

# **THE OTHER AGRICULTURAL LAND REFORM IN GEORGIA: STATE LEASING OF LAND TO PRIVATE FARMERS**

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## 1. TWO LAND REFORMS

Total agricultural land in Georgia amounts to about 3 million hectares. There are approximately 795,000 hectares of arable land and nearly 268,000 hectares under perennial crops. Land classified as “mowing” comprises 142,500 hectares,<sup>2</sup> while pastureland occupies almost 1.8 million hectares.

The land tenure situation in 1991 was approximately as follows:<sup>3</sup>

- Nearly 1,300 large collective and state farms cultivated about 3 million ha of agricultural land. About 1 million hectares were arable or perennial land; the rest were mostly pasture and mowing lands.
- About 700,000 farm households cultivated about 15,400 hectares as household gardens plots.

A two-pronged agricultural land reform was devised in Georgia to move toward a market-oriented economy, one prong being the distribution of land parcels of up to 1.25 hectares in ownership to rural families, and the second being the leasing of the remaining state-owned land to physical and legal entities. The land reform program was intended to create a self-maintaining sector of subsistence-oriented small farmers and a market-oriented sector controlled by larger leaseholders.<sup>4</sup>

In countries moving from the socialist model to a market-oriented model based on private enterprise, the privatization programs affecting agricultural land have involved various land tenure arrangements. In Albania, for example, the initial idea was the distribution of land in ownership to the resident families on the cooperatives, which were dissolving in any case, and the retention of land in state farms, which were managed in the interim by the remaining state farm managers, for attracting foreign investors (Bruce et al., 1993). Some leasing to these managers was also done. In the Moldovan example, the *kolkhoz* and *sovkhos* land was given in ownership to farm families and to ex-collectives transformed into joint stock companies and other legal “persons” to facilitate this transfer into private ownership of land and still preserve the perceived economies of scale of the ex-*kolkhoz* and ex-*sovkhos* (Czaki and Lerman, 2002; and Dumitrasko, 2002).

In Georgia, also, the leasing of state-owned agricultural land to private farmers was done to preserve the economies of scale embodied in the land and water management systems of the former socialist enterprises and to encourage private initiative for market-oriented agricultural production. In the proportion of the total agricultural land area involved, the Georgian land-leasing program provides a significant example for other transition countries. The purpose of this article is to describe the Georgian program for leasing of state-owned agricultural land to private farmers and to identify some of the achievements and difficulties of that land reform component.

### 1.1 PRIVATIZATION INTO OWNERSHIP

The “small parcel” reform under Resolution 48 of January 1992 was planned to transfer ownership of the affected land from the state to households. Under this first reform, about 744,000 ha of

<sup>2</sup> The term “mowing lands” refers to land that cannot be plowed but is more commonly used for uncultivated grasses, which typically are mowed and stored for livestock feed.

<sup>3</sup> From Strubenhoff, 2002, p. 48.

<sup>4</sup> From Strubenhoff, 2002, p. 48.

privatized agricultural landholdings varied from 0.3 ha in districts with a low land-man ratio to 1.25 ha in districts with more available land.

## 1.2 THE LEASING OPTION

In 1996, the second prong of the land reform—the leasing of state-owned agricultural land to private farmers as either physical persons (individuals) or legal persons (limited liability companies and other types of corporate ownership)—officially began. However, the legal authority for leasing state-owned agricultural land has undergone several modifications since the Law on Agricultural Land Leasing was approved. The Civil Code repealed this law in the following year, on 26 June 1997. Subsequently, Presidential Order No. 446 (2 August 1998), “On the Rules for Leasing State-Owned Agricultural Land,” in effect brought the 1996 Law on Agricultural Land Leasing back into force.

Table 1 shows that in 2002, 25% of total agricultural land (including pastureland) had been privatized into ownership and 30% remained in state ownership but had been leased to private farmers. About 36% of the country’s agricultural land is classified as pastureland, and it remains in state ownership. Almost 10% of the total agricultural land is located in Samachablo and Abkhazia, two regions where state land administration has been limited, and where political conflicts have been problematic.

