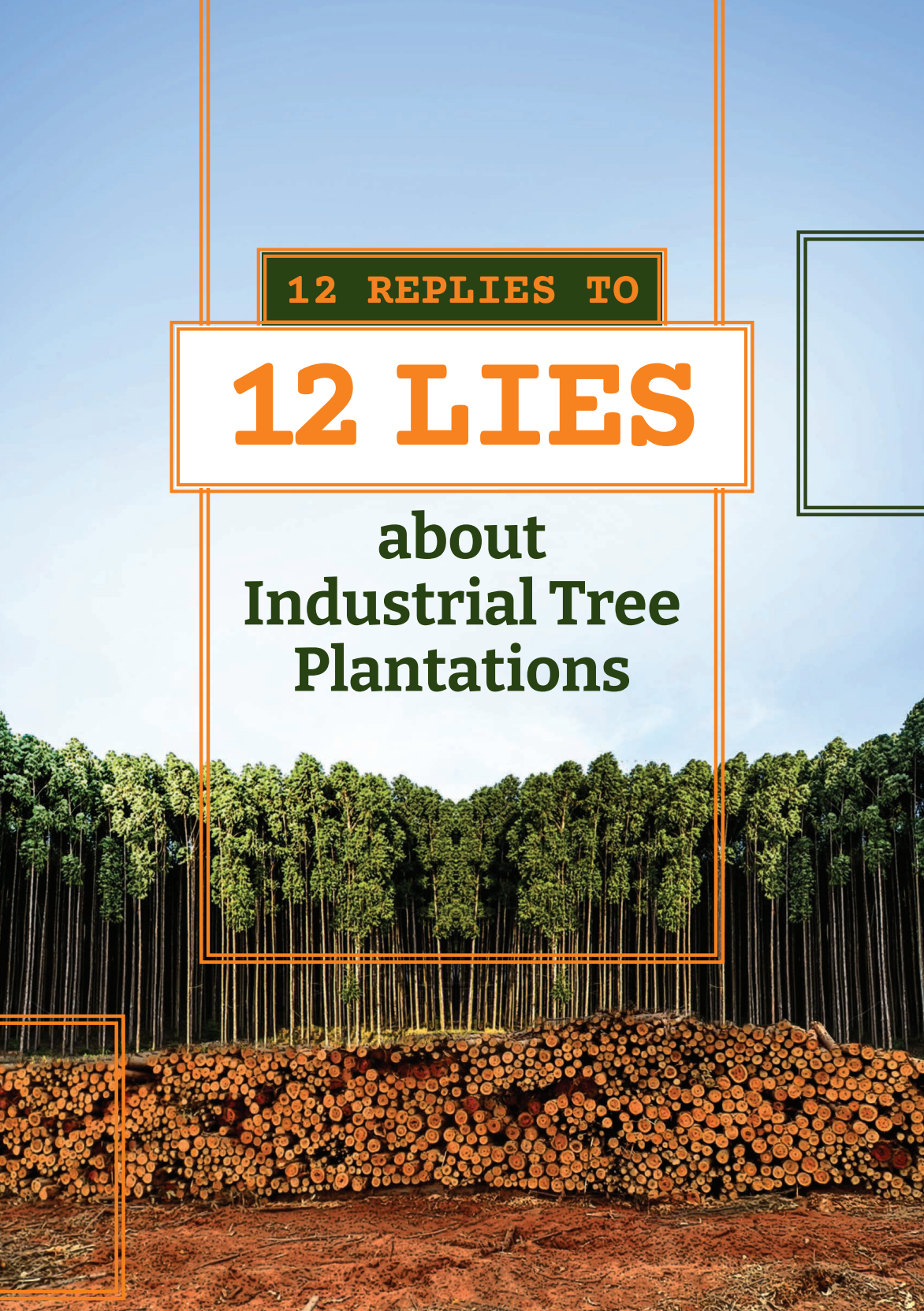
12 REPLIES TO

12 LIES

about Industrial Tree Plantations



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12 Replies to 12 Lies about Industrial Tree Plantations

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Introduction

Planting trees can be very good, but it can also be very bad. It all depends on who is planting the trees, what they're planting them for, the scale and location of the plantations and the damage or benefits they bring to communities.

