World Bank Supported Research Project

China Land Transfer and Registration
Technical Assistance:
Report on Survey of Rural Households and Other Stakeholders in Anhui and Shandong Provinces

Center for Rural Development Policy
China Agricultural University
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This report is a joint product of the Center for Rural Development Policy, China Agricultural University, the Land Center of FAO, and the World Bank.
Executive Summary

The Center for Rural Development Policy of the China Agricultural University, with the support of the World Bank and UNFAO, has recently undertaken a field survey in order to gather up-to-date information on the development of rural land markets and the attitudes of various stakeholders towards land registration. It provides a vital input into understanding how rural land registration systems might be used, and as a potential and timely input into the design of large-scale piloting exercises.

The field survey, carried out in townships and villages in Anhui and Shandong provinces, was based upon a series of interviews with individual rural households and structured discussions with focus groups, which included government officials and other stakeholders. The findings of this survey are set out in this report, which also draws on a review of selected existing studies on land markets and land registration in China in order to provide a broader context in which to draw its conclusions and recommendations. In summary, these are as follows:

Key Findings

An Increasing Trend in Rural Land Transactions. Indications from the survey data are that rural land transfer transactions are increasing as migrant workers continue to leave farming and as a response to population changes. Local governments generally support agricultural land transfer.

An Increase in Land Disputes. Agricultural land disputes are increasing. The majority of farmer disputes are concerning land.

Land Rights not Clear. A significant majority of the interviewed farmers were confused about rural land ownership and land contracting rights, mistakenly thinking that rural land is owned by the State or the Village Committee.

Concerns About Land Contracting Rights. Although the majority of the interviewed farmers had no immediate fear of losing their land, a considerable portion expressed their doubts as to the security provided by their land contracts, many expressing real concern. At the same time, nearly a third of the interviewees reported that they had been subject to land requisitioning, of which more than a third were dissatisfied with the level of compensation. There is also confusion as to whether or not their land rights could be inherited and what will happen at the expiry of their 30-year contract term.

Consensus on the Need for a Registration System. Most farmers and participants in panel discussions agreed that an efficient agricultural land registration system in China is necessary. This is partly because there are still many defects associated with the current agricultural land
contracting system, and partly because an improved registration system is expected to produce other benefits, such as protecting farmers’ land rights, reducing land disputes and promoting the development of agricultural land markets.

**What Should be included in Registration?** In general, both discussants and interviewees wanted a much more accurate and detailed form of registration and certification.

**Different Survey Methodologies Based on Needs.** Acknowledging that increased accuracy and detail would mean increased costs, different survey and mapping methodologies might be applied in different circumstances in order to reduce costs.

**Sequencing of Registration Activities.** There was a consensus that registration should be first implemented in economically developed regions and in regions that have a high proportion of agricultural land transfers.

**Central Government to Cover Cost of Initial Registration.** Most of the cadres involved in the discussions hold the view that the central government should bear the cost of the initial registration. Meanwhile, local governments, farmers and the transferring parties could bear all or part of the registration costs associated with subsequent transactions.

**Public Participation Plays Vital Role.** When farmers are well informed and organized, they are likely to better understand and appreciate the value of their land use rights and the benefits associated with an improved registration system.

**Policy Advice and Recommendations**

1. **Government has a Role in Encouraging Land Markets.** Increasing trends in agricultural land transactions call for government to play a facilitating role in order to encourage the development of rural land markets.

2. **Need to Further Develop Land Registration Systems.** The survey found that there is wide-spread support for the development of a more efficient agricultural land registration system.

3. **Moving to Larger-Scale Pilots.** In order to further develop appropriate registration systems and build upon the experiences and lessons gathered from recent pilot projects, larger-scale pilot projects should be undertaken. The pilot size could be at the township or even county level which would enable the testing of technical methodologies and institutional arrangements.

4. **Start Registration in High Value, High Transaction Regions.** There may be as many as 1.5 billion land parcels in China and therefore achieving complete registration coverage of the whole country could take decades. It will therefore be necessary to prioritize areas for systematic registration and this should start in economically developed
regions and those with a high proportion of agricultural land transfers.

5. **Low-Cost Survey Methods.** Expensive survey techniques should be avoided. Systematic mapping, survey and titling is more cost effective than small-scale or individual sporadic titling.

6. **Initial Registration Fees should be Affordable or Free to Land Rights Holders.** Central Government should bear the cost of the initial registration, while, local governments, farmer households and the transferring parties should bear all or part of the registration costs associated with subsequent transactions.

7. **Registration Systems can be Self-Financing.** In many countries, land registration systems are self-financing, the initial costs being recovered from the fees charged for secondary transactions, but often only through cross-subsidization from high transaction volume high value urban areas to low transaction volume, low value rural areas. The issue of financial viability should be tested as an integral part of a larger-scale pilot.

8. **Need for a Single Registration Agency.** There are currently two separate ministries involved in land ownership land contracting rights registration which constrains effective land management and the development of land markets. Any larger-scale pilot should therefore test the options for creating a single registration agency. A single agency model is likely to be self financing whereas a separate rural system may not be self financing and require government funds to operate.

9. **Registration Systems should be Parcel-Based.** International practice suggests that a parcel-based registration system is more efficient and practical than a person-based system that is currently used in rural areas in China. When land rights become more complex, a person-base model would become unworkable.

10. **Sequencing Land Registration after Land Consolidation.** Some provinces are undertaking significant amounts of land consolidation which will inevitably lead to changes in parcel sizes and boundaries. In such areas, registration should either be carried out after the land consolidation, or as part of the process of land consolidation.

11. **Public Awareness.** Given the high levels of misconceptions concerning land use rights seen among interviewees in this survey, any campaign to establish a land rights registration and transactions system will require a parallel public awareness campaign at the grassroots level. This in turn will lead to a higher likelihood of sustainable use of the registration system. In addition, active participation by rural households will also facilitate the survey, identification, and data gathering process, and help to reduce costs.
Introduction and Context

Since 2005, the Development Research Center of the State Council (DRC), the World Bank and the Food and Agriculture Organization of the United Nations (FAO) have been working together in support of the Government of China to develop a deeper understanding of the role of land and land policy, and to identify options for moving forward on key land-related problems and opportunities. This collaboration has entailed a number of interlinked activities, including in-depth analysis by a multi-disciplinary team of Chinese and international experts, and innovative field work in Zhejiang, Shaanxi, Guangdong, Jiangsu, Chongqing, Anhui, Henan and Beijing. The DRC/World Bank/FAO collaboration has given particular emphasis to the role of land policy in the context of the conversion of rural land for urban expansion, which over the last two decades has been one of the most prominent features of China’s ongoing transformation.

This land policy has continually evolved in response to the dramatic economic and social changes. In particular, in keeping with the emergence of a market economy, private rights in rural land have been significantly clarified and strengthened with the introduction of the Property Law in October 2007. This, together with government policy announcements in 2008 on the strengthening of existing 30-year rural land contracting rights and allowing farmers to lease their contracted farmland or transfer their land use rights (for agricultural purposes), have set the stage for an accelerated market for rural land and a likely increase in the number of transactions.

This in turn has led to the recognition for the need for improved land administration and management services, including an improved land registration system, as being crucial to the development of a more efficient and transparent land market. The Third Plenary Session of the 17th Chinese Communist Party (CPC) Meeting and two No.1 Central Government documents in 2009 and 2010 all explicitly emphasized the importance of implementing rural

1 This initiative resulted in the publication of two landmark reports: The first, entitled “China: Land Policy Reform for Sustainable Economic and Social Development – An Integrated Framework for Action (2006)” identified the main problematic aspects of land policy and practices, and put forward a number of concrete proposals for moving forward in the short, medium and long-term. The second, entitled “China: Integrating Land Policy Reforms II Strengthening Land Rights for Equitable Growth and Social Harmony (2008)” focused on land rights for different categories of holders and users, spanning the urban-rural interface.

2 In particular the ‘The Decision on Major Issues Concerning the Advancement of Rural Reform and Development’, October 2008.

3 No. 1 Central Government documents were originally the first documents issued by the central government in each year, generally representing the priority issues for the year. In recent years, No. 1
land registration.

In anticipation of this, a rural land registration pilot project was undertaken in two villages of Feidong County, Anhui Province, during the period July 2005 to January 2009 by the Chinese government, with assistance from FAO, the World Bank and the Canadian International Development Agency (CIDA). The objective was to establish a functioning rural land registration system for the 89 households and 810 land parcels involved. The experiences and lessons learned have been invaluable and have been used in formulating recommendations for further larger-scale pilot projects which in turn will eventually lead to a national roll-out strategy.

In addition, the Chinese Ministry of Agriculture carried out agricultural land registration pilot projects in eight provinces in 2009. However, agricultural land registration is still new to China's vast rural areas and questions remain with regard to the design of a rural land registration system, the data to be registered, and the support and expectations of stakeholders. In preparation for the larger-scale pilot projects, it was necessary to gather further up-to-date information on the development of rural land markets and the attitudes of various stakeholders towards land registration, as a vital input into the understanding of how rural land registration systems will be used, and as a potential and timely input into the design of large-scale piloting exercises. It was in this context that the Center for Rural Development Policy of the China Agricultural University, with the support of the World Bank and FAO, undertook the field survey which is the subject of this report.

Objectives of the Study:

The main objective of the study is to estimate the scope and volume of possible future land transactions that would be registered in a rural land registration system, and the cost of registering these transactions using systematic or sporadic registration. Based on this analysis, to make policy, institutional and investment recommendations on how the process of large-scale rural land registration pilots could proceed.

The study focuses on the extent to which rural land is currently being transacted in two selected provinces in China. It identifies the types of transactions that are taking place, and, where possible, the reasons for them, to enable better understanding of likely future developments. It looks at the rates of transactions and the levels of payments/rents involved in order to enable a better understanding of the scale of likely registration operations and the sort of documents have related to the agricultural and rural sectors, indicating that these areas are of particular concern to the central government.

of fee levels that may be anticipated when looking at options for the design of large-scale rural land registration pilots.

The study aims to capture the different types of transactions that could be potentially registered to enable an assessment to be made of the extent to which proposed registration systems would be used, not only for ‘first’ registrations, but also for the ‘subsequent’ registration of the ongoing transactions, in order to ensure that the system is kept up to date. The study also attempts to provide a preliminary assessment of likely transaction rates, fee levels, viability of registration processes, and other technical aspects.

The primary audience for this study will be both national and regional policy makers, but it also seeks to engage the collectives and farming populations in the villages. In addition, the policy and institutional recommendations that flow from this report will be incorporated into the larger donor/government policy dialogue on rural land registration and its development.

**Methodology**

The study is based on two distinct data sources:

1. **Review of Existing Studies:**

   As land markets fluctuate according to a range of factors, some of which are outside the immediate locality, it is important to contextualize data generated by surveys. Therefore, this study has undertaken a review of selected existing written studies on land markets and land registration in China in order to provide a broader context in which to view the results of the analysis of the survey.

2. **Survey of rural land registration and land market development in two selected provinces:**

   A questionnaire on key issues relating to land market development and perceptions and expectations relating to land registration was prepared for interviewing individual farmer households. Separate lists of questions were prepared as a basis for structured discussions with focus groups, which included government officials and other stakeholders. The draft survey questionnaires and focus group questions were finalized through consultation with a group of Chinese rural land experts, with the participation of the World Bank and FAO at a meeting in Beijing on 11-12 June 2009.

   The objective of the interviews and group discussions was to determine:
i) the type of transactions likely to need to be recorded in a future title registration system;
ii) the volume of each of these types of transaction, both systematic and sporadic;
iii) the likely cost of performing transactions and related land surveys;
iv) the willingness of farmers to pay for registration and surveys;
v) farmers’ attitudes towards precision of boundary measurements, and therefore the cost of land surveys;
vi) farmers’ attitudes toward individual or communal property rights;
vii) capacity to carry out land surveys, both systematic and sporadic;
viii) legal support in rural areas to assist with land transactions; and
ix) the opinions of other stakeholders such as government officials, financial institutions, law firms, and other agencies towards establishing a land registration system.

Anhui and Shandong provinces were selected to conduct the surveys. Anhui Province represents the southern and inland provinces while Shandong Province represents the northern and coastal provinces. Both are representative of rural development models in China, particularly reflecting the trend and direction of China’s rural land reform. Shandong Province has a large rural population, and takes a leading role in terms of the agricultural modernization and mechanization. In addition to traditional grain products, Shandong Province is also famous for its fruit and vegetable production, which has a good reputation both home and overseas, coupled with a high national market share, due to its progressive agricultural marketing and industrialization. Anhui Province, meanwhile, is located at the junction of the north-south and east-west boundaries in China, and the levels of both its economic and social development are viewed as being at about the national average. Anhui Province has always been a microcosm of China’s rural reform, and is also the birthplace of China’s household responsibility system. With its traditional agricultural structure, the main crops in Anhui Province are grain, cotton and oil crops.

These two provinces are also the provinces adopted by the Ministry of Agriculture in 2009 for the agricultural land registration pilot projects. Government officials, agencies and farmers in these two provinces have exposure to, and experience of, land registration issues and thus were expected to be useful sources of information about the practical issues involved in the implementation of an agricultural land registration system.

Two counties and villages in each province were selected on the advice of the Provincial and County level Agriculture Commissions using criteria relating to levels of market activity - Qingyang and Feidong counties in Anhui province and Tengzhou and Feicheng counties in
Shandong Province. The two villages selected in Feidong County were chosen on the basis that they were the subject of the recent FAO/World Bank/CIDA supported Rural Land Registration Pilot Project, so as to enable progress and any differences of experience, expectations and understanding to be compared with other counties. Field visits were undertaken during December 2009 and January 2010 respectively.

Approximately 30 farmer households were selected by random sampling from each of the eight villages identified from the two selected provinces. A total of 250 interviews were held, which resulted in 244 valid questionnaires (representing 97.6% of the interviews). Eight focus group meetings were held in the two provinces, which comprised a total of 35 government officials from different administrative levels and 20 representatives from other agencies.

The results and analysis of the survey are provided in the following sections of this paper. Section 1 presents a summary of the findings of the focus group discussions, while Section 2 provides a summary of the findings from the interviews with individual farmer households. Section 3 attempts to place these findings in the broader national context and draw conclusions and recommendations. Annexes, including the lists of discussion topics and template questionnaires, are provided at the end of the paper.

