Sugarcane Plantations and the Alienation of Land from Smallholder Farmers through Out-grower Schemes in Busoga Sub-Region in Eastern Uganda

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Abstract

Despite wide research on land grabbing in Africa, much of the existing literature restricts the practice mainly to a situation where land is leased or sold to outside investors for the production of food and biofuel for export to the western world. This paper extends the debate further by examining how local sugarcane companies and individuals in Busoga Region in Eastern Uganda force smallholder farmers to surrender their land willingly through the out-grower schemes based on contract farming or private sugarcane production. Using a qualitative methodology that relied mainly on interviews of key informants and documentary reviews, the paper analyses the nature of the contemporary land alienations through contract farming between plantation agriculturalists and smallholder farmers, and how it has affected the livelihood of the peasants in the Busoga region especially when it comes to the production of sugarcane for sale at the expense of food for local consumption. The findings show that in the areas where sugarcane production through the out-grower schemes is the dominant economic activity, land alienation for sugarcane growing is rampant as the sugar companies and the agro-business farmers lure local peasants who mainly own land on customary tenure to grow sugarcane at the expense of producing food crops. The paper concludes that this is a new form of land grabbing in Uganda.

Keywords: sugarcane, plantation, farmers, out-growers, land grabbing.

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Résumé
Malgré les nombreuses recherches sur l’accaparement des terres en Afrique, une grande partie de la littérature existante limite cette pratique à une situation où les terres sont louées ou vendues à des investisseurs extérieurs pour la production de produits alimentaires et de biocarburants destinés à l’exportation vers le monde occidental. Cet article élargit le débat en examinant comment les entreprises locales de canne à sucre et les particuliers de la région du Busoga, dans l’est de l’Ouganda, forcer les petits exploitants agricoles à céder leurs terres de leur plein gré par le biais des programmes d’agriculture contractuelle ou de la production privée de canne à sucre. En utilisant une méthodologie qualitative reposant principalement sur des entretiens auprès des répondants clés et des analyses documentaires, l’article analyse la nature des aliénations foncières contemporaines par le biais de l’agriculture contractuelle entre les agriculteurs des plantations et les petits exploitants agricoles, et la manière dont ces aliénations ont affecté les moyens de subsistance des paysans dans la région du Busoga, en particulier, en ce qui concerne la production de canne à sucre destinée à la vente au détriment des produits alimentaires destinés à la consommation locale. Les résultats montrent que dans les régions où la production de canne à sucre au travers des programmes d’agriculture contractuelle est l’activité économique dominante, l’aliénation des terres pour la culture de la canne à sucre est endémique, car les sociétés sucrières et les agriculteurs de l’agro-industrie incitent les paysans locaux qui possèdent principalement des terres en régime coutumier à cultiver la canne à sucre au détriment de la production de cultures vivrières. L’article conclut que ce phénomène constitue une nouvelle forme d’accaparement des terres en Ouganda.

Mots clés: canne à sucre, plantation, agriculteurs, exploitants agricoles contractuels, accaparement des terres
Introduction

The agricultural revolution was a game-changer in my grandfather’s life as it enabled him to pay fees for all his kids and grandchildren (Orphans). I thought it would be a game-changer for me as well when I started growing sugarcane a few years ago, but this has not been the case . . . I have not benefited much from this business, instead, it is damn depressing that our land is being alienated by some businessmen through growing sugarcane. . . (Kibirige, 2015)

The above statement describes the plight of many smallholder farmers in the Busoga sub-region, Eastern Uganda, who embraced sugarcane growing as a major source of livelihood. As a common practice in other parts of Sub-Saharan Africa, most rural communities in Busoga depend on small-scale agriculture. As such, land in these areas remains the most important natural asset a person can have (Tumushabe and Bainogisha, 2004; Mabikke, 2011). Due to the importance that is attached to land in all communities in Uganda, it is clear that any interference with the land tenure rights directly affects people’s livelihood in various ways. It is against this background that the Busoga Region is believed to have felt the pinch of plantation agriculture as a result of sugar factories which had lured the local population into giving out their arable lands for the production of sugarcane (Otage, 2013). Sugarcane growing has had an adverse impact on agricultural land use, livelihoods, and food security in the region. One of the immediate effects has been the new but steadily growing scramble for farmland, similar to the earlier colonial practice of allotting land for plantation agriculture (Olanya, 2014). This is also comparable to the re-drawn geography of corporate-driven sugarcane growing in Southern and Eastern Africa, which developed to the detriment of locally oriented food production systems (Martiniello, 2005:652-669).

The same conditions also mirror the recent media reports by Landnet, about Kasilu in Traditional Authority Kafuzira of Nkhotkota District, Malawi, which reveals illogical fugitive and displacement among the poor farmers who have been forced to abandon their subsistence farming of maize, rice, and vegetables, to venture into sugarcane growing (The Oracle News, 2014). Sugarcane growing in Busoga by out-growers is not different from the corporate-driven sugarcane growing in other parts of the world, which leads to land grabbing. Such new waves of land grabbing are contrary to what Byerlee (2017) advanced, showing how out-grower farming can be an avenue for moving from land grabbing to land development. Byerlee had further claimed that private
investment in land improvement can sharply increase the productivity of farming and accelerate local economic development (Ibid). This has not been the case in Busoga; which further confirms Patnaik’s view that liberalization cannot have a human face as it only promotes exploitation (Patnaik, 2001). The Busoga sub-region covers the districts of Jinja, Kamuli, Buyende, Kaliro, Luuka, Iganga, Mayuge, Bugiri, Namutumba and Namayingo. In many of these districts, sugarcane growing has taken nearly half of the arable land. Land is acquired by sugarcane companies such as Kakira Sugar Works signing contracts with smallholder farmers to produce sugarcane as out-growers. This is also supplemented by other commercial sugarcane growers who rent land from local land owners in various parts of Busoga.

