DOING BUSINESS ON UNEVEN GROUND

Advancing land equality is key to addressing climate change and farmer rights
Land is the bridge between companies’ environmental and social sustainability agendas, and it is foundational to both. To implement their commitments on climate change, net zero emissions, human rights, women’s empowerment, and farmer livelihoods, companies must focus on land in agricultural value chains: who controls it, who can access it, who has rights to it, and who enjoys the benefits derived from it (‘land inequality’). This Briefing for Business presents eight land-focused ‘essential issues for business action’—and corresponding recommendations—that leading companies can integrate into their existing sustainability efforts.
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ACRONYMS

AFOLU  agriculture, forestry, and other land use
CAO    Compliance Advisor/Ombudsman (World Bank)
FAIR   freedom of choice, accountability, improvement, and respect for rights
FAO    Food and Agriculture Organization of the United Nations
FPIC   free, prior and informed consent
GHG    greenhouse gas
ha     hectare
HRD    human rights defender
IFC    International Finance Corporation
ILC    International Land Coalition
IPCC   Intergovernmental Panel on Climate Change
IPLCs  Indigenous peoples and local communities
LSLA   large-scale land acquisition
RSPO   Roundtable on Sustainable Palm Oil
SBTi   Science Based Targets initiative
sq km  square kilometer
UN     United Nations
UNGPs  United Nations Guiding Principles on Business and Human Rights
USAID  United States Agency for International Development
VGGTs  Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security
ZIDRES Zones of Interest for Economic and Social Development in Rural Areas
Foreword by Oxfam

Oxfam is raising the alarm once again about an extreme growth in extreme inequality that is coming at the expense of our common future. The huge concentration of ever more wealth in ever fewer hands—and how this inequality undermines the realization of all forms of rights everywhere—is one of the defining challenges of our age. As Oxfam draws public attention to the scourge of inequality and its drivers, we also work together with others to build a more equal future.

One year ago, Oxfam launched a new series called Briefings for Business on Inequality in Food Value Chains. Our first briefing, Living Income: From Right to Reality, presented eight essential issues companies confront on living income, with recommendations for ensuring interventions benefit farmers.

Few resources exist that help companies analyze their contributions to increasing inequality and that give guidance on how to address this issue in their value chains. Oxfam’s aim with the series is to be a ‘critical friend’ to businesses. In each briefing we set out key considerations, provide examples of companies doing well or poorly, and offer recommendations for what companies can do to address inequality in a way that will drive real impact.

Box 1: Inequality

Inequality refers to the uneven distribution of power, resources, and opportunities among people and groups based on divides such as class, caste, age, disability, race, ethnicity, religion, education, geography, gender, and sexual orientation. It means abundance for the few and injustice for the many. Inequality keeps poor people poor and powerless; and denies millions their rights. An inequality lens acknowledges the interconnection between the multiple dimensions of inequality and consistently asks who does and does not have access to power, resources, and opportunities, and why.

Oxfam Global Strategic Framework 2020–2030

In this spirit, we offer the second installment in the series: Doing Business on Uneven Ground. This briefing focuses on land, the original source of wealth inequality. Land is at the core of some of the most challenging issues that companies are trying to address, such as climate change, human rights, women’s empowerment, and farmer livelihoods. Some companies are starting to tackle the issue of land rights within their value chains. Yet few fully understand their responsibilities with regard to land inequality or the links between these challenges, on the one hand, and who owns, controls, and benefits from land, on the other.

Land inequality is shockingly high and widening; the International Land Coalition (ILC) revealed that the oft-cited statistic that 1 percent of farms operate 70 percent of the world’s farmland likely underestimates land inequality by up to 41 percent. Land inequality intersects with practically
every inequality—economic, social (including gender and racial), political, and environmental. Land is the most ancient form of wealth, and land inequality, with its roots in colonialism, is at the core of farmer poverty. Land inequality perpetuates the gender gap. It skews political power in favor of those at the top and is central to interlocking global crises, including climate change, health security and pandemics, migration, poverty, and hunger. It fuels conflict and violence against land and environmental defenders. And it is driving environmental degradation and climate breakdown, which are further exacerbating land inequality.

The situation is at risk of getting even worse as more companies and countries bank on huge swathes of land to offset their emissions and reach ‘net zero.’ If not subject to strong and effective safeguards, those envisaged climate solutions will exacerbate land inequality and could spark even more hunger and human rights abuses, especially in the global South. And they will continue to place the burden of the climate crisis onto those least responsible for it.

Our hope is that this Briefing for Business helps companies focus their attention on land inequality as a foundational issue, so that their interventions contribute to the transformative change needed to address it.
Foreword by the International Land Coalition (ILC)

Land connects everything. We live on it. We grow from it. We drink from it. We build our futures upon it. Yet too much land is controlled, managed, and used by too few in ways that just don’t work for the vast majority of people, or the planet. How land is distributed is a powerful reflection of what societies and economies stand for and has long defined the gap between rich and poor. This situation is not only unjust, but also unsustainable.

At the International Land Coalition, we’re working together with the women, men, and communities who live on and from the land to help secure their rights and lay the foundation for community-led sustainable development. Our Coalition of 300+ members is active in 84 countries and directly represents almost 70 million land users around the world, such as farmers, pastoralists, Indigenous peoples, women, and youth. For us, secure land and territorial rights are the basis on which people can build the future they want.

That is why in 2020, we partnered with Oxfam for the research initiative Uneven Ground: Land Inequality at the Heart of Unequal Societies to better understand the current situation of land inequality and also the underlying and deep-rooted causes and consequences. What we learned shook us to the core: land inequality is not only 41 percent worse than we thought, but is also on the rise in most countries. In addition to the rise in land ownership concentration, less-visible forms of control through complex corporate and financial structures and cross-shareholdings significantly affect the way that land is controlled and used. The study found that the worsening state of land inequality jeopardizes access to land, land rights, control over land, decision-making capacity regarding land, and, subsequently, the living conditions of those who live and depend on the land. Directly threatened are the livelihoods of an estimated 2.5 billion people involved in smallholder agriculture, as well the world’s poorest 1.4 billion people, most of whom depend largely on agriculture for their livelihoods.

Equitable land rights are the key to progress on human rights, flourishing and healthy societies, and a sustainable planet. They are central to the most urgent challenge of our time: avoiding catastrophic climate breakdown. Equitable land rights also mean peaceful and democratic societies, sustainable and resilient local food systems, and overcoming growing inequality—particularly gender inequality.

We are proud to come together again with Oxfam as we reach out to companies willing to do business differently and constructively challenge the unequal power relations that too often allow land to be concentrated in the hands of the wealthy few at the cost of those most vulnerable. May our common effort support a new generation of business practices that put land issues and the people who live on and from the land at the center of their business model.
SUMMARY

Why focus on land inequality and eight essential issues for business action

Food, beverage, and agriculture companies rely on land, and a lot of it, for the cultivation of agricultural commodities. They also increasingly rely on land to remove carbon and reduce emissions through initiatives such as reforestation projects. Some use land directly via their own operations, others indirectly via their value chains and investments.

Land is a finite resource. The more land that companies control (directly or indirectly), the less that’s available for small-scale farmers, local communities, and global climate action.

It doesn’t have to be a zero-sum game. How companies use land can work for people, the planet and business. This requires a shift from the status quo. A better future requires more small-scale food producers retaining stronger rights to more land, having more decision-making power over how land is used and retaining more of the benefits derived from the land. These are dimensions of land inequality.

Land inequality is not simply a legal or local issue, though it is often seen as such. Governments—both national and local—ultimately set the laws and policies that drive land inequality. Customary norms also play a role. But companies’ policies and practices can either exacerbate or lessen the problem.

Land inequality at a glance

- Land inequality refers to differences in: 1) the amount and value of land that people access or hold; 2) the level of security of tenure that people have; 3) the actual control that people have, including their decision-making power over land; and 4) the control of benefits from land.

- Up to 2.5 billion small-scale food producers depend on land for their livelihoods, food security, housing and the preservation of their cultures.

- Inequality in who has access to, controls, and benefits from land is extremely high and increasing.

- The result is that more small-scale food producers are being squeezed onto smaller parcels of land or left landless. What land they do control is increasingly degraded, a process exacerbated by the effects of the climate crisis. These forces together threaten farmers’ and Indigenous peoples and local communities’ (IPLCs) rights and livelihoods.
This Briefing for Business introduces land inequality as an issue that leading companies should be tracking. It makes the case that doing so will help companies meet existing sustainability commitments holistically; land is the bridge between the social and environmental sustainability agendas, and it is foundational to both. The briefing presents eight land-focused essential issues for business action—and corresponding recommendations—that leading companies can integrate into their existing sustainability efforts.

Three reasons why your company should focus on land inequality

1. **Better Deliver on Existing Sustainability Commitments**
   Advancing equality in who controls and benefits from land will help your company make more durable progress on climate change, human rights, women’s economic empowerment and farmer livelihoods.5

2. **Keep Ahead of the Curve**
   Innovative agriculture production models—models that prioritize positive environmental outcomes and respect for human rights and advance the interests and climate resilience of small-scale farmers and communities—are key to a sustainable future. Equality in who controls and benefits from land is core to the success of these models;

3. **Reduce Conflict**
   Land-use change and associated land acquisitions continue to drive human rights violations and conflict in global value chains.6 Further, land inequality is sometimes linked to illegal practices (land grabbing, illegal deforestation). Refining your company’s approach to preventing problematic land-use change and acquisitions will help ensure better respect for human rights and the environment and reduce associated risks to reputation and supply continuity.
This *Briefing for Business* is for sustainability leaders and practitioners within food, beverage, and agriculture companies situated at all positions within a supply chain. It’s also useful for investors who are prioritizing ESG. Use the briefing to:

- Make the case internally that your company should focus more on land across sustainability interventions as the bridge between the environmental and social sustainability agendas;
- Make the case externally that companies (peers, suppliers, investees), industry platforms, and governments can better address issues from climate change to human rights and farmer livelihoods by addressing land inequality;
- Identify new ideas for sustainability interventions and partnerships that engage small-scale farmers and IPLCs and help increase their control over land;
- Strengthen your company’s land—and related—policies and supplier requirements and improve upon their implementation.

**How to think about these recommendations from different positions in the value chain**

Food, beverage, and agriculture companies, and their investors, all have a responsibility to address land issues. How a given company approaches implementation of the recommendations presented here will depend in part on where it sits in a value chain and whether it is at risk of causing, contributing to or being linked to a potential adverse impact. Questions to consider are:

- **Does your company own, lease or control land directly and/or have a direct sourcing relationship with farmers?** If so, implement these interventions directly, in collaboration with relevant stakeholders, including women’s rights organizations.
- **Does your company rely on land through suppliers?** If so, set clear requirements, communicate them to suppliers, then work with and through suppliers to implement them. Doing so entails: formalizing requirements in a supplier code of conduct; providing the right incentives such as preferential sourcing agreements; adapting procurement practices; financial investment; supporting suppliers; using and building leverage; and monitoring for, reporting on, and holding suppliers accountable to progress.
- **Does your company invest in land as a financial asset?** Best practice is to commit to refrain from treating land as a commodity rather than as an essential resource for the wellbeing of people and the planet. When investing in agribusinesses, address these essential issues on land inequality by assessing investees’ commitments to, and track record of, action, then use (and build) leverage to incentivize and hold investees accountable to progress.
EIGHT ESSENTIAL ISSUES FOR BUSINESS ACTION

The eight issues fall into three categories:

1. KNOW, ASSESS, AND ADDRESS
   - Publicly recognize the extent of the company’s land footprint; promote more local control of land
   - Ensure company land commitments are up to par;
   - Integrate land use and land rights into human rights due diligence and assessment processes;
   - Not include the use of offsets as part of the company’s efforts to meet science-based targets; where companies want to scale up climate ambitions beyond reducing their own emissions, ensure offsets are of high quality;
   - Ensure respect for communities’ free, prior, and informed consent (FPIC) decisions.

2. INVEST
   - Recognize the extent of the company’s land footprint. Land footprints comprise the total amount of land used within a company’s value chain. This includes land used directly and indirectly for commodity production (land owned or leased, used by suppliers, used in centrally managed outgrower schemes, etc.); planned expansions and mergers and acquisitions (M&A); the amount of land a company relies—or plans to rely—on for carbon removal; and investments;
   - Promote more local control of land across operations and value chains;
   - Commit to refrain from expanding the company’s overall land footprint;
   - Ensure full supplier transparency and traceability;
   - Disclose and commit to reduce emissions across all scopes.

