

# Land and Agricultural Commercialisation in Africa (LACA)

- This research update was produced as part of the Land and Agricultural Commercialisation in Africa (LACA) Project work stream

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## Key points:

- Debates continue among policymakers and academics about the relative merits of **large and small farms**, their implications for labour absorption and growth in Africa's farm sector, and therefore preferred pathways to land and agricultural commercialisation;
- Recent transnational investments in commercial agriculture have prompted the **resurgence of plantations** (large estates) and other forms of large-scale commercial agriculture;
- Some countries have promoted commercialisation in specific regions, aiming to attract local and foreign commercial farmers as pioneers to build a **commercial farming sector**;
- Concerns about exclusion or displacement of rural smallholders in favour of large-scale commercial farming have prompted policy attention towards inclusive farming models, and specifically contract farming or '**outgrower**' schemes;
- A variety of **institutional arrangements** establish partnerships between local landholders (contributing the land and water rights, and often the labour) and external investors (contributing the capital, market linkages and technical expertise), under different types of land, production and associated contracting arrangements.



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**A smallholder farmer in Ghana lays out mangoes to dry before they are packaged and sold**

- While the recent rise in land and agricultural commercialisation in Africa is well documented, there is a **research gap**: little is known about the consequences of different types and scales of farming (ie. farming models) for accumulation and rural livelihoods among surrounding smallholders.

## Research question

*How does the restructuring of agro-food systems resulting from land and agricultural commercialisation affect agrarian economies and livelihoods in Africa? Can new land and agricultural commercialisation initiatives be used as opportunities to promote growth and reduce poverty and inequality in developing countries? If so how? What are the better and worse models? Which sets of institutional arrangements between investors and local smallholders provide the best opportunities for benefit-sharing and for synergies between large and small farms?*

## Definition of farming models

Our three farming models are ideal types. They all interact differently with the surrounding area, in terms of economic linkages into other enterprises, and in terms of their demand for labour. We want to know about winners and losers in terms of economic linkages, food security, gender equity, and labour markets. We have identified case studies which we believe will tell us about the implications of land and agricultural commercialisation on rural communities:

- **Plantations** (or estates) are relatively large, self-contained agribusiness farms, often connected to markets through vertically-integrated processing chains, associated with one major crop, without much interaction with the surrounding economy except for labour hired in on a permanent or seasonal basis.
- **Commercial farming areas** are where large farms that are more or less contiguous dominate an area, even if surrounded by small-scale peasant farming sectors (or pastoralists) which provide labour into them; they are more associated with mixed farming operations, and are owned by individuals or small companies rather than large multifunctional agribusinesses.
- **Outgrower schemes** involve a nucleus estate, possibly with a processing operation, and possibly with vertical integration, making use of outgrowers who are contracted to supply their produce, and usually farm the crop associated with the nucleus operation on their own land; they use their own family and possibly hire labour, and may also work for wages at times on the nucleus estate.

## Research design

The study is being conducted in three countries: Ghana (West Africa), Kenya (East Africa) and Zambia (Southern Africa). These countries have contrasting historical experiences with land tenure institutions (statutory and customary), large-scale commercial farming and agricultural liberalisation. While Kenya is a former settler economy with a significant core of commercial agriculture, Zambia has repeatedly struggled to establish such a sector, and has liberalised through privatisation of state farms and provision of state infrastructure in 'farm blocks'. Ghana, by contrast, has an established system of peasant-based commercial agriculture undergirded by customary land tenure systems and informal land markets. In all three countries, a policy environment favouring the liberalisation of

land markets and foreign investment facilitates large-scale land acquisitions. In each country, field teams are studying cases of large plantations, commercial farming areas and outgrower schemes. The comparative frame is therefore across two dimensions: comparison across farming models within countries, and comparison of each farming model across countries.

## Methodology

The study employs an array of cross-disciplinary methodologies. These include the analysis of the available literature on global drivers and resource scarcity, multi-scale interviews and explore the perception of the local communities. Geo-referenced mapping draws on available datasets (Land Matrix and others) and verified by country teams. Details of different institutional arrangements in each case study – leases, contracts, financial, policy and regulations – are to be determined through document analysis and multi-scale interviews of different actors. In the second year of the project, livelihood impacts will be analysed using a common methodology with special attention to gender analysis, through a combination of qualitative methods (including life histories) and qualitative methods (including household surveys).

