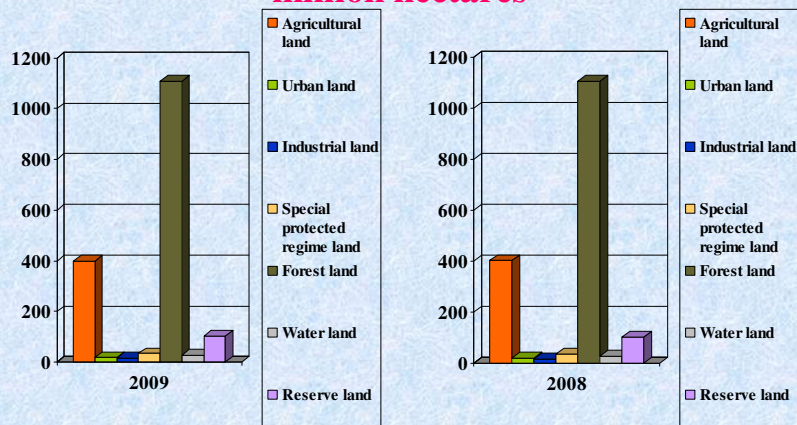


# DEVELOPMENT OF AGRICULTURAL LAND MARKET IN THE RUSSIAN FEDERATION

Alexander Sagaydak  
Anna Lukyanchikova

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**Land Categories,  
Russian Federation,  
2008-2009 ,  
million hectares**



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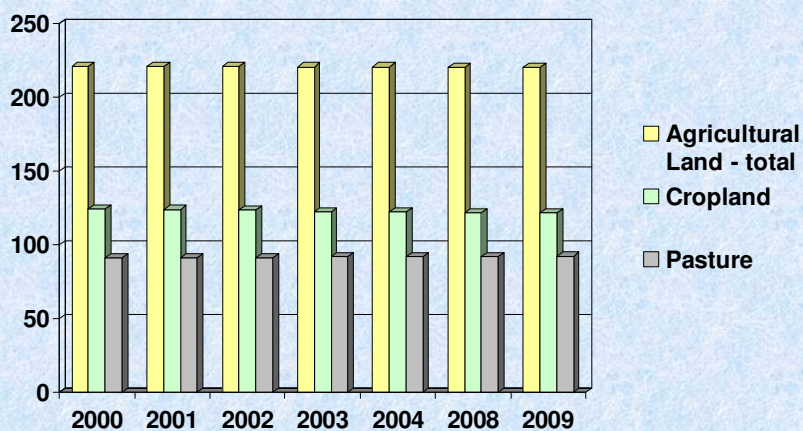
## Land Market Transactions, Russia, 2006-2009,

Number of transaction/hectares

ITEM	2006	2007	2008	2009
<b>Total</b>	<b>4,545,140 / 106,446,609</b>	<b>4,519,093 / 115,843,859</b>	<b>4,780,638 / 117,766,738</b>	<b>4,884,153 / 132,780,473</b>
<b>Leasing of state and municipal owned lands</b>	<b>3,737,574 / 104,827,034</b>	<b>3,628,109 / 114,103,370</b>	<b>3,677,315 / 114,531,857</b>	<b>3,514,594 / 113,081,764</b>
<b>Buying and selling of lands by citizens and legal entities</b>	<b>400,075 / 467,686</b>	<b>405,670 / 560,286</b>	<b>473,190 / 1,067,303</b>	<b>520,209 / 3,159,634</b>
<b>Land Granting</b>	<b>43,437 / 70,355</b>	<b>49,715 / 126,596</b>	<b>73,334 / 335,042</b>	<b>117,776 / 10,582,962</b>
<b>Land Heritage</b>	<b>165,847 / 524,352</b>	<b>162,151 / 336,092</b>	<b>218,244 / 596,197</b>	<b>314,556 / 4,116,338</b>
<b>Land Mortgage</b>	<b>14,388 / 169,437</b>	<b>25,907 / 198,856</b>	<b>30,024 / 416,637</b>	<b>43,921 / 902,676</b>

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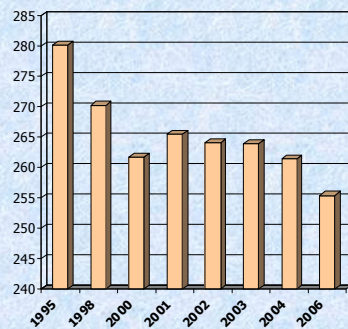
## Agricultural Land, Russia, 2000-2009, million hectares



