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Land dynamics in Africa: What is the potential for expansion? – 1 July 2016

Introduction

- Africa has **1.2 billion hectares** of agricultural land, of which **19%** is arable land for crop production (Table 1).
- Just under **3%** is under permanent crops such as cocoa, coffee and other forms of plantation agriculture.
- The rest (**78%**) is under permanent meadows and pastures - to grow herbaceous forage crops (either cultivated, or growing wild, or grazing land).
- The 1.2 billion hectares of African land represents roughly **23%** of global total agricultural land.

Table 1: Agricultural land utilisation (millions of hectares)

	Arable land	Permanent crops	Permanent meadows & pastures	Total
Africa	218	31	901	1,150
Americas	366	28	817	1,211
Asia	487	74	1,091	1,653
Europe	279	16	180	475
Oceania	48	1	392	441
Total	1,398	151	3,381	4,931

Source: FAO Stat (2016)

What is the World Bank saying about land investments in Africa?

- Deininger et al. (2011) suggest that developing countries will bring **6 million** hectares of additional land into production each year up to 2030. **Two-thirds** of this expansion will be in Sub-Saharan Africa and Latin America, where potential farmland is deemed to be abundant.
- In the aftermath of the 2008 food price crisis, foreign investors expressed interest in around **56 million hectares** of land globally in less than a year, with two-thirds (**29 million hectares**) of this land being in Sub-Saharan Africa.



What is the Land Matrix saying about land investments in Africa?

- The Land Matrix (2016) says that, globally, **36.4 million hectares** have been acquired for agricultural purposes. Of this amount, **17.3 million hectares (44%)** have been acquired in Africa by international investors over the past decade or so.
- Looking at the agriculturally driven land acquisitions in Africa, just under **1.5 million hectares (8%)** have been acquired with the exclusive intention of food production. About **7.7 million hectares (44%)** is for non-food production, while **2 million hectares (12%)** were acquired for the production of flex crops (i.e. crops that can be used for food, feed, fuel and industrial purposes).

What is other research saying about land investments in Africa?

- Schoneveld (2014) estimates that **22.7 million** hectares of arable land in sub-Saharan Africa have been acquired by large-scale entities, with roughly **90%** of these involving a foreign primary shareholder.
- Chamberlin et al. (2014) argued that this is equivalent to roughly **9.7%** of total area under cultivation in sub-Saharan Africa, and between **15–35%** of the region's remaining potentially available cropland (excluding forestland).
- Jayne et al. (2014) points out that around **half of these investments** are located in just six countries: Ethiopia, Ghana, Madagascar, Mozambique, South Sudan, and Zambia. The DRC and central African states with sizeable land, water and forest resources are not on the list.
- Schoneveld (2014) noted that **7%** of them pertain to basic staple food crops. The rest of the investments are heavily geared towards oilseeds (**60%**), timber and pulpwood trees (**15%**) and sugar crops (**13%**).

Africa's Potential

- Estimates by Fischer and Shah (2010) suggest that the world has **446 million hectares** of potentially available uncultivated land. Sub-Saharan Africa accounts for **202 million hectares**, or **45%** of global potentially available uncultivated land.
- Further qualifying estimates reflect that **47%** of the **202 million hectares** of potentially available uncultivated land in Sub-Saharan Africa is less than 6 hours from the nearest market.
- Under a set of more relaxed assumptions, estimates of potentially available uncultivated land in Sub-Saharan African range from **52%** (Deininger et al., 2011) to as high as **60%** of the world's remaining arable land.

A closer look at land availability in Africa

- Regardless of methodologies and assumptions, Sub-Saharan Africa remains the last frontier of larger land expansion for crop production in the world. However, much of this land is concentrated



in just eight countries. As much as 90% of Sub-Saharan Africa’s unutilized arable land is located in just 6–8 countries (**Table 2**).

- The rest of the continent is characterised by large rural populations clustered in remarkably small areas (Chamberlin et al., 2014).

Table 2: Land availability in African Countries

	Non-forested unutilized land (1000s Ha)	Proportion (%)	Cumulative proportion (%)
Democratic Republic of Congo	84,824	46.5	46.5
Angola	18,889	10.4	56.9
Congo	12,872	7.1	63.9
Zambia	10,834	5.9	69.9
Cameroon	10,447	5.7	75.6
Mozambique	8,994	4.9	80.5
Central African Republic	7,049	3.9	84.4
Gabon	6,534	3.6	88.0
Sudan	5,803	3.2	91.2
Tanzania	4,313	2.4	93.5
Madagascar	2,718	1.5	95.0
Zimbabwe	2,142	1.2	96.2
Chad	1,520	0.8	97.0
South Africa	1,219	0.7	97.7
Kenya	807	0.4	98.2
Mali	800	0.4	98.6
Burkina Faso	655	0.4	99.0
Ethiopia	651	0.4	99.3
Rest of Africa	1,259	0.7	100.0

Source: Jayne et al, (2014).

Estimates of underutilized land extents are drawn from Fischer and Shah (2010). The methods are explained in Chapter 3 of Deininger et al. (2011).

Non-forested unutilised land is defined by Deininger and Byerlee as land under 25 persons per km²

- Recent research is suggesting that many regions across sub-Saharan Africa’s most populous countries will soon exhaust their land frontiers (e.g. Uganda, Nigeria, highland Ethiopia etc.).
- Other parts of densely populated countries in sub-Saharan Africa have largely exhausted their potential already (e.g. Kenya, Rwanda, Burundi, Malawi etc.).
- This means that to expect production growth to come from area (or horizontal) expansion will be increasingly untenable in many areas across the African continent. Land use intensification, therefore, remains an important pathway, but sustainable intensification may not occur without more holistic and more effective public support for smallholder and even large scale commercial agriculture.
- In an increasingly globalized but complex agro-food system, land availability per se is only but one consideration driving investment decisions. Also of importance are the **land governance systems per country, and specifically tenure security considerations, as well as infrastructure provision,**



market considerations, access to and cost of finance, political arrangements and stability, local skills availability, and others.

Sources:

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