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Chinese Agrarian Capitalism in the Russian Far East

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Abstract

Since the liberalization of the Sino-Soviet border, Chinese peasants and agricultural laborers have been actively engaged in the economy in the Russian Far East (RFE). Over the last decade, Chinese presence on Russian rural land has expanded to include agribusinesses and capital-rich investors. Though Chinese agriculture in Russia is a topic that has received minimal western scholarly attention, it offers new and important insights on the “global land rush.” Chinese agriculture in Russia is deeply tied to issues of labor and migration, and includes small-scale and medium-scale ‘family farms’ as well as large-scale investment projects. While much has been written on the extractive dimensions and negative impacts of land grabbing on local communities, evidence suggests that in the RFE, Chinese workers not only fill a genuine labor shortage, but also contribute positively to local food security, with ‘negative’ impacts being more socially normative and political, than economic. This paper uses Chinese agriculture in the RFE as a lens for analyzing Chinese agrarian transformation today. By shedding some journalistic light on the Chinese farmers, farm laborers, contractors, and agribusiness active on Russian soil, this research intends to reveal something of the agricultural transformation taking place both outside, and much more gradually, within China’s territorial borders. It also examines some theoretical, as well as policy-relevant, implications of these changing labor-capital and social relations, with the intention of returning to the question of land grabbing, and its impacts on food systems and economies at both the local and global level.

Keywords: China; Russian Far East; peasant differentiation; migrant workers

1 Introduction

Beginning in the early 1990s, a curious phenomenon began to occur along the Soviet Union's increasingly liberalized border with China. Chinese agricultural laborers, first hired by Soviet state and collective farms to compensate for the diminishing pool of local urban labor, began to lease their own plots of farmland on Russian soil to grow crops. Chinese farms and greenhouses, spotted along the countryside and near urban centers, cultivated vegetables and produce sold into the hungry Russian Far East (RFE) market. As profits were made, word-of-mouth and active corporate recruitment began to occur, setting off a chain of migration and a "farming rush" (*zhongdi laojin*), as Chinese media outlets reported it.

Idle soil on the land-abundant, but demographically thin, territory of the Russian Far East presented an opportunity for the Chinese on the opposite side of the Amur River, where labor is abundant but land is a scarce. Over the past two decades, constrained by an expanding agricultural production scale inside China, peasants and migrants have been moving steadily into the RFE from cities and villages in Heilongjiang, Jilin, and Liaoning Provinces, in search of profit. In one country of Heilongjiang, for instance, up to ten percent of the population (some 20,000 people) was reported to be engaging in agriculture on Russian land perennially.¹ With cheap and abundant Russian land available for lease, the Chinese who have set up farms and vegetable greenhouses have been able to quickly expand their capital inputs, buying more machines and hiring more labor to keep up with their ever-increasing acreages. Chinese media have referred to these as "peasants" turned "farmers" (*nongchang zhu*). Working underneath them are often fellow Chinese that have left their own plots in rural Northeast China essentially to become itinerant farm workers.

Starting in the 2000s, with the added benefit of greater access to finance and often implicit or explicit Chinese (as well as Russian) government support, Chinese businesses, capital-rich investors, and state-owned farms have also joined in the mix. The nearly one hundred corporate members of the Heilongjiang-Russia Agricultural Cooperation Association (CRACA), for instance, have accumulated land amounting to 380,000 ha across the RFE and Siberia.² Chinese who farm independently on small- or medium-sized plots of land can lease directly from Russian rural residents and old farm collectives, but these larger actors work in tandem with the local Russian governments, and also have formed joint ventures with Russian companies and agribusinesses. While their smaller counterparts mostly grow higher-value crops or have vegetable greenhouses, large-scale actors who benefit from larger plots of land and more machinery, produce more grain and pulses, and have also engaged in animal husbandry. Contract farming has also emerged as a prevalent production form. With scaled-up production bases by agribusiness, use of mechanized and hired wage labor, and economic differentiation among all levels of producers, Chinese agriculture in the RFE is by all appearances robustly capitalist.

A foil to this story is the much slower rise of agrarian capitalism within China itself. Despite a reform process that has seen market liberalization of, and capitalism's penetration into nearly every segment of the economy, China's domestic agricultural production continues to be dominated by small-scale, household-based farming. Though "capitalization" (*ziben hua*) has undeniably taken place, existing structures, institutions, and national conditions to a large degree still limit full-blown "capitalist agriculture" (*ziben zhuyi nongye*).³ Though agriculture is already not the last bastion of

¹ Lu Xiaoming and Chen Yang 吕晓明 陈洋, "东宁"对俄农业开发"全国领先 Dongning is the national leader of agricultural development in Russia" 31 December 2013, Economic Times, at: http://hlj.ce.cn/sy/gd/201312/31/t20131231_1283433.shtml (accessed 31 December 2014)

² Website of the CRACA, at: www.hljdeny.com (accessed 30 December 2014)

³ See: Philip C. Huang (2010), "China's Hidden Agricultural Revolution," Rural China 8(1); Gui Hua 桂华 (2013), "有资本主义化"的中国农业发展道路 Not becoming capitalist – China's agricultural development pathway" 《战略与管理》 *Strategy and Management* 6

socialism it once was, whether China will continue to be a “country of small peasants” (*xiaonong guojia*) with a “small peasant (agrarian) economy” (*xiaonong jingji*) remains to be seen.⁴

This paper will delineate the activities of Chinese actors in the RFE agriculture, both small and large, as well as changing socioeconomic relations between them. The comparative angle of Russia raises interesting questions, including how such processes occur and evolve under different institutional and national structural settings, and what mechanisms contribute to divergent pathways and outcomes. Capitalist production dimensions of Chinese agriculture, is of course a very narrow take on a wider body of related issues. Among the range of issues on which this paper is silent, and hopefully future papers will address, include: the impact of these activities on the Russian local population and economy, food security in and between the two countries, other East Asian actors operating on RFE soil, and the more geopolitical dimensions of Chinese agriculture. Also not addressed here, though it should be kept in mind, is that Russia is by no means the passive object of these processes. Highly fickle local government policies, particularly in the realm of labor migration, go back and forth between Russia’s securitized anti-Chinese narratives and its accumulation imperatives. Populist rhetoric notwithstanding, however, local governments and businesses have often taken whatever foreign labor and capital they can get.

Findings here are limited by the sources on which this paper is based, which are mostly Chinese-language reports. Much of the information provided is anecdotal, and so this paper refrains from any definitive conclusions regarding the processes taking place. Rather it provides descriptive information that will lay the groundwork for more intensive study of this topic, through fieldwork and primary data collection by future researchers; it is necessarily exploratory rather than explanatory. Nevertheless, there is added value in that Chinese agricultural activity in Russia has so far been not been examined as its own separate topic in any academic or policy-related studies.

The following paper is structured thus: the first section will briefly summarize the status and trajectory of modern peasant differentiation and agrarian capitalism inside China, traced from the 1978 reform and opening up period. The second section describes the development of capitalist agriculture of Chinese actors on the territory of the RFE, and the variety of production relations that characterize it. The last section provides some analysis regarding motivating factors in this process.

Note on Sources and Terminology

Secondary analyses by scholars are used here to guide the body of this work, but for direct information on Chinese agriculture in Russia, other less official sources were used as a basis of information. Many are Chinese news stories, including a number of in-depth profiles of Chinese peasants who “made it big” in Russia. Recycled through various media channels, they tend to fall into similar formats: interviews with and narratives framed around Chinese peasants or entrepreneurs who successfully set up farms in Russia, together with commentary by Chinese scholars and analysts of the economic dynamics at work, and a few official statistics sprinkled in. It is unclear as to what standards of objectivity these news articles hold. While they do note examples of failure as well as the difficult conditions that Chinese workers in Russia face, they skew towards presenting Russia as a land of great opportunity. These articles date mostly to before August 2013, but the massive floods that occurred at that time have not permanently hampered activity, and expansion of Chinese agricultural activity has continued pace.⁵

⁴ Wen Tiejun (2000), “21 世纪的中国仍然是小农经济? Will 21st China still be a small-peasant economy? ” 《国际经济评论》 *International Economic Review* 6

⁵ “2014 年黑龙江在俄农业种植面积增加 30% Heilongjiang Province’s acreage in Russia increases by 30% in 2014,” 24 October 2014, China News, at: <http://www.chinanews.com/gn/2014/10-24/6714214.shtml> (accessed: 2 January 2015)

Regarding terminology, the Chinese term *nongmin* is occasionally translated as “farmer,” but more closely connotes the English term “peasant.” I translate it as the latter in part to contrast it with *nongchang zhu* – a term suggesting greater ownership and control of production resources, and which more unequivocally translates to “farmer” or “farm owner.” This is in line with sources, which very often refer to peasants as having transformed into “farmers” in light of their new activities. Analytically, such classifications may run into more grey areas. Most definitions of “peasant” encompass two meanings. The first relates to production, specifically the use of family household labor primarily for subsistence purposes. The second relates to production relations, which to a large degree should remain local and non-commoditized. This article accepts Zhang and Donaldson’s (2010) definition that in the Chinese context, the shift from subsistence peasantry to simple commodity production, or farming, occurs when producers engage in “specialized production for nonlocal markets,” and “enter into market competition with other specialized producers and become individualized enterprises.”⁶ Specialized production for nonlocal markets seems to apply to nearly all the cases of those farming in Russia. In other words, they are all to an extent commercial, entrepreneurial, capitalist.

“Peasant” as such is still an imprecise translation of *nongmin*, however. Though colloquial association with a member of society traditionally engaged in farming to derive his or her livelihood, *nongmin* also refers to a registration status (*hukou*) that is rural. In official surveys and censuses this does not clearly distinguish agricultural or non-agricultural occupations. Nor does it denote actual physical residency, despite rural migration into cities having increased substantially over the past decades. This lack of clarity in fact negatively impacts scholarship and analysis on agriculture and rural transformation in China.⁷ This article occasionally uses the term peasant to refer to this institutionalized, as well as socially replicated status, rather than the analytical definition.

