



MINISTRY OF AGRARIAN POLICY
AND FOOD OF UKRAINE

Key principles of land market opening: mitigating risks & increasing benefits

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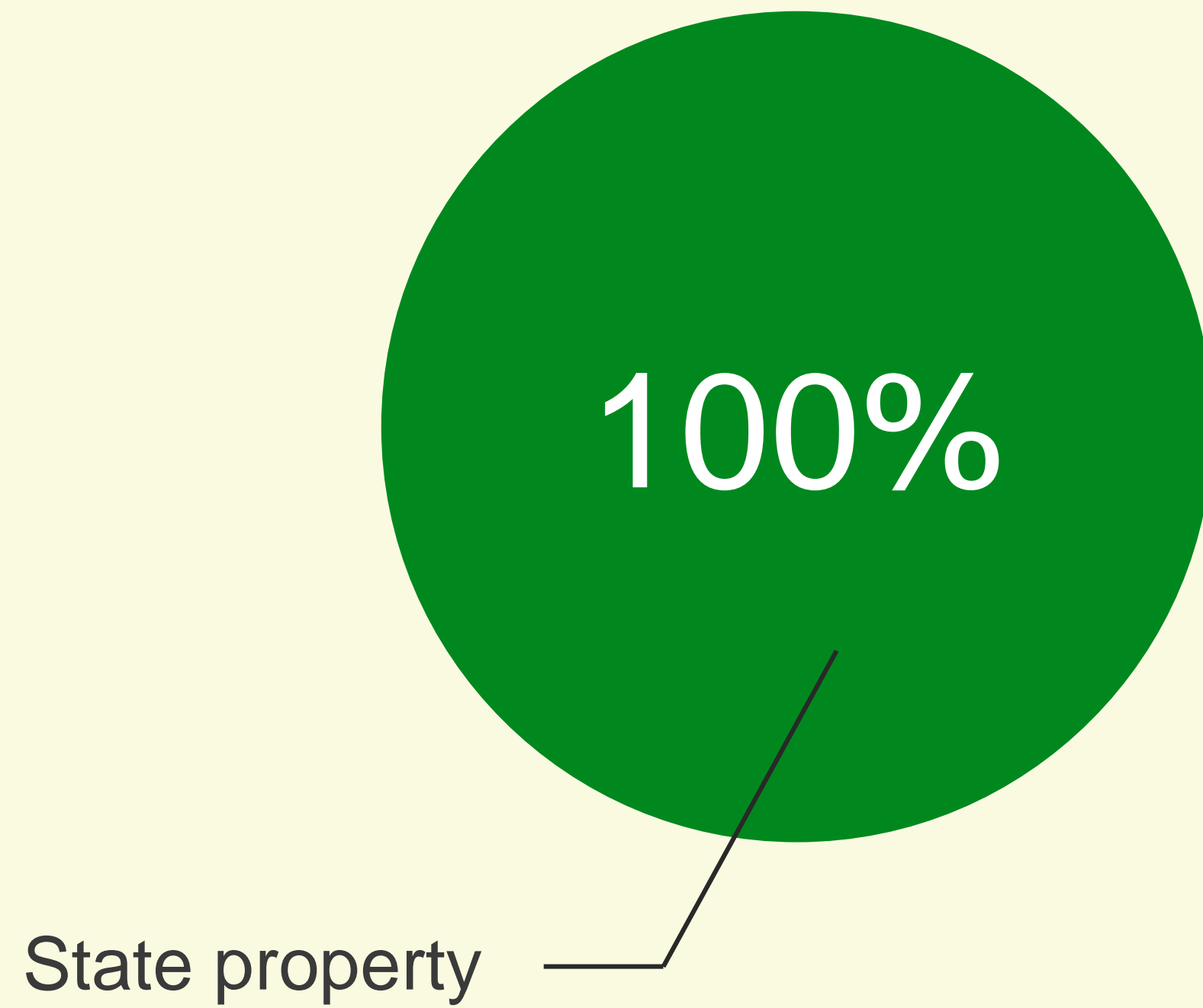
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*Kyiv
December, 4, 2017*

