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Corporatisation of rural spaces: Contract farming as local scale land grabs in Maharashtra, India

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Abstract

Debates concerning contemporary land grabbing in the Global South have predominantly understood such phenomena as global-scale acquisitions of land by foreign capital motivated by export food or biofuel production complexes, industrial development, tourism or urbanisation. In a much cited contribution, Zoomers (2010) labels these processes as the 'foreignisation of space'. Here, land grabbing involves the (coercive) transfer of land ownership or access ('enclosure') from traditional or customary uses (usually small-holder agriculture or forest lands) to corporate agriculture, special economic zones (SEZ), housing developments or nature conservation.

While no doubt significant, this paper argues that the dominant focus on *acquisition* in debates around changes in global land relations ignores other evolving local forms of land control that are facilitating corporate accumulation and influencing agrarian change. In India, where laws have restricted large-scale foreign and domestic investment in agricultural land, these processes have been paramount. Consequently, domestic and foreign agro-capital is coming to control farm land in India through 'non-equity' means such as contract farming. Contract farming allows firms to circumvent both local land laws and difficulties in acquiring land, as well as locating the production and asset risks associated with farm land with small farmers. While land is not changing hands, the spread of contract farming is leading to the 'corporatisation of rural spaces', where new modes of accumulation predicated on relations of credit and debt increasingly dominate rural land use.

Of obvious concern then is what consequences contract farming, as a non-equity mode of controlling land, will have for patterns of agrarian change in rural Indian villages. Research into the impacts of contract farming on rural Indian villages and households has so far been dominated by economic analysis of the individual income or welfare outcomes of contract participation, with little attention given to how contract farming schemes are inserted into wider agrarian landscapes. These schemes present new opportunities for some households, yet it is unclear how contract farming will influence patterns of social and economic differentiation at various scales. To address this gap, the empirical contribution of this paper uses evidence from a recent case study of potato contract farming in Maharashtra, India to argue that by understanding contract farming through a grounded rural livelihoods lens, we can reveal the nuances of how different rural households and their land are incorporated into contract farming schemes, and what this means for livelihood pathways in rural India. In doing so, this paper aims to broaden perspectives on global land deals by incorporating analysis of non-equity modes of control of agricultural land into global land-grab debates.

Introduction

The large scale acquisition of agricultural land by governments or private interests is certainly not a new phenomenon (White et al. 2012; McMichael 2012). Colonial powers such as Britain, either directly through state action or through the activities of state-supported companies, came to control vast tracts of land on a global scale at the expense of customary ownership and use. Such colonial processes had enduring impacts on rural land relations in Africa, India, and Latin America, and were also prevalent in the dispossession of American Indian lands and of Indigenous Australians, where the British infamously declared *terra nullius*. Historically, control of land by foreign powers was crucial to the dynamics of the colonial food regime as documented by Harriet Friedman and Philip McMichael (McMichael 2009). The circulation of agricultural commodities from dispossessed lands in the antipodes back to Britain played a crucial role in the provision of emerging industrial working classes (McMichael 2009). Within Europe land grabbing took the form of the great enclosures, particularly in Britain, from the seventeenth to nineteenth centuries that were fundamental to the emergence of capitalism and industrialisation (Wood 2009). As Alden Wily (2012, p.751) notes, placed in its historical context contemporary land grabbing is understood "less as a new phenomenon than as a surge in the continuing capture of ordinary people's rights and assets by capitalled and class-creating social transformation."

In recent years, however, large-scale corporate land grabbing of primarily agricultural land has re-emerged as both a contemporary phenomenon and intense focus of academic debate and activism. The term 'global land grabbing' generally refers to "large-scale, cross-border land deals or transactions that are carried out by transnational corporations or initiated by foreign governments" (Zoomers 2010, p.429). The trend of recent large-scale land acquisitions in the Global South by both foreign and domestic actors, usually aided by the state, is certainly significant. Much of the media-led debate has focussed on questions of how much land is being grabbed, where, and by whom. Large-scale land deals are often opaque and difficult to track, making accurate estimates of the extent of agricultural land grabbing difficult. However, in recent years NGOs and activists have documented publicly known land deals by collating media reports and other sources, highlighting a trend of increasing land grabbing activities worldwide. These assessments suggest that at least 60 million hectares of agricultural land was acquired in large-scale deals in Africa and Southeast Asia from 2008-2010, and by all accounts "investor interest in land acquisition is unlikely to decrease soon" (Deininger 2011, p.218; see also Cotula 2012). Much of the media and research focus of contemporary land grabbing has been on Africa, reflecting contemporaneous debates on food security and poverty, though as Cotula (2012) notes large-scale foreign direct investment (FDI) in agricultural land may be just as significant in places such as Eastern Europe, Australia and North America. Large-scale land deals are also not always a result of FDI, and the activities of domestic elites in land acquisitions is often missing from popular accounts of land grabbing (Cotula 2012).

Why the sudden surge in attention to large-scale acquisitions of primarily agricultural land? What is new about contemporary land grabs? Peluso and Lund (2011) suggest that while struggles over control of land animate the history of the development of capitalism, the conditions for contemporary land grabs are specific to the current era of neo-liberal globalisation:

> "What is new in the land grabs today are the new mechanisms of land control, their justifications and alliances for 'taking back' the land, as well as the political economic context of neoliberalism that dominates this particular stage of the capitalist world system." (Peluso & Lund 2011, p.672)

Agrarian political economy has been at the forefront of interpreting this new 'global land rush'.

Viewed through an agrarian political economy lens, contemporary land grabbing is understood as a surge in the capture of land resources on a global scale by capital and hence is a product of the world-historical conditions of capitalist development expressed under contemporary conditions and processes of globalisation. Zoomers (2010) refers to this as the 'foreignisation of space'. Here, the dynamics of the corporate food regime, namely market liberalisation, the financialisation of agriculture and the expansion of multinational controlled and export oriented agri-food value chains, have created the conditions for a new global enclosure as TNCs seek out new opportunities for accumulation, aided and abetted by states under the guise of food and energy security (McMichael 2012; White et al. 2012).

