

MOZAMBIQUE News reports & clippings

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Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively.

<http://www.lse.ac.uk/internationalDevelopment/research/mozambiqueElections/home.aspx>.

ProSavana strategy plan published:

Increased government role & fertiliser subsidies, but no word on land grabs

The long-awaited ProSavana plan for rural development in the Nacala corridor was finally published last month. In response to pressure from civil society and from within the Ministry of Agriculture, the plan is dramatically different from the leaked early draft. The stress is now on family farmers, and on a substantially increased role for government. In particular it calls for subsidies for fertiliser and rural credit and legislation for contract farming to protect peasants. But the plan fails to even discuss the contentious issue of land grabs and land conflicts, which means it will not dispel civil society and peasant distrust.

A summary of the strategic plan (Plano Director) is on

http://prosavana.gov.mz/files/files/N/0215/BIB27/2.PD_Summary.pdf

and the full 200 page Plano Director is on

http://prosavana.gov.mz/files/files/N/0215/BIB27/1.Master_Plan_Draft_Zero_Main_Revisao.pdf

ProSavana covers 19 districts in Nampula, Zambézia and Niassa provinces, and is funded by Brazil and Japan. The zone has 10 million hectares, of which 4.3 mn ha could be used for farming. The plan estimates that there are 692,000 farming families who mainly use rotating agriculture; they shift their fields every 3-5 years and leave the old field for a decade or more to regain its fertility. They are farming 930,000 ha (1.3 ha per family) and have 1.9 mn ha at rest (which means the average family has access to about 4 ha of farmland). The plan further estimates that there are 1.5 mn ha not used and available for investment, almost all in Niassa. (page 2-3)

The goal of the plan is to have families using more of their land permanently, raising productivity through improved seeds and fertiliser while increasing area with tractor ploughing. (p 2-4) They want to make farmers more commercial, "moving from a mentality of 'produce and sell' to 'produce for sale'." (p 5-1)

Associations and farmer groups are seen as central to this process as well as to improving marketing, but the plan estimates that there are only 4000 farmer associations in the entire country, half of which are members of the National Peasants Union (União Nacional de Camponeses, UNAC). Most associations only survive because of support from NGOs. "Despite all the efforts made, few or no producer organizations can be considered successful economically," the report notes. (p 2-16, 17, 3-10) The plan sees emergent farmers (small commercial farmers with 5-10 ha) as taking a lead in these groups. (p 3-13)

Contract farming, already used in tobacco and cotton, is seen as an important way forward. The contract company supplies inputs and assistance on credit and guarantees a market, but the farmer must sell to that company. But the plan also recognises that there are power imbalances,

and calls for the government to issue contract farming guidelines and legislation, and to train district administrations to be able to support farmers in contract disputes. (p 5-3, 4, 5)

The plan does a very interesting calculation of the costs of production and confirms what we found in our book *Galinhas e Cerveja (Chickens and Beer)*, free in English on <http://bit.ly/chickens-beer> that:

- + the producer prices of maize and rice are too low to be profitable as commercial crops while beans, soya, cotton, sesame, potatoes and vegetables can be very profitable. (p 2-7)
- + it is not profitable to use fertiliser on maize, and a subsidy to cut the price by 40-50% would be required to make it worth using fertiliser on maize. (p 2-13) The plan explicitly calls for fertiliser subsidies. (p 4-19)
- + Tractors need to be subsidized. (p 2-14)
- + Banks are not interested in farm credit, and government must enter with guarantees and subsidies.(p 2-15)

There is adequate rainfall for farming in only five months of the year, which makes irrigation essential for expanding production; 1.6 mn ha could be irrigated in the ProSavana zone, but only 3000 ha are currently irrigated

Comment: Since its launch in 2011, both the Mozambican Ministry of Agriculture and the Brazilian and Japanese promoters of ProSavana have been deeply divided. In each of the three parties are one group promoting support for peasants and another group promoting large scale plantation agriculture investments, with Brazilian and Japanese companies having tens of thousands of hectares. In early visits, would-be Brazilian investors found that such large tracts of land were not available in the Nacala corridor. This led to two responses: ProSavana was expanded to include parts of Niassa in the hope that free land could be found there, and pressure increased to find "underused" land in Nampula for foreign investors, which triggered peasant protests.

The new Plano Director is clearly written by Brazilians from the pro-peasant faction of ProSavana and contains many interesting proposals. It accepts that there will be foreign investment in farming, but says nothing about size or likely total area. It calls for foreign investors to obey the various weak international Principles for Responsible Agricultural Investment but it accepts this will not happen, so it continues: "considering the current situation in which private investments that require large scale land occupation result in conflicts with the locals, it is necessary to start to develop a framework to ensure that private investments comply with" international principles.

The plan sees the issuance of DUATs (Land use titles, Directo de Uso e Aproveitamento da Terra) to individuals and communities as the key to protecting community rights.