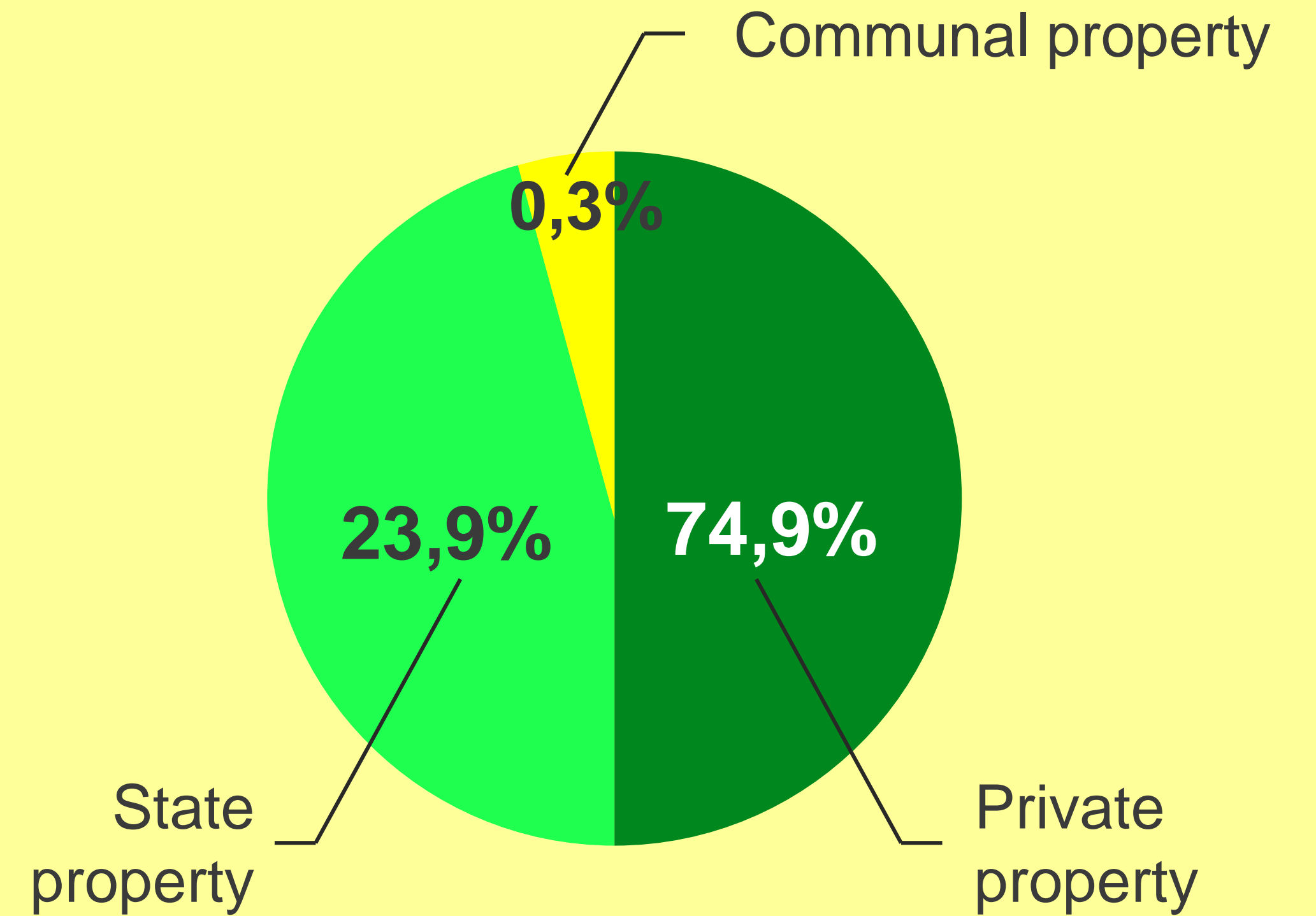


Launch of the land reform

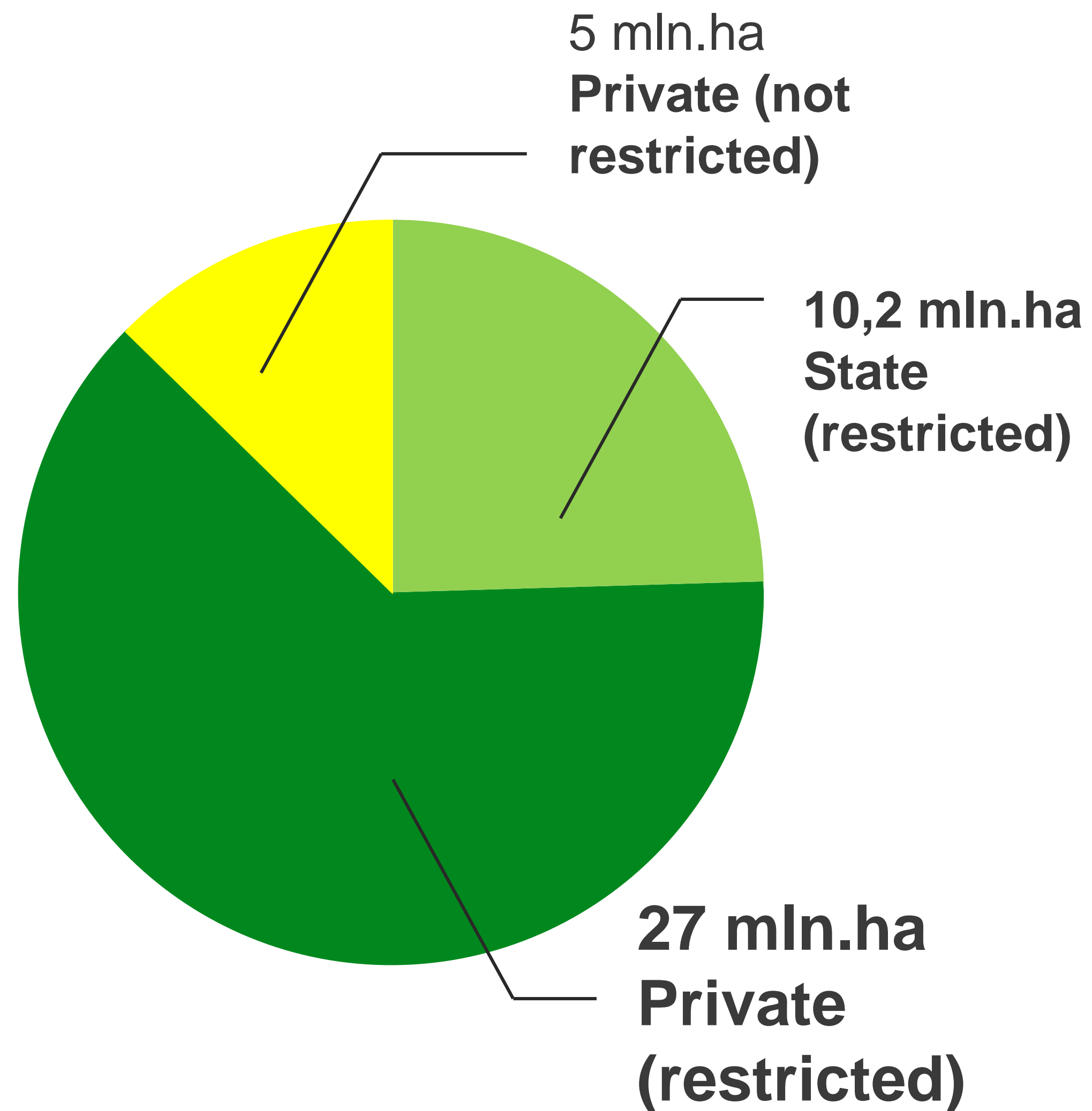
(resolution of Verkhovna Rada on
18.12.1990 № 563-XII)



As of today



Some facts about the turnover of agricultural land



The area of agricultural land in Ukraine is
42.7 million. ha

5 mln. ha

- Moratorium for sales is not affecting private land for subsistence farming

10,2 mln. ha


- Potential opportunity to sale via land auctions – state land affected by Moratorium

27 mln. ha


- Agricultural land for commercial farming transferred to private property during privatization – sales restricted by Moratorium



Moratorium on sales of agricultural land

 **Allowed**

- Rent
- Bequest
- Exchange
- Buyout for the public needs

 **Restricted**

- Purchase and sale
