

# Menace on the Menu: The Financialisation of Farmland and the War on Food and Farming

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*Between 2008 and 2022, land prices nearly doubled throughout the world and tripled in Central-Eastern Europe. In the UK, an influx of investment from pension funds and private wealth contributed to a doubling of farmland prices from 2010-2015. Land prices in the US agricultural heartlands of Iowa quadrupled between 2002 and 2020.*

Agricultural investment funds rose ten-fold between 2005 and 2018 and now regularly include farmland as a stand-alone asset class, with US investors having doubled their stakes in farmland since 2020.

Meanwhile, agricultural commodity traders are speculating on farmland through their own private equity subsidiaries, while new financial derivatives are allowing speculators to accrue land parcels and lease them back to struggling farmers, driving steep and sustained land price inflation.

Top-down 'green grabs' now account for 20% of large-scale land deals. Government pledges for land-based carbon removals alone add up to almost 1.2 billion hectares, equivalent to total global cropland. Carbon offset markets are expected to quadruple in the next seven years.

These are some of the findings published in [the new report](#) 'Land Squeeze' by the International Panel of Experts on Sustainable Food Systems (IPES), a non-profit thinktank headquartered in Brussels.

The report says that agricultural land is increasingly being turned into a financial asset at the expense of small- and medium-scale farming. The COVID-19 event and the conflict in Ukraine helped promote the 'feed the world' panic narrative, prompting agribusiness and investors to secure land for export commodity production and urging governments to

deregulate land markets and adopt pro-investor policies.

However, despite sky-rocketing food prices, there was, according to the [IPES in 2022](#), sufficient food and no risk of global food supply shortages. Despite the self-serving narrative pushed by big agribusiness and land investors, there has been no food shortage. The increased prices were due to speculation on food commodities, corporate profiteering and a heavy reliance on food imports.

At the same time, carbon and biodiversity offset markets are facilitating massive land transactions, bringing major polluters into land markets. The IPES notes that Shell has set aside more than \$450 million for offsetting projects. Land is also being appropriated for biofuels and green energy production, including water-intensive 'green hydrogen' projects that pose risks to local food production.

In addition, much-needed agricultural land is being repurposed for extractive industries and mega-developments. For example, urbanisation and mega-infrastructure developments in Asia and Africa are claiming prime farmland.

According to the IPES report, between 2000 and 2030, [up to 3.3 million hectares](#) of the world's farmland will have been swallowed up by expanding megacities. Some [80% of land loss](#) to urbanisation is occurring in Asia and Africa. [In India](#), 1.5 million hectares are estimated to have been lost to urban growth between 1955 and 1985, a further 800,000 hectares lost between 1985 and 2000, with steady ongoing losses to this day.

In a [December 2016 paper on urban land expansion](#), it was projected that by 2030, globally, urban areas will have tripled in size, expanding into cropland. Around 60% of the world's cropland lies on the outskirts of cities, and this land is, on average, twice as productive as land elsewhere on the globe.

This means that, as cities expand, millions of small-scale farmers are being displaced. These farmers produce the [majority of food in developing countries](#) and are key to global food security. In their place, we are seeing the [aggregation of land into](#) large-scale farms and the spread of industrial agriculture and all it brings, including poor food and diets, illness, environmental devastation and the destruction of rural communities.

Funds tend to invest for between 10 and 15 years and can leave a trail of long-term environmental and social devastation and serve to undermine local and regional food security. Returns on investments trump any notions of healthy food, food security or human need.

The IPES notes that, globally, just 1% of the world's largest farms now control 70% of the world's farmland. These tend to be input-intensive, industrial-scale farms that the IPES says are straining resources, rapidly degrading farmland and further squeezing out smallholders. Moreover, agribusiness giants are pursuing monopolistic practices that drive up costs for farmers. These dynamics are creating systematic economic precarity for farmers, effectively forcing them to 'get big or get out'.

Factor in land degradation, much of which is attributable to modern chemical-intensive farming practices, and we have a recipe for global food insecurity. In India, more than 70% of its arable land is affected by one or more forms of land degradation.

Also consider that the Indian government has sanctioned 50 solar parks, covering one million hectares in seven states. More than 74% of solar is on land of agricultural (67%) or natural ecosystem value (7%), causing potential food security and biodiversity conflicts. The IPES report notes that since 2017 there have been more than 15 instances of conflict in India linked with these projects.

Nettie Wiebe, from the IPES, says:

“Imagine trying to start a farm when 70% of farmland is already controlled by just 1% of the largest farms – and when land prices have risen for 20 years in a row, like in North America. That’s the stark reality young farmers face today. Farmland is increasingly owned not by farmers but by speculators, pension funds and big agribusinesses looking to cash in. Land prices have skyrocketed so high it’s becoming impossible to make a living from farming. This is reaching a tipping point – small and medium scale farming is simply being squeezed out.”

