



LARGE-SCALE LAND ACQUISITIONS IN ARGENTINA

A COUNTRY PERSPECTIVE

NOVEMBER 2020

WHAT IS THE LAND MATRIX?

The Land Matrix is an independent global land monitoring initiative that promotes transparency and accountability in evidence-based decisions over large-scale land acquisitions (LSLAs) in low- and middle-income countries across the world.

These country profiles present national-level data of LSLAs and transactions, including who the investors are, what the land will be used for, and what the potential benefits and impacts of the land deals are.

By making this information available, the Land Matrix aims to enhance broad engagement and data exchange, facilitating the continuous improvement of the data.

Find out more at www.landmatrix.org.

BACKGROUND

As with the rest of Latin America and the Caribbean (LAC), Argentina has experienced an intense process of deforestation and loss of natural vegetation in the last few decades. As the eighth-largest country in the world, with a total mainland area of more than 2.7 million km², this not only has significant implications for the region, but globally too. Native forests, such as those in the “Chaco” region in the north of the country, have been particularly affected by this process. The Chaco region is one of the largest seasonally-dry forests in the world, and extends into Bolivia, Paraguay, and a small portion of Brazil.

Although a national “Forest Law” was passed in 2007 in order to reduce and control deforestation in the country as a whole, and in the Chaco region in particular¹, its effectiveness is a matter of heated debate (Aguiar et al., 2018²; Volante and Seghezzo, 2018³). According to this law, sub-national States (provinces) are required to categorise all remaining native forests into one of three categories: I (high conservation value), II (medium conservation value), and III (low conservation value). Deforestation and land use change for agricultural purposes can only be authorised under category III. Nevertheless, both

WHAT IS A LAND DEAL?

The Land Matrix defines a land deal as any intended, concluded, or failed attempt to acquire land through purchase, lease, or concession in low- and middle-income countries.

To be included in the Land Matrix global database, deals must meet the following criteria:

- Entail a transfer of rights to use, control, or ownership of land through sale, lease or concession;
- Have been initiated since the year 2000;

- Cover an area of 200 ha or more;
- Involve the change of land use (often from extensive or ecosystem service provision to commercial use).

***Please note:** In certain cases, deals meeting different criteria to the global database are captured at regional and country level. For example, in this country profile, although there are 228 deals recorded for Argentina in total, only the 224 deals meeting the global criteria have been included.*

For more information about land deals and how data is captured, analysed, and used, browse our frequently asked questions at www.landmatrix.org/faq.

continue to proliferate in Argentina driven, among other things, by unabated large-scale land acquisitions (LSLAs), which often have negative ramifications, including land grabbing, land concentration, land inequality, and social-environmental conflicts. The outcomes of LSLAs – both positive and negative – can be attributed to a range of defining variables, from the size, number, and intention of the deals, to the type of investors involved.

Extracting data from the Land Matrix website using regional filters, this country profile presents a detailed overview of these and other dynamics involved in the acquisition of land in Argentina. In certain cases, deals meeting different criteria to the global database were included, in particular those with a domestic scope. Deals for agricultural, forestry, and many other intended purposes were included, but those for gas, oil, and mining operations were excluded. It is important to note, therefore, that applying different filters on the Argentina country page may generate a different data set to the one used for this country profile.⁴

CASE STUDY BITTER TASTE

Since 2013, adverts in which famous Argentinian football players, folk singers, actors, and other local celebrities invited consumers to “drink the best of your country” have been widespread. The drink in question is the locally-produced soda “Manaos”, manufactured by a company owned by controversial investor Orlando Eduardo Canido. Originally, Canido intended to acquire 4 000 ha in the province of Santiago del Estero to raise livestock, of which 500 ha had already been deforested, on land that had been inhabited for generations by about 60 peasant families and members of indigenous communities. Conflict between these people, most of whom were members of the Movimiento Campesino de Santiago del Estero (MOCASE), a civil society organisation which is very active in the country, subsequently began in 2004.⁵

However, it was not until 2014 that the investment project was finally rejected by the provincial forest administration, although deforestation and social conflicts continued until the end of 2015, at which time, tired of the inaction of local authorities, members of MOCASE organised a protest and physically stopped the bulldozers that were clearing the land they claimed as their own.

