

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 10/13/2015

GAIN Report Number:

Colombia

Post: Bogota

The Altillanura – An Uncertain Future

Report Categories:

Agricultural Situation

Agriculture in the Economy

Agriculture in the News

Approved By:

Michael Conlon, Agricultural Counselor

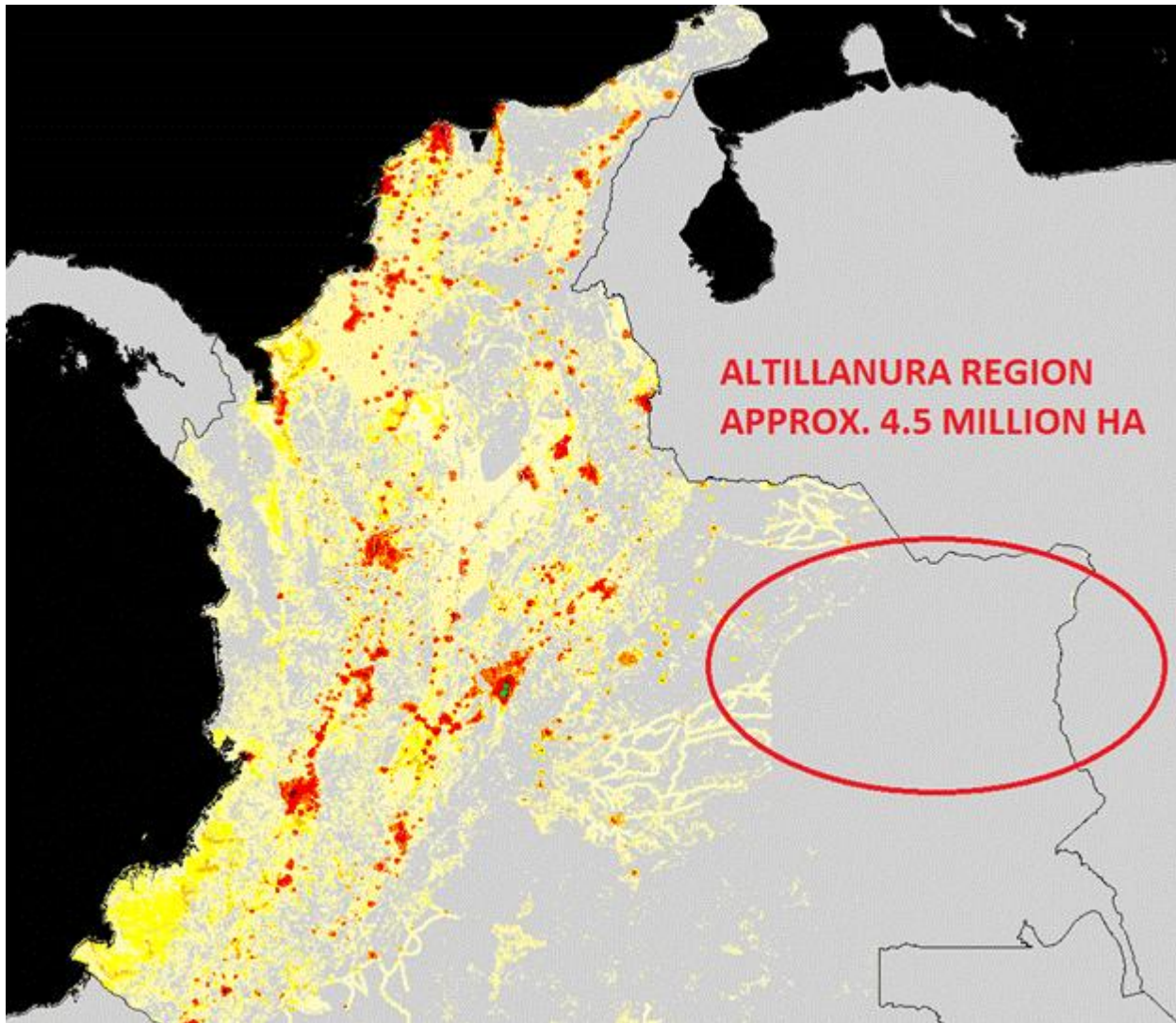
Prepared By:

Michael McFarland, Agricultural Specialist Intern

Report Highlights:

The tens of thousands of hectares of land currently being cultivated in the Altillanura, or eastern plains of Colombia, are under threat of dissolution by Colombian courts over the question of land rights. Given the restriction placed on the size of land holdings and the provenance of the owners, major international agribusiness companies may be unable to retain the thousands of hectares of land that they purchased and invested millions of dollars into developing. At the heart of the issue is the longstanding problem of land rights for small farmers or campesinos, which the government is attempting to address through the “ZIDRE” initiative. This initiative seeks to promote development partnerships between agribusiness and small landowners in the Altillanura.

