# European Commission "Support to the Development, Implementation and Evaluation of Agricultural Policy of Tajikistan" Project

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# Policy Brief 3

## HOW MANY FARMS ARE THERE IN TAJIKISTAN?

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## **Summary**

This note compares data as of 1 January 2007 on the results of farm reorganization and land reform in Tajikistan from the Agency for Land Management, Geodesy and Cartography, and the State Statistics Committee. The data are inconsistent. The lack of good information on the number and structure of farms casts doubt on all sector-related economic information and complicates the operation of the farms.

Only about half of all the country's irrigated arable land has been affected by the land reform thus far. Better legal and statistical definition of the possible forms of farm business organization, and a thorough-going campaign to inform farmers of their benefits, can still bring real benefits in the conduct of the agrarian reform in Tajikistan.

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This note compares data as of 1 January 2007 on the results of farm reorganization and land reform in Tajikistan. There is no single, agreed registry of the agricultural enterprises formed as a result of the land reform. Data of the Agency for Land Management, Geodesy and Cartography (ALMGC) and the State Statistics Committee differ both in numbers and in the kinds of farm organizations they count.

The ultimate purpose of the on-going land reform in Tajikistan is to create farm businesses that can profitably operate in the domestic and international agricultural markets. The lack of clarity about farm numbers appears to carry over into their internal organization, and surely also affects their operations in the market.

The principal form of organization of newly established Tajik agricultural businesses is the "dehqon," or "peasant," farm. The definition of the dehqon farm has not been entirely consistent, as the law of the Republic of Tajikistan"On Dehqon Farms" has been substantially reworked a number of times. The organizational and legal forms of farm businesses identified by the Agency on Land Management, Cartography and Geodesy and the State Committee on Statistics do not appear consistent with the forms of business organization defined in the Civil Code.

In Tajikistan, all land remains state property. The post-1992 Tajik land reform has been limited to creating new farm businesses of various legal forms, and to giving organizations and individuals "use rights" over specific plots of land or as an undemarcated share in a larger tract.

Judging from the ALMGC report on reform farms, only about half of all the country's irrigated arable land has been affected by the land reform thus far. Better legal definition of the possible forms of farm business organization, and a thorough-going campaign to inform farmers of their rights, can still bring real benefits in the conduct of the agrarian reform in Tajikistan.

#### LAND REFORM IN TAJIKISTAN

Under Soviet rule, almost all rural land was held in "permanent use [vechnoe pol'zovanie]" by state or collective farms.

The land reform in independent Tajikistan began with the adoption of the Law of the Republic of Tajikistan "On Land Reform" in 1992. According to Article 1 of the Law, the reform was to "create the conditions for the equal development of various forms of economic activity on the land, the formation of an economy with multiple forms of ownership, the rational use and conservation of the land in order to increase the production of agricultural products."

Tajikistan adopted the first version of its Law on Dehqon Farms on the same day as the law on land reform. The 1992 law was much amended and then repealed in 2003. A new law of

<sup>&</sup>lt;sup>1</sup> "Задачами земельной реформы в Республике Таджикистан являются создание условий для равноправного развития различных форм хозяйствования на земле, формирование многоукладной экономики, рациональное использование и охрана земель в целях увеличения производства сельскохозяйственной продукции." Law of the Republic of Tajikistan number 594, "On Land Reform," Article 1, "The Tasks and Purpose of the Land Reform." Originally adopted 5 March 1992, as amended through 3 March 2006.

the same name was adopted in 2002. Over time, the law on dehoon farms has become almost the sole legislation governing the organization of farm enterprises.

According to the most recent ALMGC annual report on land reform, at the beginning of the land reform Tajikistan had 698 large farms, holding 2,169,456 hectares of land in total, including 245,577 hectares of irrigated arable. That count includes all farms that have been defined as being subject to reform, and is somewhat less than the total number of agricultural enterprises in Tajikistan.

Reorganization of large farms (collective and state farms) began under government resolution 621 of 11 October 1995, which stated that, "in order to create the necessary conditions for new organizational forms of economic activity and to increase the efficiency of agricultural production [В целях создания необходимых условии для развития новых организационных форм хозяйствования и повышения эффективности сельскохозяйственного производства]," unprofitable and marginally-profitable collective farms, state farms and other agricultural organizations were to be restructured into associations of leaseholders, cooperatives, dehqon farms and other forms of farm businesses. Profitable state farms were to be converted to collective farms.<sup>3</sup> Presidential Decree 522, 25 June 1996, approved a statute laying out the procedure for farm restructuring.

