

# LAND ADMINISTRATION IN THE RUSSIAN FEDERATION

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**Key words:** Land Administration, Russian Federation.

## SUMMARY

The development of Land Market is unique in Russia as compared to other countries. The super goal of modern Russian Agrarian and Land Reform is to create the conditions and incentives to provide sustainable development of agricultural production and to solve the country's food problem.

The state's land monopoly in Russia was abolished and two main forms of land ownership: public uses and private farming were introduced. Land may be converted into individual private property of citizens for personal use, farming, horticulture, and animal husbandry as well as to accommodate buildings and constructions for individual enterprise, to build and maintain dwelling houses, country cottages, garages.

The Russian Federation's territory was amounted 1,709.8 million hectares in 2008. The total agricultural land was estimated 403.2 million hectares or 23.6 % of the area.

In 2001, the Land Code based on market economy principles was adopted by the Russian Parliament (the State Duma). The Agricultural Land Market Act (Zakon ob oborote zemel selskokhzyastvennogo naznacheniya) was introduced in February 2003. According to the Law any parcel of agricultural land may be sold or purchased. As a result the number of Land Market Transactions has been increased. However, the total agricultural land area has been reduced.

On July 24, 2007 the State Real Estate Cadastre Act (Zakon o gosudarstvennom kadastro nedvizhimosti) was issued. According to the Law the State Real Estate Cadastre was introduced on March 1, 2008. The Law governs the Real Estate Cadastre Survey Activities as well as collection, processing and usage of Real Estate Cadastre Information. In accordance with p.2 of article 1 of the Law the State Real Estate Cadastre is a registered record that shows the ownership, boundaries, and values of land and buildings. Such register shows the owner of each parcel of land, its area, its use and category, buildings as well as their fiscal assessment.

In accordance with p.5 of article 1 of the Law the land plots, buildings and other property are the subjects of the Real Estate Cadastral Survey. Development of Agricultural Land Market in Russian Federation is mostly depended on Regional Land Policies. One of the successful examples is Orel Region Land Policy which based on legal framework included the Federal Legislation as well as local regulations.

# LAND ADMINISTRATION IN THE RUSSIAN FEDERATION

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## INTRODUCTION

The development of Land Market is unique in Russia as compared to other countries. The abolition of serfdom in 1861 and Stolypin's Reform as well as subsequent development of Agricultural Land Market undermined the communal land system. The super goal of modern Russian Agrarian and Land Reform is to create the conditions and incentives to provide sustainable development of agricultural production and to solve the country's food problem. It should be noted that one of the specific objectives of the reform is the redistribution of land from collective to private farming in order to provide rational use and protection of lands in Russia.

The state's land monopoly in Russia was abolished and two main forms of land ownership: public uses and private farming were introduced. Land may be converted into individual private property of citizens for personal use, farming, horticulture, and animal husbandry as well as to accommodate buildings and constructions for individual enterprise, to build and maintain dwelling houses, country cottages, garages.

The private property may be established also as the result of the conversion of lands belonged to former collective and state farms as well as joint-stock companies including those established on the basis of state farms and other state-owned enterprises, and lands granted for collective horticultural production, animal husbandry, and collective country-house construction.

The principle of independent agricultural production by land proprietors, landowners, and tenants has been secured. Any interference in their activity by state, economic or other bodies is prohibited. The economic, social, and legal basis for the organization and activity of private farms and coops on the territory of Russia has been determined. The rights of citizens to organize private farms, economic independence, assistance, state protection of their legitimate interests and the right to free cooperation have been guaranteed.

It is proclaimed that a private farm should be an independent economic entity having the rights of a legal subject, which produces, processes, and sells agricultural products. Parcels of land may be leased by local authorities or citizens who are land proprietors. This was the first time in Russia of a right is available to divide and reform collective and state farmland into shares.

Member of former collective farm or state farm has the right to withdraw and start up a farmstead of his own without asking for consent of collective or the management. Upon decision by local authorities, such a farmstead is granted a piece of land of a size corresponding to the farmstead member's share in the land stock or value.