The available literature shows a common narrative of land grabbing as a situation where large chunks of land that were previously used by local communities are leased or sold to outside investors, including corporations and government (Zoomer, 2010; Cotula, et al., 2009; Deininger et al., 2011; Mabikke, 2011). Such narratives pay little attention to how companies and individuals have forced smallholder farmers to innocently surrender their lands through the out-grower scheme and other forms of alienation in Busoga and other parts of Uganda. Whereas works by Hall, Scoones, and Tsikata (2017) show that commercial farming has taken different forms in Africa, including out-grower arrangements which have been seen as means to integrate smallholder family farmers into commercial farming, these scholars seem not to indicate how such models have been used to grab land. Instead, contract farming which is a type of out-grower model of agriculture has been promoted as an alternative to land grabbing, which often entail a large acquisition, and also as an inclusive model in which local smallholder farmers can participate and benefit from (Cotula et al., 2009; Little and Watts 1994). Proponents of this view do not indicate how models such as contract farming have become a new means of dispossession of smallholder farmers from their lands (Vicol, 2015).

Therefore, this paper explores the above-overlooked dimensions of land grabbing, which is common in areas where sugarcane growing is carried out on an out-grower basis. By looking at the historical experience of out-growers in Busoga, the paper places the social struggles over control, access, and use of land and the existing social reasons for land property and labour regimes at the core of its analysis. It aims to contribute further to the understanding of both the character of the contemporary land alienations or dispossession as a form of primitive capital accumulation in the Global South, and how it has affected the livelihood of smallholders in this region. In addition, most narratives paint the sugar industry as an important part of modern agriculture and economic development.
in Africa through its contributions to infrastructural development, job creation, and balance of payments (Watkins, 2004, p.62; Watson et al., 2008). Although such narratives are compelling, they do not explain why Busoga, an area that produces plenty of sugarcanes, is among the poorest regions in Uganda (Uganda Poverty Assessment Report, 2016; Uganda National Household Survey, 2018). Empirical research in areas of Kakira, Mayuge, Buyengo, and other parts of Busoga where sugarcane growing has been the dominant economic activity highlights land loss, which leads to food insecurity and general poor livelihood (Kafuko, 2005). One of the residents in Butagaya village explained the scenario in the following words:

> we are facing a big challenge where people are devoting their land for sugarcane growing and leaving people hungry… even those with only one acre of land are growing sugarcane for sale instead of growing food crops… many people have lost viable arable land to sugarcane growing. (Mogoya, interviews in Butagaya, Jinja 2018).

As a result of this, food production in the Busoga region grew by a decimal value of 1.1 % in the 2011/12 financial year, compared to sugarcane which increased by 16.2%, while production of staple food such as potatoes and cassava dropped by between 3–10% (UBOS, 2013). Therefore, it is against this background that this study argues that sugarcane growing is linked to land alienation in a form of displacement of local communities from their land by sugarcane growers, that eventually lead to the destruction of traditional community structures of livelihood, and thus, a new form of land grabbing. The main objective of this study is to analyse sugarcane growing through the out-grower scheme, which has led to land alienation in Busoga. To achieve this, the study asked two questions; does engaging in out-grower sugarcane growing by smallholder farmers lead to loss of their land? What other ways do sugarcane companies use to acquire land for sugarcane growing and how does this in a long run lead to land grabbing?

This article is made up of six sections. Section one is an introduction that highlights on key concepts that have been analysed in the paper. Section two gives a background to planation agriculture in Busoga. This is important, as it helps us to understand the genesis of sugarcane growing through the out-grower schemes and contact farming in Busoga. Section three highlights the methodology employed to collect and analyse data for this paper. Sections four and five discuss the findings in this study. In this case, section four discusses how land has been alienated through the out-grower farming in Busoga, while section five examines the continued land grabbing, despite the out-grower scheme in Busoga. Finally, section six concludes the paper.
Background to Plantation Agriculture as a Precursor to Sugarcane Growing in Busoga

Plantation or estate farming has a long history in Africa, starting with colonial concession areas that frequently displaced inhabitants of the area (Hall, et.al, 2017). Particularly, in Uganda and the Busoga region, plantation farming took root during the colonial period with the introduction of cotton as a cash crop in 1905. Growing of cotton was mainly facilitated by the penetration of Indian capital in the area (Nayenga, 1981). Indians did not only act as the main traders in cotton, they also provided seeds and other implement that were required by cotton farmers. In 1910, European plantations were established in Bwungu and Naminage in the southern part of Busoga (Nayenga, 1979, pp.112-122). By 1923, cotton and coffee were the main cash crops in the region, until they gave way to sugarcane when a sugar processing plant was established in the region (Black Monday, 2013). At that time, cotton and coffee had some comparative advantages to smallholder farmers; for example, intercropping of food crops such as beans, matooke, sorghum, millet, and maize was possible (Ibid). In addition, the gestation period for cotton was also short as it took less than 12 months to mature. As such, one would use a piece of land that had previously been used for growing cotton to produce foodstuff in the subsequent season. This was not possible with sugarcane which takes more than one year to mature. As Martinello (2013) rightly puts it, unlike sugarcane, cotton did not monopolise farming in the area. Thus, it only played an important part in introducing smallholder farmers in Busoga to paying taxes and other monetary duties in the colonial economy. It did not supplant food production.

