

Farmland Policy

Overview

According to Rostow's growth stage theories, the agricultural development is the precondition for take-off and plays an important role in the transition process, from a traditional to a modern society. Taiwan enacted a series of land reform programs since 1949 and successfully transferred property rights over large private landholdings to small farmers and tenants. Although, such a redistributive land reform has led to lots of positive results in reducing social inequality, increasing agricultural productivity and fostering economic growth over the subsequent decades. Some negative consequences of land reform are often overlooked. The implementation of land reform has shaped Taiwan as a small-scale agricultural country and encountered severe structural problems, particularly predominance of small family farms, low farming efficiency and being vulnerable to international market competition nowadays.

Rural development emphasizes on multifaceted issues, including economic growth, poverty reduction, social inclusion, food security, and environmental sustainability. Therefore, rural land policy is one of the major instruments to designate institutional arrangements for managing land use that contributes to socioeconomic development in rural areas. Although Taiwan has modified and extended the land reform program, several problems still remain, especially how to protect farmers' rights and to resolve competing claims among agriculture and other sectoral development. In addition to the results of land reform implementation, some unique phenomena of rural land use in Taiwan are also displayed, including agricultural produce safety, set-aside, farmhouse and illegal factories on farmlands.

Agricultural land policy and production programs have strong associations with distribution, usage and conservation of farmland resources. This figure shows relevant chronicle of agricultural land policy and the total areas of agricultural land changed over the past 60 years.

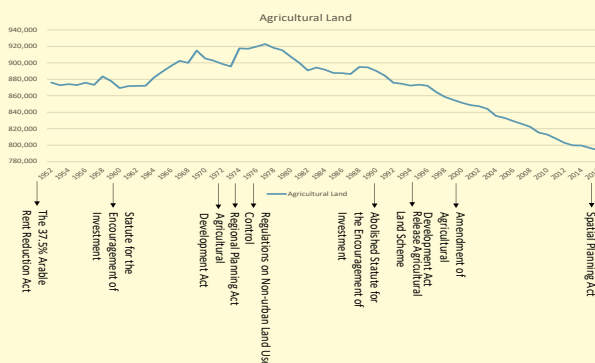


Figure 1. Changes of Agricultural Land Areas and Related Agricultural Land Policy in Taiwan

Taiwan enacted a series of land reform programs between 1949 and 1953 which resulted in forced sales of 139,500 hectares from 106,000 landowners. 194,823 farm families purchased the land in average plot sizes of 0.74 hectares. 95% of the farm families were former tenants. The redistributive land reform focused more heavily on social equity and stability in Taiwan.

Table 1. Results of the Land Reform Programs in Taiwan

Programs	affected farmland (hectares)	% 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%	-	-

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Land reform in Taiwan has made farms much more productive, particularly paddy rice farms which are most subject to land transfers. Due to overproduction of rice, the Council of Agriculture introduced a series of programs to reduce the areas and production of paddy rice since 1984, including changing crop pattern to other grains and farmland set-aside.

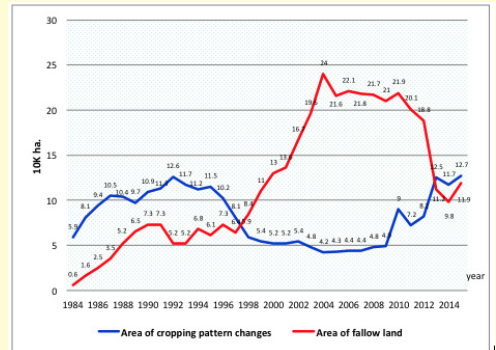


Figure 2. Development of Areas of Crop Pattern Changed and Set-aside on Paddy Rice Farm

In order to liberalize of farmland market and help farmers to accumulate capitals, Taiwan government amended the Agricultural Development Act in 2000, which allows to construct farmhouse on farmlands legally. Newly-developed farmhouses often occur close to big cities, for example, Yilan county has witnessed largest number of newly-constructed farmhouses in Taiwan during these two decades.

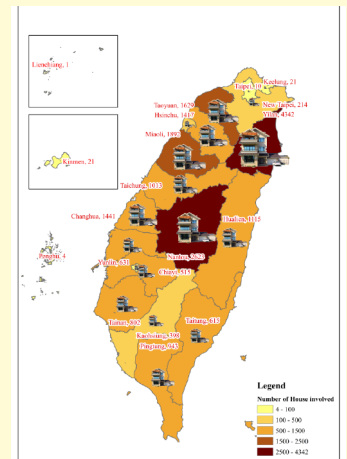


Figure 3. Spatial Distribution of Farmhouse on Farmland in Taiwan

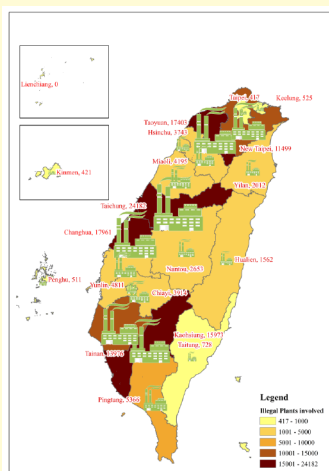


Figure 4. Spatial Distribution of Illegal Factories on Agricultural Land in Taiwan

