A close-up photograph of several hands of different skin tones reaching up to hold a large, broken chocolate chip cookie. The hands are positioned in a way that they appear to be supporting the cookie from underneath. The background is a plain, light-colored wall.

# Land grabbing and the global food crisis

**GRAIN**  
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# Land grabbing?

Here, we're referring to:  
the **acquisition** (lease, concession, outright purchase) by **corporations or states** of **large** areas of farmland (>10,000 ha), in **another country** and on a **long-term** basis (often 30-99 years), for the production of **basic foods** that will then be **exported**



# A new problem? Yes.

- Food crisis → “Farming abroad” now seen as new food supply strategy by import-dependent governments
- Financial crisis → Farmland now seen as new source of profits by the finance industry
- Focus: Staple foods, not mangoes or coffee
- More than 50 countries targeted by maybe 1,000 investment groups and a dozen or so governments.
- World Bank says 50m ha – nearly half the cropland of China – signed away or under negotiation in Africa, Asia, LatAm since 2006. FAO says 20m ha in Africa alone. We think they're missing a lot.
- GRAIN estimates that US\$100 billion have already been mobilised to pay for these deals. (World Bank says US\$50 billion.)
- Wider context: Major push right now to expand and restructure global agribusiness in the South, with a strong influx of Southern capital (UNCTAD: 40% of cross-border investment in ag production in 2008 was South-South.)

# The lead actors

Both states and firms, but **mainly the private sector.**

States provide political support & facilitate the deals. The main governments pushing the land grab drive for their own food security: the Gulf States, Korea, China, Japan and Libya. Those pulling (welcoming the money in exchange for land) include Ethiopia, Sudan, Mali, Mozambique, Philippines and Pakistan.

But firms undertake the projects (whether on their own or under prodding from the state). Mixture of agribusiness firms (who do production and trade) and financial investors (hedge funds, pension funds, private equity groups, investment banks, holding companies, etc).

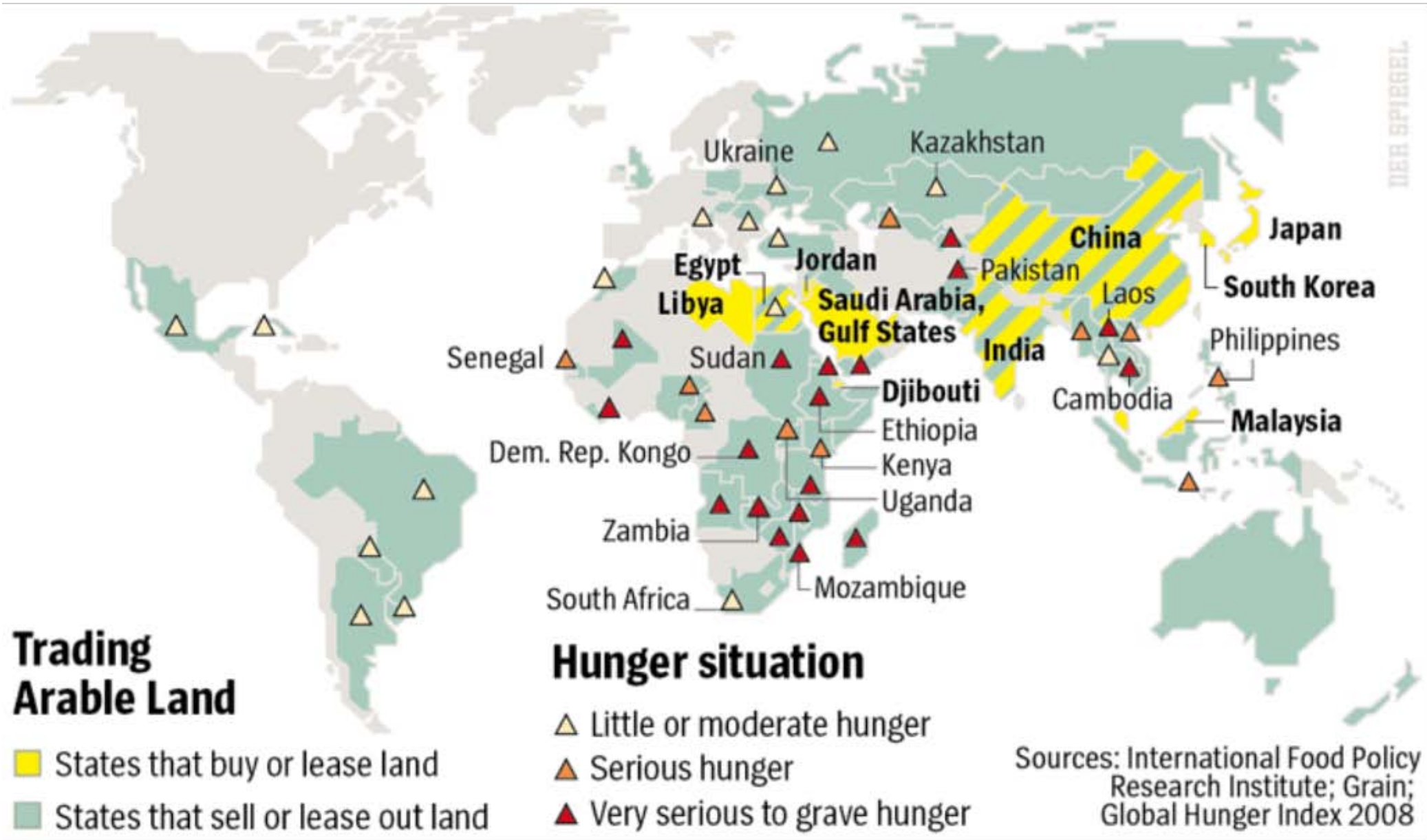
Philippines president in farmland negotiations with Gulf States



