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# Large Scale Investment Projects and Land Grabs in Zimbabwe: The Case of Nuanetsi Ranch Bio- Diesel Project

By Joseph Mujere and Sylvester Dombo

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*Abstract*

Since 2000 the land reform discourse in Zimbabwe has focussed on land redistribution as well as the new forms of livelihoods, which it allowed the peasants to have. Focus has also been placed on the impact of the land reform on issues like food security and poverty reduction. However, a new trajectory has since emerged which has seen large investment entrepreneurs getting into partnerships with the government to establish large-scale projects, which have led to displacement of peasant farmers. This paper seeks to analyse the new land grabbing drive by focussing on the Nuanetsi Ranch Bio-Diesel project in Mwenezi District and its impact on the peasants who had either been resettled in the ranch or had re-settled themselves. The focus of the paper will be on the controversies this project has generated and the responses of the local peasants to such a large-scale but non-food investment project. Against the backdrop of peasants centred land redistribution, the Nuanetsi Bio-Diesel project represents a new trend, which needs to be critically analysed. The paper also situates the Nuanetsi Bio-Diesel Project within the broader debates on large investment projects in the global south such as bio-diesel and mining's impact on food provision and livelihoods of peasants.

## ***Introduction***

The Fast Track Land Reform Programme (FTLRP) launched in 2000 amid chaotic land occupations by landless peasants and war veterans has seen most white commercial farmers being displaced from the land with around seven million hectares being taken over for small holder farmers (Scoones et al 2010). Prior to the FTLR the majority African farmers were overcrowded in communal areas. Due to land hunger, the peasants began to invade white-owned farms to settle their families and to improve their livelihoods. This saw the majority of white farmers being displaced from the farms. Initially the process was characterised by violence and chaos but later the government began to rationalise the occupations and implemented proper planning (Chaumba et al 2003). It is clear that in spite of the violence and the controversies surrounding the FTLRP, the programme provided a large number of formerly landless people with land and new livelihood portfolios. However, as the dust began to settle on the land occupations and the government sought to rationalise the land reform, a new trajectory has emerged which has seen some private companies getting into land deals with the government to launch large scale agribusinesses such as biofuels projects. This has seen some farmers who had previously been resettled on the land now being displaced to pave way for these projects. This paper interrogates the recent land grabs initiated by large-scale investment projects within the context of Zimbabwe's FTLRP. It explores the extent to which local land users are marginalised in the land deals which the government is entering into with private investors. It argues that local land users have suffered most in the face of large scale investors who use their connections with political elites to acquire land for various agribusinesses. In this paper, emphasis will be placed on the bio-fuels projects in Zimbabwe and how such projects have led to the displacement and marginalisation of small holder farmers. The paper argues that the Nuanetsi ranch biofuel project in Mwenezi District in Masvingo Province and its sister project in Chisumbanje in Manicaland Province, which are both funded by the controversial investor, Billy Rautenbach, encapsulate the new drive by the government to enter into partnerships with private companies investing in agro-businesses in order to get foreign direct investment. In most of the cases where small holders farmers are displaced to make way for these projects they have seen this as a contradiction in the government land reform policy which is focussed on land redistribution. It grapples with this

seeming policy u-turn on the part of the government which has allowed the alienation of land for large scale projects.

The paper will start by briefly discussing the debates around land grabbing in the global south and its impact on small holder farmers. It will then discuss land grabbing in the context of Zimbabwe's FTLRP. It then analyses the Nuanetsi Bio-diesel project and how it has impacted on the small holder farmers who had been resettled on the Ranch. Emphasis is largely put on the discourses from political elites who are in support of the project and those who have criticised the project. It also explores the responses of the small holder farmers affected by the project.

### **Bio-fuel Projects and land grabs**

Recent land grabs in Africa and other countries in the global south have generated a lot of debate especially on the nature of investment projects, their impact on livelihoods and food security of the displaced people. Most of the land grabs are being initiated by large investment companies buying huge tracts of land or acquiring long-term rights over large areas of farmland in Africa for agribusiness initiatives (Cotula 2011:5). It is important to analyse this latest trend in the light of issues such as the displacement of indigenous population and its impact on their livelihoods. These investments have in one way or another impacted on the livelihoods and food security of the small holder farmers and other local people who are involuntarily forced from the land to pave way for such seemingly noble projects (Cotula 2011:30). Yet in most cases it is not the rural populations that benefit from the project, those evicted are seldom compensated and projects seem to take off in spite of resistance from small holders. Often the foreign investors pay off the powerful bureaucrats who quickly approve the projects or arrange for government bodies to get into partnership with the foreign investment companies.

Investments in agricultural projects have caused the displacements of peasant farmers in a number of countries in the global south. During the colonial period, peasants were often moved to pave way for agricultural projects such as sugar cane plantations, irrigation schemes, and dam constructions. Recently, the rise in the demand for bio-fuels has also

witnessed a global push towards the establishment of projects for the productions of these fuels. *Jathropa* and sugar cane have in most cases been the crops of choice. It is estimated that European firms already ‘claim over five million hectares of land for biofuel development across the global south’ (Barros et al 2010: 577). The effect on this drive has largely been the shrinking of the size of land available for food crops and the displacement of peasants whose land is targeted for such bio-fuels projects.

