



The present state of Hungarian land tenure and land consolidation



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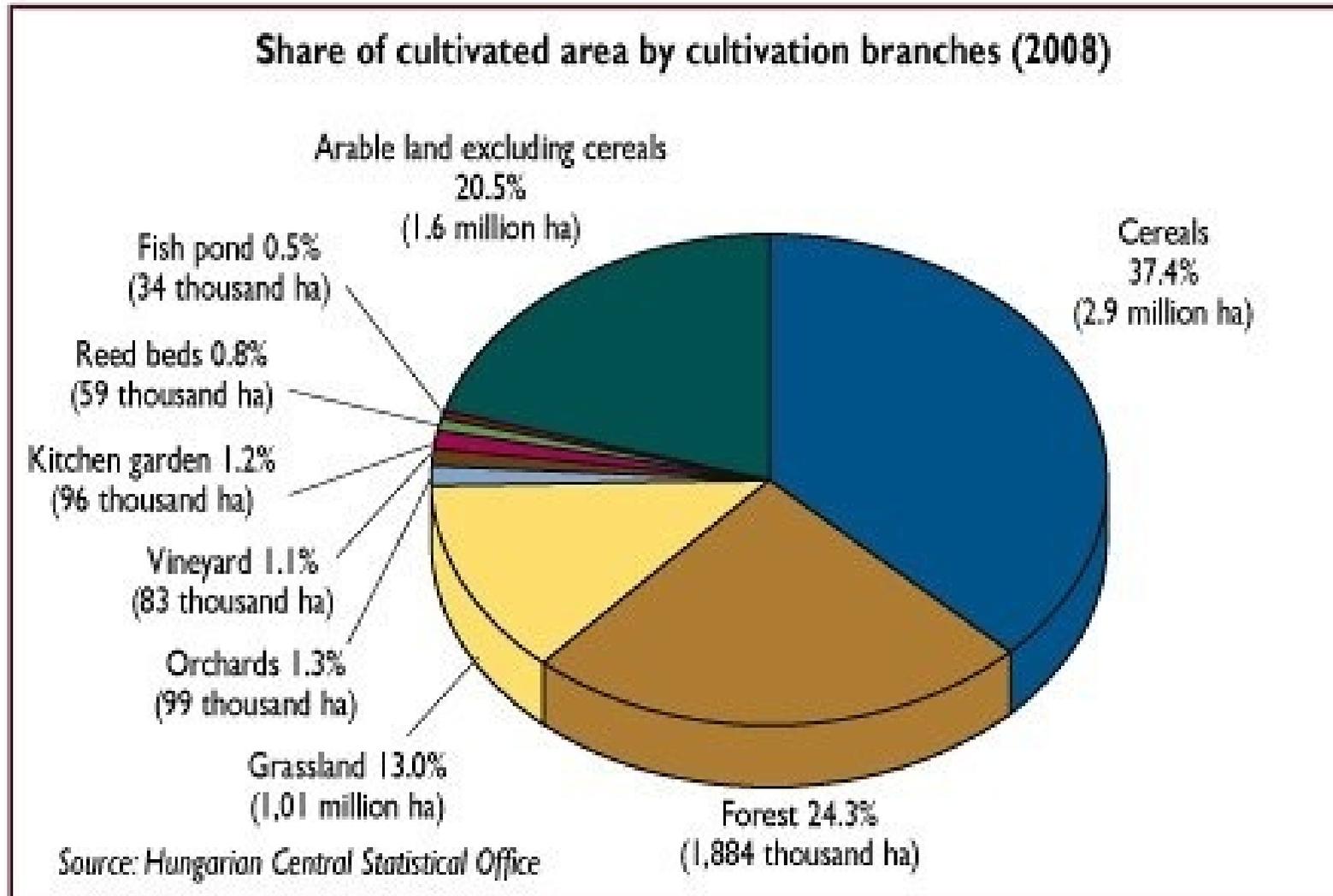
Hungary

Hungary has a total area 9,3 million hectares, of that 7,78 million hectares is agricultural land. There are four types of main agricultural areas: arable (4.8 m ha), meadow (1.1 m ha), orchard (0.3 m ha) and forest (1.8 m ha).



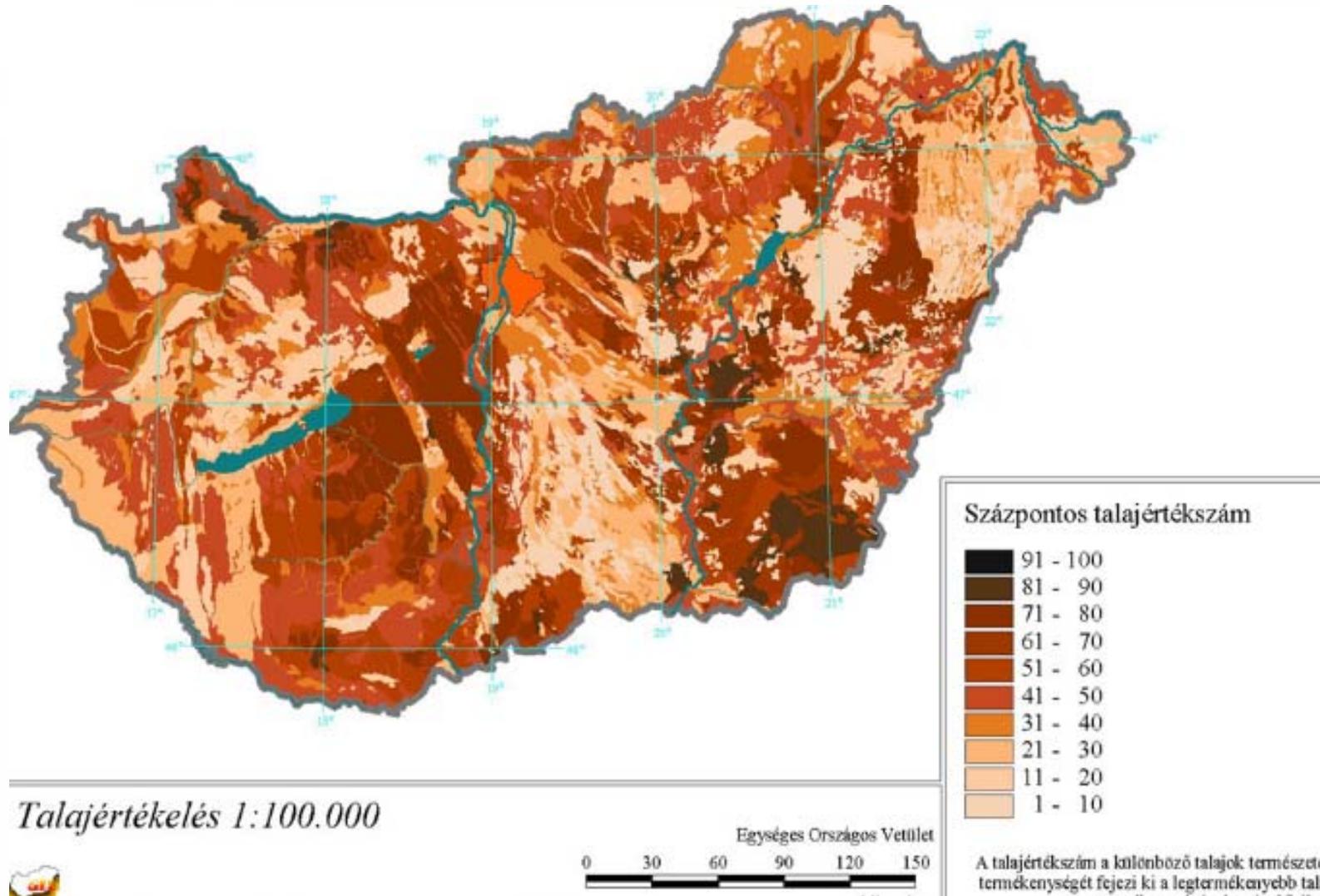


Distribution of the Hungarian area by land use categories, 2008





Ecological land value





Main characteristics of Hungarian agriculture

- **Agriculture is an important sector of the Hungarian economy. About 70% of the land area of the country is suitable for agricultural production, while one-third of the soils and the terrains are unfavorable for efficient farming. A great part of the country is lowland.**
- **Hungary has an area of 9,3 million ha, of which 83% is used for agriculture; 48% is arable land and 19% is forestland. Since 1996-2000, the area utilized for agriculture has decreased by 300,000 ha. Cereals occupy about 70% of the arable land. The major cereals are wheat and maize. The average yield of wheat is 45 t/ha and that of maize 65 t/ha. Other important crops are: potatoes, oilseeds, fruits, vegetables and wine grape.**





