

National Land Service under the Ministry of Agriculture of the
Republic of Lithuania
Head of Activity Coordination Division

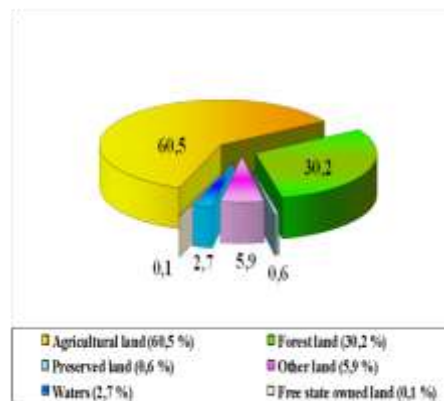
Giedre Leimontaite



Distribution of land stock according to the purpose of land use

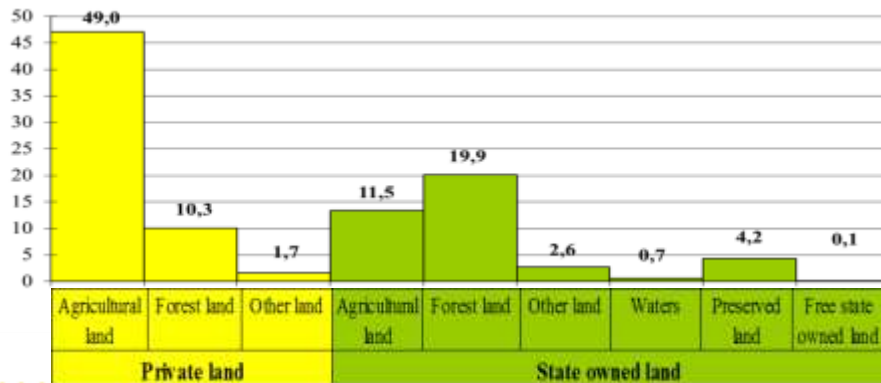
Lithuania – 6.530 thousand
ha:

Land of the agricultural
purpose – 3.951 thousand ha
– 60.5 %



Distribution of land according to the ownership forms (%)

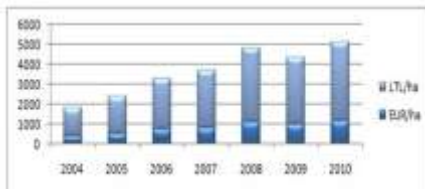
Private land – 2.756 thousand ha – 81 %
 State farming land – 651 thousand ha – 19 %
 Leased or given for long period – 437 thousand ha – 67 %
 Leased for 1 year – 100 thousand ha – 15 %
 Unused – 114 thousand ha – 18 % (there is a request for 25 thousand ha)



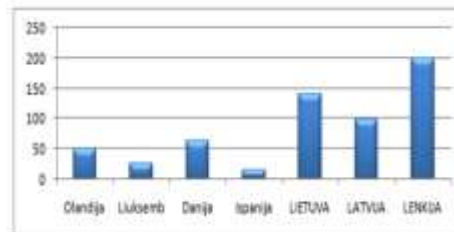
Land market ?

-Private land market?
 - 3 000 EUR/ha

Average price for 1 ha



Price alteration
 in 2004 – 2012
 (%)



Land market?

- State land market?
- 1 000 EUR/ha

- In 2012:
- 57 mln EUR.

- In 2011:
- 19 447
agreements.
- 70 mln EUR.