Industrial tree plantations[1]—known as monocultures—are used to produce timber, pulp, rubber, charcoal, and other crops. The companies who own them focus on a single rapid-growth species, such as eucalyptus, acacia, rubber or pine. Plantations are also set up to absorb carbon dioxide, which allows the companies to continue to emit polluting gases. These are called 'carbon' plantations.

Tree monocultures have been particularly popular in Latin America, Africa and Asia, and they have caused a wide range of negative impacts. These include invasion of community territories, water shortages and contamination, and the undermining of food sovereignty. Because of these severe impacts, struggles to resist the development of industrial tree plantations are widespread.

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1 When we talk about 'plantations' or 'tree plantations' in this booklet, we always mean industrial tree plantations.

The companies responsible for these plantations deny their negative impacts, and they regularly develop disinformation campaigns designed to garner government support, win over the media, convince investors to finance their plantations, and persuade consumers to buy their products. Just as importantly, these campaigns target the very communities impacted by such plantations and they frequently contribute to intimidating and criminalizing community members who fight against the plantations, in order to silence any resistance.

In response, WRM released the briefing ***Ten Replies to Ten Lies*** in 1999, exposing the most common misleading statements made by plantation companies at the time.

Industrial tree plantations have gained momentum again in recent years under the erroneous claim that they can contribute to efforts to mitigate climate change. Since the UN Paris Agreements were signed in 2015, plantation companies have benefited from new funding sources and policies that favor their interests.

Many of the lies addressed in the original briefing ***Ten Replies to Ten Lies*** continue to be used, while some have changed and

several new ones have appeared. WRM is now publishing ***12 Replies to 12 Lies about Industrial Tree Plantations***, based on the 1999 briefing written by Ricardo Carrere.

We suggest that you also read "*What could be wrong about planting trees? The new push for more industrial tree plantations in the Global South*" (WRM, 2020).

Montevideo,
21 September 2022
International Day of Struggle against
Monoculture Tree Plantations

The WRM International Secretariat team

LIE 1

"Tree plantations are *planted forests*"

When companies talk about their tree plantations, they commonly refer to them as 'forests'. They frequently call them 'planted forests', 'plantation forests' or 'forest plantations'.

Companies use the term 'forest' because most people are aware of the serious problems caused by deforestation. Therefore, 'planting' forests sounds like something beneficial, but it is merely a case of corporate environmental spin.

But industrial tree plantations are completely different from forests. Communities living in territories that used to be with forests, but that now have tree plantations, have experienced what this means first-hand. While a forest for these communities is a living space that they are part of—where they can plant, collect, fish and practice ceremonies—a tree plantation is, as the Tupinikim Indigenous leader Lauro Martins from Brazil once put it **"a dead forest that kills everything"**.

Industrial plantations consist of just one type of tree, most often an exotic species like eucalyptus. Everything else is eliminated. The goal is to produce as much timber as possible, as quickly as possible. This means that companies plant the trees, harvest them,

and start another cycle within a period of three to 12 years. The only similarity between plantations and forests is the presence of trees.

Governments, the media, several big conservation NGOs and forestry academics repeat the lie that plantations are 'forests'. They often refer to the Food and Agriculture Organisation's (FAO) definition of forests. FAO is the United Nations agency responsible for forests, and thus an influential actor in this area. FAO defines a forest as basically any area covered with trees. This means that this definition could apply to a forest in the Amazon or to any industrial plantation comprised of a single tree species.

Calling a tree plantation a 'planted forest' may be the most misleading lie that plantation companies have spread over the past decades.

LIE 2

“Tree plantations improve the environment”

Companies claim that their industrial tree plantations help to protect and improve the environment, benefiting soil, water sources, and the spaces inhabited by plants and animals. This is all true in the case of forests, but not in the case of plantations. In fact, just the opposite is true.

Industrial tree plantations are a hostile environment for any species other than the trees being planted—including humans—due to the following reasons:

- Tree plantations always replace forest, savannah, wetland, grassland or agricultural vegetation. When these areas are destroyed, their crucial functions—and the connections between the living beings inside these territories—are also lost.

- Tree plantations frequently dry up streams and wells and reduce the overall availability of water in the area.