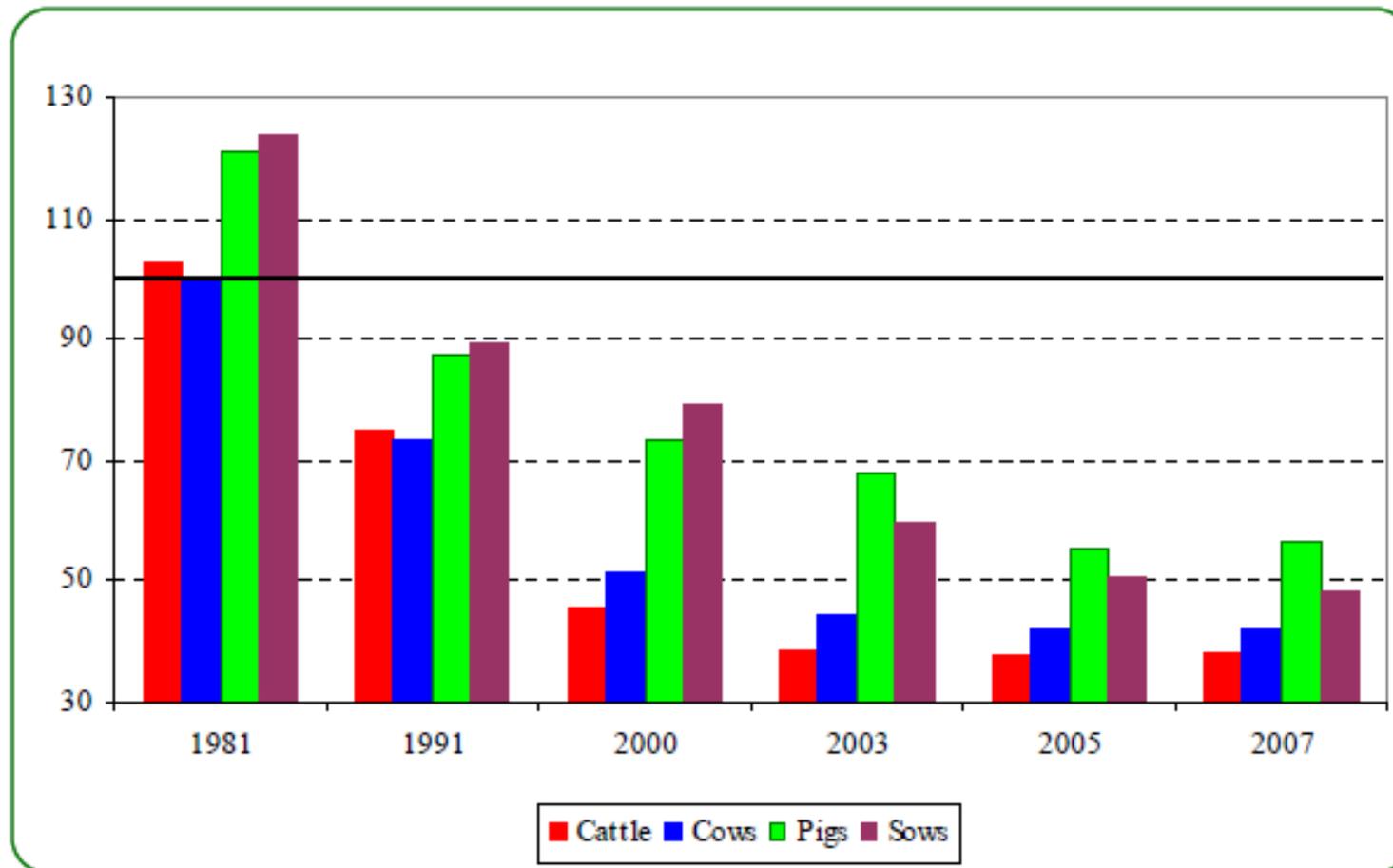
Main characteristics of Hungarian agriculture

- **The share of animal production is 40% of the total agricultural produce, owing to the decrease of live-stock. Earlier the shares of crop production and animal production were 50-50%. The high proportion of cereals in arable production is vulnerable. It is highly dependent on CAP rules such as intervention purchases, subsidies and the possible changes related to them.**
- **It would be useful to prepare for the shrinkage of EU supports after 2013 and produce more market oriented products.**

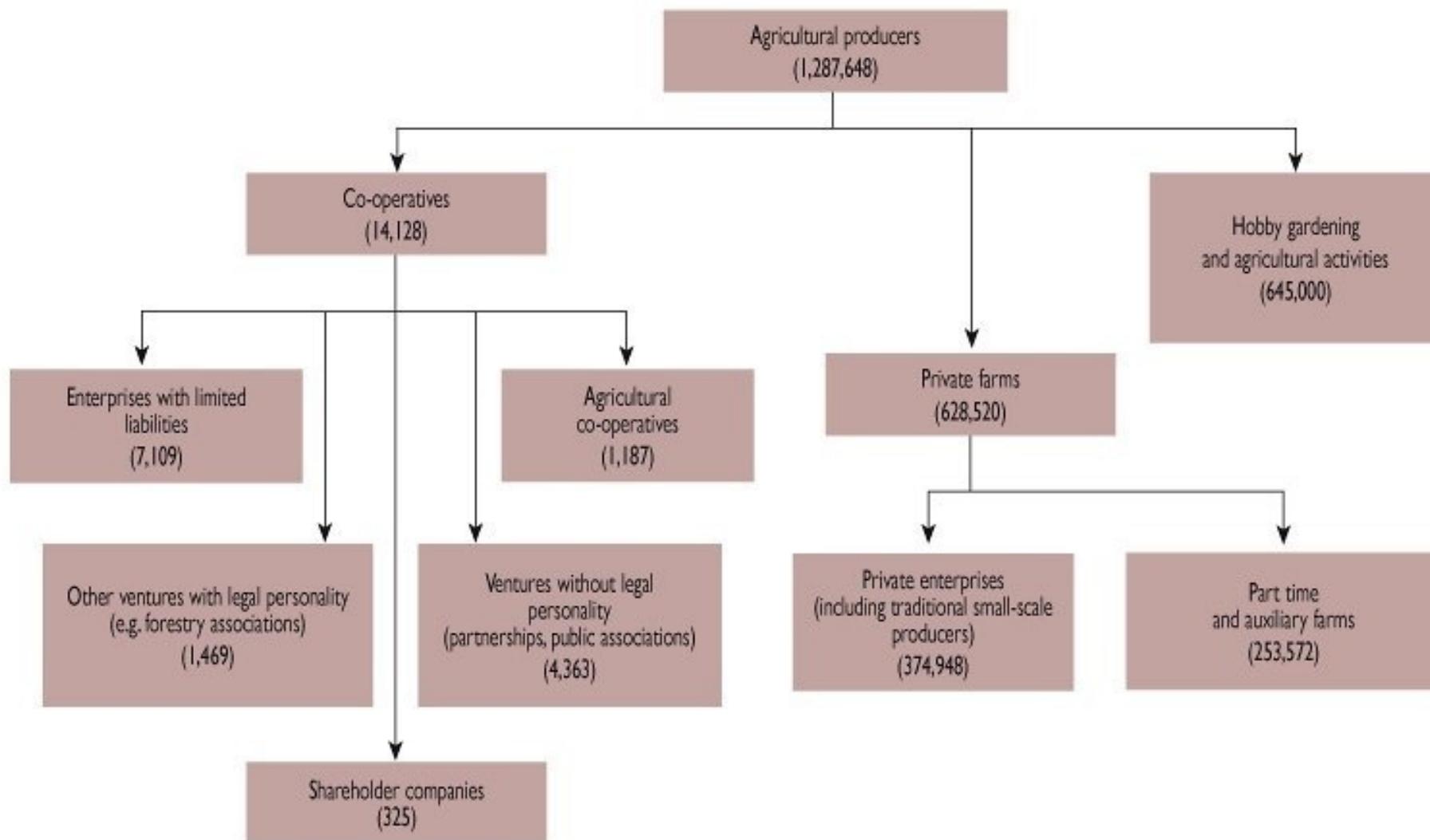




Cattle and pig stock (1972 = 100)



