

Paper 2: Land Policy Development and Agricultural Transition

Jiun-hao Wang

Land policy has strong associations with agricultural development. Making market access to farmland is a necessary condition for improving farm investment and agricultural productivity. By contrary, agricultural policy guides farmer's production decisions and sharps farming system; then, further lead to land-use structure changes. The typical challenge faced by Asian countries is that supporting small-scale family farm may hinder the efficiency and effectiveness of farmland use.

This paper aims to explore the effect of land policies on agricultural development, and explain the paradigm shifts of agricultural policies and its consequences on management of agricultural land resources. We start from land reform policies post-World War II, illustrating a clear link between those related programs and the economic restructuring in Taiwan. Secondly, this study introduces regulatory principles changed of land policy, i.e. from farmland owned by farmers (FOF principle) since land reform program to farmland for agricultural usage (F-for-A principle) in 1990's, explaining its influences of land market liberalization on agricultural land conversion and loss in Taiwan. Finally, this paper demonstrates the policy paradigm transition from agricultural productivism to multifunctional agriculture, suggesting that a future agricultural land policy should contribute to enhancing agricultural competitiveness, environmental friendly production, improving rural quality of life and sustainable agricultural development in Taiwan.

Keyword: Land Reform, Agricultural Transition, Multifunctional Agriculture, Taiwan



50th Anniversary of the International Center for
Land Policy Studies and Training

國際土地政策研究訓練中心五十週年誌

Land Policy Development and Agricultural Transition

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Sponsor :  LINCOLN INSTITUTE
OF LAND POLICY

Organizer :  國際土地政策研究訓練中心
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Outline

- **Overview of Agricultural Development**
- **Socio-economic Consequences of Land Reform Programs**
 - First-stage land reform policy (1949-1953)
 - Second-stage land reform policy (1982-1983)
 - Third-stage land reform policy (2009~present)
- **Paradigm Shift: From Productivism to Multifunctionality**
 - Paradigm Shift in Agricultural Policy
 - Regulatory Principles Changed in Land Resource Management
 - Leisure Agriculture and Farmland Use Changed
 - Healthful Agriculture and Sustainable Farmland Use
- **Conclusion and Policy Implications**

Basic Info about Agriculture

Average farming size per household

1.03 hectares

Small-scale farming faces challenges of structural problems, trade liberalization, climate change.

*small-scale
Family farm*

臺灣本島衛星影像地圖



Arable land for farming

796,618 ha

Farmers and Household Income

- Ca. **555,000** farmers, **5%** of total employment
- Average age is **62** y-old
- Average annual income per household is ca. **US\$ 34,000**, only **22.5%** from farming activity

Food self-sufficiency ratio is **31%** in 2016



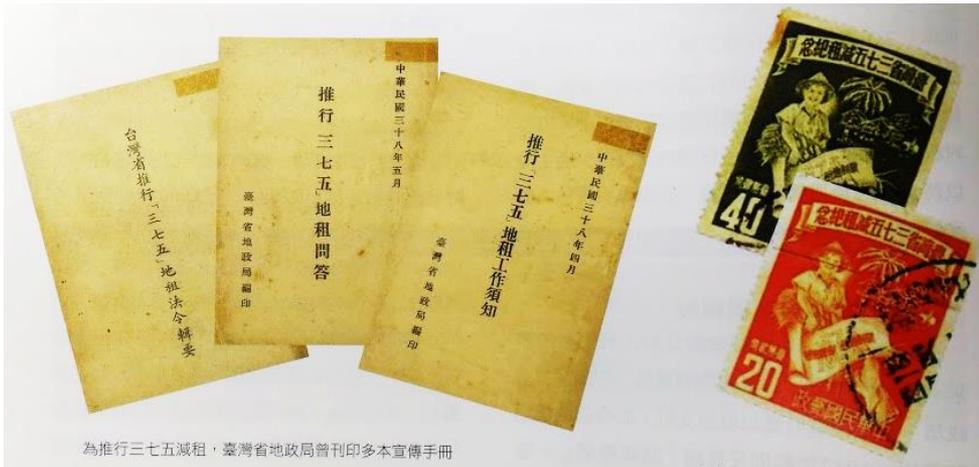
Basic Features of Agricultural Development

