Resourcing Salta. Viticulture, soy farming and the contested commodification of land

Robert Hafner1, Gerhard Rainer2

1 Institute of Geography, Innsbruck University, Innrain 52f, 6020 Innsbruck, robert.hafner@uibk.ac.at
2 Faculty of Mathematics and Geography, Catholic University of Eichstätt-Ingolstadt, Ostenstraße 18, 85072 Eichstätt

Manuscript submitted: 11 April 2016 / Accepted for publication: 04 April 2017 / Published online: 27 September 2017

Abstract

In recent years, the increased significance and internationalisation of land tenancy and purchase has led to intensive scientific discussions. In so doing, a majority of the studies try to draw conclusions of the extent and relevance of the land rush by analysing macro-economic data and structures. In our paper, we extend this analysis by applying an ethnographic, local-regional perspective. Argentina has experienced a strong neo-liberal phase in the 1990s; modernisation and particularly globalisation of agriculture has played a central role. The intensification of land use was coupled with new actor constellations, whereby land ownership and tenancy structures changed fundamentally. Embedded in this national context we contrast two production peripheries in the province of Salta: viticulture in the Andean Calchaquí Valleys and soy farming in the Chaco lowlands. In the context of the Chaco’s soy production, the agrarian restructuring goes along with the appearance of actors following a short-term logic of capital accumulation (almost exclusively through tenancy-relationships). More often than not, so-called pooles de siembra (driven by financial capital) or national agro-actors use the Chaco Salteño as expansion territory and for risk diversification, fostering mono-functional land use. In contrast, actors of wine business in the Calchaquí Valleys follow predominantly long-term logics: Via land purchase and high-level investments in cultivation and irrigation quality wines are produced for a national and international niche market. Due to the association of wine with amenity quality and social status, a tourism and real estate boom has emerged, whereby the storing of and speculation with (surplus) capital is a crucial factor. Land becomes an attractive capital investment due to massively rising prices. The goal of our paper is to analyse and contrast land use changes in the respective study areas and, by doing so, we aim to contribute to the ongoing discussion on the current land rush/land grabbing in Latin America.

DOI: 10.12854/erde-148-43

Zusammenfassung


CC BY-SA

DOI: 10.12854/erde-148-43
In this paper we criticize this simplistic perspective on land grabbing, arguing that land is a complex resource and therefore land grabbing cannot be reduced to mere numbers of surface change without focussing on different forms of land use and underlying land use strategies. To support our thought style, our focus lies on Salta in Northwest Argentina, a province with one political-economical alignment, but two highly diverging forms of land use dynamics and actor logics. By comparing viticulture and soy production, we will show that land grabbing is context related and strategies for attaching (finance) capital to land are more diverse than frequently pictured.

2. The global land rush

Since the food crisis of the late 2000s, few topics have caught as much academic attention as the global land rush/global land grab debate (see for example Borras et al. 2012a; Cotula 2012; Harris 2015; Kaag and Zoomers 2014a; Li 2014; Ouma 2014). Nevertheless, concerns over ‘land grabbing’ are not primarily academic but, as Kaag and Zoomers (2014b: 7) outline, “[...] connected previously unrelated investors, financial institutions, critical NGOs, farmer groups, consumers and concerned scholars in one large project of collaboration.” As such, discussions are highly heterogeneous and controversial: positions oscillate from picturing the land rush as a global development opportunity to depicting it as a major driver for what Harvey (2004) has called “accumulation by dispossession” and hence for increasing regional/global inequality. Additionally, due to the strong media attention the debate has gained in the last years, it is characterized by a high level of public awareness and attention. So what are key strands/arguments of scholarly discussion?

Most academic contributions have analysed land grabbing on expansive geographical scales (subcontinental, continental, or even global) and, by doing so, have focused on two aspects: 1) the number of land deals completed and, even more importantly, 2) the size of land (the amount of hectares) being acquired. Of course, as speculative (financial) investment plays a crucial role (land is considered a ‘new alternative asset class’; see Ouma 2014) and land transfers are often (intentionally) hidden from the public, reconstructing what happens on the ground on such expansive geographical scales is a very complicated task. This critique is reflected in recent calls from various scholars (Borras et al. 2012a; Edelman 2013; Kaag and Zoomers...
2014b) for a turning away from (to put it bluntly): land grabbing = counting the hectares. Arguing against what he sees as a “fetishisation of the hectare” frequently based on problematic data bases, Edelman (2013: 488) calls for “a more complex understanding of who the grabbers are, what they are doing or intend to do with the land, and what the social, economic and environmental impacts have been or are likely to be.” From a similar standpoint, in a recent state of the art review on land grabbing in Latin America and the Caribbean, Borras et al. (2012a: 856) request scholars to not only look at the amount of hectares grabbed but also, and crucially, on the amount of capital involved. Borras et al. (2012b: 404), for example, develop a framework of scalar comparison in the form of capital involvement; thus “300 ha of high-value vineyards [equal] 5,000 ha of a rare metal mining concession, 100,000 ha of land for industrial tree plantation and 500,000 ha of grazing land for livestock”,. Such a broadened perspective makes it possible to take into account that few hectares used by highly capital intensive agriculture can be as high-priced as thousands of hectares of extensively used agricultural land.

