



Food and Agriculture Organization  
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# **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***

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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**





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## 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!**

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# 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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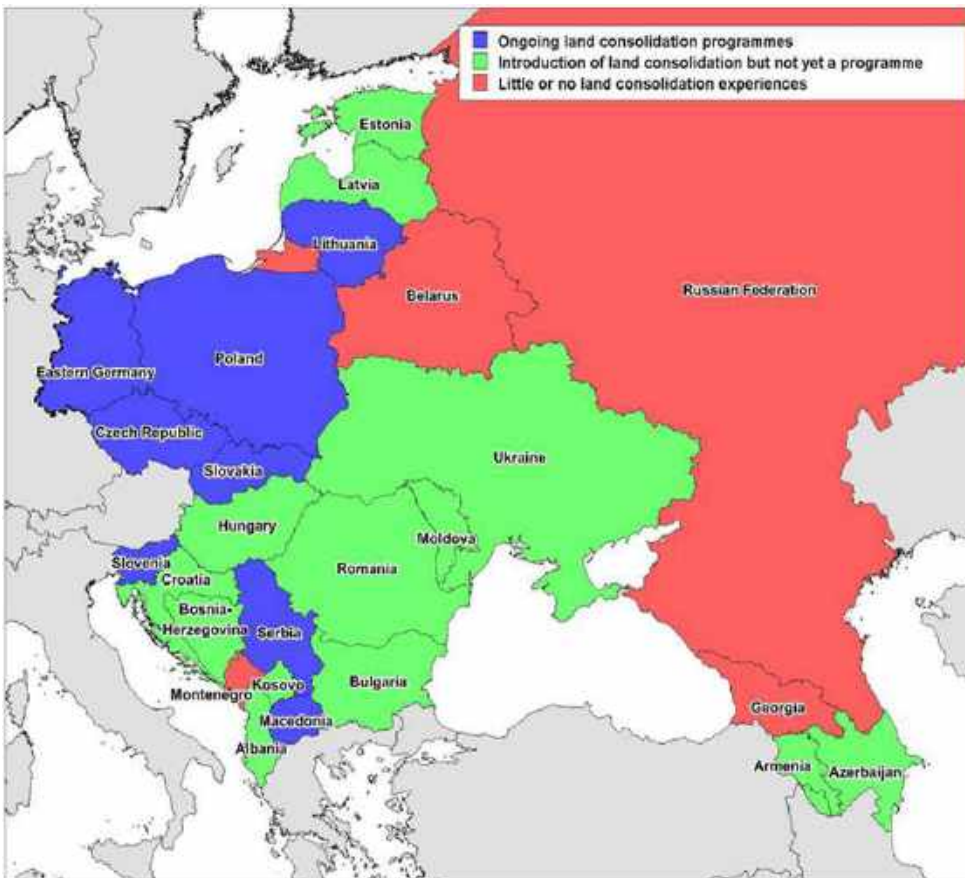


## **Five minimum requirements for having an operational land consolidation programme**

- 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)

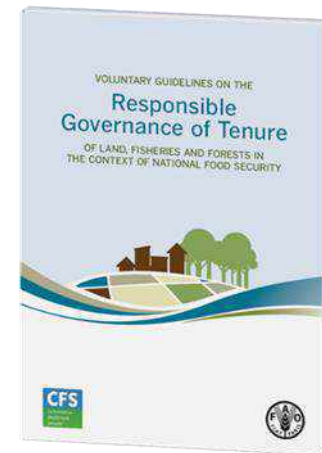
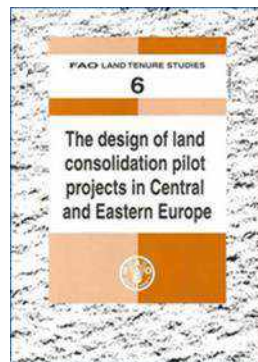


<i>Countries with ongoing national land consolidation programme</i>	<i>Countries where land consolidation is introduced but not yet with a national programme</i>	<i>Countries with little or no experiences in land consolidation</i>
Poland	Estonia	Montenegro
Eastern Germany	Latvia	Georgia
Czech Republic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

