TRANSFORMING THE RURAL: GLOBAL PROCESSES AND LOCAL FUTURES

RESEARCH IN RURAL SOCIOLOGY AND DEVELOPMENT

Series Editor: Terry Marsden

Recent Volumes:

Volume 6:	Sustaining Agriculture & Rural Community
Volume 7:	Focus on Migration
Volume 8:	Dairy Industry Restructuring
Volume 9:	Walking Towards Justice: Democratization in Rural Life
Volume 10:	Nature, Raw Materials and Political Economy
Volume 11:	New Directions in the Sociology of Global Development
Volume 12:	Between the Local and the Global
Volume 13:	Gender Regimes, Citizen Participation and Rural Restructuring
Volume 14:	Beyond the Rural-Urban Divide: Cross-Continental Perspectives on the Differentiated Countryside and Its Regulation
Volume 15:	Welfare Reform in Rural Places: Comparative Perspectives
Volume 16:	From Community to Consumption: New and Classical Themes in Rural Sociological Research
Volume 17:	Globalization and the Time-Space Reorganisation: Capital Mobility in Agriculture and Food in the Americas
Volume 18:	Rethinking Agricultural Policy Regimes: Food Security, Climate Change and the Future Resilience of Global Agriculture
Volume 19:	Agriculture in Mediterranean Europe: Between Old and New Paradigms
Volume 20:	Labor Relations in Globalized Food
Volume 21:	Alternative Agrifood Movements: Patterns of Convergence and Divergence
Volume 22:	Constructing a New Framework for Rural Development
Volume 23:	Metropolitan Ruralities

RESEARCH IN RURAL SOCIOLOGY AND DEVELOPMENT
VOLUME 24

TRANSFORMING THE RURAL: GLOBAL PROCESSES AND LOCAL FUTURES

EDITED BY

MARA MIELE
Cardiff University, Cardiff, UK

VAUGHAN HIGGINS
Charles Sturt University, Albury, Australia

HILDE BJØRKHAUG
Centre for Rural Research, Trondheim, Norway

MONICA TRUNINGER
Universidade de Lisboa, Lisboa, Portugal

emerald PUBLISHING

United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2017

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

ISBN: 978-1-78714-824-6 (Print)
ISBN: 978-1-78714-823-9 (Online)
ISBN: 978-1-78743-244-4 (Epub)

ISSN: 1057-1922 (Series)

CONTENTS

This page intentionally left blank

ACKNOWLEDGEMENTS

This book gathers a set of papers presented in the sessions convened by the editors at the XIII World Congress of Rural Sociology held in Lisbon, Portugal, between 29 July and 4 August 2012. We would particularly like to thank Geoffrey Lawrence (University of Queensland, Australia) for inviting us to undertake such a challenge of selecting and gathering some of the best papers presented at that particular event that dealt with the general theme of this book. We also have to thank the contributors for having prepared original material specifically for this book. It was very rewarding for us to have worked with them. We are also very grateful to the referees for their generosity, time and critical gaze in reviewing the original chapters included in the book.

Hilde Bjørkhaug would like to acknowledge the Research councils of Norway and Australia for willingness to prioritise critical research within agriculture and food systems and the current changes these systems are facing nationally and globally. Bjørkhaug also want to thank collages at the Centre for Rural Research in Trondheim, Norway and collages at the School of Social science at University of Queensland, Australia for great collaboration on research in this field over the past decade.

Monica Truninger wishes to thank her colleagues at the Instituto de Ciências Sociais da Universidade de Lisboa, Portugal, particularly the research group Environment, Territory and Society for fruitful discussions that inspired some of the writing for this book. She is pleased and very grateful to be the recipient of an FCT Investigator Grant (IF/01057/2012) awarded by Fundação para a Ciência e a Tecnologia (FCT) that funded her research, some of which, presented in this book.

The editors and publisher wish to thank the following for permission to use copyright material (some of which has been formatted for editorial reasons):

Díaz-Méndez, C., & Gómez-Benito, C. (2010). Nutrition and the Mediterranean Diet: A historical and sociological analysis of the concept of a 'Healthy Diet' in Spanish society. *Food Policy*, **35**, 437–447.

Every effort has been made to trace the copyright holders and to obtain their permission for the use of copyright material. If any have been inadvertently overlooked the publisher and the authors will gladly rectify any error or omission in subsequent editions.

This page intentionally left blank

INTRODUCTION

The purpose of this volume is to offer a sustained analysis of how global restructuring is enacted through specific social processes and the constraints as well as forms of agency to which this gives rise across different dimensions of rural life and livelihoods.

In recent decades globalisation has transformed rural societies and economies across the world. Much has been written by social scientists about the key actors and structures behind these transformations, as well as the uneven social and economic consequences of global change for rural regions. More recently, attention has turned to the broad socio-material processes – such as commodification and standardisation – that constitute globalisation, the power relations that arise in and through those processes and the constraints as well as opportunities for local action. The dynamics of globalising processes, and their effects on particular social groups, organisations and industries, has been researched in some detail. However, there has been limited scrutiny of which processes are fundamental to contemporary rural change, how these work in practice to transform the rural and the constraints as well as opportunities for rural spaces, populations and livelihoods created by such processes.

The volume *Transforming the Rural: Global Processes and Local Futures* arises out of four sessions organised by the editors at the XIII World Congress of Rural Sociology held in Lisbon, Portugal, between 29 July and 4 August 2012.

This collection of 15 papers provides a critical overview of the main global processes underpinning rural change in the 21st century. This is achieved by the identification of four key themes and processes affecting rural change: Financialisation, Standardisation, Consumption and Commodification. In what follows we offer a glimpse of what is included in each section giving more detail on the contents of the chapters. All the chapters gathered in the volume explore a plurality of processes of rural change from a variety of countries, namely the United States, Canada, Australia, Norway, Finland, the United Kingdom, Italy, Spain and Portugal.

FINANCIALISATION

A growing body of research within studies of agriculture and food has become aware of the changing patterns of ownership and investment flows in agriculture and its value chains. Awareness is connected to the consequences of these changes for farmers and rural communities, food and agriculture value chains and consumers of food and agriculture products. This emerging field of research in agro-food studies has become conceptualised as the financialisation of food and farming. However financialisation as a concept is not new as such. The concept has been around within the broader study of globalisation since the 1980s/1990s as an interdisciplinary approach (Erturk, Froud, Sukhdev, Leaver, & Williams, 2008) consisting of both economic and socio-cultural research (Klimek & Bjørkhaug, 2015). Building on this body of research, financialisation refers to the phenomenon where actors within private equity, venture capital, hedge funds and sovereign wealth funds (such as pension funds) become involved in the economy and its governing institutions (Epstein, 2005). Such actors have been found to buy into products, industries or businesses mainly aiming for profit making. They typically restructure the company to improve operations, then proceeding to sell the business to an actor who is willing to pay well. How does such strategies influence on the agro-food chains and rural areas?

In the aftermath of the financial crisis of 2007/2008 and with the consequence of rising prices in food and agricultural commodities, increasing financialisation has been observed in all parts of the agro-food chain (Brobakk & Almås, 2011; Burch & Lawrence, 2009, 2013; Clapp, 2014; Klimek & Bjørkhaug, 2015; Larder, Sippel, & Lawrence, 2015; McMichael, 2012). So called speculative investments in commodity and future markets have also increased dramatically. Asset managers increasingly invest in activities where they have never before been involved, such as in farmland, inputs to production, storage and logistics, inspection and certification, food production and processing, commodity trading or retail food services (Burch & Lawrence, 2009; Burton & Bjørkhaug, 2015; Lawrence, 2014). Is financialisation good and relevant concept to describe these developments? Lawrence (2015) argues that financialisation is still a 'concept in the making'. It is increasingly becoming a field of interest within rural and agro-food studies and will develop along the growth of research. Some empirical and spatial directions have already developed in recent studies.

One body of literature emerging in this field has focused on activities that have been called 'landgrab'. These are analysing the effects of foreign investments in land on small-scale farmers/peasants, local communities and property rights (McMichael, 2012; White, Borras, Hall, Scoones, & Wolford, 2012) such as dispossession of local farmers, change of production into biofuels or 'flex crops' (growing of most profitable crops irrespective of other needs such as food security for local populations) (McMichael, 2012, 2014). These activities have led to a concern about the balance of power in global and local food systems and food security. The main empirical locations of investigation have been investments in the 'green-belt' of Africa. This is currently shifting with increasing activity in farmland buy ups in all over the world and in all economies.

Another body of literature on financialisation focus on investments in the agro-food chain. These studies cover cases in which farms, industries or businesses in the agro-food chain are targeted for investment, how these activities influence on companies, value-chains and actors in networks related to the target company (Burch & Lawrence, 2013, Klimek & Bjørkhaug, 2015). Management issues and shifting and uneven power-relations among actors in the chain are among key questions raised in relation to these studies.

A major challenge with financialisation both in connection to land or food companies is its system of, or rather lack of, governance. Given globalisation and the neoliberal agro-food market model, an international system of governance is necessary to protect society against negative social, economic and environmental externalities (Clapp & Fuchs, 2009). How one country relates to these transactions versus others differs however quite substantially. Larder et al. (2015) show in a recent study of foreign investment in the Australian agro-food sector a major complexity of challenges that occur with such investments. While activities can be financially viable, local interests and concerns are neglected or not acknowledged, still, foreign investments in the agro-food sector are strongly encouraged by Australian government.

Chapter 1 of this volume, by Sarah Ruth Sippel, Geoffrey Lawrence and David Burch, examines the involvement of finance companies in the purchasing and leasing of Australian farmlands. Encouraged by the state, Australian agriculture is being targeted for investment by companies in the finance industry as part of the growing financialisation of farming. In their chapter the activities of the Hancock Company, a Canadian firm that is investing in farmland in northern NSW are being investigated. Sippel et al. point at a number of concerns emerging from these investments. The company is particularly criticised by community residents for failing to recognise the concerns of local people in pursuing its farming activities. While it is financially beneficial for companies to invest, Sippel et al. conclude that they do not do so in 'empty spaces' but in locations where people desire to ensure they live in a healthy environment and conclude by suggesting that this should receive more attention than what is currently happening.

Manuel Belo Moreira too, in Chapter 2, carries out an analysis of the recent history of financialisation activities in post-EU Portugal. Moreira's chapter makes the assumption that globalisation started at the end of the seventies as a state-led process of change of the economic system, conducted by policy makers around the world following the guidance of the neoliberal ideology. Within this ideology, financialisation, as the '…increasing importance of financial markets, financial motives, financial institutions, and financial elites in the operations of the economy and its governing institutions, both at the national and international levels' (Epstein, 2002) speeded up the development of a virtual economy, an economy based on capital moving in derivatives contracts rather than real products. With the global finance essentially occupied in doing business in the virtual world, there is a substantial risk of losing track with and interest in a real economy that deals with real goods and services. Portuguese agriculture after its adhesion to the EU in 1986 first did benefit from a continuous flow of European funds aimed at the modernisation of the sector in order to make it compatible in competition with more developed agricultures. While these investments by the EU aimed for modernisation, Moreira shows that the crowding out of Portuguese capitals actually was counterproductive to the political objectives. Financialisation of the economy induced by EU and national policies created a situation where private investments in agriculture and rural areas actually were substituted by EU funding and hence delayed development in the sector.

Another empirical example is from a social-democratic model and shows that there is a rise in financialised investments also in Scandinavia, but political governance models make a difference to and have created some resistance to how such activities are performed (Almås, 2015; Klimek, 2015; Klimek & Bjørkhaug, 2015). Hilde Bjørkhaug, Jostein Vik and Carol Richards show in Chapter 3 how moving towards more marked oriented models for agricultural production opens new investors, new types of investors and the consequences of this in Norwegian poultry production. Up until recent years, all agricultural production in Norway was strictly regulated through spatial policy (location), production quotas and other price and market regulations. Prices and products were handled by the farmers' cooperatives. A combination of international (e.g. WTO agreements) and domestic pressure gradually loosened the governmental regulation of chicken. Economic (e.g. new ownerships), technological (innovations throughout the whole chain), political and institutional (liberalisation) and cultural (e.g. in consumption and farming) changes have reconfigured the landscapes of chicken-meat production, opening up new opportunities not only for the chicken industry but also introduces new challenges and power relations.

