



International Press Release

Embargoed: June 17, 2015; 11:00am EST

Aid Donors' Flagship Investment Deal Causing Hardship and Displacement for Tanzanian Farmers

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Oakland/Johannesburg/London: Norfund, the UK aid department, and Capricorn are funding the British company Agrica's industrial rice plantation in Mngeta, Tanzania, which is destroying the livelihoods of smallholder farmers, driving them into debt and impacting the local environment, according to new research by The Oakland Institute released today in collaboration with Greenpeace Africa and Global Justice Now.

Agrica's rice plantation in Tanzania has been used as a showcase project of the G8's New Alliance for Food Security and Nutrition [1] and the Southern Agriculture Growth Corridor of Tanzania [2]. But the new report, [Irresponsible Investment – Agrica's Broken Development Model in Tanzania](#), documents a catalogue of devastating impacts on local communities.

Norfund, the UK aid department, and the US investment firm Capricorn Investments (co-founded by eBay philanthropist Jeff Skoll) have all invested several million US dollars in Agrica, a British company registered in the tax haven of Guernsey.

“Although Agrica is portrayed as a responsible investment venture, its takeover of fertile land has brought misery to local communities. Labelled ‘squatters,’ smallholders were forced off the land, lost their livelihoods, received a meagre compensation for their losses, and have had to face debts resulting from doing business with Agrica,” said Anuradha Mittal, Executive Director of the Oakland Institute.

Local farmers who planted rice for Agrica were required to purchase chemical fertilizers manufactured by the Norwegian fertilizer company Yara. They also had to sell the rice at a price determined by the company. “Agrica peddled chemical inputs to smallholders, leaving many in debt. In an area known as Tanzania's food basket due to its fertile soil, this uncovers the real agenda of Agrica. They have opened up new markets for the products of international agribusiness that are damaging for both people and the environment,” explained Glen Tyler, agriculture campaigner for Greenpeace Africa.

The research findings raise concerns about the environmental impacts of Agrica's industrial rice plantation. The prolonged use of agro-chemicals as well as the expansion of irrigation from 215 hectares

to 3,000 hectares - resulting in up to one third of the nearby Mngeta River's dry season water flow being diverted - threatens the Ramsar protected wetlands, within which the plantation is located [3].

“This project undermines the rhetoric of aid-sponsored large-scale agricultural investments and exposes the true beneficiaries to be agribusiness multinationals rather than small-scale farmers and local communities,” said Heidi Chow, food campaigner for Global Justice Now.

Despite claims that this is the only possible model for agricultural development, the approach is deeply flawed. More effective avenues would focus on meeting the needs of the smallholder farmers and assisting them to develop appropriate farming practices. Providing support to agroecological methods would boost yields and improve food security while preventing the debt cycle that comes with the regime of intensive chemical inputs.

The Oakland Institute, Greenpeace Africa, and Global Justice Now are demanding that all of Agrica's investors cease funding and review their other agriculture investment schemes in Africa for similar abuses against African farmers. A global campaign is being prepared to mobilize against such wrongdoings by international donors in coming days.

Please download the full report, *Irresponsible Investment – Agrica's Broken Development Model in Tanzania*, [here](#) or mail one of the contacts for more information.

Notes

1. The G8 New Alliance for Food Security and Nutrition in Africa

The G8 launched the New Alliance for Food Security and Nutrition in Africa in 2012. Its aim is to lift people out of poverty by bringing African governments and the private sector together, primarily international corporations. This public-private partnership has been [criticized](#) by over a hundred African and international civil society organisations and farmers groups on process and its policies, which dictate major legislative changes in African countries, enabling private corporations to exploit the best agricultural resources.

2. SAGCOT

The government of Tanzania started the programme Kilimo Kwanza (Agriculture First) to support industrial agriculture, and created the public-private partnership Southern Agricultural Growth Corridor of Tanzania (SAGCOT) within a designated region of high agricultural potential as a showcase to attract agribusiness.

3. The Ramsar Convention on Wetlands

The Ramsar Convention's mission is “the conservation and wise use of all wetlands through local and national actions and international cooperation, as a contribution towards achieving sustainable development throughout the world.”

Wetlands are among the most diverse and productive ecosystems in the world. They provide essential services and supply all our fresh water. However, they continue to be degraded and converted to other uses. See www.ramsar.org for more information.