In our opinion the aforementioned focus on subcontinental or continental geographical scales is another crucial factor that leads to overgeneralization and hinders a more nuanced and detailed analysis of motivations behind and effects of land deals and land-use change. The logics of land use (and the reasons for particular land acquisitions) are hardly ever discussed in the literature. This is a gap this study begins to address. In doing so, we consider a political ecology lens as particularly fruitful.

2.1 Land as a resource

From a political ecology perspective resources are not given but always constructed in particular political-economic constellations (Tsing 2005). At the same time, political ecology demands taking seriously the material qualities of a certain resource (its biophysical properties). The becoming of a resource (in a certain political-economic constellation) is dependent on and influenced by its particular materiality, even though the category of a resource as such is an irreducibly social and cultural one (Bridge 2009). Against this background, a key interest of political ecology lies in an understanding of the commodification of nature – the social, economic, and political process through which certain ‘natural’ resources come into being. In the case of land, this is a particularly complicated task.

Access to land is essential for human life and its possible usages are incredibly broad, meanwhile, as Li (2014: 591) rightly observes, its human appropriation always simultaneously depends on the exclusion of others. This also means that the commodification process of land can take many different forms depending on the specific economic purposes for which land is used. In a recent paper, Li (2014) teases out how land has been assembled as a resource for global investment, a process on which the current land rush is based on. She argues that, on the one hand, land investments are presented to provide incredible opportunities for investors (shown are e.g. its current underutilization, new technological farming possibilities) and, on the other hand, the involved risks are made calculable.

2.2 A land of opportunity: The making of Argentine land as a resource

The 2011 Knight Frank Wealth report serves to demonstrate how this making up of Argentine land as a resource is realized (see Fig. 1). Farmland in the central provinces (Buenos Aires region) is presented to be “fully priced at $5,000 to $10,000/ha” (Knight Frank 2011: 36) which, according to the report, makes actors turn their attention more to northern provinces where prices for land under production are much lower and uncleared land (for even lower prices) is still available. High export taxes and political instability are mentioned but despite this, it is underlined that investment models still calculate that “returns of 10% can be achieved on the right land” (Knight Frank 2011: 36). Only a few pages later, the potentials in Argentina to own a vineyard and to produce “liquid gold” are stressed: “Those looking for a blank canvas can buy huge parcels of cheap land in New World wine regions, such as Chile and Argentina, where building costs are low and there are few planning restrictions” (Knight Frank 2011: 40).

In a nutshell, Argentina is assembled as a land of opportunity for investors looking for the right place to put their money and such representations are without a doubt important ‘global’ decision advices. Nevertheless, the question remains what drives land investments on the ground in particular regions. We will now turn to our two case study areas, the Chaco Salteño and the Wine Route in the Calchaquí Valleys, where we try to compare the rationales behind land investments. Before doing so, we briefly introduce the research methods and case study areas.
### Resourcing Salta. Viticulture, soy farming and the contested commodification of land