Indicators	1966	1970	1980	1990	2000	2010	2015
Cultivated land area (ha)	869,223	905,263	900,062	884,443	851,495	813,126	↓ 796,618
Agricultural population (1,000 persons; share of total population)	586.34 (54.0%)	626.93 (42.5%)	542.19 (30.4%)	430.98 (21.1%)	368.89 (16.6%)	297.55 (12.9%)	↓ 271.06 (11.5%)
Average farm size (ha)	1.08	0.98	1.01	1.03	1.18	1.04	1.03
Agriculture contribution to GDP (%)	28.21	15.27	7.51	4.00	1.98	1.60	↓ 1.70
Farmers of total employment (%)	45.01	35.14	18.84	12.59	7.52	5.24	↓ 4.96
Average farm household income (NT\$) (income % from farming)	32,320 (66.0%)	40,858 (45.2%)	244,424 (26.4%)	572,269 (21.4%)	917,623 (17.6%)	884,547 (20.6%)	1,025,699 (22.5%)

First-stage Land Reform Policy (1949-1953)

- **Objective:** Redistribution of property right, social equity and stability
- **Measures:** Rent reduction, sales of public land to tenants, Land-to-Tiller
- **Positive contributions**
 - increasing agricultural productivity, farm household income
 - reducing rural inequality
 - boosting overall economic growth
- **Consequence:** Self-employed farmers increased to 80%, setting up a small-holder farming system

Programs	affected farmland (ha)	% in private farmland	% in total farmland	affected farm households	% in total farm households
Lands purchased after the rent reduction	35,522	5.2%	3.9%	66,328	9.4%
Public lands released to farmers	63,000	9.2%	7.0%	121,953	17.3%
Lands acquired under “Land-to-the-Tiller”	143,568	21.1%	15.9%	194,823	22.7%
Increase of self-cultivated lands	242,090	35.5%	26.8%	Source: COA,-2012: 28; Chu, 2015.	



37.5% Arable Rent Reduction Act in 1949



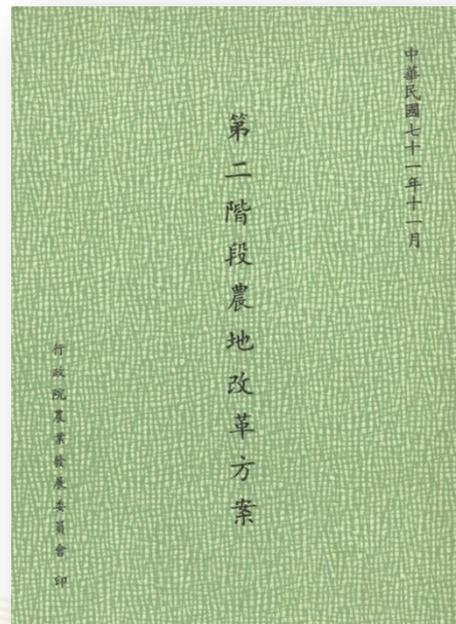
Sales of Public Land to Tenants, 1951



Land-to-the Tiller program, 1953

Second-stage land reform policy (1982-1983)

- **Objective:** Enlargement of farm size, remove disadvantages of small-scale farming left by the first land reform
- **Measures:**
 - implement agricultural land consolidation
 - encouraging co-operative farming
 - stimulating off-farm employment
 - long-term preferential loans for farmers to purchase farmland
- **Results**
 - increased farm size from 0.86 ha to 1.27 ha
 - farm mechanization reached 97%



Third-stage land reform policy (2009~present)