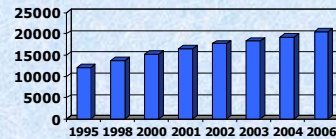
4

## Private Farms, Russia, 1995-2006

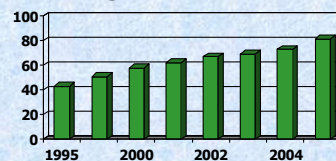
**Number of farms, 1000**



**Total land area, 1000 hectares**

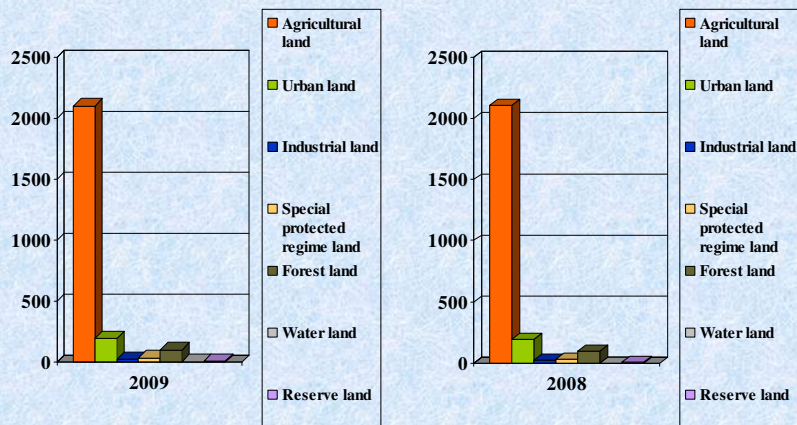


**Average land size, hectares**

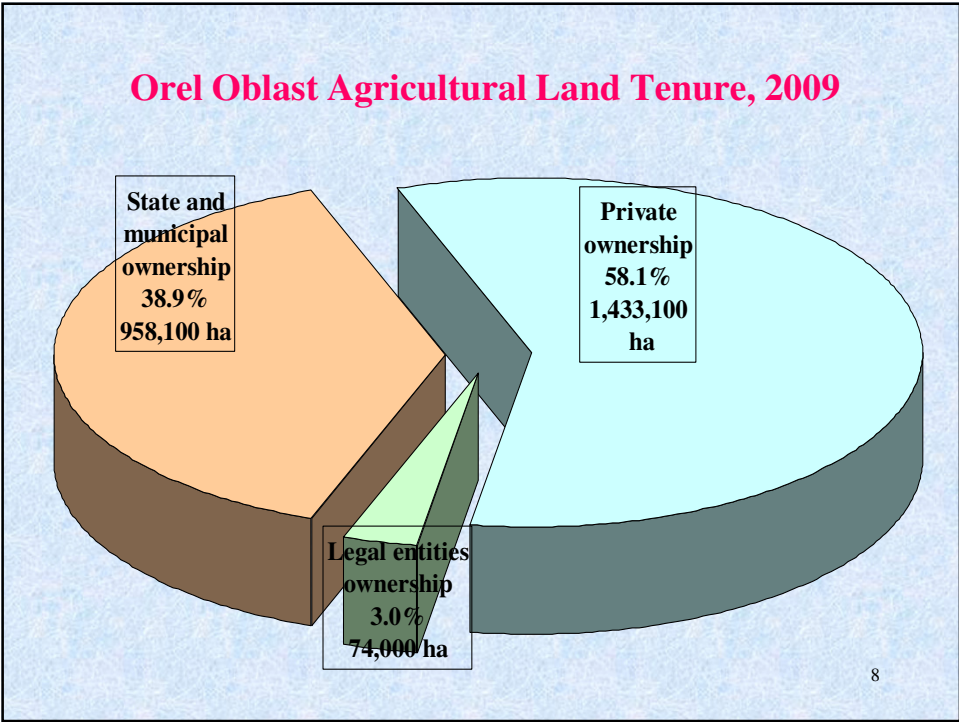
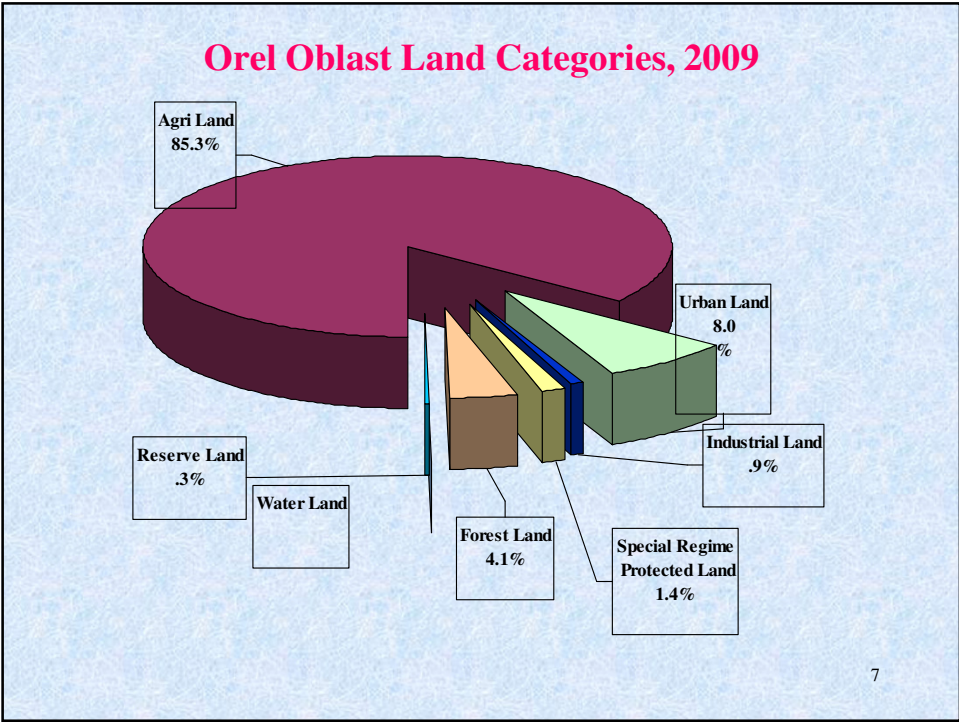


