



Land Fragmentation and Land Consolidation in Hungary

LAND FRAGMENTATION AND LAND CONSOLIDATION IN HUNGARY

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Land in Hungary

social
ecological
economical
emotional issue



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DRAMATIC CHANGE IN LAND OWNERSHIP vs LAND USE

Reasons:

- large-scale land compensation and
- land privatisation

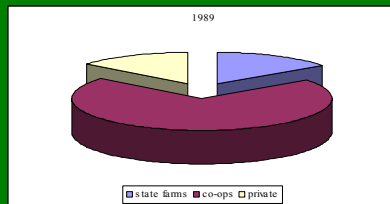
Impact: social, economical and ecological

- hampering the viability and competitiveness of family farming
- negative effects in less favoured and environmentally sensitive or endangered areas

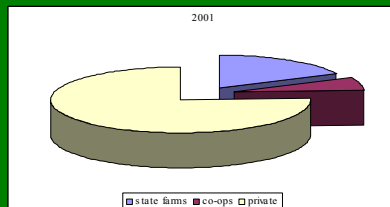


DRAMATIC CHANGE IN LAND OWNERSHIP vs LAND USE

Agricultural lands 7,8 M ha
Farming lands 6,0 M ha
Arable lands 4,68 M ha



1989 average
state farms @7600ha, 860p
co-ops @3800ha, 380p
private @0,6ha 1,4 Mp



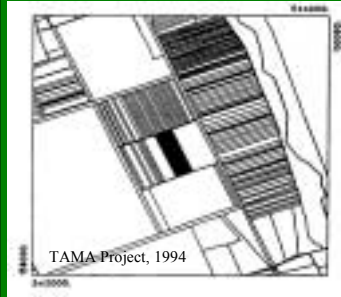
2001
state farms 17,8%
co-ops 6,3%
private 75,9%
@0,3-5ha 1,3Mp 2 M ha



IMPACTS

Positive

- the compensation
- 1.8 M new owners



Negative

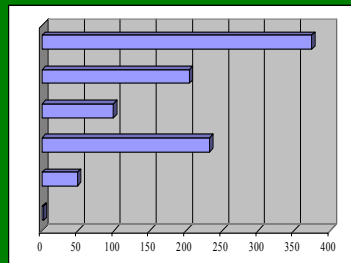
- inadequate size and shape of parcels
- fragmented distribution
- not viable for farming
- not competitive

Further disadvantages

- environmental, nature protection
- rural development

LAND PROPERTIES AVERAGE SIZE DISTRIBUTION

ha	properties
less than 0.2	374 000
0,2 - 0,5	204 000
0,5 - 1,0	99 000
1,0 - 10	232 000
10 -100	49 000
more than 100	2 000



Census, 2000

Still indivisible shared properties: 205 000 ha





AREA EFFECTED

About **80%** of the **7,8 million ha** agricultural area is suitable for farming.

The ownership structure totally modified by

- execution of the Compensation Act
- land privatisation of the former co-operatives
- **over 5,1 million ha** suffered by fragmentation
- **2,6 million** parcels have been created
- shared between estimated **1,8 million** new owners



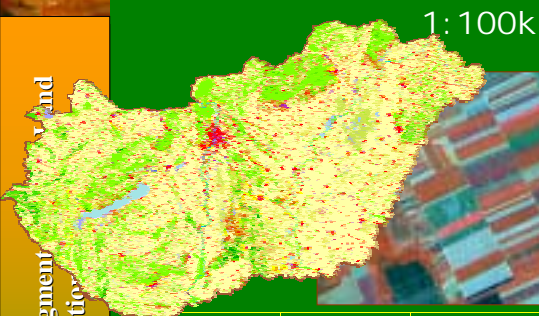
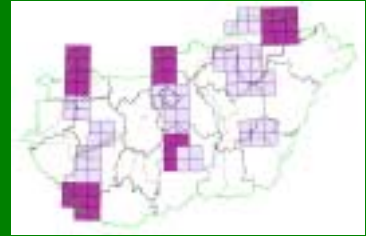

DELINEATION OF THE LAND USE AND LAND OWNERSHIP



Land Fragmentation and Land Consolidation

LAND COVER

1: 100k 1990-92, 50k 1998-99

Parameter	CLC 100	CLC 50
nomenclature	standard EU (level-3)	extended level-4 with some added level-5
methodology	hardcopy PI	softcopy PI
supervision	corrections on plastic overlays	written remarks on polygon level
area resolution	25 ha	4 ha (1 ha for water)
linear resolution	100 meter	50 meter
number of classes	27 (out of 44)	near 80
no. of polygons	24.000	>150.000 (estimated)
positional accur.	<100 m (RMS)	<20 m (RMS)
thematic reliabil.	>80%	>90%
final product	topologically structured vector database (ARC/INFO)	

FÖMI RSC, 1992-2002

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AGRICULTURAL CENSUS 2000

As a result of the land privatisation, the previous farming-on-large-scale was replaced by the farming based on private ownership

- 70% of the private farms operating on 1 ha or less
- average property size is between 1-10 ha.

