



LARGE SCALE LAND ACQUISITIONS PROFILE

ARGENTINA

This report describes the situation in Argentina with respect to large-scale land acquisitions (LSLA) uploaded to the Land Matrix. This analysis was based on 48 land deals in which international investors were involved out of a total of 88 deals currently in the database (the other 40 deals involve domestic investors). LSLA are transactions that:

- entail a transfer of rights to use, control or own land through sale, lease or concession;
 - cover 200 hectares (ha) or more;
 - have been concluded since the year 2000;
 - are affected by a change of use (often from extensive agriculture or natural ecosystems to commercial use); and
 - include deals for agriculture, forestry, livestock and other activities (tourism, conservation and industry), mining operations are excluded;
- the objective of this country profile is to present LSLA data to an increasing number of national actors and regional stakeholders, stimulating more engagement and cooperation while facilitating the continuous improvement of the data. Data used in this country profile were downloaded on October 12th, 2016¹.

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¹ Land Matrix Argentina deals database: [click here](#)

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Table 1: Key socio-economic and institutional indicators.

BASIC SOCIO-ECONOMIC CHARACTERISTICS	
Population (million 2015) ²	43.4
Total land ('000 hectares) ³	273 669
Total agricultural land ('000 hectares) ⁴	149 199
Total agricultural land (as a % of total land) (ha) ⁵	54.5
Total arable land with irrigation potential ('000 ha) ⁶	1 355
Contribution of agriculture to GDP (2015, %) ⁷	6.01
Food imports (% of merchandise imports, 2015) ⁸	3
Food exports (% of merchandise exports, 2015) ⁹	62
INSTITUTIONAL VARIABLES	
Political stability rank (-2.5 to 2.5) ¹⁰	0.08
Voice accountability rank (-2.5 to 2.5) ¹¹	0.29
Government effectiveness rank (-2.5 to 2.5) ¹²	-0.18
Control of corruption rank (0 to 100) ¹³	32
Investor protection rank (0 to 189) ¹⁴	121

² <http://data.worldbank.org/country/argentina?view=chart>

³ <http://data.worldbank.org/indicator/AG.LND.TOTL.K2?locations=AR>

⁴ <http://data.worldbank.org/indicator/AG.LND.AGRI.K2?locations=AR>

⁵ <http://data.worldbank.org/indicator/AG.LND.AGRI.ZS?locations=AR>

⁶ http://www.fao.org/nr/water/aquastat/countries_regions/arg/indexesp.stm

⁷ <http://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=AR&view=chart>

⁸ <http://data.worldbank.org/indicator/TM.VAL.FOOD.ZS.UN?locations=AR>

⁹ <http://data.worldbank.org/indicator/TX.VAL.FOOD.ZS.UN?locations=AR>

¹⁰ http://www.theglobaleconomy.com/Argentina/wb_political_stability/

¹¹ http://www.theglobaleconomy.com/Argentina/wb_voice_accountability/

¹² http://www.theglobaleconomy.com/Argentina/wb_government_effectiveness/

¹³ http://www.theglobaleconomy.com/Argentina/wb_corruption/

¹⁴ <http://espanol.doingbusiness.org/data/exploreconomies/argentina/>

CONCLUDED AGRICULTURAL LAND DEALS IN ARGENTINA



■ Startup phase (no production)
 ■ In operation (production)
 ■ Project not started
 ■ No information
 ■ Project abandoned

Figure 1: Spatial representation of concluded deals according to investment location.



OVERVIEW OF LARGE-SCALE LAND ACQUISITIONS

Table 2: Dynamics of international large-scale land acquisitions according to negotiation status.

	NUMBER OF DEALS	SIZE UNDER CONTRACT (HA)
Concluded (contract signed)	46	1 581 516
Concluded (oral agreement)	1	1000
Concluded	47	1 582 516
Intended (expression of interest)	0	n.a.
Intended (under negotiation)	0	n.a.
Intended	0	n.a.
Failed (negotiations failed)	0	n.a.
Failed (contract cancelled)	1	320 000
Failed	1	320 000

- More than 1.5 million ha are under contract, representing around 1% of the total arable land in Argentina.
- An overwhelming majority of the deals (98%) have been concluded and only 2% have failed.

