

## **Justifiable Concerns over Ethiopia's Reckless Farmland Deals**

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### **Introduction**

By all counts, the issue of land grabbing or as the EPRDF government would call it “the Ethiopian Green Revolution” has become paramount to our future existence as a nation.

Apart from a five-year occupation by Italy, Ethiopia has never been colonized, but several Ethiopians feel that the government of Meles Zenawi made them the victim of new-colonial land grabbing. Given the corrupt and irresponsible behavior of Zenawi's government, human right activists, analysts, food experts, columnists, FAO, and IFAD are opposing Ethiopia's land deals, deals which are destined for more risks than benefits.

Mafa Chipeta, FAO's representative in Ethiopia, told the Washington Post that the Ethiopian Government is allowing Ethiopia to be used like an “empty womb” by foreign investors, an action which “the human spirit would not allow it.” His statement is a stern warning that EPRDF is trading away Ethiopia's best land for one time investments. The deals are so reckless and void of concerns for human rights violation of tens of thousands of poor farmers who have been displaced from their farmlands without any compensation and means to generate income for their livelihood.

In spite of this, EPRDF refutes this notion and hails its farmland deals as the path to Ethiopia's “Green Revolution.”

### **Background**

EPRDF has reportedly leased and continues to lease millions of acres of Ethiopia's fertile lands to foreign entities for up to 99 years for 15 birr (\$1.18) per acre per year. According to the Solidarity Movement for a New Ethiopia, the Oromo Studies Association (OSA), and other sources, so far, the following entities [investors] have made deals with EPRDF and acquired farmlands and urban lands\* :

1. **Mohammed Ali Al-Amoudi's company, Saudi Star Agricultural Company:** 10,000 hectares of land in Gambella (expected to increase to 250,000 hectares) and 100,000 sqm of land in Bishoftu (Debre Zeit) with a 60-year lease;

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\* The list may not be exhaustive as several entities are reportedly making land deals with EPRDF. Moreover, the actual acres of land acquired by foreign investors may be slightly different.

2. **The Indian Company, Karuturi Global:** 741,000 acres in Gambella, and 2 million acres in Oromia. Karuturi is also acquiring around 311,700 hectares of land to grow crops like cereals, sugar and palm, which could be exported.
3. **TPLF and its Supporters:** 90,000 hectares of farmland in Gambella and hundreds of thousands hectares fertile land in Welkayit Tegede, Gondar (now in Tigray Region).
4. **Chinese Consortium:** 60,000 hectares at Shiniile, Ogaden,
5. **Djibouti's Prime Minister:** 25,000 acres of farmland and 13,000 sqm of urban land in Oromia
6. **Nigeria's former President Obasanjo:** 40,000 square meter of urban land in Oromia
7. **Egypt:** 50, 000 acres of farm land in Oromia

### **Green Revolution**

1940s are best known for the Second World War, the establishment of the United Nations and the beginning of colonized countries to win their independence. These are the culmination of the history of that decade making the 20<sup>th</sup> century's fabric. Least known but by far with a success story is the Green Revolution which transformed several countries' habit of farming. This revolution was launched in 1945, largely due to the life work of Norman Borlaug factoring significantly the Mexican government's desire "to establish an agricultural research station to develop more varieties of wheat that could be used to feed the rapidly growing population of the country." The effort was largely measurable. Within 13 years, Mexico stopped importing wheat and became self-sufficient, followed by export within 19 years.

The progress of the green revolution scored magnificent results and continued to do the same supporting by agricultural research, extension, and infrastructural development. Because of its measurable agricultural development success, it was sought to replicate it to other nations. In 1961, India became the first stop in replicating the success of Green Revolution. In its Punjab Province, India started a program of plant breeding, irrigation development, and financing of agrochemicals, a farming that has been commendable for its huge success. Other countries like the Philippines also passed through Green Revolution, increasing its annual rice production from 3.7 to 7.7 million tons in two decades, and the country continued exporting rice.

