



GRAIN  
September 2009

# CGIAR joins global farmland grab

It was probably just a matter of time before the international agricultural research establishment would get caught up in the current scramble for land being waged by a number of governments and corporate investors to secure food supplies abroad. After all, that is where a lot of money tagged for “food security” is going these days: on a raft of new projects to acquire and develop huge areas of land for offshore farming. GRAIN identified over 100 such deals, most of them triggered by the food and financial crises, late last year.<sup>1</sup> Six months later, the International Food Policy Research Institute (IFPRI) estimated that, indeed, 15–20 million hectares (ha), mostly in Africa and Asia, had recently been leased, bought up or were under negotiation to produce food for foreign shores.<sup>2</sup> The World Bank plunged into a major study on the issue, to be finalised by the end of 2009.<sup>3</sup> Land grabbing has even become a feature of most official food security policy discussions at the highest political levels this year, including the G8, the African Union and the UN General Assembly.

Tens of billions of dollars have been mobilised so far, on paper for the most part, to turn these land deals into productive new plantations.<sup>4</sup> This is new money sloshing around in a world plagued by rising hunger. It is not surprising, then, that research institutes which develop new types of seeds, farm machinery or irrigation technologies under a humanitarian mandate would want a piece of the action. But can they afford it, politically? IFPRI, one of 16 research outfits funded by the Consultative Group on International Agricultural Research (CGIAR) and the World Bank, loudly announced its concern last April that these land-grab deals could backfire and is trying to promote a number of principles to make them “win-win”. But before the ink could dry on IFPRI's veiled call for caution, its sister

1 GRAIN, “Seized: The 2008 land grab for food and financial security”, Briefing, October 2008: <http://www.grain.org/briefings/?id=212>. Available in English, French, Spanish, Arabic and Bahasa Indonesia.

2 Joachim von Braun and Ruth Suseela Meinzen-Dick, “Land grabbing' by foreign investors in developing countries: Risks and opportunities”, IFPRI Policy Brief 13, International Food Policy Research Institute, Washington DC, April 2009, <http://www.ifpri.org/publication/land-grabbing-foreign-investors-developing-countries>

3 See Klaus Deininger, “Land grabbing: International community responses”, presentation made to the DPRN expert meeting on 8 July 2009 in Utrecht, [http://www.landcoalition.org/cpl-blog/wp-content/uploads/wb\\_policy\\_utrecht2.pdf](http://www.landcoalition.org/cpl-blog/wp-content/uploads/wb_policy_utrecht2.pdf), as well as a webcast of an earlier World Bank seminar on “Large scale investments in land: Déjà vu or new development opportunity?”, Washington DC, 2 March 2009, [mms://wbmswebcast1.worldbank.org/ARD/10680250/ARD\\_Week\\_3.wmv](mms://wbmswebcast1.worldbank.org/ARD/10680250/ARD_Week_3.wmv)

4 In April 2009, IFPRI put the amount at US\$20–30 billion. Many deals, however, were absent from the IFPRI study and others have been initiated since it was published. Also absent were many of the private sector funds devoted to investment in farmland. Although we cannot give a precise figure, GRAIN estimates that the amount is now closer to US\$100 billion.

centre, the International Rice Research Institute (IRRI), was already dipping its toes into the land-grab waters.

## **IRRI gets involved**

An internal document recently posted on IRRI's website reveals that the Institute has been advising Saudi Arabia in the context of its strategy to acquire farm land overseas for its own food production. The information is disclosed in notes from a March 2009 meeting in Riyadh between Dr Robert Zeigler, the Director General of IRRI, and government and private sector officials from Saudi Arabia. IRRI, based in the Philippines, is widely regarded as the world's premier rice research institute. Saudi Arabia is the world's third largest importer of rice, and much of its overseas farming plans revolve around this staple grain. For Saudi, the stakes are high. Its food import bill is projected to soar to US\$15 billion this year, up 25% from 2008.<sup>5</sup>

*Dr. Abdelbagi Ismail, IRRI, Ahmed Al-Sadhan of the Saudi government's Ministry of Commerce and Industry, and Bob Zeigler Director General of IRRI (Source: IRRI)*



The notes from these discussions, taken by IRRI and initially posted on its website, reveal that IRRI has been meeting with and advising the Government of Saudi Arabia and Saudi companies on countries to invest in for rice production. They also indicate that the two sides have been working on a proposal to formalise a role for IRRI in the development and implementation of the Kingdom's overseas rice-farming projects.

