Carving up a continent

How the UK government is facilitating the corporate takeover of African food systems
Carving up a continent: How the UK government is facilitating the corporate takeover of African food systems

By Christine Haigh

Thanks to: Jean Blaylock (UK Food Group), Mariann Bassey Orowuje (Environmental Rights Action/Friends of the Earth Nigeria), Michael Farrelly (Tanzania Organic Agriculture Movement), John Hilary (War on Want), Tim Jones (Jubilee Debt Campaign), Sylvia Kay (Transnational Institute), Devlin Kuyek (GRAIN), Patrick Mulvany, Nikhil Bhoopal, Heidi Chow, Nick Dearden, Stanley Ellerby-English, Dan Iles, Polly Jones, Miriam Ross, Chris Walker.

April 2014

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Cover image: STR/Reuters/Corbis
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Executive summary

“Family farming is the basis for modern food provision in Africa, today and tomorrow. Its multi-functionality and sustainable productive potential is supported by extensive research evidence...Backed by appropriate research, supportive investments and adequate protection, [it] can out-perform industrial commodity production.”

Eastern Africa Farmers Federation (EAFF), Central Africa Sub-Regional Platform of Farmers’ Organisations (PROPAC) and Network of Farmers’ and Agricultural Producers’ Organisations of West Africa (ROPPA)

Attracted by high economic growth rates and propelled by a lack of new opportunities elsewhere, huge global food and agriculture companies like Monsanto, Syngenta and Unilever are rapidly increasing their presence in sub-Saharan Africa, seeking access to resources and new markets to expand their operations. This new ‘scramble for Africa’ is being presented by the companies involved and the governments of the UK and other rich countries as the solution to poverty, hunger and malnutrition on the continent.

The UK’s Department for International Development (DfID) is channelling £600 million of aid money through the G8’s New Alliance for Food Security and Nutrition (New Alliance). The New Alliance is the latest in a series of initiatives set up by the same handful of multinational companies and rich country governments. All of these initiatives claim to support improvements to agriculture and food security in Africa, but are in fact geared towards helping multinational companies to access resources and bringing about policy changes to facilitate those companies’ expansion in Africa. The African countries being targeted by the New Alliance are not those with the highest levels of hunger or poverty, but those with the best access to export markets and the highest levels of economic growth.

This report provides evidence that while multinational corporations are set to benefit from increased access to and control of agriculture in Africa, this is coming at the expense of small-scale African food producers, from whom control is being wrested. Instead of providing a solution to hunger, the pro-corporate approach of initiatives like the New Alliance is likely to exacerbate hunger and poverty through increased land-grabbing, insecure and poorly paid jobs, the privatisation of seed and a focus on producing for export markets rather than to feed local populations.
Global agribusinesses are working to gain access to vast areas of land in Africa, often with the support of governments like the UK’s. The ten African countries that have to date joined the New Alliance have each had to agree to change their land laws to make it easier for such companies to gain tenure of land. The inevitable consequence of transferring land to companies is the dispossession of those who previously lived on and used it, depriving them of their homes and livelihoods.

Companies taking over land sometimes promise to create jobs for the people they have dispossessed, but jobs that materialise are often insecure and poorly paid. Jobs are also more likely to benefit men rather than women.

Companies are also seeking increased control of what people in Africa grow and how. Eight of the ten African countries in the New Alliance have had to commit to changing their seed laws to allow giant seed companies like Monsanto, DuPont and Syngenta greater access. Small-scale farmers in Africa rely on saving and exchanging their own seed, but the companies are demanding laws to restrict these practices. This risks farmers becoming dependent on buying seeds produced by the companies, increasing their costs and reducing choice and biodiversity.

Multinational fertiliser and pesticide companies are also expanding into Africa. The world’s biggest fertiliser company, Yara, is involved in the New Alliance. These agrochemicals already cause serious levels of poisoning in sub-Saharan Africa, with the UN estimating that health problems linked to pesticides could cost the region US$90 billion between 2005 and 2020. Fertilisers also damage soil, leading farmers to rely on them even more in order to maintain production, which increases their risk of getting into debt. The tragic consequences of small-scale farmers’ reliance on fertilisers in India have been much reported. An estimated 250,000 farmers committed suicide between 1995 and 2010 after getting into debt through buying agrochemicals.

At the heart of the New Alliance and similar schemes is a focus on agriculture for export, including the production of crops like tobacco, coffee, cocoa and biofuels. Yet such an approach has already been tried and failed. The structural adjustment programmes imposed on numerous poor countries by the World Bank and the IMF in recent decades has forced them to produce for export and open their markets to imports. As a result, Africa moved from being a net exporter of food in 1970 to a net importer today. Reliance on imports leaves countries vulnerable to volatility in global food prices, as we saw to an extreme degree in the food price crisis of 2008 in which sudden price spikes forced millions of people to go hungry. It also leaves food producers in thrall to huge and distant corporations, which often enforce low prices, make unreasonable demands or fail to honour contacts.

The development of infrastructure is also central to schemes like the New Alliance. But rather than building infrastructure to better connect producers and local populations, companies and their government supporters are focusing on infrastructure to facilitate exports. Several major ‘agricultural growth corridors’ are being established across Africa, connecting prime agricultural land with coastal ports. These areas are being targeted for large-scale agricultural production. Proponents of agricultural growth corridors claim that they use underutilised land. In reality, they often comprise of a region’s best agricultural land, already in use by large numbers of small-scale food producers whom the projects threaten to dispossess.

The expansion of corporate control over African food and agriculture, under the guise of tackling hunger, is taking power and resources away from African producers and will further impoverish the continent’s people. The UK and other governments must end their support for the New Alliance and other initiatives which assist this corporate takeover. Instead, they must support small-scale African producers in strengthening sustainable and productive food systems which prioritise food for local populations.
1. Foreword

“Africa is home to seven of the world’s 10 fastest-growing economies and the rate of return on foreign investment is higher in Africa than in any other developing region. Doing business in Africa makes good business sense.”

Tjada McKenna & Jonathan Shrier, representatives for Feed the Future, US Government food and hunger initiative

“We must build our food policy on our own resources as is done in the other regions of the world. The G8 and the G20 can in no way be considered the appropriate fora for decisions of this nature.”

Mamadou Cissokho, honorary president of the West African farmers’ organisation, ROPPA

Africa is booming. The financial press abounds with stories of investment opportunities across the continent. Politicians tell us that Africa will be helped not by charity but by investment.

From mobile phone operators to energy extractors, hedge funds to sovereign wealth funds, companies are rushing to get in on the success story. Foremost amongst them, agribusiness corporations claim they will use Africa’s underutilised lands to feed its people.

A food revolution is coming Africa’s way led by the likes of Cargill and Coca-Cola, Monsanto and Nestlé, Wal-Mart and Unilever. For those who still think of Africa as a continent of famine, such stories surely sound like good news.

But just as those stories of famine in the 1980s wilfully ignored the political and economic causes of suffering, so today’s story of the ‘African miracle’ misses out the entire political context Africa finds itself in.

The world can produce enough to feed an estimated 12 billion people. That millions remain hungry is not a problem of under-production. Between 1991 and 2011, as food production increased by 10 per cent per person, Africa witnessed a 40 per cent increase in the numbers of undernourished people.

The problem is an unjust economic model which exports food to Europe and North America, as well as the Middle East and Asia now, rather than allowing African farmers to grow food for their own communities.
The ‘investment’ heading into Africa today will reinforce this unjust economic model. Schemes such as the G8’s New Alliance for Food Security and Nutrition, the Bill Gates-sponsored Alliance for a Green Revolution in Africa (AGRA) and the World Economic Forum’s explicitly corporate-led New Vision for Africa, all encourage big business into African countries.

This is not about supporting small farmers or feeding the hungry. This is a corporate power grab.

Of course there will be gains made by some in Africa, though these are likely to further foster rapidly rising inequality from Mozambique to Nigeria. But the really big winners will be European and North American corporations and their financial backers. Running from a crisis-hit west, there are massive returns to be made from Africa’s food systems – its land, its seeds and its markets.

But the real scandal is the complicity of aid money in these schemes. Under the rubric of developing Africa, public support, including from the UK’s Department for International Development (DFID), will be given to secure a stronger foothold in Africa for our corporations.

This is an old story given new impetus. More than a century ago the ‘scramble for Africa’ was instituted under the pretence of civilising the continent. Barbaric crimes were committed and the continent systematically de-developed because it profited Europe. Since that time, Africa’s problem has never been a lack of integration into the international economy – the problem is how it is integrated and in whose interests.

The corporate power grab is not going unchallenged. Small-scale food producers feed at least 70 per cent of the world’s population. Across the African continent, small-scale food producers along with agricultural workers, urban movements, consumer groups, environmentalists and progressive campaigners are confronting the takeover. They are looking to regain control of their land and their food systems and to promote the notion of food sovereignty.

This is a political project. It means land redistribution, public procurement to support small farmers, improved public services and protection of producers and citizens from poor harvests and price volatility.

WDM has been working to undermine the root causes of poverty for many decades. We see the corporate takeover of land and food in Africa as a prime example of the way economic decisions and structures fuel poverty and inequality. That’s why we stand with those who are working for something very different, who seek to be in control of their lives. This report, and the accompanying campaign, is a contribution to that long struggle for justice for Africa’s people.

Nick Dearden
DIRECTOR, WORLD DEVELOPMENT MOVEMENT
2. Good for corporations, bad for producers

“Africa represents the ‘last frontier’ in global food and agricultural markets.”
World Bank

“Women farmers have few resources and do not want seed that we can plant for one season only or seed that is owned by companies. We believe in our own seeds that we can access from our own collections or from our farmer networks, free of charge.”
Beatrice Katsigazi, Eastern and Southern Africa Small-Scale Farmers’ Forum

Just as in the nineteenth century scramble for Africa, the continent is seeing a rush for control of its resources and markets. The reason for the current focus on Africa is clear: it is a good place to make money at the moment.

Over the past decade, sub-Saharan Africa has seen higher levels of economic growth than any other region apart from Asia (which includes the booming economies of China and India which account for the majority of the region’s population and have been growing at an average of 9 per cent a year). With millions of farmers and a growing middle class representing new markets and developed economies suffering from stagnant growth since the financial crisis, Africa is an increasingly attractive place for multinational corporations to expand their businesses.

Between 1991 and 2011, sub-Saharan African economies have grown almost 20 per cent and food production has increased 10 per cent per person. Yet in the same period there has been a 40 per cent increase in the numbers of undernourished people.

This is a conservative estimate given that it refers to those who fail to secure adequate calorie intake to sustain a sedentary lifestyle, not the higher levels needed for greater levels of activity.

The World Bank has described the continent as the “last frontier” in global food markets. But the encroachment of multinational companies is transferring the control of African resources, including land, water, seeds, energy and labour, to the companies themselves and leading to their domination of markets from fertilisers and seeds to consumer goods.

The claim is that the multinational companies involved are ‘investing’, that this will lead to growth and thus an end to poverty and hunger. But many of the products and profits are being exported to developed countries, with the small-scale food producers who feed the majority of the African population losing out. This section sets out how this process is occurring.
2.1  Control of resources

2.1.1. Land

Land is fundamental to food production and is increasingly controlled (owned or leased) by large enterprises, with small-scale producers displaced and their livelihoods destroyed. Since 2001, at least 56 million hectares of African land have been sold or leased.\(^\text{12}\)

Female producers in developing countries are particularly at risk from land grabbing because, despite producing 60 to 80 per cent of food, they rarely have control of the land that they work. According to the UN Food and Agriculture Organisation (FAO), less than two per cent of land globally is owned by women.\(^\text{13}\) In addition, women tend to rely more on the common land resources that are often targeted for industrial agriculture because they are perceived as being unused.\(^\text{14}\)

Such transfers of land give companies not just access to the land itself, for agricultural production or other uses such as building processing facilities, but also enable access to other resources such as water. However, for those who used the land previously, such transfers have the direct and obvious impact of displacing people and depriving them of their livelihoods.
This process is facilitated in a number of ways, from land being parcelled up and offered to investors, to policy changes such as those that make it easier for companies to identify land and get permission to use it. Land titling projects can also be used to support the creation of land markets through which companies can acquire land legally and more easily. Whether or not such transfers are done transparently and with consultation with local people, the result is the same.

While proponents of such land transfers argue that local people benefit through the creation of jobs and through new infrastructure, such projects have failed to deliver time and again. Frequent complaints include badly paid work, poor working conditions and not enough jobs for all those displaced. A study by the World Bank found that, while information was limited, the data available suggests that land “investments create far fewer jobs than are often expected”.¹⁵

While not all such schemes may turn out negatively, the impacts vary for different social groups and often women are disadvantaged in terms of the quality and quantity of jobs they are able to access.

There is also a very real risk that projects involving large-scale land acquisitions fail, particularly in the case of foreign companies which may be unfamiliar with the country and unaware of challenges that their business may face in the local area.