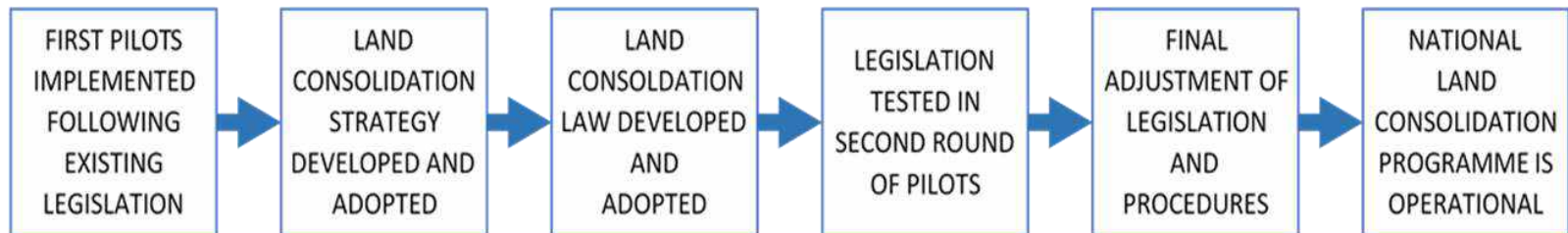
FAO has supported land consolidation in countries in bold

## 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



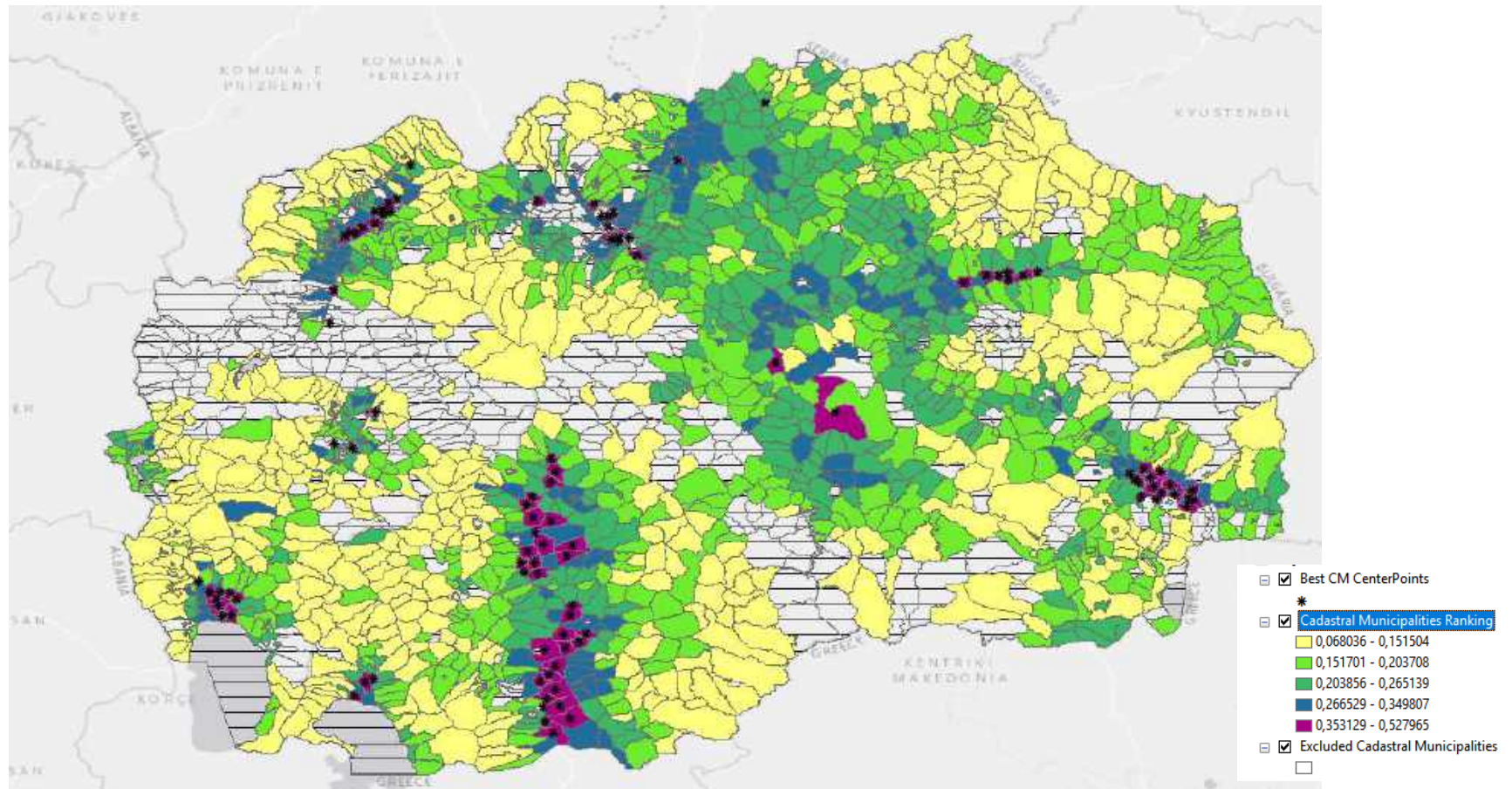
**It is often a long and not straightforward process to develop a fully operational national land consolidation programme.**