About 13% the country’s arable, mowing, and perennially cropped land that remains in state ownership is not leased, as is 52% of the pastured land (excluding Samachablo and Abkhazia). Some of the unallocated cropland and a small percentage of the unallocated pastureland lie in border areas, particularly along the boundaries with Abkhazia, and Samachablo/South Ossetia.

Most of the unallocated state-owned land (neither privatized nor leased) is classified as pasture—over 1.1 million hectares, including Samachablo and Abkhazia. Such land is often used by communities or groups of families for the pasturing of their livestock and is composed of mountain summer pastures and some winter pastures. An unknown portion of this type of land is simply abandoned and not used for agricultural purposes, largely because it is not suitable for agriculture under present conditions (for example, swampy, un-drained, or degraded land).

## 2. LEASING OF STATE-OWNED AGRICULTURAL LAND

Information from the rayon offices of the State Department of Land Management (SDLM),<sup>6</sup> which assisted in the preparation of state agricultural land-lease agreements, indicates that there are an estimated 42,000 leases to physical persons for 464,400 hectares, and an estimated 6,000 leases to legal persons for 438,600 hectares of cultivated agricultural land and pastureland. Adding these two types of leases yields an estimate of 48,000 leases involving 903,000 hectares of state-owned agricultural land, including cultivated land and pastured land.

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<sup>5</sup> Strubenhoff, 2002, p. 20. Due mostly to the civil disturbances that have since affected some parts of the country, not as much land was actually privatized in this program as had been estimated to be in the privatization fund when distribution began.

<sup>6</sup> The SDLM is a central government entity with offices in *rayons*, which assisted with the privatization and leasing programs and which continue to provide technical assistance to local self-governing units pertaining to land matters. The SDLM national office publishes periodic statistics concerning agricultural land uses.

In order to conduct the process of leasing land in an organized manner, bodies of local self-governance form permanent commissions, which publicize the information on the land parcels subject to being leased and conduct competitions on leasing out the land. Commissions include representatives of various ministries, departments, and local government bodies.

In order to process a lease on state-owned agricultural land, the relevant local government unit must obtain consent from the following national government agencies: the Ministry of Agriculture and Food, the Forestry Department, the Ministry of Environment Protection and Natural Resources, the Department of Geology, the Center of Archeological Research, the Department of Monument Protection, and the Ministry of State Property Management.

Based on a commission's request, relevant *rayon* offices of the SDLM compile plans of the land parcels subject to being leased. Twenty days before holding the competition, the commission broadcasts information on the land parcel. Interested persons have the right to become acquainted with the details indicated including:

- 1) title of the body of local governance (i.e., title of the lessor);
- 2) type and terms of the competition;
- 3) lease payment on the land and method for paying it;
- 4) final deadline for accepting applications on leases of state-owned land parcels;
- 5) time and location of holding the competition; and
- 6) area and description of the land parcel.

The competition can be both “commercial” and “noncommercial.” In case of a commercial competition, the lease is awarded to the applicant who offers the highest financial bid. In case of a noncommercial competition, the lease is obtained by the applicant who submits the most satisfactory “business plan.” (The commission determines which business plans are suitable.)

The commission, together with the bodies of local governance, determines whether the competition has to be commercial or noncommercial. If there is only one person who is willing to lease land, the land is leased to that person. In all other cases it is mandatory to hold a competition.

During processing of lease agreements on state-owned agricultural land, the lessor, considered to be the state, is represented by the body of local government, while the lessee can be represented by a person, group of persons, or a legal entity.

The Presidential Order regulating leases of state-owned agricultural land mandates that no lease agreement may have a lease term longer than 49 years. The length of term of a particular lease is established during the negotiations between the commission and the potential lessee.

