Farmland and Water: China invests abroad

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Introduction

Farmland and water have become important targets for a growing number of foreign investors over the past few years. Private sector investors are looking to capitalize on rising agricultural commodity prices and growing global demand, as well as speculating on rising land prices. Governments are also investing abroad to secure their country’s food and energy needs in the context of volatile world market prices, scarce or depleted natural resources at home and the global hunt for water resources. China is often singled out as one of the big government investors in a phenomenon that has come to be referred to as the global “land grab.”

The World Bank (2010, September) found that in 2009 alone investors were reported to have acquired 45 million hectares of land, 32 million of it in Africa alone. In 2012, the Land Matrix project revised those figures, and now estimates that over the past 10 years investors have acquired 83.2 million hectares of land, mostly in Africa (Anseeuw et al., 2012). In terms of China’s role, the authors found reports of 86 Chinese projects covering 8.3 million hectares of land in developing countries. We were able to confirm the existence of 54 projects covering 4.8 million hectares.

Different types of investors are interested in agricultural land and water. First, a group of cash-rich but food- and water-insecure states, which operate mostly through sovereign wealth funds and state-owned enterprises. Second, multinationals companies, including traditional western agribusinesses, energy companies (for biofuels production) and industrial enterprises (like tire or clothing manufacturers), who depend on agricultural inputs for their industries and are looking to expand market opportunities. And third, a new group of actors from the financial sector, including banks, private equity funds, hedge funds and pension funds, either privately or publicly funded, looking to diversify their investment portfolios and increase their returns.

The purpose of this paper is to explain China’s investment strategy in agriculture abroad. We first highlight the public debate that often exaggerates or inaccurately portrays China’s global ambitions in agriculture. Second, we discuss China’s domestic agricultural policy. While China has remained largely self-sufficient in producing staple foods, the growing demand for agricultural inputs to supply the food processing, manufacturing and energy sectors cannot be met by domestic production alone. Third, we look at how China secures these agricultural inputs through trade and investment abroad. This policy is shifting from a strategy based on dependence on global markets (and the commodity traders who dominate those markets) to a strategy based on foreign direct investment, including by acquiring large tracts of farmland with associated water resources.

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1 Other countries often cited are South Korea, Japan, India and the Gulf states. The Gulf states acquiring land abroad include Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, and Oman

2 For the purposes of this paper, the terms “acquiring,” “acquired” or “acquisition,” refer to the purchase or long-term lease of land and related rights to use and access natural resources, particularly water and forests. Leases are typically for a period of 30 and 99 years and often contain provisions for renewing or extending the lease period. The host state provides the investor with title to the land and rights to use water and other natural resources for agricultural purposes. The legal contracts take various forms, including lease agreements, concession agreements, contracts for sale, cooperation agreements, conventions and memoranda of understanding (MOUs).
The Public Debate About China’s Agricultural Ambitions

China is frequently accused of “land grabbing” in countries that are particularly poor and vulnerable. In July 2011, Germany’s Africa policy coordinator, Guenter Nooke, blamed China’s practice of buying up land in the Horn of Africa for worsening the famine in the region. He told the German daily Frankfurter Rundschau that Chinese investments were focused on farming for export, which can lead to “major social conflicts in Africa when small farmers have their land and thus their livelihoods taken away” (Agence France Presse, 2011).

The Economist wrote about a Chinese deal with Zambia to grow biofuels on 2 million hectares of land, reporting that Chinese farms produce a quarter of the eggs sold in Zambia's capital, and that 1 million Chinese farm labourers work in Africa (The Economist, 2009). There do not appear to be any official Chinese or Zambian statistics publicly available to support or refute these claims. The Guardian cites a contract between China and the Democratic Republic of Congo (DRC), whereby a partly state-owned Chinese telecommunications enterprise, ZTE International, bought 2.8 million hectares of forest in the DRC to plant oil palms (Vidal, 2010; Gray, 2008). In reality, the company acquired 100,000 hectares of land (see Annex 1 below or for an Excel version, visit www.iisd.org/publications/pub.aspx?pno=1663).

One African leader told The Economist (2009) that the number of Chinese labourers working in Africa is “catastrophic.” The President of the Brazilian Association of Vegetable Oil Industries, Carlo Lovatelli, told The New York Times that the Chinese are “moving in. They are looking for land, looking for reliable partners. But what they would like to do is run the show alone” (Barrionuevo, 2011).

In 2008, The Financial Times claimed that there was a draft proposal from the Ministry of Agriculture to make “offshore land acquisition by domestic agricultural companies a central government policy” (Anderlini, 2008). It was also reported in the Chinese media. The Ministry of Agriculture denied the claims.

China refutes claims that it has been buying up land in Africa. “China always seeks food self-sufficiency through its own domestic output,” Chinese Foreign Ministry spokesman Hong Lei told the Xinhua state news agency in December 2011. “Instead of grabbing land in Africa, China has been providing as much technical assistance as it can to help develop agriculture there and enhance the continent’s capability of using its natural resources and addressing issues such as climate change and food security. . . . There is indeed neo-colonialism in Africa, but absolutely not from China,” Hong said (Xinhua, 2011).

In 2009, Niu Dun, China’s deputy agriculture minister, told The Financial Times that China will not join the growing trend of outsourcing food production by investing in overseas farmland, particularly in Africa, expressing doubts that such deals could improve its food security. He said Beijing preferred to depend on its own land to maintain self-sufficiency in grain. “We cannot rely on [investments in] other countries for our own food security. . . . We have to depend on ourselves” (Blas, 2009).

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3 The authors were unable to confirm the existence of the Zambia project.
4 海外买租地种植政策建议方案上报国务院 (Policy Proposal to Buy And Lease Land Overseas to Grow Grain Reported to State Council), 21st Century Economic Herald, May 8, 2008 (available in Mandarin only).
China’s Domestic Agriculture Policy

Before examining China’s global strategy, it is important to look at the domestic policy that is being pursued to satisfy China’s growing demand for agricultural products. A key priority for the Chinese government is to boost and develop domestic agricultural production (Freeman, Holslag & Weil, 2007). According to China’s 2011 notification to the WTO, government support to agriculture almost doubled between 2005 and 2008, from US$48 billion (CNY310 billion) to US$93 billion (CNY593 billion) (WTO, 2011).

