Local Impacts of Global Resource Scarcity

Examining the Institutional Arrangements and the local impacts of agricultural modernisation via Land Deals in Ghana

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Outline

- Question
- The Cases and Methods
- Outlook
- Synthesis
Question

• How does a fundamental restructuring of agro-food systems resulting from large-scale commercial land investments in Africa affect agrarian economies and livelihoods?

• What are the institutional arrangements and forms?

• What are the resultant impacts?
The Cases and Methods

• The cases are:
  – Norpalm (Plantation);
  – Somanya Mango farming area (commercial farming area)
  – Blue Skies (Outgrowers)

• Methods
  – In-depth interviews
  – Focus group discussions
  – Expert interviews
  – Non-participant observations
NORPALM - PLANTATION

- Incorporated in 1998 and began production in 2000
- Acquired assets of NOPL following divestiture
- Ownership: Norwegian = 68.1% and PZ Cussons 31.4%
- Assets: 4500-hectare plantation and a processing mill
- Main crop: Oil palm
- Products— crude oil palm, kernel oil, cake and other residues
- Current capacity: 70,000 tons of fresh fruit bunches (FFB) a year = 11,000 tons of palm oil, and 1,800 tons of palm kernel oil
- Market: PZ Cussons GH
Land

- No title to land yet
- Supposed to be 50 year lease from the state
- No dispossession of local people
- But creates scarcity
- High tensions/conflicts between chiefs who want land back
- Enormous pressure on land from local farmers, rubber plantations and oil companies
- Ability to pay land rent defines access to land
Labour

- Significant employment to local people
- Diversified labour force
- Gender specialisations
- Casualization
- Contract system
- Average incomes – 8.40 ghc
- Social security payments contingent on mode

<table>
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<tr>
<th>CATEGORY OF EMPLOYEES</th>
<th>TOTAL</th>
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<td>General Manager</td>
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<td>Assistant Managers</td>
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Context

- Tropical rainforest with a relative abundance of minerals, timber and natural conditions for major export crops such as oil palm, rubber and cocoa - agricultural frontier region

- Oil discovery has made it a magnet – high cost of living, especially housing and land rents

- Multiplier effects of NORPALM – commercial agric, hybrid seedlings, market avenue, land markets, employment, infrastructure, attract other companies, basic services
BLUE SKIES (Outgrower)

• Free Zone Company established in 1998
• Shareholding structures: 10%, 40% and 50% for a Ghanaian and two British citizens respectively
• Has four subsidiaries - South Africa, Egypt, Brazil and the UK
• Exports freshly cut fruit to supermarkets in Europe
• Owns a small nucleus farm of less than 270 acres
• Depends on outgrowers
• Two processing plants: at Doboro for export and at Medie for local market
Land and Labour

LAND

• Land from traditional authorities
• Urbanisation – land scarcities
• Farming no longer viable due to population growth
• Conflict with youth and chiefs – agitation for renegotiation and land for social amenities

LABOUR

• Workforce of 2,013 up from 35 at its establishment
• More women employed
• Types: permanent, casual, and contract
• Diversified labour but special attention given to indigenes
• Outgrowers also employ significant number of people
• Labour recycling and casualisation increasing

11/24/2014
Trends in Employment Categories of Blue Skies Workforce (2007-2013)
Context and Impacts

**Context**

- Ecology – mix of forest and savannah vegetation
- A satellite town to Accra – high periurbanisation
- Rising land values – agriculture losing land to housing

**Impacts on Livelihoods**

- High employment
- High demand for rent - stimulate housing industry
- Incomes reflect in the local economy
- Non-farm activities
- Social amenities provided
- Replication of company production by ex-company employees
Majority of farms are owned by indigenes
- Small to medium size – 1 to 200 acres, but few companies with over 500 acres
- Farmers associations, who also dabble as outgrowers
- ADRA, the state the World Bank facilitate the processes
- Extension services from MOFA
Land

- Family lands expanded through acquisition of more land
- Leasing of land from willing sellers
- Land tenure system – patrilineal stool and family systems
- Androcentric society, with access now based on financial ability
Labour and Context

Labour

• Small permanent labour but relies on contracts
• Returns higher for contracts than permanent farmworkers
• Proletarianised indigenes losing lands
• International Migrants critical to farm success – more disciplined – social networks
• Seasonal labour demands with women needed during harvest

Context

• Savannah vegetation with good soils
• Investments in physical infrastructure development
• A modern capitalist agriculture
• Non-farm work and diversification increased
• Mixed contribution on impacts on local economy – benefits to participants and new problems to excluded and marginally integrated
Synthesis

- Livelihoods have been in a state of flux
- Blue skies – high value, labour intensive and numerous actors in value chain
- NORPALT – labour intensive, low value and numerous actors
- The benefits to labour, employment and local economy are higher with Blue skies, but also considerable with other two models.
- Women have tended to benefit from employment in all the models except on access to land
- The commercialisation of agriculture has transformed the local economies
- Social differentiation is increasing - few rich commercial farmers and many landless farmers and farm workers
Outlook

• Land concentration irrespective of the institutional arrangements
• More people owning land in commercialisation and outgrower schemes than plantation systems
• Women leaving own farms to take wage jobs on commercial and outgrower farms
• Land scarcity in communities observed
• Emerging agrarian structure - move to commercialisation of agriculture with less emphasis on food
Thank you