### **EPRDF's Green Revolution**

There have been numerous attempts to introduce the successful concepts from the Mexican and Indian projects (Green Revolutions) into Africa. However, almost all efforts have been unsuccessful due to widespread corruption, insecurity, a lack of infrastructure, a general lack of will on the part of African governments, and the concerns for environmental factors, such as the availability of water for irrigation, the high diversity in slope, and soil types in one given area.

Nonetheless, because of food security concerns and investment opportunities, in the last two years, investors seem to worry less and have started to lease or purchase farmlands in Africa, including Ethiopia. Specifically the key factors driving new patterns of land investments have been:

1. The prices of staple foods which increased unexpectedly that in turn alerted food-importing countries like Saudi Arabia, a country with scarce arable land but lots of cash, to look overseas in order to secure food supplies; and
2. Global demand for bio-fuels and other non-food agricultural commodities, expectations of rising rates of return in agriculture and land values, and policy measures in home and host countries.

### **The Fallout**

EPRDF is at full speed working hard to convince Ethiopians and the international community as if the Green Revolution which ignored Africa for decades has finally arrived in Ethiopia.

Zenawi recently stated that “the investments have the potential to increase local food availability and create badly needed jobs.” He refuted critics’ argument for not standing for the Ethiopian farmers. He said, "The policy of the government of Ethiopia regarding agricultural land development has always been based on the small-scale farmer, but the strategy also included the possibility of the private sector playing a supplementary but vital role."

EPRDF further argues that the Green Revolution has a proven track record for ending food shortages in other parts of the world decades ago and there is no reason which stops this revolution succeeding in Ethiopia, bringing “the promise of plenty harvests” in a country more often associated with drought and famine. However, replication of the success story of Mexico and India may be a long way for Ethiopia. Here is why:

1. Ethiopia is a country where food security is always a challenge. Displacing the local people for investment without compensation and sustainable plans for their livelihood and making them lose access to the resources on which they depend for their food security is EPRDF’s policy abortion. The land deals clearly fail to protect the interest of local people and farmers.
2. Ethiopia’s land deals are “about exploitation of the people, many of the most vulnerable, who are being robbed of all they own while the government threatens them into submission; sometimes literally holding a gun to their heads; poor Ethiopian farmers have been displaced while foreigners are thriving.”
3. EPRDF’s land deals are not well thought and analyzed, impacting negatively on the small rural farmers whose lands are being leased. Over 85% of people in Ethiopia live in rural areas and some 90% of agricultural production comes from small-scale producers, with an

average of two hectares of land per farmer. In contrast, many land acquisitions are in excess of 10,000 hectares, up to one million hectares. High-quality value land tends to be sold or leased first and this generally for a long, over fifty year, period while the poor farmers don't have an opportunity to own more than two hectares and such high value lands.

4. The contracts fail to cover economic reality of the transaction. For example, for its farm in Bako, Karuturi is paying no rent for six years and then only 135 birr (\$13 USD) per hectare per year for the remainder of the 50-year lease. This deal is unfair this year let alone 50 or 90 years from now; it generates only "\$13 USD per year for each 10,000 square meter of arable land."
5. Reportedly, compliance issue is thrown out and it is not clear if investors would be held liable for commitments. Contracts either ignore or vaguely touch upon the key issues like enforcing compliance with investor commitments, maximizing government revenues and clarifying their distribution, promoting business models that maximize local benefit through employment creation and infrastructure development, and balancing food security concerns. On the same token, health and environmental concerns have not taken in to consideration.

## **Conclusion**

No one would object in his/her right mind the "economic growth and development, foreign and private investment or capitalism in general if the land deals were undergirded by appropriate legal protections and procedures." It is fair to say that the critics have rightly faulted EPRDF's farmland deals for not taking into account the needs of the majority farmers in this mainly rural nation, which accounts more than 85% as well as health, economic, and environmental concerns. The deal is no near to be called "Ethiopia's Green Revolution;" rather it is unfair land grabbing, calling spade- a spade.

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