The OECD strongly praises China for its domestic agricultural reform policies, noting that one of the remarkable achievements of China’s agricultural reform has been the strong growth in rural incomes, which rose more than three-fold between 1980 and 2000. This has led to a dramatic fall in poverty: 400 million people rose above the poverty line between 1979 and 2002 (OECD, 2005). Other estimates from World Bank research suggest that over 517 million people in China were lifted out of poverty between 1981 and 2005 (Chen & Ravallion, 2008).

As Chinese government officials claim above, China’s agricultural ambitions abroad are not focused on producing food grains, such as rice, wheat and corn. China imports relatively small quantities of these grains because of its food self-sufficiency policy (U.S. International Trade Commission, 2011). As a result, China has remained largely self-sufficient in food production, and will probably continue to do so in the future through increasing productivity, modernization and commercialization of the domestic farm sector (U.S. International Trade Commission, 2011). However, China’s growing demand for agricultural goods to supply the food processing industry, manufacturing and the energy sector cannot be met by domestic production alone.

China’s Dependence on Global Markets: Supplying the food industry, manufacturing and energy sector

China is increasingly dependent on global commodity markets for a few key agricultural imports, accounting for 9 per cent of world agricultural imports in 2010. China’s main import is soybeans, which accounts for 38 per cent of total agricultural imports. Other key imports are cotton (9 per cent), palm oil (8 per cent), dairy products (4 per cent), hides and skins (4 per cent), and wool (3 per cent) (See Freeman, Holslag & Weil, 2007; Freemantle & Stevens, 2011; U.S. International Trade Commission, 2011).

These commodities are needed for a range of sectors, including processed foods, animal feed, manufacturing and energy. Palm oil, for example, is used to make instant noodles, snack foods, milk powder, margarine and bio-diesel. Soybeans are used as animal feed for the livestock industry, for cooking oil, and to produce bio-diesel. Other products, such as cotton, wool, hides and skins are used in manufacturing. Most imports come from Asia and the Americas, with Africa’s share comprising only 4 per cent, predominantly cotton.

In order to facilitate these imports, and in conformity with its WTO commitments, China has significantly cut tariffs. China’s average agricultural import tariff is 15.3 per cent (WTO, 2006). In 2002, for example, the tariff on soybean imports was reduced from 114 per cent to 3 per cent, leading to a profound increase in soybean imports (Freemantle & Stevens, 2011). China also uses other trade measures, such as export restrictions on staple foods, as a way to protect domestic stocks when world prices spike (Freeman, Holslag & Weil, 2007).
Between 2001 and 2010, Chinese soybean imports increased ten-fold, from US$2.8 billion to over US$25 billion, and rubber imports increased eight-fold, from US$2 billion to US$16.9 billion (Freemantle & Stevens, 2011). Furthermore, China aims to replace 12 million tonnes of petrol with 2 million tonnes of biodiesel (which can be made from soybean and palm oil) and 10 million tonnes of bio-ethanol (which can be made from sugarcane and corn) each year, much of which will need to be supplied by imports (Freemantle & Stevens, 2011). To secure these commodities, China relies on U.S. and European transnational agribusinesses, such as Archer Daniel Midlands, Bunge, Louis Dreyfuss and Cargill, who dominate the trade in soybeans and other agricultural commodities (Soyatech, 2012).

China is concerned about its dependence on global commodity markets, both in terms of costs associated with purchasing from traders, and the high volatility of agricultural prices. In an interview with The China Daily, the president of a state-owned Chinese agricultural company, Chongqing Grain Group, said “most Chinese companies import soybeans through the four largest grain dealers . . . . However, if importers can purchase from the producers, 18 to 24 per cent of the profit could be saved” (Chang, 2011).

As a result, China is actively investing abroad to allow its companies to directly manage and control agricultural production, buy directly from producers, and to expand their market opportunities in third countries. Acquiring farmland is one of the investment strategies that China is pursuing. But it is part of a much broader strategy that includes joint ventures with local governments or local companies and contracts with local farmers.

**The Shift to Foreign Investment: Going Global**

Over the past few years, there has been a shift from relying on world markets to relying increasingly on foreign direct investment to secure imports. China reached a turning point in 2001 when it formally adopted the “Go Global” strategy. The policy is the first major drive by the government to encourage investors to go abroad. In many ways it is China’s “coming out” and shows a desire by the government to turn Chinese enterprises into global players.

The policy makes it easier for Chinese companies to invest abroad. This involves removing legal and administrative barriers—it was previously impossible or extremely difficult for Chinese companies to get permission to invest abroad—providing generous incentives, and concluding bilateral investment treaties (BITs) to protect Chinese investors (Bernasconi & Johnson, 2012).

A 2006 Outward Investment Direction Policy was issued to help shape and implement the “Go Global” policy. The aim is to increase access to resources abroad, expand markets for export, and enhance technological capacity, management skills and human resources for Chinese businesses (Bernasconi & Johnson, 2012). Agriculture is listed as one of the priority sectors in this directive.

A food security strategy issued on November 13, 2008 makes specific reference to the Go Global strategy. On June 29, 2012, the National Development and Reform Commission—formerly the State Planning Commission, which has administration and planning control over the Chinese economy—in association with several other ministries, released a

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Footnotes:
5 Including subsidies, credits, grants and loans.
policy guideline, whereby agriculture is identified as a priority sector and the government will provide financial support to Chinese investors and reduce the administrative hurdles.\(^7\)

Since the launch of the “Go Global” strategy, overseas investment has increased dramatically. Throughout the 1990s, China’s overseas direct investment was around US$2 billion per year. In 2001, annual flows of overseas direct investment totalled US$6 billion and in 2010 totalled US$68 billion (placing it fifth among other economies in terms of annual foreign direct investment outflows, but only representing 5 per cent of total global outflows) (Freeman, 2008; Bernasconi & Johnson, 2012).

Chinese overseas investment in agriculture is significant when compared to other countries. In 2007, stocks of Chinese foreign direct investment (FDI) in agriculture were roughly US$1.2 billion, making it the third largest source, behind only the United States and Canada (UNCTAD, 2009). And the number is growing. In 2010, China’s Ministry of Commerce reported that stocks had grown to US$2.6 billion (Ministry of Commerce, 2010).

