

UK Land Policy Forum VI

Investment strategies in agriculture: Is the tide turning from industrial plantations towards outgrower models of production?

Date & Location

3:00-5:30pm on July 11th, 2018 at KPMG's offices at 15 Canada Square, Canary Wharf, London E14 5GL

Summary

The 6th UK Land Policy Forum will discuss different models of outgrower production, lessons learnt from practical experience and their implications for land policy.

Background

The purpose of the Forum is to provide a focus for debate, information and lesson sharing amongst UK stakeholders to inform DFID and wider UK policy and programming for strengthening of land governance and land rights protection.

Theme

In policy discussions of land and agricultural investment, large-scale commercial farming and smallholder agricultural intensification are often considered two alternative models for agricultural development with outgrower schemes seen as a way of combining the advantages of each approach. Outgrower models of production are now well-established, notably among traditional plantation crops such as coffee, cocoa or oil palm. However, there has been a resurgence of interest in these schemes in recent years, primarily led by Development Finance Institutions (DFIs) such as AgDevCo or CDC. There is now evidence that producers are interested in replacing large-scale plantation techniques with outgrower production models altogether. Traditional plantation companies such as Sime Darby and Olam have promoted outgrower cooperation beyond the prevalent legal, environmental or social certification standards. This suggests that **the tide may be turning around investment strategies in agriculture**. Such developments offer opportunities and challenges to rural land rights.

Outgrower production models have long been recognised as an effective development strategy for linking poor, rural smallholder farmers to markets. They have also been identified as a key strategy for narrowing the yield gap between smallholder farming techniques and large-scale commercial plantations, a high priority in a world that needs to double food production by 2050. However, there has been less attention awarded to the impact that such investments strategies can have on land governance. It is also worth considering examples of how contractual farming techniques have been used to exploit smallholders.

This growing body of practice calls for an opportunity to reflect on some key questions:

- 1) What has the impact of these outgrower production models been on land rights? What are the advantages and disadvantages of different outgrower models in terms of their impact on land rights?
- 2) Why are outgrower production models of interest to DFIs and private producers? What do they tell us about how to incentivize responsible private investment?
- 3) How can land policy guide the design of outgrower models that incorporate equitable land rights? What can be learnt from existing legal initiatives to strengthen contract farming strategies?

Aims

This meeting is aimed at extending the participants' understanding of:

- a) How outgrower production models can affect land rights
- b) The drivers of responsible private investment in agriculture
- c) How land governance can be designed to support equitable outgrower production models

Proposed Agenda

Time	Theme	Presenters
14:45	COFFEE	
15:00	Welcome and overview of the day	Nathan Hill (KPMG)
15:05	Land governance and inclusive business in agriculture: advancing the debate	Anna Locke (ODI) & Lorenzo Cotula (IIED)
15:20	Relevance of the theme for DFID	Chris Penrose-Buckley, DFID
15L30	<p>Panel discussion</p> <ol style="list-style-type: none"> 1. Short introductions 2. Q&A with panellists 	<p>Moderator: Anna Locke (ODI)</p> <ol style="list-style-type: none"> 1. Lorenzo Cotula (IIED) 2. Kate Mathias (TwentyFifty) 3. Jim Henderson (AgDevCo) 4. Scott Schang (Landesa)
16:30	Open discussion, questions and comments	
17:15	Wrap-up, next steps and future meetings	Anna Locke (ODI)
17:25	Closing remarks	Chris Penrose-Buckley