

Appendix 1. Soy production in an agrarian settlement

Santa Rosa, at Boa Esperança, is about 130 km from Sorriso. It was formerly a 110,000 ha estate used mostly for low intensity grazing, with considerable forest cover, went bankrupt in the 1990s. INCRA purchased 80,000 ha; the other 30,000 had been invaded illegally by settlers who had already cut a large part of the forest. They are still fighting for legal rights. The 80,000 was divided such that approx one third has been kept under forest (the continuous area along the river) while the rest was divided into holdings of 70 ha and distributed to landless families in 1998. Simple houses were built of breeze block by INCRA and financial assistance for clearing the forested areas was provided.

Within two years, at least half of the lots in Santa Rosa had changed hands. Social classes of different levels of wealth and power can be seen to develop. For example, in 2000, H. purchased five adjacent lots, one for himself and one each for his adult sons, from 5 separate original settlers. This gives them a total of 300 ha (though the separate titles for each son that means individually they all fall within the cutoff for 'Small Farmers '). Some of the original settlers have been able to expand their holdings by buying others (eg family S.). These families get a lot of assistance from agro-processing companies involved in the PNPB to purchase agricultural machines and the company also provides credit for the seeds and pesticides etc. which is repaid at harvest time. After paying off the debt, farmers are not required to sell the remainder of the crop to the company but the company offers a premium price because it needs to purchase as much as possible from small farmers in order to participate in government auctions. The H. family use their large machines to provide services to farmers who have less land and no machines, payment for these services helps to pay off their credit (for example, they harvest for the family V, who purchased their lot from the original settler in 2002). Family S were able to purchase a smaller harvester on a shared basis with a neighbor. Family V., which has only one lot, has two tractors and sells tractor services to other farmers who have no machines at all, such as the family C. However, even the poorest families like C. do receive credit (for seeds, fertilizer and pesticides) from the company and also get the premium price for their crop. However, unlike the other farmers, they do not cultivate a second crop of maize, presumably because they do not have the capital for this (they cultivate just a very small area of maize, 5 ha, which is to feed the few livestock they keep).

The distinctions of wealth are plain to see in the level of professionalism and organization of the farms. The most successful and well-off are consolidating land and earning from services provided to others. They generally have a good educational background and technical and management know-how; their constraint earlier had been lack of capital to purchase land, which has been overcome through the agrarian reform programme and the PNPB. Then there is a much poorer class who survive because of support prices and technical assistance given for the soy crop, but who are clearly not accumulating wealth. They lack management and organisational skills and the farms are marginal; they not able to invest. The differences are easy to see in the housing, with the former families living at middle class standards, with all mod cons, while the poorer farmers live in a more traditional style. In addition, there is the unseen class of farmers who have left, after being bought out by farmers such as H. They were not able to make a go of the farming here at all. However, all the farmers who have remained in Santa Rosa, even the poorest, were very positive about their soy production and about the support they receive from the company, not only the premium prices they obtain, but also the access to credit.