A withdrawing farmer may expand his land possessions by purchase. During the reorganization of collective and state farms, these farms were broken up into smaller units and their juridical status was made consistent with legislation of the Russian Federation.

## LAND TENURE

The Russian Federation's territory was amounted 1,709.8 million hectares in 2008. The most important piece of the area is agricultural land. The total agricultural land area was estimated 403.2 million hectares in 2008 or 23.6 % of the total Russian Federation area (see Table 1).

**Table 1. Russian Federation Land, 2007-2008, million hectares**

	Item	2007	2008	2008/2007 (+,-)	2008/ 2007, %
1	Agricultural Land Total Area	403.2	402.3	-.9	-.22
2	Urban Land	19.2	19.4	+2	+1.04
3	Industrial Land	16.7	16.7	-	-
4	Special Protected Regime Land	34.4	34.4	-	-
5	Forest Land	1,105.0	1,106.5	+1.5	+1.13
6	Water Land	27.9	27.9	-	-
7	Reserve Land	103.4	102.6	-.8	-.77
	Total	1,709.8	1,709.8	-	-

Source: Rosnedvizhimost', 2009

The cropland, perennial, pastures, hay field lands as well as idle land were amounted 196.0 million hectares or 48.7 % of total agricultural land area in 2008 (see Table 2).

**Table 2. Agricultural Land, Russian Federation, 2008, million hectares**

	Item	Area	Percentage
1	Agricultural Land <sup>1</sup>	196.0	48.7
2	Forest Land	39.4	9.8
3	Bush Land	19.5	4.8
4	Road Land	2.3	.6
5	Building Site Land	1.1	.3
6	Water Land	13.2	3.3
7	Marsh Land	25.5	6.3
8	Others	105.3	26.2
	Total	402.3	100.0

Source: Rosnedvizhimost', 2009.

<sup>1</sup> Includes: cropland, perennial, pasture, hay field land as well as idle land

**Table 3. Agricultural Land Tenure, Russian Federation, 2008, 1000 hectares**

Item	Total	Cropland	Idle Land	Perennial	Hayfield Land	Pasture
Join Stock Companies and Partnerships	53,966.9	37,897.4	727.9	186.0	4,076.5	11,079.1
Production Coops	56,430.2	34,634.1	1,192.9	92.3	4,646.3	15,864.6
State and Municipal Enterprises	8,255.9	3,825.6	125.1	43.6	720.9	3,540.7
Research Institutions	1,865.3	1,444.7	18.1	12.3	115.1	275.1
Subsidiary Farms	1,184.5	768.4	20.7	4.2	128.7	262.5
Others	3,474.4	2,089.8	44.3	9.9	246.8	1,083.6
Tribal Land	16.2	0.3	–	–	9.2	6.7
Kazak Society Land	92.7	62.2	0.2	0.1	6.8	23.4
Total	125,286.1	80,722.5	2,129.2	348.4	9,950.3	32,135.7

Source: Rosnedvizhimost', 2009

The dominant role in Russian Agricultural Land Tenure has played production coops as well as joint stock companies or parastatals (see Table 3). Private farms as well as subsidiary farms have played the important role in Russian Agricultural Private Land Tenure too (see Table 4).