They also denounced several incidents with armed groups, allegedly on behalf of Canido, in which they were threatened and told to leave the land or face dire consequences.^{6,7} Some members of MOCASE even reported that their houses were burned to the ground by one of those armed groups.⁸

In another recent event, a member of MOCASE was detained in connection with this case, apparently without a warrant, generating the reaction of international environmental organisations such as Greenpeace.⁹ Despite these allegations, Canido has always denied any wrongdoing and pledges to keep investing in the region. Even so, this case clearly shows that grassroots organisations do have the power to force local administrations to reject unsustainable and conflictive production projects. It is important to note, however, the process is usually messy and often dangerous for local activists. More information on this land deal can be found in the Land Matrix database (deal [#704](#)).

Concluded deals in Argentina

Top five projects:

Location, size, implementation status, intention of investment

1. Malargüe, **468 000 ha**

In operation

Food crops, Tourism

2. Santa Rosa, **235 921 ha**

In operation

Food crops, Livestock

3. Joaquín V. González, **230 000 ha**

In operation

Food crops

4. General Güemes, **182 700 ha**

In operation

Food crops

5. Joaquín V. González, **132 000 ha**

In operation

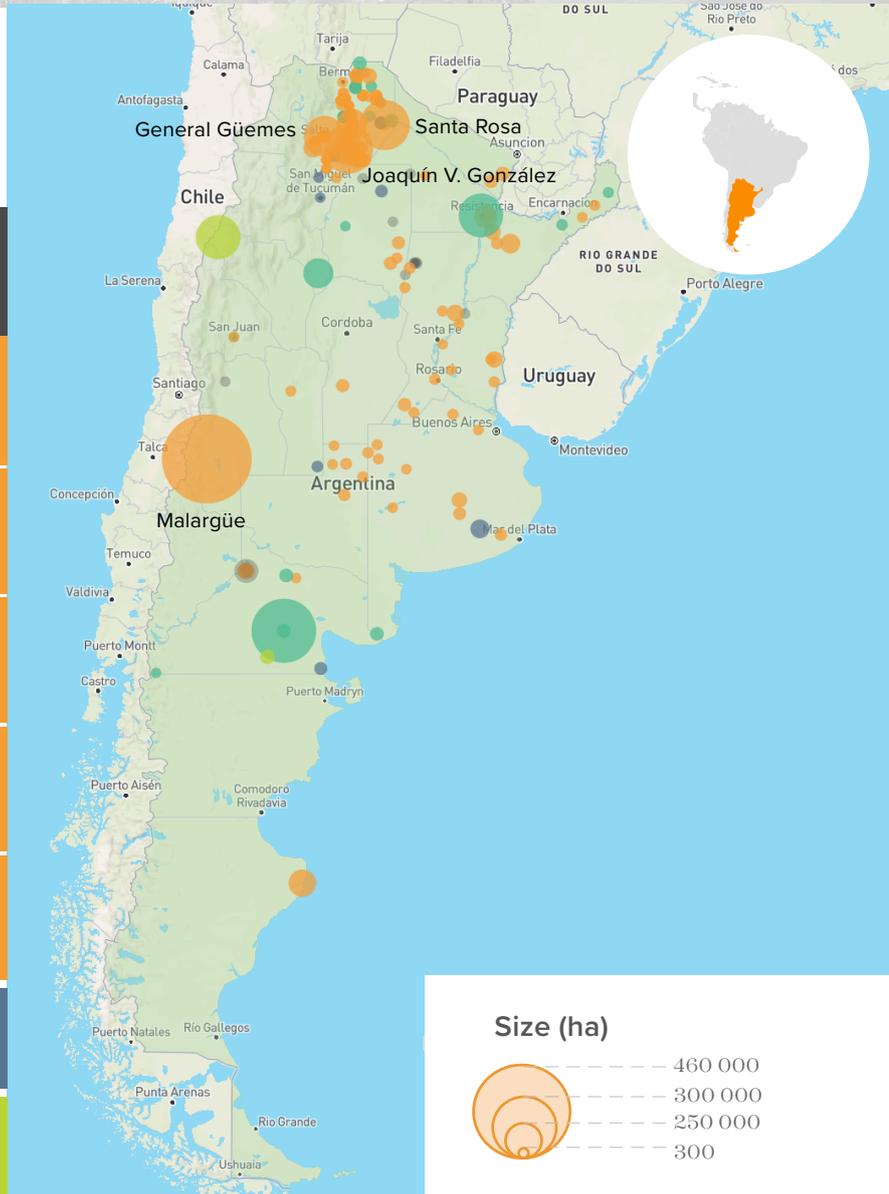
Food crops, Livestock

Project not started

Start-up phase

In operation

Project abandoned



Argentina investment profile

Total number of concluded deals

224

Total size of concluded deals

3 723 069 ha

Implementation status

In operation

2 985 585 ha

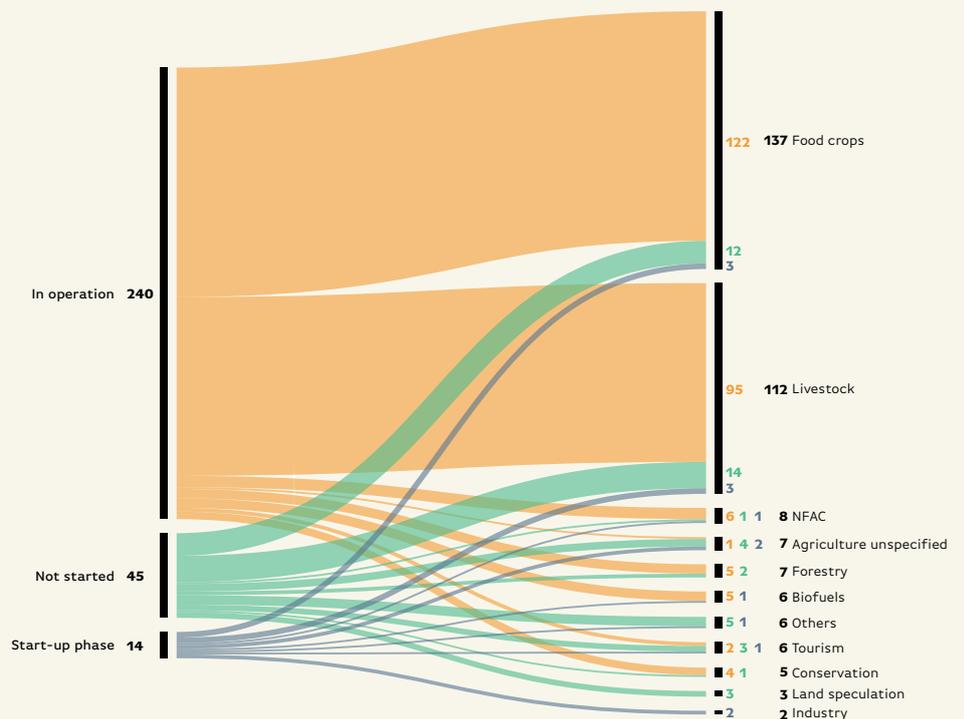
Project not started

610 601 ha

Start-up phase (no production)

126 883 ha

Intention of investment for concluded deals*