Responsibility for the land reform was first given to the Ministry of Agriculture. However, point 1 of the June 1996 farm restructuring decree split the Committee on Land Resources and Land Management out of the Ministry and subordinated it directly to the Government. Point 2 of that decree directed the Committee to "reform agricultural enterprises and organizations into dehqon (family-farmer) farms and other forms of enterprises that are in ассогd with the requirements of a market economy [Преобразовать сельскохозяйственные предприятия и организации в дехканские (фермерские) хозяйства и другие формы хозяйствования, отвечающие требованиям рыночной экономики]." The same decree established a commission chaired by the Prime Minister to manage the reform and approved "regulations" for farm transformation. Those regulations, much amended, remain the basis for land reform and farm reorganization.

The Committee on Land Resources later became the State Committee on Land Resources and most recently reorganized as the Agency for Land Management, Geodesy and Cartography (ALMGC). It retains primary responsibility for the land reform. Its data, published annually as the *Land Fund of the Republic of Tajikistan*, are the authoritative record of land holdings in Tajikistan (Annex 1). The land balance does not count as "agricultural land" land held by households and used by them for agriculture as "household plots" and "presidential land."

Judging from the land balance, the 1995 resolution on farm restructuring was only implemented very slowly. The first noticeable changes in land holding occurred after Presidential decrees in 1995 and 1997 gave the citizens of the republic 75,000 hectares of irrigated land for their own private use. Citizens could receive 0.15 hectares of irrigated or 0.5 hectares of rainfed arable. Both decrees stipulated that land not put into cultivation

<sup>&</sup>lt;sup>2</sup> ALMGC, "Information on the land reform as of 1 January 2007."

<sup>&</sup>lt;sup>3</sup> Resolution of the Government of the Republic of Tajikistan number 621, "O the structural restructuruing of collective and state farms and other forms of agricultural enterprises [О структурной перестройке колхозов, совхозов и других сельскохозяйственных предприятий]," (11 October 1995).

within a year could be repossessed by the state. Beginning in 1998 the total area of irrigated agricultural land fell because land redistributed to households under this program was no longer counted as "agricultural."

As in most other countries of the former Soviet Union, in Tajikistan people who had worked in collective and state farms were entitled by law to a share of the former farm's land (in this case, the right to use a share of that land) and a portion of its non-land assets. In February 1999 the government approved simplified procedures for land share determination and registration. Four months later a presidential decree ordered that 160 collective and state farms be reorganized by 30 March 2000.<sup>5</sup> A subsequent decree ordered that another 120 large farms be reorganized by 31 December 2001<sup>6</sup>; and a 2002 government resolution set a target of reorganizing still another 225 large farms by 31 December 2005.<sup>7</sup> By 1 January 2006, then, 505 large farms were to have been reorganized.

As Annex 1 shows, during the first years of the land reform new forms of farm business organization only slowly appeared. The non-land assets of all the former state farms were not denationalized until 2004. The Land Fund still counts 29 collective farms as of 1 January 2007.

#### COMPARISON OF DATA ON FORMS OF FARM ORGANIZATION

Two official documents summarize data on farm organization and reorganization as of 1 January 2007, the *Land Fund of the Republic of Tajikistan*, prepared by the ALMGC; and the *List of Agricultural Enterprises* prepared by the State Statistics Committee.

As of 1 January 2007, the ALMGC's *Land Fund* (Annex 2) shows a total of 1,415 large farms descended from the Soviet-era collective and state farms. Some 757 of these farms are "subsidiary farms," farming operations attached to a specific agency or enteprise primarily to supply that enterprise's agricultural needs. The Agency also breaks out gardening cooperatives, presumably mostly not new foundations but the dacha cooperatives that were common in Soviet times. It does not distinguish among types of dehoon farms.

Goskomstat's "List of Agricultural Enterprises" (Annex 3) identifies 16 collective farms, 41 state farms and 128 state agricultural enterprises in the agro-food complex. Here dehqon farms are divided into individual dehqon farms, collective dehqon farms and associations of dehqon farms and 2100 agricultural enterprises of other organizational forms. "Individual" and "family" dehqon farms have been formed either by individuals who have applied directly

<sup>&</sup>lt;sup>4</sup> Decree of the President of the Republic of Tajikistan number 342, "On the issuing of 50,000 hectares of land for citizens' personal household farms [О выделении 50 тыс. Гектаров земель для личного подсобного хозяйства граждан]" (9 October 1995); Decree of the President of the Republic of Tajikistan number 874, "On the issuing of 25,000 hectares of land for citizens' personal household farms [О выделении 25 тыс. Гектаров земель для личного подсобного хозяйства граждан]" (1 December 1997).