#### KNIGHT FRANK INTERNATIONAL FARMLAND INDEX

<table>
<thead>
<tr>
<th>Location</th>
<th>Price Notes</th>
<th>Average Price/ha</th>
<th>Price Change 2010</th>
<th>Land Value Risks**</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>Average all land types</td>
<td>$22,000</td>
<td>+13%</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>Price dependent on size of holding</td>
<td>$1,560-$3,250</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>Price dependent on size of holding</td>
<td>$4,550-$8,125</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>Five- to 10-year lease rights</td>
<td>$150-$350</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>Price dependent on size of holding and progress of freehold application</td>
<td>$300-$1,000</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td>Long leasehold</td>
<td>$1,000-$1,500**</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>Dryland double-cropping in Mato Grosso</td>
<td>$7,000</td>
<td>+20%*</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>Top sugar cane land in Sao Paulo</td>
<td>$12,000</td>
<td>+24%*</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>Dryland double-cropping in west Bahia</td>
<td>$6,000</td>
<td>+6%*</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>Native bush with high cattle potential in Pará</td>
<td>$300</td>
<td>+11%*</td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>Northern provinces</td>
<td>$1,200-$2,500</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>Central provinces</td>
<td>$5,000-$10,000</td>
<td>+10%</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Saskatchewan province</td>
<td>$1,300</td>
<td>+7%*</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>Dryland arable with reliable rainfall</td>
<td>$1,600-$1,700</td>
<td>+2%</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>Dairy farms</td>
<td>$23,000</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>Quality dryland in cornbelt states</td>
<td>$16,000</td>
<td>+8%</td>
<td></td>
</tr>
</tbody>
</table>

Fig. 1 Knight Frank International Farmland Index (Knight Frank 2011: 37; highlights by the authors)
3. Case study areas

The Wine Route in the Calchaquí Valleys and the Chaco Salteño are both located in the NW-Argentine province of Salta (see Fig. 2). Since the neoliberal turn of the 1990s, Salta’s position in an Argentine context has changed profoundly. Not least because of the active role of the state (national as well as provincial) in attracting transnational companies, new globalized resource frontiers have emerged and economic activities with a long history in the region have become tightly linked to global market dynamics. Our two study areas, which are only separated by about a 150 kilometers of linear distance, are two examples of this profound economic restructuring.

The biophysical and historical differences between the two case study areas are significant: Salta’s Calchaquí Valleys are located in the Andean mountain range at an altitude between 1,600 and more than 3,000 meters framed by up to 6,000-meter-high peaks that provide spring water. This spring water is – due to the dry climate of (in many parts) less than 300 mm of precipitation per year – absolutely essential for agricultural use. The concentration of land in the hands of a few large landholders, which in most cases simultaneously constitute the regional political elite, dates back to colonial times and the independent period of the 19th century. Until recent decades, a large portion of the local population lived in semi-dependent labour relationships with these landowners. In the 20th century, the Calchaquí Valleys were a remote, sparsely populated region characterized by high-poverty rates, difficult road access until the 1990s, and high emigration rates. In 2010, 34,833 people lived in the four departments of Cafayate, San Carlos, Molinos, and Cachi. While viticulture has a century’s long history (see Ambrosi 1895), until the 1990s regional bodegas produced relatively uniform wines (the typical white wine Torrontés and red wines without paying attention to specific grape varieties). Until the 1990s, wines were sold almost exclusively on the Argentine market.

Fig. 2  Case study areas. Source: Own elaboration
The second region under scrutiny is part of the cross-national Chaco biome and called the Chaco Salteño. It is a lowland located in the eastern part of Salta and covering a stretch of approximately 500 km from Rosario de la Frontera in the South to Tartagal in the North. Traditionally characterized by a semi-arid climate and land cover of Monte (i.e. predominantly forest- and bush-covered areas), recent increases in precipitation, among other reasons, have turned the region from “marginal areas” into an ‘agricultural frontier’ (Murgida et al. 2014: 1387). Before this globalized soy boom the Chaco Salteño was inhabited by predominantly indigenous peoples (e.g. Wichí, Toba) and criollos (descendants of Spaniards, predominantly subsistence-based farmers/cattle breeders having lived over generations in the Monte, without holding official land titles), highly dispersed in the forest and self-subsistent living off the land. From the beginning of the 20th century, immigration zones have been established: Syrian-Lebanese, Spanish, Italians and Greek immigrants started buying lots in the North; Embarcación, Tartagal or Aguaray have been the resulting settlements (Naharro et al. 2010: 140). The next wave of settlement and land formalisation occurred in the 1920s’ construction of train tracks and roads (for oil drilling and supplementary industries), followed by (temporary and permanent) work migration of indigenous people and people from Eastern Bolivia. From the 1980s onwards, globalized soy production has become the region’s dominant economic factor and competes over land with the livelihoods of both.

3. Research methods

The results presented in this article are based on long-term empirical research in the two respective case study areas. For the case of Salta’s Calchaquí Valleys, ethnographic fieldwork was undertaken during three research stays (October 2011-June 2012; July-September 2013; July-September 2014). The primary goal was to examine socio-ecological restructuring related to a recent boom of tourism and amenity-led development (Rainer 2016a; Rainer and Malizia 2014). Nevertheless, after the first research stay a strong interest in analysing the restructuring of wine production in order to get an understanding of the interrelations of agricultural production and consumption-oriented land use emerged (Rainer 2016b).