* This figure lists the intention of investments per negotiation status. Please note, a deal may have more than one intention. In Argentina, there are 299 intentions for 224 concluded deals.

INTRODUCTION

Argentina is one of Latin America's main target countries for land investments, with 224 concluded deals recorded in the Land Matrix database to date, covering 3 723 069 ha.¹⁰ This area represents 1.3% of the country's entire territory and 2.5% of all its agricultural land, which is estimated to be more than 50% of the total land area.¹¹ Tracking LSLAs from 2000 to 2019, despite the lack of consistent growth in the number or size of these deals over time, clear peaks were observed in 2007 and 2011 in particular.

The land rush in 2007 was most likely a result of the Forest Law, which was still being discussed in Congress at that

LSLAs by negotiation status

	Number of deals	Size under contract (hectares)
CONCLUDED		
Contract signed	223	3 722 069
Oral agreement	1	1 000
Total	224	3 723 069
INTENDED		
Expression of interest	0	0
Under negotiation	0	0
Total	0	0
FAILED		
Negotiations failed	2	24 648
Contract cancelled	2	520 000
Total	4	544 648

of Salta after a systematic data collection campaign. These figures suggest that the phenomenon of LSLAs may be grossly underestimated in other parts of the country, and even in the rest of LAC.

INVESTORS AND INVESTOR COUNTRIES

As in other Latin American countries, domestic investors play a significant role in Argentina, where they are involved in almost two-thirds (64.9%) of all concluded deals, followed by foreign investors from the USA (11.3%), Qatar (4.3%), the UK (2.5%), and the Netherlands (2.1%), among other countries (which collectively amount to 14.9% of deals). With regard to area under contract, however, the share of Argentinian investors goes down to 45.1%, with investors from the USA, Malaysia, China, and Saudi Arabia gaining relevance with fewer deals but large contract size.