General Information:
COLOMBIAN POPULATION DENSITY



Introduction:

The Altillanura region of Colombia, which encompasses approximately 4.5 million hectares of land suitable for agriculture, has become the subject of international attention as the next frontline of agriculture. The Altillanura spans vast portions of the Departamentos of Meta, Vichada and Casanare and is similar to the Cerrado region of Brazil which has recently been transformed into a vast new breadbasket and has contributed to Brazil's rapid ascent as an agricultural exporter. The Altillanura, like the Brazilian Cerrado, is unfit for conventional agriculture owing primarily to its acidic soil. However, because of advances made by Brazilian agricultural science the Cerrado and now, potentially, the Colombian Altillanura can be made into prime farmland – in a climate capable of sustaining two harvests in a year.

In cooperation with a Brazilian agricultural research institution, Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA), the Colombian agricultural research institution CORPOICA has helped translate the Brazilian

model to the similar but particular requirements of Colombia's Altillanura. Furthermore, the Colombian Altillanura faces challenges that the success story of Brazil's Cerrado did not. Among these challenges are serious questions over the legality of land ownership in the region and the viability of industrial agriculture in such a remote territory.

Government efforts to promote agribusiness interests and access to the important land of the Altillanura and elsewhere were derailed this year when the government dropped a bill to introduce areas of special economic cooperation between land owning campesinos and agribusiness. The bill (proposed Ley 133 or the ZIDRE project) was highly controversial and portrayed by opponents as an attempt to unfairly deprive small farmers of their land. A second and functionally identical version of the ZIDRE project was recently raised for consideration (Ley 223).

Closely tied to the peace process with the FARC is the issue of land entitlement and reparation for victims of the conflict and campesinos, which in turn influences the Altillanura's agricultural potential. INCODER (Instituto Colombiano de Desarrollo Rural) is pushing for the judicial nullification of land titles in the Altillanura belonging to major agribusiness projects based on the allegation that the land had been acquired illicitly. Ownership of 'baldíos' or uncultivated, vacant properties is limited to the localized standards of the UAF (Unidades Agrícolas Familiares), which limits the size of a plot that may be owned by an individual to no more than 1,294 hectares.

Currently, the status of agribusiness and development of the Altillanura is uncertain. Approximately 40,000 hectares of developed land in the Altillanura could be affected by nullification of titles by Colombian courts. One of the larger agribusiness development projects in the Altillanura recently had its title to several thousand acres of cultivated and developed land nullified in a dispute with the government. Under the ruling, the agribusiness corporation - among other businesses who had their land claims stripped - would have to return the land to the original owners - campesinos who are likely unable to pay back the amount they were compensated for the land originally. With the nullification these businesses also lose the money spent developing the land - millions of dollars used to transform the acidic soil of the Altillanura through a process that can take years.

Strategic Overview:

- **Economic Conditions in the Altillanura**

In the last few years the Colombian Altillanura has attracted significant attention as a potential future hotspot of agricultural development. Previously considered an unproductive and unsuitable territory incapable of supporting intensive agriculture, the success of agricultural ventures under similar conditions in Brazil has ignited an interest in developing the Altillanura. In 2009 a Brazilian agribusiness corporation, which operates in the Brazilian Cerrado, began cultivating several thousand hectares in the Altillanura near Puerto Gaitán. The corporation cultivated between 3,000 and 12,000 hectares. Several other large farms operated by Colombian and foreign corporations are also working the Altillanura. The majority of the 4.5 million hectares of prime agricultural territory in the Altillanura remains undeveloped.

The Altillanura's access to vital infrastructure including paved roads, rail and river transportation remains limited. The Government of Colombia has standing plans to expand roads in the Altillanura region and is working on expanding and improving riverine accessibility in the Meta River.

Some security hazards remain a concern in the remote Altillanura where FARC guerrillas and organized crime groups are active. The ongoing peace process has dampened but did not extinguish the potential security risks of the region. Because of the FARC and BACRIM (criminal gangs) presence in the Altillanura, agribusiness interest groups have complained of the difficulty of sourcing vital resources such as cement and gasoline, inputs also used in the production of cocaine. Bringing quantities of these resources into the area is subject to the approval of the

regional military authorities, which places a great deal of strain on time sensitive agricultural processes.