There are


- 958 000 private farms and
- 8200 farming companies in Hungary.

The sizes of the properties belonging to farming companies are between 500 and 10 000+ ha


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AGRICULTURAL CENSUS 2000

Average parcel size 3,6 ha,
over 80% of the owners belongs
to the 1-2 ha category


About 30% of parcels are less than 0,3 ha
but it takes 2-3 % of the total area only

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EFFECT ON AGRICULTURE, INFRASTRUCTURE

- fall in productivity
- inadequate property field size and distribution of properties for sustainable and competitive family farming (only 50 000 farmers have the sufficient acreage for crop farming)
- weakness in infrastructure (access road)
- situation not encouraging for investors and entrepreneurs
- low land market (various reasons, lack of capital etc)

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EFFECT ON ENVIRONMENT

- ecological consequences of the earlier large-size co-operative holdings
- lacks in responsibility and control
- new owners has very limited know-how, tools and resources how to manage risk factors
- dominating short term interest of the owners
- delay in the implementation of the well established National Agro-environmental Programme



COUNTER MEASURES

- Land tenure policy
- Appropriate legislation environment
- Countrywide extension service programme
- Land consolidation pilots for methodology/procedure development in interagency, multiparty environment
- Emerging land markets providing agricultural credits
- Provision of area-based subsidies
- Establishment of the National Land Fund



FORESEEN COUNTER MEASURES

- Continuous improving the service provided by the Land Administration FÖMI + Land Office Network (NPAA)
- Integration of the land consolidation into rural development programs (Leader + etc) and support the SAPARD operation
- Implementation of the National Agro-environment Programme in co-operation with the Land Administration
- Implementation of the long-awaited Act on Land consolidation
- Involving financial institutions and insurance companies



DEVELOPMENT OF THE LEGISLATION

Recent : Act Package on Land

- amendments of the Land Act
- Act of Land delivering and Land Managing Committees,
- Act on National Land Fund

Newly formulated directives of Land Tenure Policy

- The institutional development is driven by the EU accession. Tasks are listed in the Hungarian NPAA Action Plan for **2002-2003**



LAND TENURE POLICY (1)

Major goals

- to develop viable family farms and strengthens the existing ones
- the complementary farm/subsistence farming represent significant value as they provide extra income
- shareholding companies represent a decisive factor of Hungarian agriculture
- new co-operatives and farming companies important players of the competitive sphere



LAND TENURE POLICY (2)

Principles and major actions

- National Land Fund PBC (management and utilisation of state land property) should promote family farms, the undisturbed land utilisation of complementary farms
- State should influence the land market (land prices and leasing fees) and assist young, suitably qualified agro-entrepreneurs
- Land Fund should co-operate with local governments and minority self-governments implementing social land programmes
- Provision of arable land (under preferential conditions) for activities at preserving biological bases and for edu, R+D.
- Land Fund should co-operate with agencies authorised to reveal illegal land ownership or land use



AIM OF LAND ACT PACKAGE

to reach the following land tenure goals:

- early completion of the land privatisation
- ensuring conditions for viability and competitiveness of family farms
- facilitating the administration of properties
- facilitating the agricultural land market
- producing multipurpose digital cadastral map products for the outskirt areas



THE 8 YEARS OF TAMA PROJECT

The German-Hungarian co-operation on

- computer aided land consolidation **TAMA 1 (1993-1999)**
- pilot on the integration of land consolidation into rural development programme **TAMA 2 (1999-2000)**

Spin-offs:

- capacity building in Land offices on County and District level
- rural development-oriented institutional networking
- establishment of appropriate vocational training partly in international co-operation (**OLLO, LIME** etc.)