Although they do not result in a change of land tenure, contract farming schemes in which producers sign a contract to produce and supply agricultural products to a buyer (see below) may also effectively result in land being controlled by outside investors. Investors can determine what is produced on the land and receive the produce when it is harvested. As a paper produced for West African farmers’ organisation ROPPA explains, one of the main advantages of contract farming for companies is access to land.¹⁷

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**CASE STUDY: Sun Biofuels in Tanzania**

In 2009, UK company Sun Biofuels initiated a project in the Kisarawe district of Tanzania, where 80 per cent of the population were engaged in agriculture. The company leased over 8,000 hectares of land around 11 villages to grow biofuel crop jatropha, but after two years went bankrupt. In this time, the project created major problems for local people. It deprived them of their land without compensation. The establishment of the plantation resulted in the loss of their fresh water supply, effectively forcing people to buy water which was previously freely available. Promised infrastructure failed to materialise and the jobs that were created were too poorly paid to compensate for the loss of incomes from farming. But when the company went out of business, it dismissed 600 employees, leaving just 35 employed by 30 Degrees East (a private investment company registered in Mauritius, at the time of research).¹⁶
What is agricultural investment?

Investment is a much used but rarely defined concept. In itself, investment does not lead to poverty reduction, with its impact depending on how, where and by whom it is done.

Investment can be understood as the use of capital or labour to generate benefits or a return in the medium to long term. In the context of agriculture, at least three concepts of investment are used, often without distinction.

The first could be understood as the narrow concept of financial investment, in which money or other capital is allocated with the intention of receiving a return on it, often in a speculative way. For example, an investor might buy up land or agricultural commodities with a view to selling them for a higher price at a later date, or buy shares in a commercial farm enterprise in the expectation of receiving dividends and perhaps selling the shares for a higher price in future.

This kind of investment does not necessarily lead to any change or improvement in agricultural production. In the former case it simply transfers the ownership of resources without directly affecting what is produced; in the latter, it depends on how the revenues from the share issue are used.

With low and even negative economic growth rates in developed economies in recent years, investors such as hedge funds and pension funds have been looking to Africa and other developing countries for opportunities to gain a return on financial capital. For example, it has been estimated that in 2012, between US$5 and US$15 billion of pension funds’ assets were allocated to farmland globally, with this figure expected to double by 2015.18

The second concept of investment could be termed economic investment. This is the use of labour or capital to improve production, either producing more or maintaining production with fewer resources. This might be through farmers planting fruit trees or vines that provide produce over a period of years, or building a greenhouse that would enable them to increase their yields.

However, such a concept would simply measure the outputs in economic terms, asking whether producers’ incomes are improved through greater production for sale or reduced need for purchases from outside the farm. Other factors such as environmental impacts are externalised and less obvious gains such as improvements in knowledge or resilience are not recognised. Whether increases in production benefit local people (for example, by increasing incomes or reducing hunger) or others would also fail to be captured in this concept.

The third, more holistic concept of investment would capture these factors. Such a multi-faceted concept of investment would encompass activities such as breeding new seed or livestock varieties (by farmers or research institutes); developing knowledge of local environments or techniques that reduce environmental impact; and forming produce organisations that can reduce risk and increase bargaining power. This is recognised in an FAO paper which states: “Investment is generally defined as activities that result in the accumulation of capital (which may be physical, human, intellectual, natural, social or financial) that yields a stream of returns over time.”19

The New Alliance and the other initiatives have a major focus on external private investment which is generally understood as financial or economic investment rather than in the broader sense of the third concept.

Continued over...
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2.1.2 Seeds

Land is not the only resource multinational companies are keen to get access to, with global seed companies seeing new opportunities to expand their markets and genetic resource-base. But in doing so, small-scale farmers are set to lose access to seeds and instead will have to rely on purchasing from the limited range on offer from these companies, which often require the application of artificial fertilisers and pesticides. This will have a particular impact on female farmers, who are traditional breeders of seeds and who tend to have greater difficulty in purchasing seeds produced by companies due to poorer access to credit and limitations on their mobility due to unpaid caring responsibilities and cultural factors.

Analysis by ETC Group shows how three multinational seed companies (Monsanto, DuPont and Syngenta) control over half (53 per cent) of the commercial seed market globally. Yet it is estimated that only 10 to 20 per cent of the seed planted by farmers in the global south comes from the formal seed sector, which includes government sources or other institutions as well as seed companies. The majority of seed used in Africa currently comes from farm-saved seed. This is why multinational seed companies see major potential for expansion across the continent.

But these companies are demanding seed laws which not only restrict trade in seeds to the types of seed they produce commercially, but also prevent others reproducing varieties that they develop, even if these are based on centuries of breeding by African farmers. Such changes to seed laws that are being pushed by multinational companies represent a major threat to small-scale producers, who rely on saving and exchanging seed through their own networks.

Yet it is now recognised that food producers themselves are by far the largest source of investment in agriculture in developing countries. Based on investment that it is possible to quantify (which includes some but not all activities captured by the broadest concept of agricultural investment), farmers account for an estimated 77 per cent of all agricultural investment in low and middle-income countries. In sub-Saharan Africa the figure is 85 per cent, with the remainder mainly from domestic public investment. Less than 5 per cent comes from overseas aid and a negligible amount is foreign direct investment (FDI). Seen in this context, the focus of the New Alliance and the other initiatives on narrowly defined external private investment is clearly misguided.

This is particularly the case given that the impact of agricultural investment depends on what form it takes and who makes it. As the FAO has recognised: “Investors – public and private, domestic and foreign – invest in different things and for different reasons. These investments (...) are generally not substitutable for each other.” For example, techniques that reduce farmers’ reliance on external inputs or link them to local markets are unlikely to receive investment from multinational companies.

Reflecting these facts, producer organisations in East, Central and West Africa are demanding that their massive investment in agriculture is recognised and protected from the negative impacts of FDI. They want to see their investment complemented in public investment, for example in infrastructure, extension services and research which reflects the needs of farmers rather than multinational corporations.
also be constrained, since large seed companies tend to focus on the development and production of a small number of varieties that can be marketed over a large area.

Yet this has significant negative implications for biodiversity, which is increasingly being recognised as important for climate change adaptation. For example, in Kenya, many farmers in the coastal region are returning to traditional maize varieties because, in the face of climate change, such varieties are harder and better able to withstand unpredictable weather conditions.

**Genetically modified (GM) seeds**

It also appears that the efforts to reform African seed laws are also being used to pave the way for the introduction of GM seeds, which African farmers and campaigners reject. For example, Bernard Guri, executive director of the Centre for Indigenous Knowledge and Organisational Development (CIKOD) points out the risks to small-scale farmers: “If they rely heavily on modified seeds, over time they will lose their traditional seeds. Relying on new GM seeds for propagation means that when their prices go up, not all farmers would be able to afford it as this will increase the cost of production—and subsequently the cost of food.”

Where they have been adopted in South Africa, GM crops have been shown to fail small-scale producers. For example, a study of the adoption of Monsanto’s GM Bt cotton found that, by the end of the study, only four out of the 36 farmers interviewed had made a profit and 80 per cent of those included in the research had defaulted on their loans. In addition, the adoption of Bt cotton had contributed to the conflict in the area by favouring better-off farmers, who were then able to lobby for the earlier release of water from a nearby dam against the interest of local female farmers who were producing food crops. Similarly, Monsanto’s MON810 maize was withdrawn from the South African market following the development of massive insect resistance. The company had to compensate farmers who were forced to spray their crops to deal with the pests.

Given the corporate concentration in the seed sector and the propensity for the major players to buy out local seed companies, there is a real risk of farmers becoming dependent for their seed on a powerful oligopoly who are able to control prices and the seed varieties available. In the US, increased corporate concentration and the dominance of GM varieties has seen soybean seed prices increase 230 per cent in the decade to 2000, compared to a 63 per cent increase in the previous 25 years.

**2.1.3 Agrochemicals: fertilisers and pesticides**

Alongside multinational seed companies, major global producers of fertilisers and pesticides are also keen to develop new markets and win market share in Africa. However, this introduces social and environmental risks for small-scale producers and contributes to a global food system which is less rather than more environmentally sustainable.

Encouraging increased use of artificial fertilisers and pesticides by African farmers with the rationale of increasing production and therefore food security, provides a convenient way for major agrichemical companies to increase their sales and profits.

Yet many small-scale farmers do not want to become reliant on artificial fertilisers and pesticides because of the problems they cause. The health risks of exposure to agrochemicals are significant, particularly where they are used without adequate protective clothing and equipment. The UN Environment Programme (UNEP) has estimated that the cost of poisonings from pesticides in sub-Saharan Africa now exceeds the total annual overseas development aid given to the region for basic health services, excluding HIV/AIDS. Its research also found that between 2005 and 2020 the accumulated cost of illness and injury linked to pesticides in small-scale farming in sub-Saharan Africa could reach US$90 billion. Women are often disproportionately affected because on commercial farms they are often assigned the job of spraying or otherwise applying agrochemicals without water to wash off residues, instructions on safety precautions or access to healthcare.
Use of artificial fertilisers also tends to lead to soil degradation and therefore reliance on continued use to maintain production. This puts farmers at risk of getting into debt. In India an estimated 250,000 farmers committed suicide between 1995 and 2010 after getting heavily into debt from purchasing artificial agricultural inputs, often by consuming the very chemicals that caused the debt.\(^{35}\)

This problem is compounded by corporate concentration. Globally, ten agrochemical companies account for a 95 per cent of commercial market share. Six of these companies (Syngenta, Bayer, BASF, Monsanto, DuPont and Sumitomo)\(^{36}\) play a lead role in promoting the uptake of their products amongst African farmers. As a 2012 report for the European Commission on the contribution of fertiliser prices to high food prices noted, the highly concentrated nature of the market means that it is “prone to non-competitive price setting”.\(^{37}\)

In addition to the dangers of soil and water pollution from agrichemical use, fertiliser production is highly energy intensive. Efforts by Yara to establish a major fertiliser production facility in sub-Saharan Africa will require access to large amounts of energy – despite the fact that 70 per cent of people in the region lack access to electricity.\(^{38}\)

Rather than adopting practices which require them to purchase large amounts of agrochemicals from multinational corporations, many small-scale farmers use and want to improve agroecological methods. These are agricultural techniques that enable the production of good quality food products while enhancing soil fertility, making sustainable use of natural resources and avoiding pollution of the local or global environment.

### 2.1.4 Labour

The restructuring of Africa’s agricultural sector has facilitated a supply of workers for agribusiness schemes by forcing many producers into often poorly paid waged work or similar arrangements.

In cases where control of land is shifted to agribusiness companies, the result will often be the setting up of large commercial farms or plantations which rely on a pool of workers for their operation. Where small-scale producers have been pushed off land and have lost their livelihoods, companies are likely to find large numbers of people who have little option but to take whatever agricultural labouring jobs are on offer, reducing incentives to ensure that jobs are adequately paid and working conditions are good.

Indeed, the jobs created tend to be insecure and poorly paid. For example, a review of agricultural investments in Laos by the UN’s Food and Agriculture Organisation (FAO) found “that the quantity and quality of jobs generated [by plantation-type schemes] rather than offering a sustainable long-term pathway out of poverty, lead to the perpetuation of insecure and low paid jobs”. The report concludes that “there was no clear indication so far that they [land investments] are able to contribute to a sustainable pathway out of poverty in terms of either employment or income generation, nor that the employment or income-generating opportunities arising will be of sufficiently high quality so as to be considered a beneficial improvement overall”.\(^{39}\)

While it may be the case that workers find it easier to organise themselves for better pay and conditions through a trade union on larger plantations, trade union density continues to be very low in the agricultural sector.

Another UN study conducted in Zambia has highlighted the disproportionate negative impact that restructuring agricultural labour towards companies can have on women. The main reasons for this were that fewer of the jobs created went to women and the jobs women did get were more insecure and short-term with poorer conditions than those obtained by men. This research indicated that even where women’s partners increased their own incomes through employment, women did not necessarily benefit because of the way the income was managed by the male partner.\(^{40}\)
**Contract farming**

While producers may not be transformed directly into waged labourers on a commercial farm or plantation, contract farming arrangements also tend to benefit large enterprises and may have a number of disadvantages for producers.

Under such arrangements, farmers are contracted to supply processors or other buyers with agricultural products under certain conditions. These contracts are supposed to guarantee markets and prices for producers and may entitle them to support for production from the buyer.

However, particularly in developing countries, where the majority of producers operate at a small scale, there will inevitably be a significant power imbalance in the relationship in which producers are at a risk of abuse from much larger buyers. This may manifest itself in buyers making unreasonable demands of producers, such as arbitrarily downgrading quality (resulting in lower payments), late payment or simply failing to honour a contract (which may be because they have lost a contract themselves – a particular problem for those supplying western supermarkets).

In most cases, these schemes incorporate small-scale producers into global value chains where what and how they produce is dictated by processors or retailers. In the process, much of the value producers create through their production is redistributed to these more powerful actors and their financiers. Such schemes also give companies effective access to land and a say in how production is carried out, while risk is concentrated with producers.

Such arrangements can lead producers to become dependent on volatile global commodity markets, the risks of which have been seen in the failure of previous export-orientated agricultural development policies (see case study on p.17).

Contract farming also puts producers at risk of indebtedness because inputs are generally not supplied free of charge and farmers may have no choice but to buy them from the company with which they have the contract. Indeed, such arrangements have been criticised for enabling suppliers to avoid investing in production and instead using debt to create markets for agricultural inputs.

Unsurprisingly buyers tend to look to work with larger-scale farmers with good land and local infrastructure and who have a higher than average level of education, existing assets and access to finance. In any case, for contract farming arrangements to work for producers, it is vital that they properly understand their contracts, which puts those with a lower level of formal education at a disadvantage.

In addition, in many cases contracts will be in the name of a male household member. This means that they will be involved in meetings or decision-making about the scheme and will receive payment and support (such as training), even where all or most of the work is done by women. In many cases, land which has been used by women to produce food or commercial crops may be taken over for contract farming, reducing the availability of food for the household and/or women’s income.

