

Massive, irresponsible lease of African farm land threatens Africa



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Since 2008, foreign investors, some of whom are private banks and pension funds, have acquired farm land in Africa resulting in the displacement and loss of livelihood of many families. Africans cannot financially afford to entrust their food security to foreign large-scale commercial agriculture multinationals.

Foreign investors' central objective is not to ensure food security of African people, but to grow their wealth by targeting the demand to feed the planet's growing population and meet the increasing demand for biofuel.

While some African governments see this as a model of development, Africa Faith and Justice Network is one of many organizations which believe that land grabbing will create more problems than it solves. First of all it is a fact that African governments, many of which are corrupt, are leasing people's farm land for decades not to benefit the people, but to have another revenue source to finance their luxurious and privileged lifestyle. Prior to the rush for farm land, many governments signed mining and oil exploration contracts with foreign investors; but the revenue is in the bank accounts of presidents, their children and a few elites.

In late 2009 the US-based company SG Sustainable Oils Cameroon (SG SOC) obtained land rights from the Cameroonian Government to 73,086 hectares (180,599.4 acres, 282 square miles) of land in the Ndian and Kupe-Manenguba Divisions in Southwest Cameroon for a 99-year lease. According to the contract the government will collect \$1.00 per hectare (2.47 acres) for state land that is developed, and US \$0.50 per hectare (2.47 acres) for state land that is not developed. With the 2% yearly increase and for developed land, the state will collect \$1.22 per hectare after 10 years, \$ 1.48 after 20 years, \$ 2.69 after 50 years and \$ 7.10 at the 99th year. But none of this money will compensate the Cameroonians who have lost rights to their land in a country where small-scale agriculture is key to survival.

In Liberia, Sime Darby Plantation, a Malaysian based company has signed a 63-year agreement

with the government of President Ellen Johnson Sirleaf to develop 220,000 hectares (849 square miles) of land to grow palm trees. According to a report by the Guardian, Sime Darby, paid \$200 compensation to a local farmer, Ms. Fatu Kamara, for the land she grew her cassava on. This is the equivalent of \$3 for every year Sime Darby occupies her land. Without any doubt Ms. Fatu made more than \$3 each harvest season.

In Africa, land grabbers promise to create jobs, bring development and guarantee access to food in areas where they acquired land: these are the same broken promises made by oil and mining companies and their African facilitators. There is overwhelming evidence from operational land leases showing that only few short term jobs are created, wages are low and work conditions are bad.

Without denying that the African agricultural sector needs to be improved, there are certainly many challenges that have to be addressed in order for African nations to successfully and fairly incorporate large-scale foreign agricultural investment into their development plan. Governments leasing people's land without due process is a recipe for more conflict.

Unless serious governance reforms are made, investors should not seek land lease contracts from weak and undemocratic governments. In part, given the state of governance in Africa, it is a huge mistake to let foreign multinationals own Africa's farm land and mining and oil concessions they have.

Only strong democratic government institutions can ensure contracts are fair, people's resources are protected, and companies are held accountable for pollution, and all other anticipated abuses can be addressed. Only responsible governments can set up proper processes to obtain a contract and manage revenues. The bottom line is that the rule of law is lacking a method to facilitate responsible land lease which benefits both investors and land owners.

In the meantime, AFJN supports OXFAM in its call to freeze the World Bank's large-scale land acquisitions pending investigation into their practices. AFJN is also working with a DC-based coalition of organizations to halt the spread of land grabs in Africa.

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