Participants of the agricultural sector in 2008



Source: Agricultural Economics Research Institute calculation based on data from the Hungarian Central Statistical Office



Historical background of land consolidation

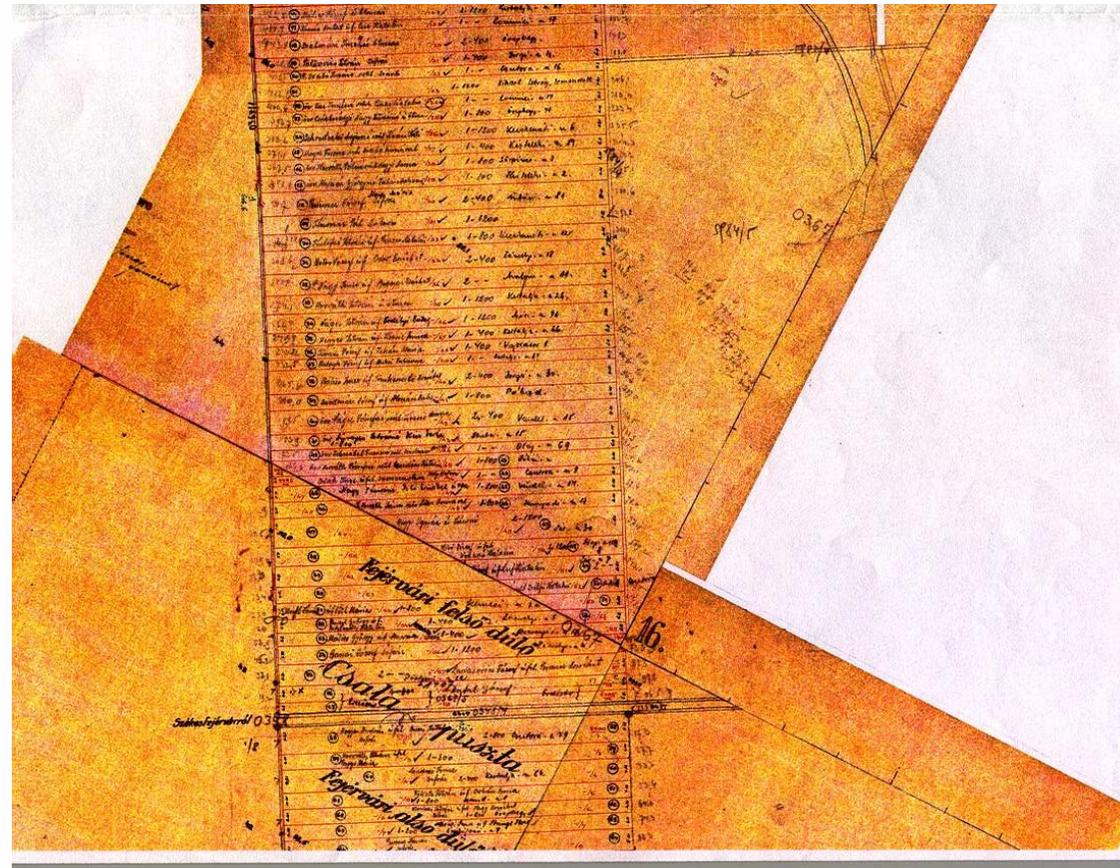
The question of land consolidation is not new either in Hungary, or in any countries. The earliest Hungarian land consolidation campaign, which served with usable experience, was the so-called civilian land consolidation (in accordance with an act created in 1908 and its executive decree of 1935), during which altogether in 268 communities, a rational reorganisation of the parcels took place in their rural area by 1943.





Historical background of land consolidation

- The Act 600/1945 was the first largest project of land consolidation in the history of Hungary





1945

The size of the allotted land according to the profession of the people

Profession of the persons	Number of the benefited persons	Size of the <u>divided</u> parcels			The average size of the allotted area	
		thousand <u>kh.</u>	thousand hectares	%	kh	hectars
Hired man	109 875	922	531	28,3	8,4	4,8
Agricultural labourer	261 088	1 288	741	39,5	4,9	2,8
Dwarfs owners	213 930	829	477	25,5	3,9	2,2
Small owners	32 865	143	82	4,4	4,4	2,5
Engaged workman	22 164	54	40	1,7	2,4	1,4
Licensed farmer	1 256	15	8	0,4	11,6	6,6
Forest worker	1 164	7	4	0,2	6,0	3,4
Sum	642 342	3 258	1873	100,0	5,1	2,9



Some Stages of Land Regulations

- 1949-1951

General and parttime land consolidation

- 1956-1957

Settlement and land consolidation

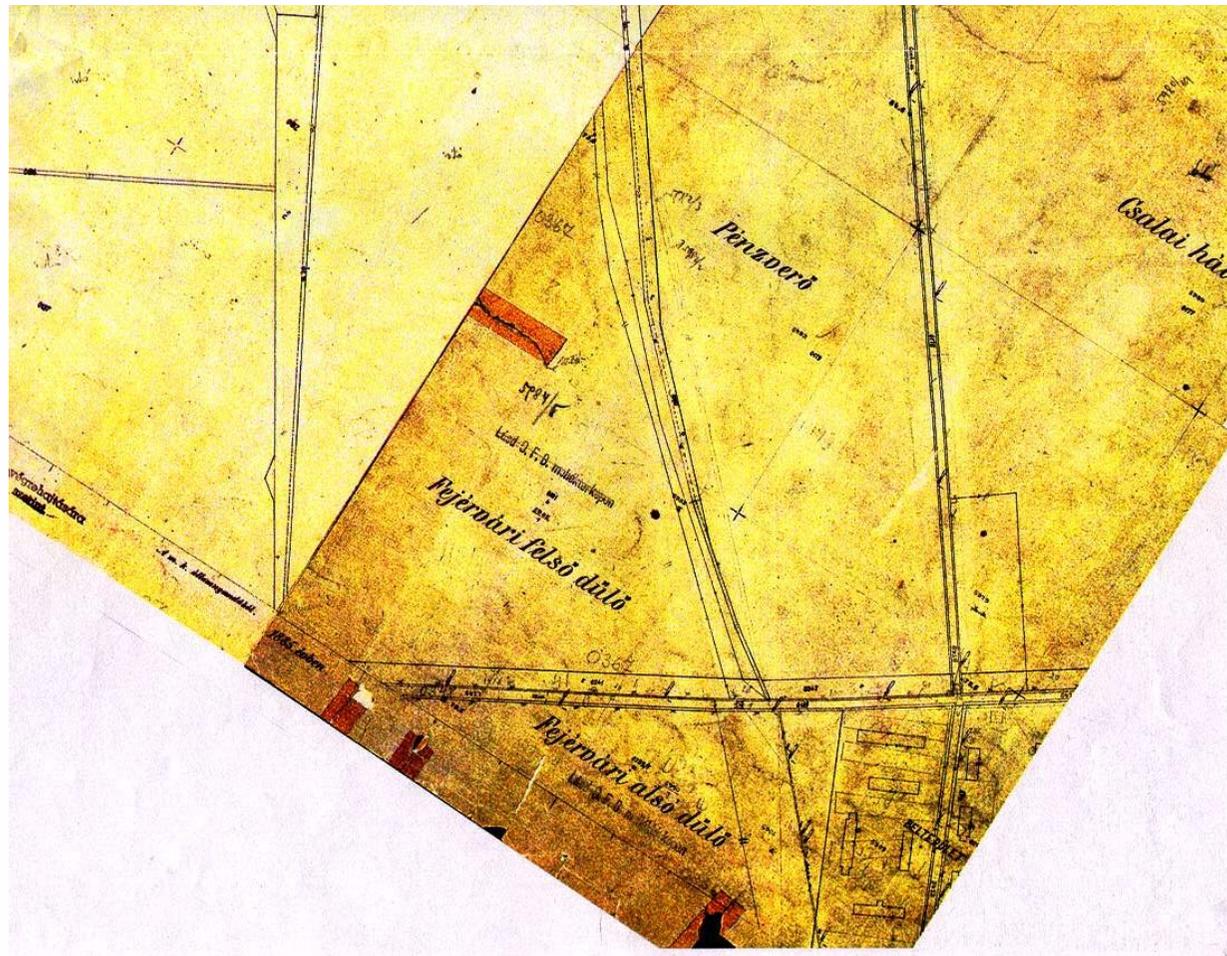
- 1959

Free will Landchange and land consolidation





1962





Large Scale Farming

After collectivization, 75% of agricultural land in Hungary became cooperative. Most new cooperatives received considerable state support. Between 1965 and 1975, arable farming was completely mechanized and the modernization of technology and the introduction of improved species significantly raised yields, thus approaching the standards of the most advanced European countries.