Sugarcane growing was introduced into Uganda in 1924 by the Indians who came to work on the East African Railway line that ran from Mombasa in Kenya to Kasese in western Uganda (Agriculture Works and Access to Land: Changing Patterns of Agricultural Production, Employment and Working Conditions in Uganda Sugar Industries, undated). Thus, as indicated by Ahluwalia (1995), the sugar industry in Uganda can be linked inextricably to the development of Asian capital in her economy. It developed as a plantation industry by the Asians who accumulated capital by moving through the ranks from petty traders to cotton ginning, and later established sugarcane plantations as owners. The Indians, led by Kalidas Mehta, established the first sugar factory at Lugazi, near Kampala. The second sugar factory was established at Kakira in Busoga in 1930 by Muljibhai Madhvani, who had earlier arrived from India in 1908 (New Africa, 2012). Starting with 800 acres of land, acquired from Busoga Principality and the...
colonial government in 1918, Madhvani embarked on cotton cultivation in Kakira near Jinja (Sserunkuma and Kimera, 2005:18). The cotton project was not successful; a factor that made Muljibhai switch to planting sugarcane for jaggery production in 1924 in the name of Vithaldas Kharidas (Ahluwalia, 1995, p.35).

Both Madhvani and Mehta were able to expand their estates albeit the colonial government’s attempt to rationalise the industry by limiting expansion and production. It is also important to note that, Busoga unlike Buganda, did not have the restrictive mailo land clause that the 1900 Agreement had imposed on Buganda. This greatly facilitated land alienation, as Madhvani was able to increase his land holdings by buying out leases held by Europeans who had been forced out of Uganda due to the impact of World War I and its associated economic impact (The Daily Monitor, 2012). The expansion of Madhvani’s estate soon attracted opposition from the local people in the area. This also greatly influenced the colonial response to the development of plantations in Busoga during this period. For instance, when the company applied for a lease of a further 1,500 acres of land, there was a mixed reaction from the colonial administration. While the Land Officer supported the application, the Director of Agriculture opposed it on grounds that much of the freehold land which were previously held by the Europeans was passing into the hands of Asians. He wrote:

So many of the colonies have become ‘Indianised’ with a consequent multiplicity of difficulties about the education and franchise – always I believe to the disadvantage of the native race that should, I believe, take every possible step to prevent the ‘Indianisation’ of the protectorate. (Ibid)

The then governor, however, overruled the Director of Agriculture and approved the lease in April 1930, on grounds that the land in question was relatively unpopulated, and that the industry would provide many benefits to the area.

The approval of the above lease encouraged the company to apply to lease another 1,500 acres of land that was adjacent to the estate in 1931. Despite some resistance from both the locals and some of the colonial land officers, the said land was later granted after the governor made an appeal on behalf of the company to the Secretary of State. By 1939, the company had expanded its holding to 14,000 acres, largely by non-African freehold land, as well as gaining minimal concessions from the government which essentially involved the exchange of unsuitable land for suitable ones for sugarcane production. By 1945, the Kakira sugar plantation had grown to 22,750 acres, of
which 18,200 acres were under sugar plantations that made up the nuclear plantations. Despite this huge chunk of land, the company continued to expand production in response to the pressure of increased production, by alienating land from the local people, using different forms as discussed subsequently in this paper.

**Methodology**

The study employed a qualitative approach, involving a combination of in-depth oral interviews and document reviews. This methodology, which takes a historical approach proved fruitful in the examination of how sugarcane plantation agriculture has fostered the displacement of smallholder farmers from their land in Busoga, through the out-growers or contract farming. This was possible because qualitative research involves an interpretive naturalistic approach that analyses a given phenomenon in terms of the meaning people bring to them (Denzin and Lincoln, 2003). Primary data was collected using semi-structured, open-ended oral interviews, and informal discussions with purposively selected key informants. The logic and purpose of purposive sampling depended on selecting information-rich informants to enable in-depth analysis in the study. This is due to the fact that key informants are knowledgeable individuals who constitute a perspective on a research phenomenon or situation that a researcher lacks (Cassham and Johanson, 2019). In this case, the information-rich cases are those from which a researcher can collect a great deal of issues of central importance for a purposeful inquiry. These interviews enabled this study to obtain the voices and perspectives of smallholder farmers who are directly involved, and/or affected by sugarcane growing through the out-grower scheme in Busoga.

The key informants included sugarcane farmers who are out-grower, out-grower officers in sugar factories, casual farm labourers, local leaders, land officers, and sugarcane traders. These informants were purposively selected in the various villages such as Mafubira, Butagaya, Buyengo, Chando, Iziru, Luanda, Busede, Namulesa, Busalama, among others, in the sugarcane growing districts of Jinja, Mayuge, Kamuli, and Iganga. These interviews were carried out between 2014 and 2018. To be eligible for the study, a household had to have at least stayed in the area for at least 10 years. The interviews were conducted on an individual basis to avoid peer influence.