Table 3: Number of concluded deals according to contract size (hectares).

SIZE UNDER CONTRACT (HA)	FREQUENCY
<1 500	4
1 500 — 5 000	11
5 001 — 10 000	5
10 001 — 30 000	15
30 001 — 50 000	6
50 001 — 100 000	2
>100 000	4
TOTAL	47

- 9% of the deals in Argentina are the so-called “mega deals” (greater than 100 000 ha).
- 74% of the deals have an area under contract equal or smaller than 30 000 ha.

Table 4: Nature of the deal (concluded deals).

NATURE OF THE DEAL	NUMBER OF DEALS
Lease / Concession	3
Outright Purchase	41
Exploitation License	1
Outright Purchase and Lease / Concession	2
No Information	0
TOTAL	47

- 87% of concluded deals are outright purchases and only 6% under lease/concession.
- There is no information on the duration of leases and concessions.

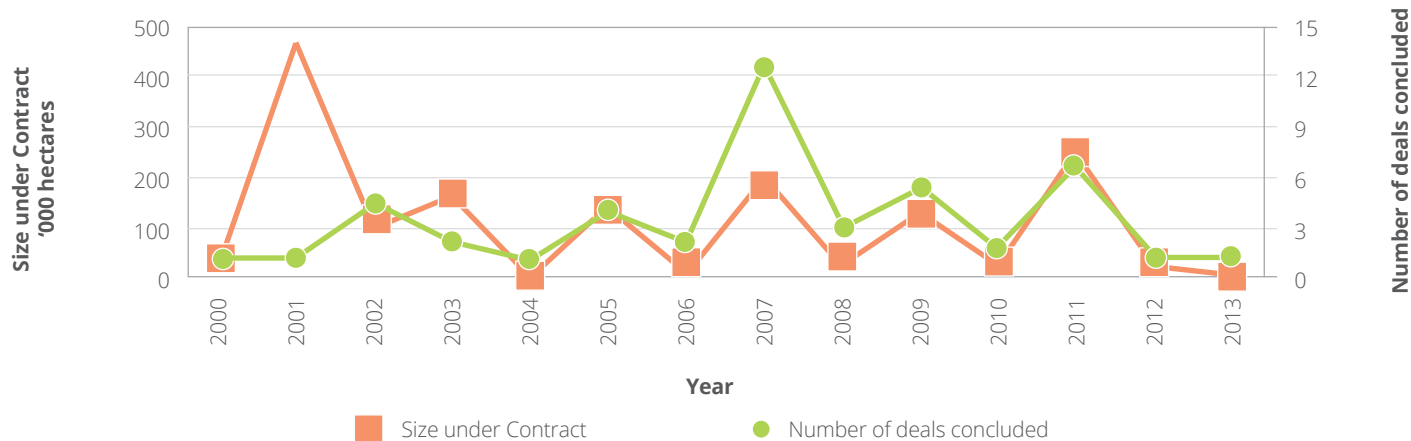
Table 5: Concluded deals according to implementation status.

IMPLEMENTATION STATUS	NUMBER OF CONCLUDED DEALS	SIZE UNDER CONTRACT (HA)	AVERAGE SIZE UNDER CONTRACT (HA)	CURRENT SIZE UNDER PRODUCTION (HA)	AVERAGE SIZE UNDER PRODUCTION (HA)
Project not started	3	338 153	112 718	n.a	n.a
Start-up phase	6	98 959	16 493	n.a	n.a
In operation	36	1 103 404	30 650	890 580	24 738
Project abandoned	0	n.a	n.a	n.a	n.a
No information	2	42 000	21 000	n.a	n.a
TOTAL	47	1 582 516	33 670	890 580	24 738

Note: n.a.: not available.

- Majority of the projects (77%) are in operation, 13% are in start-up phase, and 6% have not yet started.
- Average size of projects not started is considerably larger than projects that have started activities.
- Large share of contract size is under production (more than 80%).

Figure 2: Land acquisitions by category of production, according to implementation status.



- Land acquisitions in Argentina have been relatively steady, with sporadic peaks in 2002 (5 deals), 2007 (13 deals) and 2011 (7 deals).
- Contract size follows the same trend as number of deals, except in 2001 where 1 deal covered a total area of 468 000 ha, which is larger than any of the preceding years.
- All concluded deals identified since 2013 involve only national investors (data not shown).