It is interesting to note that the average area under contract varies significantly for different countries. Argentinian investors, for instance, acquired on average around 12 000 ha per deal with 183 deals in total. Meanwhile, investors from other countries such as Australia, Spain, China, Saudi Arabia, and Malaysia targeted much fewer deals, but ranging from three to more than thirty times larger in size. It is important to highlight though that some of these figures need to be interpreted with caution and on a case-by-case basis, since international investors often seek local partners before embarking on a potentially risky LSLA. In any case, the fact that domestic investors predominate

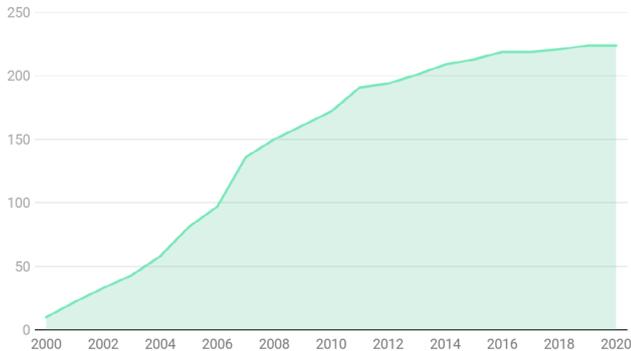
time. The peak in the number of deals observed in 2011, however, seems more in line with trends observed in other countries, likely driven by a rise in the global prices of some agricultural commodities.

LSLAs in Argentina currently represent 29.6% of all land deals in the LAC region, and 6.8% of land deals globally. Almost half (46.4%) of the total area covered by LSLAs in the country is currently in operation, compared to 63.8% in LAC and only 20.4% in the world as a whole. It is worth noticing that 54.0% of the deals in Argentina, representing 43.9% of all the area involved, were identified in the Chaco region of the Northern Province

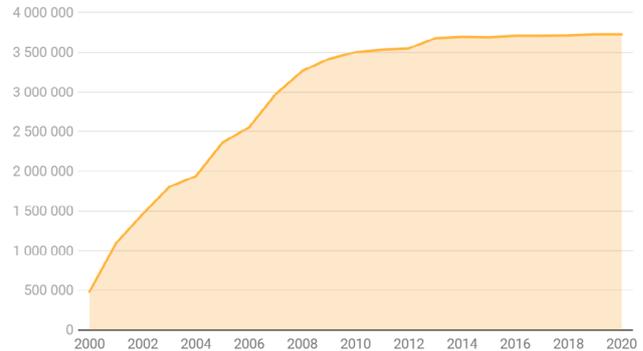


Concluded deals over time (2000 - 2019)

Cumulative number of deals



Cumulative size under contract

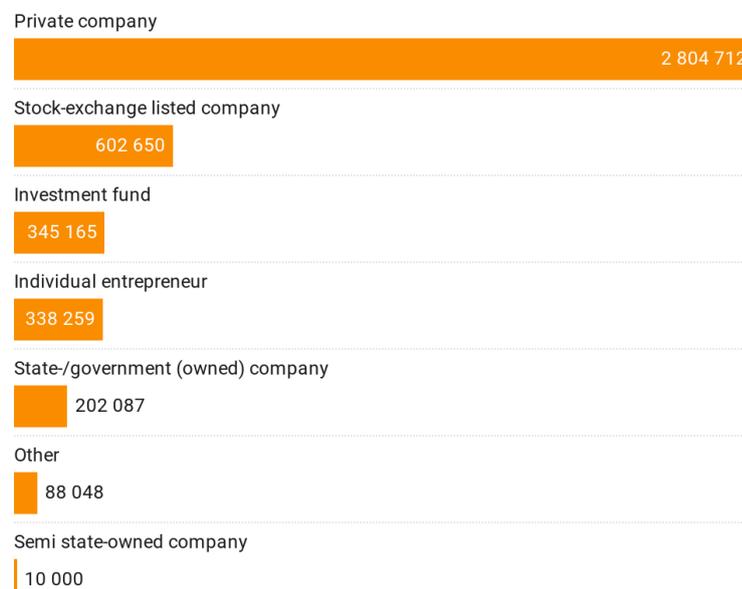


Note: This graph shows changes in size under contract, including for abandoned deals with contracts still in place. Thus, the number of deals can remain the same even if the size increases/decreases.

in the national land market does have important economic and political implications and should not be overlooked when analysing land issues, not only in this country, but also elsewhere in LAC.