Regarding other classifications, many of these Chinese farmers sublease land acquired by larger Chinese, or partially Chinese-owned, agribusinesses and corporations. However, as all Chinese farmers on Russian land are technically leasers with formal or informal contractual arrangements, it is difficult in some cases to distinguish relatively operationally independent subleasing farmers (*geti hu*) from contract farmers (*chengbao zhe*) who guarantee all or part of their harvests to an agribusiness. Both types of farmers are very distinct from farm laborers (*dagong zhe*, *gongren*, or *gugong*) on independent and corporate farms who are compensated only for their labor. Furthermore, in Northeast China, there is the phenomenon of “farm employees” (*zhigong*) that are employees of China’s state-owned farms. Such Chinese “farm employees” are also engaged in agriculture in Russia, and their backgrounds will be indicated where information is available.

Lastly, small- and medium-sized Chinese farms in Russia have been referred to as *jiating nongchang*, which directly translates as “family farms.” They are not literally family farms that are managed or run by household labor. Rather, this relative neologism refers to entrepreneurial and professionalized farms of a moderate (or well above average) scale, as referred to in the CCP’s No. 1 Document of 2013.⁸ Though celebrated as a vanguard for Chinese agricultural modernization, and a target of government support, their precise definition of being inside China remains somewhat vague and subject to local government interpretation. As referred to in the Russian context, however, *jiating nongchang* are often not family-run or household-based, and seemingly all utilize hired labor.

⁶ Q. Forrest Zhang and J.A. Donaldson (2010) “From Peasants to Farmers: Peasant Differentiation, Labor Regimes, and Land-Rights Institutions in China’s Agrarian Transition,” *Politics and Society* 38(4), 468

⁷ Philip C. C. Huang, Gao Yuan, and Yusheng Peng (2012) “Capitalization without Proletarianization in China’s Agricultural Development” *Modern China* 38(2), 141-142

⁸ This is the policy document that lays out the central government’s top priority issues for the year. Available at: http://www.gov.cn/jrzq/2013-01/31/content_2324293.htm (accessed 5 January 2015)

2 Agrarian Capitalism and Peasant Differentiation

Agrarian capitalism in the prevalent neoliberal economic narrative generally refers to a system of commercialized production through active markets of labor, land, and capital. This is commonly thought to result in large-scale agriculture utilizing wage labor, though whether such a production form is truly the most efficient is still widely debated. As Lenin posited, an “infinitely diverse combination of the elements of capitalist evolution are possible.”⁹ Case studies of the development of agrarian capitalism in various countries point to the fact that unique national institutions, structures, and conditions shape divergent historical pathways and outcomes regarding precise forms of capitalist agriculture.

The penetration of urban capital, and its restructuring effects on traditional rural agriculture and livelihoods, is one component of such a transition, but according to Lenin capitalist relations could also develop spontaneously among the peasantry. In the *Development of Capitalism in Russia*, he noted a tendency among Russian peasants to differentiate into a minority of “well-to-do peasants” from which a capitalist farming class would emerge, and a majority rural proletariat of farm workers marked by an “inability to exist without the sale of labor-power.”¹⁰ This idea, that the rural countryside was a “home market for capitalism” and a seedbed for exploitative social relations, had tremendous political consequences in the former Soviet Union, as well as in revolutionary China.

The People’s Republic of China was founded on the back of a peasant-based revolution, but “peasants” were not uniformly considered the allies of the new state. The “Decision Regarding Divisions of Rural Class Composition” issued by the Central Committee on 30 June, 1950, subdivided the rural population into separate classes of landowners, rich peasants, middle peasants (including upper-middle peasants and lower-middle peasants), poor peasants, and farm laborers. Landlords and many rich peasants were subsequently violently purged. According to Article 8 of the 1954 Constitution: “The policy of the state towards the rich-peasant economy is to restrict and gradually eliminate it.”¹¹ Land reform enacted from 1947-52 redistributed lands among the remaining groups, establishing a highly egalitarian smallholder agrarian economy.

This lasted until the collectivization policies of 1955-56. Unlike in many parts of the Soviet Union, however, collectivization in China did not succeed in permanently transforming peasants into a class of workers. Once People’s Communes were dismantled, the smallholder peasant and the household-based farm of China’s “golden age” of socialism once again became China’s dominant agricultural production form. Under the Household Responsibility System (HRS), implemented in the early 1980s during China’s reform and opening up, rural land now belonged to village collectives, but was distributed to village residents on an equal basis, in long-term land-use arrangements. To this day, land remains legally in the hands of village collectives. No true agricultural land factor market exists: though it may be leased, it may not be purchased. However, in unshackling peasants from collective farms, HRS made it possible for peasants to market the surplus products of their own labor on an individual and household basis, and laid the foundation for peasant participation in the market economy. De-collectivization, therefore, is the starting point from which discussion of modern-day Chinese peasant differentiation and the development of capitalist agriculture begins.¹²

⁹ As quoted in Henry Bernstein (2009), “V.I. Lenin and A.V. Chayanov: looking back, looking forward,” *Journal of Peasant Studies*, 36(1), 59

¹⁰ They may or may not hold allotments. V.I. Lenin (1964), *Collected Works*, 4th Edition, Moscow: Progress Publishers, Volume 3, 172-188

¹¹ *Constitution of the People’s Republic of China* (1954), Peking: Foreign Languages Press, 12. Accessible at: <http://www.hkpolitics.net/database/chicon/1954/1954ae.pdf>

¹² Yan Zhenshu 严振书 (2012), “Features of Peasant Differentiation within China’s Social Transformation 转型期中国农民阶层分化的特征,” 《中共四川省委省级机关党校学报》 *Sichuan CPC Provincial Party Committee Journal*

In the 1980s, there were already cases of peasants who were able to expand the production scale vis-à-vis their neighbors, but these cases were isolated rather than systemic.¹³ Continued economic liberalization and reforms soon offered peasants new alternatives to solely agriculture-based livelihoods, which furthered processes of agrarian transition. Rural industrialization and the emergence of township and village enterprises (TVEs) in the late 1980s resulted in socioeconomic stratification in the countryside, associated with new groups of managers, workers, and self-employed entrepreneurs. The concurrent loosening of the rural-urban divide, which precipitated massive peasant movement to urban areas as migrant labor, continued peasant movement out of the agricultural sector. Rural residents with non-agricultural employment increased from 15% in the late 1980s to 45.3% by 2000. Today, the figure is over 60%.¹⁴ These processes, at the same time that they have boosted rural living standards with supplemental income, have also facilitated the “gradual formation of peasant classes of varying endowments.”¹⁵ In particular, the growth of off-farm opportunities is strongly correlated with the growth of the land transfer and rental market.¹⁶

As many peasant households came to rely much more on non-agricultural income for their reproduction, holdings and land-use rights that were being underutilized but that the state still levied taxes on until 2005, were increasingly transferred (*liuzhuan*) between fellow villagers, in leasing and rental arrangements. In 2006, the Second Census of Agriculture found 12.2% of rural households were engaged in these land transfers. Another study found that these transfers had increased to 18.5% in 2009.¹⁷

The emergence of a land (rental) market, which has been legally recognized by the state, has allowed for expanded agricultural production scale by both small and large actors, including non-local ones. Land transfers have precipitated the emergence of what has been deemed in Chinese literature a “middle peasant” (*zhongnong*) group, which farms as a (mostly) exclusive occupation, on higher than average but still moderate-sized land of anywhere from 10-50 mu (0.6 ha-3.3 ha).¹⁸ These middle peasants, as defined by a variety of Chinese scholars, continue to rely primarily on household rather than hired labor, and their “main social relations and interests” continue to be in their rural village.¹⁹

But larger-scale farms have also developed in the years since reform. For instance, the Ministry of Agriculture conducted a national survey in 2013 of so-called “family farms” (*jiating nongchang*). These “family farms” refer very generally to more professionalized, modern farms of a certain

¹³ A number of examples are provided in Burak Gürel (2014), “Changing Relations of Production in Chinese Agriculture from Decollectivization to Capitalism,” *McGill Sociological Review* 4(Feb), 67-92

¹⁴ Xiaobing Wang, Futoshi Yamauchi, Kejiro Otsuka, and Jikun Huang, “Wage Growth, Landholding, and Mechanization in Chinese Agriculture,” December 2014, World Bank Policy Research Working Paper 7138

¹⁵ Lu Rui 刘锐, “Peasant Differentiation and the Transformation of Rural Governance, 农民阶层分化与乡村治理转型” 《中州学刊》 *Zhongzhou Journal*, 12(6).

¹⁶ Jikun Huang, Xiaobing Wang, and Huangguang Qui (2012), *Small-scale farmers in China in the face of modernization and globalisation*, London/The Hague: IIED/HIVOS, 20

¹⁷ Tan Minghong, Guy M. Robinson, Li Xiubin, and Xin Liangjie (2013) “Spatial and Temporal Variability of Farm Size in China in Context of Rapid Urbanization,” *Chinese Geographical Science* 23(5); Jikun Huang, et al, *Small-scale farmers*, 20

¹⁸ Chen Ling 陈玲 (2013) “小农、中农抑或大户:中国农业的发展战略选择 Small peasants, middle peasants or large ventures: strategic choices in China’s agricultural development” 《农村经济》 *Rural Economy* 10; Lu Rui “Peasant Differentiation”; Gui Hua, “Not becoming capitalist”; Yuan Mingbao 袁明宝 (2013) “生计农业: 中国小农的现实表达与发展转型 Subsistence Agriculture: the expression and transformation of China’s small peasant” 《南京农业大学学报》 *Journal of Nanjing Agricultural University* 6. Interestingly, there is also evidence that land transfers have in fact stimulated more equalized distribution of land, and have benefitted those farms that are smaller in terms of area or household size. See: Jikun Huang, Liangliang Gao, and Scott Rozelle (2012) “The effect of off-farm employment on household’s decisions to rent out and rent in cultivated land in China” *China Agricultural Economic Review* 4(1)

¹⁹ Lu Rui, “Peasant Differentiation”

moderate to large scale).²⁰ The Ministry found 877,000 of them in China at the end of 2012, covering 13.4% of China's arable and contracted land, with an average acreage of 200 mu (13.3 ha), far above the national average of 7.5 mu (0.5 ha).²¹ Labor utilized for "family farms" was 6.01 persons on average, 4.33 of which were household members, and 1.68 of which were long-term hired employees (*changqi gugong*).²²

The last statistic regarding hired labor is quite significant, given the almost total lack of proletarianization that has been noted in Chinese agriculture. For instance, Philip C. Huang et al.'s (2012) analysis of data on 60,000 farm households across 1,553 counties across the country found that hired agricultural labor (including short-term workers) accounted for only 3.4% of all agricultural labor input, noting that even this figure was likely an overestimation.²³ This is a stark contrast to this new "family farm" figure of 28% hired labor. The No. 1 CCP Document of 2013 noted that such "family farms" will be a part of China's modernization, and will be eligible for a policy support, though many of the details of this are still unclear and will likely be left up to local governments to hash out.

