

**HUMBOLDT-UNIVERSITÄT  
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# **Impacts of large-scale agricultural investments on local food security – The case of Africa Agritech in Benin**

Master thesis

in the study programme Agricultural Economics  
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“Master of Science” (M.Sc.)

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## 8 Summary

This cross-sectional study investigated the impacts of large-scale agricultural investments on local food security for the special case of a tomato producing enterprise in the Collines region of Benin. The purpose of the research was to examine the impacts of the investment on “access to productive resources”, “access to inputs and supports”, “access to markets and prices”, “availability and accessibility of adequate, diverse food” and “access to living wages” as well as to analyse who is negatively and who positively affected by the investment and finally, to draw one’s conclusions about how large-scale agricultural investments can be better designed in the future.

The data collection process included the following techniques: document and literature study, observations, village and farm walks, a participatory mapping with villagers, two focus group discussions with workers, a household survey with 78 households and several key expert interviews.

Data were analysed with the help of the Right to Food framework (Twomey et al. 2015). Furthermore, the Household Food Insecurity Access Scale (Coates et al. 2007) and the Food Consumption Score (WFP 2008) were calculated. An independent two-sample t-test was conducted, to see whether there are significant differences between the food security level of households with members working for the investment and households who have no overlaps with the investment.

The research revealed, that several local farmers lost access to their farmland due to the establishment of the large-scale farm and the compensation did not take place equally. Furthermore, a small forest that had been used for hunting activities before was cut. Pastoralists are still allowed to let their cattle graze on the fields of the large-scale farm after the harvest and thus, are not worse off. Also, fishermen can still use a small river on the land, as the farm is not fenced off. The research also found that, access to production inputs, credit, extension service and trainings did not change in the surrounding villages since the investment was established. Certainly, knowledge spillover effects for local tomato farmers and technical spillover effects for local soy farmers took place. Furthermore, due to selling contracts for soybeans and cashew between local farmers and the investing company, local farmers benefit from a higher income security. The establishment of the investment have positive impacts on the availability of adequate, diverse food as the physical availability and affordability of tomatoes increased in the

surrounding villages, while it remained on the same level for other food crops. Furthermore, the investment created around 30 – 100 jobs for occasional workers per day and 34 jobs for permanent workers.

A an independent two-sample t-test revealed that there are no significant differences in the Household Food Insecurity Access Scale between households with members working for the investment and households that have no overlaps with the investment. The Food Consumption Score is significant higher for households with members working for the investment than for households that have no overlaps with the investment.

The findings show that large-scale agricultural investments have a potential to contribute to a sustainable development in Sub-Saharan Africa but for the future design of large-scale agricultural investments must be paid more attention to several points as for instance the choice of the land, social benefits for workers and the use of synergies with surrounding smallholders.

The findings of this study are not generalizable for whole Benin.