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## **Rockefeller and the Origins of Agribusiness in Brazil**

### **A Research Report**

By Clifford A Welch

Professor of History  
Federal University of São Paulo (UNIFESP)  
Guarulhos Campus, São Paulo  
Brazil

cliff.a.welch@gmail.com

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In the fall of 2013, with the help of a Rockefeller Archive Center grant-in-aid, I examined, selected and photographed over 3,500 pages of documents related to my theme from more than 15 record groups in seven of the center's collections (see attachment). Assisted by archivist Nancy Adgent, who has been fundamental to this project since my initial RAC contact in 2012, I was able to work through an even larger body of evidence that proved to be less relevant but no less important to consult. In fact, this research trip only strengthened impressions about the elemental role of agriculture in the Rockefeller relationship to Latin America, whether the emphasis was commercial, philanthropic, personal or diplomatic. Generally speaking, the agriculture theme revealed profound connections among these overlapping aspects of the Rockefeller approach to the region as represented in the Brazilian case.

First impressions based on superficial contact with this massive quantity of documents underscore both the complexity of the relationships established and their essential financial nature, leaving little doubt about the central role Rockefeller interests played in establishing agribusiness in Brazil in both theoretical and practical terms. With near military precision, Rockefeller sent out scouts, organized divisions and devised and implemented strategies to

spread the doctrine and establish the structures to fortify capitalist agriculture in Brazil. Reading between the lines, the documentation available in the Sleepy Hollow archive also revealed the diverse forms of anticipation and apprehension with which Brazilians and foreigners living and working in Brazil responded to these incursions.

In the post-World War II period, the Rockefeller name carried with it such an inherent sense of wealth and power that many individuals in Brazil sought Rockefeller agents in order to sell land or obtain other forms of financial support, such as grants. In these cases, one observes a remarkable level of fiscal restraint on the part of the Rockefeller group and notes a strong preference for relationships initiated by the group itself. The group's risk aversion and caution stand out. During the period examined, the Rockefeller empire was present in Brazil in several forms. Divisional boundaries separated units like the International Basic Economy Corporation (IBEC) and its research institute (IRI), the Rockefeller Foundation, and the American International Association for Economic and Social Development (AIA). But studying the agribusiness front tended to expose the fissures in these divisions, demonstrating relationships that were sometimes direct and sometimes indirect, but just as concrete, given the common assumptions and purposes of these diverse entities. Connections were especially visible when researching the activities of Rockefeller family members like Nelson A. Rockefeller and his son Rodman. Lords of the kingdom, their participation seemed unrestricted.

Strong relationships to governmental authority in both Brazil and the United States also stood out. Cooperation and collaboration was apparent in nearly every case, whether the official were Republican or Democrat in the US, dictator or populist in Brazil. On the key question, the evidence showed the enormous and long-lived contribution of the Rockefeller groups to basic agricultural science, to land usage and governance strategies, to the development of agricultural credit and banking, and the elaboration of policy. The Rockefellers contributed to a long list of basic necessities in the founding and maintenance of agricultural schools, in the development of advanced genetic research, in analyzing and planning the expansion of Brazil's agricultural frontier, in structuring agricultural financial markets, in devising land reform policies and colonization experiments, and in stimulating a transformation of agriculture toward dependency on industrial inputs, such as the use of chemical fertilizers and pesticides that defines the Green Revolution. For a time, the group also invested in food production and marketing.

