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ORIGINAL ARTICLE

China's financialized soybeans: The fault lines of neomercantilism narratives in international food regime analyses

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Abstract

Neomercantilism is commonly portrayed as a central mechanism of China's global agribusiness engagement. It implies reordering the international food regime by moving away from financial and trade liberalization and securing stable import supplies and price controls under state support. However, this article raises an alternative interpretation through an empirical-rich investigation of the prominence of the state-owned China Oil and Foodstuffs Corporation (COFCO) in the soybean commodity chain. The article draws upon analyses of the Chinese state and international food regime to demonstrate that recent changes in state-capital relations during the Xi Jinping administration propelled forms of capital accumulation based on financial speculation and shareholder values. I conclude that state-driven internationalization has placed Chinese agribusiness in an advantageous position within global finance rather than challenging it through agrarian neomercantilist strategies.

KEYWORDS
China, COFCO, food regime, neomercantilism, soybean

1 | INTRODUCTION

China's recent clampdown on private capitalists linked to Wall Street and new statements from the Chinese Communist Party (CCP) against increasing economic disparities suggest that the Xi Jinping administration has solidified a public-spirited alternative to financialization and Western-dominated neoliberalism (The Economist, 2020; Zhai & Xie, 2021). When analysing the recent international expansion of Chinese agribusiness, most scholars follow the same perception: The literature on international food regimes (Belesky & Lawrence, 2019; Lin, 2017, 2022; McMichael, 2020; Tilzey, 2018), which connects global relations of food production and consumption to historical power arrangements, tends to frame China's agribusiness expansion as part of what is known as neomercantilism. This concept resembles the mercantilist economic policies of proto-capitalist European economies in the sixteenth to nineteenth centuries. As a dominant form of accumulation, mercantilism sustained the building of monetary reserves through trade surpluses. This widely studied historical process indicates that the wealth of a nation depended on its degree of control over trade, which motivated colonial expansion and augmented the posterior national industrialization of central capitalist countries.

In turn, the idea of neomercantilism was inspired by Friedrich List's (1789–1846) and Alexander Hamilton's (1757–1804) critique of classical economic liberalism. It refers to state-driven development based on fiscal and monetary protectionist policies as a means by which countries achieve a favourable balance of trade and push forward national economic growth. This concept was brought to the contemporary Chinese context by Breslin (2011) in his analysis on the Chinese development model and interaction with the global economy. As China becomes a leading food, feed, and fuel consumer pole and a globally competitive industrial powerhouse, neomercantilist strategies imply increasing state promotion of outbound investments to ensure agricultural and raw material provision (Breslin, 2011, p. 1329; Yu, 2019).

In line with this understanding, Belesky and Lawrence (2019), Lin (2017, 2022), McMichael (2020) and Tilzey (2018) point out that Chinese agri-food enterprises go abroad seeking global supply and price control under state support. Their newly prominent role in trade and investments overseas is seen as a transformative element to the forms of accumulation prevalent in the current phase of the international food regime. Whereas North Atlantic-based agribusiness transnationals became hegemonic by promoting a crusade against national regulatory frameworks, pushing forward free trade and financial speculation, Chinese enterprises follow food security targets according to a developmental agenda. They reorder world trade fluxes, ensuring feed crops for domestic processing.

One of the most emblematic cases of China 'going global' is the central state-owned COFCO. During the Xi Jinping administration, COFCO gained unique political prestige and grew unprecedently at home and abroad. The company received preferential financial support from policy banks and state agencies, allowing massive outbound agricultural investments. Between 2014 and 2017, COFCO acquired two of the world's fastest-growing agricultural commodity traders: the Dutch-based Nidera and the Hong Kong-based Noble Agri – an agribusiness subsidiary that accounted for approximately 65% of the assets of Noble Group (Noble Group, 2015, p. 6). With these two significant acquisitions and subsequent outbound investments, COFCO controlled the same amount of South American soybean exports as Louis Dreyfus and bypassed the Archer-Daniels-Midland Company (ADM) in 2018 (Wesz et al., 2021). Thereby, the company became a showcase of China's expansion in global agricultural markets. In 2019, it handled 100 million tons of agricultural commodities, with 11,000 employees in 35 countries beyond China (Yan, 2019).

Nevertheless, scholarship on Chinese investments in South America indicates that China's expansion entails a rather complex scenario in which different enterprises adopt diverging sourcing strategies (Guo, 2017; Oliveira, 2017, 2018; Wilkinson et al., 2016). Following this perspective, this article suggests that COFCO has adopted a unique investment approach marked by a diversified trade portfolio. It has mimicked Noble's and Nidera's sourcing strategies in South America and profited from agricultural exports to multiple countries and regions. Most importantly, this article argues that COFCO has pushed forward a finance-driven accumulation strategy by taking advantage of open capital markets overseas to attract foreign investors and raise shareholder value. COFCO's case demonstrates that neomercantilism narratives do not correspond to China's role in the current food regime. Those narratives often fall into commercial reductionism, turning a blind eye to the diversity of China's going-out strategies. Instead, neomercantilism fits into easy accusations from Western media and governments that stigmatize Chinese policies as self-centred economic protectionism (Beretta & Iannini, 2014).

Wesz et al. (2021) place a caveat on the discussion: They highlight the transitory function of neomercantilist strategies through which Chinese agribusiness can reorder (and, at the same time, adapt to) the international food regime. By highlighting this element of China's global engagement, they see the domestic market as a trampoline for COFCO to succeed internationally (through neomercantilism) rather than as an end itself. Nevertheless, delving into COFCO's accumulation strategies, I notice that its international expansion is still marginally related to commercial capital regardless of any neomercantilism transitory functionality. Instead, the company follows finance-driven imperatives for opening new frontiers of accumulation through price speculation and capital leverage.

COFCO's role in the international food regime can only be understood by looking at the recent transformations in China's political economy. As many scholars indicate (Ho & Marois, 2019; Lan & Zhang, 2021; Pan et al., 2020; Tsai, 2015), China's neo-Keynesian response to the 2008 global financial crisis and ongoing pro-liberalization economic reforms led to increasing flows of interest-bearing capital and limited lucrative investments in the 'real economy'. The domestic credit boom and debt financing have propelled the proliferation of new financial instruments for speculation, through which capital has moved away from the sphere of production.

Moreover, as Ho and Marois (2019, pp. 731–732) point out, the increasing expansion of financial institutions and the consequent subjugation of productive capital reflects 'historically specific relations of power' instead of a supposedly apolitical and technical solution to China's economic problems as often portrayed by the mainstream literature. Following this argument, I underline the disputes between leading enterprises from China's downstream soybean complex (processing, farming, logistics and trade) and demonstrate that the recent rise of financial capital benefits political segments behind COFCO. This phenomenon corresponds to a new modus operandi among China's officiality, particularly since Xi Jinping took power in 2013. State officials have reoriented economic management towards supervising assets according to shareholder interests, as Wang's (2015) concept of a 'shareholding state' suggests. Unsurprisingly, the Xi Jinping administration has fully supported COFCO while persecuting executives from less financialized agricultural enterprises such as Beidahuang and Sinograin.

As COFCO becomes a prominent player, its expansion at odds with neomercantilism sets the tune for China's role in the international food regime. The integration of COFCO into financial markets worldwide expresses a global dimension of China's shareholding state. With the government's support, COFCO attracts, acquires and assembles financial capital overseas. Nevertheless, the return of state ownership and state planning to the global food regime should not be seen as an alternative to market fundamentalism. Instead, the state has been a useful tool for COFCO to compete over prominence within global finance. The success of COFCO's global agribusiness engagement boosted by the state relies on its capacity to place itself in an advantageous position in trade and capital markets rather than moving away from them through neomercantilist strategies.

The following sections lend support to the argument presented above. They deploy extensive qualitative data collected by the author during 18 months of fieldwork research in China and Brazil. They include personal interviews with executives of COFCO and other central players in the downstream soybean complex, internal corporate reports and credit ratings, official and semi-official policy documents and statistics, and dozens of multilingual newspaper and magazine articles.

Section 1 (commercial capital in food regime analysis) reviews how mercantilist strategies shaped relations of power in different phases of the international food regime, with special attention to the rise of China and its broader impact. Section 2 (re-examining the domestic dynamics of neomercantilism) examines China's recent financial expansion. It demonstrates how the proliferation of financial mechanisms of speculation allowed COFCO to develop less regulated banking activities and agricultural financing, push forward corporate management and ownership reforms, and transfer assets to open capital markets in Hong Kong and remote locations.