Private companies are the most common type of investor, both in terms of the current size under contract (63.9% of the area) and the total number of deals (59.7% of the deals). Stock-exchange listed companies and investment funds come second and third relating to area (13.7% and 7.9%, respectively). With regard to number of deals, individual entrepreneurs are in second place with 16.2% of the deals, but only 7.7% of the total area under contract. Semi state-owned companies, fully state-owned companies, and a few other types of investors share the remaining land market in Argentina.

Deals by investor type (in hectares)



Domestic and transnational investors may or may not be affected by the same variables or guided by the same motivations when deciding on a land investment. Further research is therefore needed on the different drivers and motivations behind LSLAs in order to better describe and understand the diversity of private and public actors currently playing a role in land investments in the region. International investors seem to be more careful when it comes to conflict avoidance than domestic ones. In fact, preliminary results from the Chaco region of the province of Salta suggest that more than 80% of the conflicts associated with LSLAs are related to domestic investors.



While deforestation and land use change for production purposes is not something that happens overnight after a piece of land is acquired – in fact, there could be a significant amount of time between purchase and these activities – it is safe to say that most, if not all, the land bought with investment intentions other than conservation or sustainable forest management will, sooner or later, be submitted to a certain degree of land use change that can generate or intensify social and environmental conflicts (Messerli et al., 2014¹²; Seghezze et al., 2017¹³).

Foreign investor countries

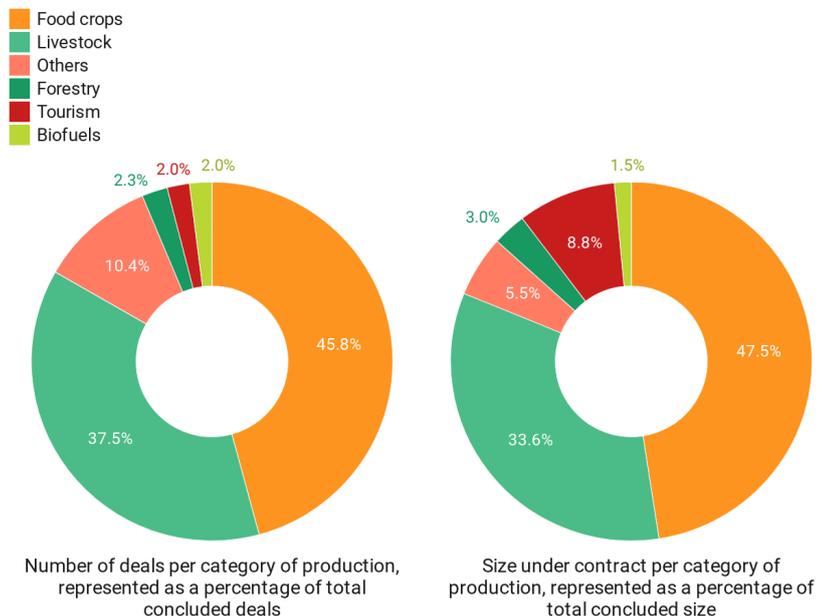


DRIVERS AND AIMS OF PRODUCTION

Most land deals in Argentina are intended for food crops (soybean, corn, and wheat, among others) and livestock, accounting for 45.8% and 37.5% of all investment intentions, respectively. These two categories of production alone represent more than 80% of all the area under contract in the country. Tourism, forestry, biofuels, and other categories represent 8.8%, 3.0%, 1.5%, and 5.5% of the remaining area under contract, respectively.

