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Thursday
November 17, 2016

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Bidco hits back over Uganda farmers lobby's land claims

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Bidco's chief executive Vimal Shah. PHOTO | FILE

By GEORGE OMONDI
Posted Tuesday, February 23 2016 at 20:49

Edible oil manufacturer Bidco has dismissed compensation claims raised by Kalangala farmers' lobby saying its involvement in Uganda's palm oil development project does not include land transaction.

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In a letter addressed to banks, lawyers and international organisations, Bidco's chief executive Vimal Shah said the land on which its plantation stands was properly acquired by the Ugandan government.

"The government of Uganda is responsible for all land transactions," the company said yesterday in a letter seen by the Business Daily. "Bidco is not a party to any land transaction. All stakeholders were involved in the land acquisition process and the transactions were on willing buyer willing seller basis. There was no compulsory acquisition of land".

On Monday, the Bugala Farmers Association petitioned the United Nation's International Fund for Agricultural Development (IFAD), the project's key financier, to cut links with the Kenya-headquartered firm saying it has defied court orders on land compensation.

Mr Shah acknowledged a dispute with "a small group of residents that is exaggerated and misrepresented."

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He referred to a case where a landowner sold about 100 hectares of land for the project without sharing the information with about 20 tenants.

"That case is in court and we will abide by the court decision," said Mr Shah.

Apart from private land, the Bugala Farmers Association has accused Bidco of grabbing forest reserve and causing environmental destruction in the Bugala Island of Lake Victoria.

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On Tuesday, Bidco maintained that all the 13 forest reserves that Bugala Island had at the beginning of the project were still intact, adding that being a tree crop, the palm plantation has added the area's forest cover by 60 per cent.

The Kalangala Oil Palm initiative is largely regarded as one of President Museveni's pet projects. It is being rolled out in a public private partnership model as Uganda government's vegetable oil development project (VODP).

Its aim is to raise the country's vegetable oil production to export levels.

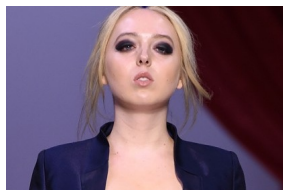
The Kalangala Island-based Oil Palm Uganda Limited, a subsidiary of Bidco Africa, signed an agreement with president Museveni's administration in 2002 to take part as a private investor.

Top global palm oil producer Wilmar International is taking part as a private player in a project that previously attracted support from the World Bank.

The campaign against the project appears to have mainly targeted the Kenyan firm, forcing the World Bank to opt out in 2004.

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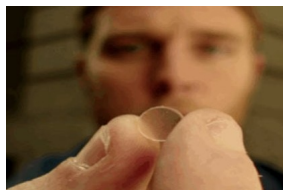
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