- **Objective:** Improvement of agricultural structure (age- and size- structure), intergenerational transfer (encouraging old-age farmers out and recruiting new young farmers in)
- **Measures: Small Landlord and Big Tenant program (SLBT)**
 - Subsidies for land rent both for old-age landlords and young tenants
 - land rent will be reduced or exempted from income tax
 - low-interest preferential loans for farm improvement (aged between 18~55)
 - farmland must be leased for a minimum period of 3 years
- **Results**
 - 13,912 hectares of farmland leased in 2016
 - average age of big tenants is 42 years old and operate averagely 8.7 hectare



Young participant of the SLBT in Dounan FA

大地主年領百萬休耕補貼，
小農夫租無地可耕作



102年1月起 調整耕作制度 活化連續休耕農地

連續休耕地 想要復耕

我該怎麼做？

- ✓ 自行復耕一期種作物，轉契作補貼加上農產品出售，收益比休耕高，另一期可選擇休耕，領取補助。
- ✓ 自己復耕缺人手，可請代耕業者幫忙。
- ✓ 可透過農會農地銀行，將地出租給有意願耕作的農友
- ✓ 農地短期內未順利出租，在2年內有緩衝期，第二期休耕政府酌予補貼。
- ✓ 農地出租不會被三七五，有租金可收，還可以領取農獎勵金。



農地活起來，農業好未來

擇別連續休耕地，活化農地，找回土地的穩固與價值。政府保證，農地主將地出租，不會被三七五，租地所得搭配農獎勵與老農津貼，續打拚一輩子的農業前輩安享退休生活。臺灣農業要交棒傳承，對有意加入的新農民，政府提供您所需要的耕作資源與資訊。臺灣農業的未來，我們一起打拚！

有心從農 需要資源

要去哪裡找？

- ✓ 到農會農地銀行找尋合適的種植土地，辦理租約。
- ✓ 種植進口替代、外銷潛力、有機及地方特產作物，政府有補貼。
- ✓ 申請農業機具或營業資金不足，可申請低利貸款。
- ✓ 農民學院加值耕作技術、充電行銷知能。
- ✓ 透過媒合與企業主契約耕作，產銷一體較有保障。



請撥打農糧署免費諮詢專線：
0800-015-158

農糧署活化農地專區 <http://www.afa.gov.tw/ActFollowLand.asp>

或請上網查詢：農地銀行 <http://ezland.coa.gov.tw> 農業金融局 <http://www.boaf.gov.tw>

農民學院 <http://academy.coa.gov.tw>



行政院農糧委員會
COUNCIL OF AGRICULTURE, EXECUTIVE YUAN



微電影
microfilm
徵選活動

[青年大佃農接棒·臺灣農業好棒]

一起來挖掘青年農民以汗水、熱情及創新澆灌這片土地的感人故事

總獎金超過18萬元，獎項共10名，等您來挑戰！



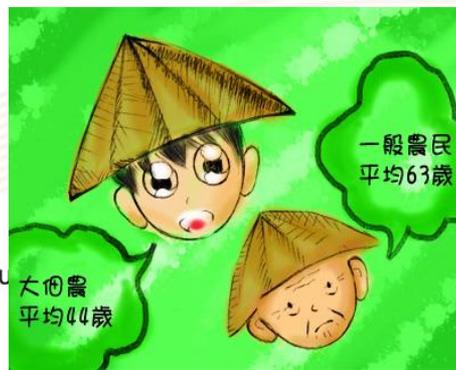
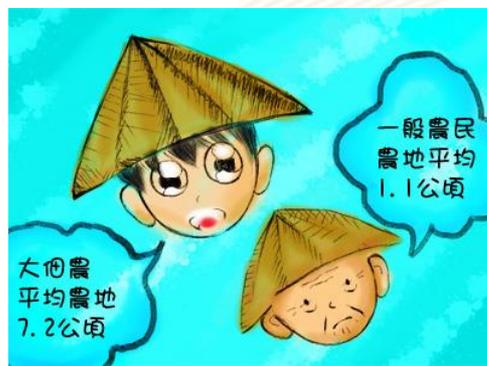
Sponsor: LINCOLN INSTITUTE OF LAND POLICY

