

Land Grabbing in Former Soviet Eurasia



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Introduction

Land grabbing debate:

- Focus on Africa, also Latin-America, Asia.
- Ignorance of post-Soviet Eurasia



Introduction (2): Post-Soviet Eurasia

- Focus on: Russia, Ukraine, Kazakhstan
- Large deals
- Central questions:
 - What is the magnitude of the process?
 - What kind of investors are involved?
 - What are the socio-economic consequences? (esp. access to land)



Prospects for agriculture in the region

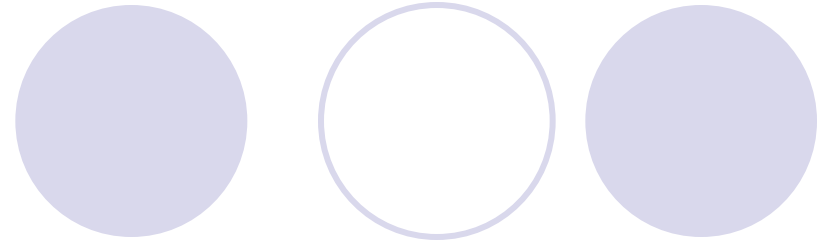
- Short term:

- Abundance of unused & underutilized land
- Low land prices (compare with LA)
- Very fertile land; increase in yields
- Reasonable Infrastructure (Black-Earth, Siberia)

- Long term:

- Climate change?
- Water resources' availability are good
- Food-feed-fuel “basket” of Europe/the World?

Land acquisitions:



● Domestic investors:

- 1990s: economic decline; land reform (“share-based”)
- End 1990s/ early 2000s: revival of agriculture: energy companies start investing in land (“vertical integration”)
- From 2002 onwards: industrial & trade companies; investment funds invest in land

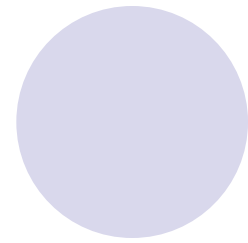
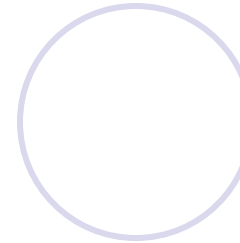
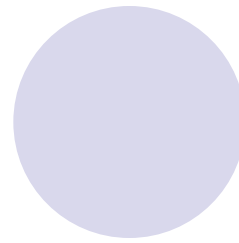
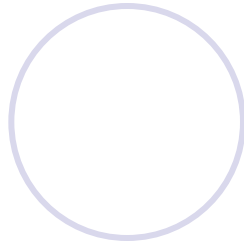
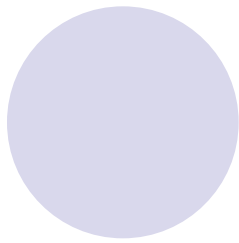
Land Acquisitions (2)