India's Karuturi farming in Ethiopia



# Who? Where? The big picture.



# Who's "selling"?

## Countries being approached for or signing off land

**Africa & Middle East:** Algeria, Angola, Benin, Botswana, Cameroon, Congo-Brazzaville, DR Congo, Egypt, Ethiopia, Ghana, Guinea, Iraq, Jordan, Kenya, Liberia, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Nigeria, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe

**Americas:** Argentina, Bolivia, Brazil, Canada, Colombia, Cuba, Mexico, Paraguay, Peru, Uruguay, USA

**Asia-Pacific:** Armenia, Australia, Azerbaijan, Burma, Cambodia, India, Indonesia, Kazakhstan, Laos, Mongolia, New Zealand, Pakistan, Philippines, Papua New Guinea, Thailand, Turkey, Uzbekistan, Vietnam

**Europe:** Belarus, Bulgaria, Croatia, Estonia, Georgia, Lithuania, Moldova, Romania, Russia, Ukraine

# Who's "buying"?

## Country of origin of land grabbers

- **Australia** (Maquarie...)
- **Bahrain\*** (Trafco, MAP, Ithmaar, Al Salam...)
- **Bangladesh**
- **China\*** (DTE, Chongqing, CSFAC, CNADC...)
- **Djibouti\***
- **Egypt\*** (Citadel Capital...)
- **France\*** (Pergam, Louis Dreyfus, AFD?...)
- **Germany** (Deutsche Bank, KTG Agrar...)
- **India\*** (Varun, Ruchi, Karuthuri, etc)
- **Iran\* ???**
- **Israel**
- **Japan\*** (Marubeni, Sumitomo, Itochu, Kobebussan, Mitusbishi...)
- **Jordan\***
- **Korea\*** (Daewoo, Hyundai, LG....)
- **Kuwait\*** (KIA, Americana Group...)
- **Libya\*** (LAP)
- **Lithuania** (Agrowill)

- **Malaysia\*** (Sime Darby)
- **Mauritius\***
- **Netherlands** (Rabobank, APG...)
- **Qatar\*** (Mawashi, Zad Holding, QIA)
- **Saudi Arabia\*** (Hadco, Al Rabie, Al Rajhi, Foras, Tadco, Almarai, Binladin, Al Amoudi...)
- **Singapore\*** (Temasek, Vitagrain, Olam...)
- **South Africa** (AgriSA, Agri-Vie...)
- **Sweden** (Black Earth, Alpcot Agro...)
- **Switzerland** (EBG Capital...)
- **Syria\***
- **Thailand** (CP Group)
- **UAE\*** (Abraaj, Al Qudra, EIG, Abu Dhabi Fund for Development, Iffco, Dubai World...)
- **UK** (Lonhro, cru, Bidwells, Schrodgers, Barclays, Emergent, Terra Firma, Jim Slater, Lord Jacob Rothschild...)
- **US** (Jarch Capital, KKR, AIG, M.Stanley, BlackRock, Jim Rogers, George Soros, Bunge, Altima, TIAA-CREF...)
- **West Africa\*** (WAEMU)

*\* with government support or involvement (public policy frameworks, financial assistance or incentives, directives, enabling bilateral treaties, etc)*

# The new farm owners



Mauritius got 20,000 ha in Mozambique in Aug 2009, which it sub-leased to Vita-grain, a Singaporean firm, to grow rice for Mauritians

Agrifirma was set up in 2008 to buy and develop Brazilian farmland. Involves legendary investors Jim Slater, Jim Rogers and Lord Rothschild. Owns 42,000 ha so far out of 2.5 m ha appraised.