5 Tengzhou City and Feicheng City in Shandong Province are categorized among the ‘National Top 100 Counties’, and Feidong County is one of the ‘Top 10 Counties’ in Anhui Province. Therefore, the selected provinces and four cities/counties are considered to be representative of the rural modernization trend, including rural land transfers and registration.
SECTION 1

Focus Group Discussions
**Brief Introduction to Focus Group Discussions**

The rural land registration process in China is a complicated one, involving in addition to the farmer household contractors, different levels of government and various other agencies. In order to obtain a comprehensive picture of the opinions and attitudes of those involved, the survey was extended from the farmer households to incorporate these different groups. Rather than interviewing a series of individuals, a ‘focus group’ approach was adopted incorporating government officials at different administrative levels as well as the associated stakeholder organizations.

The two study areas, Anhui Province representing the southern and inland provinces and Shandong Province representing the northern and coastal provinces, are also provinces participating in the rural land registration pilot adopted by the Ministry of Agriculture in 2009. Government officials and other stakeholders in these two provinces therefore have experience of land reform issues and these were selected on the basis that they would be helpful in sharing their practical experiences of implementing land registration.

The Focus Group discussions were conducted in two counties, Qingyang and Feidong in Anhui province in December 2009 and two counties, Tengzhou and Feicheng in Shandong Province in January 2010. Eight focus group meetings were held in the two provinces, which comprised of 35 government officials from different administration levels and 20 representatives from the other agencies. Together, these included leaders and administrators from provincial, county, town and village levels, representatives from the business and banking sectors, and farmers and village residents. The lists of questions used as the basis for these discussions are annexed to this report.

In addition to sharing experiences on land certification and registration, these group discussions provided a wide range of information on the general economic situation in the cities and counties involved. This included information regarding social development, agricultural production, household income, land use, agricultural land transfers, and land management. Data collected on the general economic situation and social development includes the local geographical environment, population structure, level of education, employment and levels of economic and social development. The agricultural production data mainly concerns local agricultural production levels and individual farm household...

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6 The participants were drawn from the local Agricultural Bureau, Land and Resource Bureau and Taxation Bureau at provincial and county levels, as well as cadres from local townships and villages.

7 These were from local rural credit cooperatives, local production cooperatives, local law firms, local agriculture-related enterprises as well as local residents.
production. The land management data provided is based on the published land policy of the local government, which includes the recognition of the right to transfer contracted land use rights and the handling of legal disputes on rural land.

**FINDINGS:**

**I. Rural Land Contracts and Land Transfers**

1. Rural land Contracts

During the period 1995-2005, most of China's regions adopted the second round of 30-year agricultural land contracting. Agricultural land was allocated based on household population, with women having equal rights as men. Currently, the average per capita of cultivated land in Anhui Province is 1.4 mu⁸ and in Shandong Province 1.2 mu.

Under Chinese law, contracted agricultural land cannot be readjusted during the contract period, even if the number of household or village members changes⁹. During the group discussions, government officials advised that this policy is adhered to in the two surveyed provinces. However, the population has changed significantly within the last 10 years resulting in uneven land holding patterns in some areas. In addition to population changes, land acquisitions and other reasons (such as marriages of offspring thus creating new households) have resulted in an increase in the number of rural landless. Anhui agricultural officials estimate that landless farmers account for as much as 10% of the total number of individual farmers. The number of landless rural *households* however is much less, estimated at a mere 0.1% of the total rural households, as usually at least one person in the household is likely to possess a parcel of contracted land.

This marked imbalance between farmers and land has prompted some local officials to support rural land readjustment prior to land registration. For example, one village leader in Feicheng suggested that agricultural land should be reallocated more evenly, based on the number of the village population, *prior* to land registration. A number of landless peasants in the village Hucun of Jiangtun, Tengzhou county, wanted the land to be readjusted *during* the

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⁸ 1 mu is equal to 0.1647 acres (1 acre is equal to 6.07 mu).
⁹ Land readjustment were introduced as a way to even out the distribution of farmland within a community. As household and village population numbers increase or decrease over time, the aim was to ensure absolute equality of per capita land holdings. However, this had a negative impact on productivity, and consequently the Land Administration Law of 1998 (LAL) and the subsequent Rural Land Contracting Law of 2002 (RLCL) prescribed restrictions on land readjustments during the contract period.
registration pilot project. Whereas, one provincial official in Shandong Province, insisted that no readjustments should be made during the registration process.

2. Rural Land Transfer

Chinese law permits the transfer of rural land use rights so long as it is for farming purposes\textsuperscript{10}. The proportion of agricultural land transfers in China has increased gradually with general economic development and with increases in rural migration. According to a sample survey in Anhui Province in 2008, the agricultural land turnover ratio\textsuperscript{11} was 12.4\% based on area. The agricultural land transfer area in Shandong province amounted to 5.486 million mu in 2008, which accounts for 6.1\% of the total contracted area, and involves about 1.51 million farmers, or about 7.8\% of the total.

The consensus indicated that government officials generally support and encourage agricultural land transfer. For example, Tengzhou City has set up agricultural land transfer trading centers at both county and township levels. Favorable local land policies aimed at increasing productivity through economies of scale and mechanization also encourage land transfer, such as Tengzhou City’s RBM 3 million subsidy of large-scale farming. As part of this scheme, those farming more than 50 mu (following land transfers) are awarded RMB 100 per mu, while RMB 200 per mu is given to those cultivating over 100 mu, and RMB 300 per mu to those cultivating over 200 mu. On the other hand, some agricultural officials stated that they are concerned that rural land transfers may lead to land disputes and may result in a decline in grain output.

The discussants generally agreed that the number of rural land transfers will increase in the next five to ten years, but that the scale of the increase would be limited. One provincial agricultural official in Shandong stated that as rural land transfers were related to the level of economic development and the amount of labor migration, higher transfer ratios are not necessarily a good thing. That is, if the main driver for transfers is migrating labor, an increase in the number of transfers does not imply an increase in agricultural productivity, merely a change of ‘owner’; whereas, if fallow land is rented out then an increase in productivity is implied. One official in Qingyang county stated that farmers’ willingness to transfer out their land may be impeded to some extent by the current system of agricultural

\textsuperscript{10} The RLCL states that farmers’ land rights may be transferred (but only to other village households), leased (to non-village households), exchanged, assigned, or transacted by other means in accordance with law. Such transfers are limited to farming purposes only.

\textsuperscript{11} Turnover ratios are often given based on area. From a land registration view point, the number of land parcels transferred may be of greater significance than the amount of land transferred. Further, this is not an annual ratio but a cumulative one. It is unclear if a returning farmer reclaiming his land say at the expiry of a lease would be taken into account, and if so this would be subtracted from the ratio – yet for land registration purposes, depending upon the system adopted, this might represent another ‘transaction’.
subsidies. However, in general, the discussants agreed that rural land registration is conducive to the development of land markets.

3. Land Disputes

Land is still the issue causing most concern in rural areas. In Shandong Province, around 70% of farmers’ petitions are related to land. A lawyer in Feicheng classified land disputes into three categories: Firstly, land transfer disputes arising from farmers who want to take back land they had previously transferred, particularly where returning migrant laborers want to reestablish their farming income; the second concerns disputes over the amount of compensation received for expropriated land; and the third category of disputes are related to land readjustments (or lack of them, where increases in local populations occur without a corresponding reallocation of contracted land).

There also exists a further type of land dispute associated with land tax reform. Before the tax reforms of 2006, many farmers did not want to keep their contracted land as the rural land tax\textsuperscript{12} represented a relatively heavy burden. Village collectives often took back contracted land that was offered to them and in many cases rented it out to large grain producing farmers or enterprises. These subsequent agreements were often on the basis of long-term contracts, at rental levels that were only equal to, or even lower than, the agricultural taxes and fees charged on the original farmer households. Following the implementation of new tax exemption and subsidy policies\textsuperscript{13}, many farmers wanted to take back their original land, but because long-term leases have already been signed their requests have been rejected and disputes have arisen.

According to the results of the household survey, in such situations very few farmers seek help from lawyers. Even if they do, lawyers are often unwilling to accept such cases because the fee amounts generated by this type of work are usually too small. Local agricultural government agencies usually take on the role of mediation in land disputes. The arbitration agency is likely to play a greater role with the implementation of the Conciliation and Arbitration Law covering rural contracted land disputes which was implemented on January 1, 2010.

\textsuperscript{12} Prior to 2006, a rural land tax was levied on households based on the size of their land holding multiplied by the average yield in the area, regardless of whether or not it was actually farmed. The taxation position was further complicated by an additional charge levied at the local village level.

\textsuperscript{13} In December 2005, the People’s Congress abolished the ‘Statute of Agricultural Tax’ and significant reforms to rural land charges was introduced. Following this, in 2006, each Province eliminated agricultural taxes and the central government introduced four kinds of subsidies - the grain-producing direct subsidy, the improved seeds subsidy, the agricultural machinery purchase subsidy and the agricultural inputs purchase subsidy.
4. Limitations of the Current Contract Certification System

Currently, land contracts and land certificates are designed by each province or county. The law\textsuperscript{14} requires the Village Collective to issue land contracts to each farmer household and to submit an application to register its (the Collective’s) \textit{ownership} with the county government. The law\textsuperscript{15} also requires that the county government issue land \textit{user rights} certificates to farmers, and maintain a register of such rights.

During the discussions, it was found that some local cadres (as did some individual farmers) felt that the existing contracts worked well. However, there were also many local cadres that recognized that the current contract certification system contains many defects and that the establishment of an improved rural land registration system is needed. One of the main problems identified is that there are two certification-issuing agencies involved in the current system. According to the Land Departments in both provinces, Anhui and Shandong have more or less completed the registration of agricultural land \textit{ownership} (as at the end of 2009) with most \textit{ownership} certificates having been issued to the village collectives. These activities are conducted by the Land Departments of each province. However, the certificate of rural \textit{land contract} (or \textit{use} \textit{rights}) is issued by the Agricultural Department. This separate certification by two different departments creates a lot of problems and most discussants thought that there should be a single department responsible for issuing the two certificates.

One official of the Department of Agriculture in Shandong Province agreed that there are limitations in the current land certification process, saying that the contents of the certificate are not detailed enough - for example, most of them did not specify the location or boundaries of land. Also, not all rural households have been issued with their contract certificates yet because of inadequate funding. In addition to this, the rule of law is not always upheld, for example, a number of local authorities issued blank contracts to farmers or village leaders who then filled-in the certificates by themselves.

\textsuperscript{14} LAL 1998.
\textsuperscript{15} RLCL, 2002, art. 37
Another concern is associated with the accuracy of the recorded land area. A large number of land parcels in the initial certification were ‘measured’ only by rough estimate and there are likely to be significant differences between the actual land area and that recorded in the certificate. The discussants generally agreed that registration should be based on accurate measurement of the land area. Based on the evidence from the pilot project in Ahhui recorded land allocations can be as much as 30% lower than the actual land area. These distortions have arisen from a period when rural land was taxed.

**II. Land Registration**

1. **Requirements for Land Registration**

The majority of cadres interviewed thought that an improved system of rural land registration would have important practical implications and therefore they largely supported undertaking this work. The village leader of Hu Cun indicated that registration would help to further stabilize farmers’ contract rights and would help farmers to secure higher compensation where land expropriations take place. An improved land registration system would also promote the land transfer market since a more comprehensive register would contain rich information about the original contractor and also accurate land areas. One county leader in Feidong County pointed out that land registration would help the capitalization of the land assets and augment the investment and rural consumption, which in turn would promote domestic demand and economic growth.

One provincial official in the Agricultural Department of Shandong Province said that land registration is important where there is inheritance or inter-generational transfer of property rights, which is of greater significance since introduction of the Chinese government’s policy of ‘perpetual rural land contract rights’. A lawyer from Feicheng county agreed that land registration will help to protect farmers property rights since China’s new Property Law treats rural land contract rights as *property rights*. It was also noted that there is no need to register agricultural land if reallocation of land happens frequently.  

Some cadres considered that more accurate measurement of land parcels would lead to a greater number of disputes and that resolving these would be a difficult problem for the authorities. A small number of cadres also stated that once farmers have registration certificates, this might lead to difficulties in public land acquisitions which might delay the

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16 The reallocation/readjustment of rural land in China was mainly adopted by the village administration without paying any compensation to the land-decreased farmer households. Therefore, farmer households are unlikely to generate much demand for accurate land registration if they feel that their rights are insecure.
construction of public facilities.

2. **Apportioning Registration Costs**

Some cadres expressed their concerns regarding land registration, in particular, that it would not be affordable to local authorities. Land registration is considered to be relatively expensive. For example, in the village Hucun of Tengzhou county, the cost of registration is around RMB 215 per household, even though they use relatively simple mapping techniques to register the larger land parcels. Costs will be much higher when dealing with parcels in difficult terrain such as mountains or hilly areas. One of the main concerns expressed was who would share these costs and how would they be apportioned?

The majority of cadres felt that registration costs should not be borne by the farmers, mainly because they could not afford any additional financial burden as agricultural income is still relatively low. Farmers should only bear the cost of the registration certificate fee (currently less than RMB 10). They also felt that farmers may not be able to clearly identify the benefits of registration and therefore might not be willing to pay the full cost. Another reason given was that land ownership still belongs to the Village Collective with farmers only possessing contract/use rights, and therefore farmers should not bear the registration costs.

One agribusiness manager in Feicheng City said that enterprises would be prepared to bear the costs involved in registration of land transfers (that is, subsequent registrations) together with a portion of the initial registration costs - but not the full cost of the initial registration. One official in Hefei City pointed out that this would only provide a small portion of the total cost of initial registration (as the number of enterprises involved in land transfers is relatively small) and therefore this would not resolve the problem. The majority of interviewed cadres held that the initial registration of rural land is a kind of government action and the cost should therefore be borne by government, but not local government, which, could not afford such a huge expenditure, concluding that central government should bear the cost.\(^\text{17}\)

3. **Registration Methods and Accuracy of Mapping**

In 2009, the Ministry of Land and Resources in China completed its second national land survey, which included rural land, the identification of land types, location, scope, size, distribution and ownership, and these data can potentially be shared in the registration of rural land if the local government leaders require the local land and resources authority to do so.

