



AGRICULTURAL LAND MARKET AND RENTS IN AGRICULTURE IN THE REPUBLIC OF BULGARIA DURING THE PERIOD 2010 - 2012

Agricultural Land Market in the Republic of Bulgaria in the period 2010 - 2012

During the period 2010 - 2012, the data from the conducted survey show a steadily increasing market activity of the agricultural land in Bulgaria.

The number of transactions with agricultural land compared to 2010 increased in 2011 and 2012 by 3.8 and 5.3% respectively. **The amount of land sold** in 2011 compared to the previous year decreased by 7.4%, while in 2012 an increase by 23.2% was registered compared to 2011.

During the period 2010-2012, **the average size of agricultural land per one transaction** is 9 decares. By way of permanent land use average size of transaction is as follows: Arable land - 9 decares, Grasslands - 4 decares, Orchards and Vineyards - 3 decares.

The price per 1 decare of agricultural land compared to 2010 increased by 42.7% in 2011 and by 37.4% in 2012 compared to 2011. The most significantly increasing cost, over the previous year, was that of Orchards - by 17.4% in 2011 and 45.1% in 2012.

1. Transactions for purchase of agricultural land

Categories of land	2010			2011			2012		
	Number	Area - dca	Average price – BGN/dca	Number	Area - dca	Average price - BGN/dca	Number	Area - dca	Average price – BGN/dca
Agricultural land - total	33898	291545	279	35186	270076	398	37063	332673	547
of which:									
Arable land	31628	285112	279	31971	260035	413	32832	320102	556
Orchards	427	1276	242	835	2670	284	986	2948	412
Vineyards	1216	2749	206	1586	4445	248	2222	5265	262
Permanent grassland	627	2407	189	794	2926	207	1023	4358	217

By regions, the most active agricultural land market in 2010 was the Yugoiztochen region where are realized 29.4% of all transactions and 26.7% of the land sold. In 2011 and 2012 the leading role has the Severozapaden region where were made 23.1% and 26.3% of the number of transactions with agricultural land - and 26.1% and 34.5% of the land sold accordingly.



2. Transactions for purchase of agricultural land by statistical regions

Statistical regions	2010			2011			2012		
	Number	Area - dca	Average price – BGN/dca	Number	Area - dca	Average price - BGN/dca	Number	Area - dca	Average price – BGN/dca
Total	33898	291545	279	35186	270076	398	37063	332673	547
Severozapaden	6723	62061	249	8130	70458	420	9740	114857	493
Severen tsentralen	8029	65881	295	6487	53157	447	8248	74084	623
Severozitochan	6125	66473	365	6829	58387	555	6954	58597	860
Yugoiztochen	9970	77930	230	7343	52968	271	7507	58650	346
Yugozapaden	43	217	302	57	484	237	760	4268	463
Yuzhen tsentralen	3008	18984	230	6340	34621	292	3854	22220	364

Over the three years of the period, the highest price of agricultural land is in the Severozitochan region - 365 BGN per decare in 2010, 555 BGN per decare in 2011 and 860 BGN per decare in 2012.

Rent of Agricultural Land in Bulgaria in the period 2010 – 2012

Development of the rental dealing in agriculture during the period 2010 - 2012 was very dynamic.

Compared to the previous year, **the number of rental contracts of agricultural land** has increased in 2011 by 4.9% and in 2012 - by 9.4%. The data from the survey showed that in respect of size of rented land in 2011 there was some reduction of area - by 3.1%, but in 2012 the decrease was offset by an increase of 23.4%. **The average size of the rented area in one contract** during the reference period is between 16 and 18 decares.

The average price per 1 decare rented land is 23 BGN in 2010, 30 BGN in 2011 and 34 BGN in 2012.

3. Contracts for lease of agricultural land

Categories of land	2010			2011			2012		
	Number	Area - dca	Average price – BGN/dca	Number	Area - dca	Average price - BGN/dca	Number	Area - dca	Average price – BGN/dca
Agricultural land - total	333361	5814663	23	349666	5634649	30	382487	6952151	34
of which:									
Arable land	316436	5736783	24	335517	5557980	30	368080	6878897	36
Orchards	5959	23019	16	3605	19932	20	3038	16613	29
Vineyards	9751	39849	13	8368	37233	26	8849	37355	21
Permanent grassland	1215	15013	12	2176	19505	13	2520	19286	18



Most contracts for renting of agricultural land in 2010 were concluded in the Severoiztochen region - 27.3% of the total for the country. In 2011, the leading role had Yugoiztochen region - 27.5% of rent contracts and in 2012 - Severen tsentralen – with 27.9%. During the period the largest size of rented land is in the Severen tsentralen region - 30.0% of the total area of the country in 2010, 29.0% in 2011 and 27.8% in 2012.

