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Bitter Sugarification: agro-extractivism, outgrower schemes and social differentiation in Busoga, Uganda.

Giuliano Martiniello

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1 Introduction

In the last decade, in coincidence with skyrocketing global food prices and escalating large-scale land and agricultural investments in 2007-2008 there has been a resurgence of interest in agricultural commercialization in Africa among governments, donors, development agencies, private sector, civil society and academics. The rise in investor interest in African agriculture seems to be replacing the agro-pessimist trends that characterized the approaches of International Financial Institutions and governments in the years of structural adjustment plans, driven by presumed availability of cheap land and prospects of expanded profitability in a sector that had been seen as traditionally risky by finance capital. Obviously, the debate on the commercialization of African agriculture does not represent a newness: its early traces were minutely recorded in colonial archives especially in relation to the colonial government's attempts to facilitate the establishment of white settlers' large-scale plantations and estates, and/or impose the cultivation of tropical cash-crops that suited European markets among African (prevalently) subsistence-oriented smallholders. In particular there has been a (renewed) focus on, and attention to, contract farming, outgrower schemes and other forms of contract production as possible institutional and organizational innovations to foster links between agribusiness and farmers, and integrate them in the global commodity chains. Yet as recent research has shown whether agricultural investments and initiatives generate quality employment, sustained monetary income, enhanced and diversified rural livelihoods, and more vibrant local economies, depends on farming models and local conditions that underpin their unfolding, including land relations and labour regimes (Hall, Scoones and Tsikata 2017).

Yet, the heterogeneity of contract farming across localities, in terms of actors involved, institutional contexts and production relations, makes attempts to develop an over-arching explanation or theory somehow unproductive as a diverse array of local conditions and global structures have shaped the outcome of contract production (Little and Watts 1994:5). In alternative to economistic discourses that interpret contract farming through institutionalist and organizational lenses that depoliticize the schemes by isolating them from the wider socio-economic structures and power dynamics, this paper proposes an interpretation based on the historically informed analysis of social relations of property and production, which these initiatives of agricultural modernization are embedded. My aim here is to unpack the forms of social organization that underpin the contract, i.e. the social relations of property and production that concur to the social reproduction of rural households.

Grounded in agrarian political economy, the paper explores the drivers and impacts of the Kakira outgrower scheme at Kakira Sugar Works, the largest producer of refined sugar in Uganda It asks who benefit and who loses from contract farming, what processes of accumulation and dispossession are generated, and where livelihoods get secured for whom. In doing so it contributes to the widespread and growing literature and debate in critical agrarian studies interested in 'agrarian social classes and the political-economic forces that call them into existence or make them disappear, and that facilitate or impede their reproduction' (Edelman and Wolford 2017,5) as well as in smallholders' incorporation within global value chains (Daviron and Gibbon 2002), de-agrarianisation and diversification of livelihood (Bryceson 1996) alongside class differentiation of petty-commodity producers (Bernstein 2010).

Situating the analysis of contract farming in the context of current proliferation of sugarcane cultivation in Busoga., the study argues that contract farming is an essential component of the sugarcane boom which results from, and contributes to, enhancing the agro-extractive trajectories and (eco)logics as exemplified in the expansion of sugar (economic) growth agro-poles. Situated in the Jinja district in the Busoga region, an agricultural area prevalently dedicated to sugarcane cultivation, this case-study represents an insightful entry point in the social, economic and political dynamics of smallholder's commercialization and agricultural modernization.

2 Contract Farming Literature in Africa: past and present debates

Contract farming, broadly defined as an agreement between a firm (buyer or processor) and agricultural producers in which the conditions of production and marketing are established, has a long history in Africa. First attempts to establish formal farmer-corporate agreements to foster the integration of agricultural producers within the commercial circuits of colonial economies included, among others, the Gezira Irrigation Scheme in Sudan in 1920s in which farmers were contracted to grow cotton under a land tenancy agreement (Gaitskell 1959; Eaton and Shepherd 2001:2), large-scale settlement projects with African farmer tenants initiated by the Tanganyika Agricultural Corporation in Tanzania (Cliffe and Cunngham 1968), and outgrowers schemes at Kakira Sugar Works in Southern Busoga in the 1950s (Ahluwalia 1990); and initiatives of the Kenya Tea Development Authority in the 1960s (Ochieng 2009).

Forms of contract production in agriculture persisted during the decolonization period as post-colonial states found themselves increasingly involved in the creation and/or appropriation of value from peasant production through the procrastination of large-scale state-controlled schemes that linked peasants to the state apparatus of surplus extraction. Settlement schemes funded by the World Bank in Africa represented a radical effort to create and relocate peasants, and establish centralized (private or state-owned) processing facilities for the production of cocoa, palm oil, sugar, rubber. These schemes were in fact closely tied with the marketing boards that independent African states had inherited from the colonial period.

In the pioneering book by Peter Little and Michael Watts *Living under contract* (1994), the authors analyzed the rising significance of contract farming in agricultural and rural policies and the implications for agrarian transformation. In particular they associate the emergence of contract farming in Sub-Saharan Africa to the processes of global restructuring of industrial agriculture, which, initiated in the 70s', promoted the incorporation of selected rural production processes amenable to industrial reproduction as inputs. To them, contract farming and outgrower schemes[1] represent:

"forms of vertical coordination between growers and buyers-processors that directly shape production decisions through contractually specifying market obligations (by volume, value, quality, and, at times, advanced price determination); provide specific inputs; and exercise some control at the point of production (i.e. a division of management functions between contractor and contracted (1994:9).

Drawing a parallel between the rise of flexible accumulation in advanced capitalist organization and the industrialization of agriculture in the global agro-food system, Watts (1994) specifically interprets contract production as an essentially part of a wider strategy of corporate outsourcing in which industrial agriculture expands its control over farmers agricultural labour and produce at cheaper costs than those that would have incurred under direct production (see also Porter 1997). In his view the contract arrangements deepen the division of labour external to the firm and reintegrates control over large numbers of farmers under conditions of geographical dispersion, making farmers 'disguised proletarians' or the equivalents of 'hired hands'.

[1] Note that in the text contract farming and outgrower schemes are used more or less interchangeably though Glover and Kustener (1990) distinguish them according to the degree of state participation/involvement, with former leaning towards private investments and the latter towards more state-controlled forms of agricultural production.