In terms of drivers, the new wave of land grabbing is primarily attributed to a confluence between global food and energy crises (Hall 2011). In particular, much attention has been given to the impact of the 2008 global food crisis where food crop prices spiked to unprecedented levels. In this context, land grabbing is a response by food insecure or agricultural-land poor states to the increasing demand for cheap food crops, a process Zoomers (2010, p.434) labels 'offshore farming'. Financial investment in land for bio-fuel production, such as *Jatropha* plantations in Indonesia, represents another key driver (McCarthy et al. 2012). Land grabbing is popularly understood as change in both *ownership* and *use* of land, where local land uses (subsistence crop production, domestic cash crops, grazing, forests etc) are replaced with export food or fuel crops (Hall 2011). Contemporary land grabbing has therefore provoked strong responses in policy, activist and academic circles. For many critical observers, the conditions of contemporary land grabbing favours corporate accumulation via dispossession of poor farmers' land, threatening rural livelihoods and reproducing social and economic differentiation and inequality (White et al. 2012). Others, including the World Bank, emphasise the potential opportunities for the rural poor of foreign investment in 'under-utilised' agricultural land, and stress that any deleterious effects of large scale land investments on local peoples can be managed through codes of conduct and 'getting the governance right' (World Bank 2011; Borras et al. 2011; Hall 2011).

Situating contract farming in the global land grabbing debate

Importantly, however, popular understandings of land grabbing, while drawing attention to important macro scale processes, tend to generalize contemporary changes in land control as *only* consisting of large-scale acquisitions by foreign states or corporations. This ignores differences in the local manifestations of land control. Popular accounts of land grabbing exclude other locally evolving forms of control that may not necessarily result in transfer of ownership, but are nonetheless facilitating corporate accumulation and influencing rural livelihood pathways and agrarian structures (Hall 2011). As Boche and Anseeuw (2013) argue, the political and ideological nature of the discourse of land grabbing facilitates this myopic focus:

> "(T)he ideologized debate tends to overlook the existing economic and institutional nuances and, subsequently, the different implications of the large-scale land acquisition phenomenon, while it implies large differences that inform the organization of production, investment processes and outcomes of these land deals." (Boche & Anseeuw 2013, p.1)

In response, typologies of land control deals have been developed to capture the institutional, economic and social nuances embedded in the phenomenon of land grabbing, a project initiated by Borras and Franco (2012; 2010) who argue that we must account for the 'many faces' of contemporary changes in land use, control and ownership. Hall (2011) has built on this to suggest a five-fold typology of arrangements through which land deals take place. Hall's first three types - *extraction*, *enclave* and *colonist* models involving the outright dispossession of ownership from local land users - are what popular understandings of land grabbing are constructed around. However, as Borras & Franco (2012) argue, not all types of land grabbing or land control deals necessarily involve the expulsion or dispossession of the rural poor. In particular contexts, it may be in the interest of capital to control agricultural land use through contractual arrangements (i.e. contract farming), rather than establish corporate farming through outright ownership.[1] Hall recognises this by outlining two other possible arrangements for land grabbing – *outgrower* models and *commercialisation in situ*. This paper focuses on the latter type, where small farmers in secure possession of their land are incorporated into new corporate agri-food value chains through contract farming.

Contract farming maintains an ambivalent position in the land grabbing literature. White et al (2012) argue that it is important to maintain focus on the implications of land deals that involve acquisition (land *access*), rather than other forms of control over land *use*, as acquisition is essentially permanent, expels local land users and removes future land rights for local farmers. Contract farming arrangements, on the other hand, usually involve local households and do not permanently alienate small farmers from their land (White et al. 2012). For this reason, contract farming has been suggested as a possible alternative investment arrangement for agri-business capital that may lead to better outcomes for local people than outright alienation of land rights (Vermeulen & Cotula 2010; Cotula & Leonard 2010). This narrative has found its way into policy briefs, with IFPRI (2009, p.3) for instance stating that "contract farming and outgrower schemes that involve existing farmers and land users can enable smallholders to benefit from foreign investment while giving the private sector room to invest…contract farming or outgrower schemes are even better (than lease or purchase) because they leave smallholders in control of their land but still deliver output to the outside investor." Olivier De Schutter (2011) takes a similar position, arguing that investment in agriculture that involves the transfer of land rights should only occur as a last option. While acknowledging that contract farming schemes can have adverse impacts on smallholders, De Schutter (p.262) argues that "if properly managed, however, certain forms of contract farming can provide important benefits to the farmers, allowing them to be supported by investments without depriving them of access to their land."

However, this paper argues that rather than casting contract farming as an alternative to large-scale acquisitions of land, contract farming *itself* is an important way in which capital is coming to control land through non-equity means. This is particularly relevant in contexts where institutional, political or cultural settings render large-scale acquisitions less relevant, allowing agri-business to achieve "similar objectives through different institutional forms" (Hall 2011, p.202). Further, contract farming facilitates both corporate accumulation and social differentiation that may have just as important implications for future agrarian structures (Little & Watts 1994). If on the one hand a normative goal of the critical land grabbing literature is to address the land and livelihood outcomes for local peoples, while on the other the "penetration of corporate capital into agri-commodity chains may be inevitable", one challenge for the land grabbing literature is to incorporate analysis of alternative investment models such as contract farming in order to explore the consequences for agrarian landscapes of alternative possibilities that don't necessarily involve acquisition of land (White et al. 2012, p.635). Therefore, this paper makes a case for broadening perspectives on global land deals by incorporating analysis of the implications of non-equity modes of control of agricultural land for agrarian landscapes into global land grab debates. This argument is pursued in the remainder of the paper through a discussion of contract farming in India, drawing on insights from a recent case study of the livelihood implications of a potato contract farming scheme in the state of Maharashtra. This also attends to White et al's (White et al. 2012) call for more attention to be given to the local scale

[1] White et al (2012, p.634) refer to these arrangements as "control grabs without enclosure".

livelihood outcomes of land deals.

The land grabbing debate in India

Although India has been an active participant in acquisition of foreign agricultural land, within India the politics of land control have evolved in socially and culturally specific ways, so that models of land acquisition in India do not easily reflect the global narrative of land grabbing. Much of the contemporary debate around land grabbing in India has focused on government acquisition of land for conversion to special economic zones (SEZ), in the context of India's drive towards urban industrial development (Levien 2012; Basu 2008; Sud 2014; Bedi 2013). In 2005 the Government of India (GoI) created the SEZ Act to facilitate the establishment of SEZs. The GoI aimed to encourage private sector-led export industrialisation, FDI, and employment creation by offering tax and regulatory concessions to projects that satisfied the criteria of the Act (Levien 2012). A number of state governments have adopted their own more liberal SEZ policies in an attempt to attract investment, including Maharashtra where, along with Tamil Nadu and Andhra Pradesh, the largest number of SEZ projects have been approved or notified (Ramachandraiah & Srinivasan 2011).