The Hungarian agriculture has a golden age between 1965-1985. The gross production was increased 4 percent pro years.





The Third Land Reform

- In Hungary, the last time when the structure of properties and land use has radically been transformed was in the 1990s, during the political-economic transition. The compensation and privatisation affected almost three quarters of the whole agricultural area.
- about 5,6 million hectares of agricultural land were passed into 2,6 million private persons' ownership.





After the Third Land Reform

The numbers of benefit	41,3 million AK (Gold Crown)	3,0 million hectares
Part-owners	38,6 million AK	2,1 million hectares
Employers	10,5 million AK	0,7 million hectares
Sum:	90,4 million AK	5,8 million hectares

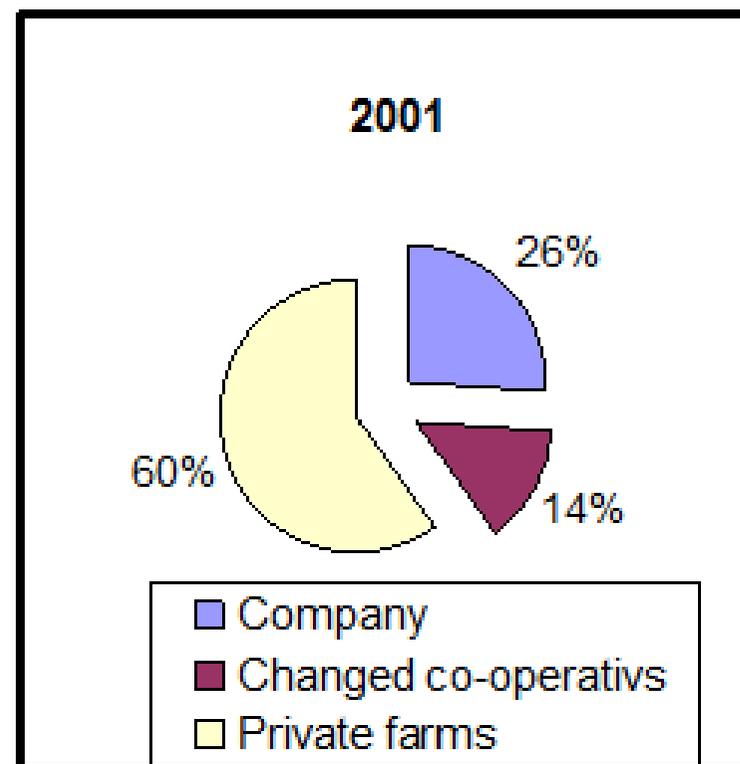
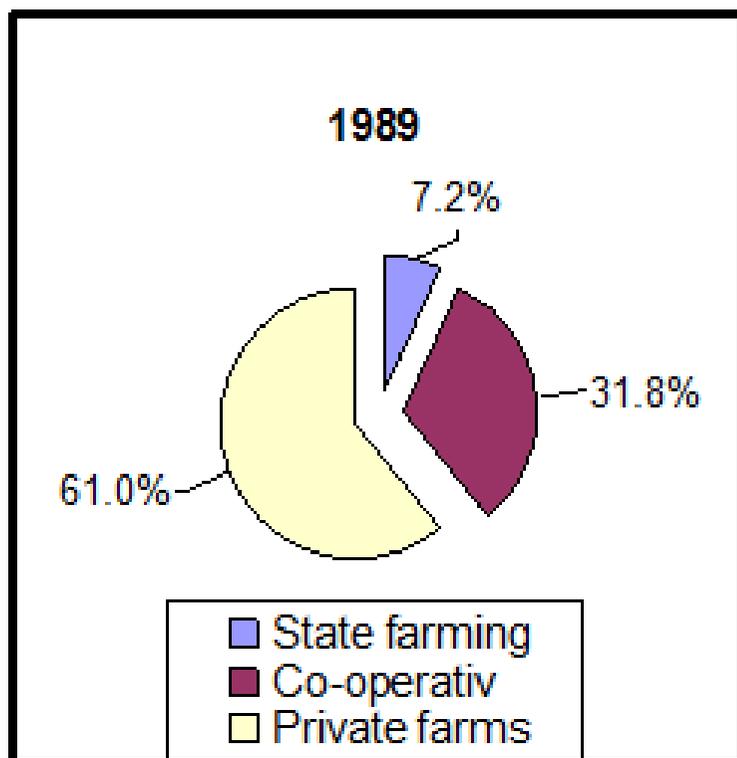
In consequence above mentioned compensation procedure and the regulated part-ownership has been a lot of parcels:

- ways unfavourable conditions has been to the farming;
- the most parcels are isolated ad they could not reach from.





After the Third Land Reform





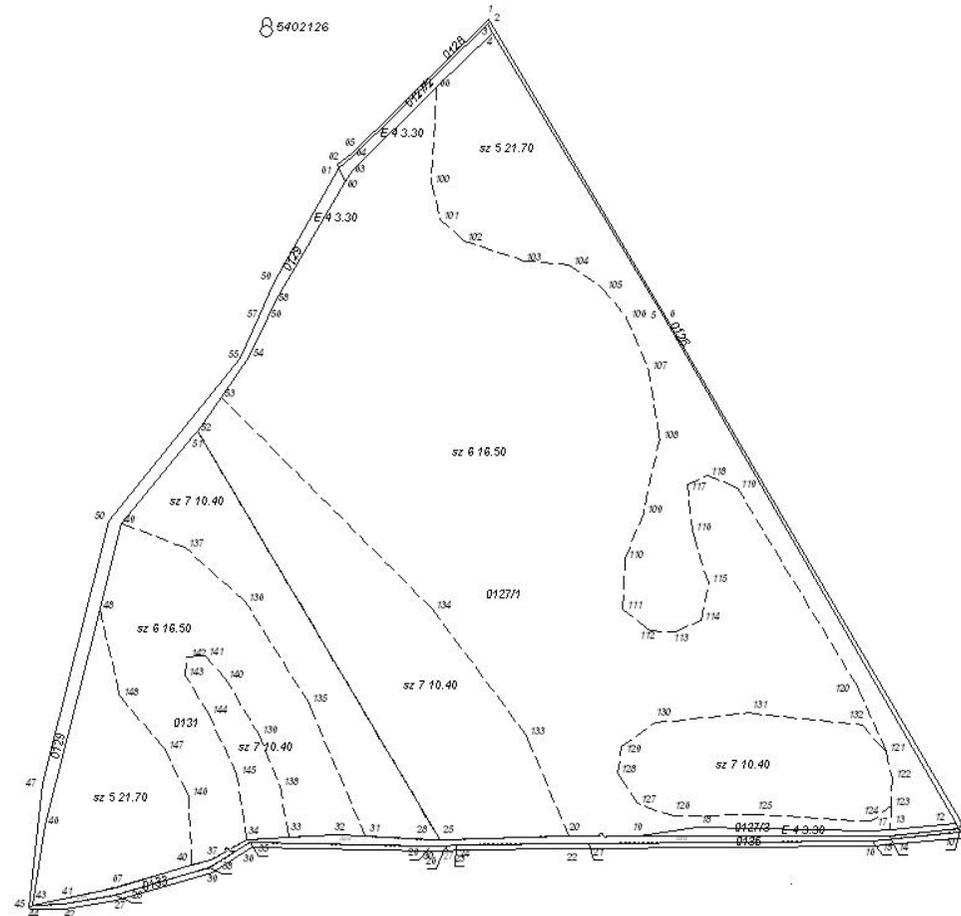
Conclusion of the Land Reform

- The big fields became several small parcels;
- The size of the parcels around the bigger cities and holiday resorts are under 5000 m²;
- In the outskirts of villages there are many of dwarf fields between 1-2 hectares;
- On the small parcels and on the little and medium-sized farms it is not suitable to produce marketable goods;
- The small parcels are allocated in different places (in the same village or other village);
- Market competitiveness:





Before Compensations Act





After Compensations Act





States of the ownerships before and after the political changes

Form the ownership	1990	2002
	hectar	hectar
States ownership	2 957 879	1 829 065
Cooperative using	5 664 692	620 549
Agricultural companies	-	612 706
Self governments	-	323 388
Private ownerships	680 599	5 917 462
Sum	9 303 170	9 303 170





Legal background of the land transactions till now

- Act LV of 1994 on Arable Land (Land Law)
- Act CXVI of 2001 on National Land Fund
- Inheritance Law
- Civil Code atc...