Nevertheless, agriculture still remains a small fraction of total Chinese investment abroad. In 2010, stocks of Chinese FDI were roughly US$300 billion. The agriculture sector accounted for 1 per cent of the total. The largest sectors were business services and leasing (30 per cent), finance (19 per cent), mining (16 per cent) and wholesale and retail (14 per cent) (Bernasconi & Johnson, 2012). The sectors growing most rapidly are mining and other extractive industries, particularly oil and gas (Bernasconi & Johnson, 2012). In short, when it comes to the agriculture sector, China is one of the biggest investors abroad, but when it comes to China’s overall investment stocks, agriculture is still only a fraction (although growing steadily).

**A Diverse Strategy for Agriculture**

China’s foreign investment in agriculture takes different forms. First, there are aid projects where land is sometimes purchased abroad to set up demonstration farms. This type of investment dates back to the 1950’s but has become increasingly profit-driven. In the 1980’s, China’s aid projects “began to blur the line between aid and profit” (Brautigam & Xiaoyang, 2009, see Table 1). This approach was further expanded in the mid-1990s. Today, an important motivation for China’s demonstration farms and other aid projects is helping to establish new markets for Chinese agricultural enterprises abroad—not unlike the strategy that is used by many industrialized countries (Brautigam & Xiaoyang, 2009). For example, the Chinese state-owned enterprise, China–Africa Cotton Development Limited, has a joint venture in Malawi to produce, process and export cotton back to China. The project combines aid and commercial ventures. The project involves construction of a processing plant and purchasing cotton from local farmers (Magombo, 2011; “The Miracle of Malawi Cotton Industry,” 2010). Further research is needed to examine the impacts of this project, but this type of investment could potentially provide an opportunity to improve Africa’s agricultural development and to ensure benefits accrue to local farmers and the economy.

Second, Chinese companies **invest in agricultural production**, for example, through joint ventures and contract farming, as a way to bypass the dominance of U.S. and European agribusiness traders. In Latin America, for example, Chinese investors have been more actively pursuing investment in agricultural production, particularly soybeans. This is often

because of the strict foreign ownership laws in Latin America. In Brazil, China was interested in acquiring land, but regulations on foreign ownership meant that Chinese investors have now chosen to go down the path of contract farming. They are negotiating contracts for the supply of agricultural commodities, particularly soybeans, and setting up joint ventures for production, processing and storage facilities and infrastructure. In 2011, a mix of four private and state-owned Chinese enterprises were negotiating a US$7 billion agreement in the state of Goiás to produce 6 million tons of soybeans a year for export to China (Mr. A. Camilo de Lima, personal communication, 8 November 2011; Barrionuevo, 2011). In addition, Chinese investors are expected to invest US$2 billion in a soybean crushing plant and storage facility and US$100 million to improve port facilities in Sao Francisco do Sul (Soybean and Corn Advisor, 2011).

And third are investments in land and water resources, which are dealt with in detail in section 7. China is pursuing this strategy to various degrees all over the world. To date, Asia has been the main target, but local resistance has sometimes forced China to find more socially and politically acceptable business models. China has also pursued other models in Asia including, contract farming and joint ventures, as well as aid and development cooperation, particularly with the Mekong River Basin countries, to help improve agricultural productivity.8

AID PROJECTS

For decades, China has used aid projects, known as agricultural cooperation, to boost agricultural production abroad, particularly in Africa. It often involves purchasing or leasing farms, but production is typically not intended for export back to China. It is more likely to be sold to local markets or third countries. Brautigam and Xiaoyang provide an overview of how China’s global agriculture policy has evolved since the 1950s (see Table 1) (Brautigam & Xiaoyang, 2009).

Agricultural cooperation was strengthened in 2006 with the Forum on China–Africa Cooperation (FOCAC) and through the creation of the China–Africa Development Fund in 2007.9 According to a 2011 White Paper from the Ministry of Commerce, by 2010, China had completed 221 agricultural cooperation projects including 35 demonstration farms, 47 technology stations, 11 livestock projects, 15 fisheries projects, 47 irrigation and water conservation projects, and 66 other types of projects (Information Office of the State Council, 2011). The government has sent hundreds of senior agricultural experts to work in 33 African countries and provided training to a large number of local agricultural technicians (Ministry of Commerce, 2011).

China has also signed a number of Memoranda of Understanding on agricultural cooperation with some Asian countries (Chinese Foreign Ministry, 2011). In April 2007, China endorsed the 2006–2010 Strategic Framework for Sub-Regional Cooperation in Agriculture and Core Agriculture Support Program (CASP) with Cambodia, Laos, Myanmar, Thailand and Vietnam. China has held training classes, undertaken model biogas projects, launched rubber and pig-breeding projects and signed agreements to set up agricultural technology parks (National Development and Reform Commission, Ministry of Foreign Affairs & Ministry of Finance, 2008).

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8 See Annex 1 for further details of Chinese investment projects in Asia.
9 The fund is projected to reach US$5 billion (Freeman, 2008)
Since mid-1950s  Agricultural cooperation through aid  Developing large, state-owned farms in the host countries, such as state-owned sugar or tea plantations in Africa.

Since 1970s  Agricultural cooperation through aid  Developing small- and medium-sized agricultural demonstration projects.

Since mid-1980s  Principles of foreign cooperation including, the principles of mutual benefit, promoting the economic growth of host and home countries, and implementing sustainable development projects.  Revitalize faltering and failed projects and embarking on new initiatives, particularly experimenting with and incorporating new market principles, and partnerships with international organizations. Types of business models included joint ventures, co-operation contracts, debt-equity swaps, public-private partnerships and aid-sponsored joint ventures.

Since 1995  Contribute to the host state while providing opportunities for Chinese businesses abroad.  Setting up 221 agricultural cooperation projects. Provision of agricultural machinery and equipment. Activities implemented with a combination of aid and other types of state assistance such as loans with preferential terms, export credits, and diplomatic support.