The commission picks the winner of the bidding for a lease by a simple majority of votes. Its choice is recorded in a formal protocol, which is signed by all the members of the commission. The commission submits the protocol and the lease plan to the body of local governance whose jurisdiction covers the leased parcel. Within two weeks, that body informs the commission of its decision and identifies the winner. The applicant must be told of the decision of the commission (whether positive or negative) within 10 days. In case of a negative answer, the applicant has the right to appeal the decision to a local court.

winner is processed; it is to be registered at the Rayon Public Registry—a unit of the SDLM—within 30 days.

These leasing procedures have been subject to the frequent criticism that their improper application has led to corrupt practices and widespread abuse (see below).

## 2.2 PRICE OF A LEASE

The lease price should be at least equal to the land tax rate and could be higher. This tax rate, set locally by the *sakrebulo*<sup>8</sup> administration, can range (according to the tax code of 13 June 1997) from 8 to 51 gel<sup>9</sup> per hectare of cropland per year. (By way of comparison, in the outer districts of the city of Tbilisi, the tax rate is .06 gel per square meter, or 600 gel per hectare.) Pastureland is taxed at the rate of 3 gel per hectare.

The principles of calculating and paying the lease rent are vague in practice. Lease payments are paid differently in each *rayon*. For example, in some *rayons* the lessees are paying only the fixed land tax as rent. In other *rayons* the lease rent is added to the fixed land tax; that is, if a lessee has 10 hectares of arable land, he/she pays 10 x 24 (the annual land tax on 1 hectare of land) x 2 per year. According to explanations of registrars, the lease rent cannot be less than the land tax, but how much higher than the land tax seems to be up to the local government entity.

Other complications exist. In the Senaki Rayon, for example, in addition to the land rent and land tax, there is the “discounted tax,” which equals 2% of the lease rent to be paid during the term set by the lease agreement (the property tax related to land lease is determined by Section 8 of the Tax Code of Georgia, Articles 164-169).

The lessee must give the lease payment to the local administration body of the *rayon* whose jurisdiction encompasses the leased parcel. The annual land tax is also determined by that administrative body. Typically agricultural land is divided into categories. Table 2<sup>10</sup> shows the annual land tax per hectare in selected *rayons*.

When the lease price is close to the tax rate, which in theory is around 1% of the “value” of the land, the amount paid to lease the land is in most cases well below the productive potential of the land. If we use the leasing of private land to private lessees as a reference, the rule of thumb is that the price of the lease on a yearly basis should be at least 10% of the value of the land (under conditions of an approximate 7% rate of interest on deposits). This rule of thumb for estimating the value of land comes from the notion that commercially minded landowners will want to recover their investment in buying land within 10 years, or else they can make more money by selling the land and leaving money received from the sale in savings accounts. In the case of establishing an approximate price for state-owned land leasing, the “10% of market value” figure is illustrative, in that the state does not function with the same logic as a private owner of land, and the profitability of agricultural production may not be sufficient to pay high lease rates. But even with this caveat, the Georgian practice of establishing the lease fee to be about equal to the tax rate, which is at best 1% of the market value, even with low agricultural profitability, probably represents a substantial subsidy to the lessees.

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<sup>8</sup> A “sakrebulo” is the smallest land administrative unit. Several *sakrebulo*s comprise a *rayon*. Several *rayons* comprise a region.

<sup>9</sup> US\$1.00 = 2.15 GEL (Lari).

<sup>10</sup> Table 2.1, p. 100.

land can find sublessees who are willing to pay higher rents than what the original lessees pay the state. Such arrangements would be attractive to the original lessees, since they could generate profits without investment in time or money in the farming operation. However, such subleases are illegal without the consent of the SDLM. In no case has such consent been given. Nonetheless, some evidence exists that subleases are common.<sup>11</sup> It is likely, then, that in many lease rates *sakrebulos*, are lower than what people are willing to pay to access land, leading to a loss of revenues for the state and a special subsidy for those fortunate enough to have obtained lease agreements.

