The global farmland grab in 2016: how big, how bad?

by GRAIN | 14 Jun 2016 Land

Eight years after releasing its first report on land grabbing, which put the issue on the international agenda, GRAIN publishes a new dataset documenting nearly 500 cases of land grabbing around the world.

In October 2008, GRAIN published a report called "Seized: the 2008 land grab for food and financial security". It exposed how a new wave of land grabbing was sweeping the planet in the name of addressing the global food and financial crises. "On one hand", we wrote, "'food insecure' governments that rely on imports to feed their people are snatching up vast areas of farmland abroad for their own offshore food production. On the other hand, food corporations and private investors, hungry for profits in the midst of the deepening financial crisis, see investment in foreign farmland as an important new source

- are for the production of food crops and
- involve large (> 500 hectares) areas of land.

Cause for hope: resistance is growing

New "hard-core" initiatives to expand industrial agriculture are appearing (Photo: Salena Tramel/Grassroots International)

The big picture view that we draw from this exercise is disturbing. First of all, the emerging new trend we wrote about in 2008 has continued and become worse. While most countries are not currently experiencing the extreme price hikes in basic foodstuffs that triggered riots from Haiti to Egypt back in 2008, prices remain stubbornly high and access to food is a daily struggle for most people.[3] Today, that situation is compounded by the mounting impacts of climate change. Harvest losses due to extreme weather have become so acute in places like the southern Philippines that farmers are in the streets begging for food and getting killed for it.[4] We now have even more evidence that climate change is caused not just by burning coal and oil for transport and energy, but by the industrial food system itself and the corporate quest for profits that drives its expansion. Indeed, climate change and land grabs are inextricably linked.

Some of the most egregious land deals we witnessed over the past several years have since backfired or failed for different reasons. In 2009, public outrage over the 1.3 million hectare Daewoo project in Madagascar helped bring down the government leading to the suspension of the deal. In 2011, the assassination of Libyan leader Mouamar Gaddafi put an end to his regime's 100,000-hectare rice project in Mali. Other large-scale deals have been scaled back. In Cameroon, for example, after much protest, the Herakles deal was slashed from 73,000 to 19,843 hectares. Some deals have morphed into less direct forms of land takeover. In Brazil and Argentina, for instance, Chinese companies facing concerns about foreigners grabbing land have tried to work out deals to secure the production from farms rather than purchasing the land themselves. Increasingly, such deals are being labelled “responsible investments”, but they are still, in many ways, land grabs.[5]

While some of the worst land grabs have been shelved or toned down, a number of new deals are appearing, many of which are “hard-core” initiatives to expand the frontiers of industrial agriculture. We say hard-core because these deals are large, long-term and determined to avoid the pitfalls that earlier deals ran into. Much of the Asian-led oil palm expansion in Africa, and the advance of pension funds and trade conglomerates to secure access to new farmlands, fall into this category.[6] Increasingly, gaining access to farmland is part of a broader corporate strategy to profit from carbon markets, mineral resources, water resources, seeds, soil and environmental services.

As land deals rise and fall, policymakers and corporate boards are hard at work trying to facilitate their success. Instead of the wild land rush of before, we now have multiple

peasant and indigenous leaders are routinely murdered. But this challenging, courageous work is crucial if we are to turn the tide of land grabbing and corporate-led agriculture and create a thriving global movement for food justice and food sovereignty.

What exactly does the data tell us?

Our first land grab dataset in 2008 exposed about 100 initiatives, launched by both governments and corporations, many of which were still in an exploratory phase at the time.[8] In 2012, we updated the dataset to reach 400 projects covering 35 million hectares.[9]

The 2016 dataset documents 491 large-scale land grabs taking place over the past decade. The deals cover over 30 million hectares of land in 78 countries. This means that the number of land deals is continuing to grow, but the growth has slowed since 2012. In particular, several of the largest "mega" projects have collapsed, resulting in a decline in the total number of hectares. The problem, however, is not going away.

As with our previous datasets, this is not an exhaustive list of land deals and, as such, is not representative of the full scale of land grabbing around the world. It draws mainly from the farmlandgrab.org website and accounts for only those deals that:

Below are the main conclusions we have gleaned from this new and improved dataset, though we also expect and encourage others to analyse the data for themselves.

