Global governance/politics, climate justice & agrarian/social justice:
linkages and challenges

An international colloquium
4-5 February 2016

Colloquium Paper No. 27

Expanding the Corporate Food Regime in Africa through
Agricultural Growth Corridors: The Case of Tanzania

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Kortenaerkade 12, 2518AX
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Organized jointly by:

With funding assistance from:
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February, 2016

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Expanding the Corporate Food Regime in Africa through Agricultural Growth Corridors: The Case of Tanzania
(DRAFT)

Mikael Bergius

Introduction

If we want to transform the lives of people in Africa, we need to focus our efforts on raising agricultural productivity, creating markets and making agriculture a business not a development activity – Akin Adesina, Nigerian Minister of Agriculture and Rural Development (Gates Foundation, 2011).

Recent decade’s converging events in food, finance, energy, and climate systems have led to a rediscovery of agriculture’s role in development. In this new context, agricultural development is not only considered a channel for governments and donors to meet the persisting challenges of food insecurity and poverty, but has also increasingly become a profit opportunity for transnational agribusiness capital (FAO, 2012). In this conjuncture, a wide variety of interlinked initiatives, such as G8’s New Alliance for Food Security and Nutrition (New Alliance) and the New Vision for Agriculture of the World Economic Forum, have been formed in a bid to further expand a corporate food regime in the global food- and agricultural system. Permeated by a discourse of agricultural modernization, this expansion is considered the only way to feed a growing world population amidst climatic threats.

Agricultural Growth Corridors (AGC) have emerged as one of the key initiatives through which the corporate food regime seeks to expand its reach in the African context (Byers & Rampa, 2013; Kaarhus, 2011; McKeon, 2014; Paul & Steinbrecher, 2013). Conceptualized as the concentration of agricultural industries and other relevant institutions – representing the entire value-chain – along a defined geography, such corridors are by promoters thought to bring significant triple-win potential through poverty and food insecurity reduction, environmental protection, and corporate profits (Paul & Steinbrecher, 2013). Through the lens of the corporate food regime, this paper will analyze the introduction of an AGC in Tanzania: The Southern Agricultural Growth Corridor (SAGCOT). The SAGCOT initiative – a public-private partnership between the Tanzanian government, agribusiness corporations, development partners and nongovernmental organizations - builds on the idea that the potential for a triple-win can be realized by making agriculture a business rather than development activity by linking smallholders to global agribusinesses especially through “nucleus farm and outgrower arrangements” (SAGCOT, 2011). By 2030, the stated aims of SAGCOT is to bring 350,000 hectares of land under commercial production, transition 10,000 smallholders to commercial farmers, generate 420,000 new jobs, build and rehabilitate agriculture supporting infrastructure such as roads, railways, dams and irrigation systems, generate USD $1.2 billion in annual farming revenue and lift two million people out of poverty (SAGCOT, 2011). The initiative has been endorsed as a ‘showcase for public-private partnership in agricultural growth’ by the New Alliance, under which close to 30 SAGCOT partners have pledged around USD $1 billion of investments in Tanzania (New Alliance, 2012, p. 1)

In parallel with external developments, the role of the private sector and agribusiness is increasingly emphasized in Tanzanian agricultural development policy (Cooksey, 2012). From Julius Nyerere’s socialist vision of “Ujamaa” in 1960s and 1970s, investment promotion has become the buzzword defining policy in the last couple of decades (Sundet, 2006) . In 2009 the government committed to boost public and private investments to commercialize and modernize the agricultural sector through the Kilimo Kwanza (agriculture first) strategy. Along with the Big Results Now framework, a strategy

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1 A recent newspaper article states that the number of jobs generated by SAGCOT will reach 500,000 (Mohamed, 2015).
designed to transition Tanzania from a low- to middle-income country, and the National Strategy for Growth and Reduction of Poverty (MKUKUTA), Kilimo Kwanza underscores the priority given to the private sector in development. Its overarching aim is to achieve a “Green Revolution” by fostering inclusive, commercially successful agribusinesses (SAGCOT, 2011; TNBC, 2009a, 2009b). The SAGCOT initiative is the first major program set to put Kilimo Kwanza in motion. As one of its promoters put it:

The agricultural potential of the southern corridor is enormous, but remains largely dormant or highly underexploited. With a rapidly growing population in the Eastern and Central African region and global food shortages, serious market opportunities for agricultural produce abound. It is time for the Agricultural Sleeping Giant to awake. SAGCOT can play an important role in making that happen, and thereby contribute in achieving the objectives of Kilimo Kwanza (SAGCOT, 2011, p. 12).

In addition to review of relevant literature, this paper builds on empirical research carried out in Tanzania between August and December in 2013, and a shorter fieldwork period in November 2014 (see footnote for more details). Against this background, I argue that while smallholder farmers are held forward as the main beneficiaries of SAGCOT, the initiative has from the onset been driven from the top formed through the visions and needs of global agribusiness corporations. Hence, SAGCOT risks facilitating a subsumption of Tanzanian agriculture to global capital and may signify a “control grab” whereby smallholders risks surrendering their autonomy and rights to land and other vital resources. In laying out this argument, I will proceed by first outlining the corporate food regime concept, before examining how the initiative came into being and its overall set-up. Next, critical attention is turned towards the ‘nucleus farm and outgrower arrangement’ focusing predominantly on the issue of land.

1. Through the Corporate Food Regime Lens

Building on world system theory, the “food regime” concept emerged in the late 1980s as an analytical framework to situate the rise and decline of national agricultures within different phases of capitalist history. It deals not just with food per se, but with the wider politics of food (and agricultural) relations from field to plate (McMichael, 2013a). McMichael defines food regimes as ‘the political structuring of world capitalism, and its organization of agricultures to provision labour and/or consumers in such a way as to reduce wage costs and enhance commercial profits (McMichael, 2013a, p. 8).