### **3. SOURCES OF INFORMATION ABOUT LEASING ARRANGEMENTS**

In order to be valid from a legal perspective, all leases are to be registered at the *Rayon* Public Registry, an administrative unit of the SDLM. In fact, only some of the lease agreements are registered, with the original copies kept in many cases only in the office of the Gamgebeli as well as with the lessees. The Public Registry archives do provide a systematic information source for legally valid lease agreements.

In 2002, the Association for the Protection of Landowners' Rights (APLR) organized field teams to visit each public registry and gather data on all registered leases. From this information the APLR developed a database pertaining to 13,975 registered leases of state-owned agricultural land that had been registered at the public registries as of mid-2002. This database included 644 registered lease agreements that had been terminated. Of the registered lease agreements, another 36 did not have the total area leased noted in the agreement or did not adequately identify the lessee. Eliminating the 644 terminated leases and the 36 without minimal information leaves 13,295 active, registered lease agreements with applicable minimal information noted.

Using various comparisons between the sample of leases that were registered and the general information from the SDLM, we attempted to estimate how close the APLR sample estimates are to those of the SDLM data on all leases. With the exception of the APLR's finding that 21% of the lease agreements do not specify a term and the SDLM's data not showing such agreements, the two sources of information are fairly close in terms of the percentages of leased land in the three main categories of lease terms across the various regions of the country.

### **4. LEASING OF CROPPED LAND**

There has been a debate about the desirability of continuing the leasing of state-owned agricultural land. Most observers, however, agree that the present system of leasehold administration is not working well. One set of critiques argues for improving the leasehold administration<sup>12</sup> while another set argues for the conversion of leased land into privately owned land. Although various draft legislative ideas have been prepared for the privatization of the leasehold lands, most agree that any such effort should deal only with cropped land—that is, land used for mowing, arable crops, or perennial crops—and should exclude pastureland from privatization. The implementation of a law would probably also involve some restructuring of leases of pastureland, if not actual privatization to individual owners. The following analysis of leased, state-owned agricultural land focuses first on the cropped land and then on the pastureland.

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<sup>11</sup> Strubenhoff, 2002, p. 18.

<sup>12</sup> This debate has occurred in several countries, as summarized by Hong and Bourassa (2003) for leasing of state land in urban contexts, and in Stanfield (2000) for leasing of state-owned agricultural land in Thailand.

the type of lessee, the period of the leases, and the numbers of leases with different areas of cropped land. There are 10,513 leases in the APLR database that have information about the areas of leased mowing, arable, and/or perennially cropped land. There are 1,667 active, registered leases that are only for pastureland and do not have any cropped land included in the leases (see below for a discussion of leasing of pastureland). There are another 71 lease agreements only for the “other” type of land use category, including in most cases access roads, canals, and other uncultivated land (and in other cases also lakes or ponds), that do not have cropped or pastured land included. Some lease agreements indicate only the total area leased, without showing the type of land involved.

#### **4.1 TYPES OF LESSEES**

In broad legal terms, there are two types of lessees: legal persons, and physical persons. Within the “legal person” category are numerous subtypes. Table 3 shows the average amount of cropped land, the actual amount of cropped land, and the number of leases for each type of lessee for different amounts of leased land.

Over 90% of the leases are held by physical persons (including individuals, individual entrepreneurs, and groups of individuals). Some of these leases are relatively large, with nearly 5% held by individuals involving 50 hectares or more and controlling nearly 24% of all cropped land. On the other hand, nearly 62% of all leases are held by individuals in relatively small parcels, controlling less than 10 hectares of cropped land. About 30% of all leases are held by individuals in holdings of less than 3 hectares of cropped land, but these leaseholds control less than 2% of all of the cropped land.

A second type of leasehold is the leasing of public land by some form of public agency, such as Gambeobas, ministries, or education and research centers. These entities represent less than 1% of the leaseholds and control less than 3% of the cropped land. These agencies typically do not have the resources to purchase the land, but they may provide locally important public services. Privatization commissions should have the flexibility to either continue the leasehold arrangements or to transfer the ownership of the land to these entities at low or no cost.

