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## “Decrease” in agricultural investments

## Summary

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*Cover page : Harvest celebration,  
Pakistan 2013  
(photo Rufus KAMRAN)*

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It highlights the rural world's life and activities of  
the member movements belonging or not to the Federation

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*Dear readers of VMR,*

*Warm greetings from international secretariat*

*The 4 editions of VMR 2012 discussed deeply our general theme on "Decrease" but with a specific analysis on how to apply decrease in Energy, Food, Water consumption and Food production. Many members of FIMARC and other readers of VMR gave a good feed back on our publication and requested to provide more analysis on the theme of decrease and its practical application in various areas. Hence the Bureau of FIMARC decided to continue our focus on Decrease and this edition of VMR is on how to apply decrease in Agricultural investments.*

*Corporate investment has alienated millions of small scale producers from their own land, other productive resources there by generating human rights violations in many countries through the expansion of agrofuel production, mono cultivation. Private investors in agriculture comprise a vast and diverse range of actors from companies involved in agricultural production, processing as well as investment funds that seek opportunities to invest in land and other assets. Whether it is question of agricultural land, urban spaces or special investment zones, everything is good to attract the foreign investors, at the detriment of the small farmers and the food sovereignty of the countries, even if malnutrition always affecting the poorest.*

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*Small-scale farming is the dominant most important form of food production which feed over 70 % of the world population. Small scale farming also contributes to the social, economic and environmental advantages such as creating employment, maintaining good cultural practices, sustainable rural development and preserving ecosystems.*

*At present time smallholder food producers face severe constraints such as inadequate access to land and credit, insecurity of land and resource tenure, limitations related to seed production and exchange, prices that do not cover the cost of production, research systems that do not meet their needs for sustainable production as smallholders, the absence of mechanisms to stabilize local and national markets, and inadequate regulation of financial and commodity markets.*

*This is the context we are analysing the aspect of decrease in the field of agricultural investment and this means there is a great need to reduce ongoing trend in promoting foreign corporate investment in the agricultural sector that destruct the local food system and small scale family farming. In a way we can say that investing in small holder farmers is the best way to apply decrease in Agricultural sector. Public agricultural investments, therefore, should aim at ending hunger, ensuring the right to food, enhancing the sustainable local food production systems and creating decent conditions for agricultural workers*

*Enjoy your reading*

*Wish you a Happy and Prosperous year 2013*

*With best regards,*

*George Dixon FERNANDEZ  
General Secretary*

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## **“Decrease” in agricultural investments**

*The food expenses represent up to 70% of the household budget in the developing countries whereas these do not exceed 10 to 20% in the developed countries. These 2 figures illustrate well the tragic consequences of any increase in prices of foodstuffs, being able to plunge whole families into situations of food crisis even sometimes in famines.*

*This article will try to highlight how the investors/speculators destroy the small scale family agriculture while investing so much in production models directed to the market, while constituting reserves of foodstuffs to speculate on food or when they divert the production on foodstuffs for the production of agro fuel.*

*In a second part, we will see that, from our point of view, it could be interesting to invest in agriculture, that responds its first function, to feed the world, in a perspective of food sovereignty and in the respect of human rights to end with some proposals of action that allow to reach these objectives. .*

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## THE INVESTMENTS IN AGRICULTURE

The sharp rise of foodstuffs in 2007 and 2008 highlighted more than ever essential role of agriculture and the necessity of investing in this sector to be able to continue to feed the world. The reasons of this food crises are in particular the climate change, the volatility of foodstuffs prices, the impoverishment of the land and ground water but especially doubtless, the enormous speculation on land for the production of mono cultures intended mainly for export and the pressure on these land for the production of agro fuels. All this made possible by agricultural policies accepted by numerous governments more eager to make benefits than ensuring the food security of these people.

### Who are the investors and what are their objectives?

Those who are surely most well known are the multinational companies or even the private companies, oil mining companies, pension funds... Their objective is clear: it is to earn money by speculating on foodstuffs.

All this is concretized by land grabbing, imposition of monocultures intended for the export by utilizing a strong mechanization and with the complicity of the agro industry, using all the range of chemical products, GMO's and all modern technologies available. These investors speculate especially in 5 domains: the production, the agro fuels, the agricultural markets, the agricultural and trade policies and the constitution of foodstuffs reserves.



*Land grabbing for the exploitation  
Of a gold mine, Guatemala*



*FIMARC demonstration against land grabbing  
WSF 2011 Dakar, Senegal*

Since the 1970's, public expenses in the agricultural sector were severely reduced in most of the countries under the effects of structural adjustment policies imposed by the IMF so that these countries are able to reimburse their debt. In spite of this, the growth rate of the world agricultural production did not stop increasing to reach its actual level, the most raised for 50 years, mainly due to the massive contribution of external inputs and seed manipulations (Hybrids, GMO...). But an increase of the yields does not necessary mean food security!