For the case of the Chaco Salteño, two research periods (October-November 2012; August 2013-June 2014) mainly focused on social-ecological changes and conflict handling due to the advancement of the soy frontier. For this case study, Jazz Methodology, a combination of ethnographic, explicitly participatory (such as Jane’s walks or netmapping) and context-dependent interviewing methods, has been applied (c.f. Hafner and Coy 2016).

The political economy of land and questions of (uneven) access to land related to rural restructuring have been a key research interest. It is these dynamics of land access, acquisition, and redistribution in the broader context of global market integration that will be in the focus of the discussion section. We start by outlining the dynamics of economic restructuring.

4. Results – Presentation and discussion

4.1 National frame

The decade of the 1990s has marked major economic changes in Argentina. This can be related to two forms of restructuring (c.f. Parellada 2010: 84-85): First of all, on a macro-economic level, Argentina moved from a partially protectionist to an outspokenly neoliberal country under the presidency of Carlos Menem. An opening towards world markets was accompanied by a reduction of the state to its basic functions. The then introduced ARS-USD parity (one ARS = one USD) overvalued the Argentine currency, which in turn allowed for cheap upgrading of foreign agricultural machinery and general technological updates. During the decade of ARS-USD parity, Argentina can be considered a relatively high-priced country (e.g. for foreign investments, export-oriented production and for tourism). Second, with the crisis in 2001 and the subsequent strong devaluation of the peso this situation changes: the country becomes a much cheaper target for foreign direct investments and the profit margins for export goods soar. Additionally, investments in agriculture, land, and the built infrastructure become an attractive asset class, considering that thousands of Argentines have lost significant parts of their savings due to bank insolvencies and currency devaluation after the crisis.

Summing up, the 1990s were marked by technology upgrading, while after the crisis of 2001, the main focus lies on exporting goods and foreign direct investments. Those two phenomena are equally important for our two case studies in Salta, which we will now focus on in detail.
4.2 Soy production: Economic restructuring in the Chaco Salteño since the 1990s

One of the greatest benefactors of the neoliberalisation processes in the 1990s is the soy agribusiness. Machinery for non-tillage farming is expensive, but more affordable due to the peso-dollar parity. In terms of export, the negative currency effects (i.e. overpricing of soy commodities) are not felt yet. Additionally, export taxation on soy products and soy derivatives – though only in a one-figure range as opposed to the 35 per cent since 2007 and lowered by Argentina’s new president Mauricio Macri to 30 per cent – have been abandoned, creating further incentives to produce this legume. Additionally, based on the new political-economic framework, foreign technological innovations were made available, particularly non-tillage farming and the legal introduction of GM crops with resistance against the broadband herbicide glyphosate in 1996 (Hafner et al. 2016). This bio-revolution, combined with increasing global demands for soy – rising prices included – leads to major expansions of soy production sites. Since the extensions in the Pampa area have reached its boundaries, an increasing number of actors started purchasing and/or renting land in the Chaco Salteño. Reasons stated are weather risk diversification, lower prices of land (in the mid-2000s, prices for one hectare in the Pampa region equalled approximately ten hectares in the Chaco Salteño), as well as “greater flexibility” in terms of legal compliance to social and environmental standards (personal communication, soy farmer Las Lajitas, 2013).

Even though the Chaco Salteño is – in Argentine terms – not a large region, no homogenous economic restructuring occurs. One common indicator used for the advancement of agriculture in the region is the GIS-based deforestation rate (e.g. Paolasso and Krapovickas 2013: 1378). This indicator, however, only has most explanatory power in the central region around the production nucleus of Las Lajitas, where the transition from forest to cultivated land has been prominent over the last 20 years. Thus, we can talk about three main dynamics of soy expansion: The first and previously well-established region is the area around Rosario de la Frontera in the South. Having been formed by European migrants, especially from Northern Spain, horticulture (the cultivation of beans in particular) has had a long-standing tradition already before the 1990s. Soy does play a vital role nowadays; one interesting feature here is that landowners and soy producers are often unipersonal – a mere shift of crop cultivated has occurred. This feature is also grounded in higher price stability of soy in relation to beans. The second region is located around Las Lajitas, the new nucleus of soy production. Here, the major economic restructuring occurs, based on deforestation of the Monte and subsequent valuation of land. Land tenure structures become more blurred in this area, since few locally-based agribusinesses are identified (such as Anta del Dorado located in Coronel Mollinedo or Grupo Segovia in Las Lajitas). The decoupling of agricultural vocation and financialization of the soy-sector is highlighted. The so-called pooles de siembra (sowing pools) and their financial managers follow a strict outsourcing policy towards activities related to the actual primary sector on field.

