Security of Property Rights and Land Use Transition in Ukraine

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Conclusions

- Ukrainian agriculture has not kept pace with other sectors under post-Soviet reforms
- Establishment of market for agricultural land is stagnant
- Rental market has substituted the land sales
- Ag land rental market has a strong negative association with production of perennial crops
- Share of land in grain is more responsive to lagged prices than share of land in fruit.

Summary of Ukraine Land Reforms

- 1991 & 1992: Right to independent management; private rights
- 1998: Members of collective farms may purchase land
- 1999: Right to exit a collective
- 2002: Clarification of ownership/boundaries
- 2002: Moratorium on land sales
- 2013: Expected end of moratorium

Share of Ag Land by Ownership Type

- State
- Collective
- Private

Rented Agricultural Land, %

Methods

SUR Regression Analysis
Dependent variables:
- Share of land in fruit
- Share of land in grains

Independent variables:
- prices (lagged)
- share of land rented (& lagged share)
- total land in farming

R fruit 0.33; grain 0.07

Question: Are The Tenants’ Rights Secure?

Rented Agricultural Land, %

Source: Center for Land Reform Policy in Ukraine

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