On 7 March 2009, Zeigler and two other IRRI representatives met with Dr. Ahmed M. Al-Sadhan, the General Manager of the National Office for Industrial Strategies, within the Ministry of Commerce and Industry, as well as with representatives of some of the main companies involved in Saudi Arabia's coordinated efforts to secure food production overseas, including the Tabuk Agricultural Development Company (TADCO). This was a follow-up meeting to a previous visit by a Saudi delegation of government officials and businessmen to IRRI headquarters in the Philippines. During the trip to Saudi Arabia, the IRRI delegation also visited the Islamic Development Bank and two

<sup>5</sup> Orient Planet, "Saudi Arabia's food and agro imports to grow some 25 per cent during Q4 of 2009", press release, 30 August 2009, <http://www.zawya.com/story.cfm/sidZAWYA20090830075138>

companies involved in the planning of outsourced rice production, the Olayan Financing Company and Foras International.

The notes make it clear that, during this visit to Saudi Arabia, IRRI advised the Saudi officials on overseas investment in rice production.

**“Bob [Zeigler's] advice was to invest in countries that are not highly populated and have good resources and climate for rice production.”**

“Bob [Zeigler's] advice was to invest in countries that are not highly populated and have good resources and climate for rice production. Potential countries mentioned during the meeting include Ethiopia, Sudan

and Egypt. Bob also added Tanzania, Mozambique, Mali and southern Brazil”, read the notes from the meeting at the offices of Dr Al-Sadhan.

IRRI, however, denies that it has provided advice to any government on overseas land acquisitions for food production. “IRRI is not involved in any projects on land acquisition for rice production, nor do we provide advice on land acquisition – this is not part of IRRI’s mission”, says the institute in a cautiously worded response to GRAIN's request for clarification.

Yet during this same meeting in Riyadh, the two sides discussed a formal role for IRRI within the Saudi government's food security plan, leading to a proposal for IRRI to provide “guidelines” for the development of a “framework for what need [sic] to be accomplished in terms of research needs, target countries and needed support, etc.”

“Based on this discussion the meeting proposed that IRRI submit a 5-year outline by the end of March. This outline should pinpoint the research areas that need additional support at IRRI and are relevant to the Saudi overseas initiative, approximate budget, and some directives for investments in overseas rice production”, IRRI writes in its notes. There were also discussions between the two sides about a role for the Africa Rice Centre (WARDA), another CGIAR centre, based in Cotonou, Benin.

In its letter to GRAIN, IRRI acknowledges that it has submitted “concept notes for research proposals” to Saudi Arabia but that “no agreement has been settled with the Kingdom of Saudi Arabia and currently no IRRI projects are supported by them”.

### The “Foras model”

Much of Zeigler's visit to Saudi Arabia was spent in meetings with representatives of agribusiness companies charged with the execution of the Saudi government's strategy for overseas food production. One of the companies that IRRI met was TADCO, which is actively involved in setting up offshore farms.<sup>6</sup> Among other projects, TADCO is part of a Saudi consortium investing US\$40 million in the acquisition of more than 200,000 ha of farmland overseas for the production of rice and other food crops.

**Foras informed IRRI of its acquisition of 500,000 ha of farmland in Senegal and 200,000 ha of farmland in Mali for rice production.**

Another firm that IRRI met was Foras International Investment Company, which IRRI had already met on at least one other occasion in the Philippines. According to IRRI's account of the meeting, Foras informed the CG centre of its acquisition of 500,000 ha of farmland in Senegal and 200,000 ha of farmland in Mali for rice production. IRRI representatives proceeded to advise Foras on its project and to discuss IRRI's involvement. Representatives from Foras and the governments concerned have

<sup>6</sup> See <http://farmlandgrab.org/cat/tadco> for more on TADCO.

yet to acknowledge publicly such a transfer of lands, which would obviously have political repercussions in the affected countries.



(Source: IRRI)

IRRI confirmed to GRAIN that the two sides signed a memorandum of understanding in December 2008 that “formalises a general relationship between IRRI and Foras and outlines that both organisations will seek mutually beneficial opportunities for research collaboration”.

Foras is a recently created subsidiary of the Islamic Chamber of Commerce and Industry, financed by the Islamic Development Bank, the Saudi government and private investors. Its mandate is to develop investments in Islamic countries, and it is playing a particularly active role in supporting the overseas food production objectives of the Gulf countries. Recently, Reuters reported that Foras is managing a project, called 7x7, which, over a seven-year period, aims to produce seven million tonnes of rice on 700,000 hectares of land, mainly in Senegal and Mali. Mauritania, Uganda, Sudan and Niger have been named as other potential targets.<sup>7</sup> Foras began a pilot project on a 2,000-ha rice farm in Mauritania in 2008, overseen by a team of consultants from Kasetsart University in Thailand.

In its notes from its discussions with the Islamic Development Bank, IRRI writes that the “Foras model” provides “good opportunities” for collaboration with IRRI.

