

Land market and agricultural land use after the EU enlargement

Rozvoj trhu s pôdou a hospodárenie na pôdnom fonde po rozšírení EÚ

On October 2–6, 2006, an international seminar focused on the land market development and soil fund farming after the EU enlargement was held in the High Tatras, in Nový Smokovec. The Research Institute of Agricultural and Food Economics organized it. Contributions of the home and foreign experts about the about the main subject were delivered at the seminar. Presented results were mainly gained by land market development. The followed discussion carried new views and proceedings for the further use of agricultural land and land market development as well as for farming, preservation of land and the environment.

In spite of the current international economical integration, size and quality of the barter of various goods differ. Land market belongs to the markets that resist the unification the most. The clearest proof has occurred in a seven-year transition period to open the land market for foreigners which was negotiated in the accession negotiations by the new member states.

We are gratified that agricultural land within different topics has become the reason for regular meetings of scientific experts from the member states of the EU as well as other European countries.

In the recent times, the land market and land farming have still faced the problems connected with the socio-economical development in the new member states of the EU. Legislative reforms led to the land-ownership retributions, but there still exist significant differentiations among the old and new member states, particularly in the level of market land prices and land market working. Even if the main part of agricultural land in Slovakia belongs to the private owners, big land fragmentation and untransparent land ownerships have built the main barrier in the

land market development. It is also related to faults in public registration of ownerships. It is a heritage of the past and its retribution via land consolidation is extremely expensive and time-consuming. We must assert that for the specific soil properties as an exchange subject, the international land market is not well developed in the countries of EU-15, either. The single commodity market has been established in the whole area of the EU, but the market with agricultural land mostly stays as a national one in every country.

Lease market has been still important for practical farmers. Agricultural enterprising has not become a significant source of capital accumulation, which would enable the transactions on land market. Of course, there exist some exceptions as well, but we expect the implementation of subsidy means of the Common Agricultural Policy to change the situation in the medium-term view. The end of 7-year limit for agricultural land purchase by foreigners will certainly help to the land market development, particularly in border areas and in areas with developed tourism.

The presented information pointed out the big differences in amount of made transactions in the countries, in the level of market prices and in legislative approach to the land market, too.

Further tendency of sustainable land farming is closely linked with formation and enforcement of the Common Agricultural Policy of the EU. The socio-economical development will influence its further character by differentiated impacts on the regional level mainly. It will also influence the level and way of agricultural land use, land market, forming the countryside and the environment as well as preservation of the natural values and cultural heritage.

Ing. Štefan Buday, PhD.

Research Institute of Agricultural and Food Economics, Bratislava