The 1989 seminal paper by Friedman and McMichael – ‘Agriculture and the State System. The rise and decline of national agricultures, 1870 to the present’ is considered the ‘foundational statement of food regime analysis’ (Bernstein, 2015, p. 1). In it, they identified two food regimes, both corresponding to time specific political and economic structures, and separated crises in capitalism. The first colonial-diasporic food regime (1870-1930s) emerged under the auspices of British hegemony. It combined two sets of food flows, both of which provisioning an evolving European industry: cheap tropical products such as raw materials (i.e. cotton, timber, rubber) and commodities for direct consumption (i.e. coffee, tea, cocoa), and temperate foods (meat and grains) produced by migrant populations (diaspora) in the settler colonies (Fairbairn, 2010; Friedman & McMichael, 1989). The flow of agricultural products from the colonial territories marked an emerging pattern of a global

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2 The first round of fieldwork for this paper was undertaken during my time as master student at the Norwegian University of Life Sciences. In total, I conducted 67 interviews from a sample size of 116 respondents. Some of these were group interviews (of village governments) while respondents considered as key informants were interviewed on multiple occasions. From 116 respondents, 53 respondents came from rural households, 41 respondents are representatives of government authorities at the village level, while the remaining 22 were respondents from CSOs, private companies and organizations and government institutions. The second round of fieldwork, in 2014, I undertook in collaboration with the Oakland Institute as part of an investigation into one of SAGCOT’s showcase projects, Kilombero Plantations Ltd (see below in this article). The resulting report (Oakland Institute, 2015) was launched in collaboration with Greenpeace Africa and Global Justice now, and is based on interviews with more than 40 respondents living in villages surrounding the plantation. The report can be found here: [http://www.oaklandinstitute.org/irresponsible-investment](http://www.oaklandinstitute.org/irresponsible-investment).
division of labor whereby tropical agricultural production and exports became the defining feature of the Global South (Friedman & McMichael, 1989; McMichael & Raynolds, 1994).

The second mercantile-industrial food regime (1950-1970s) emerged in the wake of the Great Depression of the 1930s and World War II, in a context of government-organized capitalism, cold-war and decolonization (Fairbairn, 2010; Friedman & McMichael, 1989). The regime was typified by a reversal of world agricultural trade flows, via the mechanism of food aid, stemming from government-subsidized overproduction in the Global North (McMichael & Raynolds, 1994). The rationales underpinning this mechanism were on the one hand to secure ‘loyalty against communism’, and on the other to establish new markets in the Global South (McMichael, 2009, p. 141). The regime was further characterized by the international expansion of agribusiness value chains through the “Green Revolution”. This included the ‘injection of high-yielding varieties of a few cereals (wheat, maize, rice) coupled with the heavy use of subsidized fertilizers, pesticides, irrigation and machinery into the agricultural economies of the Global South’ (Holt Giménez & Shattuck, 2011, p. 110).

A third one - the corporate food regime (1980s – present) - succeeded these two regimes at the back of the economic and oil crises of the 1970s and the neoliberal turn in global politics (McMichael, 2009). The corporate food regime extends the global divisions of labor within each of the former regimes added by an intensified conversion of large areas of land in the Global South to produce industrial inputs (e.g. animal feeds and agrofuels) (McMichael, 2013a). Its expansion is defined by market hegemony imposing a set of rules institutionalizing – via the World Trade Organization (WTO) - corporate power in the food system on transnational, national and local levels, from field to plate (McMichael, 2009). This has contributed to shift control over global food and agriculture from smallholder based production towards global capital – via the economy of dispossession (e.g. land grabs, GMO’s) (Harvey, 2014). This is legitimized by a modernization discourse that depicts the agricultural practices and livelihood strategies of smallholders as constraints that need to be overcome in the name of “efficiency”, “development” and “food security” (McKeon, 2015). The regime is further characterized by a deepening of large-scale and industrial forms of agricultural production that has led to an encroachment on nature at odds with ecological processes (McMichael, 2009).

Deriving from Polanyi’s double movement thesis, Holt Giménez and Shattuck (2011) hold that the corporate food regime contains a “Reformist” trend that seeks to ‘mitigate the social and environmental externalities of the corporate food regime’, but which main mission, nonetheless, is to reproduce it (p. 115). This is a form of neoliberalism with a “human face” in the corporate food regime that includes for example various principles and guidelines for responsible agro-investments, industry self-regulation initiatives and corporate social responsibility (Holt Giménez & Shattuck, 2011).

An important component in the “responsible” expansion of the corporate food regime is the so-called “value-chain project” (McMichael, 2013b). This project represents a ‘corporate vision recycled by development institutions eager to recover and reproduce their legitimacy in overseeing world food security’ (p. 672). Furthermore, it ‘proclaims a practical solution to food ‘deficits’ via an implicit normative reference to ‘valuing’ producers hitherto marginal to world markets’ (p. 672). In other words, through the “value-chain project”, there might still be room for some smallholders –or “advanced farmers” in Syngenta’s terminology (Zhou, 2010) – who can and are able to link up with global capital through input/output markets and/or various forms of contract farming (e.g. nucleus estate-outgrower arrangements). While allowing (some) smallholders to stay on their land and hence ward off the “land grab” critique, the “value-chain project” implies a “control “grab” in which de-facto control over land and farming inputs – via debt – is rooted with agribusiness capital (McMichael, 2013b; White, Borras Jr, Hall, Scoones, & Wolford, 2012).

2. How SAGCOT came into being

An Agricultural Growth Corridor is born...

The Norwegian fertilizer giant Yara first presented the Agricultural Growth Corridor (AGC) concept at the United Nations Private Sector Forum in New York in 2008, joined by representatives of the
Food and Agriculture Organization (FAO), the International Finance Corporation of the World Bank, the Alliance for a Green Revolution in Africa (AGRA) and others (Jenkins, 2012). According to Yara, AGCs represent an innovative way to finance regional development, lift people out of poverty, and enhance food production and economic growth by developing “underutilized” land areas (Yara, n.d.). In the following year, a meeting that, in addition to Yara, included the Tanzanian prime minister’s office, the Tanzania Investment Center (TIC), the African Development Bank, the World Bank, the Norwegian Embassy and Norfund, was convened to discuss ways to implement the AGC idea in Tanzania. With high-level support from the previous Tanzanian President, Kikwete, subsequent steps were taken to develop a concept note for the official launch of SAGCOT at the World Economic Forum on Africa in Dar es Salaam in 2010 (Jenkins, 2012). The concept note was well received among participants.