The rapid expansion of cities has also seen the displacement of people occupying land on the fringes of cities to pave away for city expansions. Thus apart from the agricultural projects induced land grabs, farmers have also had to grapple with land seizures caused by infrastructural projects such as town expansion, road construction, hydro-electricity power projects and dam constructions among other projects. In most cases such projects are either state sponsored projects or joint ventures between the state and private foreign investors. The majority foreign investors are mainly from Europe, Middle East, East Asia, Africa, India and the US. In the case of Zimbabwe, investors in land projects have largely been rogue businessmen with close ties with the Zimbabwe African National Union Patriotic Front (ZANU PF) ruling elite and some multi-national companies who get into partnership with government companies or companies owned by some few elites. Alongside this increasing investment in agricultural projects by private companies, usually in partnership with some state enterprises is the displacement of other land users, usually small holder farmers. As Borras et al (2010, 583) note, the politics of land grabs have engendered new interactions between state actors and private companies investing in agri-businesses. It is important to explore the extent to which this new trend impacts on the livelihoods of smallholder farmers who had been resettled during the FTLRP.

The proponents of the bio-fuels complex claim that there are ‘tens of millions of hectares of ‘unused land’ available in many countries of Africa, Asia and Latin America and projected that up to one-fifth of the world’s agricultural land would be planted in agro fuels feedstock by 2050’ (White 2010: 593). This is projected to bring employment to rural farmers and also a source of livelihood for smallholder farmers who can engage in contract farming and other forms of livelihoods (White 2010: 593). However, Richardson (2010: 918) argues that the rural development discourse around such projects usually over-hypes their benefits whilst ignoring the fact that they will be taking resources from other users such as smallholder

farmers and peasants thereby affecting their forms of livelihoods. The increasing demand for land for bio-fuels therefore raises new questions on access to land and security of tenure of smallholder farmers.

The future of smallholder farmers is arguably threatened by governments' appetite for foreign investment in agribusinesses which in turn leads to the eviction or marginalization of small holders. Although most of the lands targeted for biofuel projects are 'state lands' or owned by government departments, in most cases the lands would be providing livelihoods to a number of people in different types of tenures (White 2010:600). Governments usually identify what they call 'idle lands' which they then parcel out to private investors. For example in Zimbabwe one of the argument in support of the Nuanetsi Bio fuels project has been that the area is arid and for a long time there has been little production on the Ranch. The land is therefore viewed as 'marginal' or underutilized in order to justify the displacement of people and biofuel production. The biofuel project is therefore projected to turn the hitherto arid area into a green belt thereby turning a formerly 'idle land' into productive land. According to White (2010, 601) 'growing evidence raises doubts about the concept of 'idle' land. In many cases, lands perceived to be 'idle', 'under-utilized', 'marginal' or 'abandoned' by government and large private operators provide a vital basis for the livelihoods of poor and vulnerable groups.' Against this background, it is not enough for governments to justify land grabs by private companies in partnership with government departments on the claim that the lands are idle or marginal without properly engaging with the displaced small holder farmers. According to Barros et al (2010:577), the bio fuels complex has led to the increased land grabs in the global south with some estimates showing that 'European firms already claim over five million hectares of land for biofuel development across the global South.' Even though such projects benefit countries in one way or the other they almost always have some adverse effects on the indigenous population.

### **FTLRP in Zimbabwe and the new land grabs**

In this section, we intend to briefly discuss the current land grabs by private companies in partnership with the government in the context of the peasant and smaller holders focused FTLRP. At independence in 1980, some 6,000 white farmers owned 15.5 million hectares; 8,500 black farmers operating on a small scale held about 1.4 million hectares; and

approximately 4.5 million communal farmers eked out subsistence livelihoods on 16.4 million hectares (Sachikonye: 2005). Most of the communal land was located in the drier ecological regions (four and five) where the soils were poorer (Moyo: 1987:187). The principal elements of the land question were focused on historical injustice and inequity. Inevitably, the demands of the colonised and dispossessed revolved around redress in the form of land redistribution, and fairness in the form of equitable access to sufficient resources to make the land productive.

While between 1980 and the 90s land reform in Zimbabwe had focussed on the willing buyer willing seller policy instituted at the Lancaster House Conference, the year 2000 saw the launch of the peasants led accelerated land reform programme which was also known as the Fast Track Land Reform Programme (FRLRP). The phase of this land reform programme was chaotic and marked by a lot of violent displacement of white farmers as war veterans and peasants occupied farms spontaneously (Chaumba, Scoones and Wolmer 2003, Moyo 2000, Sachikonye 2004). The dominant political discourse was emphasizing the 'taking back' of land from the white farmers and its redistribution to the land hungry peasants and to a smaller extent to unemployed farm workers (Utete Report 2003). Promoting access to land for the majority of the indigenous people was expected to create stability in land property rights. The FTLRP entailed a comprehensive redistribution of land that was accomplished with considerable anarchy, disorder and violence. With about 11 million hectares changing hands within a three-year period, it was the largest property transfer ever to occur in the region in peacetime (Sachikonye: 2005). The FTLR resulted in the displacement of nearly 4,000 white commercial farmers whose land had been transferred by the state to 7,200 black commercial farmers and 127,000 black recipients of small farms by October 2003. As a result a completely new set of social relations were to emerge. In due course, there would be struggles and conflicts over ownership of this newly acquired land. Although the government announced that the programme would be complete by August 2002, this was not to be. Land occupations continued until mid-2003, and then on a diminished scale in 2004. Although the government began to instill some order and regulation into the fast-track process from mid-2003, intermittent occupations of farms and evictions of farmers continued, even into 2005. This last phase of the process also saw considerable 'land grabs' by the black elite who became multiple farm owners in contravention of the government's 'one person, one farm' policy. Even though there was considerable rhetoric against multiple farm ownership by

political elites a number of top government officials continue to own a number of farms directly or through proxies who are mostly their family members or children.

