

*“It is neither just nor sustainable for farmland to be taken away from communities in this way nor for food to be exported when there is hunger on the doorstep. Local people will not stand for this abuse – and neither should we.”*

– Kofi Annan, June 2011

**1. WHY ARE WE HERE TODAY IN FRONT OF THE WALDORF ASTORIA HOTEL?**

Inside the hotel, nearly a thousand representatives of pension funds, university and foundation endowments, private equity firms, hedge funds and other high rollers have gathered together to figure how to make huge returns through grabbing land and water rights in the developing world.

**2. WHAT IS A LAND GRAB?**

Land grab is the purchase or lease of vast tracts of land from mostly poor, developing countries by wealthier food-insecure nations and private investors. Such land deals take away arable land at give away prices and huge tax holidays to the investors, while displacing those who live there. This land is used to grow food for export, or agro fuels, or cut flowers or even left fallow for speculative gains

**3. WHO DOES IT BENEFIT?**

Those who sit inside the Waldorf – private equity and hedge funds who are promising high returns, some even claim returns between 20-40%.

**4. WHO SUFFERS?**

The woman, men, and children who are displaced – often indigenous communities and other already living on the periphery of political power, are forced to leave their ancestral lands, move to the cities without jobs, and essentially lose their communities. They suffer the most. In Tanzania, a U.S. investor’s land deal will displace over 160,000 small-holder farmers in 2012. 1.5 million people in Ethiopia are being forcibly relocated for similar large-scale agricultural investments.

**5. HOW BIG IS THIS?**

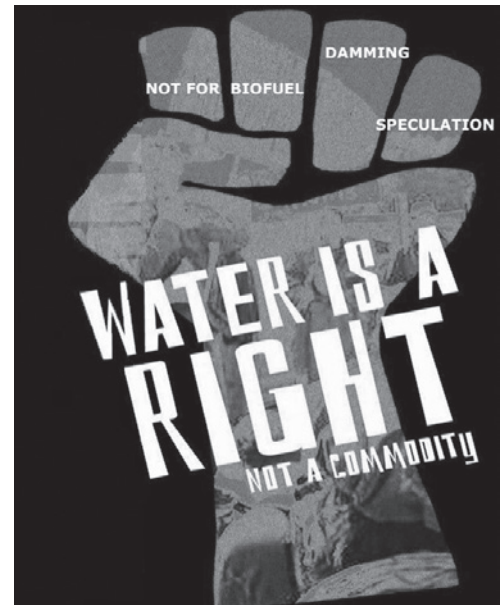
Land the size of France was bought or leased by foreign interests in 2009 alone, with majority of it being in Africa. In other words millions and millions of acres are already leased or under negotiation.

**6. HOW IS THIS DONE?**

Without transparency or accountability to all who are impacted by this issue. This is inviolation of the internationally recognized principle of Free and Prior Informed Consent which should guide such investments.

**7. CAN THIS BE STOPPED?**

Local communities have managed to stop several land deals in Africa and elsewhere. Opposition in the US by civil society and student groups has forced investors and their partners to pull out of deals as well.



**GET INFORMED, TAKE ACTION. STOP LAND GRABS.**

TO LEARN MORE, VISIT [WWW.OAKLANDINSTITUTE.ORG](http://WWW.OAKLANDINSTITUTE.ORG)

CONTACTS: JEFF FURMAN [JFURMAN@TWCNY.RR.COM](mailto:JFURMAN@TWCNY.RR.COM) ANURADHA MITTAL [AMITTAL@OAKLANDINSTITUTE.ORG](mailto:AMITTAL@OAKLANDINSTITUTE.ORG)



The Oakland Institute

# HEDGING ON HUNGER

by Anuradha Mittal & Jeff Furman\*

April 23-25, New York's hotel Waldorf Astoria is the venue for the fourth annual Global AgInvesting (GAI) conference. The \$3,000 admission ticket is not for the small land holders from Africa or farmers who resemble John Steinbeck's Joad family. Instead, it targets institutional and global end investors, and fund managers – all mulling over economic opportunities that agricultural lands have to offer.

This year in attendance are several retirement and pension funds including Alaska Retirement Board and California State Teachers' Retirement System, among others. Philanthropic institutions such as the Ford Foundation and Rockefeller Foundation are also present, seeking to translate their investments into development for the world's poor. Joining them are the fund managers of endowments of several U.S. universities, including Harvard, Princeton, and Yale among several others. They, like Lockheed Martin Investment Management Company, view agriculture as the new soft commodity market where they can see their monies grow.

Such conferences provide a platform from which fund managers connect with potential investors and make mouthwatering promises. Susan Payne, current CEO of EmVest and ex CEO of Emergent Asset Management, for instance, promises 20 to 40 per cent returns, hailing the low cost of African land as “an arbitrage opportunity.” Real estate speculative opportunities are behind her claim, “we could be moronic and not grow anything and we think we would make money over the next decade.” Lured by such promises, Harvard University and Vanderbilt University have both invested in the fund in the past.

While billed as an ag conference, this event is about making high returns. Ensuring food or water security are not its concerns. For example the first question the water session hopes to address is “What are the real economic opportunities in water now?”

An examination of over 50 land deals in several African nations over the last four years by the Oakland Institute revealed that

land and agriculture investments, touted as development opportunities for host nations, actually come with high costs to local communities. Some of what our research uncovered includes the displacement of hundreds of thousands of small farmers, the diversion of water without environmental impact studies, the use of unsustainable farm practices, the failure to meet job creation and other promises, and special tax and other financial incentives so that the financial returns can be met.

A key driver behind this land rush is the yearly rental for prime farm land in Africa: often less than a cup of coffee per hectare! In fact the cost of admission to the GAI conference could get one control of over 1,000 hectares of prime farm land.

As awareness around the impacts of such investments grows, people are taking action. Occupy Harvard and other student groups have called for Harvard to divest from Emergent. Vanderbilt's Fair Food Coalition is asking for the same. Iowa State University has buckled under media and student campaigns after the revelation of its involvement in a land deal in Tanzania which would displace over 160,000 people. These efforts gain momentum as they connect to resistance on the ground. In South Sudan the President halted a land deal when the local community protested that their lands had been secretly leased to a U.S. investor. In Sierra Leone, civil society groups have launched a national land transparency initiative.

It is not disputed that the people and resources of Africa have centuries of history of exploitation. It is, therefore, incumbent on us to be vigilant regarding claims that any particular foreign profit driven investment in Africa will benefit the African people.

Agriculture does need investment. Such investment must be fully transparent and mechanisms to hold investors accountable must be firmly in place. The high economic returns that are promised at these conferences come at a cost to the poor. Africa has given more than enough.

\* Anuradha Mittal is the founder and executive director and Jeff Furman is a member, Board of Directors, at the Oakland Institute ([www.oaklandinstitute.org](http://www.oaklandinstitute.org)).

