

The global farmland grab in 2016 **HOW BIG, HOW BAD?**



The global farmland grab is far from over (Photo: David White)

Eight years after releasing its first report on land grabbing, which put the issue on the international agenda, GRAIN publishes a new dataset documenting nearly 500 cases of land grabbing around the world.

In October 2008, GRAIN published a report called “Seized: the 2008 land grab for food and financial security”. It exposed how a new wave of land grabbing was sweeping the planet in the name of addressing the global food and financial crises. “On one hand”, we wrote, “‘food insecure’ governments that rely on imports to feed their people are snatching up vast areas of farmland abroad for their own offshore food production. On the other hand, food corporations and private investors, hungry for profits in the midst of the deepening financial crisis, see investment in foreign farmland as an important new source of revenue.”¹ In the annex to the 2008 report, we documented more than one hundred cases of these new and emerging land deals that, until then, had been buried in the business sections of newspapers like the *Vientiane Times* and the *Sudan Tribune*. Little did we know that by merely pulling the news clips and analysis together, the report would trigger a tsunami of global media attention, social activism and political struggle—not to mention corporate headaches.

Eight years later, we went back to look at the data—the myriad reports of land grabbing for food production that we have been following and assessing. Over the past several years, GRAIN staff and allies in different regions have been tracking media and other information sources on a daily basis and posting reports on land grab developments to the open-publishing platform farmlandgrab.org. We used this website as the basis for constructing this dataset, which holds 491 land deals covering over 30 million hectares spanning 78 countries.² This new research shows that, while some deals have fallen by the wayside, the global farmland grab is far from over. Rather, it is in many ways deepening, expanding to new frontiers and intensifying conflict around the world. We hope this updated dataset will be

1. Available at: <https://www.grain.org/e/93>

2. Available at: <https://www.grain.org/e/5492>

useful tool for movements, communities, researchers and activists fighting against land grabbing and defending community-based food systems.

Eight years later: overall assessment

The big picture view that we draw from this exercise is disturbing. First of all, the emerging new trend we wrote about in 2008 has continued and become worse. While most countries are not currently experiencing the extreme price hikes in basic foodstuffs that triggered riots from Haiti to Egypt back in 2008, prices remain stubbornly high and access to food is a daily struggle for most people.³ Today, that situation is compounded by the mounting impacts of climate change. Harvest losses due to extreme weather have become so acute in places like the southern Philippines that farmers are in the streets begging for food and getting killed for it.⁴ We now have even more evidence that climate change is caused not just by burning coal and oil for transport and energy, but by the industrial food system itself and the corporate quest for profits that drives its expansion. Indeed, climate change and land grabs are inextricably linked.

Some of the most egregious land deals we witnessed over the past several years have since backfired or failed for different reasons. In 2009, public outrage over the 1.3 million hectare Daewoo project in Madagascar helped bring down the government leading to the suspension of the deal. In 2011, the assassination of Libyan leader Mouamar Gaddafi put an end to his regime’s 100,000-hectare rice project in

3. See the FAO food price index: <http://www.fao.org/worldfoodsituation/foodpricesindex>

4. Karlos Manlupig, Germelina Lacorte and Williamor Magbanua, “Cops, farmers clash in Kidapawan; 2 dead”, *Philippine Daily Inquirer*, 2 April 2016, <http://newsinfo.inquirer.net/777439/cops-farmers-clash-in-kidapawan-2-dead>



(Photo: Friends of the Earth International)

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Mali. Other large-scale deals have been scaled back. In Cameroon, for example, after much protest, the Herakles deal was slashed from 73,000 to 19,843 hectares. Some deals have morphed into less direct forms of land takeover. In Brazil and Argentina, for instance, Chinese companies facing concerns about foreigners grabbing land have tried to work out deals to secure the production from farms rather than purchasing the land themselves. Increasingly, such deals are being labelled “responsible investments”, but they are still, in many ways, land grabs.⁵

While some of the worst land grabs have been shelved or toned down, a number of *new* deals are appearing, many of which are “hard-core” initiatives to expand the frontiers of industrial agriculture. We say hard-core because these deals are large, long-term and determined to avoid the pitfalls that earlier deals ran into. Much of the Asian-led oil palm expansion in Africa, and the advance of pension funds and trade conglomerates to secure access to new farmlands, fall into this category.⁶ Increasingly, gaining access to farmland is part of a broader corporate strategy to profit from carbon

markets, mineral resources, water resources, seeds, soil and environmental services.

