Africa farmland has potential of Brazil: Quifel

Q Published: 22 Feb 2011

Short URL: https://farmlandgrab.org/18202

Posted in: Angola Brazil Mozambique Portugal Quifel Sierra Leone

LONDON (Reuters) - African farmland investment has the potential to match the exponential growth of Brazil's agricultural industry, the head of business development at privately owned agricultural operator Quifel said.

"The best benchmark is really Brazil. What took the Brazilians around 30 years, one should try to do it in 10-15 years," Pedro Marques dos Santos, head of business development at Quifel said, referring to how Africa could emulate Brazil's dominance in global agricultural investments.

Quifel operates in Africa, Latin America and Southern Europe and began operations with a palm project in Brazil.

"In 2007, Quifel also embraced the Sub-Saharan Africa land development opportunity," Marques dos Santos said, noting higher land prices in Brazil as one driver.

Investors poured $26 billion in foreign direct investment into Brazil in 2010 and around one-third of all funds and companies investing in farmland globally have committed funds to Brazil, the OECD said in a report.

But anyone interested in buying up Brazilian land may find it tough as last year the attorney general issued a ruling that limited the area of land foreigners were able to purchase.
The effect has been to cap at 12,350 acres, the amount of land that can be bought by a foreign investor or a company that’s more than 50 percent foreign-owned, prompting some investors to look to alternative regions.

This, combined with rising food prices, has spurred global interest in African farmland.

Global food prices are at record levels and are likely to remain so in the months to come, according to the U.N.’s Food and Agriculture Organization.

“Sub-Saharan Africa has lower production costs than Latin America due to cheaper land and labour yet could offer similar yields,” Marques dos Santos said.

“...there’s a bigger need to invest in infrastructure and logistics in Africa but, ‘The end result is to expect high returns if farm talent is able to overcome everyday operational difficulties.’”

Brazil, Latin America’s largest country, is one of the world’s leading exporters of agricultural commodities including coffee, sugar and soybeans.

SUB-SAHARAN AFRICA

Quifel, which runs African farms in Mozambique, Sierra Leone and Angola, chose these countries based on their coastal locations and expectations of high economic growth, Marques dos Santos said.

Coastal West African countries were attractive for fruits and vegetables, while Mozambique appealed “for oilseeds, thus avoiding transhipment within the continent and by being closer to Asian markets for potential exports,” he said.

Many African countries are net food importers, raising questions about food security and whether production should go to feeding the local community.

“Quifel’s projects are Greenfield and for the foreseeable future our production will be bought by local players - mainly processors or crushers - as the countries need that production for domestic consumption,” Marques dos Santos said.

Beyond the food security issue, investing in Africa has other challenges, which helps explain why its agricultural potential has not yet been fulfilled.

“Companies which can’t cope with the long-term horizon are slowly leaving the region,” he said.

Quifel has a long-term expansion plan within Sub Saharan Africa, he said, adding that its immediate focus will be on the development of the areas it already has under management.

Source: Reuters
Welcome to the new farmlandgrab.org! We have closed the site’s social media accounts - please follow @GRAIN_org on Twitter and @GRAIN.org on Facebook instead. Thank you!

Who’s involved?

Languages

Cameroun. Socapalm, des terres agricoles louées à prix d’ami

06 Jun 2018

Bolloré's Belgian friend in court

06 Jun 2018

Stop parading RSPO certificate, ERA charges Okomu Oil

06 Jun 2018

Failed farmland deals: a growing legacy of disaster and pain
En toute propriété

The ripple effect caused by closure of Sher Karuturi Flower Farm

Un projet d'accaparement de terres déguisé en promesse de développement

Vincent Bolloré perd un nouveau procès de presse en France

Les paysans varois manifestent devant le vignoble de Vincent Bolloré à la Croix-Valmer

Karuturi workers accuse CFC Stanbic Bank for the malpractice

Cameroun. Socapalm, des terres agricoles louées à prix d'ami

Bollore's Belgian friend in court

Stop parading RSPO certificate, ERA charges Okomu Oil

Failed farmland deals: a growing legacy of disaster and pain

En toute propriété
The ripple effect caused by closure of Sher Karuturi Flower Farm

Un projet d’accaparement de terres déguisé en promesse de développement

Vincent Bolloré perd un nouveau procès de presse en France

Les paysans varois manifestent devant le vignoble de Vincent Bolloré à la Croix-Valmer

Kerry
Very interesting work/list. So what is the pathway forward? What are the policy options? Social movement?
25 May 2018

John
Of all the agricultural land in Australia suitable for growing food what percentage is now owned by foreign investors? 5, 10, 15% or more and when do y...
25 May 2018

boucard
Comment se procurer ce film pour des débats publics. Peuples solidaires, association à laquelle j'appartiens, a organisé la semaine dernière une r...
11 May 2017

Elijah
Was pleased to read your article. I am however surprised that the story of the frustration that DFL is going through with the investor being harassed b...
10 Feb 2017

sebastian
Excelente trabajo de investigación. Se los agradezco mucho. Consultaré todas las fuentes que ustedes proporcionan para tener un informemáis acabado c...
09 Dec 2016

Anonymous
La critique est facile mais l'art difficile; j'ai rarement vu des ONG créer des emplois et contribuer au développement socio-économique autant que d...
29 Nov 2016

Christopher Ajua
The same political and economic problems that existed in Cameroon during these crises persist and continue to plague the lives of Cameroonians, especia...