The third type of lessee includes the limited liability companies, stock companies, firms, farms, cooperatives, and other types of “legal persons.” These types of lessees tend to control much larger areas of cropped land but are relatively few in number. Those that control more than 50 hectares of land represent only 3% of all lessees but hold over 32% of all cropped land. Due to the amount of cropped land controlled, special attention must be paid to how these types of organizations are treated in the privatization process. Some of them may be inheritors of kolkhoz and sovkhos lands, though such examples are rumored to be few. Other legal persons are corporate entities, which may be controlled by powerful people and companies that have decided to take control of large areas of cropped land. In some instances it is alleged that these lessees have made significant investments in agricultural enterprises, but in others it seems that they have not used their holdings effectively. There is little systematic evidence on these points, however.

Taken together, the holders of large leases (50 hectares or more of cropped land) represent 8% of the total number of lessees but control 56% of the leased cropped land. This concentration of leased land in the hands of a relatively few lessees could create difficulties for the other households in rural communities. Families that received land in ownership in small parcels during the first phase of the land reform may be restricted in acquiring sufficient land to generate adequate household income.

#### **4.2 PERIODS OF LEASES OF CROPPED LAND**

An important issue in the privatization of the ownership of state-owned agricultural land held in legal

windfall profits for the lessees, who would be reluctant to terminate the leases and buy the land.

Nearly 70% of the leases are for 10 years or less, and nearly 66% of the cropped land is held in such leases. Those 10-year leases arranged in 1996 and 1997 will be expiring by 2006 or 2007.

Almost 18% of the active leases with land use specified have no period defined, and these leases control about 17% of the total land leased by the state.

As seen in Table 4, the number of leases prepared has been at about the same level every year<sup>13</sup> since the leasing program began in 1996. The number prepared in 2002 is underestimated, since the data were collected in the first six months of that year. About 20% of the land in these leases with year noted is tied up for periods longer than 11 years, mostly for 49 years. On the positive side for the planned privatization program, nearly 80% of the land is leased for periods of 10 years or less.

There are many lease agreements, however, for which there is no date of execution—2,491 in the sample and about 24% of cropped land leases. About 60% of such lease agreements do not define the period of the lease. Lease agreements could be better drawn up.

## **5. LEASING OF PASTURELAND**

While pastureland is presently excluded from discussions about the privatization of state-owned agricultural land, there are an estimated 600,000 hectares of pastureland presently leased and another 1.2 million hectares that have not been allocated under lease agreements. For leases involving cropped land, about 10% also involve pastureland. Pastureland leases are for large extensions of land, averaging 112 hectares per lease; 20% of such leases are for 200 hectares or more. On the other hand, about 35% of the leases involving pastureland are for less than 10 hectares of pasture.

Pastureland is frequently the subject of local disputes, since the tradition has been for communities to organize access to and use of pastureland while leases or other forms of private appropriation of these lands exclude some traditional users.

Pastureland that is managed by individuals or by communities without rules of access and management can deteriorate from overuse, leading to erosion and loss of important land and water resources.

The leases that involve pastureland are found predominantly in Kakheti and Samtskhe-Javakheti regions, which contain over 76% of all leased pastureland. There are both very small and very large areas leased for pasture, as shown in Table 5.

The amount of land leased for pasture varies considerably from lease to lease, with many leases for small amounts of pastureland. Table 6 shows these data. Nearly 80% of the lease agreements do not include any pastureland. However, for those leases that do include pasture, with about one-third involving 100 hectares or more of leased pastures, control nearly 90% of all the leased pastureland.

Lease agreements for the most part deal with cropland, though some of the agreements are for only pastureland and some are for both cropped and pastured land. Table 7 shows that over 74% of pastureland is held in leases with no cropped land. About 10% of total leases, however, involve both cropland and pastureland.