As land deals rise and fall, policymakers and corporate boards are hard at work trying to facilitate their success. Instead of the wild land rush of before, we now have multiple “frameworks” and “guidelines” on how to conduct these deals while minimising social and environmental costs. All of these new rules are voluntary, however, and do more to obfuscate the problem than to solve it. Many argue that the heightened political attention around land grabbing has helped bring land and agrarian reform back into public debates in parliaments and other legislative fora. But the main objective of regulatory processes is still to formalise land markets and titles, which experience tells us will lead to further concentration of land in the hands of few.⁷

On the positive side, one thing that has changed radically compared to eight years ago is the level of resistance and mobilisation these deals have triggered. People are now more informed and taking action like never before. There are numerous coalitions and campaigns against land grabbing operating at local, national and regional levels. In many places, these struggles are converging, bringing together farmers, migrant groups, fisherfolk, indigenous peoples, pastoralists and others. These movements are developing new strategies to

5. GRAIN, “Socially responsible farmland investment: a growing trap”, 14 October 2015, <https://www.grain.org/e/5294>

6. See: GRAIN, “Planet palm oil”, 22 September 2014, <https://www.grain.org/e/5031> and Rede Social de Justiça e Direitos Humanos, GRAIN, Inter Pares and Solidarity Sweden-Latin America, “Foreign pension funds and land grabbing in Brazil”, 16 November 2015, <https://www.grain.org/e/5336>

7. See: GRAIN, “Hungry for land: small farmers feed the world with less than a quarter of all farmland”, 28 May 2014, <https://www.grain.org/e/4929>



When drought hits, communities living next to large plantations see their access to water evaporate. (Photo: New Mandala)

challenge corporations and governments and building international solidarity.

Meanwhile, journalists and other media workers have become important allies in getting the word out—often at great peril to their personal safety. As resistance to land grabbing grows, the difficulties and dangers of engaging in this work are intensifying. Activists are detained and imprisoned; journalists are harassed with libel cases and even killed; and peasant and indigenous leaders are routinely murdered. But this challenging, courageous work is crucial if we are to turn the tide of land grabbing and corporate-led agriculture and create a thriving global movement for food justice and food sovereignty.

What exactly does the data tell us?

Our first land grab dataset in 2008 exposed about 100 initiatives, launched by both governments and corporations, many of which were still in an exploratory phase at the time.⁸ In 2012, we updated the dataset to

8. Available at: <https://www.grain.org/media/hbBlSHOg-ZmSSI3MjAxMS8wNi8zMC8xNI8wMV8zNF80MTNfbGFuZGdyY-WJfMjAwOF9lb9hbm5leC5wZGYGOgZFVA/landgrab-2008-en-annex.pdf>

reach 400 projects covering 35 million hectares.⁹

The 2016 dataset documents 491 large-scale land grabs taking place over the past decade. The deals cover over 30 million hectares of land in 78 countries. This means that the number of land deals is continuing to grow, but the growth has slowed since 2012. In particular, several of the largest “mega” projects have collapsed, resulting in a decline in the total number of hectares. The problem, however, is not going away.

As with our previous datasets, this is not an exhaustive list of land deals and, as such, is not representative of the full scale of land grabbing around the world. It draws mainly from the farmlandgrab.org website and accounts for only those deals that:

- were initiated after 2006,
- have not been cancelled,
- are led by foreign investors,
- are for the production of food crops and
- involve large (> 500 hectares) areas of land.

Below are the main conclusions we have gleaned from this new and improved dataset, though we also expect and encourage others to analyse the data for themselves.

9. Available at: <https://www.grain.org/e/4479>

“New players from the financial sector are popping up all the time. Most have their sights on profiting from the real heavy weights among institutional investors: pension funds.”

