New agribusiness investments mean wholesale sell-out for women farmers

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Globalisation impacts on local land markets and land-use; land transaction costs affect food prices; and the combined effect is particularly damaging to women who produce food and who put food on the table for their families. This paper examines three issues: what is attracting investors and market speculators into the farm and land sectors? What is at stake for small farmers – and especially women farmers – and long-term impacts for food production and food security? And what action is needed to enable women to secure access to natural resource and land assets for current and future generations?

Key words: land-grab; food prices; women farmers; commodity futures trading

Introduction

The multi-fold hike in food and fuel prices in late 2007 came out of the volatility in financial markets. In the first six months of 2008, mass riots over food shortages and unaffordable prices broke out across the world, from Senegal to Zimbabwe, from Haiti to Mexico, from Bangladesh to Yemen. As a result, economies large and small have become more alert to food security concerns.

Uncertainty around the future of food and fuel supply has propelled investors to invest in land. A growing number of investors and fund companies are acquiring large parcels of productive land in Africa, Latin America, Central and South East Asia, for commercial production or long-term investment – effectively taking land away from local farmers and in many cases, perpetuating environmentally damaging farming methods. This development threatens to have serious negative impact on small farmers, and, in particular, on women farmers who have no say in the political and trade decisions around their lands.

A perspective from Jim Rogers, a billionaire investor who founded the Quantum fund, is that agriculture will be the next big booming sector and that farmers will be the ones driving the best cars in the world in the next 20–25 years instead of bankers and analysts (Camposagrado 2009).
Benn Steil from the Council on Foreign Relations in the USA gave a different perspective in his statement before the Committee on Homeland Security and Governmental Affairs in the United States Senate, on 20 May 2008:

_The sharp recent rise in global commodities prices, particularly in the energy and agricultural sectors, is … threatening the health of many millions in developing countries. There is also no doubt that these price rises have been accompanied by a corresponding rise in interest from institutional investors in commodities as an asset class. The value of commodity index investments has grown by about 1/3 since the beginning of the year, to more than $250 billion._ (Steil 2008, 2)

Lumumba Odenda, Co-ordinator of the Kenya Land Alliance, pointed out: ‘We can’t reduce poverty if the majority of the landless can’t afford to buy land’ (Achieng 2009, 9).

A portrait of contradictions? The underlying assumption of the first quotation from Steil is that farmers will earn the same kinds of profits as commodity speculators. In contrast, the reality presented in the quotation from Achieng is that many who depend upon the land do not, and increasingly cannot, own land. As long as financiers and traders profit from a system that pays out to them, they will continue to be the ones ‘driving the best cars’. With financiers and investors moving into long-term lease or outright purchase of enormous plots of land, peasants and small farmers are joining the ranks of the rural landless in ever-growing numbers. Globalisation impacts on local land markets and land-use; land transaction costs affect food prices; and the combined effect is particularly damaging to women who produce food and who put food on the table for their families.

This paper examines three issues:

- What is attracting investors and market speculators into the farm and land sectors?
- What is at stake for small farmers – and especially women farmers – and long-term impacts for food production and food security? and
- What action is needed to enable women to secure access to natural resource and land assets for current and future generations?

**The land issue in today’s economic climate**

Renewed interests in land and farm investments worldwide are a response in part to growing demand for food, water and fuel; in part to the opportunities provided by the speculative market; and in part because countries are seeking to secure their own food sources to protect them against future market upswings in food price and availability. The pace of acquiring lands has quickened in the aftermath of the 2008 economic crisis; a global market in land and water rights is being created, which has very little connection to domestic agricultural plans.

Private and institutional investors are seeking ways to diversify their asset bases, including outright purchases or long-term leasing of agricultural lands (the focus of
this article); more extensive speculation on food commodities,\(^1\) and more systemic investments in the entire chain of the field-to-table business. In 2008, agricultural funds made 9.5 per cent return on investment, according to BarclayHedge, while almost every other investment lost money (Walker 2009). Financial speculation in commodity futures, following the collapse of the financial derivatives markets, fostered a ‘commodities super-cycle’. In 2008 and 2009, speculators seeking quick returns transferred billions of dollars out of equities and mortgage bonds, and invested in food and raw materials. This ‘heated-up’ speculation in commodities has a worldwide impact on food prices, because of the globalised system of food production, and the domino effects between different food sectors. The price impact on food-importing states and citizens around the world has been devastating.

