



Project “LAND REFORM BAROMETER: Information and Advocacy Campaign”

Land reform barometer

Land lease payments: amounts and forms

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In the framework of the “Land Reform Barometer” survey, the farmers and managers of agricultural enterprises were asked about the conditions of leasing the land to them. Most of agricultural producers pay for leasing the land either in kind or partly in kind and partly in monetary form. In monetary equivalent, the rent ranges from 200 UAH to more than 600 UAH per 1 ha of agricultural land.

The forms and amounts of rent payments as well as their timeliness were studied in the survey of agricultural producers in the framework of the “Land Reform Barometer” project. 52 or 84% out of 62 agricultural producers reported leasing land for commercial agricultural production.

Most of them pay the land rent in kind, i. e. with products and services (38.5%), or partly with produce and services and partly in monetary form (48.1%). The rest of agricultural producers pay the rent in monetary form. Very few (3.8%) pay the rent in both services and cash. In the Autonomous Republic of Crimea and in Khmelnytskyi oblast agricultural producers pay the rent mostly in kind (see Fig. 1). In Dnipropetrovsk oblast it is more common to pay the rent partly in kind and partly in cash.

Previous surveys of agricultural producers have demonstrated a noticeable difference in the amounts of rent payments and their dependence on the ownership of land plots. For example, in 2010, the Centre for Social Expertise conducted the survey of agricultural producers in the seven regions of Ukraine. The results of this survey demonstrated that the average rent per 1 ha of land ranged from 267 UAH for land owned by the state to more than 500 UAH for the land that was owned by private sector.

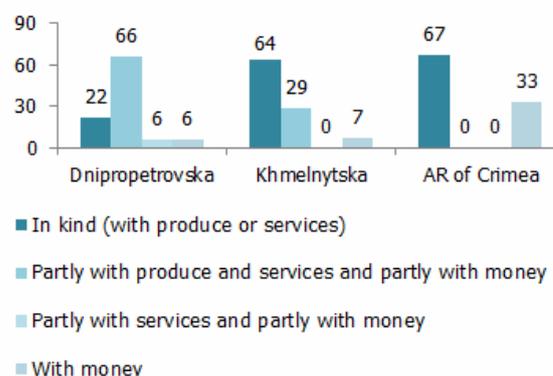
Agricultural producers that participated in the “Land Reform Barometer” survey reported about the rent payments in the range from 200 to more than 600 UAH during the previous year (2011). The most common range of rent payments was documented at 400 to 600 UAH. 44.7% of agricultural producers paid this amount. For the 21.3% of agricultural producers the rent laid in the interval from 200 to 400 UAH, while for the 29.8% of agricultural producers the rent payment exceeded 600 UAH per 1 hectare of agricultural land.

Land tenants in Dnipropetrovsk oblast paid the highest rents. More than half of the agricultural producers in the region (58.1%) paid between 400 and 600 UAH of rents per 1

ha of land in 2011, and 29% paid more than 600 UAH. In Khmelnytskyi oblast, there are four almost equal groups of agricultural producers with regard to the rent amounts in 2011. Rent is reported to be the lowest in the Crimea. 80% of agricultural producers in Crimea paid less than 400 UAH of rent in 2011. In addition, all the polled agricultural producers reported that they had paid the rent payments in time.

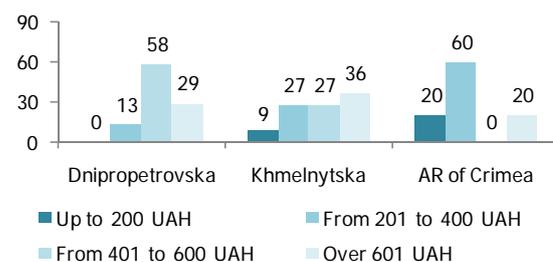
To summarize, the land lease payments for commercial agricultural production varied from 200 UAH per hectare to more than 600 UAH per hectare in 2011. Most of agricultural producers pay the rent partly or totally in kind: with products and services.

Fig. 1. How do you pay rent for land?, %



Source: own data

Fig. 2. What is the amount of rent payments per hectare?, %



Source: own data