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Security of Property Rights and Land Use Transition in Ukraine

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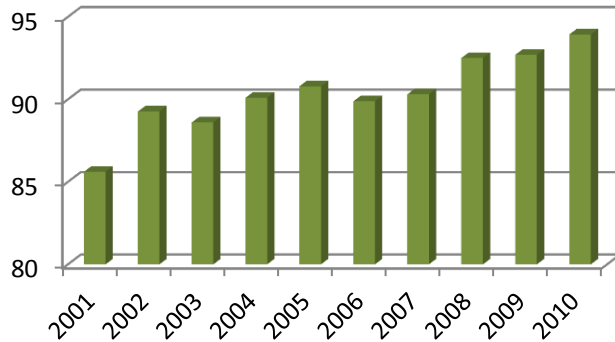
Selected Paper prepared for presentation at the Agricultural & Applied Economics Association's 2012 AAEA Annual Meeting, Seattle, Washington, August 12-14, 2012

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Rented Agricultural Land, %



Summary of Ukraine Land Reforms

- 1991 & 1992: Right to independent management; private rights
- 1994 & 1995: Improved process for land transfer
- 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

Methods

SUR Regression Analysis

Dependent variables:

- Share of land in fruit
- Share of land in grains

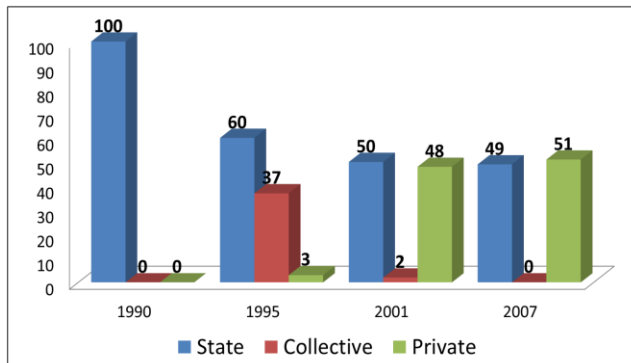
Independent variables:

- 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?

Share of Ag Land by Ownership Type

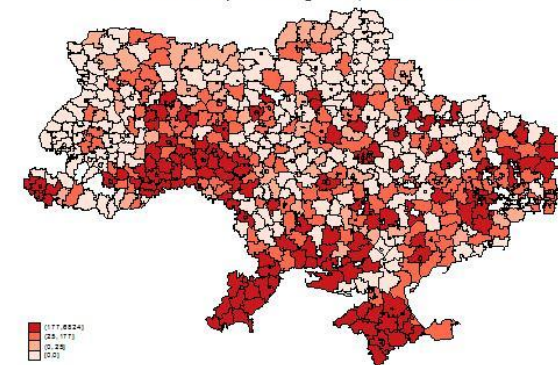


Source: Center for Land Reform Policy in Ukraine

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.

Perennial crops farming area, Ukraine 2004



This research support by National Science Foundation (grant #NSF BCS 0909378)