The Council of Agriculture has integrated a series of health related agricultural labeling certification programs, including Good Agricultural Practices (GAP), Traceable Agriculture Product (TAP) and organic farming since 2008. The GAP labeling system aims at producing safe fruits and vegetables by reducing pesticides use. The TAP certification system focuses on tracking and tracing the life cycle of agro-products from field to table. The inspection of organic products is the most rigorous and environmentally friendly certification, compared with the other two systems.

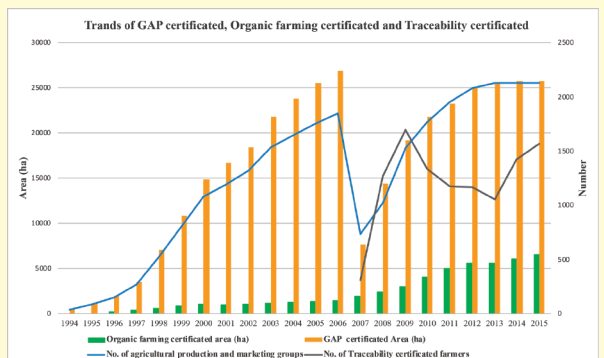


Figure 5. Results of Agricultural Produce Safety Programs in Taiwan

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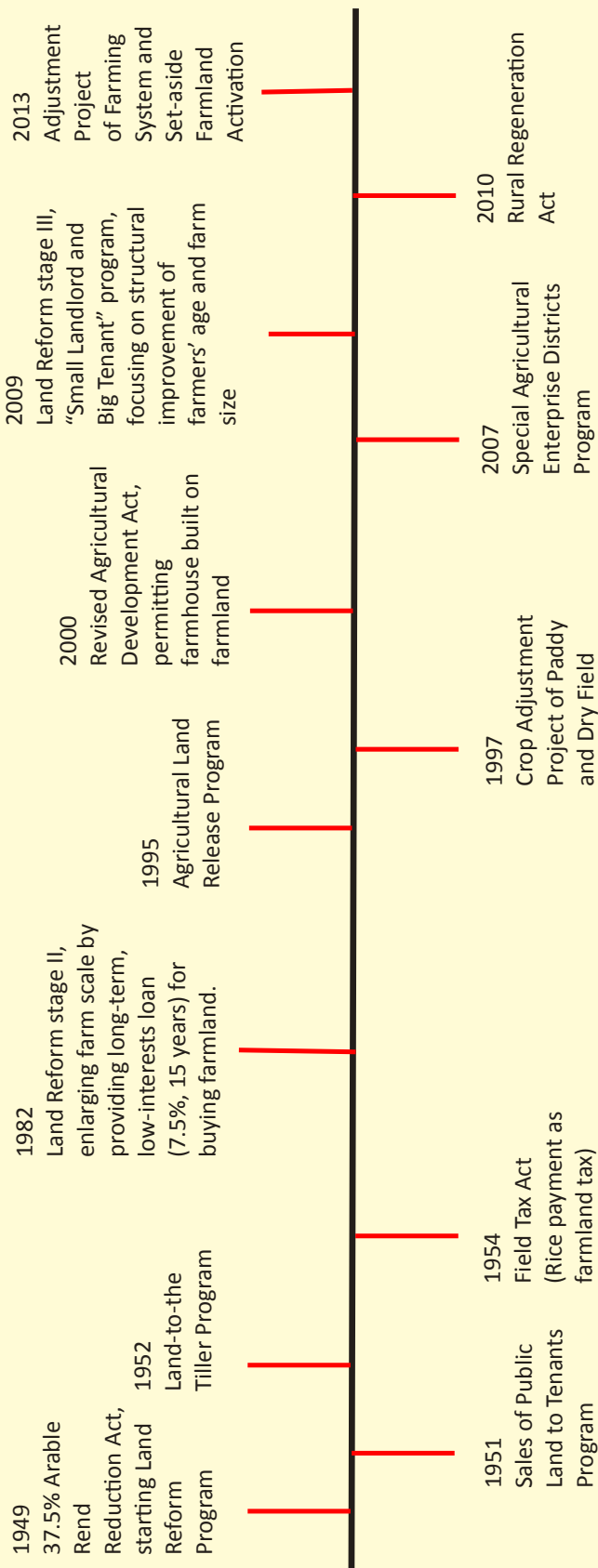


Figure 6. Evolution of Farmland Legislations