Subsequently, a SAGCOT Executive Committee -made up of the Tanzanian Government, Tanzanian based interest groups of industry and agriculture, multinational agribusinesses and donors - was established to further mobilize interest around the idea and to engage stakeholders at national and international levels. The initial focus of the committee in this regard was to design a detailed action plan known as the SAGCOT investment blueprint. With funding from a wide array of sources, including several multinational agribusinesses, the Tanzanian government, international donors and AGRA, and under the leadership of UK based companies Prorustica and AgDevCo, the investment blueprint was developed and completed in time for Kikwete to present at the annual World Economic Forum in Davos in 2011 (Jenkins, 2012; SAGCOT, 2011).

The investment blueprint outlines the AGC concept in Tanzania in depth. With a reference to the Brazilian Cerrado region – considered an ideal showcase for commercial agriculture towards which SAGCOT promoters aspire - the blueprint states that SAGCOT will be developed along a set of priority areas termed clusters to fast track a green revolution in the country (see figure 1) (SAGCOT, 2011). The clusters are defined as geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated agro-institutions that gain advantages through co-location (Gálvez-Nogales, 2010; SAGCOT, 2011). So far, six clusters – comprising about one-third of mainland Tanzania - have been identified, considered as highly suitable for commercial agriculture and able to release the untapped potential contained in the “dormant” lands of Tanzania (SAGCOT, 2011). According to an appendix to the investment blueprint, the clusters will be developed based

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3 AGRA was founded in 2006 through a partnership between the Rockefeller Foundation and the Bill & Melinda Gates Foundation. According to its website AGRA advocates for policies that support its work across all key aspects of the African agricultural "value chain" - from seeds, soil health, and water to markets and agricultural education. Critics argue that the ‘shadow of Monsanto, DuPont, Syngenta and other seed and agrichemical multinationals, and equity funds lie just behind the scenes of AGRA’s show. Building new markets and market infrastructure for commercial seed in Africa opens the door for future occupation by multinationals... AGRA and other capitalist interests have identified a profitable (‘bankable’) investment opportunity in smallholder agriculture in Africa, linked to Green Revolution technologies. They are now acting on that” (African Center for Biosafety in McKeon, 2014).

4 The Tanzania Investment Act No.26 of 1997 established the Tanzania Investment Center (TIC) whose purpose is to be a one-stop centre for investors and to co-ordinate, encourage, promote and facilitate investments in Tanzania.

5 Prorustica is an international consultancy boasting public-private partnerships as the solution to agricultural development in Africa (Prorustica, n.d), AgDevCo describes itself as a not-for-profit agricultural investor committed towards identifying, developing and arranging early-stage financing for sustainable agricultural and agri-processing business opportunities in Africa (AgDevCo, n.d). Among others, AgDevCo is funded by the Rockefeller Foundation, USAID, AGRA and UK’s Department for International Development.

6 In addition, a SAGCOT Center has been established, whose role it is to function as an “honest non-partisan broker” to support the SAGCOT partners to achieve the objectives in the Corridor. Its Chief Executive Officer, Geoffrey Kirenga, described its role in the following way: ‘We facilitate discussions between the government and the private sector to look into issues such as to effect policy changes, we talk to the private sector, we talk to the farmers and they identify key areas where changes are needed and we facilitate dialogue on how to solve issues’ (Kuyama, 2015). The SAGCOT Centre is registered as a private company and is funded by the Government of the United Republic of Tanzania, development partners and partnership fees paid by its partners (SAGCOT, n.d).
primarily on the commercial opportunities that exists in each area. This does not mean, it continues, ‘that other interests such as rural poverty reduction and food security are excluded, but the primary objective of the choices will be commercial’ (SAGCOT, n.d.-a, p. 3). A key component is the generalization of nucleus farms and outgrower schemes, allowing the latter access to international value-chains, at both sides of production, which in turn will increase their productivity and income. This component of SAGCOT will be assessed more below, but first I will discuss the (lack of) involvement in setting up the initiative of those that SAGCOT officials portray as the ‘most important partners’: Tanzanian smallholders.7

...through the vision of agribusiness corporations

At the backdrop of recent years heightened attention towards land grabbing, SAGCOT promoters are quite explicit about the potential risks involved. They are keen to make aware – at least at the rhetorical level - that SAGCOT represents “business as unusual” highlighting the need for inclusive investments that marry people, planet and profits (Wa Simbeye, 2011). In fact, to invest under SAGCOT, investors need to demonstrate a commitment to include smallholders and their interests into their operations (SAGCOT, n.d.-b). However, what the interests of smallholders are, or if their interests are consonant with the interests of those promoting and/or implementing SAGCOT, are not clear or sought after.

The SAGCOT program currently has 53 partners, most of which represent the private sector (SAGCOT, 2014). Only four of these represents Tanzanian farmer associations, three of which are private sector apex organizations with strong agribusiness oriented focus and links. Meanwhile, the largest network of smallholder farmers in Tanzania – Mtandao wa Vikundi vya Wakulima Tanzania (MVIWATA) – has not at any stage participated in deliberations concerning SAGCOT. As one of their representatives stated:

To be honest, no one here [at MVIWATA) know what SAGCOT is about, because we have not been included in the process of formulating the initiative. Maybe that is also the purpose,

7 Interview 28.08.13 with Tulalumba Mlogo, Executive Assistant at the SAGCOT Centre Ltd.
to leave us out of it. The process of establishing SAGCOT has not at any point been involving small-farmers, and that is strange, when they say that small-farmers are the target of the whole initiative. That makes you believe that maybe the small-farmers not really are the main target for SAGCOT, [instead] it is meant for some elites and some big companies. This whole thing is planned at the higher level, and then it is brought down to the people.8

The few Tanzanian organizations that were selected as partners were taken on board because they were considered legitimate by the government. One respondent, representing one of the governmental partners in SAGCOT, claimed that while SAGCOT seeks engagement with civil society they only include those considered as “constructive” or “pragmatic”, and not “activist”, civil society organizations.9 In translation, this means that civil society participation hinges on whether or not they align with the agricultural commercialization project SAGCOT envisions. This suggests that MVIWATA – being a member of the transnational Via Campesina network that strongly opposes the worldwide expansion of the corporate food regime – has been placed within the “activist” category, hence preventing the views and interests of its more than 100 000 smallholder members across Tanzania to be heard. Indeed, smallholders have been completely underrepresented in the SAGCOT “partnership”, proclaimed to be a “coalition of the willing” (Ramberg, 2013, p. 44). “Willing” smallholders are encouraged to guide the development and implementation of SAGCOT, but only if they conform to strategies already decided at higher levels. For the “pragmatic” sections of civil society this includes complementing agribusiness activities for example in the organization of outgrower schemes (Jenkins, 2012).