Studies suggest that some of the disadvantages of contract farming can be reduced by stronger producer organisations which can increase producers’ contract negotiation skills, for example. However, in many cases farmers’ energy might be better invested in forming a cooperative, thereby increasing their power relative to potential buyers.

While some producers may benefit from contract farming arrangements, it is far from clear that contract farming schemes are the best deal for farmers. The Asian Development Bank Institute concludes: “together with improved infrastructure and a more competitive market due to farmers’ innovation, the farmers’ best choice may include non-contract production.”
2.2 Extraction of resources and profits

2.2.1 Crops for export

Much of the promised increase in agricultural production is not destined for African markets, but for export to markets in the Middle East, Europe and Asia, facilitated by projects like agricultural growth corridors. The trade reforms that many African countries are making are also set to benefit corporations by reducing restrictions and tariffs on the export of agricultural produce to lucrative foreign markets, even if the communities in the places where they are produced need it to meet their own food or other needs.

Securing supplies of cash crops for export is one of the reasons multinational companies are so keen to increase their activities in Africa. For example, global cocoa traders and processors are predicting a one million tonne shortage of cocoa in 2020. This is due to climate change and a shortage of cocoa farming as a result of low prices, urbanisation and competition for land from alternative crops and mining. In response, multinational companies, including traders Armajaro, Archer Daniels Midland, Cargill and Olam International and manufacturers Nestlé and Mars supported by the Bill and Melinda Gates Foundation have set up a spate of projects to try and increase the yields of existing cocoa farmers and entice them to continue growing the crop.

The International Cocoa Organisation (ICCO) reports that it is overseeing a total of 64 cocoa sustainability initiatives. Such projects enable multinational companies to secure supplies without having to address one of the key reasons for poor supply: low prices to farmers. Indeed, increasing production could depress prices if not matched by a corresponding increase in demand – a problem faced by many coffee producers in the early 2000s (see box on p.17).

2.2.2 Business from new African markets

Consumer goods companies such as Unilever, Diageo and SABMiller also see an opportunity to tap new but potentially significant markets in Africa, supplying the growing middle class populations mainly in urban areas. But this will do nothing to reduce levels of poverty or improve access to food for those who are poorly nourished. As 100 African groups said in a statement published in May 2013: “Opening markets and creating space for multinationals to secure profits lie at the heart of the G8 and AGRA interventions...Multinational corporations like Yara, Monsanto, Syngenta, Cargill and many others want secure markets for their products in Africa.”

One of the companies leading the scramble is the multinational drinks company Diageo, which produces Guinness, Gordon’s gin and Smirnoff vodka. The company states on its website, “Africa represents Diageo’s largest group of emerging markets in terms of net sales” and notes that Guinness is already brewed in “over 20 [African] countries and exported to many others”. Unilever is even more forthright. In the New Alliance cooperation framework agreement for Tanzania, it highlights the key role Africa plays in the company’s business strategy and its target to double the size of its business in the continent. Multinational companies are keen to create markets for new consumer goods and win as big a share as possible from their global and local competitors.

Indeed, one reason why such companies are keen to set up arrangements to source from African farmers is that it is a way of reducing the costs and risks for them in supplying African markets. As Nick Blazquez, Diageo’s president of Africa, Turkey, Russia, Central and Eastern Europe, says: “the best way to minimise currency volatility is to source locally as much as possible”. 
The failure of structural adjustment policies

In the 1980s, 1990s and early 2000s, many developing countries were forced by the International Monetary Fund (IMF) and World Bank to implement neoliberal economic policy changes such as deregulation, privatisation and trade liberalisation, known as structural adjustment. Countries were also encouraged to focus on producing raw materials such as agricultural commodities for export in order to bring in foreign exchange.

The impacts of following such policies have been disastrous for small-scale producers and for food security.

For example, in 1993, the World Bank funded a project which aimed at diversifying Vietnam’s export income through increasing coffee and rubber production. Vietnam’s coffee production rose from 50,000 tonnes in the late 1980s to 400,000 tonnes a decade later. However, the World Bank also encouraged other developing countries, including Ethiopia, Kenya and Uganda, to follow similar policies. The result was a massive oversupply of coffee which triggered a price collapse, with prices in 2002 just half of what they had been three years earlier. This left producers without the income to buy food for themselves and did nothing to improve the countries’ export earnings. 48

Not only did the promotion of agricultural development based on exports fail to help these countries, but the trade liberalisation measures that they were forced to implement alongside the export strategies saw many developing countries’ markets flooded with cheap, subsidised imports of staple foods. This put local producers out of business and reduced the ability of countries to feed their own populations. Africa went from being a net exporter of food in 1970 to a major net importer today, with agricultural imports exceeding exports by US$22 billion. Much of this increase has been in imports of staple food stuffs, particularly cereals. 49 This import dependency makes countries highly vulnerable to global food price fluctuations and can mean valuable foreign currency reserves are spent on purchasing food rather than being used to address other development needs.

In 2005, the World Bank admitted that a “development strategy based on agricultural commodity exports is likely to be impoverishing in the current policy environment”. 50 Its 2008 World Development Report notes that in Benin, Burkina Faso, Burundi and Mali one agricultural commodity accounts for more than half of the value of total exports. It also highlights how price projections for most cash crops, such as coffee, tea and cocoa, were for long-term price declines: “Increasing productivity to cope with declining prices helped some countries in the short term but added to the long-term downward pressure on world prices, with consumption stagnating in the major markets (Western countries) and growth limited in the ‘new’ markets (Eastern Europe, the Middle East and the former Soviet Union).” 51

Yet it is clear that these same policies continue to be promoted. Developing countries are now more dependent on volatile primary commodity exports than they were a decade ago according to the UN Conference on Trade and Development (UNCTAD). 52 Yet there are new moves to gear African agricultural production towards exports such as tobacco, biofuels and coffee and away from the food supply needed by the continent’s population in the name of agricultural development.
However, such companies can benefit from massive economies of scale and risk putting smaller local companies out of business, doing little to help African companies develop. There is also a risk that food crops are diverted to other uses. For example, the drought-resistant root crop cassava, a staple in many parts of West and Central Africa, is now in demand for beer, biofuel and pharmaceutical production. In Ghana the price has risen sharply as a result, making it less affordable to the poorest, even if middle class consumers benefit for an increased range of products on offer.

Alongside this, there are further moves for trade liberalisation which would make it easier for developed countries to export their products to African countries, with major negative impacts for local producers. WDM’s previous work on trade issues has shown how, far from improving food security and cutting poverty, trade liberalisation has had a major negative impact on developing countries. For example, the North American Free Trade Agreement (NAFTA) had a devastating impact on small-scale maize farmers in Mexico as the market was flooded with cheap imports from the US. As a result, two million Mexican producers had to leave the land.

A recently published systematic review commissioned by DFID concluding that there is no consistent evidence as to whether trade liberalisation increases food security in developing countries. The authoritative International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), a UN and World Bank sponsored assessment of global agriculture by more than 400 experts, concluded that “agricultural trade can offer opportunities for the poor, but current arrangements have major distributional impacts among, and within, countries that in many cases have not been favourable for small-scale farmers and rural livelihoods.”

2.2.3 Loss of revenues

The involvement of multinational corporations leads to revenues leaving the country rather than remaining in circulation in the country. This occurs through profits returning to the company’s headquarters to be invested wherever the company considers the greatest returns are likely to be made. Profits are also distributed through dividends to shareholders, who may be located anywhere in the world, but much more likely to be in developed countries.

This process is exacerbated by increased corporate control of resources. As 100 African groups stated in May 2013: “Private ownership of knowledge and material resources (for example, seed and genetic materials) means the flow of royalties out of Africa into the hands of multinational corporations.”

Often far less of the profits stay in the host country than they should, due to tax avoidance by corporations. For example, the brewer SABMiller, which is involved in various initiatives in Africa, has 65 tax haven companies to avoid paying local taxes with an estimated loss of tax revenues of up to £20 million in Africa.
3. The push for corporate food systems in Africa

“By introducing this market, farmers will have to depend on imported seeds. This will definitely affect small farmers... It will be like colonialism. Farmers will not be able to farm until they import, linking farmers to [the] vulnerability of international prices. Big companies will benefit. We should not allow that. “

Zitto Kabwe, chair of public accounts committee, Parliament of Tanzania

A handful of multinational corporations, including seed companies Monsanto and Syngenta, fertiliser giant Yara and UK-based consumer goods companies Diageo, SABMiller and Unilever, are leading the push for greater control over, and profits from, Africa’s food systems. Through an interconnected web of worthy sounding initiatives, they are supported by rich country governments, including the UK, and philanthropic donors such as the Bill and Melinda Gates Foundation. These schemes include Alliance for Green Revolution in Africa (AGRA), New Vision for Agriculture, Grow Africa and the New Alliance for Food Security and Nutrition.

Efforts to reform African agriculture for the benefit of multinational corporations have been underway for years, with support from institutions such as the Rockefeller Foundation, USAID and the World Bank. This has laid the groundwork for the latest wave of initiatives which have crystallised and gained momentum since the launch of the Bill and Melinda Gates Foundation-funded Alliance for Green Revolution in Africa (AGRA). This was established in 2006 to bring small-scale producers into global supply chains with finance to enable access to hybrid seeds, fertilisers and pesticides.

Since the 2008 food price spike, AGRA has been joined by a number of other initiatives and related policy reforms which have been implemented with a speed and commitment not dissimilar to the way in which neoliberal reforms have been enacted following major crises or upheavals. Ironically, these schemes look set to reinforce Africa’s dependence on volatile global markets to feed itself, the reason that the high prices of recent years have had such a dramatic impact on levels of hunger on the continent.
An early project was the World Economic Forum’s New Vision for Agriculture which was launched in 2009 by 30 multinational companies keen to get a greater foothold in developing countries where they had opportunities to expand. The Grow Africa programme grew out of this, involving the African Union (AU) when it was launched in 2011 with an exclusive focus on Africa and offering outside investors a variety of business opportunities.

In 2012 the G8’s New Alliance for Food Security and Nutrition was launched as part of the US’ G8 presidency, building on the Grow Africa model with commitments from a multitude of multinational and African companies and aid pledges from G8 donors (though much of this was money already committed). In addition, the governments of the African countries involved (initially four, although this has since grown to ten) are now required to make policy changes to facilitate the expansion of corporations.

All these schemes are premised on the idea of small-scale food production being ‘backwards’ and unproductive, and of there not being enough food to feed the world – at least in future if not now. The response is to focus on increasing yields through large-scale private (usually foreign) financial investment. Yet the UN estimates that current food production methods produce enough to feed 12 billion people, though population projections do not exceed 10 billion. Today, small-scale producers feed an estimated 70 per cent of the world’s population (including the majority of those who are under- or malnourished) using no more than 30 per cent arable land, less than 20 per cent of fossil fuel and 30 per cent of water.

This section explains the different initiatives and the ways in which they are linked.

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### Table 1. Summary of initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>AGRA</th>
<th>WEF New Vision</th>
<th>Grow Africa</th>
<th>G8 New Alliance</th>
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<td>2006</td>
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<tr>
<td>Zambia</td>
<td>✓</td>
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</table>

| Multinational corporations involved | | | |
| Armajaro | | ✓ | ✓ | |
| Cargill | ✓ | ✓ | ✓ | |
| Diageo | ✓ | ✓ | ✓ | |
| DuPont | ✓ | ✓ | ✓ | |
| Monsanto | ✓ | ✓ | ✓ | |
| Rabobank | ✓ | ✓ | | |
| SABMiller | ✓ | ✓ | | |
| Swiss Re | ✓ | ✓ | | |
| Syngenta | ✓ | ✓ | | |
| Unilever | ✓ | ✓ | | |
| United Phosphorus | ✓ | ✓ | | |
| Vodaphone | ✓ | ✓ | | |
| Yara | ✓ | ✓ | | |

*AGRA is funded by the Bill and Melinda Gates Foundation which has 500,000 shares in Monsanto and has a partnership with Cargill in a soya initiative.
3.1 Alliance for Green Revolution in Africa (AGRA)

AGRA was set up by the Rockefeller Foundation and the Bill and Melinda Gates Foundation in 2006 to promote the incorporation of African small-scale producers into global agricultural supply chains for agricultural inputs (seeds, fertilisers and pesticides) and their produce. AGRA’s work is focused in Ghana, Mali, Mozambique and Tanzania but the initiative also operates in Burkina Faso, Ethiopia, Kenya, Malawi, Niger, Nigeria, Rwanda, South Africa, Uganda and Zambia.

The programme’s model is based on networks of agro-dealers, businesses which sell farmers fertilisers, pesticides and hybrid seeds (seeds that are bred to produce good yields in the first season, but fail to maintain yields in the second generation, meaning that farmers need to purchase new seeds every year rather than saving or exchanging them). As part of this, AGRA is also lobbying for regulatory and legislative change to seed laws in Mozambique, Tanzania, Ghana, Mali and Ethiopia.

Because farmers need to purchase these inputs each year, AGRA also enables farmers to increase access to credit through using guarantee funds to enable farmers to take out bigger loans. AGRA also seeks to increase the involvement of small-scale farmers in corporate supply chains as contract farmers to large suppliers rather than producing first for local markets and households.

