



Food and Agriculture Organization
of the United Nations

Small farms access to land as a factor for land consolidation

Agricultural Policy Forum 2018

Working Group 2: Land market and small farms access to land in SEE

16-18 October 2018

Jahorina, Bosnia and Herzegovina

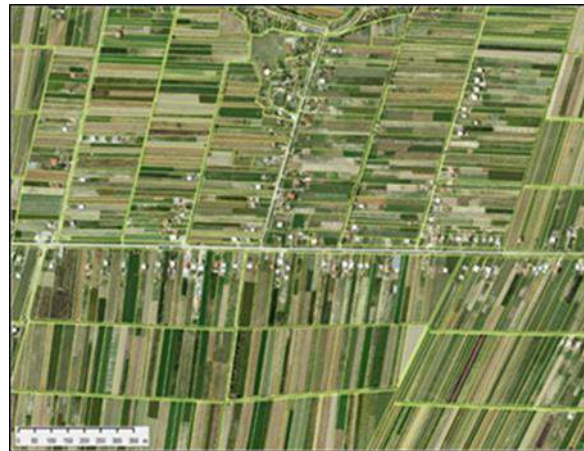
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Starting point for land market discussion

Well functioning agricultural land markets (rental and ownership) are an important precondition for agricultural and rural development in general





Why are agricultural land markets in general not functioning well in the Western Balkan?

- **Numerous types and variations of problems with land registration:**
 - Unsolved inheritance
 - Discrepancy between records and situation in the field
 - First registration not completed
 - High transaction costs and complicated procedures
 - **Excessive land fragmentation and small holding and farm sizes prevail in all countries / territories**
 - **High degree of informality due to existing registration problems but also due to high transaction costs and complicated registration procedures**
 - **Agricultural land markets are often neglected by land registers and cadastre agencies**
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Consequences of poorly functioning agricultural land markets

- All agricultural and rural development is hampered
- Difficult for small farms to increase size and production
- Insecure land rights
- Land abandonment and out migration (also other





Policy instruments available to support development of agricultural land markets

- **Land consolidation instruments through National Land Consolidation programmes**
- **State Land Banks and management of State owned agricultural land**
- **Regulation of agricultural land markets**

The instruments should be designed to work together!



Land consolidation



The need to address land fragmentation and small farm sizes has been recognized in several CEE countries

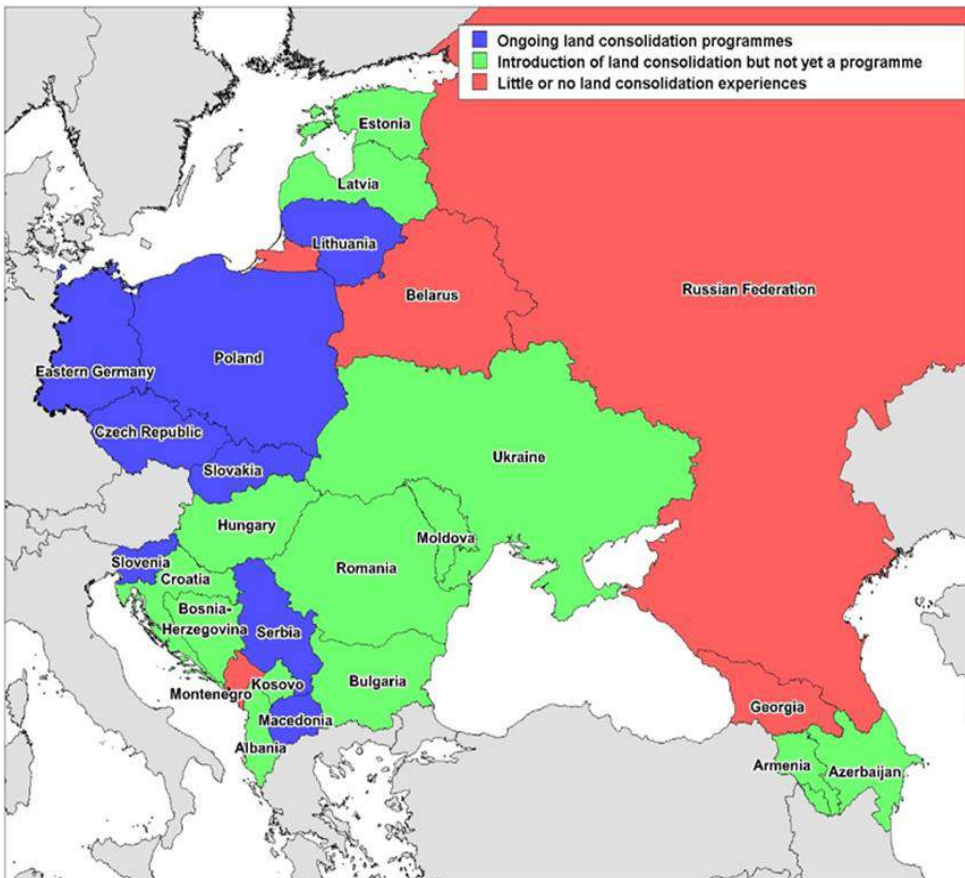
- In the late 1990s, land fragmentation and land consolidation re-appeared on the agenda.**
 - FAO began to document and address the problems.**
 - The Munich Symposium in 2002 was a milestone and the first of so far 19 regional workshops (LANDNET) held on land consolidation, land banking, land market development and related topics.**
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Five minimum requirements for having an operational land consolidation programme