Additionally, primary information was obtained from comments about the subject matter on local radios, newspapers, magazines, and other government records. Such information was useful in establishing a better and balanced
understanding of land-related issues that arise from the growing sugarcane under the out-grower scheme among smallholder farmers in Busoga. The study also relied on secondary sources such as journal articles, books, and other published documents. These did not only provide a frame and theoretical basis for this paper, but also helped to supplement and check the validity of data obtained from the primary sources.

This being a historical study, and using a qualitative methodology, there was no predetermined sample size. Interviews were conducted until the study reached saturation, that is, when no new information was being obtained (Saunders et al., 2018). It is noteworthy that, while carrying out the oral interview, a balance was made by ensuring the involvement of men, women and youths, to get different viewpoints on household and community land alienation through the out-grower schemes in Busoga. In all, 52 respondents were interview; 38 men and 24 women. The main areas of concentration were within a radius of 25 kilometres from Kakira Sugar Works. This is an area where most of the registered and unregistered out-growers at Kakira Sugar Works are located.

The data collected was not subjected to any conventional analysis since the bulk of it was obtained through oral interviews, literature review, and direct comments from different stakeholders. Subsequently, the data was thematically analysed, and then organised and presented in different sections of this paper. The thematic approach enabled the identification of data that focussed on recurring patterns of behaviour in the collected data.

**Land Alienation through the Out-Grower and Contract Farming Schemes**

The out-grower scheme was started in 1958 in Kakira, with a few farmers producing sugarcane on their private farms (Ahluwalia, 1995). This project picked momentum between 1986 and 1987 when Kakira Sugar Works did a pilot with 50 farmers growing sugarcanes on 120 hectares of land (Martiniello, 2021). In 1987, the Government of Uganda, through its Economic Recovery Programme, promoted the rehabilitation of the agricultural sector, including the sugar industry (Agriculture Works and Access to Land: Changing Patterns of Agricultural Production, Employment and Working Conditions in Uganda Sugar Industries, Undated). This process gave companies and individuals some impetus to invest in sugarcane production, as a way of achieving their goals of expansion, adapting to sugar factories’ demand, producing and supplying sugar at minimum costs. In the process, there was the development of commercial sugarcane production. This commercial sugarcane production required acres of
lands, which sugar companies did not have. Therefore, as the main strategy was to boost sugar production, the sugar industries, especially Kakira Sugar Works in Jinja, mooted and introduced the out-grower scheme (Sserunkuma, op. cit. p.18). With this scheme, instead of expanding sugarcane production on the nucleus plantation, the sugar company contracted, through an out-grower scheme, the growing of sugarcane to local farmers within a reasonable geographical distance from the nucleus plantation (Ibid).

The farmers in the out-grower scheme were divided into aided and unaided. Whatever their names were, these out-grower farmers became part of the common phenomenon that has taken root in the developing world, especially in Sub-Saharan Africa, called contract farming; where companies such as Kakira Sugar Works often made agreements with farmers to produce sugarcane on the company’s behalf (Black Monday, 2013). Through such contracts, the company supported the sugarcane growers in production activities, including the provision of tractors for the clearing and preparation of land, provision of planting materials such as sugarcane cuttings, and transportation of the cane from the farms to the factory. The out-growers on their part sold their canes to the company (Hobden and Sands, 2017). While Cotula, Vermeulen, Leonard and Keenly (2009) considered contract farming to have been an avenue that agricultural investment could be structured in a way that did not involve large land acquisition; it supported family farming which benefited the local community. I am persuaded to agree with other scholars such as Minot, who argue that contract farming exploits small-scale farmers because of the unequal relationship between the farmer and large agro-business firms (Minot, 2007). In addition, Vicol (2015) stresses this point further that, contract farming through the out-grower schemes allows firms to circumvent both local land laws and difficulties in acquiring land. Despite the different interpretations by scholars such as Cotula, Vermeulen, Leonard and Keenly (2009), I argue that the out-grower scheme enabled the sugar companies to acquire land that would not otherwise be available for sugarcane plantation, as the local farmers are voluntarily induced into growing sugarcane instead of the earlier crops such as maize, beans, cotton, coffee, and bananas. For instance, in almost all homes in Busoga, some good acres of land have been put to sugarcane plantation at the detriment of food production (Woira, 2018).

By 2002, the number of out-growers had increased to 3,600 contracted farmers, growing sugarcane on about 10,000 hectares of land (Agriculture Works and Access to Land: Changing Patterns of Agricultural Production,
Employment and Working Conditions in Uganda Sugar Industries, Undated). As indicated earlier, two approaches were used to develop the out-grower scheme in Busoga. The first approach was to directly control the out-growers, who signed the contract as registered sugarcane farmers with the company’s out-grower department. In this case, the sugar factory provided incentives such as free sugarcane cuttings for planting, fertilisers, and ploughs that tempted many farmers to embrace sugarcane planting (Balunywa, Interviews, Iganga, 2016). The second approach was where some companies, in addition, helped to establish out-growers association with varying levels of operational control and management. Such contracts are what Cotula, Vermeulen, Leonard and keenly (2009) categorise as a collaborative arrangement between investors and local farmers in Africa. Both approaches were used to develop contract farming in Busoga, whereas the smallholder farmers retained the right of ownership over the land. The family and the wider community lost the right to use the land for food production and other uses once a contract was entered with the company or an individual to grow sugarcane (Mwendya, 2009). Consequently, the out-grower scheme became an indirect process of the sugar company acquiring land from the local farmer[s], which has posed a serious threat to local livelihood and land rights in Busoga (For details see Mwavu, et al., 2016, 191–201).