Central to the GoI's plans for SEZ expansion is the public acquisition of land for private development. Land acquisition in India has historically occurred through the application of the Land Acquisition Act 1894 (LAA). Under the LAA, governments have exercised 'eminent domain' to acquire private land for infrastructure projects with often paltry compensation to local land users. The Act's use has been extended in the past two decades to allow governments to acquire land for private sector parties if those parties will use the land to fulfil a public purpose (Sud 2014). However, public purpose remained undefined in the LAA Act, and when applied to the creation of SEZs there has been a clear conflict between industrial development priorities and the accumulation priorities of private companies through real estate development and speculation (Levien 2012). The SEZ Act stipulates that companies must use 50% of the land for industrial or productive purposes, leaving developers free to create "what would essentially be privately developed cities on farmland in the peri-urban periphery" (Levien 2012, p.934).

As land acquisition for SEZs has increased, conflict has emerged between governments and local farmers whose land is in the firing line. Violent confrontations between States and local farmers have led to popular and political backlash at a national scale, leading to cancellation of projects and the scaling back of the SEZ act (Levien 2012). As of 2013, the LAA Act has been replaced with the Land Acquisition, Rehabilitation and Resettlement Act (amended in 2015 to become the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act). This Act expedites land acquisition for industrial development, but also significantly increases the mandatory compensation for displaced land users.

The acquisition of land for SEZ projects has galvanised farmer resistance to land acquisition. Land grab protests and counter movements provoked by SEZs have become "synonymous with the tension between development at the perceived expense of agriculture and livelihoods in India" (Bedi 2013, p.39). The impacts of land acquisition for SEZs have certainly been real and devastating for many local farmers. Fertile agricultural land has been converted to non-agricultural uses, and dispelled farmers have often been marginalised from any resulting employment opportunities (Sud 2014). However, importantly for the arguments of this paper, SEZs are focused on urban industrial development. In Maharashtra, 98 percent of land approved 'in principle' for SEZ development has been within 100kms of the major cities of Mumbai, Pune, Nashik, Nagpur and Aurangabad (Ramachandraiah & Srinivasan 2011). Peri-urban agricultural land is the target of SEZ development, where former agricultural land is converted into non-agricultural uses. While these land acquisitions capture the headlines and provoke visible resistance, for agricultural land and farmers outside of the tentacles of peri-urban development, and for agri-business capital that wants to invest in corporate farming, these debates over acquisition are less relevant.

Regulation of agricultural land in Maharashtra, including land ownership ceilings, restrictions on foreign ownership of land and increasingly fragmented land holding patterns, as well political and social resistance to corporate farming, have made it difficult for agri-business capital to acquire large amounts of land for corporate agriculture. State-based land ceiling acts, part of important post-independence land reform initiatives designed to redistribute land to the poorest rural populations, limits the amount of land that can be owned by a single entity. In Maharashtra, the Agricultural Lands (Ceiling on Holdings) Act (1961) restricts possession of agricultural land (through sale or lease) to 18 acres for irrigated land capable of yielding two or more crops in a year, 27 acres for irrigated land capable of yielding only one crop, and 54 acres for dry land. Although recent reforms have been made in Maharashtra to allow agri-business firms to own or lease large tracts of ex-government land (particularly what is classified as 'wasteland'), direct investment in crop production by firms is not feasible without further reforms to land ceiling acts and rural land markets (Singh 2006). Corporate farming is also extremely politically sensitive, given the strong sentiment around 'land to the tiller' rural land reform movements that have characterised post-independence India, and fears of corporate takeovers of small farms are tangible election issues. Given this, contract farming has emerged as an attractive 'non-equity' alternative to controlling agricultural land, where firms can control land *use* without having to invest in land as a fixed asset, circumventing the highly restrictive laws around agricultural land. While land is not changing hands, the spread of contract farming is leading not so much to 'foreignisation of space', but rather to ongoing processes of 'corporatisation of rural spaces', where new modes of accumulation predicated on relations of credit and debt increasingly dominate rural land use.

Contract farming in Maharashtra

Contract farming has a relatively short history in India. Gulati, Ganguly and Landes (2008) trace the origin of contract farming in India to the informal contracting arrangements in the sugarcane and dairy cooperative structures that emerged in the post 1960 green revolution era. Cane growers and dairy farmers were provided with fixed, assured prices for delivery of cane to the sugar factory or milk to the cooperative. Formalised private sector contract farming schemes emerged in India in the early 1990s, with PepsiCo's first foray into tomato contract farming in Punjab (Singh 2002). Early contract farming schemes were limited by the historically highly regulated nature of the Indian agricultural sector. However, recent reforms to the Agricultural Produce Market Committee Act (APMC) have opened up space for private sector engagement with small farmers through contract farming in a number of states. Contract farming has now become a key strategy for agri-business to access land resources for the expansion of modernised agricultural value chains, both domestic and export oriented.

Proponents of private agri-business investment in the agricultural sector have promoted contract farming as not only a solution for agri-business capital, but also as a way to transfer technology, skills, modern inputs and credit access to small and marginal farmers to facilitate their participation in the high value crop sector and foster rural development (Gulati et al 2008). During the last decade, promotion of private sector contract farming as a rural development policy strategy has gathered pace in India. Governments view contract farming as a way to both encourage investment in a fledgling modern agricultural industry, and increase farmer incomes and address rural poverty. In 2000, contract farming was elevated as a policy priority in the central government's first National Agricultural Policy. Here, contract farming was positioned as a key feature of institutional reform in Indian agriculture, specifically aimed at encouraging increased private sector participation in agricultural.

Research into the impacts of contract farming in India commonly employs a new institutional economics framework, focussing on the role of contract farming in reducing transaction costs and resolving market failures. While noting some shortcomings of specific schemes, this literature generally positions contract farming as a win-win solution for both India's agricultural economy and small farmers, and more generally as a solution to the 'agrarian crisis' facing rural India (Birthal et al. 2005; Ramaswami et al. 2005; Tripathi et al. 2005; Sharma 2007; Chakraborty 2009). Mainstream economic studies of contract farming in India usually report welfare gains for participating farmers as opposed to non-participants: evidently participation in contract farming does lead to economic welfare gains for farmers in many cases (Pritchard & Connell 2011). For example, Tripathi et al (2005) found potato farmers in Haryana realised significant gains over non-contract growers, concluding that contract farming was a superior alternative to non-contract growing, reducing risk for agri-business and price uncertainty for farmers. Ramaswami et al (2005) found similar results for contract poultry growers in Andhra Pradesh, concluding that contract farming is more efficient than non-contract systems. Although the authors found that poultry processors appropriated most of this 'efficiency surplus', they concluded that the contract poultry growers still made substantial gains in income than they would have outside the contract system, due to the transfer of technology and improved managerial practices that the contract scheme fostered.