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<sup>13</sup> The valid date of the lease was taken to be the earliest of the three dates, any or all of which were

The leasing of state-owned agricultural land to private physical and legal persons was begun formally in 1996 and has affected about 30% of the total agricultural land area in about 48,000 leases. The distribution of about 25% of all agricultural land area in ownership to over 1 million families was begun in 1992 to provide emergency access to land for subsistence purposes in times of great turmoil. Retaining agricultural land in state ownership for leasing originally intended to get agricultural land into the hands of market-oriented producers as distinct from the more subsistence-oriented holders of the land given in ownership.

The leasing of state-owned agricultural land has been administered by local self-government entities, with technical support from local employees of the State Department of Land Management. Formal procedures provide for the auctioning of land for lease under the supervision of local commissions, though there are criticisms of the procedures actually used and concern that some privileged people acquired leases in non-transparent ways. The lease rents in most cases are probably set below the price that local producers would be willing to pay, although the crisis in agriculture (low prices, limited markets, difficult transportation) has limited the abilities of people to pay for leasing of land.

Until other data are available, the APLR's database concerning the 13,975 lease agreements registered at the Rayon Public Registries can be considered as representative of the approximately 48,000 leases that the SDLM information shows as existing in 2002. The proportion of leased land in different regions, the proportion leased to physical and legal persons, and the terms of the leases are quite similar in the two sources (the APLR database and the SDLM information). The APLR database allows the following summary description of the achievements and difficulties involved in the program for leasing state-owned agricultural land to private farmers in Georgia.

1. Small and large holders of leased, cropped land

Smaller leases, less than 50 hectares of cropped land, represent 92% of all leases. However, the holders of large leases (50 hectares or more of cropped land) represent 8% of the number of lessees, but control 56% of the leased cropped land. This concentration of leased land in the hands of a relatively few lessees could create difficulties for other households in rural communities, since the land distributed in ownership resulted in very small holdings.

2. Lease periods for leases of cropped land

Nearly 70% of the leases are for 10 years or less, and nearly 66% of the cropped land is held in such leases. Those 10-year leases arranged in 1996 and 1997 will be expiring by 2006 or 2007. Almost 18% of the active leases with land use specified have no period defined, and these leases control about 17% of the total land leased by the state.

3. State-owned pastureland.

There are an estimated 600,000 hectares of pastureland presently leased and another 1.2 million hectares that have not been allocated under lease agreements. For leases involving cropped land, about 10% also involve pastureland. Pastureland leases are for large extensions of land, averaging 112 hectares per lease; 20% of such leases are for 200 hectares or more. On the other hand, about 35% of the leases involving pastureland are for less than 10 hectares of pasture.

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**Table 1: Privatized, leased, and other state-owned agricultural land in Georgia**

Classes of land	Total 1985	Total 2002	Privatized into ownership (excluding Samachablo and Abkhazia 2002		Leased (excluding Samachablo and Abkhazia) 2002		Other ag lands remaining in state ownership (excluding Samachablo and Abkhazia) 2002		Agricultural lands in Samachablo and Abkhazia 2002		
	(000s ha)	(000s ha)	%	(000s ha)	%	(000s ha)	%	(000s ha)	%	(000s ha)	%
<b>Total ag. land</b>	2,991.0	3,022.7	100	743.7	24.6	903	29.9	1,100.8	36.4	275.2	9.1
Arable	783.2	795.3	100	427.3	53.7	230.5	29	89.8	11.3	47.7	6
Perennial	347	267.9	100	171.4	64	26.7	10	25.6	9.6	44.2	16.5
Mowing	173	142.5	100	41.9	29.4	45.8	32.1	44.8	31.5	10	7
<b>Subtotal, cropped</b>	<b>1,303.2</b>	<b>1,205.7</b>	100	<b>640.6</b>	53.1	<b>303</b>	<b>25.1</b>	<b>160.2</b>	13.3	<b>101.9</b>	8.5
Pasture	1,672.4	1,797.2	100	83.3	4.6	600	33.4	940.6	52.4	173.3	9.6
House parcels	15.4	19.8	100	19.8	100	0	0	0	0	0	0

Source: State Department of Land Management (SDLM), Tbilisi, Georgia, April 2002.