- Change of designated use
- Transfer to charter capital of legal entities
- Gifting



Consequences of the moratorium



Outflow of the rural population



Low rental rates



Depleting soil use



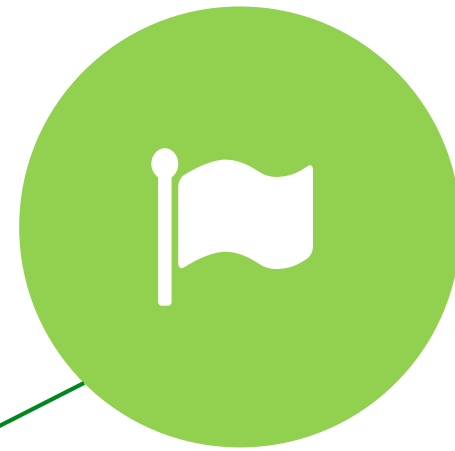
Development of shadow economy

Frozen economic growth



Conceptual framework for the land reform

Introduction of agricultural land market



Establishment of rules for agricultural land turnover
(sale, gift, exchange, inheritance)



Establishment of new financial support mechanisms



Establishment of sustainable **middle class** in rural areas



Key principles of agricultural land turnover



Establishing procedures and safeguards for land turnover
(sale, inheritance, exchange, transparency of land transactions);