3. ENGAGE AND ENABLE
   - Adopt policies related to remediation and grievance mechanisms that adhere to the UNGPs and cover the company’s full land footprint;
   - Develop a plan for fastening remediation efforts when the company has caused or contributed to a grievance;
   - Develop a plan for using and increasing leverage when the company is linked to a grievance across value chains;
   - Engage with community-based monitoring mechanisms;
   - Create or participate in effective operational-level grievance mechanisms;
   - Engage in mediation processes where they are initiated as a result of grievances filed.

Each essential issue contains a list of related recommendations for better corporate practice.
**INVEST**

4. Support business and climate mitigation models that reduce land inequality and secure small-scale farmers’ and communities’ land rights

- Avoid harmful—and most are harmful—large-scale land acquisitions;
- Instead, prioritize business models that help reverse land inequality;
- Establish long-term partnerships with women-led small and medium enterprises and recognize women in commercial relationships;
- Apply robust safeguards and promote equitable and inclusive approaches where strategies for land-based climate solutions are used.

5. Invest in landscape management approaches

- Invest in landscape management approaches that adhere to freedom of choice, accountability, improvement, and respect for rights (FAIR) principles;
- Engage directly with the relevant associations of small-scale farmers, IPLCs, and/or women’s networks as key parties in the design and implementation of these initiatives;
- Support women’s equal participation in decision-making processes related to land;
- Engage in equitable and participatory land-use planning;
- Draw on community-based monitoring as a tool, jointly agreed, to underpin the agreement.

**ENGAGE AND ENABLE**

6. Work in partnership to help secure women’s and communities’ land rights

- Publicly recognize the importance of securing IPLC land rights (for people and the planet);
- Establish an ambitious goal for supporting small-scale farmers and IPLCs to strengthen enjoyment of their land rights;
- Recognize the link between women’s land rights and women’s economic empowerment and apply a gender lens when supporting initiatives intended to secure land rights;
- Partner with local women’s groups, cooperatives, civil society, and other local stakeholders to meet this goal.

7. Protect human rights and environmental defenders

- Recognize and commit to protect the rights and legitimacy of human rights defenders (HRDs);
- Ensure due diligence mechanisms (see Essential Issue #2) identify risks to HRDs, and grievance mechanisms (see Essential Issue #3) are accessible to HRDs;
- Use leverage and speak out in defense of HRDs as well as against legal reforms that are aimed at restricting civil society space;
- Engage with communities and local civil society in an inclusive and culturally and gender-sensitive way to identify and address risks to HRDs;
- Not use or support strategic lawsuits against public participation (SLAPP) or other legal strategies that diminish established legal protections for HRDs.

8. Support strong government and sector-level action on land inequality

- Make government and sector-level engagement and advocacy on land inequality part of the company’s sustainability strategy;
- Use political voice and economic weight to promote (and not hinder) strong government and sector-level action on land inequality;
- Ensure that business practices do not hinder but complement and facilitate strong government and sector-level action on land inequality.
Land is a finite resource. Up to 2.5 billion small-scale food producers depend on land for their livelihoods, food security, housing, and the preservation of their cultures. There is growing demand for land-based agricultural commodities like palm oil, soy, and meat, and for land-based carbon removal methods to meet net zero targets. With only so much land to go around, it’s ripe for being plagued by inequality.9

Data show that land inequality is significant and increasing. Of the more than 608 million farms worldwide, most—84 percent—are smallholdings of less than 2 hectares (ha). Together, they account for only 12 percent of the world’s agricultural land. This means that 16 percent of the world’s farms control 88 percent—the vast majority—of the world’s agricultural land, while the largest 1 percent of farms operate over 70 percent of farmland.10 In extreme cases such as in Colombia, 1 percent of landowners hold over 80 percent of the agricultural land, with the most extensive properties comprising over 50,000 hectares each.11 Data using traditional measurements (Gini coefficient) show that land inequality worldwide has been increasing over the last 40 years. But these data significantly underestimate actual land inequality levels. Recent research taking into account agricultural land value and landlessness reveals an increase of 41 percent in inequality compared with traditional measurements. Furthermore, with land in many places now considered a financial asset with no known physical owner, available datasets completely miss the increasing concentration of ownership and control of land by corporations and investment funds.12

Food, beverage, and agriculture companies rely on land, and a lot of it, for the cultivation of agricultural commodities. They are also increasingly using land for carbon removal and emission reduction initiatives such as reforestation projects. Some companies have committed to sourcing more renewable energy, including wind and solar, and others are involved in the production of biofuels. These all require land.
Data on how much land is used and controlled by food, beverage, and agriculture companies are extremely hard to come by. It is possible to grasp the extent by examining proxy data. For instance, according to the Food and Agriculture Organization of the United Nations (FAO), which tracks how much land is used for a selection of crops, soy is now grown on 127 million ha of land worldwide, equivalent to nearly the land area of Peru.\(^\text{14}\) Land used for soy cultivation increased steadily from 57 million ha in 1990 to 74 million ha in 2000 and 103 million ha in 2010.\(^\text{15}\) As soy is grown primarily on big plantations and largely for export,\(^\text{16}\) much of the 127 million ha is used, relied upon, or controlled by food, beverage, and agriculture companies. As another proxy, cocoa is grown on approximately 1.45 million ha in Ghana, or about 10 percent of the country’s agricultural land area.\(^\text{17}\) The vast majority of the country’s cocoa is exported by a small group of multinational companies and purchased by a few global buyers. Although the Ghanaian government sets the farm gate price, these companies still have significant influence over the (financial) benefits from the sector through their purchasing practices (including their bargaining power to buy cocoa from elsewhere) and by referencing the futures market price as the base value to sell cocoa. Finally, Oxfam has calculated that the total amount of land required for planned carbon removal—across sectors, including the fossil fuel industry and plans by governments—could potentially be five times the size of India, or the equivalent of all the farmland on the planet.\(^\text{18}\)

**BOX 2: THE RELATIONSHIP BETWEEN LAND RIGHTS AND LAND INEQUALITY**

“Peasants and other people living in rural areas have the right to land, individually and/or collectively ... including the right to have access to, sustainably use and manage land ...”\(^\text{19}\) These rights are legitimate in all forms of tenure, whether formally recorded and legally recognized or informal and customary.\(^\text{20}\)

Land inequality is a broader concept than land rights that addresses the actual distribution of access to and control over land. It considers the differences in size, value, quality, security of tenure, and the control and decision-making power that rights holders have over the land and the benefits derived from its use.\(^\text{21}\)

Growing inequalities across the world are hindering needed progress in the wellbeing of people and the planet,\(^\text{22}\) and land is no exception. Stronger land rights and better enforcement and accountability for violations of those rights will result in less concentration of land, reduced conflict over land, better environmental performance, and greater wellbeing of small-scale farmers and local communities.\(^\text{23}\)

But equally important, action is also needed to address land inequality, which sits at the heart of other forms of inequality, such as wealth inequality, gender inequality, social inequality, environmental inequality, political inequality, and spatial inequality.\(^\text{24}\) This requires companies to take steps such as limiting their land footprints, supporting business models that reduce land inequality, and others as outlined in the eight essential issues (see Section 4 for details).
Contributing to these trends are companies integrating vertically as well as horizontally by buying firms that would otherwise be independent suppliers or competitors. Sourcing policies and status quo incentive structures—structures that favor suppliers seen as better able to reliably meet quantity and quality standards and better able to meet environmental and social responsibility requirements—effectively result in the favoring of large farms and intermediaries over small and medium enterprises. As suppliers continue to grow, they acquire more land, buy out competitors, and increase their political power, furthering land concentration. Investment funds and other financial actors are also investing in companies that own, control, or acquire land, adding a layer of invisibility over who controls what, as well as complexity around regulating land acquisitions and use.

In other words, in many contexts land is being controlled by a smaller number of individuals and companies. Decisions about how it is used are increasingly made far removed from the local environment. This leads to the prioritization of profit over social and ecological performance and drives human rights abuses and deforestation.

These trends threaten the livelihoods and food security of approximately 2.5 billion people engaged in small-scale agriculture around the world. Families are squeezed onto smaller parcels of land or brought into landlessness. Catastrophic floods and droughts are on the rise, making what land they do hold less productive. In addition, large industrial farms are not typically significant job creators. The jobs that are available for local community members can be low paid, dangerous, and seasonal. The threat is especially high for women, who already face barriers to land access, ownership, and control, and to employment prospects.

This Briefing for Business introduces land inequality to a corporate audience. It begins with an articulation of the relationship between land inequality and food, beverage, and agriculture companies’ existing environmental and social responsibilities and priorities on climate change, respect for human rights, women’s economic empowerment, and farmer livelihoods (including living income). It then describes how companies use and control agricultural land, as well as how companies can tackle the historic issue of land inequality. It concludes with eight essential issues and corresponding recommendations that will help companies do no harm and also do good, meet their social and environmental commitments holistically, and help reverse the trend of increasing land inequality.
SECTION 2

Land inequality and companies’ environmental and social priorities

Leading companies already recognize the interconnectivity of their environmental sustainability and social responsibility priorities. Land is the bridge between the two: land inequality is inherently linked to climate change, human rights, women’s economic empowerment, and farmer livelihoods. The land-focused interventions in Section 4 of this briefing will help companies make more durable progress toward their commitments across these issues. This section provides an overview of the linkages.

Below: Fruit company workers on a mango plantation in Vale do São Francisco, Brazil. Photo: Tatiana Cardeal/Oxfam
Box 3: Companies’ Existing Land Rights Commitments

Following Oxfam’s Behind the Brands Campaign, companies such as The Coca-Cola Company, PepsiCo, Nestlé, and Unilever adopted strong land rights commitments. Strong land commitments include provisions on ensuring FPIC, zero tolerance for land grabs, assessing land rights risks and impacts, supporting small-scale farmers to strengthen their land rights, and remedying existing land rights violations in their value chains. Several of the world’s agribusinesses, such as Cargill, Olam, and Wilmar, which supply agricultural commodities to end-user companies, have also adopted FPIC and other land commitments.

Previous Oxfam analysis found that food and beverage companies’ progress on implementation of land commitments, however, is mixed. Challenges to implementation include:

- Commitments may remain detached from company procurement practices;
- Suppliers, including large agribusinesses, may still lack land policies and action plans;
- Supply chains are constantly shifting. Companies tend to only address violations when they have an active relationship with a supplier, but their suppliers may change from year to year. This makes supplier accountability more challenging;
- There is case-by-case rather than systemic implementation, in that companies focus on specific instances of land rights violations (which they have a responsibility to do), but miss the systemic issues that perpetuate weak land rights and result in communities remaining vulnerable to harms;
- There is a focus on technological solutions to address deforestation without attention to land rights issues;
- Companies are reluctant to get involved in country-level land issues (e.g., lack of implementation of land laws by government or weak land regulations) and the collective action necessary to address them.

Land rights are an important component of addressing land inequality. These commitments serve as a foundation for action on land inequality, and companies should double down on their efforts to overcome these challenges and make further progress on implementation.

Linkages to Climate Change and Net Zero Targets

Carbon Emissions and Deforestation

Emissions from agriculture, forestry, and other land use (AFOLU), together with those of the fossil fuel industry, are driving the climate crisis. AFOLU contributes nearly one-quarter of global carbon emissions, much of it from land-use change, such as deforestation to produce agricultural commodities.

Land-use change is being exacerbated by land inequality. As more land is concentrated into the hands of fewer people, more land is being used for monoculture production. Monoculture agriculture brings with it the clearing of forests and degradation of critical ecosystems, in addition to stress on water sources and the use of agrochemicals, which can pollute soil and water. It can also displace farmers and communities. The land acquisitions...
and land-use change involved may violate farmers’ and communities’ human rights and food security if not subject to strong safeguards, discussed below in the context of the relationship between land inequality and human rights. There’s a financial cost, too. The financial risks of deforestation are estimated to be about $53.1 billion.40

BOX 4: LAND INEQUALITY AND DEFORESTATION GO HAND IN HAND: THE EXPERIENCE OF PERU AND COLOMBIA

IPLCs that have roots in the territories where they and their forebearers have lived and on which they have relied for their daily sustenance have the greatest interest in the preservation and stewardship of the land and its natural resource wealth. They are the first line of defense against biodiversity loss and the effects of climate change as well as increased emissions from land-use change.

Research has shown lower deforestation rates and higher carbon density on land managed by IPLCs, with even better rates where their land tenure is secure.41 When these communities are displaced or otherwise lose their land, it is often a precursor to deforestation and land degradation, as evidenced in Peru.42

Transformation of forestlands into agriculture lands is the biggest contributor to Peru’s greenhouse gas (GHG) emissions from agriculture, forestry, and other land-use activities, which together comprise nearly half the country’s total emissions. A major driver of emissions over the last 20 years has been the accelerated expansion of large-scale monocultures, particularly oil palm, in the Peruvian Amazon, where deforestation for oil palm caused the net loss in that period of nearly 3 million metric tons of carbon (or 10.5 million metric tons of CO2 equivalent), equal to the annual CO2 emissions from energy use of 1.2 million US households.