Section 3 (COFCO as a political choice) engages with Wang's (2015) concept of a shareholding state to explain the correlation between financial expansion and institutional/political rearrangements in China. I examine the state's reorienting economic intervention, which allowed COFCO to grow over its main Chinese competitors during the Xi Jinping administration. Section 4 (thinking beyond neomercantilism) articulates the domestic changes with COFCO's outbound investment approach. I indicate how COFCO has progressively transferred soybean processing assets overseas and opened new frontiers of accumulation based on financial capital. Lastly, Section 5 (more state, less neomercantilism) re-evaluates the role of the state, showing its centrality to COFCO's integration into global finance.

This article focuses on the downstream sector of the soybean commodity chain due to the importance of processing and trade to capital accumulation in agriculture and food markets. Soybean (along with maize) is considered a primary feed ingredient for China's ever-increasing livestock industry. After raw soybean is crushed, its hardened mass, the soybean meal, provides protein-intensive feedstock. This process has a high-value addition as it applies advanced technologies with intricate processing engineering. It also has a broad market coverage, reaching not only animal feed but also biodiesel and China's widely consumed soybean oil and food ingredients. By controlling this segment, enterprises are able to impose quality standards and influence global buying and selling prices, which are often the highest source of profits in the soybean commodity chain (Fares, 2022a; McKay et al., 2017).

2 | CHINA AND THE ROLE OF COMMERCIAL CAPITAL IN THE INTERNATIONAL FOOD REGIME

Food regime analysis underlines how dominant forms of food production and consumption shape international power structures and consolidate global geopolitical hegemons. This approach dates to Harriet Friedmann's and Philip McMichael's (1989) works on the world food economy and the state system during the British Empire (the 1870s–1930s) and the US prominence after World War II—which the authors call first and second food regimes, respectively. In both phases, commercial capital was crucial in sustaining cycles of accumulation and shaping regulatory practices in global agriculture.

The first food regime underpinned the opening of global commodity markets in which Britain accessed settlement colonies. The increasing trade influxes of wheat and livestock from these colonies, combined with tropical imports to Europe, sustained the reproduction of labour for capitalist industrialization and set an international division of labour preconized by British manufacturing exports.

Contrary to the British liberalization rhetoric, the second food regime was marked by the national regulation of agricultural trade under the US hegemony between the 1950s and 1970s. United States-based agribusiness corporations grew through neomercantilist strategies of price support and protectionist policies. This fuelled technological advances and integrated industrial and commercial circuits of production throughout global supply chains. The US built tariff walls through export subsidies in eventual disputes with the European Economic Community and in competing with the socialist block. At the same time, US food aid and agricultural support programmes contributed to the developmental policies of its allies and penetrated postcolonial states to counterweight socialist revolutions.

More recently, though, both McMichael (2009, 2005) and Friedmann (2005) have indicated a reordering of corporate and environmental practices in the international food regime, bringing the hypothesis of a third phase initiated in the late 1980s.[1] They notice that the food systems have followed broader dynamics of market liberalization and privatization in the wake of neoliberal globalization. Agribusiness transnational corporations (TNCs) have outgrown the national regulatory frameworks that spawned them, institutionalizing free trade through the World Trade Organization (WTO) (McMichael, 2009, p. 153). Although North American and European farm subsidies continue to have a neomercantilist component, the deregulation of financial markets and liberalization reforms doomed national developmental projects.

Nevertheless, when analysing the role of China in the current food regime, Belesky and Lawrence (2019), Lin (2017, 2022), McMichael (2020) and Tilzey (2018) highlight the return of neomercantilist strategies. They argue that China's strong state intervention has applied mechanisms of economic protectionism aiming to stimulate agro-food processing and domestic farming. This includes exchange rate control, regulatory certification requirements, export

[1]Their works coincide with similar and more updated conceptual frameworks under the name of "neoliberal food regime" (Pechlaner & Otero, 2010; Wolf & Bonanno, 2014) and 'financialised food regime' (Burch & Lawrence, 2009; Lawrence et al., 2015).

subsidies, national-bias domestic technology standards and discriminatory government procurement (Lin, 2022; see also Gaudreau, 2019). They also argue that China's global agribusiness engagement contrasts with the private food governance as Chinese companies grow through foreign acquisitions and unprecedented capital investments based on state ownership (Belesky & Lawrence, 2019).

From this perspective, China's rise has contributed to increasing inter-state competition, which considering Tilzey's (2018) state-capital approach, represents a fragmentation of the food regimes' hegemonic power. According to Belesky and Lawrence (2019), such a multipolar international order reorients agricultural trade and capital flows towards the East-South axis as China bypasses the Western corporate monopoly. Moreover, the expansion of trade infrastructures by Chinese agribusiness follows a territorialized approach, gearing global food provision towards China's increasing domestic demand (McMichael, 2020, pp. 11, 12).

Belesky and Lawrence (2019) and McMichael (2020) note that Chinese enterprises optimize their participation in the WTO's multinational trade system in order to increase their global sourcing power. However, despite reaffirming some of its neoliberal characteristics by complying with free trade, Chinese agribusiness paradoxically creates relations of food production and consumption 'governed by firms and states within the parameters of illiberal market rule' (McMichael, 2020, p. 26). Therefore, the control over food trade gives China economic and socio-political stability through domestic food security policies—contrasting with the first and second food regimes, where the British empire ensured cheap wage foods and industrial inputs and the US ensured hegemonic alliances (see also Lin, 2022, p. 11). China's statist internationalization has become a stabilizing force against continuing food crises since 2008. It responds to the neoliberal inability to guarantee food security and mitigate the adverse social effects of capital accumulation (see also Tilzey, 2018, p. 20).

In sum, the literature above identifies China's transformative role in the food regime as marked by the prominence of commercial capital through the return of neomercantilist strategies. This way, China's developmental agenda would promote an institutional rearrangement based on state intervention for food trade control. Nevertheless, the following sections show that while neomercantilism was historically crucial to the country's global agribusiness engagement, it has been marginalized. By looking at this through the lens of China's political economy, I consider national specificities in food regime analysis, pointing out the domestic context in which commercial capital has lost centrality to finance-driven accumulation strategies.

3 | THE ECONOMIC BACKGROUND OF COFCO'S RISE

To understand the accumulation strategy of COFCO and other players, we must examine China's economic transformations since 2008. Accordingly, to minimize the disruptive effects of the world financial crisis, the central government approved an enormous fiscal stimulus, increasing public spending in urban construction and industrial infrastructure—repeating China's neo-Keynesian formula applied during the 1997 Asian financial crisis (Aglietta & Bai, 2016). The massive state support sustained growth, but the economy found less and less room to absorb surplus capital. With limited capacity to pursue profitable investments, large agribusiness sought new social conditions and physical infrastructures for further capital accumulation (McKay et al., 2017). This includes dispossessing small households from farmland through the commodification of land and labour and displacing food processing capacities by creating new and cheaper resource complexes (Day & Schneider, 2018; Yan & Chen, 2015; Zhang et al., 2015).

In the soybean complex, even though public spending allowed the expansion of processing infrastructure, it aggravated industrial overcapacity (Figure 1). Between 2012 and 2018, soybeans destined for crushing activities dropped from 75% to 64% of the total supply, while stockpiled and discarded soybeans grew eight percentage points (Figure 2). With productive investments exceeding the actual market demand, investment generated continuously lower returns, and more loans were taken to spur growth as in an overaccumulation crisis (McKay et al., 2017). As an illustration, leading enterprises in the downstream soybean complex, such as the local state-owned Beidahuang and the central state-owned COFCO and Chinatex, reached 81.27%, 81.01% and 71.36% debt ratios by 2016,

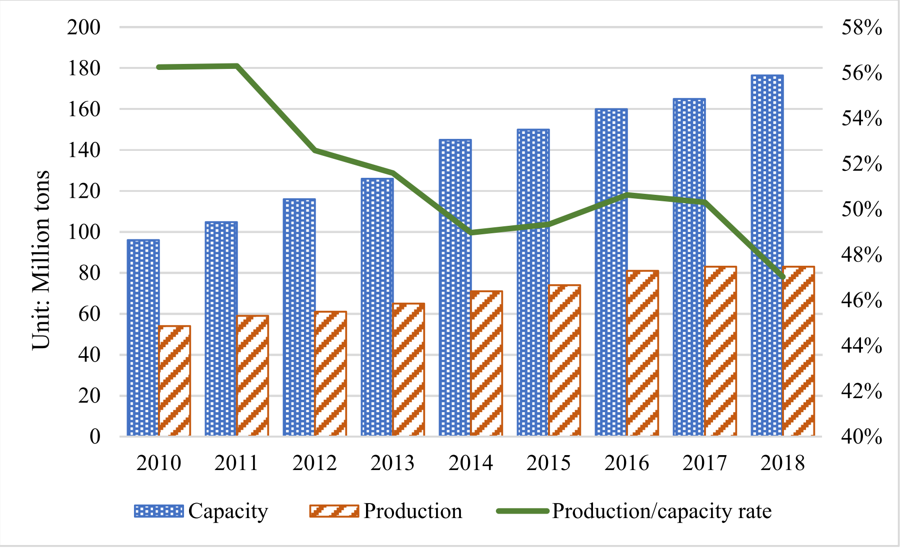

FIGURE 1 China's soybean crushing capacity and production indicatives. *Source*: BRIC Agri Consulting (2019). Data compiled by the author.