<sup>&</sup>lt;sup>5</sup> Decree of the President of the Republic of Tajikistan number 1232, "On the reorganization of agricultural enterprises and organizations [О реорганизации сельскохозяйственных предприятий и организаций]" (9 June 1999).

<sup>&</sup>lt;sup>6</sup> Decree of the President of the Republic of Tajikistan number 478 "On the reorganization of agricultural enterprises and organizations [O реорганизации сельскохозяйственных предприятий и организаций]" (2 February 2001).

<sup>&</sup>lt;sup>7</sup> Resolution of the Government of the Republic of Tajikistan number 385 "On the reorganization of agricultural enterprises in 2002-2005 ["О реорганизации сельскохозяйственных предприятий и организаций на период 2002-2005 годы]" (1 October 2002).

to local officials for a grant of land to use from lands set aside for that purpose, or by individuals or small groups who have left a large farm to farm independently. Goskomstat also identifies "Associations of Peasant Farms." The only legal definition of such associations appears to be in the Law on Dehqon Farms, which simply states that dehqon farms may form associations. It appears that the associations counted here are also reorganized large farms. If they are like their similarly-named counterparts in the Russian Federation, then on these farms the land has been distributed to households to farm independently, but the former farm management and central services remain in place, serving all the farms on a fee-for-services basis.

It should be noted that the national Association of Peasant Farms of Tajikistan, although it has some characteristics of a parastatal organization, was built on the model of a farmers' interest group in OECD countries. The National Association should not be confused with these "associations" created from restructured farms, even though many or all of the associations counted here may be members of the National Association.

Annex 4 combines the ALMGC and Goskomstat counts of farms. So in the "Land Fund" and the "List of Agricultural Enterprises" the overall number of agricultural enterprises, 27,100 and 29,800, respectively, is close, but the distribution by forms of business organization is quite different. There are also signficant differences by oblast'. Goskomstat identifies more non-dehqon farms in Sughd, Khatlon and GBAO, while ALMGC finds more in the directrule raions around Dushanbe. ALMGC reports more total agricultural enterprises in all oblasts than Goskomstat does. For the country as a whole, ALMGC finds 2,617 more agricultural enterprises than Goskomstat does. This may be evidence of an ongoing process in which farms have been formed and issued land certificates but not yet registered with the statistical administration, but that seems unlikely.

### PROGRESS OF THE LAND REFORM

Annual reports of the Department of Unified Land Policy of the ALMGC compile materials of collective farms' general meetings confirmed by the chairmen of the raion administrations (the hukumats), and of other state agricultural enterprises that have expressed the desire to reorganize themselves into dehqon farms. It presents information on a total of 698 agricultural enterprises, from which it is intended to create 5,113 dehqon farms. Table 1 summarizes the most recent ALMGC annual report. (In addition to those 698 farms, in 2007 the ALMGC was also working to restructure a further 30 state seed production and livestock-breeding farms into dehqon farms.)

Table 1. ALMGC report on land reform progress as of 1 January 2007

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	Sugd	Khatlon	RRP	GBAO	Total			
farms subject to reorganization	210	257	165	66	698			
farms to be created as result of	1,699	2,318	1,003	93	5,113			
reorganization								
number of land-use right share	263,242	350,711	97,198	23,719	734,870			
holders								
irrigated arable, hectares	75,938	132,551	30,657	6,431	245,577			
total arable, hectares	125,099	176,811	52,742	7,773	362,425			
total area, hectares	459,211	593,615	496,374	620,256	2,169,456			

<sup>&</sup>lt;sup>8</sup> ALMGC, 1 January 2007 "Information."

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Source: ALMGC, "МАЪЛУМОТ: оиди микдори ташкилоту корхонахои кишоварзие, ки дар чумхури ба холати 1 январи соли 2007 тахти ислохот карор дода шудаанд."

According to the ALMGC, its job is essentially to determine the land share sizes and farm boundaries and to issue the legal documents confirming the right to use a share of the farm's land. Although some donor projects have worked intensively on the internal restructuring of the newly formed farms, most of the farm restructuring seems to have been limited to the breakdown of large farms on internal organizational divisions (former "brigades" become separate farms) and to the separation of individuals forming very small dehqon farms alongside the remaining large farms.

