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The fragmented politics of sugarcane contract farming in Uganda

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Abstract

In the last decade, contract farming has regained momentum among policymakers and global development agencies as a tool to promote inclusive rural development and responsible investments. Integrating smallholders within global, regional and national agricultural value chains, we are told, represents the sine qua non for alleviating rural poverty. In Uganda, under the label of out-grower schemes, contract farming is currently undergoing massive expansion, driven especially by the boom in sugarcane cultivation. Drawing from three case studies of sugarcane contract farming in Uganda, the paper re-politicizes the debate around contract farming by looking at the power relations within which these schemes are embedded. We argue, what is seen in Uganda's expansion is a political dynamic derived both from the major dislocations and dispossessions required to establish the plantation estate and its work force, as well as from the effort to bring many smallholders using unimproved methods on land with sometimes unclear tenure arrangements into contracted arrangements for supplying sugarcane. The result has been highly contentious politics around sugar's expansion, where struggles over land dispossession merge with those around exploitative wage labour, around the loss and transformation of livelihoods, and around debt, power inequalities and environmental harm, a matrix in which state violence and co-optation are ever-present.

KEYWORDS
commodity frontier, contentious politics, contract farming, land conflicts, sugar

1 | INTRODUCTION: SUGARCANE CONTRACT FARMING IN CONTEXT

Sugar production, especially through contract farming arrangements, is expanding in regions throughout Africa today; but how that expansion is taking place and what its consequences are vary tremendously. As the editors of a recent special issue on sugarcane farming in Southern Africa put it, "while the logics of capital, in a relentless search for stable profit, are evident, the particular negotiations and articulation within national political economies have been as varied as the contexts themselves. This has resulted in different livelihood outcomes, and different ways that local production and labour have been incorporated through diverse 'outgrower' schemes" (Dubb et al., 2017, p. 455). Indeed, they continue, there is such diversity among outgrowers as to raise "questions about the category [itself]. Not all outgrowers are the same … they pursue very different livelihoods and hold very different class positions" (ibid, p. 468).

This social, economic and political diversity accompanying the expansion of sugarcane outgrower schemes is being charted in detailed studies throughout Africa, as a complex set of dynamics are being revealed. These include the creation of new dependencies and power relationships, such as in relation to land access in Malawi (Adams et al., 2018); shifts from broad-based to narrower livelihoods on the Zambian sugar belts (Manda et al., 2018); the differential and adverse incorporation of petty commodity producers into vertically structured value chains in the Kilombero valley in Tanzania (Martiniello, 2016); the highly gendered nature of production in Malawi; and the differential inimical health and work implications in Mozambique (Adams et al., 2019; O'Laughlin, 2017). Such diversity should not be unexpected. Indeed, research, including our own, is revealing the ways that sugarcane contract farming provokes a set of linked, multiscalar transformations through a range of sometimes unexpected routes, rearranging individuals and alliances, driving historically contingent and unpredictable micro- and macro-level reorganizations of power, authority, wealth, and status. This multiplicity, and often unpredictability, is a result of the way that sugarcane contract farming draws together into its orbit so many aspects of social, political and ecological life, incorporating labour, paid and unpaid, formal and informal, subsistence and waged, insinuating itself into public and private authority, formal and informal, statutory and customary, in particular over land but also over the mobilization of resources, labour and power, leading to the emergence of complex and multilayered arrangements of coercion and consent. Sugarcane contract farming is integrated into and drives further complex economies of debt and accumulation, and it has dramatic impacts upon environments and ecologies, which can rebound into economic or social realms. It ties the most intimate aspects of life, human and non-human, into national and global socio-technical structures, introducing sometimes radical, sometimes subtle, transformations throughout the social, political and economic realms. Attention is needed to the microscale and macroscale paths through which these transformations occur and the associated shifts in power and authority.

As sugarcane frontiers expand on the continent—from an estimated 1,256,695 ha in 1998 to an estimated 1,580,584 ha as of 2019 (FAOSTAT, accessed on July 15 2021, https://www.fao.org/faostat/en/#data)—those establishing these schemes face a series of questions as to how to bring in the components of the production system—land, labour and natural resources, particularly irrigation water—as cheaply as possible (Patel & Moore, 2017). This answers that different schemes arrive at vary as they respond to different social and ecological contexts and also reflect the specific decisions made and strategies employed by different actors, whether states, investors or workers. But these strategies are also dynamic and evolving, as actors learn from the successes or failures of other contract

farming schemes and adjust their implementation strategy—or mode of resistance—accordingly. It is in this matrix of shifting strategies, modes of organization, deployments of force and conflicting narratives that we look for the politics of sugarcane contract farming.

The paper brings together theoretical contributions from Marxist agrarian political economy, political ecology of commodity frontiers (Mintz, 1985; Moore, 2000) and land politics in Africa. More specifically, the paper is grounded on foundational agrarian questions of politics, accumulation and production (Bernstein, 2010), which allow exploration of the trajectories of transformations around land property, labour, value and profits, and capital (re)-investment. In doing so, it proposes to read contract farming through the prism of changing agrarian relations between different social classes and groups of interest in the countryside, in order to understand the various paths of agrarian transformation. We also connect contract farming expansion to the broader processes of neoliberal restructuring of global agricultural value chains (Watts, 1994; McMichael, 2013) and to the more recent expansion of flexi crops and commodities frontiers in Africa (Borras et al., 2015; McKay et al., 2016). Yet, these processes of value creation, which necessitate bringing together simultaneously land, labour and nature, cannot be read as purely economic. They are simultaneously eminently political and ecological processes (Peluso & Watts, 2001), which signal the contentious nature of, and resistance to, changes in land-based social relations (Borras & Franco, 2013; Hall et al., 2015). Uncovering their political and ecological articulation allows delineating the links between the mutually constitutive nature of political, economic, ecological and social processes. It allows understanding, as Marx said that capitalism does not only exploit the body of the workers but also the soil. This makes clear the importance of placing land questions of control, tenure and access (see Mafeje, 2003), and dispossession (see Moyo, 2003), environmental transformation (see Patel & Moore, 2017) and social conflict (see Martiniello, 2019) at the centre of the analysis of the re-organization of farming relations under contract farming. In this way, space is made beyond economistic interpretations of the phenomenon for the analysis of contract farming as a set of power assemblages that spatially, ecologically and socially restructures land and agrarian relations.

This article seeks to provide a detailed account of sugarcane contract farming in several cases in Uganda, with particular attention to its politics, which we characterize as a process of *fragmentation*. Uganda provides a useful case study of the politics of sugarcane contract farming given that the rapid expansion of sugarcane production there has been highly politically contentious and subject to intense public scrutiny and vociferous, sometimes violent, promotion and opposition. Moreover, there have been a number of different schemes set-up in different parts of the country, allowing for comparative assessment of diverse experiences and patterns within a relatively narrow national setting.

2 | CONTRACT FARMING OPTIMISM

This diversity of sugarcane contract farming in Africa is erased, however, in the dominant discourse about it. The re-emergence of contract farming schemes after a prolonged period of 'agro-pessimism' (Oya, 2012) based upon the idea that agricultural value chains where difficult to establish because of organizational, institutional and political challenges as well as high investment risks is supported by narratives of a new era of 'inclusive development' and poverty reduction propagated by global development agencies (Cotula & Leonard, 2010; FAO, 2013). Contract farming's proponents portray it as a form of vertical coordination and division of labour between growers and buyers/processors, which improves the productivity and income of farmers through risk minimization and reduction of transaction costs, enhancing the circulation of previously unavailable productive inputs and market access (Simmons, 2002). Contract farming is lauded as representing organizational innovations in the design and functioning of collaborative business models (Silva, 2005; Swinnen, 2006) and finds growing political support among governments, donors and transnational

corporations. This discourse, grounded in neo-institutional economics and management paradigms, is echoed in policy efforts aimed at promoting the integration of agricultural producers in 'responsible agricultural supply chains' (OECD-FAO, 2016). In this value-chain development paradigm, the discussion is framed in technical and managerial terms, and the only question is one of innovations in the organization of linkages between different nodes in the value chains.