While legal and regulatory measures exist to avoid deforestation from agricultural expansion, loopholes are exploited to perpetuate the problem. In Peru, companies have acquired land for large-scale monoculture in the Amazon through land trafficking, whereby land is occupied by settlers who, with the support of corrupt officials, use the state’s land titling mechanisms—supposedly aimed at regularizing historical community tenure—to title small plots. They then legally clear the land and profit by selling it to a business for large-scale cultivation.43 This new way of expanding agribusiness in Peru has developed over the last decade, increasing violent attacks on Indigenous communities, generating new waves of settler migration, and triggering a series of phenomena that threaten their cultural identity and territorial rights.44

In Colombia, where land concentration is the highest in Latin America,45 different mechanisms have been used to acquire large extensions of land for monoculture expansion. One of those is the ZIDRES (Zones of Interest for Economic and Social Development in Rural Areas). After several years of opposition and resistance, the ZIDRES law was passed in 2016, the year the Peace Agreement was signed. This law allows the accumulation of land in areas originally intended for allocation of parcels to agricultural workers with limited resources. ZIDRES proponents said it would spur investment by creating partnerships between small farmers and big businesses to expand agricultural production. Since then, conflicts over land and displacement of communities have continued, while no significant progress has been made on Peace Accord commitments for the democratization of access to land and its appropriate use. Violence has also been used as a tool, but not the only one, to dispossess peasants, and Afro-descendent and Indigenous communities, from their lands.46

Box continued overleaf
At the same time, since 2016 the Colombian Amazon has seen elevated forest loss and associated fires, with the main drivers being land grabbing, cattle ranching, and expansion of road networks, while Indigenous territories have evidenced extremely low rates of primary forest loss.

These examples help illustrate the relationship between land inequality and deforestation. They also illuminate the importance of companies understanding the broader context and legacy of land distribution and use, the relation of IPLCs to the land, as well as the status of tenure security and the history of conflict over land among local actors.

At the same time, as the impacts of the climate crisis intensify, farmers worldwide are increasingly faced with severe droughts, floods, and saltwater intrusion. These forces exacerbate land degradation. Farmers and communities that rely on small-scale agriculture and pastoralism are thus losing access to productive land and becoming more food insecure.

**Land-based emission reduction and carbon removal initiatives**

Companies such as Mars, Nestlé, PepsiCo, and Barry Callebaut have adopted science-based targets for reducing emissions across their operations and value chains that are aligned with the 1.5°C goal. They plan to meet these targets through a range of interventions, including:

- Importantly, leading companies are focusing on reducing Scope 3 emissions, where the majority of their emissions footprint lie. For example, 75 percent of Mars’ emissions come from agriculture and associated land-use change activities within the company’s supply chain. By and large, Mars is expected to meet its climate targets through stopping deforestation and reducing agricultural emissions in its supply chain;

- Companies are increasing their use of renewable energy to reduce emissions. Renewable energy sources tend to require land, such as wind, solar, and hydro dams;

- Companies have also included some carbon removals in their plans. These removals are often linked to investments within their own value chains, a practice called insetting. For example, companies may support farmers they source from to adopt sustainable farming practices and establish agroforestry systems;

- Finally, companies’ plans include investing in carbon credits. Land-based carbon removals that generate carbon credits are considered to be the most cost effective and readily ‘available’ solutions to offset emissions and meet net zero targets. Yet, as clearly pointed out by Intergovernmental Panel on Climate Change (IPCC), carbon removal projects cannot compensate for delayed action by companies, and therefore carbon credits should be avoided as much as possible as a means of meeting climate targets.

Land-based emission reduction and carbon removal projects and the decarbonization of energy are increasing global demand for land. This increase in global demand increases the risk of small-scale farmers losing more land. On the other hand, holistic, land-based climate solutions are...
possible. These would help achieve not just zero emissions, but also zero hunger. Such “food first” approaches would build resilience and food and nutrition security, and strengthen the rights and livelihoods of small-scale farmers, women, Indigenous peoples, and local communities who rely on land, while also supporting climate mitigation.55

Linkages to human rights

Encouragingly, leading companies are already working to implement the responsibility to respect human rights outlined in the UNGPs. As recently affirmed by the United Nations (UN) High Commissioner for Human Rights, “equality is at the heart of human rights.”56 Attention to land concentration and how lack of access to and control over land affects different sectors of the population—particularly small-scale farmers, IPLCs, and women—can help companies better implement the responsibility to respect human rights. This is in part because control over land is often at the core of conflict and rights violations.
Loss of land

Increasing land inequality implies more communities, and in particular women who in general have fewer recognized rights to land, losing access to the land that they depend on for the realization of their human rights. Loss of land is driven by a shift to large-scale farming that is often accompanied by land grabs, land trafficking, land consolidation, and farmer indebtedness. Contributing to the problem is the fact that many women, small-scale farmers, and IPLCs have insecure land rights, making them less able to defend their land.

Related to land grabs, the Land Matrix has information on consultation undertaken for 250 deals globally. Only 15 percent report that FPIC was given, while almost 45 percent report no consultation whatsoever. FPIC is an internationally recognized right for Indigenous peoples. Adherence to FPIC protocols can also help a company better respect rights related to food, housing, livelihoods, and security, in addition to reducing the risk of conflict between a company and community.

Food insecurity

A consequence of smallholders and IPLCs losing land to large-scale farming is increasing food insecurity and, consequently, their inability to participate in the market or benefit from subsistence farming. More than 65 percent of investments in land for large-scale agriculture are made in countries that struggle with food insecurity. These are usually the countries with weaker institutions and where land tenure is not clear or guaranteed. Moreover, while insecure land tenure increases vulnerability to food price volatility, secure and equitable access to land can lead farmers to invest more in their land. Secure and equitable access to land works as a safety net to mitigate risks related to food price volatility and to assure long-term food security.

Forced labor

Landlessness is among the common drivers of forced labor. Local people rendered landless by agricultural expansion have been found to be particularly vulnerable to labor exploitation. Poverty in general makes people more vulnerable to forced labor, and income shocks that push households further into poverty—such as losing their land—compound this problem. At the same time, there is evidence that victims of forced labor in agriculture are among the working poor rather than being the poorest in society.

Human and environmental rights defenders

Threats against human rights defenders (HRDs) are on the rise globally. At least 358 HRDs were killed in 2021 in retaliation for their work, 59 percent of whom were protecting land and Indigenous peoples’ and/or environmental rights. Many were killed while opposing business-related abuses, including deforestation. Global Witness found that in 2020, three-quarters of recorded attacks occurred in the Amazon regions of both Brazil and Peru. For example, in Peru Indigenous leaders have received threats for defending their territory and filing complaints against palm oil companies for deforestation, for which
Box 5: Risks associated with large-scale land acquisitions, a driver of land inequality

Large-scale land acquisitions (LSLAs) involve the purchase, lease, or concession of large swaths of land for agricultural production, carbon removal or reduction initiatives, renewable energy projects, or other purposes. The Land Matrix tracks acquisitions of 200 hectares or more. LSLAs result in the transfer of rights to use or control land and imply potential land-use change, and they tend to overlap with communities’ existing use of land. They are a driver of land inequality.

In some countries, these transactions of relatively large tracts of land have been welcomed as long-overdue investments in the agricultural sector, initiating new value chains, introducing new agricultural technology, and creating employment. However, these land deals often cause significant harm to people and the environment. A recent analysis of LSLAs in Africa found that 78 percent of the deals assessed had unsatisfactory levels of uptake and adherence to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), and 20 percent do not comply with any of the VGGT principles. The VGGTs contain the internationally recognized principles for improving land tenure security, including provisions on respecting human rights, consultation, expropriation, and compensation. Furthermore, while LSLAs might increase productivity through investment in new technologies (which smallholders usually are unable to purchase otherwise), food produced on the acquired land is typically exported to other regions rather than used for local food security. Finally, employment opportunities that are created for local community members—often the same people who lost their land—are unlikely to pay a living wage.

Linkages to women’s economic empowerment

Rural women hold crucial roles in food production and agriculture yet make up less than 15 percent of landowners. This is due to a range of forces, including structural gender inequality, that together increase the burden on women. Less land for smallholders overall only makes the situation worse for women.

Without recognition of their rights to the land, women are often constrained in making decisions over how the land is used and how the proceeds from their agricultural labor are used. When they do own or control land, their rights tend to be less secure than men’s. Less security for women can be due to cultural norms, legal structures such as inheritance laws, and lack of political will or implementation of land laws among governments. Because they are less likely to have formal documentation of their rights, women are more likely to be dispossessed of their land and have less bargaining power when their land is targeted for investment.

On the other hand, stronger women’s land rights, access, and control are linked to a range of benefits. These include improved living conditions, better nutrition, improved health and education outcomes, higher earnings and savings rates, enhanced status, and better protection from gender-based violence.
BOX 6: WOMEN’S LAND RIGHTS IN GHANA’S COCOA SECTOR

Access to land and security of tenure are among the top constraints to advancing women’s economic empowerment in Ghana’s cocoa sector. Land ownership and control lead to greater food and economic security. Without it, women are shut out of decision-making processes, excluded from economic activities, or, where they do manage land, produce lower yields and earn lower incomes than men.

Ghana’s legal and institutional structures do not overtly discriminate against women. As in many countries where companies source agricultural commodities, a combination of insufficient implementation of land laws, customary land management structures in certain cases, traditions, inheritance practices, women lacking knowledge needed to assert their rights, and other challenges contribute to the problem. For instance, while women can acquire land, when that land is needed for an investment—for a value chain activity, community development project, or another purpose—it’s common for women’s land to be granted out first. Companies’ sourcing policies and practices exacerbate women’s disempowerment if blind to this discrimination.

For any company looking to advance women’s economic empowerment, proactively facilitating and supporting women’s ownership and control over land will be a foundational intervention. Oxfam is piloting a multi-stakeholder approach in cocoa-producing regions—with policy makers, food, beverage, and agriculture companies, traditional leaders, and cocoa farmers—to drive collective action toward stronger women’s land rights. Among its intended outcomes are: increasing awareness, transparency, and appreciation of the provisions in Ghana’s new Land Act and opportunities for securing smallholder land rights; and increasing clarity on, respect for, and recognition of customary land rights by traditional leaders for 500 smallholder cocoa farmers.

Linkages to farmer livelihoods and rising inequality

Land is essential for farmers and rural households. For farmers living in poverty, it is generally their only asset, other than their own labor.

The relationship between land inequality and farmer income is multifaceted. Secure land rights are associated with farmers making investments in their farms, which in turn is a key contributor to higher incomes. The dual trends of growing fragmentation of land among smallholders (land sizes for individual farmers are becoming smaller) and growing concentration of land among large farms and companies are leading to farmers often being unable to access the land they need. Farmers also face greater risk of losing their land due to debt resulting from a bad harvest or degradation exacerbated by the effects of climate change. Loss of land is catastrophic for small farmers, who may not be able to recover and build assets through wage labor.

Overall, escalating land inequality has meant less land in the hands of small-scale farmers and greater poverty. Companies can strengthen approaches to addressing farmer poverty and improving livelihoods by integrating approaches that ensure respect for land rights and improve access to and control over land into their interventions.
The relationship between land inequality and other societal challenges is broader, too. In rural-based economies, as revealed by a 2-year research initiative undertaken by the International Land Coalition and described in a synthesis report based on 17 studies around the world, land inequality is central to many other forms of inequality related to wealth, power, gender, health, and environment. As such, it is linked to the contemporary global crises of climate change, global health security and pandemics, democratic decline, mass migration, unemployment, and intergenerational injustice. Beyond its direct effects on smallholder agriculture, land inequality can undermine stability and the development of sustainable societies and, thus, of responsible and sustainable food value chains. 87

“There is a direct correlation between land inequality and economic inequality... Those with more land of higher value are wealthier than those with less land or none at all. However, land inequality has a much longer tail, also negatively affecting rates and distribution of growth, income generation, and wealth accumulation.” 88
Section 3

Food, beverage, and agriculture companies’ relationship to land

The link between food and agriculture companies and land inequality is a complex one. Land inequality is often seen as a legal or local issue. The concept can seem abstract or far removed from an individual company. Many companies do not have a clear sense of what their contribution to the problem is or how they may be linked to and perpetuate a historical legacy of land concentration. This section begins with a view of the historical roots of modern supply chains, provides an overview of how companies use land today, then describes various ways that companies control land and the corresponding implications for land inequality.