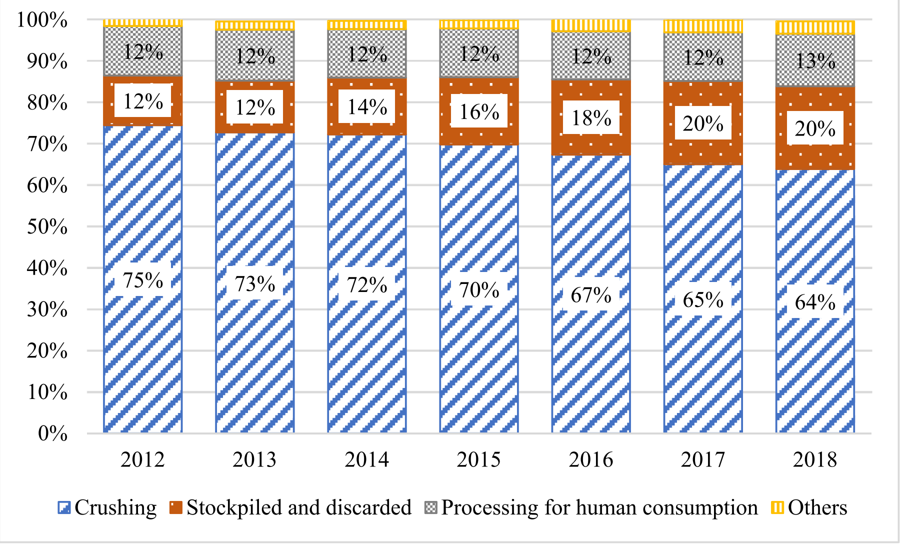

FIGURE 2 China's soybean market destination. *Source*: BRIC Agri Consulting (2019). Data compiled by the author.

respectively, figuring above the 70% red line stipulated by the State-owned Assets Supervision and Administration (SASAC) (Liu & Li, 2017a, 2017b; Liu & Liu, 2018).[2]

The increasing flows of interest-bearing capital within the Chinese economy and the limited means for profitable investment tended to move capital out of production (Harvey, 2018). This included the creation and proliferation of new financial instruments, such as state-guided investment funds, local government financing platforms, leveraging

[2]SASAC's financial evaluation targeted central state-owned enterprises (SOEs), requesting them to reduce debt levels since 2018 (Xiao, 2018).

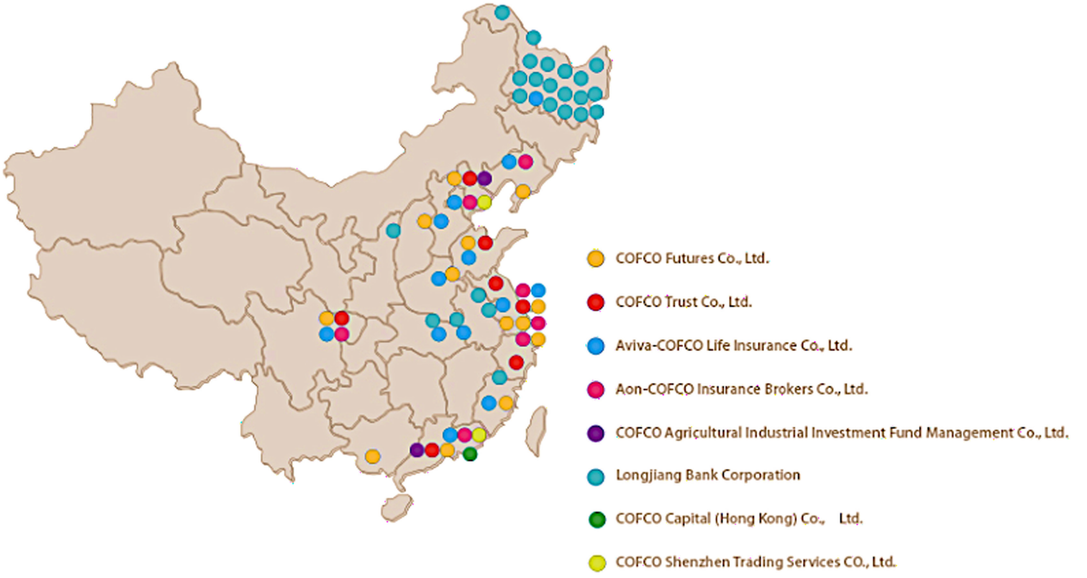

FIGURE 3 Enterprises affiliated to COFCO Capital in China. Figure extracted from COFCO Capital (n.d.).

mechanisms through ownership diversification of state assets, and increasingly securitized fixed asset investments (Lan & Zhang, 2021; Pan et al., 2020). Against this background, COFCO's investment strategy—traditionally more integrated into global finance than its main Chinese competitors—found room to open new frontiers of speculation and financial leverage. The company turned its financial arm from Hong Kong, the COFCO Capital, into an asset management and investment platform, encompassing most of the Group's related companies (Figure 3).[3] In 2009, it established COFCO Trust, which acted as a less regulated bank like various others that emerged after 2008 (Tsai, 2015, p. 15).[4] The company also raised funds for wasteful spendings, such as construction projects with short-term financial gain and agricultural equity investments (Collier, 2017, p. 64).

In addition to informal financing, COFCO took advantage of China's credit boom to venture into the banking sector. As an effort to develop farming-related businesses—COFCO's weakest point—the company partnered with state-owned investors from the agricultural advanced Heilongjiang Province and established the Longjiang Bank Corporation in December 2009 (Liu, personal communication, 31 October 2018; Yang, 2010, p. 66). The new bank profited primarily from debt relations with rural households along the lines of 'agriculture financialization'.[5] Moreover, COFCO brokered new foreign financial investments in China. It partnered with Bank of Montreal (BMO) Financial Services Group—which acquired 19.99% shares of COFCO Trust (Collier, 2017, p. 63)—and expanded its already existing Sino-foreign joint insurance business, gaining high profits from insurance premiums sales (Zhao, 2017).

Meanwhile, aiming to reduce liability levels, COFCO promoted corporate reforms, cutting the salary of middle and lower-level management, laying off staff in a significant downsizing,[6] and integrating multiple business units from 2016 to 2018 (Chen, 2018). COFCO also diversified its ownership structure, allowing Chinese private investors such as Hony, Wen and First Agriculture to participate and expand their shares in 14 subsidiaries (Liu, 2017; Wang, 2018). COFCO's ownership diversification went primarily through listing subsidiaries in the stock exchange market,

[3] In 2015, COFCO Capital held 65% equity of COFCO Futures, 76% equity of COFCO Trust, 50% equity of Sino-British Life Insurance, 20% equity of Longjiang Bank and 100% equity of Shenzhen Mingcheng (Zhao, 2017).

[4] Corporate trusts corresponded to 24% of all Chinese financial transactions in 2016 (Collier, 2017, p. 173).

[5] For more on the financialization of agriculture in China, see Yang et al. (2016).

[6] COFCO's personnel reduced from 610 to 216 members in the Beijing headquarters and from 1988 to 1171 members in specialized subsidiaries, a total decrease of 65% and 41%, respectively (Liu, 2018).