Official propaganda of the SLBT program

Organizer: 國際土地政策研究訓練中心
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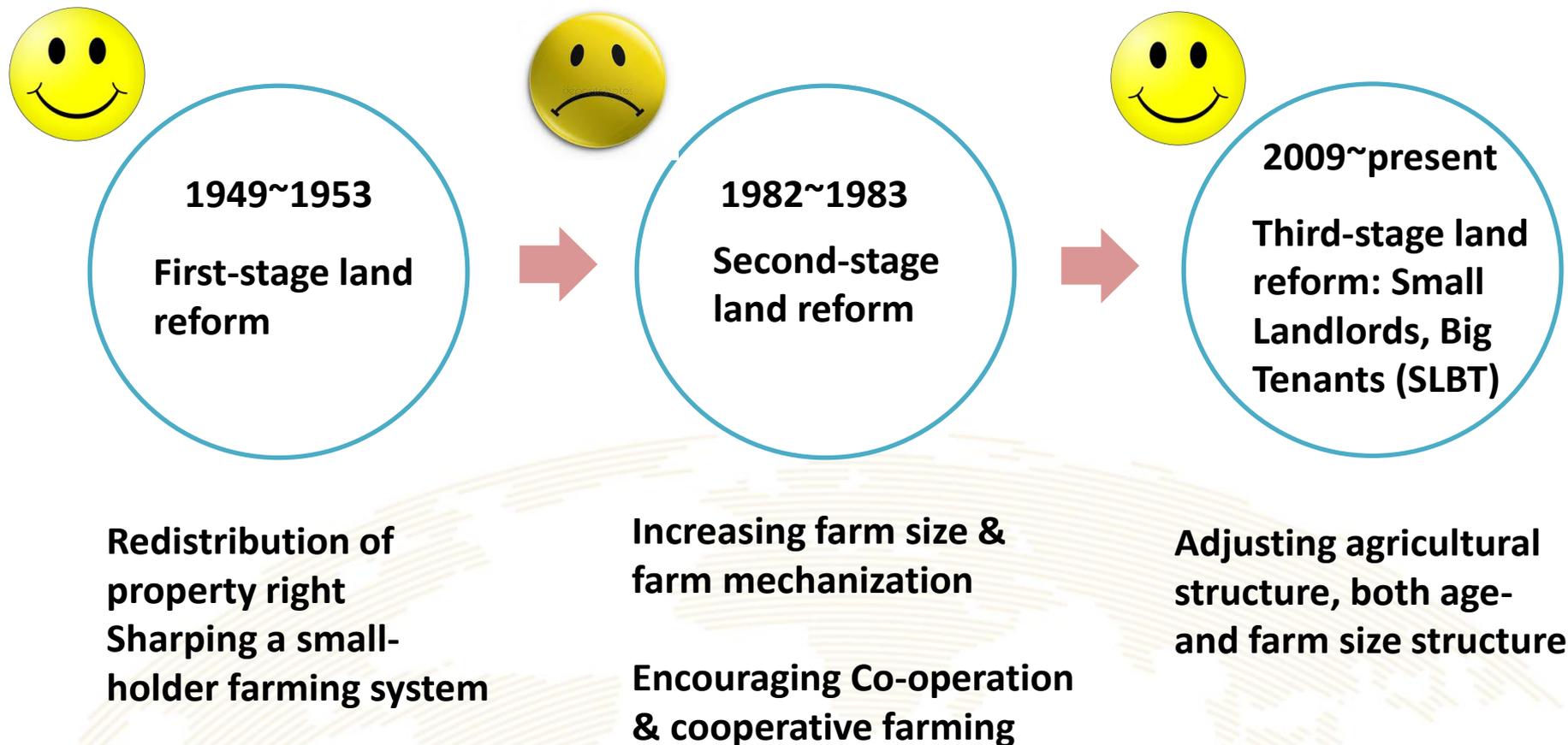
Implementation results of Small landlords, Big Tenants program