Of the 698 farms, 265 have decided to reorganize themselves into a single dehqon farm each. Asked to interpret this data, ALMGC specialists state that further break-up or the adoption of different forms of organization is the business of the dehqon farms themselves.

A comparison of the information in the ALMGC report on the progess of the land reform and the Land Fund shows that only about 45 percent of the arable land in Tajikistan has been affected by the land reform so far (Annex 5). Much of the country's most valuable land, its irrigated arable, has not been touched at all by the land reform. (There is no comparable data for other types of agricultural land.) Sixty-six to 72 percent of the total agricultural land in the country has not been touched by the reform, presumably because of the unclear situation with pastureland.

#### **CONCLUSIONS**

There is an urgent need to make sense out of the multiplicity of forms of farm organization. At the very least, a single list of such forms needs to be constructed that would allow them to be counted unambiguously. Because the various government agencies involved have defined the new forms of farm organization from their own departmental perspectives, and little concern has been paid to whether or not these new entities are actually viable farm businesses, the process of reform, and of creating new rural farm business entities, has been largely spontaneous and governed by the best guesses of farm and local officials with little knowledge of what has been found to succeed or fail in similar circumstances elsewhere or even what is happening on neighboring farms. The lack of concern for the creation of viable farm businesses from the land reform also reflects the very limited involvement of the Ministry of Agriculture and Protection of Nature in the land reform process, since that Ministry is the government agency mostly concerned with making sure that farms operate profitably.

The lack of clarity on forms of farm organization reflects the new farms' organizational weakness. If they are not clearly legally defined, how can they be governed internally, or make binding contracts to purchase inputs, hire labor, or sell their products? Or, if they do make such contracts, how can they hope to enforce their contractual rights domestically or internationally? Bringing order to the definition of the farm businesses created from the land requires reworking of the laws of the Republic of Tajikistan on the rights and duties of forms of business organization to include rural business enterprises.

Annex 1. Number of agricultural enterprises and their irrigated land holdings by organizational form 1991-2007

Organizational form	1	991	19	999	2	001	2	003	20	05	20	006	20	007
	Land	Irriga-	Land	Irriga-	Land	Irriga-	Land	Irriga-	Land	Irriga-	Land	Irriga-	Land	Irriga-
	users	ted land	users	ted land	users	ted land	users	ted land						
		area		area		area		area		area		area		area
	units	000 ha	units	000 ha	units	000 ha	units	000 ha						
Collective farms	209	370.0	271	322.0	187	232.0	101	141.0	49	84.3	36	66.7	29	58.7
State farms	521	319.0	367	152.7	272	114.6	330	92.0	0	0.0	0	0.0	0	0.0
Other farm organizational	255	9.2	1085	221.5	1299	157.9	1192	145.2	1390	164.2	1381	50.9	1390	108.7
forms														
Land of state agricultural	-	-	-	-	-	-	0	52.9	0	58.2	0	63.7	0	70.9
organizations and jamoats														
(a)														
Dehqon farms	None	none	11515	48.5	14368	189.7	14071	268.0	18483	397.1	25877	508.1	28388	454.8
Land of [farm] enterprises	985	698.1	13238	697.1	16126	695.1	15694	699.0	19922	703.8	27294	689.4	29807	693.1
of all forms				(b)										
Total agricultural land	3627	717.8	n/a	713.6	19085	719.8	18758	720.7	24211.0	732.4	32685	718.6	36356	714.2
within the administrative														
boundaries of Tajikistan														

Source: Compiled by author from annual editions of State Committee on Land (as of 2007 the Agency for Land Management, Geodesy and Cartography), *Land Fund of the Republic of Tajikistan*, appropriate years.

#### Notes:

- (a) This category was added to Land Fund statistics in 2003.
- (b) This should be the sum of all the rows above it, but for 1999 it does not add correctly. It appears that in 1999 the "dehqon farm" line was added after the balance had been calculated, and the amount was simply added without taking it out of land credited to other forms of farm organization or checking the column totals.

