without consulting his family, causing much distress, [the law] proposes converting *ejidos* into "family titles" (Cámara de Diputados 2009a).

In the 60th Legislature, the National Action Party (PAN) proposed a bill modifying the Agrarian Law (25 April 2008). This bill contains virtually none of the proposals contained in the above-mentioned legislation. For example, it does not allow the Ministry of Agriculture to put into practice a Land Conversion Fund, which leaves the institution unable to respond to

the demands of peasant organisations, nor does it allow for the declaration of land parcels as family assets.

In response to the PAN proposal, the agricultural sector of the National Peasant Confederation of the PRI (CNC-PRI) and part of the Revolutionary Democratic Party (PRD) presented a counter-initiative in April 2009 (see Table 10), which establishes that:

> land parcels can be assigned in the form of full ownership rights [...] except in the case of forests; tropical rainforests; elements essential to preserving biodiversity; the natural food chain; or mineral deposits exploited through open pit extraction methods. In no case shall individual land rights of an agrarian population nucleus be ceded; the agrarian attorney general (*procuraduría agraria*) must authorise the signing of all contracts in order to protect the rights of agrarian subjects. Moreover, it also provides for the division of large estates (*latifundios*) in order to avoid the destruction of nature and the damage that rural property may suffer, to the detriment of society. (Cámara de Diputados 2009b).

Conclusions

The records of INEGI (censuses) and RAN (land registry) suggest that there is no land grab – as strictly defined in the FAO study[11] – occuring in Mexico with regard to the transfer of land rights following the reforms to Article 27 of the Constitution and the Agrarian Law. These reforms included protections for agrarian subjects, especially for smallholders to maintain their lands and set a maximum area for small properties. This does not mean, however, that land has not become concentrated through other mechanisms, such as the leasing of lands in the north of the country, mining concessions, and agreements between producers and agribusiness.

Rather, the data suggest a different phenomenon: *the fragmentation of land holdings.* Both in public and private lands, parcels have become smaller and smaller. In 2009, the most common unit of production was the smallholding, with 2,588,611 productive units under five hectares, representing 71.6 per cent of all productive units in the country.

In Mexico, there are two main distinguishing features of the land market: the first involves short-term usufruct – for one agricultural cycle – even though the Agrarian Law allows for 30-year renewable leases; and the second is by verbal agreement occurring locally, primarily between neighbours. The latter is an example of how different actors interact in the countryside, creating and recreating their own alternatives based on values of solidarity, social rights and the defence of spaces.

The census and National Agrarian Registry (RAN) document 11 million hectares in circulation in the land market. This number may underestimate the magnitude of the land market for two reasons: the lack of a bureaucratic culture, which means many transactions go unrecorded (as in Sinaloa), and rural violence associated with drug trafficking, which forces producers and their families to sell, lease or stop producing on their lands.

Land concentration in Mexico occurs, therefore, not through the land market, but primarily through control over production. Thus, we see that agribusiness companies prefer to lease land or apply other mechanisms of rural control – such as supplying seeds and inputs, training farmers and obtaining agreements that commit all of a producer's harvest – which enable economies of scale. These mechanisms allow for capital mobility, and allow capital to avoid the risks associated with production and the maintenance of land during down periods.

While agribusiness has existed in Mexico for many years, its growth and consolidation has taken place through the structural reforms of the 1980s. The withdrawal of the Mexican state from agriculture over the last 30 years has enabled an ongoing process of land concentration through agro-industry. This process gives rise to concentration and polarisation on the one hand, with agribusiness controlling large volumes of production, processing, marketing and

capturing most of the profits. On the other hand, we see many small producers living hand to mouth.

There are fewer and fewer companies involved in the global economy, usually tied to American capital. The most common form of growth and concentration is the acquisition of companies or established regional brands, a process through which medium-sized and family businesses disappear little by little.

The data presented, which we summarise here, show a trend of corporate concentration: the purchase and processing of corn is controlled by only six companies; there are 12 industrial groups in sugarcane; 22 companies in fresh vegetables; six in fruit; five in coffee; two in barley; four in tequila; three in tobacco; three in poultry; and five in milk. Additionally, a number of these companies participate in various sectors. For example, Nestlé participates in the milk, coffee, vegetables and fruit sectors; Cargill participates in grain, poultry and vegetables; and Herdez participates in vegetables and fruit. According to Suárez (2010), Mexico currently imports US$20 billion worth of food from the United States (40% of national demand) through US companies.

Agribusiness controls an area of 3.9 million hectares in the country, excluding the production of basic grains and livestock. Based on conservative estimates, these companies control 25 per cent of the country's best land and over 80 per cent of the country's agricultural production.

The majority of producers linked to agribusiness are smallholders (*minifundistas*). Corn producers have an average of 2.7 hectares; sugarcane producers five hectares; vegetables six hectares; fruit five hectares or less; coffee 1.9 hectares; barley six hectares; and tobacco two hectares. Additionally, most smallholders are not organised and sell their produce individually in small volumes, produced with little use of technology. These conditions put them in a vulnerable position when negotiating a price for their product.

Producers have faced these processes of concentration in several ways. For instance, some organisations, such as the National Association of Rural Producers' Enterprises (ANEC), have organised to market their own products and thus transfer a greater share of the profits to their members. The El Barzón movement organised to get a better price from tequila companies and the National Association of Coffee Organizations (CNOC) organised to enter organic coffee production and fair trade. Trade unions such as the Agricultural Association of Sinaloa (CAADES) and the Mexican Cattle Feeders' Association (AMEG) offer assistance to their members and access to government support. Producer organisations have formed their own agribusinesses, such as Diazteca SA de CV in Sinaloa, the apple growers of Ciudad Cuauhtemoc, Chihuahua, and the citrus growers of Montemorelos, Nuevo León, allowing them to add value to their products. Other organisations unite to negotiate better prices and working conditions for workers, such as the National Union of Sugarcane Workers and the National Union of Barley Producers. All of these efforts essentially aim to improve the income and living conditions of Mexican producers.

Given all of the social and economic problems generated by its concentration, the issue of land should be a central theme on the agendas of our governments. Ensuring that small producers continue producing on their lands should be a main policy objective, since this could be the foundation for achieving food sovereignty. This requires, among other things, improving their living conditions, developing appropriate technologies for different scales of production and organising them to achieve economies of scale.

Biographical note

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Notes

1. Original article text translated from Spanish by Tanya Kerssen.
2. *Ejido*: an agrarian community or town, and a means of providing land to poor farmers, in the Mexican system. The land is divided into two sections, one communal in nature (held directly by all *ejido* members) and the other made up of individual parcels. The governing body is the Commissariat (*Comisario*).
3. "Direct rights" imply full ownership. These rights can be transmitted through various legal acts, such as the transfer of rights or the transfer of ownership (Zepeda 2000).
4. Indirect rights are granted mainly through lending, leasing, sharecropping and concession (in the case of lands in the public domain; Zepeda 2000).
5. RAN (National Agrarian Registry) (2008).
6. *La Jornada*, 24 April 2006.
7. *La Jornada*, 27 December 2006.
8. *La Jornada*, 10 January 2005.
9. Implemented in late 1993, Procampo emerged as a mechanism for transferring resources to compensate domestic producers receiving subsidies in competition with foreign companies, replacing the guaranteed price scheme for grains and oilseeds.
10. *La Jornada*, 17 July 2009.
11. The FAO study's definition requires the presence of large-scale land acquisition and the involvement of governments as buyers and sellers of land.

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