The 2012 grant-in-aid proposal established certain parameters for the research that was finally conducted in 2013. These included stating a research problem, objectives and anticipating results. As presented, the problem was located in a literature (Hewitt de Alcantara 1976, Bird 1984, Fitzgerald 1986, Cotter 2003) that emphasizes Rockefeller's influence in Latin America to Green Revolution projects generally without examining Brazil, a country that has become one of the world's largest agricultural producers (Welch 2006). As argued in the proposal, a preliminary look at RAC collections in October 2012 "created a different impression for the case of Brazil." The proposal continued:

While the Green Revolution, with its emphasis on productivity based on the use of machine and other technological inputs such as chemical fertilizers, continued in its importance, the documents I read demonstrated how it was seen primarily as a means toward establishing a grander vision for the predominance of U.S. style agribusiness in Brazil. The documents depicted the agribusiness model as a family farm and the owner-operator as a bulwark of democracy. Thus, the vision was framed in a still larger context, that of consolidating in Brazil a secure, liberal capitalist market society, where no one went hungry.

Researchers have not failed to emphasize the contradictions of Rockefeller theory and practice in Latin America. Significant critical studies of the Rockefeller role in Mexico have been written or proposed (Hewitt de Alcantara 1976, Cotter 2003, Brinkman 2009), but research on the Brazilian case has barely begun (Formiga 2007, Dias 2004, Silva 2009). It is the present historical moment that requires emphasizing Brazil in the analysis of Rockefeller's international influence. For more than 25 years, Brazilian society has been torn by a struggle over land. Its land concentration Gini Index, standing at 0.872 in 2010, is one of the highest in the world. Poverty and hunger persist, especially in the countryside, despite more than a decade of positive economic indicators and programs designed to alleviate so-called extreme poverty (Pereira 2010). The misery index remains high with a majority of the population only marginally integrated into the formal political economy. In this setting, the concept of "agribusiness" has come to be used to describe a means of overcoming these problems through agricultural modernization. In the meantime, leading rural social movements have upheld "the peasant road" as a better approach to resolving the same difficulties, noting that

the current revolution in genetic modification has merely intensified the contradictions of the Green Revolution (Welch 2006). This movement negates many of the arguments used to defend the agribusiness approach, especially its claims to wealth and jobs creation. Small-scale agriculture has been shown to generate far more employment, more democratic in distributing wealth and more productive, especially in regards to the products Brazilians like to eat. Genetic transformation has been linked to worsening the concentration of land and wealth, while peasant agriculture's use of native seeds and local technologies are credited with more just and egalitarian development. With two federal agricultural ministries, one dedicated to agribusiness and the other to small farmers, Brazilians are divided in their opinions of the agrarian question, reaffirming the need to know more about the origins of this situation.

The issues discussed by the Rockefeller groups from the 1940s to 1970s seemed so relevant to these debates that I was compelled to apply for a grant-in-aid to systematically research the history of Rockefeller involvement in the development of Brazilian agricultural policy and practices. According to my proposal, the objectives of my trip were to:

- 1) Examine the relationship between Rockefeller groups and individuals and Brazilian agriculture policy and practices during the period 1960 to the 1990s, when the term "agribusiness" begins to appear in Brazilian discourse;
- 2) Exhaust the collections relative to the themes of agricultural development, modernization, scientific assistance, genetic research, agricultural projects, government relations, family farmer, and agribusiness in the context of Brazil;
- 3) Analyze evidence of relations with the Ford Foundation regarding these themes;
- 4) Accumulate documentation on these questions and relations between the Rockefeller groups and São Paulo state business leaders and government representatives.

As commented above, the October trip resulted in significant advances on all four objectives. Although few collections touched on the 1990s, the records researched documented the significant contributions of Rockefeller entities to building institutions in