Another body of scholarship (Glover 1987, 1990) attempted to identify the key factors hampering or facilitating the success of contract schemes and other agricultural commercialization initiatives - particularly in relation to their viability and the distribution of benefits between the firm and its growers – in East and Southern Africa. These include the nature of the crop, land tenure systems, price and pricing policies, situations of monopoly/monopsony, farmer participation in management, crop diversification, and food supply. In a similar vein, and from a smallholder perspective Porter (1997) provides an analytical and comparative perspective of contract farming in Africa, arguing for the key role played by growers associations, alternative production possibilities, land tenure systems and gender relations in securing the long-term stability in the scheme.

Linking contract farming to the development/underdevelopment question, Little (1994:216-217) interrogates the evidence of contract farming in Africa, by asking under what circumstances does contract farming produces increased income and development and in what situation does it results in increased dependence and impoverishment.Yet these sets of more politically engaged questions have been sidelined in more economistic oriented scholarship which has strongly influenced debates on contract farming in the last couple of decades. In this period the depoliticizing effect of neoliberal anti-politics machine had washed away re-distribution and equity concerns by imposing a view of free markets as the best mechanisms for the optimal distribution of resources in a society, as the only possible intellectual horizon. According to its proponents, contract farming/outgrowers schemes improve the productivity and income of farmers because of risk minimization, enhanced circulation of productive previously unavailable inputs and market access (Simmons 2002). Others from New Institutional Economics approach have advanced contract farming as an institutional innovation that allows to reduce transactions costs by agri-business firms within vertically structured global value chains (Poulton et al 1998; Silva 2005). Literature in development economics focused on the set of technical aspects of contract farming by focusing on the specific crop/commodity variants which are associated to specific labour regimes and conditions of production which affect its potential for local and regional development (Binswanger and Rosenzweig 1984).

More recently contract farming has been framed as an inclusive (Sulle 2008) and collaborative business model (FAO, 2013). This potentially less harmful and more inclusive farming and organizational model has been framed as an alternative to land grabbing (Cotula and Leonard 2010; Braun and Meizen-Dick 2009). Accordingly contract farming has found increased political legitimization among governments, donors and transnational corporations, as claims of inclusivity allow them to repeal allegations of land grabbing by advocacy and civil society groups (Martiniello 2017:12).

Yet the question as to whether contract farming can represent a possible avenue to promote rural development and sustain local economies is very much debated.

According to Oya (2012), the limits of neoinstitutional economics lie in its faith in, and reductive focus on, governance and institutional design as devices to address the imbalances in contract farming (power) relation. The author argues that for agribusiness companies contract farming is just a public relations exercise to build alliances in sectors where they produce and source their throughput, and as an instrument to access credits from development finance institutions supportive of the 'smallhoder path to development'. McMichael's critique is further more insightful as he argues that the currently re-phrased vale chain agriculture, on paper just a virtuous instrument to connect producers to market and expand their productivity, embodies instead a power relationship, based on debt dependency, that allows for the appropriation of value generated along the chain by agribusiness and financiers (2013:672). Yet the problem of pro-inclusion, donor-driven and policy-oriented analysis is that it has been driven mainly by a pragmatic preoccupation with how to make the market work for the poor (see World Bank 2007) silencing the ways in which markets are historically and asymmetrically been constructed and emptying the contract farming relation of its political content (Martiniello 2017:12).

At various latitudes, scholars across the continent showed a common interest in unpacking the social dynamics underpinning various models of agricultural commercialization in Africa (Hall, Scoones, Tsikata 2017; Yaro, Teye and Torkivey 2017). While evidence from West Africa showed growing agribusiness-stallholder arrangements in establishing highly remunerative global value chains in fruits and vegetables (Yadu, Teye and Torkivey 2017), data from southern and eastern Africa point to the re-invigoration of sugarcane cultivation (Richardson 2010; Hall, 2012; Smalley, Sulle and Matale 2015; O'Laughlin 2016; Dubb, Scoones and Woodhouse 2016; Dubb 2016; Martinjello 2017).

The expansion in sugarcane cultivation is indeed connected with a renewed attention of international financial institutions and development agencies to the productive and remunerative potential of six commodities well suited to the Guinea Savannah: cassava, cotton, maize, rice, soybeans, and sugar (2009). The World Bank's report *Awakening Africa's Sleeping Giant:* ***Prospects for Commercial Agriculture in the Guinea Savannah Zone and Beyond*** **exposes this potential in unequivocal terms*:***

The Guinea Savannah covers some 600 million hectares in Africa, of which about 400 million can be used for agriculture. Less than 10 per cent of this area is currently cropped, making it *one of the largest underused agricultural land reserves in the world* (World Bank 2009: 1, emphasis added).

Replicating colonial discourses of *terra nullius*, narratives of empty or underutilized land attempt to establish a hegemonic (hence legitimating) view of a particular kind of practice in global capitalism. Like much World Bank discourse, this does not provide any reliable indication of what is happening on the ground and its effects (Bernstein 2007). Such discourses and imperatives are reflected in the political agendas of African governments which try to promote a (selective) integration of the most efficient smallholder producers within national, regional and global markets, particularly through the creation of export-oriented agro-industrial clusters or agropoles. Smallholders commercialization has been one of the rallying cries of the Ugandan government as the political establishment identified the rise of agricultural prices not as a threat to the social order but as an opportunity to be seized by the expanding production of export crops that are increasingly being demanded on the regional and global market for which Uganda enjoys a comparative advantage (Martiniello 2015). Such trend is clearly identifiable in Uganda where agribusiness is the fastest growing business sector over the decade in Uganda (World Bank 2013:22, 28). In its campaign to foster agricultural commercialization, the government of Uganda pinpointed the virtuous actors that would lead structural agrarian transformation. In his speech on the "State of the Nation" in 2012, President Yoweri Museveni magnified the virtues of large- and medium-scale, chemical-intensive commercial agricultural plantations by attributing them the reasons for a recovery of the economy: "three players in agriculture have done well, the plantation owners (mostly in sugar, tea and coffee); the big-scale farmers and the medium-scale farmers". Conversely, subsistence-oriented peasants and poorly commercialized smallholders, who are not fully integrated within commercial networks, are blamed for their incapacity to seize conjunctural market opportunities. He further argued: "if the 40 million acres of land of Uganda that are suitable for arable farming are put to their full potential, there will be a revolution in this country… everybody will be richer" (Museveni 2012:3).

The paper builds upon the above mentioned debates and insights to provide an historically situated analysis of, and explanation for, the rampant development of sugarcane cultivation and outgrower schemes in Busoga. Yet one of the main arguments of the paper is that contract farming in Uganda as elsewhere has developed differently across time as a result of different assemblages of social, political, economic and discursive forces. While contract farming has maintained certain characteristics across time, the logics and imperatives pushing for its development may have changed across time and space.