In the previous recent VMR, we often mentioned the question of land grabbing for the production of agro fuels. The examples are numerous, whether in Africa, in Asia as well as in Latin America. Nowadays we speak about billions hectares of land that exploited in this way the agricultural production, threatening the food security of millions of people and having severe impacts, even irreversible impacts on the ecosystems.

The agricultural policies adopted by numerous countries do not contribute either to the food security and food sovereignty of the populations. Indeed, the international financial institutions push the countries to more and more competition, to open their borders and to abolish all protective measures

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of their peasant agriculture. Even if the part of foodstuffs exchanged on the international market remains relatively low (we quote a figure of hardly 10%), it is at the level of international market that the prices of main cereals are fixed, entailing rises in prices hardly difficult to bear for the internal markets. As a consequence, local populations cannot any more offer themselves the necessary basic products for their food supply due to the exaggerated costs.

Let us add to this the dumping policies of the big exporting countries that also ruin the local economies and directly enter into competition with the local products leading sometimes to the disappearance of the same, entailing a bigger dependence towards these countries.

As per the practices of the multinational companies, they are reinforcing these harder and harder conditions for the developing countries. The liberalization conditions imposed to the emerging countries by the IMF, the World Bank and the free trade organizations have just prepared them the ground and we are assisting nowadays to more and more concentration of these companies. For example, 6 companies concentrate in their hands around 85% of the world cereal trade, 8 are sharing around 60% of the world seeds, 3 hold more than 80% of cocoa's sale, 3 divide up 80% of the banana's trade...



*Wheat harvest celebration in the village 17 M/L Piplan  
organized by the Peace and the sustainable development society,  
May 2013, Pakistan*



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From the seeds to the fertilizers, from the storage to the process up to the final distribution, they are dictating their law for billions of farmers on our planet and the risk is bigger and bigger as these enterprises control the food for the world .

*Questions for the groups and the movements :*

- *What is the role of investors in your country?*
- *Is there still enough space for the small scale family agriculture?*



## **THE NECESSARY INVESTMENTS**

So that the small scale family agriculture meets the challenge to feed the world, investments are necessary, to respond to the real needs of the farmers, the breeders, the fishers as well as for craftsmen and traders living in the rural areas. These investments must be realized in the perspective of the implementation of human rights and in the dynamic of food sovereignty.

### **The needs of the small farmers**

The needs of the small farmers can be formulated in some points that are also some indicators for the investments to be realized:

- To get food, for one and his family; to feed the local community, the population of a region, a country, the world and thus to reduce the poverty;
- To better produce by improving the natural techniques, for an intensively ecological agro ecology using natural resources but preserving the environment;
- To get incomes allowing to live: prices paying the work, refusal of import dumping products, to realize and to keep in hand the added value from the processing and marketing of the products; to get access to local markets;



- To access to human and technical trainings, for women and men, in order to get a better use and valorization of natural resources; the training should also have an objective of learning the individual and collective responsibility, the capacity to be partners in the decision processes; to allow each and other to “stand up”;
- To get the possibility to get organized in associations, in cooperatives or any other collective form, to be partners and deciders in the agricultural policy implementing food sovereignty.

When we are speaking of investments this is not only through financial means, even if those are essential; the investments also have to respond to the real needs of the people, actors in the rural areas. The investments should be made in partnership with the farmers, with the farmer’s organizations and the public authorities.

From our point of view, a first investment should be investment in human being, in the valuation of the knowledge and the knowhow of the populations and local communities. Another investment should be in the renewable energy by simple technologies allowing a better productivity. Investment in

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the capital is of course also necessary so that each small producer or breeder is able to invest himself for his own development. Link to this point, investment in a productive capital is also indispensable: land, water, and farmer's seeds, resources to protect and master the local populations. Another set of other investments is also necessary as for example plans and programs allowing the farmers to get incomes. This pass through the adoption of fiscal policies, researches in agro ecology, development of the social life ...We should also not forget the investments to be realized in the research while associating the local populations in order to promote their knowhow and knowledge and in the same set of ideas, to invest in diverse technical trainings to give added value to the production in order to have a better storage to put the products on the market (local /regional) at the right moment.

*Questions for the groups and the movements :*

- *Amongst the real needs mentioned here above, can you complete the list?*
- *Amongst the investments mentioned by the FIMARC as necessary investments, would you like to add some?*



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## **SOME PISTS OF ACTION**

### **To be proposed to the farmers and breeders**

Unity is strength... This means for the farmers, for the producers to get organized to manage the projects together, to get access to natural resources, to elaborate and to follow the agricultural policies and to create alliances and action's networks, from the local level to the regional and worldwide. It is also a question of developing food crops before any other form of production, of setting up innovative solutions for the storage and stocks, of diversifying the productions. To implement all these measures, it is also necessary to get training to understand how to manage the natural resources, to get training to friendly environmental techniques as agro ecology or agro forestry and especially to spread this knowledge.