The third dynamic is highly connected to the second one and particularly found in the Northern part of the Chaco Salteño around Tartagal. Here is the youngest and most dynamic part of the soy frontier, with the highest deforestation rates of the Chaco Salteño (Krapovickas et al. 2016). Additionally, this region is inhabited by many indigenous groups, leading to particular frictions of land tenure and use of common pool resources.

4.3 Wine production: Economic restructuring along the Salta Wine Region since the 1990s

The main reason for economic restructuring along the Salta Wine Region is a search for opening up new markets. While over decades almost all wineries aimed at satisfying the national market with relatively uniform wines (mostly with the typical regional white wine Torrontés), since the 1990s a new consumer clientele has been targeted: the national, but also and crucially the international quality wine market. The provincial government played an important role in establishing the Salta Wine Route, which, due to the location of vineyards between 1600 and 3100 meters of altitude, is marketed as the world’s highest.

New investment flows from large transnational beverage companies which simultaneously introduced new cultivation and production techniques as well as global marketing strategies have been crucial in this context. Companies like the French Pernod Ricard, the Swiss Hess Group and the Argentine Peñaflor group established themselves in the region. While these companies bought up or built relatively large wineries (all of them have far more than 100 hectares of vine-
yards in the Calchaquí Valleys) at the same time a new, small type of winery has emerged in the region: the *bodega boutique*.

Most of these boutique wineries only have a few hectares of vineyards and try to commercialize their wines either on the global high quality wine market or directly at the cellar door. While the rapidly growing wine tourism market is mainly an important marketing pillar for the larger companies, cellar door wine sales can represent an important percentage of total sales in the case of smaller wineries. Many of the new winery owners had not worked in wine production before but decided to enter the business having earned money in other economic activities (Rainer 2016b). In many cases the social status and prestige related to producing wine and working in the wine business has been a crucial factor for taking the decision to enter the business (see Overton and Banks 2015 for a discussion of the relation between wine production and social status).

At the same time, this social prestige related to wine and the privileged position of high quality wine regions in what concerns imaginations of amenity quality and superior lifestyle have contributed to the rapid growth of new residential areas. These residential developments – most of them gated estates with different types of amenities (e.g. club houses, sports fields, artificial lakes) in their interior – offer their clients individual plots for constructing their houses in proximity to vineyards (Rainer and Malizia 2014). Some of them even count on communitarian vineyards in their interior and offer buyers different options to engage with the wine business; from producing their wine on their own to the yearly handing over of the respective quantity of wine bottles whose production is organized and carried out by the management of the estate. Since 2003, six gated amenity estates have been built in the district of Cafayate and are currently in different phases of construction. While the vineyard surface in the four districts of the Calchaqui Valleys has grown rapidly since the early 2000s (from 1,911 hectares in 2003 to 3,051 hectares in 2014; INV 2015), the growth of gated estates is even more outstanding (from the first estate project launched in 2002 with 15 hectares to 1,260 hectares in 2014).

Besides the association of high quality wine regions with superior lifestyle and social status, two factors have been crucial for the boom of the real estate business: 1) the role of high amenity landscapes in storing (surplus) capital in the built environment (Sayre 2011), or what Harvey has called “spatial fix” (Harvey 2001); 2) the speculative nature of investments linked to the possibilities of high capital gains due to the very rapid increase in land/real estate prices. These two reasons together with the high investment costs in viticulture and the relatively long lags before first returns on investment can be expected (due to the time it takes for grapevine to grow), explain the attractiveness of investing in the real estate sector compared to wine business. Taken together, the growth in land use for wine production and leisurely consumption has mainly benefited large landholders and new national and international investors while access to land becomes difficult for large parts of the Valley's population. The growing importance of indigenous grassroots organization and their struggle for communitarian land rights can be seen as a direct response to processes of exclusion and eviction related to viticulture, tourism, and real estate development (Cerra 2011; Rainer 2016a).

To sum up, the outstanding feature of economic restructuring along the Salta Wine Route is a tight linkage between the production of wine and the production of landscape for leisurely consumption. While in many cases these two elements reinforce each other (as for example demonstrated through the increase in cellar door sales), it was shown that this does not necessarily have to be the case. Having outlined the dynamics of economic change in the two respective research areas, we will now compare the restructuring of the land markets.

