

Agrian change below the radar screen- Rising farmland acquisitions by domestic investors in West Africa

*What are the implications for food
production and smallholder farming?*

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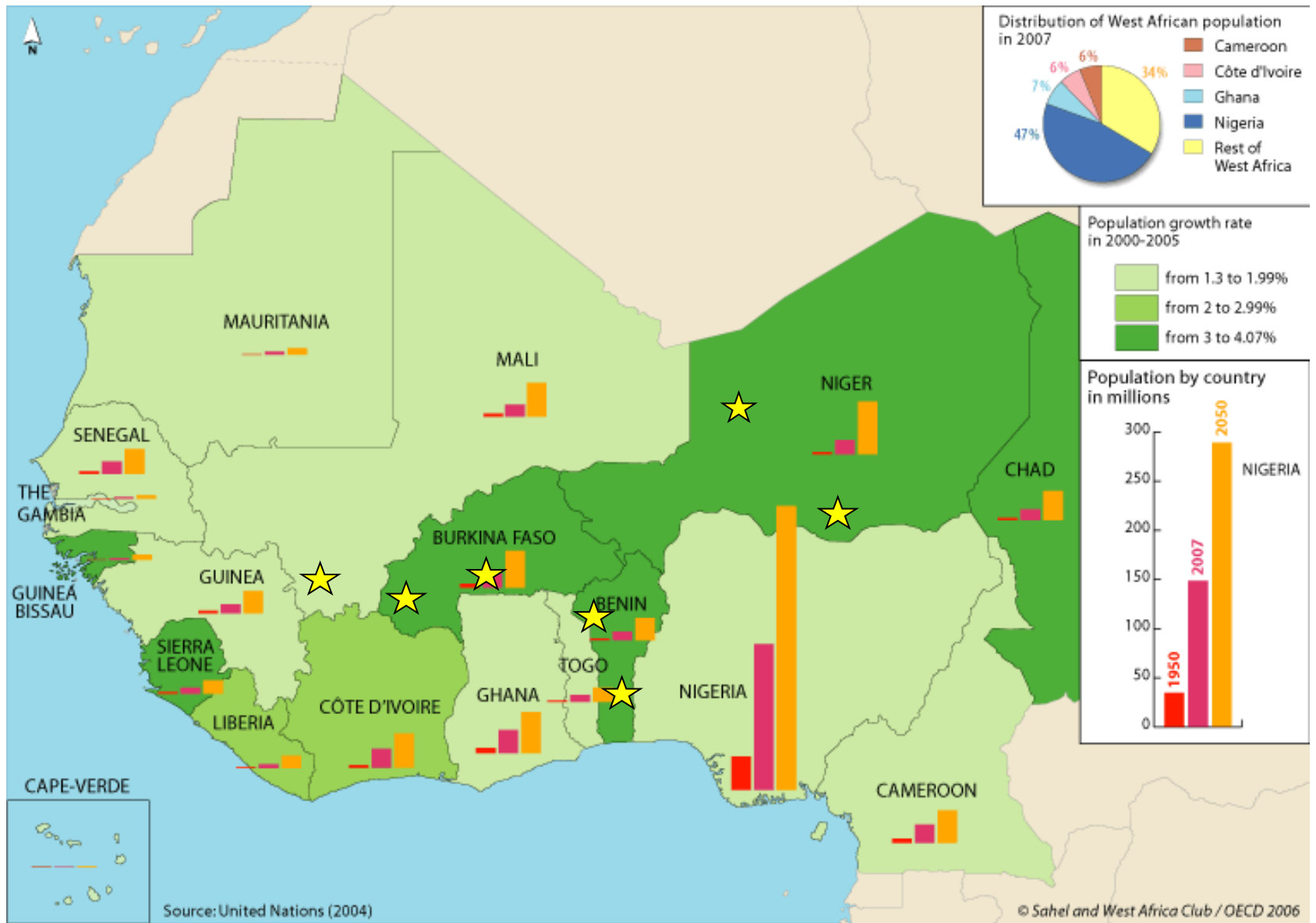
Land Governance for
Equitable and Sustainable Development

Structure of his presentation

- Background
- Survey findings
- Implications
- What next

1. Background

Geography and survey sites ★



Distribution and Evolution of the West African Population

Production systems in West Africa

- **Mainly rainfed farming/** livestock + **irrigation schemes**
(Mali-Office du Niger + smaller schemes in Burkina)
- Colonial period: **cash and food crops produced by smallholders** (groundnut, cotton)- no settlers
- **“Industrial” farming projects 1960s/1970s → poor results; abandoned** following the **droughts** (1974; 1985)
- **1980s-1990s Gov. focus on smallholder farming**
(production/ productivity, market liberalisation, supply chain for cotton)

Since 2000: policy shift towards promoting “agro-business”

- Burkina Faso most explicit: priority is agri-business; call on smallholders to make space and provide labour
- **Smallholder sector** perceived as “**social**”; but still subsidized inputs promotion for key food crops (rice, maize)

What is happening on the ground?

