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FOOD

African Land Fertile Ground For Crops And Investors

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DAN CHARLES

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Transcript



Rei do Agro cleared trees from this land over the past 18 months. It previously looked like the land on the right.

*Belchion Lucas for NPR**

Second of a two-part story. Read Part 1

In some countries of Africa, there's a land rush under way as investors claim farmland, establish mega-farms and try to cash in on high prices for food and biofuels. These deals are controversial. Critics accuse investors of dispossessing subsistence farmers.

But there's another side to this story. There are plenty of people working in economic development who believe that this surge of interest in African farmland, if it's handled well, could also be an opportunity for Africa.



Putting bags of soybeans into makeshift storage at the farm called Rei do Agro. The farm's steel grain bins are still under construction.

Belchion Lucas for NPR

Investors certainly think so. Among them is Jes Tarp, CEO of a company called Aslan Global Management. A native of Denmark and former pastor, Tarp now lives in Wisconsin and runs a company that owns tens of thousands of acres of farmland in Ukraine and Africa.

The money for these ventures comes from small investors: "There are farmers, there are doctors, there are insurance agents. People from all walks of life," Tarp says.

Tarp tells these investors that they will do well. The farms in Ukraine are already profitable. And Tarp thinks the one in Africa eventually will yield "solid returns" of 15 to 20 percent each year.

But according to Tarp, his investors also want to do some good in the world. "The one thing that they have in common is, they are looking for an investment where their investment will make a difference," he says.

Some of their money is transforming a remote corner of Mozambique, in southern Africa. It's financing a farm called Rei do Agro, Portuguese for "King of Agriculture."

Trying To Be A Model Corporate Neighbor

Chishamiso Mawoyo, who is in charge of this operation, takes me to the top of a rocky hill for a good view. He points to the right, to land covered by a green canopy of trees. That's how this whole area looked two years ago, he says.

Only a handful of people were living on this land, or growing crops here, before Rei do Agro showed up two years ago. Mawoyo says that's how the company wanted it. "We think it's easier dealing with trees than with people," he says.



Chishamiso Mawoyo, who grew up in Zimbabwe, is chief operating officer of Aslan Group Africa. Belchion Lucas for NPR

And that's probably the main reason why people I met in the closest village had no problem with Rei do Agro moving in here — in contrast to their anger at another farm nearby, operated by the Portuguese company Quifel Natural Resources, which took over some of the best land.

But there's a cost to pushing the frontier. Clearing land is hard and expensive. Rei do Agro acquired 3,000 acres from the government almost two years ago, and so far, the company has managed to clear just 600 acres.

Also, the farm is 10 miles from any power lines. Mawoyo and his colleagues have to run a diesel generator almost nonstop to power their lights and computers.

It's a long way from his former life in the comfortable office of a big accounting firm in Zimbabwe. "But once you've gotten in, there's no way out. You've got to see it through," Mawoyo says. "That's part of the excitement, part of the exhilaration."

The company wants to get even bigger. It's hoping to acquire an additionanl 25,000 acres, which includes a small river that it could tap to irrigate some of its fields.

This farm is growing soybeans, which will go to feed chickens. One of the biggest chicken farmers in Mozambique, hundreds of miles south, is waiting to buy some of the harvest.

"[The chicken farmer will] send 15 of his trucks. In two weeks they'll be here. Because he's got a huge demand for soybeans," says Mawoyo.

It's a sign of Mozambique's economic growth. People are earning a little more money, so they're eating more chicken meat, and that means more demand for soybeans to fatten those chickens.

That upward curve of demand is the reason businesses are interested in commercial farming in Mozambique. It's the reason investors in Aslan Global Management and its subsidiary, Aslan Group Africa, expect to make money.

But what about their bigger ambition, to do some good with their money? Tarp, the CEO, is sure that they will. "We are there not to extract wealth from the community, but to build wealth in the community," he says.

Good For Companies, Good For Communities?

Whether that's really true — whether foreign investment in African farmland is a good thing for local communities — is currently the subject of intense debate. Is it better, for instance, than providing aid directly to the farmers in those communities, most of whom grow crops by hand, on just a few acres?

On one side of this debate is Jake Walters, director of Mozambique operations for Technoserve. a nonprofit economic development group.