**Table 4. Agricultural Private Land, Russian Federation, 2008, 1000 hectares**

Item	Total	Crop land	Idle Land	Perennial	Hay Field Land	Pasture
Private farms	21,392.3	15,504.7	97.1	14.6	912.6	4,863.3
Individual Entrepreneurs	1,321.6	987.6	20.0	4.7	61.1	248.2
Subsidiary Farms	6,705.2	4,756.6	36.8	213.8	982.3	715.7
Service Land Farms	62.1	12.4	–	.4	44.0	5.3
Horticulture Farms	1,082.5	27.3	1.4	1,051.8	.7	1.3
Vegetable Growing Farms	293.0	291.9	.7	.1	–	.3
Dacha Farms	22.9	17.6	–	4.3	0.4	0.6
Housing	479.3	398.2	0.2	62.7	6.3	11.9
Livestock Farms	314.6	36.9	0.1	–	79.4	198.2
Grazing Farms	15,329.0	1,245.2	110.1	7.3	3,240.8	10,725.6
Agricultural Land Owners	4,660.5	3,556.9	25.7	9.7	247.4	820.8
Land Shares	13,997.7	7,961.0	981.8	10.1	1,635.8	3,409.0
Total	65,660.7	34,796.3	1,273.9	1,379.5	7,210.8	21,000.2

Source: Rosnedvizhimost', 2009

**Table 5. Land Market Transactions, Russian Federation, 2005-2008, Number of transactions/hectares**

Item	2005		2006		2007		2008	
	Number of transactions/ hectares	%	Number of transactions/ hectares	%	Number of transactions/ hectares	%	Number of transactions/ hectares	%
Total	4,346,813/ 68,847,427	100.0/ 100.0	4,545,140/ 106,446,609	100.0/ 100.0	4,519,093/ 115,843,859	100.0/ 100.0	4,780,638/ 117,766,738	100.0/ 100.0
including:								
Leasing of state and municipal owned lands	3,621,086/ 68,230,403	83.3/ 99.1	3,737,574/ 104,827,034	82.2/ 98.5	3,628,109/ 114,103,370	80.3/ 98.5	3,677,315/ 114,531,857	76.9/ 97.2
Selling of right to lease of state and municipal owned lands	5,854/ 23,316	.1/ -	7,068/ 124,954	.2/ .1	13,835/ 149,276	.3/ .1	15,684/ 315,889	.3/ .3
Selling of state and municipal owned lands	154,702/ 91,446	3.6/ .1	176,751/ 262,791	3.9/ .2	233,706/ 369,383	5.2/ .3	292,847/ 503,813	6.1/ .4
Buying and selling of lands by citizens and legal entities	378,215/ 293,955	8.7/ .4	400,075/ 467,686	8.8/ .4	405,670/ 560,286	9.0/ .5	473,190/ 1,067,303	9.9/ .9
Land Granting	31,824/ 57,528	.7/ -	43,437/ 70,355	1.0/ .1	49,715/ 126,596	1.1/ .1	73,334/ 335,042	1.5/ .3
Land Heritage	147,653/ 133,820	3.4/ .2	165,847/ 524,352	3.6/ .5	162,151/ 336,092	3.6/ .3	218,244/ 596,197	4.6/ .5
Land Mortgage	7,479/ 16,959	.2/ -	14,388/ 169,437	.3/ .2	25,907/ 198,856	.5/ .2	30,024/ 416,637	.7/ .4

Source: Rosnedvizhimost', 2009

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In 2001, the Land Code based on market economy principles was adopted by the Russian Parliament (the State Duma). The Agricultural Land Market Act (Zakon ob oborote zemel selskokhzyastvennogo naznacheniya) was introduced in February 2003. According to the Law any parcel of agricultural land may be sold or purchased. As a result the number of Land Market Transactions has been increased (see Table 5). However, the total agricultural land area has been reduced (see Table 6).

**Table 6. Agricultural Land, Russia, 2000-2008, million hectares**

Item	2000	2002	2004	2008	2008/ 2000, %
Agricultural Land- total, including:	221.1	220.9	220.7	220.5	99.7
Cropland	124.3	123.5	122.1	121.6	97.8
Perennial	1.9	1.8	1.8	1.7	89.5
Pasture	91.0	91.4	92.0	92.0	101.1
Idle	3.9	4.2	4.8	4.9	125.6

Source: Rosnedvizhimost', 2009

The average size of agricultural land occupied by private farm has been increased due to land consolidation. It was estimated 81 hectares in 2006 (see Table 7).