**Table 2: Examples of annual land taxes in selected rayons**

#	Rayon	Annual tax for 1 ha land (GEL)			
		Arable	Perennial plants	Mowing	Pasture
1	Abasha	I – 34 II – 25 III – 18	I – 34 II – 25 III – 18	Information not available	3
2	Bolnisi	Irrigated – 52 Non irrigated – 35	Irrigated – 52 Non irrigated – 35	6	3
3	Martvili	23.5	23.5	Information not available	2 1.6 (Alpine)
4	Senaki	I – 33 II – 23.5 III – 17	I – 33 II – 23.5 III – 17	Information not available	3
5	Tetritskaro	I – 38 II – 27 III – 20	I – 38 II – 27 III – 20	6	3
6	Tsalka	I – 34 II – 29 III – 19	I – 34 II – 29 III – 19	6	3
7	Ninotsminda	19	19	6	3
8	Aspindza	17	17	4	2
9	Adigeni	13	13	4	2
10	Akhalkalaki	22	22	6	3
11	Akhaltzikhe	22	22	4	2
12	Kaspi	28	28	4	2
13	Zestaphoni	20.5	20.5	Not available	1.5
14	Khobi	23.5	23.5	6	3

Source: APLR study of agricultural land taxes.

Note: US\$1.00 = 2.15 GEL (Lari).

**Table 3: Cropped area by type of lessee and size category (areas in hectares)**

Type of lessee	Area cropped, re-grouped	Average area cropped	Number of leases	Area leased for cropland	% Total area of cropped land leases	% Total number of leases of cropped land
Ltd, stock, coops, assns, other	.01 – 2.99 hectares	1.4	60	86	0.0	0.6
	3 – 9.99 hectares	5.8	82	471	0.2	0.8
	10 – 49.99 hectares	26.3	253	6647	3.4	2.4
	50 + hectares	178.9	331	59204	30.6	3.2
	Total	91.5	726	66408	34.3	6.9
Gambeoba, ministries, educ., research	.01 – 2.99 hectares	1.6	3	5	0.0	0.0
	3 – 9.99 hectares	5.4	26	141	0.1	0.3
	10 – 49.99 hectares	26.7	36	961	0.5	0.3
	50 + hectares	134.4	30	4033	2.1	0.3
	Total	54.1	95	5140	2.7	0.9
Individuals, entrepreneurs, groups of individuals	.01 – 2.99 hectares	1.1	3168	3382	1.8	30.2
	3 – 9.99 hectares	5.5	3281	18100	9.4	31.2
	10 – 49.99 hectares	19.8	2758	54552	28.2	26.3
	50 + hectares	96.3	478	46034	23.8	4.6
	Total	12.6	9685	122069	63.1	92.2
Total, all types of lessees	.01 – 2.99 hectares	1.1	3231	3473	1.8	30.8
	3 – 9.99 hectares	5.5	3389	18712	9.7	32.3
	10 – 49.99 hectares	20.4	3047	62160	32.1	29.0
	50 + hectares	130.2	839	109272	56.4	8.0
	Total	18.43	10506	193617	100.0	100.0

Source: APLR 2002 database.

Note: This table includes only leases that indicated one or more of the three uses of land (mowing, arable, and perennial), which are subject to the draft privatization law.

**Table 4: Cropped area by year of lease and period of lease (areas in hectares)**

<b>Year of initiation of lease</b>	<b>Periods of leases</b>	<b>Average cropped land leased</b>	<b>Number of leases</b>	<b>Area in cropped land</b>	<b>% Total area in cropped land leases</b>	<b>% Total number of leases of cropped land</b>
1996		55.3	172	9,512	6.5	2.2
1997		19.5	1515	29,577	20.1	18.9
1998		15.5	1731	26,829	18.2	21.6
1999		20.5	1328	27,159	18.5	16.6
2000		19.2	1570	30,117	20.5	19.6
2001		13.6	1429	19,471	13.2	17.8
2002		16.6	266	4,415	3.0	3.3
<b>Total of all leases with year noted</b>						
	1-9 years	18.1	1803	32,691	22.2	22.5
	10 years	18.7	4382	81,731	55.6	54.7
	11-49 years	22.5	1365	30,690	20.9	17.0
	No period identified	4.3	461	1,966	1.3	5.8
	Total—all years	18.4	8011	147,078	100.0	100.0

Source: APLR database of registered leases.