Besides the land grabs by the political elites, Zimbabwe has also recently seen large-scale companies with close ties to ZANU PF elites investing in land leading to the displacements of peasants who had settled on the farms. For those peasants affected by such projects, this is a policy shift by the government which had always preached the gospel of taking back from white farmers and giving it back to the landless peasants. This has created tension between the affected peasants and the new investors who come with the backing of the government. Whilst the government officials try to justify such large-scale investment projects as bio-fuel projects on the basis that they create employment and bring direct foreign investment peasants do not see this in the same way. They usually see it as just a ploy by corrupt government officials to displace them from the farms they had resettled themselves.

One such investor who has been using his connections with political elites is Billy Rautenbach the controversial businessman. He is the owner of the two large companies that are acquiring huge tracts of land to start bio-diesel projects in Zimbabwe. One of his projects in Chisumbanje is almost complete as the government was able to displace some farmers from the land, whilst the one hand Nuanetsi Ranch is embroiled in so much controversy due to factors such as factionalism within ZANU PF and the general belief within some section in government that giving huge tracts of land to one white investor is tantamount to reversing the gains of the FTLRP. The small holder farmers who had been resettled or settled themselves on the Ranch are afraid of losing their livelihoods as a result of the impending removals. This shows the willingness of ZANU PF party to allow investors bringing foreign direct investment to own huge tracts of land. Yet it is quite difficult to ascertain how the communities living around such projects or those displaced can benefit. More often than not, it is the political elites who are benefitting at the expense of those forcibly removed small holder farmers. This new trajectory in Zimbabwe's land reform policy needs to be properly interrogated within the context of the rhetoric of a retributive land reform programme.

Nuanetsi Ranch was owned by Imperial Cold Storage Company of South Africa until 1989 when it was purchased by the Development Trust of Zimbabwe (DTZ).<sup>1</sup> The late Joshua Nkomo, Vice President of Zimbabwe, founded the Trust in June 1989. The Trust Deed indicates that it was set up “for the purpose of promoting the interests, well-being, education and experience of all Zimbabweans”. However, it is widely believed that the agreement to establish the Trust was part of the Unity Accord that was hammered out between ZANU and Zimbabwe African Peoples Union (ZAPU) in 1987 following the Matabeleland disturbances. Profits from the Trust’s businesses were to be reinvested in development projects in Matabeleland, thus offsetting low government investments in the area. Past board members of the Trust have included ZANU PF elites (and former PF ZAPU in the party) such as Simon Muzenda, Edison Zvobgo, John Nkomo, Sydney Sekeramayi and Dumiso Dabengwa among others. The Trust’s first major investment, under its newly formed subsidiary, Nuanetsi Ranch (Pvt.) Ltd., was the purchase of the 862,000 acre Nuanetsi Ranch for \$15 million from Imperial Cold Storage (Pvt.) Ltd. of South Africa. At the time, analysts reported that the deal was an excellent one considering that they purchased the ranch together with 35,000 cattle which were on the ranch. This valuable asset, however, was hard hit by the 1992 drought. According to available estimates, the Ranch lost from 7 000 to 10 000 cattle during the drought and by 1993, only 5,700 cattle of the original remained.<sup>2</sup> Ever since, it has faced viability problems so much that the locals in Mwenezi considered the land to be lying idle thereby justifying the need to appropriate it. President Robert Mugabe is the patron of DTZ while new Vice-President John Nkomo has succeeded the late VP Joseph Msika as the chairman. The most senior Zanu PF member from the former PF ZAPU holds the DTZ chair.<sup>3</sup>

During the height of the FTLRP Nuanetsi ranch became one area which could possibly absorb a large number of farmers although it belonged to a locally based trust. DTZ however decided to offer part of the ranch for resettlement. According to Scoones et al (2010: 40)

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<sup>1</sup> The Development Trust of Zimbabwe is a local company that was formed by ZAPU to carry out investments on behalf of the party. Zimbabwean law dictates that indigenous property is protected from redistribution in the framework of fast track land reform. Because of the indigenous ownership of the Nuanetsi Ranch as a property of the DTZ, the land has never been acquired by government for redistribution or earmarked as such. However, this did not stop it from being invaded by the land hungry peasants.

<sup>2</sup> <http://www.zwnews.com/issuefull.cfm?ArticleID=85>, Development Trust of Zimbabwe, 30 November 2010. Accessed 2 January 2011.

<sup>3</sup> ‘Party Bigwigs Locked in Nuanetsi Ranch Turf War’, The Zimbabwe Independent 17 December 2009.

the DTZ offered 150000 hectares for official settlement, with 54000 ha going to 120 A2 beneficiaries. About 25 of the A2 farmers went into cattle ranching, with the remaining 100 engaging in crop production under irrigation. About 6500 households were allocated plots ranging in size from 0.5 to 10 hectares under the A1 model. New farmers were allocated grazing blocs by the Trust and there was also substantial lease grazing arrangements with white ranchers whose land had been taken in other areas. No-one is ready to admit the numbers of ranch cattle moved to the Nuanetsi ranch, but they run into the thousands.

