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## [Agro-imperialism in the time of Covid-19](#)

*Agro- and meat industries are winning the jackpot with the Covid-19 pandemic. While the pandemic profits stay at the top, devastation is what trickles down to the bottom. The consequences are deadly. A new wave of structural adjustment is on the way that will focus on increasing foreign agribusiness investment and exports of agricultural commodities.*

Nestlé, the world's largest food company, is known for scandal. It [earned the nickname](#) "babykiller" in the 1970s for causing infant illness and death in low-income communities by promoting bottle feeding of its infant formula and discouraging breast feeding. In recent years, [similar charges](#) have been made against the company for contributing to soaring rates of obesity and diabetes in poor communities by targeting them for sales of ultra-processed junk foods. But there's another scandal of equally grim proportions that is contained within the company's accounting sheets.

On April 23, 2020, with the world in the grips of the Covid-19 pandemic and the FAO warning of a looming global food crisis, Nestlé's shareholders and executives [awarded themselves](#) a record dividend payout of US\$8 billion. In a time of a global health and food crisis, this handout is worth more than the entire [annual budget](#) for the UN's World Food Programme and would be enough to cover the average annual expenditures on health care for more than 100 million people in Africa.

Nestlé's massive 2020 dividend payment was, in fact, just a fraction higher than the previous year's. Such large payouts for shareholders and executives is standard practice for the company-- as it is for all the big transnational food and agribusiness companies, even at times of global health catastrophes. Other notable shareholder dividends, announced in April this year, include a US\$2.8 billion payout by the world's largest seed and agrochemical company Bayer AG, a US\$600 million payout by the world's largest poultry producer Tyson and a US\$500 million payout by the world's largest pork company, the WH Group. Cargill, the world's largest agribusiness company, is on track to top last year's record payout of US\$640 million, which it makes to just a small number of Cargill family members. Increased e-commerce, particularly of food items, during the Covid-19 crisis increased the net worth of Jeff Bezos, the founder of e-commerce giant Amazon, by a shocking [US\\$24 billion](#). It is even a rich time for the shareholders of smaller players in the industry, like the oil palm and rubber plantation company SOCFIN. The two French and Belgian families that essentially own the company, [received EUR20 million](#) (around US\$22.5 million) in dividends and remunerations from SOCFIN's group operations while communities where it operates in Nigeria, Ghana and Cameroon cannot access clean or safe water.

All this greed at the top leaves devastation and little to trickle down to the bottom, where its consequences are deadly.

### ***A powerful industry in the midst of a "perfect storm"***

The labourers in the corporate food system, those who are quite literally dying on the frontlines to sustain the lifestyles of shareholders and executives, are not faring well. The supply chains of the big food companies, which have always been dangerous places for workers, have now become hotspots

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for Covid-19 infections and transmission. Across the world, there have been deadly outbreaks in meat plants, port facilities, [warehouses](#), [fish canneries](#), [oil palm plantations](#), fruit farms, [supermarkets](#) and all other points along the chains that these companies command-- with the exception of their office towers, of course.

The big meat companies have perhaps been the worst offenders. With the Covid-19 pandemic in full bloom, they [aggressively sped up](#) their assembly lines to ramp up exports to China, where meat prices are unusually high. This decision was taken in full knowledge that these increases in processing made social distancing impossible and put their workers and the surrounding communities at risk of mass virus outbreaks. By the end of May, the results in the biggest meat exporting nations were horrific: hundreds of migrant meat plant workers sick with Covid-19 in [Germany](#) and [Spain](#), thousands of cases of workers ill with Covid-19 in Brazil's meat packing industry, and over [20,000 workers infected](#) with Covid-19 in US meat packing plants, with at least 70 deaths. Meanwhile, hundreds of thousands of animals are being culled, under [atrocious conditions](#) because these massive plants have had to shut production down, and the small abattoirs that could have taken in the livestock, have long since been forced out of business.

The carnage in Latin America, the new epicentre of the Covid-19 pandemic, has been particularly severe. With the global economy at a near standstill, agribusiness in the region has continued functioning with total impunity, deepening its impact and harm on communities and ecosystems. In almost all the countries in the region, agro-industrial activities have been [exempted from quarantine](#), as they are considered “essential”, even though their focus is on exports, not on providing food to local people.

For example, Ecuador's government [issued a state of emergency decree](#) paralysing the country, but ensuring that “all export chains, agricultural industry, livestock [industry] ... will continue to function.” As a result, workers in the banana and palm plantations, seafood factories, flower farms, and many more, were forced to continue working as if the country was not under a health emergency, thereby exposing themselves to the risk of contracting Covid-19.