**Table 7. Private Farms, Russia, 1995-2006**

Item	1995	1998	2000	2002	2004	2006	2006/ 1995, %
Number of farms, 1000	280.1	270.2	261.7	264.0	261.4	255.4	91.2
Total land area, 1000 hectares	12,011	13,845	15,292	17,662	19,200	20,588	171.4
Average land size, hectares	43	51	58	67	73	81	188.4

Source: Russian National Economy Fact Book 2008 (Rossija v tsifrakh, 2008) Moscow, Federal Service of State Statistics, 2008, p.238.

## LEGAL FRAMEWORK

The legal framework for Land Market must be also improved. There are some contradictions between basic legal acts (the Constitution of the Russian Federation, the Civil Code, the Land Code, The Federal Mortgage Act, the Agricultural Land Market Act, the Federal State Registration of the Rights to Real Estate Act, and etc.) related to regulation of Agricultural Land Market. Due to it, despite of adoption the Land Code as well as the Agricultural Land

Market Act the legal basis for implementation of Agricultural Land Market is still unclear. Both the Russian Constitution, adopted in 1993, and the Civil Code, adopted in 1994, upholds the right to own private property, which includes both land plots and buildings. Despite these guarantees, however, land reform was for a long time the subject of national political debate. The general principles of land ownership are set out in the Constitution. Article 9 of the Constitution establishes the principle of private ownership of land. However, it does not provide any procedure for the transfer of land, historically owned by the state, into private ownership.

The Land Code approved by the State Duma in 2001 has limited applicability to some categories of land, which are the subject of the separate federal laws. Such land includes water, forestland as well as agricultural land. According to the Land Code, the Agricultural Land Market Act governs the agricultural land market transactions. Thus, in fact, the Land Code applies only to non-agricultural land, which covers about just two percents of the total Russian land area.

In accordance with the Agricultural Land Market Act, the Federal Mortgage Act governs the agricultural land mortgage transactions. The Farm Credit System as well as Agricultural Land Mortgage Bank must be introduced to provide an access for farmers to agricultural credit and to guarantee them the right to use their land as well as other real estate as collateral.

Thus, the Russian Land and Real Estate legislation must be revised to eliminate the substantial contradictions existing between different laws now. Due to it some substantial changes have been made in Agricultural Land Market Act as well as the Federal Land Use Planning Act on July 18, 2005 by the State Duma. According to them land shares belonged to former collective and state farmers must be demarcated on the ground as well as their location must be determined. In our opinion it will positively affect on development of Agricultural Land Market in Russian Federation.

But the legislation must be amended to enable Land Market and ensure clear delineation of the corresponding property rights among the various level of the government. In 2001 the Federal Separation The State Ownership On Land Act ( Zakon o razgranichenii gosudarstvennoy sobstvennosti na zemlyou) was adopted by the State Duma. According to the Agricultural Land Market Act the Regional Agricultural Land Markets Acts were introduced at the regional level.

In accordance with article 8 of the Land Code The Land Transformation Act (Zakon o perevode zemel i zemelnykh uchastkov iz odnoy kategorii v druguyou) has been adopted on December 21, 2004. According to the Law the land transformation procedure has been introduced and clarified. According to the Law the Forest Code as well as Federal Ecological Expertise Act has been changed. On January 1, 2006 the Land Taxation Act was abolished and new chapter # 31 of the Russian Tax Code “Land Taxation” was introduced. According to the chapter the Land Taxation is exclusive responsibility of local governments.

According to the Land Cadastre Act ( Zakon o zemelnom kadastre) issued on January 2, 2000 as well as the Government Decree issued on October 25, 2001 №745 “On approval of the

federal target program "Creation of the automated system for State Land Cadastre maintaining and state registration of real estate objects for 2002-2007", the Federal Target Program "Creation of the automated system for State Land Cadastre maintaining and state registration of real estate objects for 2002-2007" with a subprogram "Informational support of real estate management, reformation and regulation of land and property relations" was approved. However, due to absence of developed Land Information System (LIS) as well as Real Estate Information System (REIS) caused by the lack of adequate financial resources, experience, skills, modern computer and information technologies, hardware and software, knowledge, well-trained cadre, and etc. the public demand to cadastral information in Russia has not satisfied yet.