Brazil from the 1930s to the 1970s, many that continue to influence agricultural policy in the country. In her report on research at the archive, the historian Stephanie M. Kelly commented on their institution building strategy. “The Rockefeller Foundation would select key institutions of higher learning in several countries and focus on building academic departments in the natural sciences,” she wrote (Kelly 2009, 6). In Brazil, she mentions Rockefeller support for the influential Fundação Getúlio Vargas (Kelly 2009, 12 n22), but for rural development, I found the most important target may well have been the agricultural college of the University of São Paulo (USP).<sup>1</sup> Numerous files demonstrated a systematic, broad and valuable investment made especially by the Rockefeller Foundation to the material and intellectual development of this college, the Escola Superior de Agricultura “Luis de Queiroz” (ESALQ) in Piracicaba, São Paulo. The documents in Record Groups 1.1 and 1.2/Series 305, especially Box 11, showed how fundamental programs and projects were built with the support of the foundation, including all things material from office supplies to the college’s first computer as well as other sophisticated research equipment imported from abroad. Scholars were also assisted with grants for research trips and training and entire programs, like the school’s genetics department, were essentially created by the foundation. In the present day conflict of agrarian paradigms (Fernandes, Welch and Gonçalves 2012), this department’s website documents its continued contributions to agribusiness (ESALQ 2014). Indeed, as Brazil’s premiere agricultural college, ESALQ represents itself as having produced the basic and advanced research, as well as the personnel, that have guided much of the nation’s contemporary agricultural growth.

Hubris surely overwhelmed me in using the term “exhaust” in the second objective. It is possible to say I exhausted the boxes of files that were pulled for me, but each one created new leads that I rarely had time to follow. One avenue I did not even consider was that of the

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<sup>1</sup> The Rockefeller Foundation’s contributions to USP have been commented on by other scholars but not, so far as I can tell, its contributions to the ESALQ. Of special interest to historians has been the role of the foundation in establishing the first modern genetics program at USP in the biology department starting in the 1940s (Glick 1994, 149-64; Formiga 2007). Scientists from ESALQ, including German cytologist Friedrich Gustav Brieger, who immigrated to Brazil in 1936, reportedly participated in this process. According to the documents in RG 1.1 and 1.2, an intimate relationship developed between Brieger and the foundation that lasted from 1941 until at least the 1970s. Intimate because Brieger wrote long letters about his frustrations with Brazil and struggles with administrators and colleagues that he sent foundation representatives, including Harry Miller. In 1941, on a talent-scouting mission to South America, Miller described Brieger as having “the only first-class show at [ESALQ]” (Miller 1941). Brieger himself had initiated a relationship with the foundation in 1940, a gesture Rockefeller evidently encouraged as it was then launching in coordination with the U.S. State Department a campaign for developing “a reserve of Latin American experts for likely use in the future” that defined departments of agriculture as a “useful nucleus” (Thomson 1940). It was Brieger who coordinated the founding and administration of ESALQ’s genetics initiative from the 1940s to its transformation into a department in 1970, a department that continues to operate at ESALQ today.

oral history interviews in Record Group 13. One RAC grantee wrote about the value of these sources in his grant-in-aid report on the Rockefeller Foundation's world hunger campaigns. "They are full of unique information and contain very personal and honest opinions about the discussions and deliberations within the Rockefeller Foundation about the development of its agricultural program" (Brinkman 2009, 3). In the files examined, the emphasis on projects and programs was generally pragmatic and procedural, with occasional memos analyzing historical conditions but few offering reflections of the sort reportedly found in the interview transcripts. Thus, "exhausting" the archive in terms of deepening my understanding of the perceived intentions of the Rockefeller group will have to await a future RAC research trip to dig into these oral histories.

The attached table of progress made within various collections ends with the Ford Foundation. Ms. Adgent was especially helpful in making it possible to evaluate a small portion of this collection. Upon my arrival, I found that she had prepared a list of unpublished Ford Foundation reports on agriculture in Brazil. The list guided my selection of relevant reports and Nancy was again essential in facilitating the production of photocopies later sent to me by mail. In addition, a database of foundation grants became available to researchers while I was at the archive and, by consulting it I was later able to identify some of compelling links between Ford Foundation investments and agricultural policy changes in Brazil during the period. It is clear, however, that this collection merits a significant commitment of time for additional research.