Since 2001  “Go Global” strategy and enhanced cooperation, particularly with Africa, through FOCAC.  Encourage Chinese companies to invest abroad in a number of priority sectors, including agriculture. Removal of barriers to outward investment and incentives to invest abroad.

Sources: Brautigam & Xiaoyang (2009), pp. 689–690; Bernasconi & Johnson (2012).
Investment in Farmland and Water

Annex 1 provides an overview of Chinese investments involving purchases or long-term concessions for large tracts of agricultural land and water resources (over 2,000 hectares). It also includes examples of aid projects where demonstration farms were bought or joint ventures that include land concessions. The information is based on research from official government sources, company sources, reports from NGOs, academics, think tanks and the media, and interviews with government officials. The list of projects is not exhaustive. Due to the lack of transparency related to foreign investment projects—not only from China but from investors all over the world—it is extremely difficult to provide a complete picture.

The authors found reports of 86 Chinese projects covering 8.5 million hectares of land in developing countries. Not all the reports are accurate. If we were able to find a company or official government source to support the report, then we considered the information reliable. Reports from the Xinhua News Agency and the People’s Daily were also considered reliable given their reputation in China as authoritative sources of government information. If we were only able to find a media or NGO source, we classified the project as “not confirmed,” and where the media source was extremely vague or ambiguous we classified the project as “unknown.”

Of the 86 reported projects, we were able to confirm the existence of 54 projects covering 4.8 million hectares. Not all 54 projects are in operation, but, at a minimum, a contract or memorandum of understanding had been signed. In three cases the projects were suspended:

- One due to local opposition in the Philippines for a project covering 1 million hectares.
- One due to a court order in Argentina for a project covering 300,000 hectares.
- One in the Democratic Republic of Congo for a project covering 100,000 hectares.

In Africa, there are 17 confirmed Chinese projects covering 463,800 hectares, many of which are part of China’s aid and cooperation program, although those projects only cover around 10 per cent of the total area under concession. This is compared to estimates by the Land Matrix of a total of 408 projects in Africa covering 17 million hectares (Land Matrix, n.d.).

In Asia, there are 29 confirmed Chinese projects covering 2.5 million hectares of land. This is compared to estimates by the Land Matrix of a total of 342 projects in Asia covering 23 million hectares. In Central Asia, there are three confirmed projects covering just over 1 million hectares. And finally, in Latin America there are five confirmed projects covering 770,000 hectares. This is compared to estimates by the Land Matrix of a total of 150 projects in Latin America covering 6.6 million hectares (Land Matrix, n.d.).

Among the confirmed Chinese projects, there are a number of very large projects that are in operation or in the planning phase. This includes one project covering 1 million hectares of land in Kazakhstan by the state-owned Jilin Grain Group for soybean production. There are five projects over 100,000 hectares for a mixture of biofuels and food production and seven projects over 10,000 hectares and seven projects over 2,000 hectares.
These large projects are of most concern because of a growing body of evidence demonstrating the seriously negative effects of the current model of investment in land—not only from Chinese investors but from investors from all over the world. In 2010, the World Bank released a report about the impact of large-scale agricultural projects in poor countries (World Bank, 2010). The World Bank said that, in general, investors were targeting countries with weak land governance, resulting in land transfers that often neglected existing land rights. They pointed to a culture of secrecy in which communities (and even government officials) are not consulted or informed about land deals until after they had been signed. The World Bank also found that investment projects failed to generate employment (World Bank, 2010). Since then, a number of other intergovernmental organisations, academics, and NGOs have conducted research and field visits and made similar findings. While these findings do not specifically point the finger at China, any government or investor acquiring land abroad, including China, should proceed responsibly and in compliance with domestic laws and international treaties and standards.

Studies were undertaken by the Food and Agricultural Organisation (FAO), Foodfirst Information and Action Network (FIAN), German Agency for International Cooperation (GIZ), Grain, International Food Policy Research Institute (IFPRI), International Fund for Agricultural Development (IFAD), International Institute for Environment and Development (IIED), International Institute for Sustainable Development (IISD), International Land Coalition, Land Deals Politics Initiative, Oakland Institute, Oxfam International, and the UN Conference on Trade and Development (UNCTAD) and the World Bank.
Recommendations

A number of tools can be used to help design responsible and sustainable investment projects and assess their performance. First, a series of guidelines and principles for foreign investment have been developed at the global level over the past few years to respond to the massive rise in foreign investment in the agriculture sector. They remain at a general level but can be used to inform investment choices and to assess the performance of existing projects.

Second, getting the contracts right is essential. Many governments and investors have signed contracts covering thousands of hectares of land that are vague and ambiguous on key investment issues, including land tenure rights, access to and management of water resources, expected employment opportunities and skills training, managing pollution and other potential environmental hazards, and ensuring that business plans are feasible. The contract forms the legal basis for the life of the investment project. It is crucial that expected benefits for the host country from the investment are clear, verifiable and measurable. The investor’s rights and responsibilities must also be spelled out.

Third, very few agricultural projects have carried out environmental and social impact assessments (ESIAs). ESIAs are increasingly becoming part of the global norm around investment, and impressive international standards and practices exist. They can be easily deployed. In addition, many countries now have an environmental protection agency that can oversee such assessments and suggest appropriate expertise to ensure independence. ESIAs should be conducted, their findings taken seriously, and the results made public.

Finally, increased transparency and participation. The culture of secrecy worldwide that surrounds agricultural investment raises concerns about government conduct in relation to issues of public interest. The lack of transparency undermines government accountability, and increases opportunities for corruption and other inappropriate acts. While certain provisions in contracts can contain sensitive commercial information that may require a level of confidentiality, this can be resolved through restricted confidentiality clauses.

The scale of these agricultural projects and the extensive use of land and water resources go beyond simple business transactions. They form the basis of the host country’s economic and social development strategy and therefore require public participation. If contracts are made public, there is a much greater chance that the terms of the deals will be more fair and balanced. There is a lower risk of corruption and bribery and more likelihood for community support.

At a minimum, the communities that are living on the land or using the natural resources where the investment takes place must be consulted and involved in the decision-making process. Other stakeholders, including all relevant government ministries, national parliaments and the public should be informed of the proposed project and involved where appropriate.

