Al Ghurair to seal 99-year farmland lease in Sudan

Move meant to bolster UAE’s food security

Published: 00:00 February 20, 2012
By Deena Kamel Youssef, Staff Reporter

Dubai: Al Ghurair Foods is acquiring 100,000 hectares of farmland in Sudan to grow grain, a move in line with the UAE’s efforts to address food security concerns, according to company chairman Essa Abdullah Al Ghurair.

The project to grow soy, wheat and other grains is a joint venture with a Gulf agriculture company and will be announced next month, he said on the sidelines of Gulfood 2012.

The grains will be exported to the UAE and the Gulf region.

The land will be acquired on a 99-year lease from the Sudanese government, he added.

Under construction

Al Ghurair Resources is also investing $40 million (Dh146 million) in grain storage facilities under construction in Algeria, said Al Ghurair, who is also the chairman of Al Ghurair Resources.

The 160,000-tonne grain silo is due for completion by the end of the year.

Silos are also being built in Libya and Lebanon and rented in Egypt, he added.

The silos play an important role in food security with the stocking of commodities that cater to the UAE market for one to two months.

Further investments include a new $10 million plant for the production of lecithin, an oil by-product, in the UAE, he said.

Lecithin is used in bakeries and for animal feed. It is obtained from the double refining of oils at the Dubai Oil Mills crushing plant.

"Food sector investments are a long-term investment unlike real estate... there is a low margin but the long-term prospect is stable, about a five to 10 per cent return on investments," Al Ghurair said.

The revolutions that gripped the Arab world last year have paralysed exports to Syria, Libya, Yemen and Tunisia but slowed down in Egypt, he said.

"The channels of distribution and channels of finance are not there. It is a rain cloud [over the region] and then things will go back to normal," Al Ghurair added.