4. Contracts for lease of agricultural land by Statistical regions

Statistical regions	2010			2011			2012		
	Number	Area - dca	Average price – BGN/dca	Number	Area - dca	Average price - BGN/dca	Number	Area - dca	Average price – BGN/dca
Total	333361	5814663	23	349666	5634649	30	382487	6952151	34
Severozapaden	18401	864779	19	17237	397649	22	28568	1347798	29
Severen tsentralen	71927	1745931	25	96091	1635711	33	106692	1930858	41
Severoiztochen	90918	1433052	40	95246	1557491	50	99933	1593178	53
Yugoiztochen	90704	1151198	15	96256	1364421	22	105112	1484654	28
Yugozapaden	4375	109403	13	6231	149235	15	4030	127767	15
Yuzhen tsentralen	57036	510302	13	38605	530142	20	38152	467895	22

At regional level in 2010 and 2012, the largest size of rented land within a contract was in the Severozapaden region - 47 decares, and in 2011 - in the Yugozapaden region - 24 decares.

In the three-year period the highest price of 1 decare rented land is in Severoiztochen region - 40 BGN in 2010, 50 BGN - in 2011 and 53 BGN - in 2012.



Methodological notes

The information was compiled within the frame of statistical survey entitled "System for collection of information on agricultural land prices and rents in agriculture under the target methodology", which is part of the activities under the grant agreement between the European Commission/Eurostat.

The main goal of the survey was elaboration of statistical tools and production of statistical information on the agricultural land market and rents in agriculture in compliance with the main principles in the Target EU Methodology, adopted by Eurostat in 2010.

The survey covers a total of 1640 units throughout the country, of which 1419 agricultural holdings, 50 Land transaction societies, 14 real estate brokers, 123 Real estate agencies and 36 - others.

The field of study covers five land categories defined by its permanent use: Arable land; Orchards; Vineyards; Meadows and permanent pastures. These are the main categories of land in Bulgaria, which are declared in the documents in transactions for sale or lease of land. A correspondence between used in the study land nomenclature and the one in the Eurostat methodology, by grouping the two categories was provided. Meadows and pastures are combined into a single category (Grasslands), and average price for them is calculated.

Besides the method of permanent use, land transaction and rents are grouped according to the category of soil productivity (first to tenth). Two groups were formed for monitoring of importance of the category of soil productivity as a pricing factor.

According to the Eurostat' target methodology, the target of monitoring is the price per unit of agricultural area (ha) purchased or rented land. In Bulgaria, the formal unit of land area is a decare. Therefore, the prices of transaction and lease contracts refer to 1 decare of agricultural land and then the data is converted into hectares. The average price per unit area for each category of land at settlement, community and district level is calculated as the ratio between the value of transactions / contracts for rent and the total area for which they apply. At the national level and at the levels NUTS1 (Statistical zones) and NUTS2 (Statistical regions) the price per unit of area is calculated as a weighted average of the respective land category. Data on areas that are used as weights for the geographical levels are taken from Agricultural Census in Bulgaria, conducted in 2010 by the Ministry of Agriculture and Food.

The target period for which data on transaction prices and rent payments are collected is calendar year. The prices for the agricultural rents/contracts are surveyed during the reporting period, although agricultural production will be harvested or rent will be paid out of that period. When the price of rent payments under contracts concluded in previous periods have been changed in an annex to the main contract or otherwise, during the reference period, these contracts are also considered new and agreed between the parties thereto prices are also taken into account. The lease contracts are for duration of one year and rent contracts - minimum of 4 years.

In the frame of the land transactions prices are included taxes and fees paid. The price of land excludes VAT, paid amounts for the right to use; the owners received monetary compensation for the sale or acquisition of land, the value of the buildings on the land and paying inheritance.

The rental price includes the value of all payments in kind valued at the current prices and paid taxes and fees. The price does not include amounts paid for the right to use, the value of buildings or houses located



on rented area, and all other costs related to other assets (current cost of building maintenance, insurance and depreciation of buildings and others).

Additional information concerning the methodology and survey data for agricultural land market and rents in Bulgaria during the period 2010 - 2012 is published on the NSI website <http://www.nsi.bg/otrasalen.php?otr=29>.