



AGRICULTURAL LAND PRICES AND RENTS IN AGRICULTURE IN THE REPUBLIC OF BULGARIA IN 2013

Price of the Agricultural Land transactions in the Republic of Bulgaria in 2013

The average price per one decar agricultural land reached 594 BGN in 2013, which was 8.6% higher than in 2012. In comparison with previous year highest was the increase in the price of vineyards - by 21.8%. The increase in the price of arable land was by 11.7% and in orchards - by 5.1%. Only for the permanent grassland decrease of price by 8.8% was registered (Table1).

1. Average prices of agricultural land transactions by land use categories during the period 2010-2013

bgn/dca

Categories of land	2010	2011	2012	2013
Agricultural land - total	279	398	547	594
of which:				
Arable land	279	413	556	621
Orchards	242	284	412	433
Vineyards	206	248	262	319
Permanent grassland	189	207	217	198

Though there was some decline in 2013 in comparison to previous year, the highest price of agricultural land was the in Severoiztochen region - 827 BGN per one decar. In comparison to the previous year the highest increase in the land price per one decar was registered in the Yugoiztochen - by 38.7%, while in the Yuzhen Centralen and Yugozapaden region a decrease was registered - respectively by 1.9% and 35.0% (Table 2).



2. Average prices of agricultural land transactions by regions during the period 2010-2013

bgn/dca

Statistical regions	2010	2011	2012	2013
Total	279	398	547	594
Severozapaden region	249	420	493	598
Severen tsentralen region	295	447	623	708
Severoiztochen region	365	555	860	827
Yugoiztochen region	230	271	346	480
Yugozapaden region	302	237	463	301
Yuzhen tsentralen region	230	292	364	357

Prices of Rent for Agricultural Land in Bulgaria in 2013

The average rent price per one decar hired/leased agricultural land in 2013 reached 38 BGN, which was by 11.8% higher than in 2012. In comparison to the previous year the highest increase was in the price of vineyards - by 61.9%. Thus, in 2013 the vineyards exceeded the price for orchards and approached the price for arable land. Amongst the observed land use categories only for permanent grassland decrease by 11.1% was registered (Table 3).

3. Average rent prices of agricultural land by land use categories during the period 2010-2013

bgn/dca

Categories of land	2010	2011	2012	2013
Agricultural land - total	23	30	34	38
Arable land	24	30	36	39
of which:				
Orchards	16	20	29	30
Vineyards	13	26	21	34
Permanent grassland	12	13	18	16



In 2013 the highest price per one decar hired/leased agricultural land was in Severoiztochen region - 58 leva, which was more than three times higher than the value in Yugozapaden region and two times higher than in Yugoiztochen region. Increasing of rent payment in comparison to the previous year was observed in all statistical regions (Table 4).

4. Average rent prices of agricultural land by regions during the period 2010-2013

bgn/dca

Statistical regions	2010	2011	2012	2013
Total	23	30	34	38
Severozapaden region	19	22	29	34
Severen tsentralen region	25	33	41	46
Severoiztochen region	40	50	53	58
Yugoiztochen region	15	22	28	29
Yugozapaden region	13	15	15	16
Yuzhen tsentralen region	13	20	22	24



Methodological annotation

The survey about the agricultural land prices and rents was carried out in compliance with the Target Methodology¹ of Eurostat taking into account in the same time national features in the agricultural land market development and rents relations Bulgaria.

Respondents. The survey included 2107 respondents, of which 1812 agricultural holdings, 40 societies dealing with agricultural land operations and 255 real estate agencies. According to the Target Methodology of Eurostat the collected information referred to the prices of agricultural land that will be used only for agricultural production, i.e. its further use could not be changed. As criteria for the selection of respondents was used the value of costs incurred for acquisition of agricultural land and for paid rents. It was applied threshold above which all units were observed exhaustively.

Geographical coverage. The survey covered all national territory.

Referent period. According to the Target Methodology of Eurostat the referent period was calendar year. As usual the contracts for rent/lease of agricultural land were signed for crop year. In compliance with the Methodology into the scope of the survey were included all new contracts, signed during the calendar year, without to which crop year they referred and when the payments will be made up. As new contracts were considered also those, which were signed during the previous years, but in the referent period the price was changed by annex to the main contract. Contracts for rent of agricultural land continued for one year and for the lease of land - at least four years.

Land use categories. Five land use categories were observed: arable land, orchards, vineyards, meadows and pastures. These were the main land categories in Bulgaria, which were mentioned in the contracts for land transactions and land rent/lease. To ensure compliance with the Target Methodology of Eurostat the meadows and pastures were summarised in a common category - permanent grassland and average price for this category was and calculated.

Land quality categories. In Bulgaria the land quality categories were ten. For the purposes of survey they were grouped in two groups – from first to fifth and from sixth to tenth category.

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

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

Price of rents for hired/leased agricultural land. The value of rent was the value paid to land owner per one decar as return for supplying its assets to the land user. The value included all payments in kind evaluated at the prices of current year and as well as the taxes and leaves paid. The value did not included amounts paid for the rights for use, 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).

¹ Target Methodology on Land Prices and Rents, adopted by the Committee for Agricultural Statistics, 17-18 May 2010, Eurostat, Luxemburg (doc. ESTAT/CPSA/583).



Calculation of average prices. At municipality and at district level the prices were calculated as average weighted of absolute prices and corresponding areas identified during the study. At national level and at levels NUTS1 (statistical zones) и NUTS2 (statistical regions) the prices were calculated of average weighted prices at lower level and corresponding land use category form the Farm Structure Survey (Agricultural Census in Bulgaria in 2010), carried out by the Ministry of Agriculture and Food.

Information about the methodology and data collected within the survey on the land market and rents in agriculture in Bulgaria was published on the internet site of the NSI:

<http://www.nsi.bg/en/content/11615/agricultural-land-market-and-rent>