



Land banking/Land Funds

important catalysts for Land Consolidation in Sweden

Mats Backman
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Personal presentation

- Land Consolidation work in Sweden 44 years
- Consultant in matters regarding real properties 3 years
 - Rural development, transactions, valuator
- Consultant EU Pilot project in Romania 0,5 year



Important issues for a successful Land Reform

- Working concept and project management
- Opinion
- Partnership
- Political/legal targets for consolidated properties
- Trimming of implementation-time and costs
- Technical development (valuation, GIS, GPS)
- Financing – available subsidies
- Available Land Bank/Land Fund



Review regarding Land Consolidation and fragmentation

- Laws on Land Consolidation 1757, 1807, 1827, 1926 and 1972
- Land Consolidation of the whole nation 1828 – 1922
 - Consolidated area 20 M hectares
 - 287 000 holdings concerned
 - Resettlement for 83 000 farmers

BUT....

- Private subdivision of real properties after Land Consolidation deteriorated the good result
- Bad fragmentation of properties and uncertain ownership conditions
- Difficulties to get titles and mortgages

Review of Land Consolidation and Land Banking/Land Funds in Sweden



- Voluntary or gradual Land Consolidation
- Radical or compulsory Land Consolidation
- Work done since 1930
 - Adjudication 1 500 000 hectares
 - Land consolidation 470 000 hectares
- Urgent need of Land Consolidation 850 000 hectares
- Land Fund in the county of Dalarna 13 000 hectares
- Purpose of the Land Fund
 - Facilitates the Land Consolidation procedure
 - Contributes to viable family farms

Performance indicators, monitoring



Promotion of a land reform

- Investigation of land use
- Needs of land reform
 - Role and importance of agriculture/forestry
 - Extent of fragmented arable/forest land
 - Available Land Bank/Land Fund
 - Degree of fragmentation, joint properties, joint ownership
 - Characteristics of the farmers
 - Type of production
 - Possible needs of road construction
 - Choice of appropriate Land Consolidation procedure
 - Time/cost estimates
 - Available subsidies

Performance indicators, monitoring (cont.)



- **Monitoring by Swedish Board of Agriculture**
 - Objectives for agriculture
 - Promote food production, compatible with environment & animal welfare, beneficial to consumers
 - Administer the CAP according to EU-legislation
 - Ensure food supply in the event of crises of national security
- **Monitoring by National Board of Forestry**
 - Supervision of the Forestry Act
 - Advisory services
 - Inventories of natural values on forest land
- **Monitoring of Land Consolidation by National Land Survey**
 - Supervision of the Property Formation Act
 - Instructions to the regional/local cadastral authorities
- **Supervision of land use**
 - County Administration Board (arable land, cultivation, animal welfare, food quality)
 - County Forestry Board (Forestry Act, reforestation, environment considerations, silviculture)

Access to Land Bank/Land Fund



- **Objectives of Land Bank/Land Fund**
 - Increase of farms
 - Establishment of common valuable nature and culture areas
 - Mediation and negotiation with farmers
- **Lubricating medium**
 - Facilitates the re-allotment design in Land Consolidation



Establishment of a Land Bank/Land Fund

- **Governmental** purchase of land, mainly in fragmented areas and will constitute the major part of the Land Fund
- Municipalities do not own land available for the Land Fund
- Farmers agree during the Land Consolidation procedure to get money instead of land. Such land will be a part of the Land Fund



Available Land Bank/Land Fund in implemented L C projects

The available Land Bank/Land Fund in implemented Land Consolidation projects normally varies from 5 to 10 % of the total project area



Prerequisites for the Land Fund in Dalarna

- Present size 13 000 hectares, mainly in the most fragmented areas
- Approx. value 250 – 300 M SEK
- Target groups of farmers who are entitled to buy land from the Land Fund
 - Farmers with holdings less than 5 hectares
 - Progressive "full-timer"- farmers



Financing of land purchases from Land Bank/Land Fund

Farmers who purchase land from the Land Bank/Land Fund normally have the following options

- Timber sales –most common, easy financing
- Cash payments – normally for smaller payments
- Bank loans – for very big payments, often combined with timber sales



Financing of Land Consolidation

| <i>Period</i> | <i>Subsidies for the re-allotment procedure</i> |
|---------------|---|
| • 1750 – 1971 | 100 % |
| • 1972 – 1985 | 75 % |
| • 1986 - 2010 | 50 % |
| • 2011 ----? | 60 % - has to be decided by the government |

| | <i>Subsidies for infrastructural measures</i> |
|----------------|---|
| • 1940 – 1992 | 50 % |
| • 1993 ----- ? | 0 % |



Contributors with subsidies for Land Consolidation in Sweden

- Swedish government (approx. 30 projects)
- European Union (4 projects)
- County Forestry Board (4 projects)

Amendments and changes in the process of Land Consolidation



- **Approach** – change from “top-down” → “bottom-up”
- **Methodology**
 - Strategy of a Land Consolidation project
 - Dialogue with the farmers
 - Valuation techniques
 - Elaboration of a re-allotment design
 - Surveying techniques
 - Decision making
- **Progress**
 - Methodology
 - Partnership
 - Opinion issues
 - The need of a cost-efficient procedure
 - Technical development
 - Financing
 - Political support

Perspectives of Land Consolidation in Dalarna according to a current investigation



Focus on

- Increased subsidies from 50 to 60 %
- Preliminary study
 - Identification of areas feasible for Land Consolidation
 - Awareness campaign
 - Surveying of present fragmented properties/parcels
- Decreased implementation time for a normal size L C project from 5 – 7 years today to 2 – 3 years according to the investigation report
- Target for the implementation of the total fragmented area of 500 000 hectares – **20 years**
- Recruitment and capacitation of staff

Organisation and institutional framework for Land Consolidation



Institutional solution

- National Land Survey (cadastral issues)
- Governmental Land Fund agency
- Promotion of Land Consolidation
 - Coordination committees at central, regional and local level
 - Regional level



Thanks for your attention