

Guidelines for Strengthening Land Governance in Foreign Agricultural Investments

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Executive Summary

The new phase of Chinese investments in Brazil's soy–meat complex, marked by a shift from land acquisitions to infrastructure and logistics projects—such as ports, railways, and storage facilities—is reshaping power relations and territorial control within agribusiness. By emphasizing infrastructure, these investments not only expand productive integration and improve regional connectivity, but also accelerate the flow of commodities to global markets, generating short-term economic benefits while deepening Brazil's structural dependence as a primary commodity exporter.

In light of global land governance frameworks, including the Voluntary Guidelines on the Responsible Governance of Tenure of Land (VGGT) (FAO 2012, revised 2022) and the Principles for Responsible Investment in Agriculture and Food Systems (CFS 2014), it becomes evident that Chinese investments often operate on the margins of standards related to transparency, prior consultation, and the protection of local land and community rights.

The central challenge for Brazil is therefore to align its infrastructure and development strategy with international norms, ensuring that foreign-led projects, whether by state-owned or private companies, incorporate robust social and environmental safeguards.

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1. Context and Policy Problem

Since the late 2000s, China has become the main destination for Brazilian agricultural exports and an increasingly important source of investment in the sector. This presence has evolved through three phases:

1. *Land acquisitions (2008–2013)*, marked by political resistance and legal restrictions on the purchase of rural land by foreigners (AGU Opinion LA-01/2010).
2. *Mergers and acquisitions (2014–2020)*, exemplified by COFCO's acquisition of Nidera and Noble Agri.
3. *Infrastructure and logistics (2020–2025)*, with an emphasis on railway corridors, ports, and storage facilities.

This new stage, discussed by Wesz Jr., Escher, and Fares (2023) and by Renzi and Fares (2025), expands the political dimension of investment, as it involves multiple levels of government and directly affects territorial planning.

However, the lack of a transparent national governance framework compatible with international standards amplifies the socio-environmental and regulatory risks generated by infrastructure expansion, including concentration dynamics and conflicts historically associated with land grabbing in the Global South.

2. International Framework and Relevant Policies

Instrument/ Organization	Year	Objective	Relevance to the Brazilian case
Voluntary Guidelines on the Responsible Governance of Tenure (FAO/CFS)	2012, rev. 2022	Ensure legitimate land tenure rights and equitable access to land, forests, and fisheries	Provides a benchmark standard for land policies and land-use concessions; Brazil is a signatory but lacks a national implementation plan.
Principles for Responsible Investment in Agriculture and Food Systems RAI (CFS)	2014	Promote investments that respect tenure rights and livelihoods	Regulatory framework for evaluating foreign investments in agribusiness, including associated infrastructure.

Instrument/ Organization	Year	Objective	Relevance to the Brazilian case
Principles for Responsible Agricultural Investment PRAI (World Bank, FAO, IFAD, UNCTAD) ²	2010	Prevent negative impacts of large-scale land acquisitions	Predated the <i>Principles for Responsible Investment in Agriculture and Food Systems</i> and is still used by multilateral development banks.
Land and Governance Assessment Framework LGAF (World Bank)	Updated in 2023	Tool to measure transparency and land tenure security	Can support diagnostics on land control by foreign companies.
LANDex Global Index (ILC)	2021–currently	Participatory indicators of land governance	Instrument for monitoring the implementation of the VGGT.
Equator Principles (Financial Institutions)	2003, rev. 2020 (EP4)	Provide a framework to identify and manage environmental and social risks in project finance.	Serve as a reference for assessing environmental and social risks in large-scale infrastructure and agribusiness projects financed by international banks in Brazil.
UN Guiding Principles on Business and Human Rights (UNGPs)	2011	Establish standards on state duties and corporate responsibilities regarding human rights.	Offer a normative basis to assess corporate conduct in agribusiness and infrastructure investments, particularly concerning land rights and community impacts.

Source: Elaborated by the author.

These documents constitute the core of the emerging global land governance framework, which seeks to balance food security, territorial sovereignty, and agricultural investment. However, their voluntary nature limits enforcement capacity, leaving normative gaps that are exploited by large transnational investors, including Chinese state-owned enterprises.

² Food and Agriculture Organization of the United Nations (FAO); International Fund for Agricultural Development (IFAD); United Nations Conference on Trade and Development (UNCTAD).

3. Policy Analysis and Gaps

3.1. Land Governance and Land Control

Despite advances in Rural Environmental Registry (CAR) and land tenure regularization, Brazil lacks integration between property registration, environmental licensing, and infrastructure concessions, and competences remain fragmented among the MDA, INCRA, MAPA, FUNAI, ICMBio³, as well as state and municipal authorities. This fragmentation favors overlapping land titles, disputes among formal, informal, and traditional tenure regimes (*quilombola* communities, Indigenous peoples, extractivist communities), and the expansion of supply chains associated with land grabbing and deforestation. Importantly, this institutional disjunction directly affects infrastructure planning and implementation: without coordinated land and environmental governance, projects such as roads, ports, and logistics hubs risk legal challenges, social conflicts, and environmental noncompliance, which can delay or undermine the effectiveness of agricultural infrastructure investments.

This partnership can facilitate the exchange of knowledge and innovations – such as the transfer of machinery adapted to small-scale farming and the co-development of biofertilizers – strengthening rural development and contributing to the economic and social sustainability of farming communities.

3.2. Land Control through Mergers and Acquisitions

The shift in the international capital entry strategy—from direct land purchases to mergers and acquisitions—highlights a gap in Brazilian land policy, as such operations fall outside the scope of national territorial control frameworks and are limited to antitrust review by the Administrative Council for Economic Defense (CADE). Consequently, the absence of mechanisms to monitor corporate acquisitions that imply indirect control over land runs counter to the VGGT guidelines, which emphasize the need to strengthen institutions and ensure that investments, including foreign ones, do not undermine territorial sovereignty rights and responsible governance.