Year	No. of small landowners	No. of large-scale Tenants	Rented area (ha)	Average of rented area (ha/tenant)
2010	8,121	703	2,580	8.04
2011	13,912	1,002	4,056	8.44
2012	18,265	1,328	6,549	7.21
2013	25,724	1,578	8,004	8.36
2014	29,049	1,670	11,268	9.02
2015	33,880	1,782	12,995	9.00
2016	38,282	2,058	13,912	8.72



Results of SLBT program, in 2013

Summary of Three-Stages Land Reform



Paradigm Shift in Agricultural Policy

Productivism

- food production
- agricultural output
- farm productivity

Stage 1 & Stage 2
Land Reform



Three-Shēng
Agriculture
(1991)

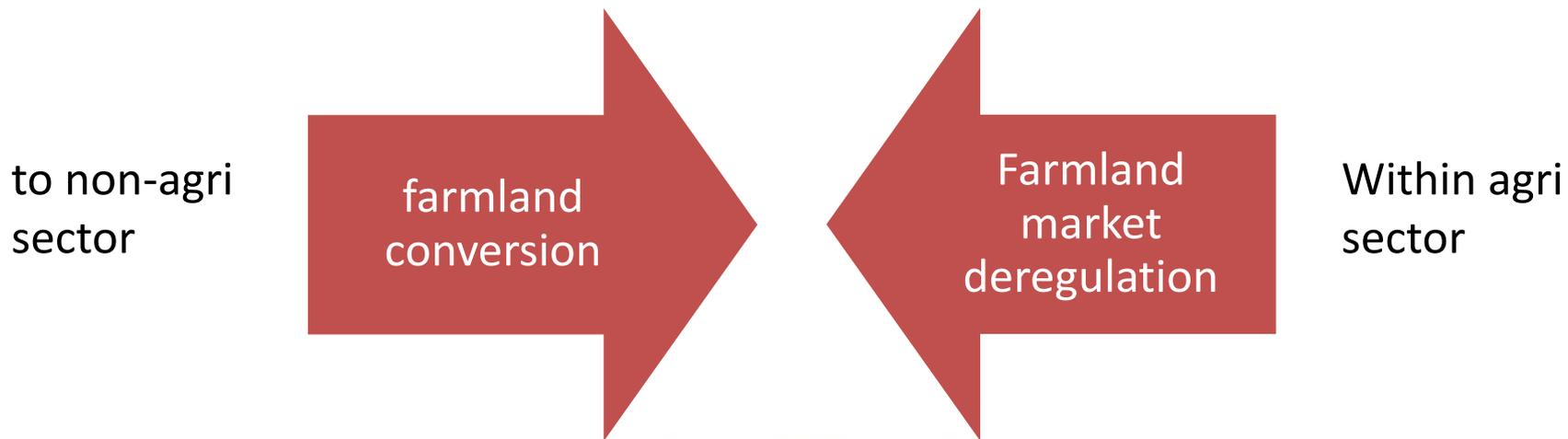
Production (farm),
Life (family & village),
Ecology (rural area)
development

Member of WTO

Multi-functionality

- Non-market values
- Public-goods jointly produced
- Environmental sustainability and biodiversity
- Rural culture & heritage
- **Leisure agriculture**
- **Healthful agriculture development**

Regulatory Principles Changed in Land Policy



farmland owned by farmers principle (FOF-principle)

farmland used for agricultural use (F-for-AU principle)