Nowadays in Uganda in general, and Busoga in particular, contract farming seems to have become more inherently tight with agro-extractive (eco) logic of sugarcane expansion. A logic which entails an expanding territorialization of a new division of labour that selectively incorporates farmers, resources and geographical spaces into the capitalist metabolism. In order to explore these questions further, I argue that the growing involvement of smallholders in sugarcane production and the overall intensification in sugarcane cultivation in Busoga, where approximately 70% of land is currently under sugarcane, can be explained/read through the prism of agro-extractivism (Ploeg 2008). This notion refers to the imperative to extract as much as possible of high-demand resources (be it land, water, minerals, forests, agricultural products, oil reserves, cheap and disciplined labour or others) at lowest cost within shortest period of time: a regime of accumulation based on the maximization of economic value extraction and the acceleration of the circulation of commodities. I suggest that this characterization is useful to read Busoga's sugar belt as a global agricultural *enclave* (see Ferguson 1994) in which agrarian accumulation, production and consumption patterns are increasingly linked to transformations within global political economy and the international food regime. These value chains are often embedded within global markets and source inputs (including migrant labour) from far afield and sell onto foreign and national rather than local markets.

3 Sugarcane Cultivation in Busoga: an historical perspective

Under British control Uganda became a Protectorate in 1890 and the Ugandan economy strictly tight to the interests and requirements of the metropolitan economy. However, differently from Kenya, white settlers did not proliferate and the colony failed to attract consistent flows of foreign investments in the light of the absence of an expanded internal market for British manufactured goods. To make things worse there was no readily available labour power along with low-income and purchasing power of the bulk of Uganda's population (Alhuwalia 1995:146). Thus, British policy in Uganda between 1894 and 1923 witnessed experimentation in a "dual (agrarian) economic policy" based on coffee, rubber and cocoa as European-grown plantation crops and African cotton growing on the other (Nayenga 1981:175). Under these premises the mode of colonial exploitation in Uganda was going to be gradually organized around the bulk of Uganda peasantry, which was coerced into cash-crop (cotton first then coffee) production through an array of taxes, forced labour, regulations and impositions (Wrigley 1959). As a result of the British colonial government concession of huge tracts of *mailo* land (9000 square miles) to traditional chiefs of the Baganda Chiefdom, this social group saw its social status and economic condition mutated from chiefs to rural notables and landlords (Mamdani 1976).

The transformation of agrarian property relations started to shape the social structure of Southern regions anchoring it on land tenure arrangements (regulated by rent and tribute) between landlords and farmer tenants which started to expand to the other parts of the colony, included in Busoga (see Mudoola 1974). Here, Basoga small-scale planters were introduced to cash-crop production by local chiefs who ensured the observance of a series of new agricultural practices transmitted by the colonial authorities (Nayenga 1981). Yet beside colonial initiatives in agronomic experimentation and testing, and the pressure role of local chiefs, the existence of an "intelligent population" endowed with a rich agrarian past was just as important as the colonial government (Kajubi 1954). Facilitated by a long growing season and bimodal distribution of rainfall, which allowed to harvest two crops every year from the same plot, Basoga growers were able to grow cotton as well as raise food crops: the *matooke* plantation was at the heart of Basoga's holding, followed by food plots of peanuts, corn, sorghum, and millet, accompanied by cotton plots (Nayenga 1981:183). Nonetheless if one deducted labour costs from final earnings, the majority of cotton cultivators operated at a "sub-marginal level" (Kajubi 1954:94).

Colonial surplus extraction from Ugandan peasants was facilitated by the help of Indian middlemen who controlled the marketing of cotton to Europe acting as intermediaries in the cotton business - buying cheap from remote zones and selling dear on the European markets. This comprador colonial class who had built its fortune on commercial intermediation played a strategic role in facilitating the expansion of British capital accumulation by lubricating the gears of the colonial economy. The newly manufactured colonial division of labour rigidly separated the functions of both African and Indian communities, confining the former in the agricultural economy, and allocating the function of trade agents to the latter. Such move had a dual aim: preventing Africans to perform certain economic activities that would have provided them with the necessary vision needed to mobilize masses; simultaneously stimulating its separation from the masses of colonized (Mamdani 1976:71). In essence this was a *divide and impera* strategy. More powerful Indian firms also started to venture into manufacturing sectors, an issue which was at certain times clashing with British strategies of capital accumulation. By 1925 the Indian commercial and petty bourgeoisie controlled 110 over 114 cotton ginneries existing in the country (Alhuwalia 1995).

The economic crisis of the 1920s generated a plethora of European planters' bankruptcies and facilitated the penetration of Indian capital in the plantation economy. After the crash of cotton price, "family firms"[2], to borrow from Hundle (forthcoming), such as Metha and Madhvani, begun to diversify their investments portfolio and became pioneers in large-scale sugarcane cultivation. In 1929 Muljibhai Madhvani was granted permission to establish what is today the largest sugar factory in the country at Kakira in Busoga, under the name of Vithaldas Haridas working on an estate of approximately 4,000ha (Ahluwalia 1995: 35). Instrumental to this move was the success of the company to purchase land from Europeans and claim land concessions from the colonial government: purchasing it from non-Africans; leasing Crown land directly from the British authority; acquiring *mailo* land indirectly from African landowners; entering into yearly agreements with African landowners (Olanya 2014:83). In 1932 the company saw re-organization and was divided into two separated entities, one maintaining cotton and trade interest, and a new Kakira Sugar Works Ltd (KSW) in charge of the sugar project controlling 2,818.19 acres in freehold and 6,095.74 acres of leasehold (Ahluwalia 1995:77).

The introduction of large-scale commercial sugarcane in Busoga was facilitated by a convergence of ecological, economic and socio-political factors. Sugarcane plantations were located near the markets of the relatively wealthy and heavily populated Ugandan districts of Busoga, Bugisu, and Mengo. Sugar was not a traditional export crop as it was seldom produced for local consumption and eventually for regional markets. Finally, as reported in colonial records, sugarcane estates could not be better situated as far as climate, soil fertility and drainage were concerned (Ugandan Protectorate 1960:50). Such combination of factors made sugar industry the first-large scale manufacturing industry established in the country. In the 1940-50s Kakira groups of estates covered 22,750 acres of land, making it the largest landowner in Busoga (Uganda Protectorate 1960: 79) while Indian family firms contributed for two thirds to the total East African production (Ahluwalia 1995:159). In those years the company further embarked in modernizing initiatives introducing irrigation schemes and expanding crushing capacity.