INVESTORS AND INVESTOR COUNTRIES

Table 6: International investor countries (concluded deals).

INVESTOR COUNTRIES	SIZE UNDER CONTRACT (HA)	NUMBER OF DEALS CONCLUDED
United States of America	591 327	25
Qatar	198 087	12
Netherlands	11 860	5
Luxembourg	36 168	4
China	22 085	4
United Kingdom of Great Britain	28 085	4
France	30 866	3
Bermuda	9 085	3
Switzerland	9 085	3
Saudi Arabia	235 306	2
Spain	91 705	2
Singapore	47 000	2
Malaysia	468 000	1
Belgium	21 853	1
Uruguay	14 516	1
Japan	11 000	1

Note: When investors from two or more countries are involved, the area of the deal is assigned to all investors.

- There are 16 investing countries in Argentina.
- The United States of America is the major investor in Argentina; it has 25 deals covering an area of 591 327 ha.
- Regional investors play a very small role with only 1 investment from Uruguay.
- Malaysia and Saudi Arabian investors are engaged in very large deals

Table 7: Dynamics of deals by investor type.

INVESTOR TYPE	SIZE UNDER CONTRACT (HA)	NUMBER OF DEALS CONCLUDED
Private company	1 130 926	25
Investment fund	304 038	19
Stock exchange listed company	113 474	8
Individual entrepreneur	67 516	3
Other	88 048	2
State-/government (-owned)	4 000	1

Note: When investors from two or more countries are involved, the area of the deal is assigned to all investors.

- Private companies represent 66% of the land investments in Argentina.
- Investment funds are involved in 17% of the total land investments.
- Private companies tend to strike larger deals than the rest of the investors.

Table 8: Involvement of domestic partners.

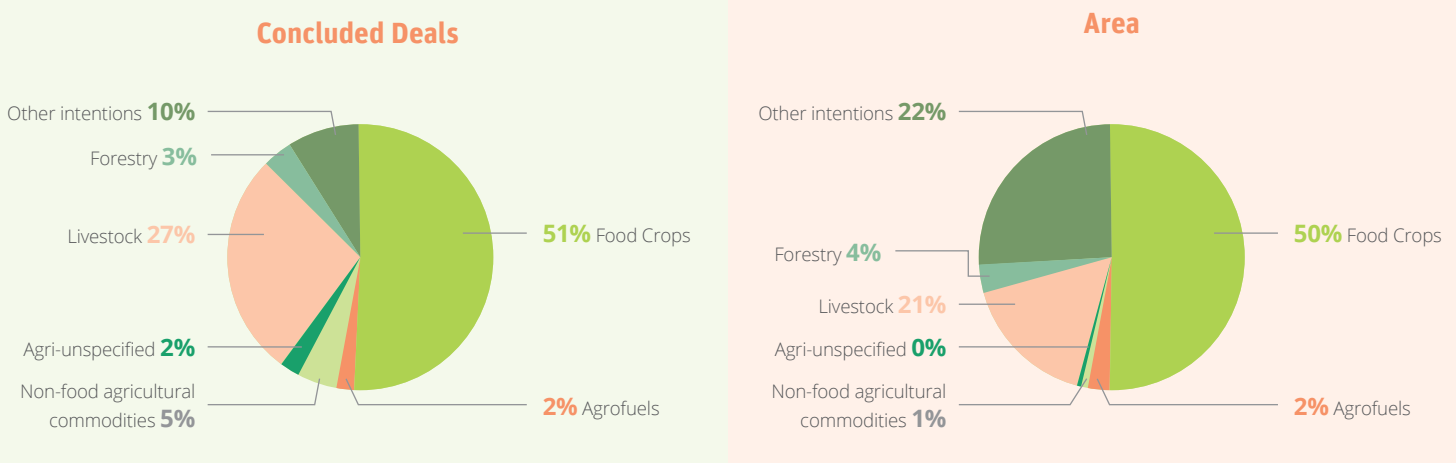
	INTERNATIONAL INVESTORS WITHOUT DOMESTIC PARTNER	INTERNATIONAL INVESTORS WITH DOMESTIC PARTNERS	TOTAL	% OF SIZE AND DEALS RELATING TO INVESTORS WITH DOMESTIC PARTNERS
Size under contract (ha)	1 516 115	66 401	1 582 516	4.2
Deals under contract	41	6	47	12.8

- The vast majority of investments in terms of size (95.8%) involve international investors without domestic partners.
- International investments with domestic partners represent only 12.8% of all deals under contract and 4.2% of size.