- 1. Land consolidation is embedded in the overall land policy.**
 - 2. Legal framework for land consolidation has been adopted.**
 - 3. Public lead agency for land consolidation has been established and delegated the task to manage the programme.**
 - 4. Secured funding on an annual basis.**
 - 5. Technical and administrative capacity has been developed for both field work and to manage programme.**
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Status for the development of land consolidation programmes in Europe and Central Asia (as of October 2018)

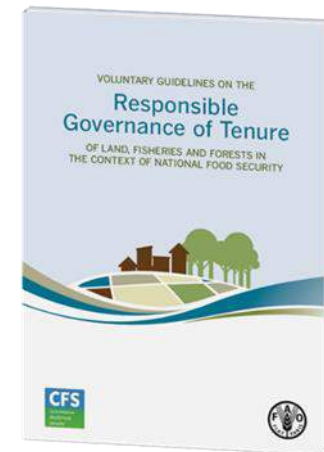
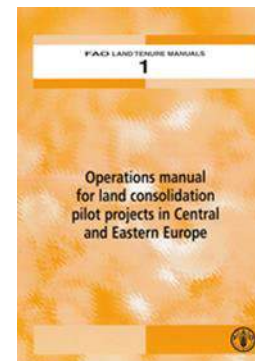
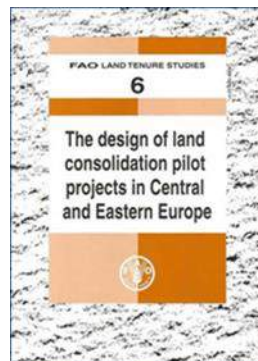


<i>Countries with ongoing national land consolidation programme</i>	<i>Countries where land consolidation is introduced but not yet with a national programme</i>	<i>Countries with little or no experiences in land consolidation</i>
Poland	Estonia	Montenegro
Eastern Germany	Latvia	Georgia
Czech Republic	Hungary	Russian Federation
Slovakia	Romania	Belarus
Slovenia	Bulgaria	Kyrgyzstan
Lithuania	Croatia	Tajikistan
Serbia	Bosnia and Herzegovina	Kazakhstan
FYR Macedonia	Kosovo*	Turkmenistan
Turkey	Albania	Uzbekistan
	Moldova	
	Ukraine	
	Armenia	
	Azerbaijan	

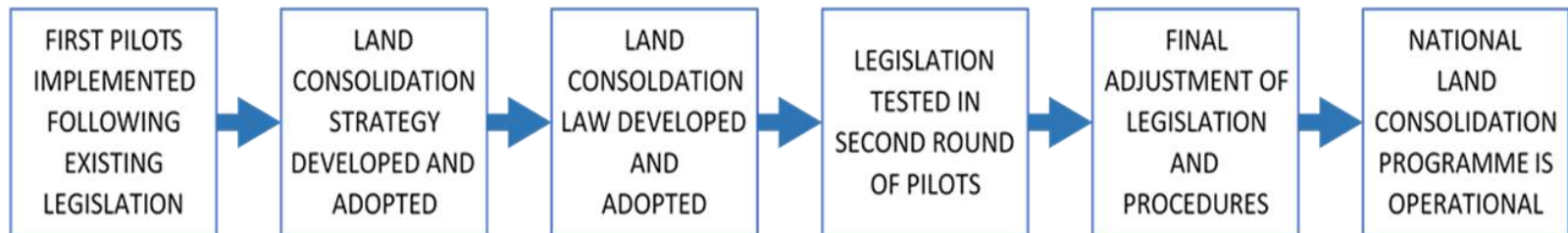
FAO has supported land consolidation in countries in bold

Three pillars of the FAO regional programme on land consolidation

1. Technical guidelines
2. Field projects in FAO programme countries
3. LANDNET - the informal network of land tenure professionals interested in land consolidation, land banking, land market development etc.