- Tree plantations, especially those comprised of pine and eucalyptus, dramatically increase the risk of fires.

- The agrotoxins applied cause serious damage to communities and biodiversity. The main agrotoxins used are the herbicide,

glyphosate, which kills the plants that grow between the trees, and sulfluramid, an ant killer. These agrotoxins pollute the soil, water and air, and cause health problems for plantation workers and the communities living in the area. Agrotoxins exposure is associated with neurotoxicity, cancer and damage to the respiratory and endocrine systems.

- By occupying lands and polluting the environment, plantations have a significant impact on the provision of healthy food cultivated by and for the communities. And the food that communities produce often supply local markets, which support a much broader population.

- Because there is nothing for animals to eat in a tree monoculture, they tend to leave these areas to find food and a place to reproduce.

- The use of heavy industrial machinery, the building of roads for logging trucks, and the destruction, intervention or blockage of streams and small rivers also contribute to environmental degradation.

- Trucks carrying timber pass through villages and community territories day and

night, posing a risk to children, polluting the air, and producing noise and nuisance.

- Guards often prevent communities from entering the plantations.

As a result, communities living in and around plantations face many challenges to producing crops and raising livestock. They often feel forced to move away.

Communities that do succeed in reclaiming their land—often after a long struggle—are very familiar with the deep impacts of the tree monoculture model. It usually takes a lot of patience and work to restore water, soils, diversity of species, food production and forests in the dead and sterile area that industrial tree plantations leave behind.

“Plantations protect *native* forests”

LIE 3

When plantation companies talk about 'native' forests, they want us to believe that there are two types of forests: 'native' and 'non-native'. When companies refer to 'non-native' forests, they mean tree plantations.

But 'native' forests do not exist. The understanding that most people[2] have of forests has nothing to do with tree plantations. Forests are home to a unique diversity of tree and other plant, animal and insect species. They are also home to many Indigenous Peoples and other traditional or peasant farming communities (see reply to lie number 1).

Companies have created these two categories to support their claim that industrial plantations play a role in protecting and reducing pressure on forests. For example, they argue that timber won't be extracted from a 'native' forest, but from a 'non-native' or 'planted' one.

Actually, tree plantations pose a major threat to forests:

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2 *This is due to the fact that the name and idea of a ´forest´ is a Western concept. Indigenous Peoples rarely have a term for the concept in their languages..*

- **Where plantation areas have taken over forest areas, it is often not considered to be deforestation.**
  Many companies claim that they are committed to 'zero deforestation', implying that they do not destroy forests. Yet, in practice they preserve only some forest areas: for example, areas that should be preserved by law anyway, such as those surrounding water sources; steep slopes that are too costly to cultivate; and/or forest areas that they themselves identify to be 'very valuable'. They make these claims to satisfy increasing demands from consumers and from banks that finance plantations (see lie 8).

  Companies also bring visitors to these 'protected areas' and feature them in photographs for their annual reports. These tours offered to government officials, members of the press, representatives of banks or NGOs, and other visitors strengthen the false idea that plantation companies are 'friends' of forests. This also means that areas not identified as 'valuable' can simply be destroyed so that tree plantations can be installed. Companies have no consideration for what the Indigenous Peoples and forest communities living around these areas consider to be valuable and important.

Furthermore, community members are not welcome in these 'protected areas', even if they depend on them for their livelihoods. If they enter such areas, they are at risk of being 'hunted' by company guards, environmental police or both.