Bilateral and multi-lateral interests are also shifting attention to political and financial investment in agriculture. Examples include the 2008 International Finance Corporation (IFC) announcement that it would increase investments in ‘agribusiness development’ in Africa, South America and Russia, because of new private sector interest in the food sector. Part of its spending will be to bring ‘under-utilised’ lands into production.\(^2\) The term ‘under-utilised’ is often taken to mean small-scale sustenance farming that does not meet the ‘economies of scale’ models promoted by agribusiness.

AGRA, a partnership between the Gates and Rockefeller Foundations, which is working with Monsanto, to bring an Asian-type Green Revolution to the African continent will invest US$150 million into an Alliance for a Green Revolution in Africa (AGRA) project, which they regard as essential for food security. On its website, http://www.agra-alliance.org, the Alliance describes itself as a

…dynamic partnership working across the continent to help millions of small-scale farmers and their families lift themselves out of poverty and hunger. Alliance partnerships will focus on key aspects of African agriculture: from seeds, soil health and water to markets, agricultural education and policy.

Increased support for biotechnology is hidden in these developments. A 2009 report, has as one of its main recommendations: ‘… international agricultural research projects with substantial payoffs for a large number of beneficiaries should be given investment priority, particularly GMOs [genetically modified organisms] that offer major potential for boosting agricultural yields and “climate proofing” crops’ (Draper \textit{et al}. 2009, 8).

Josphat Ngonyo, with the Africa Network for Animal Welfare in Nairobi, has compared the workings of the Alliance with that of Monsanto, the world’s leading producer of genetically modified seeds. In his view, ‘The way that the Gates and Rockefeller foundations have set up AGRA resembles a well-known Monsanto format. AGRA purports to finance and train small and medium-sized agro-chemical dealerships, up to the village level, to make sure ‘improved seeds’ have a smooth channel to flow to all farmers across the continent. But Monsanto must police its technology contracts, so its transfer from Monsanto’s labs to farmers is best controlled if the
financier has a hand on the seed supply chain in Africa’. In short, this leads to corporate control of the seed supply, whether or not it is genetically engineered. In 2008, the number of farmers using genetically modified crops increased by 1.3 million from 1996 to 13.3 million – and the number of countries growing these crops increased from 6 in 1996 to 25 in 2008 (ISAAA 2008, 3).

The new goliaths

There is evidence that powerful coalitions of agro-industrial corporations, investment finance, and bio-technology research, are poised to spring new systems of large-scale controlled farming in countries that have little power to negotiate their own interests – and owning land and seed are the essential cornerstones to this business.

A UN Conference on Trade and Development Report (UNCTAD 2009) tracks a revival of old investors, and an entry of new investors in agricultural production. Governments with a growing interest in investment in food production abroad are using Foreign Direct Investment, Sovereign Wealth Funds (SWFs), and other contractual arrangements to finance investment. The new investors include those who have not traditionally invested overseas, or they may be cross-industry transnational companies, such as Daewoo Logistics (originating in the Republic of Korea) and ExxonMobil (USA) or private equity funds (such as Palmer Capital/Bidwells from Germany/UK, and Gulamareh Fund, Malaysia).

What is at stake for women farmers?

While the emerging picture is still hazy and fragmented, stories from the field indicate that many people are losing access to the resources upon which they depend for food, water and fuel security. Rural populations, whose lives are inextricably linked with local ecosystems, are most affected by how control over soil-use is defined and realised. While farmers might still live on the land, they may no longer have a say on what is grown or for whom. When these kinds of decisions are taken away from the farmer, you are creating a farmer who is emotionally divorced from the care of the land. We have already witnessed the impact that this kind of ‘alienation’ has had on once-fertile lands across Africa and Asia. Poor women’s access to land for food growing and sourcing is under threat.

According to a Human Rights Council Advisory Committee report in 2010, this year recorded more than 1 billion people undernourished worldwide. The report quotes statistics from the Food and Agriculture Organization; the Asia and Pacific region had the largest number of hungry people (642 million), followed by sub-Saharan Africa (264 million). The latter has the largest prevalence of under-nourishment relative to its population size (32 per cent). As an effect of the escalating food prices, four regions of the world have seen percentage increases in under-nourishment in relation to 2004–2006, namely sub-Saharan Africa, Oceania, Southern Asia (India excluded) and Eastern Asia (United Nations General Assembly 2010).
Despite the broad popularisation of policies that speak of equitable development for both men and women, the reality is that women still systematically receive less agricultural extension training, access fewer loans for farm development, product development, and marketing, and are generally less well-represented in farmers’ organisations than men. For example, of the 150-plus greenhouses that had been distributed among farmers in Dominica in 2009, fewer than five went directly to women farmers (personal communication, Networked Intelligence for Development training workshop, Dominica 2009).