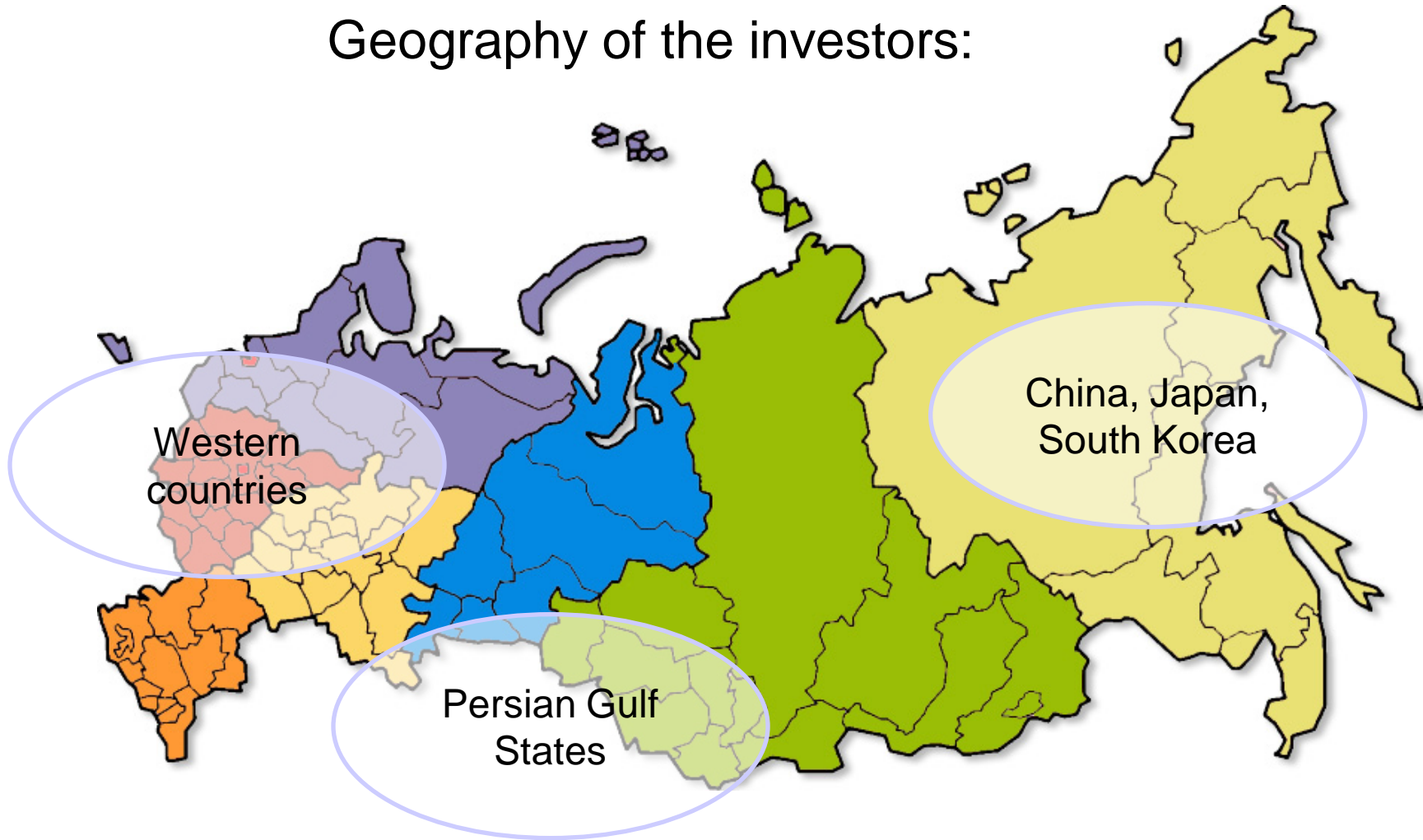
- Type of international investors (through joint ventures, leasing arrangements, full subsidiaries):
 - Ukraine & European Russia: Western companies, Gulf countries
 - Siberia & Kazakhstan: Asian countries (China, S-Korea, Japan)
 - Central Eastern Europe (Western Europe)
 - Difference in strategy (type of investor, workforce)
- Magnitude:
 - Large-scale land acquisitions (domestic, International)

Land availability and population density in the FSU target countries and the investor countries

Countries	Arable land (hectares per person)	Density (/km ²)
Target-countries in the Former SU:		
Belarus	0.6	47
Estonia	0.4	30
Kazakhstan	1.5	5.8
Latvia	0.5	35
Lithuania	0.5	51
Russian Federation	0.9	8.3
Tajikistan	0.1	49
Turkmenistan	0.4	10
Ukraine	0.7	78
Uzbekistan	0.2	61
Countries Investing in the Former SU:		
China	0.1	130
Germany	0.1	227
Israel	0.0	365
Japan	0.0	337
Kuwait	0.0	168
Netherlands	0.1	401
Qatar	0.0	128
Switzerland	0.1	188
United Arab Emirates	0.0	55
United Kingdom	0.1	255



Geography of the investors:





International acquisitions of land in Russia

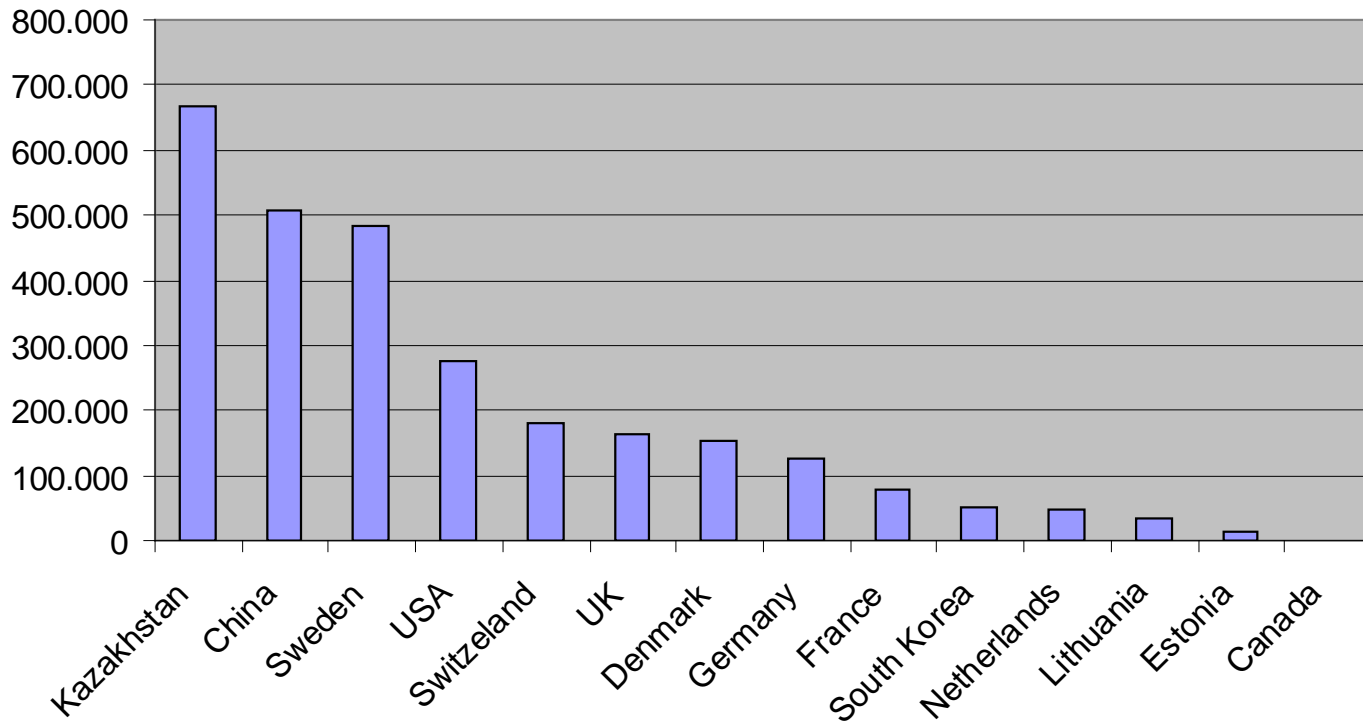
Large-scale foreign land investors in Russia:

Company	Country of origin	Ha	Area of operation
AGRICO Ltd	Russia /Israel	100.000 ha	Stavropol Territory
Agro Invest Brinky	The Netherlands	3 poultry farms	Leningrad region
Agro-Invest, JSC	Sweden	323 000 ha	regions of: Kursk, Voronezh, Lipetsk, Tambov, Samara and Ryazan
Agromarket Trade, CJSC	USA	100 000 ha	Krasnodarsk and Stavropol regions.
Agroservice, MTS	Estonia	11 994 ha	n.a.
Agrowill Group, JSC	Lithuania	40 000 ha	Penza region
Alpcot Agro	Sweden	161 000 ha	regions: Voronezh, Volgograd, Tambov, Lipetsk, Kursk and Kurgan
Centre Capital	Russia, UK	65 000 ha	Moscow region
Chernozemye agrocompany, JSC	UK	60 000 ha	Lipetsk region
Chinese companies	China	80 400 ha	Far East of Russia
DK Rus Invest	Denmark	10 000 ha	Saratov region
Ekoniva, group of companies	Russia, Germany	121 000 ha	Central regions
Heartland Farms Penza	Russia, UK	27 000 ha	Penza region
Hyundai Heavy Industry	South Korea	50 000 ha	Far East of Russia
Ivolga-Holding, LLC	Kazakhstan	666 850 ha	Far East of Russia
RAV Agro-Pro	Russia, UK, USA, Israel	150 000 ha	Voronezh region
Redland Farms	Swiss / Sweden	180 000 ha	n.a.
Sucden	France	75 000 ha	Penza region, Krasnodar Territory, Lipetsk region
Trigon Agri	Denmark	144 000 ha	Penza region, Samara region



Large scale acquisitions of land in Russia

Amount of land controlled by foreign companies in Russia
(in ha, owned & leased)