While all chapters in the financialisation section address effects of globalisation, another take on globalisation processes and their potential influences on rural and agricultural communities is presented in Bruce Muirhead's Chapter 4 on possible effects of success of the Trans Pacific partnership (TPP) negotiations. International trade negotiations involving agricultural commodities have the potential to completely restructure the rural and how that happens is of critical importance. Canada is active in discussions designed to lead to a free trade agreement, the TPP that would also reduce public sector regulatory machinery in various areas, highlighting issues around financial activities, property rights and its structures. The chapter examines what will be expected of Canadian dairy should the TPP eventually be realised, through the comparative lens of existing dairy practice from several TPP negotiating partners, including Australia, New Zealand and the United States. Canada's dairy management model – supply management – which has preserved the family farm and rural communities while also giving producers' influence in the price-setting process, is as Muirhead shows, up for discussion.

STANDARDISATION

This second section of the volume focuses on the role of standards and standardising processes in the transformation of rural spaces. Standards are an increasingly significant mechanism for the regulation and organisation of the social world. According to Timmermans and Epstein (2010, p. 70), standards are 'underestimated phenomena' that render 'the modern world equivalent across cultures, time, and geography'. In the process of constructing equivalences across time and space, standards have become a powerful and pervasive mechanism for governing conduct 'at a distance' within contemporary societies (Higgins & Larner, 2010, p. 1). Rural sociologists and geographers have been at the forefront of research on standards and associated systems of auditing and certification (Bain, Ransom, & Higgins, 2013; Busch, 2000; Fuchs, Kalfagianni, & Havinga, 2011; Higgins, Dibden, & Cocklin, 2008; Mutersbaugh, Klooster, Renard, & Taylor, 2005; Ransom, Bain, & Higgins, 2013). This is perhaps not surprising given the growing use of private standards and certification frameworks by actors – such as transnational retailers and agribusiness and, to a lesser extent, civil society organisations and activists – who exert a powerful influence over the use of agricultural and rural space. While relatively diverse in its scope, research on standards and standardisation to date by rural scholars highlights three broad themes: (1) the techniques and processes through which standards are constructed as well as adapted as mechanisms of governing; (2) legitimacy and accountability in the creation of standards and (3) the inequalities involved in the application of standards. The chapters in this section engage with and build on these themes in slightly different ways.

We have included four chapters in this section beginning with Chapter 5 by Lawrence Busch that addresses the ways in which standards are involved in making-up the world. Rather than being simply technical specifications that act on an already pre-formed world, Busch argues that standards are also ontological categories that bring worlds into being and make particular types of society possible. This in turn has significant consequences for agro-food governance, which is characterised increasingly by a tri-partite private standards regime where processes of standard-setting, accreditation and certification are integrated. For Busch, if we are to collectively decide what kind of society and what kind of agro-food sector we want, the recent turn to private standards (and away from government regulation) cannot be left in the hands of a few experts. Agro-food scholars have documented numerous health, social justice and environmental problems associated with private standards and standardisation. Busch contends that addressing these problems requires greater input into the development of standards from publics, but also a division of powers so that the bodies responsible for promulgating standards are different from those who enforce and adjudicate them.

While Busch is interested in how standards make particular social worlds and forms of action possible, the next Chapter 6, by Allison Loconto and Marc Barbier, focuses more specifically on how standards themselves are constructed. Through the use of participant observation during the development of an ISEAL Assurance Code, the authors examine how actors construct the tools that enable them to influence the broader transition to sustainability. Loconto and Barbier argue that in order to understand transitions in progress towards sustainability, it is important to be attentive to how these processes are accompanied by intermediation activities. They contend that intermediate objects (or boundary objects) are crucial in these processes as they help actors to create actionable knowledge. These intermediation activities and the production of actionable knowledge contribute to the ability of actors to govern markets in the transition towards sustainable agriculture.

The construction of standards is a theme taken up also in Chapter 7 by Maki Hatanaka and Jason Konefal. However, where Loconto and Barbier focus on intermediation activities, Hatanaka and Konefal are interested in the legitimacy issues involved in standards development. Using a case study of a multi-stakeholder initiative to develop a National Sustainable Agriculture Standard (LEO-4000) for the United States, the chapter examines the practices and politics of legitimation in non-state governance. The analysis of LEO-4000 indicates firstly the simultaneous construction of legitimacy and how standards affect the kinds of standards developed. Secondly, understandings of legitimacy are influenced by the standpoint of actors. Thirdly, legitimacy has become a strategic dimension of standard-development, which actors use to further their interests. Based on these findings, the authors contend that non-state governance that relies on normative democratic principles for legitimation is constrained in its ability to develop stringent standards. For rural areas, the implication is that they are becoming enmeshed in an emerging system of non-state governance that continues to be highly contested, particularly regarding who has the right to govern such areas.

The final chapter in this section, Chapter 8 by Minna Mikkola, considers (a) what kind of freedom there might be for farmers to produce in a way that suits their economic and sustainability interests in a global trading context where they are increasingly obliged to implement agro-food standards in order to survive and (b) how farmer's freedom might impact on the standardisation of food system development. The chapter presents an empirical exploration about farmers' freedom as a function of qualitative connection between interest in socio-economic achievement and willingness to align with standards. The different freedoms to produce food can be stylised as assimilation, freedom in economic interests and willingness to align with standards, and as entrepreneurship, freedom in economic creativity shunning standards. Freedom may also lie in organic (or extensive) farming protecting green values by particular standards and in self-sufficiency yielding independence, often distanced from socio-economic achievement. Mikkola argues that farmer's freedom as assimilation has implications for the development of centralised and standardised food systems while the protection-oriented, entrepreneurial and independent agro-food systems may imply more local and sustainable food systems and options for increasing reconnection with social and natural environments. Finally, independence seems to dwell particularly in various forms of urban agriculture, questioning market forces. While standards obviously benefit the food trade there are power and transparency issues in the productive world order in need of better regard for farmers – and consumers' – freedom.

COMMODIFICATION AND CONSUMPTION

This volume section brings together seven chapters that illustrate processes of commodification/de-commodification and consumption occurring in contemporary European rural spaces. In the 1990s, and particularly in the 2000s, a number of studies challenged the dominant 'production oriented' approach in rural studies, calling attention to the previously underexplored field of consumption and consumers' matters in rural areas. At the outset of this debate, two different perspectives developed in subsequent scholarly works bringing forward consumption concerns.

The first perspective focused on the ideas around the 'consumption countryside' (Marsden, 1999) that aptly interlocks with processes of 'commodification of the countryside' (Cloke, 1992; Woods, 2005). In the context of economic restructuring rural areas shifted their former status as places of production to multiple sites of consumption. Thus, a number of studies (Murdoch et al., 2003; Woods, 2005) pointed out that now goods and services were commoditised and enjoyed by city dwellers, tourists and visitors. Several producers were both driven by a desire to generate a revenue and to participate and develop the cultural and social economy of many deprived rural spaces. Middle class consumers were willing, on the one hand, to experience the rural idyll (an urban and bourgeois romanticised imagery of the rural where harmony, pristine nature, purity and stability were believed to be found) and, on the other hand, to escape from the vagaries of the city (where pollution, noise, overpopulation and stress abounded), a contrast that finds its roots in the pastoralist and romantic movements of the 18th and 19th centuries (Murdoch et al., 2003; Williams, 1973). The countryside has been marketed and promoted to appeal to a large number of consumers, by being often represented, together with its products and services, through the rural idyll imagery (Woods, 2005). Agro-tourism experiences, promotional initiatives, place branding, the commoditisation of new goods and services to generate income in rural areas (e.g. renewable energies, local foods) have been important mechanisms for their revitalisation and development. Therefore, a consumption-based rural economy has been an important device for the commodification of rural spaces and for 'exploiting the aesthetic appeal of the countryside' (Bryant & Goodman, 2004; Woods, 2005, p. 174). One consequence was the transformation of rural places together with their perceptions, not only of local residents but also of tourists, visitors, migrants and other incomers. Among many other factors, this has given rise to multiple and differentiated rural spaces that are disparately imagined, lived, experienced and consumed. However, the differentiated countryside can be also a source of conflict that defies the monolithic images about the rural so prominent in pastoralism (Murdoch et al., 2003; Woods, 2005).

Another body of work, looking at the emergence of new form of 'producers-consumers' connections and networks soon became a core area in rural studies. In the wake of the 1990s food scares (BSE, Foot and Mouth Disease and several outbreaks of Avian Influenza), the food system and its food qualities became further scrutinised. New consumer concerns for health and obesity, climate change, environmental pollution and animal welfare led to the emergence of specific innovations in the retailing of agricultural products with a strong growth of short food supply chains, farmers markets, CSAs (Renting, Marsden, & Banks, 2003). This led to a scientific debate strongly polarised about the risks of the industrial and intensive global food system and its impacts on the environment, social justice and the quality of food, and the merits as well as the high expectations of the alternative food networks as reflected in the consumers' demand for organic, local, fairly traded or animal welfare friendly foods (Miele & Pinducciu, 2001).

However a number of studies have addressed the normative assumptions underlining these representations and the dichotomous thinking between the so-called globalised conventional food networks and the local alternative food networks and examined their actual impacts on local economies and rural development (Goodman, DuPuis, & Goodman, 2012; Guthman, 2007; Morgan, Marsden, & Murdoch, 2008; Winter, 2003). These critical approaches brought forward the need to move beyond the normative assumption that 'local' is also 'just' and 'environmentally sustainable' and invite a more critical appraisal of the qualities of local foods and their effects in producers-consumers' relationships and urban-rural connections. More recently a less dichotomous approach to conventional and alternative food systems (or to urban and rural areas) is emerging in connection with the influence of post-structuralist approaches to rural studies (e.g. Actor Network Theory, more than human, material, embodied and visceral perspectives, see Goodman and Sage, 2016, Goodman et al., 2012).

Albeit in recent years there has been more attention to consumption issues in the scientific literature about the rural and its interlocked rural and agro-food commoditisation processes, we still know little about consumer practices viewed not only as reflexive or political acts (an aspect that has been vastly explored in the local and organic literature) but importantly as mundane, ordinary and routinised activities that engage with the rural and its representations (e.g. the rural idyll and its effect on products, services or experiences).

Consumption and consumers have yet failed to gain a more prominent position in rural studies, and despite the efforts of some scholars to reconnect production with consumption (Dubuisson-Quellier, Lamine & Le Velly, 2011; Fine, 2004; Goodman, 2002; Kneafsey et al., 2008; Lockie, 2002; Truninger, 2005; Truninger, 2010), the conceptual and theoretical tools of consumption studies are seldom employed in rural scholarship as already acknowledged by Fine (2004) (but see Brunori, Rossi, & Guidi, 2012; Fine, 2004; Lockie, Lyons, Lawrence & Mummery, 2002; Miele, 2006; Roe, 2006; Sassatelli, 2015 for some exceptions). Almost 20 years ago, Hilary Tovey identified 'a curious, if implicit, division of labour' between rural sociologists who focus on the organisation of agriculture, labour and production processes and food sociologists who focus on consumption matters (Tovey, 1997, p. 21). This very same division of labour recognised almost 20 years ago has not been totally effaced.