The whole approach is one that requires high levels of capital inputs (purchases of seeds and agrochemicals), locking farmers in through borrowing, supply contracts and the use of production methods that are difficult to change once they are adopted. This system relies on high yields (in order to pay off their debts or fulfil their contracts) to be viable. As the African Centre for Biodiversity has argued, AGRA should be understood as a demonstration project, proving that African agriculture can be profitable – for outside investors, rather than farmers.

AGRA’s 2013 Africa Agriculture Status report argues for a much more concentrated commercial seed system which would only be possible by changes to seed laws to benefit commercial seed companies. This would include an intellectual property regime under which certified seeds are protected from being produced by third parties and in which the production of non-certified seed is outlawed. Such a system would result in a dramatic reduction in biodiversity, which is increasingly important in a changing climate. It would also prevent small-scale farmers from saving or improving their own seed, which would come to be owned by private companies or simply become illegal.

Although AGRA claims it does not currently fund research into or production of GM crops, one of its founders and major funders, the Bill and Melinda Gates Foundation, is an active funder of GM research and holds investments in biotechnology firm Monsanto. There are legitimate concerns that AGRA’s continued operations will lead to the introduction of GM technologies into African agricultural systems.

While AGRA says that it focuses its support on small-scale agriculture, within this it tends to work with commercially-oriented farmers who have larger than average plots of land, and it anticipates greater land concentration in future, with some producers being forced out and those that remain ending up with more land.

AGRA has received criticism from the Alliance for Food Sovereignty in Africa (AFSA), a broad pan-African coalition of farmers groups and civil society networks: “AGRA promotes expensive, subsidised fertilisers, pesticides and hybrid seeds, a concept that is not economically or environmentally sustainable. It puts the private sector in charge of seed supply and replaces public and local seed systems. As it has shown us in India, the Green Revolution literally kills farmers, with hundreds of farmers committing suicide as they are trapped in debt. In reality, the Green Revolution approach destroys local seed systems, reduces resilience and creates a high level of dependency on subsidies and credit, putting small scale farmers at high risk.”
The green revolution

The green revolution refers to developments in agricultural production between the 1950s and 1980s that improved yields from major cereal crops, particularly wheat and rice and other food crops. This was done through the use of irrigation, increased application of artificial fertilisers and pesticides, and the development of new seed varieties. The approach was adopted globally, including in developed countries, but countries in Asia and Latin America were a major focus due to the high levels of hunger there.

There is no doubt that the methods adopted increased agricultural production, which rose by 11 per cent per person between 1970 and 1990. However, adequate food production is necessary but not sufficient for eliminating hunger, which also requires changes that reduce poverty or improve poor people’s access to food.

As a result, the increased production did not translate into reductions in hunger. While food production in South Asia increased by 9 per cent between 1970 and 1990, levels of hunger rose by 9 per cent. In South America, production increased by 8 per cent yet hunger increased by 19 per cent over the same period. Many others suffered from malnutrition due to a reduction of diversity in their diets, due to the shift to monoculture production of a few staple crops.

While there was an overall reduction in global levels of hunger, this was due to large decreases in China, which pursued policies which redistributed land and improved living standards. Once China is removed from the global figures, the number of hungry people increased by 11 per cent.\(^76\)

As African groups have pointed out, “The green revolution produces uneven benefits, favouring farmers with financial resources of their own, with access to more land, and with some formal education.”\(^77\) In countries like India, inequality increased as better-off farmers were able to afford the seeds and chemicals, benefiting from bulk purchasing discounts, while poorer producers paid more and were at greater risk of getting into debt. In addition, increased production resulted in lower prices which, when the costs of the seeds and chemicals were taken into account, meant that farmers saw little benefit. As yields have stopped increasing and in some cases begun to fall due to soil degradation, this has become an increasing problem.

Fertilisers, in particular, are highly energy intensive to produce, so the food system is now far more energy intensive, with the amount of food produced per unit of energy input decreasing dramatically. In addition, the companies selling the seeds, fertilisers and pesticides gained greater power within the food system, as farmers had to purchase these inputs from them each year.\(^78\)

Today, despite the calls for an African green revolution, Asia has twice as many people who suffer from undernourishment as Africa.\(^79\)
3.2 The New Vision for Agriculture

The World Economic Forum, the global club of powerful politicians and business people, was one of the first organisations to capitalise on the global food price spike of 2007-08, launching its New Vision for Agriculture in 2009. Led by 33 multinational companies including Cargill, Coca-Cola, Monsanto, Nestlé and Wal-Mart, the initiative consists of national-level partnerships involving these companies and some local businesses in 12 developing countries: Burkina Faso, Ethiopia, Ghana, India, Indonesia, Mexico, Kenya, Mozambique, Nigeria, Rwanda, Tanzania and Vietnam.

While details of that these partnerships actually entail are vague, the scheme focuses on increasing yields, justified by reference to a growing population, climate change and resource scarcity and typically involves incorporating producers into supply chains for multinational corporations. Progress is tracked by measures such as production, waste, value added, infrastructure and ease of doing business.

Priorities are agreed for each country, for example to focus on a particular crop or location. In Tanzania efforts have focused on the Southern Agricultural Growth Corridor of Tanzania (SAGCOT, see below for more detail). Many of the priority crops are not those that will primarily feed local populations: in Indonesia they include coffee, cocoa, soya and palm oil, and in Vietnam three of the five crops mentioned are coffee, tea and “commodities”.

3.2.1 Agricultural growth corridors

One thread running through all of the initiatives are agricultural growth corridors which are being developed in Mozambique and Tanzania with similar programmes in Burkina Faso and Kenya.

The concept of agricultural growth corridors was introduced by international fertiliser company, Yara at the UN general assembly in 2008 and adopted by the World Economic Forum in subsequent years as part of its New Vision for Agriculture.

The corridor model is tied to international agricultural commodity trade, with corridor infrastructure usually connecting rural areas to global markets via a port, and is intended to facilitate the extraction of resources. At the same time the corridor brings in agricultural inputs such as chemical fertilisers and pesticides, expanding the market for input agribusinesses. The corridors use a public-private partnership model to introduce industrial agriculture and enable corporate investors to gain ownership of land and other natural resources.

The agricultural growth corridors are partly justified by the idea that there are large areas of underutilised land which can be targeted for new agricultural production. In fact most land is already in use, for example as small-scale plots, shifting cultivation, livestock rangeland and forest resources. In fact, the areas being targeted tend to be those with the most fertile and productive land and which already have infrastructure in place.

The main agricultural growth corridor projects under development currently are the Southern Agricultural Growth Corridor of Tanzania (SAGCOT) and in Mozambique, the Beira, Nacala and Zambezi corridors, of which the latter two are part of an agribusiness mega-project known as ProSavana.

Southern Agricultural Growth Corridor of Tanzania (SAGCOT)

The SAGCOT project covers 7.5 million hectares, almost one third of Tanzania’s land, including some of the most fertile areas. It links the port at Dar Es Salaam (where, as part of the project, Yara has invested in a fertiliser terminal) to the country’s borders with the Democratic Republic of Congo, Malawi and Zambia.

Besides the Tanzania government, those involved include AGRA, donors such as DFID and USAID and multinational corporations Diageo, Monsanto, SABMiller, Syngenta, Unilever and Yara.
Carving up a continent: How the UK government is facilitating the corporate takeover of African food systems

As part of the project, 16 sites have so far been identified for large-scale commercial rice, sugar and biofuel production. But there are major concerns about land grabbing amongst local people, who say that all the land is already in use. Concerns about the risk of land conflict are also noted in an impact assessment on the project for the Tanzanian government. The focus of Tanzania’s New Alliance cooperation framework on SAGCOT (see section 3.4) has also increased the pace of development, putting in place a policy commitment for all village land in the project area to be demarcated by June 2014. This sets in motion a process by which land that is considered the most productive can be allocated to investors while the remaining land is left to local people.

The UN Development Programme also reflects these concerns in its report on the project, stating that there is a perception that it will benefit only large-scale agribusiness to the detriment of rural communities. Alongside this, there have been reports that small-scale producers are being encouraged to sell their land and become contract farmers for large scale commercial ventures in the project area, making them more vulnerable to changes in the global economy and leaving them dependent on these businesses for their income.

The Tanzanian government’s impact assessment also notes concerns about biodiversity, lack of attention to risk minimisation for small-scale producers, inadequate representation of women, lack of institutional capacity, transparency and accountability and endemic corruption.

The Beira corridor, Mozambique

The Beira agricultural growth corridor (BAGC) covers 10 million hectares of arable land around the colonial-era Beira railway in Mozambique, linking Malawi, Zambia and Zimbabwe to the port of Beira via a road and rail network. The stated aim of the corridor is to establish infrastructure specifically to attract investment and facilitate the development of commercial agriculture in the Beria region. Like SAGCOT, it involves AGRA, Department for International Development (DFID), USAID and multinational corporations including DuPont, Nestlé, SABMiller and Yara.

Much of the agricultural production looks set to be geared at biofuels, with UK company Sun Biofuels (whose failed project in Tanzania left many local people without land or employment – see case study on page 10) one of the many companies involved. Its Mozambique subsidiary already occupies an area of 3,000 hectares for the production of the biofuel crop jatropha for export and has invested around US$9 million but is yet to start making revenue. The company is considering trying to get small-scale producers to produce the crop through a contract farming scheme before attempting to expand its cultivated area to its target of 11,000 hectares. Another company, Grown Energy, is investing US$320 million to make ethanol from sugar cane with a target to produce 25,000 litres of the biofuel initially, increasing to 100,000 litres within three years.

The BAGC also includes a major project to invest $3 billion in a railway and port development link that will join up the Tete region with the coastal city of Macuse. The mining company Rio Tinto, known for its exploitative practices around the world, is the chief bidder in the project, as the Tete region is particularly rich in coal, and the company has already begun to mine there. It is claimed that the workforce around the mines will stimulate demand for agricultural projects from the Beria region and that the rail links will also boost infrastructure for agricultural exports.

In addition to direct support to BAGC, DFID has created a fund for the project, which acts as a venture capital investment vehicle and will invest in new agribusiness projects in the region. However, it appears that the fund has struggled to mobilise investment.
**ProSavana, Mozambique**

The Nacala and Zambezi agricultural growth corridors in Mozambique together form the focus of the ProSavana project. The project covers 14 million hectares of land – an area greater than Austria and Switzerland combined – in the most densely populated part of the country where millions of farmers practice shifting food cultivation. The project sees Brazilian agribusinesses linking with Japanese exporters. While land along the rail line which links the deep-water port of Nacala to the interior is being parcelled out on long-term leases at $1 per hectare per year.

Proponents of the project claim that it will focus only on areas where no agriculture is practiced. But surveys by Mozambique’s national research institute shows that almost all the agricultural land in the area is already being used by local people. This analysis is supported by UNAC (União Nacional dos Camponeses de Moçambique, the National Union of Small-scale Farmers of Mozambique), which argues that the project risks the creation of landless workers, exacerbating poverty and causing social unrest.

A leaked master plan for the ProSavana projects sheds some light on the potential impacts. Friends of the Earth Mozambique and other civil society groups say the master plan shows that the project will pave the way for massive land grabs. It also criticises the lack of transparency, consultation, and participation. Their analysis is that the project will force farmers to change from traditional shifting cultivation to intensive production based on commercial seeds, artificial inputs and privatised land, or push them into contract farming arrangements.

The plan also shows how corporations involved in the project are set to benefit from Special Economic Zones (SEZs) where they will be free from paying taxes and custom duties and will be able to benefit from offshore financial arrangements.

At a meeting of local people in 2012 which was the first time many of those attending had received any information about the project, UNAC leaders issued a declaration with their analysis of the project:

“Considering the way in which the ProSavana programme was drafted and the process for implementing it, we peasant farmers warn of the following expected impacts:

- The appearance of landless communities in Mozambique, as a result of land expropriation and resettlement.
- Frequent social upheaval along the Nacala Corridor and beyond.
- The impoverishment of rural communities and a reduction in the number of alternatives for survival.
- An increase in corruption and conflicts of interest.
- The pollution of water resources as a result of the excessive use of chemical pesticides and fertilisers, as well soil degradation.
- Ecological imbalances due to vast deforestation for agribusiness projects.

“Following a comprehensive analysis of ProSavana, we peasant farmers have concluded that:

- ProSavana is a result of a top-down policy, which does not take into consideration the demands, dreams and basic concerns of peasants, particularly those within the Nacala Corridor.
- We vehemently condemn any initiative which aims to resettle communities and expropriate the land of peasants to give way to mega farming projects for monocrop production (soybeans, sugar cane, cotton, etc.).
- We condemn the arrival of masses of Brazilian farmers seeking to establish agribusinesses that will transform Mozambican peasant farmers into their employees and rural labourers.
- We are extremely concerned that Prosavana requires millions of hectares of land along the Nacala Corridor, when the local reality shows that such vast areas of land are not available and are currently used by peasants practicing shifting cultivation.”

In addition to being a core feature of New Vision, agricultural growth corridors are also the focus of Grow Africa and New Alliance projects too.
Carving up a continent: How the UK government is facilitating the corporate takeover of African food systems

3.3 Grow Africa


The initiative introduces investment commitments from 62 companies, including many of the companies involved in the New Vision for Agriculture, such as SABMiller, Syngenta and Unilever.

In most of the countries involved, the programme focuses on a single area of the country (usually the most productive and/or best connected with transport and other infrastructure) which is to be the focus for increased private investment and production. These include the World Bank-supported Bagre Growth Pole in Burkina Faso, the Southern Agricultural Growth Corridor of Tanzania, the Beira, Nacala and Zambezi agricultural growth corridors in Mozambique and the Lamu Port Southern Sudan–Ethiopia Transport (LAPSSET) Corridor in Kenya.