Despite many failed deals, the problem is real

The shock of the early years of the global farmland grab has subsided. Gone are news reports of diplomats shuttling in from Gulf countries to sign deals for half a million hectares with poor, agriculture-based countries. Gone are many of the opportunistic businessmen peddling farmland investments in faraway countries to pension fund managers. Gone, too, are a number of companies that signed serious deals for tens or even hundreds of thousands of hectares, with ambitions to become top multinational agribusiness companies.

The Indian-owned Siva Group, for instance, amassed a farmland portfolio of nearly one million hectares for oil palm plantations in only a few years. The company is now facing bankruptcy proceedings in the Seychelles. In another example, Foras, the private sector arm of the Islamic Development Bank—which was on its way to acquiring 700,000 hectares of farmland across Africa for a massive rice project—has vanished. Even Karuturi, whose 300,000-hectare concession in Ethiopia made him a poster child of the new farm owners, now has nothing to show for it. His flower business in Kenya has been liquidated and his Ethiopian farms have been sitting idle for the past two years.

We culled 126 failed deals and placed them in a separate table. The large number of abandoned projects attests to the frenzy that erupted in 2008, much of which eventually backfired. Whether due to incompetence, hubris, inexperience or poor planning, their collapse helps to explain why the growth in farmland deals has slowed since 2012 and why the overall number of hectares has declined.

The food security agenda is still a factor driving farmland deals

On the heels of a global food price crisis, the initial wave of farmland deals was driven largely by “food security” concerns. Much of the media attention on the early negotiations emphasised the geopolitics with images of wealthy sheiks taking over the lands of poor and hungry peasants in Mali or Pakistan in order to export food back to their home countries. Our new database complicates this early view somewhat, as a number of today’s land



Portuguese businessman and amateur race car driver Miguel Amaral began buying farmland in 2007. His Mozambican operations have now been sold, and his company Quifel has vanished from Angola and Sierra Leone.

grabs involving companies from China, Japan or the Gulf states have little to do with the food security agendas of their home governments.

The quest for food security has not, however, disappeared completely from the land grabbing story. Despite early difficulties, Gulf governments are still promoting overseas farming and building or buying farms abroad. Hassad Food, for instance—the agribusiness arm of Qatar’s sovereign wealth fund and one of the pioneering Gulf firms in overseas farming—is even starting to worry about competition for available farmland.¹⁰ Anyone who doubts the seriousness of the Gulf companies should watch the latest video put out by UAE-based Jenaan Investment on its new farm in Sudan—which is gigantic, high tech and fully operational.¹¹

10. Kamahl Santamaria, “Counting the cost”, interview with CEO of Hassad Food, *Al Jazeera*, 3 April 2016. <http://www.aljazeera.com/programmes/countingthecost/2016/04/food-economics-world-vegan-160402140953750.html>

11. Jenaan Investment English Documentary, 22 December 2015, <https://youtu.be/odsWZGyIMGQ>



Plain old profit-driven agribusiness is the dominant agenda. (Photo: Villagers protest against the company Socfin near a plantation in Côte d'Ivoire)

China, Japan and South Korea have also maintained official policies on overseas farming as part of their food security agendas. This mainly translates into support for their national corporations, which are not only acquiring lands overseas for farming but, just as importantly, securing control over trading routes to ship commodities back home and compete with the big Western multinationals on global markets. Africa remains a small, albeit important, part of food security-driven land grabbing, though these companies are currently focused on more accessible areas like Brazil and Australia.

Agribusiness expansion is the main objective

While the food security hype has died down, plain old profit-driven agribusiness expansion is now the dominant agenda. The new database provides a stark picture of this, with companies integrating their operations both vertically and horizontally. Food corporations like China's COFCO are expanding by getting more deeply engaged in farming itself. In addition, more companies are getting into agribusiness and more finance is flowing

in. Geographically, plantations are expanding into new territories.

Oil palm plantations alone are responsible for a large portion of land grabs in the food and agriculture sector in the last few years. Much of this expansion is led by Asian conglomerates like Wilmar, Olam and Sime Darby, which are carving out massive chunks of territory in Africa, as well as Latin America, East Asia and the Pacific. Governments play a key role here. They are building infrastructure, revising regulations and entering into new "public-private partnerships" that facilitate private sector investment in agriculture, including farmland acquisitions. They are also signing new trade and investment agreements and aid packages aimed at facilitating the expansion of agribusiness.