The seven chapters in this section engage with consumption issues, (de)-commodification processes and the connections between production and consumption in a variety of ways as an attempt to consolidate further the visibility of these issues in the rural literature. Some of the chapters cut across the two themes of consumption and commodification (e.g. Dulce Freire), others sit more comfortably in the consumption side (e.g. Cecilia Díaz-Méndez and Cristobal Gómez-Benito, and Monica Truninger and Ana Horta), and yet others offer nice illustrations of the enactment of commodification processes, either in rural spaces or echoing images of the rural (e.g. in the case of renewable energy presented by Ana Delicado, Mónica Truninger, Elisabete Figueiredo, Luís Silva and Ana Horta, the naturalness of organic egg production by Mara Miele, the dedicated buying groups 'GAS' described by Annamaria Vitale and Silvia Sivini and the supermarkets' marketing and packaging of leeks by Moya Kneafsey, Laura Venn and Elizabeth Bos).

Chapter 9 by Delicado et al. examines the effects of the commodification of the countryside through the siting of renewable energy high tech infrastructures in the Portuguese landscape. Delicado et al. analyse the media representations of wind power plants and their relations with the rural imagery and also examine the Environmental Impact Assessments (EIAs) to account for disputes or conflicts brought about by the setting up of such infrastructures. Wind farms resemble technological artefacts which are impinged on previously perceived unspoiled rural landscapes, they transform the social and economic fabric of localities, influence social perceptions of benefits and risks, including property value and its speculation and generate in some cases discord and conflict between diverging local interests. The findings point out that aesthetic appreciations of rural landscapes are employed as one of the main arguments that conflict with the siting of wind farms in Portugal. As the authors conclude, in public consultation procedures wind power plants are seen as artificial devices that are out of place in the pristine rural setting.

Chapter 10 by Freire, takes a food regime approach informed by Friedmann and McMichael (1989)'s work and looks at the processes of commodification of olive oil in Portugal since the Great Depression in the 1930s until 2010. The chapter offers a contribution to this important literature in rural studies by extending the debate on food regimes to Portugal. By focusing the analysis on the Portuguese olive oil value chain – a core product of the UNESCO classified Mediterranean Diet that is increasingly capturing global consumers' distinctive tastes – Freire examines the articulation of market and state actions during the 20th century. This commodity experienced fluctuations throughout this period, with a growth phase until the 1950s, then a difficult crisis triggered by strong competition from other fats (margarines, butter, other types of oils) and finally a recovering phase regaining growth and success since the last years of the 20th century, mostly capitalising on the promotion of the Mediterranean Diet. In order to understand such configurations across three food regimes, Freire's looks at the strategies and actions of various economic and political players in different political regimes (from the authoritarian *Estado Novo* until the democratic period in place since 1974). The author also looks at the impacts of these configurations in local territories where olive groves are grown and analyses the contradictory local and global dynamics of rural development in that country.

Focusing on a mundane vegetable, the leek, Chapter 11 explores the ways in which UK supermarkets replicate some of the characteristics of short food supply chains. Kneafsey et al. analyse several examples of packaging and in-store information drawn from a range of supermarkets made available to shoppers. Such labelling devices provide insights into the degree of transparency and traceability of the British leek commodity chain and are used to examine supermarkets role in reconnecting consumers with producers. Guided by what colloquially they call a 'curious consumer' approach the authors analyse the labelling of packages of leeks in supermarkets looking for visual cues in the information displayed of the reconnections of consumers with producers. The results show that some of the information supplied the supermarkets mimic the characteristics of short food chains by offering precise data on the origin of the leek (name of the producer, from which farm it was sourced). Another interesting finding is that traceability and transparency in the food supply chain do not necessarily go hand in hand. Supermarkets often supply unintelligible information to consumers (bar codes and numbers) only intended for traceability purposes and not for transparency and consumer information. The information in the packaging also seems to give greater prominence to the communication of the values of the retailer (trust, quality, consistency) rather than the values of the producer, an aspect that is clearly more important in short food supply chains. The chapter concludes by pointing out that supermarkets offer a sort of 'pseudo-reconnection', that is, they provide information to consumers about the origin of production, but are careful to not displaying the inner workings of industrialised long food supply chains.

Chapter 12 by Miele looks at the production of certified organic and free range eggs to explore processes of commodification of nature through organic and animal welfare standards. Greater attention to and anxiety about farm animal welfare emerged at the end of the 20th century, as worries over food safety and food quality (connected to the BSE, FMD and other epidemics) pushed farm animal welfare into public discourse and political debate. In this chapter Miele looks at one of the ways in which consumers' concerns and anxieties about animal welfare are addressed by the Soil Association (the United Kingdom), whose organic standard is based on a scheme of production that endorses animals' natural life in the case of certification of organic eggs in the United Kingdom and at free range 'happy eggs' (Miele, 2011). Drawing on STS approaches Miele addresses the processes of producing 'naturalness' as food 'attribute' (to borrow from economics) and how 'the natural life of hens' is achieved in the context of eggs' production.

Drawing on a Marxist perspective, in Chapter 13 Vitale and Sivini explore the processes of de-commodification of specific local foods in South Italy. The central argument of this chapter is the need to look at the way social relationships shape the whole agro-food chain, from production through exchange to consumption. By looking at a case study of an alternative food network (AFN) in the form of a Solidarity Purchasing Group (Gruppi di Acquisto Solidale – GAS) the authors examine (de)commodification processes with reference to four dimensions: labour, product, relationships and exchange. The analysis shows that the critical farmers of this GAS group have built new practices around agriculture. The labour and the living nature (animals, plants, water, land) constitute a dynamic relation of co-production and are not merely seen as factors of production. The goods are more than simple commodities because they show how the innovative practices of producers are aligned with the expectations of critical consumers. This is a way of reinforcing the use value of goods (demonstrating a process of de-commodification) instead of its exchange value (as it happens in any process of commodification). Moreover, these authors show how the exchange of goods is based on cooperation and solidarity instead of competitive relations, counteracting the logic of commodification. It also shows that the constituted network is the effect of social practices driven by relationships that take shape in the processes of experimentation, discussion, debate, collective learning and interaction between producers and consumers.

The final two chapters address the issue of healthy eating and describe specific policies aimed at promoting healthier diets. Chapter 14 by Díaz-Méndez and Gómez-Benito reports the evolution and reconfiguration of the Spanish public bodies perceptions on what constitutes a healthy diet, and how these ideas transformed food consumption patterns and were fed by representations of urban-rural contrasts. The authors undertake a content analysis of over 1,500 documents issued by agriculture and health authorities over a period of 50 years, looking at healthy diet guidelines. The chapter identifies four important periods of the configuration of healthy diet messages. The first period in the 1960s marks the beginning of the consumer society wherein health messages about food were targeted at women living in rural areas with poor and unbalanced food diets. The second period, in the 1970s, saw the rapid urbanisation of the Spanish society. Here, health messages were targeted at urban women displaced from rural production areas, to help them acquire healthier food consumption habits. At that time, factory products were deemed safer to eat rather than the ones coming directly from the country (given the latter did not have to comply with strict hygiene and safety standards). Concerns around obesity also emerged during this period, bringing forward ideas around body size, shape and health. The third period, in the 1980s, featured the modernisation phase where the promotion of the Mediterranean Diet among consumers matched the investment in the marketing of national Spanish products and the promotion of eating local. The fourth phase featured the gradual medicalisation of food (e.g. functional foods) and a core attention to the relations between health, physical exercise and the Mediterranean diet more strongly. The chapter shows the co-evolution of policy guidelines on healthy eating and their impacts on consumption patterns and food representations among the Spanish population, producing four distinct periods where scientific knowledge, policy discourses and consumers eating habits are mutually affected and are cross cut by policy perceptions of the rural.

Chapter 15 looks at the school meals reform in Portugal and the promotion of healthier meals. The initiatives here described have been targeted at children given that in recent years there has been an increased incidence of overweight and obesity among the younger segment of the population. Truninger and Horta situate their case study in a primary school of a rural area in the Northern region of Portugal that has changed its school meals to comply with the new norms. Such reform compelled the school menus to have stronger nutritional standards as a way to start shifting the eating habits of children towards health. The chapter offers a contribution to a broader understanding of children lived experiences with food consumption in rural contexts, an issue that has not captured much scholarly attention. Departing from the rural and gastro idylls imageries, the authors explored three issues: (1) how the school and catering staff perceive children's acceptance of the new school meals; (2) the existence of contrasting views between the rural and gastro idylls and everyday life food consumption practices; (3) the relations of children with animals, plants and other nature, and how they contrast or juxtapose with the rural idyll. The results show that despite the production of hegemonic discourses around the rural idyll, children's food practices are heterogeneous and negotiated across different consumption contexts. For example, there was interference of the urban and cosmopolitan life in the foodways of children and their families living in rural areas, given the proximity to a medium size city (e.g. going to eat in a shopping centre or a fast food restaurant was not unusual). Moreover, the catering staff struggled to impose a standardised school menu to all the schools given the contrasting food tastes of children and their families across the region. This challenged monolithic views about the rural, showing its differentiation and plurality, and forcing the company to cater to children tastes in a flexible way. Lastly, the results also defied a monolithic view regarding rural childhood and their reified relationships with animals, plants and other nature.

Mara Miele
Monica Truninger
Vaughan Higgins
Hilde Bjørkhaug
Editors

REFERENCES

Almås, R. (2015). Regional samhandling, nyskaping og utviklingsbanar i tre matklynger: Gauldalen, Frøya og Kviamarka. In H. Bjørkhaug, R. Almås, & J. Vik, *Norsk matmakt i endring: Nyskaping og endrede maktforhold i den norske matvarekjeden*. Bergen: Fagbokforlaget.

Bain, C., Ransom, E., & Higgins, V. (2013). Private agri-food standards: Contestation, hybridity and the politics of standards. *International Journal of Sociology of Agriculture and Food*, *20*(1), 1–10.

Brobakk, J., & Almås, R. (2011). Increasing food and energy prices in 2008: What were the causes and who was to blame? *International Journal of Sociology of Agriculture and Food*, *18*(3), 236–260.

Brunori, G., Rossi, A., & Guidi, F. (2012). On the new social relations around and beyond food. Analysing consumers' role and action in Gruppi di Acquisto Solidale (Solidarity Purchasing Groups). *Sociologia Ruralis*, *52*(1), 1–30.

Bryant, R. L., & Goodman, M. K. (2004). Consuming narratives: The political ecology of 'alternative' consumption. *Transactions of the Institute of British Geographers*, *29*(3), 344–366.

Burch, D., & Lawrence, G. (2009). Towards a third food regime: Behind the transformation. *Agriculture and Human Values*, *26*(4), 267–279.

Burch, D., & Lawrence, G. (2013). Financialisation in agri-food supply chains: Private equity and the transformation of the retail sector. *Agriculture and Human Values*, *30*(2), 247–258.

Burton, R., & Bjørkhaug, H. (2015). Typologisering av nye verdikjeder for mat: Når profitt er målet og «ikke-mat» er middelet. In H. Bjørkhaug, R. Almås, & J. Vik, *Norsk matmakt i endring: Nyskaping og endrede maktforhold i den norske matvarekjeden*. Bergen: Fagbokforlaget.

Busch, L. (2000). The moral economy of grades and standards. *Journal of Rural Studies*, *16*, 273–283.

Clapp, J. (2014). Financialisation, distance and global food politics. *The Journal of Peasant Studies*, *41*(5), 797–814.

Clapp, J., & Fuchs, D. (2009). *Corporate power and global agrifood governance*. Cambridge: MIT Press.

Cloke, P. (1992). The countryside as commodity. In S. Glyptis (Ed.), *Leisure and the environment. Essays in honour of professor J.A. Patmore* (pp. 53–67). London: Belhaven.

Dubuisson-Quellier, S., Lamine, C., & Le Velly, R. (2011). Citizenship and consumption: Mobilisation in alternative food systems in France. *Sociologia Ruralis*, *51*(3), 304–323.

Epstein, G. (2002). Financialization, rentier interests, and central bank policy. Paper prepared for PERI Conference on Financialization of the World Economy, University of Massachusetts, Amherst, December 2001.

Epstein, G. (2005). *Financialization and the world econonmy*. Cheltenham: Edward Elgar.