**Table 5: Pastureland leases by region (areas in hectares)**

<b>Regions</b>	<b>Average area leased for pasture</b>	<b>Number of leases with pasture</b>	<b>Area leased for pasture</b>	<b>Minimum area leased for pasture</b>	<b>Maximum area leased for pasture</b>	<b>% total area leased for pasture</b>	<b>% total number of leases for pasture</b>
Adjara	127.5	11	1,402.5	3.6	740	0.5	0.4
Guria	21.1	229	4,831.7	0.1	850	1.6	8.3
Imereti	22.3	193	4,297.7	0.1	708	1.4	7.0
Smegrelo Zemo-Svaneti	31.0	125	3,868.5	0.2	560.7	1.3	4.6
Kakheti	118.6	1232	146,130.8	0.1	2500	47.6	44.9
Samtskhe-Javakheti	276.6	324	89,606.1	0.1	3345	29.2	11.8
Mtskheta-Mtianeti	109.4	144	15,747.9	0.3	932.8	5.1	5.2
Racha-Lechkhumi	26.0	2	52.0	2	50	0.0	0.1
Kvemo Kartli	89.6	374	33,502.1	0.1	2667	10.9	13.6
Shida Kartli	69.8	113	7,888.6	0.1	911.32	2.6	4.1
Total	111.9	2747	307,328	0.1	3345	100	100

Source: APLR registered lease database, 2002.

**Table 6: Pastureland leased by different size categories (areas in hectares)**

<b>Pastureland leased</b>	<b>Average area of land leased for pasture</b>	<b>Number of leases</b>	<b>Area leased for pasture</b>	<b>% total area leased for pasture</b>	<b>% total number of leases</b>
<b>No hectares in pasture</b>	<b>0.0</b>	<b>9658</b>	<b>0</b>	<b>0.0%</b>	<b>77.9%</b>
<b>Some hectares in pasture</b>					<b>22.1%</b>
.01 – 2.99 hectares	1.2	530	621	0.2%	19.3%
3 – 9.99 hectares	5.4	436	2,362	0.8%	15.9%
10 – 29.99 hectares	17.6	422	7,419	2.4%	15.4%
30 – 99.99 hectares	56.2	488	27,399	8.9%	17.8%
100 – 199.99 hectares	133.2	335	44,622	14.5%	12.2%
200 + hectares	419.6	536	224,905	73.2%	19.5%
<b>Subtotal</b>	<b>111.9</b>	<b>2747</b>	<b>307,328</b>	<b>100.0%</b>	<b>100.1%</b>
<b>Total</b>	<b>24.8</b>	<b>12405</b>	<b>307,328</b>	<b>100.0%</b>	<b>100.0%</b>

Source: APLR registered lease database, 2002.

**Table 7: Area of leased pastureland in hectares for different categories of cropped land leases**

<b>Area cropped (categories)</b>	<b>Average area held in pastures</b>	<b>Number of leases with pastureland</b>	<b>Total area in pastures</b>	<b>% total area in pastures</b>	<b>% total number of leases</b>
No land Cropped	136.5	1667	227,552	74.0	60.7
.01 - 2.99 hectares	14.0	195	2,730	0.9	7.1
3 - 9.99 hectares	31.0	245	7,598	2.5	8.9
10 - 19.99 hectares	56.3	195	10,984	3.6	7.1
20 - 29.99 hectares	42.2	86	3,632	1.2	3.1
30 - 49.99 hectares	100.4	104	10,446	3.4	3.8
50 + hectares	174.1	255	44,387	14.4	9.3
Total	111.9	2747	307,328	100.00	100.00

Source: APLR registered lease database, 2002