\(^{17}\) Yet a central government official has stated that the provincial government should take the responsibility for financing rural land registration, in keeping with current fiscal policy. Government’s position on this still needs to be confirmed. Meanwhile, both provincial and local levels of government have indicated a lack of budgetary resources to deal with this.
When discussing land surveys and mapping for registration purposes, the main issues raised were those of the appropriate scale of the maps and the respective cost of the options. For example, one county leader in Feicheng indicated that the county land department has county-wide satellite images at a scale of 1:10,000 as well as rural land-use maps of a similar scale. These could therefore be adopted as the basis for registration. Local land departments mainly use mapping methods plus satellite, GPS or Total Station method. The mapping cost depends on the difficulties of mapping and the size of the land. A rough estimate is around RMB 0.10 per square meter. Tengzhou City used the 1:10,000 aerial map directly in its land registration pilot, however, experience in Feidong suggests that maps of 1:2,000 or even 1:1,000 scale are needed when registering small and fragmented land parcels. This was countered by a small number of grass-roots level cadres worried that very detailed mapping could trigger disputes and that a scale of 1:10,000 would be sufficient.

It was recognized that there is trade-off between the accuracy of land mapping and cost\(^{18}\). Some cadres were of the opinion that different mapping methods and levels of accuracy could be adopted by different regions, as required. For example, in the economically developed regions, the field analytical method could be used to achieve a high degree of accuracy, whereas less developed areas could use less accurate photogrammetric methodologies. Hand-drawn schematic methodologies could be used for the more complex terrain of the less developed regions. One county leader in Feidong county suggested that the mapping work could be outsourced to commercial mapping agencies instead of government officials when rolling-out land registration in the future, which should greatly reduce the cost.

4. Form of Registration

There were some differences of opinion between the discussants with regard to the correct form of registration, for example, whether it should be "one plot one certificate" or "one family one certificate". Cadres in the agricultural sector supported the "one family one certificate" approach where a single certificate is issued to each household recording all of the plots contracted by them. According to one official from Qing Ning, and one from Feidong, this approach is easy to operate and easy to keep up to date by the farmers. However, land department officials and the legal profession tended to prefer "one plot one certificate". One official and a lawyer from Feicheng stated that issuing separate certificates for each plot would help land circulation (meaning it would facilitate transactions). He further suggested that land registration certificates could be endorsed in the event of land transfer, and therefore the farmer households which acquire endorsed land registration certificates have contractual rights on the plots, similar to the use of a check or charge in western countries.

\(^{18}\) Choosing the appropriate scale for mapping, sufficient to meet minimum data requirements yet within practical budgetary affordability, is one of the crucial elements in the design of a land registration system.
At the same time, many people agreed that registration certificates should not only record the names of the household head but also all names of the family/household members (as in the Teng Zhou pilot). It was also suggested that the registration certificate should record whether the land is categorized as “Basic” farmland or not. Among the participants it was generally felt that the registration certificate should be based on existing contracts and contract certificates and that land disputes should be firstly resolved through mediation or arbitration before registration. If the disputes are larger in scope, a village meeting should be held to confirm the allocation of the contract rights. One official in Feicheng suggested that registration should not be based solely on the contract certificate but also on field discussion and measurement, in order to strengthen its credibility.

5. Registration Procedures

Firstly, many people suggested that special laws and regulations are needed before registration takes place. One official from Tengzhou said that ‘Regulations on Registration of Rural Land’ should be drafted in order to ensure adequate administrative control. Secondly, that there should be a single government department responsible for land registration, combining the functions of the current agricultural and land departments.

The discussants believed that registration should be gradually expanded, taking into account the huge workload and costs involved. One official in Teng Zhou suggested that registration should start first in the richer regions and then gradually expand to less developed regions because they would tend to have a higher demand for registration and could afford the costs. One village official in Feicheng (who was also a major grain producer) proposed that initial registration need not necessarily cover all the land in one area, but those farmers who want to, could apply for registration from the local competent authorities (such as county or city) subject to paying an appropriate charge. However, other groups held the view that registration should be pushed forward urgently. One official in Feidong proposed that registration should be carried out as soon as possible while land values are low, in order to reduce the potential for disputes, otherwise the number of disputes could be enormous.

The Ministry of Land and Resources launched the "1,000 Village Model and 10,000 Village

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19 In 1995, in an attempt to limit the amount of farmland conversion to non-farming uses, the central government issued Document 28, designating a category of land known as ‘Basic’ farmland which is afforded special protection under the law. Basic farmland is identified as being of high soil quality and productivity and is set at a minimum of 80% of cultivated land areas. The significance of this is that conversion of land falling within this category to ‘other uses’ is specifically prohibited, requiring State Council permission.
Land Consolidation Project” in 2009. Some provinces are carrying out land consolidation which will result in some disruption of agricultural land boundaries as the previous boundaries disappear. Some Government officials, such as one county leader from Feidong, suggested that land registration should be carried out only after land consolidation had taken place.

6. Mortgaging of Rural Land

The Guarantee Law 1995, provides that user rights to land (in certain circumstances) but not ownership rights, can be used as collateral, however, it specifically prohibits the mortgaging of arable land rights. The Property Law 2007, whilst classifying contracted rural land rights as ‘usufruct’ rights, which theoretically could be used as collateral for bank loans, remains silent on the issue. This has created a degree of legal ambiguity with regard to interpreting the latest government thinking. In any event, the registration of rural land will make the registration of rural land rights technically possible.

The discussants claimed that a considerable proportion of farmers support the position that rural land should be mortgageable and rural enterprises are particularly enthusiastic for this. Two managers of agricultural enterprises in Qingyang and Feidong counties, and one large-scale grain producer, agreed that they were looking forward to having access to land mortgages. Most of the agricultural sector cadres were also inclined to support the introduction of rural mortgages. Two provincial officials in Anhui and Shandong agreed that rural land mortgages would allow small farmers to get micro-credit from banks. One village leader in the pilot village of Tengzhou City stated that there would be little risk involved in the mortgaging of rural land but that loans should be used for agricultural production purposes, the reason being that, compared with non-farming activities, farming would be more secure and less risky.

Banking institutions have different views about the mortgaging of agricultural land. One banker in Feicheng indicated that rural credit cooperatives may welcome rural land mortgages, but they will nevertheless carefully assess the total household income and ability to make their repayments, rather than assessing the value of the land as collateral. Another banker in Feicheng stated that registration certificates would make it easier for farmers to get loans but that the amounts involved are likely to be very small. Similarly, one banker in Qingyang

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20 These initiatives aim to facilitate the implementation of policies on land reclamation and development, and link changes in urban and rural construction land and collective construction land transfers, by promoting economies of scale, farmland protection, speedier rural land transfers and helping farmers to generate greater incomes.

21 Art. 37
argued that agricultural land as loan collateral is not ideal for several reasons. Firstly, the lack of developed secondary land markets would make it difficult for banks to liquidate the collateral in the event of defaults. Secondly, there is a lack of rural land valuation agencies and therefore no fair valuation standards that could be applied in assessing the amount of loans. It was also noted that starting from 2008, Anhui Province has successfully introduced the mortgaging of forest warrants, following the forest tenure reforms, but in only a very small number of cases.
SECTION 2

Survey of
Rural Households
Brief Introduction to the Household Surveys

In addition to the focus group discussions noted in Section 1, the research team conducted a field survey of rural households in the two provinces. These surveys provided insight into farmers’ attitudes towards rural land transfers and land registration, including their expectations with regard to the land registration process and their willingness to pay for the service. The template questionnaires used as the basis for the discussions are annexed to this report.

A total of 250 households were interviewed, which resulted in the completion of 244 valid questionnaires (representing 97.6% of the interviews). The total population of the 244 households interviewed was 1,207, averaging almost 5 persons per household. Household heads, on average, had 6.4-years of education, and the average net income per household for the two provinces was RMB 9,617.78, being RMB 7,467.23 in Anhui and RMB 11,561.54 in Shandong.

The total arable land area of the 244 households was 1,180 mu (194.4 acres) and the total number of land parcels held was 1,334, thus the average per capita of arable land area was approximately 0.98 mu (0.16 acres). The average land parcel area was 0.88 mu (0.14 acres) and the average number of land parcels per household was 5.96 Mu (0.98 acres). By comparison with national figures, the survey data indicates that this is fairly representative of the current rural land use pattern in rural China, in terms of the number and size of the land parcels, the fragmentation, cultivation structure and production efficiency.

Findings

The household interviews provided a wealth of information on the circumstances and views of individual farming families in the two provinces. The results of the 244 completed questionnaires have been summarized under the headings, 1) Respondents Views on General Land Issues, 2) Respondents Views on Land Registration, and 3) Respondents Views on Rural Land Transfers, as follows:

I. Respondents Views on General Land Issues

1. Views on Land Ownership

China's Constitution clearly states that rural land is collectively owned, subject to certain
exceptions. During the past few decades, progressive land reforms have separated rural land use rights from collective ownership. In particular, the Rural Land Contracting Law of 2002 (RLCL) provided for the contracting of operational rights to farmland to individual households in the village through a contracting process, usually for a term of 30 years. However, from the survey responses to the question on the recognition of rural land ownership, a large number of those interviewed confused land ownership and land contracting rights, mistakenly believing that rural land is owned by the State, village committee, or even individual farmers.

Figure 1: Interviewees Perception of Rural Land Ownership (%)

As illustrated in Figure 1, the interviewed farmers had certain misconceptions as to land ownership: In Anhui and Shandong provinces, 68.85% and 44.44% respectively considered that rural land is owned by the State; 11.11% and 8.2% believed that rural land is owned by Village Committees; 21.31% and 40.74% of respondents mistakenly believed that rural land is owned by individual farmers; Only 3.7% and 1.64% thought (correctly) that rural land is owned by Village Groups / Collectives.

2. Protection of Land Rights

In China, tenure security is generally considered as having a direct impact on farmers’ willingness to make long-term investments and to increase productivity. Despite changes in government policy aimed at protecting farmland conversion, threats to farmers’ security still

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22 Art. 10.
23 30 years in the case of arable land, 30-50 years in case of grassland, and 30 years or longer in case of forestland.
24 Village Group = Village Collective (the correct answer) and so two options, “Village Committee” and “Village Group” were provided in the questionnaires.
exist, due in part to i) the continuing practice of land readjustments, ii) government expropriations, and iii) land disputes.

When asked about their understanding of the security of their land contracting rights, more than half of those interviewed had no fear of losing their contracted land, yet a considerable proportion of the interviewees did have serious doubts about this.

In response to the question, "Do you worry about losing your contracted land?" 69.35% in Anhui and 50.91% Shandong said that they had no concerns and believed that their land contracting certificate would fully protect their land rights. Meanwhile, 24.19% and 29.09% respectively, said that they were “a bit worried”, and 6.45% and 20% said that they were “very worried” about losing their land and thought that the current land contracting certificate could not fully protect their interests.

Figure 2: Concern over the Security of Land Contracting Rights (%)

Analysis of the questionnaires, found that there is a strong correlation between farmers’ anxiety about losing their land and their income level. Those interviewees who answered that they were not worried about losing their land had an average income of RMB 28,972 per household per annum, compared with RMB 25,127 per household for those who were "a little worried" and RMB 8,875 for those who were "very worried". This suggests that high-income farmers have less fear of losing their land compared to low-income farmers, who are more dependent on the land are more fearful about losing their means of production as a source of food and clothing.
3. Land Readjustments

Current government policy has extended the 30-year land contracting term into an “open-ended” term in a bid to ensure stability of farmers’ land contracting rights\(^{25}\). It also prohibits land readjustment by Village Collectives\(^{26}\). Interestingly, the majority of farmers interviewed in the two provinces, tended to agree with land readjustments as a response to changing population. 51.67% of the respondents answered that in such cases land readjustment would be equitable, reflecting “justice and fairness”, while only 26.67% did not support land readjustment as this would be at the expense of the land-reduced farmers. The remaining 21.67% of the respondents believed that land readjustment should be determined on a case by case basis.

In addition, the study also found that there is some relationship between support for land readjustment in response to demographic changes and farmers’ income levels. According to the survey, those farmers who supported land readjustment tended to have relatively high incomes (their average annual income being RMB 32,857), while those who opposed land readjustment had much lower incomes (their average annual income being only RMB 18,453).

4. Expropriation

Government exercises its power to requisition land\(^ {27}\) in “the public interest,” for a number of reasons, largely in connection with the provision of public infrastructure and urban expansions. Under current laws, all land entering the urban market must first be requisitioned by urban authorities before being re-allocated to urban users. Because of the frequency of its use, expropriation is often seen by farmers as a threat to their security and in addition there is widespread dissatisfaction with the levels of compensation received when land is expropriated.

From the survey data, it was found that 32.48% of the 244 interviewed households had experienced land requisition, and that 34.21% of these were not satisfied with the amount of compensation received. This was mainly because either the level of compensation was considered to be too low or because part of it was paid to village cadres.

\(^{25}\) The Property Law of 2007 provides that when the present 30-year contract term expires, “contracting farmers should continue extending the contract according to relevant law.”

\(^{26}\) Document No. 16 of 1997 absolutely prohibits village-wide ‘big’ readjustments. It provides for ‘small’ readjustments in isolated cases, only with the consent by two-thirds of the villagers or villager representatives and subsequent approval by township and county government agricultural agencies.

\(^{27}\) Provided by art. 10 of the Constitution.
In Anhui province, 38.71% of those interviewed had had land requisitioned, and 45.83% of these claimed that they didn’t receive reasonable levels of compensation. In Shandong Province, 25.93% had experienced land requisition, and 21.43% of these were dissatisfied with the level of compensation. Consequently, in rural areas, an estimated 70% of the current petitions are disputes concerning land, mainly compensation from land requisitions.

5. **Institutional Control over Land Use Changes**

The extraordinary rate of industrialization and urban expansion in China has meant the large-scale conversion of farmland to non-farming uses. Through its land policies and land laws, central government provides the framework for achieving a balance between protecting existing farmland and facilitating economic growth in the urban areas. It also provides direct controls over farmland conversion by requiring State Council approval in certain circumstances and through a quota system limiting farmland conversion. Local authorities in turn are responsible for the implementation of farmland conversion and the utilization of collective construction land. Local authority power is wide-ranging, especially as the process of conversion is a virtual monopoly with local authorities becoming the actual landowners prior to the changing of the land use.

Farmers reported different views concerning the decision-making powers for changing land use. Most were of the opinion that changes in land use could be made by the Village Committee or Villagers’ Assembly, while only a small number of respondents considered that the relevant local government agency could decide on land use changes.