A number of small holder farmers began to engage in cattle keeping. Mwenezi District is ideal for commercial and small-scale production of livestock like goats, cattle and sheep which soon became the main occupation of these small holder farmers (Manganga 2007:71). However, apart from the people who had officially been resettled on some sections of the ranch there were a number of other farmers whose occupation of the ranch had not been officially sanctioned and therefore did not receive offer letters. These farmers remained 'illegal' settlers on the land. For example, the farmers who occupied the Uswaushava section of the ranch were never recognized as legitimate 'new farmers' and therefore remained informal and susceptible to eviction.

It is important to highlight that the Nuanetsi Bio-fuels project is not the first such project to be launched in Mwenezi District. Being an arid region, most of the projects mooted for this area have largely hinged on irrigation schemes and livestock production. In the early 1980s emphasis was put on the development of irrigation projects centred on the Manyuchi Dam. However, the project that closely resembled the current bio-diesel project was the palm oil project which was launched in the late 1980s. The Mwenezi Palm Oil Project (MPOP) drew a lot of media attention and was touted as the biggest project of its nature since independence. The project 'was the brainchild of the Mwenezi Development Corporation, a subsidiary of the Aberfoyle Group. The Mwenezi Development Corporation had obtained permission from the Zimbabwean government for the development of a 12 000 hectares palm oil plantation' (Manganga 2007: 95). It was projected to bring great infrastructural development and improve the livelihoods of most people in the district. As Manganga (2007: 96) argues, it was hoped that within a few years palm oil and 'the development of other related industries would

have transformed the site into an agro-industrial complex. It was expected to produce 60 000 tonnes of crude palm oil a year and most of it could be exported since internal consumption was low.’ The project was therefore envisaged to trigger the growth of a town with thriving agribusinesses. In spite of all the hype, the project failed to take off dashing the people of the Mwenezi’s hopes of having new forms of livelihoods centred on palm oil production. Against this background, it is important to be more cautious about the benefits of the new biofuel project especially given the hype it has been given by its proponents and the private investors.

In 2008 DTZ went into a partnership agreement with a consortium of private investors to form Zimbabwe Bio-Energy (ZBE) with a view of establishing a bio-diesel project and other agribusinesses on the ranch. The ZBE is mainly funded by Billy Rautenbach who is closely aligned to ZANU PF political elites. The dubious reputation of Billy Rautenbach as a close ally of ZANU PF elites arguably explains why it was quite easy for the government to approve the deal although it was obviously going to lead to the displacement of a number of farmers already settled on the ranch. Following the conclusion of the joint venture deal with the DTZ in 2008, ZBE has rolled out a multi-billion US dollar investment programme which includes ethanol production, crocodile farming, sugarcane growing, cattle ranching, and game keeping within Nuanetsi. Since the early 1990s numerous international investment companies courted the DTZ for investment opportunities in Nuanetsi. The joint venture terms between ZBE and the DTZ have given the company land utilisation powers but the land remains the property of the trust. As a result of this partnership, the peasants who settled themselves at the height of the land occupations have been regarded as illegal occupants by various players within the government, even though there was never a common voice from the government on the status of the resettled peasants.

This project has however, lead to the eminent displacement of a number of smallholder farmers including those who have been given offer letters. According to Scoones et al (2010: 138) Billy Rautenbach’s investments ‘in dam building, sugar mills and irrigation are being discussed, all involving significant displacement of people - including perhaps up to 6000 households from Nuanetsi, including the informal Uswaushava settlement area 70.’ The affected communities have been involved in constant disputes with the government demanding that they be allowed to remain on the land yet the government has been resolute in its bid to evict them. This has created an atmosphere of uncertainty among the farmers. As

a result conflicts have arisen between the state and the farmers who refuse to vacate the land arguing that the government was going back on the fundamental principles of the FTLRP whose logic went against the ownership of large tracts of land by a few individuals. Rautenbach is also the owner of Macdom Investment, a company that is spearheading Bio-diesel production on the Agricultural Rural Development Authority (ARDA) owned Chisumbanje Estate in Manicaland Province.

The two bio-diesel projects arguably reveal the new direction the government with regards to its land policy. At this point it is worth noting that though the Chisumbanje project is almost running, the Nuanetsi ranch project has been facing resistance from the smallholder farmers. As noted above, the ranch was bought by PF ZAPU after the party joined the government with ZANU PF following the signing of the Unity Accord in 1987. Interestingly, there were reports that some members of the ZANU PF Masvingo Province claim that PF ZAPU should have bought land in 'their provinces' in Matabeleland and not in Masvingo Province.<sup>4</sup> Hence, the politicisation of ethnicity has been one of the factors at the centre of the controversy surrounding the project. Thus in spite of it being owned by a PF ZAPU trust some politicians in Masvingo province saw the ranch as available for redistribution to the land hungry farmers in the province.

The plan by the Masvingo Province political leadership to acquire the ranch to resettle people triggered a lot of debate. Nuanetsi ranch has been such an emotive issue in ZANU PF circles due to the fact that it touches at the core of the 1987 Unity Accord between PF ZAPU and ZANU PF. In spite with such tensions the political elites in Masvingo Province continued to push for the acquisition of the ranch to resettle people in the province. This took a more serious tone when, in November 2006, the then governor of Masvingo province, Willard Chiwewe wrote a letter to the then Lands Minister Didymus Mutasa requesting that the government acquire Nuanetsi ranch to resettle thousands of villagers in the area. Outlining the position of the provincial leadership of Masvingo with regards to Nuanetsi ranch he stated that 'we have realised that the Nuanetsi ranch is lying idle and the Masvingo political leadership would want it to be designated for resettlement. It would be unfair to leave such

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<sup>4</sup> 'Party Bigwigs Locked in Nuanetsi Ranch Turf War', The Zimbabwe Independent 17 December 2009.

land idle when thousands of Zimbabweans need land.<sup>5</sup> This led to a fierce conflict between Masvingo provincial leadership and DTZ the owners of the ranch. The ZANU PF political leadership in Masvingo was arguing that the ranch should be used to benefit the people of the province. However, since the ranch is locally owned there has always been the argument that it could not be acquired for resettlement of villagers. Moreover, the fact that DTZ is owned by the former PF ZAPU politicians in ZANU PF forcibly acquiring it for resettlement would put the Masvingo province political elites in collision course with the former PF ZAPU members whose interests in the land are represented by DTZ. As a result Didymus Mutasa advised Willard Chiwewe not to proceed with plans to resettle villagers on Nuanetsi because of the political issues surrounding it.