Since the inception of SAGCOT at the United Nation Private Sector Forum in 2008, these strategies have been driven from the top and formed through the vision of global agribusiness corporations. The SAGCOT model, Yara’s strategy manager admits, reflects corporations wish to ensure control throughout their value-chain (Ramberg, 2013). For a company like Yara, now considered to supply around 40 percent of the fertilizer in Tanzania and may soon assert a monopoly position (Benson, Kirama, & Selejio, 2012), the weak purchasing power of smallholder farmers as compared to larger commercial farmers are one of the main bottlenecks constraining its further growth (Cartridge, 2007). Indeed, projects such as SAGCOT will ease this constraint.10 Commercial farmers are considered not only as more efficient producers, but also as better customers to the agribusinesses involved in the supply of seeds, fertilizers and chemicals (McKeon, 2015). In addition to the leading role taken by Yara, some of the most prominent SAGCOT partners include Syngenta, Unilever, Monsanto, Dupont, Bayer Crop Science and Nestlé (SAGCOT, 2014). For these actors, Africa represents the “final frontier” of accumulation containing land, resources, labor and markets of untapped potential. Under the flag of ending poverty and hunger these leading actors in the corporate food regime – with strong backing of the state, international donors, philanthropy and other organizations - seeks to enhance their collective control over African agriculture. Byers and Rampa (2013) hence warn that SAGCOT may become a “corridor of power” in which benefits are monopolized upwards in the value-chain towards global agribusiness capital. Meanwhile, Tanzanian smallholders’ risks relinquishing their control over land and resources. I will further elaborate on these issues in the next section.

3. Creating Space for the Nucleus Estates

‘This is just like during colonialism: Removing people to less fertile areas, and then tell them to go work at some plantation. It is like bringing the country back to colonial rule’ (Village elder from Namwawala village, Kilombero cluster).11

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8 Interview 06.12.13 with Laurent Kaburire, Head of Programes at MVIWATA.
9 Interview 12.12.13 with representative of governmental partner.
10 In late 2015, Yara completed the construction of a USD $25 million fertilizer terminal – one of the first major on-the ground infrastructural investment under SAGCOT – in Dar es Salaam. According to the chief executive officer, the new terminal positions Dar es Salaam a regional fertilizer distribution hub (SAGCOT, 2015).
11 Interview 23.11.13 with villager in Namwawala village
The SAGCOT program is implemented against the background of a long-standing agricultural modernization discourse still informing African development policies. This discourse depicts smallholder agriculture as inefficient, not contributing to development, a cause of environmental degradation, and in desperate need of revival or transformation (Scoones, Smalley, Hall, & Tsikata, 2014). Only by mobilizing what is considered “underutilized” land, that is, “moving” land to more efficient and often larger, producers, and combine these with the advanced knowledge and technologies of well-funded agribusiness corporations can SAGCOT’s triple-win dream of poverty and food insecurity reduction, environmental protection and corporate profits materialize. Indeed, SAGCOT promotional material is permeated by the language of modernization and help to legitimize the expanding role of multinational agribusiness corporations in Tanzanian agriculture. As former president, Kikwete wrote in the foreword of the SAGCOT investment blueprint:

Tanzania has immense opportunities for agricultural development. There are 44 million hectares of arable land, only 24 percent of which is being utilized…Tanzania’s agriculture is predominantly smallholder, characterized with very low productivity due to very limited use of modern technology and techniques of production. As a result, therefore, the country’s huge agricultural potential remains unutilized (SAGCOT, 2011, p. 4)

Lack of modern knowledge and technology and abundance of land is the key message. In other words, the means required to progress towards an agricultural “take-off” – industrialized agriculture linked to global input/output markets – need to be sourced from outside the country. From this perspective, the answer to development lies not within Tanzania itself (except its fertile land areas), but with global capital. Those smallholders still envisioned a role in this process, and who can afford it, are expected to integrate in global value-chains for example through outgrower schemes linked to large nucleus estates.

The estate component of the nucleus-outgrower arrangement is of the more contentious aspects of the SAGCOT initiative. While politically more palatable than the more “land grab” connoted concept of “plantation”, nucleus-outgrower models are just as threatening to land and resource access, as they often involve large land acquisitions (Smalley, 2013). Several new such estates are planned as part of SAGCOT. In addition to these, some estates that pre-date SAGCOT’s launch, but which are located within its geographical scope have been incorporated as SAGCOT partners (e.g. Eco Energy and Kilombero Plantations Ltd (see below). As of late 2015, no “SAGCOT additional” land investments are known of thus far. However, the government is active trying to facilitate for such investments to be made.

Locating Investment Land through Village Land Use Planning

Facilitating access to vast areas of land suitable to commercial agriculture is one of the key prerequisites for the successful implementation of SAGCOT. It is held in the investment blueprint that the southern corridor area contains 7.5 million hectares of arable land, 350,000 hectares of which the SAGCOT project envision to bring under commercial production (SAGCOT, 2011). It is assumed that this land is readily available: ‘There will be no problems with land’ for SAGCOT, government officials repeatedly stated during interviews. An internal USAID assessment also quotes high-level SAGCOT officials claiming that there are ‘hundreds of thousands of “unused and unoccupied” hectares of land’ in the area (Boudreaux, 2012, p. 2). These are problematic and simplified assumptions. Often referred to as Tanzania’s food basket due to its high fertility, it is no doubt the SAGCOT area comprises large areas of arable land suitable to commercialization. However, the extent to which this land is actually available to investors, or how it will be made so, and from whom, remain mute questions.