Stage of selling state agricultural land

SUMMER

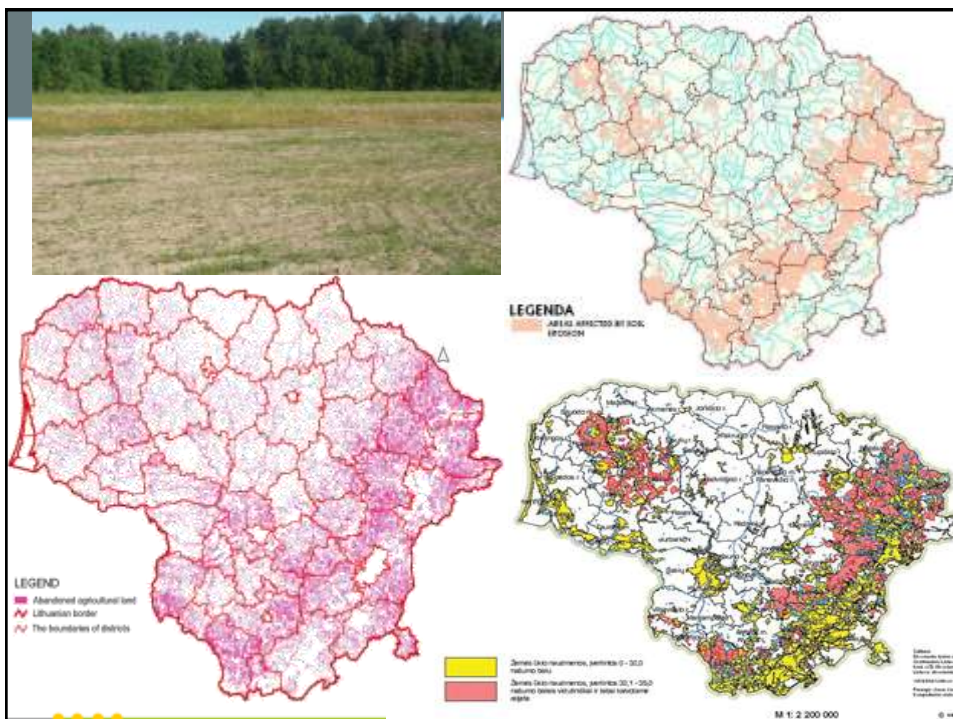


AUTUMN



● ● ● ●

-We still have 14 000 persons willing to buy 300 000 ha of agricultural state land.



Is it a problem?

1. One of the main problems – when land ownership was restored to previous owners, even if they do not live in countryside and do not intend to use it for agricultural purpose and do not sell it.
2. Owners do not intend to sell the land and keep it as an **“investment”** or **“security”** for the future expecting increase in value.
3. **Small land parcels** and average size of land for one owner, who do not allow efficient and profitable farming.



Is it a problem?

4. **Migration of young people** from countryside to urban areas and increased number of old farmers.
5. **Bad quality** of soil and erosion leads to unprofitable agricultural activity.
6. High transaction costs for sales including transfer taxes and lack of land market information make it difficult for owners to find buyers even if they want to sell.



Possible solutions

Back to
agriculture

- improvement of farm structures (size, shape ...), land consolidation (farm structure, rural development, infrastructure, tourism (rural))

Short
rotation
plants

Aforistation

- green energy, biodiversity, recreation areas, investment...

Other

- rural development, infrastructure, environment protection, public needs...)

Smaller taxes

????

Land
banking

Land
consolidation

Land consolidation

2005 - 2008

14 land consolidation projects
4827 ha
380 owners

2011- 201?

23 land consolidation projects
26 000 ha
2 500 owners

2012-201?

More than 20 land consolidation projects



What we need for future land consolidation

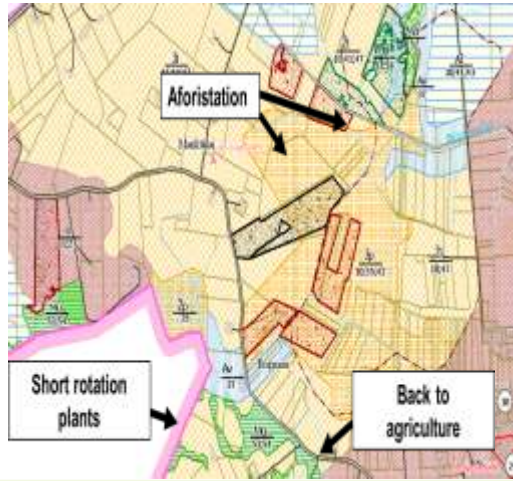
Clearer connections with rural development plan

Easier procedures of land consolidation

Implementation until the end

Trust of owners

Good (professional) land planners



Or is this a problem?

State land will be sold not by auctions (real market price) but using average market price.

Farmers buy state land and afterwards sell to others in higher price as a private land...



Or is this a problem?

State Land Fund is not functioning in land market....

Private land owners are waiting for the foreigners.

Private land owners are waiting for land expropriation (taking land for public needs).



Motivation to use or sell unused land

Priorities of EU support allocation and intensity

Differentiation of land tax for the unused land



Motivation to use or sell unused land

Fines according to
Administrative code for unused
land (400 fines yearly) defined
by:

National Land Service
State Service for Plants
Protection

2011

3434 state controls of land use

2012

4307 state controls of land use



Development of land market???

- Are we still in the process.....???
- What we should do next????



Thank you ☺