Investors have to preserve resources to make the land produce more or to produce more valuable crops, Walters says. "I think it's the combination of technology and access to markets on a massive scale that these companies have, that really brings that rural area to life in a way that, bit by bit, small people having a little bit of access to capital would not be able to do," he says.

Big companies employ more people, Walters continues. And getting a job is often the one thing that most powerfully transforms a subsistence farmer's life for the better.



Rei do Agro is currently building its headquarters, machine shop and housing for its senior staff members, who currently live in thatched huts on-site.

Belchion Lucas for NPR

On the other side of this debate is Danielle Nierenberg, director of the Worldwatch Institute's Nourishing the Planet project. She's not enthusiastic about 10,000-acre mega-farms growing a single crop.

And, she says, there are better alternatives, that preserve greater diversity in the landscape and in what people eat. Small farmers really can lift themselves out of poverty with just a little training and help — for instance, with irrigation. She has seen it happen in villages in Ethiopia.

"These were people who went from basically living in huts to being able to build their own houses, to buying bicycles, to sending their children to school for the first time. So you see that these things can work," she says.

Yet Nierenberg and Walters don't completely disagree. They both say that it's doesn't have to be one or the other. You can help small farmers and encourage big ones. In fact, the hot new trend among development agencies is trying to bring these two kinds of farming closer together.

To illustrate how this might work, let's go back to Rei do Agro. That farm hopes to bring in electricity, better roads and water for irrigation.

Keeping Promises

This is often the case with commercial farms. They have to build essential infrastructure. Chris Isaac, the Mozambique-based director of business development for an agricultural development group called AgDevCo, says that once they have built that infrastructure, others can use it, too. "Around those farms, you can extend the infrastructure, including irrigation, to small farmers," he says.

Rei do Agro isn't that far along yet. But it is doing some things that don't cost so much money. It has hired a full-time extension manager to work with a handful of local farmers — providing seeds, training, and storage for their crops at harvest time, so they can get better prices later.

One of those farmers is Caterina Alberto. She's tall, dignified, and one of the most prosperous farmers in her village — although like everybody else here, she still has to carry her cooking water from a nearby stream. She and her husband grow crops on about 25 acres, which is a lot for this area.

"We'd like to have more land," she says. "Maybe 60 acres. We have some goals to reach."

In a way, her goals are also those of Mawoyo, the man in charge of Rei do Agro.

In another 20 years, "I would love to see 10 other farms like ours here, with a good cluster of emerging farmers within and around us," he says.

For now, though, that's just a dream. There's not even any guarantee that this one farm will survive. It's a few years, at least, away from making money.

But the company is doubling its bet on Africa, moving into the country of Tanzania, just north of here. Aslan Global Management recently got preliminary approval to buy 75,000 acres of farmland there.

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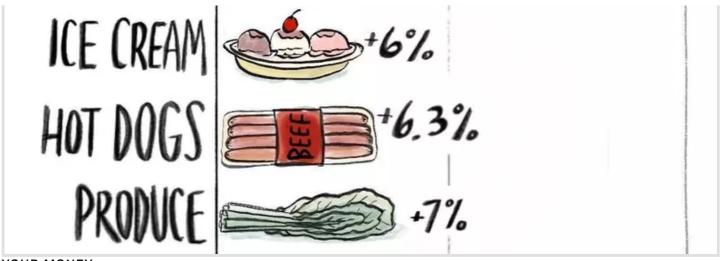


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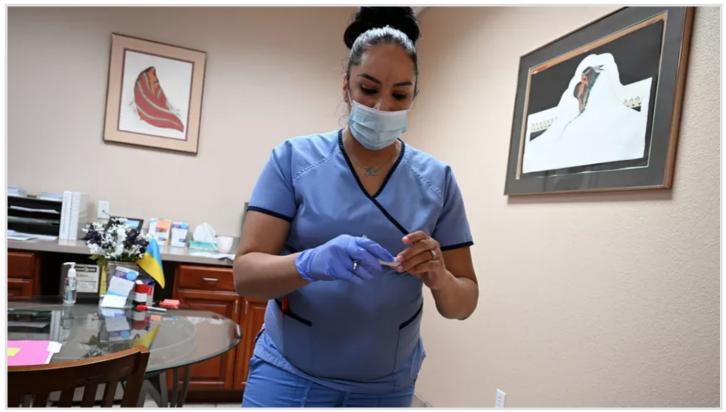


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