In fact, very limited amounts of land is actually legally available for foreign investors (Boudreaux, 2012; Tenga & Kironde, 2012). This is rooted in the Tanzanian land legislation, which regulates three main categories of land: Village Land, Reserve Land and General Land. Village Land is located within

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12 Interview 10.09.13 with General Director of RUBADA.
13 See http://www.ecoenergy.co.tz/home/ and Van Eeden (2014)
14 Interview 10.09.13 with General Director of RUBADA.
the demarcated or agreed boundaries of Tanzania’s villages, and comprises about 70 percent of the total land area in the country. It is administered by the village councils through the authority of the village assembly, and on behalf of the president. About 28 percent is Reserve Land, and includes national parks, game reserves, forest reserves and other protected areas. The remaining area, General Land, is administered by the central government and includes predominantly urban areas, government controlled estates and other areas the government controls for particular purposes (Sundet, 2005; Tenga & Kironde, 2012). Except from some urban areas and old government estates, the vast majority of land within the SAGCOT area is Village Land (SAGCOT, 2012b; URT, 2013b).\(^{15}\) The land legislation establishes that foreign investors cannot lease Village Land directly. This land must first change legal status to General Land after which the investor contracts directly with the government (Sulle & Nelson, 2009).

To overcome this legal constraint and facilitate for investments under SAGCOT the Tanzanian government endeavors to identify and acquire “unused” or “underutilized” Village Land and increase the amount of General Land to about 20 percent (Boudreaux, 2012; German, Schoneveld, & Mwangi, 2011; New Alliance, 2012).\(^{16}\) As part of its Cooperation Framework to support the New Alliance for Food Security and Nutrition – of which SAGCOT is a showcase project – the Tanzanian government has committed to demarcate all village land and complete Village Land Use Plans (VLUP) in 40% of the villages within the SAGCOT area by June 2016 (New Alliance, 2012).\(^{17}\) Indeed, as De Schutter (2015) recently noted, development of VLUP’s ‘is a precondition for large commercial estates to be established, since only once tenure rights are fully clarified shall the investor be assured that its title is secure’ (p. 24).\(^{18}\) This is underscored by a presentation by the Minister for Lands, Housing and Human Settlements from 2012 that boasts a – likely exaggerated – figure of 900 000 hectares (from 391 villages) to have been identified for investments as a result of the VLUP process at that time (SAGCOT, 2012b). The bias in these processes towards identifying land for investments is further exemplified by the fact that VLUP development seem to concentrate on low lying areas amenable to large-scale mechanized farming (Tomitho & Myer, 2012). Agro-investors are naturally seeking access to fertile and higher-value land areas for productivity and profit reasons. It is not only the piece of land and the property per se that is of value here, but a unique spatial location, in proximity to water resources and logistics infrastructure. Those areas are, however, in high demand also from Tanzanian smallholders, and rarely unoccupied (Cooksey, 2013). This ultimately pits local smallholders against state/donor supported global and national agribusiness capital in a competition over land and resources within the corridor. With the considerable financial and institutional backing of the latter, smallholders often hold the weakest hand. As this respondent, currently living in one of the villages targeted for investment under SAGCOT, reflected:

> Previously I lived in Mbeya [South-Western Tanzania]…but was forced to move because a large part of my land was taken for investment in rice production. Then I went to Msolwva [Kilombero District] to start a new life. But when the sugar factory there needed more land, the same thing happened one more time [and I] moved here….Now I might lose my land once again, where can I go?\(^{19}\)

The land-use planning within SAGCOT clusters seem to be distorted by the goals of the state and SAGCOT partners to open up fertile space for a corporate expansion in Tanzanian agriculture, while putting smallholders under strong pressure to surrender rights to land (Boudreaux, 2012). For

\(^{15}\) According to one presentation approximately 60% of the land in the SAGCOT area is village land, 2% is general land, the rest conservation and water areas (reserved land) (SAGCOT, 2012b).

\(^{16}\) Moreover, a definitional ambiguity in the legislation further jeopardize local land rights as General Land can also be defined as “unoccupied” or “unused” Village Land. This makes it possible to locate General Land anywhere as long as that land is not used or occupied, hence opening up for arbitrary interpretations (Sundet, 2005; Tenga & Kironde, 2012).

\(^{17}\) In principle, VLUP’s aims to identify different categories of land (i.e. communal, settlement/agricultural, reserved) within the village boundaries (Tenga & Kironde, 2012).

\(^{18}\) According to promotional material, such land would be allocated to investors at a very low price – USD $1 per hectare per year (Chiza, 2012).

\(^{19}\) Interview 22.11.13 with villager in Namwawala village.
example, the director of the Rufiji Basin Development Authority (Rubada) - a government institution that, together with the National Land Use Planning Commission and local authorities, is mandated to undertake VLUP’s within the SAGCOT area (UNDP, 2013) - stated that its primary objective with land-use planning was to identify suitable land for investments. In line with this, village leaders in one proposed investment area asserted that they had been instructed by Rubada and district authorities to set aside village land, next to the river in the area, for investment purposes. By way of consent creation, they claimed, “government people” presented a range of promises – essentially selling a “business idea” – including employment, infrastructure and new market opportunities - on behalf of a potential investor. They were also informed that if they set aside more land than their neighboring villages, they would receive more benefits from the investment.

Clearly, under such circumstances there is very limited space for informed decisions to be made. Villagers’ also claimed that, in practice, they have no power at all to influence decisions about whether some of their village land should be allocated for investment. When the issue about investment reaches them, they said, ‘the decision to set aside land has already been made by the central and local government authorities, and there is not much we could do about it’. Note that Tanzanian land legislation empowers the president to transfer any area of Village Land to General Land in the name of ‘investments of national interests’ (URT, 1999). As Boudreaux (2012) states, SAGCOT fits well within the definition of ‘investments of national interests’. The additional demand for land resulting from the SAGCOT initiative, combined with a general interest to speed up what has been a relatively slow VLUP process across the country (Tenga & Kironde, 2012), has created a situation that does not allow time for a transparent and participatory land-use planning approach as required by Tanzanian legislation. As a Rubada representative stated in an interview: ‘We are trying to do as many villages as possible in one day’. Similarly, an investigation by Tomitho and Myer (2012) shows that land-use planning undertaken within the SAGCOT region appear to be fast-tracked not allowing enough time for villagers’ informed participation.

