GLOBAL LAND GRAB

In fall 2010, the World Bank released its long-awaited report on the global farmland grab, a phenomenon that has been occurring on a grand scale since around 2007. Governments and corporations are buying up farmland in poor countries to grow food for their own people, generate agrofuels or produce food for commercial sale.

In this age of imported food, some countries do not produce much of their own food. Instead, their governments are considered “food insecure,” relying on other countries to feed their people. In 2008, food shortages and high food prices caused a food crisis in approximately 30 developing countries. “Food insecure” governments began to realize their own vulnerability to worldwide shortages.

Furthermore, with oil prices rising, those same countries became especially concerned about their fuel supplies. Many want to move away from fossil fuels towards renewable sources of energy, which include biofuels, or those liquid fuels created using biomass. Biofuels are derived from food and oil crops such as wheat, corn, sugar cane, palm oil, and a host of others, most of which could be used for human consumption. Biofuels are normally produced on a small scale, but when produced on a large scale using industrial agriculture systems, they are called agrofuels.

In response to these issues, wealthier governments like South Korea, China, Saudi Arabia and United Arab Emirates began to buy up vast areas of foreign farmland to grow their own food. Alternatively, private companies and investors realized the potential for profits and began purchasing foreign agricultural land as a new source of revenue.

This land grab is radically affecting many developing countries. Before 2008, the average annual expansion of global agricultural land was less than nine million acres (4 million hectares) according to the World Bank report. Even before the end of 2009, large-scale acquisition deals totaling approximately 138 million acres (56 million hectares) were announced.

More than 70 percent of those deals were slated for Africa, mostly in the Sub-Saharan region. Ethiopia, Mozambique and Sudan have transferred millions of hectares of farmland to foreign investors in recent years. Even countries like the Philippines, Pakistan, Indonesia and Madagascar have reported land grabs. While some countries actually sell land, others only lease it to foreign entities.

Exact statistical data surrounding land grabs is nearly impossible to obtain. Secrecy by both governments and private industry is commonplace.

According to the World Bank, foreign investment in agriculture has some positive attributes. If managed well, it can create the potential for poor land-abundant countries to gain access to better technology and more jobs for farmers and other citizens. In the best-case scenario, it could help produce sustained economic development in some of the world’s poorest countries. According to anti-poverty campaigners, however, this rarely is the case.

These groups have criticized the land grabbing practice, arguing that the rights of local farming populations are being ignored, as farmers are evicted from their land to make room for the large-scale agriculture. They also question whether the local people will obtain any long-term benefits from the transactions, such as poverty reduction and sustainable development.

They say investors prey on countries with weak land governance. Investors promise jobs and infrastructure to the local people, but oftentimes the projects either fail or never even get off the ground. This can result in conflict and environmental degradation. While a few local people may make money off a deal, more often projects create more inequality.

Environmental and social safeguards may not be in place to protect local populations. In addition, if crops grown under foreign investment enter local economies, the result can negatively affect the prices of crops grown by local small-scale farmers.

The increasing geographic pattern of land grabs in developing countries is a product of the maturing evolution of globalization, in which there are some international winners and many local losers. Such international trends bear watching, as the world’s increasing population seeks to feed itself.

And that is Geography in the News™, February 18, 2011. #1081.

Co-authors are Neal Lineback, Appalachian State University Professor Emeritus of Geography, and Geographer Mandy Lineback Gritzner. University News Director Jane Nicholson serves as technical editor.