In that sense it's very important to make cadastre information more understandable and transparent for customers. It must be pointed out that so called "cadastral value" of agricultural land using in Russia is not applicable for Agricultural Land Taxation as well as Agricultural Land Market because there is no relation to market land value. As a result, Russian banks have not accepted "cadastral value" as a basis for Agricultural Land Mortgage transactions (see Table 5). Because of it, outside investors as well as other customers are not being able to get reliable information about the value of agricultural land plots and participate as educated and well-informed market agents (buyers or sellers) in Agricultural Land Market transactions.

Despite of it, a new Land Taxation System based on so called "cadastral value" was adopted by the Russian Parliament in November, 2004. According to it the maximal Agricultural Land Tax Rate defines as 0.3% of "cadastral value" of agricultural land. But a new Cadastre Value Methodology based on Market Economy principles has been developed.

On July 24, 2007 the State Real Estate Cadastre Act (Zakon o gosudarstvennom kadastre nedvizhimosti) was issued. According to the Law the State Real Estate Cadastre was introduced on March 1, 2008. The Law governs the Real Estate Cadastre Survey Activities as well as collection, processing and usage of Real Estate Cadastre Information. In accordance with p.2 of article 1 of the Law the State Real Estate Cadastre is a registered record that shows the ownership, boundaries, and values of land and buildings. Such register shows the owner of each parcel of land, its area, its use and category, buildings as well as their fiscal assessment. In accordance with p.5 of article 1 of the Law the land plots, buildings and other property are the subjects of the Real Estate Cadastral Survey.

The main functions of a Real Estate Cadastral Survey are:

- Definition, demarcation, determination, and tracing of boundaries of Real Estate.
- Subdivision, assembly, and allotment of Real Estate.
- Spatial organization of resources (political, administrative and Real Estate boundaries).
- Real Estate Valuation.
- Provision of Real Estate Information to customers.

In accordance with article 5 of the Law the Russian territory was divided into three levels: cadastral districts, divided into cadastre regions, which are subdivided into cadastral



quadrants. As a result, each property has been registered with a cadastral district number / regional number / quadrant number / Real Estate number.

In accordance with article 13 of the Law the State Real Estate Cadastre consists of following parts:

- Real Estate Registry;
- Real Estate Cadastre Files;
- Real Estate Cadastre Maps.

In accordance with article 29 of the Law a new occupation named “Cadastral Engineer” has been introduced. According to the Law a Cadastral Engineer is licensed specialist who is responsible for carrying on Real Estate Cadastral Survey.

Reforms need to include measures to:

- Creating integrated Land and other Real Estate Information System based on property rights related to land.
- Ensuring the transfer of land property rights to owners of buildings and other real estate located on and under surface of the land plots.
- Transferring urban land to municipal ownership.
- Separating land owned by the Federal Government and land owned by local authorities.
- Introducing a uniform system to register the property rights based on the United Land and other Real Estate State Register.
- Establishing guarantees of reliability of property rights registered.
- Introducing the State Real Estate Cadastre.
- Encouraging mortgage lending using plots of land and other real estate as collateral.

## **INSTITUTIONAL FRAMEWORK**

The main objective of the Russian Government policy in the area of Real Estate is to create conditions for efficient use and development of Real Estate Market meeting the requirements of society and individual citizens.

In May 2004, a presidential decree initiated a restructuring in the Russian Government that resulted in the abolition of a number of ministries and other administrative bodies. Strategic functions were channeled into ministerial levels and tactical functions into lower agencies. The former Federal Service of Land Cadastre (Roszemcadastre) was one of the entities dissolved, with its strategic functions going to the Federal Service of Real Estate Cadastre (Rosnedvizhimost’) and tactical functions being redistributed.