What factors underpin the continued marginalisation of women’s interests in the farming sector?

- Commercial farming is prioritised over local food farming. Countries that depend upon agricultural income promote commercial (export) agriculture as a means to earning foreign exchange over smaller-scale farming systems that feed the country. This means that government-supported initiatives, often dependent upon external funders, ignore or exclude small farmers who do not produce a high acreage of a single marketable crop or product. This also means that multi-cropping, companion cropping or other methods that do not meet this high acreage criteria are systematically ignored. Because many women farm smaller plots of land with a range of plants they are, de facto, excluded from any national policy engagement;

- Tenure insecurity leads to lower productivity. Africa is a food- and commodity-producing continent, yet its farm yields are only one-quarter of the global average. This is less a reflection on land productivity and more on the tenuous nature of land access and security of tenure. Research from Ghana shows that women’s land plot productivity was lower than that of men’s because of their higher level of tenure insecurity, making them less able to invest in land to improve quality – for example, leaving it fallow – because they might risk losing the land (Goldstein and Udry 2005). Studies have also shown that where farmers ‘own’ the trees that they plant, they are more likely to take a long-term interest in planting more trees. In other words, there needs to be some assurance that the labour invested in the land will secure a return over several harvests;

- Female-headed households are less secure. Add to this the fact that there has been a significant increase in the percentage of female-headed households in recent years in many African countries (International Fund for Agricultural Development [IFAD] 1999). Female-headed households have a higher number of dependent children and elderly to each productive adult than other households; have fewer assets and less access to resources; and tend to have a greater history of disruption (IFAD 1999). Women in particular, whose formal rights to land are usually tentative to non-existent, with no legal or procedural mechanisms to protect their interests or to provide them with some channel of recourse or compensation, are destined to lose out completely when there is heightened competition for land. These gender differences become more acute when productive resources are eroded, making female-headed households the most vulnerable of the rural poor.
The trends in land investments exacerbate these underlying issues. With the emerging land investments a new set of challenges emerges for the woman farmer:

- The larger the financial transactions, the more invisible are the concerns of the poor. Small farmers will often hear about decisions around land allocation and what is to be grown long after the deal is done. They have no seat at the negotiation table and are presented with a \textit{fait accompli}. In other words, women stand to lose tenure and become contract farm labourers with no collateral;

- Land deals are often multi-level agreements between government, banks and financial intermediaries with overlaying and complex levels of legalities over land ownership. As details of the agreements are not easily accessible, farmer associations face difficulties if they want to challenge the terms. The domestic legal rights of the poor do not guarantee that legal recourse might address their issues. On the contrary, international law will often prevail over domestic law – providing additional rights to foreign investors;

- Monoculture or plantation farming that comes with large-scale mechanised agro-investment, further entrenches an agricultural system that is energy (fossil-fuel) heavy and degrades land and water. The system favours chemical-based farming, which has already proven disastrous to the long-term health of the biosphere (and a major contributor to greenhouse gases). New technologies, GMO seeds and other related inputs are bundled together with financing which places governments and farmers alike in a cycle of debt and dependence on external inputs. This kind of farming is at odds with biological-based multi-crop local input farming that small farm management often entails;

- Infrastructure built around export trade (large-scale irrigation and storage systems, rail, road and port construction) further entrenches the channels of agro-industrial export. Once again, this takes resources and attention away from women farmers whose markets are small and local and who need infrastructure to be built around local trade;

- The traditional roles of women in plant genetic resource management (seed-collection, -selection and -saving) will be silenced and devalued by the biotechnology advocacy of US development policy. The livelihood of seed-saving and -production by women could be dismantled in the name of a misguided development agenda more focused on agribusiness incomes in the developed world than by enhancing the capacity for real ownership and control by women. The risks to farmers of fully adopting industrial agriculture in general and GMO seeds in particular include:
  - transferring their food and farming decisions to global corporations;
  - losing ecological and agricultural diversity as GMO varieties spread;
  - driving small- and medium-scale family farmers off their land because they cannot afford the expensive inputs, including GMO seeds, that industrial agriculture demands.
Implications for state and non-government organisation policy and practice

Technological and financial solutions to these problems are secondary. The core solutions lie in building alliances, supporting dialogue and solidarity across local and international borders and enabling women to determine their choices, their priorities, their ways of ‘doing and being’ to hold local governments accountable.