The financial sector is a big player

Several of the early players from the financial sector have by now vanished, and others have fallen extremely short of their initial projections. The New York-based hedge fund Galtere is a good example. In 2010 it announced it was setting up a US\$1 billion farmland

GRAIN vs. the Land Matrix?

There are a number of other databases on what are sometimes called—in depoliticised language—“large-scale land acquisitions”. Currently, the most well known is the Land Matrix,¹² which was initiated by the International Land Coalition. The Land Matrix is maintained by professional researchers working at five institutions in Europe. It frequently uses farmlandgrab.org as a source and, like farmlandgrab.org, is fairly comprehensive.

There are several differences between the Land Matrix and GRAIN’s database. The Land Matrix’s data is updated daily and changes every day. Deals being revised are also taken offline for a period of time. This makes the data in the Land Matrix something of a moving target. What you find there today, you won’t necessarily find there tomorrow. GRAIN’s dataset, by contrast, is a fixed snapshot of a given point in time.

The Land Matrix database also has broader coverage and slightly different definitions. It’s true that you can filter out the Land Matrix deals that correspond most to what GRAIN covers (transnational land grabs for food production, above a certain size) if you want to compare the two. But there are still discrepancies. For example, GRAIN includes biofuel projects (except those growing jatropha) as food deals because we know that sugarcane, maize and palm oil may end up in the food chain depending on commodity prices at harvest time or other factors. The Land Matrix, while recognising the flexible role of these crops, categorises such deals separately.

But we are not far apart when it comes to the big picture. In early 2016, the Land Matrix included about 1,100 deals representing 38 million hectares, of which the vast majority (74%) were for food and agriculture.¹³ GRAIN’s new dataset includes 491 deals covering roughly 30 million hectares, exclusively for food and agriculture.

fund. Galtere bought a couple of farms in Brazil and then dropped off the map.

But new players from the financial sector are popping up all the time. Most have their sights on profiting from the real heavy weights among institutional investors: pension funds. The last few years have seen a spectacular rise in farmland investments by pension funds.¹⁴ In 2008, only a few pension funds were investing in farmland. By 2012, several more were showing interest. Today the number has ballooned. Pension funds are the source of much of the capital behind companies buying farmland globally. Some, such as the US-based TIAA-CREF, are even running their own farming operations.

Another key set of players from the financial sector is the development finance institutions (DFIs), the

for-profit cousins of national development aid agencies. Farmland companies still have a hard time raising funds from the private sector, as farmland is viewed as a risky investment, so they turn to DFIs—many of which have adopted “agribusiness investment” as their main vision for agricultural development. Without the involvement of these agencies, which are investing in land grabs using taxpayer money, there would be significantly fewer deals in our database.

Offshore and illicit finance underpin these deals

Offshore structures and illicit financial flows play an important role in today’s farmland grab. Had we listed the origin of the foreign investors according to where they are registered, tax havens like the Cayman Islands or Singapore would rank as top land grabber countries! Nearly all the companies grabbing land in Mozambique, for instance, are registered in Mauritius. While they may be legal, such offshore structures can conceal corruption, hide the true owners and allow companies to avoid paying taxes.

Communities and organisations on the ground are often the first to notice that companies acquiring farmland are not much interested in agriculture and appear to have been set up for entirely different purposes—such as money laundering, tax evasion or to con people

12. Available at: <http://www.landmatrix.org>

13. Althoff et al., “‘Land grabs’ operationalised?”, presentation to the Annual World Bank Conference on Land and Poverty, Washington DC, 14 - 18 March 2016, https://www.conftool.com/landandpoverty2016/index.php/Althoff-674-674_paper.pdf?page=downloadPaper&filename=Althoff-674-674_paper.pdf&form_id=674&form_version=final