If there is an objective that I came close to exhausting it was the fourth one. A key goal for my project from the outset was to deepen my understanding of São Paulo's role in Brazilian history. São Paulo state is for Brazil something like California is to the United States in terms of its extraordinary agricultural production and seemingly contradictory urbanization and industrialization. For most of the 20<sup>th</sup> century, the state's leaders called it Brazil's locomotive, a representation historians have both criticized and supported with substantial evidence to demonstrate its impressive economic and political influence (Love 1982, Welch 1999). Most of the agribusiness organizations and lobbies are headquartered in the state capital; so too is Brazil's leading peasant movement, the Landless Workers Movement (MST-Movimento dos Trabalhadores Rurais Sem-Terra). In terms of my research in the Rockefeller documents at the RAC, I am confident that I examined all of the

thematically relevant collections wherein São Paulo and Brazil were indicated in the finding aids.

The foundation began its philanthropic contributions to the sciences in Brazil by contributing to the medical sciences in the 1920s when yellow fever plagued the country (Williams 1994). While Rio de Janeiro, Brazil's capital city until 1960, featured prominently as a showcase for RF activities, São Paulo's wealth and dynamism caused it to grow in importance as a focus for foundation investments in the post-World War II period. Investments in the development of USP and ESALQ, as well as the state government's agricultural research institute in Campinas, made up a considerable part of the foundation's Brazil portfolio. While the records demonstrate the development of a prolonged relationship with ESALQ, Rockefeller's São Paulo presence served not only for the foundation, but also in the coordination the AIA and IBEC, not to mention personal visits by Rockefeller family members, especially Nelson A Rockefeller.

Herein one notes the complexity of overlapping relationships and interests among the public faces of the Rockefeller groups as dedicated to diplomacy, philanthropy, scientific research and capitalist prophesizing and profit-taking. The foundation's relationship with USP's ESALQ seemed to be a model for similar investments in agricultural colleges from those in neighboring Minas Gerais state to more distant settings in the states of Bahia to the Northeast and Rio Grande do Sul in the south. In 1952, these schools received Norman Borlaug, the as-yet-to-be famed father of the Green Revolution, and sent their scholars to Mexico to deepen their knowledge of the enhanced plant productivity gained from genetic engineering and other applied sciences. Perhaps to remind themselves of the Puebla discourse of promoting peasant farming, Rockefeller's agents in São Paulo established a pilot project in land reform in Minas Gerais, including a pilot agricultural credit institution called ACAR that had been configured by IBEC. In the meantime, the AIA accepted a U.S. Agency for International Development (USAID) contract to undertake a large study in collaboration the Brazil agricultural ministry to determine the viability of agribusiness development in Brazil's huge Centerwest region, the so-called Cerrado. (This project was analyzed by Claiton Marcio da Silva (2009), although I first learned about it conducting research in the archives of Michigan State University.) With the military coup d'état in 1964, Rockefeller activities in Brazil were intensified, much like those of the United States government, which at that time

launched a vast USAID mission in the country to showcase its Alliance for Progress policy (Welch 2013).

Although the concept of agribusiness does not appear to have been used in Brazil until the 1990s, the Rockefeller group's intention to develop this approach to agriculture in Brazil is not only evident in the varied projects and programs it institutionalized in agricultural research, land use, financial and marketing sectors. It is also evident in Rockefeller efforts to encourage transnational capitalist investment in Brazil as well as in the language used to talk about their strategy. For example, in February 1976, IBEC president Rodman C. Rockefeller wrote to Brazil's agricultural minister Alysson Paulinelli, sending a copy of the speech he presented to the Agribusiness Council in January of that year. Paulinelli thanked Rockefeller in a March letter:

I reiterate my gratitude, just as much for your kindness in so promptly sending me the speech as in the words you used to encourage the investors you addressed to bring to Brazil the benefits of their technology and capital, facilitating greater Brazilian agricultural development (Paulinelli 1976)

Plans for the event had begun in late 1975. As Nelson Rockefeller's right hand man, Berent Friele revealed in a November memo, the Agribusiness Council meeting had initially been scheduled by Jack Heinz – the giant tomato entrepreneur from Pittsburgh – as a dinner address to honor a visit by Paulinelli. Paulinelli, as Friele wrote Rockefeller, formerly worked as the Minas Gerais state secretary of agriculture where he already collaborated with council member corporations to stimulate “modernizing and increasing agricultural production” (Friele 1975).