According to the Russian Government Decree # 418 issued on August 19, 2004 the Federal Service of Real Estate Cadastre (Rosnedvizhimost’) was transferred under authority of Ministry of Economic Development and Trade.

The Rosnedvizhimost' was a federal government agency which was responsible for State Property Management, Land and Real Estate Assessment; Land Monitoring, State Land Control, Land and Real Estate Cadastre Management.

However, an institutional framework for implementation of Real Estate Cadastre was not essentially improved. At federal level, there were two main the Russian Government Agencies-the Federal Service of Real Estate Cadastre and the Federal Agency on Federal Property Management, which were responsible for handling of Land and Real Estate . However, their functions as well as responsibilities were not completely separated and clarified.

Land and Real Estate cadastral system was not improved and developed at regional level too. In fact, at regional and local levels there were four agencies responsible for handling of land and real estate issues.

They were: regional office of Federal Service of Real Estate Cadastre (Rosnedvizhimost'), Real Estate Cadastre Chambers, offices of Federal Service on Federal Property Management as well as Registration Centers of Federal Registration Service (Rosregistraciya). According to federal and local regulations, Rosnedvizhimost' as well as Real Estate Cadastre Chamber were responsible for handling of land cadastral system. However, the roles, functions as well as responsibilities of mentioned above Government agencies were not clearly separated and determined yet too. Because of it the real estate cadastral and registration activities were time and cost consuming, complicated and ineffective.

Due to it on December 25, 2008 in accordance with the President of the Russian Federation Decree on Federal Service of State Registration, Cadastre and Mapping the Federal Service of Real Estate Cadastre as well as Federal Agency of Geodesy and Mapping were dissolved. According to the Decree the Federal Registration Service was renamed into Federal Service on State Registration, Cadastre and Mapping (Rosreestr). The functions of mentioned above agencies were transferred to Rosreestr. The Federal Service on State Registration, Cadastre and Mapping is now under authority of Ministry of Economic Development (Ministerstvo ekonomicheskogo razvitiya) of the Russian Federation. At regional level local offices of former Federal Service of Real Estate Cadastre as well as Land Cadastre Chambers have been transferred to Federal Service on State Registration, Cadastre and Mapping.

## **REGIONAL LAND POLICIES**

Development of Agricultural Land Market in Russian Federation is mostly depended on Regional Land Policies. One of the successful examples is Orel Region Land Policy which based on legal framework included the Federal Legislation as well as local regulations.

The Land Policy is the main part of Orel Regional Government Agricultural Policy included the following components:

- Farm reorganization and land privatization.
- Horizontal and vertical cooperation and integration of agricultural producers.

- Development of innovation and investment activities in agriculture.
- Development of Regional Agricultural Land Market.

Orel region agricultural land was amounted 2,465.2 thousand hectares or 85.5 % of total regional land in 2008 (see Table 8). Break down of Orel Oblast Land is displayed in Table 9.

**Table 8. Orel Oblast Land, 2007-2008**

Item	2007		2008		2008/2007, %
	1000 hectares	%	1000 hectares	%	
Agricultural Land	2,111.9	85.7	2,106.6	85.5	99.7
Urban Land	193.5	7.8	196.0	7.9	101.3
Industrial Land	22.7	0.9	22.6	0.9	99.6
Special Protected Regime Land	32.0	1.3	32.1	1.3	100.3
Forest Land	97.4	4.0	100.0	4.1	102.3
Water Land	1.0	-	1.2	-	120.0
Reserve Land	6.7	0.3	6.7	0.3	100.0
Total	2,465.2	100.00	2,465.2	100.00	100.0