There is no mention of any ambition of the programme to reduce undernutrition or malnutrition among local populations or to improve incomes for producers. Instead, the partnership’s website is clearly geared towards outside investors. For example, investment brochures promise “land ready to be allocated through long-term leases to private investors/contractors…and favourable tax regime” in Burkina Faso, action “to foster a more enabling environment for agricultural growth” in Kenya and “an international port providing potentially low-cost access to rapidly expanding markets in the Middle East and Asia” (Tanzania).

3.4 The G8 New Alliance for Food Security and Nutrition

The New Alliance for Food Security and Nutrition (known as New Alliance) is a ten year partnership initiative launched by the US-hosted G8 in 2012 which aims to “generate greater private investment in agricultural development”. It involves G8 and other donor governments, African governments, multilateral institutions such as the World Bank, African businesses and multinational companies committing to delivering US$3bn of investment in Grow Africa countries, according to their initial press statements.

The New Alliance goes further than the previous schemes. It increases benefits for the companies involved by requiring African governments to reform their policies to suit large corporations in exchange for private investment and aid money from G8 and other rich countries.

Such policy areas involved include trade, land and seed and agrochemical markets regulation, with eight out of ten of the countries involved committing to reform their seed laws to facilitate private sector involvement in this area. In other cases, Ethiopia has committed to reforms to enable foreign investors to secure access to land and obtain a business licence without following the necessary regulation or democratic processes. Mozambique will cease distribution of local varieties of seeds. Tanzania will amend trade rules that exist to protect small-scale producers. Ethiopia has a commitment not to restrict exports of food, even if it is required by its own population.

In the case of the UK, the amounts of aid money being channelled through the New Alliance has increased by over 50 per cent since the initiative was announced. In response to a question by Heidi Alexander, MP for Lewisham East, in
September 2012, the then secretary of state for international development Andrew Mitchell said that £395 million was being committed to the scheme. But according to information released to WDM under the Freedom of Information Act in January 2014, a total of £600m has now been allocated to the New Alliance by the UK between 2012 and 2016. Of this, the largest shares are for projects in Ethiopia and Nigeria, where the UK is the lead partner.

The first three African countries to be involved in the initiative were Ethiopia, Ghana and Tanzania which were closely followed by Burkina Faso, Côte d’Ivoire and Mozambique. In June 2013, coinciding with the UK-hosted G8 summit, Nigeria, Benin and Malawi joined the initiative and Senegal became the tenth African participant in December 2013.

International companies involved include biotechnology companies Monsanto and Syngenta, fertiliser giant Yara and UK-based food and drink companies Diageo, SABMiller and Unilever. In addition, a number of those listed as domestic companies in reality operate internationally and/or are financed by northern finance. For example, Tanzanian Agrica, which runs a 5,000 hectare commercial rice farm, is UK-owned and financed by Scandinavian investors.

The New Alliance cooperation frameworks state that the programme has a goal of “improving food security and nutritional status by helping 50 million people in sub-Saharan Africa emerge from poverty by 2022“. However, it is clear that the only mechanism through which this is expected to occur is through GDP growth – which alone has little direct impact on poverty levels. According to the cooperation frameworks, improvement will be measured by countries’ progress on the World Bank’s new Benchmarking Business in Agriculture Index (which is based upon the widely discredited Doing Business model) and in private sector investment in agricultural production, processing and sales.

An accountability framework was added at a later stage and includes indicators on poverty, food security and economic empowerment of women. But these appear inadequate for example, two out of the three food security indicators apply only to young children and there is no indicator for levels of undernutrition or malnutrition. It is also apparent that these indicators are second to the priorities of how many policy commitments have been implemented and levels of private sector and foreign direct investment. There appears to be no attempt to measure other important indicators such as producers’ incomes and levels of debt.

3.5 Same players, different initiatives

It is striking that the initiatives above are closely related and involve many of the same bodies and companies. This model of agricultural reform is being designed and promoted by a small core of powerful business and government elites.

For example, the New Vision for Agriculture is a project of the World Economic Forum, whose members include many of the multinational corporations involved in all these initiatives. The New Vision for Agriculture works at the global level with the G8 and directly spawned Grow Africa, with key projects including SAGCOT and the Beira agricultural growth corridor. Those involved in the project review and advisory support for the New Vision include Namanga Ngongi, president of AGRA and Katharine Kreis, deputy director of nutrition at the Bill and Melinda Gates Foundation’s Global Health Program.

The New Alliance has grown out of the Grow Africa programme, bringing in state support, aid money and policy conditionality to the agribusiness project.

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i. The Doing Business index has been criticised for focusing solely on the investment climate in countries, with emphasis on reducing taxes, liberalising trade and providing a corporate-friendly intellectual property regime. A 2008 report by the World Bank’s own Independent Evaluation Group (IEG) criticised the index for being prejudiced in favour of deregulation, and for overstating its conclusions. The IEG report concludes that there is “no statistically significant relationship” between the Doing Business index’s indicators and broader economic growth, never mind more meaningful improvements in a country’s development, such as reductions in poverty or improvements in health or wellbeing.
The leadership council of the New Alliance is co-chaired by the World Economic Forum and works closely with Grow Africa. In addition, Grow Africa provides the monitoring of the commitments made by companies as part of the New Alliance. AGRA is also represented on the Grow Africa task force and is a partner in both the Beira growth corridor and SAGCOT. Meanwhile, many of the corporate commitments made to Grow Africa initiatives mirror those made as part of the G8’s New Alliance for Food Security and Nutrition. The agricultural growth corridor concept was developed by multinational fertiliser company Yara. Yara is a partner company in the New Vision for Africa, a founding member of SAGCOT (having invested US$20 million in a port terminal in Dar-es-Salaam to enable fertiliser imports to the project) and claims to have helped establish Grow Africa. The company is also involved in Grow Africa, the New Alliance and the Beira corridor. Arne Cartridge, former vice president of Yara International and current secretary-general of the Yara Foundation which presents an annual prize for an African Green Revolution, is the director of Grow Africa and director of global partnerships for food security for the World Economic Forum. Prior to her current role as deputy CEO of the SAGCOT Centre, Jennifer Baarn was associate director at the World Economic Forum where she helped develop the New Vision for Agriculture. She also identified growth opportunities in food and agribusiness for Rabobank International, which is a partner in the New Vision, Grow Africa and New Alliance. She is joined at SAGCOT by board members Elsie Kanza, Head of Africa at the World Economic Forum, and Paul Kapelus, elected Young Global Leader of the World Economic Forum. Other companies which are involved in the New Vision, Grow Africa, the New Alliance and at least one of the agricultural growth corridor projects include biotechnology firms DuPont, Monsanto and Syngenta, and UK-based food and drink companies Diageo, SABMiller and Unilever.

### 3.6 The corporate players

Multinational corporations play a key role in the New Alliance and the other initiatives mentioned in this report. While much of the investment these companies are making in their African operations would occur anyway, their involvement in initiatives backed by G8 and other western governments gives them support, legitimacy and is part of a wider strategy for corporate social responsibility (CSR).

#### 3.6.1 UK consumer goods companies

Three major consumer goods companies, all based in the UK, are involved in the New Vision, Grow Africa, the New Alliance and SAGCOT.

**Diageo**

“Africa represents Diageo’s largest group of emerging markets in terms of net sales.”

Diageo website

“Africa is becoming increasingly important as a business and investment destination.”

Paul Walsh, chief executive, Diageo

Diageo is a multinational alcoholic drinks company headquartered in London, formed in 1997 with the merger of Guinness and Grand Metropolitan (a wine and hospitality company). It is the world’s largest producer of spirits, with brands including Gordon’s gin and Smirnoff vodka, and as of May 2013 was the eighth largest company listed on the London Stock Exchange. The company has over 40 subsidiaries registered in sub-Saharan Africa, with major operations in countries including Cameroon, Ghana, Nigeria and South Africa. In many cases, the company has expanded by privatising state-owned breweries or buying up local companies such as Serengeti Breweries in Tanzania and Meta Abo in Ethiopia. In Kenya, Diageo has been declared a monopoly by the government’s Commission for Monopolies and Prices.
Carving up a continent: How the UK government is facilitating the corporate takeover of African food systems

Diageo uses specially-negotiated tax deals to increase its sales and profits. In Kenya, the company has convinced the government to remove excise tax entirely for its beer Senator Keg lager, although VAT still applies and its subsidiary East Africa Breweries Ltd does pay corporation tax. Diageo has a similar deal for Ruut, a beer brewed from a local yam, in Ghana.136

There have also been reports of poor labour practices at a subsidiary of Guinness Nigeria (part of Diageo). Even though there is a union at the factory, most workers are temporary and paid only 400 Naira (£1.56)137 for a 12 hour day138 – well below the minimum wage.139

Diageo is a partner in the New Alliance and Grow Africa, is a founding partner of SAGCOT140 and is represented on the board of the New Vision.141 The company has been funded by DFID for a project to replace its imported barley with local sorghum in Cameroon via the Africa Enterprise Challenge Fund which is hosted by AGRA.142 This helps its beers appeal to local consumers. However, a similar scheme which sourced another staple crop, cassava, for brewing in Ghana has led to higher prices,143 which could result in higher levels of hunger.

The company is now carrying out similar programmes in Ethiopia and Tanzania as part of the New Alliance, stating: “The new projects in Ethiopia and Tanzania will provide Diageo with a long-term, secure and sustainable source of raw materials, which reduces exposure to increasingly unpredictable changes in availability of material and potentially volatile global commodity markets.”144

Diageo has close links with the UK government and opposition: chief executive Paul Walsh is an adviser to the Department of Energy and Climate Change and a member of David Cameron’s Business Advisory Group.145 Lord Davies of Abersoch, a non-executive director of Diageo, was Labour trade minister between in 2009 and 2010.

SABMiller

“We will emphasise cash crops. Maize and soya are cash crops. We want a smallholder agriculture sector that is interested in making money. We are not interested in the social angle.”

SABMiller spokesperson146

SABMiller is one of the world’s biggest brewers of beer, with brands including Grolsch and Peroni. The company also produces soft drinks and is one of the world’s largest bottlers of Coca-Cola products.147

The company has over 100 subsidiaries in Africa,148 with production facilities in Botswana, Ghana, Kenya, Malawi, Mozambique, Nigeria, South Sudan, Swaziland, Tanzania, Uganda and Zambia.149 Like Diageo, SABMiller has expanded through privatising state-owned companies and buying up local competitors.150

SABMiller has come under heavy criticism for its tax avoidance. The company’s tax arrangements remain the same, three years after an investigation by ActionAid that revealed the company had avoided paying an estimated £20 million per year in tax to African governments through the use of tax havens.151

Like Diageo, SABMiller has negotiated special tax deals to increase its sales and profits. For example, in Mozambique the company is charged only a 10 per cent excise tax on its Impala beer, compared to 40 per cent for other beers. It has also obtained similar reductions for its low-price Eagle beer in Tanzania, Uganda, Zimbabwe and Zambia. In Ghana, SABMiller has negotiated a tax break for its Eagle beer.152

In South Africa, workers at SABMiller’s subsidiary South African Breweries have recently been on a five-week strike demanding better pay.153 Maasai pastoralists have also filed a claim against the company for forcible eviction from their land in Tanzania.154

SABMiller is a partner in the New Vision, has New Alliance investment pledges in Ghana, Mozambique and Tanzania and is also involved in SAGCOT and the Beira corridor with a focus on developing cassava production to supply its brewing operations.
Carving up a continent: How the UK government is facilitating the corporate takeover of African food systems

Unilever

“Africa is at the heart of its global business strategy and Unilever wants to double the size of its business there.”

New Alliance for Food Security and Nutrition cooperation framework for Tanzania

Unilever is the world’s third largest consumer-goods company and one of the oldest multinational corporations. It produces a range of food, cleaning and personal care products with brands including Dove, Flora, Lynx, Marmite, Magnum, PG Tips, Pot Noodle and Surf. It is jointly headquartered in the UK and the Netherlands and is listed on the London Stock Exchange. Unilever buys around 12 per cent of the world’s black tea, 6 per cent of the world’s processed tomatoes and 3 per cent of its palm oil.

Unilever has over 50 subsidiaries in Africa with major operations in South Africa, Nigeria, Kenya and Tanzania. Unilever owns a number of tea estates in Kenya and Tanzania which employ 25,000 people, 10 per cent of the company’s global workforce. In Kenya, Unilever buys an estimated 30 per cent of the tea production, and owns seven tea processing factories there. It also sources other raw materials from Africa including cocoa beans from Côte d’Ivoire, Ghana and Tanzania and shea from Burkina Faso, Ghana and Mali.

Unilever was ruled against by the Kenyan Income Tax Department in 2003 for diverting part of its profits to a Ugandan subsidiary through a transfer pricing contract, denying the Kenya government taxes.

Female workers at Unilever’s plantations in Kenya have reported sexual harassment and ethnic and gender discrimination and many workers were treated as casual workers when they were effectively permanent.

Unilever is part of the New Vision, Grow Africa and the New Alliance, and is a founding partner of SAGCOT. Its involvement seeks to secure supplies of raw materials from small-scale producers, including cassava, cocoa, palm oil, tea and vegetable oil. For example, in Nigeria it hopes to source at least 100,000 tonnes of cassava from which it will produce sorbitol, used in oral hygiene products.