The rule of the National Land Fund (NLF)

Act CXVI of 2001 on the National Land Fund:

- a government decree laying down the detailed rules applying to the recording, management and utilisation of the assets of the National Land Fund, and
- a government decree on the purchase of arable land and life-annuity payment in return by the state.





Pilot Projects for Land Consolidation

- **TAMA 1** computer aided land consolidation (1993-1999)
- **PRIDE**-Dutch-Hungarian project on the Practice of Integrated Rural Development
- **TAMA 2** Pilot on the integration of land consolidation into rural development programme (1999-2000)
- **OTKA** Land Consolidation in Hungary before 2000(1997-2000)
- **OTKA** BIME Analising of the Land Cosolidation with GIS (2000-2004)





The TAMA 1 Project

The German – Hungarian co-operation on

- Computer aided land consolidation TAMA 1 (1993-1999)

Spin-off:

- Capacity building in Land offices on County and Districts level,
- Rural development-oriented institutional networking,
- Establishment of appropriate vocational training partly in international co-operation (OLLO, LIME, etc.)





TAMA Project on Land Consolidation

GER-HU co-operation 5 counties with 4-4 settlements and 3 micro regions selected.

Achievements:

- Expertise 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:

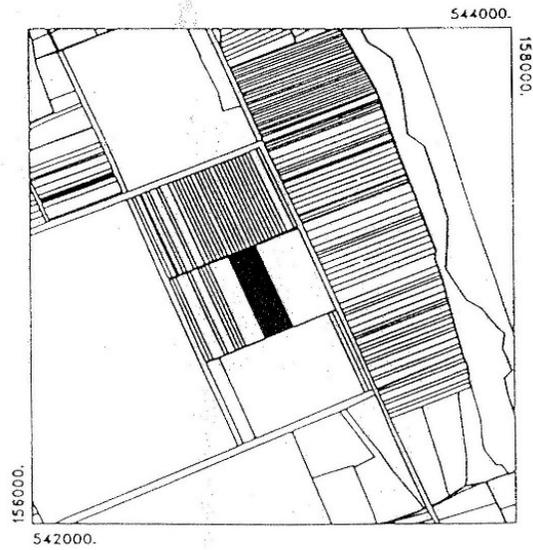
Still lack of the facilitating Act on Land
Consolidation

Shortage in capitals, lack of motivations

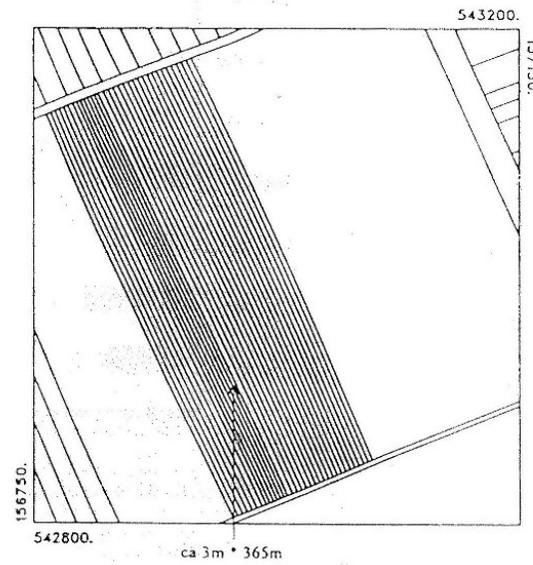




Somogy: Ordachehi



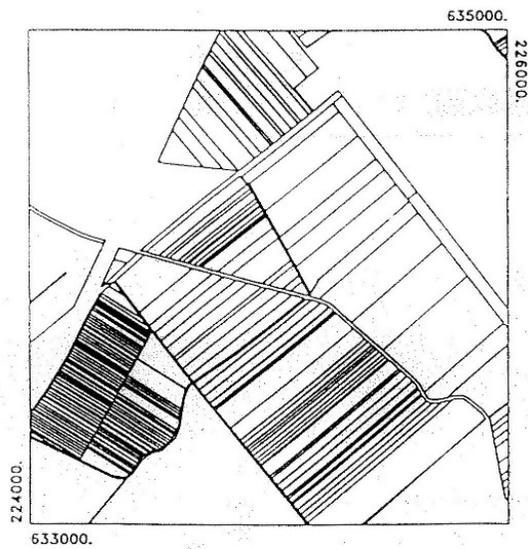
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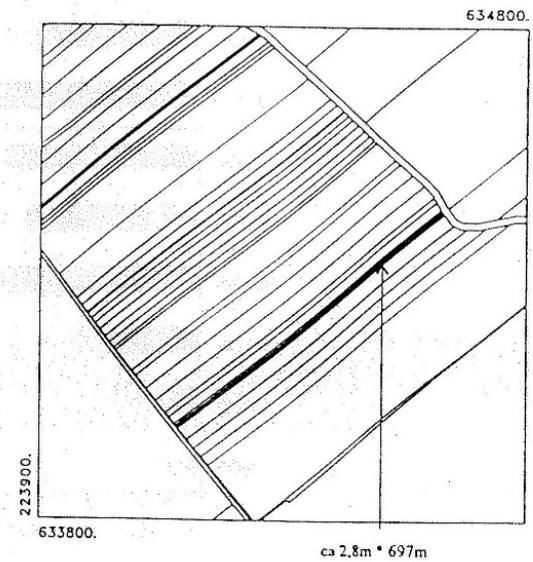
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100 m