This turn to more intensive forms of involving farmers in sugarcane production must also be made sense of as part an effort to avoid the high cost or unsustainability of the alternative, that is, commercial plantation agriculture. Contract farming represents an effort to avoid depending on the excessive force needed to dispossess people of their land, with the intense resistance it provokes; to avoid having to secure or create a disciplined wage work force; and to escape the financial risks of poor harvests or falling prices, as well as the ecological impacts of irrigation and land overuse. It is this 'participatory' nature of CF that makes it attractive to capitalist investors and development agencies alike; in the name of empowerment and agency, CF promises to make farmers willing partners in bringing their labour and land into the production process, in taking on the burden of extracting a subsidy from nature and the ecological costs of that extraction, and in sharing the risk faced by producers in globalized commodity chains.

Of course, this is not the first wave of optimism around contract farming in Africa, nor is today the first time that that optimism has been questioned. More than 25 years ago, Little and Watts' pioneering volume (1994) showed CF in Africa to be part of the outsourcing of industrial agriculture towards expanding agri-food supply chains in the Global South in search of lowering the cost of the productive process and boosting profits. Then, CF was also a key element in dismantling agricultural cooperatives and seeking to instil a more individual mindset among agricultural producers. The Little and Watts volume showed the complex dynamics surrounding CF, challenging win–win narratives and pointing to the heterogeneity of contract production among a diversity of actors, crops, production relations and institutional links. Proponents of today's CF, however, seems to have learned little from the extensive problems encountered by earlier phases as schemes ran aground for a variety of reasons, from challenges around logistics, to problems with new agricultural techniques, the malfunctioning of supply chains, and uneven power relations between companies and farmers.

Over the past 5 years or so, a new body of critical work has taken shape. It has pointed out the contradictory outcomes of farmers' integration in global value chains, with evidence of enhanced conflicts over land, enhanced inequalities, shifting land and labour regimes and modes of livelihood (Hall et al., 2017). As in the past, the promotional narratives of CF are today accused of abstracting development schemes from the matrix of power relations that underpin them, silencing the political economy structures in which they are embedded and ignoring the agrarian social structures upon which the schemes are founded. Others have questioned the assumption that outgrower schemes are an improved, and consensual, alternative to the often-coercive land acquisitions that have characterized the expansion of commercial farming in Africa (Adams et al., 2018) or have questioned the benefits that contracted smallholders gain from being incorporated into global value chains. Amanor (2019), for instance, argues that integrating farmers into the agribusiness-led system of value extraction helps transnational corporations to extend their control over production and marketing through takeovers and contractual arrangements that control farmers' production. Some of these lessons resonate with the cases in Little and Watts' work, in that the re-emergence of contract farming can be seen as resulting from the dynamics of neoliberal restructuring of 'value chain agriculture' (McMichael, 2013) and the expansion of global production networks, which is today occurring amidst the push from BRICS countries emerging as new hubs of production, circulation and consumption of agricultural commodities (Cousins et al., 2017). The growing critical literature on contract farming of sugarcane, one of the paradigmatic crops of today's outgrowing schemes, has similarly questioned the optimistic narrative's win–win assumptions as well as its ahistorical and depoliticizing tendencies (Dubb et al., 2017; Richardson, 2010; Smalley, 2013). This paper seeks to contribute to these expanding critical debates about the social, economic, environmental and especially political consequences of the expansion of sugarcane contract farming in Africa.

3 | THE UGANDAN MODEL

Uganda has been at the forefront of the expanding sugarcane frontier: Sugar production in Uganda has increased from 1,476,215 tonnes in 2000 to 4,892,047 tonnes in 2019, with land under sugarcane going from approximately 20,000 ha to over 70,000 ha in that same time (FAOSTAT, accessed on July 15 2021, https://www.fao.org/faostat/en/#data). Our central argument is that, within Uganda's recent expansion of sugarcane contract farming, this diversity of strategies, organization and coercion and consent has given rise to a pattern of political fragmentation. Our argument resonates with critical studies of participatory development in other arenas (Cooke & Kothari, 2001), which have shown how the image of a singular, unified community masks differentiation and contention within that community, tensions exacerbated through external involvement by national or international actors. In the same way, contract farming's optimistic picture of a participating community of consenting small producers masks contradictions and conflicts between producers, the capitalist enterprise and the state, as well as among producers themselves, as further fragmentation and differentiation occurs within the community along existing axes of contention. Land, for instance, is incorporated into production not only through outright and comprehensive dispossession but also through a series of diverse contractual mechanisms, which lead to further differentiation in terms of land access and ownership within producing communities. Labour is similarly fragmented, with people engaged in sugarcane production in many different ways, whether as full-time, part-time producers, working on their own land or others' land, or as migrant workers coming from distant geographical areas, leading to further economic fragmentation and differentiation within communities along class, gender and ethnicity lines, given the way that control over and access to labour (and land) are often already organized along those lines. The state also has an array of different roles: Although there is more emphasis within CF on building consent through state involvement, force also always remains a possibility, leading to a more diverse panorama of selective violence and co-optation and to more fragmented political divisions within communities and relations to the state. As we seek to present here, Uganda provides a compelling illustration of how this diversity of dynamic and evolving strategies around sugarcane CF leads to a common outcome of political fragmentation.

In Uganda, one particular model of sugarcane has become dominant as a way of organizing land, labour and nature into the production process. This model was first developed in the historical sugarcane plantations of eastern Uganda during the colonial period and then replicated throughout the country in the last decade or so. The model involves a nucleus estate plantation combined with the incorporation of hundreds or thousands of socially differentiated petty commodity producers as outgrowers. Although the nucleus–outgrower model is familiar from elsewhere in the continent (Hall, 2012), what may be specific to Uganda's recent expansion to the north and west of the country is the particular challenges that the acquisition of both labour and land face. The acquisition of land for the core estate takes place against a backdrop of largely customary land tenure, where investors must negotiate a complex, unclear terrain of customary authorities, state agents and smallholders with a broad set of different land claims, all already under pressure and where land is subject to intense political stakes. Then, outgrowers have to be recruited and developed from mostly smallholder farmers, though their ranks include also a fraction of medium- and large-scale farmers. Outgrowers typically have very little or no capital (with the little they have drawn from off-farm, occasional and informal wage labour), mechanization or training. They engage through varying labour regimes, with family labour often mobilized to meet the extra labour demands required to join commercial agriculture schemes.

Although this model has been successful in ensuring large quantities of sugar produced in the longstanding historical plantations of eastern Uganda, its recent replication elsewhere in the country has led to mixed results, if not outright failure, in the face of resistance from those affected by the schemes. This is because, we argue, what is seen in Uganda's expansion is a political dynamic derived *both* from the major dislocations and dispossessions required to establish the plantation estate and its work force, as well as from the effort to bring many smallholders using unimproved methods on land with sometimes unclear tenure arrangements into contracted arrangements for supplying sugarcane. The result, we argue, has been highly contentious politics around sugar's expansion, where struggles over land dispossession merge with those around exploitative wage labour, around the loss and transformation of

livelihoods, and around debt, power inequalities and environmental harm, a matrix in which state violence and co-optation are ever-present.