Several Unilever board members have links with the government and opposition. For example, Unilever board member Paul Walsh (chief executive of Diageo) is an advisor to the Department of Energy and Climate Change and a member of David Cameron’s Business Advisory Group. Conservative MP Malcolm Rifkind is also a current board member and former overseas development minister and now Conservative life peer. Lynda Chalker was a non-executive director or Unilever between 1998 and 2007. Former home secretary and trade commissioner Leon Brittain was a board member between 2000 and 2010. Former minister for trade and competitiveness David Simon, now a Labour peer, was an adviser to Unilever and was vice chairman and senior independent director between 2006 and 2009.

In addition, staff have moved between the company and government. Nick Dyer, director of policy at DfID, is a former employee of Unilever and Douglas Brew, external affairs director at Unilever, previously held posts at DfID.

In June 2013, Unilever hosted the government’s Hunger Summit, as part of the UK-hosted G8 meetings.
3.6.2 Agribusiness giants

Three other types of companies are also playing a prominent role in the New Alliance and the other initiatives. Multinational seed companies DuPont, Monsanto and Syngenta, which control over half (53.4 per cent) of the commercial seed market globally, are all involved in the New Vision, Grow Africa, New Alliance and SAGCOT. These same three companies also control over one third (37.1 per cent) of the global pesticide market. Norwegian fertiliser company Yara International, which accounts for 12 per cent of global fertiliser sales, is another major player in the four initiatives and is also involved in the Beira agricultural growth corridor in Mozambique. Another major fertiliser manufacturer, United Phosphorus Inc., also participates in the four initiatives.

Finally, major commodity trading companies are also playing a role. Cargill has the greatest involvement to date as a partner in the New Vision and Grow Africa. It has made New Alliance investment pledges in Côte d’Ivoire, Mozambique and Nigeria. Bunge is also participating in the New Alliance and New Vision, and Louis Dreyfus has a New Alliance pledge in Côte d’Ivoire. Together with Archer Daniels Midland, these three companies account for around three-quarters of the global grain and soy trade.

3.6.3 Non-agricultural companies

In addition to companies that have a direct role in the food and agriculture sectors, other multinational companies are also involved in initiatives like the New Alliance. For example, UK-based telecommunications company Vodafone is involved in Grow Africa projects in Kenya, Mozambique and Tanzania and has New Alliance investment plans in the latter two countries. These involve developing systems for accessing payments and market information between producers and buyers. According to the Grow Africa annual report, the scheme also “aims to lower the costs and risks for agri-businesses of sourcing from smallholders”. It goes on to explain that the project has a goal of reaching 500,000 smallholder farmers, “while offering agri-businesses the ability to increase revenues”.

Major finance companies Rabobank and Swiss Re are also involved in the New Vision, Grow Africa and the New Alliance, seeking new markets for their loans and insurance products.

3.7 What is wrong with these initiatives?

The objective of the New Alliance and the other initiatives is to create a safe and profitable investment climate by enabling companies to access African resources and markets. They are not, as their names suggest, geared at reducing hunger or malnutrition, because they have no mechanism to reduce poverty and are likely to increase it.

Their proponents appear to deliberately use words such as production, investment and growth interchangeably with food security and poverty reduction, as if the former inevitably lead to the latter. But as the World Bank recognises, while sub-Saharan Africa has seen strong economic growth over the past decade, it has done little to reduce poverty, with almost half of the population continuing to live on less than US$1.25 a day. In fact, inequality is rising, and many countries are highly dependent on exports to volatile global commodity markets.
In addition, most of the New Alliance cooperation framework agreements require African governments to make it easier for foreign investors to access land in their country and/or facilitate the development of markets in land (such as through land titling initiatives). For example, the Ethiopian framework commits the government to “establish a one-window service that assists agriculture investors...secure access to land” while the Ghanaian framework requires the government to set up a bank of land suitable for investors.

Similarly, the New Alliance and related initiatives are increasing corporate control of seeds. With the single exception of Benin, all the countries that have joined the New Alliance have made policy commitments to reform seed laws in order to increase private sector involvement in the sector. The cooperation framework agreements signed by Malawi and Nigeria both specifically mention aligning their national legislation with seed laws at the regional level. This is a key step towards the harmonisation which is being pushed by the biotechnology industry to facilitate their growth in African markets, which is being rejected by African farmers and civil society groups.

For example, in October 2013 the Alliance for Food Sovereignty in Africa (AFSA) published a statement criticising the adoption of new seed laws by the Common Market for East and Southern Africa (COMESA), the free trade area of 19 African countries, stating: “The COMESA Seed Regulations will greatly facilitate agricultural transformation in the COMESA member states towards industrialization of farming systems based on the logic of the highly controversial, failed and hopelessly doomed Green Revolution model of agriculture.”

By enabling seed companies to protect ‘their’ seed varieties from being reproduced or exchanged by others, they ensure a steady income stream and financial return on their investments in seed breeding. While GM is not explicitly mentioned, these same reforms pave the way for its introduction.

3.7.2 Benefitting the few at the expense of the many

The approach of all these initiatives is to incorporate small-scale producers into global supply chains through contract farming or employment on large-scale commercial farms or plantations. This ignores research that shows that only a small minority of often better-off producers are likely to benefit from such an approach. A study by the International Institute for Environment and Development (IIED) and Oxfam finds that it was only successful for 2-10 per cent of small-scale producers.

Another study found that less than 5 per cent of African farmers potentially had the required resources and capital to integrate into the value chain of the companies in question. Such an approach seems to assume that most small-scale producers are destined to leave agriculture while a small number become financially successful commercial farmers. This fails to recognise that small-scale producers currently feed the majority of those that suffer from undernutrition or malnutrition and by using a much smaller proportion of natural resources than industrial agriculture.

As highlighted in section 2, the changes brought about by these initiatives often have disproportionate negative impacts on women because of their socio-economic status, such as their lack of land rights, difficulties in accessing credit and the paid and unpaid work they do.

3.7.3 A focus on profits not poverty

An analysis of the African countries involved in these initiatives makes it clear that the initiatives are about companies making profit, not tackling hunger and poverty. For example, of the ten African countries involved in the New Alliance, only Ethiopia ranks amongst the ten African countries with the most serious levels of hunger, as measured by the International Food Policy Research Institute. Ethiopia is also one of the continent’s fastest growing economies, with economic growth at over 6 per cent in recent years.
Of the same ten countries, all but Senegal have GDP growth rates above the average for sub-Saharan Africa. For example, in 2012 the ten countries had an average estimated GDP growth rate of 6.7 per cent, compared to 4.9 per cent for sub-Saharan Africa as a whole. In addition, the majority of the countries involved in the New Alliance are coastal countries with ports providing easy extraction of agricultural products. One exception is Malawi, which SAGCOT facilitates access to.

Meanwhile, countries such as Burundi, the Central African Republic, Chad and former Sudan, which have high rates of undernourishment but are land-locked and less attractive to foreign investors, have not been targeted by the New Alliance or any of the other initiatives. These four countries had an average estimated growth rate of 3.4 per cent in 2012, compared to 6.7 per cent for the New Alliance countries, and 4.9 for the region overall.

Table 2. African countries with worst hunger index scores

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<tr>
<th>#</th>
<th>Country</th>
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<tbody>
<tr>
<td>1</td>
<td>Burundi</td>
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<td>2</td>
<td>Eritrea</td>
</tr>
<tr>
<td>3</td>
<td>Comoros</td>
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<tr>
<td>4</td>
<td>Sudan (former)</td>
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<tr>
<td>5</td>
<td>Chad</td>
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<td>6</td>
<td>Ethiopia</td>
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<td>7</td>
<td>Madagascar</td>
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<td>8</td>
<td>Zambia</td>
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<tr>
<td>9</td>
<td>Central African Republic</td>
</tr>
<tr>
<td>10</td>
<td>Sierra Leone</td>
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</tbody>
</table>

Shading denotes New Alliance countries
3.7.4 Undemocratic governance

These initiatives have also failed to incorporate into their governance the biggest private sector investors in developing country agriculture – the producers themselves. Given that the approach of these schemes is based on an assumption that what is required is large-scale investment, the majority of which has to come from abroad, this is unsurprising.

Thus, they are projects of various groupings of rich elites, such as the G8 and World Economic Forum and circumventing the more democratically-structured UN Committee on World Food Security (CFS). Since its reform following the 2007-08 food price spike, the CFS has been the preferred international forum for the majority of governments and civil society to deal with issues relating to food security and provides formal participation to farmers organisations and organisations representing people most affected by food insecurity.

African farmers groups have particularly criticised the New Alliance for the way in which it has been set up outside such established governance structures. Mamadou Cissokho, honorary president of the west African farmers organisation, ROPPA, wrote at the time of the initiative’s launch: “I ask you to explain how you could possibly justify thinking that the food security and sovereignty of Africa could be secured through international cooperation outside of the policy frameworks formulated in an inclusive fashion with the peasants and the producers of the continent...We must build our food policy on our own resources as is done in the other regions of the world. The G8 and the G20 can in no way be considered the appropriate fora for decisions of this nature.”

![Graph 2. GDP growth of selected country groupings, 2008-2013](image-url)
Carving up a continent: How the UK government is facilitating the corporate takeover of African food systems

Un fortunately there is nothing new about the approach of the New Alliance, the New Vision or any of the other initiatives which is facilitating the takeover of African resources by rich foreign elites in the name of humanitarianism.

In the nineteenth century, Europeans colonised almost the entire African continent (and many other areas of the world), justifying their actions as humanitarian because local people needed civilising and the land was empty. The scramble for Africa occurred over a period of just three decades in the late nineteenth century as Europeans realised the continent’s wealth of natural resources and Africa became the final frontier of ‘unclaimed’ territories.

From the point of view of the colonisers, Africa had the added advantage of being conveniently close to Europe, which had a massive demand for raw materials to feed its new industrial sectors. Africa could also provide cheap, often forced, labour to deliver these raw materials and provide a new place for the emerging financial sector of London to invest its capital with limited competition. At the time, Britain was suffering from a trade deficit, importing more than it was exporting and expansion into Africa offered an opportunity to address this.

The colonisers certainly invested in infrastructure which contributed to their philanthropic image back in Europe. But since natural resources were being extracted from the continent rather than being put to use there, the priority was to build ports, railways and steamships to connect the interior to these ports. Materials such as ivory and rubber could then be transported as efficiently as possible – effectively the nineteenth century version of agricultural growth corridors. Similarly, expeditions to take over new areas of land were portrayed as research in the public interest.

But, colonisation was an injustice on a colossal scale. African people were robbed of their land, lost control of their resources and millions died from forced labour while European businesses and elites profited.

Just as today, African colonisation was coordinated at an international level, with the involvement and support of politicians and businesses (many of whom had vested interests) and sometimes NGOs who were co-opted to the cause. Reminiscent of today’s positive sounding Grow Africa and New Vision projects, various front groups with benevolent sounding names such as the International African Association and the International Association of the Congo were created to perpetuate the image of charity and benevolence.

At the turn of the twentieth century, campaigners such as Edmund Morel exposed what was really happening and demanded change. Then as now, they were ridiculed as being outdated, anti-progress and never happy with the valiant philanthropic efforts that were being made. But African people organised to demand sovereignty and eventually saw independence after the second world war – although many colonial-era power structures remain in place today.
4. The UK’s role

“Just a decade ago Africa was a continent of low – or no – growth. Today it has six of the ten fastest growing economies in the world. It is growing faster than the OECD, Latin America, Eastern Europe and the Middle East... Not only is Africa open for business - it is a place of huge business opportunity...Africa is the next, maybe even the last, big market.”

Andrew Mitchell, Secretary of State for International Development, 2011

The UK government is playing a major role in efforts to push corporate-controlled food systems in Africa. Significant amounts of the UK aid budget is being used to support the interests of multinational companies in Africa, regardless of the evidence of what impact this will have on some of levels of poverty.

Since its election in 2010, the UK government has made much political capital for its declared commitment to overseas aid spending, including meeting the UN aid target to provide 0.7 per cent of gross national income as aid. But increasingly, the UK’s Department for International Development (DFID) appears to be using its resources and influence to promote the UK’s business and trade interests above those of poverty reduction.

4.1 The UK government’s role

4.1.1 Support for the New Alliance and related initiatives

The New Alliance is receiving major support from the UK aid budget. According to information released to WDM in January 2014 under the Freedom of Information Act, £600 million of public support is being channelled through this initiative between 2012 and 2016. This amount is the equivalent of over three and a half years of DFID’s current budget for agriculture projects worldwide (although not all funding being channelled through the New Alliance is categorised as agricultural spending).

While it appears that little if any of this is new spending, the fact that it is being directed through the New Alliance gives African governments greater incentive to make the policy changes that are being demanded by big business or risk losing support.
In addition to financial support, the New Alliance has received much political support from the UK government, including from prime minister David Cameron. Following the launch of the New Alliance in 2012, Cameron hosted a Hunger Summit at the London Olympics in support of this approach. The following year, this was supported with a Nutrition for Growth event, also hosted by the prime minister. The UK government also co-chaired the New Alliance leadership council as part of its 2013 G8 presidency.

The UK government has also provided financial and political support to similar initiatives. For example, DfID is providing £41 million of UK aid money to support SAGCOT, and £11 million to the Beira corridor (including £4.8 million for a project to link agribusiness and nutrition in the corridor area). It is clear that some of the projects receiving funding as part of SAGCOT are closely aligned to AGRA projects and there have been proposals for some of this funding to be channelled via AGRA.