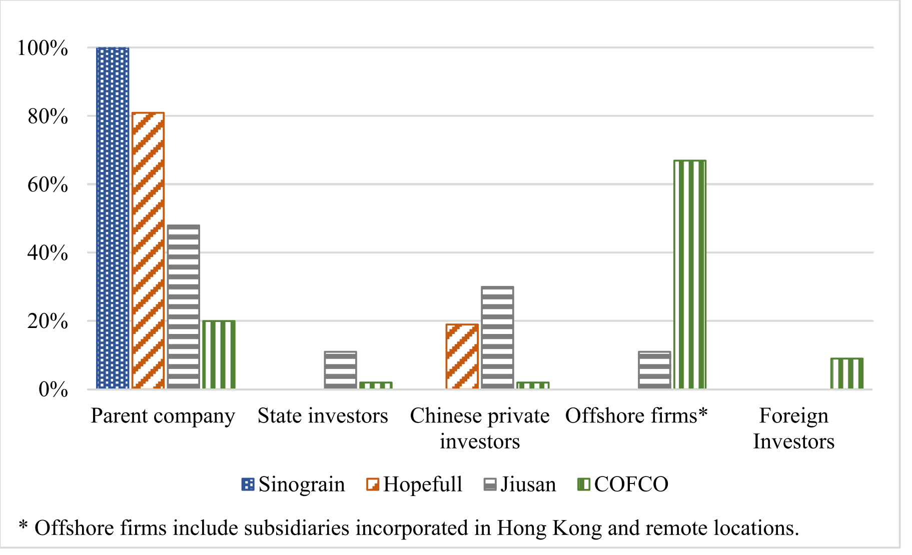

FIGURE 4 Ownership share of each enterprise's crushing capacity in 2018. *Source*: Qichacha (n.d.); And Sublime (n.d.). Data compiled by the author. Regarding Sinograin's ownership structure, I considered the following crushing facilities: Sinograin Oils and Fats Industrial Dongguan Co., Sinograin (Zhenjiang) Oils and Grains Co., Sinograin Oil (Xinzheng) Co., Sinograin Grease (Tangshan) Co., and Sinograin Oil Industry Panjin Co. Regarding Hopefull's ownership structure, I considered Sanhe Hopefull Foodgrain and Cooking Oil Group International Trade Co, Hopefull Oil Technology Co., and Liaoning Hopefull Rongxing Protein Technology Co. Regarding Jiusan's ownership structure, I considered Jiusan Group Harbin Huikang Food Co., Dalian Soybean Technology Co., Harbin Soybean Products Co., Jiusan Group Tianjin Soya Science and Technology Co., Huiyu Feed Protein (Fangchenggang) Co., Jiusan Group Bei'an Soy Products Co., Jiusan Group Tieling Soybean Technology Co., and Jiusan Group Changchun Soybean Science and Technology Co.

including COFCO Capital (Liu, 2017). By 2019, COFCO Group had 11 joint stock subsidiaries and still considered carrying out a company-wide Initial Public Offering (IPO) (Li, 2016; Lu & Yang, 2015; Ren, 2019, p. 87).

Most of COFCO's subsidiaries were incorporated in Hong Kong and remote locations. They contrasted with key players such as the central state-owned Sinograin, the local Jiusan (Beidahuang's subsidiary) and the private-owned Hopefull, who relied primarily on domestic ownership (Figure 4). Such a globalized constituency consolidated COFCO's finance-driven accumulation strategy, as offshore firms enjoyed flexible flows of capital, softer tax policies and less transparent ownership rights—which kept their ultimate owners concealed (Fares, 2022a).

4 | COFCO AS A POLITICAL CHOICE

When examining the implications of China's global agribusiness engagement, McMichael (2020, p. 9) draws attention to an 'emergent and maturing multiplex market regime', including different forms of ownership in China. However, he suggests that the contradictory effects this might bring do not yet alter national development based on neomercantilist policies. Current theoretical debates and empirical evidence reveal, though, that COFCO's finance-driven expansion in the downstream soybean complex is not isolated from institutional changes. The recent spread of speculative finance through which the company has grown is rather historically specific, reflecting current political and class-based strategies (see Ho & Marois, 2019).

Taking Wang's (2015) shareholding state concept as a reference, China's credit boom and the subsequent creation of new financial mechanisms within the state sector have changed the way officials manage the economy and carry out public investment. For Wang, these changes turn the purpose of state control away from basic public administration and allocation of fiscal resources, moving towards supervising assets according to shareholder value. As a result, shareholders and executives of Chinese SOEs have increased their transit among the officiality and have decisively competed to obtain funds and maximize their holdings. At the same time, according to Pan et al. (2020), local governments have gone into fierce inter-regional disputes to obtain the central government's support for carrying out financialized policies. The rush for credit generation and shareholding competition through corporate finance have, therefore, affected the state sector's management and decision-making, contributing to reorienting the state towards further financial expansion. As Wang points out, 'the rise of the shareholding state speaks to the shifting nature of state interventionism as the state has deemphasized direct planning and administrative interference but increasingly operates through the corporate arrangement of shareholder rights and activism' (Wang, 2015, p. 7).

China's institutional rearrangement towards a shareholding state took an evident shape during the Xi Jinping administration. The November 2013 Third Plenum of the CPC's 18th National Congress, in which Xi took the party leadership, adopted a more aggressive approach to reforming and opening up the economy, laying the basis for an unprecedented expansion of financial capital (Naughton, 2019). It reaffirmed the decisive role of market allocation of resources and emphasized the need to progressively liberalize China's capital market (Lu, 2013).[7]

Against such a favourable political background, COFCO's financial expansion received vast institutional support, becoming no longer an isolated and 'depoliticized' phenomenon. The company's corporate and ownership reforms were carried out under SASAC's approval and guidance as part of central SOEs' reforms programme (Liu, 2017; Ren, 2019, p. 88). After leveraging US$4.15 billion in 2 years through equity diversification and stock-issuing,[8] COFCO was rated as an A-level enterprise in SASAC's, 2016 Central Enterprise Leader's Business Performance Assessment (Chen, 2017; Wang, 2018). COFCO Coca-Cola's Beijing factory, an emblematic Sino-foreign joint venture established in 2000, received a first-hand visit from SASAC's National Spiritual Propaganda Group (精神宣讲团), which applauded the company's performance in the aftermath of the 19th Party Congress held in October 2017 (Chen, 2017).[9] Meanwhile, after years of constant reduction, COFCO received increasing state subsidies and a significant infusion of credit from Chinese policy banks such as the China Development Bank, which issued a US$4.57 billion loan for 5 years in 2013 (China Daily, 2013) (Figure 5).[10]

Nevertheless, as Shih (2008) suggests, China's recent financial expansion and consequent political reconfigurations are not a homogeneous process. It relates to divisions within the state, which, according to the scholar, is driven by two main segments: Senior party officials called generalists and the party's 'economic technocrats'. These segments emerged from different personal networking paths and have competed over more or less liberalized financial and monetary policies. From a Marxist perspective, Nogueira and Qi (2018) argue that such disputes have followed economic agendas to amplify the influence of different capitalist groups as they integrate into the global economy. In Nogueira's and Qi's words, 'the fractioning of the capitalist class, rapidly accelerated by financial expansion and the intensification of its attempts at relations with foreign capital, generated new pressures on the state' (Nogueira & Qi, 2018, p. 20).

In the downstream soybean complex, COFCO's rise followed a brutal suppression of productive-based competitors who enjoined preferential political support before Xi Jinping's rise to power (Fares, 2022a). For instance, Beidahuang's senior executives went under investigation during the far-reaching anti-corruption campaign, which consolidated Xi's leadership in the party (Li, 2019). In 2014, the party's Central Commission for Discipline Inspection (CCDI) targeted Sui Fengfu and Tian Renli, the chairmen of Beidahuang and its soybean processor subsidiary Jiusan,

[7]An increasing number of SOEs have entered the stock market under SASAC's orientation to 'center around the core missions of raising the efficiency of state-owned capital' and 'prevent the loss of state-owned assets' (China State Council, 2015). By 2017, 68.9% of central SOEs passed through internal reforms and adopted mixed ownership (He, 2017). At the same time, executives were encouraged to increase their capital share following SASAC's plans to 'nurture a large number of outstanding entrepreneurs' (China State Council, 2015).

[8]Calculated by the author based on 2023's currency exchange rate (1.00 RMB = 0.15 US Dollars).

[9]National Spiritual Propaganda Group is a propaganda team formed after the CCP's National Congresses to spread the "spirit of the Party". The Group traditionally visits and mobilizes party committees in strategic companies and institutions.

[10]Currency converted by the author based on 2023's currency exchange rate (1.00 RMB = 0.15 US Dollars).