The optimal process from introduction of land consolidation to an operational programme



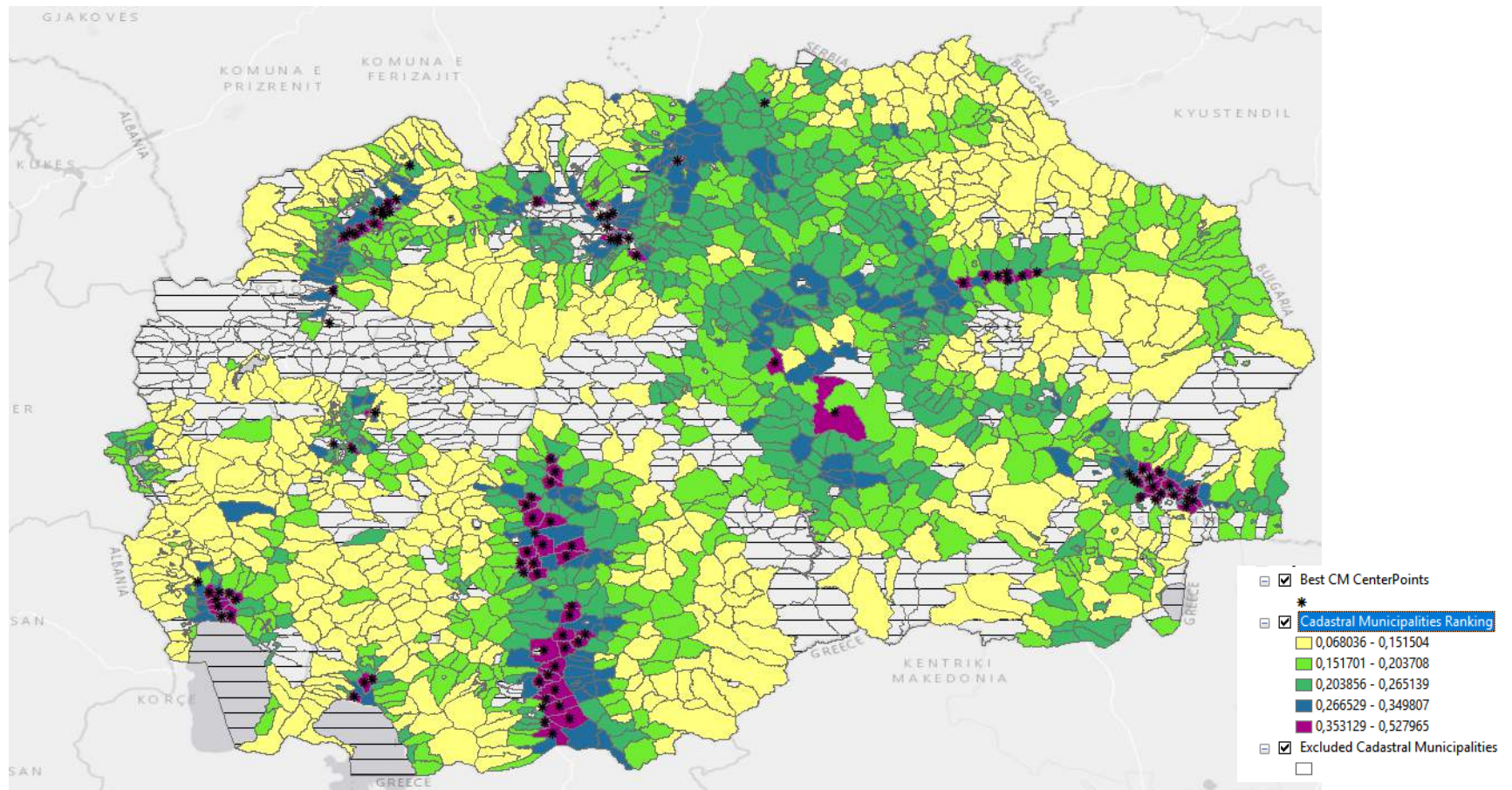
It is often a long and not straightforward process to develop a fully operational national land consolidation programme.



