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Cultivating country: Gulf states look to acquire farmland to meet growing demand at home

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Little grows in the arid countries of the Gulf without large quantities of expensive water. The solution may lie in the lush pastures of nearby Turkey, where Qatar, Saudi Arabia and the UAE plan to spend billions of dollars to buy or lease farmland. These investments, they hope, will allow them to become self-sufficient in terms of food. Some argue, however, that the investments may undermine Turkey's own food security. At 23m ha, Turkey's arable land is twice the size of Greece's entire territory. About 4m ha of that lies fallow, according to the OECD, making Turkey extremely attractive to its thirstier neighbours. "Turkey is truly a prime piece of agricultural land, in the middle of a mismanaged, poorly depleted region, with good supply of water to support its production," said Sinan Öğün, the coordinator of the Middle East Sustainable Livestock Production, Biotechnology and Agro-Ecology Research and Development Centre at Zirve University in Gaziantep.

FOOD SECURITY: Qatar aims to meet 70% of its food needs domestically by converting semi-desert areas into agricultural land and boosting crop yields, according to the Qatar National Food Security Programme. But the bulk of the remainder will come from land purchases or rentals in Sudan, Australia, Ukraine and Turkey. Hassad Food, part of the sovereign wealth fund Qatar Investment Authority, wants to buy hundreds of thousands of hectares of land in Turkey for crops and livestock grazing. Such a large purchase would require the sale of at least some Treasury-owned land, which is not legally possible, local press reported. Hassad may have to form joint ventures with local firms to get around restrictions on foreign ownership of large tracts of land. Planet Food World (PFW), based in Riyadh, plans to invest \$3bn in Turkish agriculture over the next five years to export food to the Gulf, targeting sales of \$20bn in that period. The project includes 20,000 industrial farms to grow vegetables and raise livestock. According to the firm, a 1-ha farm in Turkey can earn \$1200 per year. "In the agriculture space, Turkey has emerged as one of the top recipients of Saudi investment, as the kingdom seeks to boost its food security," Abdul Kareem Abu Al Nasr, the chairman of National Commercial Bank, said in 2011. In 2011 Saudi Arabia also applied to the Southeastern Anatolia Project (GAP) to set up a 1m-head sheep farm. The Gulf state imports 1m sheep per year, largely for the holiday of Eid Al Adha.

Another Gulf investment fund made up of the Abu Dhabi Investment House, Gulf Finance House and Ithmaar Bank has a \$6bn agriculture project in Turkey. Bahrain, Kuwait and Italy have also expressed interest in acquiring farmland, Turkish officials have said.

PICK & CHOOSE: "Choose and take what you want," the agriculture minister, Mehdi Eker, told Arab investors in a 2009 presentation, according to local media. This led to criticism that Turkey is succumbing to a new form of colonialism. Some fear a land grab with the real aim of controlling water resources. Others say the entry of foreign capital and corporations into a strategic sector could undermine local competitiveness.

"When you sell the land, you sell the potential destiny of the output," said Öğün. "As deregulation becomes more the norm in Turkey's free trade with international

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partners, the owners of the land will put the needs and concerns of the international market before domestic needs and will start producing commodities accordingly." He pointed out that already Turkey exports meat despite falling protein consumption. "Imagine the anomaly when more land is owned by foreign investors."

FACING A DILEMMA: The dilemma posed by foreign investment is not just Turkey's, but one facing other emerging economies around the world. The impact of climate change on harvests and rapid population expansion across the globe are projected to increase food demand by 50% in the next two decades, the OECD said. More than 30m ha of arable land has been purchased or rented by foreign capital since 2007, UN data showed. Investors – hedge funds among them – are buying up farms across Asia and Africa, and Turkey, with its abundance of arable land, is likely to continue attracting interest from foreign investors in the years to come.

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