



19 October 2012

Global Land Grabbing II
International Academic Conference
Cornell University, Ithaca, United States

Ladies and Gentlemen,

First, I want to apologize for not being with you in person as I intended. Unfortunately, I had to cancel the trip to complete a medical treatment.

However, FAO is represented at this conference by our Sub-Regional Coordinator for Central Africa, Lamourdia Thiombiano, by my advisor for Partnerships Rodrigo Castañeda, and by Sergio Gomez, from FAO's Regional Office for Latin America and the Caribbean.

I wish to congratulate the Land Deal Politics Initiative and Cornell University for organizing this event and thank my dear friend Wendy Welford and professor Borrás for the invitation.

Large land acquisitions are not a new phenomenon, but over the past five years, deals involving international investors in Africa, Latin America and parts of Asia have made headlines across the world.

These deals have often been dubbed "land grabs", a term that triggers strong emotions and heated debates, since it implies unfair practices.

As recently as last year, an FAO study in 17 countries in Latin America and the Caribbean showed that a large part of the region was affected by the concentration and foreign ownership of land. However, the involvement of foreign governments in the purchase of land for food production was restricted to Brazil and Argentina.

Large land deals are associated with increasing levels of concentration of land ownership in all continents. This is visible in the case of Latin America, but less visible and emerging only recently in many African countries.

While not every large-scale acquisition or lease of land should be considered a "land grab", there are a number of considerations that should be analyzed. Chief among them are the



needs, and rights, of the poor and vulnerable rural families, particularly smallholders, who are the main food producers in several countries.

These risks and opportunities must be carefully addressed in any decision to invest and to allow investments.

In 2009, FAO, the *International Institute for Environment and Development*, and IFAD carried out a study in six African countries to look into the broad trends in land acquisition.

Not surprisingly, arable land and forests are usually being targeted for acquisition. And leasing is more common than sale.

On the investment side, the following main categories of actors can be identified: governments or government-backed companies; national and international companies and individuals; and asset management funds.

The key drivers behind recent large land acquisitions are varied. Some are linked to food security in investing countries, while others bear a relation to commercial, energy and trade considerations.

One of the drivers for these deals has been the concern in higher income food importing countries to guarantee their food supply, especially following the food price spikes of 2007-2008.

Many countries which cannot produce enough food are trying to secure supply through outsourced agricultural production rather than relying on volatile global markets.

However, it is striking to note that 4-5 years after land has been obtained in a set of large deals in Africa, only 10 to 15 percent is actually being developed.

And a number of case studies of large land deals conclude that, so far, several large-scale acquisitions have had a negative impact.

For instance, rural families may be affected when large-scale mechanized farming is introduced in areas in which labor-intensive agricultural farming systems existed before.

In addition, very large land deals are likely to involve some degree of loss of tenure rights by others, especially those who own the land in ways that may differ from the model of titled private property.

In particular, the lack of legal recognition of customary, or traditional, tenure rights is a critical issue.

In many communities, rural families have access to land through customary rights that have been handed down for generations, but which are not recognized under law.



Even when customary rights are legally recognized, countries often lack the capacity to ensure that they are protected.

The fact that many large land acquisitions are negotiated behind closed doors can complicate these scenarios. Promoting transparent and inclusive governance is thus key in any tenure related agreement.

We are creating the governance mechanisms at the national and global levels that will help us assure that rural and agricultural development contribute to food security of rural families.

The most emblematic mechanism we have is the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

The discussion on the Guidelines started at FAO some three years ago and then moved into the framework of the Committee on World Food Security, the cornerstone of the new governance system we are building together.

The CFS approved the Guidelines last May, taking an important step to assure that the rights of rural and indigenous families are respected.

The negotiating process that took place within the CFS was exemplary in its inclusiveness.

It involved international, regional and national consultations. Over one thousand experts, civil society and private sector representatives and government officials from 130 countries took part in this debate.

This was not an easy debate, but it showed that we are able to reach important consensus. And that consensus makes our decisions much stronger.

I want to point out that this participatory process answers a call made by the International Conference on Agrarian Reform and Rural Development (ICARRD), organized by FAO in Brazil in March 2006.

If properly and fully implemented, the guidelines can help countries secure the tenure rights of poor rural families and communities. All actors need to participate in this process.