4.4 Comparison: Resourcing land in the two case study areas

While the expansion of soy production in the Chaco Salteño is based on the supply for a global mass market with a uniform product whose origin is insignificant, the growth of wine production in the Calchaquí Valleys rests on the supply of a global niche market with a product whose origin (place and *terroir*) is of crucial importance. On the one hand, it is a search for production in quantity; while on the other hand, the quality of the product is decisive. Land in the case of the Salta Wine Region is not just a means of production; through the social construction of place and *terroir* (including notions of historically and culturally inherited knowledge of its use) it is actually the *particularity* of land that gives the agricultural prod-
uct its price premium. In what concerns the rush for land in the two areas, this difference has important implications. For a better overview, Table 1 shows a comparison of the two research areas’ foci, similarities and differences.

Table 1 Resourcing dynamics of land in Salta. Source: Own elaboration

<table>
<thead>
<tr>
<th></th>
<th>Salta Wine Route</th>
<th>Chaco Salteño (soy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying reason for expansion</td>
<td>Supply for global niche market</td>
<td>Supply for global mass market</td>
</tr>
<tr>
<td></td>
<td>Economies of scope</td>
<td>Economies of scale</td>
</tr>
<tr>
<td></td>
<td>Prestige</td>
<td>Risk diversification</td>
</tr>
<tr>
<td>Visibility of actors</td>
<td>High (desired)</td>
<td>Low (desired)</td>
</tr>
<tr>
<td>Structure of land tenure</td>
<td>Ownership = production</td>
<td>Ownership ≠ production</td>
</tr>
<tr>
<td></td>
<td>Land acquisition</td>
<td>Land lease</td>
</tr>
<tr>
<td>Connection with other economic activities</td>
<td>Multifuncional land use (tourism, leisure)</td>
<td>Monofunctional land use</td>
</tr>
<tr>
<td>Financial entrance barrier</td>
<td>+++</td>
<td>~</td>
</tr>
<tr>
<td>Time horizon for investment</td>
<td>Long-term</td>
<td>Short-term</td>
</tr>
<tr>
<td>Capital tie-up</td>
<td>Generally high (high fixed costs)</td>
<td>Generally low (low fixed costs)</td>
</tr>
<tr>
<td>Value of hectare (relative)</td>
<td>Much higher</td>
<td>Much lower</td>
</tr>
</tbody>
</table>

### 4.5 Structure of land tenure, financialization and visibility of actors

Our argument is that land grabbing is not to be reduced to mere counting of hectares in order to identify impacts of land use change. Actors and their different motives and forms of action are central here, influencing the financialization and structure of land tenure.

In the Chaco Salteño, land ownership and agricultural production are frequently decoupled. Most of the land under soy production is leased. Based on the contract, three common schemes are either the lease being a part of the return of each hectare, a fixed sum to be paid in advance, or in the case of forest land, very low leasing rates to be paid in return of preparation of the land. The latter scheme, on average, holds a time frame of five years and often offers still very economically favourable conditions when the land is further away from the main roads.

The expansion of the soy frontier is mainly driven by financial investors (such as for example pension funds), the so called *pooles de siembra*, whose interest mainly lies in generating high economic gains in order to satisfy investors and consequently attract new investments. A land concentration in the hands of a few large pools can be observed. However, in the Chaco Salteño, such pools are also operated by small to medium scale actors operating in the Northwest and central parts of Argentina. Nevertheless, in many cases the opaque business structures dominated by finance capital make it very difficult to reconstruct the (exact) land tenure and land use dynamics on the ground; an aspect that is desired by investors. Additionally, these investments are characterized by a high volatility which means that changes from one year to another can be profound. Land leases for soy production in the Chaco Salteño are frequently complemented with production areas in other regions (mainly the Pampa, but also the Brazilian Mato Grosso Region) in order to diversify risks (e.g. of droughts, consequent production losses, or political-economic insecurities).

Contrary to the amount of hectares used and the heavy machinery applied in non-tillage soy farming, financial entrance barriers for soy production in the Chaco Salteño are by far lower than for viticulture in the Calchaquí Valleys. The structure of the *pooles de siembra* is based on high-level outsourcing of every step of production. Additionally, GM seeds are often
sold in packages together with herbicide/pesticide and a financialization plan issued by companies such as Monsanto, Bayer or Syngenta. Additionally, heavy machinery is hardly bought but rather rented according to needs, drastically lowering the entrance costs.