In addition the late Vice President Joseph Msika, himself a former member of PF ZAPU, was not prepared to let the ranch be acquired for resettlement. His argument was as follows;

Nuanetsi ranch is owned by DTZ, a black-owned company and if we designate that land, who are we empowering? We cannot take land from a black man and give it to another black man. If there is anyone trying to do something there tell him he is wasting his time because that land was bought and cannot just be given to people without any justification.<sup>6</sup>

At this stage the contestations over Nuanetsi had reached a new level. The involvement of the late Joseph Msika, who at that time was the Vice President and the highest ranking former PF ZAPU leader showed that the former PF ZAPU politicians in government were not prepared to let Masvingo Province acquire the land for resettlement without a fight. The political sensitivity of the matter also weakened the position of Willard Chiwewe and his colleagues in Masvingo. In the face of political heavy weights such as Vice President Msika and could do little to push their proposal.

Besides the Masvingo/Matabeleland dynamic there is also the intra-province duel in Masvingo pitting the so-called two ZANU PF factions, one purportedly led by former provincial governor Josiah Hungwe and the other led by Dzikamai Mavhaire. The Hungwe

<sup>5</sup> [http://www.zimbabwesituation.com/jun21a\\_2007.html](http://www.zimbabwesituation.com/jun21a_2007.html), Vice-president, governor clash over former PF ZAPU property, 21 June 2007. Accessed 2 January 2011.

<sup>6</sup> <http://www.sokwanele.com/thisiszimbabwe/archives/5004> 'Rautenbach's links to ZANU PF reap rewards for him, and misery for 25 families on Nuanetsi Ranch', 26 October 2009. Accessed 2 January 2011.

faction is against the Nuanetsi bio-diesel project whilst the Mavhaire faction supports the project. It is quite apparent that political leaders in the province are using the project to advance their own political ambitions in the province at the expense of the other. Farmers have thus been pawns in this political game. This led to the occupation of parts of Nuanetsi Ranch at the height of the FTLRP by villagers with tacit approval from some politicians keen to gain political mileage at the expense of those who supported the project. Attempts to move these farmers have failed as the settlers claim that they were given the green light to settle by their leaders. The farmers who occupied some parts of the Ranch are framing DTZ's drive to have them removed as an attempt to drive out black farmers in order to bring dispossessed white farmers onto the land. As a result they have continued to resist what they consider to be an attempt to reverse the land reform programme. Due to this resistance, the multi-billion dollar project was moved to the Chisumbanje ARDA Estate where the Manicaland Provincial leadership did not show any resistance to the project. In 2009 the ZBE acting general manager Joe Ramos noted that the ZANU PF Masvingo provincial leadership was hostile and since they couldn't get the green light from the politicians they had to move the project to Chisumbanje where the leaders there had apparently approved the project without any problems.<sup>7</sup> This whole episode of the problems faced by the project clearly shows how the politicians often make decisions on behalf of the people without necessarily consulting them.

### **Politics of Nuanetsi Bio-fuels project and the fate of smallholder farmers**

As has been observed elsewhere the implementation of projects such biofuels and other agribusinesses often lead to contestations by farmers who are displaced to pave way for such projects (Peluso 1992, Tsing 2004, Franco 2010). Similarly in spite of the determination by the government to stifle any dissenting voices farmers faced with displacement from Nuanetsi ranch have offered some resistance to their displacement. However, after serious lobbying by the company Vice President John Nkomo ordered soldiers and police to evict a large number of farmers settled on Nuanetsi ranch so that the project could take off. Justifying the eviction of farmers from the ranch, John Nkomo argues;

We are not going to sit back and watch enemies of development in the country. Those who are refusing to be resettled elsewhere are against

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<sup>7</sup> 'Party Bigwigs Locked in Nuanetsi Ranch Turf War', The Zimbabwe Independent 17 December 2009.

development so we will deal with them, any way that is why we have soldiers and police we will order them to go and remove them.<sup>8</sup>

The order to forcibly remove the settlers was the first of its kind after the FTLRP. This showed the lengths to which the ZANU PF government was prepared to go in order to allow projects that they viewed as beneficial to them to take off. The settlers, most of them war veterans, invaded the ranch during the height of the land reform programme and had been refusing to vacate the land to pave way for Billy Rautenbach's company. The war veterans have been blaming ZANU PF elites for allowing back the white investors on the land in the guise of a multi-million dollar bio-fuels project.

