

# South African farmers want Mozambican land

**S**outh African business men and farmers are increasingly turning avaricious eyes on lucrative possibilities of investment in agriculture and forestry in Mozambique.

One sign of this was a curious classified advertisement that appeared in the South African magazine *Farmers Weekly* in its February edition.

The advert read: "Mozambique: obtain farms up to 10,000 hectares free (or at very low cost) in the best farming areas, diesel fuel 33 cents per litre. Maize prices up to 660 rands per ton. (I fly there on a share cost basis of 1,530 rands covering about 5,000 kilometres)".

A Pretoria phone number was provided, so AIM rang it, and spoke with someone who identified himself as Dave de Villiers. He said he was "a completely private entrepreneur", and, yes, he had indeed placed the ad. He claimed he was a "regular" visitor to Mozambique "over the last 18 months".

"All that I'm doing is to introduce people to the possibility of investing in Mozambique", he said, "and that I'm doing basically free of charge. I am not acting on behalf of the Mozambican Ministry of Agriculture or on behalf of the Mozambican government. I make that very clear in the pieces I send to people".

What about the 10,000 hectares? At this point, de Villiers became evasive. "You know, you can put down any number", he replied. "One hectare, ten hectares. I think the bottom line is the fact that Mozambique is making land available to investors anywhere in the world to bolster agricultural production".

Far from denying Mr de Villiers' scheme, both Mozambique's Agriculture Minister, Alexandre Zandamela, and the National Forestry Director, Abdul Adamo, confirmed to AIM that there are a growing number of South African businessmen contacting the Ministry with inquiries about investment possibilities.

"Last year", said Mr Adamo, "many individuals from South Africa began to appear, studying investment opportunities, and even asking for farms". Amongst them were farmers from the Lowveld of the eastern Transvaal. The areas they were most interested in were fruit orchards of various kinds, including citrus, export crops, and cattle breeding.

"The South African farmers are very willing to come and operate in Mozambique", said Mr Adamo, "but there are no functioning channels", to facilitate the implementation of principles already agreed between the two countries, particularly through the

Mozambique/South Africa sub-committee on agriculture, forestry and fisheries, of which Mr Adamo is a member.

The Ministry of Agriculture has a group dealing specifically with policy towards South Africa. "This group is looking at questions over land that are particularly important for Mozambique", said Mr Adamo. It was a matter of arranging things so that national capital, both state and private, would also benefit from foreign investment.

"Often we cannot put certain ideas into practice because there exist laws which perhaps need amending. We would be taking illegal decisions. The group is seeing what questions we need to put to the government for guiding decisions", he said.

On forestry, matters have gone rather further, and a study for a reforestation project in the southern part of Maputo province, involving Mozambican capital, and the South African firm SAPPPI (South African Pulp and Paper Industries) is now at an advanced stage.

The area being discussed covers 50,000 hectares in Matutuine district, adjoining the frontier with the South African province of Natal. The area to be planted with pine and eucalyptus trees covers 30,000 hectares, while the remaining 20,000 are for "areas of conservation and agricultural development".

Studies made by the Ministry of Agriculture shortly after the signing of the Nkomati non-aggression agreement between Mozambique and South Africa in 1985 showed that South Africa would be running short of wood for its pulp and paper industry by the year 2000. "We saw that we could take part of this market", Mr Adamo told AIM, "and the Ministry began negotiations with South African companies as from 1985".

A mixed company will run this new timber enterprise, if the feasibility study is favourable. Mozambique will hold 60 per cent of the capital, and SAPPPI 40 per cent.

The project, Mr Adamo hoped, would export timber not only to South Africa, but also to other markets, since Mozambique does not wish to remain tied to the prices offered by the South African market. Local industries could also be developed using the timber from the new plantations. Calculations made so far indicate that income from the project will reach US\$seven million by the seventh year of implementation, and 27 million by the 30th year.