But that points to a controversy bubbling under the surface: will DUATs be used to reduce peasant land and free land for investors? The land law gives people the right to land used for shifting cultivation, pasture, forest resources, and water, which can be quite extensive. But the Ministry of Agriculture considers much of this land "under used". The fear is that peasant families will be pushed to accept a DUAT for just the small area they actually farm, releasing the rest of the land for investors.

No matter how good the Plano Director is, by avoiding the issues of land and land conflict, the writers have ensured that that the opposition of community groups and civil society will continue.
jh

Claim \$4.2 bn farm plan for Rio Lúrio

A \$4.2 billion plan for two dams on the Rio Lúrio and a 160,000 ha irrigation scheme is being considered by the Council of Ministers, according to report from Grain (a Spanish NGO) and the

National Peasants Union (União Nacional de Camponeses, UNAC) published in February. The project is in the area where the provinces of Niassa, Cabo Delgado and Nampula meet, and is said to have been proposed by Rui Monteiro and his Companhia de Desenvolvimento do Vale do Rio Lúrio. (In fact, this proposal is in competition with at least two other proposals. Electricidade de Mozambique - EDM - has proposed two larger hydroelectricity dams on the river, and other propose to divert water from the river for Pemba and for use in Nampula. *New Reports* 249)

The report, "The Land Grabbers of the Nacala Corridor", is mainly a summary of companies that have agriculture investments in the Nacala Corridor from before the ProSavana programme. (<http://www.grain.org/article/entries/5137-the-land-grabbers-of-the-nacala-corridor>) Most were also described in our book *Galinhas e Cerveja (Chickens and Beer)*, free in English on <http://bit.ly/chickens-beer>) but there is more detail and photos in the report.

Comment 1: No new plantations have succeeded since independence. Neither state farms nor new private large farms (which often use the same land) have become profitable. This is underlined by the Grain report, which has a separate Excel spreadsheet of 35 claimed foreign investments covering 536,000 hectares throughout the country. (<http://www.grain.org/attachments/3366/download>) Three are old colonial companies - Sena Sugar, Madal, João Ferreira dos Santos - that continue to operate and one is a privatised tea estate dating from the colonial era. The others are from the past 20 years, but many have failed to raise enough money to start, or have already collapsed - in some cases with the loss of millions of dollars. But none of these 31 investments has been successful enough to earn a profit, Several at the small end of the scale (1000 hectares or less) look like the might succeed, in part because they have resident owners making links with local communities.

The key point is that outside investment - from Maputo, Johannesburg or London - in large farms has not succeeded in Mozambique in 40 years. Too many of the recent ones are stock market and hedge fund projects designed for paper profits rather than actual production and never had a chance to succeed. But it is also clear that distant management, either from socialist bureaucrats in Maputo or private owners in the United States or Europe, has proved a recipe for failure.

And the capitalists recognise this. Mozambique's largest agricultural export is tobacco, and the global tobacco companies do not grow one leaf themselves - tobacco is all purchased from small Mozambican contract farmers. The profit comes from the trading side, not farming, which is better left to smaller farmers who can manage their farms more closely. The time has come for the Mozambican elite and donors such as Japan and Brazil to realise that plantation or industrial farming does not work in Mozambique, and encouraging giant foreign-owned farms will not end poverty. Instead, as with tobacco, encourage foreign investment elsewhere in the value chain and let Mozambicans do the farming. *jh*

Comment 2: An unnoticed point in the Grain report is that nearly all of the larger projects cited in the Nacala corridor are on land held since the colonial era or on former state farms. That raises two issues. The first is that most former state farm and colonial land has been allocated or leased; it is no longer easy to find land for would-be large investors. New plantation investments will surely come into conflict with local communities. The second is that much of the state farm and colonial land was not used during the 1980-92 war. After the war many people returning to rural areas moved on to this land (some of which had been taken from their grandparents in the 1940s and 1950s) and began farming. The land law appears to give squatters rights to people who have occupied for ten years, but thousands of peasant families have been displaced by new or former large owners trying to farm that land. The issue is that the law talks of ten years occupation "in good faith" and government has argued that occupying land you know was owned by someone else - the state or a colonial company - cannot be "in good faith". So far, no one has tried to test this in court, and officials have tried to organise resettlement locally - not always successfully. *jh*

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Chickens and beer: A recipe for agricultural growth in Mozambique

by Teresa Smart and Joseph Hanlon

E-book for Kindle and iPad, for \$9.32 from US Amazon -
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In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon. Copies are in Maputo bookshops or from
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Outside Mozambique, we have a few copies we can send from London.
Please email j.hanlon@open.ac.uk.

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by Joseph Hanlon, Armando Barrientos, and David Hulme

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tinyurl.com/justgivemoney

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bit.ly/mozamb

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Joseph Hanlon
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AIM Reports: www.poptel.org.uk/mozambique-news

Carlos Serra Diario de um sociologo: <http://oficinadesociologia.blogspot.com>

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