In broad brush-strokes, these represent some cases of agrarian change "from below." Differentiation among the peasantry also occurs alongside and intertwined with the changes that have been wrought by the penetration of urban (as well as foreign) capital into the countryside (*ziben xiexiang*). This began to be actively encouraged by the government in the mid-1990s. Emphasizing the need for agricultural modernization, increased production scale, and vertical integration, the government has been providing various financial subsidies and incentives to designated "dragon-head enterprises" (*longtou qiye*). These enterprises have flourished under government support, and vertically integrated households linked to these companies by formal contract or informal arrangements have spread across China. Farmers' cooperatives have also emerged as an alternate means of increasing scale, providing production technology, and helping overcome barriers of market access for small producers. These cooperatives have grown substantially in connection with government support policies, more than doubling from being in 6.7% of villages in 2006 to 20.8% in 2008.²⁴ Overall, peasants are much more connected to the wider economy than they ever were before.

Agribusinesses and urban capital has captured much of the agrifood industry, but their ability to form agricultural production bases has been more limited.²⁵ Arable land in nearly all of China is already owned by village collectives and allocated to rural residents. The difficulty of wresting plots of land from these groups and individuals – land that is often non-contiguous, fragmented, and unsuitable for scaled-up operations – explains in part the prevalence of contract arrangements with

²⁰ The MOA used the definition of farms managed by those with rural *hukou*, mainly using household labor, and with an agriculture-based income. "For those with engaged in grain production, a land management lease or contract period of at least 5 years, with a scale of at least 50 mu (double-cropped area) or 100 mu (one crop rotation). For commercial, cash crops, livestock (or aquaculture), or a combination of planting and breeding, the scale requirement should be determined by the local Agricultural Department at the county-level or higher." Ministry of Agriculture Information Office, "我国首次家庭农场统计调查结果显示," 4 June 2013, Ministry of Agriculture of the PRC Website. http://www.moa.gov.cn/zwl/m/zwdt/201306/t20130604_3483252.htm (accessed 31 Dec 2014)

²¹ 55.2% of these were 50 mu (3.3 ha) or less, 21.6% were 50-100 mu (3.3 ha – 6.7 ha). Farms of sizes greater than 1000 mu (66.7 ha) constituted 1.9%. Ibid.

²² Ibid.

²³ Philip C. C. Huang, G. Yuan, Y. Peng (2012) "Capitalization without Proletarianization in China's Agricultural Development," *Modern China* 38(2), 139

²⁴ Jikun Huang, et al, *Small-scale farmers*, 28

²⁵ Qian Forrest Zhang and John A. Donaldson (2008) "The Rise of Agrarian Capitalism with Chinese Characteristics: Agricultural Modernization, Agribusiness and Collective Land Rights," *The China Journal*, 60, 44

peasant producers.²⁶ However, large-scale land transfers have also been increasing in recent years. Statistics from the Ministry of Agriculture showed that at the end 2012, agribusinesses accounted for 10.3% of all transferred land, a growth of 115% from 2009.²⁷ Not all of this land is used productively for agriculture, and similar to cases of land grabbing for urban development, these often occur in collusion with local governments.²⁸ While the central government has at times stressed that it does not support these types of large-scale transfers and supports strengthened village collective ownership rights, it at the same time also encourages greater land consolidation and larger-scale farming schemes as the direction in which China's agricultural system needs to develop.

China's agricultural system is without a doubt "capitalizing"; peasants are moving away from subsistence agriculture, producing higher-value agricultural products for commercial profit, becoming more linked with markets and non-local actors to a greater extent than ever before. This is what Philip C. Huang calls China's "hidden agriculture revolution."²⁹ Agriculture may no longer be the last bastion of socialism it was once considered. Yet, for better or worse, significant barriers still remain to the complete commodification of agriculture. The same institutions (HRS) that helped precipitate greater market liberalization in China, also shields rural land from becoming part of this process. The lack of a true land market and the difficulty of wresting land-use rights from peasants and their collectives, and consolidating the fragmented, non-contiguous plots, which mark the majority of China's countryside, still hamper capital involvement in agriculture to a great extent. Village land continues to be distributed on the basis of equality rather than efficiency or productivity. Other institutional features that also set limits on agrarian capitalism in China include the rural-urban dual structure: without the security, services, and benefits of urban *hukou* or registration, land continues to serve as a safety net for households that might otherwise choose to (more permanently) transfer their land.

There are also more structural limits to scaled-up, industrialized agriculture. China's arable land-to-population ratio is exceedingly tight, a circumstance even further threatened by urbanization and land degradation.³⁰ Despite the noted development of a few larger-scale farms, average farm size in China over the past decades has even decreased from the average of 0.7 ha after HRS was fully implemented in 1985.³¹ The structural constraint of limited land availability is not only an issue of economic efficiency, but is one that is deeply related to livelihoods and social order. Wen Tiejun, for instance, has argued that for a *renduo dishao*-country like China, with high population to land ratio, these small plots serve a subsistence function more than a production function: "under conditions of severe shortage of (land and water) resources, there is no room for China's small peasant economy to engage in Western-style privatization."³² He Xuefeng similarly notes, "economic efficiency should be

²⁶ Qian Forrest Zhang (2013), "Comparing Local Models of Agrarian Transition in China," *Rural China* 10, 23-24

²⁷ Li Yongshen and Chen Hongfei 李永生 程鸿飞, "工商企业租赁农户承包耕地要监管——农业部农村经济体制与经营管理司负责人解读中央1号文件 Need for regulations on businesses leasing farmland – the MOA is responsible for interpreting Central Document No.1," 4 February 2013, website of PRC Ministry of Agriculture, at: http://www.moa.gov.cn/ztl/yhwj2013/xwbd/201302/t20130204_3215159.htm (accessed 1 January 2015)

²⁸ Ibid; "让土地流转和规模经营健康发展——农业部部长韩长赋就《关于引导农村土地经营权有序流转发展农业适度规模经营的意见》答记者问 Interview with PRC Minister of Agriculture Han Changfu," 17 October 2014, Xinhua, at: http://news.xinhuanet.com/fortune/2014-10/17/c_127111746.htm (accessed 1 January 2015)

²⁹ See: Philip C. Huang (2010), 中国的隐性农业革命 *China's Hidden Agricultural Revolution*. Beijing: Law Press

³⁰ 0.08 ha per capita. Data for 2010. World Bank Databank, "Arable land (hectares per person)." http://data.worldbank.org/indicator/AG.LND.ARBL.HA.PC?order=wbapi_data_value_2010+wbapi_data_value+wbapi_data_value-first&sort=asc

³¹ Jikun Huang, et al, *Small-scale farmers*

³² Wen Tiejun (2000), "Will 21st China still be a small-peasant economy?"

second to equality under these national structural conditions.”³³ The central government itself recognizes these issues are as immensely political in impact as they are economic: at the same time that it actively promotes so-called modernized agriculture, has so far refrained from wholesale systemic reform (such as land privatization), and continues to call for preservation of rural residents’ rights and interests.³⁴

Of course, there are significant variations in the extent of the penetration of capitalist relations across the country. Not only are there regional economic disparities, but also differences in natural resource endowments and topography. Land transfers are much more prevalent in Zhejiang and the economically prosperous coastal regions, as well as in Northeast China.³⁵ Even local development models on a municipal-basis can vary greatly across China. Thus, it is perhaps somewhat misleading to write in such aggregate terms. In fact, in Northeast China – where the majority of actors relevant to RFE agriculture hail – features of agriculture are unique from other parts of China. For instance, lower population density and geographical flatness of the Northeast have allowed for the emergence of larger-scale and more highly mechanized farms (compared to the rest of China). In Heilongjiang province, per capita arable land is three times the national average. There also remains more expansion opportunity for agriculture, as some 13.3% of the potential agricultural land remained untapped as of 2008.³⁶ Regarding mechanization, over 80% of China’s imports of combines enter into the country through Liaoning province. Traditionally the grain basket of China, the Northeast also accounts for over 41% of the country’s soybean, 34% of its corn, and between 30-50% of its japonica rice crop production – crop patterns that are echoed in the production of larger-scale Chinese actors in the RFE.³⁷ Heilongjiang and Jinlin provinces are part of a black earth belt (*chernozem*) of extremely fertile soil, though extremely cold weather and the short growing season also effects agriculture. In news stories, Chinese actors have stated that similarities in “soil, climate, hydrological conditions and land fertility” between RFE land and land at home have been a component of their decisions for farming abroad.³⁸

Also relatively unique to Northeast China, is the prevalence of state-owned farms, which account for a third of crop production in Heilongjiang.³⁹ On such farms, in contrast to the rest of China, land was not allotted on an egalitarian basis during de-collectivization, but rather based on “each family’s capital endowment, which resulted in highly unequal holdings”.⁴⁰ The state-owned farms have much more control of production vis-à-vis their “farm employees,” and land tenure is less secure for them.

State-owned farms also provide market access, and facilitate commercialization and industrial

³³ Quoted in Alexander F. Day (2013), *The Peasant in Postsocialist China*, Cambridge University Press, 151

³⁴ Xinhua News, “Li Keqiang calls for modern agriculture development” 6 November 2013, http://news.xinhuanet.com/english/china/2013-11/06/c_132865217.htm (accessed 31 December 2014)

³⁵ M. Tan, G. Robinson, X. Li, L. Xin (2013) “Spatial and Temporal Variability of Farm Size in China in Context of Rapid Urbanization,” *Chinese Geographical Science* 23(5).