Similarly, the Bolsonaro government in Brazil [declared](#) that the production, transport and general logistics of export food chains were essential activities that must continue functioning without restrictions. In this context, exports of meat, soybeans and other commodities are surging - as are the numbers of people exposed to Covid-19 along the export chains. In the Brazilian state of Rio Grande do Sul, a meat export hub, [more than a quarter of the confirmed novel coronavirus cases](#) in May were among meat plant workers. Labour prosecutors are now fighting to [close infested plants](#) and force companies to implement even basic measures to [protect and care](#) for their workers during the pandemic.

Brazil's soybean exports, [which are up 38 percent](#) from last year, are another potential hotspot for Covid-19, especially at the ports where trucks and workers are constantly circulating. When the local government of the port town of Canarana in Mato Grosso tried to take action by [issuing a decree](#) to pause the export of soybeans and other grains in the absence of proper health and safety conditions, the agribusiness giants Louis Dreyfus and Cargill intervened and were able to reverse the decree within a few days. Canarana is now, in early June, [seeing a surge](#) in Covid-19 infections.

All this export frenzy has a tremendous impact on the ground. According to *Deter*, the real-time detection system of the Brazilian national space research institute, deforestation of the Amazon in Brazil has increased by more than 50 percent in these first three months of 2020 – at the height of the coronavirus pandemic, in comparison to the previous year's first quarter. Taking advantage of the

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pandemic smoke screen, with fewer inspection agents able to carry out inspection, [agribusiness and mining operations are advancing on protected areas and indigenous territories](#), increasing the contagion of Covid-19 in indigenous populations. Many observers fear a genocide as a result of these reckless advances of agribusiness and mining operations during the pandemic.

Amidst the national quarantine in Argentina, soybean exports and forest clearings have not ceased either. In one of the most preserved forests in the entire *Gran Chaco* ecosystem, [an area of 8,000 hectares is being prospected for clearing](#). Furthermore, based on monitoring with satellite imagery, Greenpeace denounced that almost [10,000 hectares were cleared in the North of the country](#) since the lockdown began.

Such brazen corporate profiteering is creating a legitimacy crisis for the corporate food system. Although the lockdowns make it difficult to measure, the [ground appears to be shifting](#): we see workers in the food industry speaking out, organising and getting more support and solidarity from others; we see increasing interest among consumers in healthy, local foods and the well-being of food producers and farmers; and there's been an undeniable boom in community-oriented efforts to get food to where it's needed through solidarity, mutual aid, volunteer work and cooperatives. There's even been some victories at the policy level, such as the German government's [recent decision](#) to ban sub-contracted labour in meat plants and another to prevent companies taking public aid from [paying out dividends](#).

But this is a powerful industry, with ample amounts of cash and political connections at its disposal, and there is no doubt that it will do everything it can to use this moment of confusion and lockdowns to advance its interests. We have already seen this with the executive order that US President Trump issued at the behest of JBS, Tyson, Cargill and other meat corporations to keep their Covid-infested plants running. We have also seen it in Brazil where the Bolsonaro government [approved a record 96 new pesticides](#) in the first months of 2020, more than all the approvals for 2019. The same government deliberately used the cover of the pandemic to try and [pass a law](#) that would legalise land grabs and deforestation covering 80 million hectares in the Amazon and Cerrado regions. The pandemic has also been used as an opportunity to [rapidly expand e-commerce in food retail](#) and push ahead with Genetically Modified Organisms (GMOs) in [Ethiopia](#) and in [Bolivia](#), where the de-facto government claimed that the Covid-19 health emergency made GM seeds a necessity for the country.

### ***Agribusiness as big winner from new wave of structural adjustment***

Worse is yet to come. Many governments are employing global consulting firms, like [McKinsey](#), to shape their plans to open their economies back up. These secretive firms which are deeply connected to the [world's largest corporations](#), including those from the food and agribusiness sector, will no doubt influence who emerges as winners and losers from the pandemic responses-- workers or bosses, farmers' markets or [e-commerce giants](#), fisherfolk or the trawling industry.

We are also seeing the IMF and World Bank use their Covid-19 emergency funds to push countries into implementing agribusiness-friendly reforms. In the [Ukraine](#), for example, a law privatising farmland was implemented despite the opposition of a majority of Ukrainians. In the coming months, such pressures will escalate. [Dozens of countries](#) are heading for defaults, and those debts will have to be negotiated not only with the IMF and bilateral lenders, but also with private creditors who have [already indicated](#) that they are not interested in even delaying debt and interest payments during this health crisis. A new wave of structural adjustment is on the way that will focus heavily on increasing foreign agribusiness investment and exports of agricultural commodities to pay off the vultures.

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This time, however, governments are going to find it incredibly difficult to impose a new round of agro-imperialism on populations that have already had more than enough of it, and that are increasingly hungry for the alternatives that social movements have been advancing for decades.

*GRAIN*, [www.grain.org](http://www.grain.org)