We are speaking of producers but even if in numerous countries the agriculture still represents an important part of the activity of the populations, there is also an important part of the population which is consumer. Tracks are also to be deepening in this way to associate the civil society to the definition, to the implementation and the evaluation of the agricultural and development policies, to train this part of the population to food sovereignty, to the social and human dimensions, for the emergence of a collective conscience... This can be made through purchasing groups of consumers, via exposure programs in farms and centers of production.

### **To be proposed to the public authorities, to the States**

The public authorities the States and the governments have to watch the equilibrium of the policies concerning the economic development, the trade exchanges and the management of natural resources. They have to support the small scale family agriculture and to regulate the markets while defining policies in favor of the right to food, favoring a sustainable management of natural resources and ensuring an equitable access for the poorest. Food sovereignty and human rights must be the priority strategic axes of public authorities and States to fight against hunger and reduce the poverty.

*Questions for the groups and the movements :*

- *What are the other claims that you would like to add to the ones mentioned above?*
- *To whom would you like to address these claims?*



## News from Coordination



### **FIMARC Asian coordination meeting 2013**

FIMARC Asian Coordination meeting took place at RRF Training & Resource Centre, Jessore, Bangladesh from 15-22 February 2013. The evaluation and planning of FIMARC Asian activities, Exposure visit to know the reality of the country and the work of the national movement, meeting with BSDL members, Discussions on the effect of climate change on sustainable agriculture etc were the main programs of this meeting. Thienvihan Prapan, South East Asian Coordinator, Chung Ki-hwan, President of Fimarc, Mr Philip Biswas (Asian Coordinator) lead the meeting.

The meeting started with 2 days exposure program in the South-western part of the country visiting Value Chain Projects supported by USAID and Sustainable Agriculture Practices supported by European Union, USAID, Tear Fund etc. Participants learned how the small farmers preserving and storing their own

seeds especially variety of local beans, paddy, vegetables seeds and using green manures, compost, vermicides instead of chemical fertilizers.

The participants and the farmers exchanged their views and shared their countries experiences to benefit each other. The coordinators had a sharing meeting with the members of Bangladesh Sustainable Development Forum where 26 movements participated.

An orientation was given on FIMARC using power point presentation. Through this presentation all movement members both new and old members got a very clear idea on FIMARC, its structure, role and functions.



*Meeting with BSDL*

Asian Coordination stressed on arranging workshops/seminars and exposure visits within Asian countries to share knowledge, new ideas and experiences so that the best practices can be learned and replicated where possible.

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Ki-hwan announced that a 15 member farmers from South Korea will visit Bangladesh in December 2013 to share and learn from the farmers of Bangladesh and he expected that some farmers from Bangladesh also will visit South Korea sometime in 2014. Participants welcomed this initiative eagerly. FIMARC Asia would hold a seminar in the next November 2013 in Kerala on Agricultural investment if finance allows.

Ki-hwan and Praphan joined with the RRF staff and children of RRF school "Barnamala Biddyapith" to pay homage at the monument of the martyrs who sacrificed their lives for the cause of the mother tongue "Bangla" Language

### **World Social Forum 2013 - Tunis**

The world social forum 2013 was held in an Arab country for the first time in the University of El Manar, Tunis from 26-30 of March 2013. Around 5000 organizations and over 30.000 participants from 127 countries from five continents attended the WSF which casts itself as an alternative to the World Economic Forum in Switzerland and addressed a range of subjects from the environment to democratic governance and women's rights.

"The revolutionary processes, rebellions, uprisings, civil wars and protests" were at the heart of the discussions as well as the social and economic problems behind the Arab Spring and the crisis in Europe. Thousands of Tunisian revolutionaries, globalisation activists and civil society groups took to the streets of Tunis for a carnival-like march to open this year's World Social Forum (WSF).

The activities of the WSF was organized during five days with 1000 workshops, 70 musical shows, 100 films projection in addition to 50 exhibitions .

Before the official closing of this international event on March 30, a march of support to the Palestinian people on the occasion of the Land Day was organised.

FIMARC participated in the World social forum in Tunis and organised a Workshop on Alternatives for sustainable rural development. FIMARC also was a co-organiser of another work shop on Agricultural transition together with More and Better network.



*Climate changes forum  
WSF Tunis, March 2013*



*FIMARC workshop on "The Alternatives for a sustainable rural development"  
WSF Tunis, March 2013*



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