

# Farmers' Perspective on Agricultural Investment and Access to Land

Marciano T. Virola, Jr. Knowledge Management Officer 19 January 2012

#### I - About AFA

- regional alliance of 10 farmer federations and organizations in 8 Asian countries
- endeavours to build a strong and dynamic regional lobby for genuine agrarian reform and sustainable rural development, while facilitating the exchange of creative local grassroots initiatives that attempt to address the roots of rural poverty
- advocates for the rights of small-scale women and men farmers in Asia, promotes cooperation and solidarity, and supports capacity building among farmers

- From various reports that we have encountered, we have become aware of the increasing large-scale investments in the agricultural sector and how these are affecting farmers' access to land
- From our own regional consultation, our members shared the various cases in their countries where farmers are being dispossessed of the land -- those that they personally know of, and those that are reported in the media
- Three of our members (FNN, API, and PAKISAMA) are involved in an ILC project on expanding the dialogue on large scale land acquisition and are conducting consultations and focused group discussions on cases of land conflicts due to agricultural investment

- in Cambodia:
  - 108 families in La Peang village in Ta Ches commune, Kampong Tralach district, Kampong Chhnang province lost 114 hectares of land to a company (KDC), which acquire parcels of land through a village chief who acted as broker
  - 2,000 families in 6 villages of Trapang Phlang and Taken communes in Koh Sla region are affected by large scale agricultural land investment projects of two companies, which included land that are not part of the economic concession that the companies got from government
  - Families in 50 hectares of land 4 villages in Bati district in Takeo province were adversely affected when a large scale land investment project damaged a public canal that was the source of water for their rice fields

- in Indonesia:
  - farmers are struggling against large scale agricultural investments that are taking away their lands and are resulting in land conflicts
  - NGO data indicate that there are 1,753 cases of land conflicts involving 10,892,203 hectares in 2,834 villages with 1,189,482 households all over Indonesia
  - these agricultural investments include a food and energy estate, a special economic zone, land rent by state owned companies, business permits for palm oil plantation, and forest concessions for industrial plants, among others

- In the Philippines:
  - farmers, fishers, and indigenous peoples in Casiguran, Aurora are threatened to be displaced by a law expanding a special economic zone from 500 to 12,427 hectares, including lands belonging to small farmers, fishers and the ancestral domain of indigenous communities
  - fishers in Caluya, Antique are protesting the demolition of 128 houses by 84 families from a 444-hectare coastal land, after someone with dubious land title claimed ownership of the land, planning to develop it into a beach resort

- In the Philippines:
  - around 4,000 indigenous peoples households (Subanen tribe) in the province of Misamis Occidental are protesting the conversion of around 45,000 hectares of agricultural land into a biofuels plantation project without free prior and informed consent
  - Farmers in Mindanao who are involved in contract growing with companies also report that many of them are suffering from onerous contracts or violations of the terms of their contracts. Some of their complaints are that: companies circumvent labor laws; their produce are bought at a very low price; the cost of materials is very high; and that the contracts involve intensive use of pesticides

### III - What are the farmers' demands and possible solutions?

- Farmers who have been dispossessed of the land are demanding that their land be returned to them immediately. They are demanding that their rights be respected and upheld. They are taking action to raise their demands to governments.
- For those who are engaged in contract growing with companies, they want better terms or enforcement of the terms of the contract. They want assured markets and better prices for their products. They want to have a bigger share of the market value chain. They see agricultural investments as potentially beneficial if they are able to negotiate on equal terms.

### III – What are the farmers' demands and possible solutions?

- In AFA, we believe that there is potential in agricultural investments through collaborative arrangements that do not involve land acquisitions, such as diverse types of contract farming schemes, joint ventures, management contracts and new supply chain relationship
- We are not against agricultural investments, but would like the terms to be beneficial to small scale women and men farmers, terms that empower farmers, terms that secure their livelihoods and residences and farmlands, terms that give them fair prices, decent wages and shared risks, terms that give them also decision making powers over the crops and the farming systems they will use, etc.
- While we want all the region's farmers to improve their livelihoods and boost their incomes, we also want them to be able to do this in a sustainable and environmentally friendly way.

### IV – The case of a successful farmers' cooperative

- The Pecuaria Development Cooperative Inc. (PDCI) was formed by 426 farmers who became beneficiaries of a 998hectare hacienda in Camarines Sur province under the comprehensive agrarian reform program, after a long history of land struggle.
- The cooperative is now the number one producer of organic rice in the Philippines and has received an award as best agrarian reform community

**PECUARIA Video (7 minutes)** 

#### V – The case of the Sumilao farmers

- The Sumilao farmers had a long struggle to own a 144hectare land that was supposedly theirs under the comprehensive agrarian reform program
- Food and beverage giant San Miguel Corporation became their adversary after the company bought the disputed land from the former landowner
- Through an extra-judicial settlement, the dispute was resolved as San Miguel offered to donate land from another area to the Sumilao farmers
- As new landowners, the Sumilao farmers started to plant corn and cassava, which San Miguel plans to procure from farmers for an agreed price

#### VI – What lessons can be learned from these cases?

- Secure land tenure is the starting point for farmers in agricultural investments and it gives them stronger negotiating power
- An integrated area development plan gives farmers a sound basis for evaluating agricultural investments that will ensure benefits for farmers and long-term relationship with the right/matched/suitable investors) (e.g. they refused a golf course project because it is not aligned with the sustainable agriculture plans)

#### VI – What lessons can be learned from these cases?

- A network of support groups signals to potential investors that farmers have partners who will stand by them in the negotiations (a fourth party, as in private, public, farmers and CSO partnership, where the CSOs facilitate strengthening of farmers' negotiating position)
- Community organizing is a crucial factor in strengthening FOs and building their capacities
- Small scale farmers are vulnerable to disadvantageous agricultural investments such as contract growing arrangements with onerous terms

#### VII – What recommendations can we make for the Implementation Guideline on Agricultural Investment and Access to land?

- Farmers' land rights should be protected and upheld and no investments that violate these rights should be allowed
- Farmers' organizations should be strengthened and supported as they formulate their own development plans and build their capacities for production and marketing
- A network of support for farmers should be built
- Community organizing efforts should be supported

### VII – What recommendations can we make for the Implementation Guideline on Agricultural Investment and Access to land?

- Private investors should respect existing land rights and find groups of farmers who have a development plan that is aligned with their own business
- Private investors should provide technical assistance (e.g. training for quality) and share risks with farmers (e.g. guaranteed price of produce)
- Farmers' skills for negotiating contracts should be increased
- Government, CSOs, and other support groups should supporter farmers in negotiating contracts

Thank you!