

## **“ Small Landlords and Large Tenants ” Program**

Hwang-Jaw Lee, PhD  
Board Director, Taiwan Flowers Development Association

To prompt the transactions and boost the utilization of farm land, as well as to encourage the long-term leasing of farm land by old peasants or farmers not keen on farming, the Council of Agriculture has been devising and implementing a ” Small Landlords and Big Tenants-Farmers” Project. The goal is to assist business-style management and boost competitiveness of agriculture of this project of Taiwan, by driving transformation of the agricultural industry. The COA indicated that the changes in the global economy and industrial structure have put the Taiwanese agriculture in double jeopardy. The energy and food crisis and rising commodity prices around the world pose external threats. Meanwhile, the domestic agricultural industry cannot reach economies of scale operation or enjoy the competitive advantages due to an aging farming force, small scales of farming entities and scattering of field lots. In order to encourage efficient utilization of farmland resources, improve the farm labor structure and boost the production in agriculture, the Council of Agriculture has been formulating Small Landlords and Big Tenant-Farmers Project.

A cross-function working group was established in June of the year 2008 to devise a set of measures to support this policy. By establishing Retirement System for Old Farmers, One-off Rent Payments for Farmland to Small Landlords and Instalment Scheme for Big Tenant-Farmers, the scheme encourages small farmland owners who are not interested in or not capable of farming to lease their land on a long-term basis. It also aims to offer low-rate loans and subsidies to finance projects to establish business-style management by helping and supporting the expansion of farms for big tenant-farmers. Meanwhile, there will be training and education in the integration of production and distribution, technology R&D, branding and channel management and marketing for these big tenants. It is hoped that big tenant-farmers will be able to lower production cost with larger operation scale and management, in order to boost production efficiency and competitiveness of the whole industry.

The Council of Agriculture emphasized that Small Landlords and Big Tenant-Farmers Project aims to adjust the agricultural structure. It will integrate all the available resources to assist those interested in farming to expand their operational scale to reduce their production costs. The project intends to prompt the transformation and upgrade of the agricultural industry, so as to enhance its competitiveness and ensure its sustainability.

In 2010, the COA decided to help tenants with large amounts of land to upgrade operational efficiency, and thus began to promote several measures: (a) guiding them towards enterprise-style management, (b) assisting them in improving the basic environment in the lands they rent, and (c) assisting them in improving their facilities, equipment, and capabilities to do production and marketing.

As of the end of June of 2013, there were 1,433 large tenants, with rented land totaling 11,015 hectares. Large tenants had, on average, 7.8 hectares of land each (including self-owned land), or about seven times more than the 1.1 hectares of farmland held by the average farm household in Taiwan. This allows effective introduction of larger scale

operations. The average age of the full-time farmers who have been included in the guidance program is 44, compared to 62 for the average farm owner in Taiwan, so the effect in terms of rejuvenation is clear.

**(Data Sources: The Council of Agriculture and Others)**

Date submitted: December 22, 2013

Reviewed, edited and uploaded: December 31, 2013