Pest: Tárnok



Pest: Tárnok



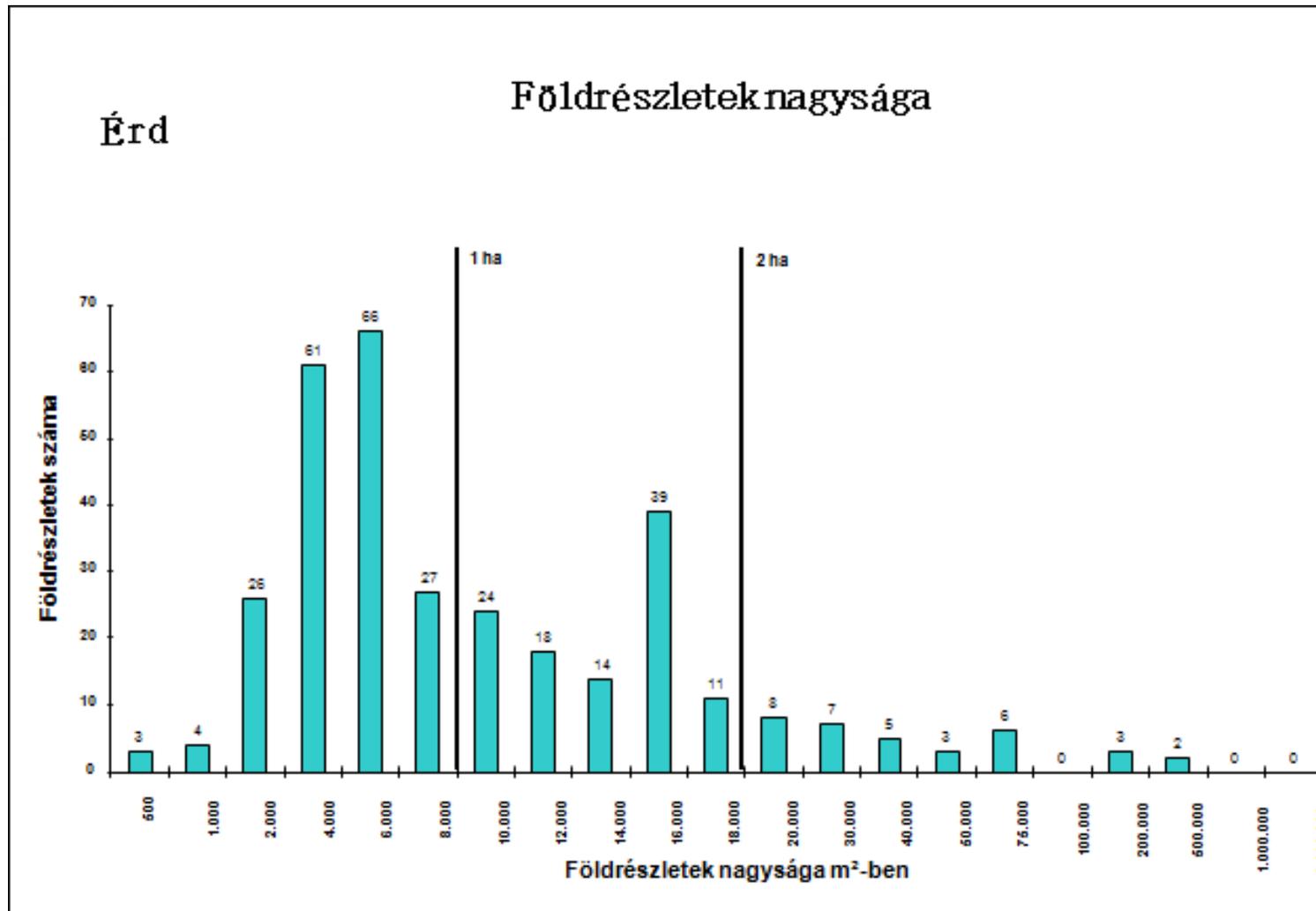
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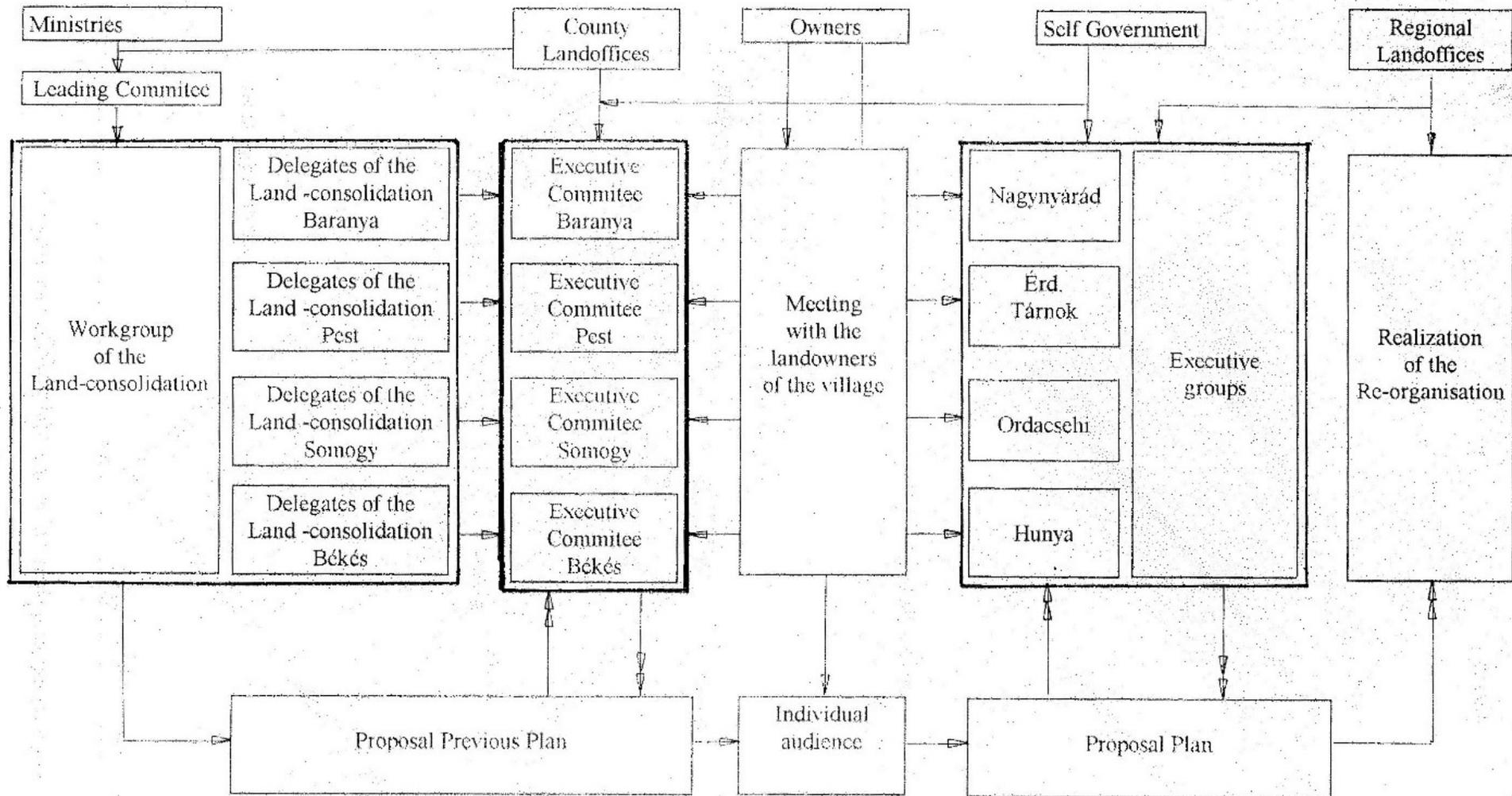
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Analyzes



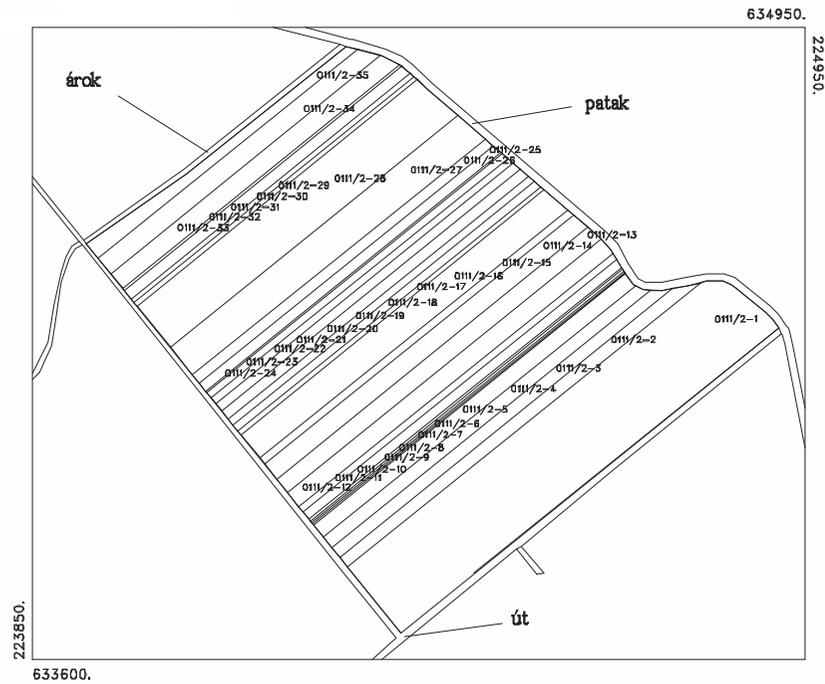


- 1.) Statement of the procedure, general wishes
- 2.) Discusse of the Previous Plan
- 3.) Protocoll of the personal wishes
- 4.) Proposal