TAMA PROJECT ON LAND CONSOLIDATION



1994-2000 TAMA bilateral (GER -HU) co-operation
5 counties with 4-4 settlements and 3 small regions selected

Achievements:

- Expertize and know how transfer (bfb, Kiel)
- Contribution for Legislation Development
- Education and Training
- Awareness raising and PR (Local to central)
- Methodology development applicable in integrated rural development



PRECONDITIONS FOR SUCCESSFUL LAND CONSOLIDATION

Positive

- political will, economic need, institutional/personal commitment and expertise

Negative:

- still lack of the facilitating Act on Land Consolidation
- shortage in capitals, lack of motivations

Land market: 3-4 million property transactions registered yearly. Estimated average price for lands:
less than 100 k HUF per ha



RELEVANT PRECONDITIONS FOR LAND CONSOLIDATION

- Legal
 - Act on Land Consolidation
- Institutional
 - National Land Fund, LON, Municipalities, Regional and local agencies, NGOs and interest groups of the owners/users
- Financial
 - Should be supported by governmental fund
- Technological
 - Availability and accessibility of quality data, products and services timely, updated, effective at appropriate cost level

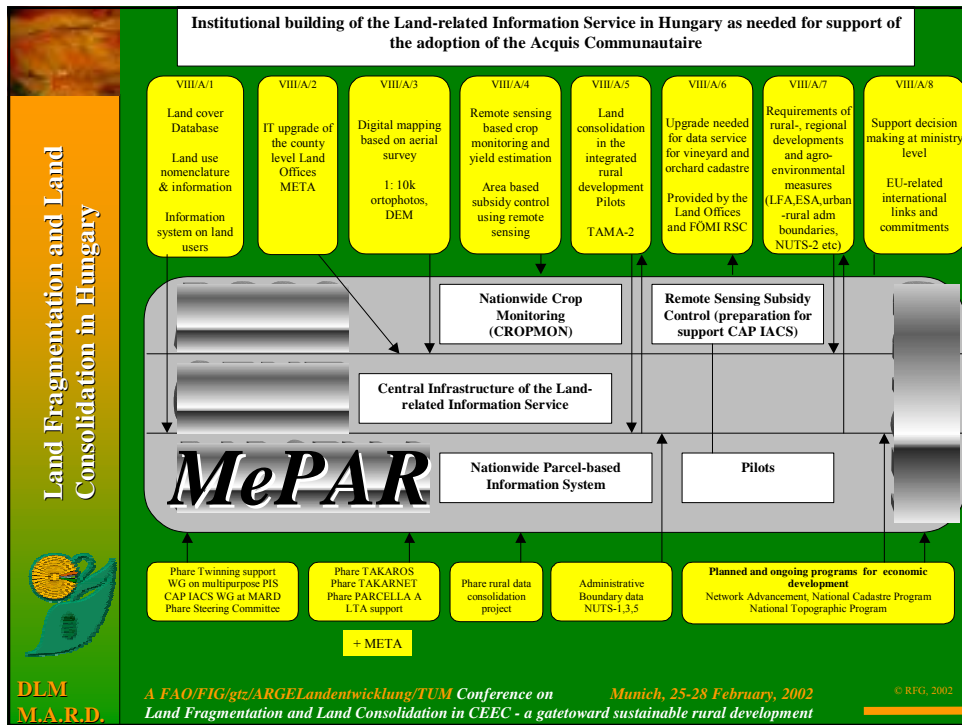


IMPROVEMENT IN LAND OFFICES

- **transparency and effectiveness** of the land registration a requirement for the market-oriented economy and the Acquis
- to improve the service provided by the Land Administration via its Land Office Network (LON) assisted by FÖMI.

Relevant EU supported IT development projects (TAKAROS, TAKARNET, META)

Vital role of the land-related information in the national spatial data infrastructure acknowledged on governmental level discussed by the EU Cadastre Workshop (**Publication!**)



SOME RECENT ACTIVITIES (1)

- Establishment of the National Land Fund
- Measures to eliminate of the properties having shared ownership

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SOME RECENT ACTIVITIES (2)



- Completion of the FAO supported “Forestry and Rural Development Plan of the Buják Region” project
- FAO TCP proposal on the use of land consolidation in frequently flooded/waterlogged areas
- Dutch-Hungarian project on the Practice of Integrated Rural Development

SOME RECENT ACTIVITIES (3)



- Land tenure policy implementation and SDI support in the Vásárhelyi Plan
- Lands and mapping contribution to the Tisza Agreement



SOME RECENT ACTIVITIES (4)



- Launch of the project on “Property rights and land market development project for EU Candidate and Balkan Countries”



CONCLUSION

Definite Governmental Land Tenure Policy
New legislation and expected further actions

by the way

- Transparency in Property Rights,
- EU conform institutional development of the Land Administration
- Education and vocational training
- Land related information: pillar for the National Spatial Data Infrastructure for multipurpose use





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