

## AGRICULTURAL LAND PRICES AND RENTS IN AGRICULTURE IN THE REPUBLIC OF BULGARIA IN 2020

### Price of the agricultural land transactions in the Republic of Bulgaria in 2020

The average price per one decare arable land reached BGN 1 042 in 2020, which was 1.0% lower than in 2019. Average price of arable land transactions between physical and juridical persons amounted to BGN 1 042, while the price between juridical persons was BGN 961. Average price per one decare permanent grassland (meadows and pastures) in 2020 reached BGN 268 which was 10.7% lower than in 2019 (Table 1).

#### 1. Average prices of agricultural land transactions by land use categories in the period 2014 - 2020

Land use categories	(BGN/dca)						
	2014	2015	2016	2017	2018	2019	2020
Arable land	708	761	770	870	980	1053	1042
Orchards	440	480	534	#	#	#	#
Vineyards	451	339	370	#	#	#	#
Permanent grassland	246	227	271	262	218	300	268

# - break in time series.

The highest price of arable land in 2020 was in Severoiztochen region - BGN 1 470 per one decare, which was 0.5% higher in comparison to the previous year. In Severen tsentralen region the price of arable land transactions reached BGN 1 155 per one decare, in Severozapaden region - BGN 986, and in Yugoiztochen region - BGN 899. Compared to the previous year there is an increase in the price in all three regions, respectively by 1.5%, 2.0% and 4.4%. In 2020 compared to the previous year, a decrease in the price of arable land was registered in Yugozapaden region - by 51.0% and in Yuzhen tsentralen region - by 8.9% (Table 2).

## 2. Average prices of arable land transactions by statistical regions in the period 2014 - 2020

(BGN/dca)

Statistical regions	2014	2015	2016	2017	2018	2019	2020
<b>Total</b>	<b>708</b>	<b>761</b>	<b>770</b>	<b>870</b>	<b>980</b>	<b>1053</b>	<b>1042</b>
Severozapaden	701	718	753	920	884	967	986
Severen tsentralen	822	832	908	789	1098	1138	1155
Severoiztochen	971	1057	1175	1401	1357	1462	1470
Yugoiztochen	501	653	721	804	809	861	899
Yugozapaden	331	357	228	303	199	818	401
Yuzhen tsentralen	477	445	426	539	681	706	643

## Prices of rent for arable land in the Republic of Bulgaria in 2020

In 2020, the average price for rent/lease of one decare of arable land reaches BGN 46, which is 6.1% less than in 2019. The average price for rent/lease of one decare of permanent grassland is BGN 21 and it is 8.7% lower compared to the previous year (Table 3).

## 3. Average rent prices of agricultural land by land use categories in the period 2014 - 2020

(BGN/dca)

Land use categories	2014	2015	2016	2017	2018	2019	2020
Arable land	43	44	44	47	50	49	46
Orchards	35	32	41	#	#	#	#
Vineyards	24	36	31	#	#	#	#
Permanent grassland	17	18	15	16	16	23	21

# - break in time series.

In 2020, the highest average price for rent/lease of one decare of arable land was in Severen tsentralen region - BGN 59, which shows a slight decrease of 1.7% compared to 2019. The price paid for rent/lease of one decare of arable land also decreased in Severoiztochen region - by 21.7% and in Yugoiztochen region - by 5.4%. In Severozapaden region an increase in the price of rent payment compared to the previous year by 2.0% was reported. Compared to the previous year, the rent price of arable land in Yugozapaden and Yuzhen tsentralen regions remained unchanged (Table 4).

#### 4. Average rent prices of arable land by statistical regions in the period 2014 - 2020

Statistical regions	(BGN/dca)						
	2014	2015	2016	2017	2018	2019	2020
<b>Total</b>	<b>43</b>	<b>44</b>	<b>44</b>	<b>47</b>	<b>50</b>	<b>49</b>	<b>46</b>
Severozapaden	39	41	42	45	48	50	51
Severen tsentralen	50	53	54	57	59	60	59
Severoiztochen	62	64	65	68	70	69	54
Yugoiztochen	31	31	32	34	35	37	35
Yugozapaden	19	21	23	28	30	30	30
Yuzhen tsentralen	27	28	27	31	32	32	32

## Methodological notes

The Survey on the agricultural land prices and rents was carried out in compliance with the Common Methodology<sup>1</sup> of Eurostat taking into account the national features in the agricultural land market development and rents relations in Bulgaria.