Studies have also attempted to establish whether there is bias against small farmer participation in contract schemes in India. The question of participation bias is particularly important in the Indian context given the political sensitivities surrounding small farmers, and the trend of increasingly fragmented landholdings. As Birthal (2008, p.8) notes, "in smallholder dominated agrarian economies (in India), exclusion of small farmers from contract farming schemes is politically unacceptable and socially undesirable. Inclusion of small farmers in contract farming increases its political acceptability." Evidence for bias against the participation of small farmers in contract farming in India is mixed. Birthal et al (2005) found no participation bias against smallholders in a study of milk, broiler chicken, and vegetable contract farming schemes in Punjab, Andhra Pradesh and Delhi/Haryana respectively, arguing that the only barriers to including more farmers were policy hurdles in scaling up contract farming schemes. However, other studies have suggested that in many cases, in order to reduce transaction costs firms prefer establishing contracts with medium and large landholders, such as in tomato contract farming in Haryana (Dileep et al. 2002), basmati rice, potato, tomato and chilli in Punjab (Singh 2002; Sharma 2007; Kumar 2007) and oil palm in Andhra Pradesh (Dev & Rao 2005 although the same authors report considerable participation of small farmers in a gherkin contract scheme in the same state).

However, most economistic studies of contract farming in India exhibit a significant shortcoming in that they tend to lump all small farmers into one "undifferentiated mass of poor agricultural producers" (Oya 2012, p.9), ignoring the inherent heterogeneity and differentiation within rural communities that conditions access to different livelihood opportunities including contract farming. Lacking in the literature is an understanding of the different outcomes for different classes of participants and non-participants *within* rural communities (Oya 2012). Individual schemes may provide benefits for participants; however, there is a lack of understanding about the broader implications of contract farming in India as a mode of capital accumulation and form of land control for rural livelihood pathways and the production or reproduction of 'privileged spaces' (Fold 2009). As Singh (2002; 2012) argues, contract farming has the potential to drastically change relations of production in agrarian spaces. Singh (2002) also argues that contract farming may have unintended consequences for non-contract farmers and the local economy, including higher food prices for rural households and rural labourers who may be excluded from the welfare benefits of contracting. Using a case study in Punjab, Singh (2002, p.1621) suggests that contract farming has increased economic differentiation between small and large farmers, concluding that there "seems to be an inherent contradiction in the objectives of the contracting parties and those of the local economy."

Apart from Singh's work, empirical insights into the implications of the spread of contract farming as a 'non-equity' form of land control remain thin on the ground. As a step towards addressing this gap, the final section of the paper discusses a recent study of potato contract farming in Satara district, Maharashtra. The insights presented in this paper are from a case study[2] of a village in Khatav taluka[3] where PepsiCo operates a potato contract scheme. This case study was part of a broader research project into potato contract farming in Satara district that aimed to understand how contract farming schemes are incorporated into rural spaces in India. Of course, it is impossible to draw any universal claims from this small case study. However, in-depth qualitative research tactics such as that employed here can capture important grounded insights into place-specific processes that help to "inform and understand better larger trajectories of social and historical change" (Neves & Toit 2013, p.96). To achieve this, the case study draws on sustainable livelihoods frameworks (Scoones 2009), informed by a critical agrarian political economy. Such an approach can address the "failure to understand the diverse grounding of (contract) schemes in different place-based contexts" (Pritchard & Connell 2011, p.236). In particular, the study employs Dorward et al's (2009) notion of households pursuing livelihood trajectories through pathways that involve 'hanging in', 'stepping up' and 'stepping out'. As Bernstein & Oya (2014, p.17) suggest, this schema reformulates classic understandings of class differentiation of poor, middle and rich peasant households: those that can only maintain or protect their social reproduction (hanging in); those that are able to accumulate and expand within agricultural livelihood pathways (stepping up); and those that can accumulate into different (i.e. non-farm) and higher value livelihood pathways (stepping out). Scoones et al (2011; 2012) have employed a similar framework in a livelihoods study of the implications for differentiation of land reform in Zimbabwe. Such an approach can reveal the nuances of how different rural households and their land are incorporated into contract farming schemes, and what contract farming, as a 'non-equity' form of land control by capital, might mean for future livelihood pathways and social and economic differentiation in rural India. The next section proceeds with a discussion of the 'livelihood landscape' of the case study village, establishing a picture of the existing patterns of differentiation onto which the contract scheme has touched down. The establishment and operation of the scheme itself is then outlined, before finally addressing the implications of the contract scheme for future livelihood pathways and patterns of differentiation.

The livelihood landscape of the case study village

The case study village with a population of 1100, is located in the southeast of Khatav block, 55kms east of Satara city. The village is fragmented into three geographically separate hamlets located about one kilometre apart at the foot of a large rocky outcrop. The hamlets are connected to each other and to neighbouring villages by poor quality dirt roads, and the village is noticeably isolated. Access by road can be difficult, particularly during the monsoon season, and public transport is limited. Due to its location in a rain shadow cast by the Western Ghats, Khatav taluka is considered a drought prone area, with the lowest average rainfall in Satara district. On average, the village receives around only 450mm of rain per year (Jagannath 2014), leaving it vulnerable to 'failed' monsoon seasons. The topography in the village is undulating to hilly, with rocky soils of relatively poor quality. Cropping patterns have historically been influenced by the combination of poor rainfall and irrigation infrastructure, and low soil quality.

[2] The empirical contribution of this paper is drawn from 16 in-depth household interviews and 3 key informant interviews undertaken between May and September 2013. The broader research project involved 54 household and 13 key informant in-depth interviews across three villages.
[3] A taluka (also known as a tehsil) is an administrative division in Maharashtra, below the level of a district.

The history of the village is closely tied with a fort that sits on the rocky outcrop overlooking the village. The fort is a ruin from the era of the Marathi warrior king Shivaji. Settlements in the area of the fort date back to the Shivaji era (17^{th} century), where various caste and clan groups were employed in traditional occupations in the service of the Shivaji dynasty. Different caste groups were granted land in return for their service, and today particular caste groups dominate each hamlet. One hamlet is dominated by lower caste (known as 'other backward castes' - OBC) households, who make up 60% of the village population. Open caste Maratha households, the dominant land-owning caste group of Maharashtra, populate the other two hamlets. There are very few landless households in the village. Many historically landless OBC families were granted land in reward for their service during Shivaji's time, while other OBC and lower caste households have been able to buy or acquire land. Even so, land holding patterns still follow caste lines. Some OBC households own up to 10 acres of land, however Maratha households own more land on average, with some Maratha households possessing 30 acres or more. Much of this land is of poor quality however, and irrigation coverage is lower than nearby villages. It was common for villagers to refer to their village as 'backwards' compared to others in Satara district, primarily due to its isolated position, drought prone climate and fragmented nature.