Philippe Heilberg, ex-trader for Solomon Brothers and AIG, and now CEO of Jarch Capital (US), bought 400,000 ha of farmland in South Sudan and plans to buy another 400,000 ha by end 2009.



Public and private investors from the Gulf are already involved in over 100 overseas farmland deals involving tens of millions of hectares, mostly in Africa and Asia



Richard Spinks of Landkom (UK) has already leased 70,000 ha in Ukraine, aiming for 500,000 in the next five years



Jeffrey Currie of Goldman Sachs calls land grabbing 'a good thing'. Goldman Sachs recently bought 10 poultry farms in mainland China for US\$300 million, allegedly allowing them to control livestock prices there.



As of August 2009, Trigon Agri (DK) had more than 170,000 ha of land under its control in Russia, Ukraine and Estonia.



Ukraine gave Libya 250,000 ha to grow its own wheat in exchange for gas supplies



The Binladin Group is targeting 500,000 ha of farmland in Papua, Indonesia, to grow rice for its domestic market.



Susan Payne of Emergent Asset (UK). They have over 150,000 ha in Angola, Botswana, South Africa Swaziland, Mozambique and Zambia

# Gulf States alone: 100 food security deals in the land of the food insecure

Target countries	Number of land grab deals	% of pop. officially hungry	Target countries	Number of land grab deals	% of pop. officially hungry
Sudan	20	26%	Indonesia	3	6%
Pakistan	15	24%	Burma	2	5%
Philippines	9	18%	India	2	20%
Egypt	8	4%	Morocco	2	<5%
Turkey	6	<5%	Kenya	1	31%
Ethiopia	5	46%	Tanzania	1	44%
Kazakhstan	5	<5%	Senegal	1	20%
Australia	5	<5%	Laos	1	19%
Ukraine	4	<5%	Mali	1	29%
Vietnam	4	14%			
Thailand	4	17%	<b>Total</b>	<b>102</b>	
Cambodia	3	33%	<b>Average</b>		<b>18%</b>

Compiled by GRAIN in August 2009 based on data from Gulf Research Centre, World Food Programme, FAO and press reports (2009). Total land area involved not calculated, but we estimate it in the tens of millions of hectares.

# Daewoo-Madagascar case

- Oct 2008: Daewoo Logistics signed a prospecting agreement to get 1.3 m ha of cultivable land in Madagascar to grow maize & oil palm for export to Korea
- Jan-Mar 2009: The “Daewoo Affair” triggers mass protests. President Ravalomanana ousted from power. Andry Rajoelina declares the Daewoo deal dead.
- Jun 2009: Daewoo Logistics under bankruptcy protection, but Malagasies believe it is not over.
- Meanwhile, the Indian firm Varun gets 465,000 ha to grow pulses and cereals for export to India, while the Saudis, who want to export water supplies from Madagascar, are suspected of taking interest in farmland as well.

Marc Ravalomanana with Daewoo Logistics, Oct 2008



A change of power – but was the Daewoo deal really annulled?



# Qatar-Kenya deal

- Jan 2009: President of Kenya announces that Qatar will get 40,000 ha in the Tana River Delta in return for building a port in Lamu.
- Purpose: grow vegetables & fruits for Qatar.
- The area is highly biodiverse, rich in water resources and used by 150,000 farmers, pastoralists and fisherfolk for their livelihoods.
- At the same time, Kenya is on the verge of a food emergency affecting 10m people
- A strong opposition grows among local communities, NGOs and the scientific community . Project said to be stopped??