This paper seeks to chart some of these political paths by focusing on three case studies of sugarcane outgrower schemes in Uganda: Kakira Sugar Works in eastern Uganda—the original from which the model was derived—Atiak Sugar Works in northern Uganda, and Hoima Sugar Limited in western Uganda. In these cases, we explore the implications of the expansion of sugarcane outgrowing, in each showing the prevalence of processes of differentiation and fragmentation and the emergence of political contestation around both the nucleus estate and the outgrower scheme. We follow the framework established by Dubb et al. (2017), which specifies approaching this diversity by looking at (1) 'the operation of the logics of capital and investment', (2) 'the playing out of state politics in different national contexts' and (3) 'local conditions and livelihoods, including the role of labour and social differentiation that generate different patterns of production, accumulation and investment' (p. 448). In doing so, we pay particular attention to the role of the state and other public authorities in sugarcane outgrowing and the new forms of power exercised in this context, especially through different balances of coercion and consent, as well as the ways sugarcane contract farming provokes conflict and contributes to differentiation and inequality within farming communities, but also leads to new alliances along a multiplicity of shifting lines. The question of ecological change as well as land tenure, access and dispossession cuts across all three of these in crucial ways. We thus seek to re-politicize sugarcane contract farming by drawing attention to the power relations within which these schemes are embedded, the land conflicts underlying them and the schemes' differential impacts on socio-economically diverse classes of farmers and on the environment. Our intention is to use this comparative study not only to illuminate the diversity of dynamics that are at work in different sugarcane contract farming schemes even within the same country but also to chart out a common dynamic of political fragmentation within the new phase of sugarcane expansion.

The evidence in this paper is derived from a series of periods of fieldwork over the last 5 years undertaken by the co-authors in different phases. We have used qualitative interviews, community dialogues and focus groups with members of the communities affected by these large-scale agricultural deals; topics of discussion ranged from livelihoods, to state violence, climate change, land access and ideas of development. We have also conducted semi-structured, key informant interviews with representatives of sugar processing companies, outgrowers associations and local political leadership. Specifically, Author 1 conducted research around Kakira in July–August–September in 2015 and again in 2016 and 2017 and in Atiak in 2018; Author 2 in Atiak 2017, 2018 and 2020; Author 3 in the district of Kikuube around Hoima Sugar during September–December 2020; and Author 4 around Atiak in 2017 and 2018. A substantial basis of the evidence for this paper has been drawn from semi-structured interviews and focus groups with actually existing outgrowers of different sizes around key thematic areas such as land control and access, the technicalities of sugarcane cultivation, harvest and transport to the milling site, agricultural extension, costs of inputs, price of sugarcane per ton, relationship with the company, labour hire and family labour, ecological distress. National and international media have also provided important supplementary sources of evidence. Participant observation was carried out at public discussions during 2018 and 2019 conferences on sustainable development and environmental justice, involving academic, policy and community stakeholders at which the authors were present, as well as from the many workshops and community consultations in which the authors have been involved.

4 | SUGARIFICATION AND AGRICULTURAL MODERNIZATION IN UGANDA

At present, sub-Saharan Africa contributes about 5.7% (FAOSTAT, accessed on July 15 2021, https://www.fao.org/faostat/en/#data) of global sugarcane production, although this proportion is said to be rapidly growing (Watson & Puchase, 2012, see also Hessa et al., 2016). Much of this growth is occurring especially in Southern Africa where the quantity of total harvested cane increased by 80% in the last 20 years (Dubb et al., 2017). Countries including Mozambique, Zimbabwe, Malawi and Tanzania are often seen as offering the best potential in terms of land

availability, whereas Cameroon, Equatorial Guinea, DRC and Uganda are seen to offer optimal agro-ecological conditions and production potential. The boom in sugarcane cultivation is also part and parcel of a broader interest on the part of the IFIs and others in promoting the spread of global agricultural value chains in Africa, based on the assumption that Africa is home to some of the largest tracts of 'underused agricultural land reserves in the world', in the words of the World Bank, and that globally traded commodities such as maize, soybeans, cotton, cassava and sugar can be the basis for 'significant progress' (World Bank, 2009).

The new interest in sugarcane cultivation in locations throughout the continent stems also from its role as a 'flexi-crop' with numerous end-use possibilities, including ethanol, 'green electricity' and bioplastics (Borras et al., 2015). Such flexi-crops allow agribusiness companies to diversify their products portfolio, reducing risks against the price oscillations connected with production and marketing of a single crop and maximizing returns from every cane (McKay et al., 2016). The boom in sugarcane cultivation is also connected to expanding domestic and regional markets, new access to land and water, sugar's suitability to tropical and subtropical climates, and low costs of production.

Sugarcane is generally processed by crushing mills on the plantation site; these mills are built at a large capacity to maximize throughput and profit. Keeping them working at peak capacity is a challenge, and so difficulties in acquiring significant land and labour for plantation production lead agro-processers to turn to outgrowers to boost sugarcane supply. The outgrowers serve as a buffer around the supply from the main plantation, enabling the companies to externalize the risk of too much or too little production (Martiniello, 2016). Thus, a model has risen to dominance of corporate agro-industrial-managed farming that combines a nucleus of large-scale monoculture sugarcane plantations surrounded by a flexible expanse of outgrowers, composed of socially differentiated rural producers (Hall, 2012). An industrial crop sugarcane requires a significant degree of organization and coordination of production, including the imposition of a rigid discipline around times of harvest, types of inputs, cultivation quotas and so on. Outgrowers' schemes thus effectively expand companies' control over extensive land resources and labour (Watts, 1994), without having to pursue outright acquisition or responsibility for a proletarianized work force, while also absolving themselves of the risks of production and marketing. We can thus see contract farming as a strategy of cheapening the sugarcane sourced to companies for processing (Patel & Moore, 2017), as outgrowers work without irrigation and mostly without the use of fertilizers or other key inputs. Finally, family labour is often employed to weed and maintain fields in the months before maturation; another cost externalized onto rural outgrowers.

Although there are certainly common dynamics to sugarcane's increasing prominence, attention also should be placed on the different sugarcane frontiers in different parts of the continent, related in particular to the different markets they serve. In Southern Africa, South African sugar giants and other transnational corporations have aggressively invested in the region in part to serve European markets (Hall, 2012; Richardson, 2010). In Uganda, however, production is largely for domestic and immediate regional markets, and investment has also been primarily from Ugandan firms. So significant has the expansion been, however, that sugarcane is today the second crop in terms of tonnage after banana plantain, the traditional food staple (FAOstats, www.faostats.org, accessed in June 2018), with production expanding by nearly 20% per annum for a decade.

Uganda's current embrace of sugarcane is of little surprise considering its longstanding place at the leading edge of developments in neoliberal restructuring (Wiegratz et al., 2019), but it also builds on a long history of sugar. It was the crash of cotton prices in the 1920s that first led some of the major Asian capitalist family enterprises to diversify into sugarcane cultivation. In 1929, Muljibhai Madhvani was granted permission to establish what is today the largest sugar factory in the country at Kakira in Busoga in the eastern part of the country (Ahluwalia, 1995, p. 35; Olanya, 2014, p. 83). In 1932, Kakira Sugar Works Ltd (KSW) was established, controlling almost 8,000 acres of leasehold land (Ahluwalia, 1995, p. 77).

Conducive climate, soil and drainage conditions near urban markets led sugar to become the first large-scale manufacturing industry in Uganda, with the Kakira estates expanding rapidly (Ugandan Protectorate, 1960, p. 50, p. 79), along with irrigation schemes and crushing capacity. The first outgrowers' scheme was initiated in 1958 at

Kakira; it both enhanced African tenant farmers' integration within the colonial economy and allowed limits to foreign landholding to be bypassed (see Mamdani, 1975). Resonant with today, the aim was to 'transform' the traditional subsistence-oriented cultivator into a modern commercial farmer through integration into production systems under close supervision; they also sought to expand colonial control in a context where peasant grievances against agricultural programmes had led to protest and rebellion in Kenya and Tanzania (Cliffe, 1972).