AIM OF INVESTMENT

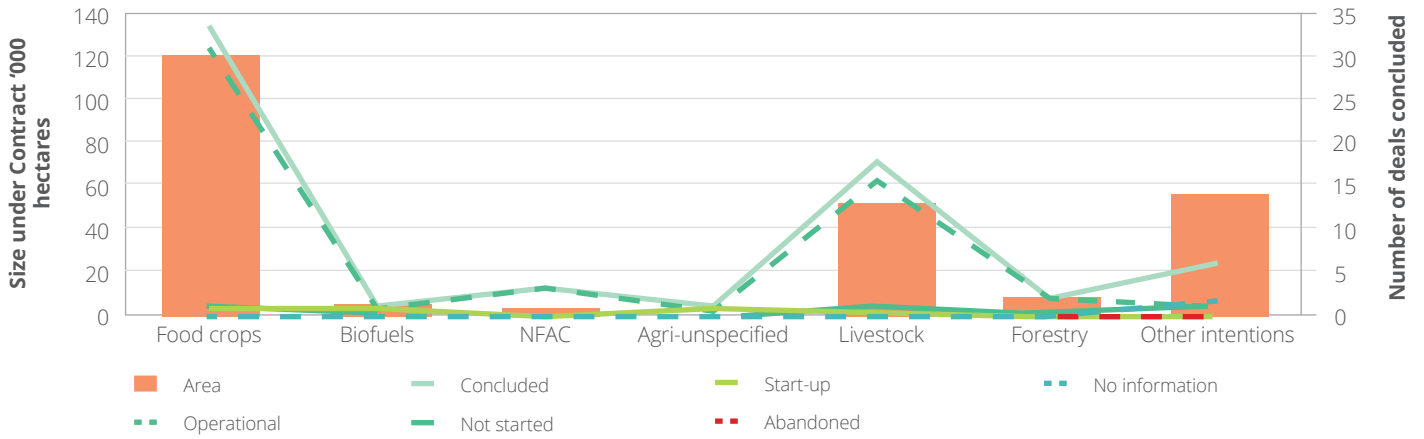
Figure 3: Aim of investment.



Note: Other intentions include tourism, conservation, and industry.

- Food crops involve 51% of the deals and cover exactly half of the area under contract (main food crop: soybean).
- Food crops are followed by livestock (27% of the deals, 21% of the area) and other intentions (10% of the deals, 22% of the area).

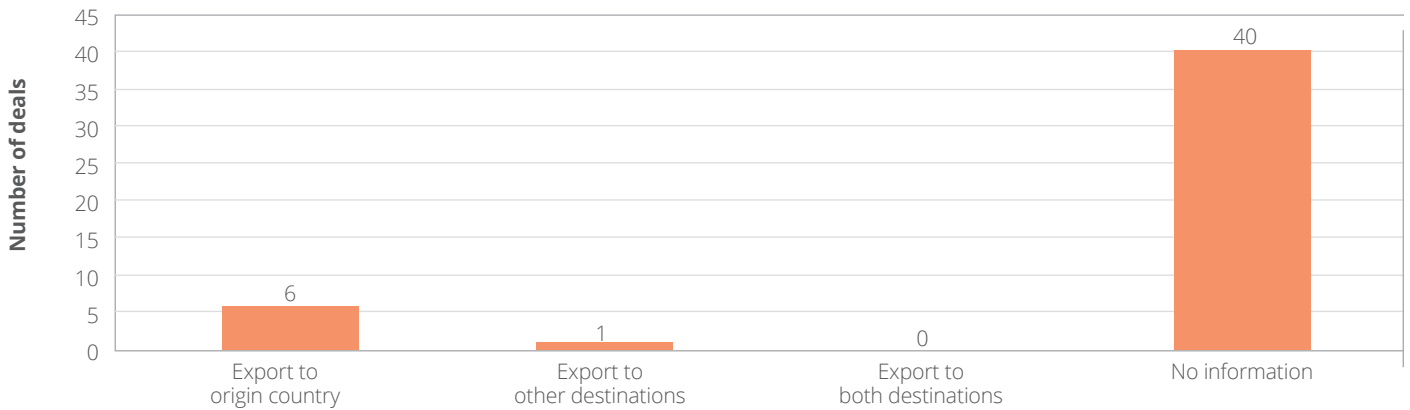
Figure 4: Land acquisitions by category of production, according to implementation status.