These include: African Union’s Framework and Guidelines on Land Policy in Africa (2010); World Bank, UNCTAD, FAO and IFAD’s Principles for Responsible Agricultural Investments (2009); Committee on World Food Security’s Voluntary Guidelines for Responsible Tenure of Land, Fisheries and Forests (2011); UN Special Representative on Business and Human Rights, Principles for Responsible Contracts (2010); Pension Funds’ Principles for Responsible Investment in Farmland (2011); and the UN Special Rapporteur on the Right to Food, Large-Scale Land Acquisitions and Leases: A Set of Minimum Principles and Measures to Address the Human Rights Challenge (2009).
Conclusion

China is actively pursuing investment opportunities abroad. In 2010, China became the fifth largest source of annual foreign investment outflows around the world, although only representing 5 per cent of the total. In addition, China is now the world's third largest source of foreign investment stocks in agriculture, behind only the U.S. and Canada. Agriculture has become a priority sector for Chinese overseas investments, and is expected to continue increasing in significance.

Importantly, China has a strong domestic agricultural base and a sound food security policy that enables it to be largely food self-sufficient. However, there are a few agricultural products that China does not produce in sufficient quantities. These products, particularly soybeans, cotton, palm oil, dairy products, hides, skins, and wool, are heavily used for the livestock, manufacturing and energy sectors. China is dependent on world commodity markets to obtain them. To reduce this dependence, China is implementing a complex investment strategy that includes purchasing directly from producers, investing in production abroad through contract farming and joint venture arrangements, and directly acquiring foreign land and water resources.

As with all investment projects that involve transfer of land title and water resources to foreign investors, there is cause for concern about China's investment ambitions abroad. The few large-scale agricultural projects that currently exist require further examination and assessment to measure the impacts on the host state and on people's livelihoods. We recommend a few simple measures as a starting point.

Investment in the agriculture sector, particularly in the poorest countries, is desperately needed, and China can play a positive role. Ensuring that foreign investment operates within a sound economic, legal and public policy framework is essential. The key is for host countries to have investment policies that will ensure investment projects contribute to improving livelihoods, strengthening food security, creating jobs and using natural resources in a sustainable manner.
References


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“走出去”是指在国际合作中建立进口粮源保障体系,（‘going global’ refers to establishing security system of importing food via international cooperation),3 November 2008 (only available in Mandarin)

关于鼓励和引导民营企业积极开展境外投资的实施意见,（Implementing Opinion concerning Encouraging and Assisting Private Enterprises to Invest Overseas), 29 June 2012 (only available in Mandarin)

Annex I: Chinese Investment in Agriculture Abroad

<table>
<thead>
<tr>
<th>Source</th>
<th>Type of Project</th>
<th>Purpose</th>
<th>Ownership</th>
<th>Size (hectares)</th>
<th>In Operation</th>
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</thead>
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<td>Biofuel</td>
<td>SOE</td>
<td>30200</td>
<td>Not confirmed</td>
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<td></td>
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<td>in Agriculture</td>
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<tr>
<td>Abroad</td>
<td></td>
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</tr>
</tbody>
</table>

**Note:** This table provides a summary of Chinese investments in agriculture abroad as of August 2012. The table includes information on the type of project, purpose, ownership, size of the project, and whether the project is in operation. The data is compiled from various sources, including governmental reports and media articles. The table is intended to provide an overview of the extent and nature of Chinese investment in agriculture abroad. Additional information can be found in the attached PDFs and web resources.
<table>
<thead>
<tr>
<th>Country</th>
<th>Investor</th>
<th>Type</th>
<th>Market</th>
<th>Sector</th>
<th>Project Description</th>
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<td>SOE</td>
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<td>Sugar, Bioethanol</td>
<td>Sugar production and refinery for local market and EU, Bioethanol for local market</td>
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<td>Madagascar Sugar Industry Co. Ltd</td>
<td>SOE</td>
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<td>Sugar, Commercial</td>
<td>Sugar cane, Commercial operation, In operation and plant expansion planned</td>
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<tr>
<td>Mali</td>
<td>China Light Industrial Corporation</td>
<td>SOE and</td>
<td>20,000</td>
<td>Sugar and biofuel</td>
<td>Joint venture between CLETC and Mali government and private enterprise, In operation and plant expansion planned</td>
</tr>
<tr>
<td>Mali</td>
<td>China Geo-Engineering Corporation, China National Hybrid Rice R&amp;D Center</td>
<td>SOE and academic institute</td>
<td>100,000</td>
<td>Hybrid rice and wheat</td>
<td>Joint venture with Libya (Malibya), In operation, Official government source: Contract between Libya and CLETC</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Hubei State Agribusiness Corporation</td>
<td>SOE</td>
<td>1,000</td>
<td>Rice Demonstration farm</td>
<td>In operation, NGO source: GRAIN, Land Grab Deals, January 2012</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Chinese investors</td>
<td>SOE</td>
<td>15,000</td>
<td>Export</td>
<td>Cassava, Unknown, Official source: IRRI (International Rice Research Institute)</td>
</tr>
<tr>
<td>Senegal</td>
<td>Chinese government</td>
<td>SOE</td>
<td>100,000</td>
<td>Peanuts</td>
<td>30% for export, 70% for local market, Unknown, Official source: IRRI (International Rice Research Institute)</td>
</tr>
</tbody>
</table>
The table below lists some of the investments China has made abroad in various sectors:

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Commercial Activity</th>
<th>Shares</th>
<th>Capital</th>
<th>Profits</th>
<th>Operation</th>
<th>Industry</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>CO.LTD</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>62</td>
<td>Profit</td>
<td>In operation</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
<tr>
<td>Tanzania</td>
<td>CO.LTD</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>1,718</td>
<td>Profit</td>
<td>In operation</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
<tr>
<td>Tanzania</td>
<td>CO.LTD</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>10,000</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
<tr>
<td>Senegal</td>
<td>ZTE Energy</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>10,000</td>
<td>Profit</td>
<td>In operation</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
<tr>
<td>Senegal</td>
<td>Enterprise Co.Ltd</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>300</td>
<td>Unknown</td>
<td>Profit</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
<tr>
<td>Senegal</td>
<td>Enterprise Co.Ltd</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>2,000</td>
<td>Export</td>
<td>未知</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
<tr>
<td>Senegal</td>
<td>Enterprise Co.Ltd</td>
<td>Agreement in operation</td>
<td>SOE</td>
<td>600</td>
<td>Export</td>
<td>Unknown</td>
<td>Commerce</td>
<td>Media source</td>
</tr>
</tbody>
</table>

Some notable investments include investments in Sisal hemp, production for China, and acquisitions of sugar estates in Tanzania and Jamaica by the China State Farms Agribusiness Corp.

