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## A threat to global food security

As the world continues to experience a severe food crisis, with over one billion people going hungry, land grabbing – the purchase or lease of land by wealthy, food-insecure nations and private investors from mostly poor, developing nations in order to produce food crops for export – is gaining momentum. Some governments and international agencies believe that the influx of money and technology can turn land grabbing into a win-win situation for all involved. But is this really the case?

*Cash-rich but food-insecure countries like Korea, China, and the Arab states outsource their food production to poor developing countries.*

Scarcely a week goes by without news of another big land deal between a rich nation and a poor developing country. In August 2009 a group of Saudi investors said that they would be investing 1 billion US dollars (USD) in land in Africa for rice cultivation. They are calling it their 7x7 project, for they are aiming to plant 700,000 hectares of land to produce seven million tonnes of rice in seven years. The land will be distributed over several countries, including Mali and Senegal. A few weeks earlier a consortium of Korean and Arab investors acquired 690,000 hectares of land in Sudan, to produce wheat for export to Korea. India is encouraging its companies to outsource food production overseas and already Indian firms have acquired over 800,000 hectares of farmland in Africa since 2008. A group of South African businessmen is negotiating an 8 million-hectare deal in the Democratic Republic of Congo with the support of the South African government. And so it goes on and on... According to the International Food Policy Research Institute (IFPRI), foreign investors sought or secured 15–20 million hectares – an area larger than England – between 2006 and the middle of 2009 (The Economist, 2009). But the latest information shows this estimate to fall far short of the real figure.

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### ■ The origins of the current land grab

The land grab was indirectly spawned by the international financial crisis. In 2007 many financial play-

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ers – the investment houses that manage workers' pensions, private equity funds, hedge funds, big grain traders and so on – saw that the sub-prime mortgage bubble was about to burst and moved money into the safer commodities market. Although there was no real shortage of food, food prices – especially of cereals, but also of dairy and meat – rose dramatically.

Food prices did come down from their peaks but by then the faith in global markets to provide for people's food needs was already irrevocably damaged. The cash-rich but food-insecure nations, such as Japan and the Gulf states, are now pushing ahead with other options, based on the outsourcing of food production to foreign countries. The Saudi government, for instance, sent out a directive to private Saudi businessmen instructing them to invest in agricultural production abroad.

China is another example. It is remarkably self-sufficient in food at the moment, but it has a huge population, its agricultural lands have been giving way to industrial development, and its water supplies are under serious stress. With 40 percent of the world's farmers but only 9 percent of the world's farmland, food security is high on the Chinese government's agenda. And with more than USD 1.8 trillion in foreign exchange reserves, China has deep pockets from which to invest in its own food security abroad, and has been gradually outsourcing part of its food production. Through China's new geopolitical diplomacy and the government's aggressive 'Go Abroad' outward investment strategy, some 30 agricultural cooperation deals have been sealed in recent years to give Chinese farms access to 'friendly country' farmland in exchange for Chinese technology, training and infrastructure development funds. Other countries, such as South Korea, Egypt, Libya, Kuwait, India and Japan, have also decided for their own reasons that, faced with the prospect of a world

shortage of food in the future, it makes sense to find reliable sources outside their own borders for at least part of their food supply.

The current land grab is comparable with the scramble for Africa in the late 19<sup>th</sup> century in that large areas of the world are being taken over by foreign powers. Now, however, the governments are not using military force but are waving cheque books, which in today's world can be a more powerful weapon. They are, moreover, working very closely with private investors, who are generally in control of the day-to-day operations. Although land is being grabbed in many different parts of the world, Africa is under particularly heavy assault. Many impoverished governments in sub-Saharan Africa are sorely tempted by the offer of money up-front.

With concern being voiced in many different parts of the world at the potential consequences of the rapid land grabbing, international institutions and governments have moved to allay fears. Jacques Diouf, Director-General of the FAO, said that the deals had the potential to transform developing countries by providing jobs in agriculture and other sectors (Wall Street Journal, 2008). During the G8 Summit in Italy in July 2009, Tokyo proposed a set of principles 'to harmonise and maximise the interests of both host countries and investors' (Financial Times, 2009). But will this flurry of initiatives really turn the land grab into a win-win situation for all concerned?