- ‘Medium-scale’ land acquisitions (<1000 ha) by domestic, city-based investors **seem** more wide spread & expanding
- Large-scale (>1000 ha) Foreign -and Domestic- investors in Office du Niger mainly;
- more projects in pipeline – it seems

Institutional/ Land tenure context

- **Establishment Local governments** (Benin 2002, Niger 2004, BF 2006 - Mali 1999)
- **Legal pluralism in rural areas** → customary land governance systems dominate (farm land & commons) except for irrigation schemes ; **Land policy change:**
 - Code rural **Niger** (1993), “commissions foncières” are +/- operational;
 - **Benin** 2007 (registration), **BF** 2009 (‘charter’)
 - More recognition of local land governance systems; more support for **decentralised management** of land and natural resources
- **More competing claims** over land & other resources, => conflicts (between groups)

Survey

- Survey in 2010 together with farmer organisations on domestic investors:
 - **How is land acquired:** Processes of land acquisition;
 - **How the land is Used:** Investment, land use and production; Modernisation
 - **What Effects** on livelihoods **small holders;**
 - **Local Responses** by local stakeholders (farmer organisations, local government, customary authorities)
- **Case study:** identification of known concentration areas
- Interview with **99 investors** or representatives; previous land owners; communities
- Analysis compared with other research in Benin (Synergie paysanne - 2010); Burkina (GRAF 2011)
- **Bias:** interviewed only those known locally; **Not those who acquired land and never returned** (waiting for certification?) => change of control that is invisible in landscape

Findings: How much & where

- **Most acquisitions after 2000 (2/3); plot size doubles** (average = 100ha also over 600 ha)
 - **No local records** (not kept by customary authorities or local government => bypassed)
 - Reasons: policy discourse; expectation of rising land values and more security (registration); urban land becomes expensive; speculating on arrival international investors in search for land (Benin)
- **Areas Preferred by domestic investors**
 - “Easy access”/ **roads (proximity** of cities at 1-2 hrs),
 - **Availability** of reserves (range lands/ forests “ex-riverblindness areas);
 - Where the **brokers** go
 - **avoid “hostile”** communities/ local government
 - Some go back to region of origin; others not (**avoid social obligations**)

Who are the investors

- Mostly individual; some cases of NGO-s and 1 enterprise (Benin)
- Most are non-professional in agric. : civil servants, traders, politicians (except Niger, or longer established)
- They do not live on the land and are far: 55% live in capital/ abroad) = 30% have a care taker
- On average: >50% of acquired land cultivated, but largest farms (>190 ha). used less than 20% of land (or zero) =>Smaller plots most intensively used

Transactions & contracts

- All transaction **involve customary authorities**; investors then **seek to formalise**, but none have succeeded yet
- What Contract
 - **Lack of clarity** on exact size & boundaries & agreements (lease? sale?; expectations of reciprocity?) => may produce conflicts
 - Few 'conditions of contract' ("**cahier de charge**")
- **Why do customary land chiefs accept to transfer land?:**
 - Belief **promises** of development / want better basic services
 - (water, school, road, clinic -particularly more remote communities)
 - Tempted by **cash shown/ gifts** (ex. of motorbikes) also to children..
 - **Coercion/ manipulation/ false rumours of expropriation**
 - ➔ Most acquisition in sites where customary authorities **are overwhelmed? Discredited?**
 - **But..Some Use investors to settle conflicts:** remove other users (herders, tenants); cash in on "lost" rights (Benin- paramount chiefs)

