
AGLI - Report from Kenya - March 28, 2010

Agricultural Imperialism?

The farm is blessed with perfect climate, plenty of surface water, fertile soils, the equatorial sun and a large, enthusiastic labor pool.
Dominion Farms webpage <http://www.dominion-farms.com/>

Dear All,

One of the biggest issues in Africa today is the “re-colonialization” of Africa by wealthier countries which are leasing large areas of Africa for highly intensive, mechanized agriculture. These include China, Qatar, Saudi Arabia, and American corporations. The biggest of these schemes is a million acres (an area 40 miles by 40 miles). I ran into an article in Business Week written by Jessica Silver-Greenberg, a Business Week reporter who visited a project called Dominion Farms, near Bondo, Kenya where we have an active AVP group.

If the area is so blessed as the Dominion Farms indicates above, why isn't this the Garden of Eden? What are the dynamics of this project? Is it a new imperialism? Is it financially viable?

The Dominion Group based in Guthrie, OK, and owned by Calvin Burgess and a few other private investors has made its money in real estate, manufacturing and aviation. It has no agricultural investment except Dominion Farms in Kenya. This 17,000 acre farm (an area more than 5 miles by 5 miles) is situated on the swampy land where the Yala River empties into Lake Victoria. It is being developed as a rice farm where the husks are being fed to tilapia in a large fish farming operation.

Calvin Burgess explains in an article he wrote for a Kenyan newspaper, *Desperation, hunger, and corruption reign and life was helpless; this simply must change... Food shortages, hunger, and corruption reined over a land full of superstitions and traditions; this simply must change.* In his blog written at the same time he reports that he did go to visit President Barack Obama's grandmother who lives nearby indicating that life is not nearly as bleak as Burgess assumes.

Burgess claims that he never pays bribes regardless of the consequences. Nevertheless, in order to rent this land (for a 25 year least renewable for another 20 years), he *made a series of agreements in confidential documents signed by members of the local councils and tribal chiefs* and these were approved by the Ministry of Lands. Note that the people of this area do not have traditional “tribal chiefs” but that these are low level government functionaries appointed by the Kenyan Government. He paid the Siaya County Council \$100,000 and the funds vanished. He paid another \$120,000 to the local Lake Basin Development Authority and it also disappeared. Burgess is aware of this. Is he so naïve that he does not realize that these are bribes?

He pays an annual rent of \$140,000—it is not clear to whom he pays the rent and what that “rent” is used for. This is \$8.23 per acre. Gladys, my wife, is renting a plot to grow corn and beans and it is costing her \$53.33 per acre!

Dominion Farms claims it is hiring hundreds of local workers, but most of these, according to Silver-Greenberg, are women paid \$2.66 per day to pull weeds and scare away birds, hardly the uplifting of the surrounding population that Burgess claims. Of course those people who are no longer able to graze their cows, goats, and sheep and harvest papyrus and other naturally growing crops are unhappy about how they have been pushed aside. Dominion Farms has also built a dam on the Yala River which displaced an estimated 300 families. According to Dominion Farms those who were moved received compensation for their houses—a whole \$60 on average, according to Silver-Greenberg!

The Farm has a rice mill, two large rice combines, and an airplane for spraying fertilizer and herbicides on the rice. Burgess claims that he does not spray pesticides, but a former manager disputes this claim. Dieldrin, a chemical in some pesticides and long ago banned in the US, has been found in the local water supply. The local inhabitants also complain that their drinking water now has a metallic taste from the fertilizers Dominion Farms puts on its crops.

Dominion Farms has 2,000 acres in rice cultivation. What is it doing with the other 15,000 acres?

In his blog, Burgess admits that the whole enterprise is struggling financially. While this does not surprise me, I wonder. Rich countries such as Qatar and Saudi Arabia can put in as much capital as they need to grow food that can't be grown in their own countries; will the economic aspects of these enterprises be of any significance? This may be true also of Dominion Farms as Burgess comments that he is doing this as a religious calling to help the Africans.

This story brings up a number of issues.

Since the end of the Second World War, Africa has been noted for the failure of numerous capital intensive, mechanized agricultural schemes. In my Peace Corps days in the later 1960's I was involved in one such scheme to grow cotton in the region east of Lake Victoria. It was a total disaster and the funds invested were mostly wasted. It is not clear that this will not suffer the same fate. In his blog Burgess comments on the destruction of the ripening rice by a hailstorm earlier in 2009!

If Africa is going to develop agriculturally, is this a helpful model? In the 1960's, after independence in Burundi, the Chinese developed a rice scheme on the plains north of Bujumbura. But this was not a large scale mechanized scheme, but small holder plots. People can rent a plot for the growing season which pays for the water and irrigation, grow the rice, sell it to the rice factory, and keep the proceeds. A Quaker women's group of about 30 women has been renting one of these plots for over ten years and with the profits they have been able to send all their children to school. Is this not a much better model than a large mechanized farm?

To think that no one was using this land before Dominion acquired it is contrary to the facts. In almost all the schemes that alienate land to foreign concerns, any people living on the land are

neglected, uninformed about secret deals, and at best minimally compensated with nowhere to go.

Yet, on the other hand, it is quite clear that rice could easily be grown in this area. Rice is a capital intensive crop to develop and it is clear that all the savings of all the people in the region would not be sufficient to develop even a modest, shareholding rice cooperative. The problem then is not “superstitious and traditional” people as Burgess claims, but lack of adequate capital and financing. With proper inputs and developments, Africa can clearly feed itself and sell its surpluses to such agriculturally marginal places as the Middle East.

Peace,
Dave

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New webpage:www.aglifpt.org

New email:dave@aglifpt.org

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