Livelihood activities in the village are dominated by agriculture. However, historical lack of water access, poor irrigation infrastructure, isolation and poor land quality has resulted in a less dynamic agricultural landscape, and more precarious livelihood situations, than other similar sized villages in Satara district. Cropping patterns have historically revolved around coarse grains, wheat and other staple crops. Whereas farmers in the west of Satara district began to move into cash crops in a big way in the 1980s, farmers in the village continued to pursue traditional cropping patterns. Up until around six years ago, when a newly constructed canal began operation, farm land in the village was predominantly rain-fed. The construction of the canal has led to a revival of sorts for agriculture in the village. With increased flows of water being diverted to the village, some households have had the confidence to invest in irrigation in the past six years, enabling diversification of cropping patterns into cash crops such as pomegranate, potato, capsicum, and sugarcane. Potato and sugarcane now dominate as the most important cash crops. However, agricultural opportunities are still limited for many households, and there is a lack of high-value horticulture in the village. The isolated position of the village and its poor road infrastructure also present market access challenges for households. Households generally do not access the lucrative markets of Pune or Mumbai. Instead, households mostly utilise APMC markets and sub-markets in surrounding towns where transport costs are low.

Given the historically precarious nature of agriculture in the village, many households have relied on temporary migration and non-farm opportunities to supplement their livelihoods, particularly in drought years. Household members, typically males, have engaged in low skilled labour requiring temporary migration such as house painting and truck driving. This non-farm income was typically invested back into farm activities. Non-farm livelihood activities are now increasingly important to households, and access to high-value non-farm opportunities is a key point of differentiation in the village. Investing in the education of children who are then able to secure non-farm employment and send home remittances is a key livelihood strategy for households, and is pursued by both large and marginal landowners.

Building on Scoones et al (2011; 2012), an adapted 'success ranking' exercise was conducted with key informants in the village. Participants were asked to come up with categories that described the fortunes of different livelihood groups, including the common livelihood characteristics of each group. These insights were combined with primarily qualitative livelihood data from 19 in-depth household interviews to provide grounded categories of existing patterns of social and economic differentiation (table 1).

Table 1: Livelihood groups in the village.

	'Lower group'	**'Middle farmers'**	**'Best off'**
Land holding	1-3 acres, low quality	3-10 acres	Largest land owners
Caste	OBC and other lower castes	70% Maratha, 30% OBC	Maratha
Cropping pattern	Cereal crops, plus vegetables for self-consumption	Diverse. Cash crops include sugarcane, potato, chilli, onion plus cereal crops	Sugarcane, potato, onion and other cash crops
Education access	Historically marginalised from higher education due to caste status, but improving thanks to affirmative action programs	Mixed. Education of offspring an important strategy for some households. Remittances important source of farm investment.	At least one offspring tertiary educated. Significant remittances.
Dominant income source	Labouring	Agriculture, with some significant but low-value non-farm activities	Non-farm income

Households from each livelihood group have different access to important livelihood assets and capabilities that condition their livelihood opportunities. The best off households are able to access a range of livelihood assets and capabilities that reinforce their social status. They are all from open Maratha castes, own the most land, have easy access to financial capital, credit and education, and have extensive social networks. These households participate in some high-value agriculture enabled by extensive irrigation assets, but now gain most of their advantage through securing high-earning non-farm occupations or businesses for their well-educated children. The category of middle farmer encapsulates a diverse range of households primarily focused on accumulation or reproduction through agriculture. Commonly, these households face some constraints in accessing livelihood assets and capabilities to significantly improve their livelihoods. These households grow some cash crops, but typically lack the irrigation or financial capital to move into substantial high-value farm activities. Maratha castes dominate this group, although historical processes have allowed some OBC households to become landowners. Middle farmer livelihoods are dominated by agriculture, although households will commonly participate in temporary or seasonal non-farm activities to supplement their agricultural incomes. Some households who have been able to access education have members who have migrated to take up permanent positions in urban areas. The lowest group of households are marginal landowners, and face significant challenges in even maintaining basic reproduction to ensure survival. OBC and other lower caste households dominate this group. Marginal landowners engage in some petty commodity production of crops, although maintain a strong focus on reproduction through subsistence. These households also reproduce themselves through labour markets, which are often informal and precarious. Farm labouring remains important.

The livelihood assets and capabilities available to households within each livelihood group condition their ability to pursue livelihood pathways that involve either 'hanging in', 'stepping up' or 'stepping out' (Dorward et al. 2009). These livelihood pathways illuminate current trajectories of social and economic differentiation, providing an account of the livelihood landscape onto which the contract farming scheme is touching down (table 2).

Table 2: Livelihood pathways in the village (adapted from Scoones et al 2012).

Livelihood group	Livelihood pathway	Livelihood description
Lower group	Hanging in	Those households constrained to reproduction through petty commodity production of coarse grains, subsistence production and/or animal herding.
	Stepping up	Limited access to low-paying non-farm opportunities allows minor accumulation and investment in expanded agricultural production.
Middle farmer	Hanging in	Agriculture only. Households with adequate land assets to engage in enhanced petty commodity production but lacking further assets to accumulate.
	Stepping up	Those accumulating through agriculture. Enough assets (irrigation, hired labour, credit access) to engage in some cash crop production.
	Stepping out	Agriculture still primary livelihood activity, but cash crop production is supplemented by un-skilled non-farm activities such as house painting or truck driving, side-businesses, or remittances from educated offspring. Remittances reinvested in farming.
Best off	Stepping out	Households who accumulate significantly through off-farm activities and remittances. Typically have highly educated offspring with salaried work in cities, or business owners in local and interstate urban areas (gold and silver shops, pharmacies etc).

The barriers that households from the lower group face in accessing livelihood assets and capabilities mostly confines them to pathways that only allow them to ‘hang in’, reinforcing their marginal status. Middle class households do engage in some accumulation, typically through agriculture, and many are improving their livelihoods through various strategies, however they lack access to further assets and capabilities to significantly ‘step up’ or ‘step out’. Best off households use their advantageous position to access lucrative non-farm activities (‘step out’). In other villages in Satara district, agriculture, particularly horticulture, is an important source of accumulation for rich households. However, commercialised or large-scale cash crop production has not emerged as yet in the village. Access to high value non-farm activities is therefore the most significant source of accumulation for best off households in the village.