Therefore, expansion of sugarcane production through the out-grower scheme has led to dispossession, displacement, and disruptive livelihood as the land which was previously used for other agricultural farming and grazing is utilised in sugarcane growing. This is not to mention the dependence of out-growers on factory owners for the market of the sugarcane as well as other inputs (Byekwaso, 2016). While the land may not change hands, contract farming leads to what Vicol, (2015) calls “corporation of rural space” as a new mode of accumulation. The sugar company determined non-negotiable prices and decided when the sugarcane is ready and how it was bought. In this case, the farmer provided both the land and cheap labour, and at the same time carried most of the risks (ActionAid, 2015). This is nothing more than indirect land grabbing; especially as far as the user value of such land is concerned.

In addition, the competition created by the company itself also leaves the out-grower farmers in a very desperate situation. While the companies’ nuclear plantations enjoy good use of scientific technology such as traction, treated and improved seed cuttings, fertilisers, chemical spray, and sprinkler irrigation during the dry season, the out-grower farmers only rely on nature to produce (Otieno,1999 p.4). As a result, the yield per acre is quite different;
while the company could harvest 35–68 tons per acre, the out-grower farmer got 25–40 tons per acre (Ojwang, Interview, 2016). All these put the landowner at the mercy of the sugar factory or private sugarcane growers who rented land from smallholder farmers. Such farmers later discovered that what they thought to be a lucrative business was not, as they did not play a big role in the value chain of the sugar production (Ruml and Qaim, 2021). Smallholder farmers had no other choice than resorting to trying several options that could help them save their lands. The most direct one using their children or wives to lodge complaints in the courts of law, claiming that the head of the family or the commercial farmer deprived them of their livelihood by planting sugarcane without their consent (Police Information Resource Centre, December 1, 2014). Despite such approaches, in most cases, the sugar companies or commercial farmers stood their grounds, armed with the signed agreements that gave access to the land for three cuttings (harvests) per contract. The children and the wives had no option but to wait for the agreed period to elapse.

On the surface, one may argue that the sugar company contracted the out-grower to plant sugarcane on his/her land on agreed terms at a market price, and thus no dispossession is taking place. Such arguments are granted, but when analysed critically, they do not seem to hold water as the market price paid for the use of land does not remove the primitive accumulation of capital, since any abridgement of any customary rights from any individual or community using land is tantamount to primitive accumulation. In this case, primitive accumulation of capital was done by dispossessing the smallholders of their lands by replacing other crops with sugarcane. I argue that this is an indirect way of land grabbing. This type of grabbing is mainly because contract farming only benefits those who hold the rights of land ownership; typically, the old patriarchs. The youth and the women lose out since they can neither inherit the land nor control the cash incomes (Hall et al., 2017). Remember, women in Busoga provide food security (Naigaga, interview in Iganga, 2017). Unfortunately, the men, as we have already indicated, lease land to sugarcane growing without the consent of their wives, living on little or no land for food production (Byaruhanga, DENIVA, 2015). This means that, whereas contract farming provided one effective avenue for smallholders in Busoga to commercialise, they also took on both the risks related to commercial value chains. It has also led to tension within the household, where the earnings are paid to the person who is the head of the household (Police Report, Jinja Division, 2007).
Many men in Busoga seem not to be aware of the rights of women and girls when they are leasing family lands, they only find out when the disputes are in court (Kalamu, Acting District Commander, Jinja District, Interview, 2014).

In addition, there has been a risk of losing land due to indebtedness. For the smallholder farmers to engage in contract production, they have to accept the company’s sugar production methods and inputs which are given as some kind of loans. For instance, according to one respondent; “the aided out-grower system comprised a loan in kind with an investment of 24% upkeep, harvest, and transportation of sugarcane to the mills” (Ngobi, a Sugarcane Grower, Interviews, Buyengo, 2016). The indebtedness is about 40% of the first harvest. In an eventual case of any climatic variations or fire outbreak, the harvest could be lost and might be very difficult to go out of the cycle of indebtedness by refinancing investment.

Moreover, whereas the company’s nucleus plantations are well maintained and enjoy good use of scientific technology, the out-grower farmers depend on nature, which in most cases results in yields lower than what is indicated in the contracts, thereby leading to indebtedness (Otieno, Op. cit, Clapp, 1989). Such indebtedness exposes smallholder farmers to exploitation because of their inability to disentangle themselves from the contract (Mazwi, et.al, 2018). In the case of Busoga, this has also forced most farmers to place more land for sugarcane production than food and other livelihood activities. In serious cases, indebtedness force farmers to sell the plot of land or transfer the leasing or holding rights to the creditors. Consequently, this has led to a higher land concentration on the one hand, and unemployment and migration to other villages on the other hand. Despite the several sugar companies operating in Busoga, it is not surprising that the area has remained Uganda’s second poorest region (The Independent, Friday, June 7, 2013). This is because farmers do not have lands to grow food and support other forms of their livelihood.