³⁶ Heilongjiang Province People’s Government Network 黑龙江省人民政府网, “Heilongjiang’s Agricultural and Natural Resources: Land” 黑龙江省农业自然资源—土地, 10 January 2013, Heilongjiang Agricultural Information Network, http://www.hljagri.gov.cn/nygk/nyzy/201301/t20130110_494002.htm (accessed: 1 January 2015)

³⁷ United States Department of Agriculture: International Agricultural Trade Report, “Northeast China: Prospects for U.S. Agricultural Exports” 28 April 2014, at: <http://www.fas.usda.gov/data/northeast-china-prospects-us-agricultural-exports> (accessed 30 December 2014)

³⁸ “俄罗斯的中国村庄：从卖菜到种地 耕种在俄罗斯土地上的中国农 Chinese villages in Russia: peasants who went from selling vegetables to farming on Russia’s land,” 24 November 2011, Beijing News, at: <http://www.chinaru.info/luosihuashang/luosihuaren/9957.shtml> [accessed: 10 May 2013]

³⁹ United States Department of Agriculture, “Northeast China”

⁴⁰ Q. Forrest Zhang (2010), “Reforming China’s State-Owned Farms: State Farms in Agrarian Transition,” Paper presented at the 4th Asian Rural Sociology Association (ARSA) International Conference, Legazpi City, Philippines, 374

processing. Zhang's (2010) research in Northeast China found that in these state-owned farms, none of the "farm employees" were engaged exclusively in subsistence-oriented farming.⁴¹ Capitalist agriculture seems to be much more highly developed within these state-farm structures, though it is not clear if this spills over to non-state farms and rural villages in the Northeast. Many of these state-owned farms are now no longer engaged exclusively in agriculture, and have diversified their portfolios into other sectors in search of profit. As will be mentioned, some of these state-farms are also actively encouraging these "farm employees" to go abroad to Russia.

These factors may well have great influence on Chinese agricultural engagement in Russia, and could account for some of the forms of production among and social relations observable between the Chinese farming there. Indeed, it is perhaps a local political economy perspective that is more relevant than broad national comparisons. Lack of this constitutes one of the deficits in this paper. The above summary nevertheless describes an overall framework of agriculture that is still markedly different

from what the next section describes, and the contrast may still be illustrative.



3 Chinese Agriculture in the RFE

Land reform in the early 1990s privatized 108 million hectares of agricultural land in Russia. These lands, owned by large Soviet collective and state farms (*kolkhozes* and *sovkhozes*), were distributed to their former workers as ownership rights to unspecified plots.⁴² But unlike in China, where de-collectivization led to massive "re-peasantization," for a variety of reasons, these workers mostly left these private plots unclaimed. These Soviet-era farms in most cases stayed structurally intact, re-labeled as large-farm enterprises. However, the amount

of land cultivated by these enterprises decreased significantly as government support in agriculture and interest in farming waned.⁴³

Agriculture in Russia as a whole suffered a precipitous decline after Soviet collapse, but in the Russian Far East (RFE) the situation was worse. Heavily disadvantaged in terms of demographics,

⁴¹ Ibid, 374

* Richard Lotspeich, 2010. "Economic Integration of China and Russia in the Post-Soviet Era" in Bellacqua, J.A. (ed.), *The Future of China-Russia Relations*. Lexington: University Press of Kentucky, 85

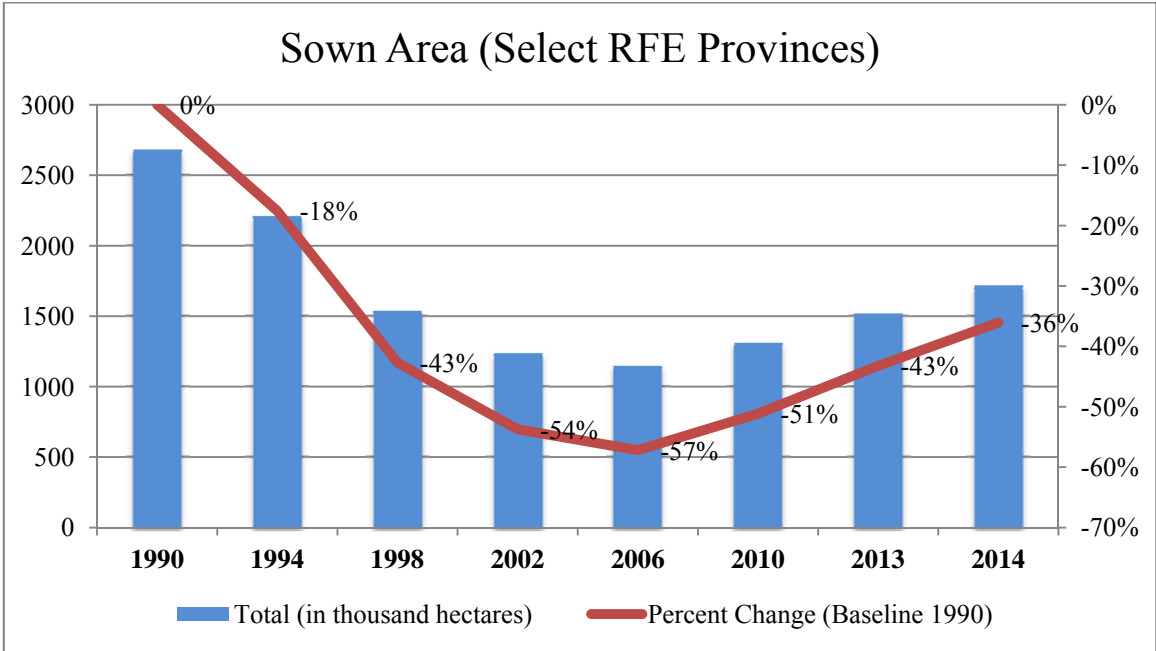
⁴² J. Duncan and M. Ruetschle, 2003 'Agrarian Reform and Agricultural Productivity in the Russian Far East', in Thornton J., and Ziegler C.E. (eds.), *Russia's Far East: A Region at Risk*, Seattle: University of Washington Press, 205

⁴³ O. Visser, N. Mamonova, and M. Spoor, 2012, 'Oligarchs, megafarms, and land reserves: understanding land grabbing in Russia'. *Journal of Peasant Studies*, 39(3-4)

infrastructure, and transportation, RFE agriculture had depended on the support and subsidies of the central state to a greater degree than Western Russia. Post-Soviet outmigration from the RFE exacerbated a labor shortage, which in turn fed the agricultural, as well as general, economic decline. Population fell 19.8% between 1991-2008, mostly due to out-migration but also as a result of natural loss.⁴⁴ For instance, some 40% of the agricultural land in Russia that went into private ownership in the 1990s went to pensioners. Three-fourths of this land was expected to be passed down through inheritance by 2010, but in the RFE (as well as in the rest of Russia), “many heirs simply do not claim inherited land shares or plots”.⁴⁵

The RFE is quite unique in its availability of empty land. The Far East Federal District comprises one-third of Russia’s territory (equivalent to two-thirds of the territory of the United States), but in 2009 it held only 4.6% of the country’s population. At 6.3 million, this is the equivalent of the population of Heilongjiang’s provincial capital of Harbin. However, only the RFE’s southernmost provinces have any substantial arable land that is arable (some 60% of which is concentrated in the Amur Oblast). Analysis here is largely limited to that area. Decrease in sown area in those five provinces fell 57% between 1990-2006, before recovering. As of 2014, the figure remained well below its 1990 level.

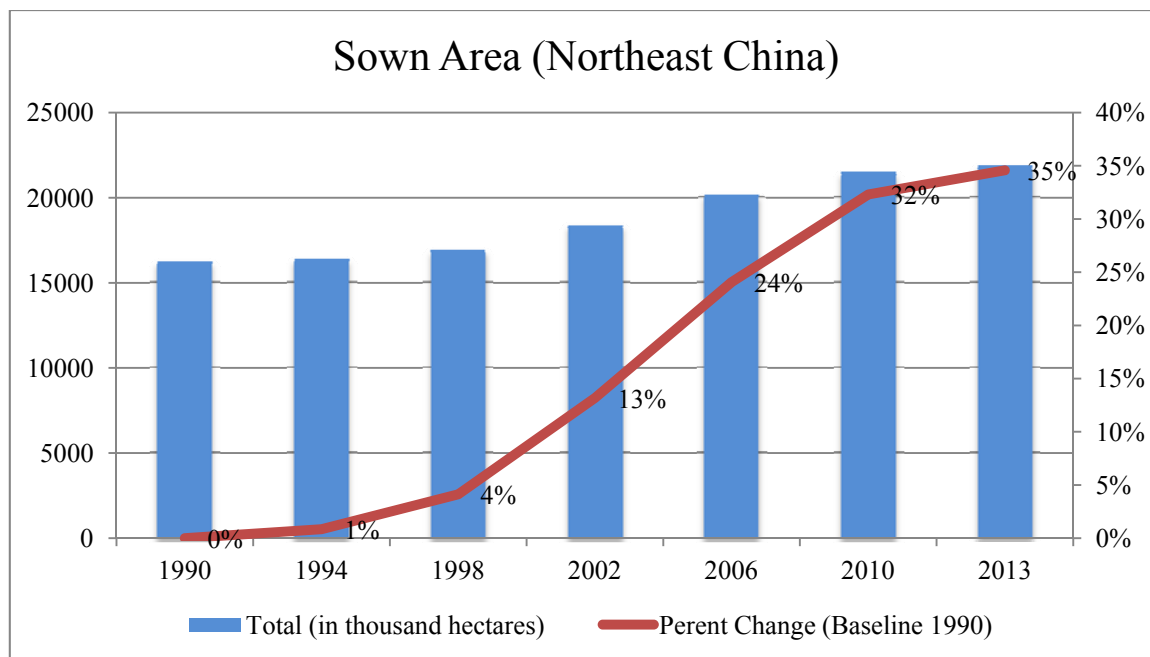
*Map of Bordering RFE and Chinese Provinces**



**Five RFE provinces include: Amur Oblast, Khabarovsk Krai, the JAO, Primorsky Krai, and Sakhalin. Does not include Kabaikalsky Krai. Data from CEIC Data, sourced from the Russian Federal Statistics Service (Rosstat)*

⁴⁴ E. L. Motrich and S. N. Naiden (2009), ‘The Social-Demographic Situation and Labor Migration: the Far Eastern Sector’, *Studies on Russian Economic Development*, 20 (5), 554

⁴⁵ J. Duncan and M. Ruetschle (2003), “Agrarian Reform and Agricultural Productivity,” 205



Provinces of Jilin, Heilongjiang, and Liaoning. Does not include Inner Mongolia. Data from CEIC Data, sourced from Chinese Statistical Yearbook.