These insights reveal some important observations about the role of land and its continuing importance as a livelihood asset. Land ownership conditions access to livelihood opportunities, and therefore patterns of differentiation, through two primary processes: agricultural-based accumulation, where those with more or better quality land accumulate beyond simple reproduction; and as a base from which to expand into the non-farm economy, where large landowners use their land to access credit, education and other assets required to pursue non-farm activities. Despite agriculture’s continuing importance, it is this latter role of land ownership that is becoming the most important point of differentiation between rich and poor households. Rather than continuing to accumulate through agriculture, large landowners are using their land assets to step out of farming and launch themselves into lucrative non-farm activities, with some households then reinvesting and increasing their advantage in agricultural activities. Rich households are not accumulating land however. Given the multifaceted social, economic and cultural roles of land in India, households across all livelihood groups are motivated to hold onto their land. Better off households who accumulate entirely outside of agriculture will retain their land as a safety net, or retirement activity for older generations. At the same time, the poorest households are unwilling to sell land, except in situations of extreme distress, even if they have substantially moved into non-farm labour activities.

Potato contract farming in Satara district

Potato is a boom crop in India. From 1970 to 2008, the crop area under potato increased by 150% and this trend is continuing (Kannan & Sundaram 2011). Total potato production in India in 2013 had grown by almost 60% compared to 2007, making India the world's second biggest producer of potatoes after China (FAOSTAT 2015). Potato is an important staple food in many parts of India. Table potato is also a significant cash crop for small farmers, particularly in the northern states, grown as part of typically diversified cropping patterns. Farmers have traditionally marketed table potato varieties through government regulated markets and supply chains. These are characterised by a complex web of relationships between farmers, traders, commission agents and various other 'middlemen'. Such a system has suited the cultural and institutional agricultural landscape in India in a food system where consumers continue to purchase fresh food from a dense network of small informal traders, and where formalised supermarket models have failed to gain traction (Cohen 2013). The traditional sector, however, has been criticised as not meeting the needs of both farmers and agri-business. The narrative goes that farmers face high transaction costs and are prey to exploitative relationships with proliferating middlemen (Cohen 2013). Missing input and credit markets and misdirected policy settings stifle innovation and restrict crop diversification away from low-value cereal crops. For agri-business firms, convoluted and inefficient traditional value chains preclude direct relationships with farmers. Firms are unable to communicate quality requirements, or stimulate new markets for new crops.

This has proved to be a challenge for agri-business capital in India, in the context of global transformations in food systems and changing consumption patterns in Indian cities. While traditional table potato varieties remain an important crop for small farmers, there has been somewhat of a revolution in potato production in India in the last 15 years towards non-traditional varieties for processing into potato chips and other snacks. Driven by increasing demand for processed and 'novelty' foods in urban India, domestic and foreign agri-business capital has invested in potato processing, establishing new value chains that require new varieties of potato suitable for processing. Within the context of a recently liberalised agricultural sector, but still highly regulated rural land markets, processing firms have employed contract farming to control land and production in order to solve the procurement challenges of the traditional Indian agricultural sector.

In Satara district, these processes have resulted in new geographies of potato production. Historically, potato has been a minor crop in Satara. In the last ten years, however, firms have moved into rural areas of Satara district to establish potato contract schemes for particular varieties of chipping potatoes. The catalyst for this was the opening of a large potato chip processing facility in the city of Pune in 2001 by the multinational PepsiCo, now home to a number of medium and large potato chip processors including the Indian conglomerate ITC. Growing chipping potatoes in Satara district serves the interests of firms in two ways. First, firms are motivated to source raw material from areas proximate to processing factories to reduce costs. Second, chipping potato production in India is concentrated in the northern states, where it is grown as an irrigated Rabi (spring harvest) crop. This results in a national supply glut in April/May, and lack of supply and inflated prices between September and December. The climatic profile of parts of Satara district, particularly the relatively dry monsoon, make it possible to grow chipping potato as a Kharif (monsoon) crop, addressing these supply inconsistencies.

PepsiCo entered the area around the case study village in 2007 through a process involving a 'spatial fix' of sorts (Harvey 2001). PepsiCo originally established potato contract farming in the central-west area of Satara district, in talukas with more reliable rainfall patterns, better soil quality and more dynamic local agricultural economies. Contracts were initially taken up with enthusiasm in these areas; however the scheme soon ran into problems. After experiencing significant crop losses, which PepsiCo attributed to problems with fungus and incorrect input application, farmers became disillusioned with the scheme, and the number of farmers defaulting on their crop loan increased. PepsiCo eventually abandoned the area, moving down a rainfall gradient from west to east to re-establish the scheme in the more drought prone areas of Khatav taluka. Here, the less dynamic local agricultural economy meant PepsiCo could easily capture participants and extract more favourable terms from farmers for use of their land.

PepsiCo's contract scheme is run through a local agent, who is responsible for recruiting farmers at the beginning of each season, and the day-to-day operations of the scheme in season. The firm uses the agent to reduce the transaction and coordination costs of dealing directly with hundreds of small farmers. It is through the agent that the scheme is 'embedded' in its local context: local agents give the contract scheme local legitimacy, and the firm can leverage the local contacts, reputation and knowledge of the agent. The agent for the village is responsible for around 500 acres of contract potato in the area, with 40 farmers under contract in the village. The contract itself is made between the farmer, who agrees to grow the chipping potato using a specific growing schedule and inputs, and PepsiCo, who agrees to pay the farmer a fixed price for the potato upon harvest, and to supply seed and inputs at a set price. Contracted farmers are extended credit to pay for the seed and inputs by a bank in partnership with the firm. While the contract reduces the price risk for farmers, all production risks are transferred from the firm to the farmer, including the risk of indebtedness from crop failure or underproduction. This is a particularly important point, as chipping potato is more vulnerable to crop loss from disease or adverse weather events than table potato.

Patterns of contract participation

How does the contract scheme intersect with the livelihood landscape described above? The case study interrogated this question primarily through the lens of patterns of contract participation. The institutional settings of Satara district make questions of small farmer bias somewhat irrelevant. It is evident that PepsiCo does engage and contract with small farmers, if only because land fragmentation and the structural settings of agriculture in Satara district give the firm no other choice. However, this tells us little about which small farmers come to participate in the scheme, and the implications of participation for broader agrarian structures. The salient point is that different households engage with the contract scheme in place-dependent ways, embedded in the particular socio-spatial structures (the livelihood landscape) that have evolved in the village.