In Feidong County, Anhui Province, 49.6% of the respondents believed that changes in land use could be decided by the local Village Committee, while 21.1% thought it was determined by the Villagers’ Assembly. 14.6% thought the local land authority had the power, while 6.5% thought it was the local township government that could decide. 5.7% believed that the village party Secretary made the final decision, and the remaining 2.4% reported that farmers themselves could make decisions on land use changes.

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28 The land use change here mainly refers to the conversion from rural farmland to rural construction land.
6. Land Disputes

Land disputes in China are common, often arising from infringements of land use rights by the Collective administrations or returning contractors claiming their land back. Nationally, the number of land disputes has risen significantly in recent years as, due to the global financial crisis, millions of unemployed migrant workers returned home to work on their farms again. The situation is exacerbated by the lack of detailed land contract certification.

To date, oral agreements have been the main form of transfer adopted for rural land in China, with written contracts accounting for only a small proportion and the results of the survey confirm that this is the case in the study areas. The frequency and types of transactions are discussed in greater detail in Section III below, however, with the perceived general increase in the scale of land transfers, resulting from increasing rural labor migration and the increasing number of transfers between farmers and agricultural enterprises, it is to be expected that the number of formal written contracts will increase significantly in years to come.29

7. Ability to Inherit Rural Land

Under the traditional land allocation system, land was readjusted by the Village Collectives in accordance with changes in villagers’ marital status and demographics, resulting in some

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29 The land dispute information was collected from the village cadres to help to get a general idea about actual land disputes in the survey villages. This was not included as a specific question in the questionnaire and so there is no specific data for this section.
farmers losing their previous land use rights. Changes in government policy, together with the prohibition of land readjustments, has resulted in a lack of clear interpretation regarding inheritance of rural contracted land. The Inheritance Law of 1985 allows for inheritance of rural land provided such a provision is included within the contract and ‘according to the relevant law’ - yet, no ‘relevant law’ exists and contracts containing such provisions are rare. Meanwhile, as rural land contracting is based on the household (not the individual) the contracted land naturally passes on as the structure of the family changes, thus it is not technically inheritance at all. The new Property Law confuses the issue further in that its recognition of contracted land rights as property rights would seem to imply that they can be transferred by inheritance.

On the whole, these complexities did not seem to be reflected in the responses of the interviewees, the vast majority of whom believed that their contracted land could be inherited. As a result, 83% of the respondents hoped that their contracted land rights could be inherited, while only 7% believed they could not. A further 10% were not sure.

Figure 4: Views on Inheritance of Land Rights
II. Respondents Views on Land Registration

1. The Current Documentation and Registration System

The current land use documentation and registration system in China suffers from a number of inherent problems. By law, the Collective administration is required to issue land contracts to farmer households. The Rural Land Contracting Law of 2002 reinforces this by providing a set of minimum core requirements for all land contracts and setting out the legal requirements for issuing land rights certificates (as evidence of ‘ownership’) to farmers by county level government, and maintaining a register of such rights. Once registered such ownership is protected by law from infringement.

Currently, land contracts and land certificates are designed by each province or county, or even at the township level, resulting in a wide variety of deviations from the law that reduce or nullify the legal force of such documents. Previous surveys have found that large numbers of households have no contracts or certificates, or if they have, they are missing essential elements (such as adequate land descriptions, accurate acreage or boundary demarcation).

The survey in Anhui Province found that only 5.3% of the respondents had not been issued with land contract certificates. However, of those that did, many were lost (13.6%) or damaged, indicating that farmers often did not attach much importance to them. Significantly, only 55.26% of the certificates issued contained clear registration details, meaning that nearly half of the contract certificates in the sample were defective. Thus, the current land registration system in Anhui Province could not be considered to provide adequate protection for all.

In Shandong Province, land contract certificates have basically been issued to all farmer households with clear registration details.

2. Expectations from Rural Land Registration

In many areas of China, insufficient legal regulation and ineffective rural land right protection...
has often resulted in land disputes and in farmers’ land being taken illegally and converted into non-farming use. It was therefore not surprising to find that the majority of interviewed farmers hoped that the legal effect of land contracting could be effectively reinforced.

The majority of interviewees thought that more accurate and detailed land registration would clarify and increase the effectiveness of the Rural Land Contract Law, which in turn would help to resolve land disputes.

As indicated in Figure 5 below, 60.00% and 54.84% of the interviewees in the two provinces thought that land registration should be legally binding, while 38.18% and 41.94% of the respondents would like to see more precise land surveys. 30.91% and 40.32% of the respondents considered that accurate demarcation of land parcels would be fair and would not cause new disputes, while 14.55% and 6.45% thought that follow-up services should be in place to enable registration of subsequent transfers. This suggests that at present farmer households are on the whole not aware of the benefits of subsequent transfer registration.

3. **Contract Details to be Registered**

The interviewees on the whole were of the opinion that the land registration certificate should amongst other things include the contractor’s name, the dimensions of the plot and its area, the quality or grade of the land, the duration of the contract, the responsibilities and rights of the contractor and the defaulting penalties.
In Shandong and Anhui, 51.06% and 50.00% respectively considered the location and dimensions should be registered, and 59.57% and 55.36% considered that the land area should be included. 36.17% and 32.14% believed that the land contract period should be registered; 42.55% and 26.79% wanted the quality and grade of the land to be included; 74.47% and 48.21% thought that the rights and responsibilities of contractors should be registered; and 27.66% and 16.07% thought that the records of subsequent land transfers should also be registered.

![Graph showing contract details percentages for Shandong and Anhui.](image)

**Figure 6:** Views on the Contract Details to be Registered (%)

4. **Responsible Authority for Issuing Land Registration Certificates**

While the law requires that the county government issue land rights certificates to farmers, in reality the certificate-issuing agencies (usually part of the Agricultural Department) may be a different level of government. In China the administrative level of the land registration office is related to the degree of authority of the registration, as well as the level of operating costs. Usually, the higher the administrative level, the more serious the certification is taken, and the higher the fees that would be charged.

On this point, the majority of interviewees in Feidong County of Anhui Province thought that the certificate should be issued by either township or county level government, as this would make issuing certificates easier and would facilitate dispute resolution. For instance, 67.9% of respondents thought that land registration should be carried out by township government and 22.3% thought the county level government should be responsible. Only 8.9% thought that municipal government was the appropriate level, while 0.9% of did not care which level of governments was responsible.

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36 RLCL, 2002, art. 37
5. **Funding Rural Land Registration**

The costs associated with land registration increase with the level of detail recorded, but in any event, are considered to be relatively high. The results of the recent FAO rural land registration pilot project in Huolong village, of Shitang town in Anhui province, indicated a total cost averaging about RMB 80 per parcel. Meanwhile the pilot project conducted by Ministry of Agriculture in Tengzhou City, Shandong Province, indicated the cost at RMB 215 per rural household. However, it is likely that larger-scale roll-out programs would achieve significant savings over these figures.

Perhaps because land contract certification is perceived as playing a significant role in protecting farmer’s land use rights and stabilizing agricultural production, the majority of the respondents stated that a more accurate and detailed registration and certification system is required. When asked if, in the event of mass or systematic registration, they would be willing to pay a land registration fee, more than half said they would.

In Anhui and Shandong, approximately 70% (68.85% and 70.37% respectively) of the respondents said they needed more accurately measured and detailed land registration certificates, with 57.26% saying they were willing to pay a fee. However, 41.88% said they could only afford RMB 10 or less, while 15.38% said they could pay between RMB 10-50.

### III. Respondents Views on Rural Land Transfers

Sections E, G and H of the household questionnaire concentrated on farmers attitudes towards rural land transactions and collected data on actual transactions that had taken place in recent years. Data from the survey identifies the types of transactions, frequency, size of land parcels and other details concerning the transactions. These are summarized below:

1. **Land fragmentation**

   China is a country with large mountains and hilly areas, and as a result arable land tends to be widely scattered and fragmented. The implementation of the household responsibility system started in early 1980’s brought about the first and second rounds of farmland contracting, which highlighted the degree of fragmentation. The average size of individual arable land parcels in China is 1.38 mu. However, this varies considerably from region to region and within the sample it can be seen that the average parcel size in Anhui is 0.97 mu and in Shandong 1.57 mu. This difference is probably explained by topographical variations, Anhui
being hilly, while Shandong comprises flat farmlands. It is also interesting to note that the average size of transferred land parcels is much smaller, being 0.74 mu and 1.12 mu in Anhui and Shandong respectively. In addition, the average number of parcels held by households in Anhui province is 7.5 compared with Shandong province which is 4.9.

![Figure 1 Land Fragmentation](image)

It can be seen therefore that the degree of land fragmentation in Anhui province is higher than in Shandong province and that in both provinces the size of the land parcels transferred was significantly smaller than the average size of plot held by the households interviewed. This would appear to confirm interviewee statements that smaller land parcels tend to be less economically viable, which encourages farmers to lease them out and migrate to the urban area for non-agricultural work. It is significant, however, that it is not a typical phenomenon for a farmer household to transfer-out all its contracted land. The survey results show that of the 95 transactions recorded, 71 households were involved, so that the average number of parcels transacted per household was 1.34.

### 2. Number of Land Transfers

According to MOA’s national statistics, as at the end of 2008, there were 109 million mu of rural land categorized as transferred countrywide, which accounts for 8.9% of all rural land. In some coastal provinces, the proportion of rural land transfers are estimated to be about 20%. With regard to Anhui and Shandong provinces, according to the Second National Agricultural Census, 2006, 11.64% and 3.91% of farmer households respectively were involved in agricultural land transfers.

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37 A further reason might be that when an individual family member migrates, the household transfers the least attractive land and retain the larger most economically viable parcels, or parcels more easily worked by the remaining household members.
The data from this survey illustrate that the land-transfer rate appears to be relatively high, both in Anhui and Shandong provinces, whether considering the number of transfers or the area of land transferred. There were a total of 95 land parcels transferred out of a total of 580 in the sample, which represents 16.38% by number or 11.59% by area of land transferred. Of these, the proportion by number are 18.90% and 12.71% for Anhui and Shandong respectively, and by area 11.59% and 9.03% respectively. Thus, from the viewpoint of both the number of transferred land parcels and the area of land transferred, the land transfer ratio in Anhui is significantly higher than in Shandong.

<table>
<thead>
<tr>
<th>Land Parcel Data</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total/Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Land Parcels</td>
<td>344</td>
<td>236</td>
<td>580</td>
</tr>
<tr>
<td>Number of Land Transfers</td>
<td>65</td>
<td>30</td>
<td>95</td>
</tr>
<tr>
<td>Land Transfer Ratio by number</td>
<td>18.90%</td>
<td>12.71%</td>
<td>16.38%</td>
</tr>
<tr>
<td>Area of Land Parcels (mu)</td>
<td>333.89</td>
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<td>48.2</td>
<td>33.45</td>
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<tr>
<td>Land Transfer Ratio by Area</td>
<td>14.44%</td>
<td>9.03%</td>
<td>11.59%</td>
</tr>
</tbody>
</table>

3. Reasons for High Level of Land Transfers

According to the survey, 64.79% of land parcel transfers are due to labor shortages; 23.94% are due to farmers’ unwillingness to cultivate (due to age, low benefit level, etc); while 5.63% are due to having no time to cultivate and the remaining 5.63% transferred their lands for other reasons.

<table>
<thead>
<tr>
<th>Reasons for Transactions</th>
<th>Code</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having No Time to Cultivate</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>5.7</td>
</tr>
<tr>
<td>Unwilling to Farm</td>
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<td>9</td>
<td>17</td>
<td>23.9</td>
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<tr>
<td>Lacking Labor Force</td>
<td>3</td>
<td>28</td>
<td>18</td>
<td>46</td>
<td>64.8</td>
</tr>
<tr>
<td>Too Far to Reach Farm</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Thus, it is clear that the main reason for transferring land is the lack of labor force to continue working the land caused by the migration of rural labor to cities. This was more apparent in Anhui province where it was found that 68.29% of interviewees cited this as the reason for land transfer compared with 60% in Shandong.

Responses from interviewees suggest that in Anhui province, with its relatively less economic development and lower levels of agricultural output, many young laborers migrate to urban areas to find higher income jobs in the secondary and tertiary industry sector. Therefore, it is these farmers who are most likely to transfer their contracted land to others. Whereas in Shandong Province, which is located in the eastern coastal area with a more advanced agricultural economy and developed transport infrastructure, farmers are less willing to give up their land due to the higher levels of productivity and income generation.

4. Types of Land Transaction

Legally speaking, rural land transactions in China take one of four forms - including subcontracting, leasing, transferring and swapping. The Rural Land Contracting Right Regulation defines these as follows:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcontracting</td>
<td>Giving the land-use rights to other farmers in the same village collective for a period of time and retaining the land-use rights.</td>
</tr>
<tr>
<td>Leasing</td>
<td>Giving the land-use rights to others outside of the village collective and retaining the land-use rights.</td>
</tr>
<tr>
<td>Transferring</td>
<td>Giving the contracted land-use rights to other farmers in the same village collective with no right of reclaiming during the remaining contract period.</td>
</tr>
<tr>
<td>Swapping</td>
<td>Exchanging the contracted land-use rights with farmers in the same village collective for a period of time.</td>
</tr>
</tbody>
</table>

According to the survey, the most popular types of land transactions are leasing and subcontracting. Taking Anhui and Shandong provinces together, it was reported that, 52.11% of cultivated land was transferred by sub-lease, and 28.17% by subcontract, together accounting for 80.28% of the transactions. Other forms of transfers, not recognized in the regulations, such as entrusting the land to village committees or transferring in other ways, accounted for 20%.
Table 3: Land Transactions by Type

<table>
<thead>
<tr>
<th>Pattern</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcontracting</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td>28.2</td>
</tr>
<tr>
<td>Leasing</td>
<td>24</td>
<td>13</td>
<td>37</td>
<td>52.1</td>
</tr>
<tr>
<td>Transferring</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Swapping</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Others: Share Holding</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Entrust to Village Committee</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2.8</td>
</tr>
<tr>
<td>Uncertain</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td>16.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>30</strong></td>
<td><strong>71</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

In Anhui and Shandong, land transfers by leasing account for 58.53% and 43.33% respectively; while 24.39% and 33.33% were transferred by subcontracting. The difference between sublease and subcontract is whether the transferee is the member of village collective. With the development of rural land markets, more and more transferees are from outside of the village. As a result, the number of subcontract transactions is dropping and the number of sublease transactions is going up and becoming the main form of land transfer. Swapping rarely occurs, because a swap usually requires that both parties have similar size land and that the respective land parcels would be contiguous after the swap. Shareholding is also rare as it is still being piloted and markets are not yet mature. Entrusting to the village committee is becoming less and less common as village committees tend to transfer the land to others on behalf of village collective.