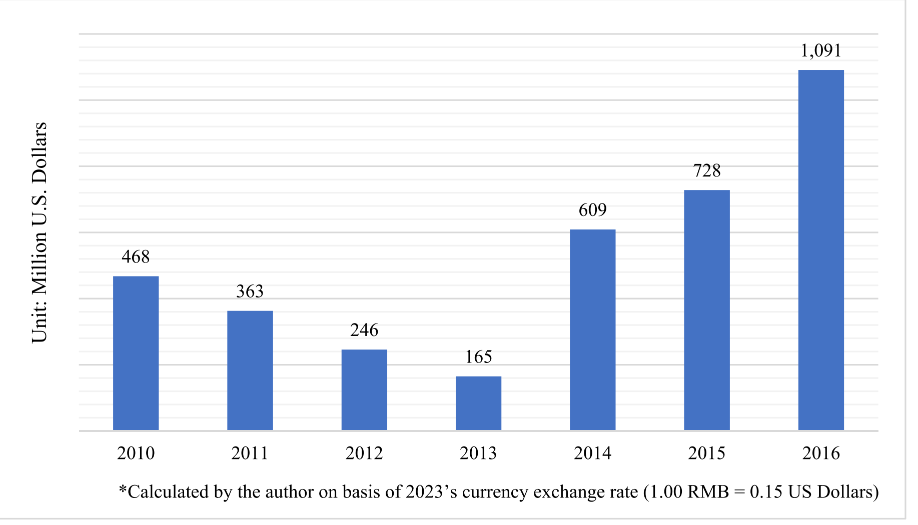

FIGURE 5 State subsidies to COFCO. *Source*: China Lianhe credit reports: Liu and Li (2017a); Wang and Zhang (2012); Xiao (2013); Xu and Liu (2016); Zhang et al. (2013). Data compiled by the author.

respectively, for allegations of professional misconduct and bribery (Chen, 2014; Shanghai Daily, 2015, p. 201). Sui was sentenced to 11 years in prison in 2015, jeopardizing his role as a key political figure in Heilongjiang Province and a claimant to higher echelons of China's agricultural affairs (China Daily, 2016; Hu, 2016).[11] In turn, Tian Renli, whose influence in the party was less relevant, was compelled to withdraw himself from public engagement and took an 'atypical retirement' from the Jiusan chairmanship (Chen, 2014).[12]

Moreover, Sun Zhengcai, China's former Minister of Agriculture (2004–2009), who stood against COFCO's speculative activities during the mid-2000s soybean price spikes (Fares, 2022a), was expelled from the party and sentenced to life imprisonment in 2018. The same fate has befallen the former Minister of Commerce (2004–2007) Bo Xilai. Even though Bo sided against Sun Zhengcai at the time, he targeted COFCO's subsidiary, the Pengli Real Estate Co., in the first round of his anti-corruption campaign after becoming the Chongqing mayor in 2007 (A, 2009; Deng, 2011). Bo also integrated 50 agricultural SOEs from Chongqing into a single conglomerate and made clear his intentions to counteract the influence of agribusiness TNCs and their Chinese partners like COFCO (Fares, 2022a; Oliveira, 2017, p. 246). As a claimant to the party's leadership, Bo Xilai became the most relevant target of Xi Jinping's anti-corruption campaign and was sentenced to life imprisonment in 2013 (BBC, 2013).

Against the interests of its domestic competitors, COFCO was used by SASAC as a backbone to integrate state-owned assets. Under SASAC's support, the company appointed directors to China Grains and Logistics Corporation (henceforth CGLC), another centrally controlled SOE.[13] Thereby, COFCO placed itself in an advantageous position to merge CGLC, winning a contentious dispute with Sinograin, which was, at that time, China's largest agri-food SOE (Peng, 2016; Zhang, 2012) (Table 1). As an industry insider told the Chinese newspaper *21st Century Business Herald*, 'the competition between Sinograin and COFCO is fierce. Both of them hope to restructure CGLC, which has vast logistics and storage resources. Now that COFCO has completed its personnel layout [by appointing directors], it has taken the lead' (Zhang, 2012).[14] In the following years, SASAC channelled COFCO's merger of other

[11] When Sui Fengfu went under judicial investigation, he was the Party Committee Secretary of the Heilongjiang Agricultural Reclamation Bureau (2008–2014) and the Former Vice Chairman of the Standing Committee of the People's Congress of Heilongjiang Province (2013–2014).
[12] Likewise, the state-led Sinograin had to reshuffle some of its intermediary management positions due to a corruption scandal involving Li Changxuan, the former Chairman of Sinograin's Henan branch.
[13] In 2012, COFCO's Vice President Chi Jingtao became CGLC's President and the Party Committee's Vice Secretary. Peng Anqiao and Xu Feng, the President and Vice President of COFCO Grain and Oil Co., respectively, became CGLC's Vice Presidents (Zhang, 2012).
[14] Translated by the author.

TABLE 1 Economic indicators of CHINESE AGRI-food SOES in 2013.

	Assets (RMB)	Revenues (RMB)
Sinograin	518.39	190.83
COFCO	284.33	184.89
Beidahuang	169	130.39
Chinatex	26.8	46.78

Source: China Lianhe Credit Rating (Liu & Fang, 2017; Liu & Tian, 2014; Zhong & Wang, 2014); China State-owned Assets Supervision and Administration Yearbook (2014).

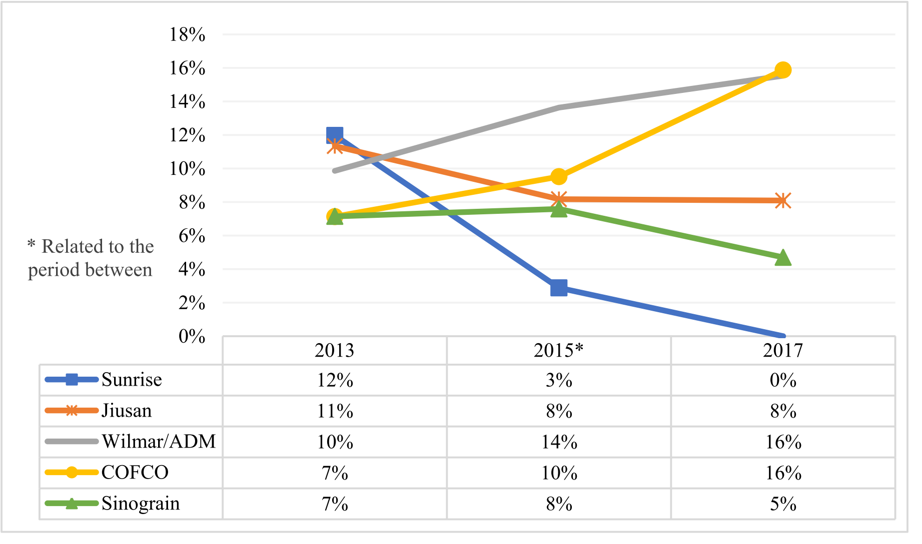

FIGURE 6 Chinese soybean import shares by company. *Source*: Cofeed China (2019); Niu and Wong (2014); Qian (2015); Zhao and Hu (2014). Data compiled by the author.

key players, such as the private-owned China Huafu Trade and Development Group and the central state-owned Chinatex (Donley, 2019; Oliveira, 2017, p. 319).

In short, instead of an inert economic tendency, COFCO's recent international expansion relates to profound changes in power relations within the Chinese state during the Xi Jinping administration. With preferable state support, COFCO consolidated its prominent position in the downstream soybean complex. From 2013 to 2017, it replaced the private Chinese commodity trader Sunrise as the leading soybean importer (Figure 6). And from 2016 onwards, it became the biggest soybean processor, far above its main competitors (Figure 7).

5 | THINKING BEYOND NEOMERCANTILISM

When analysing China's agricultural investments in Brazil, critical scholars (Guo, 2017; Oliveira, 2017, 2018; Wilkinson et al., 2016) identify different strategies companies took over time. For instance, before COFCO, some companies with a significant presence in Latin America (Beidahuang, Chongqing Grains, China Agricultural Development Group, among others) focused on farmland acquisitions. Their strategies were highly politicized: Executives and related state officials rushed to approve ambitious investment projects abroad in line with China's food security policies, aiming to escalate in the party hierarchy (Oliveira, 2017). International expansion at this early stage was geared towards raw soybean exports, meeting the demands of China's domestic market. It sought control over supply and price through neomerchantilist strategies.

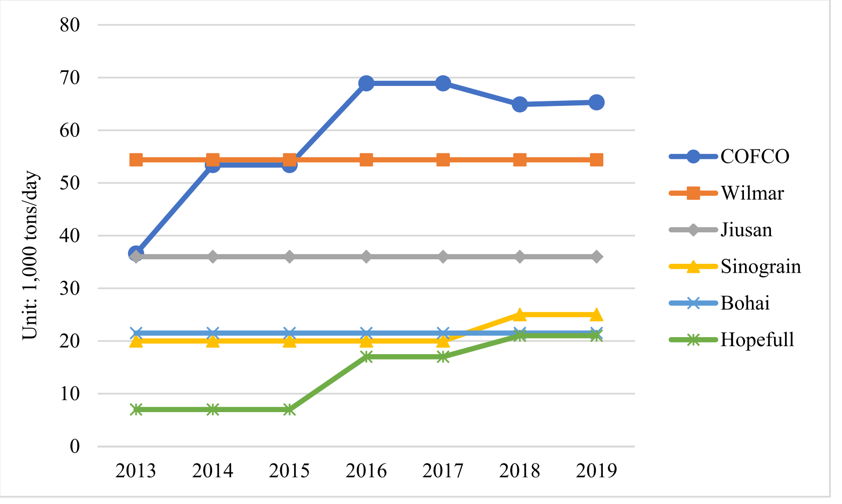

FIGURE 7 Crushing capacity of China's main soybean processors (2013–2019). *Source*: Qichacha (n.d.); Sublime China (n.d.). Data compiled by the author.