As we move on to the national implementation of the guidelines, we have another challenge at the global level: the negotiations on the Principles for Responsible Agricultural Investments.

This debate will also take place over the next two years in the framework of the CFS. This has just been confirmed this week by the Committee, here at FAO Headquarters.

I have been calling for this process to be as inclusive as the one that led to the approval of the Guidelines. I am confident that it will be.



On behalf of FAO, I would like to urge representatives of civil society, including the academic world, to actively participate in the discussions on responsible agricultural investments.

Land acquisitions are a reality. It is not something that we can simply wish away.

What we can and should do is to insist that any agricultural investment, including land deals, meet a certain set of conditions that assure they are responsible and contribute to food security and local development.

Your involvement will help us come up with these principles, and better support governments in their decision-making processes.

A fundamental policy issue is whether large land allocations for agricultural investment are the optimal approach for growth and employment.

It should also be noted that these kinds of partnerships bring together players, such as agribusiness and local farmers, with very different levels of negotiating power.

It is, therefore, necessary to support civil society, farmers' groups, social movements and co-operatives to make these models work better.

Ultimately, the extent to which large land deals can generate real development, secure access to natural resources for all, and improve food security will depend on their terms and conditions.

It is the responsibility of all actors involved from the local to the international level to address this issue responsibly and effectively.

FAO stands ready to assist in this process.

The Organization looks at a number of cross-cutting issues, many of which are linked to the sustainable and equitable use, and governance, of land and water resources.

Addressing the governance and sustainable use of land in Africa is a priority. The proportion of hungry people in Africa is highest in the world: 23 percent, according to the 2012 State of Food Insecurity in the World (SOFI) launched last week.

And, despite improvements in some countries, hunger has been on the rise in Africa for the past 20 years, climbing from 175 million to 239 million people.

Before ending, I want to mention two last points:

First, that we cannot say that large land deals are the dominant and general form of private investment in agriculture.

However, it is clear that we need to have better information on large land deals and this information has to be shared.



FAO is ready to cooperate, to support efforts to improve the availability of public information on land deals.

Developing a more comprehensive, transparent and public information system remains a challenge.

My second point begins with a question: How new is this land-grabbing phenomenon we are talking about?

In the study that FAO conducted in Latin America it became clear that in some regions with vast amounts of “available lands” – as is the case of the Brazilian Amazon, the Argentine Pampa and the Paraguayan Chaco, just to name the most famous ones – large land acquisitions by foreign investors date from the Nineteen Seventies.

Multinationals bought land as a safe investment and an asset for future production possibilities, particularly after 1974 when agricultural commodity prices shot up, pulled by the petroleum prices.

I have followed the agrarian question in Latin America, and especially in Brazil, since the Nineteen Seventies. In my personal opinion, there are three important new things in today’s discussion of land-grabbing:

First, the widespread dissemination of information on such deals, typical of a globalized world, and expanded because of the growing interest of NGOs and academics on this issue;

Second, the presence of foreign state companies and not only multinationals, as was the case in the past. This increases the political sensitivity of the issue in a globalized world that more and more questions the boundaries and jurisdictions of national states; and,

Third, the incapacity of some national states to deal with the issue, not only because of the dismantlement of the public apparatus that regulated the agrarian sector in the past, but, fundamentally, due to the lack of global governance in this globalized world.

As the President of France, François Hollande, said in a recent speech: the old world order has gone, but a new one has not yet emerged. The new global governance system of food security that we are building together, that has the CFS as its cornerstone, is part of this effort to solidify a new world order.

Finally, let me say that the local space is not a space devoid of political significance anymore. On the contrary, it expresses the belonging of an individual to his community, his social and political identity.

All of us are used to identifying ourselves as Americans, Italians or Brazilians, especially when we cross our borders.

This is the only way to understand why the acquisition of land by people outside the rural world – regardless of whether they are foreigners – causes such concern from all sectors of the rural world.



The academic world has a lot to contribute to this agrarian issue, by defining concepts and contributing to the improvement of public information on land deals.

FAO wants to be part of this collective effort to ensure that this information can be perceived as a public good. And we want to work on this together with you.

This conference gives an important contribution to this process.

Thank you.