Although derived from an economistic understanding of contract farming, Barrett et al (2012) suggest a useful framework of contract farming participation as a four stage process involving: a) the firm's choice of procurement location; b) the firm's selection of households to offer contracts; c) households' acceptance or rejection of the contract offer; and d) firm and household decisions to honour the contract or continue participation. This framework is adopted here to explore how contract participation intersects with local livelihood patterns. The firm's choice of procurement location was discussed above; here the focus is on the latter three stages. For stage b, there are both formal and informal livelihood requirements that influence which households are offered contracts. Formally, PepsiCo requires households to have at least one acre of land available to plant chipping potato, and to have irrigation facilities. This excludes marginal landowning households from participation, as well as households who do not have the capability to invest in irrigation assets. Informally, households without sufficient financial capital to invest in extra inputs, or without access to adequate paid or unpaid labour, are unlikely to be offered contracts.

As Barrett et al (2012) point out, a household's decision to accept or reject a contract offer (stage c) will often be influenced by similar factors to stage b. This means that households that profess a reluctance to engage with the contract scheme may not have been offered a contract anyhow. For example, in the village households will not engage with the scheme if they determine that they do not have adequate financial capital or access to the appropriate labour resources to be able to succeed in the scheme. Additionally, it is evident that a household's attitude to risk and uncertainty strongly influences their participation decisions. If a household's livelihood position causes them to subjectively judge that the risk and uncertainty of potential indebtedness outweigh the potential benefits of the scheme, they will not participate. Households who express risk-averseness towards participation in the village tend to have some combination of limited access to financial capital, poor water access and limited or no access to non-farm income, or have experienced adverse periods of indebtedness in the past, or have experienced a loss from the contract scheme in previous seasons. Perceptions of risk also mediate the participation decisions of middle farmer households and those with superior access to livelihood assets and capabilities. Perhaps counter-intuitively, risk-averseness can promote participation amongst households considered to be middle farmers. These households are open to new economic opportunities, however are often risk-averse to price fluctuations and uncertainties in open cash crop markets. The contract scheme, then, is viewed as a less risky investment in the cash crop economy as the fixed-price reduces market risk, and such households are willing to tolerate the production and credit risks involved. Conversely, the best off group of households are willing to take on greater risks in their livelihood decisions (and have access to the livelihood assets and capabilities to enable risk taking). These households will often decline contract offers, preferring to independently grow chipping potato or invest in alternate livelihood options that are higher risk but also offer higher potential returns.

For stage d, participating households in the village tend to decide to discontinue contracting if they experience a significant crop loss, and as a result experience an economic loss or become indebted. Agents may also not re-offer contracts to underperforming households who supply potato of poor quality, insufficient quantity, or both. It is evident that a household's position within the livelihood landscape mediates whether they continue in the scheme. A number of households have experienced significant crop loss in recent years due to drought conditions. These losses have a greater impact on households with more constrained access to livelihood assets and capabilities. Households that lack additional physical, financial and labour assets to apply to potato production are more likely to produce an inferior crop. These households are therefore more likely to not receive a contract renewal offer from PepsiCo in the next season. Households with superior access to livelihood assets and capabilities are making decisions to continue or exit contract farming for different reasons. These households are more resilient against adverse events, and able to cope better with crop loss or increasing costs. However, such households typically have access to a range of livelihood opportunities, and treat contract farming as they would any other investment. A number of households in this category have exited the scheme in recent years after deciding the scheme was not providing them with an adequate return on their investment, and their livelihood assets would be better invested in other opportunities.

This leaves a group of households in the middle who have 'average' access to livelihood assets and capabilities. While still vulnerable to livelihood loss, these households have access to enough livelihood assets and capabilities to successfully grow the contract crop, and to exhibit some resilience against adverse events such as crop loss. At the same time, such households lack the capability to pursue a diversity of high value livelihood activities. Given their lack of alternative options, these households are less likely to decide to exit the scheme even after experiencing a poor season. It is evident that households in this category will persevere with the contract scheme even if it provides marginal benefits, or a loss in some years, primarily because of the fixed price and access to inputs that the scheme provides, in the context of a myriad of other livelihood uncertainties.

The processes discussed above reveal a particular pattern of contract participation emerging within the village. Patterns of contract participation and exclusion have been co-produced in the village by the interaction of the dynamics of the contract scheme, the existing livelihood landscape and the place of each household within this landscape. Specifically, referring back to the livelihood groups described above, it is evident that participation is focused on the *middle farmer* group of households.

Households in the lower group are typically not offered a contract. Their lack of livelihood assets and capabilities mean they are unable to participate even if they desire to. These households are risk-averse and often only engaged in reproduction through subsistence agriculture and low-paid labouring. In fact many households in this group reported either no knowledge of the contract scheme, or not having been approached by the agent with any information on the scheme. Households from this group who have managed to participate commonly exit the scheme after experiencing debt or economic loss due to a poor season.

Households described as 'best-off' tend to approach participation with indifference. These households may dedicate land to the contract crop from time to time, however they will quickly exit the scheme if it does not provide a good return on their investment. Such households also have access to a diversity of other livelihood options, and are willing to takes risks on potentially more lucrative livelihood opportunities. They often prefer to independently access other high-value agricultural and non-farm opportunities using their own assets and connections, maintaining independence from contractual relations.

Therefore, the operation of the contract scheme depends upon the participation of a group of middle farmer households. Such households fit the profile that the contracting firm is looking for: they have the right mix of livelihood assets and capabilities to be productive potato growers, while at the same time their lack of further assets and capabilities to independently pursue other high-value agricultural activities renders them dependent on the input, credit and extension facilities that the contract scheme offers. These households are open to new opportunities and are willing to accept contract offers. The lack of other accessible alternative cash crop or high-value agricultural livelihood activities in the village means they are likely to stick with the contract scheme even if it provides only marginal benefits in any one season, provided they are not excluded due to indebtedness.

Contract farming and future livelihood pathways

Having established the emerging patterns of contract participation in the case study village, the final section of the paper deals with the impact potato contract farming is having on accumulation and differentiation; namely, what influence does contract participation or non-participation have on the livelihood pathways of different livelihood groups?