Source: Orelnedvizhimost', 2009

**Table 9. Break down of Orel Oblast Land, 2008, 1000 hectares**

Item	Total	Agri Land	Crop land	Forest Land	Water Land	Building Site Land	Road Land
Agricultural Land	2,106.6	1,900.0	1,508.9	134.4	12.1	4.9	38.3
Urban Land	196.0	141.7	56.0	10.6	2.6	13.8	22.9
Industrial Land	22.6	2.3	0.4	4.8	1.3	2.1	10.8
Special Protected Regime Land	32.0	0.8	0.2	30.4	0.4	-	0.4
Forest Land	100.0	1.7	0.2	96.3	0.6	0.1	0.6
Water Land	1.2	-	-	-	1,2	-	-
Reserve Land	6.7	5.2	3.4	0.6	-	-	0,4
Total	2,465.2	2,051.7	1,569.1	277.1	18.2	20.9	73.4

Source: Orelnedvizhimost', 2009

The private land ownership plays the dominant role in the regional agriculture and consists mostly of land shares belonged to former collective and state farmers (see Table 10).

**Table 10. Land Tenure, Orel Oblast, 2008, 1000 hectares**

Item	Total	Private ownership	Ownership of legal entities	State and municipal ownership				
				Total	Citizens		Legal entities	
					In use	Lease	In use	Lease
Agri Land	2,106.6	1,399.2	44.8	662.6	-	0.1	24.8	2.7
Urban Land	196.0	58.5	0.7	136.8	-	-	2.7	0.8
Industrial Land	22.6	-	0.5	22.1	-	-	7.8	1.2
Special Regime Land	32.1	-	-	32.1	-	-	0.1	-
Forest Land	100.0	-	-	100.0	-	-	-	-
Water Land	1.2	-	-	1.2	-	-	-	-
Reserve Land	6.7	-	-	6.7	-	-	-	-
Total	2,465.2	1,457.7	46.0	961.5	-	0.2	35.4	4.7

Source: Orelnedvizhimost', 2009

Main role in Orel Oblast Agricultural Land Tenure play joint stock companies and partnerships or parastatals (see Table 11). They occupied 1,280.5 (81.6 %) thousand hectares of the regional agricultural land in 2008. They have also rented the most of agricultural land shares.

**Table 11. Agricultural Land Tenure, Orel Oblast, 2008, 1000 hectars**

	Item	Area	Land shares	Including Not claimed land shares	Legal entity's land ownership	State and municipal land ownership
1	Join stock companies and partnerships	1,280.5	934.5	236.4	9.9	300.2
2	Production coops	221.5	163.6	64.4	-	57.6
3	State and municipal enterprises	6.7	0.2	0.2	-	6.5
4	Research Institutions	29.6	-	-	-	29.6
5	Subsidiary farms	23.1	3.8	1.0	-	13.7
6	Others	6.6	2.2	-	-	4.1
7	Total	1,568.0	1,104.3	301.8	9.9	411.7

Source: Orelnedvizhimost', 2009

In 2008 there were 1,300 private farms in the region. The average size of the farm was amounted 135.8 hectares. (See Table 12).

**Table 12. Private Agricultural Land Ownership, Orel Oblast, 1990-2008**

Item	Years	Number, 1000	Total Land, 1000 hectares	including	including	Total Land, 2008/ 1990, (+,-) 1000 hectares
				AgriLand 1000 hectares	Cropland, 1000 hectares	
Private farms	1990	-	-	-	-	-
	2008	1.3	176.5	175.6	165.2	+176.5
Subsidiary farms	1990	165.8	42.0	39.9	33.6	-
	2008	144.6	84.3	81.4	73.6	+42.3
Housing	1990	-	-	-	-	-
	2008	36.4	4.4	2.1	1.6	+4.4
Horticulture	1990	56.9	3.7	3.7	-	-
	2008	102.1	10.0	8.9	0.1	+6.3
Vegetable growing	1990	35.1	2.7	2.7	2.7	-
	2008	18.6	2.6	2.6	2.6	-0.1
Grazing	1990	-	-	-	-	-
	2008	40.1	307.4	304.4	126.5	+307.4
Total	1990	-	48.4	46.3	36.3	-
	2008	-	585.2	575.0	369.6	+536.8

Source: Orelnedvizhimost', 2009

One of the most important problems of Agricultural Land Market Development is to create legal as well as institutional framework for Agricultural Land Mortgage Transactions. In accordance with the target program "Development of Land Reform in Orel Region for 1999-2002" a new approach for development of Agricultural Land Mortgage has been introduced. According to the program private farms as well as other agricultural producers have an opportunity to use agricultural land as collateral to get loans. According to the program Agricultural Land Mortgage Obligations should be issued to develop and stimulate Agricultural Land Market in the region too.