As such, the RFE faced the exact opposite conditions as its neighbor across the banks of the Amur. In three Chinese provinces of Liaoning, Jilin and Heilongjiang, the population in 2007 was 108.7 million, or 16.7 times that of the whole Russian Far East, a nearly 10% increase since 1990.⁴⁶ Sown area in these three border provinces also increased, accelerating in the 2000s, with 2013 standing at a 35% increase to the 1990 level, in marked contrast to the decline in Russia’s agriculture.⁴⁷

These bare facts and numbers clearly illustrate some of the dynamics that are involved. However, without more context one might be tempted to simplify land and demography factors as the primary drivers of this phenomenon. There are authors who speak of “natural pressures” while writing about Sino-Russian border issues, a term that suggests that – as if by osmosis – the two sides of the Amur are inevitably converging toward a human-to-hectare density equilibrium. The drivers are of course more multi-faceted, and discussions about agriculture should also take into account profit margins and financial motives, institutional and corporate labor recruitment, different farming cultures, historical patterns, as well as encouragement by the state and actors on both sides of the political border that shape the processes.

In the RFE, the majority of arable land remained un-privatized after liberalization, and was held in the hands of the state’s *raion* (regional) land distribution funds. This land was in theory supposed to be redistributed to peasant farmers after the 1991 land reform, but this did not occur. For instance, in 1999, Amur Oblast’s land committee held over 900,000 hectares of arable land in its land fund, but that same year leased out only 700 hectares to peasant farmers, while leasing 251,176 hectares to agricultural enterprises.⁴⁸ It is not clear whether this was due to lack of interested local individual or smaller-scale local applicants, though the Russian government has been notable for its preference for larger-scale farming. Duncan and Ruetschle (2003) do note that in the 1990s, the state ended up allocated it to “almost anyone who applied for it,” including “immigrant farmers from China, Korea,

⁴⁶ Motrich, and Naiden, (2009), ‘The Social-Demographic Situation and Labor Migration,’ 554

⁴⁷ Richard Lotspeich (2010) “Economic Integration of China and Russia in the Post-Soviet Era” in (ed.) Jacob Bellacquia, *The Future of China-Russia Relations*, Lexington: University Press of Kentucky, 130

⁴⁸ Ibid.

Holland, and the United States.”⁴⁹

As the Sino-Soviet border liberalized in the late-1980s, Chinese contract workers began to fill the RFE’s labor demand, primarily in construction and agriculture, but also in other sectors. In 1988, the Suifehe Municipal government signed the first contract for vegetable production with Baranovsky state farm in Primorsky Krai.⁵⁰ In the 1990s, Chinese state-owned enterprises and local governments arranged similar formal agricultural labor arrangements. They were often surplus workers recruited from Northeast China’s countryside, or underemployed urban laborers contracted by fellow Chinese and Chinese labor-exporting firms – often under harsh and even exploitative conditions with living conditions “extremely far” from that of local workers.⁵¹ Agricultural labor contracting had the active support of Chinese provincial and local authorities.

According to reports, it was largely from this pool of agricultural workers, already engaged in reviving agriculture for the region that the first more independent Chinese farmers emerged. Such farm laborers, as well as vegetable traders, peasants, and other Chinese individuals soon began to directly rent land on former collective farms, under sharecropping and other contractual arrangements with Russians, which allowed them use of agricultural machinery, transportation, and other rendering services.⁵² Over the past decade, they have begun to shift from extensive to intensive farming, and have begun to form “leaner” production teams, which hire local Russians to make up for labor shortfalls and reduce costs. Their leases have also increased from short one-year contracts to five-year, 20-year, or even longer-term arrangements.⁵³ In the 2000s, however, this shifted towards private labor-exporting firms, self-organized and self-financed businesses and individual entrepreneurs.⁵⁴

With backgrounds as peasants in China, they brought to Russian farms their own agricultural techniques and expertise, including for cultivating crops like soy and melons, and greenhouse cultivation for vegetables.⁵⁵ Along with shuttle traders and cross-border peddlers, they helped provide the RFE with fresh produce, even some that had previously been completely unavailable: “ ‘We had never had locally grown watermelons’ – [said] a student from Far Eastern State University – ‘before the Chinese came’ ”.⁵⁶

The activities of these Chinese farmers and farm laborers, as pointed out by some Russian authors, “considerably surpass locals in terms of the culture of agricultural work and professionalism... in those areas of the RFE where Chinese work in agriculture, they do not simply satisfy the vegetable needs of the population, but create a surplus”.⁵⁷ Their extra harvest was generally sold locally, as transportation costs to China were exorbitant, and the market prices for vegetables

⁴⁹ Ibid, 200-201

⁵⁰ Victor Larin, (2005) “Chinese in the Russian Far East: Regional Views,” in (eds.) Tsuneo Akaha and Anna Vassilieva, *Crossing National Borders*, Tokyo: United Nations University Press

⁵¹ Qilu Weekly, “在俄罗斯种地的中国人 Chinese people farming in Russia” 11 March 2012. at: <http://www.qlweekly.com/News/Topics/201203/115788.html> [accessed: 10 May 2013]; Shkurkin, A.M., 2002. ‘Chinese in the Labour Market of the Russian Far East: Past, Present, Future’ in (eds.) Nyiri, P. and Savelev, I., *Globalizing Chinese Migration*. Burlington: Ashgate Publishing Company, 88; and Nyiri, P., 2007. *Chinese in Eastern Europe and Russia*. London: Routledge, 78

⁵² Liu Jiawen 刘佳雯, “黑龙江农民俄罗斯“种地淘金”调查 Investigation of the Heilongjiang Peasants’ ‘Farm Rush’ in Russia,” 15 July 2011, China Times 华夏时报, at: <http://www.chinatimes.cc/hxsb/news/zhengce/110715/1107152023-24920.html> (accessed 1 January 2015)

⁵³ Ibid.

⁵⁴ Liu Jiawen 刘佳雯, “中国农民赴俄罗斯种地淘金调查 Investigation of Chinese peasants’ ‘farm rush’” in Russia,” (extended article from China Times), at: <http://wenku.baidu.com/view/f88e0de49b89680203d8251f.html> (accessed 1 January 2015)

⁵⁵ Mikhail Alexseev (2003), “Chinese Migration in the Russian Far East: Security Threats and Incentives for Cooperation in Primorskii Krai,” (eds.) Judith Thornton and Charles E. Ziegler in *Russia’s Far East: A Region at Risk*, Seattle: University of Washington Press

⁵⁶ Pal Nyiri, *Chinese in Eastern Europe and Russia*, 78

⁵⁷ Anatolii M. Shkurkin, “Chinese in the Labour Market of the Russian Far East”

were much higher in Russia.⁵⁸

However, this phenomenon was by no means unprecedented. During the late nineteenth and early twentieth century, thousands of Chinese settled in the RFE to engage in agriculture, some of them also organized by labor contractors and Chinese foremen. They reached up to 78,000 in number by 1916, and were highly active in the RFE economy. Parallels with the situation almost a century later, are quite remarkable:

The vegetables grown by Chinese included potatoes, cabbages, turnips, beets, carrots, onions, garlic, string beans, tomatoes and herbs, while the fields were usually sown with corn, wheat, oats, beans, hemp, tobacco and poppy. Chinese agriculture played an important role in supplying the Far East's population with agricultural produce. In the South Ussuri region, one Chinese peasant fed 25-26 Russian inhabitants. Vegetables were sold at greengrocers', in the streets and delivered to houses, including on credit... In addition to their own land, the Chinese rented land from Russian Cossacks and peasants. With this, relations between the Russian as landowner and the Chinese as tenant or hired worker changed. The Chinese became the actual owner of the land, with the Russian owning it only nominally.⁵⁹

The availability of fallow land, at significantly cheaper than rental rates than in China, and the much higher-priced market for agricultural products in the RFE, led to a "farm rush" (*zhongdi laojin*) by Chinese. Chinese economic engagement in Russian agriculture involved the activities of these laborers, small traders, and peasants who took advantage of opportunities to expand their scale and make commercial profit on the RFE market. In a few cases, as described later, "peasants" were able to massively enrich themselves and become capitalist farmers.

Larger companies and agribusinesses around the 2000s also began to acquire large-scale production bases. The timing corresponds to increased investment by other international and transnational actors in Russian agriculture, mostly on the western part of Russia. The Farm Land Bill, which allows foreigners to lease Russian agricultural land for up to 49-years, and purchase of land by Russian-majority shareholder companies, was signed into law in 2002. The timing also loosely corresponds with China's Going-Out strategy, though official Chinese government support for importing bulk production back into China is only very recent. According to the Planning Director of Dongning Huaxin Group, a large investment company engaged in Russian agriculture, while smaller plots of land can be obtained directly through contract negotiations with local (former) collective farms or the local government, large-scale investment in land requires the establishment of joint ventures with Russian companies, and authorization by Russian authorities.⁶⁰

In the past few years, Moscow has been actively encouraging Asian nations to invest in the RFE, in line with its internal developmental strategy for the region, economic pivot eastwards, and its general goal of boosting its agricultural sector. Russia has expressed intentions to develop a 'Far East Grain Corridor' and to export some 10 million tons of grain into Asia by 2020.⁶¹ At the 2012 APEC Summit in Vladivostok, Russia also unveiled a plan to offer 20 investment projects, some including up to 150,000-200,000 ha of land for large-scale actors.⁶² Comments by some Russian officials at the

⁵⁸ James Brooke, "New Face of Farming in Russia's Far East," 8 July 2004, New York Times

⁵⁹ Anatolii M. Shkurkin, "Chinese in the Labour Market of the Russian Far East"

⁶⁰ "Chinese villages in Russia," Beijing News

⁶¹ "APEC Policy Partnership on Food Security Meeting, Summary Record," 29 May 2013, in Kazan, Russia. at: http://mddb.apec.org/Documents/2012/PPFS/PPFS/12_som_ppfs_summary.doc (accessed 1 January 2015)

⁶² Deputy Minister of Economic Development Slepnev said that that these packages would be offered to the APEC countries Vietnam, Singapore, Thailand, Japan for development, and conspicuously did not mention

time suggested that the government was at best ambivalent about this investment coming from China; Russia's approach towards Chinese investment has been highly fickle over the years, particularly where it is connected to the heavily securitized and politicized issue of migration.