Erturk, I., Froud, J., Sukhdev, J., Leaver, A., & Williams, K. (Eds.). (2008). *Financialisation at work*. Abingdon: Routledge.
Fine, B. (2004). Debating production-consumption linkages in food studies. *Sociologia Ruralis*, *44*(3), 332–342.
Friedmann, H., & McMichael, P. (1989). Agriculture and the state system. *Sociologia Ruralis*, *29*(2), 93–117.
Fuchs, D., Kalfagianni, A., & Havinga, T. (2011). Actors in private agri-food governance: The legitimacy of retail standards and multistakeholder initiatives with civil society participation. *Agriculture and Human Values*, *28*, 353–367.
Goodman, D. (2002). rethinking food production–consumption: Integrative perspectives. *Sociologia Ruralis*, *42*(4), 271–277.
Goodman, D., DuPuis, E. M., & Goodman, M. K. (2012). *Alternative food networks: Knowledge, practice, and politics*. Abingdon: Routledge.
Goodman, M. K., & Sage, C. (Eds.). (2016). *Food transgressions: Making sense of contemporary food politics*. Abingdon: Routledge.
Guthman, J. (2007). The Polanyian way? Voluntary food labels as neoliberal governance. *Antipode*, *39*(3), 456–478.
Higgins, V., Dibden, J., & Cocklin, C. (2008). neoliberalism and natural resource management: Agri-environmental standards and the governing of farming practices. *Geoforum*, *39*, 1776–1785.
Higgins, V., & Larner, W. (2010). Standards and standardization as a social scientific problem. In V. Higgins & W. Larner (Eds.), *Calculating the social: Standards and the reconfiguration of governing* (pp. 1–17). Basingstoke: Palgrave Macmillan.
Klimek, B. (2015). Fusjoner og oppkjøp i norsk matindustri under økt internasjonal integrasjon siden 1990-tallet. In H. Bjørkhaug, R. Almås, & J. Vik, *Norsk matmakt i endring: Nyskaping og endrede maktforhold i den norske matvarekjeden*. Bergen: Fagbokforlaget.
Klimek, B., & H. Bjørkhaug (2015). Norwegian agro-food attracting private capital, varieties of capitalism – Varieties of financialisation? *Sociologia Ruralis*. doi:10.1111/soru.12112
Kneafsey, M., Cox, R., Holloway, L., Dowler, E., Venn, L., & Tuomainen, H. (2008). *Reconnecting consumers, producers and food: Exploring alternatives*. Oxford: Berg.
Larder, N., Sippel, S. R., & Lawrence, G. (2015). Finance capital, food security narratives and Australian agricultural land. *Journal of Agrarian Change*, *15*(4), 592–603.
Lawrence, G. (2014). Book review on financialisation. *The journal of Peasant Studies*, *41*(3), 421–423.
Lawrence, G. (2015). Defending financialisation. *Dialogues in Human Geography*, *5*(2), 201–205.
Lockie, S. (2002). The invisible mouth: Mobilizing 'the Consumer' in food production–consumption networks. *Sociologia Ruralis*, *42*(4), 278–294.
Lockie, S., Lyons, K., Lawrence, G., & Mummery, K. (2002). Eating 'Green': Motivations behind organic food consumption in Australia. *Sociologia Ruralis*, *42*(1), 23–40.
Marsden, T. (1999). Rural futures: The consumption countryside and its regulation. *Sociologia Ruralis*, *39*(4), 501–520.
McMichael, P. (2012). The land grab and the corporate food regime restructuring. *The Journal of Peasant Studies*, *39*(3-4), 681–701.
McMichael, P. (2014). Rethinking 'Food Security' for the new millennium: Sage advice. *Sociologia Ruralis*, *54*(1), 109–111.
Miele, M. (2006). Consumption culture: The case of food. *Handbook of rural studies*, 344–354.
Miele, M. (2011). The taste of happiness: Free range chicken. *Environment and Planning A*, *43*(9), 2070–2090.
Miele, M., & Pinducciu, D. (2001). A market for nature: Linking the production and consumption of organics in Tuscany. *Journal of Environmental policy and Planning*, *3*(2), 149–162.
Morgan, K., Marsden, T., & Murdoch, J. (2008). *Worlds of food: Place, power, and provenance in the food chain*. Oxford: Oxford University Press.

Murdoch, J., Lowe, P., Marsden, T., & Ward, N. (2003). *The differentiated countryside*. London: Routledge.

Mutersbaugh, T., Klooster, D., Renard, M-C., & Taylor, P. (2005). Certifying rural spaces: Quality-certified products and rural governance. *Journal of Rural Studies*, *21*, 381–388.

Ransom, E., Bain, C., & Higgins, V. (2013). Private agri-food standards: Supply chains and the governance of standards. *International Journal of Sociology of Agriculture and Food*, *20*(2), 147–154.

Renting, H., Marsden, K. T., & Banks, J. (2003). Understanding alternative food networks: Exploring the role of short food supply chains in rural development. *Environment and Planning A*, *35*, 393–411.

Roe, E. J. (2006). Things becoming food and the embodied, material practices of an organic food consumer. *Sociologia Ruralis*, *46*(2), 104–121.

Sassatelli, R. (2015). Consumer culture, sustainability and a new vision of consumer sovereignty. *Sociologia Ruralis*, *55*(4), 483–496.

Timmermans, S., & Epstein, S. (2010). A world of standards but not a standard world: Toward a sociology of standards and standardization. *Annual Review of Sociology*, *36*, 69–89.

Tovey, H. (1997). Food, environmentalism and rural sociology: On the organic farming movement in Ireland. *Sociologia Ruralis*, *37*(1) 21–37.

Truninger, M. (2005). *Organic food in Portugal: Conventions and justifications*. PhD Thesis. Mimeo. University of Manchester.

Truninger, M. (2010). *O Campo vem à Cidade: Agricultura Biológica, Mercado e Consumo Sustentável*. Lisboa: Imprensa de Ciencias Sociais.

White, B., Borras Jr., S. M., Hall, R., Scoones, I., & Wolford, W. (2012). The new enclosures: Critical perspectives on corporate land deals. *Journal of Peasant Studies*, *39*(3-4), 619–647.

Williams, R. (1973). *The country and the city*. New York, NY: Oxford University Press.

Winter, M. (2003). Embeddedness, the new food economy and defensive localism. *Journal of rural studies*, *19*(1), 23–32.

Woods, M. (2005). *Rural geography: Processes, responses and experiences in rural restructuring*. London: Sage.

PART I
FINANCIALIZATION

CHAPTER 1

THE FINANCIALIZATION OF FARMING: THE HANCOCK COMPANY OF CANADA AND ITS EMBEDDING IN RURAL AUSTRALIA

Sarah Ruth Sippel, Geoffrey Lawrence and David Burch

ABSTRACT

This chapter examines the involvement of finance companies in the purchasing and leasing of Australian farmlands. This is a new global phenomenon as, in past decades, finance companies have lent money to farmers, but have rarely sought to purchase land themselves. We investigate and discuss the activities of the Hancock company – an asset management firm that invested in farmland in northern NSW. Material on the activities of Hancock and other investment firms were obtained from documents on the public record, including newspaper reports. Semi-structured interviews with community members were conducted in the region of NSW where Hancock operated. Australian agriculture is being targeted for investment by companies in the finance industry – as part of a growing 'financialization' of farming. While it is financially beneficial for companies to invest, they do not do so in 'empty spaces' but in locations where people desire to live in a healthy environment. The Hancock company was criticized by community residents for failing to

Transforming the Rural: Global Processes and Local Futures
Research in Rural Sociology and Development, Volume 24, 3–23

ISSN: 1057-1922/doi:10.1108/S1057-192220170000024001

recognize the concerns of local people in pursuing its farming activities. To date, there have been few studies on the financialization of farming in Australia. By investigating the operations of the Hancock company we identify a number of concerns emerging, at the community level, about an overseas company running Australian-based farms.

Keywords: Financialization of farming; financial investment; rural change; community perspectives; Australia

INTRODUCTION

Access to finance has been essential for the growth of Australian agriculture. Farmers have borrowed from banks and other financial institutions to purchase properties; improve productivity via irrigation infrastructure, fertilizer and pesticide applications and new animal breeding regimes; buy increasingly sophisticated mechanical- and information-based technologies and to obtain emergency funding in times of floods, droughts and unanticipated declines in commodity prices. Until relatively recently, however, the finance industry has rarely sought to purchase land itself or has been involved in the day-to-day running of farms. Agricultural economists have explained the previous reluctance on the part of finance companies to own and control farm assets, in terms of the risky nature of that venture. With farming subject to the vagaries of weather and markets, finance firms have preferred to leave the risks with the farmer. As such, there has been little long-term concern for the lender – monies borrowed by the farmer could always be recovered by banks through sale of the property, should the farm business fail.

Since the global financial crisis of 2008, however, there has been an unprecedented level of interest by large financial institutions and other finance-sector players – both nationally and globally – in the direct ownership of farmlands, in farm management and in the growing and marketing of farm-based commodities, including biofuels (Burch & Lawrence, 2009; Cotula, Vermeulen, Leonard, & Keeley, 2009; Fairbairn, 2014; McMichael, 2012a; Murphy, 2010). Much of the early academic research on the 'rush for land' has taken place within the framework of the literature on 'land grabbing' and has mainly explored impacts of farmland investments on small-scale farming, livelihoods and food security in the Global South (Borras, Hall, Scoones, White, & Wolford, 2011; Scoones, Hall, Borras, & Wolford, 2013; White, Borras, Hall, Scoones, & Wolford, 2012). When this body of literature became more incorporated with the work on financialization of agriculture and food, scholars have also started to investigate recent transformations of farmland ownership and food production in the Global North, together with the historical circumstances, institutional contexts and regulatory drivers that have paved the way for current restructurings in industrialized contexts, such as the United States, Canada and Australia (Magnan, 2012, 2015; Sippel, 2015; Sommerville & Magnan, 2015). Adding to this emerging research at the interface of the financialization of the agri-food system, on the one hand, and changing patterns of rural landownership, on the other, this chapter focuses upon the Hancock company of Canada, a global key actor in farmland investments, and reports upon its activities and its 'embedding' in Australian rural spaces. The aim of the chapter is twofold: to explain what is driving the investment of financial actors in Australia and to explore how these investments are perceived by rural communities.

To date, in concentrating upon the dynamics of the global financial system, much of the academic writing about financialization has failed to locate the impacts of that system's activities in the 'real economy' (Hall, 2012). Yet, as Woods (2007, following Massey, 2005) has argued, it is essential to understand how places are remade under processes such as globalization, neoliberalism and – we would add – financialization. In doing so it is possible to disclose the unevenness of global power geometries (Massey, 1999) as well as to discern the extent to which a sense of place and identity are manifested locally and can become a site for community resistance. While Australian agriculture is being targeted for investment by companies in the finance industry to generate financial benefits, we demonstrate that they do not do so in 'empty spaces' but in specific rural landscapes where different groups of people pursue various interests such as the desire to live in a healthy environment. If companies fail to recognize this, investments become contested. Clapp (2014) argues that heightened financialization in the global food system contributes to distancing in two ways – by increasing the number of actors involved in the agri-food system and by abstracting food from its physical form into highly complex agricultural commodity derivatives. Both have an obscuring effect. Following Clapp's (2014) argument, we suggest that the financialization of farming works as a further distancing mechanism in the global agri-food system as it fosters the abstraction of farmland by turning it into a financial asset class and contributes to an increasing disconnection between rural social spaces.