Susan Chomba, also from the IPES, says that soaring land prices and land grabs are driving an unprecedented ‘land squeeze’, accelerating inequality and threatening food production. Moreover, the rush for [dubious carbon projects](#), tree planting schemes, clean fuels and speculative buying is displacing not only small-scale farmers but also indigenous peoples.

Huge swathes of farmland are being acquired by governments and corporations for these ‘green grabs’, despite little evidence of climate benefits. This issue is particularly affecting Latin America and sub-Saharan Africa. The IPES notes that some [25 million hectares](#) of land have been snapped up for carbon projects by a single ‘environmental asset creation’ firm, UAE-based ‘Blue Carbon’, through agreements with the governments of Kenya, Zimbabwe, Tanzania, Zambia and Liberia.

According to the IPES, the ‘land squeeze’ is leading to farmer revolts, rural exodus, rural poverty and food insecurity. With global farmland prices having doubled in 15 years, farmers, peasants, and indigenous peoples are losing their land (or forced to downsize), while young farmers face significant barriers in accessing land to farm.

The IPES calls for action to halt green grabs and remove speculative investment from land markets and establish integrated governance for land, environment and food systems to ensure a just transition. It also calls for support for collective ownership of farms and innovative financing for farmers to access land and wants a new deal for farmers and rural areas, and that includes a new generation of land and agrarian reforms.

Capital accumulation based on the financialisation of farmland accelerated after the 2008 financial crisis. However, financialisation of the economy in general goes back to the 1970s and 1980s when we witnessed a deceleration of economic growth based on industrial production. The response was to compensate via financial capitalism and financial intermediation.

Professor John Bellamy Foster, [writing in 2010](#), not long after the 2008 crisis, states:

“Lacking an outlet in production, capital took refuge in speculation in debt-leveraged finance (a bewildering array of options, futures, derivatives, swaps, etc.).”

The neoliberal agenda was the political expression of capital’s response to the stagnation and involved four mechanisms: the raiding and sacking of public budgets, the expansion of

credit to consumers and governments to sustain spending and consumption, frenzied financial speculation and militarism.

With the engine of capital accumulation via production no longer firing on all cylinders, the emergency backup of financial expansion took over. Foster notes that we have seen a shift from real capital formation in many Western economies, which increases overall economic output, towards the appreciation of financial assets, which increases wealth claims but not output.

Farmland is being transformed from a resource supporting food production and rural stability to a financial asset and speculative commodity. An asset class where wealthy investors can park their capital to further profit from inflated asset prices. The net-zero green agenda also has to be seen in this context: when capital struggles to make sufficient profit, productive wealth (capital) over accumulates and depreciates; to avoid crisis, constant growth and fresh investment opportunities are required.

The IPES report notes that nearly 45% of all farmland investments in 2018, worth roughly \$15 billion, came from pension funds and insurance companies. Based on workers' contributions, pension fund investments in farmland are promoting land speculation, industrial agriculture and the interests of big agribusiness at the expense of smallholder farmers. Workers' futures are tied to [pension funds, which are supporting](#) the growth and power of global finance and the degradation of other workers (in this case, cultivators).

Sofía Monsalve Suárez, from the IPES, states:

"It's time decision-makers stop shirking their responsibility and start to tackle rural decline. The financialisation and liberalisation of land markets is ruining livelihoods and threatening the right to food. Instead of opening the floodgates to speculative capital, governments need to take concrete steps to halt bogus 'green grabs' and invest in rural development, sustainable farming and community-led conservation."

Unfortunately, ordinary people cannot depend on 'decision-makers' and governments to bring about such change. Ordinary people themselves have always had to struggle for change and improvements to their lives. Groups across the world are fighting back, and the IPES report provides some inspiring examples of their achievements.

Readers can read the IPES report [here](#).

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## Food, Dispossession and Dependency. Resisting the New World Order

We are currently seeing an acceleration of the corporate consolidation of the entire global agri-food chain. The high-tech/big data conglomerates, including Amazon, Microsoft, Facebook and Google, [have joined traditional agribusiness giants](#), such as Corteva, Bayer, Cargill and Syngenta, in a quest to impose their model of food and agriculture on the world.

The Bill and Melinda Gates Foundation is also involved (documented in '[Gates to a Global Empire](#)' by Navdanya International), whether through [buying up huge tracts of farmland](#), promoting a much-heralded [\(but failed\) 'green revolution' for Africa](#), pushing [biosynthetic food](#) and [genetic engineering technologies](#) or more generally [facilitating the aims of the mega agri-food corporations](#).

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