2000 amendment of Agricultural Development Act → Deregulation

Rural tourism



Solarfarm



agricultural



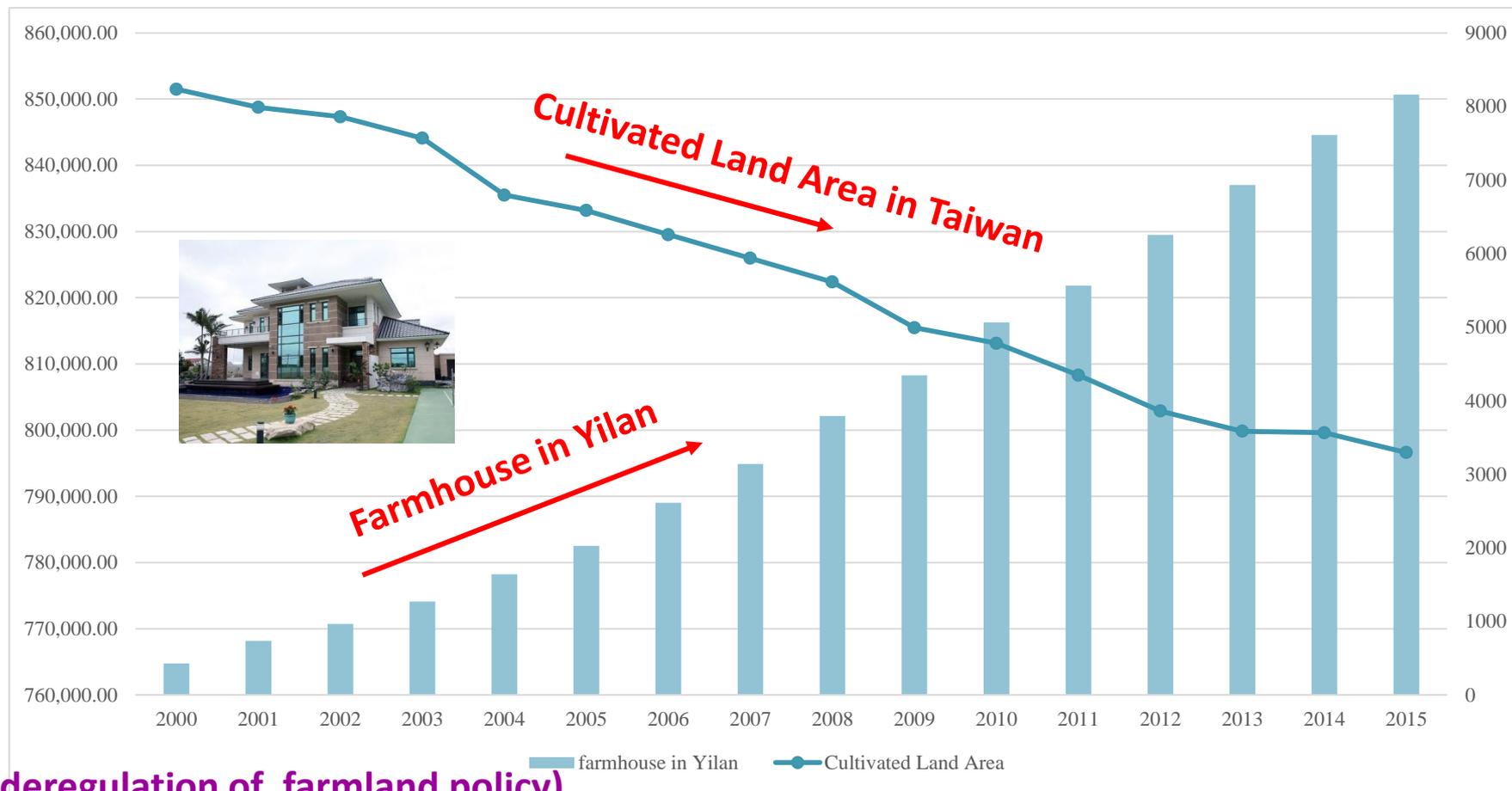
use in question ?!