- Concluded deals are almost all put into operation and most of them are devoted to the production of food crops.

Note: Individual deals may include up to three different intentions. The Land Matrix does not provide information on the area for each intention. We hence divided the area of each deal into equal shares for each intention. We counted the number of times an intention is mentioned. The 47 deals attributed to the top investor countries represent 62 intentions. Note 2: Other intentions include tourism, conservation, industry and forestry (wood and fibre). NFAC: Non-food agricultural commodities.

Figure 5: Destination for projects exporting production for concluded deals.

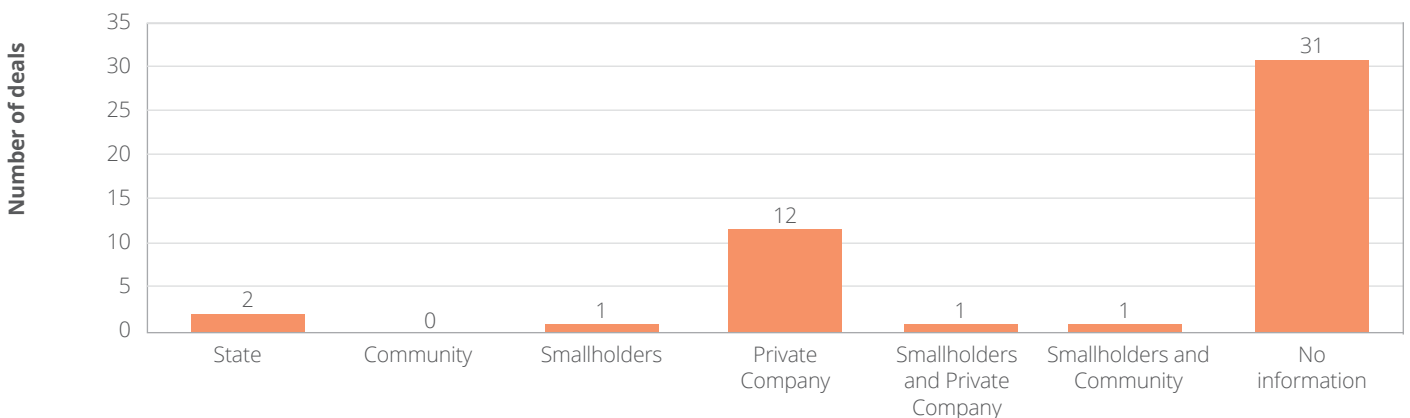


- The land matrix does not have this information on the majority of the deals; however there are 6 projects: which production is exported to the investor country, whereas for 1 other project the production is exported to countries other than the investor country.



FORMER LAND USE, TENURE AND OWNERS

Figure 6: Former legal land owner (47 deals).



- There is limited information on the former legal land owners in Argentina for the majority of deals on the Land Matrix.
- However information available shows that 12 deals were owned by private companies (25%) and 2 deals by the state (4%).



Table 9: Former land use for concluded deals.

FORMER USE	SIZE UNDER CONTRACT (HA)	DEALS UNDER CONTRACT
Commercial (large-scale) agriculture	56 422	3
Pastoralists	75 000	2
Smallholder agriculture	602 925	4
Conservation	88 048	2
Forestry	13 080	1
No Information	747 041	35
Total	1 582 516	47

- Data of the Land Matrix show that former land use is mainly dominated by small-holder agriculture and pastoralists.
- However, there is limited information on the former land use for 35 deals.