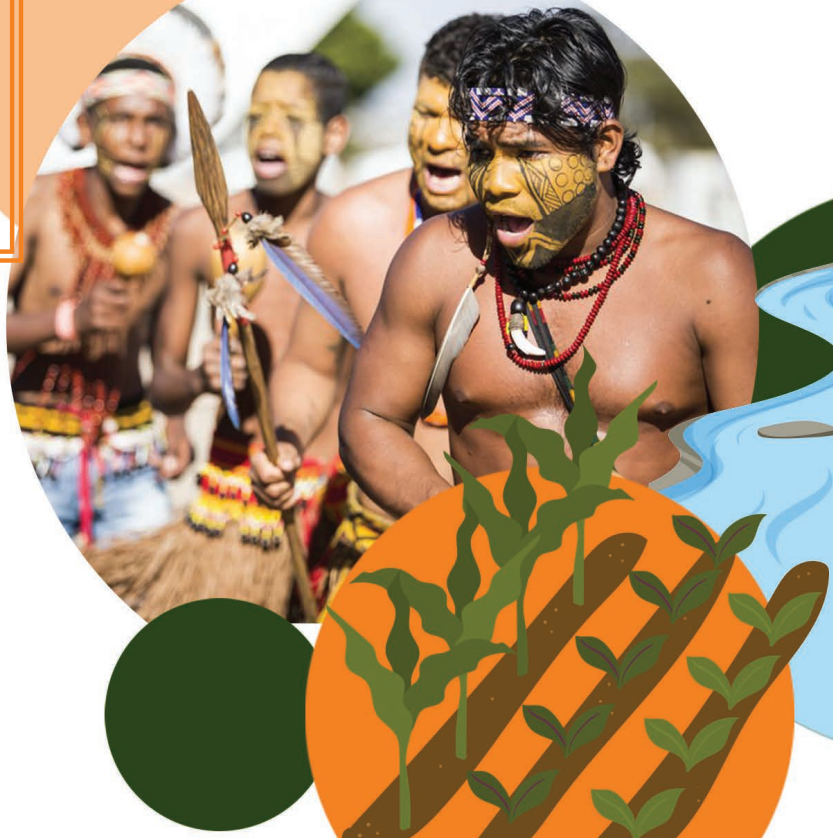
It is also important to stress that plantation companies that claim to be committed to 'zero deforestation' continue to deforest, extract and profit. They do this, for example, by using their own criteria to define which forest areas are valuable to be protected. Meanwhile, they harvest and sell any economically profitable species in the areas they control, and then clear the remaining areas to replace them with plantations.

- **Plantations can indirectly cause deforestation.**
  When plantation companies buy large-scale pastureland or other types of plantations from big landowners, the latter tend to buy cheaper land elsewhere for their cattle or to set up other plantations. The cheaper land is frequently forest, savanna or grassland areas, often in community territories. Therefore, the expansion of tree plantations contributes indirectly to more deforestation, and this

can lead to more conflicts with Indigenous Peoples or other communities.

In other cases, communities that used to live where industrial plantations are established become dispossessed. If they want to continue farming, they are forced to move to smaller, often less fertile lands, and to individual properties with limited or no access to water sources. Often these processes disrupt the collective organization of communities; subsequently, the communities are frequently blamed for deforestation.

- **Plantations will not reduce timber extraction from forests.**
  The timber logged from forests usually has a very different purpose and destination than the eucalyptus or pine timber extracted from an industrial tree plantation. The first often ends up in expensive wood products, while the second is mainly for pulp and disposable paper production.



LIE

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“Plantations are set up on degraded land”

Industrial plantations are always set up on fertile land. Fertile land usually means flat, agricultural land with enough water from rainfall and/or rivers and lakes to ensure sufficient irrigation even in the dry season. If the trees are not planted on such land to ensure high productivity, they cannot contribute to the company's main objective: to generate profits for shareholders and investors.

In order to ensure that they gain access to fertile land, companies often study the soil fertility and water sources as well as the proximity to roads and export ports in the target regions.

Companies are also keen to ensure that they can influence government decisions about the types of productive activities that are prioritized in a given region. This is often referred to as the land use or zoning plan of a country or region.

Such processes also allow companies to influence how land is classified in terms of its use. They want to make sure that they get access to 'under-utilized' land, that is, land that is not entirely cultivated.

This is very often community land, and it is not entirely cultivated either because

communities want to let the soil recover its fertility after being cultivated, or they want to ensure land availability for future generations. Additionally, many Indigenous Peoples believe their territories have a much wider significance and use beyond farming. Their land is home to sacred sites used for hunting, fishing, and collecting food, medicinal plants and materials to make products, etc. For companies and most governments, however, this is seen as unproductive and a sign of 'under-utilization' of land.