This so-called “Foras model” would seem to involve the massive acquisition of rice lands in African countries, the rehabilitation of existing irrigation systems and large-scale mechanised farming, mainly for export to the Gulf countries. In the 3 August 2009 report from Reuters, officials with Foras said only that they were “looking” for land in three to four countries, and would not say what form of title they would acquire.

The notes from IRRI's meeting with Foras, however, indicate that Foras has already acquired hundreds of thousands of hectares of land.

“The project already acquired 200,000 ha in Mali, 500,000 ha in Senegal and 10,000 acres in Sudan, all of which will be developed for rice production”, say the notes.

In a response to GRAIN, Foras confirmed that it has already acquired land on the banks of major rivers in Mali and Senegal for its rice project.

The IRRI notes also reveal that IRRI advised Foras officials on the types of rice that should be used and on where to invest for rice production. Also discussed during the meeting were the “need for a strong communication and media coverage to ensure clear understanding of the project mission”, “the

<sup>7</sup> Souhail Karam, “Saudi-based partners launch Africa rice farming plan”, Reuters, 3 August 2009, <http://farmlandgrab.org/6636> (French translation also provided).



need to establish a research unit for evaluating and selecting varieties adapted to these conditions using the germplasm developed at IRRI and WARDA”, and “the need for support from IRRI (and WARDA) to ensure the success of this large undertaking”.

IRRI, however, says that it has not received funding from Foras and is providing Foras with only general information that it would provide to anyone. “We make general suggestions on suitable varieties or best management practices and the socioeconomic and environmental issues to consider”, reads IRRI's response to GRAIN's request for clarification.

**During IRRI's discussions with the Islamic Development Bank, the “Foras model” was said to offer “good opportunities” for collaboration with IRRI.**

## **Pushing farmers out**

Although not surprising, IRRI's involvement in the Kingdom of Saudi Arabia's highly controversial plan to outsource its food production is deeply disturbing, especially in light of IRRI's privileged role in helping to define the research and development agendas for agricultural policy in many of the countries targeted by Saudi Arabia's quest for farmland. It points to yet another conflict of interest for an institution already mired in controversy because of its close ties to multinational seed companies, such as Monsanto and Syngenta. And it is embarrassing for the CGIAR, which could appear to be playing “good cop–bad cop” with the current land grabbing trend which, after all, represents no small amount of fresh funding being mobilised in response to the global food crisis.

The Asian Peasant Coalition has already reacted to news of IRRI's involvement in the Saudi initiative, angrily accusing the Institute of displacing rice farmers as these projects rob them of their lands.<sup>8</sup> In Africa, Mali's national federation of farmers' organisations, the Confédération Nationale des Organisations Paysannes, which is part of the international peasant movement Via Campesina, is embroiled in its own uphill struggle against a similar project through which Libya's sovereign wealth fund is taking over 100,000 ha in the Office du Niger to grow rice.<sup>9</sup> At the regional level, the Network of Farmers' and Agricultural Producers' Organisations of West Africa (ROPPA) has also vehemently spoken out against foreign land grabs in the region.<sup>10</sup> It is high time that governments, corporations and other agencies involved in such deals, in one capacity or another, start listening.

## **Going further**

The complete notes from IRRI's visit to Saudi Arabia were removed from IRRI's website subsequent to GRAIN's request for further information on 27 August 2009:

<http://beta.irri.org/news/bulletin/2009.14/PDFs/DG%20in%20KSA%20March%207-8.pdf>

Since they were publicly accessed, they are currently available from GRAIN:

[http://www.grain.org/articles\\_files/DG-in-KSA-March-7-8.pdf](http://www.grain.org/articles_files/DG-in-KSA-March-7-8.pdf)

along with IRRI's responses to our questions on the matter:

[http://www.grain.org/articles\\_files/irri-2009-responses.pdf](http://www.grain.org/articles_files/irri-2009-responses.pdf)

A video of Foras' rice project in Mauritania, assessed by a team from Kasetsart University, is available at <http://www.youtube.com/watch?v=4rG9sHGysZc>

GRAIN maintains a resource page on land grabbing, with links to documents, websites, various initiatives and other materials: <http://www.grain.org/landgrab/>

Daily news about the land grabbing trend and people's resistance to it are available at <http://www.farmlandgrab.org>. The site provides a weekly email service that you can subscribe to.

<sup>8</sup> See the APC website, <http://www.asianpeasant.org/>

<sup>9</sup> Lamine Coulibaly and Boaventura Monjane, “La Libye s'accapare des terres rizicoles maliennes”, Via Campesina, 18 August 2009, <http://viacampesinaafrica.blogspot.com/2009/08/la-libye-saccapare-des-terres-rizicoles.html> (English and Spanish translations soon at <http://www.viacampesina.org>)

<sup>10</sup> PANA, “Le ROPPA opposée à la vente massive des terres agricoles en Afrique”, 1 June 2009, <http://farmlandgrab.org/3785>