Investment “Ready” Land

Once the VLUP process has completed, the plans are – in theory – made available to the national investment promotion agency, Tanzania Investment Center (TIC). However, in practice, being the government agency with the with the best overview over land within the southern corridor, prospective investors often come directly to Rubada (Tenga & Kironde, 2012; UNDP, 2013). Hence, the Permanent Secretary for the Ministry of Agriculture is quoted to have told an Agricultural Consultative Meeting in Dar es Salaam, that Rubada ‘will effectively become the Land Bank of the Corridor’ for investors (Tenga & Kironde, 2012). However, as Herzler (2014) points out, the land Rubada/SAGCOT advertise as “ready” for investors often continues to be occupied by and subject to claims by smallholders.

One of these “ready” areas – the Ruipa site in the Kilombero cluster (9,300 hectares) – was promoted to potential investors during a SAGCOT promotion event in Dar es Salaam in November, 2012 (SAGCOT, 2012a). According to the presentation, the government was in the final stages of ‘site preparation in order to promote and lease it to qualified investors’ (p. 30). While highlighting the labor and outgrower potential in the surrounding villages, the presentation makes no mentioning of the long-
standing contestations that exist over the land between the government and the many smallholders living and farming in the area. Of this, local villagers are aware:

…When they promote this investment, they are saying that no people are living in the area, and that the area is open, which is not true…If this is established in the village it will ruin the lives of the people here and for the future generations. We will have nowhere to go, no place to cultivate for food and incomes, and no place for our children to cultivate in the future. So if they establish this investment, where will we go?29

Local resistance to the Tanzanian government’s previous attempts to allocate the land in Ruipa to investors for sugar cane production has been met with force, arrests and a general arbitrary use of power (Chachage, 2010; Haki Ardhi & LHRC, 2009). According to a human rights lawyer from a local NGO, the district government in Kilombero (where Ruipa is located) were seemingly uncomfortable with having their authority challenged by people they conceived of as “troublemakers” to the nations’ interests. He further claimed that with orders from above, getting this project going was so important for the district government, they believed that ‘if they lock up some of the most vocal opponents, the land conflict would be much easier to handle, because public…get scared and abstain from voicing their opposition.30 Amidst growing resistance in the village, the government began to valuate crops and properties for the purpose of compensation.31 The valuation exercise further illustrates the extent of the conflict and the pressure smallholders living and farming in the area are under. As one of them stated:

The people who came here to take pictures and valuate our farms even brought with them police with firearms. There have been a lot of conflicts in this district so when some of the people saw the firearms they were scared and agreed to have their farms valuated. They did not explain to us anything except that they want to bring an investor to the area to produce sugar cane. I denied them to valuate my farm. I was afraid that if I let them do it they would use it as a proof that I agreed to give my farm away. They can give me millions [of TZ shillings], and I will still lose in the end.32

Rather than being investment ‘ready’, the story about Ruipa is one about intense conflict and coercion that carries on today.33 It illustrates the problematic assumption about land availability – e.g. ‘hundreds of thousands of “unused and unoccupied” hectares of land’ (Boudreaux, 2012, p. 2) - underpinning the SAGCOT initiative as a whole. Moreover, another issue in this discussion concerns resettlement. The widespread conflicts over land in the southern corridor (Benjaminsen & Bryceson, 2012; Benjaminsen, Maganga, & Abdallah, 2009; Mousseau & Mittal, 2011; Oakland Institute, 2015), the fact that most land is not legally available for investors (see above), and that the high-value land areas targeted by investors are under high demand from smallholders and unlikely to be unused, suggests that SAGCOT implementation will necessitate resettlement on a significant scale.34 As stated in a document originating from one of the SAGCOT partners, resettlement ‘will be an issue for any new farm East Africa’ (Agrica/KPL, n.d.).

The Problem of “Sustainable Resettlement” for SAGCOT

Although the Tanzanian land legislation provides some safeguards with regard to compensation (albeit considered largely inadequate), there is currently no policies and procedures in place to govern resettlement processes specifically (URT, 2013a). As one government valuator stated, ‘…in most

29 Interview 22.11.13 with villager in Namwawala village.
30 Interview 11.12.13 with Reginald Martins, Advocate at LHRC.
31 Tanzanian legislation demands payment of full, fair, and prompt compensation to any person whose right of occupancy, recognized long-standing occupation, or customary use of land is revoked. The compensation must be based on a valuation process (Sundet, 2005).
32 Interview 22.11.13 with villager in Namwawala village.
33 With the legal assistance of a local NGO, smallholders from the surrounding villages have taken the issue to the land division of the Tanzanian High Court. The case is still ongoing.
cases it is up to the people themselves to find a new place.\textsuperscript{35} Due to lacking institutional infrastructure, a Tanzanian land expert and co-author of a World Bank commissioned paper on land issues for SAGCOT (see Tenga & Kironde, 2012), claimed that Tanzania is yet to be prepared for initiatives such as SAGCOT, and he asked, even if a functioning institutional infrastructure were in place, where can people be relocated to?\textsuperscript{36}

Partly to fill this gap, the SAGCOT initiative has proposed a resettlement policy framework (RPF). Building on World Bank guidelines for resettlement, this framework aims to responsibly organize land dispossession of smallholders, regardless of their legality of land holding, in ways that minimize negative impacts on them (URT, 2013a). As such, the proposed RPF promises to avoid involuntary resettlement ‘where feasible’, and if it is ‘unavoidable’ it will conceived and executed as sustainable development programs’ (URT, 2013a, p. 23). Indeed, framing it as a sustainable development program makes forced displacement appear as an opportunity for progress for populations who are dispossessed of their land and resources.\textsuperscript{37} Moreover, the guidelines also assumes that land acquisitions for large-scale agriculture is the primary vehicle to achieve agricultural development. Hence, eviction may be an unavoidable but necessary cost for development.