Empirically, the chapter relies on information gathered from public sources, namely Hancock-based websites, various internet sources and media coverage of the group's activities, particularly in Australia, as well as qualitative interviews which were conducted in 2012. Despite several requests, no interviews with the Hancock's Australian representatives were granted. Thus, while we were able to talk to a variety of people affected by the operations of Hancock at the local level, the perspective of the company itself is missing from this chapter. Different voices from a region in northern New South Wales, where Hancock-owned farms operated until 2016, are provided reflecting the local perceptions of the company's interaction with rural communities. Methodologically, following a general investigation of the local setting and the different groups and interests within the community, six in-depth interviews were conducted with selected representatives of the community (including farmers, local residents and representatives of civil society groups).[1] In addition to the individual experiences in interacting with the Hancock company, the interviews covered aspects such as the social fabric of the community, changes to rural land use and ownership as well as reasons for and concepts of living in rural areas. Given the small number of interviews and the limited scope of the empirical research conducted, we consider our findings as a preliminary and partial assessment of how rural places are changing within the context of financialization.[2]

The chapter is organized as follows: First, we give an overview of processes of financialization of farming on a global scale. Second, we focus upon the activities of the Hancock Agricultural Investment Group (HAIG), providing an example of the growing influence of finance capital on Australian farming. Third, the insights from HAIG's activities are combined with qualitative research at the community level addressing the local interactions with, and perceptions of, the company. We conclude with a discussion of our findings in light of the recent transformations of the agri-food system by financial actors.

THE FINANCIALIZATION OF FARMING: GLOBAL PERSPECTIVES

In recent decades, 'financialization' has become a central focus within processes of social and economic transformation. There are various definitions of financialization which converge upon a process in which financial actors, interests and motives along with financial logics and rationales are increasing their economic and social influence. From a political economy perspective, scholars have shown how profit-making tends to occur increasingly through financial rather than productive channels (Arrighi, 1994; Epstein, 2005; Krippner, 2005). The relationship between finance and production is, however, more complex than often assumed and, as Lapavitsas (2011, p. 622) points out, the mediating processes between the two need to be investigated in their own right. In this regard, the financial interest in farming combining and aligning both financial and productive elements is a case in point. Sparked by the global food crisis of 2007/2008, scholars have been observing the financialization of agriculture and of food, captured as the increasing involvement of financial markets, motives, institutions and elites at various levels of the agri-food system (Burch & Lawrence, 2009, 2013; Clapp, 2012, 2014; Cotula, 2012; Isakson, 2014; McMichael, 2012b). One entrance point of financial capital has been the very level of agricultural production itself including the turning of farmland into a financial asset class (Fairbairn, 2014; Gunnoe, 2014; Li, 2014). What are the drivers of the financialization of farming and how and at what scale does it take place?

Intensified by the turmoil in global financial markets since 2008, financial institutions have come to view 'real assets' – land, livestock, crops, forests, plantations, input supplies, agricultural infrastructure and logistics companies – as profitable medium-to-long-term investments (Burch & Lawrence, 2009; McMichael, 2012b). In the search for innovative investment opportunities, these institutions expect to develop new income streams, such as rents from leasing agricultural land, profits from commodity sales, the sale of natural resources, the trading of carbon credits and financial gains from enhanced land values – all of which can result in increasing returns to the investors whose assets are being managed, along with an improvement in the finance company's profits. This changed attitude towards long-term investments in food and farming on the part of the financial sector is, in part, a response to the recent poor performance of the traditional asset classes in which fund managers and others have tended to concentrate their investments. As is now well known, earlier outlets for investment – including property holdings, mortgage-based securities (and other financial instruments associated with the 'sub-prime' real estate), as well as shares in manufacturing, retail and construction and infrastructure developments – are no longer deemed to give certainty to profit-making: all suffered in the global financial crisis of 2008 (Lapavitsas, 2009).

Further arguments are also advanced, indicating that this new focus on farmland and farming assets is deeply embedded in the evolving structure and emerging contradictions of the changing global economy. In the 'investor discourse' which constructs and promotes farmland as alternative asset class, a number of factors are commonly cited drawing on a neo-Malthusian argument of 'resource scarcity' (Fairbairn, 2014), on the one hand, and on 'food (in)security' narratives to legitimize and incentivize investments, on the other (Larder, Sippel, & Lawrence, 2015). A first argument refers to farmland being a finite resource, while as a combination of population growth, urbanization and land degradation (FAO, 2009), the amount of arable farmland per head of population is declining. Standing at some 0.45 hectare per person in 1960, the figure had fallen to 0.24 hectare in 2000 and to 0.20 hectare in 2009 (Trading Economics, 2013). The value of arable land is rising, as a consequence. Savills Research (2012, pp. 4, 5) has estimated that the increase in land value has been in the order of 400 per cent over the last decade. Related to the growing value of farmland and related capital gains from its appreciation is the expectation that food prices will continue to increase. This points to the fact that farmland as an asset class cannot be separated from its productive capacity (Fairbairn, 2014). Here, a number of reasons are commonly cited. As oil becomes scarce (in line with the 'peak oil' scenario) the oil-based inputs to farming (fuels, pesticides and fertilizers) are becoming more expensive (Cribb, 2010). So, too, the burgeoning growth of the middle classes in places like China and India is seemingly guaranteeing farmers expanding markets for grain-fed, factory-farmed, chicken, pork and beef (USDA, 2008; Weis, 2010). It is considered that climate change will reduce food production (Lawrence, Lyons, & Wallington, 2010) while the issue of speculation must also be addressed. Deregulation of financial markets has allowed for the creation of Commodity Index Funds (CIFs) which are tradable assets comprising a mixed bundle of commodities – pigs, cattle, corn, oil, coal and so forth. Financial investors have sought to profit from betting on the movement of CIFs, with speculative activities driving up the prices of agricultural products within those 'bundles' (Clapp, 2012). All these aspects potentially lead to agricultural price increases upon which firms owning farmlands and producing those commodities might capitalize. Finally, carbon trading is expected to become a multi-billion dollar industry by 2050 (Theisse, 2009), so those owning land upon which trees and plants grow will potentially be in an excellent position to benefit from carbon sequestration on farmlands.

The factors, above, further combine with a number of assumptions with regard to the risk-return characteristics of farmland investment and the impact farmland investments are having when added to portfolios. A study based on available empirical data from the United States, Canada, Australia and New Zealand between 1990 and 2005 found that farmland had a low or negative correlation with traditional asset classes (such as bonds and stocks) while having favourable risk-return characteristics (i.e. low risks and reasonable returns), leading to the conclusion that farmland helps to improve the financial performance of portfolios (Painter & Eves, 2008). In these calculations, the total return of farmland is composed of two parts, the income return, defined as the portion of the farm revenues or profits attributed to the land as opposed to labour and management and the capital return as the change in the market value of the land from year-to-year (Painter & Eves, 2008, p. 66). Thus, farmland as an asset class relies on its conceptualization of both being a productive as well as an appreciating asset class – supporting the point that recent farmland acquisitions can be for productive and speculative purposes at the same time (Fairbairn, 2014, p. 786). The securitization of farmland – which Fairbairn (2014, p. 789) identifies as the 'frontier of farmland financialization' – currently aims at increasing its liquidity by aggregating rental payments into single income streams into which investors can buy, for instance in the form of stock in a publicly-listed farmland fund. This development, similar to the possibilities of investment in agricultural derivatives (Clapp & Helleiner, 2012), will open farmland investments for more speculative purposes while abstracting from its physical and illiquid as well as locally bound and community-embedded character. In this way, the financialization of farmland works as a further distancing mechanism in the agri-food system (Clapp, 2014) as it helps to increase distance by abstracting from the physical character of farmland while obscuring the role and impact financial actors are having.

The full extent of global financial investments in farmland remains unclear. As of 2012, depending on the source, the estimated amount invested in primary agriculture varied between USD 5 and 40 billion (Luyt, Santos, & Carita, 2013, p. 32), which, in any case, represents only a very small percentage of the amount of capital invested in global financial marketplaces. It is safe to say, however, that in recent years hundreds of specialized financial investment vehicles focusing on the food and farming sectors have been established. These include private equity funds, hedge funds, real estate management trusts as well as private and public companies pursuing farm ownership and management strategies that, in turn, are investing money for diverse actors such as pension funds, international financing institutions or sovereign wealth funds (Bergdolt & Mittal, 2012; HighQuest Partners, 2010; Luyt et al., 2013; Miller, Richter, McNellis, & Mhlanga, 2010). To make things more complex, a process of 'financialization in reverse' can be observed in the sense that other actors in the agri-food supply chain are beginning to act like finance capital (Burch & Lawrence, 2009). Commercial agricultural operators have started to treat their land as a financial asset class by spinning off a part of their farmland portfolio into separate asset management businesses to more effectively capitalize on farmland appreciation (Fairbairn, 2014). This, as Isakson (2014) notes, leads to a blurring between financial and non-financial actors making it more difficult to identify 'financial' motives and interests as they are increasingly becoming part of everyday agricultural reasoning.

While much of the 'land rush' literature has focused on the Global South, Luyt et al. (2013, 32) have found that more than 80 per cent of the current and targeted value of investments globally and over 64 per cent of the number of individual funds and other institutional equity structures invested in primary agriculture are focused on only four regional contexts – Australia/New Zealand, Brazil, Canada and the United States. While all represent net food exporting countries, other characteristics include strong agricultural potential, well-developed farmland markets, significant depth in farming expertise and effective legal and contracting processes. This supports Li's (2014) argument that assembling land as a resource and making it available for purposes such as financial investment also requires complex cultural work. Conceiving of land as an 'investible resource' is therefore not naturally given, as such, but relies on an assemblage of materialities, relations, technologies and discourses as its prerequisite. While efforts to render land investible are currently being advanced in various contexts in the Global South (Gertel, Rottenburg, & Calkins, 2014; White et al., 2012), essential preconditions for financializing farmland – such as the conception of farmland as private property or existing farmland markets – have already been established in Australia, making it a prime investment context for financial investors.

THE FINANCIALIZATION OF FARMING: AUSTRALIAN PERSPECTIVES

While investments in the Global South aim at capitalizing on allegedly 'vacant' and 'underperforming' land (Ariza-Montobbio et al., 2010), investors in the Australian context are especially motivated by an assumed 'low-risk environment' (Larder et al., 2015). Australia has, *inter alia*, a stable system of politics and governance, a strong interest in securing investments from abroad, well-developed infrastructure, quite rigorous quarantine restrictions that have contributed to animal health and food safety, proximity to Asian markets and counter-seasonal production advantaging farm exports to the northern hemisphere. Further to that, land values in rural Australia, which exhibited a slow rate of appreciation in the 1990s, have increased considerably since the 2000s. Between 2001/2002 and 2006/2007, the price of broad acre agricultural land almost doubled (from AUD 270 to AUD 530 per hectare) and then stabilized after 2006/2007 due to the global financial crisis; on average, and despite significant volatility, the annual capital return for rural land in New South Wales was 6.2 per cent between 1990 and 2008 (Pritchard, Neave, Hickey, & Troy, 2012, pp. 31, 32).

These factors, together with the nation's vast tracts of land, its reputation for quality production, particularly in cattle and sheep industries, and assumed capacity to increase production, has attracted investor attention (Broadbent & Pritchard, 2011). Since 2007, there has been an apparent increase in agricultural investment, especially from overseas buyers (Moir, 2011, p. 7 ff.). Much of the debate has centred upon the issue of foreign landownership (Sippel, 2015) despite the fact that agricultural land is just one section of the Australian economy attracting foreign investors (Sanyal, 2014). Overseas companies have purchased Australian firms involved in the growing, processing and marketing of products as diverse as sugar, rice, wheat, dairy and horticulture, along with those producing agri-chemicals and seeds (Keogh, 2011; Sanyal, 2014). Within a relatively short time, financial actors such as the Macquarie Group and the Hassad Food Company – the latter owned by Qatar's sovereign wealth fund – have become important players in Australian agriculture (Larder et al., 2015). It appears that pastoral land, in particular, has emerged as an attractive financial asset class for local and overseas investors (Pritchard et al., 2012, p. 22).