### ■ Growing concerns

Some of the world's poorest countries are letting go of land that they need to feed their own popula-

*Africa is the main target area for foreign investment in land, as many impoverished governments are tempted to the offer of money.*

tions. Take Sudan. The government has leased for 99 years 1.5 million hectares of prime farmland to investors from the Gulf States, Egypt and South Korea, but Sudan is also the world's largest recipient of foreign aid, with 5.6 million of its citizens dependent on food packages from abroad. Principles of basic justice tell us that Sudan should be using this land to feed its own people. At the moment, the foreign investors speak of all benefiting. Consider the 7x7 project of Saudi investors mentioned earlier. 'West Africa has an annual deficit of about 2 million tonnes of rice', said Foras International Investment Company, one of the partners in the project. 'Our project will confront the food shortage crisis, increase agricultural output and improve rice productivity', he added. In other words, there will be enough rice to feed the local population and to send abroad. There are, however, many problems with these assumptions: there is no guarantee that a large-scale project will be more productive than local farmers; it will exacerbate rural poverty; and there is no reason why outside investors, driven by profit, will put the food needs of local people before the export market.



Photo: J. Boethling





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*To take over land, governments don't use military force nowadays, but wave their cheque-books.*

of the most comprehensive models of the impact of climate change, carried out in 2007 by William R. Cline, predicts that, without carbon fertilisation, crop productivity in the developing world is likely to decline drastically, by 21 percent, over the next 80 years. And these predictions may also be underestimated, as they do not take into account all the so-called 'positive feedbacks' – the melting of the ice sheets in the Arctic and the Antarctic, the melting of the glaciers, the much greater frequency of forest fires, the worsening water shortage, and the greater probability of extreme weather.

Yet the very actions that the rich countries are taking will increase the likelihood of a global food shortage. The land being grabbed has its own precious ecosystems and is almost always used in various ways by local people. Even though governments say that they are making available only 'empty' or 'marginal' land, such a concept simply does not exist for many of the traditional peasant and indigenous communities in Africa, Asia and Latin America. The world destroys this biodiversity at its peril, for it is hugely important to have

diverse plant populations and species-rich natural and agricultural ecosystems, particularly at times of environmental stress. This biodiversity, created by generations of farmers, provides a foundation for adapting agriculture to our rapidly changing world.

Yet the outside investors, which are usually large private companies, often working with governments, are destroying existing ecosystems and creating huge areas of monoculture crops dependent on chemical fertilisers and pesticides. And with the destruction of the ecosystems and the take-over of farm lands comes the dispersal of the peasantry and other traditional communities of farmers and herders, who have a profound knowledge of local biodiversity and who are best able to look after the food needs of their communities. They must be at the centre of any solutions to the problem of climate change and the food crisis. Yet the current breakneck land grab is destroying the very basis of their livelihoods. And it is all of us, throughout the world, who will pay the price.

More information on institutions and organisations working on the subject of land grabbing can be found at page 27 and at [www.rural21.com](http://www.rural21.com)

### Zusammenfassung

Land-Grabbing – also der Aufkauf oder das Pachten von Land in meist armen Entwicklungsländern durch reiche Länder mit ungenügender Nahrungsmittelerzeugung und durch private Investoren mit dem Ziel, Nahrungspflanzen für den Export anzubauen – schreitet immer stärker voran. Einige internationale Finanzinstitute und die Regierungen einiger reicher Länder behaupten, dass das Land-Grabbing mit entsprechender Regulierung zu einem Win-Win-Geschäft für beide Seiten werden kann. Das ist aber eher unwahrscheinlich. Für die Investoren geht es um die Förderung einer Agrarindustrie im großen Maßstab, die unvermeidlich zum Verschwinden kleinbäuerlicher Betriebe, von Weideland und von lokalen Ökosystemen führen wird. Viel

wahrscheinlicher ist, dass die Projekte, über die gerade verhandelt wird, die unsichere Ernährungssituation der Armen in den ländlichen Gegenden verschlimmern wird und traditionelle bäuerliche Gemeinden, deren Wissen und Anbausysteme angesichts der globalen Klimakrise von unschätzbarem Wert sind, weiter verarmen lassen.

### Resumen

Cuando hablamos de apropiación de tierras (o *land grabbing* en inglés), se trata de países ricos sin seguridad alimentaria y de inversores privados que compran o arriendan tierras a naciones en desarrollo en su mayoría pobres, con el fin de producir alimentos para la exportación. Esta tendencia viene ganando impulso. Algunas instituciones financieras interna-

cionales y los gobiernos de ciertas naciones más pudientes argumentan que – con una regulación adecuada – la apropiación de tierras puede convertirse en una situación beneficiosa para todos los involucrados. Esto es poco probable. Los inversores tienen claras intenciones de promover la agricultura industrializada a gran escala, la cual inevitablemente trae consigo la pérdida de pequeñas explotaciones agrícolas, de tierras de pastoreo y de ecosistemas locales. Es previsible que los proyectos actualmente en negociación exacerben la inseguridad alimentaria de los agricultores pobres y causen un grave perjuicio a las comunidades rurales tradicionales, cuyos sistemas de conocimientos y de cultivo serán invalorable a medida que se agrave la crisis climática global.