As recent as 2010 the Masvingo ZANU PF provincial executive led by Lovemore Matuke were vigorously opposing the project arguing that Billy Rautenbach was supposed to face the same fate as that of other white farmers who had been displaced from the land. He therefore could not be allowed to acquire land at a time when the government was in the process of repossessing land from the majority of white farmers. He argued thus; 'we have to ask ourselves questions as to where is the black empowerment if we allow one white man to take such a huge piece of land. As a party we are totally against this project. If it was a black man then we should have the basis of supporting it. After all we hear that those supporting the project have been given huge sums of money by the project owners.'<sup>9</sup> However, those who are in support of the project like Dzikamai Mavhaire argued that opponents of the project were 'wasting' time and frustrating development projects. Battle lines were thus drawn between those who viewed themselves as pro-development and those who saw themselves as supporting the resettlement of the landless people on the ranch.

Amidst this heavy political pressure in October 2009 the new Masvingo Provincial Governor Titus Maluleke ordered the eviction of twenty-five families from the Chingwizi Section of Nuanetsi Ranch where Rautenbach wanted to plant sugar cane for ethanol production. Maluleke pointed out that, "It was agreed that the development coming to Nuanetsi as implemented by the investor, must not be disturbed under any circumstances."<sup>10</sup> The

<sup>8</sup> <http://www.zimbabwemetro.com/news/war-vets-and-settlers-ordered-to-leave-farm/>, January 7 2009, Accessed 18 December 2010.

<sup>9</sup> <http://thezimbabwetimes.com/?p=26383>, 'Nkomo backs Rautenbach project'. Accessed 28 December 2010.

<sup>10</sup> 'Nuanetsi bio-diesel Project: 25 families to be evicted', The Standard 24 October 2009.

smallholder farmers who specialized in livestock production feared that their displacement would lead to loss of their livelihoods. Faced with a loss of their livelihoods and the political might of the Provincial Governor the farmers resorted to taking DTZ and its partners to court.<sup>11</sup> They however lost the case and were ordered to leave the ranch by December 2010. In a number of ways, the project encapsulated ZANU PF's double standards and readiness to displace smallholder farmers in favour of multi-million dollar investment projects.

The twenty five families in the Chingwizi section of Nuanetsi ranch who are being threatened with eviction say they risk losing their cattle numbering more than 12 000. The farmers have also tried to lobby the politicians for help in stopping the evictions. In one of the letters they wrote to Minister Herbert Murerwa they argued that;

As farmers, our throughput into the beef industry has been substantial. The bulk of the meat coming through registered slaughterhouses has been coming from our production. Regrettably, the future of these farmers is now bleak, as we have been given 24-hour notices to vacate Nuanetsi Ranch. Twelve thousand plus breeding stock is now faced with imminent decimation.<sup>12</sup>

The farmers claimed that they were being forced into an area that was unsuitable for cattle ranching which is the major venture in Mwenezi District which is a very dry region. Comparatively, farmers affected by the Chisumbanje Bio-diesel were being afforded the opportunity participate in the project as contract farmers and were given means of sustenance after being resettled such as the provision of inputs and irrigation equipment.

As there was no suitable solution to their predicament the farmers continued to resist their eviction. In August 2010, the farmers were arrested after beating up members of the Masvingo provincial lands committee and police officers as they attempted to evict them from the ranch.<sup>13</sup> As a result of the skirmishes, eight farmers who are settled at Lundi Block were arrested and locked up in police cells. Since the land between Lundi and Mwenezi

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<sup>11</sup> 'Nuanetsi bio-diesel Project: 25 families to be evicted', The Standard 24 October 2009.

<sup>12</sup> 'Nuanetsi bio-diesel Project: 25 families to be evicted', The Standard 24 October 2009.

<sup>13</sup> 'Villagers beat up police boss, DA', Newsday 2 September 2010.

Rivers had been earmarked for the sugar cane plantation for the ethanol project, the farmets in this area face eminent eviction.<sup>14</sup>

The project has also caused serious boundary conflicts between the traditional leaders of the areas involved. It is believed that Chief Chitanga who is also Chivi/Mwenezi senator who supports the project is campaigning for the removal of people under the jurisdiction of Chief Mpapa.<sup>15</sup> This has caused serious resistance from Chief Mpapa and his people and this has caused a lot of violence as the farmers try to keep what they have. Thus apart from broader politics around the implementation of the project there are also localised conflicts between traditional authorities who see land reform as providing them with an opportunity to gain more land or to reassert their authority on what their consider to be their former ancestral lands.<sup>16</sup> ZBE has also fueled divisions between traditional authorities by engaging those who have showed support for the project and helping them with farming implements and inputs. In December 2010 it donated ox-drawn ploughs to Chief Chitanga and some 100 farmers in the Mwenezi area to boost agricultural production in the district.<sup>17</sup> Praising the gesture of ZBE Chief Chitanga stated that the people were 'hostile when bio-energy projects were started in the area, as they did not appreciate the benefits of such projects'.<sup>18</sup> It would therefore be misleading to paint a picture of total resistance to the project when some traditional authorities and political elites are, for various reasons, in support of the project and are therefore keen to see it succeed.

Although it has been touted as the biggest agrarian project in the post 2000 period the project is arguably growing in the wake of the destruction of the livelihoods of many smallholder farmers and their families. There is a general sense of betrayal among the farmers as their political leaders, who hitherto had encouraged them to settle on the farms are now standing aside as they are threatened with eviction. The Nuanetsi case clearly reveals the role played by the politicians in alienating the peasants from the sources of livelihoods.

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<sup>14</sup> Interview with James Baloyi, Nuanetsi, Mwenezi. 27 December 2010.

<sup>15</sup> Interview with Steven Hahleni, Nuanetsi, Mwenezi, 27 December 2010.