3 Brazil's Ministry of Agrarian Development (MDA), National Institute for Colonization and Agrarian Reform (INCRA), Ministry of Agriculture and Livestock (MAPA), National Foundation for Indigenous Peoples (Funai), and Chico Mendes Institute for Biodiversity Conservation (ICMBio).

3.3. Chinese Investments and Agriculture-related Infrastructure

Projects such as the West–East Integration Railway (FIOL), the Bioceanic Railway, the Port of Ilhéus, and the Santos Terminal (COFCO) highlight the growing interconnection between transport policy and access to agricultural land. The adaptation of Chinese companies to Brazilian concession rules, and the adoption of standards such as the Global Reporting Initiative and the UN Global Compact, demonstrate openness to governance, but implementation remains constrained by shortcomings in monitoring and transparency.

4. Public Policy Options

Option	Description	Advantages	Limitations
A. National Alignment with the VGGT, <i>Principles for Responsible Investment in Agriculture and Food Systems e Principles for Responsible Agricultural Investment</i>	Create a national implementation and monitoring plan.	Enhances transparency and legal certainty; strengthens Brazil's international standing.	Requires federative coordination and confronting resistance from the agribusiness sector.
B. Land Tenure <i>Due Diligence</i> Mechanism for Foreign Investments	Require <i>ex ante</i> assessments of land-tenure and socio-environmental impacts for projects above a certain value threshold.	Mitigates <i>land-grabbing</i> risks; integrates human rights and environmental dimensions.	May increase costs and delay infrastructure projects.
C. Adoption of Mandatory Transparency Standards in Supply Chains	Make traceability of soybean origins and the lands associated with concessions mandatory.	It strengthens <i>accountability</i> and reduces indirect deforestation.	Depends on interoperability among databases and robust enforcement.
D. South–South Cooperation in Land Governance	Use Brazil–China dialogue to promote common standards of sustainability and governance.	Increases the potential for mutual learning and international reputation.	Risk of soft <i>commitments</i> and weak <i>enforcement</i> .

Source: Elaborated by the author.

5. Recommendations

1. *Institutionalizing a National Land Governance Framework based on the VGGT*, coordinating the Ministry of Agrarian Development (MDA), INCRA, and MAPA.

Brazilian land governance faces structural problems that undermine legal certainty, social inclusion, and sustainability. Insecurity of tenure and overlapping rights persist, exacerbated by fragmented databases and limited interoperability among INCRA, land registry offices, the Rural Environmental Registry (CAR), and state systems. State action is constrained by low enforcement capacity, a lack of institutional coordination among MDA, INCRA, MAPA, Funai, Ibama, and subnational entities, as well as insufficient conflict-mediation mechanisms.

2. *Integrate land-tenure criteria into infrastructure programs* (National Integration Routes; New Growth Acceleration Program; New Industry Brazil; South American Integration Routes), linking concessions to social and environmental clauses.

The VGGT require large-scale projects to ensure tenure rights, transparency, and the protection of vulnerable groups; the CFS-RAI/PRAI stress that investments should promote sustainability, participation, and respect for territorial rights; and the LGAF reinforces the importance of clear land-use rules, institutional coordination, and impact monitoring. Thus, linking concessions to social and environmental clauses aligns infrastructure programs with international standards of responsible governance.

3. *Creating a foreign investment due diligence authority within the Casa Civil*⁴, with the power to review projects involving rural land.

This measure would strengthen transparency, social participation, and rigorous assessment of social, environmental, and land-tenure impacts. The VGGT, RAI, PRAI, and LGAF guidelines emphasize the need for robust ex-ante analyses, clear governance arrangements, and safeguards to ensure that investments contribute to sustainable development rather than generating conflicts or power asymmetries.

4. *Adopting LANDex and LGAF indicators* to monitor transparency and land-tenure rights.

This would enable transparent, comparable, and systematic monitoring of land rights. Both instruments are aligned with the VGGT principles and

4 Office of the Chief of Staff of the Presidency of the Republic

international responsible investment initiatives, as they promote participatory assessment, risk identification (such as tenure insecurity, lack of transparency, and weak regulatory capacity), and institutional strengthening. Integrating these indicators helps the government prevent conflicts, improve the quality of land policies, and ensure that investments, both domestic and foreign, occur in a responsible and sustainable manner.

5. *To expand Brazil–China cooperation in sustainable agrarian policies, prioritizing family farming and green technologies, in line with the MDA–Ministry of Agriculture and Rural Affairs of China agreement (2025).*

The expansion of Brazil–China cooperation in sustainable agrarian policies, within the framework of the MDA–MARA agreement (2025), aligns with the VGGT, which recommend strengthening smallholders, ensuring tenure rights, and promoting the sustainable use of resources. It also responds to the CFS-RAI/PRAI by prioritizing investments that generate social benefits, respect territorial rights, and incorporate green technologies. Finally, it is consistent with the LGAF by reinforcing institutional capacities, transparency, and responsible land governance. This cooperation contributes to inclusive and sustainable rural development, particularly for family farming.

6. Final Considerations

The new phase of Chinese investments in Brazil, centered on agricultural infrastructure, is embedded in a political economy marked by simultaneous dependence and repoliticization. On the one hand, it reinforces the country’s role as a commodity supplier; on the other, it opens space for political and institutional negotiation around governance standards. The consolidation of a national framework inspired by global norms on land tenure and land use is an essential condition for transforming these investments into drivers of sustainable development rather than new cycles of territorial dispossession.

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