Current Role of Local governments

- **not involved** by seller and buyer => bypassed by buyers; customary authorities do not want LG “in land matters”
 - **No information:** (only informed when investors seeks to formalise transaction)
 - **Complicity?**
 - **Express concerns (fear problems for smallholders; foresee conflicts; resource degradation)**
 - Try to **re-negotiate deal when investors wants to formalise** (size of plot/ boundaries when blocking roads)
- But:
- **unsure about mandate** (de jure; de facto e.g. proper land use, contracting, access/ mobility, peace..)
 - **lack tools** to facilitate (standard forms/ contracts, byelaws)
 - **Under pressure** when they do resist (political/ urban elite)

Effects on resources and production

Clearing land => Environmental destruction – regulations bypassed



Performance “investors” = Heterogeneous

1: -/-: Little/no cultivation, (may cut wood); speculate



2: -/+ Farming (on part of) acquired land: mechanised/ use inputs but production /productivity low (knowledge, management...)



3: +/-: Farming on (part of) acquired land, productivity similar to smallholders

4: +/+: (few) Innovation, lucrative niches often livestock related, urban markets ; also “weekend farmers”: experiment & aim for break even

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Comparison Agro-Investor and large family farm

Average performance of farms	New agro-investor (N=20)	(Large) family farms (N=20)
Cultivated area (% total)	33.3 ha (60%)	27 ha (87%)
Number of workforce	10 (0.17/ha)	15 (0.48/ha)
Type (wage/ family labour)	Wage	Family
Cotton: land area – yield	16 ha - 860 kg/ha	17 ha - 1210 kg/ha
Maize: land area – yield	12 ha - 1070 kg/ha	08 ha - 1445 kg/ha
Net Farm Income	- 3,090 Euro	1990 €
Net Farm Income (per ha)	- 93 Euro	75 €
Net Farm Income (per person)	- 310 Euro	135 €
<i>Ouédraogo, 2008, in GRAF, 2011</i>		

Overall: Professionalization' & 'modernisation' mostly absent

- **not at the level of domestic investors** (very few exceptions)
 - At best they perform as well as “family farmers” *Most not even “fully commercial”*; part for home consumption
- **Almost no collaboration with smallholders** (in technology exchange, markets, connections, innovations)
- **Limited rural employment creation** (problems reported with management of labour => productivity)
- **Invite tenants..** : some “absentee landlords” / failed farmers are now **inviting & installing migrants** (cases in Niger and Burkina) = May Influence Local politics; **Future? Become outgrowers** of international investors??

Most innovation by (large) family-run farms

- Productivity, new crops, new markets, in value chain contracts)
- “Internal” professionalization (& differentiation) is ongoing (e.g. cotton)

Example Mali:

- Farmers *joining forces (via cooperatives)* to access innovation & markets & value chains (volume trading/ quality improvement/ business services/) <= *actively invested in capacity building around markets*
- Better prices; higher productivity for farmers (men/ women)
- > 30% reduction in poverty at village level (preliminary findings 2005-2010); Benefits beyond members; Loc econ. Dev.: multiplier in community



But, where many agro-investors are present => smallholders affected

- **Less reserves** for expansion smallholder farms: 'locks' future development
- More **insecurity for tenants** (Benin)
- **Common pool resources: reduced and blocked access to water/ trees/ pasture:**
 - livestock keeping => conflicts
 - Women: gathering non-timber forest products (e.g. shea-nut butter)

What next...

Regulate installation of investors (in land)

- *Land transferred is lost to local farmers & makes environmental protection more difficult*
- Local farmer organisations want better land deals to prevent speculation & protect own future; smaller plots; no sale but leases; build in conditions which are monitored; favour local investors

Actors:

- 1. Customary authorities:** Can decide not to sell & add “Cahier de charge
- 2. Local governments :**Change from “observer” to ‘regulator’ & provide basic services
- 3. (future) land commissions?**



Reorient investors towards “real” agri-business



- More profitable for both, if investors' focus is on “**real**” **agri-business** (new markets, ‘downstream’ in chain) produce supplied by smallholders
- **Support farmer agency**: Encourage Investors to engage with Farmer organisations from the start & develop **inclusive business partnerships** that produce wider **Innovation** and **new linkages** (finance, infrastructure, information, know-how)



And finally

- Move beyond **caricatures** of “agricultural **modernisation**”/ professionalisation and presumed roles of “agro-investors”, “small-holders”
- use of **all local capacities** to innovate even although these looks so different from “modern” farms..
 - For Scale: – **most impact on food security: support also existing smallholders** (already produce for markets)
Need **better & more reliable business services** (and secure access to resources)& more **diversified markets**