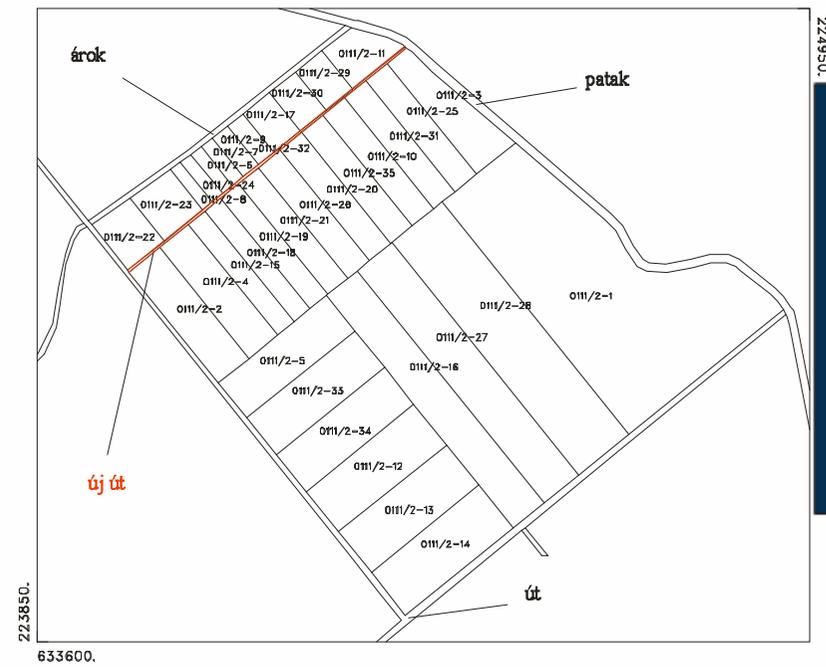
The Process of the TAMA project



Land Consolidation Plan



Pest: Tárnok



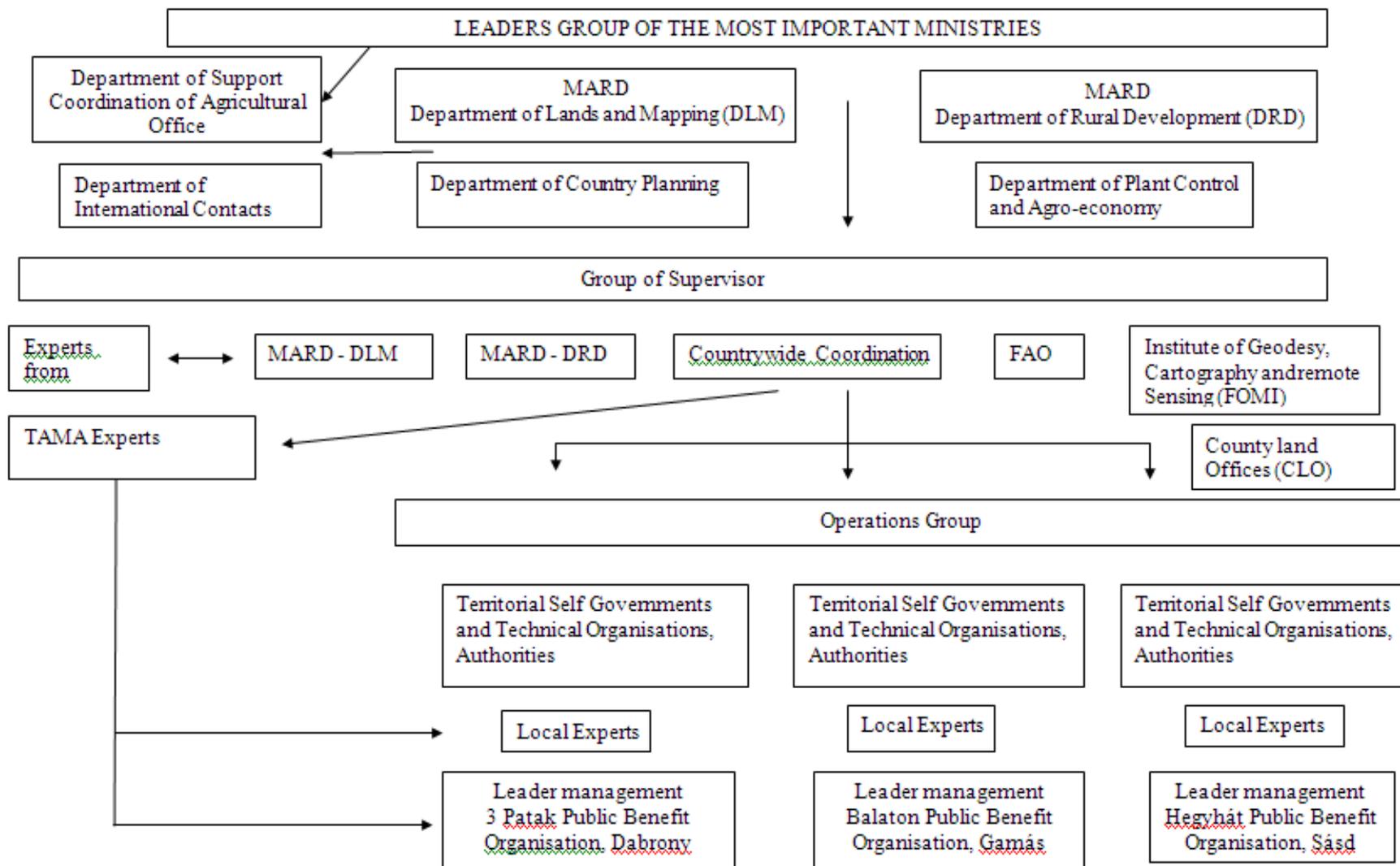
Pest: Tárnok





TAMA 2

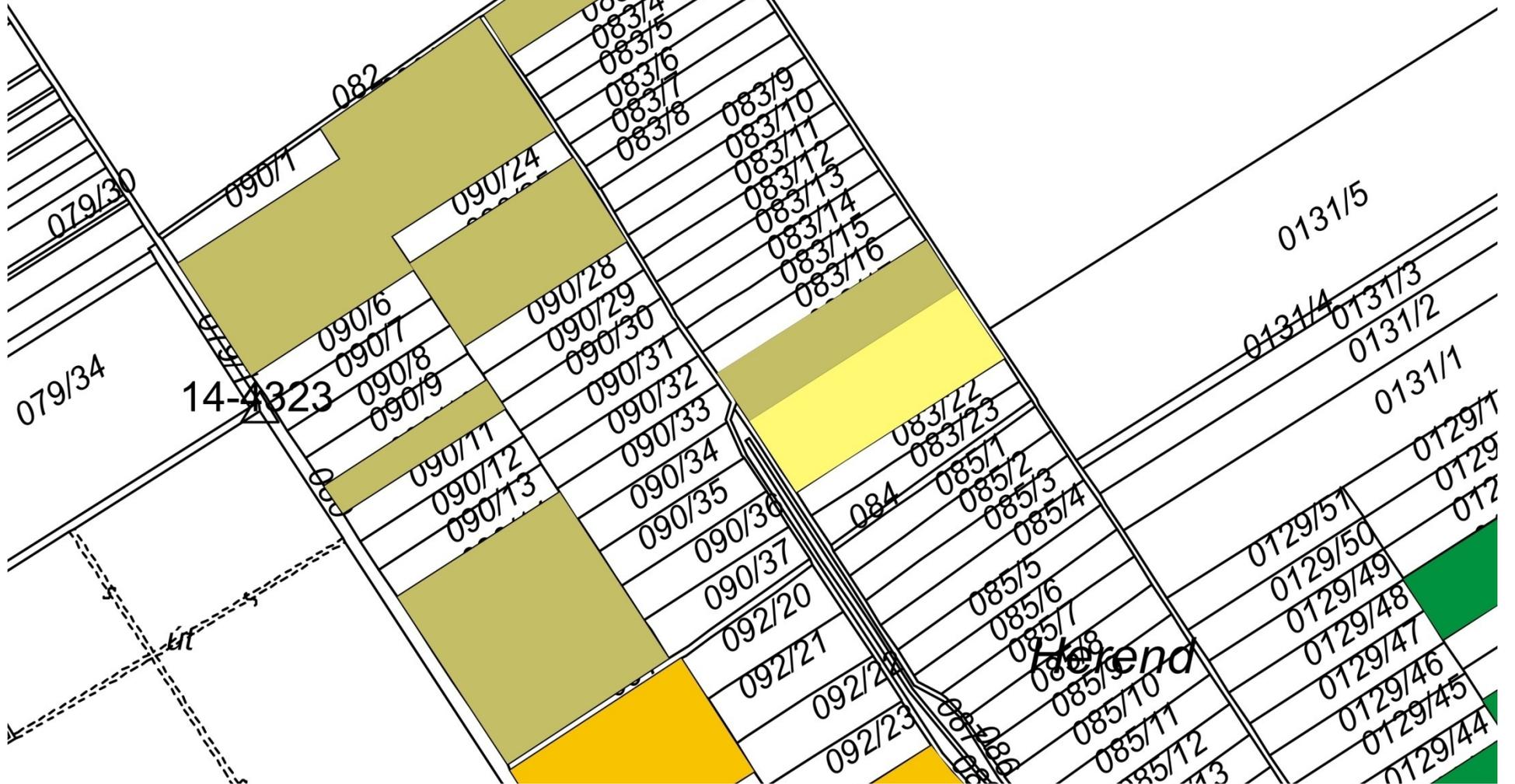
TAMA 2. ORGANISATIONAL STRUCTURE





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Some recent activities

- Study for the present state of the land tenure database (supported by FAO)
- Forestry and Rural Development plan of the Bujáki Region
- Land tenure policy implementation and SDI support in the Vásárhelyi Plan
- Land and mapping contribution to the Tisza Agreement
- TALC







TALC

(Technical Assistance in Land Consolidation)

Dutch-Hungarian cooperation on Land Consolidation pilots project

Dutch Ministry of Agriculture, Nature management and Fisheries, represented by the Government Service for Rural Areas (DLG)

The main task of TALC is to produce certain outlines and papers about LC to MARD :

„The foundation of the Hungarian strategy on property structure and land consolidation”





National and Consolidation Strategy

- 2004 a National Land Consolidation Strategy (NLCS) was formed in the frame of **TALC**
- **At least three scenarios of the Hungarian land consolidation can be applied**





Scenarios for Land Consolidation

- 1. spontaneous land consolidation (non-institutional, locally initiated, „close-to-zero” solution,
- 2. Institutionalised land consolidation (solution of moderate pace, but bringing tangible, „visible” results,
- 3. High-speed/intensive land consolidation (a „comprehensive” solution)





Initiation(Landowners, land users, self government, Central arrangement)

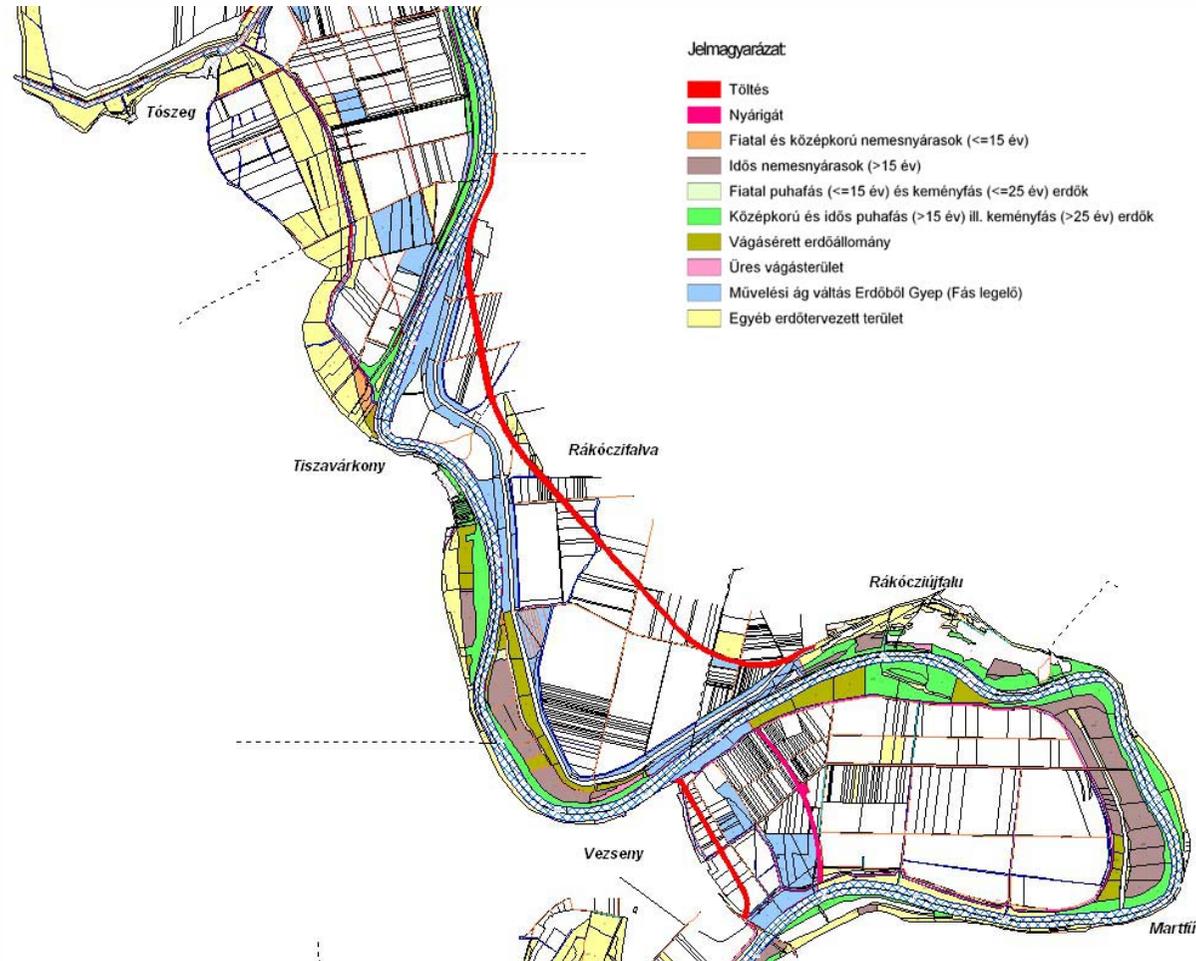
Re-examination of the Conditions

- PREPARATION
- **Creation of the Land Consolidation Committee (LCC)**
- Preparation
 - Marking and identification of Project area (settlement, block, land use)
 - Measuring of claim
 - Planning of the process
- **Schedule and Previous Budgetary**
- Reconciliation of the Authorities' interest
 - Special authorities