TABLE 2 NOBLE'S and NIDERA'S soybean industrial share in the SOUTHERN CONE (2013).

	Soybean exports (%)	Crushing capacity (%)
Brazil	6.1	2.9
Argentina	15	12.8
Paraguay	11	0
Uruguay	1.9	0

Source: Aduanas (n.d.); Chamber of Industries of Uruguay (n.d.); Ministry of Agriculture of Argentine (n.d.); Trase (n.d.); cited in Wesz et al. (2021). Data compiled by the author.

Unlike other experiences, Oliveira (2017, p. 197) argues that COFCO's outbound investments are more economic-oriented, focusing on mergers and acquisitions (M&As) of leading TNCs with local business know-how. Adding to Oliveira's argument, I notice that COFCO expands by transferring assets abroad as a response to overaccumulation at home. It allocates surplus capital for profitable realization in regions with lower labour costs, supply of raw materials, and access to foreign markets.

For instance, by the time COFCO acquired Noble and Nidera, the two companies controlled not only a large chunk of the South American soybean export market but also local soybean meal and oil production, particularly in Argentina, where the processing industry is traditionally strong (Table 2). Although COFCO paralysed the operations of some of its industrial plants in South America, the company still relies significantly on soybean processing at a global level (Wesz et al., 2021). As the Chairman of COFCO International Corporation (CIL), Jingtao Chi, said during the Financial Times Commodities Global Summit in 2019, 'we are already investing heavily in expanding our storage, processing, distribution, and trading infrastructure across our global operations, and this includes assets serving markets beyond China' (FT Commodities Global Summit, 2019). As a result, one-third of COFCO's soybean crushing capacity—30 million out of 90 million tons—is currently located abroad, where the company obtains more than half of its income (COFCO, n.d.; Li & Yang, 2020, p. 51).

Nevertheless, although Belesky and Lawrence (2019) and McMichael (2020) consider COFCO an essential instrument of China's neomercantilist policies, they see neomercantilism as a transitory stage in the international food regime. From this perspective, state-driven efforts to supply the Chinese domestic market through outbound investments can encompass the geographical distribution of agro-industrial capital beyond strict commercial

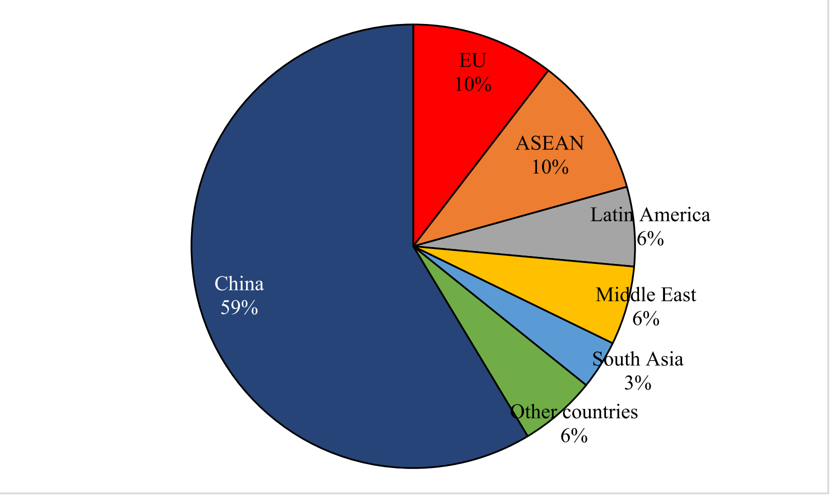

FIGURE 8 COFCO's soybean exports from Brazil and Argentina in 2018. *Source*: Trase (n.d.). Data compiled by the author.

relations. These efforts are means to reorder the food regime rather than an end. Neomercantilism allows China to grow globally, though its influence in power arrangements is yet to be seen. Therefore, these authors leave room for interpretation over eventual deviating strategies COFCO might take to expand its bases of accumulation. COFCO's industrial offshoring and other forms of capital exports may as well reflect the transitory character of China's global engagement.

Wesz et al. (2021) further elaborate on the transitory character of neomercantilism by suggesting that China's domestic market serves as a trampoline through which COFCO expands its control over global agri-food value chains. In this way, Chinese agribusiness uses supply control strategies to expand globally, accessing foreign markets and competing with North Atlantic-based TNCs for trade prominence. COFCO's commercial strategy overseas lends support to these authors' argument. Whereas its soybean sourcing from South America meets China's domestic demand, COFCO still expands globally by selling a significant part of its supply to foreign markets. In 2018, 41% of COFCO's soybean exports from Brazil and Argentina went to the EU, ASEAN and other economic blocs and regions (Figure 8)—not to mention the production destined for the Brazilian and Argentinean own consumption. COFCO's Chairman Ning Gaoning (2004–2016) shed light on this idea when characterizing COFCO's new international subsidiary during the Financial Times Commodities Global Summit in 2015:

> *I don't think the company is going to be a Chinese company. It is going to be a global company with global shareholders, management, standards, and in the global value chain. But with something in China, the market is a bonus, [it] is a benefit to leverage, to grow the company faster. It's not going to be a company that only supplies China. China is only one destination. The company now is selling grains, oilseeds, sugar, everything, in many many countries. China is only part of it.*
>
> (FT Commodities Global Summit, 2015)

However, by focusing on the geographic distribution of trade and capital, one might ignore how COFCO profits from trade and what type of capital is at play. As I examine COFCO's investment methods and business practices abroad, I notice rather a centrality of finance, which follows the tendency of capital moving out of production and COFCO expanding through new forms of accumulation. Just like in China, COFCO progressively relies on financial leverage and speculative mechanisms in foreign markets. It allocates surplus capital for profitable realization not only by controlling global production and supply but by transforming those into financial gain.

For instance, with a growing global presence, COFCO's offshore firms have established instruments to raise funds at open capital markets, taking advantage of financial deregulation out of mainland China. The Hong Kong-based China Agri, COFCO's most important subsidiary, recently committed 'to developing new external funding channels, strengthening fund-raising capability and ensuring liquidity of funding' (China Agri Annual Report, 2017). As a result, COFCO issued increasing corporate bonds either through China Agri or through intermediary financial holdings, such as Joy City Holding and Prosperous Ray Limited. By the end of 2019, COFCO's payable bonds accounted for US$ 2.25 billion (Li & Yang, 2020, p. 25).[15]

In addition, COFCO avoided taxation, attracted international financiers, and operated capital market investments as its offshore firms further expanded. In September 2014, the company established *COFCO International Limited (henceforth CIL)*, a multinational investment platform *responsible for the* first-round acquisition of Noble Agri and Nidera (Noble Group, 2016, p. 14). *CIL was* incorporated in a tax haven, the Cayman Islands, and headquartered in Geneva, having a strong internationalized profile. Its *main shareholder is Rosy Wisdom Limited, one of COFCO's many intermediary financial holdings from Hong Kong, followed by* the private equity firm HOPU Agri International, *an international consortium led by the* operative arm of Goldman Sachs in China. They hold *60% and 19% shares*, respectively (Thukral & Flaherty, 2014).[16] The consortium also assembled a wide range of foreign investors, including the International Finance Corporation (IFC), affiliated to the World Bank Group, with 9% shares, an indirect subsidiary of the Singaporean state investor Temasek, with 9% shares, and a Mauritius subsidiary of the London-based Standard Chartered, with 3% shares (Noble Group, 2014). Thereby, CIL built a finance outlet capable of raising capital at a global level. As COFCO's Chairman Ning Gaoning (2004–2016) said at the Financial Times Commodities Global Summit in 2015:

> *It could be too early to say. But when I say it [COFCO International] is not going to be a pure Chinese company, it's going to be a global company. This company should be governed, or should be managed, or owned by, let's say, global standards (…) we do what other [Western] people do: we are financed by bank syndicates (…) either in Hong Kong or other countries.* (FT Commodities Global Summit, 2015)[17]

CIL took charge of COFCO's main offshore operations, becoming the company's conduit for integrating into global finance. In addition to introducing a variety of leverage mechanisms, CIL abided by shareholder values in open capital markets. To this end, it received support and guidance from the recently founded COFCO Agricultural Industrial Investment Fund Management Co. (henceforth CAIIFM) and COFCO Capital (incorporated in Hong Kong). Like CIL, these two investment subsidiaries attract and assemble investors with international financial portfolios. For instance, CAIIFM's main shareholder is the globalized COFCO Trust, with 50.02% shares, followed by the European giant agribusiness Louis Dreyfus, the Japanese private equity fund Ant Capital, and the China Construction Bank, with 16.6% shares combined (COFCO Capital, n.d.).