5. Rural Land Transferees

In rural China, land is often transferred to relatives, local villagers, non-local farmers, enterprises, land cooperatives, and others. In accordance with relevant land policies, village collectives do not act as transfer-in parties for rural land. From the survey of Anhui and Shandong provinces it can be seen that the bulk of transfers were to farmers’ relatives and neighbors (local villagers) which accounted for 81.70% of the transfers. Only 14.08% of the transfers were to non-local farmers and a mere 4.22% were to enterprises. There were no transfers to Land Cooperatives and few cases of entrusting to Village Committees.

Table 4: Land transferees

<table>
<thead>
<tr>
<th>Recipients</th>
<th>Code</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
</table>

39
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>14</th>
<th>13</th>
<th>27</th>
<th>38.03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatives</td>
<td>1</td>
<td>14</td>
<td>13</td>
<td>27</td>
<td>38.03</td>
</tr>
<tr>
<td>Local Villagers</td>
<td>2</td>
<td>20</td>
<td>11</td>
<td>31</td>
<td>43.67</td>
</tr>
<tr>
<td>Non-local Farmers Households</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>14.08</td>
</tr>
<tr>
<td>Enterprises</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4.22</td>
</tr>
<tr>
<td>Land Cooperatives</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>---</td>
<td>41</td>
<td>30</td>
<td>71</td>
<td>100.00</td>
</tr>
</tbody>
</table>

This point was more pronounced in Anhui province where it was found that 48.78% of the land transactions were to local villagers, 34.15% were to relatives, with only 12.20% and 4.88% of the land being transferred to non-local farming households and enterprises. In Shandong, 43.33% of the land transfer was to relatives and friends, 36.67% was to the local villagers, and only 16.67% and 3.33% respectively was to non-local farmers and enterprises.

6. **Signed contracts**

As noted above, in Anhui and Shandong provinces the vast majority of land transfers took place between relatives and neighbors/acquaintances in the same village, which would explain why most land transfers were made by oral agreement. Only farmers who transferred their lands to non-local farming households and enterprises signed formal contracts. It is reported that among all 41 transferred land parcels in Anhui, only three were subject to contracts, accounting for 7.32% of total number of land parcels. In Shandong, 30 transferred land parcels were investigated, and only one parcel (3.33%) had a formal contract.

7. **Length of Term of Sublease or Subcontract**

As most of the land transactions occurred mainly among relatives, friends or local villagers (94.37% of the transfers, and 91.18% by land area) and did not have formal contracts, most land transfers have no clearly defined term. A total of 55 land parcels out of the 71 transferred were subject to being reclaimed by the ‘owner’ upon his return. Of the remaining 16, four had written contracts, two with terms fixed at one year and two with terms fixed at five years. The remaining twelve transfers were oral agreements with length of terms agreed at between one and five years (though in three cases in Anhui terms of 15 years were agreed).

Based on the analysis, 4.4 mu and 1.4 mu of transferred land had terms of 1 year, in Anhui and Shandong respectively, and 5.2 mu and 2.0 mu of transferred land had terms fixed at 5 years.
Table 5: Length of Lease Terms

<table>
<thead>
<tr>
<th>Land Transfer Term</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Parcel</td>
<td>Area</td>
<td>Parcel</td>
</tr>
<tr>
<td>Subject to Reclaim</td>
<td>28</td>
<td>29.8</td>
<td>27</td>
</tr>
<tr>
<td>1 Year</td>
<td>3</td>
<td>4.4</td>
<td>2</td>
</tr>
<tr>
<td>2 Years</td>
<td>1</td>
<td>1.3</td>
<td>0</td>
</tr>
<tr>
<td>3 Years</td>
<td>3</td>
<td>2.7</td>
<td>0</td>
</tr>
<tr>
<td>5 Years</td>
<td>3</td>
<td>5.2</td>
<td>1</td>
</tr>
<tr>
<td>15 Years</td>
<td>3</td>
<td>4.8</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>48.2</td>
<td>30</td>
</tr>
</tbody>
</table>

16 parcels (21.8 mu) with defined sublease terms have an average term of 5.7 years. Anhui’s 13 parcels (18.2 mu) and Shandong’s 3 parcels (3.4 mu) have average terms of 6.2 years and 3.4 years respectively. Using an averaging approach, this would indicate that length of term of land transfers in Anhui is longer than that of Shandong, however, looking more closely the average is largely skewed due to the three 15-year terms and there is a fairly even spread between the various lease terms, of 1 to 5 years and 15 years.

8. Time Elapsed Since Lease Start / Lease Renewals

As noted above, in most rural areas the land is usually transferred to the relatives and other villagers within the community. Of the total area of transferred land, 91.18% have no formal contract, so most land transfers do not include a specific term. In those land transfers that do specify a length of term, most are 1-year and 5-year terms. Anecdotal information based on interviews suggests that only agribusiness companies from outside the village, which are leasing larger blocks of land, register leases in order to have legal recourse in the event of a dispute. This raises two important questions. Firstly, would more secure registered use rights (leases) on parcels, together with the ability to register leases, result in an increase in the number of the leased land parcels in arms-length transactions to individuals outside the immediate village or family? Secondly, given the current very low level of formal lease contracts, would there be enough demand for a rural land transaction recording system that would initially be almost exclusively for recording these leases?

9. Land Transfer Prices

From the data returned, the average annual price of land transfers in the two provinces is
RMB 225.91 per mu, which accounts for 47.37% of land income prior to the land transfer. To be more specific, in Anhui, 11 land parcels (13.5 mu) were transferred to relatives without any charge; 6 land parcels (6.1 mu) were rented at RMB 90 per mu annually, 17 land parcels (21.4 mu) were rented at RMB 100 per mu, 1 parcel (2.0 mu) at RMB 450 per mu, and the remaining 6 parcels (7.2 mu) at RMB 500 per mu.

In Shandong Province, 10 parcels (11.5 mu) were transferred without any charge, 6 parcels (6.1 mu) were rented at RMB 90, 12 parcels (9.6 mu) were rented at RMB 100 per mu, 1 parcel (2 mu) at RMB 450 and 1 parcel (4.25 mu) at RMB 800 per mu per annum.

However, observing the average rentals alone does not provide a clear interpretation of rental levels in the sample. In both provinces, the rentals fell into two distinct groups, those at around RMB 90 to 100 per mu and those at RMB 450 to 500 (and above). This may be explained by differences in the level of economic development in some areas (e.g. the higher rents reflecting high value crop cultivation such as vegetables and flowers, or investment in irrigation) or differences in the quality of the land.

It is also interesting to look at variations in transfer prices over time, in order to establish price patterns and trends. A significant increase from 2004 to 2005 may in part be explained by the sudden increase in large-scale farmer producers who were encouraged following

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38 However, regarding the relationship between land rent and cropping varieties, no correlation was observed in Shandong - almost all the arable land was used to cultivate grains, cotton and oil crops. Meanwhile in Anhui, of the 6 land parcels having rents of RMB 500, 4 parcels (4 mu) were planted with vegetables and flowers; the remaining 2 parcels (3.2 mu) were cultivated with economic forests.
changes in agricultural policies. It is difficult to extrapolate with certainty where the land market is, or has been, relatively unsophisticated, where parties may be uninformed or have a close relationship, and where sample size is relatively small, however, it would appear that there is a general trend towards increasing rental levels over time.

With regard to rental variations or increases within the term of a subcontract or lease, most agreements are based on fixed rents for the term of the transfer and few have provided for rental variations or ‘floating’ rents, where the rent is agreed, for example, annually. The data showed only 8 parcels, or 11.27% of the transfers, adopting a floating rent. Of the 41 transferred parcels in Anhui, 6 parcels (9.2 mu) were subject to a floating rent, while only 2 (1.42 mu) of the 30 transferred arable land parcels in Shandong had provided for variations in rental levels. This suggests that either the transferors are not fully aware of the local market conditions and possible trends in increasing rental values or, that the rental income generated from the transfers is relatively low compared with non-farming income and not a major concern for the transferor.

10. Change of Use after Transfer

Chinese law states that cultivated land must not be converted to non-farming use. From the sample, no arable land use conversion has taken place following transfer, with only cropping structure adjustments being reported. There were some changes in the type of land use after transfer.

Based on the survey in Qingyang and Feidong County in Anhui Province, it was found that 97.10% (36 parcels, 46.8 mu) of the farmland were planted with grains before land transfer,
and the remaining 5 parcels (1.4 mu) were planted with cotton or oil crops, which accounted for 2.90% of arable land transfer. After the land transfer, 6 parcels (7.2 mu) had changed the cropping structure, of which 4 parcels (4 mu) were changed from grains to vegetables and flowers, and 2 parcels (3.2 mu) were switched from grains to economic forests.

In Tengzhou and Feicheng City in Shandong Province, 25 parcels (32.05 mu) were planted with grains and the remaining 5 parcels (1.4 mu) were cultivated with cotton and oil crops. After the land transfer, 3 parcels (7.2 mu) had changed use, accounting for 15.70% of transferred arable land. Of these, 1 parcel (4.25 mu) was turned from grain to cotton and oil plants, while 2 parcels (3.25 mu) were switched from grains to economic forests.

11. Comparison of Income Before and After Land Transfers

According to the survey results, the income before land transfers was much higher than the rent received under the transfer agreements. In Anhui and Shandong the average income per mu before land transfers was RMB 476.87. This seems to suggest that farmers are not prepared to invest time and labor in the land as, compared with the income from migrant work, many farmers are willing to lease out their land at relatively low charges, many even at no charge at all.

Before land transfers, the annual income of 20 parcels ranged between RMB 0 and 200 per mu, accounting for 23.20%; 18 parcels were in the range RMB 200 to 300 per mu, accounting for 25.54%, 6 ranged from RMB 300 to 500 per mu, accounting for 5.06%, 4 had an income of RMB 540 per mu, accounting for 3.45%, 6 of them were RMB 720 per mu, accounting for 8.64%, 9 of them were RMB 800 per mu, accounting for 13.65%, and 2 of them were RMB 900 per mu, accounting for 9.87%.

Table 6: Average Income (RMB per mu) Before Land Transfer

<table>
<thead>
<tr>
<th>Level of Revenue</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Area</td>
<td>%</td>
<td>Area</td>
</tr>
<tr>
<td>(0—200)</td>
<td>12.8</td>
<td>26.56</td>
<td>6.0</td>
</tr>
<tr>
<td>(200—500)</td>
<td>15.8</td>
<td>32.78</td>
<td>9.0</td>
</tr>
<tr>
<td>(500—800)</td>
<td>9.6</td>
<td>19.92</td>
<td>13.85</td>
</tr>
<tr>
<td>(800+)</td>
<td>4.0</td>
<td>08.30</td>
<td>4.0</td>
</tr>
<tr>
<td>Unclear</td>
<td>6.0</td>
<td>12.45</td>
<td>0.6</td>
</tr>
<tr>
<td>Total</td>
<td>48.2</td>
<td>100.00</td>
<td>33.45</td>
</tr>
</tbody>
</table>
The average income in Anhui was RMB 427.8 per mu before land transfer, among them 11 land parcels (12.8 mu) ranged from RMB 0 to 200 per mu, accounting for 26.56%, 15 of them (15.8 mu) ranged from RMB 200 to 500 per mu, accounting for 32.78%, and 10 of them (13.6 mu) were higher than RMB 900 per mu, accounting for 28.22%.

The average income in Shandong was somewhat higher at RMB 539.91 per mu. Specifically, 9 parcels (6 mu) provided an income of RMB 200 per mu, accounting for 17.94%; 9 parcels (9 mu) ranged from RMB 200 to 300 per mu, accounting for 16.91%; and 11 parcels (17.85 mu) rang from RMB 500 to 900 per mu, accounting for 53.36%. This would suggest that income from cultivated land prior to land transfer was higher in Shandong than in Anhui.

12. Trends in Land Transfers

Table 7 shows land transfer data for the two provinces, for the years for which it is available. The table below illustrates the data.

<table>
<thead>
<tr>
<th>Time</th>
<th>Anhui</th>
<th>Shandong</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Parcels</td>
<td>Area</td>
<td>Parcels</td>
</tr>
<tr>
<td>2009</td>
<td>2</td>
<td>6.0</td>
<td>1</td>
</tr>
<tr>
<td>2008</td>
<td>6</td>
<td>4.0</td>
<td>6</td>
</tr>
<tr>
<td>2007</td>
<td>6</td>
<td>7.0</td>
<td>2</td>
</tr>
<tr>
<td>2006</td>
<td>7</td>
<td>6.4</td>
<td>8</td>
</tr>
<tr>
<td>2005</td>
<td>6</td>
<td>10.0</td>
<td>1</td>
</tr>
<tr>
<td>2004</td>
<td>3</td>
<td>4.4</td>
<td>2</td>
</tr>
<tr>
<td>2003</td>
<td>8</td>
<td>4.3</td>
<td>8</td>
</tr>
<tr>
<td>2002</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>2001</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>2000</td>
<td>1</td>
<td>2.0</td>
<td>0</td>
</tr>
<tr>
<td>1995</td>
<td>2</td>
<td>2.3</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>41</td>
<td>46.4</td>
<td>30</td>
</tr>
</tbody>
</table>

Notwithstanding the relatively small sample size and the data incomplete for the earlier years, there appears to be an increasing number of transactions taking place since the early 2000s, peaking at 12-16 transactions per year out of a survey group of 244 households, which represents 4.9 to 6.6%. There are however, marked fluctuations, in particular, 2009 which saw only three transactions within the survey group. This tailing-off in the number of transactions in 2009 is likely to be the result of the global financial crisis, which resulted in huge numbers.

No data was available for the period 1996-1999.
of migrant workers losing their jobs and returning to their rural homes to resume farming activities.\textsuperscript{40}

Figure 5-1: Transfers of Cultivated Land (by number of land parcels)

When viewed by the area of land transferred annually, the data show that the trend again generally appears to be upwards, with a marked peak in 2006, which may be due to larger than normal, commercially oriented transactions.