 - Water affairs, Land development, Architectural authorities, etc.
- **Review Meeting on the Parcels Location at the Villages**
- Set up the new line of the constructive works
- In case of the complex settlement charge for the executive planning
- **Reconciliation of Individual interest** (Claims of the land owners or land users)
- Permanent detailed plan for the land consolidation
- Set up The new Parcels Boundary
- **Settling of the Expenses Compensation** (Value differences)
- Put in the Land Register and in the Maps





Change in Land Use in the River Tisza Valley (1998)





Change in Land Use in the River Tisza Valley

The land consolidation processes connected to flood protection and recommended in the Vásárhelyi Plan have special problems. These problems basically originate from the land use and ownership structure.

The land use change, and landscape planning the connected land consolidation projects, the expropriation processes must be established systematically from the north to south along the River Tisza. It is quite a big problem that there are typically mixed landownership structure in the territory of the hydraulic corridors and the flood bed.





National Land Fund

The National Land Fund was founded in 2001 as a new organization to manage the state-owned agricultural lands and make use of them according to the valid land policy.





Land Tenure Policy

Main Goals:

- To develop viable family farms and strengthens the existing ones,
- New co-operatives and farming companies important players of the competitive sphere,
- National Land Fund should promote family farms,
- Land Fund should co-operate with agencies authorised to several illegal land ownership or land use





Plans

- Rural Development Program (ÚMVP),
- New Land Law will be regulate the estate transactions,
- The new tools for visualisation are also can be used (aerial and space photos, GPS techniques, remote sensing possibilities, sensitive areas' modelling) to the land consolidation process.





- Thank You for your
- attention
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