Despite much public attention in recent years, research on the extent, significance and implications of these recent changes in landownership in rural Australia related to financial actors is still at an early stage. In this regard, as a side effect, the at-times heated and oversimplified debate on foreign landownership in Australia notably revealed the lack of data on rural landownership more generally and financial involvement in particular. Against the backdrop of the emergence of financial actors in farming on a global scale and their increasing significance in the Australian context, we will now turn to the asset management company Hancock as one of the pioneers of this development. We first outline the group's global structure, agricultural investment strategy and engagement in Australian agriculture. Second, the local perceptions of the company's activities and its interaction with a community in northern New South Wales are investigated.

Hancock's Global Group Structure

HAIG is one of the top five farmland managers in the world (Tan, 2011). Having invested in, and managed, farmland and timberland on behalf of its clients for several decades, the Hancock Group was one of the first institutional investors in rural real estate property. HAIG manages around USD 2.1 billion of agricultural real estate and 120,000 hectares of farmland globally with some 117,000 hectares being located in the United States (HAIG, 2014a). Spread over several prime agricultural regions, different kinds of annual row crops (mainly cereals, soybeans, rice and cotton) as well as permanent crops (mainly various sorts of nuts and fruits) are grown. Investments are based on considerations such as what crops can be produced competitively in the United States as well as where the low-cost production regions for these crops are located.

HAIG was founded in 1990 in Boston as a subsidiary of the John Hancock Financial Services company. Today, HAIG – together with the Hancock Timber Resource Group – is a unit of the Hancock Natural Resource Group. Since the merger in 2003/2004 of the parent company John Hancock and the Canadian financial services and insurance group Manulife Financial Corporation, the Hancock Natural Resource Group (HNRG) has become a wholly owned subsidiary of the Manulife Financial Corporation. The Manulife Group mainly offers financial protection and wealth management products and services (such as life and health insurances, long-term care services, pension products, annuities, mutual funds, banking products) (Manulife, 2014). Along with its North American market, it has several subsidiaries and joint ventures in Asia. They provide different kinds of asset management services to institutional customers worldwide through their investment arm Manulife Asset Management, with the two Hancock Natural Resource Group units providing investments in farm and timberland. Fig. 1 is a simplified diagram of the Canadian financial services group with the still Boston-based HAIG as its subsidiary for agricultural investments.

With a minimum investment of USD 5 million, institutional investors such as public and corporate funds and corporate taxable investors are HAIG's main customers (HAIG, 2014a; Warlick, 2012). Among them are the Alaska State Pension Fund with an investment of about USD 100 million and the City of Alexandria (Va.) Fire and Police Officers Pension Plan with USD 5.5 million (HAIG, 2004; Jacobius, 2012). Individually managed separate accounts can be established for a minimum commitment of USD 100 million (HAIG, 2014b).

HAIG sells its services to customers on the basis of three main claims that closely reflect the farmland investment rationales and discourses as delineated above (Aronow & Dahl, 2013; HAIG, 2012, 2014c). First and foremost, from a financial perspective, the value of rural land properties in investment portfolios is emphasized, with farmland considered as offering attractive risk-return features, diversification potential and serving as a hedge against inflation in a

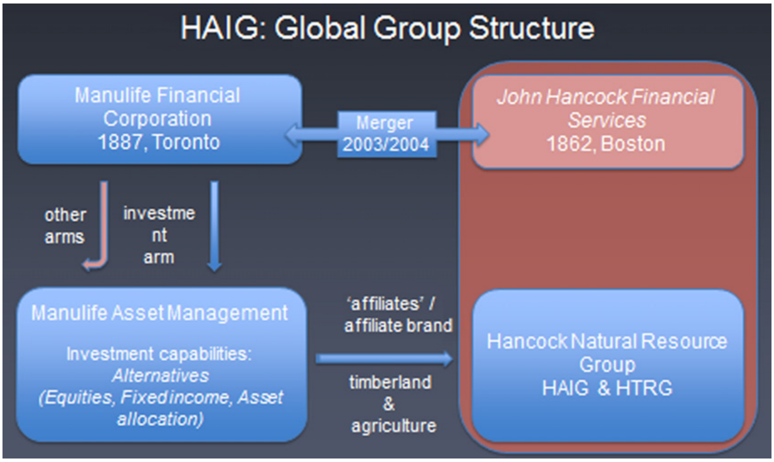

Fig. 1. Hancock Agricultural Investment Group: Global Group Structure. *Source:* Authors' compilation, based on HAIG (2014a), MAM (2014).

diversified investment portfolio. Second, this financial function is interlinked with, and supported by, the value of rural land properties as an 'asset class'. It highlights farmland as a finite and increasingly scarce resource in the context of a future which will inevitable see growing demand for food and fibre. A third element, apart from the land value itself, is that of the returns gained from agricultural production. It argues that the continuing globalization of agriculture and falling trade barriers will largely benefit large efficient agricultural producers such as those in the United States.

Agricultural production and farmland management are directly linked to these investment strategies which – according to their attributed risk and return characteristics – determine the choice of crops, regions and management styles. As indicated above, agricultural crops are generally divided into permanent and annual (row) crops with corresponding risk-return profiles. Permanent crops with a long-term perspective of 15–20 years are considered as posing greater risks to investors due the likelihood of greater exposure to extreme weather events, plant pests and parasites, while at the same time offering a better chance for higher returns. Row or annual crops which are replanted on a yearly basis are viewed as offering a lower risk of investment and, therefore, provide a lower rate of return to investors. In addition to these characteristics, HAIG explains decisions for or against certain crops based on production capabilities and performances in specific regions, trends and future developments in commodity price markets and commercialization and export opportunities. In combination these factors result in an overall rating of comparative advantage for a particular agricultural investment.

The choice of production areas and management styles follows a similar logic: HAIG generally seeks to acquire properties valued at more than USD 1 million in low-cost production regions. As for the management of properties, two established investment models are employed, with HAIG either directly operating the farm ('own-operate', the approach usually taken for permanent crops in collaboration with the US property management firm Farmland Management Services, a subsidiary of HNRG since 2014, HAIG, 2014e) or leasing the farm ('own-lease out', usually applied for annual crops). Under the 'own-lease out' model, farmland is leased to a farmer who is in charge of the agricultural production and has to pay a certain price for the lease depending on the value of the land. In many ways this equates to a corporate version of 'sharecropping' in which the risks of agricultural production are outsourced to the farmer and the return to the company is mainly derived from the lease the farmer has to pay. This approach, which is rather conservative and viewed as entailing lower risks than direct farm management, is most in line with treating land as a 'pure financial asset' (Fairbairn, 2014, p. 781, following Harvey). Based on these conceptualizations of risk-return features of agricultural production, HAIG offers specific investment portfolios. One of the main principles of 'portfolio provision' is based on the idea of reducing risks while increasing returns via diversification. Generally speaking, the higher degree of cropping, along with diversification in terms of geography and management styles, reduces the overall risk characteristics of an investment portfolio (HAIG, 2014b). Corresponding to the client's risk-return profile, 'minimal', 'moderate' and 'higher' risk portfolios are constructed (HAIG, 2014b).

Although having focused its agricultural investment within the United States, HAIG has recently extended its production internationally, with investments in Australia (since 2000) and Canada (since 2009). Geographical diversification of investment portfolios is one of the main reasons for spreading the activities beyond the United States. The Australian activities of the group are operated by the Brisbane-based Hancock Farm Company. Hancock Farm Company manages approximately 2,400 hectares in Australia, which are located in Queensland and New South Wales. The agricultural production focuses both on the annual row crops of corn and wheat and the permanent crops, macadamia nuts and wine grapes. While much of the production in the United States relies upon the 'own-lease out' model, Hancock in Australia pursues the 'own-operate' approach. The company advances four main reasons for investing in Australian farmland. First, the 'Mediterranean climate zones' in Australia are viewed as favourable for both crop and nut production. Second, the Australian agricultural economy is considered to be performing efficiently, providing high yields via the application of state-of-the-art farm technologies. Third, the government is seen to be open and supportive of foreign investment. The government's limited interference in domestic agriculture, few regulatory constraints, free-market orientation, along with the nation's political stability, is considered as highly desirable for institutional investors. Lastly, Australia's close geographical proximity to strategically advantageous Asian markets is viewed positively.

Community Perspectives: Hancock's Embedding within Rural Spaces

Rural geographer, Michael Woods (2007) is concerned with the question how rural places are remade (or 'reconstituted') under globalization. In terms of the growing presence of the finance industry in agriculture, it is also important to ask: How are rural places remade under financialization? To explore this, we focus on a specific rural location – the village of Dunoon in northern New South Wales, where the Hancock company invested in macadamia farming between the early 2000s and 2016. How did Hancock's investment take place and how was it perceived by the local community?

Dunoon – promoting itself as the 'Macadamia Capital' of Australia – is located in the hinterland of the popular tourist town of Byron Bay. In this region, about 7,000 hectares of macadamia production are cultivated by 600 growers representing a value of AUD 70 million, with some 70 per cent of the processed nuts directed to export markets (NSW DPI, 2006, pp. 14, 15). In the early 20th century, the original rainforest vegetation of the region was cleared for dairy production which became the main agricultural activity until the 1970s. With the decline of the dairy industry, macadamia nuts were grown as a profitable crop. The capital-intensive, long-term investment in macadamias was mainly driven by urban investors. The New South Wales Far North Coast area is considered a location where:

> […] regional transition has been shaped by linkages, movements of people and resources *between* urban and rural areas, shifting regional identities from those centred on dairying, fishing and sugar harvesting to images of a 'lifestyle' or 'alternative' region, with growth in employment in tourism, recreational services, 'gourmet' agricultural production, retailing and the cultural industries. (Gibson, 2002, p. 338, emphasis given)

This area matches closely what Woods (2007, pp. 492 ff.) has described as the 'global countryside'. Its economic activity feeds, and is dependent on, far-stretching commodity networks. It is a site of corporate concentration and integration attracting high-levels of non-national property investment where commercially attractive crops have been inscribed onto the landscape. Furthermore, it is a contested space where an agri-industrial productivist dynamic can readily come into conflict with a post-productivist, rural-space-as-consumption, dynamic meeting resistance from local actors and allied campaigners.

When Hancock began to purchase macadamia farms in the Dunoon area, it was following a long-line of earlier investment which had occurred in the broader North Coast region. Urban money moved into the region to take advantage of taxation 'breaks', retirement planning and 'sea-change' (or more literally 'tree-change') lifestyle options (Connell & McManus, 2011). Hancock acquired several properties – mainly from other investors so that most of the farms were already managed by employed staff – and grouped them into four large blocs. As reported in the media, Hancock sold the farms on to a Chinese investment group in 2016 (White, 2016). Macadamia farms can change hands quite often, as one resident reported about one of the properties Hancock had acquired:

> The original … company bought [the farms] in 1968, 1970. In the mid-1970s they started the processing, planted up on Dunoon road … and they sold to the Teachers' Credit Union. [T]hey then on-sold it to a biscuit manufacturer from Western Australia, because he thought he'd make the biscuits and put the macadamia nuts into the biscuits. I thought he'd do ok, but he had to get out of it … and then he sold to another private bloke that was just a bit of an entrepreneur-type, and that guy kept the processing plant and sold the two farms to Hancock. (Local resident, Dunoon region)

From the very beginning of their investments in the region, Hancock was primarily perceived as an 'invader' by the community. This perception was not, as such, related to their status as an investment company but, rather, to their non-existent or poor communications with local residents and farmers. One of our interviewees describes his perception of Hancock's first interaction with the community as follows:

> They didn't get off to a very good footing with me when they first came into the district. First thing they send an abusive letter to us all, accusing us all of trespassing and stealing … just saying that there was a lot of stealing and trespassing, stay off their properties, just wasn't a very good way of introducing yourself into the district. (Local resident, Dunoon region)

While a few people, including some direct neighbours, entered into a direct dispute with Hancock, a larger community-based group – which was formed in 2010 – raised concerns and registered complaints about the spraying of farmlands close to built-up areas. Conventional macadamia farming utilizes considerable amounts of agri-chemicals, especially the spraying of pesticides (NSW DPI, 2007). Due to the large size of their holdings, Hancock hired aerial sprayers who delivered the chemicals by helicopter or plane. In combination with windy conditions, these pesticide drops can be highly imprecise and affect neighbouring farms and residents. One observer depicts the situation as follows:

> When we were watching this we phoned them up … but we couldn't get on to the managers, we were trying to phone them and say, 'you gonna stop this guy, it's too windy'. You could see that the spray wasn't actually going on the trees, so he was just … it was silly, if your spray is not going where you want it, then you stop spraying. (Local resident, Dunoon region)

For some local residents this incident was above that which they were prepared to tolerate and led to the creation of a broader anti-spraying movement within the community:

> We felt this is going too far, pretty much the neighbours of Hancock all had complaints – noise, insensitive neighbours, spraying …. (Local resident, Dunoon region)

The movement also functioned as a forum for wider issues that had occurred in the past. It was not only about helicopters spraying in windy conditions but also about broader concerns relating to chemical and pesticide use in the region. Complaints had been made about the consequences of the application of chemicals – including dying crops, polluted creeks and chemical waste. People were worried about the effect of agri-chemicals on their overall health and interpreted the activities of the company as potentially undermining their rights as citizens to live a healthy life in the district. Constant noise from the nut crushing plant was another factor that compromised amenity.