Regarding aggregate scale, precise data on the number of Chinese nationals engaged in agriculture, as well as the hectares that they lease would certainly be useful. However, China has no central database on either its migrants abroad or the hectares sown by its nationals. Regarding more moderate-scaled and independent farms, data collection is also made difficult by the existence of informal arrangements, including underreporting by Russian leasers for tax evasion purposes.⁶³ In terms of larger-scale actors, data provided by the Heilongjiang-Russia Agricultural Cooperation Association (CRACA), established in 2012, shows that members' cultivation area or holdings across Russia and Siberia total 380,000 ha. (Earlier estimates that Chinese had altogether rented out about 350,000 ha in the RFE in 2010 have likely been exceeded.⁶⁴) There are nearly one hundred member companies, each of which holds at least 500 ha of agricultural land, covering approximately 80% of cultivation area by Heilongjiang-based actors in Russia. Specific data on each corporate member is publicly provided on the CRACA website.⁶⁵

Municipalities or county governments in reports have also provided data on numbers of hectares leased by the Chinese, but this information is piecemeal and not entirely verified. Listing this fragmented data would probably not provide a precise or holistic picture of the involvement, and would distract from analysis of the broader processes: summed up, they might be the epitome of what Marc Edelman (2013) refers to as "messy hectares".⁶⁶ Nevertheless, they are occasionally provided for context in the text below. More of interest to this article than scale of involvement is the social relations of production that have emerged. For that, I look at more anecdotal evidence regarding actors. These anecdotes themselves may be read askance by readers (and rightly so) for being a selective depiction of events, mechanisms, and personalities.

Many of the actors hail from Dongning County, which has become the top county involved in Russian agricultural development, and the distribution hub for imports of Russian agricultural products linked to Chinese production bases. It reportedly has thousands of people perennially engaged in grain cultivation, fruit and vegetable cultivation, livestock breeding, forest harvesting, fishing and other such work in Russia, apparently "accounting for 10% of the country's population".⁶⁷ The magnitude of its involvement is not likely to be representative of other Northeast China counties

China. Dmitry Shlapentokh, "China locked out of Russia's far east", *Asia Times*, 2 March 2012, at: http://www.atimes.com/atimes/Central_Asia/NC02Ag01.html (accessed 1 January 2015); In September 2012, the Minister of Development of Russian Far East Viktor Ishayev outright stated that in the field of agriculture, Russia prefers cooperation with Japan and South Korea to working with China. Sannong News 三农资讯, "Russia's attitude towards Chinese investment is tangled and fickle 俄罗斯对中国投资的态度纠结而善变" 27 September 2012, at: http://www.gdcct.gov.cn/politics/feature/zeny/jiujie/201209/t20120927_724094.html#text (accessed 30 May 2013)

⁶³ Rens Lee, "The Russian Far East and China: Thoughts on Cross-Border Integration," November 2013, Foreign Policy Research Institute (FPRI)

⁶⁴ Andrew E. Kramer, "China's Hunger Fuels Exports in Remote Russia," 9 June 2010, *New York Times*; at the Agricultural Forum 'Conditions and Prospects of Russian-Chinese Cooperation in Agriculture' held at the sidelines of the 2014 Russia-China Expo, Heilongjiang in 2013 was cultivating 500,000 ha of agricultural land in the RFE. Russian Federal Service for Veterinary and Phytosanitary Surveillance, "Rosselkhoz nadzor Participates in the First Russia-China Agricultural Forum "Condition and Prospects of Russian-Chinese Cooperation in Agriculture," 6 July 2014, at: http://www.fsvps.ru/fsvps/news/10348.html?_language=en (accessed 2 January 2015)

⁶⁵ Website of the CRACA

⁶⁶ Marc Edelman (2013): Messy hectares: questions about the epistemology of land grabbing data, *The Journal of Peasant Studies*, 40:3, 485-501

⁶⁷ Lu Xiaoming and Chen Yang 吕晓明 陈洋, "东宁"对俄农业开发"全国领先 Dongning is the national leader of agricultural development in Russia"

or cities. This raises questions as to whether the types of engagement described are related to very localized development models and policies. However, based at least on the dispersed geographical base of agribusinesses and corporations in the Heilongjiang-Russia Agricultural Industry Association, these stories should still be somewhat illustrative of patterns and transformations that related to individual-, corporate-, and state-affiliated actors from other parts of Northeast China.

Peasant Differentiation Abroad

Taiyangsheng Village in Daduchuan Town of Dongning County was the village allegedly with the highest concentration of residents going abroad to Russia to farm in 2012. Out of a population of about 420 households, one of the village's residents estimated that there were 50-60 households with farms in Russia of more than 10 ha, and another 70-80 individuals going to Russia as laborers. The village itself only has a total of 1000 mu (67 ha) of land, amounting to around 2-3 mu (0.13-2 ha) for each household. The first three villagers to attempt farming in Russia left in 1998. Eventually, the profits they made inspired others in the village to participate, particularly after domestic food prices dropped around the year 2000. The source for this information was an article framed around a few of the villagers who had become farm workers and wage laborers (*da gong zhe*) in Russia to fellow villagers, in particular a couple that work for the brother of the village's biggest "contractor" (*cheng bao hu*).⁶⁸

In another story, that of Yongli Village of Harbin County, a villager who was once (as the writer puts it) an "insignificant peasant" working on the village's greenhouse, has become a "Russian big boss" (*eluosi da laoban*), responsible for lifting the living standards of the once poverty-ridden village. In 1994, when the township government organized a group of farmers to grow vegetables in Russia, he participated as a technician and seized upon profit-making opportunities of farming abroad. Yongli village, with about 5 mu (0.3 ha) per capita, had already surpassed household needs for agricultural land with "none left to be divided among newborns." Vegetables were not a particularly rare commodity in China, but basic commodities and fresh produce had become exorbitantly costly in the RFE due to economic collapse. The villager in question thus negotiated a greenhouse vegetable contract in Russia, and began to finance and recruit seasonal farm laborers, bringing a total of eleven production groups from his village into Russia between 1996 and 2005. The earliest villagers who left for Russia under his direction apparently nearly all became "bosses" (*laoban*) of their own. Recruitment of farm labor for export was not difficult for him, given rural society's "personal relations and kinship" (*renqing he xieyuan*) based social order. Villagers' trust in his lineage and background was thus an important guarantor and asset. In other cases of labor recruitment, peasants were often recruited by someone from their own village or hometown. Very close-knit communities of localized background and the importance of social capital are of no surprise to observers of Chinese transnational economic migration networks, and this type of behavior is not limited to the so-called peasantry. Finally, also incentivizing Yongli villagers to make this leap into the unknown was the fact that they were promised that all expenses related to their foreign work (travel, visa, food and housing) would be covered.⁶⁹

Seasonal Migrants and Agricultural Laborers

Basic wage laborers constitute the bulk of the Chinese who go to Russia for agriculture.⁷⁰ Chinese

⁶⁸ "Chinese villages in Russia," Beijing News

⁶⁹ "到俄罗斯种菜去!中国农民握远东 90%菜市 Going to Russia to plant vegetables! Chinese peasants capture 90% of the Far East Vegetable market," 18 Aug 2006, Tencent Finance, at: <http://finance.qq.com/a/20060818/000287.htm> [accessed 1 March 2014]

⁷⁰ "Chinese villages in Russia" Beijing News

farming ventures, including independent” small and medium-sized farms, almost all continue to hire Chinese as farm laborers, despite bureaucratic obstacles and expenses related to the visa and migration process.⁷¹ Reasons cited are usually related to their strong work ethics. Mercurial Russian administrative policies, including restricting quotas, extortion by officials, and the banning of Chinese agricultural migrants from a number of RFE provinces in 2013-2014 (official reasons are due to the use of banned chemical fertilizers and pesticides)⁷², mean usage of Chinese farm labor has become increasingly difficult. However, Chinese are apparently still able to come through with visas as “technical specialists” of agricultural equipment or “seconded employees.”⁷³ Illegal migration for seasonal farm work is also an issue, though the exact numbers are not possible to verify.⁷⁴ Chen Yong, general manager of the Baoquanling Land Reclamation Far East Agricultural Development Co Ltd, noted plans to recruit Central Asian laborers, who require no visas and could sign long-term labor contracts.⁷⁵ Lodging and accommodation, and even the travel and visa costs are in many cases borne by the employers, though this may be more connected to labor-exporting firms, agribusinesses, state-owned farms and actors.⁷⁶

Closely connected to labor exporting to Russia were – at least in the 1990s – Chinese government authorities. Bin County Labor Office’s Deputy Director in 2006, for instance, also served dually as a migration broker. That year, approximately 6,000 peasants traveled to Russia from the county, some two-thirds of which went through him. It is unclear what the motives were, but the problem of rural surplus labor was one which at the time, and perhaps continues to be “a top priority for all levels of the (Heilongjiang provincial) government”.⁷⁷ As mentioned, state-owned farms are also actively involved in this kind of surplus labor transfer, and have in some cases actively encouraged their “farm employees” to go abroad.

In one profile, an agricultural worker on one of the state-owned Beidahuang Group’s subsidiary companies, who had had his land expropriated in his home village, was planting soybeans in Russia for a monthly wage of 3,000 yuan.⁷⁸ Such monetary compensation, which can also go well beyond that figure, is a much greater income than workers could expect to receive for similar work in China.⁷⁹ While profitable, agricultural labor itself is considered exceedingly difficult. The poor labor conditions of these farm workers are noted by a variety of Russian, Chinese, and English-language sources, and

⁷¹ “Chinese people farming in Russia,” Qilu Weekly

⁷² A number of regions, including the Amur Oblast, Krasnoyarsk, as well as Chelyabinsk, Nizhny Novgorod have outright banned Chinese agricultural laborers (giving them no spots within the foreign labor quota) in 2013, as a result of having found evidence of Chinese use of banned chemical additives, fungicides, insecticides and other toxic chemicals on Russian soil. Zhu Xiaolei, Global Network 环球网, “俄罗斯远东不满中国承租人 专家吁客观看待合作 Russian Far East dissatisfied with Chinese leasees, experts call for objective view of cooperation,” 5 September 2012. at: <http://world.huanqiu.com/exclusive/2012-09/3098305.html> (accessed 31 December 2014)

⁷³ “Китайский овощной бизнес в Сибири Chinese vegetable business in Siberia,” Agroxxi.ru,

10 August 2013, <http://www.agroxxi.ru/gazeta-zaschita-rastenii/zrast/kitaiskii-ovoschnoi-biznes-v-sibiri.html> (accessed 12 March 2014)

⁷⁴ In 2007, a joint inspection by Federal Tax Services and the Federal Migration Services found that some 15% of firms in Amur Oblast did not report their use of foreign migrant labor. Ryszchova N. and Ioffe, G., 2009. ‘Transborder Exchange between Russia and China: The Case of Blagoveshchensk and Heihe’, *Eurasian Geography and Economics*, 50(3)

⁷⁵ “俄罗斯垦荒 300 公顷种大豆 东北农户年赚 40 万元, Soybeans on 300 hectares of Russia’s reclaimed land, a Northeast [Chinese] farmer makes 400,000 yuan annually,” Sannong News, 23 September 2012, at: http://www.gdct.gov.cn/agritech/kjxnl/201209/t20120923_723041.html#text [Accessed 10 May 2013]

⁷⁶ “Going to Russia to plant vegetables!” Tencent Finance

⁷⁷ Ibid.