In the same period however, kulaks political activity started to gain momentum demanding better prices for cotton and coffee, free trade and free education. Eventually the kulaks coalesced into a political force which brought together some sections of the intellectuals, kulaks and peasants, and partook in the struggle for state power becoming the key section of the emerging African petty bourgeoisie whose role was however confined to agriculture, transports and civil service since Indian merchants capital had acquired a monopolistic position in the colonial trade in the service of British colonial interests (Mamdani 1976). In 1945 and 1948 violent riots erupted in Uganda, Chiefs houses were burnt and lorries requisitioned from Indian ginners (Mamdani 1975). Despite the protest was repressed by the colonial army, the political agency of this class in the years to follow started to target the operation of Marketing Boards which had been used to accumulate huge surpluses that were deposited with the Bank of England. By 1948, the Uganda African Farmers Union (UAFU), founded by a kulak leader Ignatius K. Musazi was strong enough to collect farmers crops and look for facilities to hire to gin and market the crop independently.

[2] The author refers to family firms traditional model of Indian business enterprise that emerged in colonial East Africa and the Indian Ocean: commercial trading networks, based on family and extended-family kinship ties, which gradually expanded into corporate firms in which members of nuclear and extended families were partners and majority share-holder.

4 Contracting sugarcane farming in Busoga: origins, development and demise

The first outgrowers' scheme was initiated in 1958 Kakira's sugar factory when a group of few pioneer private sugarcane farms began to supply the factory. The Kakira's outgrowers scheme was one among the many large-scale settlement projects in collaboration with African tenant-farmers which enhanced their integration of within the circuits of colonial economy. However these schemes were more specifically a response to kulak political agitations and pressures as well as an important expedient used by the company to bypass the limitations to landholding expansion for foreign owners imposed in the years of late colonialism and embryonic nationalism. In the years in which modernization theories were dominant in the corridors of colonial power, the aim was to "transform" the traditional subsistence-oriented cultivator into a modern commercial farmer by divorcing him from its "natural" environment and integrating him in production systems under close supervision. These agrarian initiatives had the dual aim of incorporating peasants in the hierarchically-framed colonial economic networks and expanding the colonial capacity of control over territories in a regional context where peasants resentment and grievances against colonially-enforced agricultural programs were widespread as in the case of Mau Mau rebellion in Kenya (Little and Watts 1994: 13) and in the several instances of protest emerged in the Tanzanian rioting countryside (Cliffe and Cunnigham 1968; Cliffe 1964).

Outgrowers were subdivided into three categories: a) aided and registered farmers; b) registered but unaided farmers; c) unregistered autonomous farmers. The first group of farmers was assisted by the company with seeds provision, agronomic advice, transport services, and hired labour mostly from north-western part of the colony and from Rwanda and Urundi for purpose of harrowing, ploughing and weeding (Interview KSW Outgrowers Manager, 15 July 2015). Payments for these services were deducted at a later moment from the first harvest or if the debt persisted other portions were detracted from the earnings of ratoon[3] crops. To the second group belonged those farmers who were entitled to a market for their cane but did not receive any financial aid or support. The latter group included unregistered farmers who only occasionally provided cane to the factory and were not given any guarantee that the factory would have bought it.

In the post-independence period and specifically with the "Move to the Left" and the related strategies of "Africanization" introduced under Obote (1969-70), government acquired 50% of the shares of KSW. Nationalization allowed the Madhvani group to reduce its capital commitment in unstable and risky regional conditions considering that also Tanzania was undergoing epochal social and political changes under Ujamaa (see Saul and Cliffe 1972). By connecting itself with the state, the company facilitated its access to credit from international donors. To the state this meant a larger involvement in the control of key -crop commodities, which were increasingly being traded under the ACP agreements with EU with quotas and preferential prices.

The attempt to develop the national agricultural economy "from below" and involve farmers in commercial production of selected cash crops was not seen as antagonistic to large-scale sugar plantations though post-independence land policies did not remove the previously imposed colonial restriction to landownership for sugar firms (10,000ha land ceiling). Agricultural production growth was increasingly being theorized around principles of small-farm efficiency, which represented a significant outbreak from received wisdom of modernization theories that depicted peasants as lazy rural subjects (Chambers, Pacey and Thrupp 1989). Small farmers were now seen as rational economic agents able to make efficient farm decisions, capable of taking advantage of high yielding crop varieties because the input combination was neutral to scale (Ellis and Biggs 2001). In this context outgrowers' numbers increased between 1958 and 1970 from 4 to 1462 and cane supply expanded from 113,984 tons to 148,919 tons (Ahluwalia 1995:90).

[3] As a perennial crop sugarcane could be harvested four more times.

The company monitored productive activities, checked quality of seeds, and imposed minimum landholding acreage to participate in the scheme (5 acres). By 1970s the company started to impose regulations about planting and harvesting time, inputs and hybrid seeds. The latter was made a mandatory requirement aimed to ensure that cane received to the factory was of a soft kind, which was easier to crush than the harder and cheaper varieties farmers used. Under the aegis of Green Revolution ideas, the introduction of hybrid seeds, along with other “smallholders’ friendly” technologies, was also aimed to stop the practice of seed exchange among outgrowers (Interview KSW Director of Outgrowers Branch, 15 July 2015). Yet as showed by Harris in the case of Indian peasants adoption of Green revolution technologies, those who disposed of more resources where in a much better condition to cope with risks associated with higher cash-intensity technology (1987:321).

Therefore on average in the 1970s registered farmers had to pay for: seeds (60shs per ton); hired workers (between 40-80 shs per month); tractors hire and transportation which represented the major cost to them (1sh. per ton per mile for the first ten miles to the factory and an extra Shs. 1 per mile per ton for each additional mile); supervision costs (10% of the earnings); plus other deductions for improper procedures such as dirty cane delivered (Ahluwalia 1995:89). Moreover in the case of the sucrose content being inferior to 3-5% a further deduction was retained from the sugarcane earnings. Cane, which met the company’s requirement, used to be purchased at 50shs per ton. Nonetheless the yields differential between the company and outgrowers was very high: 58tons per acre the former, between 22-38 tons per acre the latter. Such gap was mostly attributed to the lack of irrigation systems among outgrowers. In those years KSW crushed 83.000 tons of sugar per year. That was about 50% of all the sugar produced in Uganda with revenues amounting to 15% of the national GDP.