Solidarity with groups that promote food security over commercial farming

Women want to influence the decisions that affect the lives of their families and communities, as well as their political and economic environments. In order to hold their representatives and governments accountable, women want to be better-informed, and to have their own information, experiences and ideas valued and organised into voices for change. The ‘culture of silence’ where women will accept the decisions of male heads of household and male leaders, even if those decisions might have negative implications for them, will wear down as women build their own support networks.

In particular, women need support both to articulate and take action to:

- resist pressures to turn land and forests away from the food needs of the people towards the production of export crops or bio-fuels because of pressure to sustain a pattern of elite consumption that is clearly unsustainable;

- build solidarity to protect vigorously the provision of global public goods but also resist vigorously pressure to open up national public goods (NPGs) to global corporations. The NPGs include, for example, provision of water for household use, energy and electricity for national enterprises, education, indigenous knowledge and cultural expressions, or access to land ‘conserved’ for tourism;

- build capacity to negotiate with technology and investment capital interests. Here the successes of grassroots organisations need to be drawn upon.

Peasant movements, organic farmer groups, and food movements are taking stands at local and international levels to retain or reclaim control over local production and consumption decisions. The Via Campesina movement, Food Sovereignty movement and urban farming groups are all part of a groundswell demand for healthy local food in many countries – the movement is bringing some welcome critical attention to the global food industry.

In an interview in Honduras in November 2009, a woman farmer told me: ‘When I choose to plant a particular bean, it might not be because it grows faster or because it gets me more in the market, I might decide to grow it because it tastes better – that is food sovereignty!’ Another example of women farmers taking action on the issues comes from Zimbabwe; there some women war veterans have emerged as a food
movement since they championed access to land, with the aim of increasing food production in households (field data collected by Patience Mutopo, September 2009).

Support diversity farming methods and policies: putting ‘culture’ back into agriculture
Diversity farming is the most modern ‘technology’ to achieve food security in a changing climate. Farming systems that mimic natural eco-systems, that nurture and promote a variety of species and genetic diversity on the farm, and that encourage interactions among species, energy flow patterns and material cycling are all functional dimensions of diversity. It includes models of agro-forestry, intercropping, reduced or minimum tillage and crop rotation. It is an age-old insurance policy of farming communities to hedge their risks. Achieving food security requires secure land tenure for the producers, biodiversity of food production, and strong direct links between consumers and producers.

For over 60 years, there has been a growth in the dominance of industrial agriculture in the world. That growth has meant concentration and consolidation of land and power into the hands of a few industrial giants, and large-scale monocultural production has become the default farming method. It has led to the demise of thousands of small farmholdings, and the loss of land ownership. The decline of smallholder agriculture is doomed to be repeated in the developing world, if these land-grabs continue, and biotechnology advocacy gets more support.

Legal registration and titling need to be customised for women’s interests
Land reforms are again high on the international policy agenda, as evidenced by the recent establishment of the (High-Level) Commission for the Legal Empowerment of the Poor. The United Nations Development Programme’s Commission on Legal Empowerment of the Poor: Working Group on Property Rights (2008) attributes the low levels of land ownership by women to the legal discrimination against women, the predominance of the patriarchal system and the mixing in many countries of the dictates of tradition and of formal law. The Norwegian Network on the Legal Empowerment of the Poor, based at the Centre for Environment and Development, in the University of Oslo, has been advocating for rights based approaches to legal empowerment of women in titling and accessing land.

There are examples where women have taken deliberate measures to register land and secure the commons. A West Bengali group, SRREOSHI, has made vested lands available to women’s groups, giving them due entitlement. Along with the entitlement, the land is cultivated by the groups to secure their nutrition and livelihood. This has relieved pressure to search for other sources of income to make a livelihood, such as stone-crushing or street work, and given them the confidence to participate more vocally in their communities.6
In the Gambia, women are the traditional rice-growers. Most of the lowland areas suitable for rice growing were owned by a small number of original founder-settlers. Not having access to enough labour, they allowed poor landless farmers, mostly women, to work the land seasonally. Once the season was over, the founder-settlers took the land back. Through discussions with communities, a plan was formulated to devolve land ownership from the founder-settlers to those landless poor farmers willing to participate in its reclamation. From 1997 to 2005, the Lowlands Agricultural Development Programme worked as a catalyst to bring about this change. Individually-owned land was first devolved to the community, which distributed it equitably among those individuals, mainly women, participating in land reclamation. Some 22,000 women now own land definitively, and their children will be able to inherit it (IFAD 2009).