Despite many failed deals, the problem is real

The shock of the early years of the global farmland grab has subsided. Gone are news reports of diplomats shuttling in from Gulf countries to sign deals for half a million hectares with poor, agriculture-based countries. Gone are many of the opportunistic businessmen peddling farmland investments in faraway countries to pension fund managers. Gone, too, are a number of companies that signed serious deals for tens or even hundreds of thousands of hectares, with ambitions to become top multinational agribusiness companies.

The Indian-owned Siva Group, for instance, amassed a farmland portfolio of nearly one million hectares for oil palm plantations in only a few years. The company is now facing bankruptcy proceedings in the Seychelles. In another example, Foras, the private sector arm of the Islamic Development Bank—which was on its way to acquiring 700,000 hectares of farmland across Africa for a massive rice project—has vanished. Even Karuturi, whose 300,000-hectare concession in Ethiopia made him a poster child of the new farm owners, now has nothing to show for it. His flower business in Kenya has been liquidated and his Ethiopian farms have been sitting idle for the past two years.

We culled 126 failed deals and placed them in a separate table. The large number of abandoned projects attests to the frenzy that erupted in 2008, much of which eventually backfired. Whether due to incompetence, hubris, inexperience or poor planning, their collapse helps to explain why the growth in farmland deals has slowed since 2012 and why the overall number of hectares has declined.

China, Japan and South Korea have also maintained official policies on overseas farming as part of their food security agendas. This mainly translates into support for their national corporations, which are not only acquiring lands overseas for farming but, just as importantly, securing control over trading routes to ship commodities back home and compete with the big Western multinationals on global markets. Africa remains a small, albeit important, part of food security-driven land grabbing, though these companies are currently focused on more accessible areas like Brazil and Australia.

Agribusiness expansion is the main objective

Plain old profit-driven agribusiness expansion is the dominant agenda (Photo: Protest in Côte d'Ivoire)

While the food security hype has died down, plain old profit-driven agribusiness expansion is now the dominant agenda. The new database provides a stark picture of this, with companies integrating their operations both vertically and horizontally. Food corporations like China's COFCO are expanding by getting more deeply engaged in farming itself. In addition, more companies are getting into agribusiness and more finance is flowing in. Geographically, plantations are expanding into new territories.

Oil palm plantations alone are responsible for a large portion of land grabs in the food and agriculture sector in the last few years. Much of this expansion is led by Asian conglomerates like Wilmar, Olam and Sime Darby, which are carving out massive chunks of territory in Africa, as well as Latin America, East Asia and the Pacific. Governments play a key role here. They are building infrastructure, revising regulations and entering into new "public-private partnerships" that facilitate private sector investment in agriculture, including farmland acquisitions. They are also signing new trade and investment agreements and aid packages aimed at facilitating the expansion of agribusiness.

The financial sector is a big player

Several of the early players from the financial sector have by now vanished, and others have fallen extremely short of their initial projections. The New York-based hedge fund Galtere is a good example. In 2010 it announced it was setting up a US$1 billion farmland fund. Galtere bought a couple of farms in Brazil and then dropped off the map.

But new players from the financial sector are popping up all the time. Most have their sights on profiting from the real heavy weights among institutional investors: pension funds. The last few years have seen a spectacular rise in farmland investments by pension funds.[12] In 2008, only a few pension funds were investing in farmland. By 2012, several

Communities and organisations on the ground are often the first to notice that companies acquiring farmland are not much interested in agriculture and appear to have been set up for entirely different purposes—such as money laundering, tax evasion or to con people out of their savings. For example, African Land Limited of the UK, which ran a scheme to sell farmland in Sierra Leone, was found guilty of misleading investors. Local farmers and pastoralists in Senegal have long suspected the company Senhuile of money laundering.[13] The Kenya Revenue Authority for years pursued Karuturi, one of the largest farmland investors in Ethiopia, for transfer pricing in its flower operations there.[14] Unsurprisingly, several farmland investors are found in the Panama Papers, such as Russian billionaire Rashid Sardarov who bought large tracts of land in Namibia.[15]

Proving the link between farmland investment and corruption or criminality is not easy, of course.[16] In Colombia, the government's own Court of Audits estimates that drug traffickers owned nearly half of the country's farmland.[17] In Romania, the courts have chased numerous investors for tax evasion and money laundering. More recently, several deals entered into by Dutch Rabobank in Romania were investigated for forgery and fraud. The French government even has its eyes on hot money coming into the country's wine industry. Seeing land grabbers put behind bars, however, is a rare occurrence.