Opposed to soy dynamics, along the Salta Wine Region ownership of land and agricultural production are generally coupled, which means that land deals mainly imply acquisitions and not leases. Ownership gives producers the possibility to control all work in the vineyard (prune, harvest etc.) which is an important factor for securing the quality of grapes. Almost all new vineyards built in the last years along the Salta Wine Route required high investment costs for irrigation (in most cases the drilling of deep wells for extraction of ground water). These expenditures have to be added to the generally high initial costs for quality wine production (e.g. for construction of winery buildings, high-tech machinery, planting of vineyards as well as branding and marketing). Nevertheless, due to the time it takes for vineyards to grow and to carry usable grapes, no returns on investments can be expected in the first years. Hence, land ownership is also a means to secure planning certainty in a business that is characterized by long-term planning horizons. Due to the association of high quality wine with the terroir of its origin (including the abilities of its producers to extract its ‘essence’) and in view of the prestige that owning vineyards and producing wine grants, it is no surprise that companies and individual investors intend to be highly visible (Rainer 2016b). This also means that land tenure dynamics, as opposed to soy production, can generally be traced.

While in the case of soy production in the Chaco the assembling of land as a resource follows exclusively economic logics, the role of land as a cultural resource – enhancing prestige and status – has been crucial for the land use changes along the Salta Wine Route. Land prices in the Calchaquí Valleys are still much lower than in most European and North-American high-quality wine regions, giving investors a cheaper option to access this cultural capital. For the real estate companies advancing projects along the Salta Wine Route, the cultural capital that can be accessed by their (potential) clients through the acquisition of land parcels is important. In their advertising slogans, the connection between wine production, cultural capital, and upper-class community building is frequently stressed.

Hence, the economic logics behind viticulture and soy production are two opposite ones. The barriers for the first activity are high, the time horizon of investment long-term, and targets the creation of stable assets coupled with personal prestige and cultural capital. The latter activity is focused on high return on investment in a short amount of time, which is also reflected in the high degree of outsourcing entrance as well as keeping fixed costs at a minimum rate. Risk diversification occurs inasmuch as soy producers diversify based on different regions, while along the Wine Route, spreading risks is based on different activities in the same regional/local compounds.

4.6 Connection with other economic activities

Our main focus lies on the exploitation of land based on viticulture and soy production. However, particularly when it comes to resourcing land, going beyond an isolated point of view is helpful. Here, major differences between our two sample regions come to bear. In the Calchaquí Valleys, wine is perceived as both a commodity for the global market, but even more so a form of adding extra value to other regionally-attached economic activities. Having a vineyard in your backyard creates a unique selling proposition for gated communities, for example, and thus increases the attractiveness of the physical setting by adding intangible story-telling and prestige. It is observed that multifunctional land use, as also documented from other regions that have undergone restructuring towards quality wine production (e.g. Overton et al. 2012; Perkins et al. 2015), has increased over the last two decades. Indeed, the potential for capital accumulation and speculation through investments in land along the Salta Wine Route are more closely tied to its amenity quality than to agricultural production as such. It is particularly the traditional large landholders who have heavily benefited from this rapid increase of their property’s value with many of them directly engaging not only in viticulture but also and increasingly in real estate development. Most of the new residential areas are developed through trusteeship between traditional large landowners and real estate companies (Rainer and Malizia 2014).

The Chaco Salteño shows different dynamics. As already observed above in part 5.2, three main forms of soy expansion and related effects exist. One commonality, however, is the overall trend towards mono-functionality of land. In areas previously used for
different types of horticulture, nowadays it is more likely to encounter corn and soy production (alternating, according to the season). Even more striking, however, is the aspect of land access and forest cover. As Krapovicakas et al. (2016) highlight, the Monte in the Chaco Salteño has had a long tradition of being used as a common pool resource not only for firewood, but also for gathering fruits, honey as well as for subsistence hunting. With the expansion of land used for agribusiness, the predominantly informal and multiple uses of the forest are replaced by one sole and often extra-regionally driven activity.

5. Conclusion

In this paper, we have shown how land is assembled as a (global) resource in Argentine's Salta province. Taking up recent criticism in academia over a too strong focus on counting hectares in studies on the global land rush, we have compared the logics behind land acquisitions and land use in high quality wine production and soy production. The political-economic frame under which economic restructuring occurs is similar and both study areas have experienced a rapid dynamisation of the land market. Nevertheless, the underlying reasons and time horizons for investment are profoundly different. Our comparison has particularly shown the added value of focusing on how capital is actually attached to land and how surplus is generated from it strongly differ.

