

# Food First BACKGROUNDER

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*Detroit's abandoned lots. Photo by Google.*

## Grabbing the Food Deserts

### *Large-scale land acquisitions and the expansion of retail monopolies*

By Yi Wang with Eric Holt-Giménez and Annie Shattuck

#### **Introduction**

Land grabs—large-scale acquisitions of agricultural, range and forest lands by outside interests—are happening around the world. According to the World Bank, from the onset of the global food and financial crises, large land deals have affected an agricultural area twice the size of France, with most acquisitions coming from China, the U.S. and Great Britain. Most land grabs are for agrofuels production in the Global South, with over two thirds of land grabs occurring on the African continent. However, another form of land grabbing is taking place in the Global North—across the food deserts of the US.

#### **What's driving the global land grab?**

The windfall profits to agri-foods corporations during the 2008-2010 food price increases, as well as the record profits reaped by Wall Street over the past three years, are now being funneled into large-scale land acquisitions. These surges in world food prices have exacerbated hunger and food insecurity and led to renewed calls for investment in agriculture. Other factors driving land grabs include a weak US Dollar and mandatory US/EU agrofuels consumption targets. Moreover, the global economic recession and the volatility of the global economy have limited opportunities for profitable investment in commercial and industrial sectors. In uncertain times land is a good place to invest money. Weak legal protections have often led to forced displacement of peasant farmers and indigenous peoples with little or no compensation. As the price of agricultural land in the US skyrockets (largely due to the agrofuels boom), both corporations and nations are feverishly cutting deals with governments of underdeveloped countries for vast tracts of farmland at bargain prices.

A parallel process is playing out at the other end of the food value chain in low-income urban communities in the US. After the 2008 Wall Street financial crash, supermarket retail giants and real estate speculators began moving to acquire land in low-income, urban neighborhoods throughout the US. While these

northern acquisitions take a different form than southern grabs, they are driven by the same global financial trends and follow the same public subsidies and below-market land prices. Both are accompanied by bold corporate claims to end world hunger and—in the case of US urban land grabs—to eradicate food deserts. These urban land grabs enjoy political support from local and national governments anxious to calm the fears of an uneasy populace rocked by food and financial crises.

### **Accumulation by dispossession**

At a recent conference held at the Institute for Development Studies in Sussex, UK, 150 rural researchers presenting case studies from around the world found no evidence that the poor were actually benefitting from large-scale acquisitions. Rather, researchers saw a process of “accumulation by dispossession” in which wealth was being transferred from the poor to the rich. Andrea Ferrante, a speaker from la Via Campesina claimed:

“Land grabs, which aim at 20% profits for investors, are all about financial speculation. This is why land grabbing is completely incompatible with food security; food production—or any other legitimate economic activity—can only bring profits of 3-5%. So land grabbing simply enhances the commodification of agriculture whose sole purpose is the over-remuneration of speculation capital.”

Despite corporate claims to the contrary, land grabs actually exacerbate poverty which is the root cause of hunger and food insecurity. Southern land acquisitions fly in the face of long-needed land and market reforms.

### **Can the acquisitions of urban land and food systems in the North’s food deserts end food insecurity and diet-related disease?**

A closer look at the root problems and corporate proposals reveals a disturbing picture.

### **Undervaluing land and people: The making of food deserts**

For decades communities of color in the US have been systematically discriminated against through policies of residential and commercial redlining, zoning laws and the application of eminent domain favoring the expansion of invasive infrastructure projects. These structural factors devalue land and labor, and, when combined with the widespread crash of domestic manufacturing and heavy industries, have created blighted neighborhoods with high unemployment, low home ownership, poor educational systems, poor health, and widespread food insecurity. This is the economic landscape of the nation’s food deserts.

