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## World

### Food security fuels land grab, says report

By Javier Blas in London

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Only a short time ago, African farmland seemed of little interest to outsiders. But last year's [food crisis](#) and water scarcity in many countries has changed foreigners' appetite with the result being that fertile soil in Africa is now sought by international investors to the tune of hundreds of thousands of hectares.

The first big report on the trend – branded by some as “[farmland grab](#)”, but seen by others as a huge development opportunity – concludes that food security, rather than commercial enterprise, is behind most of the deals sealed or negotiated.

“Governments concerned about stability of food supplies are promoting acquisition of farmland in foreign countries as an alternative to purchasing food from international markets,” the report says. “The food price hikes of 2007 and 2008 shook the assumption that the world will continue to experience [low food prices](#).”

Alarmed by [exporters' trade restrictions](#), food importing countries have realised that their dependence on the agricultural market makes them vulnerable not only to a surge in prices but, more crucially, to an interruption in supplies.

“Land grab or development opportunity? Agricultural investments and international land deals in Africa” by the UN and a [London-based think-tank](#), is the first attempt to study the new trend.

“This is rightly a hot issue because land is so central to identity, livelihoods and food security,” it states.

Investing countries' desire to repatriate the crops to feed their own population in the name of self-sufficiency changes significantly the nature of such investment. In the 1950s and 1960s, international companies focused on making money by growing food for a global market.



A Sudanese farmer works on his land near the Nile. Hadco, a Saudi agricultural company, will carry out a pilot project for corn in Sudan next month

Kanayo Nwanze, president of the [International Fund for Agricultural Development](#), a UN agency that fights rural poverty, says the world is witnessing an emerging trend. “The issue of food security is back on the political agenda and that is driving investment in agriculture,” he says.

Lorenzo Cotula, one of the report's authors and senior researcher at the [International Institute for Environment and Development](#), adds: "The trend of farmland investment is real and gaining ground."

The trend to outsource the provision of food security and to pursue self-sufficiency at home is hotly contested by agricultural companies and trade officials.

Carl Hausmann, chief executive of Bunge North America, one of the world's largest agricultural trading companies, echoed a view widely held among other executives and government officials at the [World Agricultural Forum](#) last week in St Louis.

"Many governments are rethinking their approach to food security and are saying we need more domestic production, we need to be domestically independent," he said. "I would argue the exact opposite approach is better. Without the free flow of trade in agricultural commodities and food products the health of any given country in any given year is at risk."

Pascal Lamy, head of the World Trade Organisation, warned this month, that more trade rather than less was the solution to food security.

"If anything, international trade has reduced the price of food over the years," he told a conference at the International Food and Agricultural Trade Policy Council in Salzburg, Austria.

Such concerns are, however, unlikely to stop the trend. With agricultural commodities prices on the rise again and some of the export restrictions imposed a year ago still in place, most experts argue that the impact in Africa and elsewhere is likely to be long-lasting.

"Decisions taken today will have major repercussions for the livelihoods and food security of many, for decades to come" warns the report.

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