⁷⁸ Liu Jiawen 刘佳雯, “黑龙江农民俄罗斯“种地淘金”调查 Investigation of Heilongjiang peasants’ ‘farm rush’ in Russia” China Times 华夏时报, 15 July 2011, at: <http://www.chinatimes.cc/hxsb/news/zhengce/110715/1107152023-24920.html> (accessed 31 December 2014)

⁷⁹ “Chinese vegetable business in Siberia,” Agroxxi.ru

in many cases laborers do not return to Russia for another season of work. The Bin County Labor Office Deputy Director said at the time (2006) that there was an attrition rate of around 30% of peasants who “cannot endure the hardship, and return home to farm.”⁸⁰

Entrepreneurial Farmers

A peasant from Harbin’s Bin County had been farming in China for twenty years when his small piece of land was struck by pests. When a fellow villager was recruiting labor for Russia, he therefore took a chance on farming abroad. As the report frames it, in his 15 years in Russia, Cao Guangliang has not only become a “farmer” (*nongchang zhu*) with 300 ha of land, but also a “boss” (*laoban*), who has successively led over 100 peasants to Russia. His expected revenue for 2011, the date of the article, was four million yuan. According to the article, Bin County’s “bosses both big and small” (*daxiao laoban*) owned or managed nearly 3,000 vegetable greenhouses in Russia.⁸¹

In another profile, a resident of Xinli Village of Dongning, who was a vegetable market vendor in Ussurisky, took up farming when a fellow villager (*tong xiang*) convinced him of its profitability. He hired six Chinese employees and invested 210,000 yuan for planting basic vegetables such as onions and turnips, as well as watermelons. According to him, there is in fact much exit by Chinese who make losses, unable to make up the initial capital investment in machinery, water infrastructure and other things necessary to manage large acreages. Profits fluctuate very much depending on prices. Independent farmers such as himself usually cultivate dozens of hectares with greenhouses, mostly to grow vegetables. Though crops like soybeans, barley, and other grains are more stable in their selling prices, these require much greater capital investment, which is not within the capacity of the “self-employed” (*geti hu*).⁸²

Not all of these farmers have rural backgrounds. A profiled farmer, in the Leninsky district of the Jewish Autonomous Oblast, originally worked as a Russian translator on a Chinese pig farm, but acquired an initial 20 ha for himself, and “began a career as a landlord (*dizhu*)”. Through personal connections, he leased farmland through an unidentified Chinese company that specialized in land-lease by renting from the Russian government and then sub-leasing to other actors. With a rental cost of 300 yuan per hectare annually, this farmer by his fourth year had expanded to 400 ha, and was reinvesting all his profits into labor or capital inputs. He employed five workers, all of which were peasants from Heilongjiang, and with machinery, could each oversee 100 ha. He said he paid each of these workers about 30,000 yuan annually. His crops – primarily soybeans – are sold entirely on the Russian market.⁸³

Another profile includes a farmer who had originally been engaged in labor exports to Russia, but began to operate a farm in 2000, and now has more than 16,000 ha in Primorsky Krai’s Pogranichny District, planting mostly soy and corn. His operations are highly mechanized.⁸⁴ There are many other examples profiling medium-to-large scale farmers who have been exorbitantly successful, but these may be exceptional cases. Besides being able to afford initial capital investments, access to credit, as well as business and government connections might also play a role in entrance and exit.

Another farmer, with 2,000 ha in development, was reportedly able to take out a 3.5 million yuan

⁸⁰ “Going to Russia to plant vegetables!” Tencent Finance

⁸¹ Liu Jiawen, “Investigation of Heilongjiang peasants’ ‘farm rush’”

⁸² “Chinese villages in Russia,” Beijing News

⁸³ Jiao Hongyan 焦红艳, “去俄罗斯种地 Going to Russia to Farm 去俄罗斯种地,” Legal Daily 法治周末, 15 February 2012, at: <http://www.chinaru.info/haarenhuashang/eluosihuaren/11642.shtml> [accessed 10 May 2013]

⁸⁴ “俄罗斯远东农业开发的机遇与风险 Opportunities and Risks of Agricultural Development in the RFE,” China Daily, 5 December 2012, at: http://www.chinadaily.com.cn/zgrbjx/2012-12/05/content_15989310.htm [Accessed: 29 May 2013]

local at a low interest from a Chinese government bank, with which he purposed combines and tractors. With a 10-person labor force, he developed 1000 ha of that land, mostly growing soybeans, and with his profits was able to pay back the loans within three years. He had very close connections with the government – having managed the Department of Agriculture in Heihe for ten years. His farm enterprise was a joint venture with a Russian partner.

Large-Scale Investments and Contract Farming

Dongning Huaxin Group (fully, Dongning Huaxin Industry and Trade Group) represents larger-scale investment in agriculture. It is not an agribusiness, but rather a private company that has a wide variety of investments in trade, transportation, construction and real estate, much of which is in Russia. The group's chairman Li Demin, was originally asked to bail out a pig farm in Ussuriysk around 1999, but ended up securing a land deal from the local government that now constitutes one of the largest Chinese agricultural investment projects in Russia.⁸⁵ Its Armada farm – a joint venture – was established in 2004, and has 50,000 ha in Primorsky Krai's Sino-Russian Agricultural Economic Cooperation Zone. For some perspective, the arable land in Dongning county itself only amounts to about 50,000 ha.⁸⁶

The company spearheaded the formation of the Sino-Russian Agricultural Economic Cooperation Zone in 2010, as well as the Heilongjiang-Russia Agricultural Cooperation Association in 2012. Its dominance in the RFE agriculture has led to a mode of production referred to as the “Huaxin model” (*huaxin moshi*). This model, as demonstrated on the economic cooperation zone:

[I]ncludes border-trade “dragon-head enterprises,” the Beidahuang Group (a major state-owned farm), SME cooperatives, and funders. The border-trade “dragon-head enterprises” are responsible for leasing the land, public relations, market access, logistics, and customs clearance; the state-owned farm provides advanced technology, equipment and technicians, SME cooperatives are responsible for central management, standardizing operations, and organizing development, while funders are responsible for providing loans, guarantees, and other financial support for these enterprises engaged in agricultural development abroad.⁸⁷

Besides large-scale crop and livestock farming, livestock farming, dairy, and cattle, the company also has three grain (*liangshi*, including soybean) processing centers, an oilseed crushing plant, and an animal feed mill.⁸⁸ According to Li, the company tries to implement a policy of 60% local workforce out of their total workforce of 600.⁸⁹ Dongning Huaxin Group also engages in contract farming along two models. The first is where the company contracts out land at a fixed price, but where the contractor is responsible for machinery, management, and subcontracting its own labor force. The entirety of the crop and harvest is sold back to, and is exclusively the right of, the Dongning Huaxin

⁸⁵ David Stanway, “Insight: For Chinese farmers, a rare welcome in Russia's Far East,” 22 December 2013, Reuters News, at:

<http://www.reuters.com/article/2013/12/22/us-china-russia-agriculture-insight-idUSBRE9BL00X20131222> (accessed 30 December 2014)

⁸⁶ “Chinese villages in Russia,” Beijing News

⁸⁷ Ma Lin 马琳 (2014), “黑龙江省对俄农业经贸合作模式创新研究 Study of Heilongjiang-Russia agricultural trade cooperation models,” 《对外经贸》 *Foreign Trade* 1

⁸⁸ Website of Dongning Huaxin Industry and Trade Group, at:

http://www.dnhuaxin.com/cn_public_html/Agriculture.Asp (Accessed: 31 December 2014)

⁸⁹ David Stanway, “Insight: For Chinese farmers”

Group, which bears the brunt of price volatility and fluctuations. A second mode is where the Dongning Huaxin not only distributes land to Chinese contractors, but also provides more active assistance in the form of seeds, fertilizer, visa support, machinery, and customs support. The output belongs to the contractor, but is sold back to Huaxin under specified contract conditions, which markets it.⁹⁰ Similar contract farming forms may extend to other Chinese investment projects or agribusinesses in Russia.

Such forms of production are necessary because, according to the company's Planning Director, the company simply has acquired too much land. In 2011, Armada had only developed 10,000 ha, or a fourth of their total holdings.⁹¹ Such circumstances stand in stark contrast to contract farming in China, where agribusinesses often form contract relations with producers because virtually no viable agricultural land remains available, and they are unable or find it exorbitantly difficult to acquire direct control of land from individual peasants or village collectives.⁹² Unfortunately, due to the a lack of specified information in reports, as well as the fact that all Russian land is technically contracted (foreigners are not allowed to buy land), it is often difficult to distinguish the above contract farming, from more independent farmers or individual businesses (*geti hu*) who only rent Russian land from the companies – as mentioned they are often not specifically labeled as “family farms” (*jiating nongchang*).

This is just one of many large-scale Chinese agricultural investment projects in Russia. The Heilongjiang-Russia Agricultural Industry Association, which requires members to be engaged in cultivation, livestock breeding, or agricultural processing in Russia at a scale of at least 500 ha, has almost a hundred members distributed across Siberia and the Russian Far East.⁹³ These larger-scale investments and production areas are becoming more actively engaged in industrial processing and the agricultural value chain, both in Russia and across the border. Private companies have been a driving force in these large-scale ventures. According to Qu Wei, President of the Heilongjiang Academy of Social Sciences, because of the dual state-/enterprise- nature of China's state-owned farms system, Russia prefers private company investment. Chinese state-owned farms thus usually engage Russian agriculture in a subordinate position to private companies.⁹⁴

State-Owned Farms

Like in the rest of rural China, the “farm employees” of state-owned farms also manage farms on a household basis. However, their leasing agreements are with the state-owned farm rather than a village collective, they have less control of their own production, and they identify as employees rather than as independent producers. State-owned farms are in many ways comparable to China's state-owned enterprises (SOEs) in their management models, and have diversified their portfolios outside agriculture, seeking profit-making opportunities.

