

Global Scramble For Land

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Governments—concerned about future food security—have been furiously signing deals with other governments across the world. Saudi Arabia has tied up 25,000 ha in Sudan to grow corn, soy and wheat, with Jordan and Syria inking similar deals. China has reportedly signed numerous deals, as in Laos, where a state rubber company has acquired 160,000 ha, and Mozambique, where 10,000 "settlers" are reportedly set to assist in the conversion of thousands of hectares to export crop production. Even tiny Mauritius has agreed a deal with Mozambique to farm 5,000 ha of land in a country where over 50 percent of the people live on less than a dollar a day.

Private investors have not been laggardly either. According to the NGO GRAIN, Deutsche Bank and Goldman Sachs are "taking control of China's livestock industry" while the investment firm Blackrock has mobilized a \$200 million hedge fund to invest in land. A Russian firm, Renaissance Capital, has snapped up 300,000 ha of Ukrainian land, while Swedish firms, Black Earth Farming and Alpcot-Agro have acquired 331,000 ha and 128,000 ha respectively in Russia's black earth region.

In Africa, the American firm Jarch Capital claims to have rights on 800,000 ha of Sudanese land, while numerous biofuel companies have secured huge deals (and some have been knocked back). Meanwhile, in Asia, according to the International Institute for Sustainable Development, agri-giant Monsanto has bought the rights to 10,000 acres of farmland "for experimenting with GMOs" and "is looking for an additional 50-100,000 acres" in the near future.

And that's just a pinprick in the wider picture. GRAIN has documented over 180 such deals involving both governments and private investors. It's a pandemic of land acquisitions, with no known cure.

On the one hand, the shock of rising prices and the specter of food insecurity raised by the food crisis has shattered confidence in the world market, sending nations scrambling to secure land and water with which to grow essential crops. The Gulf states have been particularly active, having seen their food import bills rise from around \$8 billion to nearly \$20 billion in the past five years alone - concerns over water use have prompted Saudi Arabia to plan for an end to all wheat production by 2016.

Rising awareness of climate change has motivated governments and private investors, for different reasons. Water scarce nations have begun to "lock up" water resources in the form of land rights in anticipation both of future water stress and rising prices, China being a prime example. Across the world, governments have begun to link up with other governments to sign massive land deals.

On the other hand, stimulated by the prospect of looming price spikes (and windfall profits) in the future, private investors have begun to move into agriculture on an unprecedented scale. Land is being rapidly securitized. As veteran commodities trader Jim Rogers says, "I'm convinced that farmland is going to be one of the best investments of our time".

As GRAIN reported in 2008, "The two big global crises that have erupted over the last 15 months—the world food crisis and the broader financial crisis that the food crisis has been part of—are together spawning a new and disturbing trend towards buying up land for outsourced food production."

Rogers and long-time collaborator George Soros have been moving into global land investment—eyeing massive profits to be gained from future price spikes. As has Lord Jacob Rothschild, via a company called Agfirma Brazil. As he puts it, "we have an extraordinary situation. If you take governments' printing money as fast as they are, borrowing as fast as they are, and bailing out white-elephant corporations, we're surely going to have an inflationary situation fairly soon" a situation in which CNN's Brian O'Keefe comments, "owning a hard asset like land is a good hedge."

According to the FAO, such deals (or, more accurately, "land grabs") have seen almost 2.5 million hectares of farmlands allocated to foreign investors in just five sub-Saharan African countries since 2004, although the FAO's figures understate the true total by excluding investments under 1000 ha in extent. Huge areas of land are being sold to the highest bidder, with over 180 deals across the world having been documented by GRAIN, and the likelihood that there have been more, as such deals are generally concluded behind closed doors.

The scale of the wave of land grabs is truly global. From the black earth of Southern Russia and the Ukraine, to Cambodia, Indonesia and the Philippines in south-east Asia, to Pakistan, to Sudan, Zambia, Ethiopia, Mozambique and Madagascar in Africa and even into the Amazon, there is a sustained effort to open up communal landholdings to global investors, be they government or private.

But is this necessarily a bad thing? After all, as Joachim von Braun and Ruth Meinzen-Dick of the International Food Policy Research Institute have written in a recent policy briefing, "large-scale land acquisitions can be seen as an opportunity for increased investment in agriculture" while "Proponents of such investments list possible benefits for the rural poor, including the creation of a potentially significant number of farm and off-farm jobs, development of rural infrastructure, and poverty-reducing improvements such as construction of schools and health posts."

Activists have long campaigned for more investments to be made in agriculture in the developing world, so large-scale land deals could provide one means of injecting better technologies, marketing systems and capital into areas that lack them. As the FAO's Chief of Trade Policy David Hallam argues, "the low level of investment in developing country agriculture, especially in Sub-Saharan Africa, over decades has been highlighted as a matter of concern and the underlying root cause of the recent world food crisis so any possibility of additional investment resources cannot be dismissed out of hand."

But both the IFPRI and Hallam are extremely cautious about such deals. As Hallam adds, "The focus needs to be on how these investments can be made 'win-win' rather than neo-colonialism". Von Braun and Meinzen-Dick argue that "unequal power relations in the land acquisition deals can put the livelihoods of the poor at risk" while, as "Land is an inherently political issue across the globe, with land reform and land rights issues often leading to violent conflict...the

addition of another actor competing for this scarce and contested resource can add to socio-political instability in developing countries."

For GRAIN's Devlin Kuyek, the threats presently far outweigh the opportunities for countries hosting such land deals. As he says, given the disastrous development of mortgage based derivatives, there is "all the reason in the world to be concerned about how financial houses are going to be or are speculating in land" while, "if financial instruments are being developed for land, then that's a troubling prospect."

As Kuyek notes, "these deals are being promoted as win-win" but in reality "It's not just that they want to produce food. It's that they want to produce it in a way that makes profit. These are big natural resource projects, and need to be looked at through the same lens as dams and mines."

The world's leaders don't appear keen to remodel agriculture from above. As Kuyek says, no one is really dealing with the fundamental problems within the global agricultural system. While nothing is done about a system which manufactures hunger, and "Nothing is being done to address speculation, or the amount of profits taken by the corporations in control of the food system" these land grabs are little more than "a band-aid over growing problem of food insecurity"—albeit band-aids which have the potential to make the wound much more dangerous.

This demands a response from activists and farmers. As Von Braun and Meinzen-Dick suggest, "Strong collective action institutions can give smallholders enough clout to effectively voice their concerns and negotiate on favorable terms with the other powerful actors." Like the indigenous people of Peru (who are also seeing their lands prepared for allocation to private investors) farmers will need to mobilize to confront unequal deals and the governments that permit them. It's a daunting prospect. □

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