According to the AGRA website, the UK’s Department for International Development (DfID) is “a funding partner whose core support for AGRA not only helps with day-to-day operational costs but also enables AGRA to rapidly respond to new opportunities”. DfID funded AGRA to the tune of £7 million between 2008 and 2011. According to information released to WDM under the Freedom of Information Act it no longer does so, although funding for an impact evaluation for AGRA has recently been agreed.

DfID is also represented on the Grow Africa task force. Former development secretary Andrew Mitchell was one of the Grow Africa task force patrons, and it appears that his successor, Justine Greening, has taken over this role. Though we have not found evidence of direct financial support from the UK government for the World Economic Forum’s New Vision for Agriculture, those involved in the project review and advisory support have included John Barrett in his role as head of the food group at DfID.

### 4.1.2 Funding for other agribusiness projects

In addition to supporting the initiatives outlined in the previous section, DfID funding has gone towards various other agribusiness projects. For example, War on Want found that DfID has funded at least three projects through the Business Linkages Challenge Fund in which Unilever was a beneficiary. This included a tea project in Kenya which benefited Lipton, part of the Unilever group. Similarly, DfID has supported a project in which Diageo replaced imported barley with locally sourced sorghum for its brewing operations in Cameroon.

In addition, agriculture forms around one-fifth of the Big Results Now project in Tanzania which is receiving £38 million from DfID. A key strand of the project is the development of 25 commercial sugar cane and rice plantations with linked contract farming schemes, with 350,000 hectares of land being offered to investors.

UK aid money is also invested in agribusiness companies through other institutions including the World Bank and the Commonwealth Development Corporation (CDC), a private investment fund which is wholly owned by DfID. For example, in 2011, the CDC announced that it would invest US$20 million in agribusiness in sub-Saharan Africa, and in 2013 made a US$25 million investment in Feronia, an oil palm producer in the Democratic Republic of Congo.
DfID support for land-grabbing in Ethiopia

In the Lower Omo Valley in the Gambella region of southwest Ethiopia, 375,000 hectares of land are being cleared to make way for sugar cane, palm oil, cotton and grain plantations owned by Italian, Indian, Malaysian and Ethiopian firms and state-run farms. As part of this transformation, 260,000 people from 17 ethnic groups are being displaced with their water supplies used for irrigation on the new plantations. People are being evicted from their farmland and restricted from accessing natural resources, leaving them little option but to move to designated new villages and work on the plantations for low wages.

Those people that have resisted have faced beatings, rape (including gang rape and rape of a child), intimidation, arrests and imprisonment. In order to force people to move, the military have prevented people from cultivating their land and destroyed crops and grain stores to cause hunger, then lured them to the new settlements with food aid. People have been forced to move at harvest time, leaving their crops behind and exacerbating hunger.

It is reported that when people have arrived at new villages, they have been forced by soldiers to build their own homes and found the land to be poor, dry and in need of clearing before it can be used for food production. People are receiving no support for food production in the new settlements and the promised infrastructure is inadequate. Few people are receiving basic healthcare and women are being forced to walk further to access water. This takes more time and energy and puts them at risk of harassment or assault from soldiers.

The Ethiopian government claims that the land is uninhabited or underutilised, but in reality many people used it to practise traditional and sustainable forms of food production, such as shifting cultivation and pastoralism. They are being forced to give up this way of life in favour of settled agriculture. Although the government claims that the programme is unrelated to the leasing of large areas of land in the region for industrial agriculture, local people have been told by local government officials that this is the underlying reason for the resettlements. This has been confirmed to Human Rights Watch by former officials.

Local people are angry about the inadequate consultation and report large numbers of armed security forces attending consultation meetings, explaining that people knew that if they didn’t agree to what they were being told they “would have to answer to” the military. The communities have their own proposals for a community wildlife conservation area where they could continue to graze their livestock, mainly on land that would be unsuited to plantations.

Through its contributions to the World Bank’s Protection of Basic Services (PBS) programme, DfID is supporting the displacement through budget support to the authorities that are carrying out the ‘villagisation’ programme. This includes funding for infrastructure for the new settlements and health and education services that can only be accessed if people move.

Since 2006, £345 million of UK aid money has been used support the PBS project, with a further £450 million budgeted to be spent by 2018. In 2013/14 alone, £92.5 million is being spent – 29 per cent of the total UK aid to Ethiopia, which receives more of the UK aid budget than any other country.
4.1.3 Policies to support agribusiness

As well as direct financial and political support, the policies of the UK government and its dependencies and overseas territories also support agribusiness companies at the expense of small-scale producers.

The UK government is a global advocate for neoliberal international trade policies, which benefit multinational corporations. UK Prime Minister David Cameron is currently leading negotiations for the Transatlantic Trade and Investment Partnership (TTIP) which includes new investment rules that give big business greater protection. It is also feared that the agreement will pave the way for the introduction of GM food in Europe, further increasing the control of multinational corporations over the food system.

Current EU policies on biofuels and support for European producers, in which the UK has a significant influence, also benefit agribusiness and undermine the interests of African producers.

In addition, many agribusiness corporations and their investors benefit from the use of tax havens, many of which are directly or indirectly linked to the UK.

For example, much of the finance being invested in large-scale commercial agribusiness in developing countries is via vehicles based in tax havens, predominantly the Cayman Islands and the Channel Islands. Most European entities that have set up financial vehicles to acquire land or cultivate crops overseas are registered in the UK because of its status as a secrecy jurisdiction.

War on Want have exposed how DFID’s support for agribusiness is being routed through a network of private enterprises and investment fund managers incorporated in the tax haven of Mauritius, which was set up with the help of the City of London in the late 1980s.

4.2 A new form of policy conditionality

Where the UK government does not have direct control of policies that affect multinational companies, it is using other tactics to engineer reform.

A policy paper published by DFID in 2005 announced that the UK government would no longer attach economic policy conditions to the aid it gives, stating: “We will not make our aid conditional on specific policy decisions by partner governments, or attempt to impose policy choices on them (including privatisation and trade liberalisation).”

The explanation for this move away from economic policy conditionality was that “concerns have been raised that some conditionality has promoted reforms that have made poor people worse off. In the past, poverty reduction was not always given priority in development assistance programmes. For example, structural adjustment reforms during the debt crisis of the 1980s sometimes failed to take account of the social impact, especially on poor people.”

The announcement followed years of campaigning by WDM against the damaging impacts of attaching such policy conditions to UK aid money. Although there has been a change of government since 2005,
WDM has found no evidence that that DFID’s stated policy on this issue has changed. Indeed, the 2005 policy statement was published with the accompanying documents on the new DFID website on 9 July 2013 without any disclaimer that the current government’s views differ from this statement.  

However, the way in which aid money is being channelled through the New Alliance suggests that this policy commitment to not impose economic policy conditions is being broken, undermining democracy and national sovereignty. A key part of the cooperation framework document, for each African country that is part of the New Alliance, is a section entitled ‘policy commitments’. A number of these policy commitments relate to economic policies such as trade laws and the regulation of markets. This aspect of the New Alliance agreements is acknowledged by DFID in a press statement relating to the initiative, which states “The 3 countries [which have joined the New Alliance] will introduce policies supporting farmers and agribusinesses”.  

In 2009, DFID published a follow-up to the 2005 paper, intended to guide officials in the implementation of the policy. This identified four types of economic policy that might be have been used as aid conditions: fiscal, monetary, trade and supply-side (which includes markets, regulation and privatisation). It also stressed explicitly again that privatisation and trade liberalisation should not be used as policy conditions for UK aid, stating “DFID recognises that donors’ use of these two policies [privatisation and trade liberalisation] as conditions has been particularly contentious. Therefore, for this reason, DFID will not use these policies as conditions.”  

Recognising the frequent negative impacts of these policies on the poor and efforts at poverty reduction, in the next paragraph the paper adds “If a partner government chooses to adopt them as policy stances, DFID may provide support for poverty and social impact appraisal to ensure stakeholders are aware of the likely poverty effects of these policies.”  

However, all the New Alliance cooperation framework agreements published to date cover reforms to land governance and in all but one, changes to seed markets. These are a type of supply side economic policy, according to the definition in the 2009 paper and could be seen as privatisation. Many of the agreements also contain commitments to liberalise trade in some way.  

Not only does this mean that DFID’s support for the New Alliance appears to be in direct contradiction of the UK government’s policy on aid conditionality, but closely resembles the policy conditions that the IMF and World Bank have been applying for decades.  

WDM has previously highlighted the problems of using such a ‘one size fits all’ approach to economic development, including agricultural reform based on attracting private investment for industrial food production regardless of the impact on small-scale food producers, local communities and the economy.  

Finally, DFID’s guidance also states that policies should not become conditions of UK aid unless there is “evidence of ownership by the partner country (and not just the partner government)” WDM is aware of little such evidence in the support of the trade, land and seed market reform policies being implemented by African countries under the New Alliance cooperation framework agreements. However, there has been considerable opposition, as articulated by around 100 African civil society groups who signed a statement in 2013 criticising the New Alliance and similar initiatives as “new wave of colonialism” targeting their food systems for corporate profit. Neither is WDM aware of any evidence or analysis to demonstrate that neoliberal policies being promoted through the New Alliance have a positive impact on poverty.  

Avoiding conditionality is a matter of democracy and countries having policy space to decide what is most appropriate for their own situation. If African governments and their citizens want such policies, then they can implement them without them being conditions of development assistance. If they do not, then it is undemocratic for donors to coerce them into adopting such policies.
4.3 Tied aid

The 2002 International Development Act bans tied aid: the requirement for aid money to be spent on goods or services from the donor country, or otherwise used to promote the commercial interests of businesses from that country. The 2010 coalition agreement restated this commitment: “We will keep aid untied from commercial interests and will maintain DfID as an independent department focused on poverty reduction.”

However, a guidance note issues in 2011 states that “there are many practical ways in which DFID, UKTI [UK Trade and Investment] and FCO [the Foreign and Commonwealth Office] can work together to deliver UK commercial priorities resulting in a win-win for trade and development” and clarifies that “it is legitimate for DFID to support spin-off commercial benefits to the UK resulting from that assistance, provided that they are not its primary purpose”.

Support for businesses wishing to win contracts funded by aid money is available through UKTI’s Aid Funded Business programme. Its website argues that winning aid contracts “is a potentially huge market for British companies” and highlights that between 4 and 17 per cent of multilateral aid-funded business currently goes to the UK.

It is therefore unsurprising that organisations like Adam Smith International, the consultancy firm set up by free-market thinktank the Adam Smith Institute, continues to win consultancy contracts from DfID, including money channelled through the New Alliance.

4.4 The role of public investment

Public funding plays a vital role for development because it can be used to deliver change that the private sector is unwilling or unable to – for example, public services, infrastructure or certain forms of training.

As the High Level Panel of Experts on Food Security and Nutrition for the UN’s Committee on World Food Security found: “policies in favour of providing public goods and services (health care, education, roads, irrigation, drinking water, etc.) to smallholder farmers can be very effective in strengthening smallholders’ own capacity... Providing better services for smallholders would enable them to better invest not only in farming but also in non-farm activities that can bring remittances home to better invest in agriculture.”

While in some cases multinational companies might also invest in infrastructure, they are more likely to want to improve links to international rather than local markets. This is demonstrated by projects such as the agricultural growth corridors, which are all linked to ports to facilitate exports.

Another example might be research and capacity building for farmers to use agroecological production methods. This would give producers an alternative to purchasing such inputs but which most companies are unlikely to fund since there is little prospect for increased sales and profits from such investment.

The UK government has made it clear since it came into office that UK aid will be used to benefit UK commercial interests and has been promoting foreign private investment as an end in itself, regardless of evidence of its impacts on poverty reduction. With major UK-based companies Diageo, SABMiller and Unilever involved in the New Alliance and related initiatives, agriculture certainly follows this trend.
5. Towards food sovereignty

“This while we may not have had a high level of formal education, that does not mean we cannot think for ourselves, and organize ourselves into a powerful global movement of resistance. But we are not just resisting, we are also trying to build something new, a better world; with our ideas, and with our actions.”

Elizabeth Mpofu, general coordinator, La Via Campesina

This report has exposed how initiatives like the New Alliance position multinational companies to take greater control and greater profits of the African food system at the expense of the majority of small-scale food producers. This will exacerbate poverty and inequality rather than reducing it and further entrench a model of global food production which is unjust and unsustainable, dominated by a small number of powerful corporations. But there is a growing movement in support of an alternative: food sovereignty.

5.1 Inherent problems of corporate-controlled food systems

These outcomes are not simply down to bad conduct by the companies involved. But are rather the inevitable result of a corporate dominated system in which a small handful of powerful multinational companies effectively control the global food system at the expense of large numbers of producers and consumers.

High levels of concentration prevent the operation of an open and competitive market in which producers and consumers have a choice over who they sell to or purchase from and companies compete to provide the best value. Instead, a handful of companies are able to influence prices, dictate terms and conditions and often even direct the policy or regulation that is meant to keep them in check – with disastrous results for society.

In economic theory, a situation in which four companies account for over half of a particular market is considered indicative that this market is neither free nor healthy. This threshold has been exceeded in the seed, agrochemicals, animal pharmaceuticals, poultry, swine and cattle research sectors.
In addition to this ‘horizontal’ concentration, there is also an increasing trend towards vertical integration, where one company undertakes or otherwise controls all or many parts of a supply chain. For example, companies like Archer Daniels Midland and Cargill typically supply seeds, fertilisers and loans to farmers with which they have supply contracts, transport and process the grain produced, manufacture and supply animal feed and then often process, package and supply meat to major retailers. This means that there is effectively no market at all between the different parts of the supply chain. It also means producers lose much of their autonomy and makes them highly dependent on these companies for income, with major implications if such companies fail or change their operations.