Annex 2 ALMGC count of agricultural business enterprises and dehqon farms 1 January 2007

	Sughd	Khatlon	RRP	GBAO	Tajikistan
	oblast'	oblast'			
Collective farms	8	14	6	1	29
State agricultural enterprises	38	62	36	9	145
Interfarm enterprises	-	4	4	-	8
Leased (arendnye) enterprises	1	29	1	-	31
Agrofirms	-	55	14	-	69
Cooperative Farms	99	12	5	1	117
Subsidiary Farms	243	265	246	3	757
Other new forms of farm organization	14	45	12	1	72
Garden cooperatives	25	16	107	-	148
Agricultural enterprises subordinated to	10	13	11	5	39
other ministries that are not counted as					
part of the agro-industrial complex					
Total large farms	438	515	442	20	1,415
Total number of dehqon farms	6,175	11,351	10,682	180	28,388
Total agricultural enterprises	6,613	11,866	11,124	200	29,803

Source: Calculated from Agency for Land Management, Geodesy and Cartography *Land Fund of the Republic of Tajikistan*, 2007.

Annex 3. Goskomstat count of agricultural business enterprises and dehqon farms 1 January 2007

	Sughd oblast'	Khatlon oblast'	RRP	GBAO	All Tajikistan
Collective farms	2	2	12		16
State farms	6	29	6	-	41
State agricultural enterprises	39	46	43	-	128
Interfarm enterprises	0	2	0	0	2
Leased (arendnye) enterprises	6	0	1		7
Associations of dehqon farms	1,012	69	1	41	1,123
Collective dehqon farms	255	276	86	32	649
Agrofirmy	2	1	5	-	8
Joint-stock companies	18	5	14	-	37
Cooperative farms	55	17	19	2	93
Subsidiary enterprises	40	99	42	-	181
Total number of large farms	1,435	546	229	75	2,285
Total number of dehqon farms	4,447	10,291	10,087	76	24,901
Total agricultural enterprises	5,882	10,837	10,316	151	27,186

Source: *Ruikhati khojagihoi kishovarzi ba 1 ianvari soli 2007 -um* [List of agricultural enterprises as of 1 January 2007] (Dushanbe: State Statistics Committee, signed to press 12 February 2007), pp 50-53. "Total number of large farms" calculated by author.

Annex 4. Comparison of ALMGC and Goskomstat counts of agricultural business enterprises and dehqon farms

1 January 2007

	1 Santary 2007									
	Sughd oblast'		Khatlon	oblast'	RRP		GBAO		All Tajikistan	
	ALMGC	GKS	ALMGC	GKS	ALMGC	GKS	ALMGC	GKS	ALMGC	GKS
Collective farms	8	2	14	2	6	12	1	-	29	16
State farms		6		29		6		1		41
State agricultural enterprises	38	39	62	46	36	43	9	-	145	128
Interfarm enterprises	0	0	4	2	4	0	0	0	8	2
Leased (arendnye) enterprises	1	6	29	0	1	1	0		31	7
Agrofirms	-	2	55	1	14	5	-	-	69	8
Cooperative Farms	99	55	12	17	5	19	1	2	117	93
Subsidiary Farms/Enterprises	243	40	265	99	246	42	3	-	757	181
Garden cooperatives	25		16		107		-		148	
Agricultural enterprises subordinated to other ministries that are not counted as part of the agro-industrial complex	10		13		11		5		39	
Other new forms of farm organization	14		45		12		1		72	
Joint-stock companies		18		5		14		-		37
Collective dehqon farms		255		276		86		32		649
Associations of dehqon farms		1,012		69		1		41		1,123
Total large farms	438	1,435	515	546	442	229	20	75	1,415	2,285
Total number of dehqon farms	6,175	4,447	11,351	10,291	10,682	10,087	180	76	28,388	24,901
Total agricultural enterprises	6,613	5,882	11,866	10,837	11,124	10,316	200	151	29,803	27,186

Source: Annex 2, Annex 3, and author's calculations.

Annex 5. Area of arable land that has been affected by the land reform in Tajikistan 1 January 2007

			Sughd	Khatlon	RRP	GBAO	RT
Irrigated arable	Total	000 ha	173.7	241.2	67.1	8.7	490.7
	Reformed	000 ha	75.9	132.5	30.6	6.4	245.6
	Reformed	%	44%	55%	46%	74%	50%
Total arable	Total	000 ha	237.3	339.8	117.1	190.9	704.2
	Reformed	000 ha	125.1	176.8	52.7	7.8	362.4
	Reformed	%	53%	52%	45%	4%	51%
Total land of agricultural	Total	000 ha	1591.4	2132.6	1452.4	2157.7	7334.2
enterprises	Reformed	000 ha	459.2	593.6	496.4	620.2	2169.4
	Reformed	%	29%	28%	34%	29%	30%

Source: Calculated by author from ALMGC RT, "Information on the number of agricultural enterprises that have been affected by reform [Информация о количестве сельскохозяйственных предприятий, которые были охвачены реформой]."