How land consolidation can make land markets function and facilitate small farms' access to land

- **Land consolidation (LC) to support land market development and not instead of normal land markets**
- **LC instruments to be in line with VGGT and support SDGs**
- **Participatory and inclusive process equally open for all is key**
- **Re-allotment planning to be facilitated by land professionals**
- **Outcome of LC should be updated and clear formal land rights**
- **Integrate land consolidation with broader community development needs (improved agricultural infrastructure and beyond)**
- **Apply tools to increase land mobility (State land fund / use**

Multi-criteria analysis to determine areas most feasible for land consolidation in FYR Macedonia

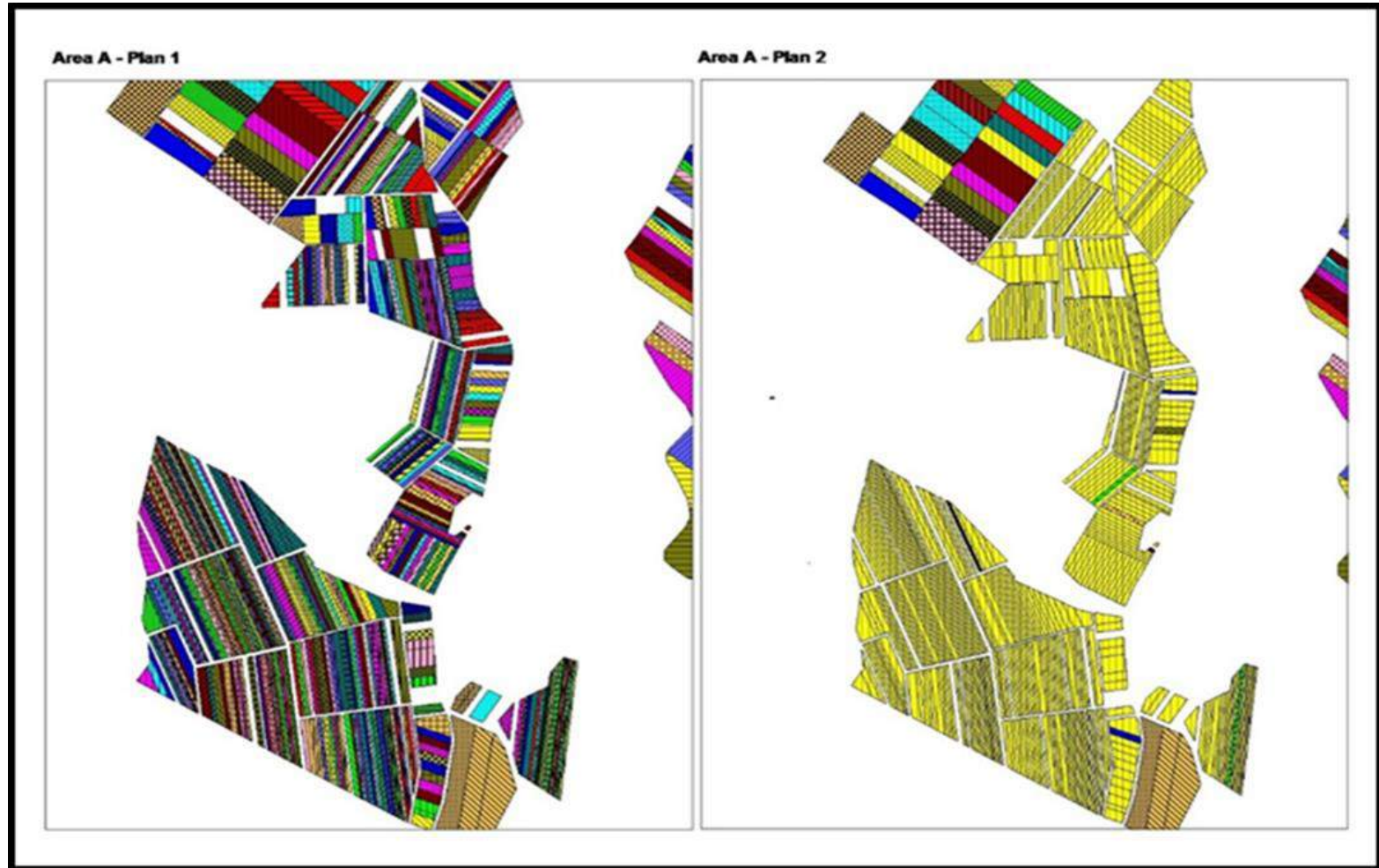


Majority-based FAO land consolidation pilot project in Egri village in FYR Macedonia (2017)