For example, in Tanzania, China has invested in a demonstration technology center that successfully transferred to the Tanzania government. In Tanzania, there have been investments in agriculture, with China providing agricultural technology demonstrations. In Tanzania, China has also provided agricultural technology to Tanzania, and has invested in sugar estates.

In Sierra Leone, there are investments in agriculture, with China providing agricultural technology to the government. In China, there have been investments in sugar processing and production, with China being involved in both the local and EU markets.
### Farmland and Water: China invests abroad

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Private/Public</th>
<th>Hectares (confirmed)</th>
<th>Hectares (sub-total)</th>
<th>Owner</th>
<th>Commercialization</th>
<th>Production</th>
<th>Products</th>
<th>Company source</th>
<th>Media source</th>
</tr>
</thead>
</table>
| Uganda | Hebei Hanhe Co. | Private | 8,100 | 18,100 | Food. | In operation | Production and livestock for local market | Poultry, cattle, corn, rice and wheat | Part of China aid program, and investment for profit | Company source: 
   - 公司乌干达农场快讯 (Brief News from Uganda Farm), Hebei Hanhe Agricultural Technology Company, http://www.hbhanhe.com/shownews.asp?id=251 (only available in Mandarin) 
   - Media source: 
   - 超越梦想—石家庄汉和乌干达农场9.29竣工典礼纪实 (Surpass the dream- the ceremony for the establishment of Shijiazhuang Hanhe (Uganda) farm), 2012-01-26, http://blog.sina.com.cn/s/blog_4bc18fbc010123bn.html (only available in Mandarin) |
| Zambia | Chinese government | Government | 2,000,000 | 2,000,000 | Biofuels | In operation | Commercialization | Food. | Unknown Unknown | Outsourcing's third wave: Rich food importers are acquiring vast tracts of poor countries' farmland. Is this beneficial foreign investment or neo-colonialism? The Economic, 21 May 2009, http://www.economist.com/node/13692889 |
| Zambia | China State Farms Agribusiness Corporation (Group) | SOE | 6,667 | 6,667 | Food. | Not confirmed | Production for local market | Rice, corn, vegetables and livestock | Part of Chinese aid program, also investment for profit | Academic source: 
| Zimbabwe | Anhui State Farms Agribusiness Corp. Group | SOE | 700 | 700 | Food. | In operation | Commercialization | Wheat | Company source: 

**Subtotal Confirmed Hectares**: 438,792
<table>
<thead>
<tr>
<th>Host State</th>
<th>Investor</th>
<th>Ownership</th>
<th>Size (hectares)</th>
<th>Purpose and targeted market</th>
<th>Type of project</th>
<th>Status</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burma</td>
<td>Jilin Fuhua Agriculture Science and Technology</td>
<td>Private</td>
<td>1,600</td>
<td>Food production for local markets</td>
<td>Corn Demonstration farm</td>
<td>In operation</td>
<td>Official government source: 吉林省农业国际合作和“走出去”情况分析, April 10, 2004, Department of Commerce of Jilin Province, <a href="http://jilin.mofcom.gov.cn/aarticle/sjgongzuody/200804/20080405471377.html">http://jilin.mofcom.gov.cn/aarticle/sjgongzuody/200804/20080405471377.html</a> (only available in Mandarin)</td>
</tr>
<tr>
<td>Burma</td>
<td>Jilin Fuhua Agriculture Science and Technology</td>
<td>Private</td>
<td>50,000</td>
<td>Unknown Fruit tree</td>
<td>Demonstration farm</td>
<td>MoU signed</td>
<td>Official government source: 我省海外农业合作稳步向前推进, Office of Jilin overseas agriculture development, March 21, 2010, <a href="http://www.xzbu.com/2/view-528539.htm">http://www.xzbu.com/2/view-528539.htm</a> (only available in Mandarin)</td>
</tr>
<tr>
<td>Company Name</td>
<td>Land Area</td>
<td>Trees/Species</td>
<td>Contract Status</td>
<td>Cambodia Source</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------</td>
<td>--------------------------------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cambodia Great Asset Agricultural Development (Cambodia) Co., Ltd</td>
<td>8,985</td>
<td>Pistacia Chinasis, Bunge and other trees</td>
<td>Plantation and Processing</td>
<td>Official government source: Cambodian Ministry of agriculture, forestry and fisheries, NGO source: Land Matrix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phou Mady Investment Group</td>
<td>10,000</td>
<td>Acacia, teak and other trees</td>
<td>Contract signed and in operation</td>
<td>Official government source: Cambodian Ministry of agriculture, forestry and fisheries, NGO source: Land Matrix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seang Long Green Land Investment (Cambodia) Co., Ltd</td>
<td>7,000</td>
<td>Acacia and rubber</td>
<td>Contract signed</td>
<td>Official government source: Cambodian Ministry of agriculture, forestry and fisheries, NGO source: Land Matrix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unigreen Resource Co., Ltd</td>
<td>8,000</td>
<td>Rubber</td>
<td>Contract signed</td>
<td>Official government source: Cambodian Ministry of agriculture, forestry and fisheries, NGO source: Land Matrix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Un-Inter Trading and Development Group (Cambodia)</td>
<td>7,000</td>
<td>Acacia and rubber</td>
<td>Contract signed</td>
<td>Official government source: Cambodian Ministry of agriculture, forestry and fisheries, NGO source: Land Matrix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Company</td>
<td>Ownership</td>
<td>Investment</td>
<td>Products</td>
<td>Stage</td>
<td>Source</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
<td>-----------</td>
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<td>-------</td>
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<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>National Offshore Oil Corporation (CNOOC)</td>
<td>SOE</td>
<td>$1,000,000</td>
<td>Bio-ethanol</td>
<td>Commercial operation with plantation and palm oil refinery</td>
<td>Not confirmed</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>Tianjin Julong Group</td>
<td>Private</td>
<td>24,000</td>
<td>Biofuel</td>
<td>In operation</td>
<td>Company source: 中海油将在印尼投资生物燃料 (Biofuels Deal in Indonesia is Agreed to CNOOC), 10 January 2007, <a href="http://www.ftchinese.com/story/001008859/ce">http://www.ftchinese.com/story/001008859/ce</a> (only available in Mandarin);天津聚龙集团.JPG入选&quot;最具全球竞争力中国50强&quot; (News about Julong Group), 1 November 2011, <a href="http://www.longwit.cn/news/news_detail.asp?id=3139">http://www.longwit.cn/news/news_detail.asp?id=3139</a> (only available in Mandarin)</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>Citic Group</td>
<td>Joint venture with Indonesian companies (Sinar Mas Group and Artha Graha)</td>
<td>500,000</td>
<td>Biofuel</td>
<td>MoU signed</td>
<td>NGO source: The Kalimantan Border Oil Palm Mega Project by Eric Wakker (aidenviroment, the netherlands), 2006 (2006) <a href="http://www.foe.co.uk/resource/reports/palm_oil_mega_project.pdf">www.foe.co.uk/resource/reports/palm_oil_mega_project.pdf</a>; <a href="http://www.landcoalition.org/cpl-blog/">www.landcoalition.org/cpl-blog/</a></td>
<td></td>
</tr>
</tbody>
</table>
### Laos