Remarkably, Friele concludes this same memo reminding Rockefeller of his role in establishing agribusiness in Brazil:

Brazil has ambitions and possibilities of becoming one of the world's largest growers and exporters of food products. This is an area in which cooperation with the United States, particularly though private initiative has proven extremely important. It dates back to research started by you and continued by



IRI and IBEC, as well as ACAR, which you founded in Minas Gerais (Friele 1975).

Many would say that Brazil has realized its possibilities and consolidated the ambitions signaled by Friele, not least by recently buying out Heinz (Cuadros 2013). It is quite possible that in Friele's words, which condition in important and subtle ways the sense of Rockefeller's contributions of Brazil's agribusiness development, we have found our thesis in the process of returning to the documents researched to write this report.

<b>Relation of Rockefeller Archive Center research conducted by grant-in-aid recipient Clifford A Welch in 2013</b>			
<b>Date (2013)</b>	<b>Collection</b>	<b>Record Group</b>	<b>Number of pages copied</b>
9/30	Rockefeller Foundation	RG 1.1 Projects Series 300 Latin America (Box 1) Series 305 Brazil (Boxes 8,9)	240
10/1	Rockefeller Foundation	1.1 Series 305 Brazil (Boxes 9, 10, 11)	221
10/2	[Did not go to RAC due to illness]		
10/3	Rockefeller Foundation	RG 1.1 Series 305 Brazil (Boxes 11, 12, 13)	331
		RG 3 Series 915 (Box 1)	117
10/4	Rockefeller Foundation	RG 3 Series 915 (Boxes 1, 2)	71
		Bio Files (H Miller) (Box 4)	8
		RG 2.1938 (Boxes 148,160)	52
		RG 1.1 Series 200 (Box 391)	50
		RG 1.2 Series 305 (Box 31)	45
		RG 6.13 Series 1.1 Mexico Field Office (Boxes 1, 4)	49
10/7	Rockefeller Foundation	RG 6.13 Series 1.1 Mexico Field Office (Box 5)	508
	Rockefeller Family (NAR)	RG 4 Series B AIA – Brazil (Box 1)	113
10/8	Rockefeller Family (NAR)	RG 4 Series B	321

	International Basic Economy Corp. (IBEC)	AIA – Brazil (Boxes 1, 30)  RG FA 084 Organization (Box 63)	54
10/9	Rockefeller Family	RG III 4 Series B (NAR) AIA IBEC (Box 12, 21)	215
10/10	Rockefeller Family	RG III 4 Series B (NAR) AIA IBEC (Box 21, 24, 27, 29, 32, 34)	840
10/11	Rockefeller Family	RG III 4 Series E (NAR) Countries (Box 15, 16)	206
	AIA	RG IV 3 Series B 2.11 AIA (Box 8)	95
	Rockefeller Family	RG III 4 Series E (NAR) Brazil (Box 10, 14)	6
	Rockefeller Family	RG 17 Associates (Boxes 2, 3)	24
	Berent Friele Papers	RG 17 AJ B Friele (Boxes 3, 7, 8, 10, 12)	394
	Rockefeller Family	RG 4 Series E AIA (Box 14)	13
	IBEC	RG IBEC Series 8 (Boxes 47, 61, 64)	41
	Ford Foundation	Unpublished reports (Box 18469, 18589, 18601, 18883, 18894, 18896, 18923, 18926, 18992,)	391
<b>Totals</b>	Seven collections	15 RGs	3729

Source: Research notes, October 2013.

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