The concerns culminated in the organization of a public meeting in late 2010, which included community members and representatives of the State Government's Environmental Protection Authority. Members of a national environmental rights group were also present and provided information on the use of agri-chemicals, as well as legal regulations and rights. One of the participants describes the atmosphere during the meeting:

> They were really angry, a lot of anger, a lot of frustration, a lot of confusion, what are my rights, how can this happen, a lot of you know people thought it should be like this but the law says that, just a lot of confusion about their rights and how could this happen, what can we do to change it, a lot of people with different ideas, some much more combative than others. (Participant at public meeting, Dunoon region)

According to our interviewees, Hancock reacted to the concerns expressed by the community in a sporadic fashion. While the public meeting was intended to, as one informant put it, 'get the community together and reach a dialogue with the company', the company failed to do so (Local resident, Dunoon region). Even though the company was invited to send a representative to the meeting, as our informant told us, this did not occur. Community members therefore considered the company lacked a sense of responsibility for its farm-based actions and was not accessible. It remained difficult, for example, for residents to contact the farm manager directly while the company's head office in Brisbane generally failed to interact with the residents of Dunoon or appreciate their concerns (interviews with local residents, Dunoon region). A prompt reaction only came when the local press reported the Dunoon group's activities (Parks, 2010; see also Hawkes, 2011; Moynihan, 2011), which triggered a phone call by Hancock to the group's spokesperson. At the time of our interviews, no official agreement or understanding between the company and the community had been reached. However, according to one community member things, in recent times, had 'kind of calmed down' (Local resident, Dunoon region).

In addition to the feeling by the community that there was a lack of responsibility and accountability on the part of Hancock in relation to health, there was also the impression that the company did not 'care' about the future of the region. People said that they perceived that the main interest of the company was simply to 'make money' – to the detriment of community interests.

The other side of lacking 'care' is that of the company being seen as 'feeling superior' to the community:

> I did a little bit of research at that time on Hancock and I just thought, oh, they're doing this everywhere … [they] care less because they are [interested in] the bottom line. They want to make money, they don't want to care about the community, that's what's happening. (Local resident, Dunoon region)

> [J]ust their mentality around here. They are the big fellow and they can do whatever they want to … they just didn't seem to care all that much. [T]hey seem to think that they don't have any duty of care … yeah, and they just, if something happens, well, it's the contractor's fault and it's not their abuse. [T]hey … are just like all sorts of ruddy companies, they come in and … just sort of think they're a little bit better than the rest of us. (Local resident, Dunoon region)

Moreover, members of the Dunoon community were very much aware of the company's global scale – including their power to defend their interests. When – in reaction to the newspaper reports – Hancock eventually decided to send a manager from the Brisbane office to speak with locals, a community member was 'prepared':

> I got a couple of the other neighbours to come, because I didn't want to be standing there with someone from a company that big and corrupting my words or saying that I'd said something and taking up legal [action] … so I went to the neighbours and said I need other people standing here just as a witness. (Local resident, Dunoon region, June 2012)

Against this backdrop, it becomes clear why no further steps were undertaken – despite the view of a national environmental rights group that the community could have pursued legal action against the company. One participant regarded the outcome of the meeting as far from satisfactory:

> I was a bit disappointed at the [community] meeting that they were going to go into this softly, softly: 'let's send them a note and ask them to be nice to us'. I was like – you know your rights are being trampled on here, you should go in a bit harder! And you can retreat from that if you need to, so I was a little bit frustrated with that, but I accepted their decision as a community. (Local resident, Dunoon region)

It should be noted that there were also different interests within the community, particularly between the group of conventional macadamia farmers, on the one hand, and organic farmers and residential neighbours, on the other. While the latter group had a strong interest in stricter regulations of pesticide use and aerial spraying in the area, the former were concerned about possible damage to the reputation of the macadamia industry if Hancock's activities were widely publicized, and if stricter regulations were imposed. This would, of course, affect the conventional growers' own spraying operations. This group's attendance at the meetings was, accordingly, motivated by an attempt to prevent the introduction of stricter laws:

> From my point of view, and a couple of the other blokes that were macadamia farmers, they were worried that if the industry got a bad name and it creates friction within the

> community … then we get legislation that makes it hard for us to spray, because most people that were up there they don't realize that … as I said before, if you don't spray, you don't have a crop, simple as that, no income. [Interviewer: What was, then, your main interest in participating in the meeting?] Stopping any legislation that … but also to send a message to Hancock: don't be so silly with your spraying …. Twofold, both ways, pull Hancock back a bit and stop … because if it gets away and – I'm finished. That's a bottom line, it costs me two, three, hundred thousand dollars [in income] if I can't grow macadamia, I've got an investment here. (Local farmer, Dunoon region)

Finally, it has to be considered that Hancock was an employer in the region. People worked for the company and were dependent upon it for income. This created further friction within a small community where conventional farmers, organic farmers, farm managers, farm workers, 'lifestyle' farmers and people searching for a 'tree-change' outside the cities, live next door to each other.

'Global countrysides', Woods concludes, are paradoxical. They are transformed by new connections forged with global networks, global processes and global actors; yet, 'this transformation cannot occur without the enrolment and acquiescence of local actors […] whose very incorporation in turn modifies the networks of which they are part to produce new, hybrid, outcomes' (Woods, 2007, p. 501). Our observations demonstrate that the global countryside of Dunoon, now also marked by the financialization of farming, is a heterogeneous space of various social groups and interests. If financial actors fail to recognize the importance of engaging with local actors and taking their concerns seriously it can become a space where financialization becomes a focus of disputation. While Hancock's activities assumingly provide benefits for investors, members of the communities in the region had major complaints about the company's operations. Rather than dealing with community concerns the company chose to avoid issues that had been raised. This attitude was interpreted as 'lacking care' for the community and the company was accused of being arrogant and aloof. When interactions took place, it sought to direct and dominate communication to ensure outcomes met the company's own interests. This overall attitude that was manifested at several levels became especially apparent in the case of the company's spraying of toxic agri-chemicals, which was not undertaken in accordance with recommended spraying practices. Moreover, observations collected by civil society groups pertaining to other contexts such as the investments in Australian forest plantations by HAIG's associate company, the Hancock Timber Resource Group, indicate that the Dunoon case is not a singular example of the company's contentious dealing with, and response to, rural communities.[3]

DISCUSSION AND CONCLUSION

Financialization is adding another layer of complexity to the global agri-food system as well as rural spaces. While it is clear that a whole range of new powerful financial actors has been entering at various levels of the agri-food system, the analysis of interests and motives of these actors as well as the way they are impacting on, and are being perceived by, rural communities are still at an early stage. This chapter has aimed to contribute to this research gap by profiling a key global financial player, the Hancock company. Hancock was among the first to provide farmland investment portfolios for institutional investors and, with its expansion to Australia, invested in horticultural farms in northern New South Wales. As an asset management company, Hancock's motivation for investment in Australia is connected to its strategy of both minimizing risk, and generating returns, for its investors. Australian farms are, by international standards, efficient and productive. The economy is characterized by relatively stable growth, and governments of various political hues strongly encourage foreign investment in Australian industries. Additional advantages for investing firms are that rural property prices are considered to still be comparatively low and the value of those properties is predicted to rise. Proximity to Asian markets is another advantageous feature. Hancock's investment in farming in Australia is thus based on a variety of rationales which not only include the increase in land values and return-rates from farmland appreciation but also aspects such as favourable conditions for specific crops, proximity to markets and the general political setting.

Remarkably absent from this approach, however, is a concept of engagement with, and contribution to, rural communities. Similar to findings from another rural community in central New South Wales (Sippel, Larder, & Lawrence, 2016), our informants in Dunoon did not oppose the financial goals of the company, as such. Rather, they felt that their rights to have their health protected and their environment unpolluted were being compromised and sought to participate in shaping their community's future. Moreover, objections were directed against a certain attitude of the company of entering this rural space as if it did not need to consult with, or support, the local community. In other words, the company appeared to act as if it was occupying 'empty space' and not a multifaceted locality composed of various actors and histories, interests and concerns.

At the same time, as we have demonstrated, rural communities are characterized by a multiplicity of possibly conflicting perspectives. While neglecting community concerns and interests or pursuing profit-oriented management at the expense of the environment might not necessarily be features of financialization, our case indicates that it can lead to the widening of distance and the exacerbation of inequalities between actors. It shapes power geometries by adding a new influential group of actors who are able to dominate the positions from which people are able to express and defend their interests. It has become clear that financialization of farming is not an abstract, virtual process. While concrete financial benefits are being realized for some actors it also materializes as a manifest, spatial process involving a variety of rural dwellers and their well-being. Financialization is embedded within complex social, political and economic structures and as a social phenomenon it is subject to collective decision making. This requires transparency as well as the participation of all actors to achieve positive and inclusive outcomes.

NOTES

1. Fieldwork was part of Australian Research Council discovery grant DP 110102299 and took place in line with university ethics requirements. All interview data are presented in a de-identified form to ensure protection of the interviewees' anonymity.
2. The chapter presents first results from an ongoing international research collaboration investigating the financialization of farming in Australia and further comparative contexts (Australian Research Council discovery grants DP 110102299 and DP 160101318, University of Queensland; Research Project C04, Collaborative Research Centre 1199, University of Leipzig).
3. See fsc-watch.org and hancockwatch.nfshost.com.

ACKNOWLEDGEMENTS

Emeritus Professor Lawrence received funding from the Australian Research Council (Project Nos. DP 110102299 and DP 160101318), the National Research Foundation of Korea (NRF-2010-330-00159) and the Norwegian Research Council (FORFOOD Project No. 220691).

REFERENCES

Ariza-Montobbio, P., Lele, S., Kallis, G., & Martinez-Alier, J. (2010). The political ecology of Jatropha plantations for biodiesel in Tamil Nadu, India. *The Journal of Peasant Studies*, *37*(4), 875–897.

Aronow, M. E., & Dahl, C. (2013). Lands of opportunity. Forests and farms can provide enhanced returns for pension plans. *BenefitsCanada*, January 2013. Retrieved from http://www.benefitscanada.com/wp-content/uploads/2013/01/038-040_BC0113_Investing.pdf. Accessed on September, 30 2013.

Arrighi, G. (1994). *The long twentieth century. Money, power, and the origins of our times*. London: Verso.

Bergdolt, C., & Mittal, A. (2012). *Betting on world agriculture. US private equity managers eye agricultural returns*. The Oakland Institute, Oakland.

Borras, S. M., Hall, R., Scoones, I., White, B., & Wolford, W. (2011). Towards a better understanding of global land grabbing: An editorial introduction. *The Journal of Peasant Studies*, *38*(2), 209−216.