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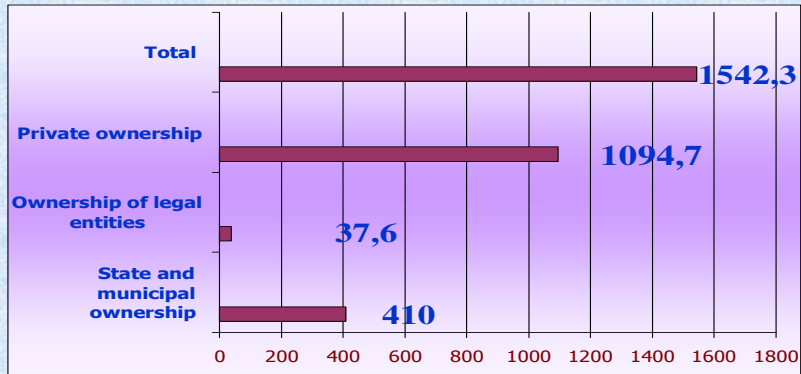
## Orel Oblast Land Categories, 2008-2009, 1000 hectares



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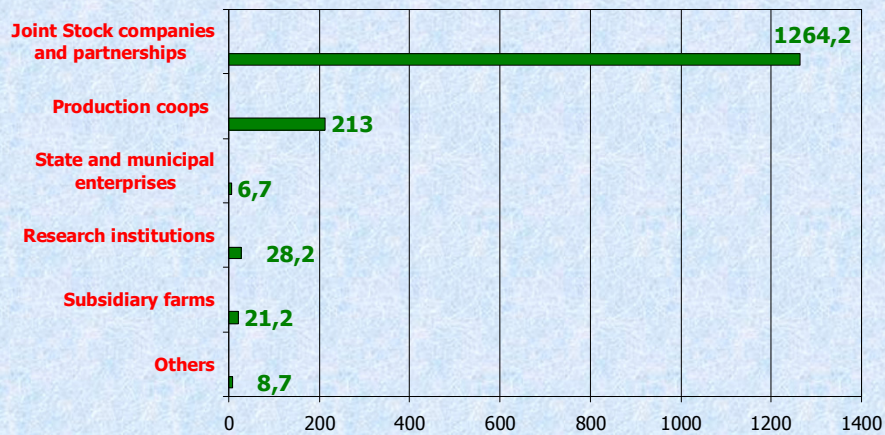


## Agricultural Land Tenure, Orel Oblast, 2009, 1000 hectares



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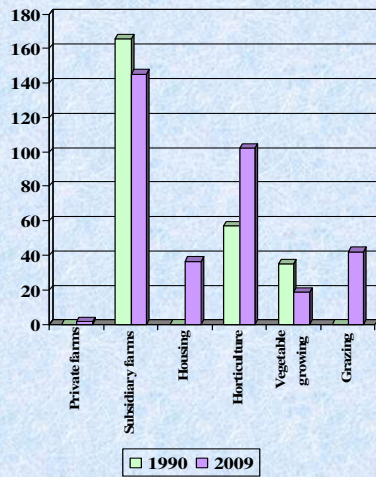
## Agricultural Producers Land Area, Orel Oblast, 2009, 1000 hectares