With offshore and illicit finance so tightly connected to farmland investing, we are increasingly led to the conclusion that "due diligence" is a farce—it is easy to claim, but often proves hollow. In Cambodia, the Thai sugar giant Mitr Phol persistently boated about its standards of excellence, all the while being accused of illegally confiscating thousands of hectares from rural communities. In 2015, the company finally withdrew from its plantations and the EU and Cambodian governments are now trying to audit the concessions. In Peru, the Czech-led Plantaciones de Pucallpa—member of the Roundtable on Sustainable Soy, which requires due diligence of its members—was linked to massive deforestation and human rights abuses and finally ordered to cease operations.[18] Just in the past year, Rabobank and TIAA-CREF, perhaps the most esteemed and supposedly responsible farmland investors in the world, were exposed for land grabbing. Despite their lofty claims of due diligence, both Rabobank and TIAA-CREF were found to be buying lands from crooked businessmen known for using fraud and corruption to amass lands in Romania and Brazil, respectively.

Narrower geography

When drought hits, communities living next to large plantations see their access to water evaporate (Photo: New Mandala)

The geographic scope of foreign investment in farmland has narrowed in the new database. Only a few deals have gone forward in some of the major initial targets such as Mali

The global farmland grab remains as much about water as it is about land.[19] With a few exceptions, land deals in the database include access to water. In many of the cases for which we have been able to see the legal agreements—as in Mali, Senegal and Cameroon—rights to water and access to water are explicitly guaranteed in the text. This does not mean that land deals only occur where water is abundant, however. A frightening number of water guzzling operations are being erected in water conflict zones (e.g. along the Nile), upstream from water dependent communities (e.g. the Lurio River project in Mozambique) or on top of non-renewable underground reserves (e.g. Sudan). When drought hits, as it did in much of Asia and Africa in the first half of 2016, communities living next to these plantations see their access to water evaporate. This is what is currently happening in communities living next to the new sugarcane plantations in Cambodia and Ethiopia's Lower Omo Valley.

GRAIN vs. the Land Matrix?

There are a number of other databases on what are sometimes called—in depoliticised language—"large-scale land acquisitions". Currently, the most well known is the Land Matrix,[20] which was initiated by the International Land Coalition. The Land Matrix is maintained by professional researchers working at five institutions in Europe. It frequently uses farmlandgrab.org as a source and, like farmlandgrab.org, is fairly comprehensive.

There are several differences between the Land Matrix and GRAIN's database. The Land Matrix's data is updated daily and changes every day. Deals being revised are also taken offline for a period of time. This makes the data in the Land Matrix something of a moving target. What you find there today, you won't necessarily find there tomorrow. GRAIN's dataset, by contrast, is a fixed snapshot of a given point in time.

The Land Matrix database also has broader coverage and slightly different definitions. It's true that you can filter out the Land Matrix deals that correspond most to what GRAIN covers (transnational land grabs for food production, above a certain size) if you want to compare the two. But there are still discrepancies. For example, GRAIN includes biofuel projects (except those growing jatropha) as food deals because we know that sugarcane, maize and palm oil may end up in the food chain depending on commodity prices at harvest time or other factors. The Land Matrix, while recognising the flexible role of these crops, categorises such deals separately.

But we are not far apart when it comes to the big picture. In early 2016, the Land Matrix included about 1,100 deals representing 38 million hectares, of which the vast majority (74%) were for food and agriculture.[21] GRAIN's new dataset includes 491 deals covering roughly 30 million hectares, exclusively for food and agriculture.

The data we have today shows how far and how fast agribusiness is expanding. It also highlights how inefficient these investments are in the sense of how little they do to resolve rural poverty or make a dent in global hunger. But most importantly, it shows the tremendous resistance growing to counteract these deals. In case after case, we see staunch opposition to these investments from local communities and the organisations that support

whether it's challenging land grabbers in court (e.g. Wilmar) or creating public political space (e.g. through African churches or parliaments) to rewrite rules in favour of communities and get them enforced. This kind of work is gaining momentum from Ethiopia to Sierra Leone as activists learn to tap into legal resources and support groups and use crowdfunding tools to raise awareness and support for jailed community leaders and their families.