Moreover, many scholars dealing with out-grower farming have not clearly analysed the ownership of the land on which out-growers operate. It is commonly assumed that the land on which sugarcane is grown is owned by the contracted or out-grower farmer (Smalley, 2013; Cotula and Leonard, 2010). The analysis of the findings in Busoga shows that much of the land cultivated by the out-growers is rented or leased. Many households in the region, especially around the Kakira factory, rent out most of their lands to rich out-growers, and remain with a little patch for domestic use. For instance, one respondent noted that:
I have been renting out my 10-acre piece of land for now over ten years. It has been used for producing sugarcane by my tenant… the only thing that I have benefited from this is that it has helped me to pay my debts… I now have no land to produce food for my family which has since become too big… (Anonymous, interviews, 7th June 2017).

This is just an example of many people who have been affected by the phenomenon of renting land for sugarcane growing in Busoga. Over the last ten years or so, besides Kakira Sugar Works in Jinja, Mayuge Sugar Industries Limited set up a sugar factory. This was immediately followed by Sugar Allied Industries in Kaliro, then Bugiri Sugar Company, Kamuli Sugar Limited, and Kenlon Sugar Factory (Black Monday, Newsletter October 2013). Many commercial farmers resorted to hiring lands to plant sugarcane whose demand has increased considerably as a result of the emergence of many industries, increasing pressure on the available arable land. Although most of the land in Busoga is under customary tenure, negotiations to secure a land for growing sugarcane can be secured by ‘clever’ businessmen (Cotula, Dyer, and Vermeulem, 2008).

In addition, negotiations often take place on unequal footing, where corruption, ignorance on the part of the local inhabitants regarding the commercial value of their lands, lack of legal knowledge, as well as local politics and power relations come into play. The evidence shows that even in very well-negotiated deals, sugar companies fail to comply with agreed terms (KATEGERE, Local Council 5, Kamuli District, Interview, 2016). An example is seen in this case of inland encroachment. The company that negotiated with the people failed to go by the agreement, and began to encroach people’s land. As a result, thousands of people were displaced. I contend that sugarcane planting through the out-grower scheme has not only led to food insecurity, but also it has become a real security issue in Busoga. Local people have over the past years been hiring out their lands at an average of Uganda Shillings 500,000 per acre to commercial sugarcane growers, to produce for an agreed three cuttings, which last for an average of 5 years (Police Information Resource Centre, December 1, 2014). The farmers immediately use the money on expenses such as school fees, domestic consumption, and other needs. After using up the money, the landowner realises that for five or more years he/she cannot access the land for any other activity. When the realisation sinks in, locals who own land but are
not able to use it, consider taking several options, most of which are illegal (Ibid). For instance, according to Musike, “local councils were whelmed by cases of women reporting family and child neglect, arising out of sugarcane planting that had taken over most of the family land” (Musike, Jinja District Secretary for Production, Interviews at Jinja, 24 June 2016).

Some of the cases mentioned above eventually lead to bitter disputes, which sometimes result in insecurity cases such as mob justice, where machetes are increasingly being used over land disputes between landowners and commercial sugarcane farmers (The Daily Monitor, Thursday, July 14, 2013). It was on this basis that in August 2013, the Mayuge District Chairperson introduced a bye-law at the District Council, which aimed at preventing farmers in his district from using up their lands for sugarcane growing. “We are facing a big challenge where people are devoting their whole land for sugarcane growing and leaving their people hungry” (Black Monday Newsletter, October 2013). Furthermore, the Sugarcane Growing Management Ordinance was passed by Mayuge District Council (Uganda Radio Network, April 14, 2013). The ordinance required each farmer to grow at least two acres of food crops, in a bid to resolve the crisis that had been caused by lands being dedicated to sugarcane production. The Government of Uganda also tried to mitigate the problem by proposing the Sugar Bill 2016. One of the articles in this Bill strives to regulate the establishment of a new sugar mill in a radius of 25 kilometres (Sugar Bill, Section 22, 2016). However, all these have fallen on deaf ears as farmers have continued to grow sugarcane on even a less than one-acre pieces of land. But more importantly, it has led to dispossession, which only worsens the situation of land alienation.

Smallholder farmers and the local communities around the sugarcane factories are usually pressured to sell their lands by the factory owners. “If you refuse to sell your land, they will either block the road to your land or do everything necessary to force you into selling” (Kibirige, op. cit). The processes of land acquisition pose a threat to the local people’s livelihood and land rights. As a result, farmers do not have alternative land to cultivate other crops since growing of sugarcane does not even support inter-cropping (Otage, op. cit.). Due to poor monitoring and governance, sugarcane investment has led to landlessness, since much of the land has been acquired by shrewd businessmen who have hired and bought large pieces of land from the local peasants in areas of Mayuge, Namasiga, Butamira, Mutai, Kagoma, Buwenge and Busede, to grow sugarcanes (The Daily Monitor, Thursday, July 14, 2013).