\textsuperscript{40} According to the MOA, (http://news.xinhuanet.com/mrdx/2009-02/11/content_10800041.htm) due to the financial crisis, about 20 million migrant workers returned home without jobs in early 2009. There are likely to have been fewer people leaving the land during this period, compounded by many of the returnees claiming their land back - undoubtedly leading an increase in land disputes.
SECTION 3

Conclusions and Recommendations
1. Conclusions

An Increasing Trend in Rural Land Transactions. Indications from the survey data are that rural land transfer transactions are increasing as migrant workers continue to leave farming and as a response to population changes. This is in keeping with the national trend, as China's agricultural land transfer ratio has gradually increased over recent years. Local governments generally support agricultural land transfer.

An Increase in Land Disputes. Agricultural land disputes are increasing. The majority of farmer disputes are concerning land.

Land Rights not Clear. A significant majority of the interviewed farmers were confused about rural land ownership and land contracting rights, mistakenly thinking that rural land is owned by the State or the Village Committee. For instance, in Anhui and Shandong provinces, 68.85% and 44.44% respectively considered that rural land is owned by the State; 11.11% and 8.2% believed that rural land is owned by Village Committees; 21.31% and 40.74% of respondents mistakenly believed that rural land is owned by individual farmers; Only 3.7% and 1.64% thought (correctly) that rural land is owned by Village Groups / Collectives. This illustrates that any registration campaign would need to include a strong public awareness component.

Concerns About Land Contracting Rights. In response to enquiries about their perception of the security of land contracting, more than half of the interviewed farmers had no immediate fear of losing their land. However, a considerable portion expressed their doubts as to the security provided by their land contracts. 25% to 30% of those interviewed stated that they are a little worried, with 6% to 20% expressing real concern. At the same time, nearly a third of the interviewees reported that they had been subject to land requisitioning, of which more than a third were dissatisfied with the level of compensation, mainly due to its interception by village cadres. In addition there are concerns as to continuity at the expiry of the 30-year contract term. More than 20% of the rural households in the survey are not sure whether their land rights will continue to be recognized and officials expressed different views as to whether or not land adjustments would take place at the third round of contracting. Similar concerns were voiced by the farmers with regard to whether or not their land rights could be inherited.

Consensus on the Need for a Registration System. In the panel discussions, most participants agreed that an efficient agricultural land registration system in China is necessary. This is partly because there are still many defects associated with the current agricultural land contracting system, and partly because an improved registration system is expected to produce other benefits. Farmers too have high expectations. It is widely believed that an efficient agricultural land registration system would help protect farmers’ land rights, reduce land disputes and help promote the development of agricultural land markets. In addition,
many people believe that agricultural land registration certificates would help them to arrange agricultural land mortgage loans and the capitalization of their agricultural land assets. In the registration pilot areas in particular, local cadres and farmers recognized the significance of agricultural land registration and the majority of them support the land registration.

**What Should be included in Registration?** In general, discussants and interviewees wanted a much more accurate and detailed form of registration and certification. Examples of the details considered for inclusion are the household/contractor’s name, the boundary coordinates or description, land area, quality grade, contract duration, responsibilities and rights, defaulting penalties, records of transfers or other transactions, etc. However, the question as to what type of subsequent transactions should be registered was not concluded.

**Different Survey Methodologies Based on Needs.** Technical discussions on the appropriate type and scale of mapping and survey data collection concluded that increased accuracy and detail would mean increased costs. Therefore, in order to limit costs, different survey and mapping methodologies could be applied to different terrain and parcel sizes, or specific needs for precision.

**Sequencing of Registration Activities.** Based on focus group discussions there was a consensus that registration should be first implemented in economically developed regions and in regions that have a high proportion of agricultural land transfers. Land registration could then be gradually extended to the less active or economically developed areas, which would benefit from the experience gained.

**Central Government to Cover Cost of Initial Registration.** Given the legal requirement to register and the cost of initial registration, most of the cadres involved in the discussions hold the view that the central government should bear the cost of the initial registration. Meanwhile, local governments, farmers and the transferring parties could bear all or part of the registration costs associated with subsequent transactions. The rural household interview results indicate that almost half of the interviewed farmers are willing to pay no more than RMB 10 for the registration, and only 15% are willing to pay costs of between RMB 10 and RMB 50.

**Public Participation Plays Vital Role.** When farmers are well informed and organized, they will better understand and appreciate the value of their land use rights and the benefits associated with an improved registration system. Further, their active participation is required to assist in the survey, identification, and data gathering process. There is therefore a need to conduct educational outreach and awareness-raising activities at the grassroots level. If rural population play an active role, it will greatly reduce costs and contribute to the long-term success of the process.

**2. Policy Advice and Recommendations**

1. **Government has a Role in Encouraging Land Markets.** Increasing trends in
agricultural land transactions call for government to play a facilitating role in order to encourage the development of rural land markets. Some experimental developments in land registration-related functions have proved successful and should be actively built upon, for example, agricultural land transfer clearing houses, improved local government agricultural land use monitoring, and encouraging banks to provide agricultural land mortgages.

2. **Need to Further Develop Land Registration Systems.** The survey found that there is wide-spread support for the development of a more efficient agricultural land registration system. Perceived benefits include protection of farmers' land rights, reducing land disputes, promoting the development of agricultural land markets and facilitating agricultural land mortgages.

3. **Moving to Larger-Scale Pilots.** In order to further develop appropriate registration systems and build upon the experiences and lessons gathered from the recent pilot projects, larger-scale pilot projects should be undertaken. The pilot size could be at the township or even county level. This would enable testing of technical methodologies and procurement, institutional arrangements, resource requirements including staff training, and costs, as well as timeframe estimates for completing the implementation. The move to larger-scale pilots should be on a step-by-step basis in order to create a solid foundation, rather than attempting too much too quickly. These should then be followed by further roll-outs incorporating lessons learned.

4. **Start Registration in High Value, High Transaction Regions.** There may be as many as 1.5 billion land parcels in China and therefore achieving complete registration coverage of the whole country could take decades. It will therefore be necessary to prioritize areas for systematic registration and this should start in economically developed regions and those with a high proportion of agricultural land transfers. The process should then be gradually expanded to the less economically developed areas. Different areas may require different technologies to meet local economic conditions, terrain and other factors, for example, accurate measurement methods may be appropriate in economically developed areas, while less detailed lower-cost options may be adopted in less economically developed areas. The criteria for selecting pilot areas could be: i) high frequency of land transfers; ii) urban fringe; iii) high percentage of contract certificates issued; iv) pro-active and enthusiastic local government; v) a good record of contract management; and vi) good transportation access.

5. **Low-Cost Survey Methods.** Expensive survey techniques should be avoided. Systematic mapping, survey and titling is more cost effective than small-scale or individual sporadic titling. Procedures can be standardized and China has the advantage that there have been large advances in survey technology and satellite imagery in the last few years which will allow it to “leapfrog” to newer technologies and bypass older ones. In addition, experiments undertaken in recent pilot projects, such as involving land rights holders in the measurement process appear to offer further opportunities for reducing
costs. However, there is a close relationship between cost and accuracy and the fundamental validity and reliability of the data must not be compromised. China should therefore attempt further testing of cost-effective methodologies as an integral part of any larger-scale pilots.

6. **Initial Registration Fees should be Affordable or Free to Land Rights Holders.** The findings of the survey support international practice in suggesting that initial registration should be provided for free or at a low cost to land rights holders, in order to expedite its introduction. Therefore, Central Government should bear the cost of the initial registration. Meanwhile, local governments, farmer households and the transferring parties should bear all or part of the registration costs associated with subsequent transactions, including transfers and registering mortgages.

7. **Registration Systems can be Self-Financing.** In many countries, land registration systems are self-financing, the initial costs being recovered from the fees charged for secondary transactions. A sustainable registration system means not only that it is a financially viable operation for the long-term, but also that the system is constantly updated through subsequent registration of land transactions. However, financial viability is often only achievable through cross-subsidization with urban property registration. Therefore, in any larger-scale pilot, the issue of financial viability should be tested, with for example, rules on mandatory registration for certain types of transactions and built-in incentives to encourage farmers to voluntarily use the system, such as agricultural subsidies or compensation for requisitions.

8. **Need for a Single Registration Agency.** China's current agricultural land ownership registration is carried out by the Ministry of Land and Resources, while agricultural land contracting rights registration is implemented by the Ministry of Agriculture. This has resulted in administrative inefficiency and confusion which constrains effective land management and the development of land markets. Any larger-scale pilot should therefore test the options for creating a single registration agency, either by designating one of the existing Ministries or by establishing a new agency. Corresponding organizations should also be set up at the county or township levels to implement the initial and secondary registrations.

9. **Registration Systems should be Parcel-Based.** International practice suggests that a parcel-based registration system is more efficient and practical than a person-based system. As land ownership rights and other interests in land become more complex, and transactions more frequent, it is important to record land rights on a parcel basis, so that all rights attached to a parcel are recorded against a unique parcel rather than by the owner or occupier.

10. **Sequencing Land Registration after Land Consolidation.** The Ministry of Land and Resources launched the project "1000 Village Model and 10,000 Village Land Consolidation" in 2009. Some provinces are undertaking significant amounts of land
consolidation which will inevitably lead to changes in parcel sizes and boundaries. In such areas, registration should either be carried out after the land consolidation, or as part of the process of land consolidation.

11. **Public Awareness.** Given the high levels of misconceptions concerning land use rights seen among interviewees in this survey, any campaign to establish a land rights registration and transactions system will require a parallel public awareness campaign at the grassroots level. This will build trust and provide a better understanding and appreciation of the value of their land use rights and the benefits associated with an improved registration system. This in turn will lead to a higher likelihood of sustainable use of the system for registering subsequent transactions. Active participation by rural households will also facilitate the survey, identification, and data gathering process, and help to reduce costs.
Annex 1

TOR
Project Concept Note
China Agricultural Land Market Study
Final - May, 2009

Context and Relevance:

Over the past twenty-five years, China has undergone a profound economic and social transformation as it moves from a centrally-planned to a market-oriented economy. Land issues are implicated in this ongoing transformation in numerous important ways – as key factors in China’s quest for economic growth, national food security and social stability; as important influences in the rapid growth of China’s cities as well as the future of its agriculture; and as central features in local government finance and in the growth and stability of the financial and banking sector. It is clear that decisions concerning land – how it is allocated, how it is used, how it is governed, how it is administered and how it is financed – will play a central role in determining the shape and trajectory of China’s economic and social future.

The Development Research Center of the State Council (DRC) and the World Bank (in co-operation with FAO) have been working together since 2005 in support of the Government of China to develop a deeper understanding of the role of land and land policy, and to identify options for moving forward on key land-related problems and opportunities. This collaboration has entailed a number of interlinked activities, including in-depth analysis by a multi-disciplinary team of Chinese and international experts, and innovative field work in Zhejiang, Shaanxi, Guangdong, Jiangsu, Chongqing, Anhui, Henan and Beijing. As a starting point of reference, the DRC/World Bank collaboration has given particular emphasis to the role of land policy in the context of urban expansion, which over the last two decades has been one of the most prominent features of China’s ongoing transformation.

Land policy over the last few decades has continually evolved in response to China’s dramatic economic and social changes. In keeping with the emergence of a market economy, private rights in land have been significantly clarified and strengthened. In addition, land policy reforms have sought to put in place mechanisms, incentives and sanctions that would stimulate more rational allocation of land between competing land uses. Receiving particular attention from the central government in this respect has been the problem of accelerating conversion of agricultural land to urban uses.

The AAA field mission to Guangxi Province in 2007 enabled the team to review issues at the provincial, county and village levels in the context of the draft Synthesis Report. In particular, it
was noted that substantial areas of land are being transferred, including on an inter-village basis (in one case 25% of the village land had been transferred to another village). This often reflected individual transactions of land unused because of rural-urban migration. The village benefiting from the inter-village transfer, despite its location in a less developed region of China, was able to report an average income at or just above the average for the country as a whole. This observation indicated firstly the speed of rural land market development, for which there is little other than such hearsay evidence, and, secondly, the impact that a more dynamic approach to dealing with land can have with appropriate enterprise and complementary support.

Since 2005, FAO has been undertaking in cooperation with the Government of China, and in association with the ongoing AAA work, a technical cooperation project “Rural Land Registration Pilot” which will be concluded in January 2009. This project has field trialled a registration approach, and prepared an implementation manual for the registration of rural land contracting rights. It is envisaged as the potential fore-runner of large scale pilots necessary to test and refine approaches on full scale implementation prior to rolling out the methodology across the country.

In October 2008, the government of China made policy announcements regarding the intention to strengthen the existing 30 year rural land contracting rights and to broaden the possible uses of collective construction land rights, as had been recommended in the Synthesis Report of the AAA activity in 2007.

This most recent policy announcement, coupled with completion of rural land registration pilot and the clear prospects for future major activity in this area require up-to-date information about the development of the rural land market, rates of transactions etc, as a vital input into the understanding of how rural land registration would be likely to be used, and as a potential and timely input into the design of large scale piloting exercises.

**Description of the Proposed Study:**

**Objective of the Study:**

The objective of the proposed study is to estimate that scope and volume of possible future land transactions that would be registered a rural land registration system, and the cost of registering these transactions using systematic or sporadic registration. Based on this analysis, make policy, institutional and investment recommendations on how the process of rural land registration could proceed.

**Key Issues and Scope:**

The study will focus on the extent to which rural land is currently being transacted in two selected provinces in China. It will identify the types of transactions that are taking place, and, where possible, the reasons for them, to enable better understanding of likely future developments. It will look at the rates of transactions and the levels of payments/sums involved in order to enable better
understanding of the scale of likely registration operations and the sort of fee levels that may be anticipated when looking at options for the design of large scale rural land registration pilots. In order to better understand the dynamics of the development of the market, and possible future scenarios, data on rates of transactions in a limited number of previous years will be sought.

In terms of the geographic focus of the study, the analysis for this report will focus on two contrasting provinces to identify a range of experience as the basis for policy and institutional design for implementation of large scale rural land registration pilots. The rationale for selecting the two provinces is that they should reflect a range of experience, and should include an Eastern province and a mid-Western province. One criterion for selection should be the interest of the provincial authorities to be a possible pilot area for large scale rural land registration work. Based on the results found in the two selected provinces, the report will make general policy and institutional recommendations in relation to the design of large scale rural land registration pilots for the rest of China to the degree that these detailed provincial findings can be generalized. Tentative proposals for the two provinces would be respectively Anhui and Chongqing.