14. GRAIN, “Pension funds: key players in the global farmland grab”, 20 June 2011, <https://www.grain.org/e/4287>



Resistance and solidarity are growing. (Photo: Mocase - Argentina)

out of their savings. For example, African Land Limited of the UK, which ran a scheme to sell farmland in Sierra Leone, was found guilty of misleading investors. Local farmers and pastoralists in Senegal have long suspected the company Senhuile of money laundering.¹⁵ The Kenya Revenue Authority for years pursued Karuturi, one of the largest farmland investors in Ethiopia, for transfer pricing in its flower operations there.¹⁶ Unsurprisingly, several farmland investors are found in the Panama Papers, such as Russian billionaire Rashid Sardarov who bought large tracts of land in Namibia.¹⁷

Proving the link between farmland investment and corruption or criminality is not easy, of course.¹⁸ In

15. See CRAFS, GRAIN and Re:Common, “Who is behind Senhuile-Senethanol?”, 8 November 2013, <https://www.grain.org/e/4815> and <http://www.farmlandgrab.org/cat/show/828> for the follow-up.

16. The parties eventually settled out of court. See: Tax Justice Network et al., “Karuturi still going down”, 9 October 2014, <https://www.grain.org/e/5054>

17. Shinovene Immanuel, “Namibia: Russian Landlord in Panama Papers”, AllAfrica, 13 May 2016, <http://allafrica.com/stories/201605130928.html>

18. See: CRAFS, GRAIN and Re:Common, “Who is behind Senhuile-Senethanol?”, op cit. (Annex 1: Land grabbing, corruption and corporate crime) for an extensive list of examples.

Colombia, the government’s own Court of Audits estimates that drug traffickers owned nearly half of the country’s farmland.¹⁹ In Romania, the courts have chased numerous investors for tax evasion and money laundering. More recently, several deals entered into by Dutch Rabobank in Romania were investigated for forgery and fraud. The French government even has its eyes on hot money coming into the country’s wine industry. Seeing land grabbers put behind bars, however, is a rare occurrence.

With offshore and illicit finance so tightly connected to farmland investing, we are increasingly led to the conclusion that “due diligence” is a farce—it is easy to claim, but often proves hollow. In Cambodia, the Thai sugar giant Mitr Phol persistently boated about its standards of excellence, all the while being accused of illegally confiscating thousands of hectares from rural communities. In 2015, the company finally withdrew from its plantations and the EU and Cambodian governments are now trying to audit the concessions. In Peru, the Czech-led Plantaciones de Pucallpa—member of the Roundtable on Sustainable

19. CRAFS, GRAIN and Re:Common “Who is behind Senhuile-Senethanol?”, op cit. (See Annex 1: Land grabbing, corruption & corporate crime)

“We have to keep the focus on reversing the expansion of agribusiness—stopping the problem at its root.”

Soy, which requires due diligence of its members—was linked to massive deforestation and human rights abuses and finally ordered to cease operations.²⁰ Just in the past year, Rabobank and TIAA-CREF, perhaps the most esteemed and supposedly responsible farmland investors in the world, were exposed for land grabbing. Despite their lofty claims of due diligence, both Rabobank and TIAA-CREF were found to be buying lands from crooked businessmen known for using fraud and corruption to amass lands in Romania and Brazil, respectively.

Narrower geography

The geographic scope of foreign investment in farmland has narrowed in the new database. Only a few deals have gone forward in some of the major initial targets such as Mali, Senegal, South Sudan, Indonesia, Pakistan, the Philippines and Argentina. In Latin America, companies very active a few years ago in multi-country land deals such as El Tejar, Calyx Agro (Louis Dreyfus) and Cresud struggled to achieve profitability and eventually pulled out. Attention has now turned to countries where agribusiness is already established and the legal environment favours foreign investors and exports (e.g. Australia) and countries where the export infrastructure is being built and large areas of land can be cheaply obtained (e.g. Mozambique). As a result, there is less farmland investment buzz in Asia and the Americas in the current database, while the prominent regions are Africa, Eastern Europe and the Pacific.