Therefore, there has been an agrarian change in the sugarcane growing areas of Busoga, which follows a clear trend, where poor or less competitive smallholder farmers are pushed out of the market to create space for powerful commercially
oriented farmers. Such a transformation only creates pressure for the redistribution of land from the poor farmers to the more competitive ones (Martiniello, 2013). This supports earlier studies carried out in other parts of Africa, such as in Kilombelo areas in Tanzania, where out-grower expansion has contributed to land scarcity so much so that it is difficult to acquire farmland to cultivate food crops (PLAAS Policy Brief 76, July 2014). While the local leaders have tried to come up with different approaches to encourage the people of Busoga to plant cash crops, that would at the same time allow them to grow some food crops, which would, in turn, reduce land alienation, it has not yielded many positive effects (Uganda Radio Network, April 14, 2013). The smallholder farmers continue to make their land available for sugarcane cultivation despite the numerous pitfalls discussed above. The main cause for this is the indebtedness resulting from loans from sugarcane companies coupled with low yields and income. This is further compounded by limited alternative livelihood opportunities.

**Continued Land Grabs in Busoga, despite the Out-grower Schemes.**

Despite the introduction of the out-grower scheme, sugar companies such as Kakira Sugar Works continued to alienate land directly through acquisition by purchases and leases. This disproves earlier arguments by scholars such as Cotula, Vermeulen, Leonard and Keenly (2009). Such scholars had given a wrong impression that out-grower farming would reduce land grabbing. A classic example is that of 1200 hectares of land in Butamira; a man-made forest reserve that was leased to Mulijibhai Madhvani Company in 1939. Butamira Forest Reserve (BFR) was established in 1929 by the leaders of Busoga. In the 1950s, Mulijibhai Madhvani Company made several attempts to acquire land in Butamira Forest Reserve. In 1954, the company managed to excise 50 hectares from the reserve on a 49-year lease (Tumushabe and Bainomugisha, op. cit.). Madhvani’s determination to acquire land in Butamira Forest Reserve was only delayed by the expulsion of Asians in 1972. In 1997, Kakira Sugar Works Limited applied to the forest department to utilise the Butamira Forest Reserve on a general-purpose basis. The application was granted, and a new permit was issued in 1998, allowing the company to put the entire reserve under sugarcane growing. This decision was bitterly opposed by the surrounding local communities in these areas. The local people came together to form the Butamira Pressure Group in order to fight the land
alienation by Kakira Sugar Works Ltd. (Manyindo et al., 2001). A petition was made by this group to the Parliament of Uganda, which in turn instituted a probe committee to investigate the circumstances through which this permit had been issued (National Archives, Republic of Uganda, May 2001). The committee found out that the permit had been fraudulently issued. Consequently, the Department of Forestry cancelled the permit and issued permits to 148 groups and 30 individuals from the Buyengo community to plant eucalyptus trees and crops on approximately 700 hectares of the reserve (Ibid, also see Tumushabe and Bainomugisha, op. cit.).

Ironically, despite the pressure from the local people, in March 2002, Parliament voted in favour of giving Kakira Sugar Works Ltd. the right to use Butamira Forest Reserve for sugarcane growing. The government of Uganda granted a 50–year lease to the company to use 1200 hectares of land. This was at the expense of 16 villages near and around Butamira, covering a population of about 8000 people in Buyengo sub-county (Manyindo et al., op. cit.). It is, therefore, clear that the leasing of Butamira Forest Reserve to Kakira Sugar Works Ltd. did not only destroy the forest, but also deprived the local people of the available land. This was stated precisely by one of the local people in the following words:

We used to gather firewood and other building materials from the forest. We also sold eucalyptus seedlings that we used to plant in the forest. The forest also provided us with land to grow food crops such as beans and maize. All these are no more, the land has been taken by Madhvani and is all now covered with sugarcanes... (Lyagoba, Interview, Butamira, July 2016)

This clearly shows that the decision by the government to lease Butamira Forest Reserve to Kakira Sugar Works Ltd. has increased a lot of land pressure on the people of Buyengo who were using part of this land to earn a living.

Sugarcane companies have also alienated land by directly displacing local communities from lands which they claim has unclear ownership. For instance, in 2010, Kakira Sugar Works Ltd. displaced about 3000 families from 500 acres of land in Kamigo village, Buyengo sub-county in Jinja District (The Daily Monitor, March 30, 2010). The Madhvani Group of Companies also evicted residents of Nakabugo village from 500 acres of land (New Vision, August 19, 2010). The two areas are now used by Kakira Sugar Works Ltd. to grow sugarcane. According to one respondent:
Kakira Sugar Works has taken people’s land by forcefully displacing them. I lost my home and all my farmland in that way. My family and I are now suffering as if we were refugees; with nowhere to live or grow food for my family. This is unfair, how can people continue losing their land to KSW when the government is just watching? (Mukama, Interview, Kamigo August 24th, 2016)

While much of the land in Busoga is under sugarcane growing through the out-grower scheme, Kakira Sugar Works has also used other means to acquire land which has been included in the nuclear plantation of the company.