The study will capture all types of transaction that could be potentially registrable to enable assessments to be made of the extent to which proposed registration systems would be used, to enable preliminary assessments of likely transaction rates, fee levels, viability of registration processes, etc.

A risk analysis of these assessments will also be carried out looking for major vulnerabilities of the viability of registration functions to fluctuations in levels of market transactions, including those resulting from political risk, policy risk, macroeconomic shocks, market preference changes and actual and potential demographic changes.

Methodology

Review of Existing Studies. There is limited information on the levels of transactions in rural areas available, reflecting in part that the agricultural land contracting rights have been of very limited tradability. Although some work has been undertaken in this area, it has been limited to agricultural land and has not addressed collective construction land. It is moreover, now dated in the rapidly moving market reality of China. There is regular survey work undertaken on transactions with rural land contracting rights, including in cooperation with World Bank research activities (Klaus Deininger: see research reports on this during the recent Land Governance Conference hosted by the Bank and the International Federation of Surveyors in Washington in March 2009). In addition, the World Bank, in cooperation with FAO, has carried out AAA research since 2005 on land policy development in China, and some aspects of the results of this are valuable background to the proposed work. As land markets fluctuate according to a range of factors, some of which are outside the immediate local factors, it is important to contextualize the data to be generated by the surveys by preparing an economic analysis of the broader factors affecting the markets at the international, national and more local levels, and appropriate work will need to be undertaken to enable this to be prepared. The results of this review will be assembled into an interim report that would summarize existing work and identify the specific gaps in
knowledge that would be analyzed under this study.

Survey of rural land market development in two selected provinces. It is not the intention of this survey to duplicate the work already prepared on the basis of multi-province household statistical surveys. The surveys carried out for this study would be more directed at finding out potential future transactions that are likely to occur and that would need to be recorded in a title registration system, the volume of transactions and the cost. As a result the survey will primarily be based in expert group discussions, user group discussions for farmers, local village heads, collective farm heads, local administrators to determine, i) the set of likely transactions that would be need to be recorded in a future title registration system, ii) the volume of each of these types of transaction, both systematic and sporadic; iii) the likely cost of performing transactions and related land surveys, iv) the willingness of farmers to pay for registration and surveys; v) farmer attitudes toward the precision of boundary measurement, and therefore the cost of land survey; vi) farmers attitudes toward individual or communal property rights; vii) land surveying capacity to carry out land surveys, both systematic and sporadic; viii) legal support in rural areas to assist with land transactions; and ix) other items to be added when the survey instruments are designed. The survey will be conducted in selected rural areas in the two selected provinces An appropriate survey instrument will be prepared in draft form and presented to the Bank for review and approval before initiation of the survey.

Analysis of rural land market development in two selected provinces. The results from the surveys will be reviewed and analyzed in the context of the broader contextual analysis. This will enable a balanced view to be developed of the existing and possible scenarios to be developed in terms of rural land markets.

Stakeholder Verification. The findings of the study would be discussed with stakeholders in the two selected provinces, including provincial government, local government, business and collective leaders and farmers' groups to verify and confirm the findings of the report before its final release. The meetings would also serve as an opportunity to disseminate the key findings of the report to key policy makers, business interests and donors.

Final Report. A concise final report that is useful for policy makers and donors outlining the rural land market development in the selected provinces, in designing a large scale pilot title registration project.

Audience, Dissemination Strategy and Engagement with the Client and Other Stakeholders

Our primary counterpart for the study will be DRC. We will also work closely with the Ministry of Lands and Resources and the Ministry of Agriculture at the national and provincial level.

The primary audience for this study will be both national and regional policy makers, but will also seek to engage the collectives and farming populations in the villages.
Policy and institutional recommendations that flow from this report will be incorporated into the larger donor/government policy dialog on rural land registration and its development.

To facilitate development of conclusions and dissemination two workshops will be scheduled. The first will be a smaller workshop among donors and key government counterparts to discuss the initial findings of the report. The second workshop presenting the results of the final report would be larger to achieve broader dissemination.

**Timetable and Payment Schedule**

The task will cover about 7 months, from May, 2009 to December 2009. The following deliverables are expected on the following dates.

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Contract Signing</th>
<th>Payment Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Signing</td>
<td>May, 2009</td>
<td>10</td>
</tr>
<tr>
<td>Initiation mission, Review /Survey instrument design</td>
<td>June 2009</td>
<td>30</td>
</tr>
<tr>
<td>Survey Complete and Draft Report</td>
<td>October, 2009</td>
<td>30</td>
</tr>
<tr>
<td>Final Report and Dissemination workshop</td>
<td>December, 2009</td>
<td>30</td>
</tr>
</tbody>
</table>

**Follow-on Assignments**

Follow-on work is expected in designing of a pilot title registration. The consultant selected for this assignment will eligible, conditional upon satisfactory performance and the needs of the World Bank, to be selected on a sole source basis for follow-on work related to this assignment.
Annex 2

List of Questions
for Focus Group Discussions
China Agricultural Land Registration Study

2A. Questions that will be asked during the structured interviews with village/town/county/provincial leaders:

1. The fundamental statistics: population, average income per capita, income sources, rural labor employment/migration, land area, land fragmentation, land transfer; (distance to the urban area/railway station/bus station/ for villages only)
2. Rural land transfer conflicts: number, types, causes, and how do they deal with these conflicts?
3. Rural land allocation: fair or not? The number of landless rural population
4. Whether rural land has been re-adjusted? How?
5. Are farmers familiar with the law for protection of rights (women's ownership rights, joint ownership rights, widows rights)?
6. What are the impacts of the new rural land policy on land transfer?
7. Do you think the rural land contract system already exists is enough?
8. Land registration is needed or not?
9. If land registration is not needed, why?
10. If land registration is needed, why? What are the potential benefits from land registration (farmers, village community, land transfer)?
11. What are the elements that should be included in the land registration certificate? What the land certificate should be looked like?
12. How should the land registration be started? What are the steps?
13. What documentation do you think would be used as a basis for initial registration?
14. What are the expected difficulties of land registration? Do you have any concerns about land registration? What are these concerns? How should these difficulties be dealt with?
15. Who should pay the costs involved in land registration? How much do you think farmers are willing to pay for registration of each parcel of land?
16. What are the services that you think the village/township/county/province/central government officials should provide for land registration?
17. How different departments should interact with each other to land registration?
18. Do you support that registered rural land can be collateral for borrowing money from banks?
19. Do you think the land transfer will increase in 5/10 years?
20. What are your expectations about the land registration in 5/10 years?
2B. Questions that will be asked during the moderated focus group discussion at the village level with the farmers and village head:

1. The fundamental statistics: population, average income per capita, income sources, rural labor employment/migration, land area, land fragmentation, land transfer; (distance to the urban area/railway station/bus station/ for villages only)
2. Rural land transfer conflicts: number, types, causes, and how do they deal with these conflicts?
3. Rural land allocation: fair or not? The number of landless rural population
4. Whether rural land has been re-adjusted? How?
5. What are the impacts of the new rural land policy on land transfer?
6. Do you think the rural land contract system already exists is enough?
7. Land registration is needed or not?
8. If land registration is not needed, why?
9. If land registration is needed, why? What are the potential benefits from land registration (farmers, village community, land transfer )?
10. What are the elements that should be included in the land registration certificate? What the land certificate should be looked like?
11. How should the land registration be started? What are the steps?
12. What documentation do you think would be used as a basis for initial registration?
13. What are the expected difficulties of land registration? Do you have any concerns about land registration? What are these concerns? How should these difficulties be dealt with?
14. Who should pay the costs involved in land registration? How much do you think farmers are willing to pay for registration of each parcel of land?
15. What are the services that you think the village/township/county/province/central government officials should provide for land registration?
16. How different departments should interact with each other to land registration?
17. Do you support that registered rural land can be collateral for borrowing money from banks?
18. Do you think the land transfer will increase in 5/10 years?
19. Do you think that the type of transactions in the rural land market will change in 5/10 years?
20. What are your expectations about the land registration in 5/10 years?
2C. Questions that will be asked during the moderated focus group discussion at the county level with other users or potential users (banking, business sector, relevant NGOs, urban residents):

1. Are you involved in the rural land market at all over the past two or three years?
2. In what ways?
3. Rural land transfer conflicts: number, types, causes, and how do they deal with these conflicts?
4. What are the impacts of the new rural land policy on land transfer?
5. Land registration is needed or not?
6. If land registration is not needed, why?
7. If land registration is needed, why? What are the potential benefits from land registration (farmers, village community, other users/potential users, land transfer)?
8. What are the elements that should be included in the land registration certificate? What the land certificate should be looked like?
9. How should the land registration be started? What are the steps?
10. What are the expected difficulties of land registration? Do you have any concerns about land registration? What are these concerns? How should these difficulties be dealt with?
11. Who should pay the costs involved in land registration? How much do you think people are willing to pay for registration of each parcel of land?
12. What are the services that you think the village/township/county/province/central government officials should provide for land registration?
13. How different departments should interact with each other to land registration?
14. Do you think independent legal advisory services are needed in the registration?
15. Do you support that registered rural land can be collateral for borrowing money from banks?
16. Do you think the land transfer will increase in 5/10 years?
17. Do you think that the type of transactions in the rural land market will change in 5/10 years?
18. What are your expectations about the land registration in 5/10 years?
2D. Questions that will be asked during the moderated focus group discussion at the county level with technical experts/administrators at the township, county and provincial levels:

1. Rural land transfer conflicts: number, types, causes, and how do they deal with these conflicts?
2. Rural land allocation: fair or not? The number of landless rural population
3. Whether rural land has been re-adjusted? How?
4. What are the impacts of the new rural land policy on land transfer?
5. Land registration is needed or not?
6. If land registration is not needed, why?
7. If land registration is needed, why? What are the potential benefits from land registration (farmers, village community, land transfer)?
8. What are the elements that should be included in the land registration certificate? What the land certificate should be looked like?
9. How should the land registration be started? What are the steps?
10. What documentation do you think would be used as a basis for initial registration?
11. What are the expected difficulties of land registration? Do you have any concerns about land registration? What are these concerns? How should these difficulties be dealt with?
12. Does any rural land map of your county exist? How accurate is it?
13. In your county, what survey technology is currently used? What geodetic controls are used?
14. Who should pay the costs involved in land registration? How much do you think farmers are willing to pay for registration of each parcel of land?
15. What are the services that you think the village/township/county/province/central government officials should provide for land registration?
16. How different departments should interact with each other to land registration?
17. Do you support that registered rural land can be collateral for borrowing money from banks?
18. Do you think the land transfer will increase in 5/10 years?
19. Do you think that the type of transactions in the rural land market will change in 5/10 years?
20. What are your expectations about the land registration in 5/10 years?
2E. Questions that will be asked during the moderated focus group discussion at the county level with service providers (lawyers, surveyors, etc):

1. Does your practice include much work in relation to agricultural land?
2. What sort of work?
3. Do you expect this to change during the next 5/10 years?
4. Rural land transfer conflicts: number, types, causes, and how do they deal with these conflicts?
5. What are the impacts of the new rural land policy on land transfer?
6. Land registration is needed or not?
7. If land registration is not needed, why?
8. If land registration is needed, why? What are the potential benefits from land registration (farmers, village community, land transfer)?
9. What are the elements that should be included in the land registration certificate? What the land certificate should be looked like?
10. How should the land registration be started? What are the steps?
11. What documentation do you think would be used as a basis for initial registration?
12. What are the expected difficulties of land registration? Do you have any concerns about land registration? What are these concerns? How should these difficulties be dealt with?
13. Are there any indigenous systems for doing registration? Do you think independent legal advisory services are needed in the registration?
14. Who should pay the costs involved in land registration? How much do you think farmers are willing to pay for registration of each parcel of land?
15. What are the services that you think the village/township/county/province/central government officials should provide for land registration?
16. How different departments should interact with each other to land registration?
17. Do you support that registered rural land can be collateral for borrowing money from banks?
18. Do you think the land transfer will increase in 5/10 years?
19. Do you think that the type of transactions in the rural land market will change in 5/10 years?
20. What are your expectations about the land registration in 5/10 years?
21. Do you think there is adequate legal/survey capacity to support the likely demand if rural land registration is adopted?
Annex 3

Survey Questionnaire
for Rural Households

Questionnaire No.__________
Province_______County_______Town_______Village_______Working Team

Name of Interviewee__________ Phone Number__________
Interviewer: __________ Date of Interview: __________ Checker: __________
## A. Members of Family

<table>
<thead>
<tr>
<th>Person No.</th>
<th>A1 Relation with the Household Head Code</th>
<th>A2 Gender</th>
<th>A3 Hukou</th>
<th>A4 Have land or not?</th>
<th>A5 Age</th>
<th>A6 Work Ability</th>
<th>A7 Marital status</th>
<th>A8 Education</th>
<th>A9 Job</th>
<th>A10 Job Location</th>
<th>A11 Take Part in Society Insurance?</th>
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</thead>
<tbody>
<tr>
<td>101</td>
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</tbody>
</table>

Code: 1=Household head  2=spouse  3=child  4=grandchild  5=parent  6=sibling  7=son/daughter in law  8=grandparent  9=relative  10=others
### B. Family Income

<table>
<thead>
<tr>
<th>Number</th>
<th>Income Category</th>
<th>Year 2008</th>
<th>Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B1</strong></td>
<td><strong>Agriculture production income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B11</td>
<td>Planting income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B12</td>
<td>Breeding income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B13</td>
<td>Forest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B14</td>
<td>Other agriculture income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B2</strong></td>
<td><strong>Non-agriculture income</strong></td>
<td></td>
<td></td>
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<tr>
<td>B21</td>
<td>Wage</td>
<td></td>
<td></td>
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<tr>
<td>B22</td>
<td>Asset income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B23</td>
<td>Subsidy income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B24</td>
<td>Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B3</strong></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Annotations:** “Wage” includes income from helping other’s agriculture work. Asset income includes dividend, interest and the land transfer income.
## C. Views of Peasant Households on Land