Decentralization, effective control over the use and protection of land



Sale of state land via transparent online e-auctions



Stimulation of rural development

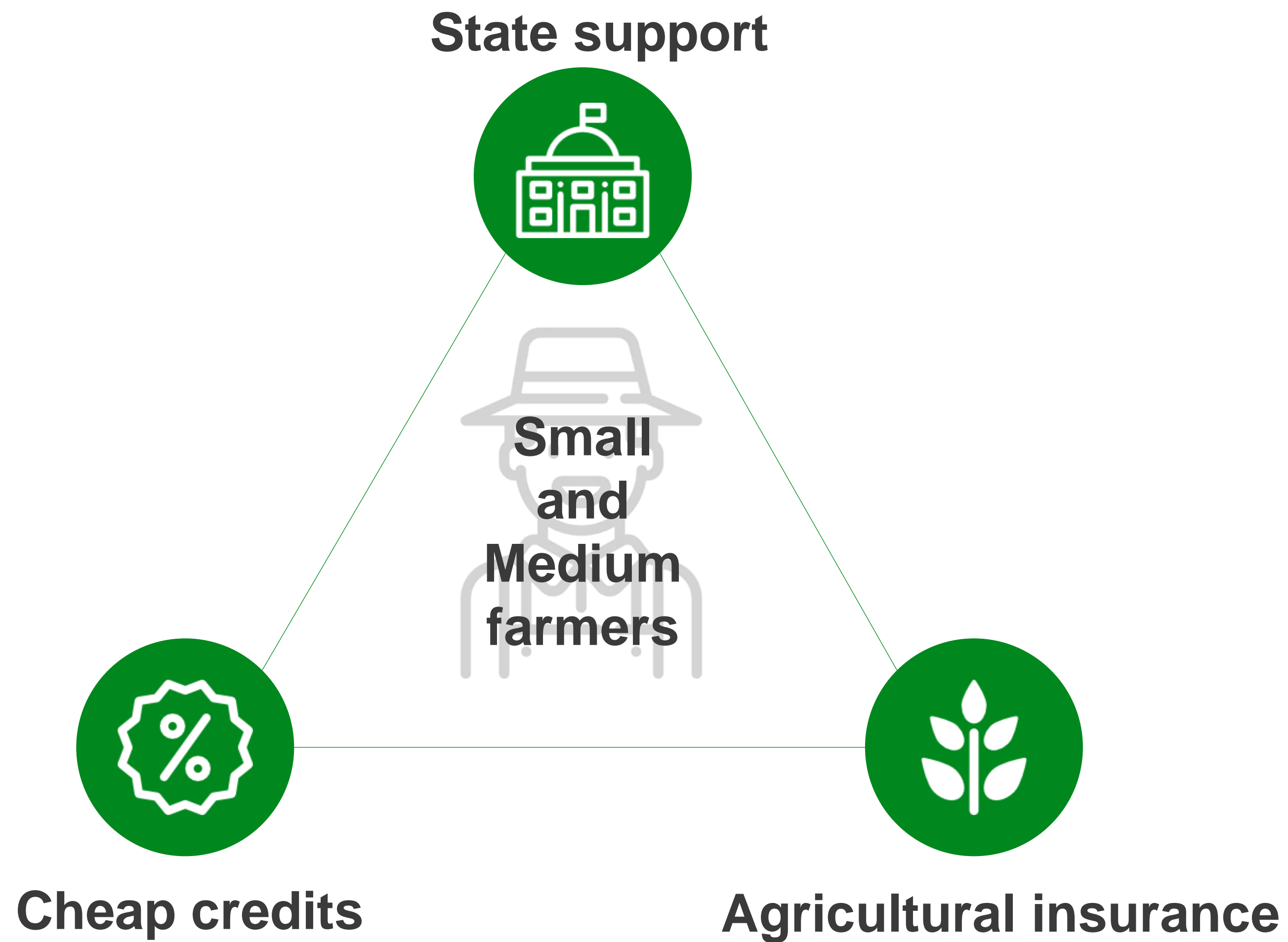


Safeguards for transactions with land

- 🛡️ **Limiting the maximum size of land in individual ownership**
(in private ownership – up to 200 ha; in legal ownership – up to 1000 ha; in lease – not more than 35 % of all agricultural land in the district / community)
- 🛡️ **Protection of tenants' rights during the transition of ownership of land from one owner to another**
- 🛡️ **Setting eligibility requirements for legal entities for land purchase**
- 🛡️ **Prevention of price undercutting in the sale of land**
- 🛡️ **Restrictions on further allotment of land**



Establishment of new financial support mechanisms





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**Thank you for
your attention!**

*Kyiv
December, 4, 2017*