Broadbent, J., & Pritchard, B. (2011). Is farmland 'Up for Grabs'? Patterns of land ownership in Rural NSW. *Farm Policy Journal*, *8*(2), 11−19.

Burch, D., & Lawrence, G. (2009). Towards a third food regime: Behind the transformation. *Agriculture and Human Values*, *26*(4), 267−279.

Burch, D., & Lawrence, G. (2013). Financialization in agri-food supply chains: Private equity and the transformation of the retail sector. *Agriculture and Human Values*, *30*(2), 247−258.

Clapp, J. (2012). *Food*. Cambridge: Polity.

Clapp, J. (2014). Financialization, distance and global food politics. *The Journal of Peasant Studies*, *41*(5), 797−814.

Clapp, J., & Helleiner, E. (2012). Troubled futures? The global food crisis and the politics of agricultural derivatives regulation. *Review of International Political Economy*, *19*(2), 181−207.

Connell, J., & McManus, P. (2011). *Rural revival: Place marketing, tree change and regional migration in Australia*. Farnham: Ashgate.

Cotula, L. (2012). The international political economy of the global land rush: A critical appraisal of trends, scale, geography and drivers. *The Journal of Peasant Studies*, *39*(3-4), 649–680.

Cotula, L., Vermeulen, S., Leonard, R., & Keeley, J. (2009). *Land grab or development opportunity? Agricultural investment in international land deals in Africa*. London: IIED.

Cribb, J. (2010). *The coming famine: The global food crisis and what we can do to avoid it*. Berkeley, CA: University of California Press.

Epstein, G. (2005). Introduction: Financialization and the world economy. In G. Epstein (Ed.), *Financialization and the world economy* (pp. 3–16). Cheltenham: Edward Elgar.

Fairbairn, M. (2014). 'Like gold with yield': Evolving intersections between farmland and finance. *The Journal of Peasant Studies*, *41*(5), 777–795.

FAO (Food and Agriculture Organization). (2009). *Agriculture and the environmental challenges of the twenty-first century: A strategic approach for FAO*. Retrieved from http://ftp.fao.org/docrep/fai/meeting/016/k455e.pdf. Accessed on September 28, 2016.

Gertel, J., Rottenburg, R., & Calkins, S. (2014). *Disrupting territories. land, commodification and conflict in Sudan*. Woodbridge: James Currey.

Gibson, C. (2002). Rural transformation and cultural industries: Popular music on the New South Wales far north coast. *Australian Geographical Studies*, *40*(3), 337–356.

Gunnoe, A. (2014). The political economy of institutional landownership: Neorentier society and the financialization of land. *Rural Sociology*, *79*(4), 478–504.

HAIG (Hancock Agricultural Investment Group). (2004). *Alaska state pension fund to invest $100M with Hancock agricultural investment group*. Retrieved from haig.jhancock.com/resource_news_07_06_04.htm. Accessed on September 29, 2013.

HAIG (Hancock Agricultural Investment Group). (2012). *The farmland asset class. A comprehensive overview*. Retrieved from www.manulifeam.com/Real_Assets_for_Real_Diversification/Farmland_White_Paper.aspx. Accessed on September 30, 2013.

HAIG (Hancock Agricultural Investment Group). (2014a). *About HAIG*. Retrieved from haig.jhancock.com/about.htm. Accessed on October 28, 2014.

HAIG (Hancock Agricultural Investment Group). (2014b). *Investment strategy: Investment programs*. Retrieved from haig.jhancock.com/strategy_programs.htm. Accessed on October 28, 2014.

HAIG (Hancock Agricultural Investment Group). (2014c). *About farmland investments*. Retrieved from haig.jhancock.com/invest.htm. Accessed on October 28, 2014.

HAIG (Hancock Agricultural Investment Group). (2014e). *Farmland investor*. Retrieved from haig.jhancock.com/pdf/spring_summer_2014.pdf. Accessed on October 30, 2014.

Hall, S. (2012). Geographies of money and finance III: Financial circuits and the 'real economy'. *Progress in Human Geography*, *37*(2), 285–292.

Hawkes, H. (2011). Residents fear over toxic chemicals. *Northern Star*, 15 February 2011. Retrieved from www.northernstar.com.au/news/residents-fear-over-toxic-chemicals-dunoon/769539/. Accessed on September 30, 2013.

HighQuest Partners. (2010). *Private financial sector investment in farmland and agricultural infrastructure*. OECD Food, Agriculture and Fisheries Working Papers No. 33. OECD Publishing, Paris.

Isakson, S. R. (2014). Food and finance: The financial transformation of agro-food supply chains. *The Journal of Peasant Studies*, *41*(5), 749–775.

Jacobius, A. (2012). More institutional investors see farmland as a growing part of their portfolios. *Pensions & Investments*, March 5. Retrieved from www.pionline.com/article/20120305/PRINTSUB/303059977. Accessed on September 30, 2013.

Keogh, M. (2011). Editorial. *Farm Policy Journal*, *8*(2), iv–v.

Krippner, G. (2005). The financialization of the American economy. *Socio-Economic Review*, *3*(2), 173–208.

Lapavitsas, C. (2009). Financialisation embroils developing countries. *Papeles de Europa*, *19*, 108–139.

Lapavitsas, C. (2011). Theorizing financialization. *Work, Employment and Society*, *25*(4), 611–626.

Larder, N., Sippel, S. R., & Lawrence, G. (2015). Finance capital, food security narratives and Australian agricultural land. *Journal of Agrarian Change*, *15*(4), 592–603.

Lawrence, G., Lyons, K., & Wallington, T. (Eds.). (2010). *Food security, nutrition and sustainability*. London: Earthscan.

Li, T. M. (2014). What is land? Assembling a resource for global investment. *Transactions of the Institute of British Geographers*, *39*(4), 589–602.

Luyt, I., Santos, N., & Carita, A. (2013). *Emerging investment trends in primary agriculture. A review of equity funds and other foreign-led investments in the CEE and CIS region*. Rome: FAO.

Magnan, A. (2012). New avenues of farm corporatization in the prairie grains sector: Farm family entrepreneurs and the case of One Earth Farms. *Agriculture and Human Values*, *29*, 161–175.

Magnan, A. (2015). The financialization of agri-food in Canada and Australia: Corporate farmland and farm ownership in the grains and oilseed sector. *Journal of Rural Studies*, *41*, 1–12.

MAM (Manulife Asset Management). (2014). Manulife asset management. Retrieved from www.manulifeam.com. Accessed on October 28, 2013.

Manulife. (2014). *Manulife financial*. Retrieved from www.manulife.com. Accessed on October 28, 2013.

Massey, D. (1999). Power-geometries and the politics of space-time. Hettner-Lecture 1998, Department of Geography. University of Heidelberg, Heidelberg.

Massey, D. (2005). *For space*. London: Sage.

McMichael, P. (2012a). The land grab and corporate food regime restructuring. *The Journal of Peasant Studies*, *39*(3/4), 681–701.

McMichael, P. (2012b). Biofuels and the financialisation of the global food system. In C. Rosin, P. Stock, & H. Campbell (Eds.), *Food systems failure: The global food crisis and the future of agriculture* (pp. 60–82). London: Earthscan.

Miller, C., Richter, S., McNellis, P., & Mhlanga, N. (2010). Agricultural investment funds for developing countries. FAO, Rome.

Moir, B. (2011). *Foreign investment and Australian agriculture*. Rural Industries Research and Development Corporation/Australian Bureau of Agricultural and Resource Economics and Science, Canberra. Retrieved from https://rirdc.infoservices.com.au/downloads/11-173. Accessed on December 13, 2012.

Moynihan, R. (2011). Spraying locals with chemicals: US corporation goes nuts with fungicides on Dunoon macadamia plantation. *The Byron Shire Echo*, February 8.

Murphy, S. (2010). Biofuels: Finding a sustainable balance for food and energy. In G. Lawrence, K. Lyons, & T. Wallington (Eds.), *Food security, nutrition and sustainability* (pp. 223–237). London: Earthscan.

NSW DPI (New South Wales Department of Primary Industries). (2006). Primary industries in the north coast region of NSW: *Strategic* review. NSW DPI, Wollongbar.

NSW DPI (New South Wales Department of Primary Industries). (2007). Primefact 257, living and working with Macadamias – Answers to common questions. NSW DPI, Wollongbar.

Painter, M., & Eves, C. (2008). The financial gains from adding farmland to an international investment portfolio. *Journal of Real Estate Portfolio Management*, *14*(1), 63–73.

Parks, A. (2010). Aerial spraying concerns. *The Northern Rivers Echo*, December 2. Retrieved from www.echonews.com.au/news/whian-whian-residents-unhappy-with-aerial-spraying/711396/. Accessed on September 30, 2013.

Pritchard, B., Neave, M., Hickey, D., & Troy, L. (2012). *Rural land in Australia: A framework for the measurement and analysis of nationwide patterns of ownership change, aggregation and fragmentation*. Rural Industries Research and Development Corporation Publication No. 12/038. RIRDC, Canberra.

Sanyal, K. (2014). *Foreign investment in Australian agriculture*. Retrieved from http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1314/ForeignInvest. Accessed on April 24, 2014.

Savills Research. (2012). *International farmland: Focus 2012*. London: Savills.

Scoones, I., Hall, R., Borras, S. M., & Wolford, W. (2013). The politics of evidence: Methodologies for understanding the global land rush. *Journal of Peasant Studies*, *40*(3), 469–483.

Sippel, S. R. (2015). Food security or commercial business? Gulf state investments in Australian agriculture. *Journal of Peasant Studies*, *42*(5), 981–1001.

Sippel, S. R., Larder, N., & Lawrence, G. (2016, June). Grounding the financialization of farmland: Perspectives on financial actors as new land owners in rural Australia. *Agriculture and Human Values*.

Sommerville, M., & Magnan, A. (2015). 'Pinstripes on the prairies': Examining the financialization of farming systems in the Canadian prairie provinces. *Journal of Peasant Studies*, *42*(1), 119–144.

Tan, G. (2011). Macquarie bets on milk. *Wall Street Journal*, *30*. Retrieved from farmlandgrab.org/post/view/19685-macquarie-bets-on-milk. Accessed on September 30, 2013.

Theisse, R. (2009). *Farm programs: No easy decisions on climate change legislation*. Retrieved from www.thelandonline.com/l_programs/x546382891/Farm-Programs-No-easy-decisions-on-climate-change-legislation. Accessed on July 1, 2012.

Trading Economics. (2013). *Arable land (hectares per person) in world*. Retrieved from www.tradingeconomics.com/world/arable-land-hectares-per-person-wb-data.html. Accessed on May 16, 2013.

USDA (United States Department of Agriculture). (2008). China, People's Republic of, poultry and poultry products: Semi-annual report. Retrieved from www.fas.usda.govb/gainfiles/200803/146293827.pdf. Accessed July 1, 2012.

Warlick, K. (2012). *Sourcing equity investments for production agriculture*. Retrieved from http://associationofagriculturalproductionexecutives.org/Warlick%20AA%20-%20Sourcing%20Equity%20for%20Production%20%20Ag%202-10-2012%20FINAL.pdf. Accessed September 30, 2013.

Weis, T. (2010). Breadbasket contradictions: The unstable bounty of industrial agriculture in the United States and Canada. In G. Lawrence, K. Lyons, & T. Wallington (Eds.), *Food security, nutrition and sustainability* (pp. 27–40). London: Earthscan.

White, B., Borras, S. M., Hall, R., Scoones, I., & Wolford, W. (2012). The new enclosures: Critical perspectives on corporate land deals. *The Journal of Peasant Studies*, *39*(3–4), 619–647.

White, L. (2016). Change in ownership for large macadamia farms. *Northern Star*, March 11. Retrieved from https://www.northernstar.com.au/news/change-in-ownership-for-large-macadamia-farms/2960793/. Accessed on February 24, 2017.

Woods, M. (2007). Engaging the global countryside: Globalization, hybridity and the reconstitution of rural place. *Progress in Human Geography*, *31*(4), 485–507.