There is much cooperation between private companies and state-owned enterprises. Private enterprises gain state-owned farms' clout in support of exporting and licensing, while state-owned farms' “employees” work on private company-held land as laborers.⁹⁵ Some of them have agreements

⁹⁰ “Chinese villages in Russia,” Beijing News

⁹¹ Ibid.

⁹² Q. F. Zhang, (2012) “The Political Economy of Contract Farming in China's Agrarian Transition” Journal of Agrarian Change 12(4)

⁹³ Website of the CRACA

⁹⁴ “Chinese villages in Russia” Beijing News

⁹⁵ “牡丹江市东宁县成为我国最大俄罗斯进口粮食集散地 Mudanjiang's Dongning County has become the nation's largest distribution center for Russian grain imports,” 31 December 2013, website of the Heilongjiang provincial government (re-published from Mudanjiang Daily), at: <http://www.hlj.gov.cn/fwsn/system/2013/12/31/010620140.shtml> (Accessed: 1 January 2015)

with Dongning Huaxin Group based on subcontracting arrangements, for instance Wutonghe Farm, under Heilongjiang's Beidahuang Group. The farm's deputy director signed a land leasing agreement with Dongning Huaxin Group for 3,000 ha, after making two visits to Russia in 2010. According to him, factors leading to the farm's outwards expansion were that farm "had surplus labor, idle machinery, and mature cultivation technology, but no more additional land on which to plant." Using agricultural machinery, eight of their "farm employees" (*zhi gong*) starting planting soy and barley on 500 ha of that area in 2011.⁹⁶ "Farm employees" from at least nine of China's state owned farms across the Heilongjiang Province were engaged in work on the Armada farm in 2013.⁹⁷

These "farm employees" have also been profiled. In 2004, Baoquanling Land Reclamation Far East Agricultural Development Company set up two subsidiary companies in the Jewish Autonomous Oblast engaged in agricultural development and farming. The company has now has a land-lease contract with the local government for 10,000 ha.⁹⁸ In 2011, they purportedly had 51 farms inside Russia, with 106 people – most of whom were planting soybean and corn. Among them was a profiled farmer who had previously been an employee of farm #290 of the Baoquanling Land Reclamation Authority. Farm #290 was suffering from a shortage of land, which came to 1 ha per capita. He and his wife thus went abroad, bringing along with them three hired helpers from China, and became "farmers" in Russia. They were growing primarily soybeans, due to the lack of corn-drying equipment.⁹⁹

4 Analysis

There are a variety of motivations at work in the above developments. Regarding the state at the local government or state-owned farm level, solving the issue of surplus labor was repeatedly mentioned as a component of either labor export or the transfer of "farm employees" to farms on Russian soil. What is clear is that where the state is involved, it is mostly local- or provincial-level governments that facilitate these Sino-Russia exchanges, and likewise primarily provincial state-owned enterprises, rather than national companies like COFCO that engage in RFE agriculture. At this level, such activities tend to be connected with "pressure to make profits" and are "commercially oriented".¹⁰⁰

Western analyses have in the past connected outwards investment in agriculture to China's national food security, its domestic consumption demands, and the limited and even diminishing (and increasingly degraded) agricultural resources within China. But in 2008, amidst the global food crisis and Western press attention to Chinese overseas land acquisitions, the deputy director of National Development and Reform Commission (NDRC) Zhang Xiaoqiang stated that this is not part of China's National Food Security and Long-Term Planning Framework (2008-2020). He stated that the 'Going Out' policy "supports qualified enterprises to go to other countries and regions...to launch oil crop, grain, fruit and vegetable production", but that it is "absolutely not promoting Chinese farmers or large-scale corporations to go overseas and purchase or lease long-term land to grow large amounts of food on which China's food security will depend".¹⁰¹ Low import dependence on staples meant that China suffered very little from the global price fluctuations. As one NDRC report on food security put it, "the world food market caught a cold, but China did not even sneeze".¹⁰² Indeed, the OECD-FAO

⁹⁶ "Chinese villages in Russia" Beijing News

⁹⁷ "Mudanjiang's Donning County," website of the Heilongjiang provincial government

⁹⁸ Land Reclamation (*nongken*) denotes a state-owned farm enterprise or subsidiary. Website of the CRACA

⁹⁹ "Soybeans on 300 hectares," Sannong News

¹⁰⁰ Irna Hofman and Peter Ho (2012), "China's 'Developmental Outsourcing': A critical examination of Chinese global 'land grabs' discourse," *Journal of Peasant Studies* 39(1), 10

¹⁰¹ "Development and Reform Commission: Domestic food prices will gradually step in line with international prices," *China Review News*, 14 November 2008, at:

<http://www.chinareviewnews.com/doc/1008/0/0/0/100800018.html?coluid=7&kindid=0&docid=100800018>

¹⁰² Katherine Morton, "Learning by Doing: China's Role in the Global Governance of Food Security," RCCPB

2013-2022 forecast for China found that “China will improve its food security and remain self-sufficient in main food crops while increasing trade in selected commodities.”¹⁰³ Dongning Huaxin Group’s Planning Director in 2011 said of the company’s activities, “This is pure business; as of now it has nothing to do with China’s food security strategy.”¹⁰⁴

This is not to downplay the tremendous challenges that China faces and will continue to face in terms of land and water degradation, pollution, and scarcity (water shortage in Northeast China is in fact an increasing problem). China has also been decreasing its grain self-sufficiency targets, recognizing the tremendous pressures that such targets have placed on domestic agricultural resources.¹⁰⁵ Related are also rising living standards and correlated demand for protein. China has now become the world’s largest importer of soybeans, which are an important source of animal feed. Soybeans (and corn) are in fact a major output of the Chinese large-scale farms in Russia, however, until very recently, much of what was produced on those Chinese farms was sold on the Russian market. Reasons cited for this were transportation and tariff costs, imports affecting the soy market in China (and negatively impacting Heilongjiang domestic producers), and import quotas being dominated by Cereals, Oils and Foodstuffs Corporation (COFCO) to the relatively smaller producers operating in Russia. Furthermore, complaints that the “Going Out” of the agricultural sector lacked an overall macro-level strategy, and that there was not enough national support for “bringing back in” (*na hui lai*), or importing agricultural goods – at least over the past decade – were prevalent in my secondary research.¹⁰⁶

Some of the policy bottlenecks regarding imports have since been resolved. The Heilongjiang-Russia Agricultural Cooperation Association was granted an import license by the provincial government when it was established in 2012. With the support of the provincial government bodies, their members now enjoy national preferential tariff policies. With imports of soybeans and agricultural products from Russia into China growing, cross-border vertical integration is also proceeding apace.¹⁰⁷ However, in general terms China’s land deals and agricultural activity in the case of Russia have been driven by investment opportunities, with primarily profit-making motives.¹⁰⁸ It should not be seen (as of yet) as a case of China using foreign land to meet any domestic consumption needs. This includes not only the corporate and large-scale actors, but also peasants and migrants. Entangled with labor migration, Chinese farmers on Russian soil are engaged in capitalist relations as much as their large-scale counterparts.

The case of Russia differs from other cases of Chinese land acquisitions abroad, in that the human and labor dimension is so heavily at play. Available information on these Chinese farmers, workers, and agribusinesses offers a perspective on Chinese “peasant differentiation” under less binding institutional and structural constraints than they face in China. The emergence of what at one point in history would have been referred to as “rich peasants” (*fu nong* or perhaps *kulaks*), landlords

Working Paper #30, September 2012, 20

¹⁰³ “Focus on China – OECD-FAO Agricultural Outlook 2013-2022,” OECD Website, at: <http://www.oecd.org/site/oecd-faoagriculturaloutlook/china-2013.htm>

¹⁰⁴ “Chinese villages in Russia,” Beijing News

¹⁰⁵ “Producing safer foods - not bumper harvests - now a priority, says China,” South China Morning Post, 23 March 2015

¹⁰⁶ Yang Hong 杨虹, “海归”粮食: 农业“走出去”呼唤国家战略 Returning Grain: Agricultural ‘Going Out’ is Calling for a National Strategy,” 中国经济导报 Chinese Economic Herald, 7 February 2013, at:

<http://www.ceh.com.cn/cjpd/2013/02/171247.shtml> [Accessed: 27 May 2013]; Ma Yuzhong 马玉忠 (2014) “农企“走出去”遭遇“成长的烦恼” Agricultural ‘Going Out’ is experiencing ‘growing pains,’” 《中国经济周刊》 *China Economic Weekly* http://paper.people.com.cn/zgjzk/html/2014-07/28/content_1459071.htm (accessed 30 May 2014);

¹⁰⁷ “Mudanjiang’s Donning County,” website of the Heilongjiang provincial government

¹⁰⁸ Lorenzo Cotula, Sonja Vermeulen, Rebecca Leonard, and James Keely (2009), “Land Grab or Development opportunity?,” FAO, IIED, and IFAD, at: http://www.ifad.org/pub/land/land_grab.pdf

(*zhi zhu*), and a rural proletariat, are yet another example of just how modern Chinese social relations have transformed, stratified, and become “capitalized,” even in the traditionally hallowed and protected sector of agriculture. However, this is not to suggest that it is a “spontaneous,” or “free (market).” Pre-existing political and economic power structures within China, as well as in Russia, have been shaping labor export and land allocation. Furthermore, it is a self-selected group of the entrepreneurial-minded Chinese that have become capitalist farmers in Russia.

Overall, these activities are taking place across a border that demarcates significantly different institutions, structures, and conditions. However, what this preliminary case study suggests is that while particular and unique national circumstances *matter* in shaping the form and trajectory of a given society’s agrarian transition, “context” under conditions of globalized capital and liberalized borders can no longer be seen as only domestic in scope. The case of the RFE should be included as part of the broader narrative of Chinese agrarian change, a story that increasingly has transnational dimensions and implications.

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