International land acquisitions in Ukraine

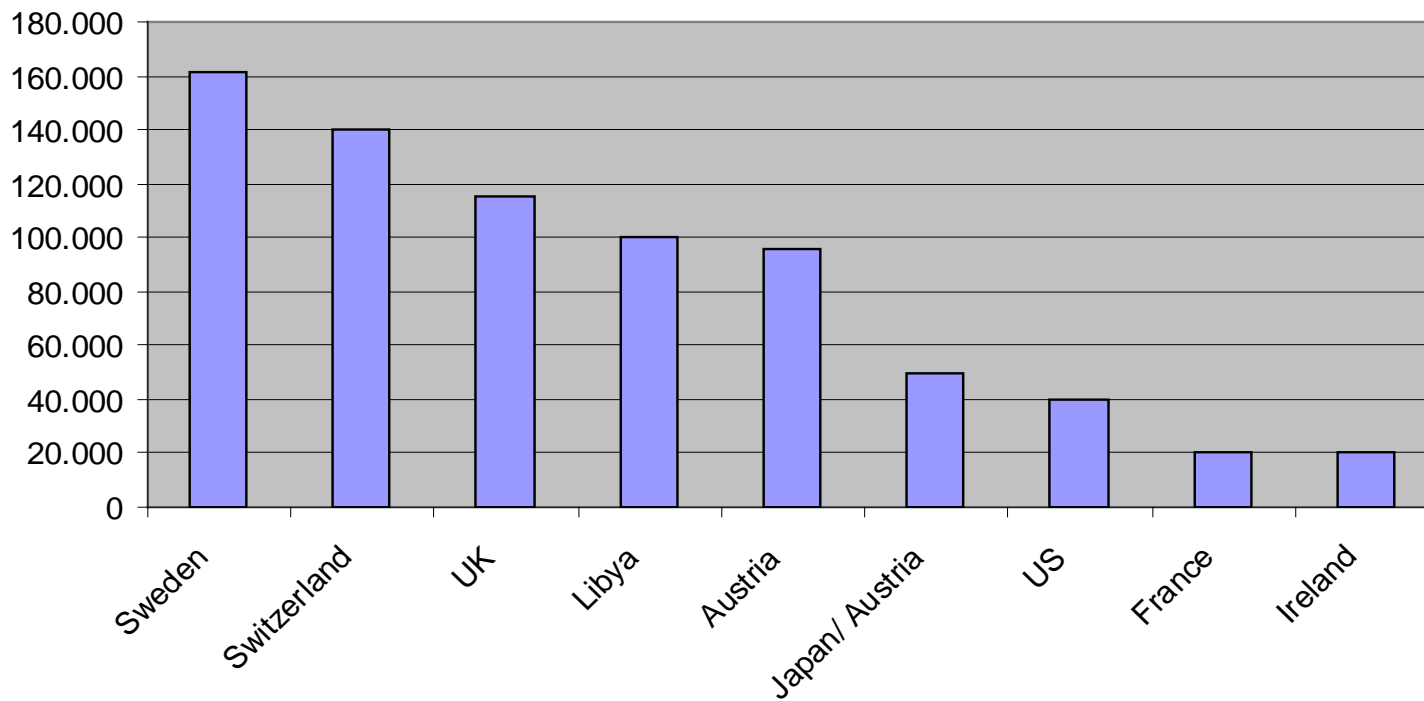
Large-scale land acquisitions by foreign companies in Ukraine:

Company	Country of origin	Ha
Agrisar	UK / Netherlands / Switzerland	n.a.
AgroGeneration	France	20 000 ha
Alpcot Agro (cf. Russia)	Sweden	161 000
GAIA World Agri Fund	Switzerland	140 000 ha
Kyiv-Atlantic Ukraine	US / Denmark / Ukraine	8 000 ha
Landkom International	UK	115 000 ha
Land West Company	Ukraine	186 000 ha
Libyan government	Libya	100 000 ha
Maharishi Organic farm	Japan/ Austria	50 000 ha
MTB Agricole	Ukraine / Austria	96 100 ha
Morgan Stanley	US	40 000 ha
Origin Enterprises	UK / Ireland	20 000 ha



Large-scale international land acquisitions in Ukraine

**Amount of land controlled by foreign companies in Ukraine
(in ha, owned & leased)**



Tensions and downsides:



- Ownership issues

- 1990s privatisation: rural population got land rights, but farm units remained large-scale
 - No physical distribution, registration, contracts
- Land code: rush for land
- Semi-legal lease and ownership
- Illegal land acquisitions
- More secure ownership rights as solution?



Further research

- Institutional framework of land governance
- Change-reform and continuity
- Dual role of weak land rights
 - weak for current users, who can lose their land
 - weak for investors, are depending on good relations with local-regional authorities
- Many shady deals are made, and LFEs become larger, agro-holdings
- Realization of the ultimate Soviet Dream!