This was the reality for smallholders living and farming the land where one of SAGCOT’s showcase projects is now located. The establishment of the large-scale rice nucleus estate of Kilombero Plantations Ltd (KPL) actually predates the launch of SAGCOT, but the resettlement process it caused is indicative of potential outcomes as (or if) the SAGCOT initiative is implemented. KPL’s project specific resettlement plan (KPL, 2010), informed by World Bank guidelines and in line with SAGCOT’s later proposed RPF, sought to

\ldots provide an agreed plan for the resettlement of persons who will be affected by the project implementation. Moreover, the plan will provide a road map for resolving displacement, resettlement, and compensation issues related with the project implementation by ensuring that livelihoods of the Project Affected Persons (PAPs) are improved or restored to pre-displacement levels prevailing prior to the beginning of project implementation (p.39).

KPL has been commended for the way it has handled resettlement. A report by the Bill and Melinda Gates Foundation (2012), for example, claims that the resettlement process has improved the lives of those that were dispossessed, while arguing that KPL’s key strength is the good relationship the company has built with the surrounding communities. However, interviews with smallholders in the area suggests a strong deviation between this harmonic framing of the displacement, and that of the dispossessed themselves (Oakland Institute, 2015).\textsuperscript{38}

According to KPL’s resettlement plan, about 230 households and more than 1200 people have been dispossessed of farming land and/or houses to facilitate for the project (KPL, 2010). The compensation offered appears to have been largely underestimated, failing to safeguard the interests of local villagers, and live up to the promise of improving, or at least restoring, livelihoods of those affected. For example, respondents complained that the whole process was uninformed and that monetary compensation payments were too low, not reflecting the true costs of what they had lost. New farming land and/or houses that were promised as part of the resettlement plan did not, allegedly, materialize for all of the affected. Villagers also reported that compensation houses were built in an area that usually floods during the rainy season, leading to water inundation of the new homes.\textsuperscript{39}

Moreover, some of the alternative farming land that were provided, respondents claim, was impossible


\textsuperscript{36} Interview 12.12.13 with Ringo Tenga, Law Associates Advocates.

\textsuperscript{37} As argued also by McMichael (2011).

\textsuperscript{38} A series of interviews of more than 40 respondents were undertaken between 2011 and 2014. I was involved in the last round of fieldwork and interviews in 2014. See more at http://www.oaklandinstitute.org/responsible-investment

\textsuperscript{39} West (2014) reports similar incidences of inundation in her study. See also video footage made by villagers in the resettlement site: http://www.oaklandinstitute.org/mbasa-resettlement-housing-floode-4
to farm due to its location in an area of constant high-water table. In addition, a recent study by Greco (2015) identifies a range of in-direct consequences upon KPL’s arrival, including exacerbating land competition, spiraling land prices, and escalating land disputes in the adjacent villages. From the perspective of the dispossessed smallholders, this hardly resembles resettlement ‘as a sustainable development program.’

4. Value-Chain Integration and Outgrowing: SAGCOT’s Social License

SAGCOT materials put great emphasis on creating synergistic coexistences between large estates and smallholders (SAGCOT, 2011). Integrating the latter in international value-chains, both at the input and output side of production, predominantly through outgower schemes, is according to the SAGCOT investment blueprint a proven model ‘with mutual benefits’ (SAGCOT, 2011, p. 37). Indeed, the outgower component in SAGCOT’s plans is essentially a social license that legitimates agribusiness expansion in Tanzania, and wards off some of the “land grab” critique directed towards the initiative. However, as seen above, the threat of dispossession still looms.

Outgrower schemes are usually mediated by debt relation, which terms are set out in a contract between the nucleus estate and smallholder farmers. While the latter still have access to their land, the de facto control over it is via the debt relation handed over to the nucleus estate, which controls what to produce, how, what to do with the final product, and the price outgrowers receive. It is essentially a monopolistic relation, in which smallholders shoulder a disproportionate part of the risks involved (McKeon, 2015). Former UN Rapporteur on the Right to Food, De Schutter (2011), outlines a number of concerns related to such schemes, which have also been documented in the Tanzanian context (Kamuzora, 2011). Outgower schemes risks incentivizing specialized production as labor is re-prioritized from producing food crops to produce cash crops for distant markets - via the nucleus farm - thus potentially reducing local food security as households becomes more dependent on buying food (De Schutter, 2011; Smalley, 2014). This is a key concern in SAGCOT considering one of its major thrusts is serving regional and international markets (SAGCOT, 2011). As one skeptical smallholder in the aforementioned Ruipa area stated:

‘We can’t feed our children with sugar. We might get some more money if we start producing sugar instead of food, but at the same time, we would also spend more money on food. If sugar was doing so well, why do [sugar outgrowers from Kilombero] come here to grow food?’

Via the outgower relation smallholders risk surrendering their autonomy, not only through the monopolistic relation with the nucleus estate (what they plant, when and how, who buys it and the price they receive), but also through their increased reliance on markets to sustain their food needs. The problem here is not with the concept of contractual arrangements per se, as argued by McKeon (2014), but with the partners in the contracts and their respective interests and power. In addition, Vorley et al., (2012) has found that value-chain linkages work only for the top 2-20% of smallholder farmers, predominantly men.

KPL, discussed above, has including to developing a nucleus estate introduced an outgower model based on the System of Rice Intensification (SRI) as part of its business plan (Agrica, 2011). The outgower component is key to KPL’s marketing strategy as a socially responsible investor, and is among the reasons why it has been embraced as flagship project under SAGCOT and showcased as an agribusiness role model (Agrica/KPL, n.d.; All Africa, 2013; Bill and Melinda Gates Foundation, 2012; Keyworth, 2013). As one media headline put it: ‘Rice Growers in Kilombero Smile All the Way to the Bank’ (All Africa, 2013). However, as with the issue of land and resettlement, the outgower scheme is subject to strong contestation.