Modern value chains built from colonial systems

Land inequality is not a recent or local problem. Many of today’s global agricultural value chains are built on a plantation model that has its roots in colonial systems. The story of bananas, which were first introduced into US and European markets in the late nineteenth century, illustrates the legacy of colonialism and racism linked to acquisition and control of huge swaths of land by big companies that reaped large profits from growing tropical commodities in the global South for export to northern markets.

Box 7: The Legacy of ‘Banana Republics’

After the Spanish-American war in 1898, two burgeoning US-based banana companies that had been establishing plantations in Central America, the Caribbean, and Colombia merged to form the United Fruit Company. United Fruit soon became the dominant actor in the banana trade, acquiring land across that region, with a vertical integration strategy aiming to own and control every aspect of banana production and distribution, from tree to market.

In the early twentieth century, United Fruit became the largest agricultural enterprise in the world and the dominant economic force in the Caribbean Basin, with a colonial-type structure of economic enclaves across Central America that brought in black and indigenous labor under slave-like conditions. Clearing land and forests for large-scale agriculture and expanding infrastructure to facilitate commodity exports was seen as bringing ‘modernity’ to poor tropical countries. As large-scale monoculture resulted in diseases that wiped out many plantations, even more land needed to be acquired and cleared to replace infected areas.

Box continued overleaf
This story of corporate concentration, large-scale land acquisition, and market dominance that prospered under colonialism is far from unique in the food and agriculture sector. Much of today’s concentration of landholdings in developing countries originated in colonial structures that facilitated land use for large-scale commodity production. Rural communities and small-scale producers continue to face challenges in access to land that their ancestors once considered to be theirs or part of the ‘commons’ for use by the community and for ecosystem preservation. In this context, having benefitted from historical systems and policies in which small-scale farmers have been disadvantaged, it’s paramount that companies help reverse the trend of increasing land inequality. The eight essential issues for business action outlined in this briefing offer a starting point.

In Guatemala, the company’s influence was all-pervasive. The company owned and controlled not just the banana business but much of the country’s infrastructure, including its railroad, port, electricity, and telegraph services. It became the single largest landholder in the country and was responsible for all banana exports, while being exempt from paying taxes and import duties.91

During most of the first half of the twentieth century, Guatemalan presidents faithfully protected the company’s interests, including by repressing labor organizing. Then a change in government ushered in a new era beginning in 1944, decriminalizing labor unions, banning racial discrimination, and ultimately undertaking an agrarian reform to expropriate and redistribute 1.5 million acres of land to 100,000 Guatemalan families. That involved expropriating some 70 percent of the company’s 550,000 acres, none of it under production, for which the government offered compensation equal to what the company had said the land was worth when calculating its value for taxation. United Fruit rejected the compensation offer and appealed to the US government for help. In 1954, the CIA organized and financed the armed overthrow of President Jacobo Árbenz. Guatemala’s new military government returned the expropriated land to United Fruit, as well as to other large landowners who had been affected by the land reform.92

Landless families and rural poverty have continued to grow, as crops for global value chains are still grown on land once controlled by United Fruit. Though the company was forced to break up as a result of a US antitrust suit,93 restructuring its banana business in the late 1960s and selling off some assets to other US companies,94 it continued a strategy of expansion and concentration. Following other mergers and acquisitions after 1970, it became Chiquita Brands International, which was acquired in 2015 by the Cutrale-Safra groups—a Brazilian-owned agribusiness that is one of the world’s largest producers of orange juice.95

The Interlaken Group, coordinated by the Rights and Resources Initiative, has developed guidance for companies on addressing legacy land issues. The purpose is to help companies understand responsibilities and better address specific, historically unresolved and/or inherited grievances related to land rights and land use.96
How companies use land

Today, food, beverage, and agriculture companies continue to rely on land for the production of agricultural commodities like sugarcane, palm oil, cocoa, soy, timber products, and cattle. They also increasingly rely on land to meet their carbon removal and reduction targets.

Land for agriculture commodity cultivation

Depending on where they sit in a value chain, a company may own, lease, or manage land directly themselves, source commodities from land owned, leased, or managed by others (third-party suppliers), or both.

Whether land used for the cultivation of a particular commodity is managed by third-party suppliers via large-scale monoculture or by small-scale farmers depends on the commodity. For instance, in general, land for soy production is managed by large farms, while cocoa production tends to involve land managed by small-scale farmers. Other commodities, such as palm oil and sugarcane, are commonly managed by both small- and large-scale suppliers. Some of these commodities are flex crops, used in food and beverage products, as well as for biofuels and other industrial uses.

BOX 8: COMPANIES’ SOURCING POLICIES MAY BE DRIVING LAND INEQUALITY.

Companies’ sourcing policies can contribute to land inequality, sometimes inadvertently. For instance, stringent volume, quality, and sustainability standards may effectively favor better-off farmers who already control more land. Making land title a requirement to participate in the company’s supply chain may have the unintended effect of excluding small-scale farmers who—for a variety of reasons—may not hold a formal title. The result is farmers with more land and secure tenure have more opportunities than farmers who formally control less land, leading to even greater inequality. Sustainability leaders should be on the lookout for these manifestations of ‘hidden’ land inequality that are baked into their companies’ existing ways of doing business. Policies and programs geared toward the inclusion of small-scale farmers should have a more central role in companies’ sourcing strategies (see Essential Issue #4).
Wilmar is an example of a company that both owns and manages land itself and sources from land owned or managed by large farms and small-scale farmers. For instance, the company states that it is "one of the world’s largest oil palm plantation owners," holding 232,053 ha of planted area as of the end of December 2020. It also states that it owns 46,000 additional ha in Uganda and several countries in West Africa through joint ventures. In addition, across Indonesia and countries in Africa, it manages—directly or through associates—over 192,000 ha under smallholder schemes. Wilmar also buys fruits from plantations owned by third parties to process in its own mills and crude palm oil and palm kernels from third-party mills for its refineries. Over 850 mills supply Wilmar refineries in Indonesia and Malaysia alone.

**BOX 9: THE EXPANSION OF THE AGRICULTURE BELT IN BRAZIL AND CORRESPONDING LAND INEQUALITY**

Two figures put side by side illustrate the correlation between the expansion of the agriculture belt in Brazil and increasing land inequality.

The figure on the left shows the evolution of the agriculture belt in Brazil in the last 70 years. There has been a clear movement from the southern regions toward the center and north of the country. Today, cocoa, palm, and soy plantations are popping up in the Amazon and other environmentally important regions.

The figure on the right shows the area controlled by properties in the upper and lower quartiles of the land distribution.

**Figure 1.** (Left) Land use in Brazil: agriculture and pasture, 1940–2010, Figure 2. (Right) Geographic placement of the properties in the upper and lower quartiles of land distribution

Sources: Department of Agronomic Engineering, Federal University of Viçosa. Figure retrieved from [https://www2.dti.ufv.br/noticias/scripts/exibeNoticiaMulti.php?codNot=25167](https://www2.dti.ufv.br/noticias/scripts/exibeNoticiaMulti.php?codNot=25167). Pinto et. al., 2020, ‘Quem São Os Poucos Donos Das Terras Agrícolas No Brasil – O Mapa Da Desigualdade’ [Imaflora, 2020]. Figure retrieved from [https://www.imaflora.org/public/media/biblioteca/1588086460-sustentabilidade_terras_agricolas.pdf](https://www.imaflora.org/public/media/biblioteca/1588086460-sustentabilidade_terras_agricolas.pdf).

The largest properties in Brazil concentrate in areas of recent agricultural expansion, meaning that environmentally and socially sensitive areas are the epicenter and intersection of land expansion and concentration processes for agriculture in the country.
Land to remove carbon and achieve net zero targets

Carbon removal, emissions reduction, and renewable energy initiatives can require significant swaths of land.\(^{104}\) Examples include afforestation, reforestation, regenerative agriculture, bioenergy with carbon capture and storage (BECCS), solar and wind farms, and hydro power. Companies may be pursuing initiatives in their own value chains, investing in land-based mitigation via their use of carbon credits or offsets, and/or using renewable energy to reduce their direct carbon emissions.

BOX 10: DEFINITIONS

**Carbon removal** refers to efforts to remove carbon from the atmosphere and capture and store it, which could limit climate change but is not a substitute for direct emissions reduction.

**Net zero emissions** are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.

**Offsets** are tradeable credits for any kind of mitigation effort—direct emissions reduction, carbon removal or sequestration, or avoided emissions—that are sold to a buyer who is not actually reducing emissions but simply offsetting emissions by paying a seller for reductions or removals elsewhere. Offsets do not create an absolute mitigation benefit from a global carbon budget perspective.

**Insetting** refers to carbon removals or reductions from projects within a company’s own value chain.\(^ {105}\) Insetting aims to reduce emissions in Scope 3 of company supply chains, without going through voluntary carbon markets. For example, an agribusiness invests in agroforestry projects with suppliers to remove carbon.\(^ {106}\)

Source: Aditi Sen and Nafkote Dabi, ‘Tightening the Net: Net Zero Climate Targets – Implications for Land and Food Equity,’ Glossary (Oxfam Briefing Paper, August 2021).\(^ {107}\)

Land and nature are important parts of the climate solution, but where companies do use land for climate mitigation, they must prioritize food security and build the resilience of small-scale farmers who rely on land. Land-based solutions should strengthen the rights and livelihoods of local communities, protect ecosystems, be subject to strong social and environmental safeguards, ensure that local communities, Indigenous peoples, and frontline defenders have a seat at the table, and ensure equitable and transparent benefit-sharing arrangements.\(^ {108}\)

Equitable and transparent benefit-sharing arrangements ensure that all stakeholders, including Indigenous peoples and communities, are recognized and rewarded for their role in reducing and removing emissions, including through forest conservation and sustainable forest management.

An example from India—from outside the food and beverage sector—provides a cautionary tale of the risks of land-based carbon removal initiatives on communities and land inequality if not subject to strong safeguards.
BOX 11: VIOLATION OF COMMUNITY CONSENT IN AFFORESTATION PLANTATIONS

India has undertaken afforestation plantation drives across the country, through state forest departments, to increase the country’s green cover.\textsuperscript{109} These afforestation projects are, in part, supposed to help meet India’s commitments under the Paris Agreement on Climate Change. As part of the agreement, India has pledged to increase its forest cover by 5 million hectares by 2030.

However, recent research by Oxfam partner Land Conflict Watch\textsuperscript{110} suggests many of these drives are being carried out in community forestlands that are used by forest dwellers who have rights over these lands. These drives are often conducted without the consent of local communities. Most of these plantations have been taken up under the Compensatory Afforestation Fund Act, according to which projects that use forestland are required to plant trees to make up for the loss of forests. Often, these plantations do not survive; they comprise monoculture tree species that do not make up for the loss of the biodiversity of natural forests, and they take away communities’ access to traditional forests.

Conflicts have been recorded in several states, covering over 100,000 ha of land. These lands were home to 56,480 forest dwellers who have traditional rights over these land parcels. In many cases, the state forest department did not obtain consent from the communities. Instead, traditional lands were fenced off, even though communities had received land titles under the Forest Rights Act (FRA), which is meant to strengthen the customary land rights of tribal communities and requires the government to recognize these rights.

In their testimony, affected people, activists, and lawyers have claimed that the state forest departments have strategically used afforestation as a tool to gain control over tribes’ community lands.

Similar land conflicts have emerged in protected areas where the government’s effort to create protected areas without human habitation by fencing off forests has rendered tribal families living near and in these protected areas homeless. These conflicts impact close to 500,000 tribal and forest-dwelling people, and many communities have faced forcible eviction in the process.

Source: As it appears in Sen and Dabi, ‘Tightening the Net,’ 16.

Investments in land as an asset class

Financial actors are also increasingly investing in companies that own, manage, or control land in order to diversify portfolios and as a source of possible high rates of return.\textsuperscript{111} This approach of investing in agribusinesses offers a proxy for direct investment in land.\textsuperscript{112} The increased interest in land among financial actors is, in part, a response to mounting risk in conventional stocks, especially after the 2008–09 global financial crisis.\textsuperscript{113}

Investments in land can take place through various means:

**Private equity:** Funds raise capital from institutional investors (including development finance institutions, foundations, university endowments, pension funds, and sovereign wealth funds) and direct it to companies that own, manage, or control land. Returns tend to be high, and a typical fund is invested for an average of 10 years.\textsuperscript{114} More specifically:
A private equity fund may directly invest in companies in the agricultural supply chain. Private equity firm Amerra Capital is a part owner in one of the largest palm oil producers in Peru, the Ocho Sur Group. Ocho Sur has approximately 12,000 ha of land in Peru and sells palm oil to international food, beverage, and agriculture companies. Amerra is also an investor in biofuels in Brazil.