The argument that they are recovering 'degraded lands' helps companies mislead investors and consumers and gain their support. **It also serves to conceal the violence of a model that is based on land-grabbing and dispossession.**

LIE 5

“Plantations counteract climate change”

Climate change is getting worse. In fact, climate change is increasingly referred to as climate chaos, due to the growing frequency of extreme weather events like heat waves, floods and droughts, with the destruction and despair that they cause.

The main cause of climate chaos is well-known: the burning of fossil fuels extracted from below the earth's surface—mainly oil, coal and gas. When these are burnt, they are very polluting, releasing, among others, a gas called carbon dioxide, among other gases. The solution is also well-known: keep the oil, coal and gas in the ground.

So, why do companies and governments say that they are saving the planet by planting trees?

While it is true that trees absorb carbon dioxide, there are important differences between the carbon that trees absorb above the ground, and the carbon released from fossil fuels extracted from below the ground.

The carbon that circulates above ground—in the air, oceans, vegetation, and soils—is often referred to as **biotic carbon**. It can be stored temporarily in any of these places, including in vegetation, such as trees. From there, it can

easily be released naturally, through fires, storms or insect outbreaks, to name some prominent examples. Large-scale forest destruction creates an imbalance in that cycle.

Another form of this element is **fossil carbon**, which is in underground deposits stored over millions of years. In order to turn these deposits into fuels for energy generation, they have to be extracted using heavy machinery. When the fuels are burnt, a lot of carbon dioxide is released at once, interfering with the above-ground climate for a long time and contributing to the excessive amount of carbon that is affecting the climate.

So, having said that, why can't plantations counteract climate change?

First of all, when carbon extracted from underground deposits is released, it interferes with the climate for a very long time—for centuries, millennia or longer. There is no way that carbon can be stored for that length of time in a plantation tree. **This means that the climate interference of fossil carbon cannot be undone by planting trees**. At most, trees provide temporary storage, because most industrial plantations will be harvested after a relatively short period of time.

Second, the carbon in fossil fuels is so densely packed and concentrated, that a tremendous quantity is released when a tonne of oil, gas or coal is burned. Companies could never plant enough trees to absorb all that carbon, even temporarily.

So, why do companies continue to claim that plantations can counteract climate chaos, even though this is clearly not true?

Well, they have managed to sell this idea to many individuals and entities, including most governments and investors. By claiming that the problem is about (too much) carbon in the air, and that carbon emissions can be **'compensated'** or **'offset'** when trees are planted, they suggest the false idea of **'zero emissions'**. Tree plantations created for this purpose, which are known as **'carbon plantations'**, are also used in a mechanism called REDD+, which has been increasingly referred to as Nature-Based Solutions (NBS) since 2019[3].

Companies have been insisting on this false claim because it ensures that they can

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3 Besides planting trees, REDD+ and also NBS erroneously argue that pollution can be "offset" by protecting carbon in forests that are at risk of being destroyed.

continue to develop their polluting industries and increase their profits for a longer time, despite climate chaos and the huge tragedies it causes.

Finally, **plantation companies usually do not account for all of the carbon emissions that they generate**, such as those from direct and indirect deforestation caused by setting up plantations, or from the extraction and burning of fossil fuels needed for their fertilizers, agrotoxins, machinery, trucks, ships, and so on.

“Plantations play a central role in the *bio* or *circular* economy”

LIE 6

To expand their business opportunities, as well as to confront criticism that tree plantations are a major contributor to climate change, tree plantation companies from Europe and North America are now claiming that plantations can play a central role in replacing fossil fuels. Companies claim that they can help build what they call a **'bio-economy'** by, for example, planting trees for electricity generation through **'biomass plantations'**. They also refer to such an economy as a **'circular' economy** that respects life and nature by re-using materials—for example, by transforming pulp mill waste into fertilizer for agriculture.

These companies have used such discourse to convince governments, financial institutions, NGOs, the media, and the general public that they can also meet a full range of other needs by expanding their plantations and using new technologies. These wood-based products include textiles, plastics, cosmetics, pharmaceuticals, paints, coatings, medicines, animal feed, food ingredients, fertilizers, resins and composites.

But how can industrial plantations and all of their negative impacts be the basis for an economy that claims to respect life and nature? Putting the plantation companies' plan

into practice would involve planting entire countries in the Global South with eucalyptus trees.