High quality wine is a global commodity where surplus is mainly accumulated through the place-related particularity of the product. Hence, land along the Salta Wine Route is not only assembled as an economic but also as a cultural resource, enhancing the social status of its owner (Ouma 2014). While in the wine industry as such investment costs are high and capital is fixed for a relatively long time, the related real estate business provides opportunities for shorter-term investments. These are primarily based on the role of high-amenity landscapes in storing surplus capital in land and the built environment. Due to the very rapid increase of land prices along the Salta Wine Route, the speculative gains from this real estate investment have been very high, further boosting speculations on its (potential) future value and creating a kind of gold rush mentality. Hence, it is not that much the potential for agricultural production on land but its (constructed/imagined) particularity and uniqueness that makes it a desirable asset.

In contrast, in Salta's Chaco region, it is mainly the possibility for economies of scale in the context of an agricultural commodity that has recently seen rising demand and rising prices on a world market that drives investment in land. A predominant feature of change is the tendency towards mono-functional land use where the production of soy – in rotation with alternating crops such as corn – replaces other products. Land investments are mainly undertaken by finance capital (so called sowing pools) while all steps of agricultural production are outsourced to specialized companies. Due to the short-term land lease contracts capital is highly fluid and decisions of investors are based on the analysis of and speculation on world market prices. Hence, capital is not so much stored in land in a particular region but frequently (re-)directed between different globalized soy regions in order to capitalize on certain comparative advantages (e.g. cheaper land prices, lower export taxes, higher profit margins) and diversify risks (e.g. of political-economic insecurities or production losses as a consequence of droughts or floods).

Through an in-depth analysis of two relatively small case study areas (compared to the predominant analysis of land grabbing on continental or sub-continental scale) we have shown that counting the hectares only provides a very partial picture of the current land rush. While this focus on hectares has surely been a major reason for the strong media attention the topic has received, in order to gain a more nuanced picture of land deals, land use changes and financialization processes, it is necessary to take into account how capital is attached to land. Additionally, it is important to bear in mind that the assembling of land as a resource can go beyond (purely) economic logics.

In what concerns the implications of the rush for land in the two case study areas, similar processes can be observed. Without a doubt the boom of viticulture, tourism, and real estate in the Calchaquí Valleys has generated much more employment (even though in its great majority low-qualified jobs; see Rainer 2016a for a thorough discussion) than the highly technologized soy bean frontier in the Chaco. Nevertheless, processes of socio-economic fragmentation and exclusion mark both regions; be it through evictions, through the de facto cordonning off of formally openly
accessible areas, through rising land prices that cannot be afforded by low-paid workers or through the destruction of common pool resources that had been an important element for sustaining livelihoods.

Notes

1 Building on Tsing (2005), Kaag and Zoomers (2014b: 7) do not see collaborators as actors sharing common goals. Rather, – through the friction of their different interests and perspectives, – they create something new, in this case the land grab hype.

2 For a thorough discussion of the repositioning of NW-Argentina in a national context, see Paolasso et al. (2013), Krapovickas et al. (2016)

3 For an in-depth discussion of globalization and viticulture restructuring in Salta’s Calchaqui Valleys see Rainer 2016b.

Acknowledgements

We are grateful for: the DOC Fellowship of the Austrian Academy of Science at the Institute of Geography, Innsbruck University (Robert Hafner); Marietta-Blau Grant issued by the OeAD-GmbH, financed by the Austrian Federal Ministry of Science, Research and Economy (Robert Hafner, Gerhard Rainer); the support by the Tiroler Wissenschaftsfond (Gerhard Rainer).

References

Ambrosetti, J. 1895: La región vinícola de la Provincia de Salta en los Valles Calchaquíes. – Boletín del departamento nacional de agricultura XIX (XX): 564-577


Harris, R.L. 2015: China’s Relations with the Latin American and Caribbean Countries. A Peaceful Panda Bear instead of a Roaring Dragon. – Latin American Perspectives 42 (6): 153-190


INV [Instituto Nacional de Vitivinicultura] 2015: Registro de viñedos y superficie año 2014. – Mendoza


Naharro, N., M.A. Álvarez and M.F. Klarik 2010: Territorios en disputa: reflexiones acerca de los discursos que legiti-
man la propiedad de la tierra en el Chaco salteño. – In: Medina, C.P., Mercedes Zubillaga, M.d.l. and M.Á. Taboada (eds.): Suelos, producción agropecuaria y cambio climático. Avances en la Argentina. – Buenos Aires: 133-154