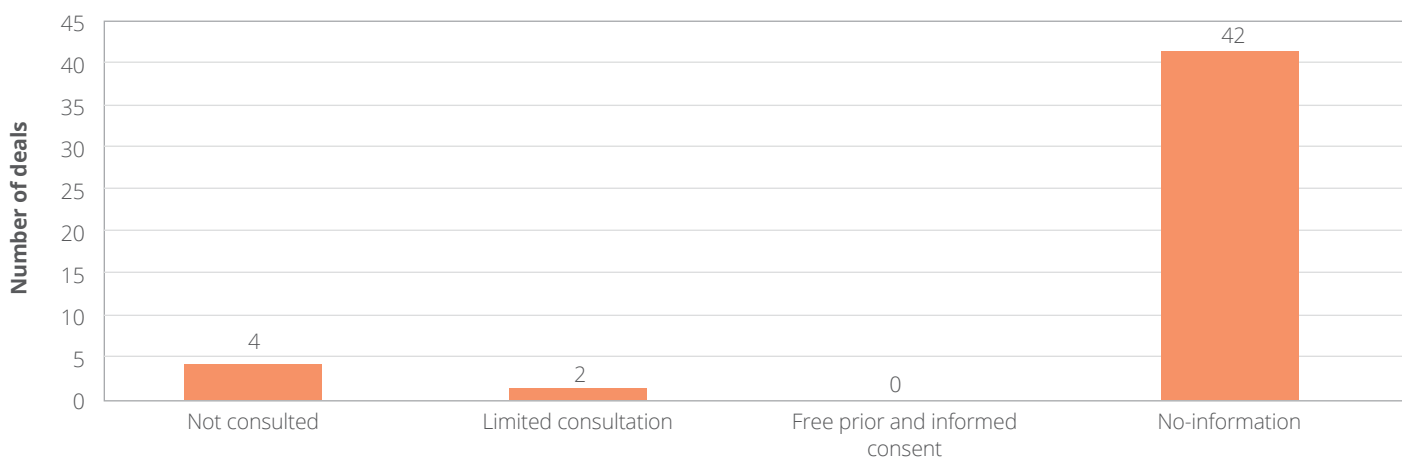
PROCESSES: HOW LAND DEALS ARE IMPLEMENTED

Table 10: Community reaction.

Community reaction	CONCLUDED DEALS		FAILED DEALS	
	Number of deals	Size (ha)	Number of deals	Size (ha)
Consent	0	0	0	0
Mixed Reaction	4	487 818	1	320 000
Rejection	6	418 348	0	0
No Information	37	676 350	0	0

- Community reaction to land acquisition is characterized by rejections and mixed feelings.
- However, here again, there is limited information on community reaction for 37 deals.

Figure 7: Involvement of the community in concluded and failed deals (48 deals).



- There is limited data on community involvement in deal conclusion.
- Land Matrix has information on 4 deals whereby communities were not consulted and 2 deals with limited consultation.
- Information about compensation received by local people, if applicable, is absent for all deals.



POTENTIAL BENEFITS AND IMPACTS

- The information referring to contract farming only has 2 concluded deals (with data on the lease) of which it they involve an area of 20 365 hectares.
- One concluded deal reported additional domestic

benefits, such as improved education or construction of new infrastructure.

- Also one deal reported domestic job creation (180 current employees). All other deals fail to inform on this topic.

DATA FIELDS WHICH WERE NOT INCLUDED IN THIS COUNTRY PROFILE DUE TO A LACK OF DATA

Please help us enhance the data, by contributing to the following fields:

- In-country processing activities
- Water usage
- Former legal land owner
- Number of projects with reported evictions
- Involvement of the community in pre-contract negotiations
- Compensation received by communities
- Reported and actual community benefits
- Foreign and domestic employment (planned and actual)
- Duration of leases and concessions
- Destination for projects exporting production
- Potential benefits and impacts

WE HAVE SOME INFORMATION ON SOME OF THESE ITEMS, BUT IMPROVEMENTS AND ADDITIONS WOULD BE WELCOME

CONTRIBUTE!

The purpose of the Country Profile brief is to enhance data and data quality. Please help us to achieve this by directly contributing to www.landmatrix.org



HOW TO CONTRIBUTE

If you would like to comment, contribute to the data or obtain additional information,

- Contact the Land Matrix directly on <http://www.landmatrix.org/en/get-involved/>
- Add comments on existing land deals: www.landmatrix.org
- Contact the Latin America Focal Point: landmatrix.lafp@gmail.com

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