It is important to note that, as a deal may have more than one intention, the total number of intentions is usually larger than the total number of deals. In Argentina, for example, 299 investment intentions were

Land acquisitions by category of production



reported for the 224 concluded deals recorded. Since aggregation of size is difficult when more than one intention is listed for a particular deal, the size under contract is equally divided by the number of different intentions listed. By adopting this criterion, the total area covered by all intentions will always be equal to the total area under contract (3 723 069 ha in the case of Argentina). However, the area for monocultures such as soybean will probably be underestimated as a whole because they are often the main intention of LSLAs. Besides, rotation between summer and winter crops on the same parcel of land is a recommended practice in Argentina, in addition to cattle usually roaming free, at least for some time, in fallow land. In these cases, the whole area of a deal might be used for two or even three investment intentions. Underestimation of the area covered by some monocultures is not a neutral decision, and could misleadingly suggest that these monocultures, and their potential social and environmental impacts, are less widespread than they really are. An alternative criterion would be to assign the whole size under contract to all intentions. In this case, the total area under contract would clearly be overestimated, as demonstrated by the hypothetical area this would come to in Argentina (5 610 852 ha), which would mean an overestimation of 50.7% of the total area under contract. Yet, as discussed above, this overestimation may be closer to the reality on the ground in some cases.

Information about the destination of the products or export countries is scarce, since only 23 deals explicitly report export as one of the main goals of the land acquisition. Only China, India, Japan, Saudi Arabia, Spain, and the Netherlands are specifically mentioned in some deals, but it is known that neighbouring countries and members of regional trade alliances also purchase Argentinian agricultural products.

FIND OUT MORE ABOUT LAND DEALS IN LATIN AMERICA

We are continuously updating our data about land investments in Latin America. To find out more about which countries we cover, our data collection and verification process, and how you can add your contributions, please browse our frequently asked questions at www.landmatrix.org/faq and visit our regional page at <https://landmatrix.org/region/latin-america/> or the Spanish-language website at www.landmatrix-lac.org.

This country profile was prepared by the Latin America Regional Focal Point, hosted by the [Foundation for Development in Justice and Peace \(FUNDAPAZ\)](http://www.fundapaz.org), based in Argentina.

ENDNOTES

- ¹ Seghezzo, L., Volante, J.N., Paruelo, J.M., Somma, D.J., Buliubasich, E.C., Rodríguez, H.E., Gagnon, S., and Hufty, M. (2011). Native forests and agriculture in Salta (Argentina) conflicting visions of development. *The Journal of Environment & Development* **20**(3), 251-277.
- ² Aguiar, S., Mastrangelo, M.E., Collazo, M.A., Camba Sans, G.H., Mosso, C.E., Ciuffoli, L., Schmidt, M., Vallejos, M., Langbehn, L., Cáceres, D., Merlinsky, G., Paruelo, J.M., Seghezzo, L., Staiano, L., Texeira, M., Volante, J.N., and Verón, S. (2018). ¿Cuál es la situación de la Ley de Bosques en la Región Chaqueña a diez años de su sanción? Revisando su pasado para discutir su futuro [What is the status of the Forest Law in the Chaco Region ten years after its enactment? Reviewing its past to discuss its future]. *Ecología Austral* **28**(2), 400-417. In Spanish.
- ³ Volante, J.N. and Seghezzo, L. (2018). Can't see the forest for the trees: can declining deforestation trends in the Argentinian Chaco region be ascribed to efficient law enforcement? *Ecological Economics* **146**, 408-413
- ⁴ In this report, unless indicated otherwise, the subset of 224 concluded deals that are equal to or larger than 200 ha is represented.
- ⁵ Database downloaded on 28 August 2020.
- ⁶ Source: <https://data.worldbank.org/indicator/AG.LND.AGRI.ZS?locations=AR> (Last accessed 13 November 2020).
- ⁷ Newspaper "Página 12", Buenos Aires, 15 February 2016. Last accessed 23 November 2020.
- ⁸ Newspaper "La Nación", Buenos Aires, 16 October 2014. Last accessed 23 November 2020.
- ⁹ See <https://www.mocase.org.ar/noticias/sabor-amargo-denuncia-contra-la-empresa-manaos> (Last accessed 23 November 2020).
- ¹⁰ See <http://lanan.com.ar/mocase-manaos/> (Last accessed 23 November 2020).
- ¹¹ See <https://www.greenpeace.org/argentina/story/issues/bosques/greenpeace-repudia-la-detencion-de-un-integrante-del-movimiento-campesino-de-santiago-del-estero-mocase/> (Last accessed 23 November 2020).
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¹ INENCO (Instituto de Investigaciones en Energía No Convencional). CONICET (Consejo Nacional de Investigaciones Científicas y Técnicas) - UNSa (Universidad Nacional de Salta), Argentina

² Land Matrix - Latin America Focal Point

³ Land Matrix Ph.D. Programme

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