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Who do you think the household contract lands belong to? (1.state 2.village 3.work team 4.myself)</td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>If the lands become privately owned and can be sold freely, what’s your attitude? (1.support; 0. do not support)</td>
<td></td>
</tr>
<tr>
<td>C3</td>
<td>○If you answered do not support, what’s the reason? (1.There will be new landlords and peons; 2.If I sell my land I can’t make a living; 3.I have enough money and needn’t sell lands; 4. Other______)</td>
<td></td>
</tr>
<tr>
<td>C4</td>
<td>●If you answered support, the reason? (1.Thus the land rights will be safer; 2.selling lands can help financing; 3.lands can be concentrated into good farmers; 4. other______)</td>
<td></td>
</tr>
<tr>
<td>C5</td>
<td>Do you think it’s acceptable to adjust lands when the village’s population changes? (1.no, it invades the land rights; 2.yes, it shows equity; 3.it depends on circs)</td>
<td></td>
</tr>
<tr>
<td>C6</td>
<td>Do you know the new parlance(usufruct)of the land family contracted rights in Property Law? (1.yes, 0.no)</td>
<td></td>
</tr>
<tr>
<td>C7</td>
<td>When you become old, how will you deal with your lands? (1.let my children or relatives to cultivate them; 2.transfer to others; 3. other______)</td>
<td></td>
</tr>
<tr>
<td>C8</td>
<td>If a villager dies, how do you think to deal with his lands? (1.inherited by his children; 2.hand back to the village collective; 3. other______)</td>
<td></td>
</tr>
<tr>
<td>C9</td>
<td>How do you think the land value will change in 10 years? (1.more expensive; 2.no change in the gross; 3. cheaper)</td>
<td></td>
</tr>
<tr>
<td>C10</td>
<td>Have your lands encountered compulsory purchase by the government? (1.yes, 0.no)</td>
<td></td>
</tr>
<tr>
<td>C11</td>
<td>●If you answered yes, do you think the compensation is proper? (1.yes; 0.no. I have loss)</td>
<td></td>
</tr>
<tr>
<td>C12</td>
<td>○If you think the compensation is not sufficient, because (1.the compensation level was too low; 2.the compensation was taken away partly by the village head; 3. Other______)</td>
<td></td>
</tr>
</tbody>
</table>
# D. Households' Expectation about Land Registration

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Do you worry about losing your contracted lands? (1.no; 2.to some extent; 3.very worried)</td>
<td></td>
</tr>
<tr>
<td>D2</td>
<td>Do you think the current contract certification can protect your land rights? (1.yes; 0.no)</td>
<td></td>
</tr>
<tr>
<td>D3</td>
<td>○If you answered no, what is the most serious problem in your opinion? (1.the legal validity is not enough; 2.the parcels are not detailed; 3.areas in the certification is not match the real lands; 4.if there are dissension the village head will not act justly; 5.others_____ )</td>
<td></td>
</tr>
<tr>
<td>D4</td>
<td>Do you need such more accurately measured and more detailed registered certification? (1.yes; 0.no)</td>
<td></td>
</tr>
<tr>
<td>D5</td>
<td>●If you chose yes, would you pay for the new certification? (1.yes; 0.no)</td>
<td></td>
</tr>
<tr>
<td>D6</td>
<td>●If yes, how much would you pay at most? (1.less than 10 RMB; 2.10-50 RMB; 3.50-100 RMB; 4.more than 100 RMB)</td>
<td></td>
</tr>
<tr>
<td>D7</td>
<td>If there is charged registration, which kind of lands will you register firstly? (1.contracted arable land; 2. assart by yourself; 3.forest; 4.contracted wasteland; 5.fish pond)</td>
<td></td>
</tr>
<tr>
<td>D8</td>
<td>If the registration is carried out according the current lands distribution, will you be satisfied? (1.yes; 2.no, because my family’s land is less than others’; 3.no, because there is dissension about my land; 4.no, because there are still undistributed lands in the collective)</td>
<td></td>
</tr>
<tr>
<td>D9</td>
<td>Is your lands’ real area larger than it is stated in the contract certification? (1.yes; 0.no)</td>
<td></td>
</tr>
</tbody>
</table>
| D10 | •If you answered yes, what will you think about the accurate measure in the future land registration?  
(1.it’s Ok, I will make sure how much land I own; 2.good, I can get more agriculture subsidy; 3.I have little worry about it, because I may pay more tax in the future) |
| D11 | Is your lands’ real area smaller than it in the contract certification? (1.yes; 0.no) |
| D12 | •If you answered yes, what will you think about the accurate measure in the future land registration? (1.I agree register according current land; 2.the village should compensate my missing area before the registration) |
| D13 | What do you think is the most important thing in the registration? (1. accurate measure; 2.legal validity; 3.fair boundary and without dissension; 4. sporadic and subsequent registration; 5.others______) |
| D14 | Which important items should be registered in the certification in your opinion? (1.contractor; 2.boundary of the land; 3.area of the land; 4.quality of the land; 5.tenure of the land; 6.rights and obligations of the land; 7.the record of land transfer) (Multiple choosing) |
| D15 | If the land can be the mortgage in a loan in the future, will you use it? (1.yes, it is convenient for financing; 2.no, mortgage may let me lose my land and I can’t take the consequence) |
| D16 | Do you think there needs to be a service department to carry out mass registration of land transfer? (1.yes; 0.no) |
| D17 | If there is mass registration in land transfer, would you pay for it? (1.yes; 0.no) |
| D18 | If yes, how much would you be prepared to pay for it (per unit of registration) (per mu) |
## E. Households’ attitude about land transfer

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Do you want to transfer/lease out your land? (0.no; 1.I have transferred out; 2.I want to, but no one accepts or the rental is too low)</td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td>If you transfer/lease your land out, will you worry about it? (0.no; 1.I worry about there will be dissension; 2.I worry that the land will be taken back by the collective)</td>
<td></td>
</tr>
<tr>
<td>E3</td>
<td>According to your knowledge, how much will be the local rental of one Mu land in one year?</td>
<td></td>
</tr>
<tr>
<td>E4</td>
<td>How much unless the rental be will you transfer/lease your land out? (RMB/Mu/Year)</td>
<td></td>
</tr>
<tr>
<td>E5</td>
<td>What do you think the government should do in land transfer/lease? (1.market information service; 2.conflict intermediation; 3. carry out subsequent registration; 4. government needn’t do too much)</td>
<td></td>
</tr>
<tr>
<td>E6</td>
<td>If you plan to transfer/lease you land out, how long do you think is the proper tenure?</td>
<td></td>
</tr>
<tr>
<td>E7</td>
<td>If you can choose, whom will you transfer/lease your land to? (1.relatives; 2.members of the local village; 3.professional planting households; 4.agriculture enterprises)</td>
<td></td>
</tr>
<tr>
<td>E8</td>
<td>Do you want to transfer/lease in others’ land? (0.no; 1.I have transferred in; 2.I want to, but no one accepts or the rental is too high)</td>
<td></td>
</tr>
<tr>
<td>E9</td>
<td>Is there any difference between your cultivating your own lands and rented lands? (1.almost no difference; 2.maybe input less; 3.maybe input more)</td>
<td></td>
</tr>
<tr>
<td>E10</td>
<td>If it’s permitted by the policy, do you want to buy others’ lands? (1.yes; 2.no, because cultivation is unprofitable; 3.no, because I have not enough money)</td>
<td></td>
</tr>
<tr>
<td>E11</td>
<td>Have you taken part in land transfer organized by the collective? (1.yes; 0.no)</td>
<td></td>
</tr>
<tr>
<td>E12</td>
<td>●If you answered yes, did you think you are compelled? (1.yes, it isn’t to my pay; 2.no, it’s just my wish)</td>
<td></td>
</tr>
<tr>
<td>E13</td>
<td>If you want to give up your land permanently, can you? (1. yes; 0. no)</td>
<td></td>
</tr>
<tr>
<td>E14</td>
<td>If you answered yes, how?</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>--------------------------</td>
<td></td>
</tr>
<tr>
<td>E15</td>
<td>If you answered yes, what level of compensation would you receive per mu?</td>
<td></td>
</tr>
</tbody>
</table>
F. The Household Contract Lands

F1 Do you have the contract certification?  (1.yes, 0.no) ________

F2 May the interviewer have a look at the certification?  (1 I’ve seen it, 0.no) ________

<table>
<thead>
<tr>
<th>Land Parcel No.</th>
<th>Land Area</th>
<th>Land Sort</th>
<th>When did you get this land?</th>
<th>Is this land listed in the certification?</th>
<th>Land Area</th>
<th>Land Sort</th>
<th>When did you get this land?</th>
<th>Is this land listed in the certification?</th>
<th>How far is the land to your home? (Km)</th>
<th>Do you think you will still own this land 30 years later?</th>
<th>Why are you not sure?</th>
<th>The cultivation circumstances</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mu</td>
<td>1.paddy field 2.dry land</td>
<td>1.first contract 2.second contract 3.land adjust after second contract</td>
<td>1.yes 0.no</td>
<td>1.high 2.middle 3.low</td>
<td>1.sure 0.can’t be sure</td>
<td>1.the land may be adjusted by the collective 2.my family may live apart in the future 3.i may sell it</td>
<td>1.cultivated by myself 2.transfered out 3.wasted temporarily</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### G. Lands transferred out

<table>
<thead>
<tr>
<th>Land Parcel No.Linked to Table F</th>
<th>Area Mu</th>
<th>Date of transfer</th>
<th>Reason 1 no time to cultivate 2 unwilling to cultivate 3 no labor force 5 too far 6 other</th>
<th>Form 1 subcontract 2 convey 3 exchange 4 rent 5 joint-stock 6 trusteeship</th>
<th>Object 1 relative 2 village member 3 epidemic household 4 enterprise 5 cooperation 6 other</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1 G2 G3 G4 G5 G6 G7 G8 G9 G10 G11 G12 G13 G14 G15 G16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Contract tenure</td>
<td>Transfer price</td>
<td>Is there floating dividend 1 yes 0 no</td>
</tr>
</tbody>
</table>

#### G17 Have you ever claimed to retract your land transferred out? (1 yes; 0 no) __________

#### G18 Why did you retract it? (1 come back from city and need the land my self; 2 the profit of cultivation improved; 3 the one who got my land did not pay the rental on schedule) __________

#### G19 Is there dissension in the retraction? (1 yes; 0 no) __________
### H. Lands transferred in

<table>
<thead>
<tr>
<th>H1</th>
<th>H2</th>
<th>H3</th>
<th>H4</th>
<th>H5</th>
<th>H6</th>
<th>H7</th>
<th>H8</th>
<th>H9</th>
<th>H10</th>
<th>H11</th>
<th>H12</th>
<th>H13</th>
<th>H14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Form</td>
<td>Land quality</td>
<td>Distan ce to home Km.</td>
<td>Transfer price</td>
<td>Is there contract?</td>
<td>Is there sanction?</td>
<td>Use before transfer</td>
<td>Use after transfer</td>
<td>Continue when tenure expire?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. subcontract</td>
<td>1. high</td>
<td>1. yes</td>
<td>1. yes</td>
<td>1.cereal</td>
<td>1.cereal</td>
<td>1.yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land No.</td>
<td>Area Mu</td>
<td>Date of transfer</td>
<td>Reason</td>
<td>2. convey</td>
<td>2.middle</td>
<td>0.no</td>
<td>2.cotton &amp; oil</td>
<td>0.no</td>
<td>2.cotton &amp; oil</td>
<td>4. forest</td>
<td>0.no</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>

**H15** Have you encountered land retraction before the tenure expiration? (1.yes; 0.no) _________

**H16** How do you think about this retraction? (1.excusable; 2.unreasonable; 3.depending on circs) _________

**H17** Do you agree this retraction? (1.Yes 2.Never 3.It’s in dissension) _________
I. Land cultivation (2008)

<table>
<thead>
<tr>
<th>Items</th>
<th>Household Contracted Land</th>
<th>Land Transfer in (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Crop Plant1</td>
<td>Crop Plant2</td>
</tr>
<tr>
<td>I1 area(Mu)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I2 gross output(Kg)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I3 sold quantity(Kg)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I4 price(RMB/Kg)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I5 substance &amp; service fee(RMB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I6 labor (include employee) (days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I7 rental cost (RMB)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Plant Code List**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>wheat</td>
<td>paddy</td>
<td>corn</td>
<td>rapeseed</td>
<td>soybean</td>
<td>cotton</td>
<td>vegetable</td>
<td>flower</td>
<td>peanut</td>
<td>white potato</td>
<td>red potato</td>
<td>broomcorn</td>
<td>buckwheat</td>
<td>tobacco leaf</td>
<td>sesame</td>
<td>cash crop</td>
<td>other</td>
<td></td>
</tr>
</tbody>
</table>

**Annotations**: substance & service fee include the cost of fertilizer, pesticide, seeds, plastic film, harvest charge and so on.
### J. The Application and Use of Homestead

<table>
<thead>
<tr>
<th>J1 Land NO.</th>
<th>J2 Acquire Ways</th>
<th>J3 Date (mm/yy)</th>
<th>J4 Area (sq.m)</th>
<th>J5 Application Reasons</th>
<th>J6 Approval Authority</th>
<th>J7 Approval Fee (RMB)</th>
<th>J8 Building Time (mm/yy)</th>
<th>J9 Building Cost (RMB)</th>
<th>J10 Structure</th>
<th>J11 Estimated Value (RMB)</th>
<th>J12 Use</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>family breakup</td>
<td>0.no need</td>
<td>Village Committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>more person</td>
<td>1.Village</td>
<td>Committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>improve living condition</td>
<td>2.town</td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td>3.county</td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>other</td>
<td></td>
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</tr>
</tbody>
</table>

1. applied
2. heritage
3. purchase
4. other

---

### K. Family Assets (general situation, just for research)

<table>
<thead>
<tr>
<th>K1 Farm Implements (RMB)</th>
<th>K2 Poultry/Draught Animal (RMB)</th>
<th>K3 Instrument Agriculture greenhouse /piggery (RMB)</th>
<th>K4 Furniture (RMB)</th>
<th>K5 Cash/Deposit (RMB)</th>
<th>K6 Creditor’s Right/Investment (RMB)</th>
<th>K7 Self-support/Partnership Enterprise (RMB)</th>
<th>K8 Debt (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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</tr>
</tbody>
</table>

1. residing
2. renting, rental ___ per year
3. sold out, price ___
4. leave unused ___