Large-Scale Land Acquisition, agro-investment and a reflection on data

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1) A couple of flashes on LSLA...

2) Disaggregating “Large-scale land acquisitions”

3) Reflections on data
Some flashes on LSLA ...

- Land matrix data (www.landmatrix.org)
- LSLA = 200ha, since 2000, change of tenure system and land use
# LSLA globally

<table>
<thead>
<tr>
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<th># deals</th>
<th>ha intended</th>
<th>ha under contract</th>
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African countries are among the most affected in the world.
African countries are among the most affected

- Important concentration – top 20 countries, 74% deals, 80% size
- Top 20 – 9 African countries (insecure land rights)
African countries are among the most affected
Western countries are still the main investors in Africa, Emerging and Middle Eastern countries are upcoming.

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<tr>
<th>North</th>
<th>West</th>
<th>Central</th>
<th>East</th>
<th>Southern</th>
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<tr>
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Investors

- **Traditional Western** food-producing, processing, and exporting companies seeking to increase market share

- **Capital-rich / food insecure** Land and water scarce populous but capital-rich (Asian countries, Gulf States - China: 20% of world pop / 9% of world arable land)

- **New actors** – Outside of agriculture (financial sector, ...)

- **Private investors**
  - Market expansion

- **Direct gov. involvement**
  - Sovereign wealth Funds
  - State-owned enterprises

- **Avoiding markets**

- **Hedge funds,**
  - Pension funds
  - Invest banks
  - Asset management comp

- **Diversifying portfolio/speculation**
The rush for land is triggered by a wide range of drivers, food becoming a main driver.
Little effective production

AFRICA

- Unknown
- Project abandoned
- In operation (production)
- Project not started
- Startup phase (no production)

Central: 11%
East: 20%
North: 50%
South: 17%
West: Failed

1.7% Concluded not operational
20% Concluded operational, not producing yet
50% Concluded, operational, producing

17% Intended
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Note: The increase in concluded deals is +115, in intended deals is +41, and in failed deals is +24.
Slowing down overall, but evidence of long-term trend of growing commercial interest in land

Reasons: Credit crunch, high failures, less media focus, civil awareness, countries are getting better prepared
Disaggregating “Large-scale land acquisitions”
Land grabbing is not homogenous ….

… different institutional set-ups/investment models


## Different LSLA with different outcomes

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- **Association with local farmers, looking for CF opportunities**
- **Based on bilateral agreements (more based on social inclusion)**
- **1/3 of CF (tendency to full control) & Spot market**
- **CSR**
Different LSLA with different outcomes

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High failures

- Uncertain institutional environments and the difficulty of doing business
- Technicality of the projects
- The lack of markets
- Lack of financial services
- High settling and transaction costs
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High failures

Increased integration

- Slow down, more secure investments

Invisible control

Few inclusive models

Strategy change
Implications for agrarian development and restructuration

- Corporization of agriculture
- Closed value-chains and foreign powers
- Concentration and dualization within the agricultural sector
- Proletarization of the agricultural / rural society
Normalisation process vs consolidation and agrarian change

Going beyond ‘direct’ loss of land, indigenous rights …
…. Broader transformation of agrarian societies

- Land grab is only a ‘tipping point’
- Profound transformation of the food regimes, of our agrarian societies
  - Self determination on your land vs agrarian system without room for manoeuvre
- Questioning of the development model
  - LSLA debate is having a blinding effect on other development trajectories
Normalisation, agrarian change and reflection related to data
The need for more disaggregated data

- LSLA is not a homogenous phenomenon
- Go beyond global data
  - To better understand – take into account specificities
  - Empower

Land Observatories
- Each Observatory – Independent, managed by own interest group
- Based on multi-stakeholder platforms

Software
- Adapted to local needs
Accompanying effective agrarian change

Normalisation vs failure vs consolidation

1. Understanding of more inclusive instruments
   1. Inclusive Business Models (Contract farming, outgrower schemes)
   2. Community Partnership Programmes

2. Need for more territorial and sectoral approaches to LSLA

3. Assessing other development trajectories
   1. Challenging the LSLA paradigm
Thank you

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