Others invest in companies that deal in the acquisition, transformation, and sale of large tracts of land. Vision Brazil Investments is a Brazilian asset management company that is focused on acquiring, transforming, and selling large tracts of land and offering attractive returns to global institutional investors. On its website, Vision Brazil states that in 2008, it created Tiba Agro, a large agricultural project, that "manages more than 335,000 hectares of agricultural land. The investment focus is on land transformation, i.e., turning raw or unproductive land into fully productive farmland." The region where most of its investments lie is part of the Cerrado biome, which has witnessed the rapid expansion of export-oriented agribusiness models that are driven in part by private investment and an ongoing demand for global commodities that include soy.

**Investments in publicly listed companies:** Investors buy shares of companies that own and manage land, or in companies that source agricultural commodities from companies that own and manage land. An example of the former is BrasilAgro, which is described as a rural real estate firm. It derives its revenues from clearing, developing, and selling land. The company is listed on the Brazilian stock exchange and has 11 properties in its portfolio. Most of the company's farms are located in the Brazilian Cerrado.

**The formation of new private companies:** Investors provide capital for new companies focused on land acquisitions and management. An example is Calyx Agro, which was founded in 2007 and is based in Argentina. The company is focused on the acquisition, development, rental, and operation of agricultural land in South America. It was formed by the Louis Dreyfus Company, which has a 29 percent stake, and has had investment from a complex web of sources, including private equity and family-sponsored investment funds. The company is reported to have over 100,000 ha of land in Argentina, Brazil, Paraguay, and Uruguay.

**Understanding control over land (ownership and more hidden forms)**

The extent to which companies’ land-based activities and investments exacerbate or lessen land inequality depends in large part on how those activities and investments are designed and implemented. Farmer voice and decision-making, inclusivity, engagement with local communities at all stages, and reliance on local knowledge are principles that can help ensure projects do good rather than harm. This gets to the issue of land control, a core tenant of land inequality: who makes decisions about how the land is used and how the benefits are allocated.

The ways in which companies control land aren’t always obvious. While companies may own or lease land directly, other forms of control are less visible. For instance, companies’ procurement policies and practices, mergers
and acquisitions, and lobbying activities all have determinative effects on how land is used and who gets the benefits. The following table summarizes different forms of company control over land common in today’s global food system and their corresponding implications for land inequality.

These forms of land use and control, if not subject to strong safeguards, risk contributing to small-scale farmers and communities having less of both. The eight essential issues for business action presented in Section 4 offer an alternative path forward, in which companies can play a constructive and appropriate role advancing land equality. Companies can help make significant progress on the issue regardless of whether they use land directly or indirectly.

Table 1: Forms of land control and implications for land inequality

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<thead>
<tr>
<th>FORM OF LAND CONTROL</th>
<th>IMPLICATIONS FOR LAND INEQUALITY</th>
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<tbody>
<tr>
<td><strong>VISIBLE CONTROL OVER LAND USE</strong></td>
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<tr>
<td>Ownership</td>
<td>Often involves large areas of land, resulting in less land available for small-scale farmers</td>
</tr>
<tr>
<td>Company holds legal title to land</td>
<td>Often involves direct deals with central government, decisions regarding ‘under-utilized’ land without engagement of local communities</td>
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<td></td>
<td>Risk of land grabs, acquisitions occurring without communities’ FPIC, and related violations of human rights</td>
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<td></td>
<td>Risk of environmentally harmful land-use change and practices (e.g., deforestation, excessive fertilizer and/or pesticide use)</td>
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<tr>
<td></td>
<td>Sometimes involves clearing but not investing in land, leading to degradation of resources</td>
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</tbody>
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Below: Fertilizer application on coffee plantation in Southern Minas Gerais State, Brazil. Photo: Tatiana Cardeal/Oxfam
| Leasing | Often involves large areas of land, resulting in less land available for small-scale farmers. How land is used during the lease period may result in permanent land-use change. Often involves direct deals with central government, decisions regarding ‘under-utilized’ land without engagement of local communities (both government and citizens) Risk of land grabs, acquisitions occurring without communities’ FPIC, and related violations of human rights Risk of environmentally harmful land-use change and practices (e.g., deforestation, excessive fertilizer and/or pesticide use) Sometimes involves clearing but not investing in land, leading to degradation of resources |
| Smallholder schemes and contract farming, when centrally managed | Farmers dependent on a single buyer; buyers have power to set the terms of the contract (farmers are price takers, buyer allocates inputs, farmers assume risk, farmers capture a small fraction of the gains) In practice, without negotiating power, farmers become disempowered workers on their own land or indebted and may lose their land. Risk of environmentally harmful land-use change and practices (e.g., deforestation, excessive fertilizer and/or pesticide use) |

**CONTROL STEMMING FROM Mergers and Acquisitions**

| Horizontal integration | Fewer people, further removed from the local environment, make decisions about land acquisitions and use, and receive most of the value derived from it. Undermines smallholder participation and economic viability in global value chains |
| Vertical integration | Fewer people, further removed from the local environment, make decisions about land acquisitions and use, and receive most of the value derived from it. Undermines smallholder participation and economic viability in global value chains |

**CONTROL STEMMING FROM PROCUREMENT POLICIES AND PRACTICES**

| Sourcing policies and status quo incentive structures favoring large suppliers | Stringent private procurement standards exclude or make difficult the participation of small-scale farmers and instead favor larger farms and better-off farmers. As large farms and intermediary companies grow, they acquire more land, buy out competitors, and increase their political power, furthering land concentration. Undermines smallholder participation and economic viability in global value chains Fewer people, further removed from the local environment, make decisions about land acquisitions and use, and receive most of the value derived from it. |
| Large suppliers include large farms and intermediary companies, which may be seen as more able to reliably meet quantity and quality standards and better able to meet environmental and social responsibility requirements. |
### Control Related to Land-Based Climate Mitigation and Benefits Derived

<table>
<thead>
<tr>
<th>Control Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land-based carbon offsetting</strong></td>
<td>Land acquired for mitigation effort—direct emissions reduction, carbon removal or sequestration, or avoided emissions. Credits are sold to buyers who may or may not have 1.5 aligned Science Based direct emission reduction targets.</td>
</tr>
<tr>
<td></td>
<td>Can involve large areas of land, resulting in less land available for small-scale farmers</td>
</tr>
<tr>
<td></td>
<td>Can involve direct deals with central government, decisions regarding land without engagement of local communities</td>
</tr>
<tr>
<td></td>
<td>Risk of land grabs, acquisitions occurring without communities’ FPIC, and related violations of human rights</td>
</tr>
<tr>
<td></td>
<td>Risk of company failing to take necessary steps to reduce its own emissions</td>
</tr>
<tr>
<td></td>
<td>Offsets do not create an absolute mitigation benefit from a global carbon budget perspective.</td>
</tr>
<tr>
<td></td>
<td>Questions around whether farmers and local communities receive benefits derived</td>
</tr>
<tr>
<td><strong>Carbon insetting</strong></td>
<td>Land used for mitigation efforts within a company’s value chain</td>
</tr>
<tr>
<td></td>
<td>If not subject to careful safeguards, risk of adverse impacts on local communities’ food security</td>
</tr>
<tr>
<td></td>
<td>Questions around whether farmers and local communities receive benefits derived</td>
</tr>
<tr>
<td></td>
<td>Questions around the company’s use of carbon insetting to generate carbon credits, use them as offsets, or attempt to sell credits to other actors on the voluntary carbon market.</td>
</tr>
</tbody>
</table>

### Other Forms of Control

<table>
<thead>
<tr>
<th>Control Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land as an asset class</strong></td>
<td>Private equity and other forms of investment in companies that own and control land</td>
</tr>
<tr>
<td></td>
<td>Risk that how investees acquire and use land prioritizes profit over human rights and the environment</td>
</tr>
<tr>
<td><strong>Lobbying</strong></td>
<td>Large farm owners and companies influence government policy and regulations on land acquisitions and use.</td>
</tr>
<tr>
<td></td>
<td>Risk that governments enact laws and policies that do not adequately protect human rights and the environment, and that result in more land concentration</td>
</tr>
</tbody>
</table>
SECTION 4

Eight essential issues for business action, in detail

These eight land-focused issues and corresponding recommendations will help food, beverage, and agriculture companies reverse the trend of increasing land inequality and also avoid contributing to the problem. They will also help companies holistically implement commitments on climate change and net zero emissions, on the one hand, and human rights and land rights, women’s economic empowerment, and farmer livelihoods (including living income), on the other. The eight issues are organized across three categories:

Food, beverage, and agriculture companies, and their investors, all have a responsibility to address land issues. How a given company approaches implementation of the recommendations presented here will depend in part on where it sits in a value chain and whether it is at risk of causing, contributing to, or being linked to a potential adverse impact.

Questions to consider are:

- **Does your company own, lease, or control land directly and/or have a direct sourcing relationship with farmers?** If so, implement these interventions directly, in collaboration with relevant stakeholders, including women’s rights organizations.

- **Does your company rely on land through suppliers?** If so, set clear requirements, communicate them to suppliers, then work with and through suppliers to implement them. Doing so entails: formalizing requirements in a supplier code of conduct; providing the right incentives such as preferential sourcing agreements; adapting procurement practices; financial investment; supporting suppliers; using and building leverage; and monitoring for, reporting on, and holding suppliers accountable to progress.

- **Does your company invest in land as a financial asset?** Best practice is to commit to refrain from treating land as a commodity rather than as an essential resource for the wellbeing of people and the planet. When investing in agribusinesses, address these essential issues on land inequality by assessing investees’ commitments to, and track record of, action, then use (and build) leverage to incentivize and hold investees accountable to progress.136

Where a company sits in a value chain will determine how it implements these recommendations.
BOX 12: WHO PAYS FOR WHAT?

Implementation of the below recommendations requires resources. Examples of needs include community engagement processes; provision of technical or legal support to farmers, local communities, and cooperatives; and training for suppliers on FPIC.

Some of these interventions should be funded solely by companies. An example is integrating land into existing human rights due diligence processes, which is the direct responsibility of a company.

Responsibilities around the provision of resources related to the remediation of land conflicts or related rights violations depend on whether a given company caused, contributed, or is linked to the grievance, per the UNGPs.

Several interventions, such as the coordination of landscape management approaches and securing farmers’ and IPLCs’ land rights, are not the sole responsibility of a given company to fund. In some cases, such as hiring a mediator to help resolve a land conflict, it may even be counterproductive for a company to be a sole, direct funder. A company may be perceived as having too much power and control over the process.

These interventions could instead be funded from a mix of sources, including peer companies and suppliers (such as if facilitated by industry platforms), private funders, and governments. In addition to providing direct resources, companies can advocate that peers, private funders, and governments also direct funding to necessary initiatives. Ultimately, the exact mix for a given intervention will be context specific. Groups like the Columbia Center on Sustainable Investment are working to provide guidance on innovative financing options.137

KNOW, ASSESS, AND ADDRESS

1. Publicly recognize the extent of the company’s land footprint; promote more local control of land.

Land footprints comprise the total amount of land used within a company’s value chain. This total includes land used directly and indirectly for commodity production (land owned or leased, used by suppliers, used in centrally-managed outgrower schemes, etc.); planned expansion and mergers and acquisitions; the amount of land a company relies—or plans to rely—on for carbon removal; and investments.

An important first step to addressing land inequality is for companies to understand and recognize the extent of their land footprints. They should then make commitments to address it. Doing so includes prioritizing land-use models that rely on local control of and decision-making power over land. Also important is refraining from expanding the company’s overall land footprint as well as from treating land as a commodity rather than an essential resource for the wellbeing of people and the planet. Companies can then meet these commitments by implementing the recommendations in this briefing. Disclosure, including of Scope 3 emissions and of suppliers to the farm level, is an important component, too, in that it will help illuminate a company’s land footprint and associated risks to people and the environment.
Tips and examples

Few companies have made commitments to limit or reduce the size of their land footprints. Mars offers an example that other companies could take even further. It recognizes that limiting its land footprint is “critical for the health of our planet and wellbeing of farming communities” and has set a goal to “hold flat the total land area associated with [its] value chain.” It plans to focus on increasing yields, such as in its cocoa sourcing, which accounts for approximately a third of its land footprint, and rehabilitating degraded land to achieve this objective. These are encouraging first steps.

Interventions to limit a company’s land footprint, however, should also go beyond technical solutions to increase yields. Key interventions include:

- Adjusting sourcing policies and supplier incentive structures to avoid harmful (and most are harmful) large-scale land acquisitions in agricultural supply chains (Essential Issues #2 and #4);
- Prioritizing suppliers whose model helps reverse the trend of increasing land inequality rather than sourcing from suppliers that rely on large-scale land acquisitions (Essential Issue #4);
- Investing in landscape management approaches that holistically address local social and environmental challenges (Essential Issue #5).