Various bodies have documented the increasing corporate concentration and consolidation within the wider global food system. For example, global fertiliser giant Yara bought up seven other companies between 2006 and 2009, while between them the biggest seed companies (Monsanto, Syngenta, DuPont, Dow and Bayer) acquired or invested in over 200 others over the period between 1996 and 2008. This has contributed to higher prices for farmers. For example, US soybean seed prices increased 230 per cent between 2000 and 2010, whereas between 1975 and 2000 the increase was a far more modest 63 per cent increase in the previous 25 years when the market was less concentrated.

In addition, this concentration has dramatic implications for choice and biodiversity: in the US it is estimated that Monsanto controls 85 per cent of the land planted with GM corn acreage and 91 per cent with GM soy.

In the UK, 76 per cent of food retail sales are controlled by just four supermarkets (Asda, Morrisons, Sainsbury’s and Tesco). As a result, these retailers have the power to squeeze the producers who supply them and shift profits towards them at the expense of other players in the supply chain. For example, it has recently been exposed that UK supermarkets are making over £1 (40 per cent) from every £2.50 bag of cashews sold, while the workers who process them, exposed to corrosive residue, makes just 3p. Similar shifts in profits away from producers in favour of supermarkets have also been seen in the supply chains for fruit and vegetables. During the summer 2012 British dairy farmers blockaded a supermarket depot in a protest at retailers failing to pay them an adequate price for milk.

The problems of concentration in the supply chain have also been exposed through food scandals such as the 2013 horse meat adulteration. Horse meat that originated from a single supplier and processor was relabelled as beef and came to be present in products sold by major retailers including Tesco, Lidl and Iceland. As a result of the scandal, other major food brands including Asda, Burger King, the Co-operative, Sainsbury’s and Waitrose announced that they had switched away from ABP, a supplier of much of the adulterated meat that had been discovered.

While these problems have been disproportionally felt in the global north where the concentrated industrial food system is most dominant, the changes currently being pushed in Africa and other developing countries to incorporate and replicate this system mean that such problems are set to be more significant there.
On top of this, the current corporate-dominated industrial food system makes many of those fed by it overweight or obese while leaving millions more hungry or malnourished. It is also environmentally unsustainable, causes environmental damage, heavily reliant on vast amounts of energy and non-renewable resources and generates large amounts of waste.

The corporate-controlled industrial food system is fundamentally flawed and cannot continue. It must be replaced with a system which works for producers, consumers and the environment.

5.2 An alternative vision

Over the last 20 years, a framework for an alternative model to the corporate-controlled industrial agricultural system – known as food sovereignty – has been developed. The term was coined by La Via Campesina, the international movement of peasants, small and medium-size farmers, landless people, women farmers, indigenous people, migrants and agricultural workers. Since then it has since been developed by a wider food sovereignty movement incorporating environmentalists, representatives of urban movements and consumers.

Food sovereignty goes beyond the limited and problematic idea of food security (see box) and is based around six principles:

**Food is a right not a commodity**

The right to food which is healthy and culturally appropriate is the basic legal demand underpinning food sovereignty. Guaranteeing it requires policies which support diversified food production in each region and country. Food is not simply another commodity to be traded or speculated on for profit.

**Food producers must be properly valued**

Around the world, food producers’ work is not adequately rewarded. Many farmers in developing countries suffer violence, marginalisation and racism from corporate landowners and governments. People are often pushed off their land by mining concerns or agribusiness. Agricultural workers can face severe exploitation and even bonded labour. Women in particular produce most of the food in the global south, but their role and knowledge are often ignored, while their rights to resources and as workers are violated. Food sovereignty asserts their right to live and work in dignity.

**Food production should be prioritised for local markets**

Food should be seen as primarily about sustenance for the community and only secondarily as something to be traded. Under food sovereignty, local and regional provision takes precedence over supplying distant markets and export-orientated agriculture is rejected. The trade liberalisation policies which prevent developing countries from protecting their own agricultural production, for example through subsidies and tariffs, are also inimical to food sovereignty.

**Food systems must be democratically controlled**

Food sovereignty requires that producers have control of land and resources such as water and seeds, which can be used and shared in socially and environmentally sustainable ways. Privatisation of such resources, for example through intellectual property rights regimes or commercial contracts, is explicitly rejected.

**The food system should build knowledge and skills**

Food sovereignty calls for appropriate research systems to support the development of agricultural knowledge and skills. Technologies, such as genetic engineering, that undermine food providers’ ability to develop and pass on knowledge and skills needed for localised food systems are rejected.

**The food system must work with not against nature**

Food sovereignty requires production and distribution systems that protect natural resources and reduce greenhouse gas emissions, avoiding energy-intensive industrial methods that damage the environment and the health of those that inhabit it.
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What’s the difference between food sovereignty and food security?

Food security simply involves satisfying the need for all people to have access to healthy and nutritious food. The World Health Organisation defines food security as existing ‘when all people at all times have access to sufficient, safe, nutritious food to maintain a healthy and active life’. Food sovereignty is a critical alternative to food security that asserts that not all ways of realising food security are equal. People’s right to choose what they eat, how it will be produced and what relationships this entails is critical. Food sovereignty looks at the political and economic power imbalances inherent in the global food system and challenges the factors that determine who controls the way food is produced and distributed. Food sovereignty seeks to tackle some of the root causes which lead to hunger and poverty in a holistic way that avoids creating further problems.

Initiatives like the New Alliance which seek to increase the role of multinational companies in African food systems are clearly opposed to the demands for food sovereignty being made by small-scale food producers in Africa and around the world. In June 2013, the Alliance for Food Sovereignty in Africa (AFSA) released a statement signed by 100 African farmers groups and civil society organisations which rejected the approach of these initiatives, stating: “opening markets and creating space for multinationals to secure profits lie at the heart of the G8 and AGRA interventions...Multinational corporations like Yara, Monsanto, Syngenta, Cargill and many others want secure markets for their products in Africa...Across Africa, so-called ‘harmonisation’ of laws and policies are underway to align African laws and systems with the interests of these multinationals...Private ownership of knowledge and material resources (for example, seed and genetic materials) means the flow of royalties out of Africa into the hands of multinational corporations. In some countries where laws protecting the interests of corporations are well established, for example in South Africa, multinationals have entirely occupied domestic seed and agrochemical sectors with profits flowing out of the country. The same is happening for agricultural services, trade, manufacturing and even selling of food.”

These groups are calling for real change and are clear about what is needed: “First and foremost, differentiated strategies are required, so that local and informal markets, proven low-input and ecologically sustainable agricultural techniques including intercropping, on-farm compost production, mixed farming systems (livestock, crops and trees), on-farm biofuel production and use, and intermediate processing and storage technologies are recognised and vigorously supported. The emphasis here is on individual and household food security first, with trade arising from surpluses beyond this. The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) provides detailed and scientifically sound proposals in this regard.”
6. Recommendations for the UK government

“In the words of the Director-General of Agriculture of South Africa, ‘large-scale commercial agriculture is becoming a disaster in terms of turning land into livelihoods, as well as an ecological liability’. It is Africa’s smallholder family farmers – women in particular – who produce Africa’s food, create jobs for the majority of the population, and maintain the social peace. If the cost of these services were factored into the economic calculations there would be no doubt about what model of agriculture should receive the lion’s share of investment.”

Africa Group of FAO members and Pan-African Farmer’s Organisation

This report has shown how, through its policies and aid spending, the UK government is supporting a model of agriculture in Africa which will increase the control and profits of multinational companies at the expense of the small-scale producers that feed most of the continent.

The package of projects and policy reforms represented by the New Alliance and the other initiatives facilitates companies to increase their profits through appropriation of, or cheap access to, the fundamental elements of food production such as land, seeds and labour. The New Alliance also enables corporations to extract resources for export markets and profits for northern shareholders. These initiatives are likely to exacerbate rather than reduce poverty and inequality, particularly among women and fail to improve people’s access to adequate food, through increased land-grabbing, poorly paid jobs and the privatisation of seed.

African producer organisations are clear that, with the right support and policy environment, African small-scale producers can feed their continent. As African governments and small-scale producer organisations agreed at the CFS in 2013: “Africa is rich in resources: human, natural, and mineral. If we use them wisely we can take care of our own development and feed our own population.”

There is no doubt that change is needed. But it must shift control to the food producers who currently feed most of the African continent, instead of further disempowering them.
6.1 End support for corporate-controlled food systems

The Department for International Development (DFID) should stop using UK aid money to fund food and agricultural projects which favour big business. It must also remove all conditionality which requires African governments to implement policy changes that favour large corporations. The first step in doing so would be to end the UK’s support for the New Alliance, through which £600 million of UK aid money is being channelled between 2012 and 2016. The New Alliance project must not be expanded further, or used as a template for future initiatives.

It is clear that many of the individual projects which are being funded with spending that is being channelled through the New Alliance are benefiting large companies at the expense of small-scale producers. For example, according to information released to WDM under the Freedom of Information Act, £11 million of the money allocated to the New Alliance is being spent on supporting agricultural growth corridor projects in Mozambique and Tanzania.

While it is possible that other projects being funded through the New Alliance may deliver some benefits to small-scale producers, the policy conditionality that the New Alliance brings means that the spending is still likely to have negative impacts for them.

In accordance with previous DFID commitments, no UK aid money should have economic policy conditions attached. For example restraining governments from protecting small-scale producers through trade regulations such as tariffs and export controls, or supporting or perpetuating poor environmental or labour standards. Such policies give multinational corporations greater control over developing countries’ food (and other) systems at the expense of the poor.

Following pressure from civil society groups, campaigners in Germany report that the German government has expressed concerns about the initiative. Subsequently the New Alliance cooperation framework for Benin, for which Germany is the lead G8 partner, most of the types of damaging policy commitment that are included in other country frameworks have been left out. For example, there are no requirements to reform seed laws or regulation of agricultural inputs, and the requirements relating to land refer to monitoring rather than enabling land transfers.

6.2 Supporting food sovereignty

Instead, UK policies and food and agriculture-related aid spending should be used to support food sovereignty, enabling small-scale farmers and poor communities, particularly women, to maintain control over sustainable and productive food systems which prioritise food for local populations over exports.
This requires the UK government to:

a) **Recognise and support the food sovereignty framework**, defined as “the right of people to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems.”

b) **Align UK aid spending on food and agricultural-related projects with the principles of food sovereignty.** This involves supporting and facilitating investment by small-scale producers themselves with public investment. In all cases (including multilateral aid), this should be done in consultation with food producers in the recipient countries. Based on the demands of African farmers’ regional networks, WDM recommends that this should encompass:

i) **Research and development for small-scale agroecological production**, including small-scale producer-led research, with particular attention to women and young people. This involves using techniques that enable the production of good quality food products while enhancing soil fertility, making sustainable use of natural resources and avoiding pollution of the local or global environment. This reflects the recommendations of the UN and World Bank sponsored assessment, the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) and should include:
   - Development of diverse seed and crop varieties and development of livestock breeds that support agroecological production and are well suited to local environments and climate shocks.
   - Farmer-to-farmer knowledge and skills transfer to enable context-specific sustainable agricultural development.

ii) **Support the provision of infrastructure and technology for small-scale, sustainable farming**, including:
   - Produce processing and storage facilities.
   - Machinery, tools and equipment.
   - Access to sustainable energy, including small-scale systems of renewable energy production.

iii) **Support the improvement of access to local markets and finance for small-scale farmers.** This might include supporting:
   - Credit unions and similar institutions that can provide small-scale producers, particularly women, with credit at a reasonable rate.
   - Localised transport, distribution and informal market networks.
   - Access to relevant market information.
   - Public services for agricultural populations, such as access to energy, education, healthcare and social protection.

iv) **Support countries in the global south in the development and implementation of policies to protect and support small-scale producers.** This should include policies that:
   - Facilitate access to and control of land and natural resources including water by small-scale producers, particularly for women and prevent and reverse corporate land grabbing.
   - Generate adequate revenues for small-scale producers that can be reinvested in production, processing and marketing.
• Protect and facilitate access to migratory corridors for pastoralists.
• Enable farmers to save, breed and share seeds and protect against corporate control.
• Enable producers to protect and improve soil fertility without reliance on artificial fertilisers.
• Ensure good working conditions, a living wage and the right to join a trade union for agricultural workers.

c) Ensure that other UK government policies support rather than undermine food sovereignty.

The UK government should also ensure that it engages fully and appropriately in the UN Committee on World Food Security (CFS), which is currently the most democratic and international forum for addressing issues relating to food security. It is the forum preferred by most governments and civil society groups. This should include implementing decisions, for example respecting and legislating in accordance with the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests adopted by the Committee on World Food Security in May 2012 and supporting other governments to do the same.

To genuinely support food sovereignty, the UK government would also have to change other policies which currently act to undermine food sovereignty. For example, the UK is currently party to trade agreements, such as the Transatlantic Trade and Investment Partnership (TTIP), which give multinational corporations excessive power over food systems.

It would also need to close down UK tax havens and lead the way on future reforms of EU policies on biofuels and support for European farmers, which currently support agribusiness companies and undermine the interests of producers in the global south.
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