Farm accommodation & restaurant

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INSTITUTE OF LAND POLICY
farmhouse

Farmhouse in Yilan & Cultivated Land Area



(deregulation of farmland policy)

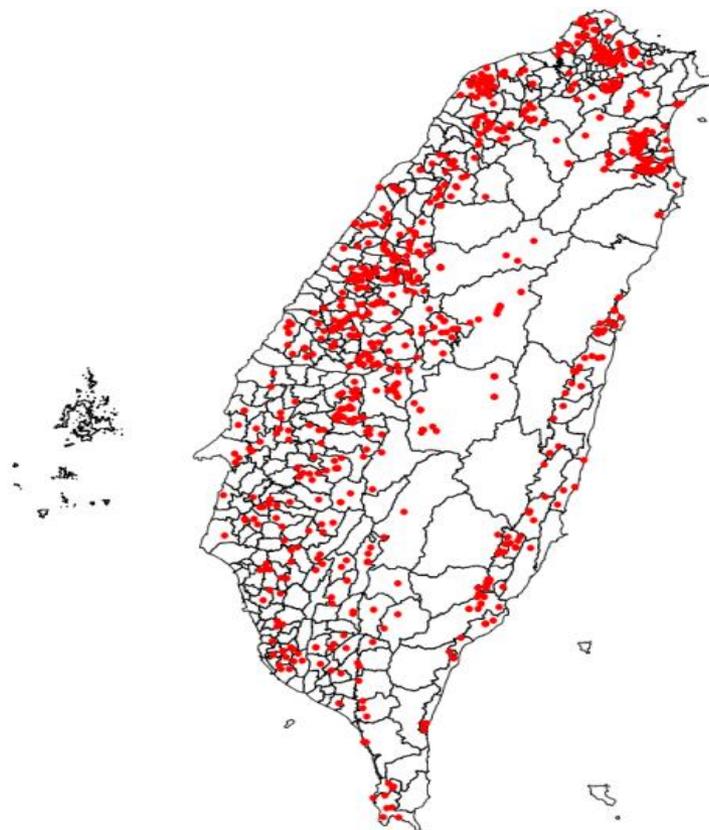


Framhouse construction & farmland fragmentation



Leisure Agriculture Development and Farmland Use Changed

- **LA:** Use of countryside combined with agricultural landscape, farming operations, rural culture, and village life
- 1,044 leisure farms in 2004,
- ~~XXXXXXXXXX~~
- The average number of tourists per month was 1991.46 persons
- the average operating years was 7.62 years, with an average farm size of 44.34 hectares.



Spatial distribution of leisure farms

Leisure agriculture and farm tourism improves rural economy and landscape significantly, as well as create local business and specialties



farmlands \neq production base = leisure and recreational resource



Healthful Agriculture



Organic farming

Objective: environmental protection & food safety.
Organic farming area is 6,490 ha, by 2,598 farmers in 2015.
The organic agriculture promotion Act enforced in 2018.

Good products with CAS label

The labeling system ensures the safety of processed products. By 2012 the CAS-marked products will reach a value of NT\$ 53 billion.



GAP (Good Agricultural Practice)

GAP aims at toxic-free fruit and vegetables. By 2015 reached 27,761 ha. with a production value of NT\$ 11.3 billion.

TAP traceability system

Objective: ensure compliance with international safety standards. By 2012, the value of products certified under TAP system reached NT\$ 5.4 billion.



Healthful Agriculture and Sustainable Land Use & Food Safety

學校午餐四章一Q專區

政策說明		驗收流程教材
聯合稽查 相關資料		契約範本/ 補充規定
認識 四章一Q		

各縣市政府
窗口聯繫資訊



Taiwan
Organic

Organic Farming
(no chemical inputs)