40 Interview 18.11.13 with villager in Namwawala village.
41 SRI is based on transplanting single, widely-spaced, very young seedlings, reducing irrigation rates (alternate wet-and-dry practices), frequent weeding with a rotary hoe, and the use of fertilizers. While originally an organic farming method, KPL advances SRI in combination with agro-chemicals to outgrowers (Aune, Udaya, Esser, & Tesfai, 2014).
As part of the scheme, interested smallholders are required to sign a contract with KPL through which they receive production loans (in collaboration with microfinance institutions (MFI)) and commit to producing rice using SRI practices.\footnote{Examples of these contracts are available at the web pages of the Oakland Institute. See \url{http://www.oaklandinstitute.org/agrica-documentation}} As part of the production loan extended to outgrowers, they receive seeds and equipment, as well as inorganic fertilizers supplied by SAGCOT initiator Yara.\footnote{KPL is partnering with Yara and the Swiss seed and agro-chemical company Syngenta in a joint effort to ‘strengthen rice value chains’ in the Kilombero area (Grow Africa, 2014, p. 157).} Former outgrowers in the area allege that the scheme left them in despair. Driven into debts, many struggled to repay their loans, or defaulted, and were forced into distress sales of their belongings (e.g. beds, mattresses, bicycles etc.). A recent study reports that around 800 outgrowers connected to KPL defaulted on their loans in 2014 (Greco, 2015). The same study reports that many of these are now facing legal threats from the company and the MFI’s. Moreover, it also expresses crucial concerns about future loans - likely to be based on mortgages of land titles given current VLUP processes – and the potential for defaults resulting in widespread land dispossession (Greco, 2015), and hence further entrenching rural inequality. Moreover, the monopolistic relation inherent in the outgrower model means the company, while offering little space for experimentation by smallholders, tightly controls the production. It contributes to a shift away from farmer-centered practices to ones mediated by agribusiness interests, as exemplified by KPL’s collaboration with Yara for the supply of inorganic fertilizer. The smallholders ultimately becomes “growers”, providing the labor and some capital, but not making the major management decisions (Hendrickson & Heffernan, 2002). As West (2014) argues, KPL’s SRI program is a ‘package to be adopted, rather than adapted, by smallholder farmers’ (p.150).\footnote{This is not a rebuttal of SRI per se, which has been found to produce great results in many places. It should also be noted that KPL advances an inorganic and simplified form as the only SRI principle applied is sparse planting in a square grid (Aune et al., 2014)} One of the former outgrowers summed up his experience:

> Through the contract, we were forced to accept technologies that we don’t really need to get a good harvest. All decisions about farming were made by KPL. You are to do this and you need to do it this way. Because I was in debt I had to do it the way they demanded. I did not feel free, because you have your own farm and everything, but you are dictated by someone else. Because of this, I have sworn to myself to never do business again with KPL (Oakland Institute, 2015, p. 21)

Paradoxically, SRI trained smallholders have been found to outperform KPL’s nucleus estate in terms of productivity per hectare (Nakano, Tanaka, & Otsuka, 2014).

5. Concluding comments

In this paper, I have shown how an expansion of the corporate food regime unfolds in the context of Tanzania through its public-private Southern Agricultural Growth Corridor initiative (SAGCOT). As a “blueprint” for agricultural growth and development, the coming together of the Tanzanian government, donors, non-governmental organizations and agribusiness corporations in this initiative promises to transform the Tanzanian agricultural sector by making agriculture a business, rather than development activity. Key to this strategy is linking smallholders to the “value-chain” and global agribusinesses through nucleus farm and outgrower arrangements. This, it is thought, will realize the latent potential contained in Tanzania’s “underexploited” land areas and bring significant benefits through poverty and food insecurity reduction, environmental protection, and corporate profits. However, this paper illustrates the risks smallholders face in the process.

While promoting smallholders as key partners and beneficiaries, the SAGCOT initiative has from the onset been controlled within the confines of agribusiness corporations, along with their allies in governments and development institutions. It is formed through the visions and needs of global agribusiness corporations seeking to ensure control throughout their value-chain and get a firm foothold in the ‘last frontier’ of global food and agricultural markets (World Bank, 2013, p. 2).
Participation from smallholder farmers and their organizations have been encouraged, but only if they conform to the type of agribusiness dominated development trajectory SAGCOT advances. In practice, this has meant that those organizations that challenge the legitimacy of a corporate food regime expansion in Tanzania have been excluded (such as Mviwata), while more “moderate” and “pragmatic” voices from civil society are included, providing the SAGCOT initiative a legitimating front.

Against this background, I claim that SAGCOT risks facilitating a subsumption of Tanzanian agriculture to global capital and may signify a “control grab” whereby smallholders risks surrendering their autonomy and rights to land and other vital resources. Despite the sense of euphoria encapsulating the nucleus estate-outgrower model in various SAGCOT materials, its promoters seem to overlook the fact that these models can be just as threatening to land and resource access (Smalley, 2013). Land-use planning processes within the corridor area seem to be primarily geared towards identifying and acquiring land for investments. The interviews conducted for this paper suggest that these processes are uninformed and coercive, and ultimately pits smallholders against state/donor supported global and national agribusiness capital in a competition over land and resources. Attempts to guide such processes “responsibly” – framing forced displacement as “sustainable development programs” – has in the case adopted for this paper (KPL) been largely unsuccessful, leaving dispossessed smallholders in difficult conditions. The outgrower component of the model – intended to incorporate smallholders in global value-chains – is inherently risky. Not in terms of the concept of contractual arrangements per se, but with the asymmetric relations between the partners in the contract (McKeon, 2014). The case of KPL illustrates the difficulties in creating synergistic relations between smallholders and estates, which for the former resulted in overwhelming debts, repayment difficulties, and legal threats.

There are viable alternatives to corporate led agricultural development (IIASTD, 2009). By investing time and resources into establishing smallholder conducive, rather than business conducive, environments, can rural communities be strengthened through increased autonomy, local institutions and secure land rights and entitlements. This would involve strengthening public extension services (specialized in agroecological methods), improving rural infrastructure (e.g. roads, storage facilities) and enhance market linkages for smallholders, and re-strengthening the Tanzanian cooperative movement allowing smallholders economies of scale in processing, marketing and transport.

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An international colloquium
4-5 February 2016, ISS, The Hague

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