Finally, companies’ commitments related to their land footprints should also account for land used for carbon removal and reduction projects.

Better corporate practice is to:

- Publicly recognize that the company relies on a significant amount of land for various purposes and how status quo production and procurement policies can result in greater concentration of land holdings;
- Commit to promoting more local control of land across operations and value chains, taking the steps outlined in this Briefing for Business (such as Essential Issue #4), and to reducing the company’s reliance on large-scale land acquisitions and other production models that involve taking control over land;
- Commit to refrain from expanding the company’s overall land footprint or from treating land as a commodity rather than as an essential resource for the wellbeing of people and the planet;
- Ensure full supplier (and investee, as relevant) transparency and traceability across supply chain tiers; extend supplier disclosure to the farm level;
- Disclose and commit to reducing emissions across all scopes (Scopes 1, 2, and 3) in accordance with the Science Based Targets initiative (SBTi). Where land-based removals could be necessary for companies whose value chains are based on land use and agriculture, account for them separately.
Know where harmful land acquisitions and land-use changes are at high risk of occurring; take steps to prevent them.

Companies’ responsibility to respect human rights includes preventing abuses before they occur. The adverse impacts on people and the planet from the conversion of forests and ecosystems for commodity production can be lasting, making prevention even more critical. Disturbed peatland unleashes carbon, trees take decades to regrow, and large-scale tree-planting efforts, even when well intentioned, can often worsen land degradation and water scarcity, making it harder for small-scale farmers to farm their land. In addition, the resolution of land conflicts between companies and communities can take years, if they are ever resolved.

To prevent further problematic land-use change and acquisitions from occurring, companies need to know where there’s risk of their occurrence, and then, as relevant for their position in a value chain, use their leverage with suppliers and investees to avoid harm.
Resources for implementation

Various groups have developed tools and resources to help companies adhere to relevant international standards, including the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGTs). Topics covered include assessing land rights and land use-related risks and impacts and implementation of FPIC protocols. Tools and resources include:

- **Landscope**, a system to help companies assess land tenure risk by analyzing geospatial data about social, environmental, and political issues;

- The Coca-Cola Company’s guidance on FPIC, developed to help business partners constructively engage communities and follow FPIC protocols when acquiring land;

- The Interlaken Group’s guide for ‘Respecting Land and Forest Rights,’ offering guidance for companies on land rights due diligence, among other topics, broken down by type of land investment (greenfield, brownfield, existing holdings, joint venture/M&A, procurement/supply chain);

- The Interlaken Group’s guide for integrating community-based data and information into due diligence efforts;

- The Interlaken Group’s guide on ‘Land Legacy Issues’ to help companies better address existing, often long-standing cases of conflict or tension with communities.

The Interlaken Group is a global platform coordinated by the Rights and Resources Initiative. It can provide guidance and support to companies seeking to learn more about and address land issues in their operations and value chains. It works at both the global and national levels, bringing together leaders from companies, investors, development finance institutions, and global and national civil society organizations to expand and leverage private sector action to secure community land rights. The Interlaken Group also develops guidance for the private sector, such as the resources listed above. Any interested company is invited to participate in the platform.

Better corporate practice is to:

- Ensure company land commitments are up to par, apply to all of companies’ land-based activities and suppliers or investees, and include provisions on:
  - Zero tolerance for land grabs;
  - Adherence to the principle of FPIC;
  - No Deforestation, No Peat, and No Exploitation (NDPE);
  - Respecting the rights of IPLCs and the legitimacy of collective and traditional tenure practices;
  - Transparency of contracts and disclosure to affected communities of any concession agreements or operation permits;
  - Fair negotiations on land transfers;
  - Fair resolution of any disputes involving land use or ownership rights, via company grievance mechanisms, third-party ombudsmen, or other processes mutually agreed by all relevant stakeholders;
  - Refraining from cooperating with any illegitimate use of eminent domain by a host government to acquire farmland;
  - Avoiding production models that involve the transfer of land rights (including land under customary tenure) away from small-scale food producers.
- Integrate land use and land rights into existing human rights due diligence and risk assessment processes (including assessment processes related to mergers and acquisitions); assess risks to people and the planet prior to a new land acquisition or land-use change:
  - Ensure processes align with the UNGPs and involve meaningful stakeholder consultation, including with women’s rights organizations;
  - Ensure that processes are effective, in that they successfully identify problematic cases of land use and acquisitions prior to their occurrence and result in company action to prevent them;
- Do not include the use of offsets as part of the company’s efforts to reduce emissions and meet science-based targets. SBTi requires that companies set targets based on emission reductions through direct action within the company’s own operations and/or value chains. Where companies want to scale up their ambitions and efforts beyond reducing their own emissions in line with their science-based targets, they can help finance the transition to net zero by mid-century or earlier through high-quality offsets that provide environmental and social value and have the right safeguards in place;
- When risky new land acquisitions or land-use change initiatives are identified, consult potentially affected communities and local stakeholders to determine whether to stop or amend the project based on communities’ FPIC decisions and to ensure that planned operations do not cause harm to human rights, food security, or the environment.

**Ensure remediation for harms and effective grievance mechanisms, in accordance with the UNGPs.**

Companies’ responsibilities toward remedy depend on whether they caused, contributed, or are linked to an adverse impact. Grievance mechanisms play important roles in helping companies identify impacts that they have responsibilities to address. More specifically, effective operational-level grievance mechanisms that adhere to the principles outlined in the UNGPs can “make it possible for grievances to be addressed early and remediated directly.” They also can serve as a source of feedback on the effectiveness of companies’ human rights due diligence.

Many companies have already adopted commitments around both remediation and grievance mechanisms to ensure adherence to the UNGPs. Various groups such as Shift and BSR have developed resources and guidance on companies’ responsibilities based on level of contribution. Groups like AIM Progress are developing guidance for companies on grievance mechanisms.

However, what is clear from existing cases of adverse impacts related to land rights and land use, such as land grabs, is that communities’ allegations of harms are often left unresolved or dismissed, as revealed by a study of the grievance mechanism set up under the Roundtable on Sustainable Palm Oil (RSPO). Unresolved and dismissed claims have contributed to civil society skepticism with regard to the effectiveness of grievance mechanisms, and even more broadly of multi-stakeholder initiatives that fail to meet or enforce
strong standards aligned with the UNGPs. When communities do receive remedy, it can take many years or even decades, and often involves national or international organizations supporting communities’ efforts.\textsuperscript{157}

Illustrating how this issue can be addressed and challenges involved

One example of the steps and time that can go into communities receiving remedy from land grabs comes from Uganda. In 2005, the Ugandan National Forestry Authority (NFA) granted forestry licenses in Kiboga and Mubende districts to the New Forest Company (NFC) and subsequently ordered the evictions of community members residing in the area.

With support from Oxfam and the Uganda Land Alliance, the two affected communities filed complaints with the World Bank’s Compliance Advisor/Ombudsman (CAO) in 2011, which resulted in negotiated agreements between the Mubende community and the company in 2013, and the Kiboga community and company in 2014. Confidentiality commitments made as part of the negotiations have meant the specific content of the agreements is not public, but they did include the provision of development assistance to the communities to purchase new land for resettlement.\textsuperscript{158}

Figure 3: A Story of Community-Company Dispute Resolution in Uganda: case timeline

**Better corporate practice is to:**

- Adopt a policy commitment on remediation and grievance mechanisms, in accordance with the UNGPs, that covers the company’s entire land footprint; ensure processes and mechanisms integrate a gender perspective;¹⁵⁹

- Develop a plan for how the company will hasten remediation efforts where it has caused or contributed to a grievance, in line with responsibilities under the UNGPs; recent thinking around ecosystem approaches to remedy may offer helpful input;¹⁶⁰

- For cases where a company is linked to a grievance, develop a plan for when and how the company will use—and increase—leverage to help ensure grievances are prevented from continuing or recurring and/or to ensure their remediation;¹⁶¹ recent thinking around ecosystem approaches to remedy may offer helpful input;¹⁶²

- Collaborate and engage with community-based monitoring mechanisms;¹⁶³

- Create or participate in effective operational-level grievance mechanisms for affected communities and human rights defenders (and also workers and employees) across supply chains and address barriers to access, following the effectiveness criteria in the UNGPs; processes should include meaningful engagement with rights holders, with specific attention to including women in the development and implementation;

- Engage in and cooperate with mediation processes where they are initiated as a result of grievances filed; ensure affected rights holders have access to resources required to engage, such as independent legal advice.

**INVEST**

**4 Support business and climate mitigation models that reduce land inequality and secure small-scale farmers’ and communities’ land rights.**

Today’s standard models for agricultural commodity production include estates (controlled by a company or third-party supplier), centrally managed outgrower schemes and contract farming arrangements that involve the transfer of control over land use and benefits, and nucleus estate schemes. Such production models often involve harmful large-scale land acquisitions and/or land-use change that result in greater land concentration and can perpetuate land inequality. If not subject to strong safeguards, land-based climate mitigation initiatives may also drive land inequality.

Alternatives to standard models for agricultural commodity production exist, which instead result in enjoyment of stronger land rights for women and communities, greater respect for human rights, and better environmental performance.¹⁶⁴ Examples include collective action models (farmers together purchase inputs, and aggregate, process, and market crops),
farmer-owned enterprises, value chain contracting (involving formalized purchasing agreements between value chain actors), and social enterprise models (companies with purpose-driven business models), when they are implemented according to certain conditions. Common among these business models are accountability, ownership, and governance structures that prioritize the inclusion and decision-making power of farmers, workers, and communities, as well as use of agroecological methods over the accumulation of resources. On the climate mitigation side, examples include food-first approaches such as protecting and restoring natural forests and ecosystems and agroforestry, and IPLC-led conservation and restoration initiatives.

**Tips and examples**

Cooperatives in Malawi and Vietnam are examples of production models that could advance land equality.

The Phata Sugarcane Outgrowers Cooperative is an example of a farmer-controlled grower model that can leverage the advantages of operating at an economy of scale while keeping land ownership in the hands of small-scale farmers (via the cooperative). The cooperative is an approximately 1,100-member coop in southern Malawi. Smallholder farmers join up their land into a shared block farm under a cooperative model and in return become shareholders of that cooperative, which pays them dividends in line with the original investment of their land. Pooling land helps farmers provide necessary volumes of sugarcane to deliver on a long-term supply contract with Illovo Sugar Africa. Illovo Sugar Africa then sells sugar to companies such as The Coca-Cola Company. The Phata Cooperative board comprises farmer representatives and independent directors. Smallholder farmer members elect and appoint the executive committee, as well as various sub-committees. The day-to-day management of the farm is through a management consultant contract with the company Agricane.

In addition to retaining control over land, Phata farmers have also benefitted from higher premiums for their sugarcane (given their Fairtrade certification), from agricultural inputs like fertilizer and seed cane provided by Illovo Sugar Africa at cost, and from diversification of farming activities and income—such as growing maize and kidney beans—supported by international donors. Phata is also focusing on environmental sustainability. For instance, it has planted out numerous woodlots that will provide a source of fuel wood for use in a sustainable charcoal industry. This promises to help disrupt local deforestation patterns and illegal charcoal production. Phata also includes biodiversity practices such as encouraging areas of natural bush in the outfall areas in between pivot irrigation.

Another example is the Tan Dat Cooperative in Vietnam, which sells organic rice to international exporters. It was initiated in 2017 with 15 members, expanding to 65 members and 50 regular employees by 2019. The cooperative provides services to 400 families covering 450 ha of rice under cultivation. Services include preparation of fields, input supply, and marketing. Coop members have merged their parcels of land together by removing levees and keeping markers to determine the boundaries. As in the Phata example, farmers retain their land rights. Merging land was a locally driven decision to overcome land fragmentation and other challenges smallholders in the area faced around mechanization, quality control, and bargaining power. Coop members receive a higher price for rice in return for leasing their land to the cooperative.

Phata and Tan Dat face challenges, as is the case for many cooperatives. For Phata, challenges include climate resilience (Phata has weathered severe flooding and extreme drought in recent years), building capability for in-house management, long-term land-use planning, and proactively receiving and addressing complaints from members, employees, and the surrounding community via a robust grievance mechanism. For Tan Dat, challenges include the capacity of the management board: there is strong
demand to expand the cooperative, requiring more leadership from the board; and challenges around tax and administrative procedures.\textsuperscript{177}

Yet both Phata and Tan Dat are examples of production models that can help reverse the trend of increasing land inequality. Key lessons from these and other examples include:

- Such models do not need to be niche;
- Women having a say in how initiatives are run is critical to overcoming gender-specific barriers;\textsuperscript{178}
- Successful initiatives will be farmer- and community-led;
- Assistance and investment by an NGO or similar entity can help enterprises overcome barriers.