For example, following the “rush to the suburbs” in the 1950s to ‘70s, retail chains and real estate developers withdrew from low-income neighborhoods in Oakland, CA throughout the 1980s and ‘90s, shutting down grocery stores in predominantly African-American and Latino neighborhoods (even in cases where they were still profitable) and relocating to more affluent suburbs. As a result, West Oakland, with a population of roughly 30,000 has 53 liquor stores and 13 fast food chains, but not a single grocery store. Unsurprisingly, the community suffers from abnormally high rates of diabetes, obesity and heart disease as well as other diet-related diseases. Low-income urban communities all over the country experienced similar trends of disinvestment as capital flight took away jobs and opportunities as well as access to food. This helped bring about a devaluation of inner-city real estate and a further exodus from inner cities. This is especially apparent in Detroit, where vacancy rates are among the nation’s highest with over 30,000 acres of land now unoccupied

within city limits.

The global recession signaled the end of this decades-long financial stampede to the nation’s suburbs. With the end of suburban expansion, large food retailers quickly saturated rural and suburban markets. Now, needing desperately to reinvest the mega-profits they made during the food crises, they are forced to move back to the US’s food deserts where land—similar to land in the Global South—is relatively cheap. They are not only interested in accessing the low-end consumer market. Low-income neighborhoods spend billions of dollars on food, and these corporations want access to undervalued *real estate* in the nation’s inner cities.

### **Government incentives to eradicate food deserts: another monopoly windfall?**

Recent government initiatives to improve access to fresh produce in America’s food deserts include the Healthy Food Financing Initiative, the Let’s Move! campaign, the educational “Know your Farmer, Know Your Food Program,” and competitive grants for community food projects and anti-hunger programs. If it makes it through the budget cuts, the proposed National Healthy Foods Financing Initiative will provide \$500 million for grocery stores in low-income areas. Monopoly retail chains intend to access this new package of entitlements.

In Chicago, WalMart—the world’s largest food retail monopoly—recently bargained its way past local unions and will open more than 20 stores. In California’s San Francisco Bay Area, WalMart is reportedly planning to introduce five new stores; UK giant Tesco has plans for up to 13 Fresh & Easy grocery outlets; and Safeway wants to open five new stores in the East Bay. In Oakland, CA, Kroger (one of the five largest U.S. retail chains) wants to open three new *Foods Co.* stores.



Foods Co by Susan Mernit of Oakland Local

### Eradication or Dispossession?

In Detroit, Michigan, ground zero of the US economic recession, millionaire John Hantz recently established *Hantz Farms, LLC* and proposes converting the city's vacant lots into the world's largest industrial urban farm. He wants the city council to sell Hantz Farms thousands of acres at below-market prices and transfer title from foreclosed properties, as well as lower tax rates and create special zoning for urban agriculture. By investing in industrial urban agriculture, Hantz hopes to raise the price of urban land by making it "scarce."

"We don't have scarcity... there's no reason to buy real estate in Detroit—every year, it just gets cheaper. We've gone from 2 million people to 800,000. There are over 200,000 abandoned parcels of land and—by debatable estimates—30,000 acres of abandoned property. We need to create scarcity, because until we get a stabilized market, there's no reason for entrepreneurs or other people to start buying."<sup>1</sup>

In West Oakland, community members voiced the need for access to fresh, healthy and affordable food in City Council meetings last Fall, demanding the city use its resources to bring a grocery store into the area. The Oakland City Council voted unanimously to amend their laws on eminent domain in order to allow the acquisition of five acres for a 70,000

sq.ft. *Foods Co.* Property owners and some food justice activists opposed the use of eminent domain while many low-income residents were in favor. The city is stuck between a rock and a hard place (questionable food and part-time jobs with no benefits are better than no food and no jobs).

Said one Oakland resident, "When the city used eminent domain for the freeway, there was no problem. When it used eminent domain for the BART (rapid transit) station, no problem. But now that people want a grocery store, everyone is all against eminent domain!" Similar stories are playing out throughout the country's food deserts.

Like their global counterparts, Kroger and John Hantz aim to capture public entitlements by addressing the problem of food security in underserved communities. They claim these deals will improve jobs and food access. But these acquisitions contradict the food justice movement's vision for a just, sustainable, and democratic food system—a vision for which access to urban land is literally foundational. They also ignore history.