Conclusion

This is an arena that requires urgent attention. Smallholder farmers and subsistence farmers stand to be cheated out of their remaining security base, as the global economic crisis sends investor mercenaries their way. The Alliance for Food Sovereignty in Africa (AFSA) represents smallholder farmers, pastoralists, hunters and gatherers, and indigenous people across Africa. It urges African leaders to reject what its members call ‘the corporate takeover of African land and food production systems’. AFSA asserts that African governments are not doing enough to protect the food sovereignty, biodiversity, and livelihoods of its peoples (AFSA 2009).

As Kooya Timan, a Maasai mother of five, from a pastoralist community in northeast Tanzania, stressed in an interview with me in March 2010: ‘We need our voices to be heard at different levels, by our own government but also by networks of women around the world who will support us’. Kooya’s community is currently facing encroachment on their traditional lands. Encroachment on pastoral lands is not a recent development; what is perhaps different about the current process is that it is intensifying with globalisation, it is more difficult to track, and it is increasingly discriminating against the rights of native peoples (Dowie 2009).

We need to stand in solidarity with women who want to hold their governments accountable. Investors come and go. The land has to remain. What happens in 10–15 years time when the investors cash out and leave? Who will be left to pick up the pieces?

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Notes

1. The rocketing price of wheat, soybeans, sugar, coffee, etc. is a direct result of debt defaults that have caused financial panic in the West and encouraged investors to seek ‘stores of value’. These range from gold and oil at one end to corn, cocoa and cattle at the other; speculators are even placing bets on water prices.

2. In 2008, the IFC spent US$1.4 billion in the agribusiness supply chain, of which US$900 million went directly to agribusiness firms.

3. The International Task Force on Global Public Goods (2006) has defined global public goods as ‘issues that are broadly conceived as important to the international community, that for the most part cannot or will not be adequately addressed by individual countries acting alone and that are defined through a broad international consensus or a legitimate process of decision-making’ (2006: 13). The Task Force also provides brief complementary definitions of various categories of public goods:

- A local public good benefits all the members of a local community, possibly to include the citizens of more than one country.

- A national public good benefits all the citizens of a state.

- A domestic public good benefits all the members of a community situated within a single state. National public goods are domestic public goods, but domestic public goods need not be national public goods.

- A regional public good benefits countries belonging to a geographic territory.

- A global public good benefits all countries and, therefore, all persons.

- An international public good benefits more than one country. Global and regional public goods are both international public goods. However, some international public goods may be neither regional nor global. The public good of collective defence under NATO, for example, applies to North America and Europe.

(Blackdon 2009; emphases in original)

4. Via Campesina is an international movement which coordinates peasant organisations of small and middle-scale producers, agricultural workers, rural women, and indigenous communities. It was founded in 1992 and was originally based in Belgium, but now has its headquarters in Indonesia. See organisation website: http://viacampe-sina.org/en/

5. The food sovereignty platform redirects the control of food production and consumption away from powerful agribusinesses and back to localised food systems. It calls for agricultural policies founded on the rights and needs of populations and for mutually supportive international trade. Food sovereignty:
is the right of peoples to define their own food and agriculture.

is the right to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives.

is the right to determine the extent to which they want to be self reliant; to restrict the dumping of products in their markets.

is the right of local fisheries-based communities to have priority in managing the use of and the rights to aquatic resources.

does not negate trade, but rather it promotes the formulation of trade policies and practices that serve the rights of peoples to safe, healthy and ecologically sustainable production.

The concept of food sovereignty was first articulated by Via Campesina at the World Food Summit in Rome in 1996 (see http://www.foodsovereignty.org/public/index/index-eng.php for more information).

As part of the international ASHOKA changemakers program, SRREOSHI is putting land ownership back into the hands of women farmers in West Bengal, India. By helping women secure land and property rights, SRREOSHI breaks down gender inequalities, giving women a bigger stake in their economic livelihood and nutrition. Winner of the 2009 Cultivating Innovation: Solutions for Rural Communities collaborative competition, SRREOSHI plans to continue working with local governments, providing legal assistance to women, and even spearheading a seed bank to help strengthen the voices and value of women in rural India (www.changemakers.com/en-us/node/53537).

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