Tana River Delta



A local demonstration against the deal



# Mali-Libya deal

Abdalillah Youssef, CEO of Malibya

- Nov 2008: Libya's sovereign wealth fund, through its subsidiary Malibya, acquires 100,000 ha in the Office du Niger to grow rice (later: tomatoes and livestock)
- Early 2009: The infrastructural work is contracted out to Chinese corporations and begins
- Jul 2009: A fact-finding mission to the area led by CNOP (Via Campesina) finds that small farms are being expropriated, cemeteries desecrated, pastoral routes destroyed and farmers not compensated for their lands.
- CNOP vows to strengthen the fight, but a number of other deals in ON



House marked "remove" in Chinese and French



Photo: L.C/ Maison à détruire

# Karuturi-Ethiopia deal

- Early 2009: Indian firm Karuturi, world's largest producer of cut roses, gets 40,000 ha in Ethiopia and applies for another 300,000 ha. Cost? Around US\$1/ha.
- Starts growing maize on 10,000 ha but intends to produce mostly rice for export to Asia.
- Workers paid US\$0.7/day. Locals lose access to lands for grazing herds & growing tef. Their protests are put down by the police.
- Sep 2009: Addis announces 3m ha available to foreign investors – 1.6m of them by Oct. Over 1,300 contracts already registered.
- Oct 2009: 13.7m Ethiopians need emergency food aid, while Indian farmland "investments" there top US\$500m.



ETRANGERS Les membres de la direction, une douzaine de personnes, sont tous Indiens. Ils sont arrivés il y a onze mois.

# and so many more...



BKK chairman Peter Costello, Australian group taking over 100,000 hectares in Cambodia.



Toronto's LAM takes over 100,000 ha in DR Congo.



PM of Bahrain meeting with Charoen Pokphand Group and the Al Salam Bank to discuss their agribusiness partnership. CP scoping farms in Africa.



Chinese growing rice in Cameroon

Sheik Al Amoudi got 500,000 ha in Ethiopia



Golden Agri gets 240,000 for palm oil in Liberia.



# In Asia

**Pakistan:** Big debate about negotiations Islamabad has undertaken to lease more than 1m ha to investors from Saudi Arabia, Bahrain and UAE. Lahore High Court has ordered the government to release all details of the contracts.

**Cambodia:** People are challenging Hun Sen's decision to sign off land to the governments of Qatar and Kuwait for their own rice production. Korean farmers are buying land there, too, to grow corn cheaply for the Korean market, as are international private equity groups.

**Indonesia:** Gov makes 0.5-1.5 M ha available to foreign investors through food estates programme in Papua. Binladin Group in talks for 500,000 ha to grow rice for the Saudi market. Other investors - Daewoo Logistics, Mitsubishi and KS Oils (India), etc.

**Philippines:** Various deals with investors & government officials from the Gulf States, China and Korea have been unearthed. Political groups and peasant organisations are mobilising.

**Thailand:** National debate about leasing farmland to foreigners, given that Bahrain, Kuwait, Saudi Arabia and UAE are all interested.



Cambodian woman trying to defend her land rights



Asian Peasant Coalition calls for a stop to global landgrabbing



Philippines Secretary of Agriculture with Gulf investors

# The response?

Up to now, **two kinds**:

- some push to make these deals "**win-win**" (African Union, the G8, FAO, IFAD, World Bank, International Land Coalition....)
- others try to mobilise broad **resistance**



Taro Aso brought the issue to the G8 in July 2009



While Via Campesina brought it to the streets outside the FAO world food security summit in November 2009

# Yes, we need investment – but in *food sovereignty*:

## Land for farmers:

- land as source of livelihood for many, not speculation for a few
- under control of farmers, customary law
- no more privatisation & land grabbing, but real agrarian reform

## Markets that work:

- local production
- short circuits
- community orientation

## Farming for a future:

- ecological farming systems
- local seeds & knowledge, biodiversity
- agriculture without greenhouse gases

## Policies by people:

- small farmers at the steering wheel, broad social alliances



# Join the fight against global land grabbing

- Major new global trend: land (and water) grabbing is part of a deep and aggressive restructuring of agriculture
- Wrong answer to food crisis: with land grabbing, small farmers are now “the problem” and large foreign-owned farms “the solution”
- Bringing massive new implantation of large scale agribusiness operations for export, run by “Southern” landlords or financial capitalists
- With land, way too much is at stake
- In total contradiction with food security, not to mention food sovereignty
- "We need a people's politics and a people's voice to stop landgrabbing" said social movements at the CSO Forum on Food Sovereignty in Rome, November 2009

A website to follow the daily news  
and speak out:

**<http://farmlandgrab.org>**  
(open-publishing)

bientôt en français  
próximamente en español