Resistance is also growing as barriers between different frontline struggles are breaking down. In Senegal, for example, farmers' organisations are supporting pastoralists who are the first affected by certain projects. In Mali, urban groups displaced by industrial development projects are now the first to travel to rural areas to help farmers defend their lands. Similarly, communities in different countries where the same corporation is taking control of land (e.g. Dominion Farm), are getting together to learn from and support each other, sometimes through well structured alliances (e.g. around Socfin/Bolloré). People are also engaging in more cross-sector struggles, for example creating solidarity between those fighting biofuel initiatives and those fighting mining projects.

Resistance against land grabs is at the forefront of many of today's struggles for social, political and economic transformation, putting corporations and governments colluding complicit with land grabbing on the defensive. This makes it all the more critical to avoid traps like that of "responsible investment". We have to keep the focus on reversing the expansion of agribusiness—stopping the problem at its root. As this new research shows, the global farmland grab is massive and it is extending its reach to new frontiers. We must redouble our resistance efforts to ensure that more lands can stay under the control of food producing communities.

Going further **PDF:** Click here to download this report as a pdf

Click here to download Annexe 1. Land deals 2016 (the complete list of current land deals) in pdf format - (revised version posted 30 August 2016)

Click here to download Annexe 2. Discarded land deals 2016 (list of deals that were discarded from the main dataset because they were sold, cancelled or had insufficient recent information) in pdf format

XLS:

Click here to download the main dataset of current land deals as an excel spreadhseet - (revised version posted 30 August 2016)

Click here to download the dataset of discarded deals as an excel spreadsheet

Or view the data in the tables below*:

**For full references, please contact grain@grain.org*

[1] Available at: https://www.grain.org/e/93

[2] See Annexe 1 to this report: https://www.grain.org/attachments/3871/download

[3] See the FAO food price index: http://www.fao.org/worldfoodsituation/foodpricesindex

[4] Karlos Manlupig, Germelina Lacorte and Williamor Magbanua, "Cops, farmers clash in Kidapawan; 2 dead", *Philippine Daily Inquirer*, 2 April 2016, http://newsinfo.inquirer.net/777439/cops-farmers-clash-in-kidapawan-2-dead

[5] GRAIN, "Socially responsible farmland investment: a growing trap", 14 October 2015, https://www.grain.org/e/5294

[6] See: GRAIN, "Planet palm oil", 22 September 2014, https://www.grain.org/e/5031 and Rede Social de Justiça e Direitos Humanos, GRAIN, Inter Pares and Solidarity Sweden-Latin America, "Foreign pension funds and land grabbing in Brazil", 16 November 2015, https://www.grain.org/e/5336

[7] See: GRAIN, "Hungry for land: small farmers feed the world with less than a quarter of all farmland", 28 May 2014, https://www.grain.org/e/4929

[8] Available at: https://www.grain.org/media/BAhbBlsHOgZmSSI3MjAxMS8wNi8zMC8xNl8wMV8zNF80MTNfbGFuZGdy 2008-en-annex.pdf

[9] Available at: https://www.grain.org/e/4479

[10] Kamahl Santamaria, "Counting the cost", interview with CEO of Hassad Food, *Al Jazeera*, 3 April 2016. http://www.aljazeera.com/programmes/countingthecost/2016/04/food-economics-world-vegan-160402140953750.html

[11] Jenaan Investment English Documentary, 22 December 2015, https://youtu.be/odsWZGyIMGQ

[12] GRAIN, "Pension funds: key players in the global farmland grab", 20 June 2011, https://www.grain.org/e/4287

[13] See CRAFS, GRAIN and Re:Common, "Who is behind Senhuile-Senethanol?", 8 November 2013, https://www.grain.org/e/4815 and http://www.farmlandgrab.org/cat/show/828 for the follow-up.

[14] The parties eventually settled out of court. See: Tax Justice Network et al., "Karuturi still going down", 9 October 2014, https://www.grain.org/e/5054

[15] Shinovene Immanuel, "Namibia: Russian Landlord in Panama Papers", *AllAfrica*, 13 May 2016, http://allafrica.com/stories/201605130928.html

[16] See: CRAFS, GRAIN and Re:Common, "Who is behind Senhuile-Senethanol?", op cit. (Annex 1: Land grabbing, corruption and corporate crime) for an extensive list of examples.