Abu Dhabi develops food farms in Sudan

- Oil-rich countries seek to guarantee supplies - Global shortages trigger new land-lease deals

Xan Rice in Nairobi
Wed 2 Jul 2008 00:00 BST

Abu Dhabi is to develop nearly 30,000 hectares of farmland in Sudan in the first step towards ensuring food security in the emirate.

The move follows similar projects by Middle Eastern countries locking up land from Brazil to Pakistan and Thailand to guarantee supplies of cereals, meat and vegetables at a reasonable cost. Although the region is rich in oil, lack of rain makes large-scale food imports a necessity, and it has been hit by the global food shortage, with prices and inflation rising sharply.

Watered by the Nile, Sudan has great agricultural potential, and it is reported to have offered Abu Dhabi free use of the land, hoping to benefit from the business links and technical know-how.

Mohammed al-Suwaidi, the director general of the Abu Dhabi Fund for Development, which will run the farms, said yesterday that food security was a priority for his government, and that the Sudan deal "will not be the last project".

Abu Dhabi is the largest of the seven emirates that form the United Arab Emirates, with a population of 4 million and only 1% of its land arable. "The recent oil price boom had a major effect on the price of raw commodities," Suwaidi told Reuters. "Global warming has an effect on commodities. The time may come when, even if you have the money, acquiring some commodities will not be easy."

Crops will include corn, alfalfa, and possibly wheat, potatoes and beans. Everything will be exported to the UAE. Projects in Uzbekistan and Senegal are also being considered. China has been leasing farmland in Asia and Africa for more than a decade. Egypt and Saudi Arabia have also expressed interest in developing projects in Sudan, where production has been hindered by decades of conflict and misrule. Up to 80% of arable farmland is not used.

Saudi Arabia is especially keen to secure its food supply, having recently announced the phasing out of a 30-year project to grow wheat in its desert, because the water consumption was too high. Like Bahrain, it has announced plans to stockpile basic foodstuffs, and intends to invest in agricultural projects and companies in Brazil, Ukraine, Thailand and India.

For large developing countries, agreements with oil-producing countries are tempting. Pakistan's government is reported to have offered the Saudis hundreds of thousands of hectares in return for £3bn in oil and financial aid.

The Gulf states, which on average import 60% of their food, can cut the cost by a quarter by controlling the supply. Reduction in prices is seen as crucial in placating people whose living standards have been eroded by increases of up to 40% in food prices over the past year.

Private companies are being encouraged to buy agricultural land abroad, but questions remain about how the deals will work in the event of domestic shortages in the food-exporting countries, which have also been hit by rising prices, largely driven by the increased cost of oil.

Topics
• Food
• Sudan
• Middle East and North Africa
• Climate change
• Oil
• Farming