**Better corporate practice is to:**

- Avoid harmful—and most are harmful—large-scale land acquisitions;
- Instead, prioritize business and production models that help reverse land inequality. In the short term, develop pilots, then share efforts and lessons widely. Such models should:
  - Secure women’s and IPLCs’ land rights (see Essential Issue #6);
  - Avoid the transfer of land rights and contributing to land concentration;
  - Safeguard the environment;
  - Guarantee a living income/wage;
  - Give greater voice, power, and value to workers, women, and farmers through the ownership and governance structure of their business.
- Establish long-term partnerships with women-led, small- and medium-scale enterprises and recognize women in commercial relationships [including contracts, payments, meetings, and trainings] regardless of the status of their land tenure;
- Where strategies for land-based climate solutions are used, apply robust safeguards and promote equitable and inclusive approaches that strengthen respect for the rights of Indigenous communities and the livelihoods of small-scale farmers, women, and local communities. This should include the following considerations:
  - Strengthening land governance must be a prerequisite to any land- or nature-based climate solution;
  - Participatory land-use planning that supports inclusive and multifunctional landscape approaches should be promoted (see Essential Issue #5);
  - Securing women’s and IPLCs’ land rights must be a priority [see Essential Issue #6];
  - Any land acquisitions must be subject to careful due diligence and must not result in forced evictions [see Essential Issue #2];
• United Nations Framework Convention on Climate Change (UNFCCC) and REDD+ safeguards for Indigenous and tribal peoples, local communities, and small-scale farmers must be implemented and expanded;
• Communities must have mechanisms for effective public participation and redress of grievances when their rights have been violated [see Essential Issue #3];
• Equitable and transparent benefit-sharing arrangements should be in place and ensure that all stakeholders, including Indigenous peoples and communities, are recognized and rewarded for their role in reducing and removing emissions, including through forest conservation and sustainable forest management.

5 Invest in landscape management approaches.

Integrated landscape management approaches refer to long-term collaborations among different groups of land managers and stakeholders to achieve multiple objectives within an ecosystem or within ecosystems. Common objectives of landscape management approaches include enhanced human livelihoods and wellbeing, respect for human rights, prioritization of crop diversification and food security, resilience, reduced company-community and other conflicts, conservation and restoration of soil health, biodiversity and ecosystem health, ending deforestation, reduced GHG emissions, improved agricultural production, and, increasingly, removal of carbon. In other words, landscape management approaches bring together conservation, restoration, and development objectives into a single space.179 Common features include broad stakeholder participation, negotiation around objectives, and joint land-use planning.180

Landscape management approaches are becoming more mainstream, with leading companies viewing them as a way to implement their sustainability commitments and responsibilities holistically. For instance, the Consumer Goods Forum’s Forest Positive Coalition of Action launched a strategy in 2021 committing the coalition and its members to “invest in local-level initiatives driving ‘nature positive, climate positive, and people positive’ outcomes.”181

Implemented according to certain principles, landscape management approaches can deliver on their intended outcomes, including to strengthen farmers’ and IPLCs’ land rights and to offer alternatives to large-scale land investment models. Key to their legitimacy is ensuring the decision-making power and leadership of local land users, inclusive of women, small-scale farmers, and Indigenous peoples.182 Oxfam’s FAIR company-community partnership principles—related to Freedom of Choice, Accountability, Improvement, and Respect for Rights—offer a set of practices that should guide the design and implementation of any landscape approach.183
FAIR Principles should guide the design and implementation of landscape management approaches.

**Figure 4: Oxfam FAIR Principles**

**FREEDOM OF CHOICE**
- Free, prior and informed consent.
- All community members, including women and minorities, have a voice.
- Long-term partnerships based upon symmetrical power relationships and a healthy interdependency.

**ACCOUNTABILITY**
- Internal alignment on the intent of the partnership.
- Transparent agreements.
- Grievance mechanisms.

**IMPROVEMENT OF BENEFITS**
- Shared value creation.
- Improved yields and resource use efficiency.
- Resilience to shocks linked to prices, pests and climate.
- Investment in community infrastructure.

**RESPECT FOR RIGHTS**
- Respect for land and other resources use rights.
- Respect for labor rights, human rights and indigenous peoples’ rights.
- Equal opportunities.
- Respect for forests and peat lands.

**Better corporate practice is to:**
- Invest in landscape management approaches, ensuring respect for human rights, FPIC, and a focus on positive outcomes for local communities; and adhere to FAIR Principles;¹⁸⁴

- Engage directly with the relevant associations of small-scale farmers, IPLCs, and/or women’s networks as key parties in the design and implementation of these initiatives;

- Support women’s equal participation in decision-making processes related to land;

- Engage in equitable and participatory land-use planning when already present in or linked to a jurisdiction; and respect decisions made;

- Draw on community-based monitoring as a tool, jointly agreed, to underpin the agreement and ensure collaboration among stakeholders at the landscape level.¹⁸⁵
Engage and Enable

6 Work in partnership to help secure women’s and communities’ land rights.

Companies can support women, small-scale farmers, and IPLCs in areas linked to their supply chains to secure and strengthen their land rights. It’s important to recognize that securing land rights is the role of government. Companies’ interventions should support governments to fulfill their duties. Depending on the context, a company’s role in the process could be to provide the impetus and some resources for land registration or titling, as exemplified by Illovo Sugar Africa’s work in Mozambique. Another role could be to support groups to access land collectively through group leasing in order to produce commodities for a supply chain, as illustrated by an intervention by PepsiCo and others in India (see example on page 49).

The benefits of more-secure land rights for women, small-scale farmers, and IPLCs are vast and well documented, including:

- Families and communities are better able to defend their land from unwanted, potentially harmful investments;
- Families are more food secure;
- Farmers can make their own decisions about the use of their land;
- Farmers invest more in their land and its sustainability;
• There is less deforestation and land degradation;
• There is less conflict between companies and communities;
• Indigenous culture and knowledge is preserved;
• In regards to secure land rights for women, there is potential protection from domestic violence.¹⁸⁶

To ensure that women and communities receive these benefits from land formalization processes, companies must work in partnership with local civil society organizations and government. Partnering with local stakeholders will help companies avoid interventions that inadvertently harm the people they are trying to support. It will also help ensure that they are not overstepping their role. Harmful consequences from the wrong type of intervention could include increased conflict between companies and communities or within communities, exacerbating gender inequality in land rights, farmers facing unexpected costs or debt that leads to distress sales, or unintentionally formalizing illegitimate rights.¹⁸⁷

**Tips and examples**

One example of promising practice comes from Illovo Sugar Africa’s work with United States Agency for International Development (USAID), Indufor North America, TerraFirma, and the Lhuvukani farmers’ cooperative, in coordination with the government in Mozambique, to strengthen the land rights of nearly 2,000 farmers around the company’s Maragra Sugar Estate. Women comprised over 65 percent of project beneficiaries.¹⁸⁸

The Maragra Sugar Estate buys sugarcane from contracted farmers. The outgrower scheme covers approximately 5,000 ha. Gaps in formal documentation of land rights among farmers in the area were leading to uncertainty over whose land was whose. The result was land disputes, and instances of farmers alleging that another had taken his or her land and was unlawfully using it to grow and sell sugarcane.¹⁸⁹ From a company perspective, these grievances “limited Illovo’s ability to effectively engage with local growers, and contributed to uncertainty in their global sugarcane supply chain.”¹⁹⁰ The intervention delivered on three goals: (1) to raise awareness among farmers about their rights under Mozambique’s land laws; (2) to record the rights of smallholder farmers through an open, participatory process of community land mapping and documentation; and (3) to create a robust grievance mechanism for community and farmers association members.¹⁹¹ It aligned with the government of Mozambique’s Terra Segura initiative, which aimed to register 5 million parcels of land and map the boundaries of 4,000 communities.¹⁹²

What was promising about this example were its rootedness in the local community and project implementers’ commitment to inclusivity and transparency. The cooperative was at the center of the process. A local land and natural resources consulting firm worked with the cooperative on design and implementation. The project aligned with a national initiative. Enumerators, hired directly from the community, spent considerable time educating and sensitizing farmers about the opportunity. They then physically walked and digitally mapped the property line of each farm with the owner, with neighbors, government officials, and community leaders as witnesses. Once all of the farms had been mapped, community members were given the chance to view all of the mapped plots, object to any errors, and correct mistakes.¹⁹³ Such efforts take time and investment but mitigate against the risk of formalizing land rights incorrectly.
Another promising type of intervention comes from a partnership between PepsiCo and USAID that is supported by Tetra Tech and Landesa in West Bengal, India. Women farmers, especially from certain tribes and castes, face legal and social barriers to access to and control of land. As part of the intervention, project partners are helping women better understand their rights as landowners and options for leasing land. They are also supporting women’s groups to lease land collectively to grow potatoes for PepsiCo’s supply chain.194

Better corporate practice is to:

- Publicly recognize the importance of securing IPLC land rights (for people and the planet);

- Establish an ambitious goal for supporting small-scale farmers and IPLCs to strengthen enjoyment of their land rights; ensure equal participation of women and enable their voices to be heard throughout the goal-setting and implementation processes;

- Recognize the link between women’s land rights and women’s economic empowerment and apply a gender lens when supporting initiatives intended to secure land rights; take into account women’s differentiated realities and needs in each context;

- Partner with local women’s groups, cooperatives, civil society, and other local stakeholders to support efforts to secure their legitimate land rights.

7 Protect human rights and environmental defenders.

According to the UN, human rights defenders (HRDs) are “people who, individually or with others, act to promote or protect human rights in a peaceful manner.”195 The UN definition applies to individuals, groups, and associations acting to promote and protect civil, political, economic, social, and cultural rights. A wide range of actors can be considered HRDs, including environmental and land activists and Indigenous peoples defending their land.

The UNGPs recognize the important and valuable role played by HRDs, the key role defenders can have in human rights and environmental due diligence, enabling companies to understand concerns of affected rights holders, and the risks they face as a result. Guiding Principle 18 urges businesses to consult HRDs as an important expert resource and highlights their role as watchdogs, advocates, and facilitators. The risks faced by defenders are highlighted through Guiding Principle 26, the commentary to which requires states to ensure that the legitimate activities of HRDs are not obstructed.196 In addition, the International Finance Corporation (IFC) adopted in 2018 a Position on Retaliation against Civil Society and Project Stakeholders,197 reiterating the importance of people being able to voice opposition and raise concerns, as well as its position of zero tolerance for actions by an IFC client that amount to retaliation.
**Tips and examples**

Wilmar is an example of a company with a standalone policy on human rights defenders. The company commits to "respect the rights of HRDs, and to prevent and mitigate associated human rights risks in our business operations and supply chain that would adversely impact such rights."\(^{198}\)

An example from outside the food, beverage, and agricultural sector of companies acting to support HRDs comes from a case in Angola. In 2015, journalist and human rights activist Rafael Marques de Morais faced charges of criminal defamation. The charges stemmed from allegations of torture and killings of villagers by Angolan military officials and private security companies connected to diamond mining operations documented in his book, *Blood Diamonds: Corruption and Torture in Angola*. Prior to his trial date, Tiffany & Co. and Leber Jeweler Inc.\(^{199}\) issued a statement calling on the Angolan government to drop the charges.\(^{200}\) Brilliant Earth also reportedly signed onto the statement.\(^{201}\)

**Better corporate practice is to:**\(^{202}\)

- Recognize and commit to protecting the rights and legitimacy of HRDs by adopting and disclosing a policy to protect their rights;

- Ensure due diligence mechanisms (see Essential Issue #2) identify risks to HRDs, and ensure grievance mechanisms (see Essential Issue #3) are accessible to HRDs;

- Use leverage and speak out in defense of HRDs as well as against their stigmatization and any legal reforms that are aimed at restricting civil society space;

- Engage with communities and local civil society in an inclusive and culturally and gender-sensitive way to identify and address risks for HRDs, ensure the implementation of FPIC processes (see Essential Issue #2), and facilitate access to information relevant to the protection of HRDs;

- Do not use or support strategic lawsuits against public participation (SLAPP) or other legal strategies that diminish established legal protections for HRDs.