There are also overtones of a colonial carve-up in the creation of these new frontiers as certain countries favour investments in specific regions. Japanese companies, backed by their government, are focusing on

20. Forest Peoples Programme, “RSPO orders palm oil company to stop work in Shipibo territory in the Peruvian Amazon”, 26 April 2016, <http://www.forestpeoples.org/topics/agribusiness/news/2016/04/press-release-rspo-orders-palm-oil-company-stop-work-shipibo-territ>

northern Brazil and Mozambique for soy production. Chinese companies are aggressively buying farmland in New Zealand and Australian, as well as Russia’s far east. Russia’s western farmland is a favourite destination of European companies, as are Romania and the Ukraine. Indian companies are keen on Ethiopia. French and Portuguese companies favour their former colonies in Africa. (US and UK companies, however, are pretty much everywhere.)

Farmland grabs are also water grabs

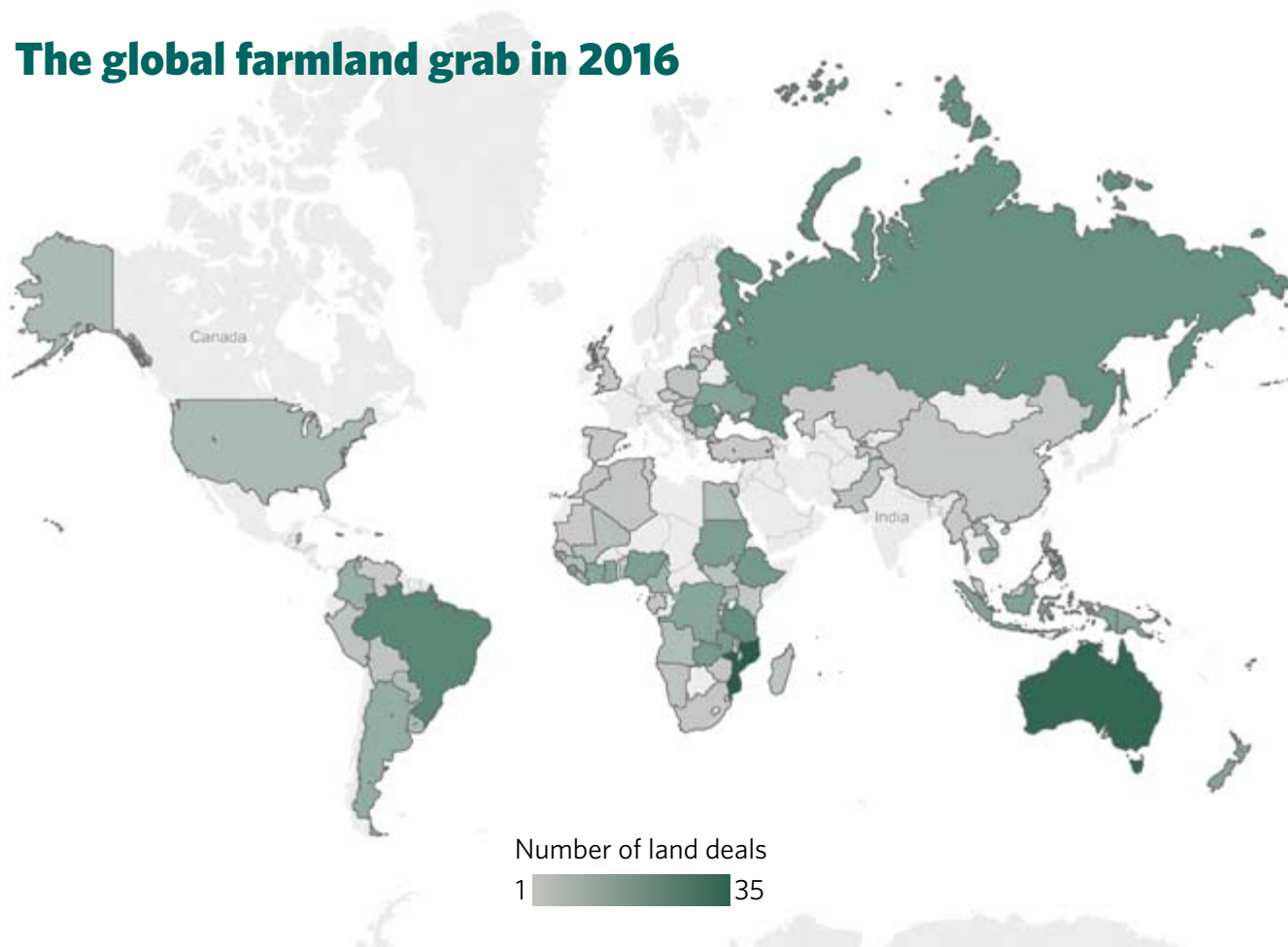
The global farmland grab remains as much about water as it is about land.²¹ With a few exceptions, land deals in the database include access to water. In many of the cases for which we have been able to see the legal agreements—as in Mali, Senegal and Cameroon—rights to water and access to water are explicitly guaranteed in the text. This does not mean that land deals only occur where water is abundant, however. A frightening number of water guzzling operations are being erected in water conflict zones (e.g. along the Nile), upstream from water dependent communities (e.g. the Lurio River project in Mozambique) or on top of non-renewable underground reserves (e.g. Sudan). When drought hits, as it did in much of Asia and Africa in the first half of 2016, communities living next to these plantations see their access to water evaporate. This is what is currently happening in communities living next to the new sugarcane plantations in Cambodia and Ethiopia’s Lower Omo Valley.

