

# Land lease for farming abroad remains on paper

Serious proposals have been floated more than once, especially by private firms, but many have floundered

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India's plan to lease farm land in Mozambique, Tanzania and Malawi to grow pulses for domestic consumers is not the first such project and all such attempts in the past have not yielded desired results due to high cost of investment, poor law and order and inadequate infrastructure.

In Africa, too, there have been several attempts by Indian companies to purchase or lease land to grow pulses, oilseeds and corn but not much has moved forward.

In fact in 2009, eight major Indian food companies — including Godrej Agrovet, Ruchi Soya, Pranav Agro and State Trading Corporation — had formed a consortium called Select Agro Ventures, with the intention of either purchasing or leasing land (10,000-15,000 hectares) in Uruguay, South America, to grow pulses and soybean. Export Import Bank of India (Exim) had said it would lend money. However, there was a global recession and Exim backed out. The consortium still exists but largely on paper.

"China and Saudi Arabia also jumped into the Uruguayan land market, pushing up prices and making our investments all the more unviable," B V Mehta, executive director of the Solvent Extractors Association

## PULSE OF THE MATTER

- Mozambique experiment not the first attempt to lease or buy land abroad to grow crops
- A consortium of seven Indian companies had planned to grow pulses and soybean in Uruguay
- The project failed to take off due to high cost, lack of institutional financial assistance and poor infrastructure



of India and one of the prime drivers of the project, told this newspaper.

He said there had been attempts to lease land in Ethiopia to grow pulses but the land offered was around 1,500 km from the port of Djibouti, with no proper road connectivity. "Stability of governments and financial viability are factors which make Indian business think 10 times before buying land in African nations," said Mehta.

However, not all such investments have failed so early. Bengaluru-based Karuturi Global has been one of the largest investors in Ethiopian farmland. It grew corn, sugarcane and palm oil before its investment got caught in a dispute with the local government.

Published news reports show in March 2010, the 140-year-old construction firm of Shapoorji Pallonji and Co

signed an agreement to take on lease up to 50,000 hectares in Ethiopia to cultivate pongamia pinnata, a feedstock for biodiesel. Earlier, Emami Biotech, part of personal care products maker Emami, had entered into a similar agreement there to lease up to 40,000 hectares for cultivation of jatropha, another biodiesel feedstock, and edible oilseeds.

Ethiopia had emerged a preferred destination for Indian companies, mainly to grow feedstock for biodiesel, with large tracts of contiguous land and favourable government policies.

"Will we allow any foreign country to buy land in India to grow crops for its people? This amounts to re-colonisation and should be discouraged," said food policy commentator Devender Sharma. He said instead of incentivising farmers from other countries, there was no reason why this couldn't

## PM likely to seek land for pulses during Africa visit

The issue of India leasing land in African nations to grow pulses on a contractual basis might figure during Prime Minister Narendra Modi's coming visit to those nations in July, an official said, adding the Centre is keen to explore all possibilities to boost the availability of pulses in the country.

be done for Indian growers.

"To me, it is another attempt to push people out of agriculture, as the more you import food items, the more you create unemployment in your own country," said Sharma.

Bimal Kothari, vice-chairman of the Indian Pulses and Grains Association (Ipga), said the problem in pulses and the price spike was due to two monsoon failures, which could be addressed through proper irrigation.

"Let the government do this in all areas where pulses are grown, on priority. I can assure you we will not have to look outside," he said.

He said pulses require much less water than sugarcane or paddy and arranging for the minimum water would solve much of the problem.