The post-independence period saw further state involvement, as Milton Obote's government acquired 50% of KSW shares; partial nationalization allowed the Madhvani group to reduce its capital commitment in unstable and risky regional conditions and facilitate access to credit from international donors. Outgrowers' numbers continued increasing, and by 1970, cane supply reached almost 150,000 tons (Ahluwalia, 1995, p. 90). In the 1970s, amidst Green Revolution ferment, regulations were imposed about planting and harvesting time, inputs, minimum landholding acreage to participate in the scheme and hybrid seeds. The scale of the sugar economy was large, with KSW producing 50% of all the sugar produced in Uganda and revenues amounting to 15% of national GDP (Ahluwalia, 1995, p.89).

With the 1972 expulsion of Uganda Asians and the ensuing expropriation of major Asian corporate enterprises, including Madhvani, the outgrowers scheme was abandoned and marketing and processing infrastructures deteriorated (Sorensen, 1996). Obote's return in 1979 led Madhvani and others to be invited to return and repossess expropriated properties (Olanya, 2014). With the help of the state, Madhvani borrowed money from the World Bank and African Development Bank and began rehabilitating the sugar plantations.

Since 1986, the Yoweri Museveni regime has driven a radical (neo)liberalization of the economy, in particular agriculture (Hansen & Twaddle, 1998; Wiegratz et al., 2019). Liberalization of agricultural input trade, liquidation of cooperatives and domestic and export tariff barriers, the abolition of marketing boards, and the abolition of taxes on most agricultural products culminated in the country's membership in the World Trade Organization. Following the mantra of 'securing food security through the market', the Plan for Modernization of Agriculture (2001–2009) sought to promote agricultural commercialization through enterprise development, agricultural zoning and large-scale agriculture with an emphasis on major export cash crops (Martiniello, 2015).

Thus, fuelled by comparative advantage theory and rising foreign and national investments, large-scale plantations, outgrower schemes and milling plants have mushroomed. Modernization narratives of transforming Uganda from a peasant to an agro-industrial and service economy have long been a foundation of the ruling National Resistance Movement's (NRM) political manifestos. As expressed in its 2040 Manifesto of Progress, Prosperity and Peace (2016), rural poverty is represented as resulting from a lack of entrepreneurial skills, backward mentalities and the absence of linkages to the regional and global market. The absence of formal and statutory land-management institutions is equally seen as an obstacle. The key to the modernization strategy is capital investment in the countryside by national, regional and foreign investors who require an enabling environment, to be provided by the state.

It is with sugarcane contract farming that the state's strategy has reached its culmination. Sugar is seen as a 'strategic and nutritive commodity to many countries in the world', a food commodity that can be 'consumed daily at different rates regardless' of one's age, or class and 'provides over 20,000 and 50,000 direct employments' to Ugandans (Ministry of Tourism, Trade and Industry, 2010, p. 1). The central government has thus strongly encouraged 'farmers to invest in commercial agricultural enterprises as one of the efforts of poverty alleviation and wealth creation' (Mwavu et al., 2018, p. 2) in order to expand what president Museveni calls 'an Island of Modernity' (Nation, 10/09/2018). Sugarcane is promoted as uniquely enabling 'poverty eradication and prosperity for all Ugandans because 'much of the cane supply for this expansion shall come from the out-grower farmers who are currently supplying about 50% of the total cane requirement of the major sugar factories' (Ministry of Tourism, Trade & Industry, 2010, p. 1). With sugar, agricultural commercialization supports the view that foreign investors have not only boosted the economy but also provided employment to Ugandans, enabling a shift from 'domestic

farming' to the 'time for modern farming', disciplining farmers and bringing their land into commercial production usually without outright dispossession (State House Government of Uganda, 2016).[1]

The convergence of state and foreign capital interests in Uganda have thus led to what Zommers et al. (2012) have termed a 'sugar bonanza'. Attracted by growing national and regional demand, high local consumption prices, and expectations to find farmers already used to embracing sugarcane cultivation, national and foreign investments in large-scale sugarcane cultivation, processing plants and outgrowers schemes have ballooned, a process termed sugarification (Martiniello, 2020). The government has strongly supported the entry of new participants in the sugar business by lowering taxes and costs but has left the determination of the price of sugar in the hands of the market, thereby leaving substantial power in the hands of sugar firms and large producers. There are thus direct benefits to be reaped by the political elite by controlling significant shares of major sugar companies, widening the fiscal basis of the country and rising taxation of formalized land and agricultural activities—part of a familiar politics of patronage around sugar identified in Southern Africa as well (Dubb et al., 2017). Sugarcane can represent an important element in the reproduction of state control in the countryside and an important opportunity for the consolidation of its clientele apparatus, as systemic elite bias and elite capture in development projects have turned them into tools to consolidate the power of dominant classes.

5 | KAKIRA SUGAR WORKS: SELECTIVE INCORPORATION AND DISPOSSESSION FROM BELOW

Out of this long history of state involvement, Kakira Sugar Works today has again become the largest producer of sugar in Uganda, with almost half the national market. Reflecting a pattern identified by Dubb et al. (2017), this re-establishment of outgrowing in the early 1990s was based around "taking over and rehabilitating existing sugar cane plantations and processing factories" (457); thus, crucially, there was no need to appropriate large new parcels of land for the plantation or secure irrigation water, and the population was accustomed to an existing history of outgrowing. The outgrower scheme was restarted in 1992 and has become a model replicated nationally—but with very different results in regions where there not existing plantations or histories of contract farming and labour, as we explore below. The Kakira model involved a set of incentives including high prices for sugarcane, free seeds and good terms of credit for access to transport services and fertilizers. Attracted by the availability of a secure market for their produce and by access to inputs and extension services on credit in the aftermath of removal of state marketing boards, up to three thousand farmers with different land and capital availability joined the scheme in the early 1990s, expanding to almost 10,000 by 2015. Outgrowers' supply has risen from 13% of the mill's total to 70% (1.6 million tons) of the total in 2010 (Kakira Sugar Works, 2014), to 74% by 2015 (interview, Kakira Outgrowers Branch Director, 15 August 2015). The spectacular rise of the outgrowers' share points to the company's progressive distancing from direct cultivation, as it prefers concentrating on value-generating activities upstream such as supplying seeds, equipment and other inputs and downstream, such as food trading and processing (see Isakson, 2014), thus externalizing the risks involved in agricultural production to outgrower producers. Following a regional trend of using sugarcane as a flexi-crop, in 2017, Kakira Sugar Ltd commenced commercial operations of its 20 million litre per annum fuel-grade ethanol distillery at its sugarcane-based mill. The US$36.6 million plant, the largest in Uganda and delivered by Indian company Praj Industries, will use around 74,000 tonnes per annum of molasses as feedstock for anhydrous ethanol.

Kakira has been joined by other investors following the same model eager to reap profit: In Busoga, there are now 11 sugar plants (both small scale millers and big manufacturers), almost one for every district, and it is estimated that approximately 80% of households' land in the districts of Jinja, Luuka and Mayuge is under sugarcane cultivation

[1]President calls for adoption of commercial agriculture. Retrieved from: http://www.statehouse.go.ug/media/news/2016/05/02/president-calls-adoption-commercial-agriculture

(Waluube, 2013), contributing to a dramatic shift in the agrarian geography, ecosystems and livelihoods of the region (Martiniello, 2020). The dominant narrative among the company, development agencies and government points to the expanding supply of cane from increasing numbers of outgrowers as proof of the inclusivity and success of contract farming. However, these aggregate numbers hide the differential, and largely harmful, impacts on diverse groups of outgrowers once differences in land size, access to monetary capital and assets, type of labour employed, off-farm livelihoods and use of inputs are taken into account, as well as obscuring harmful ecological impacts.