However following the 1972 expulsion of 35,000 Asians by Amin’s regime (1971-1979) and the ensuing expropriation of major Asian corporate enterprises, included Metha and Madhvani group of companies with ramifications in commercial, industrial and plantation sectors, the outgrowers scheme was eventually abandoned because of the political instability in the country. Amin redistributed part of the expropriated businesses and lands among Africans to gain political support and legitimacy and consolidate its rule resulting in the creation of a group of African capitalists. The expulsion of the Indian petty and commercial classes and elites family firms produced a veritable economic crisis in the country (Mamdani 1976; Ahluwalia 1995; Hundle 2013). As Asians had traditionally controlled the marketing and processing of rural produce, marketing and processing infrastructures gradually deteriorated (Sorensen 1996). In a context of inflationary pressures exasperated by the 1973 oil shock, worsening terms of trade, and by the heavy burden of weapons and army equipment’s imports, peasants did not find convenient to engage in sugarcane and other cash crop production such as cotton and coffee. As a response to the state’s coercive measure to impose export crops cultivation peasants resorted to commercial food crops, especially rice but also cassava maize and millet which were traded through intricate networks that connected the village to urban areas (Sorenesen 1996:615; Nagabuzi 1993).

After Amin was deposed in 1979 by Obote, the new president invited the Madhvani and Metha business families to return in the country and repossess expropriated properties (Hundle forthcoming; Olanya 2014). At that time Kakira factory was a skeleton, plantations were ruined and houses occupied. With the help of the state, Madhvani quickly borrowed money from the World Bank and African Development Bank and begun rehabilitating the sugar plants.

The Revival of Outgrowers Schemes in the Neoliberal Era.

After 1986 with the advent of Yoweri Musveni the economy in general and the agricultural sector in particular have undergone radical (neo)liberalization. Under the pressures of international donors the

Ugandan government accepted a market reform programme, involving devaluation of the currency, a reduction in budget deficits, liberalization of the marketing system and privatization of many parastatals (Brett 1998:324). The reforms also included liberalization of agricultural input trade, liquidation of cooperatives and domestic and export tariff barriers, and lastly the abolition of taxes on most agricultural products. In the 1990s outgrower schemes returned on the top of government's agenda and the Kakira outgrower scheme was re-introduced in 1992 as a strategy to boost production and cost-efficiency.

In order to re-stimulate adhesion to the newly re-fashioned scheme, KSW offered some 'incentives' to smallholders which included the provision of a package of farm services and inputs on credit: tractor ploughing, seedlings, pesticides, transport, and sometimes fertilizers along with an attractive price in the initial years. The price of sugarcane/ton paid by KSWL to outgrowers increased from 24,066Ugsh in 1995 to 28,404Ugsh in 2000 (Kafuko 2005:31). Poor peasants' need for financial support to enter commercial farming and KSW's readiness to provide it on credit tempted many smallholders to become out-growers. But the out-growers' scheme has also been an investment opportunity for both agricultural entrepreneurs interested in purchasing, or renting land, and use hired labour to grow sugar cane, and landowners attracted by the margins of speculation on rent paid on their land. Moreover the gradual elimination of state provision of subsidies and inputs to smallholders under the cooperative system, which had characterized the economic success of the 1960s, had pushed commercially oriented smallholders to look for alternative avenues for access to markets, credit, and other essential inputs. The collapse of state marketing of cash crops and the demise of cooperatives drastically reduced the opportunities of cultivating cash crops for rural households. In Busoga this corresponded with an increase in the commercialization of food crops, traditionally the domain of women's duties and responsibilities (Sorensen 1996). Such process, prevalently led by men, restructured new relations of gender, increased the dependence on monetary income and created 'a less regulated market system that transformed all goods into commodities to be sold on the open market' (Sorensen 1996:209).

The unconditioned support for contract farming by international financial institution stemmed from the fact that these schemes were meant to serve the purpose of disaggregating cooperatives by bringing in more individualist, entrepreneurial and utilitarian mind-set, attitudes and practices. It is also worth noticing that in the 1990s, as structural adjustment measures of austerity and labour market deregulation had become to be felt by the population, workers' trade unions, especially the National Union of Plantation and Agricultural Workers, had initiated to organize a series of strikes at sugar plants which paralyzed production and culminated in widespread police repression and detention of the leaders of protest. The expansion in contract farming instead allowed to externalize costs of labour recruitment, training and management onto farmers' households who adopted a combination of hired and (unpaid) family labour in sugarcane cultivation.

Driven up by prospects of secure market for their produce and stimulated by very high price, on one hand, and by the flexibility of pre-existing vernacular land markets and informal rental arrangements (see Chimowu and Woodhouse 2004), outgrowers' participation in the scheme started to grow exponentially. For many the choice to shift to sugarcane cultivation was also related to the presumed higher resistance to pests than maize, plus the benefit of requiring much less work and no supervision. Their number increased from three thousands in the early 1990s to six thousand in 2008, eight thousand five hundred in 2013, nine-thousand five hundred in 2015. Outgrowers' cane supply has moved from 13,448 tonnes in 1991 (or 13% of the total cane supplied to the mill) to 637,162 (38%) in 2000, 989,767in 2006 (41%), 1,661,346 (70%) in 2010 (Kakira Sugar Works 2010; Interview, Director of Outgrowers' Branch KSW, 5 September 2015). Refined sugar production at Kakira also massively increased up to 180,000 metric tonnes in 2014 or 41.06% of the Ugandan sugar market share. With 3,335.000 tonnes produced in the same year, sugarcane has become the second largest crop in Uganda. Aggregate figures, however, tend to conceal how diverse outgrowers are differentially affected by the scheme, who gets the lion's share within rural households, and what are the wider social and ecological implications of these processes. It is to questions of social differentiation, food security and rural under-development that we turn our attention now.

Social differentiation, dispossession and food (in)security

Long ago, Marx exposed the fallacy and hypocrisy of nineteenth century freedom of contract rhetoric arguing that the wage contract was a legal fiction that masked the domination of labour by capital (1976). Pursuing this line of enquiry further, Banaji indicated that "the wage contract itself can be organized in different ways (under different labour systems), for example as sharecropping, labour tenancy or various forms of bondage" (2003:91). With these insights in mind we move to the analysis of the actual framework of opportunities and constraints that sugarcane (contract) farming provided in the actual historical and political circumstances of the last couple of decades.

