



Insecurity drives farm purchases abroad

Wealthy countries seek land in Cambodia, Madagascar, and Brazil.

By David Montero | Correspondent of The Christian Science Monitor from the December 22, 2008 edition

PHNOM PENH, Cambodia - The farm fields of this country once fed the legendary civilization of Angkor, the world's largest empire in the 9th century. Tomorrow they may feed the megacities of the United Arab Emirates, Kuwait, and Qatar.

Reeling from food prices that have doubled on average from a year ago, several Gulf countries are pursuing land deals worth billions of dollars in Cambodia, according to recent statements by Cambodia's government.

Those countries would lease land, grow rice and corn, and then ship it home - potentially saving millions by bypassing world markets.

The race for farmland in Cambodia underscores how countries desperate to boost farming amid an ongoing food crisis are turning to global outsourcing, hoping to grow their own food on land abroad. Japan has bought up plots in Brazil, South Korea large tracts in Madagascar, in a trend poised to change global land ownership and agricultural production.

While it may bring succor to countries squeezed by high prices, it may also incite conflict and poverty, some experts warn. In August, Jacques Diouf, director-general of the UN's Food and Agricultural Organization, warned against creating a kind of food "neocolonialism," with rich countries securing food supplies at the expense of poor farmers.

From his office in Dubai, Mohammed Raouf can see the global food crisis closing in on the Gulf states. Growing food at home is not viable - in Saudi Arabia, Mr. Raouf points out, farmers have tried for 15 years, unsuccessfully, to grow wheat in the desert.

As a result, Gulf nations must import about 80 percent of staple foods.

And the price of those imports has ballooned from \$16 billion in 2006 to \$20 billion in 2007, according to the Arab Organization for Agricultural Development.

Land acquisitions abroad are the only viable response, Raouf and others say.

"For the Gulf countries ... under current technology, it is impossible to guarantee their food security internally, because they lack water resources and arable lands," Raouf, program manager of environment research at the Gulf Research Center, a Dubai think tank, writes in an e-mail. "So this [is] the best policy option now to follow."

In recent months, Cambodia has positioned itself as a solution: of 6 million hectares (about 15 million acres) available for cultivation, only 2.5 million are currently used, the government says. It's been wooing the Gulf, hosting delegations of Arab leaders, and hopes to finalize concessions worth up to \$3 billion with Kuwait and Qatar. As Prime Minister Hun Sen said in a recent radio address, "Those countries have oil but no rice. I think the Gulf can become our rice market."

The marriage of rich countries seeking land and poor countries seeking cash has accelerated since 2007, goaded by troubling statistics: as populations rise globally by 1 to 2 percent, agricultural production is not keeping pace. Investment has slumped, and farmland is disappearing as nations transform countrysides into urban centers.

The result has been a quiet but dramatic redrawing of the world's land ownership. China may have a lot of land mass, but much of the arable land it has is rapidly being turned over to industrial use, and tens of millions of its former farmers have moved to the cities for work. So it now is negotiating deals to buy more than 2 million hectares of land in countries as far flung as Mexico, Tanzania, and Australia. The United Arab Emirates is seeking some 800,000 hectares in Pakistan alone, while Saudi Arabia is negotiating for 1.6 million hectares in Indonesia, according to statistics compiled by Grain, an environmental organization based in Spain.

Such deals may look good on paper, bringing cash and possibly technology transfers. But many in Cambodia - as elsewhere - are concerned. They worry that poor countries could undercut their ability to feed themselves by selling land, especially in times of food crisis.

"We still need to develop our agricultural technology on our own land," says Meas Nee, country director of Village Focus International, a nongovernmental organization that focuses on farmers' livelihoods. "If this kind of investment is not carefully planned, all the investment will be done at the expense of the rural poor and farmers."

Another concern is that land may be unfairly taken away from farmers. Cambodia is already reeling from extensive land disputes, and local newspapers daily report on cases of poor farmers being kicked off their land. In many cases, local police and government officials are said to be responsible, making way for private businesses to set up agricultural projects.

No one knows for certain how many people have been dispossessed in recent years, but it is estimated to be in the tens of thousands, according to several local and international human rights organizations, including Amnesty International.

In Laos, farmers are accusing Chinese of kicking them off their land. When it was announced that Egypt hoped to buy 840,000 acres of land in Uganda, a public uproar ensued, resulting in the Ugandan government denying the transaction. It remains unclear if that deal will go through.

"The land deal could trigger a conflict over land and also raise other political issues. We could see a reversal of our socioeconomic progress," says Arthur Bainomugisha, director of research at ACODE, a think tank headquartered in Kampala, Uganda.

Here in Cambodia, critics worry that land deals could be made without local consultation and could result in more people being kicked off their land.

Cambodian farmers would still be able to work on the land that foreign countries buy, but critics worry that companies would not be able to provide as many jobs as they might potentially take away. "The companies can make jobs, but in our observation, they cannot make the jobs enough," says Thun Saray, the executive direction of Adhoc, a local human rights organization.

"If the government permits land sales to foreign countries, where will Cambodians who need land go?
How can they survive?"