Indebtedness is a primary vehicle through which these consequences transpire. As an agro-industrial crop, sugarcane requires constant injections of money in the long gestation to maturity (18–20 months), pushing many farmers to ask for credit from a local affiliated commercial bank at exorbitant interest rates ranging between 17% and 22% (Martiniello, 2020). Besides the services of field preparation, seeds and fertilizers that that outgrowers receive on credit, they need money to maintain the plantation, weed the field, hire workers and pay for transport costs when the crop reaches maturity. According to the outgrowers' association, in 2015, 2,000 outgrowers had requested credit with land mortgages as assurance, resulting in 924 defaults—almost 50% of the applicants. KSW increased the price of sugarcane per ton from 40,000 Ugsh in 2009 to 80,000 Ugsh in 2015 in the attempt to hold onto its supply base of outgrowers in the face of the advent of new investors and mushrooming mills in the region, but small outgrowers have still seen their profit margins restricted and ended up trapped in a cycle of indebtedness (Outgrowers Focus Group, Musoli, 28 August 2016). Those outgrowers who fail to repay according to schedule end up losing their land, which is confiscated by the bank and resold to more affluent farmers, a process Amanor termed 'dispossession from below' (2012). Given that they depend on rainfall for sugarcane production in the absence of irrigation, they are highly vulnerable to drought as well. Fieldwork in the area revealed processes of selective incorporation and exclusion, in which only farmers who can meet certain entry costs and manage to stay in the business are able to remain in the 'sugar belt'. Those without enough start-up capital are pushed to rent or sell their land and make way for those with more resources and capital.

Thus, the outgrower scheme at Kakira appears to have been a significant vehicle and incubator of social differentiation among farmers across time, shaping a pyramidal agrarian structure. At the top, a tiny group of pioneer farmers who joined the scheme in the early 1990s under favourable market conditions with significant land and capital availability have been able to accumulate at a growing rate, even diversifying their investments into transport, land purchase and food cultivation outside the sugarcane belt. Exploiting low land prices in 'vernacular land markets' (Chimhowu & Woodhouse, 2011), a group of rich farmers who ventured into sugarcane cultivation with an average of 20–30 ha have now turned into large-scale commercial farmers, often controlling hundreds of hectares under a set of diversified farming activities. In the middle, a group of medium–large landowners-turned-agricultural entrepreneurs and urban professionals with land access between 10 and 50 ha looking for a reliable investment in the countryside, have seen their revenues deteriorating due to growing costs of inputs (fertilizers, transport services, credit and fuel) in the face of a relatively fixed price paid by the company for sugarcane per ton. This mechanism of price squeeze has resulted not only from worsening terms of trade between agricultural inputs and outputs but also from the monopsonistic power of the company, which arbitrarily sets the price per ton. At the bottom are those most affected by the price squeeze; the overwhelming majority of outgrowers (85%) who are small-scale rural producers with access to land up to 2 ha, a group that turned in large numbers to sugarcane in hopes of gaining a secure market for their agricultural produce amidst growing uncertainty (interview, Kakira Outgrowers Branch Director, 15 August 2015).

Those who remain in the sugar belt often do so in adverse and heavily indebted conditions. In sugarcane growing districts, food has become expensive for most months of the year. In a survey of 244 families interviewed on the subject of food insecurity, only 28 households responded they had enough food, while all the others expressed desperation in accessing food especially during the long periods of cane maturation (Waluube, 2013). The majority was also reported to have hired out their land for cultivation or sold their crops while still young. Yet, outgrowers face not only economic and political challenges but also ecological challenges, as evidenced by the crisis generated by the 2017 drought, the hardest in the least 50 years according to local respondents. The 2017 drought catapulted

thousands of outgrowers into desperation given their dependence on rainfall for sugarcane cultivation. Extreme food insecurity has consequently been a persistent plight in all major sugarcane-growing districts, with nutrition standards of elders, women and children below the average requirements due to the rarity of fruits and animal proteins in their daily diets.

Busoga may reveal the ecological limits of frontier expansion. The drastic reduction in the production of sugarcane by outgrowers severely affected the final quantities of refined sugar, pushing mills to operate at extremely low rates of crushing capacity utilization and to source sugarcane from distant districts in Masindi raising the price per ton of sugarcane from 85,000 in April 2016 to 160,000 Ugsh in April 2017. The consumer price of sugar accordingly rose from 5,000 Ugshs (2USD) in December 2016 to 7,000 Ugsh in May 2017 (2.80USD), generating widespread popular resentment (The Independent, 2017). The sugar crisis in Busoga has led to an acceleration of the government's attempts to expand the sugar frontier in the northern regions by providing credit and political support to the establishment of new sugar complexes there; meanwhile, many dispossessed farmers from Busoga have ended up in the north, as migrant charcoal burners and as sugarcane plantation workers. The case of Atiak Sugar Company, our next case study, illuminates the political dynamics on this new frontier, where there is no history to sugarcane plantations or outgrowing to build upon.

6 | ATIAK SUGAR WORKS: ENCLOSURE AND INTERCOMMUNITY CONFLICTS

Kakira was established, as mentioned, by rehabilitating an existing plantation and reconstructing an outgrower scheme in an area with long experience of sugarcane plantations and outgrower farming. However, the effort by the Ugandan government and investors to replicate this model in the supposedly land-rich north and west is taking place in entirely different contexts, where land is largely under customary tenure, where there can be multiple overlapping formal and informal claims on land, where there are recent experiences with resistance against efforts by the state at dispossession, and where farmers are mostly very small, without capital or improved inputs, and there is not an existing labour pool to draw upon. This accords with what Dubb et al. note in Southern Africa, where "there is now a second phase of expansion of sugar cane area under way, where new land – much of it under 'traditional', 'communal' tenure – is being acquired, and where new water infrastructure and sources are required" (2017, p. 457). The consequences of this new phase of the expansion of the sugar frontier in Uganda have led to acrimonious political contention, we argue, as the dislocation, resistance and cooperation related to the processes associated with both the establishment of the nucleus estate and the recruitment and development of contract farming merge together into a highly fractious, complex set of political dynamics.

This is not to say that Kakira was successful: Indeed, the Kakira case shows how debt, ecological precarity and widening inequality can mutually reinforce each other as sugarcane production rapidly expands, processes that can be identified elsewhere also, but the other cases introduce new political currents unseen in Kakira, we argue, resulting from the establishment of both the nucleus estate and contract farming. To grasp the strategy employed at Atiak, a glance is needed at its immediate predecessor, Amuru Sugar Works, only a few dozen kilometers away. Amuru was begun in 2008, immediately after the end of the war between the government and the Lord's Resistance Army in 2007, but quickly ran aground on community resistance; its failure to produce any sugar up to the present provided important lessons for the state that were implemented in Atiak.

Indeed, despite not being completed, Amuru reveals the complex social and political fractures and alliances that the expansion of the Kakira model can produce and exacerbate due to the need for a core plantation, even before contract farming is introduced. Under the aegis of the Madhvani Group of Companies, Amuru was to establish a plantation of 10,000 ha via a 99-year lease. A sugar processing mill and bagasse power plant were also part of the plan, as was an expansive outgrower scheme also on 10,000 ha (Ker Kwaro Acholi, 'Technical Committee Report on Madhvani Land Proposal for Sugar Works in Amuru', 27 June 2008). Intense state involvement was present from

the beginning, in particular around the allocation of land for the plantation and mill and promises of major financial investment.