Cause for hope: resistance is growing

The data we have today shows how far and how fast agribusiness is expanding. It also highlights how inefficient these investments are in the sense of how little they do to resolve rural poverty or make a dent in global hunger. But most importantly, it shows the tremendous resistance growing to counteract these deals. In case after case, we see staunch opposition to these investments from local communities and the organisations that support them. The resistance stems from conflicting claims over land and territories and arises as companies tear down forests, dig up burial sites, fence off pastoral zones and pollute the air and water. It grows as security forces clash with communities and as lawyers harass civil society, activists and journalists. It often becomes fatal and leaves people traumatised. The pressure behind these deals is intense and the stakes are very high for all involved.

21. For a broad collection of articles on this, see the “water” section of [farmlandgrab.org](http://www.farmlandgrab.org) at: <http://www.farmlandgrab.org/cat/show/799>

The global farmland grab in 2016



Groups around the world have launched campaigns to stop the financing of land grabs at the source, whether from the World Bank, European governments, pension funds or shareholders in major corporations. Some of these efforts have been successful at stopping loans (e.g. to Calyx Agro in Latin America) or in making the case for divestment (e.g. Ecoenergy in Tanzania), while others are still trying to influence the halls of power (e.g. the governments invested in Feronia in the DRC). Some groups focus on legal work, whether it's challenging land grabbers in court (e.g. Wilmar) or creating public political space (e.g. through African churches or parliaments) to rewrite rules in favour of communities and get them enforced. This kind of work is gaining momentum from Ethiopia to Sierra Leone as activists learn to tap into legal resources and support groups and use crowdfunding tools to raise awareness and support for jailed community leaders and their families.

Resistance is also growing as barriers between different frontline struggles are breaking down. In Senegal, for example, farmers' organisations are supporting pastoralists who are the first affected by certain projects. In Mali, urban groups displaced by industrial development

projects are now the first to travel to rural areas to help farmers defend their lands. Similarly, communities in different countries where the same corporation is taking control of land (e.g. Dominion Farm), are getting together to learn from and support each other, sometimes through well structured alliances (e.g. around Socfin/Bolloré). People are also engaging in more cross-sector struggles, for example creating solidarity between those fighting biofuel initiatives and those fighting mining projects.

Resistance against land grabs is at the forefront of many of today's struggles for social, political and economic transformation, putting corporations and governments colluding complicit with land grabbing on the defensive. This makes it all the more critical to avoid traps like that of "responsible investment". We have to keep the focus on reversing the expansion of agribusiness—stopping the problem at its root. As this new research shows, the global farmland grab is massive and it is extending its reach to new frontiers. We must redouble our resistance efforts to ensure that more lands can stay under the control of food producing communities.



GRAIN is a small international non-profit organisation that works to support small farmers and social movements in their struggles for community-controlled and biodiversity-based food systems. *Against the grain* is a series of short opinion pieces on recent trends and developments in the issues that GRAIN works on. Each one focuses on a specific and timely topic.

The complete collection of *Against the grain* can be found on our website at:

www.grain.org/article/categories/13-against-the-grain

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