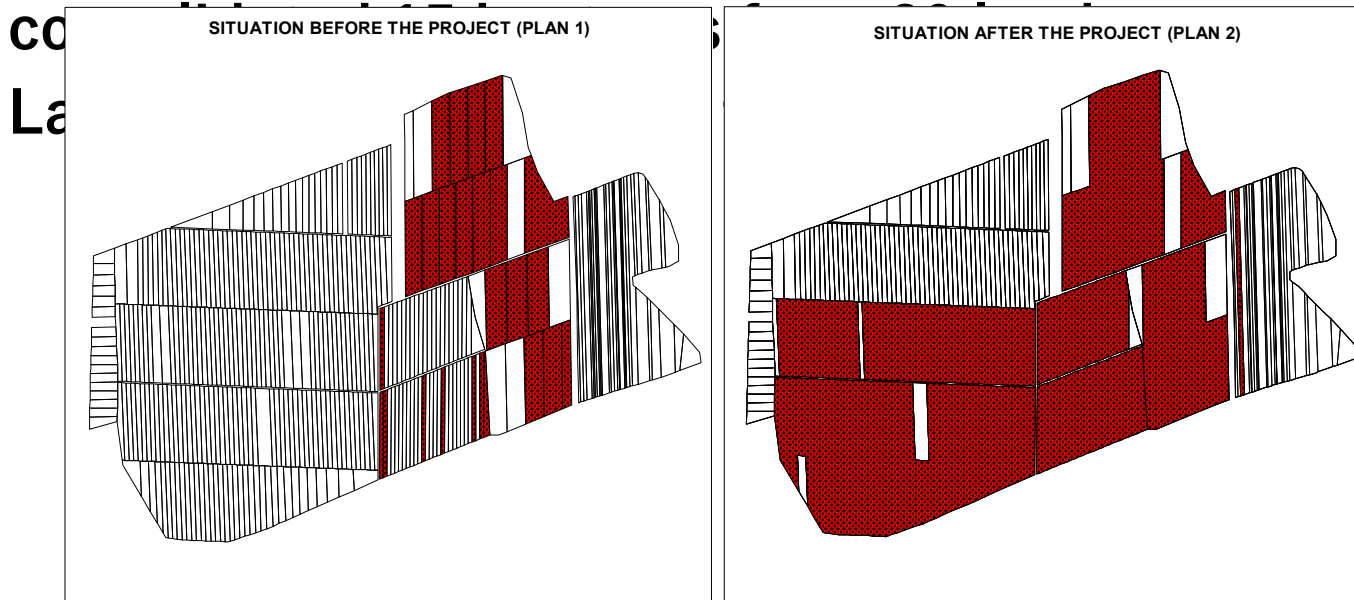
Number of land parcels reduced by factor 4 and agricultural infrastructure

Voluntary land consolidation pilot project in Moldova (2008)



Functioning land market after land consolidation

- A local farmer had wished to acquire 30 ha to plant a new orchard
- The area had 124 individual owners. Had before LC purchased 10 ha
- In land consolidation pilot, the farmer acquired and





State land banks / management of state land



Use of State land banks to develop land markets and ensure access to land of smallholders

- **Most countries have "free" state owned agricultural land but this valuable asset is often not used with a strategic purpose**
- **As in Western Europe, State land can through land bank be used to catalyze the land consolidation process (land mobility often low)**
- **Land bank can work project based (e.g. purchase land from pensioners or absent owners and sell to young and active farmers in land consolidation process)**
- **Privatization of state land through land consolidation**
- **Land bank can facilitate land rental market by connecting (absent) owners with local farmers (Galician model)**



Regulation of agricultural land markets



Need to regulate agricultural land markets

- **Need for a clear overall land policy (vision for future agriculture)**
- **Improve land market information**
- **To avoid speculation in agricultural land to the extent possible (agricultural land should in principle belong to farmers)**
- **Limit the options for large corporate farms to own agricultural land (e.g. through max. allowed ha per natural person / company)**
- **Consider to give priority to young and small family farmers when state land is leased out or privatized**
- **Use of pre-emptive rights to young and small family farmers (but is difficult to make operational in practice)**



Thank you very much!

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FAO Regional Initiative on Empowering Smallholders and Family Farms:
<http://www.fao.org/europe/regional-initiatives/smallholders-family-farms/en/>

Proceedings from LANDNET workshops 2002 – 2018:
<http://www.fao.org/europe/resources/land-tenure-workshops/en/>

VGGT and Governance of Tenure:
<http://www.fao.org/nr/tenure/en/>

Papers on land reform and land consolidation in CEE:
<https://aalborg.academia.edu/MortenHartvigsen>