The establishment of the nucleus estate, as the foundation for the eventual contract farming scheme, has been marked by violence of land dispossession, seeking to take advantage of the recent return of the rural Acholi population to their land from internment camps, where most had spent up to a decade (Martiniello, 2015, 2017). In this context of significant upheaval and uncertainty over land, the state and other elite actors made claims to land held under customary tenure without involving local populations nor traditional land authorities in the negotiations. Despite continuous state support, including direct intervention by President Museveni, a protracted conflict resulted between some land occupants against the state and Madhvani company. The conflict has taken different forms, including public mobilizations, nude protests by local women and a long legal court case; the state has used violence against communities in Kololo and Lakang (the sites of the projected estate perimeter) by deploying military personnel to oversee land enclosures and start the project. But there are also new fractures within the community, some of which the state has sought to manipulate and widen, such as by co-opting land-rich but cash-poor rural elites, against many youth and women who opposed the deal, fearing livelihoods would be jeopardized by the loss of access to land. Amuru has shown here we see political resistance and fragmentation in response to the imposition of the Kakira model due to the need for land and water for the nucleus estate, even before contract farming was itself introduced.

The Ugandan government seemed to take a lesson from the endless contention over Amuru Sugar Works and adopted a very different approach in Atiak Sugar Works. It is an unprecedented development experiment, bringing together a variety of state and non-state actors including the Ministry of Work, Ministry of Agriculture, the Solicitor General, numerous MPs and other influential regional politicians, the President's Office, working together with the investor, Horyal Investment Holding Company Limited. Situated in the Gem farm, Pacilo Parish, in Atiak Sub-country, not far from the South Sudanese border, the project involves a large core plantation as well as a series of infrastructural works, including a mill with a crushing capacity of 1,650 metric tonnes of sugarcane daily and power cogeneration of 6 MW, harnessing hydroelectrical power, clearing of the land, all on approximately 10,000 ha, with an ambitious outgrower scheme. It also involves unskilled or low-skill wage work for youth on the plantation or to help outgrowers in planting and harvesting, as well as the promise of more skilled work in the plantation, factory and surrounding installations. The state, together with the company, indeed seemed to be taking a more conciliatory approach, with investors approaching local communities and landowners to negotiate access to land, rather than the state forcibly dispossessing and displacing local populations. The strategy was working in terms of creating a broad political alliance behind the project, both the land acquisition for the core plantation estate and the contract farming plan: According to the Amuru District Chairperson, Michael Lakony, often a critic of the state, "Atiak Sugar Factory have used the right way to acquire land for investment. We are only ready to work with investors who come to the local people, not through the government. We have seen the way Horyal Investments Holding Company Limited is doing and we are happy. We shall give them more land" (Acholi Times, 2016).

In addition to the political support, the state provided a credit facility of US $17.4 million to Horyal to help finish construction, procure sugar-manufacturing machinery and start production; subsequent investments took the government stake to 32%. Horyal has requested another US$6 million to complete construction of offices and staff houses, which would almost make government the majority shareholder. The state has also contributed to develop a hydroelectric power plant and transport infrastructure; as importantly, it has funded the organization of sugar outgrower groups and provided 3,500 outgrowers with assistance through the Atiak Sugarcane Outgrowers Cooperative Society Limited (NAADS online document) and Ayuu Alali Cooperative Society. As the Ministry of Finance made clear in a speech at a local promotional event, the state was doing everything in its power to avoid the failure seen with Amuru Sugar Works.

Heavy state political and financial involvement have helped produce a narrative around Atiak of sugarcane outgrowing as a vector of development, bringing new incomes to outgrowers, employment to youths and development of small urban and electricity infrastructure. This win–win narrative has been adopted by many pioneer outgrowers;

in our 2017 interviews with them, there was no trace of social tensions or land conflicts. A particular history was also put forth to explain the origin of the land for the Sugar Works, said to be leased to Horyal by the legitimate owners, who had been using it since the 1970s for grazing. Here, we can see how a particular sugar narrative is constructed at the local level by aligning financial and political interests through the intervention of the state.

Pioneer outgrowers in Pacilo represented the few families who had access to large portions of land, able to plant sugarcane alongside food and cash crops. Through mechanized equipment, the company helped these commercially oriented commodity producers with cutting down trees, preparing the land and planting sugarcane stem tubers. But only a few relatively well-off families met the criteria set by the company for becoming part of the scheme by having land registered or formalized, buying land preparation and planting services from the company on credit (or in exchange for eventual sugarcane), and being able to regularly sell to the company at the established price: Indeed, by mid-2017, only 16 outgrowers had been listed. For these more affluent farmers, sugarcane commercialization represents an important opportunity for accumulation, especially amidst precarious and deteriorating agrarian livelihoods—in fact, they reported that sugarcane performed better than food crops amidst uncertain climatic conditions (Focus Group Pacilo, 8-4-2017). Despite infrastructure for processing sugarcane still not being ready in late 2017, these outgrowers had already started to plant sugarcane for propagation to provide the company with planting materials for the estate and outgrowers (Focus Group Pacilo 8-4-2017). A variety of incentives and means of persuasion have been used by the company to expand sugarcane cultivation in the form of free seedlings, access to credit and technical assistance for the listed outgrowers. Repayment was to be deducted from sugarcane sales in three instalments: 40% after the first harvest (18 months), 30% after the second (16 months) and 30% with the third (14 months), thus both easing repayment but also trapping outgrowers in years of sugarcane production. And even with these pioneer outgrowers, uncertainty was instrumentalized to bring them into the scheme and then, effectively, keep them there with credit and debt. Symptomatic of the general uncertainty and information gap surrounding the project, even the pioneer outgrowers had little understanding of the monetary costs and benefits involved, which are complicated given the multiyear growing cycle for sugarcane and the complex financial dimensions of inputs, credit, selling price, labour costs, sucrose content, and so on. Furthermore, contract farming documents were all written in English, making them difficult to understand for many people and leading to further internal differentiation.

These pioneer outgrowers, therefore, represented a specific and narrow demographic; it is not a surprise that their celebratory narrative was explicitly rejected by many others in the area. Indeed, for those without adequate land availability and access to capital and technologies, the project looked like yet another impossible promise of development. A community dialogue within Pacilo parish revealed a very different story from the dominant win–win narrative. All agreed that adverse climatic conditions, connected with deforestation, had left people seeking alternative livelihood strategies (see Branch & Martiniello, 2018). But the majority of the community, excluding the pioneer outgrowers, saw the advent of sugarcane as exacerbating those problems instead of solving them. They put forth a different historical narrative of the land now being used for sugarcane, arguing that it had long been used by locals, even if without formal title, and was now being claimed by a single family based upon dubious grounds. They accused local chiefs of having been corrupted, distorting existing practices to make space for the sugarcane project. As one person put it: "the land was communal reserved land, which everyone could use for farming without anyone owning it" (interview, Atiak sub-county, June 2017). This was further complicated by 20 years of internment in IDP camps. Thus, accusations were made that what had been a common hunting, grazing and farming land now had its benefits going only to a single family (Community Dialogue, Atiak sub-county, August 2017). There were also accusations that the formal land title had been forged to reassure the investors, without the knowledge of the community. This was challenged in court, but judgements were made in favour of the Omaya family against existing land occupants. These conflicts highlight the centrality of land struggles in shaping patterns of power, wealth and affluence within and outside communities (Peters, 2004) and the crucial role played by social conflict in affecting the trajectories of agrarian change (Martiniello, 2019). There were also accusations that pioneer outgrowers were expanding their holdings into the land of poorer community members. These poorer members not only felt aggrieved at the land

appropriation for the plantation estate but felt themselves excluded from and pressured by the contract farming scheme.