Detroit food activist Malik Yakini, co-founder of the Detroit Black Community Food Security Network and convener of the Detroit Food Policy Council is concerned that Hantz Farms will amount to little more than a self-interested land grab. In West Oakland, community activists from the Oakland Food System Alliance worry that proposed low-margin, high volume Foods Co. store—the same store that already opened and then left the neighborhood in the past—may again fail, taking available funding and local food dollars with it.

Initiatives like Healthy Food Financing are intended to fund a

variety of food options, including grocery stores, community-supported agriculture (CSAs) and farmers' markets (see the successful *Food Trust* in Philadelphia, PA). But many food justice advocates are having a difficult time obtaining financial support for community-based projects. Larger corporate stores are better positioned to take advantage of these resources than most community efforts, in part because their access to capital allows them to get up and running faster. In the absence of requirements that would privilege community-based food system alternatives over retail giants, local solutions are in danger of being displaced by outside corporate interests.

### The need for diversified options

Communities and food justice advocates are grappling with both the urgency of access and the imperative of equity by fighting to raise the standards for local economic development and level the playing field for access to public incentives. Community supported agriculture, community-based urban agriculture, farmers' markets, cooperatives, community retail and processing businesses have the potential to provide healthy and affordable food and keep the food dollar in the community. Indeed, disenfranchised communities in both the global North and the South would undeniably benefit from having more options in the food system. A diversity of options would build in economic resilience—a must in the current volatile global economy. Opening up the food system to more local, democratic alternatives is good insurance. It could provide immediate, effective access to healthy food while addressing the deeper, structural causes of hunger.

1. As quoted in *The Atlantic*. John Hantz Brave Thinkers. *The Atlantic*. November 2010. Available at <http://www.theatlantic.com/magazine/archive/2010/11/john-hantz/8277>

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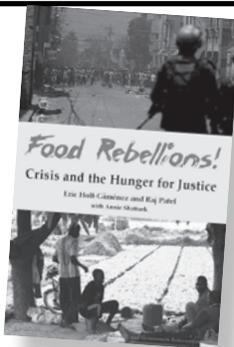
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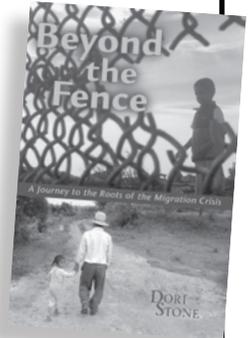
by Eric Holt-Giménez and Raj Patel, with Annie Shattuck. Today there are over a billion hungry people on the planet, more than ever before in history. Why, in a time of record harvests, are a record number of people going hungry? And why are a handful of corporations making record profits? *Food Rebellions!* tells the real story behind the global food crisis and documents the growing trend of grassroots solutions to hunger spreading around the world. Official plans to solve the world food crisis call for more free trade and technical fixes--solutions that have already failed. *Food Rebellions!* is a trail marker on the journey to end hunger and build food sovereignty. \$19.95

To book one of the authors for a college or community event, contact Martha Katigbak-Fernandez at (510) 654-4400 ext. 221



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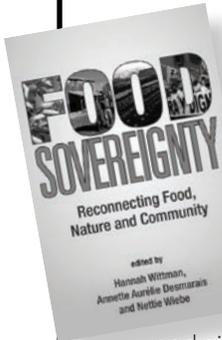
hope. They are the stories of farmers, politicians and activists on both sides of the border. "The book is ideally suited for students, but I can think of few people who would not benefit from reading it." - Angus Wright, author of *The Death of Ramon Gonzales: The Modern Agricultural Dilemma* \$16.95



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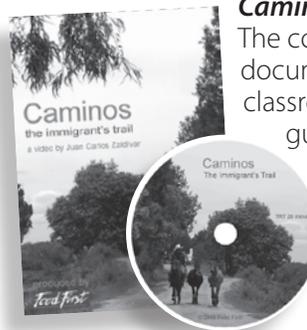
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