## 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

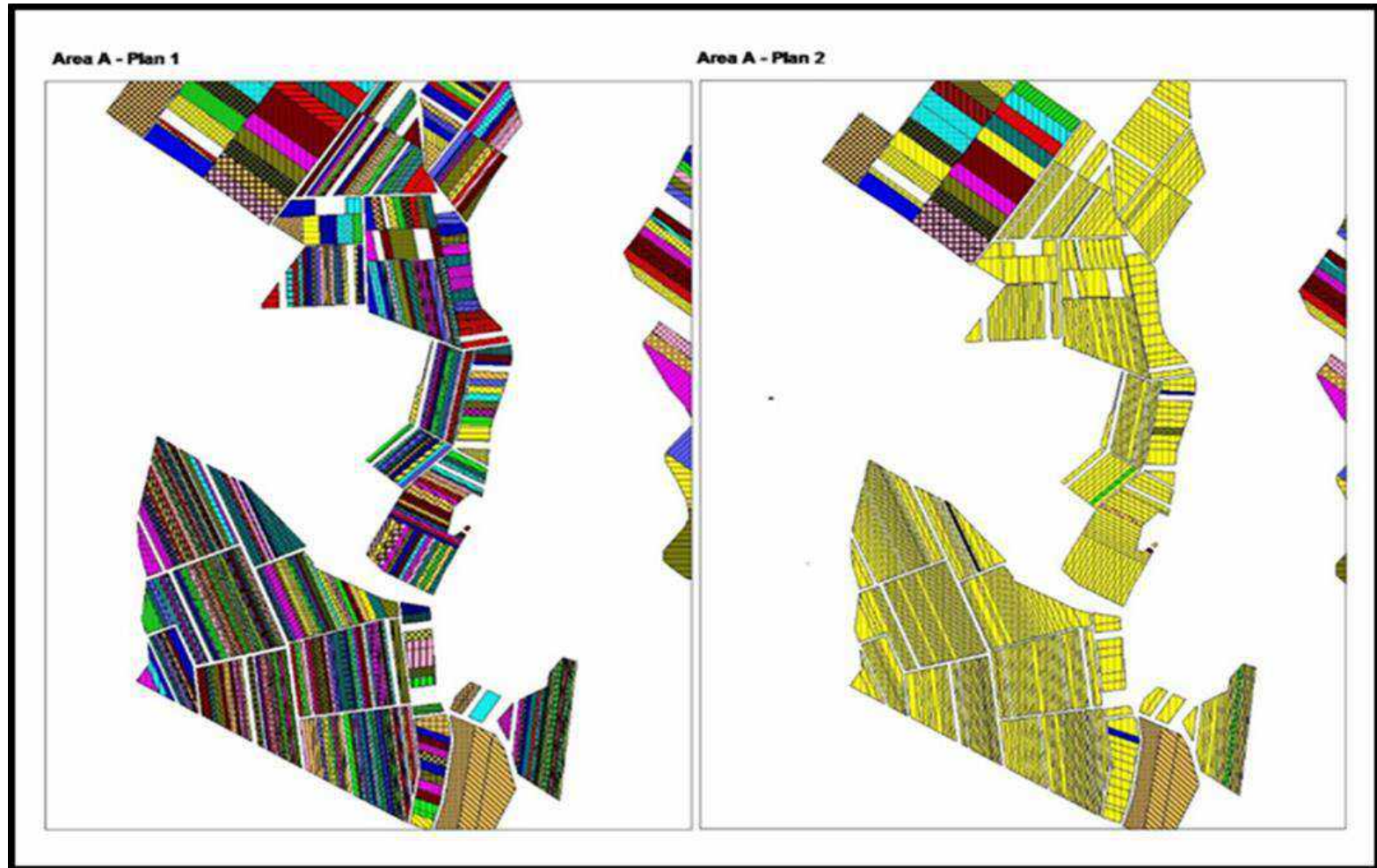


## Majority-based FAO land consolidation pilot project in Egri village in FYR Macedonia (2017)



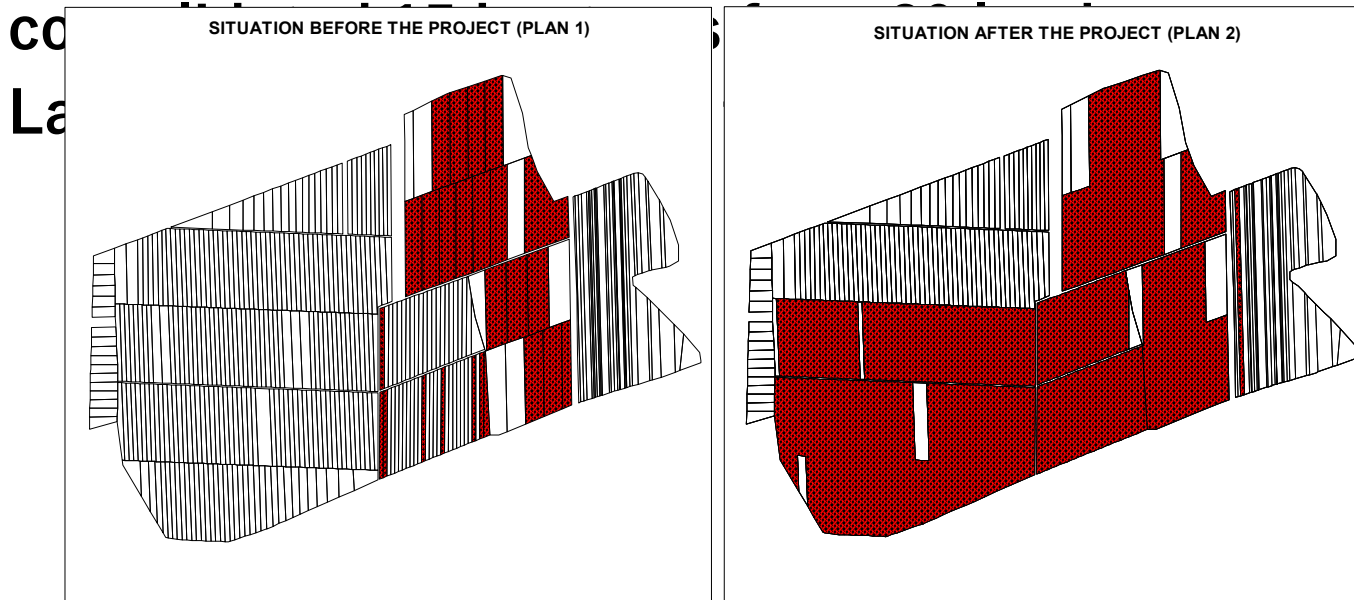
Number of land parcels reduced by factor 4 and agricultural infrastructure

# 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>

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