**Mengla Jiachuang Rubber Trading Co.**
- **Type:** Private
- **Land:** 2,000 ha
- **Crop:** Rubber
- **Operation:** Commercial
- **Location:** Mengla

**Source:**
- Company source: [Mengla Jiachuang Rubber Trading Co.](http://www.mljcxj.com/news/about.html);
- Media source: [Xishuangbanna Mengla county strengthens the economic cooperation with Laos](http://yn.yunnan.cn/bn/html/2009-01/06/content_187007.htm) (only available in Mandarin).

### Yunnan

**Native Produce Import and Export Corporation**
- **Type:** Private
- **Land:** 5,000 ha
- **Crop:** Rubber
- **Operation:** Commercial
- **Location:** Yunnan

**Source:**
- Official Government Source: [Laos and Yunnan strengthen cooperation to plant rubber](http://yunnan.mofcom.gov.cn/aarticle/sjdixiansw/200708/20070805039747.html) (Laos and Yunnan strengthened cooperation to plant rubber).

### Power Biological Products Group
- **Type:** Private
- **Land:** 267 ha
- **Crop:** Rubber
- **Operation:** Commercial with participation of local farmers
- **Location:** Yunnan

**Source:**
- Company source: [China helps Laos extinguish poppies](http://www.powerv.com.cn/news/ShowArticle.asp?ArticleID=17);

### Thien Loui Ye Company
- **Type:** Private
- **Land:** 7,000 ha
- **Crop:** Rubber
- **Operation:** Commercial
- **Location:** Laos

**Source:**

### Tongtheun Lao-China Agriculture Development
- **Type:** Private
- **Land:** 500 ha
- **Crop:** Trees
- **Operation:** Commercial
- **Location:** Laos

**Source:**

### Thailand

**Laos Company 7,000 ha rubber plantation.**
- **Type:** Private
- **Land:** 7,000 ha
- **Crop:** Rubber
- **Operation:** Commercial
- **Location:** Laos

**Source:**
- Company source: [China helps Laos extinguish poppies](http://www.powerv.com.cn/news/ShowArticle.asp?ArticleID=17);

### Malaysia

**Guangdong Guangken Rubber Group**
- **Type:** SOE
- **Land:** 12,000 ha
- **Crop:** Rubber
- **Operation:** Commercial
- **Location:** Malaysia

**Source:**
- Media source: [Overseas Investment of Guangdong State Farms Agribusiness Corporation Group](http://www.nfyk.com/qt/ShowArticle.asp?ArticleID=2657) (only available in Mandarin);
- [Guangken founds overseas rubber plantation base which has 12,000 Hectares in order to satisfy domestic demand](http://paper.people.com.cn/rmrbhwb/html/2009-05/26/content_261026.htm) (only available in Mandarin).

### Pakistan

**China Green Company**
- **Type:** Private
- **Land:** 4,000 ha
- **Crop:** Fruit and vegetables
- **Operation:** Commercial
- **Location:** Pakistan

**Source:**
- Media source: [China agri-firm to buy Pakistan farmland](http://www.lankabusinessonline.com/fullstory.php?nid=259070277);
- [Pakistan welcomes and is willing to provide best assistance to Chinese companies to invest in agricultural sector](http://news.china.com.cn/rollnews/2011-11/25/content_11388203.htm) (only available in Mandarin).
<table>
<thead>
<tr>
<th>Company</th>
<th>Owner Type</th>
<th>Investment</th>
<th>Purpose</th>
<th>Size/Scope</th>
<th>Client Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beidahuang Group</td>
<td>SOE</td>
<td>200,000</td>
<td>Food production for local market and export</td>
<td>Rice and corn</td>
<td>Commercial</td>
<td>Contract signed and in operation</td>
</tr>
<tr>
<td>Jilin Fuhua Agriculture Science and Technology Co</td>
<td>Private</td>
<td>530,000</td>
<td>Food production for local market</td>
<td>Corn</td>
<td>Commercial</td>
<td>Establish demonstration farm, promote hybrid corn seed and help improve local food production.</td>
</tr>
<tr>
<td>Jilin Fuhua Agriculture Science and Technology Co</td>
<td>Private</td>
<td>1,000,000</td>
<td>Food production for local and export</td>
<td>Corn, sorghum and rice</td>
<td>Commercial</td>
<td>Commercial operation. Plantation. First phase of construction approved by NDRC, but suspended by Philippines government due to local opposition.</td>
</tr>
<tr>
<td>Jilin Fuhua Agriculture Science and Technology Co</td>
<td>Private</td>
<td>3,000</td>
<td>Food production</td>
<td>Corn</td>
<td>Commercial</td>
<td>Contract signed</td>
</tr>
<tr>
<td>Eastern Renewable Fuels Corp</td>
<td>Private</td>
<td>4,500</td>
<td>Biofuels</td>
<td>Cassava</td>
<td>Commercial</td>
<td>Commercial operation. Unknown</td>
</tr>
<tr>
<td>Green Future Innovations, Inc.</td>
<td>Private</td>
<td>11,000</td>
<td>Biofuels</td>
<td>Sugar cane</td>
<td>Commercial</td>
<td>Commercial operation. Unknown</td>
</tr>
</tbody>
</table>