## Planned outputs

The outputs of this project will include 3 country scoping studies, 7 working papers, 3 digital online national databases, geo-referenced maps, project updates, country reports, a full research report, a synthesis paper, country workshop reports, a final policy workshop website, academic journal articles and possibly also an edited book. Outputs in 2013 include a literature review on the three farming models; a historical review of forms of commercialisation in Ghana, Kenya and Zambia; a review of global and regional narratives of land, food and water scarcity; an annotated bibliography and toolkit on gender-disaggregated research methods; 3 country field-based reports; project updates for each country and an annual report.

## Timelines

This is a three year project from 2012-2015. Qualitative fieldwork is underway during 2013. In 2014, enterprise and livelihood surveys will be conducted across all study sites in each country, using a common quantitative research instrument. In 2015, follow-up fieldwork will continue alongside dissemination of research findings and policy engagement with state and non-state actors in Ghana, Kenya and Zambia, as well as in regional and continental bodies.

## Policy engagement

Policy actors at national, regional, continental and global levels are keen to learn from insights from research on land and agricultural commercialisation, and to integrate these lessons into emerging policy frameworks. Among our priority policy audiences are the African Union and its Land Policy Initiative (LPI), the Comprehensive African Agricultural Development Programme (CAADP), together with agricultural development and finance bodies; and regional organisations like the Southern African Development Community (SADC), Economic Community of West African States (ECOWAS) and the Community of East African States (COMESA). At national level, we aim to engage as our research proceeds with government departments of trade and investment, agriculture, land and environment, parliaments, agribusiness actors, the media, traditional leaders, and civil society organisations.

## Case Studies



### Ghana

- Oil-palm production in Western Region (plantation)
- Mango farms in Eastern Region (commercial farming areas)
- Fruit production and processing in Eastern Region (outgrower)

### Kenya

- Sugar cane production in Tana Delta Region (plantation)
- Field crop farms in the Coastal Region (commercial farming area)
- Flower production around Mount Kenya (outgrower)

### Zambia

- Mixed grain production Lower Zambezi Valley (plantation)
- Mixed farming at Mkushi Farm Block (commercial farming areas)
- Grain production in Lusaka Province (outgrowers)

## Research partners

This research is undertaken by the Future Agriculture Consortium, with the Institute for Poverty, Land and Agrarian Studies (PLAAS) being the lead organisation, working with the Institute for Development Studies (IDS) and Institute for Statistical, Social and Economic Research (ISSER) and partners in the three countries.

### PLAAS

Assoc Prof Ruth Hall  
Primary Investigator  
Institute for Poverty, Land and Agrarian Studies (PLAAS)  
University of the Western Cape  
Private Bag X17  
Bellville 7535, South Africa  
rhall@uwc.ac.za

### IDS

Prof Ian Scoones  
Co-Investigator  
Institute of Development Studies (IDS)  
University of Sussex,  
Brighton BN1 9RE, United Kingdom  
i.scoones@ids.ac.uk

### ISSER

Prof Dzodzi Tsikata  
Co-Investigator  
Institute for Statistical, Social and Economic Research (ISSER)  
University of Ghana  
PO Box LG 59  
Legon-Accra, Ghana  
dzodzit@yahoo.com

### Ghana

Dr Joseph Yaro  
Senior Researcher  
Department of Geography and Resource Development  
University of Ghana  
PO Box LG 59  
Legon-Accra, Ghana  
yarojoe@yahoo.com

### Kenya

Dr Abdirizak Nunow  
Senior Researcher  
Independent  
PO Box 4544-00506  
Nairobi, Kenya  
anunow@yahoo.com

### Zambia

Chrispin Matenga  
Senior Researcher  
Department of Development Studies  
University of Zambia  
PO Box 32379  
Lusaka, Zambia  
mmatenga@yahoo.com

Other research partners include Dr Joseph Teye (University of Legon), Dr Adano Roba (Moi University, Kenya), Paula Goldsmith (Coast International University), Gun Mickels-Kokwe (independent), Dr Gaynor Paradza (PLAAS, South Africa) and Emmanuel Sulle (PLAAS, South Africa).



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**Contract farmers in Zambia load sugarcane for delivery to a processing plant.**

### **Institutional Arrangements in Land Deals in Africa:**

Local Impacts of Global Resource Scarcity

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PLAAS does research, policy engagement, teaching and training about the dynamics of chronic poverty and structural inequality in Southern Africa, with a particular emphasis on the key role of restructuring and contesting land holding and agro-food systems in the subcontinent and beyond.

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