- **Environmental Conditions in the Altillanura:**

The Altillanura or ‘high plains’ and the wider region are considered oligotrophic – nutrient poor. The major rivers passing through the region, the Meta and Vichada rivers are only partially navigable and are nutrient poor black water rivers. A key stretch of the Meta River has been dredged in recent years to allow navigation, starting at Puerto Lopez on the tributary Metica River to the Orinoco and is an important riverine trade artery between Venezuela and Colombia. The Government of Colombia has laid out plans to expand and improve the navigable portions of the Meta River to reduce truck traffic. [goo.gl/ghxaxB]

Because of the nutrient poor, acidic soils of the portions of the Altillanura considered cultivable all significant agricultural projects require resource and capital intensive soil management. In order to develop the Altillanura’s soils farmers must invest in enrichment programs including the long term addition of lime on a large scale into the soils as was done in the Brazilian cerrado under similar conditions. The soil of the tropical Altillanura is nutrient poor and high in aluminum. Nevertheless the Altillanura is considered prime agricultural land due to its ample water resources, vast swathes of flat land and perennially warm and rainy climate which allows for two harvests in a year.

- **Legal Conditions in the Altillanura:**

With the introduction of the second iteration of the ZIDRE plan (Ley 223) hopes for the large scale agricultural development of Colombia’s Altillanura have been renewed. However, critics of the ZIDRE’s abound on all sides of the political spectrum – some pro-business spokesmen argue that the ZIDRE plan will not attract international agribusiness partnerships and investment. The fundamental purpose of the ZIDRE plan, uniting the interests of land owning campesinos with the capital and investment of agribusiness firms, to develop sparsely populated marginal agricultural lands like the Altillanura may actually dissuade investment. Requiring firms to work through Colombia’s land owning campesinos may be viewed as too uncertain and difficult a proposition for international and Colombian agribusiness firms. Reservations over the stability of an agreement with small Colombian landowners given the country’s land rights and title issues, security concerns and the perception of the political leanings of small campesino communities are all considered to be cause for caution.

Pro-Campesino critics continue to scorn the ZIDRE plan as a thinly veiled attempt to seize land from campesinos and small agricultural communities and to undermine Colombia’s land restitution regime. Some critics warn that the ZIDRE plan might be viewed by the FARC as a sign of ill intent and deceitfulness on the part of the Colombian government as land rights and ownership concerns are a sensitive subject in the ongoing Havana peace talks. Considering the significant opposition faced by the earlier iterations of the ZIDRE bill (Ley 133) it may be some time before the viability of the current ZIDRE bill (Ley 223) becomes apparent.

The most outspoken advocates of the ZIDRE program are its sponsors in the Colombian government. Several Colombian politicians are also public opponents of the ZIDRE program. The Santos Administration has indicated sustained support for the program as is evidenced by the continuous attempts to pass the project from concept into practice. Important agribusiness groups with investments in the region have remained mostly silent on the ZIDRE. No agribusiness corporations involved have made any definitive statements on the ZIDRE concept despite its relation to their threatened investments in the Altillanura. One corporation, through their Colombian subsidiary which runs their farming operation in the Altillanura, have responded to international and Colombian domestic criticism of their practices. They claim that their operation in the Altillanura was based on ethical land procurement practices and the purchasing of the land was within the boundaries of Colombian law. That agribusiness corporation is currently embroiled in the Colombian judicial system over the question of whether their land acquisition was legal under Colombia Ley 160 of 1994 that established the guidelines for the ownership, sale and ability to buy and sell baldíos that are in many places reserved for distribution to campesinos.

The land ownership of other agricultural projects in the Altillanura has recently been nullified by Colombian courts under similar circumstances. The prevailing trend in the discussion strongly indicates that the land in the Altillanura was acquired contrary to Colombian law and that it must be reconstituted to its original owners. This indicates that investments in the Altillanura may be at risk. The success of the ZIDRE program may provide a less distasteful resolution to the issues of agribusiness land ownership in the Altillanura than simply having land ownership nullified and losing significant investments of time and money.

- **Zonas de Interés de Desarrollo Rural y Económico – ZIDRE**

The ZIDRE concept, which seeks to create zones of cooperation between small landowning campesinos and agribusiness interests in regions of Colombia where rural development requires significant investment, is a model that has been pursued in Colombia for years. Similar efforts to promote the development of agribusiness while maintaining the politically sensitive issue of land rights of small farmers have been implemented previously. The passage of the ZIDRE initiative has been stalled in the legislative branch of the Government of Colombia for some time. On one occasion the ZIDRE initiative was passed but shortly thereafter declared unconstitutional. Currently the ZIDRE initiative is pending in the Senate after being passed in the Chamber of Representatives (Ley 223).