<sup>16</sup> Interview with Hove, Nuanetsi, Mwenezi, 27 December 2010

<sup>17</sup> 'Mwenezi Farmers get ploughs', The Herald 7 December 2010.

<sup>18</sup> 'Mwenezi Farmers get ploughs', The Herald 7 December 2010.

However, in spite of the negative impact such ‘land grabs’ have had on smallholder farmers who are having to make way for large scale investment projects the government and the companies involved in these projects have tried to show that the project is benefitting the local people. Apart from the production of bio fuels, Billy Rautenbach and his partners engage in other projects such as crocodile farming, cattle ranching, and game keeping within Nuanetsi. In 2010 Liberty Mhlanga, Executive Director of ZBE explained that the target in cattle ranching is to increase the current head of cattle from 5,000 to 25,000, creating the potential to provide an ample meat supply for Zimbabwe. The crocodile section which at the time had more than 100,000 crocodiles was projected to reach a target of 300 000 crocodiles in three years time.<sup>19</sup> The benefits of crocodile farming include the supply of crocodile meat and leather products for domestic use and for export to the international markets. In 2010 the media reported on the success of the Nuanetsi Project, stating that ‘the crocodile department alone has already created more than 2,000 jobs within the Mwenezi district in Zimbabwe and redefined the investment value of this area as more companies are setting up shop here.’<sup>20</sup> At the moment the crocodile farming project seems to be the most profitable of the projects being run on Nuanetsi ranch. Hence currently Billy Rautenbach seems more interested in the crocodile project which generates more profits in the short term than the bio-diesel one which takes a number of years to give returns to investments.

By getting the support of political elites, the owners of the project managed to push ahead with their projects in spite of resistance from small holder farmers already settled on the land. Whilst the leadership was exhorted to work to ensure that the project was a success and beneficial to the people, the same people who were supposed to benefit from the project were never consulted. This partly explains why they have resisted moving from the land. Indeed, some of the utterances by the politicians in Masvingo clearly show how far removed they are from the expectations of the people and how they sought to pacify them. For example, Mwenezi East legislator Kudakwashe Bhasikiti once said,

The people of Mwenezi fully support the bio-energy project because already we are beginning to see some benefits like employment for the

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<sup>19</sup> [www.zimsituation.com](http://www.zimsituation.com) Zimbabwe Bio Energy sets the record straight regarding Nuanetsi Ranch Jan 16 2010). Accessed 28 December 2010.

<sup>20</sup> [www.zimsituation.com](http://www.zimsituation.com) Zimbabwe Bio Energy sets the record straight regarding Nuanetsi Ranch Jan 16 2010). Accessed 28 December 2010.

locals. The district has not been able to record any meaningful investment since independence so it was our hope that at last we might begin to appear on the Zimbabwean economic map. Rutenga Growth Point in Mwenezi will grow 10 times and that way create employment and urban facilities like banks, hospitals and modern shopping centres, among other facilities, that have been missing in Mwenezi. People in remote areas like Maranda and Neshuro will afford a smile at last because at the moment it is all hopeless. The people in this district also need to participate in the economic activities of the country.<sup>21</sup>

Whilst the politicians and the owners of the projects have been selling the project to the local people by informing them about the potential benefits would obtain from the projects there has been little in terms of proper engagement between the investors and the affected people and other people in the district. The disregard for locals' input into the project resonates with Vermeulen and Cotula (2010: 900)'s 'over the heads' characterization of bio-diesel projects in Africa. Vermeulen and Cotula (2010: 900) assert that while increased investment may create new opportunities for local livelihoods and national economies, large numbers of people are vulnerable to dispossession as a result of changes in land use. They furthermore claim that land in Africa, as elsewhere, has important spiritual and social values, so that purely economic calculations are unlikely to capture local perceptions about proposed land deals. These, among other factors, explain the resistance by the famers in Mwenezi to the project since they see themselves not directly benefitting from it unless they get employed or become contract farmers.

A further limitation is that most commercial bio-fuels projects in Africa are in early stages of development and therefore it is too early for detailed assessments of the impacts of land transfers on food security and access to natural resources for specific local groups (Vermeulen and Cotula 2010: 902). The higher-value lands that are most attractive to investors are also most likely to be under existing claims and existing use as is the case with Nuanetsi. In many cases land is already being used yet existing land uses go unrecognised because people using the land have no formal land rights or access to the relevant law and institutions. With these factors in mind, lets turn to the actual activities that are taking places

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<sup>21</sup> 'Bio-energy project to transform Masvingo', The Herald 17 March 2010

on the ground in Nuanetsi as the peasants are fighting a losing battle against the consortium and the government to hold on to their land.

The farmers are resisting the relocation for a number of reasons. The smallholder farmers question the rationale of displacing them in favour of the bio-diesel project as they see such actions as defeating the whole logic of the FTL. As one farmer put it, 'President Mugabe told us to stay here, now these people come here and they tell us that we will be evicted. Where will we go? We will not tolerate that. *After all, the land is being given back to a white person.*'<sup>22</sup> This shows the contradictions that have emerged in the discourses around the FTLRP in the country.