Violence had become part of the conflict as well, despite the effort at securing consent. As the dialogue made clear, there was significant fear that the high stakes of land conflicts would lead to further state repression along the lines of the Amuru sugar project. There have been a series of fires that have burned down parts of the plantation since 2016; these are attributed by the project's proponents to natural causes or accident, but in interviews and media reports, it is clear that some of these are deliberately set against the plantation. Even interventions by numerous local politicians, MPs, and the paramount chief have not been adequate to end the fires (Monitor 4 January 2016); in the words of the Paramount Chief, "it is disappointing that such an investment that could employ thousands of people within district and the region is being frustrated by locals who should own it", and he "called on aggrieved people to come out and share their agony so that the matter is solved and the factory progresses."[2] Further conflicts fragmented the community, as accusations were made that the government-appointed RDC of Lamwo district was taking advantage of the cleared land to hire it out to workers brought in from outside the community to grow simsim and other crops (interview, Lamwo district, 2019). It also fed into local rivalries between factions led by powerful traditional leaders, families or political operatives (Owor & Dieterle, 2020).

The labour regimes needed both on the plantation and for outgrowing have led to further divisions. Sugarcane outgrowers could use a combination of family and wage labour to weed fields and cut the cane, so the company offers those around Atiak, on credit, labour services for those without available family labour. Casual farm workers (weeders, cutters and planters) are drawn from local communities, especially several hundred male youth. This led to accusations that youth were dropping out of school and abandoning farming and traditional ways, in pursuit of 'quick money', which they squander in local trading centres. These generational and ideological divisions are also symptoms of the increasing uncertainty of agrarian livelihoods for young men: Indeed, local unskilled workers received only US $2/day. Meanwhile, skilled labour or management jobs were paid much more but went to workers from other parts of Uganda or even Kenya, thus leaving locals with only the toughest and least remunerative jobs, contributing further to resentment and accusations of ethnic bias. Nevertheless, the factory was officially commissioned by President Yoweri Museveni in October, 2020.[3]

The complex politics around labour can be seen in the ongoing controversy over the Ayuu Alali Sugarcane Cooperative Society in Palabek Kal Sub-County in Lamwo district, which was established to supply sugarcane to the Atiak sugar mill. The project was launched in November 2018, after securing over 15,000 ha of land in the Tim Ayuu wilderness from Ayuu cultural chiefdom on a lease agreement of 5 years.[4] The plan was to distribute 5 ha to each of 3,000 beneficiary households for sugarcane planting, as well as to offer employment to more than 800 casual workers and 200 seasonal field workers and technical staff to assist the households in their work. However, the low pay offered to local workers led to a labour shortage, and, by early 2020, the management declared the need to import hundreds of casual labourers from Busoga—the location of Kakira Sugar Works—to help plant the seed cane. The state intervened, at first mobilizing local defense unit members to plant the cane, and then provided an exemption from COVID-19 lockdown policies to allow the workers to be recruited and moved to northern Uganda, against the protests of many in the north, who saw these 'foreigners' as a potential vector for infection, and also as driving down wages for local workers.[5]

[2]Ojok, M. (2020, February 17). Repeated Fires at Atiak Sugar Works worry Acholi Leaders. *URN*. Retrieved from https://www.ugandaradionetwork.net/story/repeated-fires-at-atiak-sugar-works-worry-acholi-leaders.

[3]Uganda Media Centre. President Commissions Multibillion Sugar factory in Amuru. Retrieved from (https://www.mediacentre.go.ug/media/president-commissions-multibillion-sugar-factory-amuru).

[4]Ayugi, C. (2020, May 1). Lamwo: 800 tonnes of sugarcane seeds face expirty due to labour shortage. *The Cooperator*. Retrieved from (https://thecooperator.news/lamwo-800-tonnes-of-sugarcane-seeds-face-expiry-due-to-labour-shortage/).

[5]Asiimwe, G. (2020, May 12). 400 LDUs sent to Lamwo to Plant Sugarcane. *Chimpreports blog*. Retrieved from https://chimpreports.com/400-ldus-sent-to-lamwo-to-plant-sugarcane/

In short, throughout the north of Uganda, the expansion of the Kakira model has produced a complex set of political dynamics, creating new divisions and exacerbating old, forging temporary alliances that are then fragmented in turn. We will see similar differentiation and fragmentation in the case of Hoima, next.

7 | HOIMA SUGAR LIMITED: FRAGMENTATION AND SELECTIVE DISPLACEMENT

Our final case study considers the introduction of sugarcane farming in the eastern Bunyoro sub-region of Hoima, by Hoima Sugar Limited, in another expansion of the Ugandan sugarcane frontier, with implications including land grabbing, internal displacement and unequal economic relations with outgrowers. The information for this case study comes from research conducted in August–September 2019 in Kiziranfumbi sub-county, in the new district of Kikuube, recently partitioned from Hoima, where all the interviews and discussions cited below took place. Hoima Sugar Limited was opened in 2016 by President Museveni, boasting of job creation 'through adoption of commercial agriculture.'[6] A narrative soon took hold of rural smallholders gaining direct access to international markets, leading to improved incomes and development. Hoima Sugar Ltd today has an estimated capacity of producing 1,500 metric tonnes of sugar per day and had increased its outgrower numbers from 450 to 1,800 by 2019. Thus, here we can see clearly the politics around an expansive contract farming scheme, which took shape after the establishment of the nucleus estate.

As in the north, the official win–win narrative has been rejected by many of those affected by the project. Participants in a focus group discussion told us that the establishment of Hoima Sugar Ltd 'did not come in peace' and 'does not project development' (focus group interview, August 2019). Specifically, they cited state-sanctioned violence to gain access and control of the land needed for the nucleus plantation, leading to land dispossession in some of the villages. From 2011 to 2014, Hoima Sugar Ltd used police[7] to carry out evictions on the basis that it was an "authorized investment by the Ugandan government" (interview, August 2019). Accusations abound of how Hoima Sugar Limited is said to have used bribery and exploited weak local traditional systems of customary land, as a member of the Bunyoro royal family is accused of leasing land beyond his rightful domain to the company, which was then annexed with police force. Reports circulate among the community of local people being killed, evicted, their crops destroyed and fleeing during this time. Those displaced have been left living in squalid huts, facing food insecurity that has led to new cases of malnutrition and disease. Land dispossession appears to have exacerbated already existing social inequalities, as some displaced people report that compensation was paid to the more affluent and powerful, while the marginalized were given little or none. This has not gone uncontested, as a series of lawsuits have been launched: The cost of displacement has been specified in a report organized by displaced communities with the help of surveyors and agricultural experts to file a case of malicious damage against the sugar company, claiming almost US$20 million in compensation for the 394 families evicted from 1,300 acres of land who are now in internally displaced camps (interviews, August 2019). The sugar factory is also having ecological costs for the community, as dumping of sugar water waste in surrounding streams had reportedly made them unpotable (focus interviews, August 2019; see also Albertine Watch Dog, 22/05/2019). The plantation looks ready to expand further, as Hoima Sugar is reported to be further annexing 900 ha of Bugoma Forest Reserve of Bunyoro Kingdom, which is under National Forestry Authority, home to major chimpanzee populations and a growing tourism destination (Daily Monitor, 08-12-2019, The Guardian 18-06-2020). A struggle has resulted among Hoima Sugar, Bunyoro traditional leadership, conservationists, and the National Forestry Authority, each promoting different visions of development and staking contradictory claims to the land based upon law and history.

