

25th September 2015

To: Business and Human Rights Resource Centre

Response to allegations.

Montara Continental Ltd entered a Joint Venture with Lutukira Mixed Farm ltd, who had a secured a 98 year derivative right of occupancy for the 20,000ha of Brachystegia woodland, previously Lutukira village land. This land lease was negotiated with the village, local District Council and Ministry of Lands.

The purpose of the joint venture was to explore the possibilities of growing edible oils for local consumption.

An Environmental Impact Assessment was undertaken and a NEMC certificate awarded to the JV that included social and community impact involvement.

Lutukira Mixed Farm Ltd negotiated an MOW with the Council of Lutukira Village for the refurbishment of school classrooms, the purchase of a tractor and trailer, employment, these to be provided over a three year period. Montara Continental Ltd provided the funds to Lutukira Mixed farm for these to be implemented.

The joint venture employed on average 40 people from the village, 60% of whom were women.

The project was 21km from the village meaning that employees could get back home regularly to be with their families hence no family social impact. There were no smallholder farms within the initial clearing and farming area.

In the 2nd phase there were 80 small farmers both from Lutukira and villages outside the Lutukira Village land. A Government valuer was appointed to assess the small holdings and $40,000.00 was paid out as compensation to relocate them. To date none of the small holders have had to move out

Of the 20,000ha within the leasehold only 4,800ha is viable

for cultivation. An area of 160ha was cleared for the trials of: Sunflower, Sesame, Cranola, Soya and Groundnuts.

As the climate in the Ruvuma Region is monomodal these trials were undertaken over a three year period.

Due to the distance from market and the yields achieved together with the cost of recovery of arable land from woodland, it was decided that the project would not be viable and the JV was dissolved.

At no time did the JV have enough produce to affect market prices and affect local villagers sales.

The allegations that Montara Continental Ltd had trans located topsoil 900km from Lutukila to it’s faming operation in Morogoro are as hollow as the other allegations made in the report viz, broken marriages, access to forest land for charcoal harvest and degradation of soils.

The soils in Morogoro are far superior to the sandy soils of Songea and the allegations that the JV has left the soils poorer are also hollow as the conditioning over the three years with Lime and fertilisers have left the soils in a much better condition.

A record crop of 40ha of Cassava that is still in the ground will bear testament to the improved fertility.

Montara Continental’s approach to the continued development of our business units directly and indirectly generate a wide range of benefits to the host community and host country as a whole. In addition to the community participation benefits, development of the project areas provides a number of core benefits such as employment generation, training, infrastructure improvement, support for localised industries and food security. Montara is also committed, to employment generation and developing and utilising the human resources of the host community.

We manage the environmental and social impact of our operations and supply chain through the process of internationally recognised certification. On the farm in Tanzania we have recently been awarded GLOBALG.A.P certification; a standard for food safety and environmental protection. We are in the process of working towards achieving BRC Global Standards certification for the processing unit on the farm.

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