TGAP



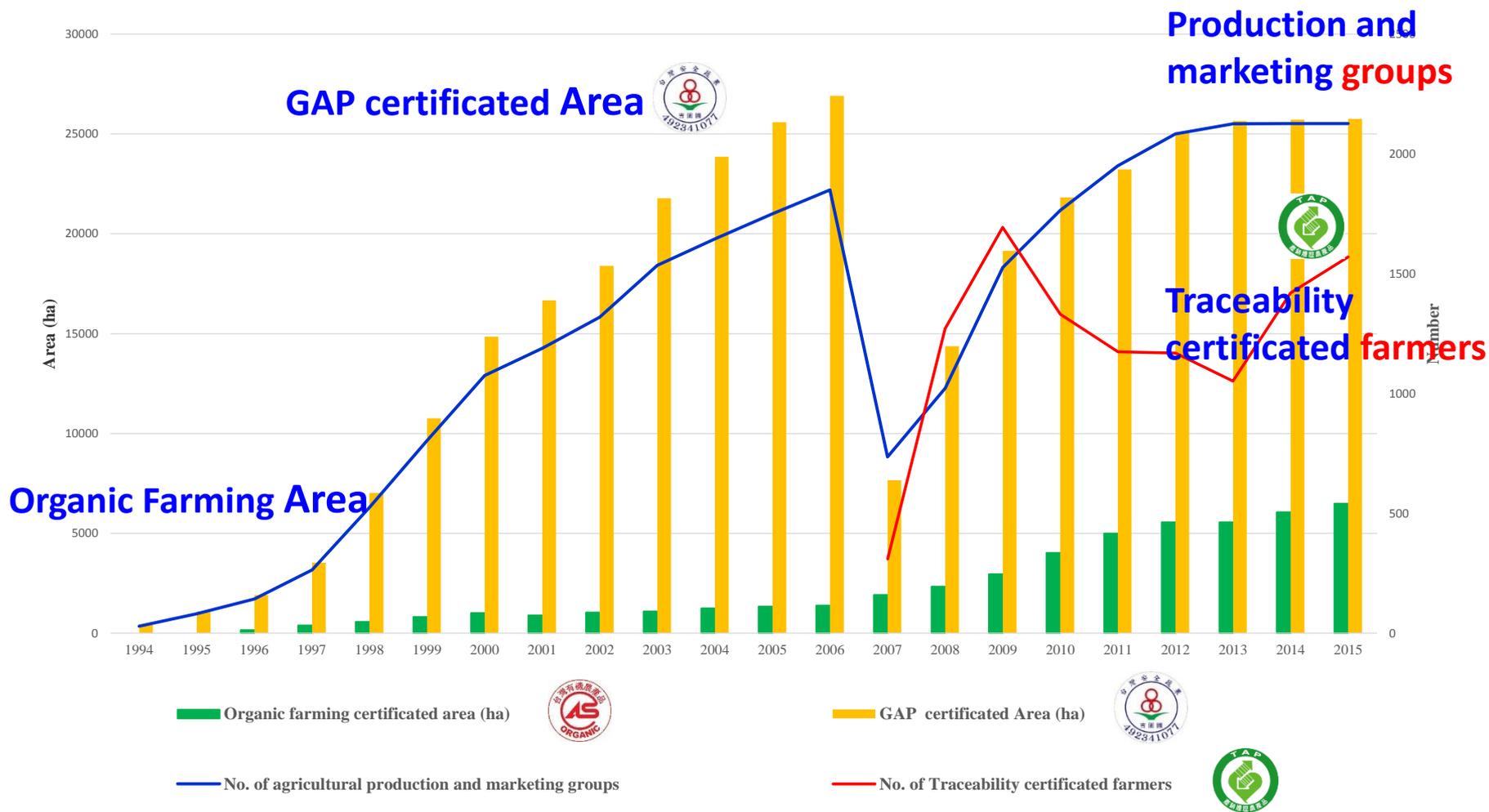
conventional farming, under
environmental friendly conditions

School launch- Safe agricultural products



Healthful Agriculture development and Sustainable Farmland Use

Trends of GAP certified, Organic farming certified and Traceability certified



Conclusions and Policy Implications

For Taiwan

- Success of Taiwan's Land Reform happened under **extraordinary circumstances**
- Land reform is not a panacea for socio-economic problems of agri-development, **negative consequences are overlooked**
- Land reform is suggested to **dynamically rearrange** rules, institutions and rights that **access to and control over land resources**

For the rest of world

- An inspirational case and attractive to those **countries with small-scale farming system**
- Three-stages land reform reflects the **paradigm shift** in agricultural development and farmland management
- Objectives and strategies of land reform depend on societal needs and expectations, **social equality, economic growth, or environmental sustainability**



THANK YOU

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