### **The Chisumbanje Bio-diesel Project**

The Chisumbanje project was mooted during the colonial period in the early 1960s. Progress was stalled during the war of liberation in the 1970s and for a long time the post-colonial government could not find the resources needed to roll out the project of such magnitude.<sup>23</sup> The Chisumbanje bio-fuels project was developed following the stalling of the Nuanetsi Project due the controversies surrounding it. In 2009, Billy Rautenbach's Rating and Macdom Investments entered into a 20 year Build, Operate and Transfer arrangement with ARDA Chisumbanje to grow sugar cane for an ethanol production.<sup>24</sup> Even though the US\$600 million ethanol plant is being carried out on government owned land, it has threatened the livelihoods and welfare of number villagers who live along the Sabi River. Only a select few political elites in ZANU PF approved the project and are privy to the intricate details about it. One politician in the province had this to say about the project; 'we are worried because we were not involved in the project and only a few know what is happening. How can you have such a project when the governor has not been involved when he is the President's representative in the province?'<sup>25</sup> Even though the people were not involved in the early stages of the project, the investment company is believed to be meeting the villagers, councilors and chiefs for regular briefings each month.<sup>26</sup> This has gone a long way in diffusing any tensions that would have likely hampered the implementation of the

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<sup>22</sup> 'Villagers beat up police boss, DA', *Newsday* September 2 2010

<sup>23</sup> Interview with Chinyani, Chisumbanje, 05 January 2011.

<sup>24</sup> Zanu Pf faction fights threaten ethanol project, *The Standard* 6 March 2010.

<sup>25</sup> Zanu Pf faction fights threaten ethanol project, *The Standard* 6 March 2010.

<sup>26</sup> Interview with Nyangani, Chisumbanje, 05 January 2011

project. In addition, the smaller holder farmers who had been using the land were conscious of the fact that the land belonged to ARDA and was unlikely to be acquired for resettlement. As a result ARDA allowed them to temporarily stay on the land without settling there permanently. However, those people who had decided to settle permanently on some parts of the estate were ordered to leave to the pave way for the ethanol project.

The success of the project clearly shows the vulnerability of the small holder farmers in the face of such huge projects. There have been suggestions by MDC MPs that the project was approved without due process because there was need for the Parliamentary Select Committee on Agriculture to assess the pros and cons of the project. Therefore, in comparison with the Nuanetsi project, the Chisumbanje project faced very few problems as it faced little resistance from political elites in the region. It is also plausible to assume that the owners of the project at Chisumbanje have tried to involve and compensate the farmers meaningfully. For example, Macdom Investment has already set aside portions of land for smallholder farmers to engage in horticulture projects to compensate for their losses. The company provides the farmers with irrigation services and gives them logistical support. Furthermore, some farmers are also contracted by the company to grow sugar cane which they sell to the company. Cotula et al. (2008, 52), however argues that even though contract farming schemes offer price stability and technical support to farmers, they have the disadvantage of locking both sides into arrangements that may be perceived as less fair and advantageous as market conditions progress over time. Hence it would be too early to assess the benefits of contract farming in Chisumbanje.

It is estimated that the Chisumbanje ethanol plant will produce about 700 000 litres of ethanol per day whilst that at Nuanetsi will see the production of 500 million litres per year, far more than what the Zimbabwean market is able to consume, making it another ideal export product for the country to benefit from.<sup>27</sup> It was also envisaged that about 10% of the ethanol blended with petrol would produce exhaust fuels with less carbon dioxide than regular petroleum. All these are envisaged benefits of the project and however highlighted with very little analysis of its adverse effects of the land hungry small holder farmers who had hoped that a redistributive land reform would help them expand their livelihood portfolios.

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<sup>27</sup> 'Ethanol plant opening set for next year', The Herald 22 November 2010.

## Conclusion

Coming against the backdrop of one of the most radical land reform programmes in Africa, the latest land grabs by the private companies in Zimbabwe invokes debates on whether the government is going back on its land reform policy whose logic has been the repossession of land from white commercial farmers and redistributing it to the landless communal area farmers or this trend is still within this policy. In this light, those displaced or under threat of eminent displacement to pave way for such investment projects such as biofuels initiatives view this as a sign that the government has not been sincere in its land reform policy. Even though the government has tried to use the 'idle land' argument in justifying the parceling out of land such as in the case of Nuanetsi ranch the displacements have continue to stir a lot of controversy in the country. It is apparent that though the ZANU PF government's rhetoric of a people centred redistributive land reform appealed to many landless farmers in the rural areas who have seen the programming as providing them with an opportunity to expand their livelihood portfolios the new land grabs, inspired by the desire for foreign investment in agribusiness is threatening the smallholder farmers whose land is earmarked for such projects. The Billy Rautenbach backed Nuanetsi and Chisumbanje bio fuels project show the willingness of political elites to allow big investment companies to 'grab' large tracts of land in the name of foreign direct investment without properly engaging with the surrounding communities and smallholder farmers. This could point to a new trajectory emerging in the ZANU PF's thinking with regards to Zimbabwe's land reform policy. Though it is not being included in their empowerment through land ownership rhetoric, it is clear that political elites stand to benefit from such land deals which explains why they have been robust in their defence of the projects in spite of the controversies around them. For those smallholder farmer displaced however, this new land grab represents a triumph of capital over the logic of a redistributive land reform. Nuanetsi and to a lesser extent Chisumbanje therefore encapsulates a new phase of land grabs in Zimbabwe which may threaten the thousands of small holders farmers. It is our assertion that for smallholder farmers and landless peasants to benefit from large investment projects such as bio fuels ventures there is need for government to engage with them from the planning stage. Without a proper strategy it is clear that biofuel projects and other agribusinesses can work against a redistributive land reform programme such as the one launched in Zimbabwe and negatively affect livelihoods of many smallholder farmers.

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## **Interviews**

Interview with Steven Hahleni

Interview with Chinyani