**Respondents.** The respondents were selected amongst three group of entities: agricultural holdings, societies dealing with agricultural land operations and real estate agencies. Three data sources for this selection of respondents were used: Annual Report of non-financial enterprises (with stable economic activity 'agriculture'), Annual Report of specialized investment societies (investments in land) - expenditures for acquisition of tangible fixed assets and Annual Report of Agricultural Holdings. As criteria for the selection of respondents the value of costs incurred for acquisition of agricultural land and for paid rents was used. It was applied threshold above which all units were observed exhaustively.

**Geographical coverage.** The survey covered all national territory. By reason of using threshold, it was possible any administrative units (districts) in which the respondents did not meet the requirements of the defined threshold, to be excluded from the scope of the survey. Normally these were districts in which the number of land transactions and hiring of agricultural land were limited. Because of this, data for them often were classified as confidential and according to the requirements of the Law on statistics they should not be disseminated.

**Referent period.** According to the Common Methodology of Eurostat, the referent period was a calendar year. As usual, the contracts for rent/lease of agricultural land were signed for a crop year. In compliance with the Methodology into the scope of the survey were included all contracts in force during the calendar year, regardless of the crop year to which they referred and when the payments will be made up. Contracts for rent of agricultural land continued for one year and for the lease of land - at least four years.

**Land use categories.** Three land use categories were observed: arable land, meadows and pastures. To ensure compliance with the Common Methodology of Eurostat the meadows and pastures were summarised in a common category - permanent grassland and average price for this category was calculated.

**Unit for measurement.** According to the practice for agricultural land transactions and land rent/lease in Bulgaria data were collected in BGN per one decare agricultural land.

**Price of agricultural land transactions.** According to the Common Methodology of Eurostat collected information referred to the land transaction and rent/lease of agricultural land, which was used only for agricultural production, i.e. its further use will not be changed.

The price of agricultural land transactions was the price paid by the owner on the free market, including taxes and leaves (without VAT) paid per one decare. The price did not include amounts paid for the rights to use, the monetary compensations, received by the landowner for the sale or acquisition of land, the value of buildings on the land, paid inheritance and received subsidies (if there were).

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<sup>1</sup> Common Methodology on Land Prices and Rents, adopted by the Agricultural Accounts and Prices Working Group, 15 February 2017, Eurostat, Luxemburg.

**Price of rents for hired/leased agricultural land.** The value of rent/lease of agricultural land was the value paid to the landowner per one decare as a return for supplying its assets to the land user. The value included also all payments in kind evaluated at the prices of the current year and as well as the taxes and leaves paid. The value did not include amounts paid for the rights to use, the value of buildings or dwellings, situated on the rented/leased land, as well as the costs related to other assets (current costs of building maintenance, insurance and depreciation of buildings and others).

**Calculation of average prices.** At municipality level (LAU2) the average price of land transactions/rented areas for the respective land use category was calculated as average arithmetical mean from the prices, reported by the respondents. At NUTS3 level (district), NUTS2 level (statistical region), NUTS1 level (statistical zone) and NUTS0 (national level) the average price for the respective land use category was calculated as average weighted value. For the land transactions the area of arable land and permanent grassland were used, while for the rent prices the hired/leased land was used. The size of areas (weights) is regularly updated once the data from the last Farm Structure Survey<sup>1</sup> were released.

**Data confidentiality.** The data confidentiality was ensured in compliance with paragraphs 25 to 27 of the Law on Statistics.

Information about the methodology and data collected within the Survey on the agricultural land prices and rents in Bulgaria was published on the NSI website: [www.nsi.bg/en/content/11615/agricultural-land-market-and-rent](http://www.nsi.bg/en/content/11615/agricultural-land-market-and-rent).

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<sup>1</sup> Farm structure surveys in Bulgaria are conducted by the Ministry of Agriculture, Food and Forestry. In the years ending in 0, exhaustive surveys (Censuses) are conducted, and sample surveys in the years ending in 3 and 6 (between the two censuses).