Ideas like this one and the one of 'carbon plantations' (see Lie 5) are mainly promoted by companies and countries from the Global North. However, to implement their plans, **they target community lands mainly in the Global South.** This shows how these plans are blatantly racist. They tend to perpetuate and even reinforce historical inequalities and forms of oppression, evoking the arrival of colonial powers in the South to take what they want, while exploiting people and destroying communities. Needless to say, such 'neo-colonial' plans are once again leading to enormous conflicts and problems.

Besides, the idea that wood-based fuels could replace fossil fuels is not feasible, given the increasing demand for fossil fuels worldwide. But this is not a concern for companies promoting plantations. After all, **their real interest in creating new markets and business opportunities is to ensure more profits** for their owners and shareholders. For them, climate change represents an opportunity to generate more profit, not a problem.

LIE 7

“Plantations contribute to social and economic development, such as employment”

This is a very important lie that plantation companies use to win over the public, governments, financial institutions and communities when they arrive to set up plantations.

But experience shows that plantations generate fewer jobs than most other activities in rural areas, especially as compared to diversified small-scale farming. This is due to the fact that there is little work at a tree plantation, except in the beginning, when the land needs to be prepared to plant the tree seedlings, and when agrotoxins and fertilizers are most intensively applied. In the following years, few or no workers are needed until it is time to harvest, and tree harvesting is often mechanized.

Also, **the few jobs on plantations are often dangerous for workers, in addition to being temporary and poorly paid.** Companies are always eager to economize on the cost of labor.

Companies also use the tactic of proudly announcing social projects as important contributions to the well-being of communities. These projects can come in the form of a new school, a health post, or a well. But when companies make a commitment to provide such benefits, it is often in exchange

for securing community support for the plantation projects. Once the trees are planted, companies frequently forget about these promises.

When there is strong community resistance, companies will sometimes invest more in social projects. **Promoting social projects has been used as a tactic to divide communities.** Breaking resistance is extremely important, because the companies know that communities are very powerful when they are united.

If companies eventually build a school or a health post, other problems arise, such as the lack of personnel or the need for maintenance. Private companies are not responsible for education or healthcare. Governments provide such public services with tax payments from people and businesses. But while ordinary people are required to pay taxes, industrial plantation companies are often exempt, as governments will offer tax holidays and other incentives that benefit them.

Moreover, the construction of a health post or a school can never compensate for the loss of communities' land and livelihoods. Communities are generally not asked if they want the plantations in or near their territories in the first place.

Wherever tree plantations expand, they negatively affect local economies and further impoverish residents. Industrial plantations do not create jobs, and they fail to supply local markets the way food crops do. In addition, municipalities in regions with tree plantations usually receive much lower tax revenues than they had with an economy based on peasant farming. Another burden is the rural exodus that takes place in these regions as people lose their jobs and futures.

“Conflicts with communities can be solved through *best practices* and certification”

LIE 8

Plantation companies argue that the problems and conflicts that might arise with communities can be solved through the use of **'best practices'**. That is just another lie.

One fundamental reason for the conflicts is the industrial monoculture plantation model. This has to do with the way the trees are planted (always on a large scale), the species used (only one: fast-growing, often exotic species like eucalyptus), the lands they occupy (always fertile lands), and *whose* lands they occupy (often community lands). It is impossible for such a model to include 'best practices'.

Plantation companies also claim that **'certification'** is a solution to any potential problems or conflicts with communities. The most well-known certification scheme for tree plantations is the Forest Stewardship Council (FSC). The FSC awards a label to a company if it demonstrates that it is engaged in 'sustainable management' of its plantations.

The FSC label is marketed as a guarantee to investors and consumers that the plantations are managed to benefit local economies, that workers are treated well, and that operations are not harmful to the environment.

Plantation companies hire other entities to conduct 'certification audits' in order to earn the FSC label. The audit involves verifying that the plantation operations meet FSC's social, environmental and economic principles and criteria.

So far, the FSC label has been a success for companies. In many cases, they have received the label, even if documents showed that their land ownership titles were illegal or that the company was embroiled in conflicts with local communities. The FSC generally ignores historical land claims, in particular those of peasant and traditional communities. Only in a few cases has the FSC decided not to certify or to decertify a company.