[6]President calls for adoption of commercial agriculture. Retrieved from Uganda State House News, http://www.statehouse.go.ug/media/news/2016/05/02/president-calls-adoption-commercial-agriculture

[7]Twaha, A. (2017, September 11). Police Boss in trouble over illegal evictions. *The Observer*. Retrieved from https://observer.ug/news/headlines/54871-police-boss-in-trouble-over-illegal-evictions

One of the aspects of the win–win narrative of contract farming is that new opportunities for wage labour on the nucleus plantation and on contracted farms will enable an influx of income and new development: Indeed, Hoima Sugar promotes the idea of turning surrounding villages into a 'local booming sugar town' (interview, Hoima Sugar Ltd Offices, August 2019), where smallholders are engaged different forms of wage labour and commercial capitalism. However, in Hoima, it is the downsides of the rapid incursion of capitalist relations that are on full display. The arrival of a large population of migrant workers has meant social and physical violence for the already vulnerable local populations. Women told us that, "we walk for almost 3–5 hours a day to neighboring villages [beyond the sugar estate] to work for inadequate amounts of food which does not last us for two days" (focus group discussion, August 2019). Also, due to being enclosed within the sugar fields, the people of Kijayo are also forced to risk their lives by using the sugar estate roads to reach neighboring villages in search of medical or food assistance; this exposes them to violence by male company workers who are accused of engaging in drug abuse to deal with the gruelling work (focus group discussion, August 2019). It was reported that men are harassed by speeding sugar trucks and tractors, while women-headed households only venture out in groups of three or more otherwise, risk being "sexually abused and higher chances are that they will not come back alive" (ibid). There were also reports of young women entering into sex work and transactional sex with migrant labourers, leading to further social dislocations.

For those involved as contract farmers, Hoima Sugar has exploited unequal relations to produce a "lack of bargaining power to co-define the rules of the game and request transparency in the deal" (Adams et al., 2019). This is visible in the high interest rates incurred by outgrowers from the loaned money surcharged by Kenya Commercial Bank (KCB) through Hoima Sugar, as capital accumulation transpires through the imposition of profit-seeking commercial banks. Risk is placed largely on the outgrowers: The 'Yellow Book' contract signed by farmers exonerates the sugar company from any losses incurred in the production process. The sugar company also gains absolute 'right of access' on all outgrowers' land, to ensure sufficient production sugarcane with costs deferred to the outgrower upon harvest. Outgrowers are not allowed to sell any cane to a third party, hence maintaining monopsony, lack of negotiation and outgrower flexibility in contractual relations, which exacerbates unequal power relations that further disadvantage them (see also Adams et al., 2019, p. 1436). Further instrumentalizing uncertainty, outgrowers are often unaware of what they are signing because the contract is in English, which most neither read nor speak. The result is social differentiation of outgrowers, whereby the medium and poor outgrowers complain of a failure to access extension services such as loan money for weeding, planting, ploughing and harvesting, thus putting their harvests at risk (interviews, August 2019). Poor outgrowers reported having to bribe officials to access services and complained of late payment for cane—with some having to wait 3–6 months—(interviews, August 2019), and cheating in the sales process. Thus, those who had substituted food crops for cane faced even greater food insecurity and possibility of debt and ruin. Outgrowers are left trapped in debt and uneven competition, thus further marginalizing them and damaging existing livelihood strategies and ecologies (Martiniello, 2020).

In conclusion, Hoima Sugar shows the processes by which uneven and selective land dispossession can accompany the sugarcane frontier through the establishment of the nucleus estate, as well as the harmful social impact of a sudden expansion of wage labour and the economic exploitation involved in imbalanced contract farming arrangements. The result is a multifaceted exacerbation of inequality and entrenchment of poverty, yet another indictment of the official narrative of contract farming as a win–win.

8 | CONCLUDING REMARKS

The paper critically explored current academic and policy debates on sugarcane contract farming in Africa, focusing in through three short case studies in Uganda, from which lessons can be drawn for the wider debates. In particular, we engaged with the claim that sugar represents a catalyst for inclusive rural development and an instrument for enhanced rural livelihoods. Instead, we showed how, as the Kakira model was replicated elsewhere in the country, the dispossession and dislocation associated with the establishment of the nucleus estate and of contract farming

arrangements lead to highly fragmented politics, sometimes enough to stop the project in its tracks, but more often inviting further state coercion or co-optation.

Revisiting and building upon Little and Watts's analysis of the political economy of CF in Africa, the paper has argued that CF represents a cheapening mechanism that allows production of agricultural commodities to be undertaken at cheaper costs, externalizing the risks to outgrowers and expanding the geographical reach of agro-industrial value frontiers. In the paper, we framed CF as an instrument that facilitates the incorporation of land, labour and nature within the capitalist metabolism. In line with the theoretical trajectory of the work of Michael Watts towards political ecology, we offered a preliminary analysis of the environmental implications of CF seen as a transmission belt of the agroextractive logic of industrial capitalist agriculture. Yet, for this to occur, substantial political articulation is needed by the state, agribusiness companies, donors and development agencies to minimize socio-ecological conflicts and align economic interests behind commonly shared narratives and visions of progress and development. The paper thus explored the significance of the contentious politics underpinning CF, giving centrality to the often-neglected questions of land struggles and land-based social relations in shaping contract farming dynamics and outcomes.

By using a comparative lens, we have sought to explore a set of commonalities and differences across the case studies as the Kakira model was expanded into the north and west over the past decade. Within the broad framework of political fragmentation, we would call attention to a series of issues that arise in all three cases.

1. Land contention can take on various forms in contract farming. Establishing nucleus estates plus outgrower schemes requires the acquisition of land by assemblages of state and capital often through forceful means or through 'consensual' negotiations, which can involve new alliances and sometimes the co-optation of customary land authorities. The result is a contentious politics around land dispossession and contestation, which can manifest in a sequence of land-related conflicts between the state and companies, on the one hand, and existing land users and food producers, on the other, as well as within communities themselves.
2. Building upon this matrix of violence and dispossession, and despite differences across cases due to the diverse temporalities of gestation of contract farming schemes, the dynamics of value creation, appropriation and circulation generated by each scheme have been an important force behind patterns of social differentiation, selective incorporation and widening inequalities.
3. Confirming what has been argued extensively by other critical studies (Gyapong, 2020), our cases show that these schemes do not become vehicles of job creation or rural labour absorption. This is often because specialized labour within the plants and on the plantations is undertaken by skilled personnel brought in from outside, while the hard work of cane cutting and planting is often performed by migrant workers often recruited from geographically remote and marginal areas. Labour relations are therefore socially re-organized around the functioning of the plantation and refining plant, extracting labour especially from family members in the form of non-monetary, non-remunerated labour. Because this labour is fundamental to the reproduction of contract farmers, it becomes a cost which capital externalize onto farmers.
4. Alongside the new labour discipline, the spread of sugarcane contract farming schemes have contributed to changes in land use, moving away from cultivation of food crops and forestry products for local and national markets and towards cash crops for national, regional and international markets. This has contributed to food insecurity and changes in the modes of livelihood.
5. Ecological transformations imposed by these schemes, especially in terms of deforestation, soil deterioration, landscape homogenization, biodiversity reduction and water appropriation, can jeopardize the livelihoods of those who depend on access to natural resources for their social reproduction. Sugarcane contract farming thus also poses further questions about the simultaneous role of nature as reservoir of resources and as a sink of capitalist agro-industry, playing a crucial role in the overall reproduction of the scheme.

Concerns about outgrower exploitation by sugar giants in Uganda can be seen up to the present day in the debate to resurrect the Sugar Bill in March 2020 by the Ugandan parliament, a bill whose impetus is deriving in large part from discontent that sugar production is not benefiting the local people who are responsible for its production. The re-proposed Sugar Bill was rejected in April 2019 by the 'president on grounds that it [did] not favor the concerns of big manufacturers' (Daily Monitor 17-03-2020). The current resurrected Sugar Bill foresees a solution where farmers owning a sugar mill for their local processing will reduce on transport costs, queues at factories and also profiting on sugar by-products. Local outgrowers argued that they have been 'condemned to slavery as sugarcane casual labourers since the Sugar Bill was 'sponsored' by millers with farmers getting merely 30% of the profits after taxes. Another page in the politics of sugar is being written in the country, understanding its unfolding remains critical to explore the uneven and contested trajectories of agrarian change.

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DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

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