Media source:
- China 北大荒集团计划在菲律宾种植玉米 (Beidahuang Group plans to grow corn in Philippines) 22 November 2006, http://futures.stockstar.com/GA2006112200379669.shtml (only available in Mandarin)
- 黑龙江垦区在菲律宾种植的玉米和水稻长势喜人 (the corn and rice grow well in the Heilongjiang's plantation base in Philippines), http://www.hljlsj.gov.cn/CityMoveMent/IndexOneCityInfo.aspx?CityID=329 (only available in Mandarin)
- 长春市赴东南亚招商收获丰 (Changchun City investment cooperation with Southeast Asia), September 27, 2011, http://www.cic.mofcom.gov.cn/ciweb/cic/info/Article.jsp?a_no=273492&col_no=459 (only available in Mandarin)
- 长春市赴东南亚招商收获丰 (Changchun City investment cooperation with Southeast Asia), September 27, 2011, http://www.cic.mofcom.gov.cn/ciweb/cic/info/Article.jsp?a_no=273492&col_no=459 (only available in Mandarin)

Government research:
- GTZ Field Information "Private Land Investments For Food & Biofuels" By Riza Bernabe (2011)
- Company source: greenfutureinnovations.com/
<table>
<thead>
<tr>
<th>Location</th>
<th>Company/Investor/Projects</th>
<th>Private Land Investments For Food &amp; Biofuels</th>
<th>Source</th>
<th>Subtotal Confirmed Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Pachy Footwear</td>
<td></td>
<td>NGO source: Social Development Foundation, Delhi Land Bank</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal Confirmed Hectares: 2,565,269

Subtotal Confirmed Hectares: 2,565,269
<table>
<thead>
<tr>
<th>Host State</th>
<th>Investor</th>
<th>Ownership</th>
<th>Size (hectares)</th>
<th>Purpose and targeted market</th>
<th>Type of project</th>
<th>Status</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazakhstan</td>
<td>Jilin Grain Group Co. Ltd.</td>
<td>SOE</td>
<td>1,000,000</td>
<td>Food production for export to China</td>
<td>Commercial operation</td>
<td>Planning stage</td>
<td>Official government source: 我省海外农业合作稳步向前推进 (Overseas agricultural cooperation of Jilin Province move forward), Office of Jinlin overseas agriculture development, 21 March 2010, <a href="http://www.jilinnongye.com/Aban/sannongshizheng/2010-03-21/1371.html">http://www.jilinnongye.com/Aban/sannongshizheng/2010-03-21/1371.html</a> (Only available in Mandarin)</td>
</tr>
<tr>
<td>Russia</td>
<td>Heilongjiang Beidahuang Group</td>
<td>SOE</td>
<td>80,000</td>
<td>Food production and processing for export to China</td>
<td>Commercial operation</td>
<td>In operation</td>
<td>Official government source: 黑龙江省农业实施“走出去”战略 (Agriculture go abroad strategy in Heilongjiang Province), Heilongjiang Nongken Group, <a href="http://dbzxs.ndrc.gov.cn/zxjb/t20090416_272935.htm">http://dbzxs.ndrc.gov.cn/zxjb/t20090416_272935.htm</a> (only available in Mandarin)</td>
</tr>
</tbody>
</table>

Sub-total Hectares: 1,083,000
Subtotal Confirmed Hectares: 800,000
<table>
<thead>
<tr>
<th>Host State</th>
<th>Investor</th>
<th>Ownership</th>
<th>Size (hectares)</th>
<th>Purpose and targeted market</th>
<th>Crops</th>
<th>Type of project</th>
<th>Status</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>Pengxin Group</td>
<td>Private</td>
<td>12,500</td>
<td>Export Maize and soybean</td>
<td>Commercial</td>
<td>Commercial operation</td>
<td>Unknown</td>
<td>NGO source: GRAIN, Land Grab Deals, January 2012; Land Matrix</td>
</tr>
<tr>
<td>Subtotal Confirmed Hectares</td>
<td>Total Confirmed Hectares</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>4,884,061</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colombia</td>
<td>9,149,055</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>14,033,116</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Indian/Chinese subsidiary</th>
<th>Subtotal Confirmed Hectares</th>
<th>Total Confirmed Hectares</th>
<th>SOE</th>
<th>Land used for</th>
<th>Project description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>Private Unknown, Hopeful Grain and Oil Group Co. Ltd</td>
<td>272,000</td>
<td>4,884,061</td>
<td>0%</td>
<td>Soybean production</td>
<td>Commercial operation</td>
</tr>
<tr>
<td>Colombian</td>
<td>Chinese government and Pallas Investment Corporation</td>
<td>400,000</td>
<td>9,149,055</td>
<td>4%</td>
<td>Land use for renewable energy, i.e. biodiesel, solar, wind and biomass</td>
<td>Commercial operation</td>
</tr>
<tr>
<td>Jamaica</td>
<td>COMPLANT International Sugar Industry Co. Ltd</td>
<td>18,000</td>
<td>400,000</td>
<td>4%</td>
<td>Sugar production for local market</td>
<td>Commercial operation</td>
</tr>
</tbody>
</table>

[1] If we were able to find a company or official government source to support the media reports, then we considered the information reliable. Reports from the Xinhua News Agency and the People’s Daily were also considered reliable given their reputation in China as authoritative sources of information. This is because China is a major consumer of soybean fibre, which was traditionally used for making rope. It is now used to make paper, cloth, wall coverings and carpets.

Subtotal Confirmed Hectares: 272,000
Total Confirmed Hectares: 4,884,061
Total Reported Hectares: 9,149,055
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