Conclusions:

The development of the Altillanura is an objective of significant interest for the Government of Colombia and for the interest of global food security. Colombia seeks to repeat the admired success of Brazil by developing their own ‘Cerrado’ – the Altillanura – and converting once marginal, unproductive land into a new global breadbasket. Several major challenges threaten to derail the development of the Altillanura.

The first, most critical issue facing attempts to develop the Altillanura is the incessant problem of establishing politically practicable land ownership in Colombia where records are spotty and after fifty years of internal conflict and mass displacement establishing rightful, original ownership can be rather difficult to obtain. Laws requiring ownership of certain lands, including the Altillanura, to be restricted to the dimensions established by the UAF (Unidad Agrícola Familiar) and the ownership of single entities (small landowner campesino households) means that establishing viable agribusiness development in these areas is challenging. The Government of Colombia is attempting to address this issue without sacrificing the concept of the UAF’s by implementing partnerships between small landowners and large agribusiness investment through the ZIDRE initiative.

Any successful development of the Altillanura must also necessarily rely upon the establishment of significant, new infrastructure development in the region. Large stretches of the Rio Meta have already been dredged and made suitable for cargo traffic around the ports of Puerto Gaitan and other new ports planned for future construction. The Government of Colombia plans to begin the construction of a new stretch of roadway connecting the Meta and Boyacá Departments by the end of 2015. The successful development of these infrastructure projects will positively impact the transportation of agricultural goods from the Altillanura to major sea ports and the urban interior of Colombia.

Finally, as the negotiations in Cuba and the conflict on the ground continue the security and stability of the Altillanura region remains in question. Significant security obstacles challenge the development of large agriculture projects. A successful peace negotiation in the coming years and the improvement of the security situation may greatly impact the feasibility of developing the remote Altillanura.

Prior mentions of the Altillanura in GAIN Reports and referenced in this update;

03/20/2015 – U.S. Corn Trade Hits Historic Levels

03/14/2014 – U.S. Grain Trade Shows Benefits from Free Trade

13/03/2010 – Colombian Government Signals Changes for Land Tenure Policy

09/28/2009 – The Altillanura- Colombia’s Next Agricultural Frontier

FOR REFERENCE:

1. "Las Tierras Recuperadas En Caquetá Y Meta Son Baldíos Y Serán Entregadas a Los Campesinos De Colombia." MINAGRICULTURA. Ministerio De Agricultura, 24 July 2015. Web.
2. "Llanero Solitario." Agropecuaria Aliar Y Sus Planes Para El Futuro. Dinero, 17 Oct. 2015. Web. 27 July 2015.
3. Dominguez, Juan Carlos. "Incertidumbre Detiene Proyectos En La Altillanura." Eltiempo.com. El Tiempo, 27 Oct. 2013. Web. 28 July 2015.
4. "Sectorial." Inversión En El Agro En Colombia (III). Grupo Inercia Valor, n.d. Web. 28 July 2015.
5. "El Empresario No Será El Dueño De La Tierra En La Altillanura' - Congreso - El Tiempo." Eltiempo.com. El Tiempo, 3 Oct. 2014. Web. 28 July 2015.
6. González, Ivonne Rodríguez. "CENSAT - AGUA VIVA." *El Difícil Horizonte Del Fondo De Tierras Para La Paz*. CENSAT Agua Viva, 5 Mar. 2015. Web. 28 July 2015.
7. Colombia. Congreso De La Republica De Colombia. CÁMARA DE REPRESENTANTES. *POR LA CUAL SE CREAN Y SE DESARROLLAN LAS ZONAS DE INTERÉS DE DESARROLLO RURAL, ECONÓMICO Y SOCIAL, ZIDRES, Y SE ADICIONAN LOS ARTÍCULOS 31 Y 52 DE LA LEY 160 DE 1994*. By Juan Fernando Cristo. N.p.: n.p., n.d. *Proyectos De Ley*. Web. 28 July 2015.
8. Cremaq, PiauÍ. "The Miracle of the Cerrado." *The Economist*. N.p., 26 Aug. 2010. Web.
9. Hommes, Rudolf. "¿ZIDRE?" *Www.elcolombiano.com*. *El Colombiano*, 11 Oct. 2014. Web. 28 July 2015.

Ministerio De Agricultura Y Desarrollo Rural. "LEY 160 DE 1994." (n.d.): n. pag. INCODER. INCODER, Feb. 2003. Web. <http://www.incoder.gov.co/documentos/Ley160_2004.pdf>.