Moreover, to supervise state ownership and state investment, CIL created its own asset management body in March 2018, expecting to list the company on the stock exchange market soon (Almeida et al., 2021; Trompiz & Saul, 2018). As Jingtao Chi, the then chairman of CIL, said in the 2019 Financial Times Commodities Global Summit, 'the reason why they [foreign investors] make investment in COFCO International [is that] they also expect good financial returns. So, in the future, going public, IPO, is a very good way for us to achieve good financial returns to our investors' (FT Commodities Global Summit, 2019).

COFCO also develops finance-driven operations and management overseas. It maintained Noble's and Nidera's personnel, taking full advantage of their agribusiness expertise in South America (Wesz et al., 2021). The company hired senior staff from foreign TNCs, such as the former head of ADM's Global Oilseeds business Matt Jansen—assigned as the new CEO of Noble Agri—and Paul Bateson, a senior executive of Bunge—assigned as CIL's global

[15]Currency converted by the author based on 2023's currency exchange rate (1RMB = 0,15 US$).

[16]Hopu had previously participated in a partnership with COFCO to acquire China's leading dairy producer Mengniu in 2008 (Oliveira, 2017, p. 320).

[17]Translated by the author.

TABLE 3 COFCO'S financial indicators.

	2015	2016	2017	2018	2019
Futures margin (billion RMB)	2.87	3.14	4.05	4.93	6.02
Food manufacturing and sales income (billion RMB)	39.99	36.65	38.45	25.41	25.75

Source: China Lianhe Credit Rating reports (Li & Yang, 2018, 2019, 2020; Liu & Li, 2017a; Xu & Liu, 2016). Data compiled by the author.

head of grains (Comunicaffe International, 2015; Trompiz & Saul, 2018). CIL also appointed Pierre Lorinet, the former chief financial officer of the Singaporean-based trader Trafigura, and Serge Schoen, Louis Dreyfus' chief executive, to its board of directors (Saul et al., 2018). Moreover, it has mimicked the operation methods of foreign competitors by controlling land and productive resources through capital-intensive access mechanisms—not necessarily dependent on land tenure rights. For instance, CIL offers Brazilian farmers fertilizers imported from China, seeds and agro-chemicals (mainly from Nidera Seeds and Syngenta, owned by ChemChina) in exchange for direct supply access. It also provides infrastructure and financial assistance, intensifying debt relations with local producers (Giraudo, 2019; McKay, 2018).

In the sphere of circulation, COFCO has obtained increasing financial gains through trade speculation. As a leading player in China's derivatives market, COFCO expanded its futures hedging through global transactions, often gambling over price fluctuations to the detriment of most Chinese soybean processors (Fares, 2022a). In 2016, the company established the COFCO Shenzhen Trading Services, which alongside COFCO Capital, acts as an asset management and investment platform for cross-border trade operations (COFCO Capital, n.d.). The two companies assisted the recently created COFCO Futures International to boost its global pricing power, transforming futures hedging into a growing source of profits over productive activities—similar to financialized foreign TNCs (Sinapi & Gagne, 2016). As a result, from 2015 to 2020, COFCO's futures margin (brokers' deposit for future transactions) soared, while the company's income from food manufacturing and sales plummeted (Table 3). As COFCO's President Yu Xubo (2016–2020) described in the COFCO Qidefeng online platform, 'now, the development of the futures market is in full swing, and a brand-new external window for the futures industry is opening. Standing at the starting point of the new era, as a witness to this journey, I hope that through the arduous futures market, I will shoulder new missions and dreams' (Yu, 2020).[18]

Moreover, in 2018, CIL joined the ABCD (ADM, Bunge, Cargill, and Louis Dreyfus) initiative to create Covantis, an agribusiness blockchain consortium for commodity trade (Morris, 2019).[19] Like other blockchain technologies, the Covantis peer-to-peer payment system facilitates global value transfers, speculation over currency, and price swings in crypto markets. On the back of global price fluctuation and volatile agricultural markets, CIL's profits surged to approximately US$350 million in 2020 (Almeida et al., 2021). Likewise, COFCO Group reached profit levels comparable to competitive agribusiness transnationals in 2021 and has kept growing since then (Fortune, n.d.) (Figure 9).

6 | MORE STATE, LESS NEOMERCANTILISM

As seen in the previous sections, the success of COFCO's expansion strategy relies less on its capacity to reorder world trade fluxes through neomercantilist policies and more on its capacity to articulate and take advantage of financial capital worldwide. One could argue, though, that state planning and ownership—the backbones of COFCO's global engagement—are intrinsically contrary to the financialization of agribusiness. However, just as the state can place itself as a hidden mainstay and architect of private interests in the world's traditional capitalist core (Vogel, 2020), it backs China's finance-driven expansion in a particular way. This type of financialization

[18] Translated by the author.

[19] Covantis began to operate soybean and corn shipments through digital currency in 2020 (Thompson, 2021).

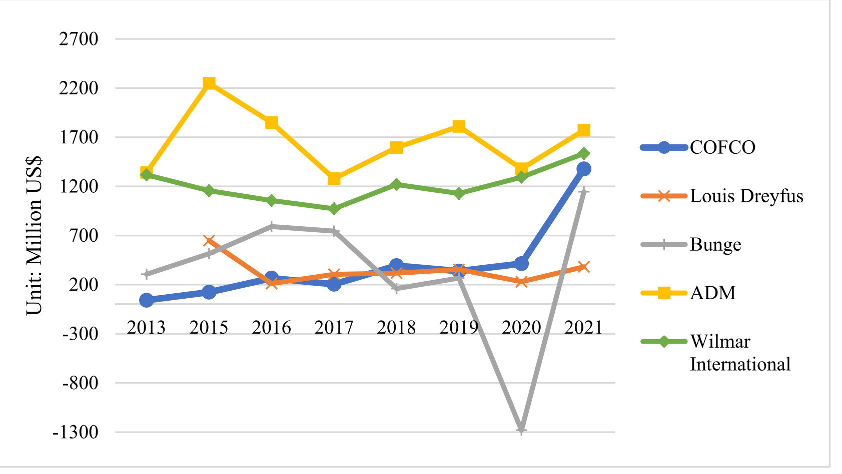

FIGURE 9 Profit evolution of relevant agribusiness TNCs. *Source*: Fortune (n.d.). Data compiled by the author.

complies with party-defined boundaries of political behaviour while forging forms of accumulation organically integrated into global finance, enhancing SOEs shareholders' values and competitiveness (Pearson et al., 2020; Wang, 2015).

Such a globalized version of the 'shareholding state' reflects, in part, new aspects of China's foreign policy. For example, during the Xi Jinping administration, China's Ministry of Commerce (MOFCOM) became a vocal advocator of international financing methods, placing its concerns beyond trade. As MOFCOM's, 2016 Report on Development of China's Outward Investment and Economic Cooperation shows:

> *For a long time, the financing channels of Chinese companies' cross-border mergers and acquisitions have been relatively narrow, and the financing methods were restricted. They relied too much on their own funds and domestic bank loans. This has brought constraints to mergers and acquisitions, and the business risks of companies have also increased. In order to reduce risks, Chinese companies have begun to use various financing methods, using both domestic and foreign financing channels, drawing on the experience of developed countries. (…) Generally speaking, the financing methods used the most are debt financing, equity financing or a combination of comprehensive methods.* (MOFCOM, 2016, p. 190)[20]

In line with this orientation, the central government has provided ample financial support for COFCO's going-out attempt. As a senior executive of COFCO in Brazil said in an interview with Escher, Wilkinson, and Pereira (2018, p. 311), 'Chinese money will not be lacking for our expansion'.[21] State agencies have also provided COFCO strategic guidance for foreign M&A, allowing the company to become more attractive in the financial market. For instance, China Investment Corporation (CIC), the country's sovereign wealth fund, which bought 14.9% of Noble's shares in 2009, subsequently helped COFCO acquire Noble Agri. CIC provided privileged information through Noble's board of executives occupied by SASAC's Chairman Li Rongrong on its behalf (Oliveira, 2017, p. 319; Sender, 2012).[22] In 2014, during the first round of acquisition, COFCO probably knew from CIC that the US$1.5 billion it paid for 51% of Noble Agri's shares was overvalued. Thereby, Viva Trade Investments, a COFCO's financial holding

[20]Translated by the author.