For the lower group of households, the benefits of the scheme are minimal. Most are excluded from participation given their lack of key livelihood assets and capabilities. Further, while some households already engaged in farm labour reported receiving a few extra days work from the contract crop, wage rates have not increased and there was no evidence of substantial labour benefits for non-participants. Although adequate labour is important for success, many contract farmers, except for the best-off participants, lack the capacity to employ extra labour and prefer to exploit their existing labour or family labour, or participate in reciprocal labour sharing arrangements with neighbouring farmers. While chipping potato is labour intensive during sowing and harvesting, the short growing season of the crop (around 80 days) also limits substantial labouring opportunities. Labour requirements are focused around the peak times of sowing and harvest, but this may amount to only 10 days out of the growing season. Finally, potato labouring is arduous and unattractive work for those seeking wage labour opportunities, particularly younger generations for whom agricultural labouring is no longer a culturally attractive livelihood option. The is an important point, as labour is often placed at the centre of the potential poverty reduction benefits of contract or outgrower schemes and corporate investment in agriculture through land acquisitions more generally (Little 1994; World Bank 2011; Li 2011). Certainly, crop type is important to these dynamics in the case study village. However, if the contract scheme was for a crop that required a significant amount of labour (for instance sugarcane, which is an important cash crop for better off farmers in the district), it is likely that many middle farmers would be excluded from participation due to their lack of capacity to afford more labour. Evidently then, for households in the lower group the contract scheme has little impact on their livelihood pathways, offering no opportunity to step up or step out, but rather reinforcing their position of social and economic disadvantage.

Within the middle farmer group of participating farmers, most participants report that contract farming has led to improvements in their livelihood situation through increased cash income, access to new knowledge and modern inputs, and access to credit. Several houses have used income from contract farming to improve their houses or purchase assets such as motorcycles. However, for most participants, these benefits are not significant in terms of accumulation, and do not represent a significant shift in a household's livelihood pathway. It is evident that only a small minority of participants have realised significant gains from contract farming, accumulating (stepping up) through producing significant yields of chipping potato. These farmers are typically already economically better off than other participants: they own more land and can afford more wage labour and extra inputs. There is a qualification to this general pattern however. The contract scheme has enabled at least two OBC households to step up in a significant way. The inputs and credit access that the contract facilitates has allowed these households to participate in capitalised agriculture for the first time. The guaranteed cash income (as long as good production is achieved) and irrigation subsidies and incentives from PepsiCo have enabled these households to accumulate enough capital to join the middle farmer group, breaking down historical caste barriers.

However, these benefits can quickly evaporate. Contract farmers are exposed to a combination of debt and production risks that can significantly disrupt their livelihood pathway, in the worst cases leading to indebtedness and households 'dropping out'. Prior to joining the contract scheme, many households had limited engagement with formal credit markets (banks). Informal credit (through private moneylenders) is common in the village, and a farmer's credit cooperative also operates. These institutions have evolved in place-dependent ways; for example farmers may negotiate to repay debts in kind with crops, or roll over cooperative loans into the next season. Formal credit institutions are not so generous in their repayment terms however. Contract farmers, therefore, must enter a new kind of 'value relation' that disciplines farmers to adopt a productivist (capitalist) mindset in order to avoid indebtedness (McMichael 2013). As McMichael (2013) points out, debt relations are a key way in which surplus value is appropriated away from contract farming communities by both banks and contracting firms. Given the temperamental nature of chipping potato and the drought prone climate, crop loss is a constant threat to village contract farmers, exposing hitherto under-capitalised farmers to indebtedness and potential loss of autonomy over their land (for example having to grow more cash crops instead of subsistence crops to repay debts, or having to sell land to repay debts). There was not any evidence of farmers losing their land thus far through the contract scheme. However, as mentioned earlier, a number of households have experienced significant crop loss in recent years due to drought, and were now indebted, limiting their future livelihood options.

Given the processes outlined above, it is evident that contract farming is reproducing patterns of differentiation in the village because of the way in which it integrates with existing livelihood pathways. In this sense, it is an activity that depends on capturing middle farmer households as participants and maintaining their position as middle farmers to ensure their ongoing participation. Middle farmer households are not stepping up or out in any way due to contract participation. The real sites of accumulation in the village have shifted off-farm, where already-privileged households (through previous on-farm processes of differentiation mediated by historically uneven distribution of livelihood assets and capabilities) continue to ‘step out’ into the lucrative remittance economy.

Conclusion

This paper has attempted to broaden perspectives on global land grabbing by incorporating analysis of non-equity modes of land control into global land grabbing debates. In India, land grabbing is usually analysed through the lens of state appropriation of peri-urban land for private SEZ development. However, the place-based politics of land relations in India has meant that land acquisition is not an option for foreign or domestic agri-business capital searching for investment and accumulation opportunities. As the paper has shown, agri-business is instead coming to control farm land through other means such as contract farming, introducing new modes of production and accumulation into already differentiated rural livelihood landscapes. As contract farming spreads in India, it is important to understand the outcomes of contract farming for future livelihood pathways and patterns of differentiation in local places.

Through the lens of participation, the paper showed how the intersection of the contract scheme with the contemporary livelihood landscape of the village has led to particular outcomes for different livelihood groups. Specifically, participation has coalesced around a group of middle farmer households. While it is evident that contract farming does present new opportunities for these households to acquire cash, the contract scheme is not leading to any significant ‘accumulation from below’ (Scoones et al. 2012). Instead, contract farming is reproducing patterns of differentiation where middle farmers do not step up or step out in any significant way through the contract scheme. Rather, the historically uneven distribution of livelihood assets and capabilities allows already better-off households to ignore the contract scheme and step out (accumulate) through lucrative access to non-farm opportunities and remittances.

What is the significance of this paper for the global land grabbing debate? The insights presented here are important on several counts. First, they provide context to claims that contract farming may represent a better alternative to outright acquisition of farm land. While land is not changing hands in the case study village, the spread of contract farming is leading to the ‘corporatisation of rural spaces’, where new modes of accumulation predicated on relations of credit and debt increasingly dominate rural land use. Given the inherent risk involved with cash crop production, this may still lead to dispossession or loss of autonomy over land and livelihood decisions. Second, if, at a fundamental level, the global land grab debate is concerned with the outcomes for land and livelihoods of rapid changes in land use at a global scale, then we must account for the implications of ‘actually existing’ forms of land control that manifest in local rural places. Lastly, it is important to look at how particular agribusiness investment arrangements, whether outright purchase of land or contract farming models, function in specific contexts (White et al. 2012; Vermeulen & Cotula 2010). Through employing a grounded livelihoods approach, informed by critical agrarian political economy, we can reveal the nuances of how different rural households and their land are incorporated into different modes of land control, and what this means for livelihood pathways in agrarian landscapes.

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About the Author

Mark Vicol is currently a PhD candidate in human geography at the School of Geosciences, University of Sydney, Australia. This paper draws on his thesis research into contract farming in India. His research focuses on how processes of value-chain modernisation in India influence processes of uneven development and agrarian change, with a particular focus on rural livelihoods. He was previously part of a research team investigating the multifaceted role of land in rural livelihoods in north India.