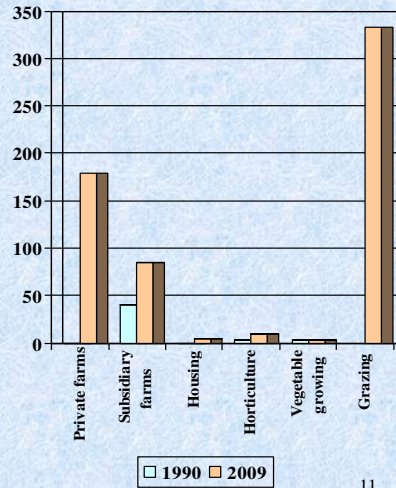
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## Private Agricultural Land Ownership, Orel Oblast, 1990-2009

Number, 1000



Area, 1000 hectares



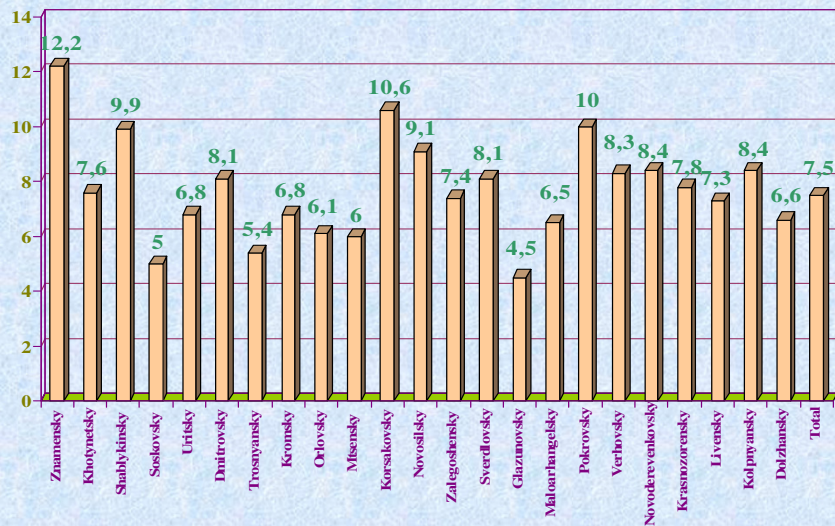
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## Agricultural Land Shares Area Rented, Orel Oblast, 2009, 1000 hectares



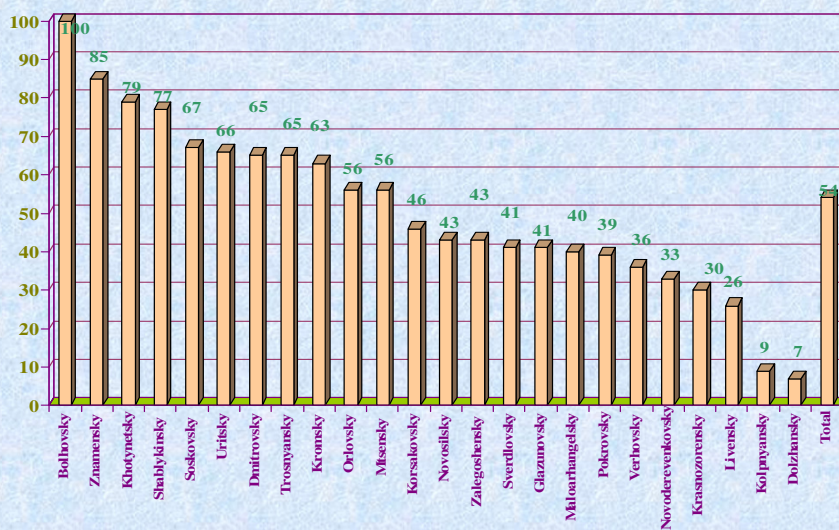
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### Average Agricultural Land Share Size, Orel Oblast, 2009, hectares



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### Agricultural Land Shares Registered, Orel Oblast, 2009, %



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## Land Market Transactions, Orel Region, 2009