According to 2003 Orel Oblast Agricultural Land Market Act the regional land market company "Orel Land Investment Company" has been established. The company operates as an open joint stock company. The company is close in concept to BVVG joint stock Company, operating in eastern part of Germany. In accordance with Orel Regional Government Order # 108 issued on July 22, 2003 the super goal the company is creating of favorable environment for development of Agricultural Land Market in Orel Region

Now it's very important to launch the public relation campaign focused on Agricultural Land Market Development to strengthen people's ability to understand the role and importance of Agricultural Land Market transactions. Due to it the company publishes newspaper "Orlovskie zemelnie vedomosti" (Orel Land News) which provides public access to agricultural land market transactions as well as agricultural land prices information. According

to article 2 of 2003 Orel Oblast Agricultural Land Market Act, all agricultural land market transactions must be executed via Orel Land Investment Company. As a result Orel Oblast Government Land Policy the efficiency of agricultural production as well as a number of agricultural land transactions has been increased in the region (see Table 13).

**Table 13. Land Market Transactions, Orel Region, 2008**

Item	Number of transactions/hectares			
	Total	Including		
		Urban Land	Industrial Land	Agri Land
Selling of state and municipal owned lands	2,024/ 8,420/	1,929/ 534.6	33/ 81.9	48/7,787.5
Selling of lands by citizens and legal entities	2,089/ 6,456.4	1,684/ 427.2	4/ 30.5	401/ 5,998.7
Leasing of state and municipal owned lands	4,580/ 175,270.5	3,748/ 1,313.1	95/ 697.6	572/ 173,045.8
Other transactions, total	1,524/ 720.2	1,522/ 436.7	-	2.0/ 283.5
Land Granting	362/ 86.9	362/ 86.9	-	-
Land Heritage	1,112/ 346.2	1,112/ 346.2	-	-
Land Mortgage	1/0.14	1/0.14		
Total	10,217/ 190,867.2	8,883/ 2,711.7	132.0/ 809.3	1023/ 187,115.4

Source: Orelnedvizhimost', 2009

As we mentioned before the main role in the regional Agricultural Land Tenure have played land shares. Most of land share owners have been officially registered by local authorities. The agricultural land has been consolidated by purchase or rent of property rights on land shares belonged to former collective or state farmers by private farms, parastatals and agricultural holding corporations.

However, agricultural holding corporations have played the dominant role in this process. In Orel region the agricultural holding corporations mostly just rent land shares belonged to former collective or state farmers to expand production scale and increase regional agricultural production efficiency. In that case the land shares owners keep their property rights.

## CONCLUSION

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

- Real Estate Market Legislation must be revised and improved both on the federal as well as the regional level.
- The institutional framework for implementation Real Estate Market must be improved both on the federal as well as the regional level too.
- Land Auctions must be introduced to stimulate development of Land Market in the regions of the Russian Federation.
- The training and retraining programs related to Real Estate 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 Real Estate Market Development must be initiated.
- Orel Regional Land Policy or Orel Model is one of successful ways of development of Land Market in the Russian Federation.
- Orel Oblast Land Reform experience should be scrutinized and replicated in other Russian regions.
- Orel Land Investment Company experience should be introduced to other Russian regions to encourage farmers to buy and sell their land as well as use it as collateral to get access to farm credit system.
- The public relation campaign to strengthen people’s ability to understand the role and importance of Land Market Development must be initiated.

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