

Carving up Africa for Food and Fuel

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The landgrab heats up, and the neocolonialists stake their claims.



Robert Morley

Fifty million acres: gone! It's a plot of land the size of half the farmland in all of Europe. One year ago, this tract belonged to its natives. Now, foreigners hold the deed. The scale of this landgrab is truly astounding. Nothing similar has taken place since Europeans carved up the subcontinent 200 years ago.

Like a Thanksgiving Day turkey-carving gone wrong, Africa's in-laws are helping themselves. During the past year, South Korea grabbed 1.7 million acres in Sudan. Saudi Arabia scooped up 1.2 million acres in Tanzania. China gobbled up 6.9 million acres in the Democratic Republic of Congo and another 5 million acres in Zambia. India plucked up a 99-year lease for over 1 million acres of farmland in Madagascar. Africa is selling the farm.

These are just a few of the published deals, and they might represent just the "tip of the iceberg" in terms of what is actually happening under the table, the United Nations Food and Agricultural Organization says.

"In the context of arable land sales, this is unprecedented," Carl Atkin, a consultant at a Cambridge firm helping to arrange some of the big international land transactions, said last year. "We're used to seeing 100,000-hectare [250,000-acre] sales. This is more than 10 times as much" (emphasis mine throughout).

The recent wave of land sales is equivalent to one tenth of the entire area already under plow in Africa. China's two land deals in the Congo and Zambia alone are roughly equivalent to the total area of Belgium. In fact, China now has greater land holdings in Africa than some African nations.

"[The trend] is accelerating quickly," Olivier De Schutter, special envoy for food at the UN, said earlier this year. "All countries observe each other, and when one sees others buying land, it does the same."

But what is driving the massive landgrab in Africa?

Food, fuel and fear. The world can't live without food and fuel. And when those two are in short supply, you get fear.

Food

From the mid 1940s through the late 1990s, the world's population grew about 3 percent annually. Food production mirrored population growth during this time. During the past decade, this proportional relationship has completely broken down. Population continues to grow, but grain production has essentially flatlined.

Recent advances in agricultural production, fertilizer usage and mechanization have not led to significantly higher global harvests. Consequently, global food stores are shrinking at a time when they are needed more than ever.

Last year, the world received a foretaste of what a food crunch would feel like. In response to poor harvests, food prices shot up to headline-grabbing levels.

Thailand, Vietnam, China, India and even producer countries like Argentina imposed export curbs on rice to protect their own supplies. Russia and Ukraine imposed export bans on wheat. And Japan (a country that imports 60 percent of its daily food consumption) found out that no matter how much money it offered, it couldn't buy what wasn't available. Food riots broke out in over 20 countries around the world, including Haiti, Senegal, Yemen, Egypt and Cameroon. Even in wealthy America, consumers encountered isolated rationing of rice and cooking oil.

The World Bank estimated that the crisis added 100 million to the number of undernourished people worldwide. And 2008 was relatively mild in terms of the actual food shortage.

Food-importing nations were rudely awakened to the fact that international markets cannot be relied upon. During crunch times, the equation becomes every nation for itself, and countries are seeking to insure themselves. China, South Korea and India are taking predicted food shortages very seriously. Three times more international land was purchased or leased during the first seven months of this year than in all of 2008.

The hope is that during the next food crisis, outsourced food production will ensure food security for investing countries. In exchange, Africa's new colonists promise military equipment, infrastructure, schools, hospitals, roads, power plants and technology—the same sorts of things provided during Africa's first colonial period.

Fuel

Fear of oil shortages is also fueling the great African landgrab. China's and India's rapid industrialization have lifted millions of people out of poverty. As a consequence, the world's two most populous nations are now in direct competition for oil supplies with the developed Western world. Who will get these supplies? Those first on the ground.

Like global food production, oil production has flatlined. Since 2005, despite record-high prices and record amounts spent on exploration, the world has not been producing more oil.

According to De Shutter, about 80 percent of the purchased land will be earmarked for food production. However, the other 20 percent is expected to grow biofuel crops. China's newly purchased 6.8 million acres in the Democratic Republic of Congo was acquired with the purpose of creating the world's largest palm-oil plantation.

Oil is what makes the world go round, and Africa's second-generation colonists are after it. Africa is home to some of the most promising unexploited oil fields on the planet. As oil production has peaked in most of the world's large conventional fields, Africa has leaped in strategic value. From war-torn Sudan to western Africa's new power brokers in Guinea, oil props up unsavory regimes and provides access to African terra firma for thirsty industrial economies.

Despite the massive land rush in Africa, one nation is conspicuous by its absence—America.

American investment in Africa is lagging. And now the global economic crisis is taking its toll. Most of America's trade with Africa is with two oil-exporting countries: Nigeria and Angola. Outside of that, American influence is on the wane.

Europe is "light years ahead" of the U.S. in doing business with Africa, says America's ambassador to the African Union, Michael Battle. With all the new Asian competition, America looks set to lose even more ground. Just last week, China pledged another \$10 billion in low-interest loans to African nations—on top of its recent cancellation of some African debt.

Fear

The recolonization of Africa is underway. The choice pieces of meat are already being picked off. Only this time, Britain and America will be left with an empty plate in this global dinner of power politics. It is Asia and Europe that will ultimately carve up the future of the great resource-rich southern continent. Africa today already looks eerily like its past.

For a detailed prediction of how the global struggle for resources will play out in Africa, and why Europe is destined to once again become the dominant power, read the articles "Stoking the Engines of Empires" and "The Battleground." •

Robert Morley's column appears every Tuesday.

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