**8 Support strong government and sector-level action on land inequality.**

Reversing the trend of increasing land inequality requires structural change. Governments are the primary duty bearers for protecting human rights. They create the policy environment in which small-scale farmers and companies acquire land, operate, and procure commodities. Yet the regulatory environment for land rights and land tenure remains weak in many countries. Governments may contribute to land inequality by, for instance, promoting large-scale land acquisitions rather than providing greater support to smallholders, or by failing to enact bold land reform that addresses colonial legacies. Companies can perpetuate such policies through their lobbying, or simply by relying on government guidance or assurances rather than conducting their own due diligence to ensure they are acquiring land legitimately and with the full participation and consent of all rights holders.
Stronger land governance, and government agencies with the training and resources to implement strong land rights policies, will result in a more stable business environment and reduce risk of conflict with local communities. Companies should encourage efforts by governments to address land inequality. Stronger government action is needed, for instance, to secure land rights for women, communities, and Indigenous people; develop more efficient land administration institutions; lead participatory and transparent land-use planning processes; develop stronger land taxation policies; institute bold land redistribution initiatives that address structural issues; and adopt other policies that otherwise reduce land inequality. In addition, company lobbying should not undermine such efforts by governments.

Companies can also advance change at scale by engaging industry platforms to focus on land inequality. Sector-wide collaborations are key to many of the critical issues outlined in this briefing, such as landscape approaches, investing in sourcing models that strengthen land rights, and getting ahead of problematic land-use change and acquisitions.

**Tips and examples**

The municipality of Sayaxché in Guatemala’s northern Petén department is predominantly rural, and the majority of its population is Indigenous. Its poverty levels and social indicators are among the worst in the country. At the same time, it is an area of Guatemala with some of the largest expansion of palm oil production, with 250 percent growth in the area of land under oil palm cultivation between 2003 and 2019.

Research undertaken by Oxfam showed that during this period of oil palm expansion, there was no difference in social indicator improvement (with regard to health, education, housing, employment, and access to water and sewage services) when compared with other rural municipalities without such agro-industrial growth. This discredits the claim that wealth generated by such economic activity will trickle down to benefit communities. Instead, it has tended to stoke conflict with local communities.

One way to address this challenge is to involve all local stakeholders in land-use planning, which must involve local government and should include a review of property taxes. Government revenue from property tax collection in Guatemala is extremely low (0.16 percent of GDP), despite it being an important source of municipal income—particularly in regions with agro-industrial growth—for needed public investment in local services. In Sayaxché, Oxfam’s research showed that oil palm plantations pay an extremely low amount in property taxes. The municipal government has the authority under current statutes to potentially collect between 18.5 times and 74 times more in property taxes from palm oil companies than it currently does.

If palm oil companies pay their fair share in taxes and local government is held accountable by citizens and a local multi-stakeholder committee for effective use of revenues, improved public service delivery will benefit all. Similarly, multi-stakeholder engagement in land-use planning can increase transparency and reduce conflict over land, helping to rein in the concentration of landholdings. Encouragingly, there has been some openness among palm oil company representatives to engage with the municipal government and local communities to address these challenges.

There is much that companies can do to be good corporate citizens at the local level. It begins with openness to engage with local governments and civil society stakeholders, and being transparent about their company’s land footprint. Companies should recognize existing inequalities, while being willing to work with others to address the problems identified.

Source: Gauster (ed.), ‘Palma, IUSI y desarrollo local.’ El caso de Sayaxché (Oxfam in Guatemala publication, 2021), not available online.
Better corporate practice is to:

- Make government and sector-level engagement and advocacy on land inequality part of strategies to address climate change, human rights, women’s empowerment, and farmer livelihoods (including living income). Topics for such engagement include: land taxes; government capacity for implementing standards; funding for initiatives and policy improvements to reduce land inequality; and more;

- Use political voice and economic weight to promote (and not hinder) strong government and sector-level action on land inequality, as well as implementation of the VGGTs;

- Ensure that business practices do not hinder but rather complement and promote strong government and sector-level action on land inequality, and take action to prevent corruption in business practices.
Conclusion

Land inequality is a structural issue, deeply embedded in existing business models. There is ongoing debate as to whether the problem is owed to the very existence of large companies, which generally seek to further expand and consolidate their market share through acquisitions and control at the bottom of their value chains, and whether companies can meaningfully address land issues given the important role governments play in setting policies and regulations.

This briefing aims to move beyond these debates to elevate land inequality as a foundational, cross-cutting issue that companies have a responsibility to—and can—address. Furthermore, focusing attention on differences in who owns, manages, and benefits from land will help companies more meaningfully address the climate crisis and implement their existing social and environmental sustainability agendas. The eight essential issues identified, along with their corresponding recommendations, provide guidance on pathways for how companies can address this foundational issue.
DOING BUSINESS ON UNEVEN GROUND

ENDNOTES


3. Ibid. In addition, research has shown lower deforestation rates and higher carbon density on land managed by indigenous peoples and local communities (IPLCs), with even better rates where their land tenure is secure. Peter Veit, 4 Ways Indigenous and Community Lands Can Reduce Emissions (World Resources Institute, 2021), https://www.wri.org/insights/4-ways-indigenous-and-community-lands-can-reduce-emissions (accessed 28 August 2022).


7. Environmental, Social, and Governance (ESG)


12. Anseeuw and Baldinelli. (2020). Uneven Ground. Pages 36–8 gives the increase over the last 40 years [GINI graphs and summary], and page 42 gives the new research.

13. Given the strong market for land-based climate action. “Transaction volumes increased in almost all the carbon credit categories covered in the report, with forest and land-use projects showing the strongest growth, from $7.8 million credits traded in 2020 to $227.7 million in 2021.” Climate Trade, Voluntary Carbon Market Value Tops US$2B (Climate Trade, 2022), https://climatetradecom/voluntary-carbon-market-value-tops-us2b//#:~:text=The%20value%20of%20the%20voluntary%22carbon%22market%20value%20reached%20US$2 Billion in 2022.

14. Peru’s land area is 1,280,000 square kilometers (sq km), or 128,000,000 hectares (ha). World Bank, Land Area (sq km) [World Bank, n.d.], https://data.worldbank.org/indicator/AG.LND.TOTL.K2?most_recent_value_desc=true.


Ibid.; section on ‘Land Inequality and Unemployment’.


For information on the Behind the Brands campaign, see https://www.oxfamamerica.org/explore/insights/hunger-and-famine/behind-the-brands/ (accessed 29 August 2022).


Ibid. Another effect is further driving the expansion of the agriculture frontier as those displaced seek to settle new areas, which are often more environmentally vulnerable.

Sen and Dabi. [2021]. Tightening the Net, 21.


Nestlé, for instance, states that “to achieve 100% renewable electricity in our operations by 2030 and additionally in all our franchise and third-party operations by 2040.” PepsiCo, for instance, aims “to achieve 100% renewable energy.”


Nestlé, for instance, states that “to deliver a more immediate impact, our brands are investing in credits to compensate for emissions relating to their products.” This is not part of the company’s SBTi-aligned net zero roadmap, but rather in addition to it. Nestlé, Our Road to Net Zero (Nestlé, 2022), https://www.nestle.com/sustainability/climate-change/zero-environmental-impact. For more on Nestlé’s overall approach, see: Nestlé, Creating Shared Value and Sustainability Report 2021 (Nestlé, 2021), 22, https://www.nestle.com/sites/default/files/2022-03/creating-shared-value-sustainability-report-2021-en.pdf (accessed 29 August 2022).


Land grabs, as defined by the Tirana Declaration: land acquisitions or concessions that are one or more of the following: (i) in violation of human rights, particularly the equal rights of women; (ii) not based on free, prior, and informed consent of the affected land users; (iii) not based on a thorough assessment, or are in disregard of social, economic, and environmental impacts, including the way they are gendered; (iv) not based on transparent contracts that specify clear and binding commitments about activities, employment, and benefits sharing; and (v) not based on effective democratic planning, independent oversight and meaningful participation. ILC, Tirana Declaration (ILC, 2011), https://o3o3cb4w253x5q.cloudfront.net/media/documents/Tirana_Declaration_2011_EN.pdf.

Land trafficking: a third party (similar to a middleman) purchases or otherwise acquires land and thenclears it. These acquisitions and land-use changes are sometimes technically legal, other times illegal, but are without local communities’ knowledge and consent. The third party then sells the land to a company through a legal process. This extra step gives the appearance of a legal, legitimate land acquisition or use change process. Dammert, Land Trafficking.


ProForest. (2017). Drivers of Child Labour, Forced Labour. 60


Organization of American States (OAS), ACHR Grants Precautionary Measures in Favor of Members of the Santa Clara de Uchunya Indigenous Community and of the

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84 Ibid.

85 Ibid., 32–33.


87 Anseenu and Baldinelli. (2020), Uneven Ground, Chapter 2.


Oxfam has calculated that the total amount of land supply-chain is 35,276 ha and 157,515 ha. For more information on insetting, see: Jennifer Cooper, *Carbon Insetting: What It Is & How It Works* (Native, 3 August 2022), Glossary, 4–5.


Data on Calyx Agro holdings sourced from S&P’s CapitalIQ. Oxfam attempted to reach out to a company

Ibid., Sum of 35,276 ha and 157,515 ha.

Ibid.


Ibid., 21.

For more information on insetting, see: Jennifer Cooper, *Carbon Insetting: What It Is & How It Works* (Native, 3 January 2018), https://native.eco/2018/01/carbon-in-setting-what-it-is-how-it-works/ (accessed 30 August 2022). In particular: “Insetting is about businesses investing in the ecosystems their suppliers depend on to increase their resiliency and provide significant, measurable benefits to communities surrounding the value chain.”


representative but received no response. The company does not have a website or a way to contact them.


124 Data on Calyx Agro holdings sourced from SSP’s CapitalIQ.


128 For instance, a report from Public Eye finds that only three companies (Barry Callebaut, Cargill, and Olam) control 65 percent of the global market of processed cocoa. (One company that Oxfam consulted on this statistic reports that it estimates the aggregated grinds would rather cover 50 percent.) Similarly, the report claims that three other companies (Cutrale, Citrusuco, and Louis Dreyfus Company) control 73 percent of the orange juice market share. T. Braunschweig, A. Kohli, and S. Lang, Agricultural Commodity Traders in Switzerland – Benefitting from Misery? [Public Eye, 2011], https://www.publiceye.ch/fileadmin/doc/Agrarrohstoffe/2019_PublicEye_Agricultural-Commodity-Traders-in-Switzerland_Report.pdf [accessed August 31, 2022].


130 Ibid.


134 Sen and Dabi. [2021]. Tightening the Net, 5.


136 For further analysis, see: Shift, Financial Institutions Practitioners Circle, Using Leverage with Clients.


139 Ibid.


146 Forthcoming in 2022.

147 Interlaken Group and Rights and Resources


152 Ibid., 31.

153 Ibid., 23.


157 Analysis from Oxfam’s own experience supporting communities on remediation of land conflicts.


162 Kovick / [2019], Rethinking Remedy.

163 For more information, see forthcoming guidance from the Interlaken Group on community-based monitoring, expected in 2022.


165 R. Kuijpers, A. Rappoldt, S. Petrutiu, A. Vos, F. Kruisjens, R. Verschoor, and A. Maitland, Value Chain Approaches for Social Change [KIT Working Paper, Oxfam Novib, 2021–1, 2021], https://www.kit.nl/publication/value-chain-approaches-for-social-change/ [accessed 30 August 2022]. Examples of conditions include: farmers have decision making power; farmers don’t assume an undue share of risk and receive a fair price; and farmers are enabled to deliver on contracts.


167 Sen and Dabi. [2021], Tightening the Net, 26–27.

168 Landesa. [2019], Phata Case Study, Executive Summary.

169 In addition to regular dividends, the coop also operates a direct employment system to manage farm labor and operations, and many shareholders also become employed by the cooperative, on top of income from their shareholding.

170 S. Jennings, E. Saha, and A. Maitland, Fair Value: Case Studies of Business Structures for a More Equitable Distribution of Value in Food Supply Chains [Keele, Oxfam, 2018], 4, https://oxfamlibrary.openrepository.com/bitstream/handle/10546/620542/dp-fair-value-food-supply-chains-110418-en.pdf?sequence=7 [accessed 31 August 2022]. In addition, the Lower Shire Valley, in which Phata is based, is a very challenging and variable climate in which to farm. The block farming structure means smallholders are able to benefit from the purchase and maintenance of irrigation infrastructure—without which growing sugar cane in this part of Malawi would not be possible. Landesa. [2019], Phata Case Study.


173 Ibid., 21.

174 Correspondence with Agricane, 2022.


The Interlaken Group is developing guidance for the private sector on community-based monitoring. The forthcoming publication is expected in 2022.


Ibid.

The Interlaken Group is developing guidance for the private sector on community-based monitoring. The forthcoming publication is expected in 2022.


H. Schomer, *A Sweeter Deal: Land Tenure in Mozambique’s Sugar Industry* [unpublished Oxfam case study, 2018].

Land Links, In.d.), *Responsible Land-Based Investment Project*.


Land Links, In.d.), *Responsible Land-Based Investment Project*.


Oxfam attempted to reach Leber Jewelers Inc. for comment, but the company is now permanently closed.