### Number of transaction/ hectares

Item	Number of transactions/hectares			
	Total	Including		
		Urban Land	Industrial Land	Agri Land
Selling of state and municipal owned lands	2,745/ 2,518	2,648/ 391.3	31/ 35.3	63/ 2,088
Selling of lands by citizens and legal entities	2,405/ 8,961	1,868/ 455	11/ 6.5	509/ 8,499
Leasing of state and municipal owned lands	5,028/ 164,388	4,026/ 1,295.4	106/ 548.5	667/ 161,516
Other transactions, total including:	1,930/ 5,260	1,924/ 2,677.3	-	6/ 2,582.9
Land Granting	508/ 1,660	508/ 1,660	-	-
Land Heritage	1,369/ 975.5	1,369/ 975.5	-	-
Land Mortgage	4/36.7	4/36.7	-	-
<b>Total</b>	<b>12,108/ 181,127</b>	<b>10,466/ 4,819</b>	<b>148/ 590.3</b>	<b>1,245/ 174,685.9</b>

## Agricultural Land Market Auction Price Model

$$V_a = [R_0(1+g)(1-t)] / \{ [k(1-at)-g] (1+c)+p(1-t) \}; \text{ where:}$$

- $V_a$  - Land Market Auction Price, rubles per hectare;
- $R_0$  - Land Rent, rubles per hectare;
- $g$  - Land Rent Growth, %;
- $t$  - Income Tax, %;
- $p$  - Land Tax, %;
- $k$  - Interest Rate, %;
- $c$  - Transaction Costs, %;
- $a$  - Tax Adjustment Coefficient, calculated as  $a = R_0(1+g) / [R_0(1+g) + V_1 - V_0]$ .
- $V_0$  - Cadastral Value of Agricultural Land, rubles per hectare;
- $V_1$  - Cadastral Value of Agricultural Land adjusted for Land Rent Growth, rubles per hectare.

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### Agricultural Land Mortgage Value, Orel Oblast, 2009

Districts	Cadastral Value of Agricultural Land , rub/ha	Land Auction Price, rub/ha	Land Mortgage Value, rub/ha
Bolhovskiy	10,091	5,155	3,608
Znamenskiy	16,244	8,298	5,809
Khotynetskiy	12,710	6,493	4,545
Shablykinskiy	12,781	6,530	4,571
Soskovskiy	5,030	2,570	1,799
Uritskiy	12,923	6,602	4,621
Dmitrovskiy	7,347	3,753	2,627
Trosnyanskiy	11,094	5,668	3,968
Kromskiy	18,748	9,578	6,705

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### Agricultural Land Mortgage Value, Orel Oblast, 2009

Districts	Cadastral Value of Agricultural Land , rub/ha	Land Auction Price, rub/ha	Land Mortgage Value, rub/ha
Orlovskiy	27,719	14,161	9,913
Mtzenskiy	13,282	6,785	4,750
Korsakovskiy	31,202	15,940	11,158
Novosilskiy	25,054	12,800	8,960
Zalegoshenskiy	28,177	14,395	10,076
Sverdlovskiy	40,779	20,833	14,583
Glazunovskiy	31,643	16,166	11,316
Maloarhangelskiy	33,977	17,358	12,151
Pokrovskiy	40,033	20,452	14,316

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## Agricultural Land Mortgage Value, Orel Oblast, 2009

Districts	Cadastral Value of Agricultural Land , rub/ha	Land Auction Price, rub/ha	Land Mortgage Value, rub/ha
Verhovskiy	36,442	18,617	13,032
Novoderevenkovskiy	32,862	16,788	11,752
Krasnozorenskiy	42,313	21,617	15,132
Livenskiy	45,432	23,210	16,247
Kolpnyanskiy	42,754	21,842	15,289
Dolzhianskiy	44,366	22,666	15,866
<b>Total:</b>	<b>28,304</b>	<b>14,460</b>	<b>10,122</b>

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## Conclusion

The following measures must be implemented to strengthen the organizational as well as institutional sustainability of Agricultural Land Market in the Russian Federation:

- Agricultural Land Market Legislation must be revised and improved both on the federal as well as the regional level.
- The institutional framework for implementation of Agricultural Land Market must be improved both on the federal as well as the regional level too.
- Agricultural Land Auctions must be introduced to stimulate development of Agricultural Land Market in the regions of the Russian Federation.

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## Conclusion

- **The training and retraining programs related to Agricultural Land Market issues must be introduced.**
- **Real Estate Cadastre Management should be improved in accordance with market economy standards.**
- **The public relation campaign to strengthen people's ability to understand the role and importance of Agricultural Land Market Development must be initiated.**
- **Orel Regional Land Policy or Orel Model is one of successful ways of development of Agricultural Land Market in the Russian Federation.**
- **Orel Oblast Land Reform experience should be scrutinized and replicated in other Russian regions.**

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# Thank you

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