Fieldwork for this study was conducted in the rural community of Musoli near Jinja. during July-September 2015 and in August 2016. Data and information were gathered through semi-structured interviews with company officials and managers, outgrowers' association leaders, medium- and large-scale farmers, smallholders, casual workers, women. Also thematic focus groups were set up with outgrowers to learn more about the technicalities, histories and challenges of sugarcane cultivation. In doing so the research tries to expand an analysis based on the political economy of capital and labour by putting it into dialogical relationship with ethnographic method with the aim to overcome universalizing interpretations of social change as well as highlighting people own strategies and struggles over social meanings and material resources.

A great number of factors associated with sugarcane contract farming limited the success of the scheme. These were specifically related to the particular character of sugarcane as an industrial crop: its capital-intensive character, its elevated perishability (requiring therefore immediate transportation and processing after cutting) and the long gestation period to maturity (18-20 months). In fact, in the long wait for sugarcane to mature, the outgrower gets indebted with the bank for credit advanced to pay for services provided by the company such as land preparation, agricultural extension services, fertilizers (whereas used), and seeds. In some cases outgrowers become fully indebted when they don't have other sources of income to face daily expenditures money to maintain the plantation and support the household's members. KSW serves as a guarantor to its registered outgrowers to borrow from Tropical African Bank. Upon delivery of sugarcane to KSW, it retains the outgrower's portion of income that is due to the bank for loan repayment and remits it directly to the company. The bank provides two forms of loans: short-term loans – from 500,000 to 25millionUgsh repayable in six months; and commercial loans of 100,000,000Ugsh generally to buy machineries or land repayable in 5 years. For both loans the interest rate provided is 17%. The two-guarantors policy established by the company makes mandatory for outgrowers to ensure the loan through two persons who can be clan members or fellow farmers in addition to a mortgage agreement.

According to the Bank Manager of Tropical African Bank approximately 2000 outgrowers asked for a loan while the default rate is estimated at 20% (Interview Bank Manager Tropical bank of Africa, Jinja 10-09-2015). This figure is however contested by the Busoga Sugarcane Outgrowers' association, which instead claim that 924 defaults had been reported in 2015 (almost 50% of the applicants). These trends point to the widespread financialization of contract farming, which, forged through debt dependency, enhanced the extraction of rents from farmers by finance capital and corporate agribusinees (Isakson 2014; McMichael 2013). In some cases this results in processes of *dispossession from below* (Amanor 2012: 118), whereby less competitive farmers are displaced, more fertile lands are converted to more profitable uses, and landholdings become concentrated in the hands of more efficient producers. and making agriculture the domain of the "survival of the fittest" (see World Bank 2008).

Debt dependency of significant number of sugar farmers is constantly fuelled by the cyclical money necessities in sugarcane cultivation such as (rising) rent prices, labour costs for planting, weeding and harvesting plus transport of cane to the factory. This last element has been at the core of serious concerns by outgrowers' associations as transport fees, which vary according to proximity to the factory, tended to dramatically increase as a result of peaking oil prices. They complained that costs of transport of sugarcane to the factory tended to extract up to 50% of their revenues making the business increasingly unviable for those outgrowers who did not possess their own means of transport.

Another key concern is the question of price setting by the company. The average price per ton of sugarcane is the subject of an elaborated calculation or "formula". It takes into account the average sale price of the final product multiplied per the total amount of refined sugar, less WATT. Out of that 40% is given to outgrowers. Payment to the farmers is made (net of deduction for inputs, loans, and services) in two instalments: the first once cane is delivered (generally 2months after) covering the 70% of sugarcane earnings paid at an interim price; the second consists of arrears (30%), paid once the yearly price of the cane is calculated and sucrose content measured. However farmers suffers from very low productivity rates and sucrose content which are due to the poor usage of fertilizers and irrigation (water being one of the major factors affecting it) and low sun-light exposition (on average 6 hours). In their view the problem with the fertilizer is that it is needed in higher quantities to maintain a stable productivity therefore generating rising costs. Rising costs are linked to soil exhaustion and deterioration, an issue which has been attracting the concern of the company itself as it started to advise farmers to plant beans and g-nuts for nitrogen fixation.

Despite KSW increased the price of sugarcane per ton from 40,000Ugsh in 2009 to 80,000Ugsh in 2015 - mostly due to the need to hold onto its supply base of outgrowers in the face of the advent of mushrooming millers in the region, sugar business has seen restricting its margins of profit (Outgrowers Focus Group, Musoli, 28 August 2016). The monopsonistic power of the company and the poor representativeness of smallholders' interests in the outgrowers' associations limited their bargaining power in negotiating the sugarcane price therefore affecting the viability of the scheme (cf. Glover 1988). Payments often take too long, and often arrears are paid as interest to be bank. As a smallholder put it in a focus group: 'Madhvani behaves like a dictatorship, associations are siding the company and have limited influence. We have become like camels and begging on our own lands".

When fieldwork for this work was conducted in 2015 outgrowers' number had risen to 9500 between assisted and non-assisted farmers located on a surface of 27,000 ha. Sugarcane commercialization propelled the crystallization of various social groups stratified in terms of access to landholding, labour regimes, production, non-farm income, and farming practices, so divided: 85% (7950) were considered small-scale farmers with landholdings between one and five hectares; 12% in the category of medium scale farmers with acreage between 6-10; 2% large-scale farmers between 10 and 50 acres; and less than 1% with land availability above 100 acres.

The forms of labour employed by outgrowers generally depend on landholding size and financial capacity but also on the demographic structure of the household (see Boserup 1965). Hired labour is commonly used by outgrowers who have relatively large acreage as well as working capital, while smallholders mostly depend on family labour or on a combination of both. Interviewed outgrowers often complained about lack of cash or high cost to hire agricultural workers from local communities. Labour power to maintain the *shamba* and for sugarcane harvesting is often extracted from landless rural households in the communities, or from those poor households who supplement meagre agricultural production with casual (often seasonal) wage work.

As emerged from fieldwork in the area, poor peasant households often end up renting their plots because they do not have the start up capital and/or sufficient landholding to engage in sugarcane cultivation. So, under pressures of incoming settlers and commercial farmers, they end up rent out their plots of land - generally paid between 100,000 and 150.000Ugsh (30-50USD) per acre per year. They are caught in what Henry Bernstein calls "*simple reproduction squeeze*" (2010:104): a condition which makes increasingly problematic for them to reproduce their *replacement* and *rent* funds (see Wolf 1960), which are necessary to reproduce their means of social reproduction.