Also, Kakira Sugar Works, through acrimonious means on April 29, 2003, evicted sitting tenants from a land totalling 30.5 acres in Katooke village, Kakira sub-county, Jinja District (The Monitor Tuesday, July 22, 2003). This land had been surveyed and gazetted for a trading centre in 1960. It was later dominated by Indian businessmen who put up structures to carry out several forms of trade. In 1972, these buildings were taken over by the Government of Uganda after the expulsion of Asians. However, after the enactment of the Departed Asian Expropriated Property Act of 1982, the Madhvani Group requested to be granted a caretaker status, which was granted. Kakira Sugar Works Ltd. then started running the properties and levied a fee of Uganda Shillings 10,000 a month, meant to cater for minor repairs on the houses. This arrangement went on until Kakira Sugar Works Ltd. decided to claim ownership of this land by writing to the occupants of the land in Katooke a notice of eviction. Evidence from land offices showed that Madhvani’s claim to this land was baseless (Sekendi, 1999). Kakira Sugar Works Ltd. did not own this land (Ibid). As a result, in 2001, the Jinja Council allocated the buildings in the area to the sitting tenants (Jinja Local Council Minutes, WH/28/2001). These instances did not stop Madhvani’s claim over the Katooke land until 2003, when the Jinja District Council finally bowed to the pressure and degazetted the land for the growing of sugarcane by Kakira Sugar Works Ltds, at the expense of several sitting tenants who had been staying on that land for several years.

The growing of sugarcane in the Busoga region has also taken a toll on wetlands, which hitherto acted as water catchment areas, thus affecting the natural water resources (Uganda Radio Network, March 16, 2012). Natural resources such as shallow wells and streams have dried up as a result of sugarcane growing. Some of the affected places include Kasambira in Kamuli,
Irongo in Luuka, Buyengo in Jinja, and Nkombe in Mayuge District (Ibid). This has seriously affected people in different ways. For instance, in Bufulubi village in Mayuge District, the residents can no longer grow rice in the swamps that dried due to growing of sugarcane in the area (Bampalana, Interview in Mayuge, June 2016). The new report by Oxfam International shows how spiralling for land to grow sugarcanes had fuelled land grabbing in the developing countries. The Oxfam report illuminates the land situation in Uganda in general, and the Busoga Region in particular. For instance, in 2011 when a new sugar company; Sugar and Allied Industries Limited (SAIL) was set up in Kaliro, the company was immediately accused of land grabbing by the residents of the area (The Independent September 18, 2013). The analysis of these other forms of land alienation shows that contract farming did not remove land grabbing as argued by scholars such as Cotula, Vermeulen, Leonard and Keenly. (2009), it only became another form that is used by the sugarcane companies and other businessmen, to access more land for sugarcane plantation, at the expense of food and other forms of farming.
Conclusion

The study focused on sugarcane growing by smallholder farmers through the out-grower schemes in the Busoga sub-region, Eastern Uganda. The main question of the study was whether growing sugarcane through the out-grower scheme by smallholder farmers has led to land grabbing in Busoga. The findings challenge earlier debates in Africa that had limited land grabbing to large dispositions by mainly foreign companies for agro-business and fuel production. The argument in this study is that land grabbing takes different modes, and in the case of Busoga, sugar companies encouraged smallholder farmers to willingly give up their lands for sugarcane growing through the out-grower method. In this case, the study shows that the sugarcane farmer through the out-grower scheme indirectly provide land for the sugar companies for sugarcane production. This may not be easily seen as dispossession by such companies because such land remain under the ownership of the smallholder farmers. However, the analysis shows that sugarcane growing denies the smallholders the user right for all the time the land is contracted for sugarcane growing, in our view is a new form of land grabbing.

Again, whereas some scholars, such as Byerlee (2017), had promoted contract farming to reduce land grabbing in Africa, the evidence in this study reveals that contract farming and out-grower schemes are not appropriate models of tackling land grabbing; they only foster it in different ways. This confirms studies by Peters (2004), and Tsikata and Yeros (2011) that commercial agriculture of any form, have displaced and dispossessed local farmers of their land, thus negatively affecting their livelihoods and food security in many countries in Africa. Whereas Cotula et al. (2009) had blamed most land grabbing on plantation agriculture per se, even out-grower schemes have been found to have a high potential of pushing peasants or smallholder farmers off their lands.

The study has also demonstrated that agrarian changes in sugarcane growing areas in the Busoga region seem to follow a clear tendency, in which poor or less competitive farmers are slowly but surely being pushed out of their lands by more business-oriented farmers who hire the land and use it for sugarcane growing as out-growers. These, in a long run have a leading role in eroding the security of the tenure of smallholders’ livelihood, and creating pressure for land transfer from the poor farmers to the commercial ones. This is what Patnaik calls the dispossession of poor peasants by the rich-capital owners, or the notion of an accumulation from below; which in my view, is tantamount to a new form of land grabbing. Despite the fact that these commercial
farmers buy such land at market price, the market prices do not take away primitive accumulation by the emerging middle-income farmers; rather, they continue to abridge the customary rights of the community that was using the land in the production of local food. This weakens the argument of several analyses from donor agencies and researchers who have suggested contract farming as an alternative model to avoid the problem of displacement, and created a win-win outcome for smallholder farmers and private investors. Consequently, involving smallholder farmers in sugarcane production facilitates the change in land use and production patterns. As such, farmers abandon food production for cash crop production, which this paper calls a new form of land grabbing. The paper also establishes that, in addition to out-grower or contract farming, sugarcane companies have also continued to alienate land through other means such as leases and direct purchases in fraudulent ways. Therefore, the study argues that, sugarcane through the out-grower scheme is just another form of land grabbing that has made smallholder farmers loose the user rights over their lands for other activities.
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