Most of the world's largest plantation companies have a long track record of conflicts with communities, but have still been certified by the FSC.

It's important to add that the FSC is not the only scheme used to certify industrial tree plantations. The industry has created several others at the national and international level. For example, the purpose of VCS/VERRA is to certify 'carbon plantations' (see Lie 5), and the related CCB standard is to verify the supposed benefits such 'carbon plantations' would generate for communities and biodiversity.

LIE 9

“Tree plantation companies are committed to empowering women”

The fiercest opposition to tree monocultures often comes from women, because plantations destroy the land they depend on for their daily sustenance. Plantation companies eliminate and/or enclose the spaces where they live, including the vegetation, soil and water sources. All of these elements are essential for women to maintain their traditional knowledge and practices, such as agriculture and medicine.

Nevertheless, women's voices are rarely heard. In nearly every culture in the world, patriarchy—the domination of men over women—prevails, relegating women to the domestic realm.

When companies enter a community to secure support for their plantations, they tend to further reinforce patriarchal structures. For instance, when a company wants a community's approval to use part of its land for tree plantations, these **decisions are usually male-dominated.** Women are often not even invited to such meetings and, if they do attend, they often have no voice in the decision-making process, despite the fact that tree plantations have more severe negative impacts on women than on men.

Wherever women stand up, companies have

used strategies to break their resistance by intimidating and criminalizing them. Companies usually choose to ignore the fact that their **plantations lead to an increase in sexual violence and harassment of women,** one of the most silenced yet perverse impacts of the plantation model.

One strategy plantation companies are using to break resistance and co-opt women-led opposition is to develop 'gender policies'. For example, several companies from the pulp and paper sector have adhered to the Women Empowerment Principles, a United Nations initiative. The purpose of these principles is to empower women "in the workplace, marketplace and community".

Plantation companies that have adhered to these principles argue they are now offering more and more equal opportunities to women in the workplace, including jobs that had been male-dominated, such as machine drivers.

However, it is much more common for companies to take advantage of hiring more women than men for **dangerous and poorly paid tasks**, if they believe that women carry them out more efficiently. Examples include the very precise and careful work performed in tree nurseries and the application of

agrotoxins. Both activities expose women to serious health risks, due to repetitive movements or the daily handling of agrotoxins.

While the often male company directors claim that they are empowering women, female employees are contracting chronic diseases; and power inequalities between men and women persist. These women also have to deal with a double workload, selling their labor-power to the company and continuing to perform their daily tasks at home.

Furthermore, the very activities of plantation companies continue to promote and entrench models of relationships with nature that are fundamentally oppressive, patriarchal and excluding.

LIE

10

“The world needs to follow the successful plantation model of Brazil and Uruguay”

Plantation promoters in Africa—the most promising continent for investors in plantations—refer to Uruguay and Brazil in South America as tree plantation success stories.

They are right, if the measure of success is the wealth of company owners. The main owner of the biggest Brazilian plantation company is one of the richest families in the country. However, **tree plantations in Brazil have a long history of land conflicts, violence, evictions, impoverishment and racism—as well as discrimination** against indigenous, peasant, quilombola and other traditional communities.

Brazil is known as having the most advanced tree plantation techniques and the highest productivity rate, thanks to decades of research conducted by companies and universities. One of the latest techniques is **genetic modification to obtain transgenic or genetically engineered (GE) trees.**

The use of GE trees is very much driven by large paper and pulp companies' interests in increasing the productivity of eucalyptus and, therefore, their profits. But this genetic modification technique is complex and risky: it involves inserting genetic material from a different species into a eucalyptus tree.

The gene or genes from the other species have certain desirable characteristics that eucalyptus trees do not possess, such as fast-growing wood, or tolerance to the toxic plant killer, glyphosate. The risk that these trees could contaminate other trees, as well as that long-term studies of such risks do not exist, have both been ignored by the Brazilian government when it has approved GE eucalyptus.

The companies promise that transgenic trees increase productivity and thus claim that plantations use less land. However, higher productivity does not necessarily lead to fewer plantations. In Brazil, for example, plantation productivity increases have always been driven by the use of conventional techniques, long before the arrival of GE trees. What is more, increased productivity has never led to a decrease in plantation area—quite the contrary.