Social enquiries in the areas surrounding KSWL have revealed that sugarcane intensification has crated economic hardship, poverty, food insecurity and malnutrition (Waluube 2013; Kafuko 2005). In order to retain possession of a small piece of land poor peasant households have eventually reduced their consumption to extreme levels (see Chayanov 1966). Processes of expanded commodification raise the "entry" costs and reproduction costs of capital needed to participate in the scheme, and increase competition for land and the labour to work it. Poor peasants unable to meet those costs and/or bear the risks associated with sugarcane plantations, tend to be expelled from farming or if they can ensure credit through other means (i.e. local middlemen) become highly indebted. In specular fashion, and as result of dynamics of class re-composition, a portion of successful capitalist-oriented farmers successfully emerged from the ranks of small- and medium-scale outgrowers (cfr. Perez Nino 2016; Hall, Scoones and Tsikata 2017).

On the other hand of the spectrum, a class of emergent capitalist farmers has clearly emerged among outgrowers. Some of them were among the pioneers who had initiated the schemes in the 1990s. In virtue of low net profit per acre for most of the last two decades, a reasonable annual income from the sale of sugar cane necessitated a fairly big acreage. Outgrowers who started with relatively large acreages and alternative sources of income were able to enrich themselves at an increasing rate. Significantly this is a symptom of the importance of non-farm income sources in processes of rural social differentiation. This 'livelihood diversification' (Scoones 2009) or 'pluri-activity' (Ploeg 2008) connects with and intensifies tendencies of class differentiation. Moreover, in virtue of their strong financial position, rich outgrowers have been able to access credit and use it for further capital accumulation; including buying more land or 'renting' it from the poor outgrowers; and purchasing more distant land for the commercialization of food crops.

Between the two, an emerging class of medium-scale farmers largely composed of civil servants or medium landowners. Yet because of the precarious and extremely fragile conditions of farming, coupled with the capital-intensive nature of sugarcane cultivation, medium farmers are often lured into the ranks of poor farmers as they are increasingly vulnerable to shocks like droughts, flood and deterioration of terms of exchange (see Bernstein 2010:108). In some cases modest capital accumulation is facilitated by the fact that some of them have alternative sources of income. They are therefore not as indebted as the poor outgrowers at the time of harvest and sale.

The majority of outgrowers are instead struggling to remain in the sector though in a position of marginalization and uneven competition. The utter destruction of the traditional livelihoods strategies and natural local ecosystem had serious socioeconomic effects. The spatially invasive character of sugarcane almost entirely wiped out fruit trees, fuel wood trees, pasture lands, and the rich variety foods and vegetables over the last two decades. Any form of livestock raising is now practically impossible. The shift in land usage from food crops to sugar has created structural constraints Famine has consequently been a persistent plight in all major sugar cane growing districts with elders, women and children suffering most (Waluube 2013). The nutrition standards and health of women, the elders, and children suffered due to the rarity of fruits and animal proteins in their daily diet following the complete wiping out of their subsistence livelihood.

The reality on the ground reveals that farmers with small pieces of land have been compelled to devote it entirely to sugarcane production to make the business viable often neglecting the household food requirements. Households in Jinja and Mayuge have committed almost all their land to sugar cane growing and therefore depend on the market for almost all their food needs. As a small-scale farmer in Musoli, a village 10km away from the factory where the fieldwork for this study has been conducted, argued "the Budongo-Jinja area represented a food basked for Jinja and other districts up to Kampala, vehicles used to come and buy foods. Now it's the reverse" (Interview small scale farmer, Musoli, 30 July 2015). In these two districts in particular, but also in other sugar cane growing districts, food is expensive for most months of the year. It therefore makes economic sense for whoever can to invest in staple crops cultivation, a trend now occurring mostly around rice production in more remote areas in

Busoga and Bugiri (Interview large-scale farmer 20 July 2015). They produce food on distant lands and sell it to rural households whose subsistence is now almost fully commoditized.

Nowadays Busoga is in fact considered as a region trapped in extreme poverty with widespread food insecurity. In 2008 52% of the population living in the surrounding districts was living below USD 1,25 (Kakira Sugar Works Limited 2014). In a survey of 244 families interviewed on the subject of food insecurity only 28 households responded they had enough food while all the others expressed desperation in accessing food especially during the long periods of cane maturation. One hundred sixty families reported to have hired out their land for cultivation or sold their crops while they were still young (Waluube 2013).

Extractivism and Sugarification

It is currently estimated that approximately 80% of households land in the districts of Jinja, Luwuka and Mayuge is under sugarcane (Waluube 2013). The expansion of acreage under sugarcane has been in part fuelled by government's politics of license granting to new entrants (millers) in the sugar market meant to decrease sugar consumer prices and expand the fiscal basis. The state has traditionally been more than an arbiter in sugar business through protection and subsidy of domestic sugar industries. The prospects for state creation and appropriation of surplus have been key to sugar's historical and contemporary development in Southern and Eastern Africa (Dubb 2016:8). Received prices for different sugar commodities (raw, refined, cane molasses ethanol electricity co-generation etc.) are in fact governed by direct price setting or tariff protection. As great part of the sugar produced globally is traded under bilateral agreements, a complex politics of domestic market segmentation started to shape whether rents are established or not in the domestic market and of what magnitude the rents are. Such regulation policies are part and parcel of a long-term strategy aimed at keeping low the sugar consumer price whose sudden oscillations seems to have been at the core of protests precipitated in food riots in April-May 2011 and in the Walk to Work movement (Bush and Martiniello 2016; Branch and Mampilly 2015). An example of the unfolding of this politics is found in the current diatribe between the government, big manufacturers and small-scale millers over price, market shares, and outgrowers contracting. New investors were lured into the sugar business, attracted by the expectation to find petty commodity producers used to specialized sugarcane cultivation and by the opportunity to capture portions of over-produced sugarcane.

In Busoga, there are now eleven sugar plants (between small scale millers and big manufacturers), almost one for every district, which produced a dramatic change in the agrarian geography of the region. By virtue of its multiple fungibility, sugarcane as a flexi-crop sugarcane cultivation has been associated with the possibilities of diversifying the products portfolio of agribusiness companies (combining refined sugar with non-food products) and reduce the risks against the price oscillations connected with production and marketing of a single crop. As a flexi-crop (see Borras et al. 2016; McKey et al. 2016) sugarcane at Kakira and other sugar mills has been increasingly destined to power co-generation (or green electricity) and ethanol production from bagasse, the dry fibrous residue from sugarcane crushing. The idea is to maximize return from every cane.