[21]Translated by the author. This information was confirmed by the author in informal meetings with COFCO's executives.

[22]COFCO's favouritism became even more evident when CIC replaced Li Rongrong with COFCO's President Yu Xubo (2016–2020) as a non-executive director of Noble Group in June 2015.

incorporated in the British Virgin Islands, and COFCO Hong Kong jointly acquired the remaining 49% of shares for only half the price (US$750 million) (Oliveira, 2017, p. 320; Williams, 2015).[23]

Therefore, instead of contrasting with financialized forms of accumulation, COFCO follows what van Apeldoorn et al. (2012) describe as 'the contradictory manifestation of a 'return of the state' on the one hand, and a continued deepening of the process of capitalist transnationalization and globalization on the other' (van Apeldoorn et al., 2012, p. 482). In this case, strengthening the state apparatus during the Xi Jinping era guarantees the existence of finance-driven accumulation strategies led by China along the lines of economic nationalism. According to Harris (2005, p. 9):

> *Chinese leaders intend to insert themselves into the global economy as fully respected and integrated members of the transnationalised capitalist class, not as indebted junior partners. They have used their control of the government and their statist experience to remould local economic institutions and jettison their communist past without losing their power (…). Chinese communists have transformed their socialist ideology into a new national project that defines modernisation in globalist terms.*
>
> (see also Harris, 2009)

The contradictory combination of nationalism and financial liberalization corresponds to the government's support for SOE's ownership and corporate reforms and, concomitantly, solid state control over internationalization efforts (China State Council, 2015). For instance, COFCO's 13th Five-Year Plan (2016) set a radically liberal tone while reassuring the preservation of state ownership at its core businesses—including non-tradable shares of listed enterprises—and maintaining the party's strategic influence in the company's policy-making (SASAC, 2016). As an illustration, COFCO's soybean processing became less reliant on offshore/foreign capital from 2009 to 2018 (Figure 10)—which is partially related to the disciplinary effects of state protectionism after 2008 in the soybean sector (Fares, 2022a). Nevertheless, COFCO maintains its intrinsically financialized constitution, with an ownership structure drastically different from other domestic players (Figure 4). State intervention is, therefore, a tool for further capital accumulation. Or in the words of Pan et al. (2020, p. 3), the state uses 'government capital to leverage the private sector capital'.

7 | FINAL CONSIDERATIONS

By analysing the rise of COFCO in the soybean downstream complex, this article indicated that Chinese agribusiness expansion follows a cohesive accumulation dynamic at home and abroad, moving away from production towards deeper integration into financial markets. Therefore, neomercantilism narratives can no longer explain China's fundamental influence in the international food regime. The related literature (Belesky & Lawrence, 2019; Lin, 2017, 2022; McMichael, 2020; Tilzey, 2018) envisages a return of commercial capital as a central element to power structures of food production and consumption. However, this article pointed out that despite trade regulation and industrial protectionism, COFCO has transferred soybean processing assets abroad, moving surplus capital for profit realization in regions with lower labour costs, resource supply, and access to new markets.

Some authors (Belesky & Lawrence, 2019; McMichael, 2020; see also Wesz et al., 2021) ponder that, as part of a transitioning dynamic, China reorders (while adapting to) the food regime's dominant practices, using the domestic demand as a trampoline to grow internationally through a more territorialized approach to resource control (Wesz et al., 2021). From this perspective, COFCO's shift away from commercial capital would not alter the (transitory) centrality of China's neomercantilist strategies. Nevertheless, this article demonstrated that China's recent economic

[23]CIC has probably considered Noble's accounting frauds and financial manipulations that forced the company to go through restructuring in the following years.

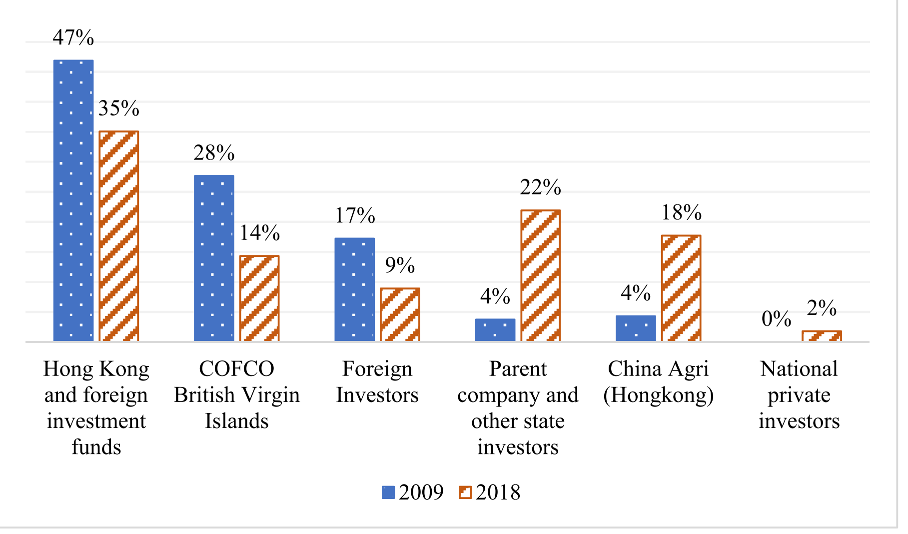

FIGURE 10 Ownership share of COFCO's soybean crushing capacity. *Source*: Qichacha (n.d.); And Sublime China (n.d.). Data compiled by the author. Regarding COFCO's ownership structure in 2009, I considered the following crushing facilities: COFCO Riqing (Dalian) Co., COFCO East Ocean Grains and Oils Industries (Zhangjiagang) Co., COFCO Yellow Sea Grains and Oils Industry (Shandong) Co., COFCO Xinsha Grains and Oils Industry (Dongguan) Co., COFCO Oils (Qinzhou) Co., Cofco ADM Grains and Oils Industry (Heze) Co., COFCO Xiangrui Cereal and Oil Industry (Jingmen) Co., COFCO Excel Joy (TianJin) Co. As for 2018, I considered all the former crushing facilities, plus COFCO Grains and Oils Industry (Huanggang) Co., COFCO Grains and Oils Industry (Jingzhou) Co., COFCO Grains and Oils Industry (Chaohu) Co., as well as Chinatex's and Noble Agri's crushing transferred to COFCO.

transformations allowed the prominence of finance-driven accumulation strategies indifferent to developmental agendas for food security. This way, COFCO has carried out ownership and corporate reforms, mimicked the operation and management methods of agribusiness transnationals in South America, raised funds through stock issuing and corporate bonds and took advantage of open capital markets to attract and 'assemble' foreign financiers. The company also has consolidated price control mechanisms through futures hedging in the derivatives market, benefiting from speculative trade.

Moreover, by examining state-capital relations in the downstream soybean complex, this article indicated that agribusiness financialization is not an innate and 'depoliticized' aspect of the Chinese economy. Instead, it entails institutional changes in line with Wang's (2015) concept of a shareholding state. While state intervention progressively shifts its nature towards supervising assets according to shareholder values, the Xi Jinping administration prioritizes COFCO over its productive-oriented competitors. Therefore, COFCO's international expansion reflects a global dimension of the shareholding state as it competes with agribusiness TNCs to obtain funds and maximize holdings overseas. In the same way, the state becomes vital for COFCO's advantageous integration into financial markets, allowing the Chinese company to attract, acquire, and assemble financial capital worldwide. The rise of nationalism through strong state planning and ownership becomes a tool for competing within global finance instead of an alternative.

The success of COFCO's privileged position within the state will depend on its ability to assure prominence as a global player. In this regard, geopolitics and international relations will play a fundamental role. Recent disputes with the United States—the world's second largest soybean exporter—and the instability of world food provisioning due to pandemics, wars and economic recession may obstruct COFCO's capacity to attract foreign financiers and raise funds from open capital markets. Some of its effects have already been felt: For example, contrary to COFCO's intentions for a company-wide IPO, China Agri, the main subsidiary for soybean processing operations in China, withdrew from the Hong Kong Stock Exchange in 2019 amidst trade tensions with the Trump administration.

Most importantly, COFCO's success will depend on the vicissitudes of inter-capitalist disputes in the Chinese downstream soybean complex (Fares, 2022b). Will COFCO's competitive position in global finance revert to further political influence domestically? If so, further financialization of economic management in China should favour COFCO through new liberalization policies. On the other hand, alternative accumulation strategies might prevail depending on the reaction of discordant political and economic segments. This would eventually bring back Chinese investments in productive capital, giving centrality to soybean processing and farming in line with food security governance.

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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