Uruguay is one of the smallest countries in South America. The pulp industry is one of the main drivers of tree plantation expansion, as is the case in Brazil. **Due to a major exodus of rural dwellers in Uruguay, plantations can expand relatively easily.** Currently, just 5% of the population lives in rural areas. The land that they have abandoned can be easily

appropriated because it is privately owned. In addition, these lands are grasslands, not forests, and therefore require relatively little investment to be converted into plantations.

Some 1.2 million hectares of land in Uruguay are currently occupied by tree plantations that belong to or are controlled by a few multinational companies that have benefited from direct and indirect subsidies and tax exemptions, including the creation of free trade zones. All of these incentives are financed by the people of Uruguay, who themselves have hardly benefited from the plantations.

LIE 11

"Tree plantations are financially *sustainable*"

It is not true that tree plantations are 'sustainable.' The main reason tree plantations are profitable for company owners and shareholders is that public and private banks and institutions award generous financial subsidies and incentives to these companies. Companies also receive many additional benefits, such as obtaining land for little or no cost through land concessions, or paying low or no taxes.

This wide range of financial support ensures that company owners become rich, even if they are indebted. In fact, **most large plantation companies are heavily indebted**, which makes it more difficult for them to find new funding sources to expand their plantations.

One approach that these indebted companies use to gain access to fresh funding involves converting part of their debt into bonds. This approach is usually available only to companies, not to ordinary people. A bond is nothing more than a document worth a certain amount of debt. The company can sell it to receive additional funding. This is an attractive deal for buyers, because the company will pay back the money invested after an agreed upon number of years, plus an additional amount—the interest rate.

'Green bonds' is just a new name used by plantation companies to refer to the same bonds as before. They call them 'green' because they claim their business is 'green.' For example, they claim that their activities significantly contribute to reducing climate chaos and conserving the environment. This has been particularly prominent since the UN Paris Climate agreement was reached in 2015, which points to the prominent role trees play in mitigating climate chaos. Plantation companies are increasingly trying to position themselves as forest protectors. The more forest they 'protect', and the more trees they plant, the more profits they expect to generate. (See also Lie 5).

The money that companies earn from selling their 'green' bonds allows them to continue to set up plantations, causing more problems for communities and the living spaces targeted for new plantations. Another benefit for the companies is that they reduce their debt by converting part of it into bonds, all while looking to sell more bonds by calling them 'green'.

Less debt means a better chance to secure additional funding from other sources, such as **investors interested in buying land**—because land is often considered a secure investment.

That is why plantation companies can easily find investors interested in owning that land. The plantation owner leases the land for a certain period of time, which again results in new sources of financing.

The problems remain exactly the same for communities living in and around plantations. The company can use new money to target more and more community lands for plantation expansion.

LIE 12

"Tree plantations benefit peasant farmers"

Due to the widespread community resistance that has been mounted against large-scale tree plantations around the world, companies have started to use different strategies to expand. One key approach that they have used is **'smallholder'** or **'outgrower' schemes**, where small-scale farmers sign a contract with a company to plant trees on their land.

Companies promise peasant farmers that they will receive good income, and that they can continue to plant food crops or raise livestock as they have done before. They might offer loans and additional benefits. In Mozambique, for instance, the peasant farmers who signed a contract with the plantation company were offered solar panels.

In reality, **most of the benefits go to the company, while most of the risks and costs are the farmers' problem.** While companies and governments claim it will improve farmers' livelihoods and income, it actually does the opposite.

In one such contract farming experience in Mozambique, once the eucalyptus started to grow, the women responsible for cultivating food crops discovered that very little can be grown between the trees. They also found

that the eucalyptus caused the soil to dry out, making it much more difficult to grow anything else.

With contract farming, **peasant farmers tend to lose their autonomy.** This puts the destiny and future of peasant farmers in the hands of plantation companies. It undermines food sovereignty and puts farming families at risk of losing their land [4].

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4 More information about the risks involving contract farming can be found in the booklet "Nine reasons to say NO to contract farming with palm oil companies" (2021). See https://www.wrm.org.uy/publications/nine-reasons-to-say-no-to-contract-farming-with-palm-oil-companies

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