Sugarification in Busoga is the contemporary expression of these agro-extractive tendencies. Indeed this conceptualization does not only define the exponential expansion in sugarcane cultivation, the expansion in land acreage under sugarcane, or the expanding numbers of outgrowers, it rather places its emphasis on the idea of a capitalist frontier in Moore and Patel sense of "encounter zones between capital and all kinds of nature – humans included" (2017:18). According to the authors, these frontiers are always about reducing costs of doing business. Capitalism works through expanding frontiers, transforming socio-ecological relations, and producing more kinds of goods and services that circulate through an expanding series of exchanges. More importantly frontiers are not sites where only economic power is exercised, they are also the place where political power is exercised to produce nature at low cost (Ibid.). It is this cheapening so central to modern history and that makes possible capitalism's expansive markets. The notion of sugarification rather places emphasis on the political, economic, and discursive processes that are shaping the sugar bonanza, and brings to light a particular coalescence of political and economic actors and interests (the state, donors, agribusiness and existing agrarian social classes) that are promoting this particular path to agricultural commercialization.

A central feature of both extractivism and the related process of cheapening is the super-exploitation of agricultural labour through its devaluation. Labour at the factory, in the fields and surrounding compounds is organized by Kakira trough multiple arrangements (permanent, casual) and around a gendered division of labour. It combines more specialized, stable (and remunerative) wage labour in the factory with unskilled casual migrant labour for the seasonal work of cutting. Working and living conditions are inhumane with no proper instruments of protection provided by the company which, in addition, only accepts single individuals (men or women) not families, a strategy first experimented in the South African mines and compounds in the colonial period, to adapt wage levels to the costs of reproducing one person. Guardians coming from very distant districts in West Nile, Teso or Soroti are paid 140,000 (45USD) while women's salaries for weeding and planting or for working as cleaners are even lower (120,000). Caught in the spiralling and vicious 'from hand to mouth" cycle, workers also suffer from unsafe water, cholera, and skin cancers. Devaluating labour is the precondition to ensure the cheap provision of final produce. According to an interviewed farmer: 'in Uganda we produce the cheapest sugarcane in the world: if one ton of cane costs 73,000Ugsh, then one kilogram of sugarcane gives you 73Ugsh, less than any other crop".

The production and reproduction of cheap nature is a major component of capitalist (uneven) expansion. As suggested by Moore capitalism is a world-ecology where the accumulation of capital and the production of nature work as an organic whole (2010). In this sense the accumulation of capital via sugarcane cultivation does not produce externalities on the environment, it is grounded upon the co-production of capital, power and nature, i.e. the (re)production of cheap nature. Water, for example, an indispensable element in the sugar production chain, can be accessible at no cost by the company through the Victoria Lake or other secondary streams. Kakira Sugar Works, the single largest user of water and the largest landlord in Busoga, abstracts 459,175 cubic maters / per month from Lake Victoria mainly for irrigation (172,255) and in the production process in the factory (268,920) (Munabi, Kansiime et Amel 2009:763).

Another feature of agro-extractivism is sugarcane's spatial invasivity and re-organization. Local and life histories, collected in the area of Musoli, revealed a clear trajectory of agrarian and environmental transformations, and changes in property, production, exchange and consumption relations. In 1972 the area was thinly populated. Before sugar dominated there were various activities like intensive fishing, cattle husbandry, local trade. The Budongo-Jinja area had rainfalls all the year because of its proximity to the lakeshores. Forests surrounded the area but deforestation started by burning and cutting to make space for sugar plantations. Forests cutting clearly affected the rain pattern as it occurred in the case of Butamira forest cleared for sugarcane cultivation by Madhvani. Clearing the vegetation interrupted the hydrogeological cycle contributing to the detrimental effects of the environment. Vegetation clearance increased the accumulation of carbon dioxide, which is the greenhouse gas responsible for global warming (Balaba 2004). Other environmental concerns included the discharge of industrial wastes and effluents disposal into the water sources such as the Mutai swamp water where Chico river originates. Such political, spatial, agrarian and environmental transformations linked to sugarcane monocropping contributed especially in the last three decades to the redefinition of Busoga as a sugar belt.

5 Conclusions

The Ugandan government, donors and corporate agribusiness actively promoted outgrower schemes in Uganda in general and in Busoga in particular. In so doing they contributed to mould specific social structures of accumulation and dispossession changing the geographical configuration of agrarian social relations. Agrarian change in sugarcane areas in Busoga seems to follow a clear tendency in which poor or less competitive peasants are progressively expelled from market circuits to make space for other more commercially oriented farmers. Such transformation and the adverse environment it created tend to erode the security of smallholders' livelihoods, and create pressures for a redistribution of land from poor farmers to more commercial and competitive ones. The paper has taken issues with win-win narratives that alienate contract farming from their social, political, environmental and economic milieu through abstract notions of inclusivity, efficiency and productivity, and argued that the expansion in sugarcane cultivation ensured the creation of a class of commercially oriented smallholders who are adversely incorporated in the vertically-structured, buyer driven, global commodity chains. In alternative to pro-inclusion narratives and policies which focused on the allegedly positive impact of organizational, institutional and marketing arrangements, the study placed emphasis on the importance of analysing the unfolding agrarian political economy from an historical and critical perspective in order to decrypt the (de)formation of agrarian social classes and of forces that call their existence into question. This analytical approach allowed to conceive contract farming as a contested site of intense social, political, economic and discursive struggles, in striking contrast with views and perspectives that portray contract farming as a levelled playing field where all stakeholders can freely exert their influence and choice.

In particular understanding new and old capital-smallholders assemblages and arrangements allowed to read their relationship in the context of capital cheapening and expanding strategies as part of wider agro-extractive trends. As this paper has shown, the success or failure of smallholders within sugarcane does not depend upon abstract notions of efficiency or productivity. The fate of smallholders in agricultural commercialization does not depend simply from the good willingness of the employer to reinvest some of its earnings in corporate social responsibility projects. It is rather a function of a complex ensemble of political and economic forces and factors, state and capital interests, global and local classes that have historically shaped and continue moulding the character of existing power relationships embedded within these schemes.

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About the Author(s)

Giuliano Martiniello is Assistant Professor of Rural Community Development at the Faculty of Agriculture and Food Sciences, American University of Beirut. Before he held positions as Research Fellow at the Makerere Institute of Social Research, Makerere University (2012-2015) and as Post-Doctoral Research Fellow at the School of Built Environment and Development Studies, University of Kwazulu-Natal (2013-2014). He is broadly interested in the political economy, political sociology and political ecology of agrarian change and rural development in Africa with particular reference to large-scale land acquisitions, labour regimes, agrarian systems, land reforms, agricultural modernization, agribusiness, smallholders' commercialization and integration in global value chains, food security/sovereignty, and rural social movements.

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